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GLOBAL DATA CENTRE GROUP

ASX Release

29 August 2022

Global Data Centre Group (ASX: GDC)

Appendix 4E – For the year ended 30 June 2022

Global Data Centre Group (“**the Group”; ASX: GDC**) comprises the stapling of Global Data Centre Investment Fund (**GDCIF**) (ARSN 635 566 531) and Global Data Centre Operations Fund (**GDCOF**) (ARSN 638 320 420).

This Preliminary Financial Report is given to the ASX in accordance with Listing Rule 4.3A. This report should be read in conjunction with the Financial Report for the year ended 30 June 2022. It is also recommended that the Financial Report be considered together with any public announcements made by the Group. Reference should also be made to the statement of significant accounting policies as outlined in the Financial Report. The Financial Report for the year ended 30 June 2022 is attached and forms part of this Appendix 4E.

Details of reporting period

Current reporting period:	1 July 2021 – 30 June 2022
Prior corresponding period:	1 July 2020 – 30 June 2021

Results announcement to the market

	30 Jun 2022 $‘000	30 Jun 2021 $‘000	Movement $‘000	Movement %
Revenue and other income from ordinary activities	17,607	19,857	(2,250)	(11.3)
Profit attributable to stapled securityholders for the period	589	8,881	(8,292)	(93.4)
Operating EBITDA[1]	3,772	2,557	1,215	47.5%

[1] Operating EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the EBITDA under AAS adjusted for specific non-operating items. The Responsible Entity considers Operating EBITDA to reflect the core earnings of the Group. Operating EBITDA is used by the Board and Investment Manager to make strategic decisions. A reconciliation of the Group’s statutory profit to Operating EBITDA is provided in Note 1 of the Financial Report.

	30 Jun 2022 Cents per security	30 Jun 2021 Cents per security	Movement Cents per security	Movement %
Earnings per security – Basic and diluted	0.8	14.3	(13.5)	(94.5)
Operating EBITDA per security	5.1	4.1	1.0	24.4%

Distributions

	Cents per Security	Total paid $'000	Date of payment
June quarter distribution	1.2	787	28 July 2021
Total distribution for the year ended 30 June 2021	**1.2**	**787**	

There were no distributions declared for the year ended 30 June 2022.

Distribution reinvestment plan

N/A

Net tangible asset per security

	30 Jun 2022 $	30 Jun 2021 $
NTA per security	1.55	1.63

The reduction in NTA primarily reflects the intangible assets recognised on the acquisition of Etix ITEL Bangkok Co., Ltd business during the period. Refer to Note 8 Intangible Assets of the Financial Report.

Control Gained or Lost over Entities during the year

Refer to Note 21 Controlled Entities of the Financial Report.

Details of Associates and Joint Venture Entities

Refer to Note 9 Investments Equity Accounted of the Financial Report.

GLOBAL DATA CENTRE GROUP

Financial Report
For the year ended 30 June 2022

General Information

The financial report of Global Data Centre Group (GDC) (the Group) comprises the consolidated financial statements of Global Data Centre Investment Fund (GDCIF) (ARSN 635 566 531) and its controlled entities. The financial report of Global Data Centre Operations Fund (GDCOF) (ARSN 638 32 420) comprises the consolidated financial statements of Global Data Centre Operations Fund and its controlled entities. A GDC stapled security comprises one GDCIF unit stapled to one GDCOF unit to create a single listed entity traded on the ASX. The stapled security cannot be traded or dealt with separately.

The Responsible Entity of the Group is Evolution Trustees Limited (ABN 29 611 839 519) (AFS License No. 486217). Its registered office and the principal place of business is Suite 703B, Level 7, 1 York Street, Sydney NSW 2000 Australia.

The financial statements were authorised for issue, in accordance with a resolution of the directors of the Responsible Entity, on 29 August 2022.

Contents

The Directors of Evolution Trustees Limited (Evolution) (ABN 29 611 839 519) (AFSL No 486217), the Responsible Entity, present their report together with the financial report of Global Data Centre Group (ASX: GDC) (the Group or Fund or consolidated entity) and Global Data Centre Operations Fund for the year ended 30 June 2022.

Global Data Centre Group is a stapled entity comprising Global Data Centre Investment Fund (GDCIF) (Parent Entity) and its controlled entities and Global Data Centre Operations Fund (GDCOF) and its controlled entities.

Directors

On 13 April 2022, Securityholders of the Group approved the retirement of 360 Capital FM Limited as Responsible Entity of the Group and appointment of Evolution Trustees Limited as the new Responsible Entity.

The following persons were Directors of Evolution Trustees Limited from the date of their appointment as Responsible Entity of the Group on 14 April 2022 to the date of this report, unless otherwise stated:

Rupert Clive Smoker
David Roko Grbin
Alexander James Calder
Ben Michael Norman (Alternate)

The following persons were Directors of 360 Capital FM Limited (the retired Responsible Entity) during the year up to the date of their retirement as Responsible Entity of the Group on 14 April 2022 unless otherwise stated:

David van Aanholt
Tony Robert Pitt
William John Ballhausen
Andrew Graeme Moffat
Anthony McGrath (appointed 1 March 2022)

Principal activities

The GDCIF was established and commenced operations on 2 July 2019 and was registered as a managed investment scheme on 28 August 2019. It commenced trading on the Australian Securities Exchange (ASX) on 31 October 2019.

The GDCOF was established on 6 January 2020. It was registered as a managed investment scheme on 10 January 2020. It was stapled to the GDCIF on 17 March 2020 and the Group commenced trading as a stapled security on 18 March 2020.

The Group listed on the ASX as a unique, opportunistic fund investing in a pool of digital infrastructure assets not usually available to retail investors. The Group’s objective is to deliver an internal rate of return of 10.0% plus per annum through disciplined investment in a broad range of digital infrastructure opportunities.

Operating and financial review

Key financial highlights for the year ended 30 June 2022

Statutory net profit

$0.6m

Statutory net profit attributable to securityholders of $0.6 million (equating to 0.8 cps) down from $8.9 million in prior year due to lower current year asset revaluations.

Operating EBITDA

$3.8m

Operating EBITDA[1] of $3.8 million (equating to 5.1 cps) increased by 47% driven by full year inclusion of Etix Everywhere EBITDA.

Key operational achievements for the year ended 30 June 2022

New Investments

2

Acquisition through Etix Everywhere of a new wholly owned Nantes 3 data centre and 67% interest in Bangkok data centre.

Capital Deployed

$21m

Mainly driven through the ~$15m acquisition of Bangkok data centre and expansion of its Stage 2 fit-out.

Capital Recycled

$18m

Disposal of interest in Guam data centre in June 2022 to allow redeployment of capital into Etix Everywhere pipeline.

Etix Everywhere MW Operating Capacity

4.1MW

Represents an increase from June 2021 of 148% driven by acquisition in Nantes 3 and Bangkok plus expansions in Nantes 2 and Belgium.

1 Operating EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the EBITDA under AAS adjusted for non-operating items. The Responsible Entity considers Operating EBITDA to reflect the core earnings of the Group. Operating EBITDA is used by the Board and Investment Manager to make strategic decisions. The Operating EBITDA has not been subject to any specific audit procedures by the Group's auditor but has been extracted from Note 1: Segment reporting.

Financial overview

The Group's statutory net profit attributable to securityholders for the year ended 30 June 2022 was $0.6 million (30 June 2021: $8.9 million). The Group's balance sheet as at 30 June 2022 had gross assets of $200.6 million (30 June 2021: $163.8 million).

The Group's operating EBITDA (EBITDA before non-operating items) for the year ended 30 June 2022 was $3.8 million (30 June 2021: $2.6 million).

GDCOF's statutory net loss attributable to securityholders for the year ended 30 June 2022 was $4.4 million (30 June 2021: profit $26 thousand). GDCOF's balance sheet as at 30 June 2022 had gross assets of $95.0 million (30 June 2021: $71.9 million).

GDCOF's operating EBITDA (EBITDA before non-operating items) for the year ended 30 June 2022 was $2.6 million (30 June 2021: $1.5 million).

Group Overview

The Group has been very active in deploying capital into investment opportunities during the year.

Etix Everywhere
In Europe Etix Everywhere has continued to grow through the acquisition of a new wholly owned data centre (Nantes 3) and expansion of two of its joint venture interests in Nantes 2 and Belgium. It successfully acquired its first site in Asia through the 67% interest in a Bangkok data centre and Stage 2 came online at the beginning of August 2022 on the back of strong customer demand. In total, the Etix data centre portfolio now has 4.1MW operational capacity (up 148% from June 2021).

AirTrunk
The Group has obtained its hyperscale investment exposure through its investment into the MIRA led consortium that acquired an 88% stake in AirTrunk. During the year AirTrunk opened its first data centre in Tokyo with 300MW capacity. AirTrunk also announced plans to expand into a third Sydney data centre with 320MW capacity and a second Tokyo data centre with 110MW capacity, creating total platform capacity of 1.2GW. It has also closed the first Sustainability Linked Loan in Asia for $2.1 billion.

Guam
In June 2022 the Group has disposed of its 66% ownership interest in Asia Connectivity Elements, Inc. (ACE), which in turn held a 51% interest in Gateway Network Connections, LLC (GNC), for $18.5 million before transaction costs and working capital hold back adjustments.

Malaga
In October 2021 the Group refinanced its facility with Bankwest creating additional $4.75 million capacity which was drawn down in the second half of the financial year. The asset continues to perform in line with its lease terms with no arrears from the tenant.

Summary and Outlook

The digital infrastructure sector has, as predicted, seen a significant amount of growth in the period driven by the ongoing growth in internet usage and more importantly the significant growth in cloud adoption. In particular cloud provider investment in data centres has proven more robust than expected. Going forward it is expected these trends will continue through the impact of 5G investment by mobile carriers.

Investment Strategy

The Group aims to provide unitholders with income and capital returns from investing in a diverse portfolio of data centre assets. The Investment Manager believes that the digital revolution is creating a once in a lifetime investment cycle in technology infrastructure assets to support the rapid growth of cloud, Internet and a hyper connected world.

Risks

The effects of the COVID-19 global pandemic continue to unfold, and the ultimate impact globally are still unknown. The Group has considered the impact of COVID-19 in preparing its financial report for the year. The pandemic has provided a huge amount of focus on digital infrastructure and how important a role it plays in society. Whether it be from home working or schooling, video conferencing or streaming entertainment, the Group is fortunate to be one of the few sectors benefiting in these challenging times.

On 24 February 2022 Russia began its invasion of Ukraine. The Group and GDCOF has direct exposure to Europe through its investment in Etix Everywhere which has data centre interests in France and Belgium. The data centres are not located directly near the conflict, but the impact of Russia's invasion is creating risks across wider Europe such as energy prices. The Group continues to monitor the impact of the conflict and has considered its impact when preparing the financial statements based on the facts and circumstances at that time.

Rising interest rates could impact the Group through increasing finance costs on its floating rate loans. The Group uses a combination of fixed and floating rate financing and continues to monitor and assess the interest rate exposures and its impact on the Group's financial performance.

Customer and stakeholders continue to focus on ESG especially in light of the data centre sector's usage of energy. The Investment Manager is developing an ESG strategy to address these areas of focus for the Group.

Despite a large amount of capital seeking opportunities in the sector, the Group is confident that its deep sector knowledge and strong relationships coupled with our style of investment will continue to allow us to differentiate from other investors in the sector.

Distributions

Total distributions paid or payable to securityholders by the Group for the year were as follows:

	Group		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Distributions				
June 2021 quarter distribution 1.2 cps paid on 28 July 2021	-	787	-	-
Total	**-**	**787**	**-**	**-**

Buy back arrangements

As detailed in the Fund constitution, the Responsible Entity is not under any obligation to buy back, purchase or redeem securities from securityholders. During the year and previous year the following securities were bought back and cancelled:

	Group		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Buy backs				
341,798 stapled securities on 20 July 2020[1]	-	556	-	170
68,667 stapled securities on 21 July 2020[2]	-	113	-	35
Total	**-**	**669**	**-**	**205**

[1] At an average price per unit for Group of $1.6271 and GDCOF $0.4979
[2] At an average price per unit for Group of $1.6452 and GDCOF $0.5034

Options

No options over issued securities or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and Executives of the Responsible Entity hold no options over interests in the Group.

Securities issued in the Group

New securities were all issued during the current and prior years as disclosed in Note 14.

Number of interests on issue

As at 30 June 2022, the number of units on issue in the Group and GDCOF was 77,272,800 (30 June 2021: 65,617,816).

Securities held by the Responsible Entity or Related Parties of the Responsible Entity

As at 30 June 2022 related parties of the Responsible Entity held securities in the Group and GDCOF, as detailed in Note 26 to the financial statements.

Fees, commissions or other charges by the Responsible Entity or Related Parties of the Responsible Entity

All fees payable to the Responsible Entity or its related parties are detailed in Note 26 to the financial statements.

Significant changes in state of affairs

On 15 December 2021, Mr David Yuile acquired 360 Capital's remaining 50% stake in the investment manager of the Group (360 Capital Digital Management Pty Limited) and subsequently renamed the investment manager to Lanrik Partners Pty Ltd on 23 December 2021.

On 13 April 2022, Securityholders of the Group approved the retirement of 360 Capital FM Limited as Responsible Entity of the Group and appointment of Evolution Trustees Limited as the new Responsible Entity.

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the year under review other than those listed above or elsewhere in the Responsible Entity's report.

Likely developments and expected results of operations

The Group will continue to invest in digital infrastructure assets and seek to actively manage a diversified portfolio of investments as outlined in the Product Disclosure Statements (PDS) dated 1 October 2019 and 21 February 2020.

Events subsequent to balance date

As at 30 June 2022 the Group is in compliance with its bank covenants. In relation to its banking facility on the Malaga data centre, based on the quarterly interest rate reset on 11July 2022, the Group expects the ICR ratio to be 2.64 (which could change in the future subject to BBSY changes) which is below the loan covenant of 3.15. The lender has the ability to review the ICR covenant from time to time at its discretion. The Group is in constructive discussions with the lender to resolve the ICR covenant issue. The Group continues to meet all of its interest and principal obligations and due to cash reserves exceeding the loan value remains a going concern.

No other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Issues

The Group complied with all environmental regulations during the course of the financial year.

Indemnification and insurance of Directors and Officers

During or since the end of the financial year, the Responsible Entity has paid insurance premiums (which cannot be disclosed under the terms of the policy) to insure each of the aforementioned Directors as well as Officers of the Responsible Entity of the Group against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity of the Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity. Insurance premiums are paid out of Evolution Trustees Limited and not out of the assets of the Group. The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer of the Responsible Entity.

Indemnification and insurance of Auditors

To the extent permitted by law, the Responsible Entity has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-audit services

Disclosed in Note 24 were the non-audit services provided by the Group's auditors. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditor's independence declaration

The auditor's independence declaration required under Section 307C of the *Corporations Act 2001* is set out immediately after this responsible entity report.

Stapled group report

Global Data Centre Group is an entity of the kind referred to in ASIC Corporations (Stapled Group Reports) Instrument 2015/838 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the annual financial report and Responsible Entity report include the consolidated results of Global Data Centre Group alongside the results of the Global Data Centre Operations Fund presented in adjacent columns.

Rounding of amounts

The Group and GDCOF are entities of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the financial report and Responsible Entity report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Rupert Smoker
Director

Sydney
29 August 2022

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Building a better
working world

Auditor's independence declaration to the directors of Evolution Trustees Limited as Responsible Entity for Global Data Centre Group and Global Data Centre Operations Fund

As lead auditor for the audit of the financial report of Global Data Centre Group and Global Data Centre Operations Fund for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Global Data Centre Group and the entities it controlled during the financial year and Global Data Centre Operations Fund and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Douglas

Douglas Bain
Partner
29 August 2022

Global Data Centre Group
Consolidated statement of profit or loss
For the year ended 30 June 2022

		Group		GDCOF	
		30-Jun	30-Jun	30-Jun	30-Jun
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Revenue from continuing operations					
Rental from investment properties	6	2,610	2,544	-	-
Data centre services revenue		10,187	4,399	10,187	4,399
Distribution income		-	837	-	837
Finance revenue		46	121	5	71
Total revenue from continuing operations		**12,843**	**7,901**	**10,192**	**5,307**
Other income					
Net gain on fair value of investment properties	6	1,000	8,000	-	-
Net gain on fair value of financial assets	10	1,812	2,462	-	-
Net gain on disposal of subsidiary	20	-	558	-	558
Unrealised foreign exchange gains		1,547	-	-	6
Share of equity accounted profits	9	-	586	-	586
Other income		405	350	405	350
Total other income		**4,764**	**11,956**	**405**	**1,500**
Total revenue from continuing operations and other income		**17,607**	**19,857**	**10,597**	**6,807**
Investment property expenses	6	133	128	-	-
Data centre facility costs		4,474	2,332	4,474	2,332
Administration expenses		2,623	1,122	2,456	874
Management fees	26	1,826	1,392	735	512
Employee benefits expense	3	2,764	1,245	2,764	1,245
Finance expenses		744	391	255	22
Foreign exchange losses		-	925	18	-
Transaction costs		966	2,331	841	917
Depreciation and amortisation	7,8	1,735	464	1,735	464
Share of equity accounted losses	9	907	-	907	
Fair value loss on consolidation	19	-	461	-	461
Realised loss on financial asset	10	-	231	-	-
Loss on disposal of subsidiary	20	579	-	579	-
Other expenses		9	54	9	54
Profit/(loss) from continuing operations before tax		**847**	**8,781**	**(4,176)**	**(74)**
Income tax expense/(benefit)	4	506	(323)	506	(323)
Profit/(loss) for the year		**341**	**9,104**	**(4,682)**	**249**

Global Data Centre Group
Consolidated statement of profit or loss
For the year ended 30 June 2022

		Group		GDCOF	
		30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021
	Note	$'000	$'000	$'000	$'000
Total profit/(loss) attributable to:					
Securityholders of GDCIF		5,023	8,855	-	-
Securityholders of GDCOF		(4,434)	26	(4,434)	26
Profit/(loss) attributable to stapled securityholders		**589**	**8,881**	**(4,434)**	**26**
External non-controlling interest		(248)	223	(248)	223
Profit/(loss) for the year		**341**	**9,104**	**(4,682)**	**249**
Earnings per security for profit after tax attributable to the securityholders of Global Data Centre Group		**cents**	**cents**	**cents**	**cents**
Basic and diluted earnings per security	25	**0.8**	**14.3**	**(5.9)**	**0.0**

The above consolidated statements of profit or loss should be read with the accompanying notes.

Global Data Centre Group
Consolidated statement of other comprehensive income
For the year ended 30 June 2022

		Group		GDCOF	
		30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021
	Note	$'000	$'000	$'000	$'000
Profit/(loss) for the year		**341**	**9,104**	**(4,682)**	249
Other comprehensive income					
Other comprehensive income which may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		519	(2,626)	519	(2,626)
Foreign currency translation recycled to profit or loss		(1,135)	-	(1,135)	-
Net other comprehensive loss		**(616)**	**(2,626)**	**(616)**	**(2,626)**
Total comprehensive income/(loss) for the year		**(275)**	**6,478**	**(5,298)**	**(2,377)**
Total comprehensive income/(loss) attributable to:					
Securityholders of GDCIF		5,023	8,855	-	-
Securityholders of GDCOF		(5,856)	(2,379)	(5,856)	(2,379)
Total comprehensive income/(loss) attributable to stapled securityholders		**(833)**	**6,476**	**(5,856)**	**(2,379)**
External non-controlling interest		558	2	558	2
Total comprehensive income/(loss) for the year		**(275)**	**6,478**	**(5,298)**	**(2,377)**

The above consolidated statement of comprehensive income should be read with the accompanying notes.

Global Data Centre Group
Consolidated statement of financial position
As at 30 June 2022

		Group		GDCOF	
		30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021
	Note	$'000	$'000	$'000	$'000
Current assets					
Cash and cash equivalents	15	43,112	21,286	18,774	5,364
Receivables	5	7,036	2,290	7,026	2,284
Loan receivable		2,700	2,299	2,700	2,299
Total current assets		**52,848**	**25,875**	**28,500**	**9,947**
Non-current assets					
Financial assets at fair value through profit or loss	10	35,248	30,975	-	-
Property, plant and equipment	7	28,598	3,527	28,598	3,527
Intangible assets	8	30,939	22,722	30,939	22,722
Investment properties	6	46,000	45,000	-	-
Investments equity accounted	9	6,571	34,960	6,571	34,960
Deferred tax asset	11	384	748	384	748
Total non-current assets		**147,740**	**137,932**	**66,492**	**61,957**
Total assets		**200,588**	**163,807**	**94,992**	**71,904**
Current liabilities					
Trade and other payables	12	8,091	2,786	40,214	24,055
Distribution payable	2	-	787	-	-
Borrowings	13	1,107	193	1,107	193
Total current liabilities		**9,198**	**3,766**	**41,321**	**24,248**
Non-current liabilities					
Borrowings	13	38,114	20,682	13,425	755
Deferred tax liability	11	2,294	1,772	2,294	1,772
Provisions		28	29	28	29
Total non-current liabilities		**40,436**	**22,483**	**15,747**	**2,556**
Total liabilities		**49,634**	**26,249**	**57,068**	**26,804**
Net assets		**150,954**	**137,558**	**37,924**	**45,100**

Global Data Centre Group
Consolidated statement of financial position
As at 30 June 2022

		Group		GDCOF	
		30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021
	Note	$'000	$'000	$'000	$'000
Equity					
Issued capital – GDCIF securities	14	100,976	85,427	-	-
Issued capital – GDCOF securities	14	44,997	38,950	44,997	38,950
Foreign currency translation reserve		(3,827)	(2,405)	(3,827)	(2,405)
Retained earnings / (Accumulated losses)		6,954	6,365	(5,100)	(666)
Total equity attributable to securityholders		**149,100**	**128,337**	**36,070**	**35,879**
External non-controlling interests		1,854	9,221	1,854	9,221
Total equity		**150,954**	**137,558**	**37,924**	**45,100**

The above consolidated statements of financial position should be read with the accompanying notes.

Global Data Centre Group
Consolidated statement of changes in equity
For the year ended 30 June 2022

Group

	Note	Issued capital $'000	Security based payment reserve $'000	Retained earnings / (Accumulated losses) $'000	Foreign currency translation reserve $'000	Total equity attributable to Securityholders $'000	External Non Controlling Interest $'000	Total equity $'000
Balance at 1 July 2021		124,377	-	6,365	(2,405)	**128,337**	9,221	**137,558**
Profit/(loss) for the period		-	-	589	-	**589**	(248)	**341**
Other comprehensive income		-	-	-	(1,422)	**(1,422)**	806	**(616)**
Total comprehensive income/(loss) for the year		-	-	589	(1,422)	**(833)**	558	**(275)**
Acquisition of a subsidiary	19(a)	-	-	-	-	**-**	1,999	**1,999**
Disposal of a subsidiary		-	-	-	-	**-**	(9,924)	**(9,924)**
Transactions with Securityholders in their capacity as Securityholders								
Issued securities	14	22,494	-	-	-	**22,494**	-	**22,494**
Equity raising transaction costs	14	(898)	-	-	-	**(898)**	-	**(898)**
Distributions	2	-	-	-	-	**-**	-	**-**
		21,596	-	-	-	**21,596**	-	**21,596**
Balance at 30 June 2022		**145,973**	**-**	**6,954**	**(3,827)**	**149,100**	**1,854**	**150,954**
Balance at 1 July 2020		110,419	187	(1,729)	-	**108,877**	308	**109,185**
Profit/(loss) for the period		-	-	8,881	-	**8,881**	223	**9,104**
Other comprehensive income		-	-	-	(2,405)	**(2,405)**	(221)	**(2,626)**
Total comprehensive income/(loss) for the year		-	-	8,881	(2,405)	**6,476**	2	**6,478**
Acquisition of a subsidiary	19(c)	-	-	-	-	**-**	9,219	**9,219**
Transactions with Securityholders in their capacity as Securityholders								
Issued securities	14	15,149	-	-	-	**15,149**	-	**15,149**
Security buy back	14	(669)	-	-	-	**(669)**	-	**(669)**
Security based payment transactions		-	72	-	-	**72**	-	**72**
Equity raising transaction costs	14	(522)	-	-	-	**(522)**	-	**(522)**
Distributions	2	-	-	(787)	-	**(787)**	-	**(787)**
		13,958	72	(787)	-	**13,243**	-	**13,243**
Balance at 30 June 2021		**124,377**	**-**	**6,365**	**(2,405)**	**128,337**	**9,221**	**137,558**

Global Data Centre Group
Consolidated statement of changes in equity
For the year ended 30 June 2022

GDCOF

		Issued capital	Security based payment reserve	Retained earnings / (Accumulated losses)	Foreign currency translation reserve	Total equity attributable to Securityholders	External Non Controlling Interest	Total equity
Balance at 1 July 2021		38,950	-	(666)	(2,405)	**35,879**	9,221	**45,100**
Profit/(loss) for the period		-	-	(4,434)	-	**(4,434)**	(248)	**(4,682)**
Other comprehensive income		-	-	-	(1,422)	**(1,422)**	806	**(616)**
Total comprehensive income/(loss) for the year		-	-	(4,434)	(1,422)	**(5,856)**	558	**(5,298)**
Acquisition of a subsidiary	19(a)	-	-	-	-	**-**	1,999	**1,999**
Disposal of a subsidiary		-	-	-	-	**-**	(9,924)	**(9,924)**
Transactions with Securityholders in their capacity as Securityholders								
Issued securities	14	6,298	-	-	-	**6,298**	-	**6,298**
Equity raising transaction costs	14	(251)	-	-	-	**(251)**	-	**(251)**
		6,047	-	-	-	**6,047**	-	**6,047**
Balance at 30 June 2022		**44,997**	**-**	**(5,100)**	**(3,827)**	**36,070**	**1,854**	**37,924**
Balance at 1 July 2020		34,577	187	(692)	-	**34,072**	308	**34,380**
Profit/(loss) for the period		-	-	26	-	**26**	223	**249**
Other comprehensive income		-	-	-	(2,405)	**(2,405)**	(221)	**(2,626)**
Total comprehensive income/(loss) for the year		-	-	26	(2,405)	**(2,379)**	2	**(2,377)**
Acquisition of a subsidiary	19(c)	-	-	-	-	**-**	9,219	**9,219**
Disposal of a subsidiary		-	(259)	-	-	**(259)**	(308)	**(567)**
Transactions with Securityholders in their capacity as Securityholders								
Issued securities	14	4,742	-	-	-	**4,742**	-	**4,742**
Security buy back	14	(205)	-	-	-	**(205)**	-	**(205)**
Security based payment transactions		-	72	-	-	**72**	-	**72**
Equity raising transaction costs	14	(164)	-	-	-	**(164)**	-	**(164)**
		4,373	72	-	-	**4,445**	-	**4,445**
Balance at 30 June 2021		**38,950**	**-**	**(666)**	**(2,405)**	**35,879**	**9,221**	**45,100**

The above consolidated statements of changes in equity should be read with the accompanying notes.

Global Data Centre Group
Consolidated statement of cash flows
For the year ended 30 June 2022

		Group		GDCOF	
		30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021
	Note	$'000	$'000	$'000	$'000
Cash flows from operating activities					
Cash receipts from customers (inclusive GST)		15,270	9,115	12,411	6,317
Cash payments to suppliers (inclusive of GST)		(11,972)	(7,826)	(10,503)	(6,479)
Payment of transaction costs to acquire subsidiaries		(62)	(824)	(62)	(824)
Withholding tax paid		(2,775)	-	(2,775)	-
Finance revenue		46	121	5	71
Finance expense		(677)	(280)	(261)	(32)
Net cash inflows/(outflows) from operating activities	15(b)	**(170)**	**306**	**(1,185)**	**(947)**
Cash flows from investing activities					
Payments for property, plant and equipment		(10,845)	(844)	(10,845)	(844)
Payments for intangible assets		(4)	(198)	(4)	(198)
Payment for financial assets		(896)	(34,270)	-	-
Payment for capital contribution to joint ventures		(700)	(586)	(700)	(586)
Proceeds from loans receivables		-	74	-	74
Payment to fund loans receivables		(500)	-	(500)	-
Proceeds from redemption of financial asset		-	1,269	-	-
Acquisition of subsidiaries – net of cash acquired	19	(14,727)	(43,204)	(14,727)	(53,050)
Disposal of subsidiaries – net of cash disposed	20	18,251	1,978	18,251	1,978
Net cash outflows from investing activities		**(9,421)**	**(75,781)**	**(8,525)**	**(52,626)**
Cash flows from financing activities					
Proceeds from borrowings		10,852	20,000	6,102	-
Repayment of borrowings		(172)	(70)	(172)	(70)
Payment for borrowing costs		(30)	(108)	-	-
Proceeds from related party borrowings		-	-	11,185	21,423
Proceeds from issue of capital		22,494	15,149	6,298	4,742
Payment of transaction costs to issue capital		(898)	(522)	(251)	(164)
Payment for buyback of stapled securities		-	(669)	-	(205)
Distributions paid to stapled securityholders		(787)	(3,161)	-	-
Net cash inflows from financing activities		**31,459**	**30,619**	**23,162**	**25,726**
Net increase/(decrease) in cash and cash equivalents		21,868	(44,856)	13,452	(27,847)
Net foreign exchange difference		(42)	(145)	(42)	(145)
Cash and cash equivalents at the beginning of the year		21,286	66,287	5,364	33,356
Cash and cash equivalents at the end of the year	15(a)	**43,112**	**21,286**	**18,774**	**5,364**

The above consolidated statements of cash flows should be read with the accompanying notes.

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Financial Information

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the Group and GDCOF.

Note 1: Segment reporting

The Group invests solely in the digital infrastructure sector with a global mandate.

The Chief Operating Decision Maker being, Lanrik Partners Pty Ltd (formerly named 360 Capital Digital Management Pty Limited) the Investment Manager of the Group, monitors the performance and results of the Group at a total fund level, as a result the Group has only one segment. Operating EBITDA is a financial measure which is not prescribed by AAS and represents the EBITDA, including proportionate share of joint venture EBITDA, under AAS adjusted for non-operating items which management consider to reflect the core earnings of the Group and is used to make strategic decisions.

The following table summarises key reconciling items between statutory profit/(loss) attributable to the securityholders of the Group and operating EBITDA.

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Statutory profit/(loss) attributable to securityholders of the Group	**589**	**8,881**	**(4,434)**	**26**
Non-operating items				
Net gain on fair value of investment properties	(1,000)	(8,000)	-	-
Net (gain)/loss on unrealised fair value of financial assets	(1,812)	(2,001)	-	461
Net loss on deconsolidation of subsidiary	579	-	579	-
Economic % share of profit adjusted to operating EBITDA	2,639	672	2,639	672
Transaction costs	858	2,331	780	917
Security based payment expense	-	72	-	72
Depreciation and amortisation	1,735	464	1,735	464
Unrealised foreign currency (gains)/losses	(1,547)	912	18	(20)
Accrued distribution income	-	(837)	-	(837)
Finance revenue	(46)	(121)	(5)	(71)
Finance expense	744	391	255	22
Tax expense / (credit)	496	(323)	496	(323)
Other items	537	116	491	81
Operating EBITDA (EBITDA before non-operating items)	**3,772**	**2,557**	**2,554**	**1,464**
Weighted average number of securities ('000)	74,643	62,005	74,643	62,005
Operating EBITDA per security (before non-operating items) (EPS) cents	**5.1**	**4.1**	**3.4**	**2.4**

Note 2: Distributions

Total distributions paid or payable to securityholders by the Group for the year ended 30 June 2022:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Distributions				
June 2021 quarter distribution 1.2 cps paid on 28 July 2021	-	787	-	-
Total	**-**	**787**	**-**	**-**

Note 3: Employee benefits expense

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Wages and salaries	2,135	1,083	2,135	1,083
Employer superannuation contributions	629	279	629	279
Security based payments expense	-	72	-	72
Employee benefits expense capitalised to non-current assets	-	(189)	-	(189)
Total	**2,764**	**1,245**	**2,764**	**1,245**

Employee benefits expenses relate to the consolidated operating business of Etix Everywhere.

Note 4: Income tax expense

The Group calculates income tax expense using the tax rate applicable to the expected total annual earnings. The major components of income tax expense during the year are:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Profit/(loss) before tax attributable to stapled securityholders	**589**	**8,881**	**(4,434)**	**26**
Income tax expense/(benefit) at the effective corporate rate of 25% (30 June 2021: 26%)	147	2,309	(1,109)	7
Increase/(decrease) in income tax expense due to:				
Trust income exempt from income tax	(1,256)	(2,302)	-	-
Current year accounting losses not brought to account	253	-	253	-
Reversal of prior year local deferred taxes	510	-	510	-
Accrued distribution income	-	(218)	-	(218)
Unrealised fair value loss on financial asset	-	120	-	120
Equity raising costs	-	(43)	-	(43)
Share of equity accounting profits/(losses)	227	(152)	227	(152)
Accounting profit/(loss) on sale of subsidiary	145	(145)	145	(145)
Adjustments in relation to foreign businesses	387	-	387	-
Security based payment expense	-	19	-	19
Other tax adjustments	93	89	93	89
Income tax expense / (benefit) recognised in the statement of profit or loss	**506**	**(323)**	**506**	**(323)**

GDCIF should not be liable for income tax as any taxable income was fully distributed to securityholder this year and in the prior year.

GDCOF is a public trading trust and subject to corporate income tax.

Note 5: Receivables

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Current				
Trade and GST receivables	3,113	2,014	3,105	2,009
Prepayments	278	159	278	158
Tax receivable	2,547	-	2,545	-
Other receivables	1,098	117	1,098	118
Total	**7,036**	**2,290**	**7,026**	**2,285**

Note 6: Investment properties

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Non-current				
Investment properties at fair value	46,000	45,000	-	-
Total	**46,000**	**45,000**	**-**	**-**

Movements in the carrying value during the year are as follows:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Balance at start of year	45,000	37,000	-	-
Investment properties acquired including transaction costs	-	-	-	-
Fair value adjustments of investment properties	1,000	8,000	-	-
Closing balance	**46,000**	**45,000**	**-**	**-**

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Rental from investment properties	2,610	2,544	-	-
Investment property expenses	(133)	(128)	-	-
Net property income	**2,477**	**2,416**	**-**	**-**

All rent on the investment property has continued to be paid current and in full.

The Group's investment property is a data centre in Perth, Western Australia. An independent valuation was carried out on the property by Jones Lang LaSalle, a specialist in valuing these types of investment properties, and adopted by the Directors for 30 June 2022. Refer below for more details on fair value of investment properties.

Note 6: Investment properties (continued)

a) Valuation basis

Investment properties are carried at fair value. Fair value of the properties is determined by the Directors, having regard to the most recent independent valuations prepared by valuers with appropriately recognised professional qualification and recent experience in the location and category of the property being valued. Valuation methods used to determine the fair value include market sales comparison, discounted cash flow and capitalisation rate. The fair value for a property may be determined using a combination of these and other valuation methods. As discounted cash flow and capitalisation rate use unobservable inputs, the investment property is categorised as Level 3 under the Fair Value Hierarchy. These inputs include net passing rent, gross market rent and net market rent as set out in the sensitivity matrix below.

Market sales comparison: The sales comparison approach utilises recent sales of comparable properties, adjusted for any differences including the nature, location and lease profile, to indicate the fair value of a property. Where there is a lack of recent sales, activity adjustments are made from previous comparable sales to reflect changes in economic conditions.

Discounted cash flow: Projections derived from contracted rents, market rents, operating costs, lease incentives, lease fees, capital expenditure and future income on vacant space are discounted at a rate to arrive at a value. The discount rate is a market assessment of the risk associated with the cash flows, and the nature, location and tenancy profile of the property absolute to returns from alternative investments, CPI rates and liquidity risk. It is assumed that the property is sold at the end of the investment period at terminal value. The terminal value is determined by using an appropriate capitalisation rate.

Capitalisation rate: An assessment is made of fully leased net income based on contracted rents, market rents, operating costs and future income on vacant space. The adopted fully leased net income is capitalised in perpetuity from the valuation date at an appropriate capitalisation rate. The capitalisation rate reflects the nature, location and tenancy profile of the property together with current market investment criteria, as evidenced by current sales evidence. Various adjustments, including incentives, capitalised expenditure and reversions to market rent are made to arrive at the property value.

b) Sensitivity Matrix

Inputs	**Fair value measurement sensitivity to increase in input**	**Fair value measurement sensitivity to decrease in input**
Net passing rent	Increase	Decrease
Gross market rent	Increase	Decrease
Net market rent	Increase	Decrease
Adopted capitalisation rate	Decrease	Increase
Adopted terminal yield	Decrease	Increase
Adopted discount rate	Decrease	Increase

Capitalisation and discount rates are considered significant Level 3 inputs. The $46.0 million (30 June 2021: $45.0 million) valuation of the data centre in Perth is based on a capitalisation rate of 5.375% (30 June 2021: 5.0%) and a discount rate of 6.5% (30 June 2021: 6.5%).

Refer to Note 18 for further information on the fair value hierarchy.

Note 6: Investment properties (continued)

Net passing rent is the contracted amount for which a property or space within a property is leased. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).

Gross market rent is the estimated total amount for which a tenancy within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgably, prudently and without compulsion.

Net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).

c) Highest and best use
For all investment properties, the current use equates to the highest and best use.

d) Leases as lessor
The investment property is leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments under non-cancellable operating leases of the investment properties not recognised in the financial statements are receivable as follows:

	Group		**GDCOF**	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
No later than 12 months	2,502	2,424	-	-
Between 12 months and five years	5,837	8,080	-	-
Greater than five years	-	-	-	-
Total	**8,339**	**10,504**	**-**	**-**

Note 7: Property, plant and equipment

	Group		**GDCOF**	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Non-current				
Right of use asset	10,372	2,185	10,372	2,185
Land and buildings	2,112	-	2,112	-
Equipment	16,114	1,342	16,114	1,342
Total	**28,598**	**3,527**	**28,598**	**3,527**

Note 7: Property, plant and equipment (continued)

As at 30 June 2022, the Group, through GDCOF, holds property, plant and equipment related to the Etix Everywhere operating data centre business.

Movements in the carrying value during the year are as follows:

Right of use asset		Group		GDCOF	
		30-Jun	30-Jun	30-Jun	30-Jun
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Cost					
Balance at start of year		2,221	-	2,221	-
Acquired through business combination	19	8,744	2,337	8,744	2,337
Exchange differences on translation of foreign operation		(349)	(116)	(349)	(116)
Total		**10,616**	**2,221**	**10,616**	**2,221**
Accumulated Depreciation					
Balance at start of year		(36)	-	(36)	-
Depreciation		(210)	(36)	(210)	(36)
Exchange differences on translation of foreign operation		2	-	2	-
Total		**(244)**	**(36)**	**(244)**	**(36)**
Net book value		**10,372**	**2,185**	**10,372**	**2,185**

Land and buildings		Group		GDCOF	
		30-Jun	30-Jun	30-Jun	30-Jun
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Cost					
Balance at start of year		-	-	-	-
Acquired through business combination	19	94		94	
Acquisitions		2,119	-	2,119	-
Exchange differences on translation of foreign operation		55	-	55	-
Total		**2,268**	**-**	**2,268**	**-**
Accumulated Depreciation					
Balance at start of year		-	-	-	-
Depreciation		(156)	-	(156)	-
Exchange differences on translation of foreign operation		-	-	-	-
Total		**(156)**	**-**	**(156)**	**-**
Net book value		**2,112**	**-**	**2,112**	**-**

Note 7: Property, plant and equipment (continued)

Equipment		Group		GDCOF	
		30-Jun	**30-Jun**	**30-Jun**	**30-Jun**
		2022	**2021**	**2022**	**2021**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Cost					
Balance at start of year		1,568	-	1,568	-
Acquisitions		8,632	46	8,632	46
Acquired through business combination	19	7,536	1,605	7,536	1,605
Exchange differences on translation of foreign operation		(508)	(199)	(508)	(199)
Total		**17,228**	**1,568**	**17,228**	**1,568**
Accumulated Depreciation					
Balance at start of year		(226)	-	(226)	-
Depreciation		(903)	(223)	(903)	(223)
Exchange differences on translation of foreign operation		15	(3)	15	(3)
Total		**1,114**	**(226)**	**1,114**	**(226)**
Net book value		**16,114**	**1,342**	**16,114**	**1,342**

Note 8: Intangible assets

	Group		GDCOF	
	30-Jun	**30-Jun**	**30-Jun**	**30-Jun**
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-current				
Customer contracts	7,941	6,004	7,941	6,004
Goodwill	22,998	16,718	22,998	16,718
Total	**30,939**	**22,722**	**30,939**	**22,722**

Note 8: Intangible assets (continued)

Movements in the carrying value during the year are as follows:

Customer Contracts

		Group		GDCOF	
	Note	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Cost					
Balance at start of year		6,212	-	6,212	-
Acquired through business combination	19	2,696	6,536	2,696	6,536
Exchange differences on translation of foreign operation		(310)	(324)	(310)	(324)
Total		**8,598**	**6,212**	**8,598**	**6,212**
Accumulated Amortisation					
Balance at start of year		(208)	-	(208)	-
Amortisation		(465)	(205)	(465)	(205)
Exchange differences on translation of foreign operation		16	(3)	16	(3)
Total		**(657)**	**(208)**	**(657)**	**(208)**
Net book value		**7,941**	**6,004**	**7,941**	**6,004**

In the current year customer contracts amounting to $2.7 million have been recognised as part of the fair value assessment of assets acquired through the Etix ITEL Bangkok Co., Ltd acquisition (refer to Note 19(a)) and are being amortised over 15 years. There have been no indicators of impairment from the acquisition date to 30 June 2022.

In the prior year customer contracts amounting to $6.5 million have been recognised as part of the fair value assessment of assets acquired through the original Etix acquisition (refer to Note 19(b)) and are being amortised over 15 years. There have been no indicators of impairment from acquisition date to 30 June 2022.

Goodwill

		Group		GDCOF	
	Note	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Cost					
Balance at start of year		16,718	-	16,718	-
Goodwill on acquisition	19	7,106	17,588	7,106	17,588
Exchange differences on translation of foreign operation		(826)	(870)	(826)	(870)
Total		**22,998**	**16,718**	**22,998**	**16,718**

Goodwill acquired through business combinations where acquisition accounting has been finalised is allocated to the applicable cash generating unit (CGU) for impairment testing and is tested for impairment annually.

During the current year goodwill amounting to $7.1 million has provisionally been recognised as part of the fair value assessment of assets acquired through the Etix ITEL Bangkok Co., Ltd acquisition (refer to Note 19(a)) and remains unallocated.

During the prior year goodwill amounting to $17.6 million has provisionally been recognised as part of the fair value assessment of assets acquired through the original Etix acquisition (refer to Note 19(b)) and allocated to the Etix Europe CGU.

Note 8: Intangible assets (continued)

Impairment of intangible assets

Carrying amounts of goodwill to each of the CGUs are as follows:

		Group		GDCOF	
		30-Jun	30-Jun	30-Jun	30-Jun
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Goodwill					
Etix West CGU		16,109	16,718	16,109	16,718
Unallocated		6,889	-	6,889	-
Total		**22,998**	**16,718**	**22,998**	**16,718**

Etix West CGU
The recoverable amount of the Etix West CGU of $49.3 million at 30 June 2022 has been determined based on a fair value less costs of disposal calculation using cash flow projections from a discounted cash flow model covering a 15 year period. The pre-tax discount rate applied to the cash flow projections varies by data centre asset and ranges from 8.9%-17.1% and cash flows beyond the 15 year period are extrapolated using a growth rates ranging from 1.5% – 1.7%. As a result of the analysis no impairment charge has been recognised in the current year against goodwill.

In the prior year as the acquisition from which the goodwill arose occurred within that financial year, an equivalent assessment for impairment of goodwill was not performed. No impairment of goodwill was recognised in the prior year.

Key assumptions used in the fair value less costs of disposal calculation and sensitivity in assumptions
The fair value less costs of disposal calculation is most sensitive to the following assumptions:

- Discount rates
- Growth rates
- Market share and revenue growth assumptions

Due to the significant headroom of the fair value less costs of disposal calculation relative to the carrying value of goodwill in the CGUs, a reasonable change in these assumptions would not lead to a risk of impairment of goodwill.

Note 9: Investments equity accounted

	Group and GDCOF			
	30-Jun 2022 %	**30-Jun 2021 %**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Non-current				
Gateway Network Connections LLC	-	51%	-	27,301
Etix Everywhere Nantes 2 S.A.S	50%	50%	1,838	2,128
Etix Everywhere Nord S.A.S	50%	50%	932	1,047
BelgiumDC SA	50%	50%	2,673	2,796
Etix Everywhere Compunet Inversiones S.A.S	50%	50%	1,083	1,560
Etix Compunet S.A.S	50%	50%	45	128
Total			**6,571**	**34,960**

The Group, through GDCOF, held a 51% joint venture stake in Gateway Network Connections LLC (GNC), through its 66% controlling stake in Asia Connectivity Elements, Inc (ACE). The investment in ACE was disposed of on 14 June 2022.

The Group, through GDCOF, holds 50% joint venture stakes in various entities through the acquisition of the Etix Everywhere business owning and operating edge data centres in France, Belgium and Colombia.

Reconciliation of movements in equity accounted investments for the year are as follows:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Gateway Network Connections LLC				
Balance at start of year	27,301	-	27,301	-
Acquisition through business combination	-	27,207	-	27,207
Capital contribution	701	-	701	-
Share of equity accounted profits/(losses)	(96)	727	(96)	727
Foreign currency translation	2,357	(633)	2,357	(633)
Disposal of subsidiary	(30,263)	-	(30,263)	-
Closing balance	**-**	**27,301**	**-**	**27,301**
Etix Everywhere Nantes 2 S.A.S				
Balance at start of year	2,128	-	2,128	-
Acquisition through business combination	-	2,094	-	2,094
Capital contribution	-	196	-	196
Share of equity accounted profits/(losses)	(208)	(59)	(208)	(59)
Foreign currency translation	(82)	(103)	(82)	(103)
Closing balance	**1,838**	**2,128**	**1,838**	**2,128**

Note 9: Investments equity accounted (continued)

	Group		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Etix Everywhere Nord S.A.S				
Balance at start of year	1,047	-	1,047	-
Acquisition through business combination	-	1,172	-	1,172
Share of equity accounted profits/(losses)	(79)	(66)	(79)	(66)
Foreign currency translation	(36)	(59)	(36)	(59)
Closing balance	**932**	**1,047**	**932**	**1,047**
BelgiumDC SA				
Balance at start of year	2,796	-	2,796	-
Acquisition through business combination	-	2,490	-	2,490
Capital contribution	-	391	-	391
Share of equity accounted profits/(losses)	(18)	34	(18)	34
Foreign currency translation	(105)	(119)	(105)	(119)
Closing balance	**2,673**	**2,796**	**2,673**	**2,796**
Etix Everywhere Compunet Inversiones S.A.S				
Balance at start of year	1,560	-	1,560	-
Acquisition through business combination	-	1,913	-	1,913
Share of equity accounted profits/(losses)	(422)	(178)	(422)	(178)
Foreign currency translation	(55)	(175)	(55)	(175)
Closing balance	**1,083**	**1,560**	**1,083**	**1,560**
Etix Compunet S.A.S				
Balance at start of year	128	-	128	-
Share of equity accounted profits/(losses)	(84)	128	(84)	128
Foreign currency translation	1	-	1	-
Closing balance	**45**	**128**	**45**	**128**

Note 10: Financial assets at fair value through profit or loss

	Group		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Non-current				
Investment in unlisted securities	35,248	30,975	-	-
Total	**35,248**	**30,975**	**-**	**-**

For further details on the assessment of fair value refer to Note 18.

Note 10: Financial assets at fair value through profit or loss (continued)

Movements in the carrying value during the year are as follows:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Balance at start of year	30,975	7,935	-	-
Financial assets acquired / funded	896	32,856	-	-
Financial assets redeemed	-	(1,269)	-	-
Derecognition on acquisition of subsidiary	-	(9,846)	-	-
Realised loss on financial assets	-	(231)		
Unrealised fair value adjustments on financial assets	1,812	2,461	-	-
Unrealised foreign exchange adjustments on financial assets	1,565	(931)	-	-
Total	**35,248**	**30,975**	**-**	**-**

Note 11: Deferred tax assets and liabilities

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Deferred tax assets comprises temporary differences attributable to:				
Accrued expenses and provisions	-	32	-	32
Equity raising costs	-	80	-	80
Tax losses	384	636	384	636
Total deferred tax asset	384	748	384	748
Deferred tax liabilities comprises temporary differences attributable to:				
Property, plant and equipment	(434)	(262)	(434)	(262)
Customer contracts	(1,860)	(1,560)	(1.860)	(1,560)
Total deferred tax liability	(2,294)	(1,772)	(2,294)	(1,772)
Net deferred tax asset / (liability)	**(1,910)**	**(1,024)**	**(1,910)**	**(1,024)**

Note 11: Deferred tax assets and liabilities (continued)

A reconciliation of the carrying amount of deferred tax assets and liabilities movements during the year is set out below:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Balance at start of year	(1,024)	216	(1,024)	216
Recognition on business combination	(752)	(1,521)	(752)	(1,521)
Recognition and reversal of timing differences	153	(1)	153	(1)
Recognition and reversal of tax losses	(359)	206	(359)	206
Foreign currency translation	72	76	72	76
Closing balance	**(1,910)**	**(1,024)**	**(1,910)**	**(1,024)**
Net deferred tax assets expected to reverse within 12 months	(170)	(125)	(170)	(125)
Net deferred tax assets expected to reverse after more than 12 months	(1,740)	(899)	(1,740)	(899)
	(1,910)	**(1,024)**	**(1,910)**	**(1,024)**

For further information on recognition of deferred tax balances (refer to Note 16).

Note 12: Trade and other payables

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Current				
Trade payables and GST	3,730	2,116	3,675	2,090
Related party loan payable	-	-	32,617	21,432
Accruals and other payables	4,361	670	3,922	533
Total	**8,091**	**2,786**	**40,214**	**24,055**

Note 13: Borrowings

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Current				
Loan	649	-	649	-
Lease liabilities	458	193	458	193
Total current borrowings	**1,107**	**193**	**1,107**	**193**
Non-current				
Loan	29,904	19,927	5,215	-
Lease liabilities	8,210	755	8,210	755
Total non-current borrowings	**38,114**	**20,682**	**13,425**	**755**

Note 13: Borrowings (continued)

Movements in the carrying value during the year are as follows:

Lease liabilities		**Group**		**GDCOF**	
		30-Jun 2022	**30-Jun 2021**	**30-Jun 2022**	**30-Jun 2021**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Balance at start of year		948	-	948	-
Lease acquired through business combination	19	8,177	1,073	8,177	1,073
Lease repayments		(172)	(70)	(172)	(70)
Foreign currency translation		(285)	(55)	(285)	(55)
Closing balance		**8,668**	**948**	**8,668**	**948**

Lease liabilities relate to two data centre properties in France as well as long term property leases in relation to the newly acquired company Etix ITEL Bangkok Co., Ltd.

Loan	**Group**		**GDCOF**	
	30-Jun 2022	**30-Jun 2021**	**30-Jun 2022**	**30-Jun 2021**
	$'000	**$'000**	**$'000**	**$'000**
Balance at start of year	19,927	-	-	-
Loan drawdowns	10,598	20,000	5,848	-
Borrowing costs capitalised	(30)	(108)	-	-
Borrowing costs amortised	42	35	-	-
Foreign currency translation	16	-	16	-
Closing balance	**30,553**	**19,927**	**5,864**	**-**

During the year the $20 million floating interest rate loan facility secured over the Malaga data centre was refinanced to $24.75 million and extended to August 2024.

Etix Everywhere has also entered into four new fixed rate facilities in relation its acquisition of the Nantes 3 data centre in France amounting to $5.8 million in total and maturing between January 2029 and December 2033.

Note 14: Equity

(a) Issued capital

	Group		GDCOF	
	30-Jun 2022 000's	**30-Jun 2021 000's**	**30-Jun 2022 000's**	**30-Jun 2021 000's**
Global Data Centre Investment Fund – Ordinary units issued	77,273	65,618	-	-
Global Data Centre Operations Fund – Ordinary units issued	77,273	65,618	77,273	65,618
	$'000	**$'000**	**$'000**	**$'000**
Global Data Centre Investment Fund – Ordinary units issued	100,976	85,426	-	-
Global Data Centre Operations Fund – Ordinary units issued	44,997	38,951	44,997	38,951
Total	**145,973**	**124,377**	**44,997**	**38,951**

All units in the Group and GDCOF are of the same class and carry equal rights to capital and income distributions. Every holder of stapled units present at a meeting or by proxy is entitled to one vote and upon a poll, each holder is entitled to one vote per unit that they hold.

(b) Movements in issued capital

Movement during the year in the number of issued units of the Group and GDCOF was as follows:

	Group		GDCOF	
	30-Jun 2022 000's	**30-Jun 2021 000's**	**30-Jun 2022 000's**	**30-Jun 2021 000's**
Opening balance at start of year	65,618	57,469	65,618	57,469
Units issued 3 December 2020	-	8,559	-	8,559
Units issued 17 September 2021	9,843	-	9,843	-
Units issued 15 October 2021	1,812	-	1,812	-
Shares bought back and cancelled	-	(410)	-	(410)
Total	**77,273**	**65,618**	**77,273**	**65,618**

Note 14: Equity (continued)

Movement during the year in the value of issued units of the Group and GDCOF was as follows:

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Opening balance at start of year	124,377	110,419	38,950	34,577
Units issued 3 December 2020 [1]	-	15,149	-	4,742
Units issued 17 September 2021 [2]	18,996	-	5,319	-
Units issued 15 October 2021 [3]	3,498	-	979	-
Shares bought back and cancelled [4]	-	(669)	-	(205)
Transaction costs incurred in issuing capital	(898)	(522)	(251)	(164)
Total	**145,973**	**124,377**	**44,997**	**38,950**

[1] The Group issued 8,558,845 stapled securities at $1.77 per security via a placement to institutional investors raising $15.1 million. The allotment of new stapled securities was completed on 3 December 2020. The proceeds after capital raising costs were allocated to fund future investment activities.

[2] The Group issued 9,842,672 stapled securities at $1.93 per security via a placement to institutional investors raising $19.0 million. The allotment of new stapled securities was completed on 17 September 2021. The proceeds after capital raising costs were allocated to fund future investment activities.

[3] The Group issued 1,812,312 stapled securities at $1.93 per security via a placement to institutional investors raising $3.5 million. The allotment of new stapled securities was completed on 15 October 2021. The proceeds after capital raising costs were allocated to fund future investment activities.

[4] The Group bought back and cancelled 341,798 units on 20 July 2020 at an average price per unit for Group of $1.6271 and GDCOF $0.4979 and bought back and cancelled 68,667 units on 21 July 2020 at an average price per unit for Group of $1.6452 and GDCOF $0.5034

Note 15: Cash flow information

(a) Reconciliation of cash and cash equivalents

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Cash at bank	42,882	21,279	18,544	5,357
Term deposits	230	7	230	7
Cash and cash equivalents in the statement of cash flows	**43,112**	**21,286**	**18,774**	**5,364**

Note 15: Cash flow information (continued)

(b) Reconciliation of net profit/(loss) to net cash inflows from operating activities

	Group		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Net profit/(loss) for the year	**341**	**9,104**	**(4,682)**	**249**
Adjustment for:				
Net gain on fair value of investment properties	(1,000)	(8,000)	-	-
Net (gain)/loss on deconsolidation of subsidiary	579	(558)	579	(558)
Net loss on redemption of financial asset	-	231	-	-
Net unrealised (gain)/loss on fair value of financial assets	(1,812)	(2,001)	-	461
Foreign currency (gains)/loss	(1,547)	925	18	(6)
Security based payment expense	-	72	-	72
Accrued distribution income	-	(837)	-	(837)
Transaction costs	170	1,414	123	-
Depreciation and amortisation	1,735	464	1,735	464
Equity accounted (profits)/losses	907	(586)	907	(586)
Other items	(301)	25	(297)	(11)
Change in assets and liabilities				
Increase in receivables	(817)	(238)	(813)	(345)
(Increase)/decrease in deferred taxes	216	(323)	216	(323)
Increase in provision	-	18	-	18
Increase in payables	1,359	596	1,029	455
Net cash inflows/(outflows) from operating activities	**(170)**	**306**	**(1,185)**	**(947)**

Risk

This section of the notes discusses the Group and the GDCOF's exposure to various risks and shows how these could affect the consolidated entities' financial positions and performances.

Note 16: Basis of preparation

a) Reporting entity

The financial report of Global Data Centre Group (the Group or Fund or consolidated entity) comprises the consolidated financial statements of Global Data Centre Investment Fund (GDCIF) and its controlled entities and Global Data Centre Operations Fund (GDCOF) and its controlled entities. A Global Data Centre Group stapled security comprises one Global Data Centre Investment Fund security stapled to one Global Data Centre Operations Fund security to create a single listed entity traded on the ASX. The stapled security cannot be traded or dealt with separately.

As permitted by ASIC Corporations (Stapled Group Reports) Instrument 2015/838, issued by the Australian Securities and Investments Commission (ASIC), this financial report is a combined report that represents the consolidated financial statement and accompanying notes of both the Group (as defined above) and GDCOF (as defined above).

The Responsible Entity of the Group and GDCOF is Evolution Trustees Limited. The registered office and the principal place of business is Suite 703B, Level 7, 1 York Street, Sydney NSW 2000 Australia. The nature of operations and principal activities of the Group are disclosed in the Responsible Entity's report.

The financial report was authorised for issue by the Board on 29 August 2022.

The principal accounting policies adopted in the preparation of the financial report are set out in Note 28.

b) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report complies with International Financial Report Standards as issued by the International Accounting Standards Board.

c) Basis of preparation

Global Data Centre Group and its consolidated entities and Global Data Centre Operations Fund and its consolidated entities are for-profit entities for the purpose of preparing the financial report.

The financial report has been prepared on accruals basis and on the historical cost basis except for financial assets and investment properties, which are stated at their fair value. The accounting policies set out in Note 28 have been applied consistently to all periods presented in this financial report.

The accounting policies have been applied consistently by all entities in the Group.

The financial report is presented in Australian dollars.

The Group and GDCOF are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the financial report and Responsible Entity report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d) Critical judgements and significant accounting estimates

<u>Critical accounting estimates, judgements and assumptions</u>
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are

Note 16: Basis of preparation (continued)

believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting estimates, judgements and assumptions have required additional analysis due to the COVID-19 pandemic and the conflict between Russia and Ukraine. Given the effects of both these events continue to unfold and the ultimate impact are still unknown, changes to estimates and assumptions used to measure assets and liabilities may arise in the future. Other than adjusting events which provide evidence of conditions which existed at the reporting date, the impact of events that arise subsequent to the reporting date will be accounted for in future reporting periods.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are:

Valuation of investment properties
The Directors ascertain the fair value of investment properties after having regard to independent valuations which are undertaken at least once in a two-year period. These valuations are determined through the use of the properties' lease profile and direct market comparison and include the valuers' assessments of appropriate capitalisation rates and discounted cash flow rates. The valuations are in accordance with accounting policy Note 28(j).The fair value assessment of the investment property includes the best estimate of the impacts of the COVID-19 pandemic using information available at the balance sheet date.

Impairment of goodwill
Impairment exists when the carrying value of an asset of cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on a DCF model which has also been correlated against available data from binding sales transactions conducted at arms length, for similar assets or observable market prices less incremental costs of disposing of the asset. Key assumptions and details are disclosed further in Note 8.

Financial assets at fair value through profit or loss
The fair value of investments which are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date. The fair value assessment of these assets include the best estimate of the impacts of the COVID-19 pandemic using information available at the balance sheet date.

Control of entities
The Group has consolidated the financial results of entities it is deemed to control under AASB10 *Consolidated Financial Statements*. Critical judgements are made by the Group to determine whether control exists, principally around the criteria which must be met (refer to Note 28(a)). Further information on Controlled Entities is included in Note 21.

Income taxes
In circumstances where the Group becomes subject to income taxes in Australia there are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Group may recognise liabilities based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax balances in the period in which such determination is made.

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. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Note 17: Capital management

Under the direction of the Board and delegated to the Investment Manager, the Group manages its capital structure to safeguard the ability of the Group to continue as a going concern while maximising the return to securityholder through the optimisation of net debt and total equity balances.

In order to maintain or adjust the capital structure, the Group may adjust the amount of distributions paid to securityholder, return capital to securityholder, issue new units, purchase the Group's own units, or sell assets to reduce debt. During the year the Group has bought back and cancelled securities as disclosed in Note 14.

There were no changes in the Group's approach to capital management during the year.

Note 18: Other financial assets and liabilities

Overview
The Group and GDCOF's activities expose them to various types of financial risks including credit risk, liquidity risk, and market risk. The Responsible Entity's Board of Directors has responsibility for the establishment and oversight of the risk management framework ensuring the effective management of risk and has delegated this to the Investment Manager.

The Investment Manager has developed risk management principles and monitors their implementation. Policies are established to identify and analyse the financial risks faced by the Group and GDCOF, to set appropriate risk limits and controls, and monitor the risks and adherence to limits. The Board meets regularly to review risk management policies and systems and ensure they reflect changes in market conditions and the Group and GDCOF's activities.

The nature and extent of the financial instruments and the risk management policies employed by the Group and GDCOF are discussed below.

Credit risk
Credit risk is the risk of financial loss to the Group and GDCOF if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and GDCOF is exposed to credit risk through the financial assets listed in the table below. The table also details the maximum exposure to credit risk for each class of financial instrument.

	Group		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Cash and cash equivalents	43,112	21,286	18,774	5,364
Receivables	7,036	2,290	7,026	2,284
Loan receivables	2,700	2,299	2,700	2,299
Financial assets at fair value through profit or loss	35,248	30,975	-	-
Total	**88,096**	**56,850**	**28,500**	**9,947**

The Group and GDCOF manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. At reporting date, an expected credit loss reserve of $3 thousand has been raised (30 June 2021: $32 thousand).

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group and GDCOF's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk
The Group and GDCOF's interest rate risk arises from cash balances, loan receivables and borrowings. Cash and borrowings are subject to interest at variable interest rates and expose the Group and GDCOF to cash flow interest rate risk.

Note 18: Other financial assets and liabilities (continued)

The Group and GDCOF's exposure to interest rate risk by maturity period is:

GROUP	Floating interest rate $'000	Fixed interest maturing in 1 year or less $'000	Fixed interest maturing in 1 to 5 years $'000	Fixed interest maturing in more than 5 years $'000	Non-interest bearing $'000	Total $'000
30 June 2022						
Financial assets						
Cash and cash equivalents	43,112	-	-	-	-	43,112
Receivables	-	-	-	-	7,036	7,036
Loan receivable	-	2,700	-	-	-	2,700
Financial assets at FVTPL	-	-	-	-	35,248	35,248
Total financial assets	**43,112**	**2,700**	**-**	**-**	**42,284**	**88,096**
Financial liabilities						
Trade and other payables	-	-	-	-	8,091	8,091
Borrowings	24,689	1,107	3,760	9,665	-	39,221
Total financial liabilities	**24,689**	**1,107**	**3,760**	**9,665**	**8,091**	**47,312**
Net financial assets	**18,423**	**1,593**	**(3,760)**	**(9,665)**	**34,193**	**40,784**
30 June 2021						
Financial assets						
Cash and cash equivalents	21,286	-	-	-	-	21,286
Receivables	-	-	-	-	2,290	2,290
Loan receivable	-	2,299	-	-	-	2,299
Financial assets at FVTPL	-	-	-	-	30,975	30,975
Total financial assets	**21,286**	**2,299**	**-**	**-**	**33,265**	**56,850**
Financial liabilities						
Trade and other payables	-	-	-	-	2,786	2,786
Distributions payable	-	-	-	-	787	787
Borrowings	19,927	193	755	-	-	20,875
Total financial liabilities	**19,927**	**193**	**755**	**-**	**3,573**	**24,448**
Net financial assets	**1,359**	**2,106**	**(755)**	**-**	**29,692**	**32,402**

Note 18: Other financial assets and liabilities (continued)

GDCOF	Floating interest rate $'000	Fixed interest maturing in 1 year or less $'000	Fixed interest maturing in 1 to 5 years $'000	Fixed interest maturing in more than 5 years $'000	Non-interest bearing $'000	Total $'000
30 June 2022						
Financial assets						
Cash and cash equivalents	18,774	-	-	-	-	18,774
Receivables	-	-	-	-	7,026	7,026
Loan receivable	-	2,700	-	-	-	2,700
Total financial assets	**18,774**	**2,700**	**-**	**-**	**7,026**	**28,500**
Financial liabilities						
Trade and other payables	-	-	-	-	40,214	40,214
Borrowings	-	1,107	3,760	9,665	-	14,532
Total financial liabilities	**-**	**1,107**	**3,760**	**9,665**	**40,214**	**54,746**
Net financial assets/(liabilities)	**18,774**	**1,593**	**(3,760)**	**(9,665)**	**(33,188)**	**(26,246)**
30 June 2021						
Financial assets						
Cash and cash equivalents	5,364	-	-	-	-	5,364
Receivables	-	-	-	-	2,285	2,285
Loan receivable	-	2,299	-	-	-	2,299
Total financial assets	**5,364**	**2,299**	**-**	**-**	**2,285**	**9,948**
Financial liabilities						
Trade and other payables	-	-	-	-	24,055	24,055
Borrowings	-	193	755	-	-	948
Total financial liabilities	**-**	**193**	**755**	**-**	**24,055**	**25,003**
Net financial assets/(liabilities)	**5,364**	**2,106**	**(755)**	**-**	**(21,770)**	**(15,055)**

Note 18: Other financial assets and liabilities (continued)

Summarised interest rate sensitivity analysis

The table below illustrates the potential impact a change in interest rates by +/-1% would have had on the Group and GDCOF's profit.

GROUP		**Change in interest rate**	
		-1%	**1%**
	Carrying amount	**Profit**	**Profit**
	$'000	**$'000**	**$'000**
30 June 2022			
Financial assets			
Cash and cash equivalents	43,112	(431)	431
Financial liabilities			
Borrowings	(24,689)	247	(247)
Total (decrease) increase		**(184)**	**184**
30 June 2021			
Financial assets			
Cash and cash equivalents	21,286	(213)	213
Financial liabilities			
Borrowings	(19,927)	199	(199)
Total (decrease) increase		**(14)**	**14**

GDCOF		**Change in interest rate**	
		-1%	**1%**
	Carrying amount	**Profit**	**Profit**
	$'000	**$'000**	**$'000**
30 June 2022			
Financial assets			
Cash and cash equivalents	18,774	(188)	188
Total (decrease) increase		**(188)**	**188**
30 June 2021			
Financial assets			
Cash and cash equivalents	5,364	(54)	54
Total (decrease) increase		**(54)**	**54**

Note 18: Other financial assets and liabilities (continued)

Foreign exchange risk

The Group's foreign exchange rate risk arises from overseas investments. Some investments are denominated in foreign currencies and expose the Group to foreign exchange rate risk.

The table below illustrates the potential impact a change in foreign exchange rates by +/-1% would have had on the Group and GDCOF's profit and equity. The impact of other currencies are considered immaterial.

GROUP		**Change in exchange rate**			
		-1%		**+1%**	
US Dollars	**Carrying amount $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
30 June 2022	21,266	(212)	(212)	212	212
Total (decrease) increase					
30 June 2021	44,209	(163)	(442)	163	442
Total (decrease) increase		**(163)**	**(442)**	**163**	**442**

GDCOF		**Change in exchange rate**			
		-1%		**+1%**	
US Dollars	**Carrying amount $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
30 June 2022	2,541	(25)	(25)	25	25
Total (decrease) increase		**(25)**	**(25)**	**25**	**25**
30 June 2021	27,944	-	(279)	-	**279**
Total (decrease) increase		**-**	**(279)**	**-**	**279**

Note 18: Other financial assets and liabilities (continued)

Equity price risk
The Group's manages its equity price risk through the Board reviewing and approving all equity investment decisions.

The table below illustrates the potential impact a change in unlisted security price by +/-1% would have had on the Group's profit.

GROUP		Change in equity price	
		-1%	1%
	Carrying amount	Profit	Profit
	$'000	$'000	$'000
30 June 2022	35,248	(352)	352
Total (decrease) increase		**(352)**	**352**
30 June 2021	30,975	(310)	310
Total (decrease) increase		**(310)**	**310**

Liquidity risk
Liquidity risk is the risk that the Group and GDCOF' will not be able to meet its financial obligations as they fall due. The Board has a policy of prudent liquidity risk management ensuring that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and GDCOF's reputation.

The Group and GDCOF monitor their exposure to liquidity by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The maturities of financial liabilities at reporting date based on the contractual terms of each liability in place at reporting date have been disclosed in a table below. There are no financial liabilities where the fair value would be materially different from the amortised cost. The amounts disclosed are based on undiscounted cash flows.

The following are contractual maturities of financial liabilities:

GROUP	Carrying amount	Contractual cash flow	Less than 1 Year	Between 1-5 Years	Over 5 Years
	$'000	$'000	$'000	$'000	$'000
30 June 2022					
Trade and other payables	8,091	8,091	8,091	-	-
Borrowings – loans	30,553	30,553	649	26,711	3,193
Borrowings – leases	8,668	8,668	458	1,738	6,472
	47,312	**47,312**	**9,198**	**28,449**	**9,665**
30 June 2021					
Trade and other payables	2,786	2,786	2,786	-	-
Distribution payable	787	787	787	-	-
Borrowings – loans	19,927	19,927	-	19,927	-
Borrowings – leases	948	948	193	755	-
	24,448	**24,448**	**3,766**	**20,682**	-

Note 18: Other financial assets and liabilities (continued)

GDCOF	Carrying amount $'000	Contractual cash flow $'000	Less than 1 Year $'000	Between 1-5 Years $'000	Over 5 Years $'000
30 June 2022					
Trade and other payables	40,214	40,214	40,214	-	-
Borrowings – loans	5,864	5,864	649	2,022	3,193
Borrowings – leases	8,668	8,668	458	1,738	6,472
	54,746	**54,746**	**41,321**	**3,760**	**9,665**
30 June 2021					
Trade and other payables	24,055	24,055	24,055	-	-
Borrowings – leases	948	948	193	755	-
	25,003	**25,003**	**24,248**	**755**	-

Fair values
The fair value of the Group and GDCOF's financial assets and liabilities are approximately equal to that of their carrying values as at 30 June 2022 and 30 June 2021.

A reconciliation of movements in financial assets at fair value through profit or loss is included in Note 10.

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At balance date, the Group held the following classes of financial instruments measured at fair value:

	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets measured at fair value				
Financial assets at fair value through profit or loss as at 30 June 2022	**35,248**	**-**	**-**	35,248
Financial assets at fair value through profit or loss as at 30 June 2021	**30,975**	-	-	30,975

There were no transfers between levels during the year. Fair value hierarchy levels are reviewed on an annual basis unless there is a significant change in circumstances indicating that the classification may have changed.

Note 18: Other financial assets and liabilities (continued)

Valuation techniques

Fair value through profit or loss financial assets
The Group has a minority stake in its investment in unlisted securities. As a minority securityholder, it is only entitled on a periodic basis to a summarised version of the independent valuation of the securities, The directors have adopted a fair value of the unlisted securities based on this summarised valuation report, which the independent valuer has prepared on a long-term discounted cash flow model. A discount has been applied to reflect the minority ownership held in the unlisted securities. The fair value assessment of the unlisted securities includes the best estimate of the impacts of the COVID-19 pandemic using information available at the balance sheet date.

Fund Structure

This section of the notes provides information which will help users understand how the fund structure affects the financial position and performance of the Group and GDCOF.

Note 19: Business combinations and asset acquisitions

The following business combinations occurred during the current financial year for the Group and GDCOF:

(a) Etix ITEL Bangkok Co., Ltd

Etix ITEL Bangkok Co., Ltd (Etix Bangkok) owns and operates a data centre in Bangkok, Thailand.

The acquisition was implemented through a share purchase agreement under which the Group, through GDCOF holding in Etix Everywhere, acquired ~67% shares of relevant target entity. The acquisition reached completion on 14 January 2022.

Details of the purchase consideration to acquire Etix Bangkok on 14 January 2022 are as follows:

	$'000
Cash	11,105
Total purchase consideration	**11,105**

The provisional assessment of fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Assets	
Cash and cash equivalents	124
Receivables	510
Property, plant and equipment	16,374
Customer contracts on acquisition	2,696
Other assets	1,015
Liabilities	
Trade and other payables	(5,792)
Deferred tax liabilities	(752)
Borrowings – leases	(8,177)
Net identifiable assets acquired including external non-controlling interest	**5,998**
Less: external non-controlling interest	(1,999)
Net identifiable assets acquired including external non-controlling interest	**3,999**
Plus: Goodwill	7,106
Total purchase consideration	**11,105**

The external non-controlling interest has been calculated based on the proportionate value of net identifiable assets acquired.

At the timing of completion of the transaction the selling shareholders of Etix Bangkok also had $3.7 million reflected in the borrowings of the company. As part of the disposal, the Group funded Etix Bangkok this amount as a new shareholder loan and the exiting shareholders liability was paid off.

The fair value of receivables and other current assets approximates the collectible amount. Investments in property, plant and equipment have been adjusted to their fair value at the date of acquisition, net of deferred tax. Identifiable customer contracts have been recorded at their fair value with the remaining balance allocated to Goodwill which represents other intangible assets that do not qualify for separate recognition.

Note 19: Business combinations and asset acquisitions (continued)

The potential impact of COVID-19 has been considered when forming a view on the purchase price agreed to acquire Etix Bangkok. The effects of the pandemic continue to unfold, and the ultimate impact globally are still unknown. In the event there is a longer than expected impact from the COVID-19 pandemic, this could have unforeseen impacts on the operations of Etix Bangkok and to the investment in Etix Bangkok in future reporting periods.

Revenue and profit contribution
Since acquisition date, Etix Bangkok has contributed $1.0 million revenue and $0.4 million net statutory loss to the Group and GDCOF.

Contingent consideration
There is no contingent consideration as part of this transaction.

Purchase consideration – cash outflow on acquisition

	$'000
Cash consideration paid	(11,105)
Cash and cash equivalents acquired	124
Outflow of cash to acquire subsidiary	(10,981)
Less: Settlement of exiting shareholders' loans	(3,746)
Less: Business combination transaction costs expensed through profit or loss	(62)
Total cash outflow on acquisition of controlled entity	**(14,789)**

Acquisition related costs
Acquisition related costs of $0.1 million incurred have been expensed in the consolidated statement of profit or loss and, to the extent settled, have been included as part of net cash flows from operating activities in the consolidated statement of cash flows. Transaction costs include tax, financial, legal and other advisory fees.

The following business combinations occurred during the prior financial year:

(b) Etix Everywhere

Etix Everywhere specialises in the construction and operation of edge data centres through wholly owned assets and joint ventures located in France, Belgium and Colombia.

The acquisition was implemented through a share purchase agreement under which the Group, through GDCOF, acquired shares of relevant target entities. The acquisition reached completion on 11 December 2020.

Details of the purchase consideration to acquire Etix Everywhere on 11 December 2020 are as follows:

	$'000
Cash	38,245
Total purchase consideration	**38,245**

Note 19: Business combinations and asset acquisitions (continued)

The assessment of fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Assets	
Cash and cash equivalents	2,556
Receivables	2,410
Property, plant and equipment	3,942
Investments equity accounted	7,667
Loan receivable	2,498
Customer contracts on acquisition	6,536
Deferred tax assets	411
Liabilities	
Trade and other payables	(2,329)
Provisions	(30)
Deferred tax liabilities	(1,931)
Borrowings	(1,073)
Net identifiable assets acquired	**20,657**
Plus: Goodwill	17,588
Total purchase consideration	**38,245**

The fair value of receivables and other current assets approximates the collectible amount. Investments in joint ventures and property, plant and equipment have been adjusted to their fair value at the date of acquisition, net of deferred tax.

The potential impact of COVID-19 has been considered when forming a view on the purchase price agreed to acquire the Etix Everywhere business. The effects of the pandemic continue to unfold, and the ultimate impact globally are still unknown. In the event there is a longer than expected impact from the COVID-19 pandemic, this could have unforeseen impacts on the operations of Etix Everywhere and to the investment in Etix Everywhere in future reporting periods.

Revenue and profit contribution
Since acquisition date to the end of the prior financial year, Etix Everywhere contributed $4.4 million revenue and $0.6 million net statutory loss to the Group and GDCOF.

Contingent consideration
There is no contingent consideration as part of this transaction.

Purchase consideration – cash outflow on acquisition

	$'000
Cash consideration paid	(38,245)
Cash and cash equivalents acquired	2,556
Outflow of cash to acquire subsidiary	(35,689)
Less: Business combination transaction costs expensed through profit or loss	(824)
Total cash outflow on acquisition of controlled entity	(36,513)

Note 19: Business combinations and asset acquisitions (continued)

Acquisition related costs

Acquisition related costs of $0.8 million incurred were expensed in the consolidated statement of profit or loss and, to the extent settled, have been included as part of net cash flows from operating activities in the consolidated statement of cash flows. Transaction costs include tax, financial, legal and other advisory fees.

(c) Asia Connectivity Elements

Asia Connectivity Elements, Inc (ACE) is a holding company which has a 51% joint venture interest in Gateway Network Connections LLC (GNC) the owner and operator of a data centre in Guam.

The acquisition was implemented through several share purchase agreements under which the Group, through GDCOF, acquired shares of ACE. The acquisition reached completion on 4 December 2020.

Details of the purchase consideration to acquire the controlling interests in ACE are as follows:

	$'000
Cash	8,516
Total purchase consideration	**8,516**

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Assets	
Cash and cash equivalents	970
Joint venture interest	26,150
Net identifiable assets acquired	**27,120**
Less: External non-controlling interest	(9,219)
Less: Existing interest held by the Group (at fair value)	(9,846)
Plus: Fair value adjustment on consolidation	461
Total purchase consideration	**8,516**

As the asset concentration test in AASB 3 has been met, the Group and GDCOF have elected not to apply business combination accounting and instead treat the acquisition of ACE as an asset acquisition.

The potential impact of COVID-19 has been considered when forming a view on the purchase price agreed to acquire the additional shares in ACE in December 2020. The effects of the pandemic continue to unfold, and the ultimate impact globally are still unknown. In the event there is a longer than expected impact from the COVID-19 pandemic, this could have unforeseen impacts to the operations of GNC and ultimately the investment in ACE in future reporting periods.

Note 20: Business divestment

The following business divestment occurred during the current financial year:

(a) Asia Connectivity Elements (ACE)

The Group, through GDCOF, disposed of its entire investment in ACE on 14 June 2022 to an independent buyer on arm's length basis. The disposal was implemented through a share purchase agreement.

The net carrying value of assets, liabilities and equity reserves derecognised as a result of the divestment was:

	$'000
Investments equity accounted	30,263
External non-controlling interest	(9,924)
Net value of other assets, liabilities and equity reserves	(1,385)
Less: Loss on disposal	(579)
Total disposal consideration	**18,375**

Disposal consideration – cash inflow on disposition

	$'000
Cash consideration received	18,375
Cash and cash equivalents derecognised	(124)
Total cash inflow on disposal of controlled entity	**18,251**

Contingent consideration amounting to $0.1m is subject to working capital adjustments which will be confirmed in January 2023. Due to uncertainty of recovery of this amount, the no fair value has been attributed this amount of contingent consideration.

The following business divestment occurred during the prior financial year:

(b) FibreconX

The Group, through GDCOF, disposed of on 28 August 2020 at market value to a wholly owned subsidiary of the 360 Capital Group. The disposal was implemented through a share transfer agreement.

The net carrying value of assets, liabilities and equity reserves derecognised as a result of the divestment was:

	$'000
Net value of assets, liabilities, and equity reserves	1,453
Plus: Gain on disposal	558
Total disposal consideration	**2,011**

Disposal consideration – cash inflow on disposition

	$'000
Cash consideration received	2,011
Cash and cash equivalents derecognised	(32)
Total cash inflow on disposal of controlled entity	**1,979**

Note 21: Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries controlled by Global Data Centre Group:

			Group Equity Holding (%)		GDCOF Equity Holding (%)	
Name of entity	**Country of Domicile**	**Class of units/shares**	**30-Jun 2022**	**30-Jun 2021**	**30-Jun 2022**	**30-Jun 2021**
GDCG No. 1	Australia	Ordinary	100	100	-	-
GDCG No. 2	Australia	Ordinary	100	100	100	100
GDCG Malaga Trust	Australia	Ordinary	100	100	-	-
GDCG Guam Pty Ltd	Australia	Ordinary	100	100	100	100
GDCG Bluegum Trust	Australia	Ordinary	100	100	-	-
GDCG Services Pty Ltd	Australia	Ordinary	100	100	100	100
GDCG EE Pty Ltd	Australia	Ordinary	100	100	100	100
Etix Everywhere Holding France	France	Ordinary	100	100	100	100
Etix Everywhere France	France	Ordinary	100	100	100	100
Etix Everywhere Ouest	France	Ordinary	100	100	100	100
SCI Lanthi	France	Ordinary	100	100	100	100
Etix Everywhere Belgium	Belgium	Ordinary	100	100	100	100
Etix Everywhere Colombia	Colombia	Ordinary	100	100	100	100
Etix ITEL Bangkok Co., Ltd	Thailand	Ordinary	67	-	67	-
Asia Connectivity Elements, Inc	Guam	Ordinary and Preference	-	66	-	66

Subsidiaries controlled with anon-controlling interest (NCI):

			Group		GDCOF	
Name of entity	**Country of Domicile**	**% held by NCI**	**(Profit) / loss allocated to NCI**	**Accumulated NCI**	**(Profit) / loss allocated to NCI**	**Accumulated NCI**
30 June 2022						
Etix ITEL Bangkok Co., Ltd [1]	Thailand	33%	144	1,855	144	1,855
30 June 2021						
Asia Connectivity Elements, Inc [1,2]	Guam	34%	(223)	9,221	(223)	9,221

[1] Refer to Note 19 for further details on NCI recognised on initial consolidation in current and prior years.

[2] Asia Connectivity Elements, Inc was disposed of by the Group on 14 June 2022 and no associated NCI exists at 30 June 2022.

Unrecognised Items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

Note 22: Commitments and contingent liabilities

Commitments
As at 30 June 2022, the Group and GDCOF has no contractual commitments (30 June 2021: nil).

Contingent liabilities
As at 30 June 2022, the Group and GDCOF had no contingent liabilities (30 June 2021: nil).

Note 23: Events subsequent to balance date

As at 30 June 2022 the Group is in compliance with its bank covenants. In relation to its banking facility on the Malaga data centre, based on the quarterly interest rate reset on 11July 2022, the Group expects the ICR ratio to be 2.64 (which could change in the future subject to BBSY changes) which is below the loan covenant of 3.15. The lender has the ability to review the ICR covenant from time to time at its discretion. The Group is in constructive discussions with the lender to resolve the ICR covenant issue. The Group continues to meet all of its interest and principal obligations and due to cash reserves exceeding the loan value remains a going concern.

No other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Other Information

This section of the notes includes information that must be disclosed to comply with prescribed accounting standards and other pronouncements, but that are not immediately related to individual line items in the financial statements.

Note 24: Auditors' remuneration

	Group		GDCOF	
	30-Jun 2022 $	**30-Jun 2021 $**	**30-Jun 2022 $**	**30-Jun 2021 $**
Fees to Ernst & Young (Australia)				
Fees for auditing the statutory financial reports of the parent and its controlled entities	140,000	80,358	70,000	40,179
Fees for other assurance services and agreed-upon-procedure services under contractual arrangements where there is discretion as to whether the service is provided by the auditor	8,320	7,660	4,160	3,830
Fees for other advisory and compliance services	27,522	55,745	31,922	11,495
Total fees to Ernst & Young (Australia)	**175,842**	**143,763**	**106,082**	**55,504**

Note 25: Earnings per security

	Group		GDCOF	
	30-Jun 2022 ¢	**30-Jun 2021 ¢**	**30-Jun 2022 ¢**	**30-Jun 2021 ¢**
Basic and diluted earnings per security	0.8	14.3	(5.9)	0.0
	$'000	**$'000**	**$'000**	**$'000**
Basic and diluted earnings				
Profit/(loss) attributable to securityholders of Global Data Centre Group used in calculating earnings per security	589	8,881	(4,434)	26
	000's	**000's**	**000's**	**000's**
Weighted average number of securities used as a denominator				
Weighted average number of securities – basic and diluted	74,643	62,005	74,643	62,005

Note 26: Related party transactions

Responsible entity

360 Capital FM Limited
Up until its retirement on 14 April 2022, the Responsible Entity of the Group was 360 Capital FM Limited (ABN 15 090 664 396) (AFSL No 221474). The immediate parent entity of 360 Capital FM Limited is 360 Capital Property Limited (ABN 46 146 484 433), and its ultimate parent entity is 360 Capital Group Limited (ABN 18 113 569 136).

Evolution Trustees Limited
From the date of its appointment on 14 April 2022, the Responsible Entity of the Group was Evolution Trustees Limited (ABN 29 611 839 519) (AFSL No 486217). The immediate parent entity of Evolution Trustees Limited is Evolution MIS Services Pty Limited as trustee for Evolution Services Trust, and its ultimate parent entity is Kumquat Capital Pty Limited as trustee of Kumquat Capital Trust.

Investment manager
The Investment Manager of the Group is Lanrik Partners Pty Ltd (formerly named 360 Capital Digital Management Pty Limited) (ABN 58 632 422 916), a wholly owned entity of Mr David Yuile.

Responsible Entity and Investment Manager's fees and other transactions
The Responsible Entity and Investment Manager are entitled to receive management fees under the terms of the constitution, investment manager agreement and in accordance with the product disclosure statement.

	Group		GDCOF	
	30-Jun 2022 $'000	**30-Jun 2021 $'000**	**30-Jun 2022 $'000**	**30-Jun 2021 $'000**
Fees for the year paid/payable by the Group:				
Responsible entity management fees (360 Capital FM Limited)	64,984	67,682	24,609	26,311
Responsible entity management fees (Evolution Trustees Limited)	17,791	-	7,423	-
Trustee and company secretarial fees (Evolution Trustees Limited)	10,525	-	4,210	-
Investment manager fees	1,730,153	1,323,968	696,538	485,267
Group recoveries charged through administration expenses	52,933	98,657	31,678	49,328
	1,876,387	**1,490,307**	**764,458**	**560,906**

Responsible Entity Management Fee
The Responsible Entity is entitled to a Management Fee of 0.05% p.a. of the gross value of the assets of the Group during the relevant period for its role in managing and administering the Group.

Trustee and Company Secretarial Fees
From 14 April 2022 the Responsible Entity is entitled to various fees in relation to wholly owned entities of the Group including $10,000 p.a. for each of the four sub-trusts it is a trustee for and $3,333 p.a. for each of the three sub-companies of the Group it acts as company secretary for.

Investment Management Fee
The Investment Manager is entitled to a Management Fee of 1.0% p.a. of the gross value of the assets of the Group during the relevant period for its role in managing and administering the Group.

Note 26: Related party transactions (continued)

Performance Fee
The Investment Manager is entitled to a Performance Fee calculated and paid every 3 years and in certain other circumstances. The performance fee is equal to:

- To the extent that the Group IRR is more than 10% but no more than 12%, the amount which if included in the Group outflow on the calculation date would reduce the Group IRR to 10%;
- Where the Group achieves an IRR of greater than 12%
  - an amount which if included in the Group outflow on the calculation date represents the difference between 10% Group IRR and 12% Group IRR; plus
  - 20% of the amount which if included as a Group outflow on the calculation date would reduce the Group IRR to 12%.

The 3 year anniversary of the Group is 2 July 2022. The Group IRR is less than the 10% hurdle rate and therefore no performance fee has been accrued.

Security holdings
Securities held by the Responsible Entity and other funds managed by and related to the Responsible Entity held securities in the Group as follows:

	Group		**GDCOF**	
	30-Jun 2022	**30-Jun 2021**	**30-Jun 2022**	**30-Jun 2021**
360 Capital DIP Trust				
Number of securities held	-	21,761,811	-	21,761,811
Interest % held	-	33.2%	-	33.2%
Distribution paid/payable by the Group ($)	-	26,114	-	-

On 7 September 2021, 360 Capital DIP Trust disposed of all its stapled securities of the Group (which included GDCOF) for $42,000,295. The disposal of securities was on an arm's length basis.

The new Responsible Entity, Evolution Trustees Limited, does not hold any securities in the Group.

Securities held by directors of the Responsible Entity and Investment Manager are as follows:

	Held at 1 July 2021	**Acquisition**	**Disposal / Retirement**	**Held at 30 June 2022**
Responsible Entity [(1)]				
David van Aanholt	38,108	-	(38,108)	-
William Ballhausen	20,000	-	(20,000)	-
Andrew Moffat	25,000	-	(25,000)	-
Tony Pitt	70,000	-	(70,000)	-
Investment Manager				
David Yuile	569,557	119,000	-	688,557
	722,665	119,000	(153,108)	688,557

[(1)] *Directors of 360 Capital FM Limited retired as part of the entities retirement as Responsible Entity on 14 April 2022*

The Board of the current Responsible Entity, Evolution Trustees Limited, do not hold any securities in the Group.

Note 26: Related party transactions (continued)

	Held at 1 July 2020	Acquisition	Disposal / Retirement	Held at 30 June 2021
Responsible Entity				
David van Aanholt	38,108	-	-	38,108
William Ballhausen	20,000	-	-	20,000
Graham Lenzner [(2)]	51,500	-	(51,500)	-
Andrew Moffat	25,000	-	-	25,000
Tony Pitt	50,000	20,000	-	70,000
Investment Manager				
David Yuile	429,557	140,000	-	569,557
	614,165	160,000	(51,500)	722,665

[(2)] *Graham Lenzner retired from the Board on 31 March 2021*

All securities acquired have been on an arm's length basis.

Borrowings
GDCOF has received a loan from GDCIF which relates to the charging of shared costs between the two stapled entities and funding of investment opportunities within the Group. The balance of the loan at 30 June 2022 is $32,617,324 (30 June 2021: $21,432,039). This loan is non-interest bearing and at call.

Business divestment
During the prior financial year on 28 August 2020, FibreconX Pty Ltd was disposed of to a wholly owned subsidiary of the 360 Capital Group at market value. Refer to Note 20(b) for further details.

Other transactions

Asia Connectivity Elements (ACE)
During the prior financial year in December 2020, the Group through GDCOF, acquired shares in ACE from Mr David Yuile for $614,101 at the same price per share as other shares acquired from external parties in December 2020.

Note 27: Parent entity disclosures

The following details information relating to the parent entities of Group (Global Data Centre Investment Fund) and GDCOF (Global Data Centre Operations Fund). The information presented below has been prepared using the consistent accounting policies as presented in Note 28.

	GDCIF		GDCOF	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Current assets	40,792	26,982	17,627	2,802
Non-current assets	67,706	67,706	73,419	58,939
Total assets	**108,498**	**94,688**	**91,045**	**61,741**
Current liabilities	6,385	8,289	48,222	23,617
Non-current liabilities	-	-	-	-
Total liabilities	**6,385**	**8,289**	**48,222**	**23,617**
Issued units	101,111	85,562	44,997	38,950
Retained earnings/(Accumulated losses)	1,011	838	(2,174)	(826)
Total equity	**102,112**	**86,400**	**42,823**	**38,124**
Net profit/(loss) for the year	163	1,237	(1,348)	(527)
Total comprehensive profit/(loss) for the year attributable to securityholders	**163**	**1,237**	**(1,348)**	**(527)**

Note 28: Significant accounting policies

The Group and GDCOF have 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 following amendments to the Australian Accounting Standards ('AAS') are applicable to this Financial Report.

- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2

This and other amendments have been deemed not to have a material impact to the Group and GDCOF.

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

a) Basis of consolidation

Stapling
On 17 March 2020, Global Data Centre Group (the Group) was formed by stapling together the securities of the Global Data Centre Investment Fund (GDCIF) and the securities of Global Data Centre Operations Fund (GDCOF).

The Group has determined that the GDCIF is the parent entity in the stapling arrangement.

For statutory reporting purposes, the Group reflects the consolidated entity being the GDCIF (the acquirer) and its controlled entities. On the basis that the GDCIF does not hold any interest in the GDCOF, the net assets, profit or loss and other comprehensive income of the GDCOF are considered non-controlling interests and are therefore disclosed separately.

a) Basis of consolidation (continued)

The Constitutions of the GDCIF and the GDCOF ensure that, for so long as these entities remain jointly listed, the number of securities in the GDCIF and the number of securities in the GDCOF shall be equal and that securityholder in both funds be identical. Both the Responsible Entity of the GDCIF and the GDCOF must at all times act in the best interest of consolidated entity.

The stapling arrangement will cease upon the earlier of the winding up of any of the stapled entities, or any of the entities terminating the stapling arrangement.

Controlled entities
The consolidated financial statements of the Group incorporate the assets and liabilities of all controlled entities of the Group as at 30 June 2022 and the results of all controlled entities for the year then ended. The consolidated financial statements of the GDCOF incorporate the assets and liabilities of all controlled entities of the GDCOF as at 30 June 2022 and the results of all controlled entities for the year then ended.

Controlled entities are entities controlled by the Group or GDCOF. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of controlled entities are included in the financial report from the date that control commences until the date that control ceases.

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

Investments in controlled entities are accounted for at cost in the individual financial statements of the parent entity, less any impairment.

Business combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group or GDCOF acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group or GDCOF re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then a gain on bargain purchase is recognised in the statement of profit or loss within the year of the acquisition.

Investments in associates and joint ventures
Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture since the acquisition date.

The Group and GDCOF’s share of net profit or loss is recognised in the statement of profit or loss from the date joint control commences until the date joint control ceases. Other movements in reserves are recognised directly in the consolidated reserves.

b) Segment reporting

Segment information is presented in respect of the Group and GDCOF's operating segments, which are the primary basis of segment reporting. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. The primary segments are based on the Group's management and internal reporting structure.

Operating segments are determined based on the information which is regularly reviewed by Lanrik Partners Pty Ltd the Investment Manager of the Group, who is the Chief Operating Decision Maker within the Group.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST paid. Revenue is recognised for the major business activities as follows:

<u>Rental income from investment properties</u>
Rental revenue from investment properties is recognised on a straight-line basis over the lease term where leases have fixed increments, otherwise on an accruals basis. Rental revenue not received at reporting date is reflected in the statement of financial position as a receivable or if paid in advance, a current liability. Lease incentives granted are recognised over the lease term on a straight-line basis as a reduction of rental revenue.

<u>Data centre services revenue</u>
Data centre services revenue primarily consist of recurring monthly service fees. Revenues from the provision of recurring monthly service fees is recognised in the accounting period in which the services are rendered.

Contracts are entered with customers that guarantee certain performance measures such as uptime and on time delivery of services. If service performance stated in the contracts are not achieved, the revenue will be reduced for any credits or cash payments that may be due to customers under contract. Key areas of estimation include the amount of the service credits, the likelihood that the service credits will be claimed, and the time period over which they will impact revenue.

Data centre service revenue not received at reporting date is reflected in the statement of financial position as a receivable or if paid in advance, a current liability.

<u>Finance revenue</u>
Interest income is recognised on a time proportion basis using the effective interest method. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

d) Employee benefits

<u>Wages and salaries and annual leave</u>
Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised as current provisions in respect of employees' services provided up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities expected to be settled beyond 12 months are discounted back to their net present value.

<u>Share-based payments</u>
Employees of controlled entities of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

e) Finance expenses

Finance expenses which include interest and amortised borrowing costs are recognised using the effective interest rate applicable to the financial liability.

f) Income tax

GDCIF
Under current Australian income tax legislation, the GDCIF is generally not liable for income tax provided their taxable income and taxable capital gains are fully distributed to unitholders each year. In the circumstances where a managed investment trust undertakes certain trading activities that trust may be liable to pay income tax.

GDCOF
GDCOF is subject to income tax as it currently controls an active trading business. Income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction and deferred tax expense calculated by reference to changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

h) Receivables

Receivables are recognised initially at AASB 15 transaction price and subsequently at amortised cost. The payment terms are usually 30 days after the invoice is raised. They are classified as current assets except where the maturity is greater than 12 months after the reporting date in which case they are classified as non-current.

For trade receivables and contract assets, the Group and GDCOF apply a simplified approach in calculating ECLs. Therefore, the Group and GDCOF do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. A provision matrix has been established based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

i) Financial instruments

Classification
Financial assets

The Group and GDCOF classify their financial assets as subsequently measured at amortised cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i) Financial instruments (continued)

a) Financial assets measured at fair value through profit or loss
A financial asset is measured at fair value through profit or loss if:

i. its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or
ii. it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
iii. at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
iv. an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment- linked insurance funds, and the entity elects to measure investments in those associates and joint ventures at fair value through profit or loss.

b) Financial assets measured at amortised cost
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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 liabilities

a) Financial liabilities measured at amortised cost
This category includes all financial liabilities that will subsequently be measured at amortised cost. The Group and GDCOF includes short-term payables in this category.

Recognition and derecognition
The Group and GDCOF recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Group or GDCOF commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Group or GDCOF has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligations under the liabilities are discharged.

When the terms of an existing financial asset or liability are substantially modified, such a modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability. The new asset or liability is measure at fair value, with any difference in the respective carrying amounts recognised in the statement of profit or loss.

Initial measurement
Financial assets and financial liabilities held at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus/minus any directly attributable incremental costs of acquisition or issue.

Subsequent measurement
After initial measurement, the Group and GDCOF measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in the statement of profit or loss.

Financial assets and liabilities, other than those classified as at fair value through profit or loss, are subsequently measured using the effective interest method and financial assets are subject to impairment. Gains and losses are recognised in profit or loss when the asset or liability is derecognised, modified or impaired.

i) Financial instruments (continued)

Fair value measurement
Fair value is 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group or GDCOF.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent arm’s length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

Fair value hierarchy
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

Impairment
At each reporting date, the Group and GDCOF shall measure the loss allowance on financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Group and GDCOF shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that credit loss has increased significantly. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

For trade receivables, the Group and GDCOF applies a simplified approach in calculating ECLs. Therefore the Group and GDCOF do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. A provision matrix has been established based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

j) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a valuation performed by an accredited external independent valuer at least every two years, and otherwise by director’s valuations at reporting dates where no independent valuation has been obtained.

k) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and GDCOF and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of Fixed Asset	Depreciation Rate
Right of use asset	4% - 6.7%
Equipment	6.7% - 20.0%

Each asset's residual value and useful life is reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

l) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Class of Intangible Asset	Amortisation Rate
Customer Contracts	6.7%

m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, except goodwill which is reviewed annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

n) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Distributions

Distributions payable is recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the Directors on or before the end of the financial period, but not distributed at balance date.

o) Borrowings

Interest bearing loans and overdrafts are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group and GDCOF has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Transaction costs are amortised over the term of the borrowing and the balance of transaction costs is amortised immediately upon a borrowing being substantially renegotiated, refinanced or repaid in full.

p) Provisions

A provision is recognised in the statement of financial position when the Group and GDCOF has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

q) Issued capital

Issued capital represents the amount of consideration received for securities issued by the Group and GDCOF. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or 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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

s) Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as net foreign exchange gains/(losses) in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value.

The Group and GDCOF's consolidated financial statements are presented in Australian Dollars, which is also the parent company's functional currency.

<u>Group Companies</u>
On consolidation, the assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Global Data Centre Group
Directors' declaration
For the year ended 30 June 2022

In the opinion of the Directors of the Responsible Entity, Evolution Trustees Limited:

1) The consolidated financial statements and notes of Global Data Centre Group and its controlled entities and the consolidated financial statements and notes of Global Data Centre Operations Fund and its controlled entities that are set out on pages 11 to 66 are in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the consolidated entities' financial positions as at 30 June 2022 and of their performances for the financial year ended on that date; and

    (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

    (iii) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 16(b) 'Basis of preparation' to the financial statements.

2) There are reasonable grounds to believe that the Global Data Centre Group and Global Data Centre Operations Fund will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Rupert Smoker
Director

Sydney
29 August 2022

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Independent auditor's report to the unitholders of Global Data Centre Group

Report on the audit of the financial report

Opinion

We have audited the financial report of Global Data Centre Group (the Group), which comprises Global Data Centre Investment Fund and its controlled entities, and Global Data Centre Operations Fund (GDCOF) and its controlled entities, which comprises:

- The Group consolidated statement of financial position as at 30 June 2022;
- The GDCOF consolidated statement of financial position as at 30 June 2022;
- The Group consolidated statement of profit or loss, consolidated statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended;
- GDCOF consolidated statement of profit or loss, consolidated statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended;
- Notes to the financial statements, including a summary of significant accounting policies; and
- The directors' declaration.

In our opinion, the accompanying financial reports are in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Group's and GDCOF's financial positions as at 30 June 2022 and of their financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Valuation of unlisted investment

<table>
<tr><th>Why significant</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The Group has a single unlisted investment valued at $35.2m at 30 June 2022.

This is disclosed in Note 10 of the financial report.

The investment is carried at fair value, which has been assessed by management based on a summarised version of an independent specialist valuation at 30 June 2022.

The valuation of the unlisted investment is inherently subjective and sensitive, with small changes in valuation inputs resulting in a range of valuation outcomes

We have, therefore, considered this a Key Audit Matter.</td><td>Our audit procedures included the following:
▸ Requested and were provided access to the independent specialist's full valuation report
▸ Reviewed the complete independent expert's valuation report which included:
  ▸ Assessing the objectivity and capability of the external valuation specialist
  ▸ Assessing the suitability of the valuation method used and assessing the key assumptions.
  ▸ Evaluating the reasonableness of the external valuation specialist's conclusions.
  ▸ Involving our valuation specialists in performing these procedures.
▸ Considered whether the financial report disclosures are appropriate.</td></tr>
</table>

Building a better working world

Recoverability of Goodwill relating to ETIX West

Why significant	How our audit addressed the key audit matter
As disclosed in Note 8 of the consolidated financial report and in accordance with the requirements of Australian Accounting Standards, the Group performed an annual impairment test of the ETIX West cash generating unit (CGU) to which goodwill of $16.1 million was allocated to determine whether the recoverable amount of this CGU exceeded its carrying amount at 30 June 2022. A fair value less cost of disposal model was used to calculate the recoverable amount of the CGU. This was considered a Key Audit Matter due to the materiality of the balance to the financial statements, extent of audit effort and the significant judgment related to the inputs to the valuation model.	Our audit procedures included the following: ▸ Assessing whether the methodology applied to determine the recoverable amount meets the requirements of Australian Accounting Standards. ▸ Assessing the reasonableness of the cash flow forecasts. ▸ Together with our valuation specialists, assessing the valuation assumptions and methodologies. ▸ Performing a sensitivity analysis by assessing whether a reasonably possible change in assumptions could cause the carrying amount of the CGU to exceed its recoverable amount. ▸ Considered whether the financial report disclosures are appropriate.

Acquisition of ETIX Bangkok

Why significant	How our audit addressed the key audit matter
As disclosed in Note 19 of the financial report, on 14 January 2022, the Group completed the acquisition of 66.7% of the issued shares of Etix ITEL Bangkok Co. Limited (formerly known as Genesis Data Center Company Ltd Limited) ("ETIX Bangkok") for consideration of $11.1m. During the financial year, the Group undertook an initial acquisition accounting assessment relating to ETIX Bangkok and recognised provisional goodwill of $7.1m and intangibles relating to customer contracts of $2.7m. We considered this a Key Audit Matter because of the quantitative impact of the acquisition on the financial statements and the significant judgment and estimates involved in the acquisition accounting.	Our audit procedures included the following: ▸ Obtained an understanding of management's process related to the acquisition accounting. We considered the sales and purchase agreement and assessed the accounting treatment in accordance with AASB 3 *Business Combinations*. ▸ Assessed the objectivity and capability of the external valuation specialist engaged by the Group and evaluated the reasonableness of their conclusions in relation to the key assumptions, and the appropriateness of the allocated fair values. ▸ Involved our valuation specialists in performing these procedures. ▸ Considered whether the financial report disclosures are appropriate.

Building a better working world

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's and GDCOF's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or GDCOF or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or GDCOF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or GDCOF to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young

Douglas Bain
Partner
Sydney
29 August 2022

Information below was prepared as at 19 August 2022.

a) Top 20 registered securityholders:

Holder Name	Securities held	% of issued securities
CITICORP NOMINEES PTY LIMITED	13,081,723	16.93
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,785,097	10.07
UBS NOMINEES PTY LTD	6,663,890	8.62
NATIONAL NOMINEES LIMITED	5,617,907	7.27
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,286,330	6.84
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	935,449	1.21
VENTI SEVEN PTY LTD	916,526	1.19
J & H MACCULLOCH PTY LTD <J & H MACCULLOCH A/C>	864,416	1.12
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	790,397	1.02
ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	720,000	0.93
MR DAVID STUART YUILE & MRS CAROLE YUILE <FOURYS A/C>	672,557	0.87
WASHINGTON H SOUL PATTISON AND COMPANY LIMITED	571,274	0.74
ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	564,568	0.73
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	549,828	0.71
LILY INVESTMENTS PTY LTD	500,000	0.65
DEEMCO PTY LIMITED	492,462	0.64
WARBONT NOMINEES PTY LTD <ACCUMULATION ENTREPOT A/C>	437,322	0.57
ONE FUND SERVICES LTD <SANDON CAPITAL ACTIVIST A/C>	423,123	0.55
CERTANE CT PTY LTD <BC1>	377,733	0.49
CERTANE CT PTY LTD <BC2>	322,464	0.42
Total securities held by top 20 securityholders	**47,573,066**	**61.57**
Total securities on issue	**77,272,800**	**100.00**

b) Distribution of securityholders:

Number of securities held by securityholder	Number of holders	Securities held	% of issued securities
1 to 1,000	424	252,061	0.33
1,001 to 5,000	1,139	3,256,925	4.21
5,001 to 10,000	562	4,229,980	5.47
10,001 to 100,000	698	18,256,431	23.63
100,001 and over	43	51,277,403	66.36
Totals	**2,866**	**77,272,800**	**100.00**

The total number of securityholders with less than a marketable parcel was 85 and they hold 13,679 securities.

c) Substantial securityholder notices:

Name of securityholder	Last date of notice	Securities held	% of issued securities
Regal Funds Management Pty Limited	22/06/2022	10,266,378	13.29%
MA Financial Group Limited	17/08/2022	7,212,626	9.33%
Tribeca Investment Partners Pty Ltd	8/09/2021	3,649,445	5.56%

Glossary

For the year ended 30 June 2022

Term	Definition
$ or A$ or cents	Australian currency
Global Data Centre Investment Fund, GDCIF	The managed investment scheme (ARSN 635 566 531) that represents part of the stapled entity, Global Data Centre Group
Global Data Centre Operations Fund, GDCOF	The managed investment scheme (ARSN 638 320 420) that represents part of the stapled entity, Global Data Centre Group
The Group, Global Data Centre Group	Global Data Centre Group (ASX: GDC), the stapled entity comprising Global Data Centre Investment Fund and Global Data Centre Operations Fund
AASB	Australian Accounting Standards Board
AFSL	Australian Financial Services Licence
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the market operated by it as the context requires
ASX Guidelines	The ASX Principles of Good Corporate Governance and Best Practice Guidelines
Board	Board of Directors of the Responsible Entity
CGT	Capital gains tax
Constitution	The constitution of the Group, as amended
Consolidated entity	Global Data Centre Group (ASX: GDC), the stapled entity comprising Global Data Centre Investment Fund and Global Data Centre Operations Fund
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time
CPI	Consumer price index
Cps	Cents per Security
Director/s	A director of the Responsible Entity
Distribution yield	Rate of return derived by dividing distribution per Unit by the price
Earnings yield	Rate of return derived by dividing earnings per Unit by the price
AFCA	Australian Financial Complaints Authority
Fund Investment Committee	The committee established to oversee the Group's investments, key recruitment and policies
FY	Financial year (1 July to 30 June)
Gross Proceeds	The aggregate of all moneys (including all rent, licence fees, outgoings and all other amounts) received from tenants and other occupants and users of the real property assets (held directly or indirectly) of the Group
GST	Goods and services tax (Australia)
HY	Half Year (half year from 1 July to 31 December or 1 January to 30 June)
IFRS	International Financial Reporting Standards
Investment Manager	Lanrik Partners Pty Ltd (ABN 58 632 422 916)
NCI	Non-controlling interest
NPI	Net property income
NTA	Net tangible assets as per the balance sheet
NTA per Security	Net tangible assets divided by the number of Securities on issue
Operating earnings	Operating earnings is statutory net profit adjusted for non-operating items
p.a.	Per annum
Responsible Entity	Up until 14 April 2022 360 Capital FM Limited (ABN 15 090 664 396, AFSL 221474) From 14 April 2022 onwards Evolution Trustees Limited (ABN 29 611 839 519, AFSL 486217)
YTD	Year to date

Parent Entity
Global Data Centre Investment Fund
ARSN 635 566 531

Directors & Officers
Non-Executive Directors
Rupert Clive Smoker
David Roko Grbin
Alexander James Calder
Ben Michael Norman (Alternate)

Officers
David Yuile – Managing Director of Investment Manager

Responsible Entity
Evolution Trustees Limited
ACN 611 839 519
AFSL 486217
Suite 703B, Level 7, 1 York Street Sydney NSW 2000
Telephone 02 8866 5150 Email: gdc@evolutiontrustees.com.au

Unit Registry
Boardroom Pty Limited
ACN 003 209 836
Grosvenor Place, Level 12, 255 George Street Sydney NSW 2000
Telephone 1300 082 130 Email: enquiries@boardroomlimited.com.au

Auditor
Ernst & Young
200 George Street Sydney NSW 2000

Website
www.globaldatacentres.com.au/