A. Suite 703B, Level 7 1 York Street, Sydney NSW 2000

- W. www.globaldatacentres.com.au
- E. gdc@evolutiontrustees.com.au

P. +61 2 8866 5150



ASX Release

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Global Data Centre Group (ASX: GDC)

Conclusion of internal strategic review and proposed new unitholder aligned remuneration model

Global Data Centre Group ("the Group"; ASX: GDC) is pleased to announce the following:

Strategic Review

In response to feedback from several large investors, Lanrik Partners Pty Ltd ("Lanrik") as the investment manager of GDC, has carried out an internal strategic review. The strategic review had particular focus on assessing the long-term viability of GDC's current investment structure, given the persistent trading discount on ASX when compared to audited Net Asset per unit and Lanrik's own assessment of GDC's fair value.

The outcome of this review is that Lanrik will pivot to a value realisation strategy. Under this strategy, GDC is unlikely to make new investments. Instead, Lanrik will seek to realise the value of GDC's existing assets over the medium term through asset disposals. Additionally, GDC may consider and adopt capital management initiatives in due course.

Lanrik Managing Director David Yuile said "We have listened to our unitholders and are looking forward to executing on our new strategy. Optimal value realisation will take time and is subject to market conditions."

Proposed new unitholder aligned remuneration model

Samuel Terry Asset Management Pty Ltd (GDC's largest unitholder) has proposed changes to Lanrik's remuneration model. The proposal seeks to better align unitholder and investment manager objectives. Lanrik is in support of the changes. At the date of this release, Lanrik has received "in principle" support for these changes from certain other large investors in GDC.

Reduction in base fee and other fees

The annual base management fee payable to Lanrik in connection with GDC is proposed to be reduced from 1% (plus GST) of the gross asset value of GDC ("GAV") to 0.5% (plus GST) of GAV. Additionally, Lanrik will agree to waive its right to termination and notice period fees.

Replacement incentive scheme

Lanrik's current performance fee structure is proposed to be wholly replaced with a new performance rights plan (the "Performance Rights Plan"). Under the Performance Rights Plan, Lanrik will be issued tranches of performance rights ("Rights") which will vest, and be convertible into fully paid ordinary units in GDC, upon the sooner of:

- (a) the occurrence of a "liquidity event"; or
- (b) 12 months after GDC's unit price meeting a milestone unit price (each, a "Initial Relevant Hurdle") as set out in the table below.



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The anticipated effect of adopting the Performance Rights Plan will be to more directly align Lanrik's financial interest in GDC with that of its unitholders under the value realisation strategy. The following tranches of Rights are proposed to be issued to Lanrik under the new Performance Rights Plan.

Tranche	Initial Relevant Hurdle	Number of Rights
Tranche A Rights	\$1.75	1,250,000
Tranche B Rights	\$2.00	1,250,000
Tranche C Rights	\$2.25	1,750,000
Tranche D Rights	\$2.50	1,750,000
Tranche E Rights	\$2.75	2,000,000
Tranche F Rights	\$3.00	2,500,000

Under the proposed rules governing the Performance Rights Plan, if the Tranche has not vested by the end of 3 years, the Initial Relevant Hurdles will increase at 10% p.a (including a catch-up clause from inception). Relevant Hurdle's will, from time to time, be adjusted for capital returns and distributions made to unitholders after the Rights have been issued. Any distributions (capital or income) pertaining to unvested units issuable upon conversion of the Rights will also be adjusted for and "made whole" upon vesting for economic consistency.

The proposed changes to Lanrik's remuneration require an amendment to the management agreement and, as such, Lanrik will seek unitholder approval before implementing the new remuneration changes. Full terms will be set out in a Notice of Meeting of Unitholders which is anticipated to be released by the end of May 2023.

Authorised for release by Evolution Trustees Limited*

More information on GDC can be found on the ASX's website at www.asx.com.au using the Group's ASX code "GDC", on the GDC's website www.globaldatacentres.com.au, by calling the investor enquiry line on 1300 737 760 or by emailing <u>enquiries@boardroomlimited.com.au</u> Alternatively, GDC investors can contact:

David Yuile

Managing Director Lanrik Partners Pty Ltd david.yuile@lanrik.com



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About Global Data Centre Group (ASX: GDC)

Global Data Centre Group aims to take advantage of the unique once in lifetime investment cycle by investing in digital infrastructure assets and businesses, targeting an internal rate of return of 10% per annum. The Group is managed by Lanrik Partners Pty Ltd.

About Lanrik Partners Pty Ltd

Lanrik Partners Pty Ltd are a specialist digital infrastructure investment manager with deep industry knowledge and networks which provides unique access to investments in the data centre and optical fibre sectors.