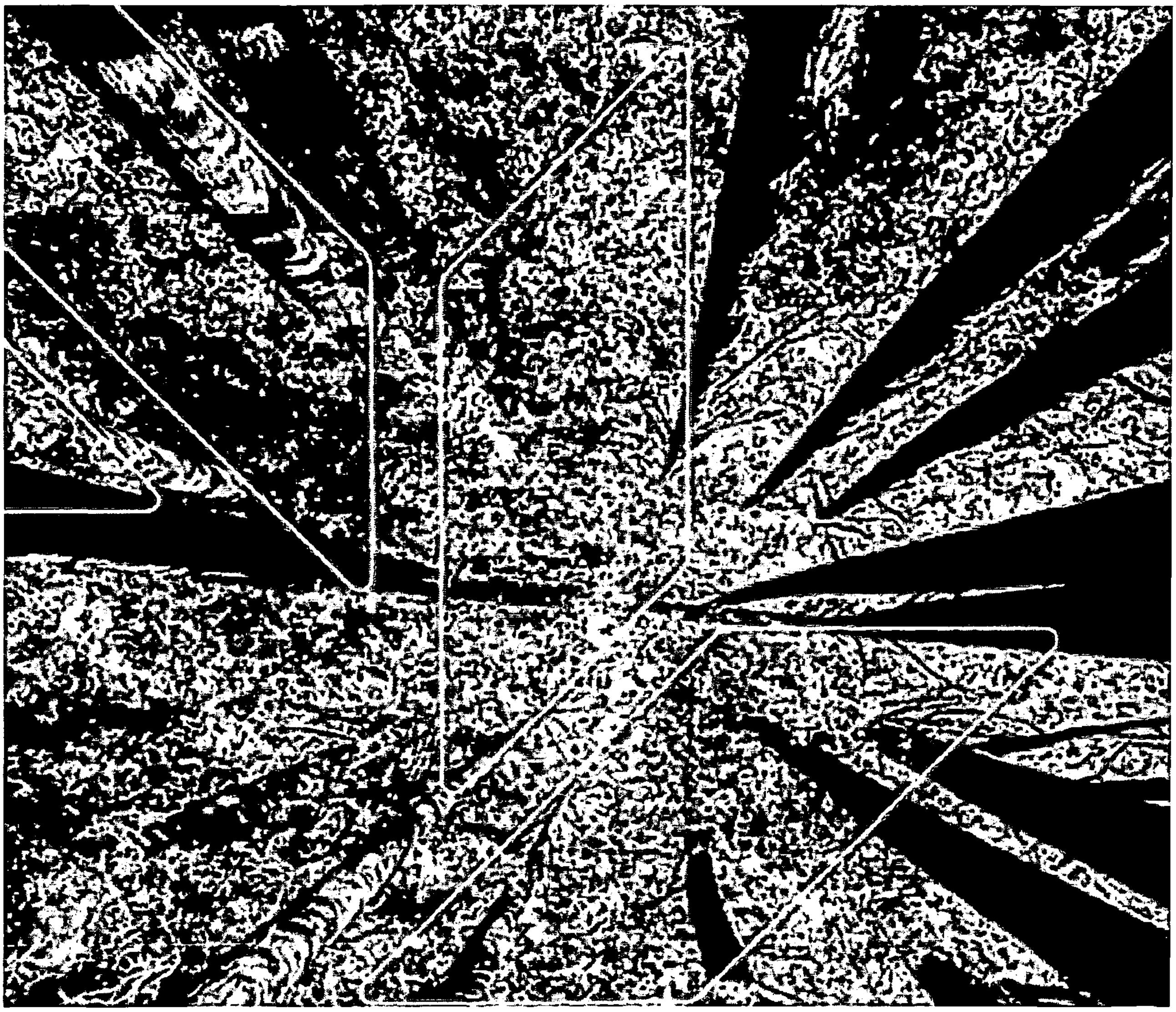


pure DC

PURE DATA CENTRES GROUP LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

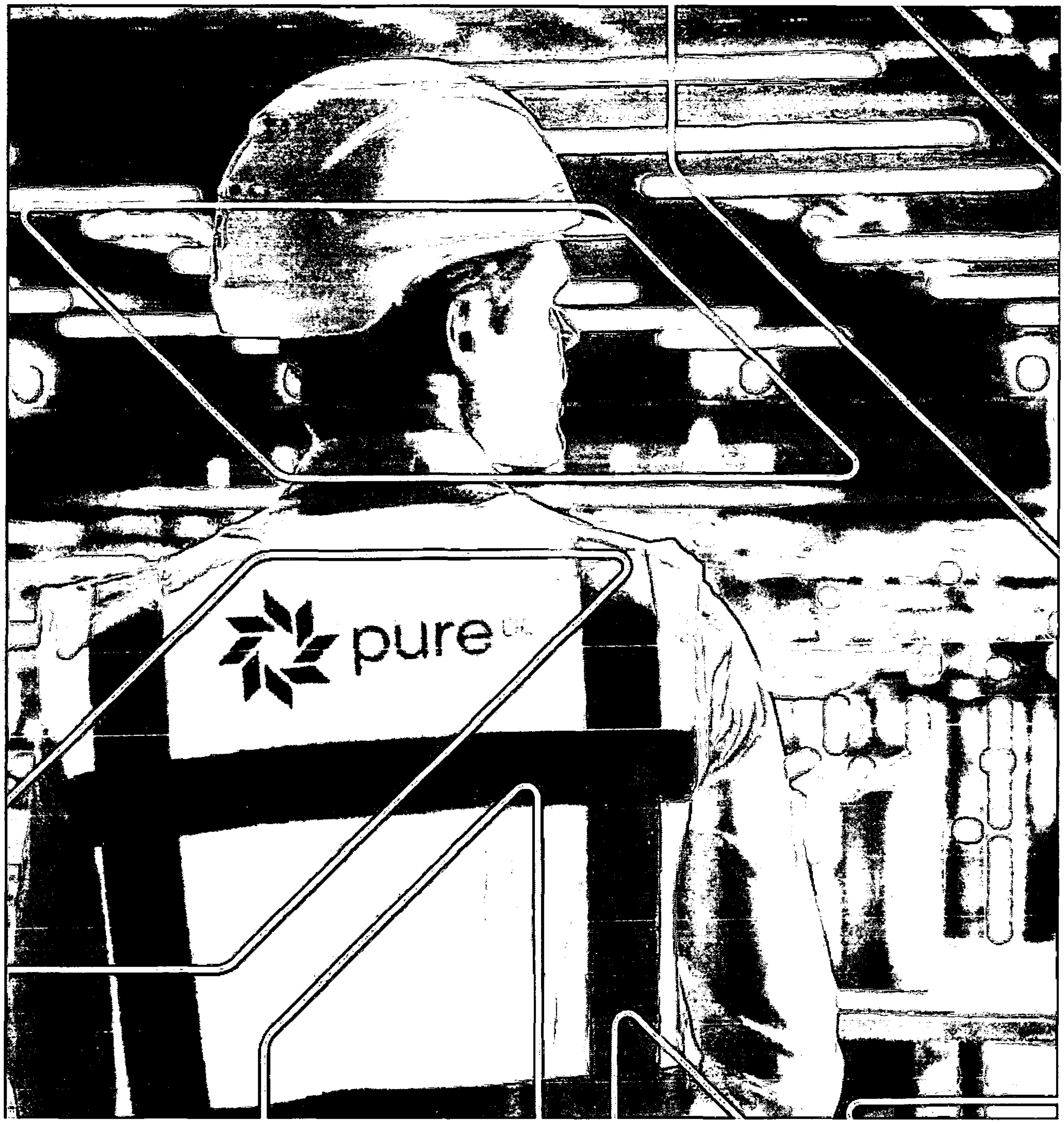
Company Registration No. 08413665 (England and Wales)

COMPANY INFORMATION

Directors	B Barron S P Berrill D E Childs W M Davis G Horridge N P On R Venkataraman I Whitfield
Secretary	N J Grinham
Company number	08413665
Registered office	5 Fleet Place London England EC4M 7RD
Auditor	BDO LLP Bridgewater House Finzels Reach Counterslip Bristol BS1 6BX

Contents

STRATEGIC REPORT



Introduction

The Directors present the Strategic Report for Pure Data Centres Group Limited and its subsidiaries ("Pure DC" or "the Group") for the year ended 31 December 2022.

Fair Review of the Business

In 2022 the Group continued its planned expansion; not only increasing our global footprint, but also successfully transitioning the first part of our London site into live operations. The phased delivery of current data centre assets continued throughout the year with a forward glide path of capacity that will transition to operations across several continents throughout 2023, 2024 and 2025. This includes the build out of the London site up to its 150MVA capacity, the continued construction in Jakarta up to 34MVA and the build out of a site in Dublin that we added to our portfolio during 2022 with capacity of 68MVA for phased build out and release between 2023 and 2026. Another exciting acquisition has been a site in Abu Dhabi, a hyperscale campus with a capacity of 78MVA. This site becomes ready for release in phases between early 2025 and 2027 and will position us well to take advantage of this strong emerging market.

Our in-house design, development, construction, and operations teams are now embedded giving us the capability to rapidly conduct thorough due diligence and convert opportunities for our hyperscale customers. We have also enhanced our capability with the acquisition of a research and development business focussed solely on sustainability and carbon capture opportunities. A Healthier Earth Limited ("AHE") incorporates a world class team of climate scientists and engineers and is a strategically important part of our Group.

The need to respond quickly and efficiently to the global climate change emergency is an issue facing all industrial development around the world, but especially data centres. The AHE team's focus on sustainable design, construction, and operations, as well as on understanding local sustainability challenges, is important in helping us to meet or exceed the requirements of planners and our customers. They have already introduced several valuable initiatives and will continue to develop and enhance these for deployment across our existing campuses and new sites.

Throughout 2023 and beyond we expect to continue our growth to meet the strong demand with acquisition of new sites and the commensurate increase in our team to support those sites.

Market Overview

The data centre market remains a high-growth, dynamic sector that is key to the success of the broader digital economy. We continue to see strong demand, both in nominal and percentage terms, from our key customers in markets throughout the globe.

While market demand remains robust, recent trends have made new supply increasingly difficult. Challenges around procuring power, gaining regulatory approval, issues with key elements of the supply chain and rising interest rates have all made it tougher to execute new developments.

As these trends continue, we expect to see a greater proportion of successful developments coming from effective, focused hyperscale developers who can unlock the challenges around bringing new sites online.

Key Performance Indicators

The Group's key performance indicators are as follows:

- Revenue: £5,637,042 (2021: £4,078). During the year the Group delivered two operational data halls.
- Loss before taxation: £35,338,502 (2021: £39,710,565). The Group continues to be loss making as it continues to forward invest in future developments and resources to support the growth of the business in advance of revenue generation from new contracts.

- Net Assets: £40,035,402 (2021: Net Assets £67,730,328). The reduction in Net Assets is a result of losses in the year.
- IT MW Contracted: 37.5MW (2021: 15MW). During the year, the Group entered contracts for an additional 22.5 MW. As at 31 December 2022, the Group had also secured reservations over 30MW (2021: 20MW).

Principal risks and uncertainties

Risk and issue mitigation is essential for the Group given our global footprint and fast expansion in recent years. Inevitably, like all businesses, we face significant risks over which we have little or no control, such as the risks arising from major conflicts or the ongoing impacts of the global energy crisis, rising interest rates and inflation. Although we endeavour to insure against such risks, this is not always possible.

As a data centre developer and operator, the Directors consider that the key risks faced by the Group relate to construction risk, operational risk, cyber security, inflation, liquidity, and climate change risk.

Construction risk

Delays in delivery of a data centre asset may have a significant impact on the financial position and reputation of the Group. Delay can be caused by safety incidents, supply chain issues or planning/consenting challenges.

- Safety - Health & safety is a critical focus in the business and the safety of all parties both internal and external working on Group projects is paramount. The Group has stringent health and safety policies and processes in place. To minimise risk wherever we operate we have an internationally experienced team responsible for monitoring and ensuring all procedures and standards are rigorously followed, supported by industry leading consultants. Across the Group our Accident Frequency Rate (AFR) remains zero for our employees. Our global projects AFR has reduced from 0.3 in 2021 to 0.2 in 2022, which includes all contractors and consultants. The AFR is calculated as the Number of Lost Time Injuries x 200,000 / Number of Hours Worked. Our AFR of 0.2 compares favourably with the Occupational Safety and Health Administration (OSHA US) construction industry average of AFR 1.1.
- Supply Chain - Supply chain challenges during 2022 continued to be particularly acute with a combination of continued strong growth in the market, indirect conflict impacts and ongoing COVID impact. We expect the supply chain challenges to continue throughout 2023, especially given the forward regionalisation of production triggered by enforcement acts like the US CHIPS Act. In addition, the increasing cost and uncertainty of energy supply pose a risk for our business, contributing to increases in building material costs. To counter this the Group continues to invest in strengthening supply chain relationships and supply chain management to increase forward visibility and resilience in our supply chain.
- Planning and consenting - There is ever closer focus on land development and the use of resources such as power and water. This has seen a complete moratorium imposed on any new data centres in some geographies (Singapore and Ireland). Whilst these moratoriums are now potentially being softened, there has been an evident increase in the requirements and time taken to secure planning approvals. In addition, we are seeing an increase in the need to have considered sustainability as part of any planning application. To mitigate this risk, we are developing a suite of sustainability initiatives and products that can be built into any new schemes to reduce as far as practicable the resource requirement for our Data Centres and to provide benefit to the local communities.

Principal risks and uncertainties (continued)

Operational risk

In every data centre the potential for technical failure exists. Uncontrolled events arising from business operations may have a negative effect on the financial position or reputation of the Group. Good design is key to create resilience and remove the potential for human error. However, it is not feasible to design all human/machine interfaces out of an operation so human factors will always remain the key risk to be mitigated from an operational perspective. Consequently, the Group is focused on delivering operational excellence through the deployment of processes, systems, and training to mitigate these risks throughout its data centres. Our highly skilled and experienced teams are at the forefront of guarding against any impacts to operations so ensuring we attract and retain the best people is also a primary mitigation against operational risk.

Cyber Security

Cyber security is a key concern for any business and ensuring that our proprietary and confidential information is kept secure is a priority. We mitigate this risk using both technical and procedural solutions. We also carry out frequent penetration testing and test staff response to simulated cyber-attacks to make sure that our cyber security defences are always robust. During 2022, we implemented processes and became certified to ISO27001 at our London data centre.

Inflation risk

Inflation is a moderate risk to our business. It has the potential to drive up costs in the short term, but this can be modulated by aligning the timing of executing customer contracts with underlying build, operating, and financing contracts.

There is also risk that previously executed contracts may become undervalued as the underlying rate environment changes. This is mitigated by the long-term potential for rent resets to prevailing market levels and the ability to capture that reversionary value, as is often seen in real estate classes with 10–15-year lease lengths.

The business of hyperscale data centres is generally resistant to inflation as our core customers' product of public cloud services is inflation resistant.

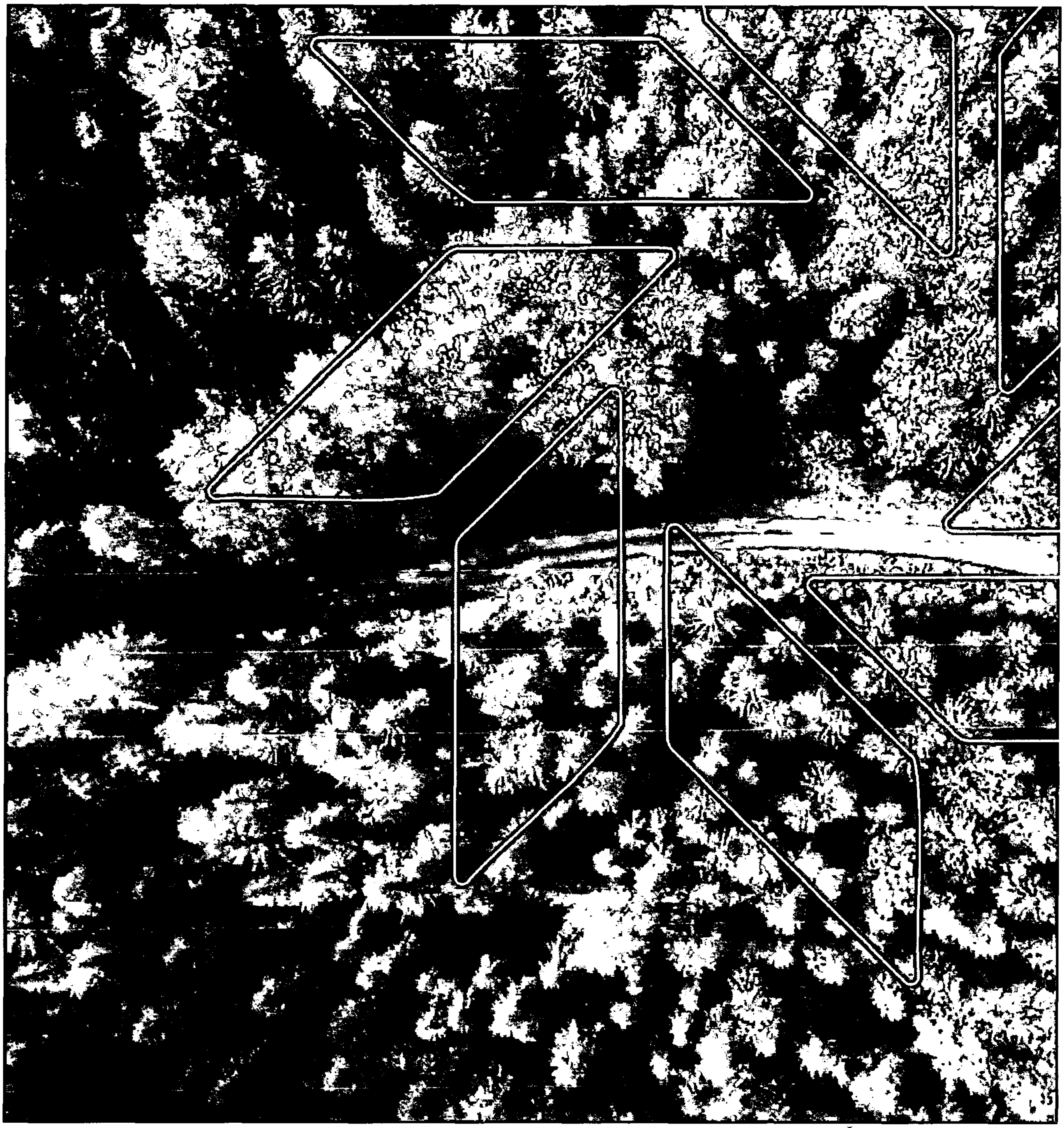
Liquidity Risk

Growth has been financed by the issue of ordinary shares and loans from shareholders and third-party debt. The Group manages liquidity risk through detailed cash requirement planning along with strict financial policies which prevent any material commitment without the consent of shareholders. In 2022, the Group completed a refinancing of an existing debt facility to £470,000,000 (2021: £280,000,000) to support the development of the Group's UK data centre. This debt facility provides additional risk mitigation for liquidity. In addition, the Company received loans totalling equivalent of £209,359,634 excluding interest (2021: £80,343,538 excluding interest) from its shareholders.

Climate Change Risk

The effects of the global climate crisis impact all businesses and the failure to manage climate-related risks could lead to additional costs, build programme delays and damage to our reputation. Transition risks relating to the shift to a low carbon economy and current and emerging regulations pose a significant short to medium term risk. Meanwhile, physical risks such as rising temperatures and changing weather patterns may impact our longer-term strategy. To mitigate this, we ensure climate related risks are fully assessed at the feasibility stage of all new site selections. We regularly review our basis of design ("BOD") to take into account variations to extreme temperature and weather projections. We reduce reliance on traditional construction materials, integrating lower carbon materials or materials with environmental product declarations, wherever we can. We undertake climate change scenario modelling to inform our BOD in new and existing geographical locations.

Environmental, Social and Governance



Our Sustainability Commitment

Data Centres drive growth, generate employment, and boost the digital economy. We believe that information technology will have an important role to play in developing and delivering future solutions to climate change, but we also recognise the contribution our sector makes to global emissions.

Sustainability is therefore at the heart of our business model and influences our decision-making throughout our business and value chain. At Pure DC we are committed to the use of intelligent design of data centre infrastructure to lessen our impact on the planet, society, and the communities we operate in. Our Sustainability Charter is based on the following key objectives:

- Net Zero Carbon: embodied and operational
- Zero waste to landfill
- Net Zero cooling water use in operation
- Biodiversity net gain
- Positive societal impact
- Improve skills growth
- Strengthen food security

For each of our developments, we measure and understand our construction and operational carbon footprint by carrying out Whole Life Cycle Assessments. We have established guidelines for engagement with our General Contractors, so they deliver high levels of sustainability in construction. We aim to manage our emissions following UK Green Building Council guidelines for Net Zero in Construction and Net Zero in Operations.

During the year we rolled out our first zero waste to landfill program and aim to obtain certification for our first operational site by the end of 2023. We continue to abide by the principle of Net Zero water use in operation by incorporating closed loop cooling systems (non-evaporative) and rainwater harvesting in our designs. We have removed diesel use from our standby generators, instead using hydrotreated vegetable oil (HVO), which reduces CO2 emissions from the engines by up to 90%.

Our intention is to achieve biodiversity net gain in all our projects, exceeding national legislative requirements. We have invested in high quality verified carbon credits supporting nature-based projects as a means of carbon offsetting while also focusing on those projects that stimulate biodiversity regeneration and have significant social impact for the communities where they are carried out.

To further confirm and validate our commitments, we carried out an extended Materiality Assessment that included input from both internal and external stakeholders. This has helped us further inform and validate our sustainability strategy. We used the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) as reference points for developing the evaluation. We held discussions with representatives of the Board and senior management team, customers, suppliers, and investors. From the discussions, we were able confirm that our stakeholders agree with the steps we have taken to embed ESG considerations in the business. This assessment allowed us to better prioritise the sustainability themes that are important to all our stakeholders and the potential impact on our business. The chart below depicts the principal and emerging priorities that Pure DC will focus on in terms of environmental, social and governance issues.

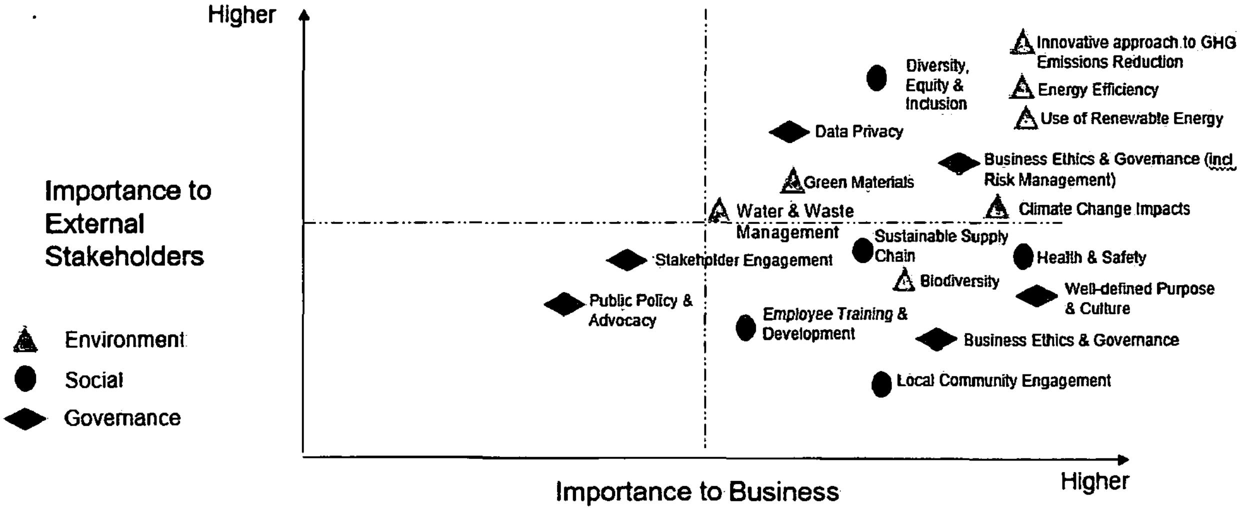


Figure: Materiality Assessment results

During 2022, we participated in EcoVadis, an external sustainability rating that measures a company's sustainability management system through its policies, actions, and results. We obtained very satisfactory results, ranking in the 67th percentile in our industry group, and obtaining a Bronze award. Plans have since been implemented to improve on this rating during 2023.

Innovation

Decarbonising our project delivery and operations is an absolute priority for the Group. Throughout 2022 we developed a series of initiatives and trials, and together with our consultants and contractors we are deploying these, where applicable, throughout all projects and our operations.

For example, we have transitioned to the use of hydrotreated vegetable oil (HVO), a fuel which can result in as much as 90% less greenhouse gas emissions over its life cycle when compared with diesel, to run our backup generators. This was an initial key step towards our net zero emissions journey at our London facility and we are rolling this out on all our future projects. We also implemented a move to SF6 free electrical switchgear and low GWP F-gases in our cooling plant.

We have acquired and grown a business – A Healthier Earth – bringing together scientists and engineers to innovate. Our vision is to create truly sustainable data centres that not only enable the digital infrastructure essential to modern life, but actively improve rather than merely reduce harm to the planet. The Group has focused on finding solutions to tackle climate change issues; including but not limited to research and development into next generation technologies and carbon sequestration.

We are also working with our partners to switch to cleaner technologies for our plant and equipment such as those running on solar, electric, bio-gas and hybrid solutions. Further to this, we are determined to reduce potable water use and waste creation, as well as increasing biodiversity and social value on site and in the locality.

In Dublin, we saw our general contractor switch from traditional diesel fuels to HVO for their construction plant and equipment, reducing emissions on site, and harvesting rainwater for use in welfare cabins. Our Jakarta team have reduced their waste by upcycling much of their excess materials into new innovative products. Meanwhile, to reduce potable water use, the team in Abu Dhabi have been collecting Air Conditioning condensate and storing this to be used across site for multiple activities saving litres of water every month. Amongst other activities our London teams have been active in recycling used PPE, installing EV chargers on site for use during the construction phase and trialling a new cement binder which allows for the use of 100% host material, diverting waste from landfill and eliminating the import of aggregates.

Environmental Performance

Over the last year, there has been a strong focus on developing our data gathering and management processes that allow us to better understand our carbon emissions. We have completed a full inventory of Scope 1 and 2 GHG emissions for the year ended 31 December 2022 and had our carbon accounting methodology and calculations verified by an independent third party. This data will form a baseline for monitoring our environmental performance going forward.

To minimise our carbon impact, we contributed funds to independent third party verified nature-based solution projects that capture and store carbon emissions from the atmosphere by restoring ecosystems. These projects have additional sustainability dimensions, including helping to conserve and protect biodiversity, as well as supporting local communities with job creation and upskilling and training in nature conservation.

Task Force on Climate related Financial Disclosures

Climate change and the laws and regulations needed to mitigate it – both in the UK and internationally - create both risks and opportunities for our business. Being accountable for and transparent about how we assess and manage climate-related risks and opportunities is important for maintaining our stakeholder relationships and ensuring we make the right decisions while further developing our business. For the first time this year, we are therefore voluntarily reporting against the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations.

We will continue to refine our assessment of climate change risks and opportunities and embed climate change risk management in our day-to-day operations and acquisitions.

Our Consideration of Climate Change

We set up a TCFD working group, with members from across the business, representing disciplines such as design, engineering, development, legal and finance. The working group met regularly with external advisers to: 1) Understand the potential consequences of climate change; 2) Evaluate different climate change scenarios and impact on our business; and 3) consider and assess the associated risks and opportunities.

To improve our understanding of climate change risks and opportunities, we've considered the recommended 1.5-2 *degrees warming scenario, based on the Intergovernmental Panel on Climate Change's (IPCC) defined* Representative Concentration Pathway ('RCP') 2.6 (1.5-2 degrees) to evaluate transition risks, and considered the RCP 8.5 (a worst-case warming scenario) to evaluate our climate risks. The results of the evaluation are summarised below based on the recommend disclosures:

Disclosure	**Commentary**
Describe the Board's oversight of climate-related risks and opportunities	The Board sets our risk appetite and oversees our risk management. This risk framework includes climate change and sustainability-related matters. The Board established a ESG Committee in 2022, which assesses and reviews principal risks and emerging risks relating to climate change. Climate change is a principal risk for the Group. The Board has therefore delegated responsibility to the ESG Committee to develop a sustainability strategy, to carry out the analysis needed to propose a net zero strategy and to undertake an assessment of climate-related risks and opportunities through the TCFD methodology.
Describe the management's role in assessing and managing	The TCFD working group assessed our climate-related risks and opportunities during the year and reported these to the ESG Committee. Climate-related risks and

climate -related risks and opportunities	opportunities and the management of these are now being embedded in our risk management processes.
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	We have identified and assessed a range of climate-related risks and opportunities which are informing our ESG strategy. The material short to medium transition risks include: • Market pressure in approving Data Centre developments, including stricter regulations and legislation introduced, with some specifically aimed at limiting Data Centre developments. These are already being seen in Amsterdam and Ireland. • Scarcity of materials to meet ESG targets, which may not be available as easily as required. • Carbon Tax and Pricing as the cost of carbon increases, impacting supply chain products which could become more expensive. The material longer-term physical risks include: • Increasing temperatures and humidity which put pressure on data centres designed for lower temperatures and increased maintenance and service costs. • Rising sea levels with increasing risks of inundation and storm surges resulting in damage and loss of revenue. • Water Stress and potential restrictions of water use for cooling and maintenance.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	As a business which designs, constructs, and operates data centres and has significant energy requirements, the responsible management of climate-related risks and opportunities are an important consideration for the Group and influence our business model, strategy, and financial planning. Climate-related considerations are integrated throughout our business model, from site selection, to design, contracting, build and operation. For example, when conducting feasibility studies for a new site, we model upfront the cost of carbon for both the construction phase and the operational phase and integrate them into our financial assessments. At the same time, to minimise our carbon emissions, we look to secure energy directly from renewable energy providers and ensure that data centres are designed to maximise energy efficiency. Having modelled our carbon emissions until 2030, we are now incorporating the associated cost of carbon into our financial planning.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario	Having mapped our risks and opportunities under the IPCC's 2.6, 4.5 and 8.5 warming scenarios, and considered their likelihood, the mitigations we can put in place and the potential outcomes, we consider that our strategy is resilient to physical risk and that we have gained a greater understanding of shorter-term transition risks. We are incorporating short-term considerations into our planning, and we will continue to assess and review the longer-term physical risks linked to the locations of our existing and future data centres.
Describe the organisation's processes for identifying and	Having considered possible physical risks, including heatwaves, water stress, rainfall, flooding, and sea level rises, in the locations of our first four data centre

assessing and managing climate-related risks	sites, the TCFD working group conducted workshops to understand the scenarios and identify and assess possible climate-related risks. In terms of transition risks, we have reviewed carbon taxation and increased energy costs; legislative and policy changes; scarcity and increased cost of sustainable raw materials; design of data centres; complications to the planning process for new developments; and technology shifts/innovation to improve environmental performance. We also considered climate-related reputational risks. These risks are integrated into the risk register for each individual project and climate-related risks are regularly reviewed by the ESG Committee.
Describe the organisation's processes for managing climate-related risks	Our processes for managing climate-related risks are embedded in our operations and procedures related to our new site selection, our procurement, our design considerations (i.e., basis of design) and our supply chain management.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	This is the first time we have used the TCFD methodology, and we are committed to improving our decision-making and risk management. As we are going through a period of significant growth and in recognition that the climate-related risks and opportunities continue to evolve, the ESG Committee will regularly review climate-related risks and the Board formally considers our Principal Risks at least twice a year.
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	A range of metrics are used to help us assess and manage our climate-related risks and opportunities; we intend to publicly disclose these in our next voluntary report against the Taskforce on Climate-Related Financial Disclosures.
Describe Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	For our organisation, Scope 1 refers to our direct emissions and includes electricity generated on site, fuel and refrigerants used. Scope 2 refers to the emissions associated with purchased electricity. Scope 3 refers to our value-chain emissions, including purchased goods and services, capital goods, upstream transportation, downstream leased assets (incorporates our customers' share of electricity consumed), upstream leased assets, business travel and employee commuting, and working from home.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	We are in the process of submitting our science-based targets for validation which includes emissions targets for our Scope 1, 2 and 3 in line with SBTi's guidance for the ICT sector.

Our People

Our people continue to be a key differentiator for us and in the sector in which we work. From hiring deep subject matter experts, professional industry veterans through to graduate talent, we believe that a broad and diverse spectrum of employees is the key driver of our performance.

In 2022 we focussed on building a diverse pool of talent, having grown by 100% from the beginning of 2022 to the end of the year. We built out our People and Culture function to support our growing employee base with a focus on driving diversity in the workplace, attracting the very best talent in the industry through enhancing our external presence and updating our processes to reflect the Group's expansion and to standardise our ways of working.

Towards the end of 2022 we developed our People and Culture strategy and roadmap with our mission to become a Great Place to Work ("GPTW") and we are now working towards GPTW accreditation.

Equity, Diversity, and Inclusion

We are passionate about creating an inclusive workplace that promotes diversity and where all our people feel valued, welcome, and comfortable bringing their full, authentic selves to work. Our Equity, Diversity, and Inclusion ("EDI") Policy sets out our zero-tolerance approach to discrimination and our aim to create a working environment in which all individuals can make the best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. Similarly, we are actively working with our supply chain partners to promote and further develop the same principles within their organisations and in the business activities that we engage in.

We continued to focus on our EDI initiatives and projects throughout 2022. We have an Inclusion and Belonging Committee, with approximately 10 ambassadors that champion EDI activities across the Group. We have run lunch and learn sessions to raise awareness around key EDI topics and had some featured communications around specific events such as PRIDE, International Women's Day, and Ramadan. To attract more diverse talent, we engaged with specialist bodies such as The Women's Engineering Society to connect with potential female engineers of the future. We directly targeted diverse candidates through online campaigns. We encouraged the acceptance of transferable skills to allow greater diversity. The end of the year was a point of celebration for us at Pure DC, with our CEO, Dame Dawn Childs, winning the EDI Champion of the Year at the prestigious iMasons event.

As at 31 December 2022, the gender profile of the Group was as follows:

	Male	Female
Directors of the Company	9	1
Senior Managers (excluding directors)	29	2
Other employees of the group	142	62

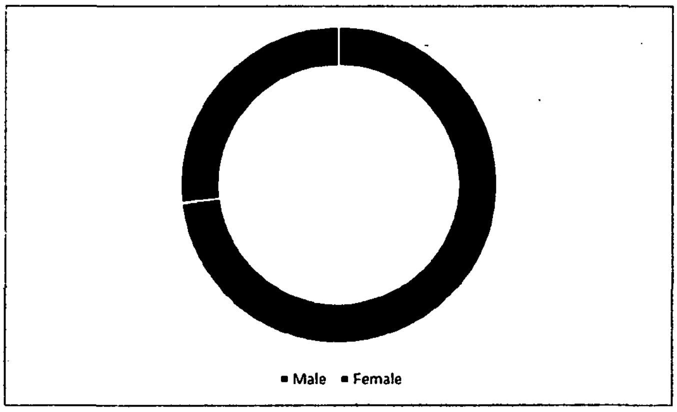


Figure: Gender split of all employees as at 31 December 2022

In addition to the focus on attracting talent and driving EDI, the team have developed a People and Culture roadmap to drive initiatives through 2023 and beyond. The roadmap was developed from a comprehensive culture audit, identifying areas of opportunity and strength. Underpinning our roadmap is our mission to create a 'Great Place to Work' where our people thrive. Going forward, all activities relate to this and have been framed around the following four pillars:

- Attraction and Retention
- Building Capability
- Team Pure
- Organisational Excellence

Each of the pillars has developed projects that sit within it, for example, under attraction and retention we have identified that work needs to take place on our Employee Value Proposition and have created tools and processes to ensure that we are hiring the right people, into the right jobs at the right time.

In the building capability pillar, the focus is on driving Management and Leadership capability. Towards the end of last year, we launched our coaching pilot aimed at building pipelines of talent for the future and equipping our managers and leaders with coaching capability to engage their teams. Alongside this we have developed a Managers' Hub that provides easy access to frameworks, reference guides and our process for managing high performance. We also launched a mentoring programme aimed at supporting talent of the future.

In Team Pure, we have worked on building organisational connection and team events, and at the end of last year opened our new London HQ to drive connection and a sense of belonging.

In organisational excellence, we have worked on standardising how we evaluate roles, creating frameworks that help us ensure parity and consistency between job roles and functions.

Our Communities

At each of our sites we want to demonstrate to local communities and local people the benefits that a data centre can have, from employment and education to environmental restoration and helping to support people in food poverty.

We are engaging with social enterprises, and looking to further partnerships with communities through volunteering, food banks, and educational activities. We are proud to be sponsors of Peninsula School Feeding Association, a South-African charity that provides daily meals to children in schools across Cape Town. For every person we employ, we seek to provide food security for two children in food poverty.

In 2022 we participated in several other community initiatives. We donated food and volunteered at a Trussell Trust foodbank in London and provided food donations to the underprivileged communities close to our Jakarta site. In Dublin, in conjunction with our main contractor, we raised money for a local charity 'Aoibheann's Pink Tie'.

We also engaged in educational outreach with team members presenting at schools and universities about careers in data centres. In 2023 we anticipate starting a schools' engagement initiative at our London campus as well as an apprentice programme.

In addition to our outreach to local communities in the areas where we operate, we have also undertaken several charitable and social responsibility initiatives. For example, we held a MacMillan coffee morning at our London site and provided carbon offsets for more than 500 international flights for attendees at key data centre industry events throughout the year.

Our Governance

As our business grows, we must ensure commensurate growth in our systems, policies, and procedures. We always hold ourselves to the highest ethical standards with a focus on continuous improvement. The Executive Leadership Team has and will continue to enhance our management systems to ensure proactive risk management, within a system of clearly defined and effective controls.

Governance Structure

The Group Board has overall responsibility to our investors, who continue to support us in line with our existing funding arrangement, and for ensuring a clear strategy which generates value over the longer term. The Group Board has delegated certain responsibilities and authority to the Executive Leadership Team and various Committees. These include an Audit Committee, Internal Audit and Risk Committee, Environmental, Social and Governance Committee and a Remuneration and Nomination Committee. Each Committee operates in accordance with its respective terms of reference and reports to the Group Board on a regular basis.

During the year, the Executive Leadership Team established further internal committees to support the delivery of the Group's strategy within a robust governance structure. There has been an increased focus on efficiency, both in our data centre design, delivery, and operations, as well as across our central support teams.

Compliance and Management Systems

We are committed to providing an open, honest, transparent, and safe environment where all our people can report their concerns. Our Whistleblowing Policy encourages all employees to speak out if they see behaviour or actions that run counter to our values and ethics. We offer several means to do so, including a confidential hotline that allows anonymous reporting.

We act with integrity in all that we do, and hold our partners, vendors, and suppliers to the same ethical standards. We conduct due diligence on all third parties and ensure compliance with our anti-bribery and anti-corruption procedures and policies.

We strive to meet international and industry standards at all our data centre locations. During the year, our Data Centre in London was certified to the ISO 27001 Information Security standard, and we expect all newly constructed sites to adopt the necessary controls required to meet this standard.

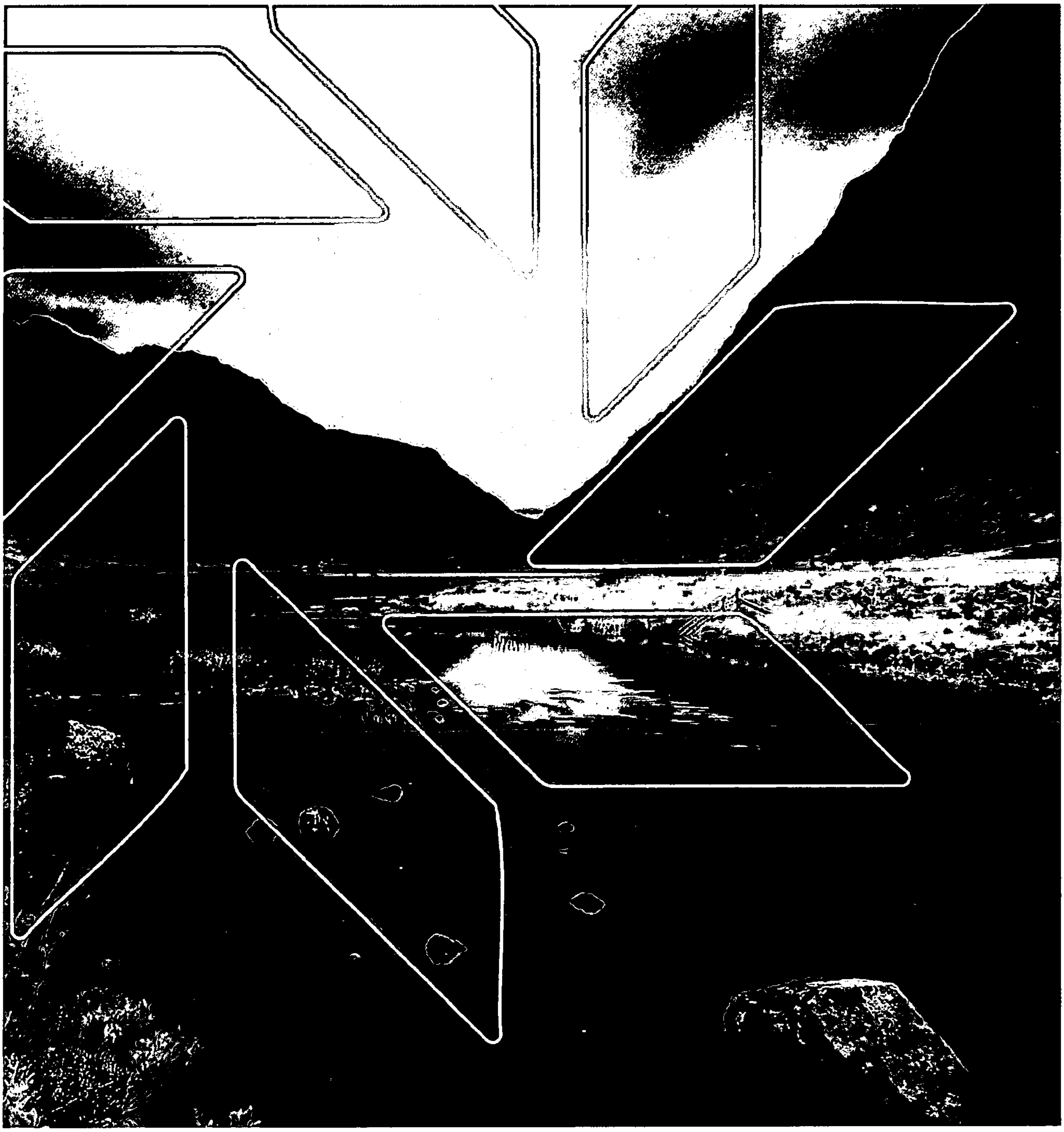
We will continue to develop our governance framework to enable efficient decision making that is supported by a strong control and compliance culture.

2022 was a year of rapid growth and significant change for the business. With our expanding talent base, the strength of demand from the market and future development pipeline, the Board is confident in the scalability and further growth of the Group.

This report was approved by the board on 3 July 2023 and signed on its behalf.

DocuSigned by:
Simon Berrill
EED60BEBC1B94CC...
S P Berrill
Director

DIRECTORS' REPORT



The Directors present their Annual Report together with the audited consolidated financial statements for Pure Data Centres Group Limited and its subsidiaries for the year ended 31 December 2022.

Principal activities

Pure Data Centres Group Limited (the "Company") and its subsidiaries (together the "Group") specialise in the design, build and operation of data centres for global clients, the main market being the provision of infrastructure to IT service providers, telecommunications companies, and financial services clients.

Results and dividends

The Directors do not recommend payment of an ordinary dividend. The loss for the year of £35,338,502 (2021: £39,709,146) is set out on page 27.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements, unless otherwise stated, were as follows:

C Atkinson (resigned 27 January 2023)

B Barron

S P Berrill

D E Childs

W M Davis

G Horridge

M J Lynch (resigned 24 April 2023)

N P On

R Venkataraman

I Whitfield

Qualifying third party indemnity provisions

The Company maintains a Directors' and Officers' liability insurance policy in respect of any legal costs that may be incurred against the Directors in dealing with any legal claims or investigations. The policy was in place throughout the year and up to the date of approval of the financial statements.

Financial risk management

Financial instruments that potentially subject the Group to a concentration of credit risk consist of cash and cash equivalents and derivative financial instruments. The credit risk on liquid funds (cash and cash equivalents) and derivative financial instruments is limited because the counterparties are highly rated financial institutions. The Group's operating cash flows are substantially independent of changes in market interest rates. Interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. To mitigate this risk, the Group has entered into an interest rate hedge during the year.

Political Donations

The Company has not made any political donations during the financial year.

Research and Development

An indication of the Group's activities in the field of research and development is included within the Strategic Report.

Future developments

An indication of the likely future developments of the Group is included within the Strategic Report.

Important events which have occurred since the end of the financial year

Particulars of important events affecting the Group are set out in Note 31.

Branches

There are no branches of the Company outside the UK.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Financial Reporting Standards ("IFRS") and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditor

Each Director who held office at the date of approval of this report confirms that:

- So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware.
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and establish that the Company's auditor is aware of that information.

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

During the year, the Company has continued to be financed by its shareholders. In October 2020, a funding arrangement was agreed with the current investors which provides a stable platform for the Company and Group to continue to access funding as the business plans develop.

It is the current intention (without constituting a promise, guarantee or warranty) of the shareholders to continue to support the Company and the Group for a period of at least 12 months from the date of these financial statements.

This report was approved by the board on 3 July 2023 and signed on its behalf.

DocuSigned by:
Simon Berrill
EED60BEBC1B94CC...

S P Berrill
Director

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE DATA CENTRES GROUP LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pure Data Centres Group Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, and the Corporation Tax Act 2010. We identified these areas of laws and regulations as those that could reasonably be expected to have a material effect on the financial statements from sector experience and through discussion with the Directors and other management.

We assessed compliance with these laws and regulations through enquiry with management and the Audit Committee, review of reporting to Directors with respect to compliance with laws and regulations, review of board meeting minutes and review of legal correspondence and confirmations.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including the risk of fraud in revenue recognition and management override of controls, we have performed journals testing based on a set of fraud risk criteria and tested to supporting documentation also verifying the business rationale. We also incorporated unpredictability procedures as part of our response to the risk of management override of controls.
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
James Eastell
ACDBBDEF1FD247D...

James Eastell (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Bristol, UK
Date: 6 July 2023
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

PURE DATA CENTRES GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	5,637,042	4,078
Cost of sales		(2,543,154)	-
Gross profit		3,093,888	4,078
Administrative expenses	4	(29,616,424)	(24,171,799)
Other operating income	5	3,185,097	640,740
Operating profit/(loss)	4	(23,337,439)	(23,526,981)
Exceptional item	6	-	(11,754,707)
Finance income	9	30,776,126	-
Finance costs	10	(42,777,189)	(4,428,877)
Loss before tax		(35,338,502)	(39,710,565)
Income tax credit	11	145,629	1,419
Loss for the year		(35,192,873)	(39,709,146)
Other comprehensive expense			
Items that will be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		(1,361,347)	-
Other comprehensive expense for the year		(1,361,347)	-
Total comprehensive loss for the year		(36,554,220)	(39,709,146)

Loss for the year attributable to:		
Equity holders of the parent	(35,233,811)	(39,706,729)
Non-controlling interests	40,938	(2,417)
	(35,192,873)	(39,709,146)

Total comprehensive loss attributable to:		
Equity holders of the parent	(36,595,158)	(39,706,729)
Non-controlling interests	40,938	(2,417)
	(36,554,220)	(39,709,146)

The notes on pages 35 to 75 form part of these financial statements.

Company number: 08413665

	Notes	2022 £	2021 £
Non-current assets			
Property, plant and equipment	12	583,089,417	225,065,029
Right-of-use assets	13	1,006,080	-
Intangible assets	14	1,816,457	-
Investments in equity-accounted joint ventures	15	6,652	-
Derivative financial assets	23	30,239,569	-
Long-term deposit	17	7,513,056	578,150
Trade and other receivables	19	3,410,656	1,307,242
		627,081,887	**226,950,421**
Current assets			
Inventories	18	210,471	-
Trade and other receivables	19	37,869,743	9,208,032
Income taxes recoverable		186,815	-
Cash and cash equivalents	23	50,624,777	48,199,580
		88,891,806	**57,407,612**
Total assets		715,973,693	284,358,033
Current liabilities			
Trade and other payables	20	74,977,134	34,354,482
Income taxes payable		41,815	-
		75,018,949	**34,354,482**
Non-current liabilities			
Interest-bearing loans and borrowings	21	600,919,342	182,273,223
Total liabilities		675,938,291	216,627,705
Equity			
Share capital	24	122,564,212	122,497,762
Share premium	26	1,314,091	1,313,647
Retained earnings	26	(96,191,252)	(59,596,094)
Equity attributable to owners of the parent		**27,687,051**	**64,215,315**
Non-controlling interests	27	12,348,351	3,515,013
Total equity		40,035,402	67,730,328
Total equity and liabilities		715,973,693	284,358,033

The notes on pages 35 to 75 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 July 2023

DocuSigned by:
Simon Burrill
EEB60BEBC1B94CC...
S P Berrill
Director

PURE DATA CENTRES GROUP LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022

Company number: 08413665

	Notes	2022 £	2021 £
Non-current assets			
Property, plant and equipment	12	3,643,393	2,893,501
Right-of-use assets	13	1,006,080	-
Intangible assets	14	1,850,742	-
Investments in subsidiaries	16	39,739,582	12,872,393
Trade and other receivables	19	1,084,233	-
		47,324,030	**15,765,894**
Current assets			
Trade and other receivables	19	415,067,794	135,280,946
Cash and cash equivalents		40,572,397	33,836,922
		455,640,191	**169,117,868**
Total assets		502,964,221	184,883,762
Current liabilities			
Trade and other payables	20	131,003,434	23,653,859
Non-current liabilities			
Interest-bearing loans and borrowings	21	314,167,413	84,772,415
Total liabilities		445,170,847	108,426,274
Equity			
Share capital	24	122,564,212	122,497,762
Share premium	26	1,314,091	1,313,647
Retained earnings	26	(66,084,929)	(47,353,921)
Total equity		57,793,374	76,457,488
Total equity and liabilities		502,964,221	184,883,762

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of profit or loss and other comprehensive income in these financial statements. The loss of the company for the year was £18,731,008 (*2021:* £29,886,491).

The notes on pages 35 to 75 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 July 2023

DocuSigned by:
Simon Berrill
EED60BEBC1B94CC...
S P Berrill
Director

	Share capital £	Share premium £	Retained earnings £	Non-controlling interests £	Total equity £
As at 1 January 2022	122,497,762	1,313,647	(59,596,094)	3,515,013	67,730,328
Comprehensive loss for the year					
Loss for the year	-	-	(35,233,811)	40,938	(35,192,873)
Other comprehensive expense					
Exchange differences arising on translation of foreign operations	-	-	(1,361,347)	-	(1,361,347)
Total comprehensive loss for the year			**(36,595,158)**	**40,938**	**(36,554,220)**
Contributions by and distributions to owners					
NCI	-	-	-	8,792,400	8,792,400
Issue of share capital	66,450	444	-	-	66,894
As at December 2022	122,564,212	1,314,091	(96,191,252)	12,348,351	40,035,402

The notes on pages 35 to 75 form part of these financial statements.

	Share capital £	Share premium £	Shares to be issued £	Retained earnings £	Non-controlling interests £	Total equity £
As at 1 January 2021	22,809,524	1,289,114	99,648,340	(19,889,365)	(6,319)	103,851,294
Comprehensive loss for the year						
Loss for the year	-	-	-	(39,706,729)	(2,417)	(39,709,146)
Contributions by and distributions to owners						
Issue of share capital	99,688,238	24,533	(99,648,340)	-	3,523,749	3,588,180
As at December 2021	122,497,762	1,313,647	-	(59,596,094)	3,515,013	67,730,328

The notes on pages 35 to 75 form part of these financial statements.

PURE DATA CENTRES GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Shares to be issued £	Profit and loss account £	Total equity £
As at 1 January 2022	122,497,762	1,313,647	-	(47,353,921)	76,457,488
Comprehensive loss for the year					
Loss for the year	-	-	-	(18,731,008)	(18,731,008)
Contributions by and distributions to owners					
Issue of share capital	66,450	444	-	-	66,894
As at 31 December 2022	122,564,212	1,314,091	-	(66,084,929)	57,793,374

	Called up share capital £	Share premium account £	Shares to be issued £	Profit and loss account £	Total equity £
As at 1 January 2021	22,809,524	1,289,114	99,648,340	(17,467,430)	106,279,548
Comprehensive loss for the year					
Loss for the year	-	-	-	(29,886,491)	(29,886,491)
Contributions by and distributions to owners					
Issue of share capital	99,688,238	24,533	(99,648,340)	-	64,431
As at 31 December 2021	122,497,762	1,313,647	-	(47,353,921)	76,457,488

The notes on pages 35 to 75 form part of these financial statements.

PURE DATA CENTRES GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Operating activities		
Loss for the financial year	(35,192,873)	(39,709,146)
Adjustments for:		
Depreciation of tangible assets	3,400,713	101,961
Amortisation of intangible assets	143,726	-
Impairment of goodwill	1,776	-
Net finance costs	12,001,063	4,428,877
Taxation	(145,629)	(1,419)
Increase in receivables	(40,410,297)	(5,181,967)
(Decrease)/increase in payables	9,038,450	30,132,197
Increase in inventory	(210,471)	-
Net cash flows used in operating activities	(51,373,542)	(10,229,497)
Investing activities		
Purchase of property, plant and equipment	(263,637,409)	(125,193,239)
Additions to intangible assets	(1,816,457)	-
Investment in subsidiaries (net of cash acquired)	(14,691,992)	-
Investment in joint venture	(6,652)	-
Interest received	1,200	-
Net cash flows used in investing activities	(280,151,310)	(125,193,239)
Financing activities		
Issue of ordinary shares	66,894	64,431
Bank borrowings drawn net of arrangement fees	182,412,549	96,953,644
Interest paid	(9,151,597)	(4,215,944)
Derivatives transaction fees paid	(19,900,000)	-
Shareholder loans drawn	194,794,648	80,343,538
Minority interest contribution received	8,792,400	3,523,749
Advances received	14,866,547	-

Advances repaid	(10,123,555)	-
Repayment of borrowings acquired	(27,824,982)	
Net cash flows from financing activities	**333,932,904**	**176,669,418**
Net increase in cash and cash equivalents	2,408,052	41,246,682
Cash and cash equivalents at the beginning of the year	48,199,580	6,952,898
Effect of exchange rate changes on cash and cash equivalents	17,145	-
Cash and cash equivalents at the end of the year	**50,624,777**	**48,199,580**

Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand	**50,624,777**	**48,199,580**

The notes on pages 35 to 75 form part of these financial statements.

1 *Accounting policies*

Company information

Pure Data Centres Group Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the Company's registered office is given on the Company Information page and the nature of its operations and its principal activities are set out in the Directors' Report.

1.1 Accounting convention

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with UK-adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The Company financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing separate financial statements the parent Company has taken advantage of certain disclosure exemptions conferred by FRS 101:

- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation and 18A of IAS 24 Related Party Disclosures to disclose amounts incurred by the entity for provision of key management personnel services that are provided by a separate management entity; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1 Accounting policies (continued)

1.2 Basis of consolidation

The consolidated financial statements present the results of Pure Data Centres Group Limited and its subsidiaries as at 31 December 2022. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account, regardless of management's intention to exercise that option or warrant. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated fully on consolidation.

Joint Arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligation for the liabilities, relating to the arrangement. Where the Group acts as a joint operator, the Group recognises in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output of the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets. With regards to joint arrangements, where the Group acts as a joint venture participant, the Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.

1.3 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. During the year, the Company has continued to be financed by its shareholders. In October 2020, a funding arrangement was agreed with the current investors which provides a stable platform for the Company and Group to continue to access funding as the business plans develop. It is the current intention (without constituting a promise, guarantee or warranty) of the shareholders to continue to support the Company and the Group for a period of at least 12 months from the date of these financial statements.

1 Accounting policies (continued)

1.4 Revenue

Pure Data Centres Group Limited, which along with its worldwide affiliates, is collectively referred to as "Pure DC" or "Pure DC Group" or the "Group", is the parent company of the Pure DC business that is specialised in the provision of designing, building and operating data centres for hyperscale customers.

During the period, the Group recognised revenues from leasing of the hyperscale data centre located in London and the provision of data centre services to its customers and consequently adopted IFRS 15 Revenue from Contracts with Customers. The Group has concluded that it is the principal in its contract with customer arrangements, because it controls the goods and services before transferring them to the customer.

Revenue from contracts with customers is recognised when or as the Group satisfies a performance obligation by transferring control of a promised good or service to a customer. The Group satisfies its performance obligations over time. When, or as, a performance obligation is satisfied, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

The Group's contracts with customers are deemed to contain, the provision of data centre facilities and associated data centre services as performance obligations.

The transaction price is the amount of consideration to which the Group expects to be entitled. The transaction price is allocated to the performance obligations in the contract based on contractually agreed prices for the services promised.

All revenue from these contracts is disclosed as revenue from contracts with customers. Consideration payable to a customer in the form of service credits for certain costs, claims, demands, liabilities and/or expenses suffered or incurred by the buyer under the data centre rental contract are recognised as a reduction of the transaction price and, therefore, a reduction in revenue over the lifetime of the customer contract.

The credit terms range between 20-40 days after invoicing, depending on the customer.

1.5 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

1.6 Exceptional items

Exceptional items are items of financial performance which management believe should be separately presented on the face of the profit or loss account to assist in understanding the underlying financial performance achieved by the Group. Determining whether an item should be classified within other items requires judgement as to whether an item is or is not part of the underlying performance of the business.

1 Accounting policies (continued)

1.7 Finance income

Finance income is recognised in profit or loss on an accruals basis.

1.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.10 Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

1 Accounting policies (continued)

1.10 Taxation (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised.
- Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been exacted or substantively enacted at the reporting date.
- Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

1.11 Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group's principal activity is developing and operating data centres. During the course of construction, different types of costs are incurred which, depending on their relation to the data centre under construction, are either capitalised or expensed to the income statement in the year in which they are incurred.

In assessing whether to capitalise costs, the Group considers whether the costs has been incurred directly in connection with construction of the asset or whether the costs have ancillary benefits.

Work in progress costs are categorised as assets under construction and are measured at cost less impairment. The costs are those that are directly attributable to triggered projects and are incurred in order to bring the projects into working condition. Financing costs are recognised as work in progress in accordance with IAS 23.

During construction, these costs are capitalised in assets under construction and are measured at cost less impairment.

Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant assets class and depreciated over their useful economic lives.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Land is not depreciated.

1 Accounting policies (continued)

1.11 Property, plant and equipment (continued)

Depreciation is provided on the following basis:

Asset Class	Estimated useful life
Buildings	40 years
Building improvements	20 years
Plant and machinery	20 years
Computer equipment	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

1.12 Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Group believes that the incremental borrowing rate is a fair estimation for the funds required to obtain an asset of similar value in the economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1 Accounting policies (continued)

1.12 Leases (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease terms of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

1.13 Intangible assets

Development costs

Development costs relate to the following projects:

- PDCG Standardized Design Concept for future Data Centres;
- Vertical Farming; and
- Conversion of CO2 into Biomas.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's development is recognised if, and only if, all of the following conditions have been demonstrated:

- the development is technically feasible;
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset;
- the intangible asset is identifiable such that it can be distinguished from goodwill;
- the intangible asset is separable. Such that it can be separated from PDCG and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract;
- the future economic benefits to PDCG will flow from these intangible asset either as revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity;
- PDCG controls this asset, such that it has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

The amount initially recognised for internally generated intangible assets includes costs associated with the amount of time spent by PDCG employees on R&D activities for each of the project plus any other direct costs such as third-party consultants, travel and accommodation costs. Where no internally generated intangible asset can be recognised, research and development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The estimated useful life of this intangible asset has been assessed to be 20 years based on the validity of underlying IP. Amortisation is included within administrative expenses. The amortization commences from the period from which the intangible is put in use if the life of the intangible asset is finite.

1 Accounting policies (continued)

1.14 Contract assets

Costs incurred in tendering for and securing contracts which are directly attributable to contracts are recognised as an asset from the point at which it is probable that a contract will be obtained, and the contract is expected to result in future net cash inflows. Such costs include sales commissions that are included in prepayments. These costs are amortised over the period of the contract to which they relate and are subject to impairment assessment.

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition, classification and measurement

The classification of financial assets at initial recognition, for the purposes of subsequent measurement, depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. All purchases and sales of financial assets are recognised on the settlement date according to market conventions.

The Group measures financial assets initially at fair value plus, in the case of a financial asset not classified as fair value through profit or loss ("FVPTL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Group classifies its financial assets as 'Trade and other receivables' and 'Cash and cash equivalents'. Financial assets are measured initially at the transaction price, including transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the statement of financial position.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses.

Under IFRS 9 the Group is required to analyse the expected credit losses based on objective evidence that the customers will not be able to collect all amounts due, considering forward looking information and the probability of default. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable could be impaired. The amount of the expected credit losses is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognised in the consolidated statement of profit or loss. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

1 Accounting policies (continued)

1.15 Financial instruments (continued)

Financial liabilities

Recognition and measurement

The Group classified its financial liabilities as 'Trade and other payables'. Financial liabilities are measured initially at the transaction price, including transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Where financial liabilities are extinguished via the issue of equity instruments, the Group measures this at the fair value of the equity instruments being issued, unless this cannot be reliably measured, in which case the fair value is based upon the fair value of the financial liability being extinguished.

Any difference between the carrying value of the financial liability extinguished and the consideration paid is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. 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 resulting gain or loss is recognised in profit or loss immediately as the group does not apply hedge accounting.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Group has entered into a derivative instrument covering a period for which observable market data does not exist. The fair value of such derivatives is estimated by reference in part to published price quotations from active markets to the extent such observable market data exists, and in part by using valuation techniques, the inputs to which include data that is not based on or derived from observable markets.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

1 Accounting policies (continued)

1.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 7 days. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.17 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

1.18 Foreign exchange

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'administrative expenses'.

On consolidation, assets and liabilities of foreign operations are translated into the Group's presentation currency at the prevailing spot rate at year end. The results of foreign operations are translated into sterling at the average rates of exchange in the year. Foreign currency translation differences resulting from consolidating foreign operations are recognised in the consolidated statement of profit or loss.

1 Accounting policies (continued)

1.19 New and revised Standards and Interpretations

The following amendments are effective for the period beginning 1 January 2022:

- Narrow scope amendments to IFRS 3, IAS 16 and IAS 37
- Annual Improvements to IFRS Standards 2018-2020 (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- References to Conceptual Framework (amendments to IFRS 3)

None of these amendments had a material impact on the Group's financial statements.

At the date of authorisation of these financial statements, the Group has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	01 January 2023
Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01 January 2023
IFRS 16 Leases (Amendment – Lease Liability in a Sale and Leaseback)	01 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)	01 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)	01 January 2024

The application of these standards is not expected to have a material impact on the amounts reported in these financial statements.

2 Critical judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within future financial years are as follows:

Depreciation, useful lives and residual values of property, plant and equipment

The useful lives and residual value of property, plant and equipment are estimated in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of consolidated profit or loss and the carrying values of the property, plant and equipment in the statement of financial position.

Provision for expected credit losses of intercompany balances

In accordance with IFRS 9 *Financial Instruments* the Group has assessed the accounting treatment for intercompany receivable balances. The Group calculated an expected credit loss for all receivable positions, in order to identify any recoverability issues. No provision has been made for any expected credit loss.

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e., not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Fair value of derivative financial instruments

The Group's derivative financial instruments were reported under the FVTPL model available under IFRS 9 – Financial Instruments. The fair market valuations for all the three derivative financial instruments were obtained externally and reported at the year-end.

Leases

In determining the lease liabilities for the valuation of right-of-use assets, an incremental borrowing rate of 4.17% (2021: N/A) was applied as the discount rate was not readily available. The incremental borrowing rate was based on the Group's external borrowing rate as at the date of the lease commencement date. The amortisation of the right-of-use asset was calculated based on the straight-line method.

Joint venture

The Group entered into a joint venture arrangement with a JV partner in December 2022 and advanced a loan to commence the joint venture activities. A preliminary interest rate of 5.0% per annum applied to the loan based on the market rates.

3 Revenue

Disaggregation of revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following tables which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenue by type:	**2022** **£**	**2021** **£**
Data Centre Rent	649,562	-
Data Centre Services	4,987,480	-
Other Revenue	-	4,078
	5,637,042	**4,078**

Revenue by geographical location:	**2022** **£**	**2021** **£**
United Kingdom	5,637,042	4,078
	5,637,042	**4,078**

Below is a reconciliation of the movement in contract assets during the year:

Contract assets:	**2022** **£**	**2021** **£**
At beginning of the year	-	-
Revenue accrued in the year	75,060	-
Accrued revenue invoiced in the year	-	-
Impairment of contract assets	-	-
	75,060	**-**

Below is a reconciliation of the movement in contract liabilities during the year:

Contract liabilities:	**2022** **£**	**2021** **£**
At beginning of the year	-	-
Revenue deferred from previous periods recognised in the year	-	-
Revenue invoiced in the year deferred to future periods	(2,403,651)	-
	(2,403,651)	**-**

4 Expenses

Analysis of costs by nature:	2022 £	2021 £
Staff costs	28,613,888	17,047,823
Depreciation of tangible fixed assets	3,400,713	101,961
Amortisation of right of use assets (included in administrative expenses)	143,726	-
Foreign exchange (gains)/losses (except from financial instruments measured at fair value through profit or loss)	1,311,793	285,036
Other cost of sales	1,443,008	665,124
Other administrative expenses	10,139,082	6,071,855
Administrative expenses capitalised	(12,892,632)	-
	32,159,578	**24,171,799**

Operating profit/(loss) for the year is stated after charging:

Fees payable to the auditor for the audit of the financial statements	**169,680**	67,625
Fees payable to the auditor for non-audit services	**95,000**	95,627

5 Other operating income

	2022 £	2021 £
Rental Income	-	640,740
Transaction service fee received	3,185,097	-
	3,185,097	**640,740**

6 Exceptional item

The exceptional item in the prior year of £11,754,707 related to costs previously capitalised that were subsequently written off in relation to a speculative project that ceased due to external circumstances, which made the project not feasible.

7 Employees

The average monthly number of persons (including Directors) employed by the Group and Company during the year was:

	Group 2022 Number	Group 2021 Number	Company 2022 Number	Company 2021 Number
Directors	8	7	5	5
Administration	95	27	62	21
Development	25	22	1	5
Operations	56	20	4	1
Total	**184**	**76**	**72**	**32**

Employment costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and Salaries	18,201,117	9,302,918	5,787,225	3,823,614
Social security costs	2,273,584	1,030,343	995,641	476,158
Pension costs	570,763	269,016	217,201	134,250
	21,045,464	**10,602,277**	**7,000,067**	**4,434,022**

8 Directors' remuneration

	2022 £	2021 £
Directors' emoluments	4,253,053	2,001,325
Group contributions to defined contribution pension schemes	-	-
	4,253,053	**2,001,325**

During the year retirements benefits were accruing to no Directors (2021: no Directors) in respect of defined contribution pension schemes. Emoluments of the highest paid Director were £826,309 (2021: £547,878).

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the group. There are no key management personnel, other than directors, whose remuneration is disclosed above.

9 *Finance income*

	2022 £	2021 £
Bank interest	1,200	-
Fair value gain on derivative financial instruments	30,228,154	-
Gain on extinguishment of debt facility	546,772	-
	30,776,126	**-**

10 Finance costs

	2022 £	2021 £
Shareholder loan interest	18,035,364	4,428,877
Debt facility interest	4,830,824	-
Interest expense on lease liabilities	11,001	-
Derivative transaction costs	19,900,000	-
	42,777,189	**4,428,877**

The Group entered into the following derivative instrument contracts during the year:

- GBP 77m Rate cap contract on 12th January 2022 maturing on 31st December 2023
- GBP 142m Interest rate swap contract on 14 September 2022 maturing on 31st August 2027
- USD 6m Rate cap contract expiring on 22 September 2026

The above contracts have been measured at fair value through profit or loss under IFRS 9: Financial Instruments.

11 Taxation

	2022 £	2021 £
Current tax		
Income tax credit	(145,629)	-
Deferred tax		
Origination and reversal of timing differences	-	(1,419)
Total tax credit	**(145,629)**	**(1,419)**

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the statutory rate of tax in the UK as follows:

	2022 £	2021 £
Loss before taxation	(35,338,502)	(39,710,565)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (*2021: 19.00%*)	(6,714,315)	(7,545,007)
Tax effects of:		
Fixed asset timing differences	(251,897)	(9,908)
Expenses not deductible for tax purposes	5,094,223	1,193,204
Income not taxable for tax purposes	(634,239)	
Prior period adjustments	(188,538)	(1,419)
Movement in deferred tax not recognised	2,549,137	6,361,711
Taxation credit for the year	**(145,629)**	**(1,419)**

Factors that may affect future tax charges

The Finance Act 2021 was substantively enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

12 Property, plant and equipment

Group	Land and buildings £	Plant and machinery £	Computer equipment £	Assets under construction £	Total £
At 1 January 2021	-	470	135,082	95,149,833	95,285,385
Additions	-	125,566	212,695	129,618,086	129,956,347
At 31 December 2021	**-**	**126,036**	**347,777**	**224,767,919**	**225,241,732**
Additions	-	92,993	120,838	362,834,858	363,048,689
Transfers In / (out)	171,446,859	48,234,801	138,074	(219,819,734)	-
Transfers to inventories	-	-	-	(210,471)	(210,471)
Transfer to intangibles	-	-	-	(1,413,117)	(1,413,117)
As at 31 December 2022	**171,446,859**	**48,453,830**	**606,689**	**366,159,455**	**586,666,833**
Depreciation and impairment					
At 1 January 2021	-	470	74,272	-	74,742
Depreciation charged in the year	-	9,183	92,778	-	101,961
At 31 December 2021	**-**	**9,653**	**167,050**	**-**	**176,703**
Depreciation charged in the year	1,983,080	1,280,362	137,271	-	3,400,713
At 31 December 2022	**1,983,080**	**1,290,015**	**304,321**	**-**	**3,577,416**
At 31 December 2022	**169,463,779**	**47,163,815**	**302,368**	**366,159,455**	**583,089,417**
At 31 December 2021	-	116,383	180,727	224,767,919	225,065,029

Capitalised borrowing costs

The amount of borrowing costs capitalised by the Group during the year ended 31 December 2022 was £7,210,659 (*31 December 2021: £4,763,108).*

On 9 June 2022, an indirect wholly owned subsidiary, PDCG (Ireland Holdco) Limited acquired 100% of the share capital of South Dublin Routing 4 Limited. The Group applied the concentration test to identify whether substantially all of the fair value of the assets acquired was concentrated in a single identifiable asset or group of similar identifiable assets. Having performed this assessment it was determined that substantially all of the fair value related to land. Accordingly, the acquisition was accounted as an asset purchase, and land of €74,960,119 is included in the Group's balance sheet.

12 Property, plant and equipment (continued)

Company	Plant and machinery £	Computer equipment £	Assets under construction £	Total £
At 1 January 2021	470	126,051	793,834	920,355
Additions	30,193	212,695	1,893,965	2,136,853
At 31 December 2021	**30,663**	**338,746**	**2,687,799**	**3,057,208**
Additions	3,998	71,782	2,181,000	2,256,780
Transfers between classes	-	-	(1,413,117)	(1,413,117)
As at 31 December 2022	**34,661**	**410,528**	**3,455,682**	**3,900,871**
Depreciation and impairment				
At 1 January 2021	470	73,886	-	74,356
Depreciation charged in the year	2,768	86,583	-	89,351
At 31 December 2021	**3,238**	**160,469**	**-**	**163,707**
Depreciation charged in the year	(5,666)	99,438	-	93,772
At 31 December 2022	**(2,428)**	**259,907**	**-**	**257,478**
At 31 December 2022	**52,008**	**150,621**	**3,445,683**	**3,643,393**
At 31 December 2021	27,425	178,277	2,687,799	2,893,501

Capitalised Borrowing Costs

The amount of borrowing costs capitalised by the Company during the year ended 31 December 2022 was £nil *(31 December 2021: £nil)*.

13 Right-of-use assets and lease liabilities

Right-of-use assets

Group and Company	Land and buildings £
At 1 January 2021	-
Additions	-
At 31 December 2021	-
Additions	1,149,806
As at 31 December 2022	**1,149,806**
Amortisation	
At 1 January 2021	-
Amortisation charged in the year	-
At 31 December 2021	-
Amortisation charged in the year	143,726
At 31 December 2022	**143,726**
At 31 December 2022	**1,006,080**
At 31 December 2021	-

Nature of leasing activities (in the capacity as lessee)

The Group has a lease for a corporate office with a lease term of 2 years which ends on 29 September 2024. There is a break clause on 3 October 2023 with 2 months' notice. The Group has classified the asset related to the lease as a right-of-use asset and the liability associated with the future lease payments under the lease as a lease liability. The weighted average incremental borrowing rate applied to these lease liabilities at initial recognition was 4.17% per annum.

13 Right-of-use assets and lease liabilities (continued)

Lease liabilities

Group and Company	**Total £**
At 1 January 2021	-
Interest expense	-
Lease payments	-
At 31 December 2021	**-**
At 1 January 2022	-
Leases capitalised	1,149,806
Interest expense	11,001
Lease payments	(127,277)
At 31 December 2022	**1,033,530**

Lease liabilities are due as follows:

	Group and Company 2022 £	**Group and Company 2021 £**
Not later than one year	581,535	-
Between one and two years	451,995	-
Between two and five years	-	-
	1,033,530	**-**

14 Intangible assets

Group	**Goodwill**	**Development costs £**	**Total**
At 1 January 2021	-	-	-
Additions	-	-	-
At 31 December 2021	-	-	-
Additions	1,776	403,340	405,116
Transfer from PPE	-	1,413,117	1,413,117
As at 31 December 2022	**1,776**	**1,816,457**	**1,818,233**
Amortisation			
At 1 January 2021		-	-
Amortisation charged in the year		-	-
At 31 December 2021		**-**	**-**
Amortisation/impairment charged in the year	(1,776)	-	(1,776)
At 31 December 2022	**(1,776)**	**-**	**(1,776)**
At 31 December 2022	**-**	**1,816,457**	**1,816,457**
At 31 December 2021	-	-	-

14 Intangible assets (continued)

Company	**Development costs £**
At 1 January 2021	-
Additions	-
At 31 December 2021	-
Additions	437,625
Transfer from PPE	1,413,117
As at 31 December 2022	**1,850,742**
Amortisation	
At 1 January 2021	-
Amortisation charged in the year	-
At 31 December 2021	**-**
Amortisation charged in the year	-
At 31 December 2022	**-**
At 31 December 2022	1,850,742
At 31 December 2021	-

15 Investments in equity-accounted joint ventures

Group	**Investment in joint venture £**
At 1 January 2021	-
Additions	-
At 31 December 2021	-
Additions	6,652
Share of profit of joint venture	-
As at 31 December 2022	**6,652**

Details of the Group's joint ventures at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Equity interest 2022	% Equity interest 2021
Ozarow Holdings Sarl	26A boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg: B261908	Class A, Ordinary	50	-

On 15 December 2022, the Company's indirect wholly owned subsidiary, Pure DC Holdco 4 Limited, acquired 50% of the share capital of Ozarow Holdings S.à r.l. a company in which Oaktree Capital Management L.P. is an indirect shareholder. Oaktree Capital Management L.P. is also an indirect shareholder of Pure Data Centres Group Limited.

16 Subsidiaries

Company	**Investment in subsidiary companies £**
Cost and net book value	
At 1 January 2021	204
Additions	12,872,189
At 1 January 2022	**12,872,393**
Additions	26,867,189
31 December 2022	**39,739,582**

During the year, the Company increased its investment in PDCG (JKT Holdco) Limited by £24,050,051.
During the year, the Company increased its investment in Pure DC (Middle East) Limited by £2,817,138, the consideration for which was satisfied by the contribution of a receivable of the same amount, owed to the Company by an indirect wholly owned subsidiary, PDCG Middle East FZE.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Equity interest 2022	% Equity interest 2021
Directly held:				
PDCG (JKT HoldCo) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	75	75
PDCG (UK) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (Project Management) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure DC (Africa) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure DC (Europe) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure DC (India) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure DC (Middle East) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (UK) H2 Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (Operations) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure M Nominee Co Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure Data Centres Group (Americas) LLC	300 Creek View Road, Suite 209, Newark, 19711, DE	Ordinary	100	100
A Healthier Earth Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	-

16 Subsidiaries (continued)

Name of undertaking	Registered office	Class of shares held	% Equity interest 2022	2021
Indirect subsidiary undertakings:				
PDCG (Group Services) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG Projects HoldCo Limited	2471 ResCowork03, 24, Al Sila Tower, ADGM, Al Maryah Island, Abu Dhabi, UAE	Ordinary	100	100
PDCG Real Estate Lease and Management Services LLC	Office No. 302-3, Landmark Plaza, Hamdan Street, Abu Dhabi, UAE	Ordinary	100	100
PDCG (JKT MidCo 1) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (JKT MidCo 2) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (Group Services) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG Projects HoldCo Limited	2471 ResCowork03, 24, Al Sila Tower, ADGM, Al Maryah Island, Abu Dhabi, UAE	Ordinary	100	100
PDCG Real Estate Lease and Management Services LLC	Office No. 302-3, Landmark Plaza, Hamdan Street, Abu Dhabi, UAE	Ordinary	100	100
PDCG (JKT MidCo 1) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (JKT MidCo 2) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PT PDCG Indonesia One LLC	We Work Revenue Tower, Lantai 27 Unit 122, Jalan Jenderal Sudirman Kav 52-53, Dki Jakarta, Indonesia	Ordinary	100	100
PT PDCG Indonesia Two LLC	We Work Revenue Tower, Lantai 27 Unit 122, Jalan Jenderal Sudirman Kav 52-53, Dki Jakarta, Indonesia	Ordinary	100	100
HPDC1 (India) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
HPDC2 (India) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDC Saudi Arabia LLC	Plot 2D-12d, King Abdullah Economic City, Kingdom of Saudi Arabia	Ordinary	100	100
PDCG India Private Limited	23, Floor 2, Plot 59-61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai, 400005 India	Ordinary	100	100
PDCG (Ireland) Limited	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin, DO1 YE64, Ireland	Ordinary	100	100
PDCG Middle East FZE	Offices 206-207, Dubai Digital Park, Dubai Silicon Oasis, PO Box 342176, Dubai	Ordinary	100	100
Pure DC (Botswana) Pty Limited	Plot 64886, Phakalane Golf Estate. Gaborone, Botswana	Ordinary	75	75
Pure DC (South Africa) Pty Limited	Ground Floor and First Floor, Gateway West, Waterfall City, Allandale Road, Midrand, Gauteng, 1685, South Africa	Ordinary	100	100
Pure Saudi Arabia LLC	PO Box – 69103, ZIP, 11547 Riyadh, Kingdom of Saudi Arabia	Ordinary	100	100
PDCG (GCC) H1 Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (UK1) Services Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (UK2) Limited*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
KRA B Investments Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
KRA Holdings Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100

16 Subsidiaries (continued)

Name of undertaking	Registered office	Class of shares held	% Equity interest 2022	2021
Indirect subsidiary undertakings:				
Pure DC (Europe 1) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG (ME) H1 Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure DC Holdco 4 Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
Pure DC Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100	100
PDCG Projects Midco Holding Limited	2471ResCowork03, 24, Al Sila Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates	Ordinary	100	-
Blakeway Weyburn Advisory Ltd*	5 Fleet Place, London, EC4M 7RD	Ordinary	100	-
Pure DC (Poland) z o.o.	Pilsudskiego 1, IVth floor, 00-078 Warsaw	Ordinary	100	-
PDCG (Ireland HoldCo) Limited	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin, DO1 YE64, Ireland	Ordinary	100	-
South Dublin Routing 4 Limited	2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin, D04 XN32, Ireland	Ordinary	100	-
South Dublin Routing 4 No. 2 Limited	2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin, D04 XN32, Ireland	Ordinary	100	-
Pure DC Holdco 5 Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100	-
Pure DC Holdco 6 Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100	-
Pure DC Holdco 7 Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100	-
PDCG AHE 1 (Projects) Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100	-
Pure DC (Madrid) S.L.U.	Príncipe de Vergara 112, 4th floor, 28002, Madrid, Spain	Ordinary	100	-
PDCG MAD01 Services S.L.U.	Príncipe de Vergara 112, 4th floor, 28002, Madrid, Spain	Ordinary	100	-

* Pure Data Centres Group Limited has guaranteed the subsidiaries' liabilities in accordance with section 479C of the Companies Act 2006 (the 'Act'). By guaranteeing the debts, these subsidiaries have relied on the exemption not to have their individual accounts audited, in accordance with section 479A of the Act.

17 Long term deposit

The long-term deposit of £7,513,056 (*31 December 2021:* £578,150) relates to electricity and utility deposits for the Jakarta and Dublin projects.

18 Inventories

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Consumables	210,471	-	-	-
	210,471	**-**	**-**	**-**

19 Trade and other receivables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Non-current:				
Other receivables	412,466	-	-	-
Prepayments and accrued income	2,998,190	-	1,084,233	-
	3,410,656	**-**	**1,084,233**	**-**
Current:				
Trade receivables (gross)	5,676,952	10,325	-	-
Less: provision for impairment of trade receivables	-	-	-	-
Trade receivables (net)	5,676,952	10,325	-	-
Other receivables	13,065,478	3,053,348	562,264	36,362
Amounts owed by group undertakings	-	-	413,083,803	134,376,542
Other tax and social security	17,199,516	5,324,137	542,662	635,154
Prepayments and accrued income	1,927,797	820,222	879,065	232,888
	37,869,743	**9,208,032**	**415,067,794**	**135,280,946**

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables. The expected loss rates are based on the Group's historical credit losses. The historic loss rates are then adjusted for current and forward-looking information on macro-economic factors affecting the Group's customers.

Trade receivables have been reviewed under the ECL impairment model. As at 31 December 2022, the Group's ECL provision for trade receivables was immaterial and therefore not recognised (2021 - immaterial).

20 Trade and other payables

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year:				
Trade payables	13,405,177	16,162,915	1,105,705	851,439
Amounts owed to group undertakings	-	-	110,647,049	18,931,008
Other tax and social security	1,548,314	413,825	128,176	180,254
Other payables	21,998,926	10,135,598	13,493,330	766,917
Accruals and deferred income	36,991,187	7,642,144	4,595,644	2,924,241
Lease liabilities	1,033,530	-	1,033,530	-
	74,977,134	**34,354,482**	**131,003,434**	**23,653,859**

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Amounts due to group undertakings are unsecured, and repayable on demand. Interest applied is based on Group's transfer pricing policy, and no fixed date of repayment has been agreed.

21 Interest-bearing loans and borrowings

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Non-current interest-bearing loans and borrowings				
Senior debt	286,751,929	97,500,808	-	-
Shareholder loans	314,167,413	84,772,415	314,167,413	84,772,415
Total non-current interest bearings loans and borrowings	**600,919,342**	**182,273,223**	**314,167,413**	**84,772,415**

Senior debt

As at the year-end the Group has syndicated debt facilities of £470,000,000 and USD 156,000,000.

During 2022 the GBP total facility was amended to £470,000,000 (2021: £280,000,000) to support the development of the Group's UK Data Centre. Amounts drawn in 2022 were £173,732,424 (2021: £96,300,000).

Interest on this facility is calculated at 2.45% plus SONIA rate.

The USD facility for USD 156,000,000 (2021: USD 156,000,000) is to support the development of the Indonesia Data Centre. Drawings in 2022 were USD 19,304,469 (2021: USD 12,014,502).

Interest on this facility is calculated at 4% plus LIBOR rate.

The Group entered interest rate hedges to reduce its exposure to movements in LIBOR and SONIA (to 2026 and 2027 respectively).

Both facilities include unamortised fees amounting to equivalent of £8,621,788 (2021: £7,631,896) which are offset against the drawn down amount of the loan facilities and mature in 2027.

Shareholder loans

During the year, the Company received loans totalling equivalent of £209,359,634 excluding interest (2021: £80,343,538 excluding interest) in different currencies from the shareholders.

Interest rates are based on market rates and determined from the transfer pricing policy.

GBP loans carry interest at 10%.

EUR loans carry interest at 7.105% plus ESTA.

USD loans carry interest at 7.35% and 7.255% plus SOFR.

All loans are repayable upon the date falling on the 10th anniversary of 30 December 2021.

Interest accrues daily and is added to the carrying value of the loan.

22 Deferred taxation

Movements in the year	2022 £	2021 £
At 1 January	-	1,419
(Credit)/charge to profit or loss	-	(1,419)
At 31 December	-	-

23 Financial instruments and risk management objective and policies

The Group's and Company's financial instruments can be analysed as follows:

Financial assets	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets measured at amortised cost	29,666,142	3,063,673	415,067,794	134,412,904
Derivative financial assets – fair value through profit and loss	30,239,569	-	-	-
Financial assets that are cash and cash equivalents	50,624,777	48,199,580	40,572,397	33,836,922
	110,530,488	**51,263,253**	**455,640,191**	**168,249,826**

Financial liabilities	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial liabilities measured at amortised cost	636,323,445	208,571,736	445,170,847	105,271,779

Financial assets measured at amortised cost comprise trade receivables, other receivables, accrued income and amounts owed by group undertakings.

The Group carries certain derivative financial instruments at fair value through profit and loss on a recurring basis. These are classified at Level 2 in the fair value hierarchy. There have been no transfers between levels 1,2 or 3 during the year. An explanation of each level of the fair value hierarchy is set out below:

Level 1 – Quoted prices in active markets for identical assets or liabilities which the Group can access at the date of measurement.

Level 2 – Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly.

Level 3 – Inputs that are not based on observable market data.
The valuation techniques to determine the fair value of these instruments are explained in note 1 Accounting policies.

23 Financial instruments and risk management objective and policies (continued)

Derivative financial assets measured at the fair value through profit and loss comprise interest rate swap contract and several rate cap contracts entered by Group's subsidiaries. These are measured by discounting the future cashflows using the applicable period end yield curve.

Financial liabilities measured at amortised cost comprise trade payables, other payables, accruals, amounts owed to group undertakings and interest-bearing loans and borrowings.

Risk management objectives and policies

Capital management

The Group is exposed to various risks in relation to financial instruments. The main types of risks facing the Group are market risk, credit risk and liquidity risk. The primary objective of the Group's capital management is to ensure that it remains a going concern.

The Group's risk management is coordinated in close cooperation with the Board and focuses on actively securing the cash flow position by minimising the exposure to volatile financial markets. The Group's capital consists of ordinary shares and retained earnings.

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and other risks that result from its operating and investing activities.

Foreign currency risk

The Group has assets and liabilities denominated in currencies other than the sterling which are subject to exchange risk. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Of the £50,624,777 *(2021: £48,199,580)* of financial assets that are cash or cash equivalents, £3,763,915 *(2021: £10,506,134)* was held in USD, £1,760,942 *(2021: NIL)* was held in EUR, £2,676,358 *(2021: £4,634,534)* was held in IDR and £275,583 *(2021: £1,888)* was held in AED.

Interest rate risk

Changes in interest rates will affect the Group's obligation for borrowings and the associated interest charge in the profit or loss for the year. The Group's policy is to minimise the interest rate risk exposure on long-term financing. The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The variable rate loans that the Group have entered have transitioned from LIBOR plus margin to SONIA plus margin, with the margin set at a rate that is intended to give an overall return to the lender equivalent to the LIBOR linked rate.

The Group uses derivatives to hedge interest rate exposure and minimise the impact of changes in interest rates. The Group considers the interest rate risk to be minimal, and in connection with external lenders of the notional principal senior debt, has entered an interest rate hedge.

The fair values of interest rate swaps used for hedging the Group's external borrowings are determined with reference to floating market interest rates. A 1% increase in interest rates would have increased the fair value of the interest rate swap asset and resulted in a pre-tax gain in profit or loss of £8.7m. A 1% decrease in interest rates would have reduced the interest rate swap asset and led to a pre-tax loss in profit or loss of £8.7m.

23 Financial instruments and risk management objectives and policies (continued)

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks. The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of deposits and are only help with major reputable financial institutions.

The Group's maximum exposure to credit risk by class of financial assets is as follows:

	Group 2022 £	**Group 2021 £**
Trade and other receivables	48,793,458	10,515,274
Cash and cash equivalents	50,624,777	48,199,580
	99,418,235	**58,714,854**

The fair value of cash and cash equivalents at 31 December 2022 and 31 December 2021 approximates the carrying value. Credit risk is mitigated as cash and cash equivalents are held with reputable institutions.

The credit ratings of the Group's principal banking partners at 31 December 2022 and 2021 are as follows:

	Group 2022 £	**Group 2021 £**
A-	4,869,485	9,780,675
A+	40,696,261	33,758,661
AA-	2,091,544	109,779
AAA	2,799,531	4,515,056
No rating	167,956	35,409
	50,624,777	**48,199,580**

23 Financial instruments and risk management objectives and policies (continued)

No rating part consists of established non-banking service providers that provides credit card top-up services to Group entities.

Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. Prudent liquidity management includes maintaining sufficient cash reserves and working capital facilities to facilitate the growth. Cash flow forecasting is used to manage liquidity risk through detailed cash requirement planning along with strict financial policies which prevents any commitment without the consent of its Shareholders.

The Group finance team monitors cash flow requirements on a daily basis to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its working capital financing facilities at all times so that the Group maintains all necessary covenants and requirements.

The Group continually assesses the credit quality of its holdings with these banks on an ongoing basis and maintains a spread of cash across a number of established banking partners. The Group did not incur any losses during 2022 as a result of banking failures. The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period.

Maturity analysis

The table below shows a maturity analysis of undiscounted cash flows, showing items at the earliest date on which the Group could be required to pay the liability.

	Less than 1 year (£)	Between 2 and 5 years (£)
At 31 December 2022		
Non-current liabilities	-	600,919,342
Trade and other payables	75,018,949	-
Total	**75,018,949**	**600,919,342**
At 31 December 2021		
Non-current liabilities	-	182,273,223
Trade and other payables	34,354,482	-
Total	**34,354,482**	**182,273,223**

Expected credit losses

In accordance with IFRS 9 *Financial Instruments* the Group has assessed the accounting treatment for intercompany receivable balances. The Group assessed the expected credit loss for all receivable positions, in order to identify any recoverability issues.

The Group has reviewed its current position and concluded that there are no events as at the balance sheet date that increase the credit risk in relation to intercompany positions and no impairment was accounted for the current year.

24 Share capital

Allotted, called up and fully paid	At 1 January 2021	Change in year	At 31 December 2021	Change in year	At 31 December 2022
Number					
A1 Ordinary shares of $1 each	19,785,645	103,295,870	123,081,515	-	123,081,515
A2 Ordinary shares of $1 each	2,279,187	16,822,319	19,101,506	-	19,101,506
A3 Ordinary shares of $1 each	282,000	44,768	326,768	-	326,768
A4 Ordinary shares of $1 each	5,210,425	-	5,210,425	-	5,210,425
Deferred A shares of $1 each	1,818,000	10,000,000	11,818,000	-	11,818,000
Deferred B shares of £0.00001 each	120,154,060	-	120,154,060	-	120,154,060
M shares of $0.00001 each	5,851	2,780	8,631	133	8,764
Deferred M shares of $0.00001 each	-	-	-	367	367

24 Share capital (continued)

	At 1 January 2021 £	Change in year £	At 31 December 2021 £	Change in year £	At 31 December 2022 £
Allotted, called up and fully paid					
Nominal value					
A1 Ordinary shares of $1 each	15,389,328	78,906,660	94,295,988	-	94,295,988
A2 Ordinary shares of $1 each	1,754,599	13,052,770	14,807,369	-	14,807,369
A3 Ordinary shares of $1 each	216,661	35,604	252,265	-	252,265
A4 Ordinary shares of $1 each	4,050,420	-	4,050,420	-	4,050,420
Deferred A shares of $1 each	1,396,772	7,693,614	9,090,386	-	9,090,386
Deferred B shares of £0.00001 each	1,334	-	1,334	-	1,334
M shares of $0.00001 each	-	-	-	66,450	66,450
Deferred M shares of $0.00001 each	-	-	-	-	-
	22,809,114	**99,688,648**	**122,497,762**	**66,450**	**122,564,212**

During 2022, the Company issued 500 M Shares of $0.00001 each. Separately, 367 M Shares of $0.00001 each were redesignated into Deferred M Shares of $0.00001 each. The Deferred M Shares have the rights, including as to dividends and return of capital, as set out in the Company's articles of association.

25 Notes supporting the consolidated statement of cash flows

For the purpose of the cash flow statement, cash and cash equivalents comprise of the following balances:

	Group 2022 £	Group 2021 £
Cash at bank and in hand	50,624,777	48,199,580

None of the Group's cash and cash equivalents is subject to restrictions.

Changes in liabilities arising from financing activities

	Senior debt £	Shareholder loan £	Total £
At 1 January 2022	(97,500,808)	(84,772,415)	(182,273,223)
Financing cash flows	(173,260,952)	(194,794,648)	(368,055,600)
Other non-cash movements	(15,990,169)	(20,035,364)	(36,025,533)
Non-cash movements relating to acquisition	-	(14,564,986)	(14,564,986)
At 31 December 2022	**(286,751,929)**	**(314,167,413)**	**(600,919,342)**

	Senior debt £	Shareholder loan £	Total £
At 1 January 2021	-	-	-
Financing cash flows	(92,737,700)	(80,343,538)	(173,081,238)
Other non-cash movements	(4,763,108)	(4,428,877)	(9,191,985)
At 31 December 2021	**(97,500,808)**	**(84,772,415)**	**(182,273,223)**

26 Capital and reserves

Share capital
Share capital represents the nominal value of the shares issued.

Share premium
Share premium represents the premium arising on the issue if equity shares, net of issue costs.

Retained earnings
Retained earnings represent cumulative profits, losses and other recognised gains and losses made by the Group and Company, including distributions.

27 Non-controlling interest

PDCG (JKT HoldCo) Limited, a 75% owned subsidiary of the Company, has material non-controlling interests (NCI). The NCI of all other subsidiaries that are not 100% owned by the group are considered to be immaterial.
Summarised financial information in relation to PDCG (JKT HoldCo) Limited, before intra-group eliminations, is presented below together with amounts attributable to NCI:

	2022 £	2021 £
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(5,186)	(11)
Operating profit	(5,186)	(11)
Finance expense	168,938	-
Profit before tax	163,752	(11)
Taxation	-	-
Profit for the year	163,752	(11)
Profit allocated to the NCI	40,938	(3)
Other comprehensive income allocated to the NCI	-	-
Total comprehensive income allocated to the NCI	40,938	(3)
Dividends paid to the NCI	-	-

	2022 £	2021 £
Assets:	**52,178,264**	**16,833,565**
Property, plant and equipment	-	5,147
Trade and other debtors	52,171,792	16,828,418
Currency translation difference	6,472	
Liabilities:	**52,178,264**	**16,833,565**
Trade and other payables	52,178,264	16,833,565

28 Business combinations during the period

On 01 June 2022 the Group acquired 100% of the voting equity instruments of Blakeway Weyburn Advisory Ltd., a company whose principal activity is environmental research, development and consulting. The principal reason for this acquisition was to utilise the research and development in the area of environmental impact. The group also expects to use the expertise and knowhow acquired in the development of new data centres.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, contingent liabilities, income taxes and defined benefit pension plans):

	Book value	**Fair value adjustments**	**Recognised values on acquisition**
	£	**£**	**£**
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	81,578	-	81,578
Cash	14,005	-	14,005
Payables	(47,285)	-	(47,285)
Accruals	(50,073)	-	(50,073)
Net identifiable assets and liabilities	**(1,775)**	-	**(1,775)**
Total cost of business combination:			
Goodwill			1,776
Consideration at 01 June 2022			**£**
Consideration via new intercompany transaction			1
Total consideration			1

29 Pension commitments

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group.

The total cost charged to profit or loss of £570,763 *(2021: £269,016)* represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. As at 31 December 2022, contributions of £172,095 *(2021: £63,445)* due in respect of the current reporting period had not been paid over to the schemes.

30 Related party transactions

As at 31 December 2022 the Company was owed £2,583 *(2021: £2,583)* by Innovare Limited, a Company under the control of Julia Lynch (the spouse of Martin Lynch).

During the year the Company provided services to South Dublin Routing 4 Limited, a company in which Oaktree Capital Management L.P. is an indirect shareholder. Oaktree Capital Management L.P. is also an indirect shareholder of Pure Data Centres Group Limited. Turnover includes sales of £Nil *(2021: £3,492)* to South Dublin Routing 4 Limited, and a balance of £Nil *(2021: £Nil)* was due from South Dublin

30 Related party transactions (continued)

Routing 4 Limited at year end. On 9 June 2022, the Company's indirect wholly owned subsidiary, PDCG (Ireland Holdco) Limited acquired 100% of the share capital of South Dublin Routing 4 Limited.

On 15 December 2022, the Company's indirect wholly owned subsidiary, Pure DC Holdco 4 Limited, acquired 50%of the share capital of Ozarow Holdings S.à r.l. a company in which Oaktree Capital Management L.P. is an indirect shareholder. Oaktree Capital Management L.P. is also an indirect shareholder of Pure Data Centres Group Limited.

During the year the Company provided routine management services to related parties for which it charged a fee calculated as fully loaded cost plus a 5% mark up. The cost base of the charges includes only the costs incurred by the company with respect to the routine management services provided. The related parties that received this routine management services are PDCG (Group Services) Limited £1,558,618; PT PDCG Indonesia One £1,167,806; PDCG Real Estate and Management Services LLC £1,256,053; South Dublin Routing 4 No. 2 Limited £1,079,187; PDCG AHE1 Ltd £204,222.

As at the year end, the Company reported the following net balances from the subsidiaries:

	2022 £	2021 £
A Healthier Earth Limited	2,080,154	-
Blakeway Weyburn Advisory Ltd	164,782	-
PDC Saudi Arabia LLC	(5,138)	74,246
PDCG (GCC) H1 Ltd	14,510	14,363
PDCG (Group Services) Limited	3,867,713	22,839,994
PDCG (Ireland Holdco) Limited	956,676	-
PDCG (JKT Holdco) Limited	(52,166,610)	(18,821,277)
PDCG (JKT Midco 1) Limited	4,009,895	1,355,712
PDCG (JKT Midco 2) Limited	43	11
PDCG (Operations) Limited	64,526,861	1,251,821
PDCG (Project Management) Limited	5,530,212	3,018,638
PDCG (UK) Limited	100,172,064	90,982,801
PDCG (UK1) Services Limited	1,541,867	168,924
PDCG AHE1 Ltd	434,221	-
PDCG Ireland Limited	1,266,220	230,189
PDCG Middle East FZE	1,284,938	2,345,241
PDCG Real Estate and Management Services LLC	72,758,946	1,561,025
PT PDCG Indonesia One	49,402,281	8,902,682
PT PDCG Indonesia Two	548,582	-

Pure Data Centres (Americas) LLC	1,198,910	939,574
Pure DC (Africa) Limited	(155,287)	(25,561)
Pure DC (Botswana) Pty	(16,538)	(16,538)
Pure DC (India) Limited	(9,174)	(210)
Pure DC (Middle East) Limited	876,312	732,276
Pure DC (South Africa) (Pty) Limited	(160,480)	(107,937)
Pure DC HoldCo 4 Limited	418,414	-
South Dublin Routing 4 Limited	10,306,480	-
South Dublin Routing 4 No. 2 Limited	33,589,903	-
	302,436,757	**115,445,974**

Amounts due from group undertakings include both loans (including interest) and trading balances, these are either interest free (trading) or have interest charged at below rates plus 0.1%.

Interest rates are based on market rates and determined from the transfer pricing policy.

GBP loans carry interest at 10%.

EUR loans carry interest at 7.105% plus ESTA.

USD loans carry interest at 7.35% and 7.255% plus SOFR.

Balances are repayable on demand or within one year.

31 Events after the reporting period

The Company has a significant pipeline of assets under due diligence and on 31 May 2023, the Group completed the acquisition of additional parcels of land adjacent to its existing site in London, to facilitate its expansion and utilisation of the 150MVA capacity secured for the data centre campus.

32 Ultimate controlling party

The controlling party is Watt EquityCo Sarl, an investment fund resident in Luxembourg and managed by Oaktree Capital Management LP.