ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

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Digital 9 Infrastructure PLC

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9 March 2023

DIGITAL 9 INFRASTRUCTURE PLC

("**D9**" or the "**Company**" or, together with its subsidiaries, the "**Group**")

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of Digital 9 Infrastructure plc (ticker: DGI9) is pleased to announce the Company's audited results for the year ended 31 December 2022.

Summary of key financials

	Year ended 31 December 2022	**Period ended 31 December 2021**	**Change (%)**
Earnings per share	11.09p	9.77p	13.5%
IFRS Net Asset Value ("NAV")	£950.0m	£756m	25.7%
IFRS NAV per share	109.76p	104.62p	4.9%
IFRS Investment Valuation	£921m	£746m	23.5%
Ongoing charges ratio (annualised)[1]	1.10%	1.04%	5.8%
Dividends paid or declared per share	6.00p	4.50p (6.00p annualised)	-
Operating cash dividend cover[2]	0.4x	0.4x	-
Total Return (based on NAV)[3]	10.4%	13.1%	(2.7)%

Highlights

- The Group's diversified portfolio of nine high-quality data centre, subsea fibre, wireless and terrestrial fibre assets (together, the "**Investee Companies**") continued to perform strongly during the year in line with management expectations. Consolidated Investee Company revenue was £409 million and consolidated Investee Company EBITDA was £206 million for the year 31 December 2022, increasing to £226 million on a contracted run rate basis.

- The portfolio generated strong operational and financial performance which contributed to an IFRS NAV increase of 26% to £950 million (31 December 2021: £756 million), or a 4.9% increase in NAV per share to 109.76p (31 December 2021: 104.62pps), alongside the equity raises during the year.

- The Company exceeded its annual total return target by 0.4% at 10.4% and met the final dividend target of 6.0 pence per ordinary share for 2022.

- The Company successfully deployed all capital raised since IPO with £605 million deployed in 2022 alone. This Included £577 million in aggregate for the acquisitions of Verne Global Finland (formerly Ficolo Oy) and Arqiva Group ("**Arqiva**") (including £163 million funded through a non-recourse vendor loan note) in July 2022 and October 2022, respectively. The Company continues to focus on the operational performance and optimisation of each of the assets acquired to date.

- The Group held unrestricted cash of £55.5 million as at 31 December 2022. During the period, the Company successfully raised £155 million in gross equity proceeds from existing and new shareholders, supported by a £375 million revolving credit facility ("**RCF**").

- At period-end, the RCF was £331.2 million drawn, with a further £43.8 million available to draw. The Company drew an additional £25 million post-period end to fund additional capital expenditure at Verne Global London and Aqua Comms.

- The Company's aggregate level of borrowings continue to be in line with the Investment Policy set out at IPO. Total leverage, including the Company's drawn RCF, as at 31 December 2022 was 25.9% of an adjusted Gross Asset Value of £1.3 billion (31 December 2021: £758 million).

- The Company's operating cash dividend cover of 0.4x at 31 December 2022 (0.4x: 31 December 2021) was primarily attributable to the impact of (i) the Arqiva accretion payment during this period of high inflation and (ii) as the customer contracts secured by the growth platforms are yet to fully ramp. As the portfolio investments continue to mature, and the accretion payments by Arqiva reduce in line with inflation rates normalising and ultimately expire, the Company expects an increase in operating cash flow to translate progressively into cash dividend cover.

Post Balance Sheet activity

- The Company today declared a dividend of 1.5 pence per share in respect of the period from 1 October to 31 December 2022. This dividend will be paid on or around 31 March 2023 to shareholders on the register at 17 March 2023.

- The Company reaffirms its target aggregate dividend of 6.0 pence per ordinary share for the year ended 31 December 2023, payable quarterly.[4]

- Further to the Company's recent Trading Update, the Company and Investment Manager have evaluated options and commenced processes seeking complementary sources of growth capital to support the growth capital expenditure pipeline of c.£223 million for the year ended 31 December 2023. Such complementary sources of growth capital continue to be considered only where they are in the best interests of enhancing shareholder value. This includes:

    - A process to syndicate a minority stake in existing Investee Companies to a strategic capital partner in conjunction with a leading investment bank.

- In relation to Investee Company level debt, a term sheet has been agreed for a $100 million facility to be provided to one of the high growth Investee Companies. Debt financing at Investee Company level is only appropriate where the incremental return on new investment would significantly exceed the cost of debt. Apart from Arqiva, the Investee Companies had no financial gearing in place at 31 December 2022.

- Following the initiation of the externally-facilitated recruitment and selection process for the Head of Digital Infrastructure at Triple Point, the Board and Investment Manager have thoroughly evaluated the skills and experience D9 would benefit from and expect to announce the selected candidate in Q2 2023.

- In February 2023, the Company drew an additional £25 million of the RCF post-period end to fund additional capital expenditure at Verne Global London and Aqua Comms.

Phil Jordan, Chair, Digital 9 Infrastructure plc, commented:

"*I am pleased to report an excellent set of results for 2022, headlined by a 5% increase in NAV per share and a 10.4% total return. The latter was in line with the Company's target and included a proposed dividend of 6 pence per share, in line with our IPO target and with our 2023 objective.*

The Company's first 18 months since IPO were characterised by accretive portfolio growth through targeted acquisitions, supporting sustainable and growing income and capital growth for our shareholders. As a FTSE 250 investment company since December 2022, the Company is proud to own and actively manage an unrivalled £1.2 billion portfolio of nine high-quality Digital Infrastructure investments. We continue evaluating complementary sources of growth capital to support our Investee Companies, as previously announced.

On behalf of the Board, I remain confident in the Company's ability to continue generating sustainable and growing income and capital growth to our shareholders. We look forward to welcoming shareholders to our Capital Markets Day on 20 March 2023."

Arnaud Jaguin, Investment Director at Triple Point, commented:

"Our investment portfolio delivered a robust operational performance in 2022, with all Investee Companies reporting accelerated customer demand. We managed to substantially invest or commit all available capital raised since IPO during the year, and we have now moved into a period of consolidation and value creation.

We are now focused on the optimisation of our portfolio of nine attractive and complementary assets, which offer accretive convergence value across our four target subsectors. The Investee Companies benefit from high-quality management teams and continue to add key hires to deliver their business plans. They have the potential to be platforms for significant future growth and provide attractive and compelling opportunities to deploy additional capital.

We expect the portfolio will achieve higher returns due to the arbitrage between making investment in our existing asset base compared to making new acquisitions"

Annual report and results webcast for analysts

The Annual Report is now available for download at www.d9infrastructure.com/investors.

The Company will be hosting a live webcast presentation for sell side analysts at 9.30am GMT today. The presentation will also be accessible on-demand in due course via the Company's website.

The results will also be available to view and download on the Company's website and hard copy will be posted to shareholders on or around 17 March 2023.

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About Digital 9 Infrastructure plc:

Digital 9 Infrastructure plc (DGI9) is an investment trust listed on the London Stock Exchange and a constitutent of the FTSE 250, with ticker DGI9. The Company invests in the infrastructure of the internet that underpins the world's digital economy: digital infrastructure.

The Investment Manager is Triple Point Investment Management LLP ("**Triple Point**") which is authorised and regulated by the Financial Conduct Authority, with extensive experience in infrastructure, real estate and private credit, while keeping ESG principles central to its business mission. Triple Point's Digital Infrastructure team has over $300 billion in digital infrastructure transaction experience and in-depth relationships across global tech and global telecoms companies.

The number 9 in Digital 9 Infrastructure comes from the UN Sustainable Development Goal 9, which focuses the fund on investments that increase connectivity globally and improve the sustainability of digital infrastructure. The assets DGI9 invests in typically comprise scalable platforms and technologies including (but not limited to) subsea fibre, data centres, terrestrial fibre and wireless networks.

From its IPO in March 2021 and subsequent capital raises, DGI9 has raised total equity of £905 million and a revolving credit facility of £375 million, invested into the following data centres, subsea fibre, terrestrial fibre and wireless networks:

• **Aqua Comms**, a leading owner and operator of 20,000km of the most modern subsea fibre systems - the backbone of the internet - with a customer base comprising global tech and global telecommunications carriers (April 2021);

• **Verne Global Iceland**, the leading Icelandic data centre platform, with 40MW of high intensity computing solutions in operation or development, powered by 100% baseload renewable power (September 2021);

• **EMIC-1**, a partnership with Meta on a 10,000km fibre system from Europe to India (July 2021);

• **SeaEdge UK1**, a data centre and landing station for the North Sea Connect subsea cable, part of the North Atlantic Loop subsea network, improving connectivity between the UK, Ireland, Scandinavia and North America (December 2021);

• **Elio Networks** (previously Host Ireland) a leading enterprise broadband provider that owns and operates Fixed Wireless Access networks (April 2022);

• **Verne Global London** (previously Volta), a premier data centre based in central London, providing 6MW retail co-location services (April 2022);

• **Verne Global Finland** (previously Ficolo), a leading Finnish data centre and cloud infrastructure platform, with c.23MW of data centre capacity, powered by 100% renewable power and distributing surplus heat to district heating networks (July 2022).

• **Giggle**, a revolutionary Fibre to the Home network providing affordable broadband to social housing in Glasgow (July 2022); and

• **Arqiva**, the only UK national terrestrial television and radio broadcasting network in the United Kingdom - providing data, network and communications services, as well as a national IoT connectivity platform (October 2022).

The Company's Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 31 March 2021. It was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 30 August 2022.

For more information on the Investment Manager please visit www.triplepoint.co.uk. For more information, please visit www.d9infrastructure.com.

CHAIR'S STATEMENT

I am pleased to present the Company's 2022 Annual Report. The period since our IPO was characterised by accretive portfolio growth through targeted acquisitions. The Company faced several challenges last year, but the portfolio is well positioned heading into 2023 to deliver sustainable and growing income and capital growth for our shareholders.

As well as the challenging macro-economic environment characterised by rising inflation and interest rates, the Company's Investment Manager also experienced change, following the departure of investment team personnel in November 2022. The remainder of the Triple Point Digital Infrastructure team has continued in place and is supported by an excellent Operating Partner panel and the management teams at the respective investee companies to deliver on respective business plans.

Our Investee Companies have identified significant growth opportunities, reflected in their recent forecasting and growth capital planning. As we aim to strike the right balance between growth, financial leverage and total return, we will remain disciplined in our capital management approach.

As a constituent of the FTSE 250 since December 2022, the Company is proud to own and actively manage a £1.2 billion portfolio of nine high-quality Digital Infrastructure investments. These investments create a global growth platform of carrier-neutral, interconnected data centre, subsea fibre, wireless, and fibre assets; all with a common purpose to reduce the digital divide and help decarbonise the sub-sectors in which they operate.

Shareholder Returns

The Company generated a total return for shareholders of 10.4%, 0.4% in excess of the Company's target. Owing to the quality and organic growth of the assets within the portfolio, the Company's NAV increased to £950 million or a NAV per share increase of 4.9% to 109.76 pence (2021: 104.62 pence), providing shareholders with a compelling opportunity for capital growth.

The Company has paid or declared dividends totalling 6 pence per share for the twelve-month period, in line with our target set at IPO. The Board has maintained its target annual dividend of 6 pence per share for the year ending 31 December 2023, payable quarterly[5].

D9 reported a profit before tax of £92.0 million (2021: £38.3 million) for the year, equal to 11.09 pence per share (2021: 9.77 pence per share) calculated on the weighted average number of shares in issue during the year. This was the net result of income received from investments acquired and revaluation gain arising on the investments held at fair value through profit or loss as at 31 December 2022.

The Company's annualised ongoing charges ratio ("**OCR**")[6] was 1.10% (2021: 1.04%). As the Company has now largely deployed its available capital, we expect the OCR to decrease as economies of scale and operating efficiencies are achieved. The Board will continue to monitor the OCR closely as we seek to grow D9 and continue delivering value to our shareholders.

Portfolio Performance

During the year the Company deployed £768 million, including a £163 million vendor loan note into new investments, and we are delighted to welcome Arqiva, Verne Global Finland (previously Ficolo Oy), Verne Global London (previously Volta Data Centres), Elio Networks (previously Host Ireland) and Giggle Broadband to the Company's portfolio.

Our diversified portfolio performed strongly during the year in line with management expectations. Consolidated Investee Company revenue was £409 million and consolidated Investee Company EBITDA was £206 million for the year 31 December 2022[7],[8], increasing to £226 million on a contracted run rate basis.

Our Investee Companies are led by high-quality management and operational teams, who complement the experience of the Investment Manager. Among the Investee Company management teams, the Board was delighted to welcome the expansion of Verne Global's senior leadership team with three key appointments: Mike Allen as Chief Operating Officer; Kate Hennessy as Chief Financial Officer; and Hildegard van Zyl as General Counsel. They bring with them considerable experience and diverse skills and demonstrate the ability of D9's platform to attract the highest calibre individuals within the sector. We are also delighted to welcome Jim Fagan as the CEO of Aqua Comms, effective from 1 May 2023, who brings 25 years' industry leading experience in Asia-Pacific, North America and EMEA, including executive roles with Global Cloud Xchange, Rackspace, and Pacnet (later acquired by Telstra).

Growth Capital Expenditure Pipeline

The business planning process confirmed significant growth opportunities for our Investee Companies via a significant growth capital expenditure pipeline of £223 million for 2023, and over £900 million over the five-year period.

The Board maintains conviction that it is in the best interests of shareholders to continue funding the Investee Companies long-term growth both through growth capital expenditure and the reinvestment of operating cash flow by the Investee Companies due to the long-term opportunities for enhanced returns and ultimately capital growth.

The Board and Investment Manager have evaluated options and commenced processes seeking complementary sources of growth capital to support our Investee Companies alongside the capital expenditure already committed by the Company. These processes include a syndication through a competitive process of a minority stake in existing Investee Companies to a strategic capital partner in conjunction with a leading investment bank and the arrangement of appropriate debt financing at Investee Company level. The syndication would provide proceeds which could be used to pay down the RCF and/or fund growth capital expenditure and provide valuable follow-on capital to Investee Companies. In relation to

Investee Company level debt, a term sheet has been agreed for a $100 million facility to be provided to one of the high growth Investee Companies, the proceeds of which will be used to finance accretive growth opportunities, and to repay a Company shareholder loan, which will be used to reduce the drawings of the Group's RCF. Further updates on these processes will be announced to shareholders following their completion.

As our Investee Companies mature, we expect them to begin to optimise their capital structure and take on appropriate levels of longer-term structural debt finance in the future to facilitate growth. With the exception of Arqiva, the Investee Companies had no financial gearing in place at 31 December 2022.

The utilisation of debt financing at Investee Company level or complementary sources of capital will only be approved by the Board when it is accretive to shareholder value. This value could be achieved when the incremental return on a new investment significantly exceeds the cost of debt or to fund growth capital expenditure and provide valuable follow-on capital to Investee Companies.

Dividend Cover

We have paid or declared dividends totalling 6 pence per share for the 12-month period from 1 January 2022 to 31 December 2022, in line with our target set at IPO. We remain committed to implementing a progressive dividend policy; however, in the current environment the Board has decided that it is appropriate to maintain a target annual dividend of 6 pence per share for the year ending 31 December 2023, payable quarterly[9].

The Company's dividends are underpinned by the Operating Cash Flows of our Investee Companies, with an operating cash dividend cover of 0.4x as at 31 December 2022 (0.4x at 31 December 2021; 0.5x at 30 June 2022). Cash dividend cover was broadly in line with 31 December 2021, with a decline over the second half of 2022 reflecting the impact of the Arqiva accretion payment during this period of high inflation, and as the customer contracts secured by the growth platforms are yet to fully ramp. As these investments continue to mature, we expect this to translate progressively into cash cover at the Company level. For illustrative purposes only, if all sold contract capacity of the data centre platform assets was at maximum capacity, portfolio cash flow cover would be 80% at 31 December 2022.

Further information can be found in the Investment Manager's Report.

Share Price

The Board and Investment Manager are disappointed that the share price closed the year out at a 21% discount to NAV at 86.40 pence per share (closing share price as at 31 December 2021 was at an 8.8% premium to the NAV as at the same date). This followed a period of high market volatility for global equity markets, and particularly UK investment trusts, at the end of the year, following an increase in interest rates in the UK, European and North American markets. Like many other investment trusts, the share price has been particularly suppressed following the UK Government's mini-budget announcement on 23 September 2022 driving a further increase in gilt yields, and prior to that the Company had traded at a healthy premium to NAV for the first nine months of the year. The Board and Investment Manager closely monitor the share price and are focussed on narrowing the discount to NAV. We have confidence in the actions the Company is taking to enhance shareholder value that we believe will, in turn, support a recovery of the share price.

Following the departure of investment team personnel in November 2022, we saw further downward pressure on the share price; however, we believe this is unjustifiable and does not reflect the inherent value and capital appreciation potential of the portfolio, particularly the Nordic data centres. We remain confident in the growth potential of the underlying investment portfolio and expect a positive impact on the share price when economic uncertainty reduces and as significant demand for infrastructure that underpins the digital economy continues to increase. We have continued to update the market on progress with shareholders, for example through our Trading Update released in January 2023, to demonstrate the significant customer demand of the Investee Companies. The Company will continue to seek shareholder approval at its annual general meeting, as a matter of course, to allow it to undertake share buybacks to reduce the discount to NAV where it has uncommitted cash, or cash in excess of scheduled dividend payments, taking into account the Company's working capital position and other relevant economic factors.

Environmental, Social and Governance

The Board recognises that Digital Infrastructure is critical to a future sustainable economy but to ensure it fulfils its role, the infrastructure developed must have ESG considerations at its core. The Company is focused on investment opportunities that are aligned with the Sustainable Development Goal 9. Ensuring alignment to this theme and wider ESG factors is an important part of the investment decision making process and on-going asset ownership. Progress continues with each Investee Company to enhance their understanding and approach to ESG, with 2022 seeing a focus on data capture with all Investee Companies making progress on their carbon footprint. A continued focus on the decarbonisation theme of sustainable digital infrastructure is reflected in D9's data centre platform reporting a carbon footprint which is estimated to be 86% lower than the average UK data centre and 93% lower than the average US data centre. The ESG metrics each Investee Company now tracks and reports continues to extend. Targets have now been implemented for SDG9 alignment (e.g., energy efficiency tracked through an aggregated PUE of 1.3 and connectivity through a growth in network capacity of 10% year-on-year) and operational ESG action (e.g., net zero roadmaps to be implemented by all Investee Companies by 31 December 2024 and the implementation of enhanced cyber security standards across all). These aim to ensure ongoing alignment to the Company's commitment to SDG9 and to ensure each Investee Company continues to improve across a range of operational ESG-related activities to protect the wider value of each business. Reporting and outcomes are provided in the Sustainability Report.

The Investment Manager's Team

As previously announced, Ben Beaton currently leads the Digital Infrastructure team supported by the existing and established Digital Infrastructure team within Triple Point, which includes Investment Director, Arnaud Jaguin. Further biographical details of Ben and Arnaud, the Operating Partners supporting the portfolio businesses, and the Investee Company CEOs can be found in the Annual Report.

As disclosed on 1 December 2022, the Investment Manager initiated a formal recruitment and selection process for the Head of Digital Infrastructure with a leading executive search firm led by consultants with specialist Digital Infrastructure expertise, focusing on senior asset management/value creation individuals and industry professionals, to complement the existing skillset of the team and Investee Company management; this process is being overseen by the Board. The Board and the Investment Manager have thoroughly evaluated the skills and experience D9 would benefit from and expect to announce the selected candidate in Q2 2023.

Outlook

In the year ahead, the Board and the Investment Manager are focused on portfolio optimisation and value creation, as well as leveraging the synergies between the platform investments within the portfolio. We intend to continue reinvesting in our subsea and data centre platforms to fulfil the accelerated customer demand and create long-term opportunities for sustainable income and capital growth for the portfolio.

The Investment Manager, with the support of the Board, continues to dedicate extensive resource to managing the portfolio's growth, operational performance, and liquidity position.

In doing so, the Investment Manager will continue to execute the Company's accretive convergence strategy by driving the breadth and depth of customer relationships across global tech and telecom operators. Through this investment approach, we aim to build a global platform that promotes scalability, flexibility, reliability, and neutrality across the digital infrastructure value chain.

On behalf of the Board, I remain confident in the Company's future ability to continue generating sustainable and growing income and capital growth for our shareholders, and we thank our shareholders for their support during the year.

We look forward to welcoming shareholders to our Capital Markets Day on 20 March 2023.

Phil Jordan
Chair
8 March 2023

STRATEGY AND BUSINESS MODEL

The Board is responsible for the Company's Investment Objective and Investment Policy and has overall responsibility for ensuring the Company's activities are in line with such overall strategy. The Investment Policy was amended on 27 February 2022 as approved by shareholders at a General Meeting, and further non-material amendments to the Investment Policy were announced on 24 August 2022.

The Group's current Investment Policy and Investment Objective are published below.

Investment Objective

The Company's investment objective is to generate a total return for investors comprising sustainable and growing income and capital growth through investing in a diversified portfolio of resilient Digital Infrastructure Investments.

Investment policy

The Company intends to achieve its investment objective by investing in a diversified portfolio of Digital Infrastructure Investments which provide key infrastructure for global data transfer (subsea fibre-optic networks, wireless networks and terrestrial fibres) and data storage (data centres), all of which contribute to facilitating global digital communication.

The Company is focused on the provision of Digital Infrastructure integrated with green and cleaner power in line with UN Sustainable Development Goal 9: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation".

The Company seeks to invest in assets or Investee Companies which typically have secured medium to long term contracts underpinned by high quality counterparties.

The Company invests (directly or via subsidiary companies) in a range of Digital Infrastructure assets which deliver a reliable, functioning internet. The portfolio will typically comprise future proofed, non-legacy, scalable platforms and technologies including (but not limited to) subsea fibre, data centres, terrestrial fibre, tower infrastructure and small cell networks which meet the following criteria:

- assets and Investee Companies which deliver communications, data transfer, interconnectivity and data storage;

- assets and Investee Companies which derive a significant proportion of their revenues from high quality counterparties (meaning, for these purposes, companies (or their parent companies) which are included in the FTSE 350 (or equivalent) or which are investment-grade rated by a recognised grading agency) and/or a diversified portfolio of counterparties that, by reason of its diversity, is resilient and well placed to weather economic downturns;

- assets and Investee Companies with high cash flow visibility and resilience, specifically from medium to long term contracts or from a diversified portfolio of shorter term contracts providing essential underlying services.

The Group focuses, primarily, on Digital Infrastructure Investments where the assets (or Investee Companies which own the assets) are operational and, where appropriate, there is a contract in place with the end user and/or off-taker. Where suitable opportunities arise, however, the Group may provide limited funding during the Construction Phase or Development Phase of a Digital Infrastructure asset, in particular, on a forward funding basis where development risk for the Company is limited, subject to the restrictions set out below.

Investment restrictions

The Company invests and manages its assets with the objective of spreading risk and, in doing so, will maintain the following investment restrictions:

- the Company will not invest more than 25 per cent. of Adjusted Gross Asset Value in any single asset or Investee Company. When the Gross Asset Value reaches £2 billion (as notified by the Company in its annual or half year financial results report), this restriction will change to 20 per cent. of Adjusted Gross Asset Value;

- investments will be focused on acquiring a controlling interest (meaning more than a 50 per cent. interest) in the relevant investment assets or Investee Companies being acquired or invested in but can also comprise minority interests (where appropriate minority protections are in place);

- at least 50 per cent. of Adjusted Gross Asset Value will be invested in developed markets, in particular (but not limited to), the UK, EU and US;

- neither the Company nor any of its subsidiaries will invest in any assets or Investee Companies located in or with co-investment exposure to any Restricted Territories;

- neither the Company nor any of its subsidiaries will invest in any assets or Investee companies using technologies or equipment under any current prohibition ruling by relevant UK, EU, or US authorities, unless such equipment is in the process of being removed in line with the guidelines of such UK, EU or US authorities;

- the Company may invest a limited amount in assets (or Investee Companies which own assets) which are predominantly in construction, which typically will be undertaken via a forward funding arrangement which pays a return during the Construction Phase, with any investments which expose the Company to development risk limited to, in aggregate, no more than 5 per cent. of Adjusted Gross Asset Value, and the aggregate value of assets in construction or development being no more than 20 per cent. of Adjusted Gross Asset Value (such amount to be calculated as the aggregate value of all material construction or development activities, including forward funded developments, within Investee Companies);

- neither the Company nor any of its subsidiaries will invest in any listed entities, or in private closed-ended investment companies or any funds of any kind; and

- the Company itself will not conduct any trading activities which are significant in the context of the Group as a whole.

Compliance with the above investment limits will be measured at the time of investment and non-compliance resulting from changes in the price or value of assets following investment will not be considered as a breach of the investment limits.

For the purposes of the foregoing, the term "**Adjusted Gross Asset Value**" shall mean the aggregate value of the total assets of the Company as determined with the accounting principles adopted by the Company from time to time as adjusted to include any third-party debt funding drawn by, or available to, any Group company (which, for the avoidance of doubt, excludes Investee Companies).

Borrowing Policy

The Directors do not intend to use gearing at the Company level, other than utilising short-term credit facilities for financing acquisitions (which could be at the level of the Company or a Group company (which, for the avoidance of doubt, excludes Investee Companies)), such borrowings to be at a Conservative level. Intragroup debt between the Company and its subsidiaries, and the debt of Investee Companies, will not be included in the definition of borrowings for these purposes.

Long term gearing is likely to be applied at an Investee Company level in order to enhance returns but will be at a prudent level, appropriate for the particular Investee Company and sub-sector.

Hedging and Derivatives

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management. In particular, the Company may engage in interest rate or currency hedging or otherwise seek to mitigate the risk of interest rate increases and currency movements.
The Group will only enter into hedging contracts and other derivative contracts when they are available in a timely manner and on acceptable terms. The Company reserves the right to terminate any hedging arrangement in its absolute discretion. Any such hedging transactions will not be undertaken for speculative purposes.

Cash management

The Company may hold cash on deposit for working capital purposes and awaiting investment and, as well as cash deposits, may invest in cash equivalent investments, which may include government issued treasury bills, money market collective investment schemes, other money market instruments and short-term investments in money market type funds ("**Cash and Cash Equivalents**"). There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position.

Business Model

D9 is an investment entity and therefore does not produce consolidated accounts. D9 creates shareholder value by investing in companies and assets that provide the critical Digital Infrastructure required to deliver equal, ubiquitous internet access to people and organisations across the globe. Furthermore, our open-access, low-carbon connectivity platform provides a sustainable solution to exponential growth in global data demand, fuelling a greener future.

We are leading the way in carrier-neutral connectivity globally and are committed to democratising access to critical digital infrastructure. By building a diversified portfolio of investments across the key sectors, we aim to offer our customers access to a resilient and uniquely interconnected ecosystem.

We aim to create shareholder value through three primary approaches:

1. Significant opportunity for accretive investment in growth platform.

2. Portfolio convergence and global customer relationships: Portfolio synergies through a value chain focus and relationships with the biggest purchasers across the digital infrastructure value chain (global carriers and global tech).

3. SDG9 purpose driven initiatives: United Nations Sustainable Development Goal 9, focusing us on connectivity and environmentally sustainable investments.

The business model for each target sector depends on the sector's characteristics and location, but they each exhibit a fundamental commonality that is critical for our wider business model, being the interconnectedness of our assets delivering a resilient ecosystem to our customers. Through this we target a robust customer base delivering a creditworthy, inflation-linked income stream to deliver returns to our shareholders.

Investment Process

The Investment Manager's Digital Infrastructure team employs a rigorous investment process when appraising new opportunities presented to it for consideration. The Company makes its investments via its sole direct subsidiary and main investment vehicle, Digital 9 Holdco Limited ("**Holdco**").

The Strategy in Practice: Arqiva

Always-on

Increasing digital connectivity has both mirrored and facilitated changes in the way consumers behave. We are always "switched-on", with seeming limitless content, information, and data now at our fingertips - and consumers and businesses are hungry for more.

For example, the average person in the UK spent five hours and 16 minutes per day watching TV and video content across all devices in 2022, which included two hours and 24 minutes of live TV. As of December 2022, 88% of BBC audience engagement time is through traditional broadcasting.[10]

The Board believes there is a significant opportunity for more investment in the digital infrastructure that delivers this data and content. D9 is exploring new frontiers in wireless via a landmark investment in Arqiva, an established wireless "national champion".

Pioneering new technologies

Arqiva plays a central role in keeping people connected and has done so for the past 100 years.
With a tradition of innovation, alongside its well-established licensed customer base and reputation for excellent service, Arqiva has strong roots in leading the development of Internet Protocol television ("IPTV") or delivering content to consumers via the internet.

Arqiva works with customers to meet new challenges and has helped to develop cloud solutions to help the UK's transition to IPTV consumption. It has integrated over 50 platforms through its Video on Demand processing platform and has launched Arqade and Arqplex in recent years to take advantage of the benefits of cloud processing for content owners and broadcasters.

This was possible because of Arqiva's heritage in broadcasting. Having delivered the world's first TV broadcast for the BBC in 1936, Arqiva remains at the heart of TV and radio and enables household names like the BBC, ITV, Discovery, BT Sport, and Sky to distribute their content to UK consumers.

Reliable investment returns

Arqiva's revenue is underpinned by long-term contracts with blue-chip customers including the BBC, ITV, Channel 4, Sky, Discovery, and Thames Water. Revenue contracts benefit from inflation protection, with an estimated 65-70% of forecast recurring revenue for the financial year ending 30 June 2023 linked to the consumer price index ("**CPI**") or the retail price index ("**RPI**"). Around 80% of Arqiva's revenues are contracted, with a weighted average unexpired contract term of c. eight years. Arqiva's operational cash flow will generally benefit from an inflationary environment, however inflation-linked swaps currently in place (until April 2027), offset the positive inflationary effect on operational cash flow. Therefore, while Arqiva will benefit from an inflationary environment in the longer term with cash flows increasing over our original investment case and driving a higher valuation, the overall effect in the short-to-medium term will be a negative impact on cash flows from Arqiva to the Company.

The Company is working closely with Arqiva to consider the optimisation of its capital structure.

No one left behind

One of D9's investment objectives is ensuring that global connectivity is accessible to all. Digital Terrestrial Television ("DTT") is a complementary technology to Internet Protocol Television ("IPTV") which continues to play a crucial role in the daily lives of millions of people across the UK.

DTT, which many consumers know better as Freeview, provides near universal access to channels that keep the UK informed and entertained. Superfast broadband connection or a subscription fee is not required, instead ensuring communities are not cut off from what many perceive to be an essential service. DTT provides access to free-to-air standard channels and radio services, reaching 98.5% of UK households.[11]

Its infrastructure is the only means by which just under eight million adults are able to access television content. These people are some of the most vulnerable in UK society, with three million living alone, four million belonging to the C2DE[12] socio-economic group, and nearly 1.8 million who have a disability.[13] The digital skills gap prevents around one in 10 people across the UK from accessing broadcast alternatives due to their inability to set up internet services or access TV online, while a similar number (7%) do not have a strong enough internet connection to support alternative services.[14]

The role that Arqiva plays in supporting essential broadcasting and transmission services has extremely high barriers to entry, given the significant investment that would be required to replicate existing infrastructure.

Sustainable growth

The next phase of Arqiva's growth is unlocking the potential in its digital connectivity platform, which revolves around Internet of Things ("**IoT**"). The Investment Manager views this part of Arqiva's strategy as a huge NAV accretion opportunity and expects it to be a key driver of value in the future. Smart Utilities already contributes around a quarter of Arqiva's revenues and it is expected to continue to grow.

We have seen a rising number of IoT devices, ranging from our cars and smart watches to smart TVs over the past few years, and there is potential for the market for industrial application to grow exponentially.
Having first applied IoT solutions to gas and electricity metering in 2013, Arqiva has since developed a national IoT utilities connectivity platform. It is one of the preeminent UK Critical National Infrastructure Providers, having deployed the largest smart water metering network in the world. Now over 12 million premises can connect to Arqiva's smart meter networks.

Smart meters offer a number of benefits to consumers, from providing transparency of usage and more accurate bills, to enabling consumers to switch energy suppliers with greater ease. Arqiva also owns one of the largest contracts with the Data Communications Company ("DCC"), which operates the network connecting smart meters to energy suppliers. This enables Britain to make the fullest use of its energy by helping to digitise the UK's energy system, tracking and monitoring supply in real-time.

One-portfolio approach

As IoT usage increases, there will be a significant rise in the amount of data generated by IoT devices. As a result, data centres will be expected to store, process, and analyse more data than ever before.

D9's portfolio is structured in the way that supports data transfer and storage at all stages of its journey. By building a diversified portfolio of investments across key sectors, Investee Company customers, and, ultimately D9's shareholders, benefit from a uniquely interconnected ecosystem: from IoT where data is generated, to terrestrial fibre, wireless networks, subsea cables and landing stations where data is transported; to data centres, where data is processed and stored.

This is the critical global infrastructure chain that underpins connectivity and communications.

Case study: smart water metering

Today, less than 10% of UK premises have a smart water meter, and less than 30% have a smart energy meter. The rollout of smart meters would deliver huge benefits for households, the environment and the water industry. Smart metering of water has been shown to reduce house consumption by 17-18%, ensuring the security of future water supplies and protecting local environments.[15] Fitting one million smart water meters in the UK each year for the next 15 years could save one billion litres of water a day by the mid-2030s and reduce the UK's current greenhouse gas emissions by up to 0.5%.[16]

Arqiva has one of the largest smart water networks in the world. Its IoT technology can help aid the UK's water resilience and combat water scarcity through the more efficient operation and management of UK water utility networks. This is because Arqiva's smart metering networks deliver around 50 million data points every day, meaning leaks and pollution incidents can be detected more quickly.

KEY PERFORMANCE INDICATORS

In order to track the Company and/or Group's progress the following key performance indicators are monitored:

KPI AND DEFINITION | **RELEVANCE TO STRATEGY** | **PERFORMANCE** | **EXPLANATION**

1. Dividends per share (pence)

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	EXPLANATION
Dividends paid and declared on every ordinary outstanding share in relation to the year.	The dividend reflects the Company's ability to deliver a growing income stream from the portfolio.	The Company has paid or declared dividends of 6 pence per share in respect of the year to 31 December 2022 (4.5 pence per share in 2021, or 6 pence on an annualised basis).	The Company met its target for the year ended 31 December 2022, and is targeting a dividend of 6 pence per share for the year ending 31 December 2023.[17]

2. Total return (%)[18]

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	EXPLANATION
The change in NAV in the period and dividends paid per share in the period.	The total return highlights the underlying performance of the portfolio's investment valuations, including dividends paid.	10.4% year to 31 December 2022 (13.1% period from IPO to 31 December 2021).	A medium-term total return target of 10% per annum was set during the IPO process. The Company exceeded this target in the current financial year by 0.4%.

3. Total shareholder return (%)[19]

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	EXPLANATION
The change in share price and dividends paid per share.	The total shareholder return highlights the gross return to investors including dividends paid.	-19.56% in respect of the year to 31 December 2022 (+16.94% for the period from IPO to 31 December 2021).	This decrease was driven by a fall in the share price from 113.8 pence per share on 31 December 2021 to 86.4 pence per share on 31 December 2022.

4. Earnings per share (pence)

The post-tax earnings attributable to shareholders divided by weighted average number of shares in issue over the period.	The EPS reflects our ability to generate earnings from our investments including valuation increases.	11.09 pence per share for the year to 31 December 2022 (see Note 22) (9.77 pence per share from IPO to 31 December 2021).	EPS increased by 13.5%. The main driver for which was the increase in the underlying valuation of the Company's investments during the period.

5. NAV per share (pence)

NAV divided by number of shares outstanding as at the period end.	The NAV per share reflects our ability to grow the portfolio and to add value to it throughout the life cycle of our assets.	109.76 pence per share (104.62 pence per share as at 31 December 2021) (see Note 23).	This is an increase of 4.9% during the year driven by growth in the underlying valuation of the Company's investments and income paid to the Group during the period.

6. Operating cashflow dividend cover[20]

Operational cash flow of the Investee Companies divided by dividends paid to shareholders during the year.	The operating cashflow dividend cover reflects the Company's ability to cover its dividends from the operational cash flow generated by its Investee Companies, after deducting Investee Companies' maintenance capex and interest costs.	Operating cashflow dividend cover for the year to 31 December 2022 was 40% (39.6% for the period from IPO to 31 December 2021). Operating cash dividend cover is measured as total dividends paid and payable at 31 December 2022, as a percentage of total operating cashflows for the Investee Companies.	As these investments continue to mature, it is expected to translate progressively into cash cover at the Company level. For more detail on dividends and dividend cover please the Investment Manager's report.

7. Ongoing Charges Ratio[21]

Annualised ongoing charges are the Company's management fee and all other operating expenses (i.e. excluding acquisition costs and other non-recurring items) expressed as a percentage of the average published undiluted NAV in the period, calculated in accordance with Association of Investment Companies guidelines.	Ongoing charges show the drag on performance caused by the operational expenses incurred by the Company.	1.10% for the year to 31 December 2022 (1.04% from IPO to 31 December 2021).	A key measure of our operational performance. Keeping costs low supports our ability to pay dividends. As the Group has acquired more Investments during the period, the Group structure has become more complex. As a result, audit costs and professional fees have

			increased. Additional costs were also incurred as a result of the Company's move to the premium segment.

8. Points of presence (POPs)

A Point of Presence is a discrete geographic location within the Investee Company network, containing Investee Company owned exchange equipment and allows for connection into the wider network.	Points of presence represent a physical demonstration of the fibre networks distribution to a wider set of customers. We seek growth in this value over time.	58 (17 at 31 December 2021).	POPs, with kilometres of fibre and growth in network capacity provide a picture of the connectivity provided by the Company. These KPIs are intended to be tracked over time and their growth demonstrate an increase in connectivity as a result of the Company's investments. The number of Points of Presence grew significantly during the reporting year due to the acquisition of Elio Networks, a fixed wireless provider with a large network.

9. Kilometres of fibre

The total length of fibre (operational and in development) owned or part-owned by Investee Companies[22].	Kilometres of fibre represent a physical demonstration of the fibre networks presence. We seek growth in this value over time.	32,000 km at 31 December 2022 (32,000 km at 31 December 2021).	Kilometres of fibre, with POPs and growth in network capacity provide a picture of the connectivity provided by the Company. These KPIs are intended to be tracked over time and their growth demonstrate an increase in connectivity as a result of the Company's investments.

10. Growth in network capacity

The increase in sold capacity across fibre networks, between two points in time. This metric is relevant to our Investee	Growth in network capacity represents the network's ability to respond to and deliver on demand for more connectivity. We	13% (7% at 31 December 2021).	Growth in network capacity, with kilometres of fibre and POPs provide a picture of the

Companies.	seek a positive percentage growth year-on-year.		connectivity provided by the Company. These KPIs are intended to be tracked over time and their growth demonstrate an increase in connectivity as a result of the Company's investments.

11. Power Usage Effectiveness (PUE)

PUE is the total energy entering a data centre divided by the energy used by IT equipment inside the datacentre.	PUE is a measure of our energy efficiency and represents the decarbonisation of our investments either through targeting assets with the most advanced energy efficiency practices, or through improvements of existing systems. The decarbonisation measure reflects the Company's success in aligning to SDG9, target 9.4.	1.33 (1.22 at 31 December 2021).	PUE is applicable to Data Centre assets and represents an important measure in the environmental sustainability of an asset. Efficiency and increases in efficiency can contribute to a lower carbon emission and better use of natural resource. Industry average is commonly reported to be 1.3 in cold air temperature locations and 1.4 in warm air temperature locations. PUE showed a slight increase this year, mostly due to the acquisition of additional data centres in Finland and the UK, with a variety of ages and efficiency credentials, as well as a slight decrease in efficiency at Verne Global Iceland due to changes in customer usage. Work is undergoing to improve the PUE of each data centre over time.

Review of the Period

We are pleased that during the year, all available capital raised since IPO has been substantially invested or committed. Further, the Investee Companies benefit from high-quality management teams, who continue to add key hires with a comprehensive understanding of their respective sectors. They have the potential to be platforms for significant future growth through providing attractive and compelling opportunities to deploy additional capital.

The Company has now moved into a period of consolidation and focus on the operational performance and optimisation of each of the assets acquired to date. The Board and Investment Manager have evaluated options and commenced processes seeking complementary sources of growth capital to support our Investee Companies alongside the capital expenditure already committed by the Company. These sources include the syndication through a competitive process of a minority stake in existing Investee Companies to a strategic capital partner and/or appropriate debt financing at Investee Company level. Further detail on these processes can be found below.

The Investment Manager includes a strong team of investment professionals which have been involved with the Investee Companies since their acquisition, who work with the operating partners and management of the Investee Companies. As disclosed on 1 December 2022, Triple Point initiated a formal recruitment and selection process with a leading executive search firm led by consultants specialising in Digital Infrastructure for senior asset management/value creation and industry professionals who complement the existing skillset of the team and Investee Company management. The Board and Triple Point have thoroughly evaluated the skills and experience D9 would benefit from and look forward to updating shareholders on the outcome as soon as practicable. Triple Point are encouraged by the high quality candidates in the process, and expect to select a candidate in Q2 2023.

Investment Activity

During the year, the Company, through its subsidiaries invested or committed c.£768 million into the target digital infrastructure sectors, including a £163 million vendor loan note to fund the acquisition of Arqiva. This is split between c.£693 million into acquiring five new Investee Companies, c.£20 million fees and c.£58 million as reinvestments into the portfolio. The investments were funded by a combination of cash held by the Group and utilising the RCF. The Company invested £77.5 million into D9 HoldCo, with the remainder of investments made with existing cash on hand and by drawing on the RCF.

- April: Elio Networks (previously Host Ireland), £51 million. A leading enterprise broadband provider which owns and operates the highest capacity licensed Fixed Wireless Access network in Greater Dublin.

- April: Verne Global London (previously Volta Data Centres), £45 million. A 6MW data centre offering robust connectivity to customers requiring low latency solutions in Central London.

- July: Verne Global Finland (previously Ficolo Oy), £114 million. A leading Finnish data centre and cloud services platform, with ultra-modern infrastructure spread across three campuses, with 23MW existing capacity and further development potential up to 90MW.

- July: Giggle Broadband, £1 million. A development opportunity providing affordable broadband to social housing through a revolutionary FTTH network across the city of Glasgow.

- October: Arqiva, £300 million (£463 million including vendor loan note): The only UK provider of national terrestrial TV and Radio broadcasting and a leading national IoT utilities connectivity platform.

Throughout the year we have reinvested c.£75 million of RCF and cash proceeds into existing Investee Companies to fund capex projects.

Due to accelerated customer demand, the Investee Companies, in aggregate, have a significantly increased growth capital expenditure pipeline of c.£223 million for the year ending 31 December 2023. Notably, Verne Global Iceland identified a substantially increased growth capital expenditure pipeline in its latest five-year business plan, with capital expenditure pipeline in 2023 increasing to $115 million (£95 million). Over the five-year period, the Investee Companies have capital expenditure opportunities of over £900 million.

The Company has committed capital towards several projects including completion of the build out of the remaining capacity at Verne Global London bringing it to 6MW. Capital committed to Aqua Comms will see the launch of the AEC-3 subsea cable, its third transatlantic submarine cable system, adding further resilience to its existing transatlantic AEC-1 and AEC-2 fibre network links and continue the development of EMIC-1, launching in 2024.

The Company, through its subsidiary undertakings, has to date committed to fund c.£46 million of the total pipeline which will be funded by a combination of cash and the available RCF (c.£5 million is expected to fall due in 2024 as EMIC-1 approaches being operational).

The Company's intercontinental reach is illustrated in the map set out in the Annual Report.

Liquidity

The Group held unrestricted cash of £55.5 million as at 31 December 2022. During the period, the Company successfully raised £155 million in gross equity proceeds from existing and new shareholders, supported by a £375 million RCF.

At period-end, the RCF was £331.2 million drawn, with a further £43.8 million available to draw. The Company drew an additional £25 million of the RCF post-period end to fund additional capital expenditure at Verne Global London and Aqua Comms.

Shareholder Returns

At IPO, the Company committed to a 10% total return target comprising sustainable and growing income and capital growth. At 31 December 2022, the Company generated a total return for shareholders of 10.4%, 0.4% in excess of the Company's target. The total return was comprised of a 6 pence dividend per share, and NAV growth of 5% per share, from 1 January to 109.76 pence per share.

Since IPO, the Company has continued to deliver income for shareholders in meeting the target annualised dividend of 6 pence per Ordinary Share.[23]

Dividend outlook

The Group's portfolio is comprised of market-leading companies which generate sustainable inflation-link cash flows, and companies that have exceptional growth opportunities. Together, the portfolio is designed to produce income and capital growth, thereby achieving the Company's total return target. The Company's dividend target is unchanged for the year ended 31 December 2023.

The Company's methodology to bridge from EBITDA to OCF is described in the illustrative table below.

The table is presented on a full-year basis assuming ownership of Investee Companies and £300 million being drawn of the RCF for the full financial period.

In the full year ended 31 December 2022, the Company's dividend cover was 0.4x, a decrease of 25% from the six-month period ended 30 June 2022. This decline was primarily attributable to the impact of the Arqiva accretion payment, which was paid in June 2022.

EBITDA to OCF Bridge	***£'000***

EBITDA	**206,294**
(-) Cash tax	(428)
(-) Δ Working Capital	(13,825)
(-) Maintenance Capex	(20,813)
(+) Adjustment for exceptional transaction expenses	1,208
(-) IFRS 16 Adjustment	(18,645)
Gross Operating Cash Flow	**153,792**
(-) VLN interest	(9,780)
(-) Arqiva Interest Costs	(51,419)
(-) Accretion Payments*	(46,584)
Adjusted cash flow	**46,009**
(-) D9 Financing costs	(16,954)
(-) Fund Operating expenses	(10,360)
Net cash flow	**18,695**
Dividends	*50,274*
Operating cash Flow cover	**0.4x**

*D9's share of Arqiva's accretion payments. The inflation-linked swaps are due to expire in 2027, after which point Arqiva will benefit from the incremental revenue growth from the inflationary period without the added cost of the accretion payments. For further information see below.

Path to Dividend Cover

There exist two principal factors which are expected to significantly improve dividend cover generated from the existing portfolio over the coming years, notably; the ramp up of existing customer contracts in Verne Global Iceland, and the anticipated fall in inflation over the coming year, which will reduce accretion payments due from Arqiva under their inflation linked swaps. Further detail can be found below.

Verne Global

Verne Global Iceland, Verne Global London, and Verne Global Finland have presold existing data centre capacity, the take up of which will ramp up over time. It is expected that of the 13.1MWs remaining contracted capacity to be ramped, 4.2MW will be fully ramped by December 2023, 8.6MW by December 2024 with all MW fully ramped by December 2027.

Once fully ramped, the Investment Manager expect this fulfilment of contracted capacity will add c.£21.2 million to OCF. This figure excludes future OCF contribution from capacity that has not yet been sold.

Arqiva

The Company defines Arqiva's OCF as EBITDA less interest, cash taxes, changes in working capital, maintenance capital expenditure and accretion payments.

As previously disclosed, Arqiva uses interest rate swaps, including inflation-linked interest rate swaps, to hedge interest rate exposures. Inflation-linked swaps convert existing interest costs to RPI-linked costs, which fluctuate in line with the RPI index, as do a significant portion of Arqiva's revenues. The notional amounts of these swaps accrete with RPI, and these accretion amounts require cash settlement annually in June. These swaps are entered into on terms (including maturity) that mirror the debt instrument that they hedge, and act as an effective hedge against rising interest rates.

65-70% of Arqiva's revenues remain linked to inflation, and therefore a high inflationary environment is beneficial to the long-term profitability and value of the Company's investment in Arqiva. A 1% increase in inflation versus the inflation curve assumed for the current valuation model results in a c.£22 million valuation gain for the Company's investment as of 31 December 2022, which is reflected in the NAV.

However, a 1% increase in inflation against the current assumed curve also results in a c.£5 million reduction in the OCF attributable to D9 for the financial year ending June 2023, due to the cash settlement of the accretion payments mentioned above.

As a result of the current higher inflationary environment, operating cash flow generated by Arqiva in 2022, since D9's period of ownership, was negatively impacted by the June 2022 cash settlement of inflation-linked swap accretion payment, which amounted to £46.6 million on a D9 pro rata basis.

Inflation continues to be high, which has a positive impact on the long-term value of the business, and a negative impact on short-term OCF generation. However, if inflation falls back to more typical levels, as is expected at the end of 2023, there will be a positive impact on OCF generation.

Illustratively, assuming inflation fell to 4%, the Company would benefit from an additional £24.1 million of OCF on a pro rata basis as a direct result of a reduced accretion payment. The Company anticipates the portfolio will benefit materially from the sustainable cash flows Arqiva generates following the expiry of inflation-linked swaps in 2027. However, in the short term it is expected that dividend cover will be impacted by the accretion payment in June 2023 that is based on the prevailing RPI index at the end of March.

This £24.1 million increase in OCF, taken with the Verne Global Iceland and Verne Global London ramp-up benefit of £21.2 million, would have the impact of increasing OCF dividend cover to c.1.3x on a like-for-like basis.

Re-investment of OCF and Complementary Capital

The Company believes the free cash flow generated by the portfolio's growth platforms will, over time, grow as accelerated demand is fulfilled by ramping up customers' workloads and moving construction assets into full operation - particularly in the case of Verne Global, Aqua Comms, and EMIC-1.

Until the point of the growth platforms' maturity, the Company expects these Investee Companies will require utilising their operating cash flow to support their respective growth plans alongside capital expenditure as identified by the Company's growth capital expenditure pipeline.

In the Trading Update published on 11 January 2023, the Company announced that it was exploring complementary sources of capital, including debt at an Investee Company level and a potential syndication of a minority stake in existing Investee Companies to a strategic partner, a process which has since commenced in conjunction with a leading investment bank, to fund the significantly increased growth capital expenditure pipeline of the Investee Companies and provide valuable follow-on capital to Investee Companies.

In relation to Investee Company level debt, a term sheet has been agreed for a $100 million facility to be provided to one of the high growth Investee Companies, the proceeds of which will be used to finance accretive growth opportunities, and to repay a Company shareholder loan, with the intention this will be used to reduce the drawings of the Group RCF.

Further updates on these processes will be announced to shareholders following their completion.

Portfolio Summary and Key Value Drivers

The Company's portfolio now consists of nine attractive and complementary investments, with four high-quality platforms comprising best in sector operators, benefitting from accretive convergence value throughout the portfolio. With our most recent investment in Giggle Broadband, we have now invested across the four target sub-sectors: Data Centres, Subsea Fibre, Terrestrial Fibre and Wireless networks. The tables below show the portfolio's asset and sector concentration levels comprising valuations as at 31 December 2022.

Concentration by Asset

Asset	Percentage of GAV

Aqua Comms	18%
EMIC-1	2%
Verne Global Iceland	25%
SEUK-1	1%
Elio Networks	4%
Verne Global London	4%
Verne Global Finland	10%
Arqiva	27%
Giggle Fibre	0%
Cash	6%
RCF Proceeds	3%

Concentration by Sector

Asset	Percentage of GAV
Subsea Fibre	19%
Data centre	41%
Wireless	31%
Terrestrial Fibre	0%
Cash & Equivalents	9%

High revenue visibility

We have invested in businesses with high revenue visibility, with a weighted average remaining contract term for recurring revenue of 7.1 years across the Investee Companies. This is reflective of our investment approach, with investments underpinned by a combination of diversified and long-term contract stacks with high quality counterparties.

Weighted average remaining contract term	Percentage of Investee Company recurring revenue
0-3 years	8%
3-5 years	22%
5-10 years	10%
10-20+ years	60%

Balanced and stable currency mix

Currency markets have fluctuated as central banks respond to rising inflation by increasing interest rates and adopting a contractionary monetary policy. The Company has over 99% exposure to major currencies (GBP, USD, EUR), offering a balanced currency mix to major economies.

Currency	Percentage of Investee Company revenue
GBP	79%
USD	11%
EUR	10%
ISK	0%

Inflation protection[24]

Amidst an economic backdrop of record inflation levels not seen in decades, we believe D9 is well positioned to cope with the risks arising from rising inflation with 66% of recurring revenues benefitting from a form of inflation protection at underlying contract level.

Inflation protection	Percentage Investee

	Company recurring revenue with inflation protection
Inflation-linked, no cap	52%
Fixed uplift of 2% to 5%	12%
Inflation-linked, cap of 2% to 3%	2%
Without inflation protection	34%

Diversified customer stack offering resilient income streams

The Group's portfolio consists of an increasingly diversified contract stack, both by the number of customers and the sectors in which they operate contributing to a resilient income stream across the Investee Companies.

As shown in the table below, the portfolio concentration to the highest revenue generating customers has reduced as a result of this increased diversification, meaning there is a lower dependency on any one customer across the portfolio.

Customer Concentration by Annual Recurring Revenue ("ARR")

ARR is a metric of predictable and recurring revenue generated by Investee Company customers during a year, not adjusted for period of ownership.

	2021		2022	
Customer by Revenue	ARR GBP m	% of total ARR	ARR GBP m	% of total ARR
Top 5	22.4	52%	171.5	51%
Top 10	30.3	71%	217.4	65%
Top 20	35.9	84%	254.2	76%

Growth capital requirements and value creation

The sub-sectors in which the Company invests are typically growth sectors where extensive capital expenditure can be deployed, for example, to increase data capacity and fibre connectivity. Through the "power of the platform", accretive incremental growth capital expenditure can drive enhanced portfolio returns and strong opportunities for valuation uplifts.

For the period between 2023 and 2027 the Investee Companies, in aggregate, have a growth capital expenditure pipeline of c.£903 million.

Besides driving returns through platform reinvestment, the Company is also able to create value through a combination of complementary acquisitions and organic growth. This has been demonstrated through the acquisitions, and subsequent restructuring, of Verne Global Finland and Verne Global London into a single Northern European data centre platform under a single brand. The platform is able to benefit from shared resources and cross-selling of capacity to customers, whilst accessing a wider customer base in itself.

The Board and the Investment Manager recognise the importance of balancing the possibility of raising additional equity in the current capital markets, with a prudent approach to short and long-term borrowings within the Company's capital structure to sustainably finance growth capital expenditure.

The Board and Investment Manager have evaluated options and commenced processes seeking complementary sources of growth capital to support our Investee Companies alongside the capital expenditure already committed by the Company. These processes include a syndication through a competitive process of a minority stake in existing Investee Companies to a strategic capital partner in conjunction with a leading investment bank and the arrangement of appropriate debt financing at Investee Company level. The syndication would provide proceeds which could be used to pay down the RCF and/or fund growth capital expenditure and provide valuable follow-on capital to Investee Companies. In relation to Investee Company level debt, a term sheet has been agreed for a $100 million facility to be provided to one of the high growth Investee Companies, the proceeds of which will be used to finance accretive growth opportunities, and to repay a Company shareholder loan, which will be used to reduce the drawings of the Group RCF.

The Company will update shareholders as further progress is made.

The Company will consider the most suitable use of any additional capital at the time, taking account of efficient management of its costs (including reducing RCF interest payments through the repayment of the RCF) as well as the financing of accretive portfolio growth opportunities.

Review of Portfolio

Aqua Comms (including EMIC-1)

Sector	Subsea	**Initial investment**	£170 million
Currency	USD	**Total capex funded to date**	£29 million
Date invested	April 2021	**Total investment to date**	£199 million
Ownership	100%	**Closing value (31 Dec 2022)**	£257 million
SDG9 alignment	Connectivity		

Aqua Comms has established itself as a leading subsea fibre operator in the transatlantic market with two of the most modern systems in AEC-1 and AEC-2. In 2023 we expect to launch the AEC-3 system, providing further network connectivity between the US and UK. The cable will provide up to 20TB of capacity bringing Aqua Comms' total capacity to c.60TB across its operational subsea cables.

Aqua Comms is also managing the EMIC-1 system with its development continuing through 2023 before launch in 2024. Construction on the cable system and negotiations with the various stakeholders along the route are on time and on budget.

In December 2022, Aqua Comms announced the appointment of Jim Fagan as CEO effective from 1 May 2023, following Nigel Bayliff standing down from the role. Jim's appointment follows a competitive recruitment and selection process, and the Investment Manager continues to support the leadership transition period closely. Jim brings 25 years' industry leading experience in Asia-Pacific, North America and EMEA, including executive roles with Global Cloud Xchange, Rackspace, and Pacnet (later acquired by Telstra).

In September 2022, Aqua Comms completed the acquisition of Openbyte Infrastructure Private Limited ("**Openbyte**"). The acquisition was funded from existing cash in Aqua Comms. Openbyte is an India-based licensed telecom consultancy company focused on providing neutral, open access landing solutions for submarine cables. The acquisition complements Aqua Comms investment in EMIC-1 and is key to supporting Aqua Comms' global connectivity expansion plans, providing a carrier-neutral platform in India for Aqua Comms services.

Aqua Comms remains one of the Company's cornerstone investment platforms since IPO and the Investment Manager is very confident of the ability to create accretive organic growth as well as seeking out potential additional pipeline acquisitions in subsea fibre.

Verne Global Iceland

Sector	Data centre	**Initial investment**	£231 million
Currency	USD	**Total capex funded to date**	£50 million
Date invested	September 2021	**Total investment to date**	£281 million
Ownership	100%	**Closing value (31 Dec 2022)**	£329 million
SDG9 alignment	Decarbonisation		

Verne Global Iceland is a leading data centre platform based in Iceland. It provides highly scalable data centre capacity to its enterprise customers in a geographically optimal environment, powered by 100% baseload renewable energy. Energy is sourced exclusively from local, stable and predictable hydroelectric and geothermal power generation which is secured with a ten-year fixed-price supply contract, enabling customers to reduce their carbon footprint significantly. Verne Global Iceland's year-round, free-air cooling capabilities make it one of the most energy-efficient data centres in the world and reaffirms the Company's ambition to decarbonise digital infrastructure in line with UN SDG9.

At 31 December 2022, Verne Global Iceland had 99% of recurring revenue benefiting from fixed annual uplifts ranging from 2% to 5% offering strong revenue inflation protection generated from c.40 leading global High-Performance Computing, supercomputing and enterprise customers. This delivers long-term, inflation-protected income in a variety of sectors including automotive, artificial intelligence and financial services.

In light of increased global temperatures, increasing ESG reporting requirements, along with the recent power pricing and availability crisis in Northern Europe, enterprises are focused on sustainable data centre solutions, which benefit from low-cost, long-term, renewable power, and that bring stability, availability and scalability to support their rapidly increasing high performance compute needs.

As a result, Verne Global Iceland is experiencing accelerated customer demand for its facilities from both new and existing customers and has booked and sold all of its remaining capacity. Due to this level of demand, Verne Global Iceland has identified a substantially increased growth capital expenditure pipeline in its latest five-year business plan, with capital expenditure pipeline in 2023 increasing to $115 million (£95 million). Furthermore, its capital expenditure pipeline for the five years to 31 December 2027 increased from $208 million (£172 million) in its 2021 plan to c. $472 million (£391 million).

This capital expenditure will fund the expansion of capacity from an existing 40 Mega Watts ("MW") in operation or development to a total of 94MW out of a potential of more than 100MW on the site. At 31 December 2022, the Group had funded c.$60 million, (c.£49.5 million), of capital expenditure in Verne Global Iceland since its acquisition for £231 million in September 2021. The Group has not currently committed to any further capital expenditure for 2023 onwards.

The Company's Investment Policy includes a restriction that the Company will not invest more than 25% of Adjusted Gross Asset Value in any single asset or Investee Company (measured at the time of any investment into such asset or Investee Company) and therefore the Group cannot currently materially increase its exposure to Verne Global Iceland.

The Company and the Investment Manager continue to believe in Nordic data centres as a significant differentiator for the Company's investment proposition, giving exposure to the fastest growing market for low-carbon, low-cost data centre services.

Verne Global Finland (Previously Ficolo Oy)

Sector	Data centre	**Initial investment**	£114 million
Currency	EUR	**Total capex funded to date**	£5 million
Date invested	July 2022	**Total investment to date**	£119 million
Ownership	100%	**Closing value (31 Dec 2022)**	£132 million
SDG9 alignment	Decarbonisation		

Verne Global Finland is a leading Finnish data centre and cloud services platform. It has ultra-modern infrastructure, spread across three campuses (The Air, The Rock and The Deck) with industry-leading sustainability credentials and surplus heat distribution, offering a full suite of cloud infrastructure, connectivity and cybersecurity services. Verne Global Finland has existing buildings capable of providing up to 23MW of capacity of which 7.4MW is currently developed.

Verne Global Finland was acquired in July 2022. This acquisition expands D9's Nordic data centre portfolio and continues to deliver on our strategy of sustainable data storage.

As part of the five-year business plan, Verne Global Finland identified a growth capital expenditure pipeline of £92 million for the five-year period to 31 December 2027. This is to realise the potential to expand existing resilient fit out capacity of 7.4MW to 17MW; the Group has not yet committed to underwrite any of this expenditure. At 31 December 2022, the Group had funded £5.1 million in growth capital expenditure in Verne Global Finland, since its acquisition for c.£114 million in July 2022.

In order to capitalise on the benefits of a multi-campus, consolidated data centre offering, the rebranding to Verne Global Finland is expected to support the growth and consolidation of the Group's Nordic data centre platform. The Company and the Investment Manager believe further synergies can be derived through offering the combined Verne Global data centres' customers with a choice of Nordic data centre locations through a common platform and therefore drive greater convergence value across the portfolio.

Verne Global London (previously Volta Data Centres)

Sector	Data centre	**Initial investment**	£45 million
Currency	GBP	**Total capex funded to date**	£8 million
Date invested	April 2022	**Total investment to date**	£54 million
Ownership	100%	**Closing value (31 Dec 2022)**	£56 million
SDG9 alignment	Connectivity		

Verne Global London (previously Volta) wholly owns and operates a premier data centre with state-of-the-art facilities based in Farringdon, central London, providing 6MW of retail co-location services. It has over 40 networks available in its carrier-neutral facility, making it one of the most connected central London data centres (first among independents), offering ultra-low latency and high-performance connectivity. It also has a PUE of 1.5 making it one of the most energy efficient data centres in London, which we are looking to improve further, and procures its power from renewable sources, delivering on our ambition to decarbonise digital infrastructure.

Since its acquisition, the Verne Global team has taken on the day-to-day operations within the facility. This includes negotiating new and existing customer contracts, implementing a hedged power procurement strategy, and designing the expansion within the facility as it builds towards full capacity of 6MW, with development expected to be completed in 2023. This will include a new 2.1MW contract with a key financial services customer, bringing total utilisation to 4.3MW out of a total available 6MW.

We will continue to promote convergence value across our various data centre strategies, including our broader Nordic data centre platform, as we educate UK customers on the benefits of shifting energy-intensive, latency insensitive data workloads into the Nordics.

SeaEdge UK1

Sector	Data centre	**Initial investment**	£16 million
Currency	GBP	**Total capex funded to date**	Nil
Date invested	December 2021	**Total investment to date**	£16 million
Ownership	100%	**Closing value (31 Dec 2022)**	£18 million
SDG9 alignment	Connectivity & Decarbonisation		

D9 owns the underlying real estate of the SeaEdge UK1 (also known as Stellium DC1) data centre asset and subsea fibre landing station, located on the UK's largest purpose-built data centre campus in Newcastle. It is the UK's only landing station for the North Sea Connect subsea cable, which improves connectivity in northern England and forms part of the North Atlantic Loop subsea network, which includes D9's Aqua Comms' AEC-1 and AEC-2 cables.

The asset is leased on fully repairing and insuring terms to the tenant and operator, Stellium Data Centres Limited, via a 25-year occupational lease with over 23 years remaining. Stellium continues to meet its payment obligations under the lease, delivering on the Company's target yield at acquisition.

Elio Networks (formerly Host Ireland)

Sector	Wireless	**Initial investment**	£51 million
Currency	EUR	**Total capex funded to date**	£0 million
Date invested	April 2022	**Total investment to date**	£51 million
Ownership	100%	**Closing value (31 Dec 2022)**	£59 million
SDG9 alignment	Connectivity		

Elio Networks is a leading enterprise broadband provider that owns and operates the highest capacity licensed Fixed Wireless Access ("**FWA**") network in Greater Dublin, connecting c.1,600 enterprise customers with high-quality wireless access across c.50 base stations.

Elio Networks continued its growth in high-quality wireless connectivity operations in 2022, with unique customer connections growing from c.2,650 in December 2021 to c.2,800 in December 2022.

The Company has a diverse client base including larger multinationals, government bodies, global technology companies, small professional service firms, retail and hospitality companies. Elio Networks was launched to address the growing requirement for affordable high speed broadband in the greater Dublin area. Since then, they have grown to become the largest wireless Internet Service Provider ("ISP") in the greater Dublin region. This was D9's first investment into wireless infrastructure and is in line with the Company's focus on supporting the SDG9, by providing lower cost and lower latency connectivity to Irish businesses.

As part of its five-year business plan, Elio Networks has identified a growth capital expenditure pipeline of c. €8 million (c. £7 million) for the period to 2027, including €1.3 million (£1.1 million) in 2023. At 31 December 2022, the Group had not funded any growth capital expenditure in Elio Networks since its acquisition for £51 million in April 2022.

In line with its strategic growth plans, Elio Networks has recently undergone a re-branding exercise and launched under its new name in February 2023. Furthermore, the network is launching in Cork city in early 2023, reaffirming its position as a leading connectivity player.

D9 believe Elio Networks continues to provide an attractive entry point to Ireland's extensive FWA network and represents a growth platform for further geographical expansion throughout Ireland and internationally.

Arqiva

Sector	Wireless	**Initial investment**	£300 million
Currency	GBP	**Total capex funded to date**	£0 million
Date invested	October 2022	**Total investment to date**	£300 million
Ownership	48.02%	**Closing value (31 Dec 2022)**	£355 million
SDG9 alignment	Connectivity		

Arqiva is the sole provider of national terrestrial TV and radio broadcasting infrastructure in the UK. It serves as a key strategic asset for the nation, owning c.1,450 broadcast transmission sites and reaching 98.5% of UK households. The breadth of its broadcasting network aligns Arqiva well with D9's goal to improve connectivity for consumers. Arqiva also operates a state-of-the-art smart metering platform, which covers c.12 million premises and delivers c.50 million data points every day.

Arqiva is a large, robust business with c.1,300 employees and predictable earnings underpinned by long-term, inflation-linked contracts, strong market positions, diverse revenue streams and long-life assets. Arqiva has a healthy balance sheet consisting of long-term senior and junior debt, which is supported by interest rate swaps and inflation-linked swaps to hedge and manage its exposure to interest rates.

Arqiva's revenue is supported by long-term contracts with blue-chip customers including the BBC, ITV, Channel 4, Sky, Discovery and Thames Water. Revenue contracts benefit from inflation protection, with an estimated 65-70% of forecast recurring revenue for the financial year ending 30 June 2023 linked to the consumer price index or the retail price index. Arqiva's operational cash flow will generally benefit from an inflationary environment, however inflation-linked swaps currently in place (until April 2027), offset the positive inflationary effect on operational cash flow. Therefore, while Arqiva will benefit from an inflationary environment in the longer term, the overall effect in the short-to-medium term is negative.

The Group completed the acquisition of a 48.02% equity stake in Arqiva on 18 October 2022 for approximately £463 million, following the granting of regulatory approval. £300 million of the acquisition was funded by a drawdown on the Group's RCF and £163 million through a non-recourse vendor loan note (VLN) issued by the vendor, which is listed on the International Stock Exchange. It should be noted that D9 holds a 51.76% economic interest in Arqiva, but that this corresponds only to a non-controlling 48.02% equity stake.

The VLN is due to mature in 2029 and has the following stepped interest rate profile:

- 6% per annum up to and including 30 June 2025;
- 7% per annum from 1 July 2025 up to 30 June 2026;
- 8% per annum from 1 July 2026 up to 30 June 2027; and
- 9% per annum from 1 July 2027 to maturity.

Interest payments on the VLN are due annually in arrears on 30 June. Interest can be rolled up but accrued interest must be paid in full before distributions can be made to the Group. After the fourth anniversary of the VLN, the Group can only receive distributions if the entirety of the VLN principal and any rolled up interest has been repaid in full. The VLN becomes repayable in full if the Group's equity position in Arqiva is reduced by more than 50%. The Company expects Arqiva's future cashflows to cover D9's VLN interest payments. The Investment Manager expects that the VLN will be refinanced prior to its fourth anniversary in October 2026, as was anticipated at acquisition.

In Q3 2022, after the Company had signed the SPA, Arqiva successfully deleveraged its capital structure through the refinancing of £625 million of junior notes with a £450 million term loan and residual cash proceeds from the 2019 sale of Arqiva's telecoms business to Cellnex.

The Arqiva Group uses interest rate swaps (including inflation-linked interest rate swaps) to hedge interest rate exposures. Inflation-linked swaps convert existing interest costs to RPI-linked costs, which fluctuate in line with the RPI index, as do a significant portion of Arqiva's revenues. The notional amounts of these swaps accrete with RPI, and these accretion amounts require cash settlement annually. These swaps are entered into on terms (including maturity) that mirror the debt instrument that they hedge, and act as an effective hedge against rising interest rates.

Arqiva's cash flows are sensitive to inflation: an increase in inflation generally results in (i) incremental EBITDA growth due to inflation-linked customer contracts and (ii) accretion payments on the inflation-linked swaps. In the short term, inflation has a net negative cash impact on Arqiva: for Arqiva's financial year ending 30 June 2023, a 1% increase in inflation is expected to cost Arqivaan additional c.£10 million, owing mainly to the accretion payments. However, each year of inflation will drive incremental revenue growth flowing into all years thereafter. The inflation-linked swaps are due to expire in 2027, after which point Arqiva will benefit from the incremental revenue growth from the inflationary period without the added cost of the accretion payments. Arqiva's large contracts typically run past the expiry of the swaps.

As a result of the current macro-economic environment, inflation is currently higher than at the point the Group agreed to acquire its stake in Arqiva in June 2022; it is expected that this will have a negative impact on short-term cash flows due to the inflation-linked swaps. The key upside of a short-term, high-inflationary period is the incremental revenue increase received across the years that follow. Inflation in 2022 and 2023 is therefore expected to have a material positive impact on cash flows from 2027 onwards once the inflation-linked swaps expire.

Giggle Broadband

Sector	Terrestrial	**Initial investment**	£0 million
Currency	GBP	**Total capex funded to date**	£3 million
Date invested	July 2022	**Total investment to date**	£3 million
Ownership	100%	**Closing value (31 Dec 2022)**	£3 million
SDG9 alignment	Connectivity		

In July 2022 the Group invested £1 million seed capital into Giggle, a development opportunity that provides affordable broadband to social housing through a revolutionary Fibre to the Home ("**FTTH**") network across the city of Glasgow. Giggle represents a truly affordable broadband solution for social housing, allowing families on social benefits to access top quality broadband without having to enter into long-term contracts, contributing positively towards breaking the digital divide.

Due to its attractive proposition, Giggle has attracted a best-in-class senior executive team led by experienced executive Dave Axam and supported by a CFO, CTIO and CCO each with extensive experience in building FTTH networks. Dave has a proven track record in delivering strategic transformation projects and has previously held roles at BT and most recently as COO of LightSpeed Broadband, a fibre alt-net.

Giggle has identified a growth capital expenditure pipeline of c.£113 million for the five-year period to 31 December 2027, including c.£22 million in 2023. Following the Group's further investment of £2 million in the project in December 2022, no further capital expenditure has been committed by the Group, however alternative funding options are being explored.

Portfolio Financial Performance

Per the table below, the Company's Investee Companies generated £409 million in revenue in 2022 and £206 million in EBITDA, both growing slightly compared to the previous year. On a run-rate basis, where data centre contracted revenue is assumed to have fully ramped, the portfolio generated EBITDA of £226 million, a £20 million uplift on actual EBITDA and an increase of 6% on the previous year. Consolidated Investee Company revenue and EBITDA disclosed in the Company's Trading Update published in January 2023 included revenues from infrastructure as a service ("IaaS") which were not included in the Company's consolidated revenues for the year.

IaaS is a service which Verne Global Iceland provides to one of its largest customers, whereby Verne Global Iceland purchases the equipment required and holds this on its Balance Sheet. The customer pays for the equipment, as a result there is no negative cash impact for Verne Global Iceland.

	2022 (12 months)	2022 (pro rata)	2021	% change
Revenue	£409 million	£152 million	£401 million	2%
EBITDA[25]	£206 million	£71 million	£204 million	1%
Run-rate EBITDA	£226 million	£88 million	£214million	5%

Portfolio Valuation Performance

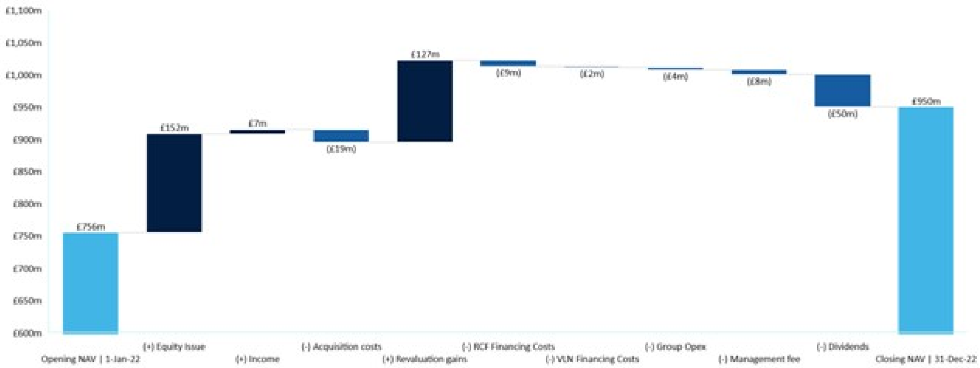
The portfolio comprises a diversified portfolio of Digital Infrastructure assets providing critical network connectivity and data storage services. The portfolio has demonstrated resilience throughout the year, and we are confident that it is well positioned to deliver our target returns through a combination of capital growth and income.

At the reporting date, the Group's portfolio, consisting of nine investments held via the Company's subsidiaries, was valued at £1.2 billion, excluding cash, after factoring for the Group's RCF. The Company and its subsidiaries held unrestricted cash of £55 million (£74 million total cash proceeds). The Group drew an additional £25 million of the RCF following the period end to fund additional capital expenditure at Verne Global London and Aqua Comms. Including this post period draw, the RCF was £356.2 million drawn, with a further £18.8 million available to draw. The party to the RCF is D9 HoldCo.

Net Asset Value

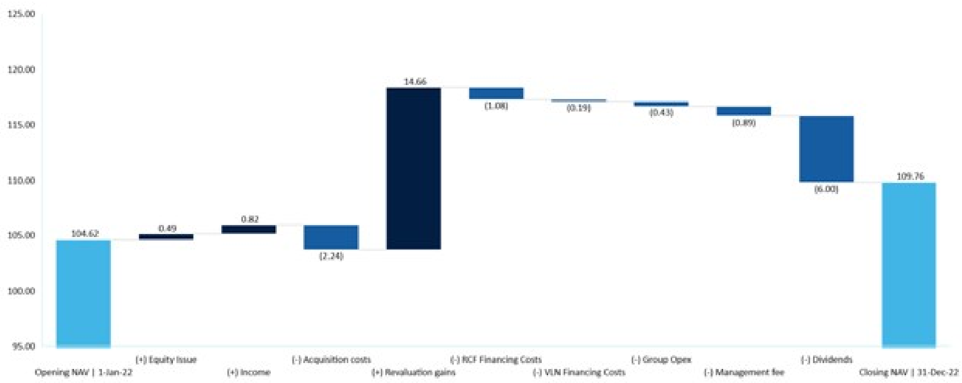
The Company's net assets were valued at £950 million (£756 million at 31 December 2021, £852 million at 30 June 2022), reflecting an increase of 26% year-on-year. This includes £152 million of net proceeds through equity raises and £127 million through net revaluation gains, which includes FX movement after reinvested capex.

The bridge below shows the movement in NAV during the period.



The NAV per share was 109.76 pence at 31 December 2022 (104.62 pence at 31 December 2021, 105.13 pence at 30 June 2022), resulting in a Total Return for the financial year of 10.4% above the 10% target return.

The bridge below shows the movement in NAV during the period and their effect on a pence per share basis.



Valuation Performance

In accordance with accounting standards, "Investments at fair value through profit or loss" as reported in the Balance sheet include, in addition to the portfolio asset valuation, the cash and other net assets held within intermediate unconsolidated holding companies.

The revaluation gain delivered 14.66 pence per share uplift to the Company's audited NAV per share. There are several key drivers in the valuation uplift during the period:

- First-time valuations: the introduction of the new investments in Elio Networks, Verne Global London, Verne Global Finland and Arqiva saw these assets being revalued for the first time since acquisition (Elio

Networks and Verne Global London were held at cost in June 2022). The investments were made on competitive terms and the revaluation gains are reflective of the investments now being held at Fair Value rather than at cost.

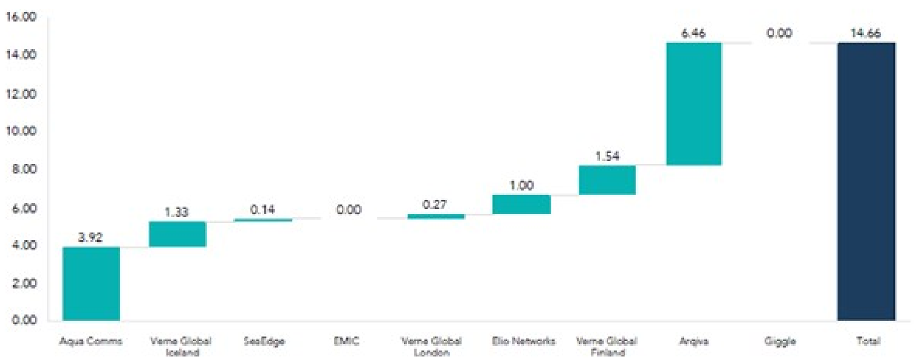
- Discount rate: there is more detail in the Discount Rates section, but material valuation changes are seen in Aqua Comms, in particular, due to the appropriate application of the company size premium when deriving its discount rate. As previously disclosed, the interim valuation at 30 June 2022 involved a refresh of the previous year-end model and hadn't factored this change.

- FX movements: the Company's portfolio is valued in Pound Sterling, however this involves converting certain Investee Company valuations from their host currency into Pound Sterling at the spot rate at the valuation date. Given the relative strengthening of the US Dollar and Euro relative to British Pound during the year, particularly during the first six months, the value of those investments had additional FX appreciation. The following companies are valued in their host currency:

  a) Aqua Comms: US Dollar
  b) Verne Global Iceland: US Dollar
  c) Verne Global Finland: Euro
  d) Elio Networks: Euro

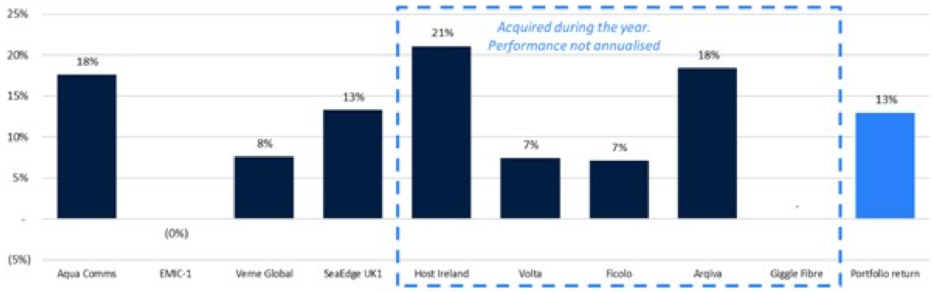
During the year, the USD:GBP spot rate moved from 1.3477 at 31 December 2021 to 1.2103 at 31 December 2022, representing a 10% increase in US Dollar valued entities. The EUR:GBP spot rate has moved from 1.1907 to 1.1273 reflecting an increase of 5%.

The chart below outlines the NAV movement for the Company on a pence per share basis for each asset.



Commentary on portfolio performance. The chart below shows the net total return during the year for each asset as a percentage of the aggregate of the opening value of the asset and investments in the asset in the year. The total return includes the income return as dividends and interest paid or accrued to the Company. Note that this measure does not time-weight for investments in the year as indicated.

Portfolio Total Return by Asset (year to 31 December 2022)



Summary of Portfolio Valuation methodology

Investment valuations are calculated at the financial half-year (30 June) and the financial year-end (31 December) periods by the Investment Manager and then reviewed by the Board.

Independent Valuation Adviser

For this period, as a result of the increasing size and complexity of the Company's portfolio, the Board has sought an independent review of the Company's valuations prepared by the Investment Manager. This review, provided by a market leading adviser, gives an additional layer of scrutiny to the Investee Company valuations and the inputs which underpin the discount rates used.

Further information on the Company's approach to valuation can be seen in Note 9.

In determining a DCF valuation, we consider and reflect changes to two principal inputs, being forecast cash flows from the investment and discount rates. We consider both the macro-economic environment and investment-specific value drivers when deriving a balanced base case of cash flows and selecting an appropriate discount rate. The discount rate is built-up annually during the cash flow forecast period on first principles applying the capital asset pricing model.

Discount rates

Over the course of the year, the weighted average discount rate increased very slightly from 12.56% to 12.64%, as shown in the chart below. In the mid-to-long term, we expect discount rates to reduce as the Investee Companies mature and risk premiums reduce.

During the year, we witnessed an increase to risk-free rates across North America and Europe as central banks started to take action in response to higher inflation. For example, the ten-year UK bond yield increase from 0.97% on 1 January 2022 to 2.24% on 30 June 2022 and 3.67% on 31 December 2022. Higher risk-free rates translate into an increase in the discount rates applied to Investee Company cashflows. This can be seen when comparing the 2021 Q4 and 2022 Q2 discount rates applied in the chart below, where Aqua Comms and Verne Global Iceland were both revalued.

For the second part of the year, the combined impact of higher risk-free rates and the introduction of the new investments in Elio Networks, Verne Global London and Verne Global Finland to the portfolio at a higher-than-average discount rate added further upward pressure to the weighted average discount rate. However, this was offset by reductions in the discount rates applied for Aqua Comms (due to appropriate application of the company size premium) as well as the introduction of Arqiva at a significantly lower-than-average discount rate. The net impact in the latter half of the year resulted in a reduction in the portfolio weighted average discount rate from 13.8% to 12.6%.

Valuation period	**Weighted average cost of equity**
FY 2021	12.6%
Q2 2022	13.8%
FY 2022	12.6%

Inflation

A prevalent theme this year has been inflationary pressures to power prices, supply chain costs and employee costs. The ability to pass cost inflation to customers varies by Investee Company so a granular approach was taken to model the effects of inflation.

The Company has used inflation forecasts provided by an independent provider. CPI is forecast at an average of 7.3% in 2023 and 3.2% for the first half of 2024, before returning to its long-term target of 2.0%. For RPI, we have applied 10% in 2023, 4.8% for the first half of 2024, and reducing gradually by 50bps year-on-year from 4.0% at the end of 2024 to 2.0% by 2028.

As mentioned earlier, Arqiva has been negatively impacted from a cash flow perspective due to the recent increased levels of inflation and the impact this has on their existing inflation linked swaps held on their balance sheet. While these have a negative impact on cash outflows over the short-term, it should be highlighted that over the longer-term this is positive for Arqiva's enterprise value. This plays out in two ways, higher revenues in the future as a result of the compounding effect of inflation on their revenues and a larger EBITDA used in any exit assumptions.

The Investment Manager aims to construct and maintain a portfolio that generates year-on-year revenue growth on a progressive basis. The Investment Manager does not aim to construct and maintain a portfolio of investments purely with direct inflation-linked returns; however it targets any potential portfolio downside inflation impact to be broadly offset through revenue growth over the medium to long-term.

Debt Financing

In March 2022, the Group raised £300 million of capital through a bespoke RCF with an international syndicate of four banks. In August, the RCF was increased by £75 million via an accordion facility, bringing the total capital commitments by the bank syndicate under the RCF to £375 million. Following the increase by £75 million, there is capacity for a further £125 million of financing in the accordion facility which the Company can draw from, if and when appropriate and agreed with the syndicate.

At the time of the RCF's inception, competitive terms were achieved given the Company's size and relatively limited portfolio diversification. The interest rate for the RCF is an agreed margin over SONIA, whereby the starting margin of 3.75% will ratchet down to 3.25% once certain criteria are met. These criteria include achieving increased portfolio diversification and a lower gearing ratio at the Company level. As at 31 December 2022, the Company has met one of the agreed criteria through underlying portfolio investment diversification, achieved by the four acquisitions during the year, bringing total portfolio investments to eight. Therefore, the Group is now benefitting from the first margin ratchet of 3.50% instead of 3.75% previously. As at 31 December 2022, the Group has drawn £331.2 million under the RCF which includes one non-cash draw in the amount of £1.2 million for a letter of credit. The drawn funds have enabled the Company to acquire Arqiva and make further investments into existing Investee Companies through growth capital expenditure. An additional £25 million of the RCF was drawn post-period end to fund additional capital expenditure at Verne Global London and Aqua Comms.

Given the combination of rising interest rates and the Company's added maturity and diversification compared to when the RCF was agreed, the existing debt structure is under permanent review by the Board and the Investment Manager, to explore market driven optimisation aspects for the benefit of the Company's shareholders. One aspect under review is bringing forward the deployment of asset level financing into selected Investee Companies, helping to repay the drawn RCF. Asset level debt would be in the form of structured term debt together with an appropriate interest rate structure so that the Company is not exposed to interest rates fluctuations. Once specific asset level financing propositions have been identified in Q1 2023, the RCF will likely be downsized to adjust for the revised debt structure and not to exceed target gearing ratios.

The Group completed the acquisition of a 48.02% equity stake in Arqiva on 18 October 2022 for approximately £463 million, following the granting of regulatory approval. £300 million of the acquisition was funded by a drawdown on the Group's RCF and £163 million through a non-recourse VLN issued by the vendor, which is listed on the International Stock Exchange ("**TISE**")[26].

The VLN is due to mature in 2029 and has the following stepped interest rate profile:

- 6% per annum up to and including 30 June 2025;

- 7% per annum from 1 July 2025 up to 30 June 2026;
- 8% per annum from 1 July 2026 up to 30 June 2027; and
- 9% per annum from 1 July 2027 to maturity.

Interest payments on the VLN are due annually in arrears on 30 June. Interest can be rolled up but accrued interest must be paid in full before distributions can be made to the Group. After the fourth anniversary of the VLN, the Group can only receive distributions if the entirety of the VLN principal and any rolled up interest has been repaid in full. The VLN becomes repayable in full if the Group's equity position in Arqiva is reduced by more than 50%. The Company expects Arqiva's future cashflows to cover D9's VLN interest payments. The Investment Manager expects that the VLN will be refinanced prior to its fourth anniversary in October 2026, as was anticipated at acquisition.

As at 31 December 2022, the only Investee Company with asset level debt was Arqiva, In August 2022, Arqiva secured a 5.5-year £450 million term loan facility at an interest rate of c.10.3% per annum. Proceeds of the loan, together with cash held on the balance sheet, were used on 30 September 2022 to redeem the £625 million 6.75% coupon junior notes, which were due in September 2023. Alongside the term facility, the Arqiva Group also entered into a £50 million working capital facility providing additional liquidity support, which was subsequently increased to £70 million in December 2022.

Further details of its capital structure are outlined in the "The Strategy in Practice - Arqiva" section.

As set out in the Prospectus, gearing will only be used by the Company to finance acquisitions and growth capital expenditure on a short-term basis, with longer-term gearing likely to be applied at an asset level. As at 31 December 2022, D9 and D9 HoldCo had unrestricted cash of £55 million and an undrawn RCF of £45 million, giving £90 million in potential liquidity. In aggregate, excluding Investee Companies and including undrawn RCF, D9 had gross debt of £538 million, comprising of the VLN and RCF as at 31 December 2022 which is 40.6% of Adjusted GAV and below the 50% maximum permitted in the Company's Investment Policy.

	£'000	**Leverage as a % of Adjusted GAV**	**Leverage as a % of GAV**
Drawn RCF	331,200	25.0%	25.8%
Total RCF (excluding accordion)	375,000	28.3%	29.2%
RCF and VLN	538,000	40.5%	41.9%

This gives the Company headroom under this restriction of £124.5 million. This level of debt is equivalent to 3.3x EBITDA including the Company's own and VLN interest costs as a deduction in the calculation of EBITDA. The Company's Net Debt / EBITDA ratio is disclosed below.

Net Debt / EBITDA	***£ million***
Drawn RCF	331.2
VLN	163.0
Cash & Cash Equivalents (inc restricted)	(73.6)
Net Debt	**420.6**
Portfolio EBITDA	206.3
Net Debt / EBITDA	**2.04x**
Arqiva debt (pro-rated for D9 ownership)	754.0
Adjusted net debt / EBITDA	**5.69x**

Outlook

Over the next 12 months we expect a shift in our approach from one of growth through M&A activity to one of portfolio optimisation and value creation as our Investee Companies look to execute their respective business plans. We are confident that the portfolio we have built since IPO is well positioned to deliver on the Investment Policy and deliver value to the Company's shareholders.

The underlying fundamentals driving the fourth industrial revolution, one of technological progress and adoption, are accelerating. Digitalisation has taken hold of our everyday lives and interaction with appliances, driving endless demand for the digital infrastructure supporting this unstoppable transformation.

We are playing our part in solving the world's biggest problems by helping to close the digital divide and creating greener, more sustainable connectivity. An investment in our portfolio seeks to accelerate economic growth, social development and critical climate action.

We believe big problems create strong demand, strong demand drives good investments, and good investments solve big problems. The internet is the lifeblood of progress, and we're making sure its progress benefits people and the planet alike.

Ben Beaton
Fund Manager
Triple Point Investment Management LLP
8 March 2023

SUSTAINABILITY

Introduction

This report provides a summary of the Company's sustainability outcomes, approach and ambition (as implemented by the Investment Manager). The report includes Environmental, Social and Governance performance, including reporting aligned with TCFD (voluntary), SFDR and planning for the pending SDR. Refer to section 3 for regulated reporting results, and reporting aligned with a range of best practice frameworks.

D9's approach to sustainability is predicated on the belief that digital infrastructure is essential to a thriving society, and that access to digital services is becoming a new human right.

How such a vital and global service is delivered could have significant environmental and social implications. Digital access needs to be open and inclusive, reaching those who have previously been excluded. Implementation needs to take account of the wider possible negative impacts (in particular environmental impacts such as carbon intensity and resource use) such infrastructure can have.

For Digital Infrastructure to provide a real social service it must be developed as sustainably as possible. In seeking to build a network of sustainable digital infrastructure, D9's approach is to consider:

I. **Does this asset align to the theme of sustainable digital infrastructure**? We use Sustainable Development Goal 9 to ascertain this, focusing on targets relating to reduction in digital divide and environmental quality (SDG targets 9.4 and 9.c). For outcomes and targets refer to section 2.i.

II. **Does this asset have sound business practices that reassure us it conducts itself in a way which is aligned to sustainable business practice and long-term success**, allowing it to achieve the implementation of sustainable digital infrastructure whilst managing wider ESG operational risks and opportunities. For outcomes and targets refer to section 2.ii.

III. **How can this asset improve over time**, and what can D9 do to help facilitate this? For outcomes and targets refer to section 2.iii.

Milestones: action demonstrating commitment to align D9 to sustainability

- Jan 2021: D9 commits to align to SDG9 and select assets aligned with one or both of decarbonisation of digital infrastructure and reducing the digital divide.
- March 2021: ESG Integration approach captured and reported in dedicated ESG Integration Policy
- June 2021: Investment Manager, on behalf of D9, becomes a member of the Sustainable Digital Infrastructure Alliance (SDIA)
- July 2021: Investment Manager publishes first Sustainable Financial Disclosure Regulation (SFDR) Article 8 disclosure for D9
- January 2022: Baseline of Scope 1 and 2 emissions across the portfolio, with process to ensure roll out for each new asset
- March 2022: Update and strengthen Article 8 disclosure, publish first voluntary TCFD report
- August 2022: Investment Manager engages Carbon Trust to develop Net Zero Roadmap including targets dedicated to D9 (submission of net zero targets and transition plan is intended to be submitted to the SBT Initiative for approval in September 2023, this submission will include a D9 reduction pathway)
- September 2022: Investment manager joins PCAF
- November 2022: Sustainability Targets set across D9 portfolio (see Section 2.i and 2.ii)
- December 2022: Investment Manager joins the Net Zero Asset Managers initiative (NZAM)
- December 2022: Investment Manager becomes B Corp certified

Section 1: Sustainability commitment from D9

2022 Highlights

- Sustainability training provided to all Board members
- Appointment of a Board apprentice
- Triple Point Net Zero Roadmap project to develop a net zero target and transition plan initiated with a dedicated plan for D9's contribution to this pathway incorporated (the plan is intended to be submitted to the Science Based Targets Initiative for approval, in September 2023)

Goals for the year ahead

- Dedicated Investment Manager resource to be allocated to D9 Investee Companies to support improved ESG performance in relation to our stated targets, data capture and reporting requirements, with a particular focus on Scope 3
- Developing data collection to assess avoided emissions as a result of clients of the Nordic data centre platform having the option to select between locations to achieve the best data transmission results for the lowest carbon footprint

Net Zero Roadmap activities

The Company recognises the need to take action in the production of net zero targets and a net zero transition plan in line with the Paris Agreement. Real carbon emission reduction outcomes are best achieved at the individual Investee Company level. Companies need support in this process (particularly in Scope 3 data collection and then the subsequent changes to business practice). It is also relevant for the Company, with support from the Investment Manager, to make progress on developing commitments which align with industry frameworks, such as Science Based Targets (SBTs) - which help to ensure a credible and detailed understanding of what needs to be achieved.

The Company:

In April 2023, D9 representatives will participate in a workshop with specialist external carbon consultants to establish net zero targets for the Company. These targets will contribute to the Investment Manager's net zero target and transition plan which will be submitted to the Science Based Target Initiative (SBTi) for approval, whilst also providing important and useful guidance to support each Investee Company as they begin preparing individual net zero roadmaps. It is recognised that this approach has limitations as it would predominantly focus on Investee Company Scope 1 and 2 emissions, and an incomplete Scope 3 data set. Scope 3 data collection being a key area of engagement with Investee Companies in 2023. The Company's targets will be adjusted as progress is made in Scope 3 data collection, and in time will reflect the individual net zero roadmaps of each Investee Company.

The Company has committed that all wholly-owned Investee Companies implement their own net zero roadmap with targets and a transition plan within the next 24 months. Arqiva is the only company that the Group is invested in, in which it does not own greater than 50% of the equity and hence does not have operational control. It is noted, Arqiva have embarked on the collection and reporting of their carbon footprint, including scope 3 and the Investment Manager will work collaboratively with Arqiva to make progress on their net zero planning.

The Investment Manager:

Target setting has been split between near and long-term setting in order to accommodate the publication of SBTi's "Guide to net zero for financial institutions"; upon publication of this guidance Triple Point will be in a position to integrate the guidance and set long-term targets in line with it. The Investment Manager intends to set near-term Science-Based Targets for 2030 across all of its eligible assets as a first step towards reaching Net Zero emissions by 2050, and as part of their obligations as signatories of the Net Zero Asset Managers initiative. A bottom-up approach is being taken whereby targets for D9 will be developed, alongside those for each Triple Point strategy to inform an Investment Manager-wide initiative. Data for the baseline year of 2021 has already been collected and ratified by external specialists the Carbon Trust and the Investment Manager intends to submit targets and a transition pathway to the SBTi in September 2023.

Section 2: Sustainability Vision for D9 and approach in action

The sustainability vision of the Company is to build a portfolio of sustainable digital infrastructure assets, and to demonstrate these credentials through alignment to Sustainable Development Goal 9:

Build Resilient Infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Digital infrastructure is recognised as essential for a modern thriving economy, crisis resilience and human wellbeing. Those without access to good connectivity or infrastructure are economically disadvantaged.[27] D9 is a thematic investment opportunity, investing in the theme of sustainable digital infrastructure. The investment team commits to developing a digital infrastructure network whose sum is greater than their parts by contributing to the societal need for greater connectivity with a lower environmental footprint, than digital infrastructure built without sustainability as a consideration.

2.i "Does this asset align to the theme of sustainable digital infrastructure?"

This intended contribution to the societal need for greater digital connectivity with a low environmental footprint, aligns to two Sustainable Development Goal 9 targets. To manage Company's alignment, when selecting an asset for inclusion in the portfolio we require one or both of these targets to be addressed by the asset.

- Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
- Target 9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

The Investment Manager identifies an appropriate KPI to demonstrate alignment to one or more of the SDG9 targets, and these are monitored and reported. This year the Company has set targets, where appropriate, and will report against achieving these targets year-on-year. The table below shows the KPIs identified and how these align to SDG9 with associated targets, with results for each portfolio company. Noting, Arqiva and Giggle performance has not been included but the KPIs identified for tracking SDG9 alignment in future reporting are shown.

						Wireless	Subsea Fibre	Data Centres					
								Verne Global					
SDG 9 alignment	**Metric**	**Units**	**Target (2023)**	**2021**	**2022**	**Elio Networks**	**Aqua Comms**	**Iceland**	**London**	**The Rock**	**The Deck**	**The Air - Phase 0**	**T A Pl**
Decarbonisation and Energy Security	Scope 1 and 2 (market-based) emissions intensity	tCO2e/£M revenue	-	19	23	40	20	24	3	29			
		tCO2e/GWh	-	8	10	564	213	4	1	22			
	Renewable energy consumption	%	-	98.66% **A**	98.66% **A**	23%	64%	100%	99%	94%			
	Power Usage Effectiveness (PUE)		1.3	1.22 **A**	1.33 **A**			1.30	1.54	1.33	1.36	1.26	1
	Carbon Usage Effectiveness (CUE)	kgCO2e/kWh	0	-	0.04			0.01	0.30	0.08	0.08	0.09	(
	Water Usage Effectiveness (WUE)	litres/kWh	0.002	-	0.03			-	-	0.026	0.003	0.051	0
	Increased technology to improve energy and water efficiency[1]	Growth in smart meter business	10										
Increasing connectivity and reducing the digital divide	Growth in network capacity (% increase in sold TB/s)	%	10	7% **A**	13% **A**	6%	13%						
	Percentage of customers by revenue also deployed in Nordic Data Centres	*%*	*10*						*n/a*				
	Average speed increase for customers compared to previous	*%*	*n/a*										

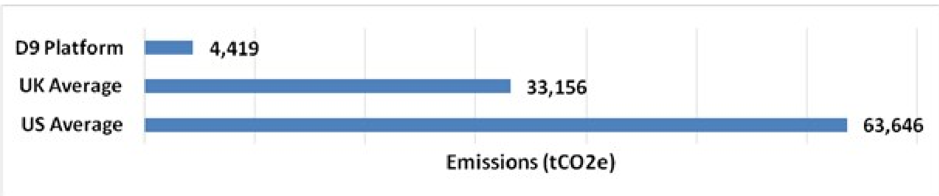
quickest provider operating in the area[2]												
Number of customers[2]	*#*	*n/a*										

Sustainability Table 1: Per Investee Company alignment to the chosen SDG9 targets. 2021 data is aggregated. 2022 data is aggregated and provided per company. Independent limited assurance has only been provided over aggregated D9 data marked with the '**A**' symbol. PwC's assurance statement for the 2022 data can be found in the Annual Report, on pages 189 to 191. PwC's assurance statement for the 2021 data can be found in the 2021 Annual Report. n/a reflects where information is not yet available, but the KPI is relevant to the Company and is being tracked for future reporting. SeaEdge is excluded as an asset where D9 acts as landlord, not owner, and has limited influence on behaviours. As recent acquisitions data on Arqiva and Giggle are not yet included. Outcomes will be tracked and reported in the 2023 annual report, the metrics which will be tracked are shown in the table (for Arqiva see metric labelled 1; for Giggle see metric labelled 2).

The following information provides contextualisation of how the carbon footprint of D9's companies compare to the wider global economy. It should be noted there are few digital infrastructure strategies which report their carbon intensity, and therefore providing a comparison to an aggregated digital infrastructure footprint is not possible. The first table provides comparison to indices which show footprints indicative of certain economic activities. The second comparison is provided as a chart to demonstrate context for the emissions of our data centres. As a particularly emission-intensive activity, it is appropriate to draw out the D9 data centre footprint and compare to market.

Strategy	**Descriptor**	**tCO2e/ £million**[28]
Digital 9 Infrastructure	Digital infrastructure, selected with existing or future sustainable credentials a strategic requirement	23
iShares US Technology ETF	Large technology companies e.g. Microsoft, Meta, Apple, Alphabet	25
iShares Core S&P 500 ETF	An example of US economy snapshot	171
iShares North American Natural Resources ETF	Oil & Gas	605

Sustainability Table 2: comparison of D9's carbon footprint to alternative relevant technology, natural resource and broad economic indices. Footprint data represents Scope 1 and 2 (market-based) emissions.



Sustainability Chart 3: emissions comparison. Aggregated D9 data centre energy use compared to the average UK Data Centre and the average US Data Centre. Total location-based emissions of D9's data centre portfolio compared to a data centre portfolio with an average PUE, consuming grid electricity in the UK and US respectively.[29]

2.ii "Does this asset have sound business practices that reassure us it conducts itself in a way which is aligned to sustainable business practice and long-term success?"

It is essential that the broader ESG quality of an Investee Company is assessed. An asset may align with the theme of offering a contribution to the creation of a sustainable digital infrastructure network, but the quality of the assets contribution may be compromised as a result of poor management of unintended impacts and externalities.

The following non-subsector specific metrics are now tracked to gauge the ongoing management of ESG risks and opportunities for the Investee Companies of D9.

	Category	Metric	Aqua Comms	Verne G Iceland	Verne G London	Verne G Finland	Elio Networks	Arqiva**	Giggle**
E	Emissions	Scope 1 emissions	10	46	19	15	2	n/a	n/a
E	Emissions	Scope 2 emissions (location-based)	783	1,289	2,696	591	142	n/a	n/a
E	Emissions	Scope 2 emissions (market-based)	552	449	-	162	234	n/a	n/a
E	Energy	Renewable energy consumption (%)	64%	100%	99%	94%	23%	n/a	n/a
E	Net Zero roadmap in place	yes/no	no	no[4]	no[8]	no	no[10]	no	no
E	Biodiversity management plan in place	yes/no	no	yes[5]	no[9]	no	no	no	no
S	Living wage employer	% of employees receiving a living wage	100	100	100	n/a	100	98.9[13]	100
S	Uphold employee right to collective bargaining	yes/no	yes	yes	yes	yes	yes	yes	yes
S	D&I approach	policy implemented : yes/no	yes	yes	yes	no	yes	yes	yes
S/G	Board Gender diversity	% self-identifying female A	0	0	0	0	0	n/a	n/a
S/G	Board Ethnic diversity	% ethnic minorities	67[1]	0	0	33	50[11]	n/a	n/a
S/G	Company gender diversity	% self-identifying female	26	17[6]	44	8.3	14	8[14]	23
S/G	Company ethnic diversity	% ethnic minorities	53[2]	0	33	8.3	0	n/a[15]	3.8
S/G	Serious health and safety incidents*	#	0	0	0	0	0	0	0
G	Customer complaints	#	0	0	0	0	0	0	0
G	Cyber Essentials Plus certificate achieved (for in-house IT), or valid alternate	yes/no	no[3]	yes[7]	yes[7]	yes[7]	n/a[12]	no	no[16]
G	Is CEO remuneration linked to ESG?	yes/no	no	no	no	no	no	no	no

Sustainability Table 4. Operational ESG metrics tracked to provide overview of sustainability-related business behaviours across the Investee Companies. Only companies where we hold an equity stake are included. Emissions data and board gender diversity data has only been included where data has been assured.

NOTES	*Data as at 31 December 2022 unless stated otherwise*
*	*All Health and Safety data is report according to RIDDOR definitions: https://www.hse.gov.uk/riddor/reportable-incidents.htm*
**	*Emissions data on Giggle and Arqiva excluded from reporting.*
1	*Based on "White British" only. If it was "white" then answer would be 0%. This detail is unconfirmed as Aqua Comms does not formally collect this data.*
2	*Based on "White British" only. If it was "white" then answer would be 2.6% not including Board and 2.3% if Board is included. This detail is unconfirmed as Aqua Comms does not formally collect this data.*
3	*The company are in the process of acquiring this certification.*
4	*No formal net zero roadmap however the company has implemented some action such as a feasibility study on hydrogen backup power as a solution for existing diesel engines.*
5	*Verne Global Iceland carbon offset is implemented for 2022 emissions via local Icelandic Wetland fund, whose goal is, in addition to offset emissions, to increase and/or restore biodiversity.*
6	*Verne Global*
7	*ISO 27001*
8	*Via purchasing renewable sources of energy to lower market-based emissions.*
9	*To date biodiversity action is linked to action by Verne Global Iceland.*
10	*Currently offsetting carbon with Climate Partners.*
11	*Based on "White Irish" only.*
12	*Company IT is outsourced.*
13	*1.2% of employees (12) are on salaries between National Living Wage and Real Living Wage. These 12 employees are a combination of apprentices and some administrative roles.*
14	*Disclosure of gender data is optional for employees. Currently only 23% of Arqiva employees report this information. Statistic is based on the disclosing 23%.*
15	*Sufficient diversity data is not yet available for Arqiva, this information set is still being developed by the company.*
16	*Currently working to achieve cyber essentials in Q1 23, with plans to achieve Cyber Essentials Plus later in 2023.*

Targets (for the coming two years - we will monitor for progress year-on-year); all D9 companies will be engaged to act, the following will be required by wholly-owned D9 companies:

- prepare a net zero roadmap with targets and a transition pathway by end of 2024
- develop an action plan on biodiversity, mapping the potential and actual negative impacts of their business model on biodiversity, with mitigation plans to reduce negative impacts and innovations to create quantified biodiversity net gain
- develop further diversity & inclusion measures, including, but not limited to training for all staff, improved understanding of the divergent demographics of their existing workforce (e.g. race and ethnicity, gender, LGBTQ+, disability, menopause, mental health, neuro diversity, returners, working families) with action plans to support, and non-discriminatory hiring policy with conscious inclusion hiring training
- implement a minimum of Cyber Essentials Certification plus where IT management is in-house
- CEO executive remuneration linked to clear ESG behaviours or actions

The operational metrics detailed in table 4 will be tracked and reported along with progress against the targets listed above. As plans by Investee Companies are developed to meet these targets further detail on the commitments and action for each Investee Company will be provided.

Throughout the due diligence and onboarding process, an asset is assessed for a wide range of ESG qualities, through a bespoke set of analysis tailored to each D9 subsector and drawing on best practice frameworks, including UN Global Compact, Sustainable Accounting Standards Board (SASB) and SDIA. The chart in the Annual Report depicts topic analysis per subsector.

The outcomes of this assessment not only help inform an understanding of the quality of the business and future ESG metric monitoring but also allow for the identification of future areas of improvement or innovation.

2.iii "How can this asset improve over time"

D9 is committed to managing Investee Companies for improved sustainability behaviours over time. During 2022 the following actions by Investee Companies improved their Sustainability credentials.

	Environmental	Social	Governance
Arqiva	• Solar panels installed at 4 sites in the UK. • EV charging points at two corporate sites.	• Second place in the large company category for Britain's Healthiest Workplace competition 2022.	• n/a
Aqua Comms	• Completed the transition to renewable energy on targeted sites of key suppliers. • Commenced a programme to power down any unused locations and to remove any unused equipment in operational locations from the energy network. This has had an estimated saving of 200 kW per card (based on Ciena specification). • All products purchased by the marketing team have been analysed for their sustainability credentials (e.g., move to electronic business cards). The review will now be rolled out to other parts of the organisation. • Voluntary surrender by certain team members of their company car parking spaces in favour of public transport. • For any new sites, analysis of power supply by provider is a critical due diligence element in the procurement approach. • Provided funding to Clew Bay Oyster Co-op Limited in Co Mayo to support the biodiversity with focus on their Oyster morbidity and	• Participation in the University of Limerick Cooperative Education Programme (one student for nine months) and have launched a new graduate programme with three new graduates hired. • Replaced all corporate gifting at conferences this year with community contributions (i) pledging a tree through DC for Bees Program (300 in total) for each participant at CCT 2022 in Dublin; (ii) making donations to RNLI at Capacity Europe; and (iii) making a donation to Ocean Conservancy at PTC. • Held the first Comms Team CSR activity held on 28 September 2022- Beach Clean-up at Bull Island Beach (landing point for CC-1 cable). • Provided funding to Flossie and the Beach Cleaners to support their education of schoolchildren on the importance of protecting our marine life.	• Inclusion of sustainability on to Board agenda.

	seagrass regeneration studies.		
Verne Global Finland (previously Ficolo Oy)	• Use of South Pole to offset emissions from non-renewable energy sources.	• Monetary support for employees embarking on additional studies (fixed term contract of employment) and as well as data for projects. • Donations to Save the Children/Pelastakaa Lapset in 2022 of €900. • Donation through Kesko Oy, Refugees coming from Ukraine of €131,620.	• n/a
Giggle	• Procurement and process in place to use hybrid and EV vehicles. • Initiated a programme to assess environmental credentials of supply chain and select those with strongest (e.g., sub duct supplier using recycled plastics).	• Developing a programme of local community support to promote digital inclusion. • Begun donations to the Wheatly Foundation in Glasgow, for every home passed. A potential for a £1 million total donation. • Promote local employment and encourage local applicants (e.g., of the existing 27 FTE, 17 are Glasgow-based).	• n/a
Verne Global Iceland	• Initiated programme of Scope 3 data collection. • Supporters of the Wetland Fund a carbon offsite and habitat protection project in Iceland. • Implementation of EV charging on site.		• Inclusion of sustainability on to board agenda.
Verne Global London (previously Volta)	• Initiated programme of Scope 3 data collection.		• n/a

D9 is working with each Investee Company to identify further areas of improvement for the year ahead. The table below outlines company specific activities which will be supported to drive improved sustainability outcomes.

Investee Company	**Project**	**Planned activities**	**Target outcomes**	**Benefits to Investee Company**	**KPI**	**Current**	**Target**
Aqua Comms	Scope 3 emissions	Tracking business Scope 3; engaging counterparties to gather and	A Scope 3 carbon footprint	Proactive implementation of data collection which will be a requirement as	% of data in scope assets	0	>50% (some data may still remain estimated)

		report		the business grows; positioning as a leader			
	ESG-linked remuneration	Support AC in design of an ESG-linked remuneration scheme for all employees	Improved overall ESG performance	Incentivising behaviours which create strong culture and long-term value	# employees with links	0	>80%
Verne Global Iceland	Health & safety tracking	Review of H&S policy, and procedures, to ensure best practices is in place and effective	Safer and better working conditions for employees	Reduce reputational and legal risk; more appealing workplace	# of health and safety incidents/near misses	1	0
	Wellbeing thought leadership	Looking to collaborate with partners to analyse the effects of heat and noise and lack of natural light on workers, with mitigation measures identified	Production of a thought leadership paper	Continuing to strengthen Verne Global Iceland's position as a thought leader and drive best practice			
Verne Global Finland	Renewable energy sourcing	Support VG Finland in improved energy position through clearer context relating to renewable energy claims	Appropriate positioning of energy use	Reduction in reputational risk; increased opportunity for innovation and possible efficiencies			
Verne Global London	Scope 3 emissions	Tracking business Scope 3; engaging counterparties to gather and report	A Scope 3 carbon footprint	Proactive implementation of data collection which will be a requirement as the business grows; positioning as a leader	% of data in scope assets	0	>50% (some data may still remain estimated)
	Nordic strategy	Metro-edge centres such as VG London have worse PUEs and less renewable energy than Iceland/Nordic DCs. Look to	Lower overall platform emissions resulting from transfer of some client data processing from London to location-based	Smart solutions for clients seeking to reduce their own footprint; business development opportunity	% customers by revenue also deployed in Nordic data centres	n/a	>10%

		identify customer use-cases within VG London that could be migrated to alternate DCs on platform and hence avoid emissions	renewables in Iceland/Finland				
Elio Networks	Scope 3 emissions	Tracking business Scope 3; engaging counterparties to gather and report	A Scope 3 carbon footprint	Proactive implementation of data collection which will be a requirement as the business grows; positioning as a leader	% of data in scope assets	0	>50% (some data may still remain estimated)
	Cyber security	Elio to undertake cyber security accreditation. More comprehensive certification requirements to be reviewed. Penetration testing to be completed	Cyber security certification in place	Reduced cyber and reputational risk as business grows; stronger market offer	# security breaches	0	0

Sustainability Table 6. Detail on the per Investee Company sustainability activity for action throughout 2023. Planning and improvements for the two newest acquisitions (Arqiva and Giggle) are in development.

Section 3: Framework-based reporting

Respecting latest reporting requirements and to demonstrate clearly how the D9 and the Investment Manager align with relevant frameworks, the Annual Report provides reporting according to the following:

I. PRI
II. UN Global Compact
III. UN SDGs
IV. Impact Management Project
V. SFDR
VI. TCFD
VII. Planned approach to SDR

Section 172(1) Statement

The Board is committed to promoting the long-term success of the Company whilst conducting business in a fair, ethical, and transparent manner.

The Board makes every effort to understand the views of the Company's key stakeholders and to take into consideration these views as part of its decision-making process.

As an investment company, the Company does not have any employees and conducts its core activities through third-party service providers. The Board seeks to ensure each service provider has an established track record, has in place suitable policies and procedures to ensure they maintain high standards of business conduct, treat shareholders fairly, and employ corporate governance best practice.

As a Jersey incorporated entity, the Company voluntarily discloses how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and fulfils the reporting requirements under section 414CZA of the Companies Act 2002 (the "Act").

The following disclosure describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) when performing their duty under s172 and forms the directors' statement required under section 414CZA of the Act.

Stakeholder Engagement

Stakeholder	**Why is it important to engage?**	**How have the Investment Manager/Directors engaged?**	**What were the key topics of engagement?**	**What was the feedback obtained and the outcome of the engagement?**
Shareholders	Shareholders and their continued support is critical to the continuing existence of the business and delivery of our long-term strategy.	The Investment Manager and Board have been continuously engaged with shareholders throughout the period. Directors and representatives of the Investment Manager met with shareholders following the release of the Interim and Annual Results, as well as engaging directly following announcements to the London Stock Exchange, including the Trading Update on 11 January 2023. The Board remain cognisant of shareholder views and during decision making. The Board's shareholder engagement programme is kept under review and evolved to ensure appropriate	An important topic of engagement with shareholders has been on the acquisitions undertaken during the year, the short-term strategy and capital allocation for the Company following committing substantially all of the equity and debt capital raised since IPO, and the departure of Investment Manager personnel. Engagement also took place during the equity fundraising earlier in 2022.	The Board considered that the feedback from shareholders has been invaluable this year, through enhanced understanding of shareholder expectations, and has assisted in enhancing the level of disclosure, highlighted by the Trading Update released in January 2023.

		engagement.		
Investment Manager	The Investment Manager is responsible for executing the Investment Objective within the Investment Policy of the Company.	The Board maintains regular and open dialogue with the Investment Manager at Board meetings and has regular contact on operational and investment matters outside of meetings.	The Board has provided constructive feedback to the Investment Manager throughout the acquisition process of the assets acquired during the year; equity fundraising; transition to the premium segment of the main market of the London Stock Exchange; during the period of change of personnel of the Investment Manager in November 2022; and reporting process.	As a result of the engagement between the Board and the Investment Manager, the Group has been able to substantially commit all of the available capital into a portfolio of assets with strong underlying performance. More recently, engagement between the Board and Investment Manager has been enhanced, in particular in exploring the options to address the higher capital requirements of the Investee Companies.
Investee Companies	The performance and long-term success of the Company is linked to the performance of the companies in which the Company invests.	The Investment Manager has held regular meetings with the Board and management of each of the Investee Companies and received regular reporting including financial. The Board has directly engaged with the Investee Company CEOs and operating partners during the year, including inviting key members of management to present at Board Meetings with the opportunity to ask questions directly.	On an ongoing basis the Investment Manager engages with the Investee Companies on matters including finance, capex requirements, sustainability and strategy. During the year, the Board has engaged with the Investee Companies on their strategy, and other key matters relevant to the Investee Companies.	Through this engagement, particularly between the Investment Manager and the Investee Companies, the Investment Manager has enhanced the sustainability practices and reporting of the Investee Companies, explored opportunities for synergies and optimisation between the Investee Companies.
Suppliers	The Company's suppliers include third-party service providers, each of	The Board maintains close working relationships with all its key advisers.	The Management Engagement Committee met in the year and	The Board has continued to be open in providing feedback to its service

	which is essential in ensuring the ongoing operational performance of the Company. The Company relies on the performance of third-party service providers to undertake all its main activities.	The Management Engagement Committee has responsibility for overseeing and monitoring the performance of each supplier. A detailed annual assessment is undertaken of each supplier to ensure they continue to fulfil their duties to a high standard.	undertook a thorough review of the performance of the service providers and agreed feedback to provide to the service providers to enhance performance moving forward, or assist in the process of changing service providers where this was considered appropriate.	providers to make clear their expectations, following the Management Engagement Committee process and, where appropriate, on an ad hoc basis.
Regulators	Engagement with the regulator is imperative to the Company's ability to operate.	During the period the Company has had to engage with various regulators (including the Financial Conduct Authority and Jersey Financial Services Commission) on a number of different matters.	The key topics of engagement with regulators during the year have been in relation to the change of Directors, change of Investment Policy, and transition to the premium segment of the Main Market of the London Stock Exchange.	Without engagement with the regulator the Company would not have been able to complete additional equity raises, acquisitions, transition to the premium segment of the Main Market of the London Stock Exchange or its change of investment policy.

Principal Decisions

Principal decisions have been defined as those that have a material impact to the Group and its key stakeholders. In taking these decisions, the Directors considered their duties under section 172 of the Act.

Deployment of capital

During the year, deployment of the IPO proceeds and subsequent fundraises has been a focus for the Company which has now committed substantially all available capital. The Board considered each investment in the context of the Company's Investment Policy, potential returns to investors and from a sustainability perspective.

Equity Raises

Two equity raises were completed in January and July 2022 raising total gross proceeds of £155.2 million. The additional equity enabled the Company to complete acquisitions of attractive assets and capital expenditure, ultimately aiding in the achievement of the Company's investment objective.

Transition to the premium segment of the Main Market of the London Stock Exchange

During the year, the Company transitioned from the specialist fund segment to the premium segment of the Main Market of the London Stock Exchange. The Board considered that there were a number of benefits to being a constituent of the premium segment, including increasing the profile of the Company, unlocking further attractive investment opportunities and also may result in a more diversified shareholder register with improved liquidity, all of which would be to the benefit of shareholders.

Revolving Credit Facility of £375 million

In March 2022, the Group signed its first debt facility of a £300 million RCF with an international syndicate of four banks, with an initial term of three years expiring on 14 March 2025, which can be extended for a further 12 months. The RCF was obtained to assist the Company in acting quickly on potential investment opportunities, helping to finance the acquisition of further investments in its near-term pipeline. The RCF was increased to £375 million in August 2022 under the accordion provision, to assist in funding existing commitments across the portfolio and supporting the near-term pipeline. The RCF has supported Investee Companies with their capex requirements, alongside allowing the Investment Manager to deliver on executing the Investment Objective of the Company.

RISK MANAGEMENT

Framework

The Board and the Investment Manager recognise that risk is inherent in the operation of the Company and are committed to effective risk management to ensure that shareholder value is protected and maximised.

As an externally managed investment company, the Company outsources key services to the Investment Manager and other service providers and rely on their systems and controls. The Board has ultimate responsibility for risk management and internal controls within the Company and has convened a Risk Committee to assist it in these responsibilities. The Risk Committee undertakes a formal risk review twice a year to assess and challenge the effectiveness of our risk management and to help define risk appetite and controls to manage risks within that appetite, particularly those which would threaten its business model, future performance, solvency, valuation, liquidity or reputation. Further details of the Risk Committee's activities can be found in the Risk Committee Report.

The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to assess the potential impact of recorded risks against the likelihood of occurrence and graded suitably. In assessing risks, both internal controls and external factors that could mitigate the risk are considered. A post mitigation risk score is then determined for each principal risk. The Board regularly reviews the risk register to ensure gradings and mitigating actions remain appropriate.

Risk Appetite Statement

Managing risk is fundamental to the delivery of the Company's strategy, and this is achieved by defining risk appetite and managing risks within that appetite. Risk appetite is the level of risk the Company is willing to take to achieve its strategic objectives. The Board is responsible for setting the Company's risk appetite and ensuring that the Company operates within these parameters. The Board has defined its risk appetite using a category of risks inherent to the environment in which the Company operates. Risk appetite is set for each category of risk enabling the actual risks which are identified by Management to be compared to the defined appetite, to identify where any additional mitigation activity is required. The Company manages its risks within the tolerance set, particularly those which would threaten its business model, future performance, solvency, valuation, liquidity, or reputation. Any risks outside of tolerance are subject to additional oversight and action planning.

The Board has reviewed the Company's appetite for each of the principal risks set out below. The Company seeks to take risk in executing its strategy and in line with its Investment Policy. The Company's risk management framework is designed to manage rather than eliminate the risk of failure to achieve objectives and breaches of risk appetite.

The Board will review and monitor the Company's risk appetite on an annual basis to ensure that it remains appropriate and consistent with the Investment Policy.

Principal Risks and Uncertainties

The table below sets out what we believe to be the principal risks and uncertainties facing the Group. The table does not cover all of the risks that the Group may face. The Board defines the Group's risk appetite, enabling the Group, in both quantitative and qualitative terms, to judge the level of risk it is prepared to take in achieving its overall objectives. Additional risks and uncertainties not presently known to management or deemed to be less material at the date of this report may also have an adverse effect on the Group..

	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Change in Year
1.	Lack of capital may limit our ability to grow and pay a progressive dividend.	Without sufficient capital at sustainable rates, we will be unable to pursue suitable investments in line with our Investment Policy. This would significantly impair our ability to pay dividends to shareholders at the targeted rate.	Management continues to review the sources of funding available for its working capital requirements and dividends. Capital expenditure allocations are carefully reviewed and optimised. The Board and Investment Manager have evaluated options and commenced processes seeking complementary sources of growth capital to support our Investee Companies alongside the capital expenditure already committed by the Company. These processes include a syndication of a minority stake in existing Investee Companies to a strategic capital partner in	Moderate-to-High	High	Increase This risk has increased due to the current macroeconomic environment and the ability of the Company to raise further capital in the equity markets given the Company's share price trading at a discount to its NAV.

				conjunction with a leading investment bank and the arrangement of appropriate debt financing at Investee Company level. The syndication would provide proceeds which could be used to pay down the RCF and/or fund growth capital expenditure and provide valuable follow-on capital to Investee Companies. In relation to Investee Company level debt, a term sheet has been agreed for a $100 million facility to be provided to one of the high growth Investee Companies, the proceeds of which will be used to finance accretive growth opportunities, and to repay a Company shareholder loan, which will be used to reduce the drawings of the Group RCF. Such complementary sources of growth capital will only be considered where the Board and the Investment Manager				

			believe that this would be the most appropriate way to create shareholder value. The Company has a RCF in place to support portfolio investments and growth capital expenditure requirements.			
2.	Persistent, negative market sentiment in relation to our Arqiva acquisition (specifically persistent, high inflation compounding liquidity challenges)	The impact of Arqiva's interest rate swaps are currently attracting negative market sentiment. We view this to be likely to change as inflation reduces. Sentiment impacts the share price.	A detailed Arqiva case study can be found above. The timing of the cashflows is likely to be impacted by higher inflation in the short term but greater long-term benefit. We will continue to provide transparent analysis of the swap instruments at investor days and also reinforce our view of the long-term value of Arqiva within the portfolio.	Moderate-to-High	Moderate-to-High	New Risk
3.	Competitive markets, including where a well-funded competitor enters the market or aggressively acquires	D9 invests in an increasingly competitive environment, as new investors seek to invest into the sector from traditional infrastructure or other sectors. Global content	Before acquiring assets, the Investment Manager carries out thorough due diligence and applies realistic assumptions to ensure the total return target can	Moderate	Moderate	Decrease This risk has decreased given the Company has now moved from an acquisitive period to a

	market share across the respective markets and segments of D9's Investee Companies, which may adversely affect the revenue and margins of D9's investments.	companies, such as the FAANGs, may choose to invest in the infrastructure directly, rather than as a customer. This increased competition could make it harder to find new assets, access to good pricing and gain market share. Such competition creates pricing risk when bidding on target acquisitions, potentially driving higher pricing. This could result in the Company being outbid on a particular asset or paying a premium. This competition can also, in certain markets, lead to a decline in prices the operators of such assets are able to charge for the services provided once acquired. As a result, this could impair D9's ability to deploy funds therefore affecting the NAV, the Company's earnings and returns to Shareholders.	be met. Where possible, the Investment Manager seeks to secure off-market assets with strategic benefits through an alignment with D9's other investee companies, thus avoiding competitive bidding situations. Frequent communication between D9 and its investee companies will lead to innovative and proactive thinking regarding its services to remain competitive and adapt to emerging technologies and customer preferences.			period of consolidation and focus on the operational performance and optimisation of each of the assets acquired to date.
4.	Dependence on key Investment Manager personnel.	The loss of key personnel in the Investment Team could impact the performance of the Investee Company therefore	The Company is seeking to appoint an Investment Director imminently. Within the broader team it	Moderate-to-High	Moderate-to-High	Increase This risk has increased due to the departure of investment

		adversely impacting the NAV of the Company.	ensures that there are retention and succession plans in place for all key individuals, with incentive schemes and market compensation packages for key personnel.			team personnel during the year.
5.	Interruptions or poor-quality services to our customers as a result of failure of infrastructure, equipment and/or third-party networks.	D9's Investee Companies rely on infrastructure and technology to provide their customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors. Failure to deliver may breach performance conditions in contracts with customers and therefore affect revenue streams, which in turn could impact the performance of D9 and therefore adversely impact the NAV.	The Digital Infrastructure Investments in which the Group invests use proven technologies, typically backed by manufacturer warranties, when installing applicable machinery and equipment. D9's Investee Companies hire experts with the technical knowledge, and seek third party advice where required. Where appropriate, there are insurances in place to cover issues such as accidental damage and power issues.	Moderate-to-High	Low-to-Moderate	Stable
6.	Risk of supply-chain vulnerabilities and disruptions.	D9's Investee Companies need to maintain and develop their assets to deliver to customers. Significant supply chain pressure could lead to an inability to meet	As part of the procurement process, due diligence is conducted on third parties and SLAs are put in place to ensure the delivery of service. All	Moderate-to-High	Moderate	Stable

		customer contracts and/or delay in business development projects.	Investee Companies are now considering longer lead times in their planning and their boards continue to scrutinise planning. Inventory and accelerated capital growth investments have increased. In addition, they are managing supply chains more closely for a better understanding of vulnerabilities.			
7.	D9 acquires Digital Infrastructure Investments which operate in a highly regulated sector, and which will be subject to the different regulatory regimes of all the countries in which they operate.	Failure of D9's Investee Companies to comply with their regulatory obligations and/or maintain a relevant permit or licence may result in sanctions from the applicable regulator including fines and/or the revocation of its authorisation to provide services. This could result in the relevant infrastructure ceasing to be operable and possibly subject to decommissioning requirements which may in turn, have a material adverse	Experts are engaged to ensure compliance with all relevant regulations. Thorough due diligence is carried out prior to completing on investments to assess the regulatory environment and how compliance is maintained. After completion, the Investment Manager and Investee Companies maintain a frequent and ongoing dialogue on the subject to ensure compliance and preparedness	Moderate-to-High	Low-to-Moderate	Stable

		effect on the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.	for any change. This includes a number of compliance KPIs which form part of regular portfolio monitoring meetings.			
8.	Reliance on the Investment Manager.	We rely on the Investment Manager's services and its reputation in the Digital Infrastructure market. As a result, our performance will, to a large extent, depend on the Investment Manager's abilities in the market. Termination of the Investment Management Agreement would severely affect our ability to effectively manage our operations and may have a negative impact on the share price of the Company.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not les s than 12 months' written notice, with such notice not to expire before the fourth anniversary of the date of admission. The Board will regularly review and monitor the Investment Manager's performance. In addition, the Board meets regularly with the Investment Manager to ensure that we maintain a positive working relationship.	Moderate	Moderate-to High	Increase This risk has increased as the Investment Manager is engaged in several processes on behalf of the Company seeking complementary sources of capital to help fulfil the growth capital expenditure pipeline of the Investee Companies.
9.	An Investee Company counterparty may become insolvent, be unable to make contractual payments or terminate a contract early.	Issues may arise with counterparties that could affect their ability to make contractual payments or result in the early termination of such projects due to counterparty insolvency. This could result in a material	Prior to investing in a Digital Infrastructure Investment, the Investment Manager will undertake due diligence to assess the material contracts in place, including termination	Moderate	Low	Stable

		effect on the Group's revenue stream, resulting in a material adverse effect on the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.	provisions and whether any such contracts are close to termination. Where possible, the Investment Manager will seek to build in suitable mechanisms to protect the Group's income stream, including the diversification of its investments. Further, the number of Counterparties in respect of a particular Digital Infrastructure Investment may be significantly diversified so as to reduce the impact of a Counterparty terminating an agreement at will or deciding not to renew such contract on expiry.			

Emerging Risks

Emerging risks are characterised by a degree of uncertainty, having been highlighted at the periodic risk review meetings. The Board receive a quarterly risk report highlighting such risks, with the best insights available. These may later be added to the main risk register and assessed in the usual way or be deemed no longer relevant.

Introduction of, or amendment to laws, regulations, or technology (especially in relation to climate change)

The global ambition for a more sustainable future has never been greater. There is increasing pressure for governments and authorities to enforce green-related legislation. This could materially affect organisations which are not set up to deal with such changes in the form of financial penalties, operational and capital expenditure to restructure operations and infrastructure, or even ceasing of certain activities.

As part of our purpose-driven investment strategy and thorough ESG due diligence process, we will continue to actively seek acquisitions that deliver on sustainability targets and are aligned with our ambition to decarbonise Digital Infrastructure.

Development of disruptive technology

The digital infrastructure sector is constantly evolving. As a result, there is a risk that disruptive technology emerges which results in current digital infrastructure assets becoming obsolete. We constantly monitor the emerging technology trends with digital infrastructure to ensure Investee Companies evolve their business models where required and new investment opportunities are accurately assessed.

Going Concern and Viability

Going Concern

The Company's business activities, together with the factors likely to affect its investments its future development, performance and position are set out in the Strategic report and in the financial statements and related Notes to our Annual Report and Accounts to 31 December 2022. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the financial statements and related Notes to the accounts. In addition, Note 19 to the accounts includes the Company's policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Board have made an assessment of going concern, taking into account a wide range of information relating to present and future conditions, including the Company's cash and liquidity position, current performance and outlook, which has considered the ongoing geopolitical uncertainties arising from the war in Ukraine, the volatile macro landscape and existing inflationary pressures and current and expected financial commitments using information available to the date of issue of these Financial statements.

The Group has targeted high-quality digital infrastructure investments and will continue to analyse investment opportunities to ensure that they are the right fit for the Group. The Company has liquid resources and a strong investment portfolio with an expectation of medium-term capital growth.

During the year the Company has invested £605 million of cash (£768 million including the VLN) including transaction costs. At 31 December 2022, liquidity remained positive at £55 million, the cash balance of the Company at year end was £30 million, the remaining uninvested cash of £25 million is held by its wholly owned subsidiary Digital 9 Holdco Limited for investment purposes. Including the undrawn element of the RCF, restricted and unrestricted cash throughout the Group (not including Investee Companies), the Company had £117 million at 31 December 2022.

The Company, through its subsidiary undertakings, had an expected investment commitment of £46 million, relating to growth capital expenditure requirements at Aqua Comms, Verne Global London and EMIC-1. The Company had ongoing charges of £10 million and an OCR of 1.10% in the year to 31 December 2022, detailed in Note 7 to the financial statements, which are indicative of the ongoing charges run rate for the short-term.

Although not a commitment, the Company has announced a continued dividend target for the financial year ending 31 December 2023 of 6.0 pence per share. Income and non-income cash is expected to be received from the portfolio investments during the coming year, some of which will be required to support the payment of this dividend target and the Company's other financial commitments. As mentioned above the Company continues to explore complementary sources of capital to help fulfil the growth capital expenditure pipeline of the Investee Companies. Any proceeds raised, may also be used to underpin the Company's dividend and expenses in the financial year ending 31 December 2023.

The Board believes that there are currently no material uncertainties in relation to the Company's ability to continue for a period of at least 12 months from the date of the approval of the Company's financial statements and, therefore, has adopted the going concern basis in the preparation of the financial statements, please see Note 2 of the financial statements for more information.

Viability Statement

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Group over a period longer than 12 months required by the relevant "Going Concern" provisions. The Board has considered the nature of the Group's assets and liabilities, and associated cash flows, and has determined that five years, up to 31 December 2027, is the maximum timescale over which the performance of the Group can be forecast with a material degree of accuracy and therefore is the appropriate period over which to consider the viability.

In determining this timescale, the Board has considered the following:

- That the business model of the Group assumes the future growth in its investment portfolio through the acquisition of a diversified portfolio of digital infrastructure investments which are intended to be held for the duration of the viability period.

- On 9 March 2022 the Company secured a floating rate RCF with an initial term of three years which may be extended by a further year to March 2026.

- Market Comparisons have been considered to similar funds in the infrastructure space who apply a five-year forecast in their viability statements. It would seem appropriate to benchmark to similar funds.

- In assessing the Company's viability, we carried out a robust assessment of the emerging risks and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, liquidity and dividend cover for a five-year period.

In assessing the Company's viability, the Board has carried out a robust assessment of the emerging risks and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, liquidity and dividend cover for a five-year period. The Board considered the potential impact on the Company of a number of scenarios in addition to the Company's business plan and recent Investee Company forecasts, which quantify the financial impact of the principal risks occurring. The Directors' assessment has been made with reference to the principal risks and uncertainties and emerging risks summarised above and how they could impact the prospects of the Company both individually and in aggregate.

The business model was subject to a sensitivity analysis, which involved flexing a number of key assumptions underlying the forecasts. The sensitivities performed were designed to provide the Directors with an understanding of the Company's performance in the event of a severe but plausible downturn scenario, taking full account of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks outlined below:

- Inflation: 8% for 2023, 4% for 2024, 2025 and return to long-term target of 2% thereafter.
- Interest rates: increase the margin by 1.00% in response to the current economic climate.
- Distributions from investments: apply a discount of 16% to all portfolio investments. This figure is arrived at by removing each investment's largest revenue contributor indefinitely from the revenue stream. We have then weighted the Net Operating Profit After Tax ("NOPAT") margin to the revenues generated from those customers to arrive at a D9 weighted NOPAT margin from its revenue-generating investments.
- Portfolio valuations: apply a discount of 16% to the portfolio valuations, in line with the loss in dividends paid up to D9.

The outcome in the downturn scenario on the Company's covenant testing is that there are no breaches, and the Company can maintain a covenant headroom on the existing facility.
In the downturn scenario mitigating actions would be to reduce variable costs to enable the Group to meet its future liabilities.

The remaining principal risks and uncertainties, whilst having an impact on the Company's business, are not considered by the Directors to have a reasonable likelihood of impacting the Company's viability over the five-year period.

The long-term resilience of the Company, beyond the Viability statement period, comes from the effective implementation of our business model, continuing to support our Investee Companies growth ambitions and the consistent delivery of our strategic objectives. As the Investee Companies move into their stabilisation phase, we expect them to generate long-term sustainable revenues which will underpin the Company's dividends.

Board Approval of the Strategic Report

The Strategic Report has been approved by the Board of Directors and signed on its behalf by the Chair.

Phil Jordan
Chair
8 March 2023

AUDITED ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2022

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

		Year ended 31 December 2022			8 January to 31 December 2021		
		Revenue	Capital	Total	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Income from investments held at fair value	5	4,129	-	4,129	2,923	-	2,923
Gains on investments held at fair value	9	-	97,228	97,228	-	45,502	45,502
Other income		773	-	773	-	-	-
Interest income		-	-	-	14	-	14
Total income		**4,902**	**97,228**	**102,130**	**2,937**	**45,502**	**48,439**
Expenses							
Acquisition expenses		-	-	-	-	(5,516)	(5,516)
Investment management fees	6	(5,802)	(1,934)	(7,736)	(2,214)	(738)	(2,952)
Other operating expenses	7	(2,323)	-	(2,323)	(1,012)	(648)	(1,660)
Total operating expenses		**(8,125)**	**(1,934)**	**(10,059)**	**(3,226)**	**(6,902)**	**(10,128)**
Operating (loss)/profit		**(3,223)**	**95,294**	**92,071**	**(289)**	**38,600**	**38,311**
Finance expense		(2)	-	(2)	(2)	-	(2)
(Loss)/profit on ordinary activities before taxation		**(3,225)**	**95,294**	**92,069**	**(291)**	**38,600**	**38,309**
Taxation	8	-	-	-	-	-	-
(Loss)/profit and total comprehensive (expense)/income attributable to shareholders		**(3,225)**	**95,294**	**92,069**	**(291)**	**38,600**	**38,309**

(Loss)/earnings per ordinary share							
- basic and diluted (pence)	22	**(0.39p)**	**11.48p**	**11.09p**	**(0.07p)**	**9.84p**	**9.77p**

The total column of this statement is the Statement of Comprehensive Income of Digital 9 Infrastructure Plc ("the Company") prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("EU"). The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

All revenue and capital items in the above statement derive from continuing operations. The Company does not have any other income or expenses that are not included in the net profit for the year. The net profit for the year disclosed above represents the Company's total comprehensive income.

This Statement of Comprehensive Income includes all recognised gains and losses.

The accompanying notes form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 December 2021 £'000	31 December 2021 £'000
Non-current assets			
Investments at fair value through profit or loss	9	920,971	746,229
Total non-current assets		**920,971**	**746,229**
Current assets			
Trade and other receivables	10	1,417	228
Cash and cash equivalents	11	30,001	11,311
Total current assets		**31,418**	**11,539**
Total assets		**952,389**	**757,768**
Current liabilities			
Trade and other payables	12	(2,769)	(1,912)
Total current liabilities		**(2,769)**	**(1,912)**
Total net assets		**949,620**	**755,856**
Equity attributable to equity holders			
Stated capital	13	819,242	717,547
Capital reserve		133,894	38,600
Revenue reserve		(3,516)	(291)
Total Equity		**949,620**	**755,856**
Net asset value per ordinary share - basic and diluted	23	**109.76p**	**104.62p**

The Financial Statements were approved and authorised for issue by the Board on 8March 2023 and signed on its behalf by:

Phil Jordan
Chair
8 March 2023

The accompanying notes form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Note	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
Balance at 8 January 2021		-	-	-	**-**
Transactions with owners					
Ordinary shares issued	13	750,000	-	-	**750,000**
Share issue costs		(14,616)	-	-	**(14,616)**
Dividends paid	14	(17,837)	-	-	**(17,837)**
Profit/(loss) and total comprehensive income/(expense) for the period		-	38,600	(291)	**38,309**
Balance at 31 December 2021		**717,547**	**38,600**	**(291)**	**755,856**

	Note	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
Balance at 31 December 2021		717,547	38,600	(291)	**755,856**
Transactions with owners					
Ordinary shares issued	13	155,201	-	-	**155,201**
Share issue costs		(3,232)	-	-	**(3,232)**
Dividends paid	14	(50,274)	-	-	**(50,274)**
Profit/(loss) and total comprehensive income/(expense) for the period		-	95,294	(3,225)	**92,069**
Balance at 31 December 2021		**819,242**	**133,894**	**(3,516)**	**949,620**

The accompanying notes form part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	Year ended 31 December 2022	8 January 2021 to 31 December 2021 £'000
Cash flows from operating activities			
Profit on ordinary activities before taxation		92,069	38,309
Adjustments for:			
Gains on investments held at fair value	9	(97,228)	(45,502)
Cash flow used in operations		**(5,159)**	**(7,193)**

Increase in trade and other receivables	10	(1,189)	(228)
Increase in trade and other payables	12	871	1,898
Net cash outflow from operating activities		**(5,477)**	**(5,523)**
Cash flows from investing activities			
Loans to subsidiaries		(29,105)	-
Purchase of investments at fair value through profit or loss	9	(48,409)	(667,739)
Net cash flow used in investing activities		**(77,514)**	**(667,739)**
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares	13	155,201	717,012
Dividends paid	14	(50,274)	(17,837)
Cost of issue of shares	13	(3,246)	(14,602)
Net cash flow generated from financing activities		**101,681**	**684,573**
Net increase in cash and cash equivalents		**18,690**	**11,311**
Reconciliation of net cash flow to movements in cash and cash equivalents			
Cash and cash equivalents at 8 January 2021		**11,311**	-
Net increase in cash and cash equivalents		18,690	11,311
Cash and cash equivalents at end of the year	11	**30,001**	**11,311**

The accompanying notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. CORPORATE INFORMATION

Digital 9 Infrastructure plc (the "Company" or "D9") is a Jersey registered alternative investment fund, and it is regulated by the Jersey Financial Services Commission as a "listed fund" under the Collective Investment Funds (Jersey) Law 1988 (the "Funds Law") and the Jersey Listed Fund Guide published by the Jersey Financial Services Commission. The Company is registered with number 133380 under the Companies (Jersey) Law 1991.

The Company is domiciled in Jersey and the address of its registered office, which is also its principal place of business, is 26 New Street, St Helier, Jersey, JE2 3RA. The Company is tax domiciled in the United Kingdom.

The Company was incorporated on 8 January 2021 and is a Public Company. The Company's Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange under the ticker DGI9 on 31 March 2021. It was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 30 August 2022.

The Company's principal activity is investing in a diversified portfolio of critical digital infrastructure assets which contribute to improving global digital communications whilst targeting sustainable income and capital growth for investors.

These financial statements comprise only the results of the Company, as its investment in Digital 9 Holdco Limited ("D9 Holdco") is measured at fair value through profit or loss.

2. BASIS OF PREPARATION

Basis of Preparation

These financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Where presentational guidance set out in the Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") is consistent with the requirements of International Financial Reporting Standards ("IFRS") the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the AIC SORP. In particular, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the total Statement of Comprehensive Income.

The functional and reporting currency is sterling, reflecting the primary economic environment in which the Company operates. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date.

The financial statements have been prepared on a historical cost basis, except for the following:

• Investments at fair value through profit or loss

The accounting policies adopted are consistent with those of the previous financial year.

(a) Going concern

The Financial statements are prepared on a going concern basis as disclosed in the [Strategic] report, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. The Directors have made an assessment of going concern, taking into account a wide range of information relating to present and future conditions, including the Company's cash and liquidity position, current performance and outlook, which has considered the ongoing geopolitical uncertainties arising from the war in Ukraine, the volatile macro landscape and existing inflationary pressures and current and expected financial commitments using information available to the date of issue of these Financial statements.

As part of this assessment the Directors considered an analysis of the adequacy of the Company's liquidity, solvency and capital adequacy. As at 31 December 2022, the Group had a total cash balance of £73.6 million and the Company had a cash balance of £30 million. Of this balance, restricted cash was £18.1 million and unrestricted cash was £55.5 million. The Company also had £43.8 million remaining undrawn on its RCF, plus a further uncommitted accordion of £125 million. Following the period end, the Group drew a further £25 million on it's available RCF balance. The Company is well progressed in the arrangement of repayment of one of its existing shareholder loans from its investee companies, this repayment will add to the Company's cash on hand and provide additional unrestricted cash for the Company.

Uncertainty around the valuation of the Company's assets as set out in the Key estimation uncertainties section was considered. The valuation policy and process was consistent with the Company's Interim Results, which saw a change to methodology. The Company takes a Free Cash Flow to Equity approach, applying the cost of equity as the discount rate to the relevant equity cash flows, rather than a blended WACC including the cost of debt.

This year, a key focus of the portfolio valuations at 31 December 2022 was an assessment of the impact of the macroeconomic environment on the operational and financial performance of each portfolio company. In particular this focused on increasing inflationary pressures, volatility in power prices, and ongoing geopolitical uncertainties. We have incorporated into our cash flow forecasts a balanced view of future income receipts and expenses and also considered future syndication opportunities for the portfolio.

In relation to Investee Company level debt, a term sheet has been agreed for a $100 million facility to be provided to one of the high growth Investee Companies, the proceeds of which will be used to finance accretive growth opportunities, and to repay a Company shareholder loan, increasing liquidity at the Company. The Company may use the proceeds to reduce the drawings of the Group's RCF.

The Directors also considered the Company's existing financial commitments. The Company had follow on investment commitments at 31 December 2022 totalling c.£46 million in Aqua Comms, Verne Global London and EMIC-1. The Company had ongoing charges of £10 million in the year to 31 December 2022, these are indicative of the ongoing run rate in the short-term. In addition, while not a commitment at 31 December 2022, the Company has a dividend target for the financial year ending 31 December 2023 of 6.0 pence per share.[30]

The major cash outflows of the Company are the payment of fees and costs relating to the acquisition of new assets, both of which are discretionary. The Directors have reviewed Company forecasts and pipeline projections which cover a period of at least 12 months from the date of approval of this report, considering foreseeable changes in investment and the wider pipeline. In addition to the considerations listed above there are a number of mitigating actions within management control to enhance available liquidity. These include seeking to extend the maturity of available credit facilities, the timing of certain income receipts from the portfolio, in extreme downside scenarios the removal of dividend payments and the level and timing of new investments or realisations.

On the basis of this review, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of this report. Accordingly, the going concern basis continues to be adopted in preparing these financial statements.

The Company has assessed its position on the significant implications of Russia's invasion of Ukraine to its business. The most significant implication for the Group is the increase in power prices which affect the data centre operators given their power consumption.

Verne Global Iceland is isolated from wider European power price movements as it has a long-term contract with an Icelandic power provider with fixed uplifts. Meanwhile, Verne Global Finland's (previously Ficolo Oy) performance is impacted given the market instability and Finland's proximity to Russia which did result in delays to customer decisions and growth during 2022 would have been higher without these factors. Verne Global London (previously Volta) is most affected by power price given it is on UK grid, which although does not get much of its power from Russia unlike other European countries, is not isolated from wider market movements. There are secondary impacts as a result of spiking Nord Pool prices. Verne Global London has re-negotiated some of the contracts to pass on the increased costs to its customers.

(b) Investment entities

The sole objective of the Company and through its subsidiary D9 Holdco is to acquire Digital Infrastructure Projects, via individual corporate entities. D9 Holdco will issue equity and loans to finance its investments in the Digital Infrastructure Projects.

The Directors have concluded that in accordance with IFRS 10, the Company meets the definition of an investment entity having evaluated against the criteria presented below that needs to be met. Under IFRS 10, investment entities are required to hold financial investments at fair value through profit or loss rather than consolidate them on a line-by-line basis. There are three key conditions to be met by the Company for it to meet the definition of an investment entity.

For each reporting period, the Directors will continue to assess whether the Company continues to meet these conditions:

1. It obtains funds from one or more investors for the purpose of providing these investors with

professional investment management services;

2. It commits to its investors that its business purpose is to invest its funds solely for returns (including having an exit strategy for investments) from capital appreciation, investment income or both; and
3. It measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company satisfies the first criteria as it has multiple investors and has obtained funds from a diverse group of shareholders for the purpose of providing them with investment opportunities to invest in a large pool of digital infrastructure assets.

In satisfying the second criteria, the notion of an investment timeframe is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. The intention of the Company is to seek equity interests in digital infrastructure projects that have an indefinite life; the underlying assets that it invests in will have a medium to long term expected life. The exit strategy for each asset will depend on the characteristics of the assets, transaction structure, exit price potentially achievable, suitability and availability of alternative investments, balance of the portfolio and lot size of the assets as compared to the value of the portfolio. Whilst the Company intends to hold the investments on a medium to long-term basis, the Company may also dispose of the investments should an appropriate opportunity arise where, in the Investment Manager's opinion, the value that could be realised from such disposal would represent a satisfactory return on the investment and enhance the value of the Company as a whole.

The Company's Investment Manager, and the Company's Board will regularly review the market and consider whether any disposals should be made.

The Company satisfies the third criteria as it measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

In assessing whether it meets the definition, the Company shall also consider whether it has the following typical characteristics of an investment entity:

a) it has more than one investment
b) it has more than one investor
c) it has investors that are not related parties of the entity
d) it has ownership interests in the form of equity or similar interests.

As per IFRS 10 a parent investment entity is required to consolidate subsidiaries that are not themselves investment entities and whose main purpose is to provide services relating to the entity's investment activities.

The Directors have assessed whether D9 Holdco satisfies those conditions set above by considering the characteristics of the whole group structure, rather than individual entities. The Directors have concluded that the Company and D9 Holdco are formed in connection with each other for business structure purposes. When considered together, both entities display the typical characteristics of an investment entity.

The acquisitions made during the period and changes in the group structure have not impacted the management's judgement and conclusion over the IFRS 10 investment entity application and the Company has applied the same accounting policies described.

The Directors are therefore of the opinion that the Company meets the criteria and characteristics of an investment entity and therefore, subsidiaries are measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value Measurement", IFRS 10 "Consolidated Financial Statements" and IFRS 9 "Financial

Instruments".

(c) New and amended standards adopted by the Company

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards. Management do not expect the new or amended standards will have a material impact on the Company's financial statements. The most significant of these standards are set out below:

New standards and amendments - applicable 1 January 2022

(a) Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use.

(b) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract.

(c) Amendments to IFRS 3 Business Combination: Reference to the Conceptual Framework.

(d) Annual Improvements to IFRS Standards 2018-2020.

FORTHCOMING REQUIREMENTS

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2022.

(a) IFRS 17 Insurance Contracts

(b) Classification of Liabilities as Current or Non-current - Amendments to IAS 1

(c) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

(d) Definition of Accounting Estimates - Amendments to IAS 8

(e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

(f) Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Financial Instruments*

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are to be derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for de-recognition in accordance with IFRS 9 Financial Instruments.

The Company did not use any derivative financial instruments during the period.

(i) Financial assets

The Company's investment in D9 Holdco comprises both equity and debt. The Company classifies its financial assets as either investments at fair value through profit or loss or financial assets at amortised cost (e.g. cash and cash equivalents and trade and other receivables). The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

(ii) Financial asset at fair value through profit or loss

At initial recognition, the Company measures its investments through its investment in D9 Holdco, at fair value through profit or loss and any transaction costs are expensed to the Statement of Comprehensive Income. The Company will subsequently continue to measure all investments at fair value and any changes in the fair value are to be recognised as unrealised gains or losses through profit or loss within the capital column of the Statement of Comprehensive Income.

IFRS 13 defines fair value as 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 (an exit price). When measuring fair value, the Company takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date, including assumptions about risk.

(iii) Financial liabilities and equity

Debt and equity instruments are measured at amortised cost and are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

All financial liabilities are classified as at amortised cost. These liabilities are initially measured at fair value less transaction costs and subsequently using the effective interest method.

(iv) Equity instruments

The Company's Ordinary Shares are classified as equity under stated capital and are not redeemable. Costs associated or directly attributable to the issue of new equity shares, including the costs incurred in relation to the Company's IPO on 31 March 2021 and its subsequent equity raises, are recognised as a deduction in equity and are charged against stated capital.

(b) Finance income

Finance income is recognised using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset unless the assets subsequently became credit impaired. In the latter case, the effective interest rate is applied to the amortised cost of the financial asset. Finance income is recognised on an accrual basis.

(c) Finance expenses

Borrowing costs are recognised in the Statement of Comprehensive Income in the period to which they relate on an accruals basis.

(d) Fair value estimation for investments at fair value

The fair value of financial investments at fair value through profit or loss is based on the valuation models adjusted in accordance with the IPEV (International Private Equity and Venture Capital) valuation guidelines where appropriate to comply with IFRS 13.

The Company records the fair value of D9 Holdco by calculating and aggregating the fair value of each of the individual investments in which the Company holds an indirect investment. The total change in the fair value of the investment in D9 Holdco is recorded through profit and loss within the capital column of the Statement of Comprehensive Income.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held on call with banks. Deposits to be held with original maturities of greater than three months are included in other financial assets. Cash and cash equivalents are measured at amortised cost using the effective interest method and assessed for expected credit losses at each reporting date.

There are no material expected credit losses as the bank institution has high credit ratings assigned by international credit rating agencies.

(f) Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except where maturities are greater than 12 months after the reporting date, in which case they are to be classified as non-current assets.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the relevant asset's carrying amount.

Impairment provisions for all receivables are recognised based on a forward-looking expected credit loss model using the simplified approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12 month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(g) Amortised costs

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(h) Trade and other payables

Trade and other payables are classified as current liabilities if payment is due within one year or less from the end of the current accounting period. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method until settled.

(i) Segmental reporting

The Chief Operating Decision Maker (the "CODM") being the Board of Directors, is of the opinion that the Company is engaged in a single segment of business, being investment in Digital Infrastructure Projects.

The internal financial information to be used by the CODM on a quarterly basis to allocate resources, assess performance and manage the Company will present the business as a single segment comprising the portfolio of investments in digital infrastructure assets.

(j) Foreign currency transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income as a revenue or capital item depending on the income or expense to which they relate.

All exchange differences recognised in income or expenses, except for those arising on financial instruments measured at fair value through profit or loss in accordance with IFRS 9, is on an aggregate net basis. The total amount of exchange differences recognised in income or expenses includes exchange differences recognised on subsequent settlement and re-translation to the closing rate on balances arising from foreign currency transactions.

(k) Revenue recognition

Gains and losses on fair value of investments in the Statement of Comprehensive Income will represent gains or losses that arise from the movement in the fair value of the Company's investment in D9 Holdco.

Investment income comprises dividend income received from the Company's subsidiary. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Other income is recognised to the extent that the economic benefits will flow to the Company and the income can be reliably measured. Income is measured as the fair value of consideration received or receivable, excluding discounts, rebates and value added tax. Other Income comprises fees charged to Investee Companies under a Management Services Agreement. Other Income is recognised 100% through revenue.

Dividend income receivable on equity shares is recognised on the ex-dividend date. Dividend income on equity shares where no ex-dividend date is quoted is brought into account when the Company's right to receive payment is established.

(l) Dividends

Dividends payable are recognised as distribution in the financial statements in the period in which they are paid or when the Company's obligation to make payment has been established.

(m) Fund Expenses

Expenses are accounted for on an accruals basis. Share issue costs of the Company directly attributable to the issue and listing of shares are charged to stated capital. The Company's investment management fee, administration fees and all other expenses are charged through the Statement of Comprehensive Income.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC SORP, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and a capital nature has been presented alongside the Statement of Comprehensive Income.

Expenses have been charged wholly to the revenue column of the Statement of Comprehensive Income, except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital.
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- the investment management fee has been allocated 75% to revenue and 25% to capital on the Statement

of Comprehensive Income in line with the Board's expected long-term split of returns, in the form of income and capital gains respectively, from the investment portfolio.

(n) Acquisition costs and disposals

In line with SORP, acquisition costs and disposals are expensed to the capital column of the Statement of Comprehensive Income as they are incurred for investments which are held at fair value through profit or loss.

(o) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

Where expenses are allocated between the capital and revenue accounts, any tax relief in respect of expenses is allocated between capital and revenue returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to pay less taxation in the future have occurred at the financial reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(p) Earnings per share

The Company presents basic and diluted earnings per share ("EPS").

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It is possible that actual results may differ from these estimates.

(a) **Significant accounting judgements**

(i) Investment entity

As discussed above in Note 2(b), the Company meets the definition of an investment entity as defined in IFRS 10 and therefore its subsidiary entities have not been consolidated in these financial statements.

(b) **Key sources of estimation uncertainty**

The estimates and underlying assumptions underpinning our investments are reviewed on an ongoing basis by both the Board and the Investment Manager. Revisions to any accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Fair value measurement of investments at fair value through profit or loss

The fair value of investments in Digital Infrastructure Projects is calculated by discounting at an appropriate discount rate future cash flows expected to be generated by the trading subsidiary companies and received by D9 Holdco, through dividend income, equity redemptions and Shareholder loan repayments or restructurings and adjusted in accordance with the IPEV (International Private Equity and Venture Capital) valuation guidelines where appropriate to comply with IFRS 13 and IFRS 9.

Estimates such as the forecasted cash flows of the investments, are believed to be reasonable, the results of which form the basis of making judgements about the fair value of assets not readily available from other sources. Discount rates used in the valuation represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile.

The discounted cash flow from revenue is forecasted over an eight to 15 year period followed by a terminal value based on a long-term growth rate or exit multiples. The discounted cash flow comprises a bottom-up analysis of the weighted average cost of capital over time, using unobservable inputs; and calculation of the appropriate beta based on comparable listed companies.

A broad range of assumptions are used in the Company's valuation models, which are arrived at by reviewing and challenging the business plans of the Investee Companies with their management. The Investment Manager exercises its judgement and uses its experience in assessing the expected future cash flows from each investment and long-term growth rates. The impact of changes in the key drivers of the valuation are set out below.

The following significant unobservable inputs were used in the model:

<u>Inflation</u>
A long-term inflation sensitivity of plus and minus 1% is presented above.

<u>Interest rates</u>
The valuations are sensitive to changes in interest rates, a sensitivity of 1% has been applied to interest rates applicable to the floating rate debt across the Company's portfolio.

<u>Discount rates</u>

The Investment Manager considers a variance of plus or minus 1% is to be a reasonable range of alternative assumptions for discount rates.

The Company has also carried out sensitivity analysis of these unobservable inputs and the results are disclosed in Note 9.

5. INVESTMENT INCOME

	Year ended 31 December 2022	8 January 2021 to 31 December 2021 £'000
UK dividends	3.226	2,923
Loan interest income	903	-
	4,129	**2,923**

6. INVESTMENT MANAGEMENT FEES

	Year ended 31 December 2022			8 January 2021 to 31 December 2021		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Management fees	5,802	1,934	7,736	2,214	738	2,952
Total management fees	**5,802**	**1,934**	**7,736**	**2,214**	**738**	**2,952**

The Company and the Investment Manager entered into an Investment Management Agreement on 8 March 2021 and a Side Letter dated 17 March 2021.

The Company and Triple Point Investment Management LLP (the "Investment Manager") have entered into the Investment Management Agreement pursuant to which the Investment Manager has been given responsibility, subject to the overall supervision of the Board, for active discretionary investment management of the Company's Portfolio in accordance with the Company's Investment Objective and Policy.

The Investment Manager is appointed to be responsible for risk management and portfolio management and is the Company's AIFM. The Investment Manager has full discretion under the Investment Management Agreement to make investments in accordance with the Company's Investment Policy from time to time.

This discretion is, however, subject to: (i) the Board's ability to give instructions to the Investment Manager from time to time; and (ii) the requirement of the Board to approve certain investments where the Investment Manager has a conflict of interest in accordance with the terms of the Investment Management Agreement.

With effect from 31 March 2021, the date of admission of the Ordinary Shares to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, the Company shall pay the Investment Manager a management fee (the "Annual Management Fee") calculated, invoiced and payable quarterly in arrears based on the Adjusted Net Asset Value which is based on funds deployed and committed at the relevant quarter date.

The total amount accrued and due to Triple Point at the year-end was £2.2 million (2021: £1.3 million).

The management fee is calculated at the rates set out below:

Adjusted Net Asset Value	**Annual Management Fee (percentage of Adjusted Net Asset Value)**

On such part of the Adjusted Net Asset Value that is up to and including GBP 500 million	1.0%
On such part of the Adjusted Net Asset Value that is above GBP 500 million and up to and including GBP 1 billion	0.9%
On such part of the Adjusted Net Asset Value that exceeds GBP 1 billion	0.8%

7. OTHER OPERATING EXPENSES

	Year ended 31 December 2022	8 January 2021 to 31 December 2021
		£'000
Allocated to Revenue:		
Legal and professional fees	344	153
Auditors' fees - audit services [1]	257	180
Auditors' fees - non-audit services [2]	120	111
Directors' fees	261	181
Administration and company secretarial fees	207	163
Premium segment admission costs	677	-
Other administrative expenses	457	224
	2,323	**1,012**
Allocated to Capital:		
Aborted deals costs	-	648
	2,323	**1,660**

1 - Fees presented include VAT but exclude audit fees on the financial statements of subsidiaries totaling £429,000 (2021 - £271,000).

2 - Fees for non-audit services relate to the review of interim financial statements and limited assurance on environmental, social and corporate governance. Total fees for non-audit services performed by the Company's auditors for the subsidiary companies was £Nil (2021 - £166,000).

8. TAXATION

The Company is registered in Jersey, Channel Islands but resident in the United Kingdom for taxation. The standard rate of corporate income tax currently applicable to the Company is 19% (2021 - 19%).

The financial statements do not directly include the tax charges for the Company's intermediate holding company, as D9 Holdco is held at fair value. D9 Holdco is subject to taxation in the United Kingdom.

The tax charge for the period is less than the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below.

	Year ended 31 December 2022			8 January 2021 to 31 December 2021		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net (loss)/profit before tax	(3,225)	95,294	92,069	(291)	38,600	38,309
Tax at UK corporation tax						

standard rate of 19%	(613)	18,106	17,493	(55)	7,334	7,279
Effects of:						
Gain on financial assets not taxable	-	(18,473)	(18,473)	-	(8,645)	(8,645)
Exempt UK dividend income	(613)	-	(613)	(555)	-	(555)
Expenses not deductible for tax purposes	138	-	138	-	1,048	1,048
Other disallowed expenses	-	-	-	-	123	123
Unutilised management expenses	1,088	367	1,455	610	140	750
	-	-	-	-	-	-

Investment companies which have been approved by HM Revenue & Customs under section 1158 of the Corporation Tax Act 2010 are exempt from tax on capital gains. The Directors are of the opinion that the Company has complied with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010. The Company has not provided for deferred tax on any capital gains or losses arising on the revaluation of investments.

The Company has unrelieved excess management expenses of £11.5 million (2021 - £4 million). It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

The unrecognised deferred tax asset calculated using a tax rate of 25% amounts to £2 million (2021 - £1 million). The Finance Act 2021 received Royal Assent on 10 June 2021 and the rate of Corporation Tax of 25% effective from 1 April 2023 has been used to calculate the potential deferred tax asset.

9. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

As set out in Note 2, the Company designates its interest in its wholly owned direct subsidiary as a financial asset at fair value through profit or loss.

Summary of the Company's valuation:

	Total
	£'000
At 31 December 2022:	
Opening balance 1 January 2022	746,229
Equity investments in D9 Holdco[1]	48,409
Debt investments in D9 Holdco	29,105
Change in fair value of investments	97,228
As at 31 December 2022	**920,971**
At 31 December 2021:	
Opening balance on incorporation	-
Investments in D9 Holdco[1]	700,727
Change in fair value of investments	45,502
As at 31 December 2021	**746,229**

1 D9 Holdco was incorporated as a 100% subsidiary undertaking and the amount reflects the Company's investments through D9 Holdco

As outlined above, the Company made both equity and debt investments during the period. The Company views the equity and debt instruments as one investment and measures the performance of these investments together. Therefore, the Company's equity and debt investments are presented as investment at fair value through profit or loss in the Statement of Financial Position.

Included in debt investments as at the year-end is a loan of £29.1 million (2021 - £Nil) due from D9 Holdco upon which interest is charged at a rate of Sterling Overnight Index Average (SONIA) plus a 3.75% margin. Interest of £0.9 million was charged during the year on the loan. The debt instrument is measured at fair value as at 31 December 2022.

During the period, the Company through its subsidiary companies made further investments and acquisitions as follows:

Date	D9 Subsidiaries[1]	Investments	Acquisition cost
Apr 2022	D9 DC Opco 1 Limited	Verne Global London - Owns a long leasehold property and data centre operator in Central London	£45.5m
Apr 2022	D9 Wireless Opco 1 Limited	Elio Networks - Operates fixed wireless access network in Dublin	€60.6m
Apr-Dec 2022	Digital 9 Holdco Limited	Provided Capex loans to Verne Global Iceland for the construction of data centres	£38.5m
Jan-Dec 2022	Digital 9 Subsea Limited	EMIC 1 - progress payments for the construction of Subsea cables	$18.9m
Sep-Dec 2022	Digital 9 Holdco Limited	Provided Capex loans to Verne Global London for the construction of data centre	£4.4m
Nov 2022	Digital 9 Holdco Limited	Provided Capex loan to Aqua Comms for undersea cables construction	$5m
Aug-Dec 2022	Digital 9 Holdco Limited	Provided loans to Verne Global London	£3.7m
Jul 2022	D9 DC Opco 3 Limited	Verne Global Finland - Operates data centres in Finland	€135m
Oct 2022	D9 Wireless Opco 2 Limited	Acquired 48.02% voting stake in Arqiva Group Limited - network and communications service provider, the sole operator of digital terrestrial television and radio infrastructure in the United Kingdom	£300m

1 Subsidiaries of Digital 9 Holdco Limited are the companies that make acquisitions

Valuation process

The Investment Manager includes a team that is responsible for carrying out the fair valuation of financial assets for financial reporting purposes, including level 3 fair valuations. This valuation is presented to the Board for its approval and adoption. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year and is reported to Shareholders in the Annual Report and Financial Statements.

Valuation methodology

The Company owns 100% of its subsidiary D9 Holdco. The Company meets the definition of an investment entity as described by IFRS 10, as such the Company's investment in D9 Holdco is valued at fair value. D9 Holdco's cash, working capital balances and fair value of investments are included in calculating fair value of D9 Holdco. The Company acquires underlying investments in special purpose vehicles ("SPV") through its investment in D9 Holdco.

The Investment Manager has carried out fair market valuations of the SPV investments as at 31 December 2022 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations. All SPV investments are at fair value through profit or loss and are valued using the IFRS 13 framework for fair value measurement.

The following economic assumptions were used in the valuation of the SPVs.

The main Level 3 inputs used by the Group are derived and evaluated as follows:

- The Investment Manager uses its judgment in arriving at the appropriate discount rate using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessment. This is based on its knowledge of the market, considering intelligence gained from its bidding activities, discussions with financial advisers in the appropriate market and publicly available information on relevant transactions. The bottom-up analysis of the discount rate and the appropriate beta is based on comparable listed companies. For the Interim Report, after consultation with its advisers, the Company decided to make a slight change to its valuation methodology. Its investments are still being valued using a discounted cash flow approach, but they are now being valued on a Free Cash Flow to Equity ("FCFE") basis rather than Free Cash Flow to the Firm ("FCFF"). Where Investee Companies do not have leverage, for the FCFE model, the Investment Manager has used its knowledge of the market; combined with the ability of the Investee Companies' cash flows to support leverage on their balance sheets to apply an appropriate level of debt over the period. A cost of equity has been used as the discount rate, replacing a cost of capital. In theory, there should be no difference between the FCFE and FCFF approaches, but in practice there are minor variations. Going forward, the Company will continue to value its investments on a FCFE basis, incorporating the investment companies' debt structuring ambitions when confirmed by the respective Boards of those companies. The portfolio weighted average cost of equity for investments valued under the FCFE discounted cash flows approach is 12.64%. The cost of equity could decline further in the future as the portfolio companies benefit from lower operational risk as they execute on their growth plans.

- To calculate portfolio NAV, 98% of total NAV from investment companies is valued using the FCFE discounted cash flows approach with the remaining 2% of investments being valued at cost.

- Expected cash inflows are estimated based on terms of the contracts and the Company's knowledge of the business and how the current economic environment is likely to impact it taking into consideration of growth rate factors.

- Foreign exchange rates of GBP against USD, EUR and ISK

Fair value measurements

As set out above, the Company accounts for its interest in its wholly owned direct subsidiary as a financial asset at fair value through profit or loss.

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the Company's financial assets and financial liabilities measured and recognised at fair value at 31 December 2022 and 31 December 2021:

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Assets measured at fair value:					
Equity investment in D9 Holdco	31 December 2022	891,866	-	-	891,866
Debt investment in D9 Holdco	31 December 2022	29,105	-	-	29,105
Assets measured at fair value:					
Equity investment in D9 Holdco	31 December 2021	746,229	-	-	746,229

There have been no transfers between Level 1 and Level 2 during the period, nor have there been any transfers between Level 2 and Level 3 during the year.

The Company's investments are reported as Level 3 in accordance with IFRS 13 where external inputs are "unobservable" and value is the Directors' best estimate, based upon advice from relevant knowledgeable experts.

Fair value measurements using significant unobservable inputs (Level 3)

As set out within the significant accounting estimates and judgements in Note 3(b), the valuation of the Company's financial asset is an estimation uncertainty. The sensitivity analysis was performed based on the current capital structure and expected performance of the Company's investment in D9 Holdco. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the SPVs remains static throughout the modelled life. The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement and the changes to the fair value of the financial asset if these inputs change upwards or downwards by 1%:

Unobservable inputs	Valuation if rate increases by 1% £'000	Movement in valuation £'000	Valuation if rate decreases by 1% £'000	Movement in valuation £'000
Inflation	954,328	33,357	890,539	(30,432)
Interest rates	869,808	(51,163)	972,411	51,440
Discount rates	763,774	(157,197)	1,111,450	190,479

10. TRADE AND OTHER RECEIVABLES

	31 December 2022 £'000	31 December 2021 £'000
Amounts due from subsidiary undertakings	601	209
Other receivables	816	19
	1,417	**228**

The Directors consider that the carrying value of trade and other receivables approximate their fair value.

11. CASH AND CASH EQUIVALENTS

	31 December 2022 £'000	31 December 2021 £'000
Foreign currencies account	-	27
Cash at bank	30,001	11,284
	30,001	**11,311**

Foreign currency accounts refer to funds held in USD and Euro currencies. Foreign currency balances are subject to foreign currency exchange risks, but the risk is considered insignificant.

The Directors consider that the carrying value of cash and cash equivalents approximate their fair value.

12. TRADE AND OTHER PAYABLES

	31 December 2022 £'000	31 December 2021 £'000
Trade payables	216	-
Accruals	2,553	1,912
	2,769	**1,912**

The Directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are unsecured and due for payment within one year from the reporting date. £2.2 million (2021: £1.3 million) of the above accruals figure relates to fees payable to the Investment Manager.

13. STATED CAPITAL

Ordinary shares of no par value			**31 December 2021**
Allotted, issued and fully paid:	**No of shares**	**Price**	**£'000**
Allotted following admission to London Stock Exchange			
31 March 2021	300,000,000	100.0p	300,000
10 June 2021	166,666,667	105.0p	175,000
1 October 2021	255,813,953	107.5p	275,000
Ordinary Shares at 31 December 2021	**722,480,620**		**750,000**
Dividends paid (Note 14)			(17,837)
Share issue costs			(14,616)
Stated capital at 31 December 2021			**717,547**

			31 December 2022
Allotted, issued and fully paid:	**No of shares**	**Price**	**£'000**

As at 1 January 2022	**722,480,620**		**717,547**
Allotted during the period			
31 March 2021	88,148,880	108.0p	95,201
1 October 2021	54,545,454	110.0p	60,000
Ordinary Shares at 31 December 2022	**865,174,954**		**872,748**
Dividends paid (Note 14)			(50,274)
Share issue costs			(3,232)
Stated capital at 31 December 2022			**819,242**

Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all its liabilities, the shareholders are entitled to all of the residual assets of the Company.

On 28 January 2022, the Company raised gross proceeds of £95.2 million via the Placing of new Ordinary Shares at a price of 108.0p. Further 88,148,880 Ordinary Shares were admitted to trading on the London Stock Exchange.

On 8 July 2022, the Company announced it raised £60 million via a placing and offer for subscription of new ordinary shares at a price of 110.0p. Subsequently, 54,545,454 new ordinary shares were issued and admitted to trading on the London Stock Exchange.

14. DIVIDENDS

	Dividend per share	Year ended 31 December 2022 £'000	8 January 2021 to 31 December 2021 £'000
Dividend period 31 March 2021 to 30 June 2021	1.5 pence	-	7,000
Dividend period 1 July 2021 to 30 September 2021	1.5 pence	-	10,837
Dividends period 1 October 2021 to 31 December 2021	1.5 pence	12,159	-
Dividend period 1 January 2022 to 31 March 2022	1.5 pence	12,159	-
Dividend period 1 April 2022 to 30 June 2022	1.5 pence	12,978	-
Dividend period 1 July 2022 to 30 September 2022	1.5 pence	12,978	-
Total dividends paid		**50,274**	**17,837**

In addition to the above dividends, since year end the Directors have recommended the payment of an interim dividend of £12,977,624 equivalent to 1.50 pence per fully paid ordinary share. The aggregate amount of the proposed dividend expected to be paid on or around 31 March 2023 out of reserves at 31 December 2022, but not recognised as a liability at year end.

15. SUBSIDIARIES

At the reporting date, the Company had one wholly owned subsidiary, being its 100% investment in Digital 9 Holdco Limited. The following table shows subsidiaries of the Company. As the Company is regarded as an Investment Entity as referred to in Note 2, these subsidiaries have not been consolidated in the preparation of the financial statements.

Name	Place of business	% Interest	Principal activity	Registered office
Digital 9 Holdco Limited	UK	100%	Holding company	1 King William Street, London EC4N 7AF

The following companies are held by D9 Holdco Limited and its underlying subsidiaries:

Digital 9 DC Limited	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Fibre Limited	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Wireless Limited	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Subsea Holdco Limited	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Subsea Limited[1]	UK	100%	Subsea fibre optic network	1 King William Street, London EC4N 7AF
Digital 9 Seaedge Limited[2]	UK	100%	Leaseholding company	1 King William Street, London EC4N 7AF
D9 DC Opco 1 Limited[2]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
D9 DC Opco 2 Limited[2]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
D9 DC Opco CAN 1 Limited[14]	Canada	100%	Dormant	44 Chipman Hill Suite 1000 Saint John NB E2L 2A9 Canada
D9 DC Opco 3 Limited[2]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
D9 Wireless Opco 1 Limited[3]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
D9 Wireless Midco 1 Limited[3]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
D9 Wireless Opco 2 Limited[4]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
D9 Wireless Opco 3 Limited[3]	UK	100%	Dormant	1 King William Street, London EC4N 7AF
D9 Fibre Opco 1 Limited[13]	UK	100%	Dormant	1 King William Street, London EC4N 7AF
D9 Fibre Opco 2 Limited[13]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Giggle Fibre Limited[16]	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Giggle Broadband Limited[15]	Scotland	100%	Fibre broadband services	Floor 2, Framework Building, 124 St Vincent Street, Glasgow Scotland G2 5HF
Aqua Comms Designated Activity Company[1]	Ireland	100%	Holding company	The Exchange Building, 4 Foster Place, Dublin 2
Aqua Comms Connect Limited[5]	Ireland	100%	Intermediate holding company	The Exchange Building, 4 Foster Place, Dublin 2

America Europe Connect 2 Limited[5]	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect 2 Denmark ApS[5]	Denmark	100%	Subsea fibre optic network	c/o Bech-Bruun Langeline Alle 35, Copenhagen
North Sea Connect Denmark ApS[5]	Denmark	100%	Subsea fibre optic network	c/o Bech-Bruun Langeline Alle 35, Copenhagen
Aqua Comms Management (UK) Limited[5]	UK	100%	Management company	85 Great Portland Street, London W1W 7LT
Aqua Comms Denmark ApS[5]	Denmark	100%	Subsea fibre optic network	c/o Bech-Bruun Langeline Alle 35, Copenhagen
Aqua Comms (Ireland) Limited[5]	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect Limited[5]	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
Celtix Connect Limited[5]	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
Aqua Comms Management Limited[5]	Ireland	100%	Management company	The Exchange Building, 4 Foster Place, Dublin 2
Sea Fibre Networks Limited[5]	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
Aqua Comms (IOM) Limited[5]	Isle of Man	100%	Subsea fibre optic network	c/o PCS Limited, Ground Floor, Murdoch Chambers, South Quay, Douglas, IOM IM1 5AS
Aqua Comms (UK) Limited[5]	UK	100%	Subsea fibre optic network	85 Great Portland Street, London W1W 7LT
Aqua Comms Services Limited[5]	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect (UK) Limited[5]	UK	100%	Subsea fibre optic network	85 Great Portland Street, London W1W 7LT
America Europe Connect 2 USA Inc[5]	USA	49%	Subsea fibre optic network	251 Little Falls Drive, Wilmington, Delaware, 19808 USA
Aqua Comms (Americas) Inc[5]	USA	49%	Subsea fibre optic network	3500 South Dupont Highway, Dover, Delaware 19901 Kent, United States
Verne Holdings Limited[2]	UK	100%	Holding company	1 King William Street, London EC4N 7AF
Verne Global GmbH[17]	Germany	100%	Data centre solutions	Äußere Sulzbacher Straße 118, 90491 Nürnberg
Verne Global hf.[6]	Iceland	100%	Data centre operation	Valhallarbraut 868, 262 Reykjanesbaer, Iceland
Verne Global Ltd[17]	UK	100%	Data centre solutions	1 King William Street, London EC4N 7AF
Verne Global Inc.[17]	USA	100%	Data centre solutions	1825 Washington Street, Canton MA 02021 USA
GAData Holdings Limited[7]	Jersey	100%	Holding company	28 Esplanade, St Helier, Jersey JE3 3QA
Volta Data Centres Limited[8]	UK	100%	Data centre operator	36-43 Great Sutton Street London EC1V 0AB
GSS Propco Limited[8]	Jersey	100%	Property investment	28 Esplanade, St Helier, Jersey JE3 3QA
Leeson Telecom Limited[9]	Ireland	100%	Enterprise broadband	6-9 Trinity St, Dublin, D02 EY47, Ireland
Leeson Telecom One Limited[9]	Ireland	100%	Enterprise broadband	6-9 Trinity St, Dublin, D02 EY47, Ireland
Leeson Telecom Holdings	Ireland	100%	Enterprise	6-9 Trinity St, Dublin, D02 EY47,

Limited[10]			broadband	Ireland
W R Computer Network Limited[10]	Ireland	100%	Enterprise broadband	6-9 Trinity St, Dublin, D02 EY47, Ireland
Ficolo Oy[11]	Finland	100%	Data centre operator	Konepajanranta 4, 28100 Pori, Finland
Arqiva Group Limited[12]	UK	48.02%	Holding Company	Crawley Court, Winchester, Hampshire SO21 2QA

1	- Held by Digital 9 Subsea Holdco	10	- Held by Leeson Telecom Limited
2	- Held by Digital 9 DC Limited	11	- Held by D9 DC Opco 3 Limited
3	- Held by Digital 9 Wireless Limited	12	- Held by D9 Wireless Opco 2 Limited
4	- Held by D9 Wireless Midco 1 Limited	13	- Held by Digital 9 Fibre Limited
5	- Held by Aqua Comms Designed Activity Company and its intermediate holding companies	14	- Held by D9 Opco 2 Limited
6	- Held by Verne Holdings Limited	15	- Held by Giggle Fibre Limited
7	- Held by D9 DC Opco 1 Limited	16	- Held by D9 Fibre Opco 2 Limited
8	- Held by GAData Holdings Limited	17	- Held by Verne Global hf
9	- Held by D9 Wireless Opco 1 Limited		

16. TRANSACTIONS WITH INVESTMENT ADVISERS AND RELATED PARTY DISCLOSURE

Directors

Directors are remunerated for their services at such rate as the directors shall from time to time determine. The Directors are each paid an annual fee of £40,000 other than the Chair of the Audit Committee and Chair of the Risk Committee who are each entitled to an additional £5,000 and the Chair of the Company who is entitled to receive an annual fee of £75,000.

Director	Number of Ordinary Shares held	* Dividends paid 31 December 2022	* Dividends paid 31 December 2021
Jack Waters (resigned 23 May 2022)	70,000	£1,050	£1,800
Philip Jordan (from 23 May 2022)	73,909	£1.518	-
Aaron Le Cornu (from 1 April 2022)	72,500	£2,437	-
Lisa Harrington	38,604	£2,316	£879
Keith Mansfield	86,429	£3,934	£1,479
Monique O'Keefe (resigned 23 May 2022)	10,000	£150	£300
Charlotte Valeur	10,000	£600	£300

* - Dividends disclosed for the period from the date of appointment and up to the date of resignation.

Investment Manager

The Company considers Triple Point as the Investment Manager as a key management personnel and therefore a related party. Further details of the investment management contract and transactions with the Investment Manager are disclosed in Note 6.

Transaction with subsidiary undertakings

During the period, the Company made equity investments in Digital 9 Holdco Limited totalling £48.4 million (2021 - £700.7 million).

During the period, the Company received dividend income of £3.2 million (2021 - £2.9 million) from Digital 9 Holdco Limited.

As per Note 18, the Company, through its subsidiary undertakings has capital expenditure commitments totalling £46 million (2021 - £Nil).

Loan to subsidiary undertaking

As at the year end the Company provided a loan of £29.5 million (2021 - £Nil) to Digital 9 Holdco Limited. Interests of £0.9 million (2021 - £Nil) were charged on the loan.

Amounts due from subsidiary undertakings

Included within Note 10 is an amount due from subsidiary undertakings:

Subsidiary undertakings:	31 December 2022 £'000	31 December 2021 £'000
Aqua Comms DAC	160	-
D9 DC Opco 1 Limited	32	-
D9 DC Opco 3 Limited	34	-
D9 Wireless Opco 1 Limited	30	-
Digital 9 Seaedge Limited	15	-
Digital 9 Subsea Limited	42	-
Verne Holdings Limited	288	-
Digital 9 DC Limited	-	193
Digital 9 Fibre Limited	-	16
	601	209

17. EVENTS AFTER THE REPORTING PERIOD

Dividends

The Company announced a dividend of 1.5 pence per share equivalent to £12,977,624 with respect to the period from 1 October 2022 to 31 December 2022 to be paid on 31 March 2023 to shareholders on the register on 17 March 2023.

RCF

An additional £25m of the RCF was drawn post-period end to fund additional capital expenditure at Verne Global London and Aqua Comms.

The Directors have determined that there have been no other significant events after the reporting date requiring recognition or disclosure in these financial statements.

18. COMMITMENTS AND CONTINGENT LIABILITIES

The Company, through its subsidiary undertakings has committed £46 million for capital expenditures at 31 December 2022 (2021 - £Nil). Please see below for a breakdown of committed expenditures.

19. FINANCIAL RISK MANAGEMENT

The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk in the current and future periods. The Board oversees the management of these risks. The Board's policies for managing each of these risks are summarised below.

Market Risk

The Company's activities are exposed to a potential reduction in demand for internet, data centre or cell network service and competition for assets and services. Whilst the Company seeks to invest in a diverse portfolio of digital infrastructure, demand for the Company's digital infrastructure assets is dependent on demand for internet, data, network or other telecom services and the continued development of the internet. Furthermore, the ongoing use of the infrastructure services D9 is providing requires competitive prices which are cost-effective to the end users. Some factors that could impact the volume of demand or the ability to provide competitive pricing includes:

- continued development and expansion of the internet as a secure communications medium and marketplace for the distribution and consumption of data and video
- continued growth in cloud hosted services as a delivery platform
- ongoing growth in demand for access to high-capacity broadband
- continued focus on technologies, assets and services which can offer competitive pricing and high-quality reliable services
- continued partnership with suppliers and hyperscalers to maintain and provide the most cost-effective access

Variations in any of the above factors can affect the valuation of assets held by the Company and as a result impact the financial performance of the Company.

Market risk arising from foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument translated into GBP will fluctuate because of changes in foreign exchange rates.

The Group had the following foreign currency balances and their GBP equivalents at the end of the reporting period:

	USD	**EUR**	**GBP**
	$'000	**€'000**	**£'000**
Bank balances	12,344	1,192	62,339
Investment at fair value	642,932	215,781	404,923

The Company is primarily exposed to changes in USD/GBP and EUR/GBP exchange rates as its investments in Aqua Comms DAC and Verne Holdings Limited held by D9 Holdco and its subsidiary are primarily in USD and to changes in EUR/GBP exchange rates as its investments in Leeson Telecom and Ficolo Oy are primarily in EUR. The sensitivity of profit or loss to changes in the exchange rates arises mainly on the fair value of investment. To demonstrate the impact of foreign currency risk (in GBP), a 5% increase / decrease in USD/GBP and EUR/GBP rates are measured as this is in line with the relevant change in the rate during the last six months.

	Impact on post tax profit	**Impact on other components of equity**
	£'000	**£'000**

USD/GBP and EUR/GBP exchange rates - increase by 5%	34,947	34,947
USD/GBP and EUR/GBP exchange rates - decrease by 5%	(34,947)	(34,947)

The above figures represent impacts of changes in USD/GBP and EUR/GBP exchange rates. The Company's exposure to other foreign exchange movements is not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's main interest rate risk arises in the valuation of the financial asset and loan to Digital 9 Holdco where interest rate is one of the key assumptions of the Weighted Average Cost of Capital. Exposure to interest rate risk on the financial asset valuation is included in note 9 above.

The Company's interest rate risk on interest bearing financial assets is limited to interest earned on cash deposit. Exposure to interest rate risk on the liquidity funds is immaterial to the Company.

Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered with the Company. It is a key part of the pre-investment due diligence. The credit standing of the companies which we intend to lend or invest is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going and period end positions are reported to the Board.

Credit risk arises on the debt investments held at fair value through profit or loss, this includes loan provided to Digital 9 Holdco Limited. The Company's debt investments at fair value through profit or loss is considered to have low credit
risk, and management have not recognized any loss allowance recognised during the year.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Company and its subsidiaries may mitigate their risk on cash investments and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies. The Company's cash and cash equivalents are all deposited with Barclays Bank plc which has a Fitch rating of A+.

The Company had no derivatives during the period.

The carrying value of the investments, trade and other receivables and cash represent the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The investment Manager and the Board continuously monitor forecast and actual cash flows from operating, financing, and investing activities to consider payment of dividends, repayment of trade and other payables or funding further investing activities. The Company ensures it maintains adequate reserves and will put in place banking facilities and it will continuously monitor forecast and actual cash flows to seek to match the maturity profiles of financial assets and liabilities. Further analysis on the Company's liquidity is included within the Basis of Preparation - Going Concern assessment.

At 31 December 2022	Total	1-3 months	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	£'000	£'000	£'000	£'000	£'000	£'000
Trade payables	216	216	-	-	-	-
Accruals	2,553	-	2,553	-	-	-
	2,769	**216**	**2,553**	**-**	**-**	**-**

At 31 December 2021	Total	1-3 months	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	£'000	£'000	£'000	£'000	£'000	£'000
Accruals	1,912	1,912	-	-	-	-
	1,912	**1,912**	**-**	**-**	**-**	**-**

20. FINANCIAL INSTRUMENTS

	Cash at bank balances at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Total value
	£'000	£'000	£'000	£'000	£'000
Period ended 31 December 2022					
Non-current assets:					
Equity investments held at fair value through profit or loss	-	-	-	891,866	891,866
Debt investment held at fair value through profit or loss	-	-	-	29,105	29,105
Current assets:					
Trade and other receivables	-	1,417	-	-	1,417
Cash and cash equivalents	30,001	-	-	-	30,001
Total Assets	**30,001**	**1,417**	**-**	**920,971**	**952,389**
Current liabilities:					
Trade and other payables	-	-	(2,769)	-	(2,769)
Total liabilities	**-**	**-**	**(2,769)**	**-**	**(2,769)**
Net assets	**30,001**	**1,417**	**(2,769)**	**920,971**	**949,620**

	Cash at bank balances at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Total value
	£'000	£'000	£'000	£'000	£'000
Period ended 31 December 2021					
Non-current assets:					
Equity investments held at fair value through profit or loss	-	-	-	746,229	746,229
Current assets:					
Trade and other receivables	-	228	-	-	228
Cash and cash equivalents	11,311	-	-	-	11,311
Total Assets	**11,311**	**228**	**-**	**746,229**	**757,768**
Current liabilities:					
Trade and other payables	-	-	(1,912)	-	(1,912)
Total liabilities	**-**	**-**	**(1,912)**	**-**	**(1,912)**
Net assets	**11,311**	**228**	**(1,912)**	**746,229**	**755,856**

21. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

22. EARNINGS PER SHARE

Earnings per share ("EPS") amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, both basic and diluted earnings per share are the same.

The calculation of basic and diluted earnings per share is based on the following:

Year ended 31 December 2022:

	Revenue	Capital	Total
Calculation of Basic Earnings per share			
Net (loss)/profit attributable to ordinary shareholders (£'000)	(3,225)	95,294	92,069
Weighted average number of ordinary shares	829,961,949	829,961,949	829,961,949
Earnings per share - basic and diluted	**(0.39p)**	**11.48p**	**11.09p**

There is no difference between basic or diluted Loss per Ordinary Share as there are no convertible securities.

There is no difference between the weighted average Ordinary or diluted number of Shares.

Calculation of Weighted Average Number of Shares in Issue

	01-Jan-22	28-Jan-22	12-Jul-22	**31- Dec-22**
No. of days	365	338	173	365
Ordinary Shares				
No. of shares				
Opening Balance	722,480,620	722,480,620	810,629,500	865,174,954
New Issues	-	88,148,880	54,545,454	-
Closing Balance	**722,480,620**	**810,629,500**	**865,174.954**	**865,174,954**
Weighted Average	**722,480,620**	**81,628,278**	**25,853,051**	**829,961,949**

Period ended 31 December 2021:

	Revenue	Capital	Total
Calculation of Basic Earnings per share			
Net profit attributable to ordinary shareholders (£'000)	(291)	38,600	38,309
Weighted average number of ordinary shares	392,462,432	392,462,432	392,462,432

Earnings per share - basic and diluted	**(0.07p)**	**9.84p**	**9.77p**

There is no difference between basic or diluted Loss per Ordinary Share as there are no convertible securities.

There is no difference between the weighted average Ordinary or diluted number of Shares.

Calculation of Weighted Average Number of Shares in Issue

	08-Jan-21	31-Mar-21	10-Jun-21	01-Oct-21	**31- Dec-21**
No. of days	358	276	205	92	358
Ordinary Shares					
No. of shares					
Opening Balance	-	2	300,000,000	466,666,667	722,480,620
New Issues	2	299,999,998	166,666,667	255,813,953	-
Closing Balance	2	300,000,000	466,666,667	722,480,620	722,480,620
Weighted Average	**2**	**231,284,915**	**95,437,617**	**65,739,899**	**392,462,433**

23. NET ASSET VALUE PER SHARE

Net Asset Value per share is calculated by dividing net assets in the Statement of Financial Position attributable to Ordinary equity holders of the parent by the number of Ordinary Shares outstanding at the end of the period. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

	31 December 2022	**31 December 2021**
Net assets at end of period (£'000)	£949,620	755,856
Shares in issue at end of period	865,174,954	722,480,620
IFRS NAV per share - basic and dilutive	**109.76p**	**104.62p**

24. ULTIMATE CONTROLLING PARTY

In the opinion of the Board, on the basis of the shareholdings advised to them, the Company has no ultimate controlling party.

UNAUDITED ALTERNATIVE PERFORMANCE MEASURES

For the year ended 31 December 2022

We assess our performance using a variety of measures that are not specifically defined under IFRS. These alternative performance measures are termed "APMs". The APMs that we use may not be directly comparable with those used by other companies.

These APMs are used to present an alternative view of how the Company has performed over the year and are all financial measures of historical performance.

The Sections below define our APMs and how they relate to the Company and its subsidiaries.

1. ONGOING CHARGES RATIO

Ongoing Charges Ratio is a figure published annually by an investment company which shows the drag on performance caused by operational expenses.

		Annualised to 31 December 2022 £'000	Period to 31 December 2021 £'000	Annualised to 31 December 2021 £'000
Management fee		**7,736**	2,952	4,209
Other operating expenses		**1,645**	1,012	1,253
Total management fee and other operating expenses	(a)	**9,381**	3,964	5,462
Average undiluted net assets	(b)	**852,738**		524,904
Ongoing charges ratio % (c = a/b) (%)	(c)	**1.10 %**		**1.04%**

2. TOTAL RETURN

Total NAV return is a way to measure the performance of an investment company. A fund's NAV return is the percentage change between its net asset value at the beginning and end of a particular period plus dividends paid. This is relevant to the Company, as D9 targets a 10% return through a combination of dividends and capital growth.

		31 December 2022	31 December 2021
Closing NAV per share (pence)		109.76p	104.62p
Add back dividends paid (pence)		9.00p	3.00p
Adjusted closing NAV (pence)		118.76p	107.62p
Adjusted NAV per share as at the period end less NAV per share at 31 December 2021 (31 March 2021)	(a)	(118.76p - 107.62p)	(107.62p - 98.00p)
NAV per share at 31 December 2021 (31 March 2021)	(b)	107.62p	98.00p
Total return % (c = a/b) (%)	**(c)**	**10.40%**	**9.82%**

The above return is for the period from IPO to 31 December 2022 (31 December 2021 - 13.09% annualised).

3. DIVIDEND COVER

The Company's explanation of Dividend cover and how it is calculated is included in the Investment Managers Report. Dividend cover reflects how the cashflows from investee companies before reinvestment can cover the Company's dividends.

	Year to 31 December 2022 £'000	Period to 31 December 2021 £'000

Operating cash flows	18,695	11,882
Dividends paid and declared for the period	51,092	29,996
Dividends covered by operating cash flows	**40.00%**	**39.61%**

Dividend cover is measured as total dividends paid and payable at 31 December 2022, as a percentage of total operating cash flows for the Company and its subsidiaries.

4. MARKET CAPITALISATION

Market capitalisation refers to the market value of a company's equity. It is a simple but important measure that is calculated by multiplying a company's shares outstanding by its price per share.

		31 December 2022	31 December 2021
Closing share price at period end	(a)	86.4p	113.8p
Number of shares in issue at period end	(b)	865,174,954	722,480,620
Market capitalisation (c) = (a) x (b)	**(c)**	**£747,511,160**	**£822,182,945**

5. CAPITAL DEPLOYED

This is a measure of amounts invested into the portfolio of investments less any amounts relating to refinance proceeds or sell-downs.

Deployment including committed fund

	Deployed	Committed fund	31 December 2022 £'000	31 December 2021 £'000
Aqua Comms DAC	£176,077	£13,487	£189,564	£175,615
EMIC-1	£22,617	£24,757	£47,374	£22,796
Verne Global Iceland	£292,441	-	£292,441	£247,190
SeaEdge UK1	£16,335	-	£16,355	£16,292
Elio Networks	£50,807	-	£50,807	-
Verne Global London	£53,642	£7,776	£61,418	-
Verne Global Finland	£118,927	-	£118,927	-
Arqiva	£462,998	-	£462,998*	-
Giggle	3,000	-	3,000	-
Total deployment	**£1,196,864**	**£46,020**	**£1,242,884**	**£461,893**

* - Includes £163 million Vendor Loan Notes issued by D9 Wireless Opco 2 Limited

6. TOTAL SHAREHOLDER RETURN

A measure of the return based upon share price movements over the period and assuming reinvestment of dividends. This APM, allows shareholders to establish their return by using share price as a metric rather than NAV.

	31 December 2022	31 December 2021
Closing share price (pence)	86.40	113.80

Add back effect of dividend reinvestment (pence)		5.14	3.14
Adjusted closing share price (pence)	(a)	91.54	116.94
Opening share price at beginning of the year (2021 at IPO) (pence)	(b)	113.80	100.00
Total shareholder return (c = ((a-b)/(b)) (%)	**(c)**	**(19.56)%**	**16.94**

The above return is for the year to 31 December 2022 (31 December 2021 - from IPO to 31 December 2021 equates to 23.08% annualised).

GLOSSARY AND DEFINITIONS

"Adjusted Gross Asset Value"	the aggregate value of the total assets of the Company as determined with the accounting principles adopted by the Company from time to time as adjusted to include any third-party debt funding drawn by, or available to, any Group company (which, for the avoidance of doubt, excludes Investee Companies);
"Admission"	the admission of the Company's ordinary share capital to trading on the Premium Segment of the Main Market of the London Stock Exchange;
"Aqua Comms"	Aqua Comms Designation Activity Company, a private company limited by shares incorporated and registered in Ireland;
"AIC Code"	AIC Code of Corporate Governance produced by the Association of Investment Companies;
"AIC Guide"	AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies;
"AIFM"	the alternative investment fund manager of the Company being Triple Point Investment Management LLP;
"AIFMD"	the EU Alternative Investment Fund Managers Directive 2011/61/EU;
"Board"	the Directors of the Company from time to time;
"CAGR"	compound annual growth rate;
"Conservative"	in respect of the Company's borrowing policy, the level of any short term revolving credit facility put in place by the Company will be determined by the quality of the investments to be made, including the covenant strength of counterparties within the proposed Investee Company, the terms available to the Company and the timeframe for which such short term borrowings are expected to be required. In any event, the aggregate level of borrowings will be expected to be no more than a maximum of 50 per cent. of Adjusted Gross Asset Value;
"Construction Phase"	in respect of a new development project, the phase where contracts have been agreed and relevant permits are in place;
"CTA 2010"	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force;
"D9" or "Company"	Digital 9 Infrastructure plc, incorporated and registered in Jersey (company number 133380);
"Development Phase"	in respect of a new development project, the initial phase before relevant contracts or permits are in place;
"Digital Infrastructure"	key services and technologies that enable methods, systems and processes for the provision of reliable and resilient data storage and transfer;
"Digital Infrastructure	an investment which falls within the parameters of the Company's

Investments"	investment policy and which may include (but is not limited to) an investment into or acquisition of an Investee Company or a direct investment in Digital Infrastructure assets or projects via an Investment SPV or a forward funding arrangement;
"DTR"	the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers;
"EBITDA"	earnings before interest, taxes, depreciation and amortisation;
"EPS"	earnings per share;
"ESG"	Environmental, Social and Governance;
"EU or European Union"	the European Union first established by the treaty made at Maastricht on 7 February 1992;
"FAANGs"	global content providers such as Meta, Amazon, Apple, Netflix, Google;
"FCA"	the Financial Conduct Authority;
"FTTH"	Fibre to the Home;
"FTTP"	Fibre to the Premises;
"GAV"	the gross assets of the Company in accordance with applicable accounting rules from time to time;
"Group"	the Company and any other companies in the Company's Group for the purposes of Section 606 of the Corporation Tax Act 2010 from time to time but excluding Investee Companies;
"Internet of Things" or "IoT"	the network of physical objects (things) that are embedded with technologies such as sensors or software for the purpose of connecting and exchanging data with other devices and systems via the internet;
"Investee Company"	a company or special purpose vehicle which owns and/or operates Digital Infrastructure assets or projects in which the Group invests or acquires;
"Investment Manager"	Triple Point Investment Management LLP (partnership number OC321250);
"Investment Objective"	the Company's investment objective as set out in the Prospectus dated 8 March 2021;
"Investment Policy"	the Company's investment policy as set out in the announcement dated 24 August 2022;
"Investment SPV"	a special purpose vehicle used to acquire or own one or more Digital Infrastructure Investments;
"IPO"	the Company's initial public offering launched on 8 March 2021 which resulted in the admission of, in aggregate, 300 million Ordinary Shares to trading on the Specialist Fund Segment of the Main Market on 31 March 2021;
"LTM"	Last Twelve Months;
"LTM Contracted Run-Rate EBITDA"	accounts for the portfolio EBITDA including signed, but not yet fully ramped up contracts. The Company's EBITDA margin is applied to total annual revenue expected to be delivered by a contract to estimate the EBITDA generated from contracts which are yet to fully ramp;
"MRR"	monthly recurring revenue;
"NAV"	Net Asset Value being the net assets of the Company in accordance with applicable accounting rules from time to time;
"Ongoing Charges Ratio"	a measure of all operating costs incurred in the reporting period, calculated as a percentage of average net assets in that year. Operating costs exclude costs of buying and selling investments,

	interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares;
"Ordinary Shares"	ordinary shares of no-par value in the capital of the Company;
"RCF"	revolving credit facility
"Restricted Territories"	the Republic of China, Democratic People's Republic of Korea (North Korea), Russia, Iran and Syria.
"SDG9"	the UN's Sustainable Development Goal 9;
"SASB"	Sustainability Accounting Standards Board;
"SDIA"	Sustainable Digital Infrastructure Alliance;
"SFDR"	Sustainable Finance Disclosure Regulation;
"SDR"	Sustainability Disclosure Requirements;
"TCFD"	Taskforce for Climate-related Financial Disclosures;
"Total Shareholder Return"	the increase in Net Asset Value in the period plus distributions paid in the period; and
"Verne Global"	Verne Global Iceland, Verne Global London, Verne Global Finland collectively
"Verne Global Finland"	Ficolo Oy, a company incorporated in Finland
"Verne Global Iceland"	Verne Holdings Limited, a private limited company incorporated in England and Wales
"Verne Global London"	Volta Data Centres Limited, a private limited company incorporated in England and Wales

[1] Alternative Performance Measure. Further information on APMs can be found below.

[2] Alternative Performance Measure. Further information on APMs can be found below.

[3] Alternative Performance Measure. Further information on APMs can be found below.

[4] This is a target only and not a profit forecast and there can be no assurance that it will be met.

[5] This is a target only and not a forecast. There can be no assurance that this target will be met and it should not be taken as an indication of the Company's expected future results.

[6] Alternative Performance Measure. Further information on APMs can be found below.

[7] The revenue and EBITDA figures are for the full, actual year to 31 December 2022 and are not pro-rated for the period of ownership. EBITDA excludes Infrastructure as a Service ("IaaS") revenue for Verne Global Iceland.

[8] The Company is now presenting EBITDA excluding IaaS revenue at the data centre level for Verne Global Iceland, which passes through the profit & loss statement as a cost after EBITDA. This is a more prudent measure when looking at the Investee Companies' financial performance. The Company previously reported EBITDA on a reported EBITDA basis, including IaaS revenue. The comparable figure for 2022 would be £225 million, and £216 million for 2021.

[9] This is a target only and not a forecast. There can be no assurance that this target will be met and it should not be taken as an indication of the Company's expected future results

[10] https://www.nao.org.uk/wp-content/uploads/2022/12/A-Digital-BBC.pdf

[11] https://www.arqiva.com/group-financial-results/2022/Arqiva GroupLimited/Arqiva%20Group%20Ltd%20financial%20statements%202022.pdf

[12] https://nrs.co.uk/nrs-print/lifestyle-and-classification-data/social-grade/

[13] https://nrs.co.uk/nrs-print/lifestyle-and-classification-data/social-grade/

[14] https://www.arqiva.com/Importance_of_Broadcast_summary.pdf

[15] https://www.arqiva.com/Arqiva+Waterwise+Net+Zero+Report+FINAL.pdf

[16] https://www.arqiva.com/news-views/news/smart-water-metering-rollout-could-deliver-19-billion-net-benefit-to-society

[17] The target dividend is a target only and not a forecast. There can be no assurance that the target will be met and it should not be taken as an

indication of the Company's expected or actual future results

[18] Alternative Performance Measure. See Unaudited Alternative Performance Measures for further information.

[19] Alternative Performance Measure. See Unaudited Alternative Performance Measures for further information.

[20] Alternative Performance Measure. See Unaudited Alternative Performance Measures for further information.

[21] Alternative Performance Measure. See Unaudited Alternative Performance Measures for further information.

[22] Total kilometres of fibre owned or part-owned 32,000 km (14,250 km operational; 17,750 km in development (including EMIC-1)).

[23] The target dividend is a target only and not a forecast. There can be no assurance that the target will be met, and it should not be taken as an indication of the Company's expected or actual future results.

[24] A portion of the inflation protection from Arqiva is subject to swaps. Note, Arqiva has predominantly uncapped, 0% floor, RPI-linked escalators within its core customer contracts. Taking advantage of the favourable and high proportion of inflation-linked revenue in the underlying business, Arqiva has inflation-linked swaps whose payments are financed by the inflation-linked customer contracts that run beyond 2027. Please see Arqiva commentary for more information.

[25] The Company is now presenting EBITDA excluding Infrastructure as a Service ("IaaS") revenue at the data centre level for Verne Global Iceland, which passes through the profit & loss statement as a cost after EBITDA. This is a more prudent measure when looking at the Investee Companies' financial performance. The Company previously reported EBITDA on a reported EBITDA basis, including IaaS revenue. The comparable figure for 2022 would be £225 million, and £216 million for 2021.

[26] https://tisegroup.com/market/securities/14809

[27] OECD, "Digital Transformation in the Age of COVID19, Building Resilience and Bridging Divides. Digital Economy Outlook, 202

[28] ETF information is sourced from MSCI. ETFs are reported in USD and have been converted using Bank of England spot rate for 30 December 2022. D9 data is based on £million revenue; ETF data is based on $million sales

[29] An average PUE of 1.55 is used (https://uptimeinstitute.com/about-ui/press-releases/2022-global-data-center-survey-reveals-strong-industry-growth), with location-based emissions data from UK Government GHG Conversion Factors for Company Reporting and the US Environmental Protection Agency (US Average).

[30]This is a target only and not a forecast. There can be no assurance that this target will be met and it should not be taken as an indication of the Company's expected future results.

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