



INVESTMENTS
WITH PURPOSE
FOR PROFIT
BY PEOPLE
FROM TRIPLE POINT



Annual Report 2023

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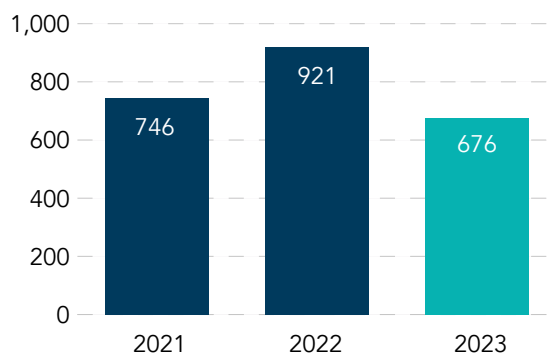




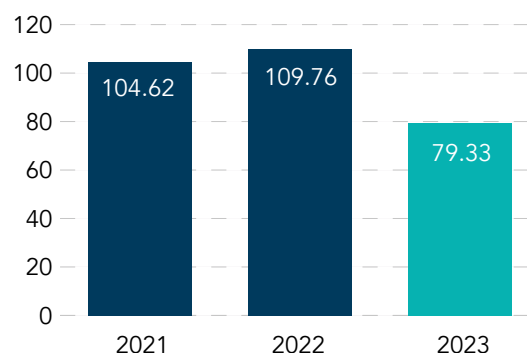
Company Overview

Key Highlights

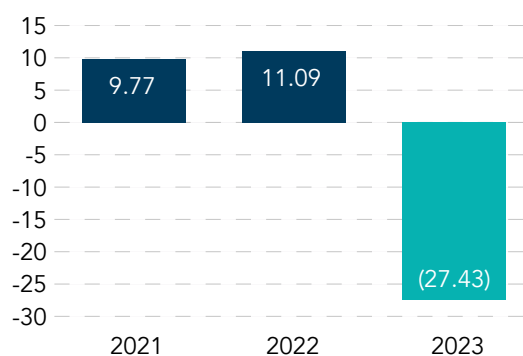
IFRS Investment Valuation (£ millions)



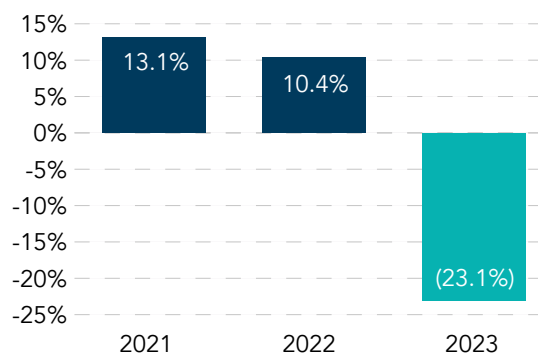
NAV (pence per share)



EPS (pence per share)



Total Return*



* Alternative Performance Measure, further information on APMs can be found on pages 125 to 127.

/ POST BALANCE SHEET ACTIVITY

The Company completed the sale of its entire stake in the Verne Global group of companies ("Verne Global") post the balance sheet date. Therefore, the Board has included additional unaudited pro forma information in the 'Unaudited Non-Statutory Information' section at the end of this report on pages 128 to 131 to help readers understand the updated financial position of the Company, now that a significant portion of the Revolving Credit Facility ("RCF") has been repaid and cancelled.

Following year end and as announced on 15 March 2024, the Company** completed the sale of its entire stake in Verne Global to funds managed or advised by Ardian France SA ("Ardian") and received initial proceeds of \$415 million (£325.8 million) (the "Verne Transaction"). As announced on 29 April 2024, the Company has received the deferred consideration payment of \$25 million (c.£20 million***), and the indemnification provisions have ceased to apply for which the Company previously ringfenced c.£23 million for prudent capital management. So, the only remaining outstanding element of the Verne Transaction is the potential earn-out payment of up to \$135 million (c.£108 million***) (the "Earn-Out"), which remains as an asset of the Company.

As a consequence, the Company intends to make a total additional repayment and partial cancellation of the RCF of £47 million on 3 May 2024. The repayment will also include funds that can be released from the Interest Reserve as a consequence of the repayment itself reducing the drawn amount to c.£53 million.

Since the year end, the Company has contributed additional capital to EMIC-1 of £2 million, taking its total investment into EMIC-1 as at 29 April 2024 to £38 million.

The Company served notice of termination to the Investment Manager before 31 March 2024 following the completion of the Verne Global sale, with the Investment Management Agreement to terminate on 31 March 2025. Further details are set out below in the 'Investment management review' section of the Interim Chair's Statement.

** Within this report, the Company refers to Digital 9 Infrastructure plc. The Group is defined in the Glossary and Definitions section. Digital 9 HoldCo Limited ("HoldCo") is directly owned by Digital 9 Infrastructure plc.

*** GBP amounts based on a 1.25 USD/GBP exchange rate as of 25 April 2024.





Strategic Report

Interim Chair's Statement

/ INTRODUCTION

2023 was an extremely challenging year for the Company and our shareholders.

The Board engaged extensively with shareholders and undertook several actions to improve D9's prospects by strengthening the Company's balance sheet. The Board believes these actions have and will enable the Company to maximise shareholder value going forward.

The Company owns high-quality and best-in-class businesses and assets operating in digital infrastructure sectors which benefit from attractive structural dynamics, whether it be subsea fibre or an incumbent competitive advantage in wireless networks.

The underlying financial and operating Investee Company performance was broadly in line with expectations during 2023, as consolidated portfolio company revenue grew 10% year-on-year, underpinned by robust trading performance across the portfolio. As anticipated in business plans, margins have remained under pressure for some of the portfolio companies, particularly Arqiva and Aqua Comms.

/ BALANCE SHEET DELEVERAGING

To a certain extent, structural dynamics have caused complex challenges for the Company. The Investment Manager identified growth capital expenditure of approximately £610 million over the next four years required to fully meet the growth ambitions of D9's portfolio companies.

More importantly, over the period, a higher-than-expected and more prolonged rise in interest rates and inflation increased the interest expense burden on the Group and prevented the upstreaming of dividends from Arqiva. These factors contributed to the poor share price performance which, relative to the NAV of the Company, fundamentally undervalues the assets which the Company owns.

Accordingly, the Board sought to improve D9's financial resilience, in order to enable the Company to maximise shareholder value from the portfolio. The Board and the Investment Manager believed a more conservative approach to capital allocation was required and the Board elected not to declare the Company's Q2 2023 dividend. This came with the decision to withdraw the Company's target dividend of 6.0 pence per Ordinary Share for the full year 2023 and not to make any further dividend distributions during 2023.

Through the sale of Verne Global to Ardian, the Company has substantially deleveraged its balance sheet by paying down more than 70% of its RCF, or £274 million, with a further reduction of 13% of its RCF, or c.£47 million, expected to be paid on 3 May 2024. The resulting outstanding drawn amount of c.£53 million after 3 May 2024 compares with £373.8 million in March 2024, and this reduction of the RCF is expected to result in a Group net interest expense saving of c.£28 million to the end of the term of the RCF based on the latest interest rate charged.

/ PORTFOLIO VALUATION

The portfolio's valuation process for the December 2023 year end has concluded. The review by the auditors, PwC, has led to the agreement of two revisions to the unaudited valuations published in March, bringing the audited portfolio NAV to £686.3 million at year end (2022: £949.6 million).

The decrease was driven largely by the recognition of \$34 million (25%) of the potential \$135 million Verne Global earn-out. This is lower than the unaudited valuation of \$67 million which was disclosed in March 2024, as a result of a more conservative treatment of the risk parameters which had been utilised in the initial independent valuation. This prudent approach recognises the inherent uncertainty and perceived risk around Verne Global's ability to meet future run-rate EBITDA targets, which in turn will determine the amount of the Earn-Out to be received by the Company in early 2027. Alongside the change to the Verne Global Earn-Out, it was also agreed as part of the final review to increase the discount rate for Aqua Comms to reflect the nascent nature of the business' expansion into the Asia region alongside its well-established transatlantic business, which resulted in an £15.5 million decrease from the unaudited valuations published in March. Further details of the changes to unaudited valuations published on 28 March 2024 and audited valuations are set out in the Financial Overview of the Investment Manager's Report on pages 20 to 21, in addition to changes in valuation from 31 December 2022.

/ SHAREHOLDER RETURNS

A change of the Company's Investment Objective and Investment Policy to enable a Managed Wind-Down was approved by shareholders on 25 March 2024, from which the Board will now seek to realise all of the Company's investments in a manner that achieves a balance between maximising the net value from these assets and making timely capital returns to shareholders.

Ultimately, following the full repayment and cancellation of the RCF, the Board intends to use proceeds to prioritise returns of capital to shareholders over the Group's longer-term obligations, including the VLN related to the acquisition of the Company's stake in the Arqiva Group.

Any cash distributions to shareholders will likely take the form of returns of capital but with final allocation amounts to be determined at the time by the Board in conjunction with the Investment Manager and taking into consideration the Company's liquidity. No further dividend distributions are planned or foreseen in the

medium-term. The Company will also cease to make any new investments except where there may be a legal or contractual imperative to do so, or if new investments may facilitate a sale process and in turn deliver superior shareholder value.

/ COMPANY GOVERNANCE

2023 was a period of significant board change. Gailina Liew was appointed to the Board in July 2023. Having overseen the sale process for Verne Global, Phil Jordan and Lisa Harrington resigned as Independent Chair and Senior Independent Director, respectively, in December 2023, to allow the appointment of new Non-Executive Directors with experience relevant to the expected changes to the Company. Since then, Charlotte Valeur has acted as Interim Independent Chair and Gailina Liew as Senior Independent Director.

Following the Board's shareholder consultation and the initiation of a Strategic Review, Richard Boléat and Brett Miller were appointed as Independent Non-Executive Directors of the Company in December 2023. Post-period end, Aaron Le Cornu was appointed as Independent chair of the Audit Committee following the resignation of Keith Mansfield in January 2024, while Brett Miller and Richard Boléat informed the Board in March 2024 they would also step down, with immediate effect.

The Board is in advanced stages of recruiting a permanent Chair and at least one new Non-Executive Director to lead and support, respectively, the execution of the Managed Wind-Down.

We look forward to welcoming shareholders at our 2024 Annual General Meeting ("AGM"), and the Notice of AGM will follow in due course.

/ INVESTMENT MANAGEMENT REVIEW

Post-period end, the Board served the Investment Manager notice with termination to take effect on 31 March 2025. As detailed in the Management Engagement Committee Report on pages 66 to 67, the Investment Management Agreement cannot be terminated before this date.

The Company is actively exploring revised commercial terms with the Investment Manager prior to the termination taking effect, alongside a broader review of alternative investment management arrangements. The Board is being supported by an independent financial adviser in this process, which is ongoing as of 29 April 2024 and is expected to be concluded before the Company's AGM.

Irrespective of the outcome of this review, the Board aims to ensure that the investment management arrangements are more closely aligned to shareholders' interests through the course of the Managed Wind-Down.

/ THE MANAGED WIND-DOWN

Sale preparations for the Company's wholly owned assets, which include Aqua Comms, EMIC-1, SeaEdge UK1 and Elio Networks, are being progressed following shareholder approval of the Company's Managed Wind-Down. Investor outreach for the sale of Aqua Comms, EMIC-1 and Elio Networks commenced in April 2024.

The Board is committed to executing an orderly wind-down to maximise shareholder value over time. The Company owns attractive assets with strong prospects, and the benefit of dedicated management teams and talented employees. Considering future market conditions, it may be in shareholders' best interests to delay or accelerate the outcome of any sale to achieve a balance between maximising the net value from these assets and making timely capital returns to shareholders. The Board is, of course, committed to maximising shareholder returns at the earliest possible opportunity.

The launch of a sale process for D9's stake in Arqiva is expected to take more consideration due to the complexity of the business and the co-shareholding structure. The Board continues to explore various options for Arqiva, in consultation with a collaborative shareholder group. Further detail is set out in the Company's circular dated 28 February 2024.

As part of the Verne Transaction, the Company can benefit from a potential Earn-Out payment of up to \$135 million (approximately £108 million) subject to Verne Global achieving run-rate EBITDA targets for 2026. This target is as set in the business plan provided

to all potential bidders at the time of the sale process. The Company also benefits from customary protections to ensure Verne Global continues operating and reporting substantially in line with existing practices, including quarterly updates on its run-rate EBITDA.

The Board notes that at completion, Ardian disclosed its intention to support the expansion of Verne Global with up to \$1.2 billion of committed investment through equity and debt, multiplying the business' existing sold capacity of 29 MW for 2023 by close to four times in the medium term¹.

As the wind-down is likely to progress over several years, the Board will carefully manage D9's operating costs and seek to reduce them on an ongoing basis, whilst containing additional advisory and transaction costs.

During the Managed Wind-down, the Company intends to maintain its investment trust status and listing with due consideration for the regulatory requirements and costs of doing so following the sale of the Company's wholly owned assets.

I would like to thank my fellow shareholders for their continued engagement with the Company and the Board through what has clearly been a challenging period.

Charlotte Valeur
Interim Independent Chair

29 April 2024

¹ <https://www.ardian.com/news-insights/press-releases/ardian-completes-acquisition-leading-green-data-center-platform-verne>



Investment Objective and Investment Policy

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 Company's current Investment Objective and Investment Policy, as approved by shareholders at the 25 March 2024 General Meeting receiving 99.89% of votes in favour, are published below.

/ INVESTMENT OBJECTIVE

The Company will be managed, either by a third-party investment manager or internally by the Company's board of directors, with the intention of realising all the remaining assets in the Portfolio, in an orderly manner with a view to ultimately returning available cash to Shareholders following the repayment and cancellation of the Company's revolving credit facility ("RCF") from the proceeds of the assets realised pursuant to the Investment Policy.



/ INVESTMENT POLICY

The assets of the Company will be realised in an orderly manner, returning cash to Shareholders at such times and in such manner (which may be by way of direct buybacks, tender offers, dividends or any other form of return) as the Board may, in its absolute discretion, determine. The Board intends that the proceeds of any asset realisations will be used to repay and cancel the RCF before any such proceeds are distributed to shareholders or used to meet other outstanding indebtedness of the Company (including the non-recourse indebtedness to the vendors of the Company's Arqiva asset, issued by way of a vendor loan note which the Company may repay or transfer to a future buyer of the Arqiva asset). The Board will endeavour to realise all of the Company's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders. The Company will cease to make any new investments (including any follow-on investments) or to undertake capital expenditure, except with the prior written consent of the Board and where, in the opinion of the Board, in its absolute discretion:

- a) failure to make the investment or capital expenditure would result in a breach of contract or applicable law or regulation by the Company, any member of its group or any vehicle through which it holds its investments; or
- b) the investment or capital expenditure is considered necessary to protect or enhance the value of any existing investment or to facilitate an orderly disposal, any such investment or capital expenditure being a "**Permitted Investment**".

Subject to the ability of the Company to make Permitted Investments, any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash in Sterling on deposit and/or as cash equivalents.

/ BORROWING AND HEDGING

The Company may utilise borrowings for short term liquidity purposes. The Company may also, from time to time, use borrowing for investment purposes on a short-term basis where it expects to repay those borrowings from realisation of investments. Gearing represented by borrowings will not exceed 20% of Net Asset Value calculated at the time of drawdown.

The Company may use derivatives for hedging as well as for efficient portfolio management. Any such hedging transactions will not be undertaken for speculative purposes.

Key Performance Indicators

In order to track the Company and/or Group's progress, the key performance indicators ("KPIs") monitored are set out below. Sustainability KPIs can be found in the Company's separate Sustainability Report which is available here: <https://www.d9infrastructure.com/digital-9-infrastructure-plc-sustainability-report-2023/>.

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
1. TOTAL RETURN (%)¹			
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.	(23.1%) year to 31 December 2023 ((6.8%) period from IPO to 31 December 2023).	The negative total return is due to the decreases in the fair value of the Company's Investment Portfolio, and interest and expenses incurred in the year. The valuation of the Company's Investments was impacted by the reduction in value of the Verne Global group of companies as only c.25% of the potential \$135 million Earn-Out is being recognised on the balance sheet.
2. TOTAL SHAREHOLDER RETURN (%)¹			
The change in share price and dividends paid per share.	The total shareholder return highlights the share price movements, including re-investment of dividends.	(64.1%) in respect of the year to 31 December 2023 (66.2% for the period from IPO to 31 December 2023).	The decrease was primarily driven by a significant fall in the share price during 2023. During the period, shareholders did receive the Q4 2022 dividend (paid in March 2023) and the Q1 2024 dividend (paid in June 2023), but no further dividends were declared for 2023, which also contributed to the share price decline.
3. 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 the Company's ability to generate earnings from its investments, including valuation increases.	Loss of 27.4 pence per share for the year to 31 December 2023 (see Note 23) (11.1 pence per share period to 31 December 2022).	The main driver in the loss per share for the year were the movement in fair value of the Company's Investment Portfolio, and costs incurred during the period. The fall in valuation was predominantly driven by the Earn-Out element of the Verne Global Sale which led to a write down of the Verne Global Companies. Other key drivers were financing costs incurred for the Group's RCF and VLN.



KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
4. NAV PER SHARE (PENNY)			
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.	79.33 pence per share (109.76 pence per share as at 31 December 2022) (see Note 24).	The NAV per share fell as a result of the negative valuation movement in the period and costs incurred. The fall in NAV was predominantly driven by the Earn-Out element of the Verne Global Sale which led to a write down of the Verne Global Companies. Other key drivers were financing costs incurred for the Group's RCF and VLN.
5. ONGOING CHARGES RATIO¹			
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.	1.33% for the period to 31 December 2023 (31 December 2022: 1.10%).	<p>A key measure of Operational performance.</p> <p>As the Company has acquired more investments, the Group structure has become more complex. As a result, audit costs and professional fees have increased.</p> <p>This is calculated in line with AIC guidance. Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company excluding the costs of acquisition and disposal of investments, financing charges and gains/losses arising on investments.</p> <p>For the avoidance of doubt, the calculation does not include costs associated with the sale of investments nor with the Strategic Review.</p>

¹ Alternative Performance Measure, further information on APMs can be found on pages 125 to 127.

Investment Manager's Report

/ REVIEW OF THE YEAR

Introduction

Portfolio companies performed broadly in line with expectations during the course of the year. However, macroeconomic factors impacted fund-level liquidity, necessitating several steps to protect the Company's balance sheet. This began with the sale of the Verne Global platform and the suspension of D9's dividend with the aim of freeing up cash to repay the Group's RCF and reduce interest costs. Following an extensive shareholder consultation, the Board initiated a Strategic Review of the Company, the outcome of which has been to begin a Managed Wind-Down of the Company as approved by shareholders on 25 March 2024, with sale processes for D9's wholly-owned assets having commenced as of April 2024. Key Investee Company activities during the year included Arqiva's senior debt refinancing and inflation collar implementation and the signing of Verne Global Iceland's green term loan.

Company and Portfolio Performance

The Company reported a pre-tax loss of £237.3 million (2022: £92.1 million pre-tax profit) for the year, equal to a 27.43 pence loss per share (2022: 11.09 pence earnings per share). This was the net result of income received from investments and revaluation losses arising on the investments held at fair value through profit or loss as at 31 December 2023. Revaluation losses were driven mainly by a devaluation of Verne Global, financing and operational costs as described in more detail in the Financial Review Section. During the period, the Company's NAV decreased from £949.6 million (109.76 pence per share) at 31 December 2022 to £686.3 million at 31 December 2023 (79.33 pence per share). The key components driving the drop in NAV are explained below in the Financial Review section.

Portfolio company performance was broadly in line with management expectations. Aggregate revenues for the Investee Companies during the period amounted to £446.6 million, 10% higher than the prior year with the increase largely attributable to inflation-indexed contracts, power pass-through and organic growth. Verne Global Iceland accelerated its top line growth to 24% year-on-year on the back of continued strong customer demand, whilst Arqiva and Aqua Comms grew by 9% and 4% respectively. In line with business plans, margins have remained under pressure for some of the businesses, particularly Arqiva and Aqua Comms. Portfolio company debt at year end consisted of £79 million at Verne Global and £744 million at Arqiva, with the Arqiva balance calculated pro rata based on D9's 51.76% economic interest.

Since July 2022, the Company had invested £4.3 million seed capital into Giggle, a development opportunity that would have provided affordable broadband to social housing through a Fibre to the Home ("FTTH") network across the city of Glasgow. As set out in our Interim Report, due to the significant identified capex pipeline of £150 million and funding constraints, the Company was unable to continue to fund the development capital expenditure required by Giggle and made a provision against the full value of Giggle. The Company sold its 100% stake in Giggle to its senior management in Q4 2023 for £1.

Balance sheet stabilisation

Notwithstanding solid operating performance of Investee Companies broadly in line with management expectations, liquidity at a fund level was adversely impacted by persistently high interest rates and inflation, coupled with large growth capital expenditure opportunities. This led the Company to decide on and execute the following key steps to stabilise D9's balance sheet:

1. Sale of the Verne Global group of companies
2. The suspension of the Company's dividend
3. Use of sale proceeds to repay part of the RCF and reduce interest payments.

Sale of Verne Global

During the period, the Company ran a competitive sale process for the Verne Global group of companies (which has operations in Iceland, Finland and the United Kingdom). As announced on 28 September 2023, the Company received several non-binding offers for a majority stake in Verne Global. The Company, with the support of Goldman Sachs International (financial adviser for the transaction), assessed the merits of the non-binding offers for a majority stake to maximise shareholder value. The Company concluded that a sale of the Company's entire stake in Verne Global was in shareholders' best interests because, amongst other considerations, it provided an opportunity for the Company to substantially deleverage its balance sheet and provide the cash resources necessary for the Company to strengthen its financial position, particularly in light of Verne Global's significantly increased capital expenditure pipeline that the Company was unable to fund.

As announced on 15 March 2024, the Company completed the Verne Transaction for an equity purchase price of up to \$575 million (approximately £450 million*). Following completion of the Verne Transaction, the Company received \$415 million (£325.8 million) (the "Initial Purchase Price"). The completion followed receipt of all applicable regulatory approvals and the satisfaction of all conditions in line with the previously communicated timetable. A further deferred consideration of US\$25 million (approximately £20 million**) which formed part of the purchase price has now been received.

The purchase price also comprised a potential Earn-Out payment of up to \$135 million (approximately £108 million**), which is payable subject to Verne Global achieving run-rate EBITDA targets for the financial year ending December 2026 (the "Performance Target"). The total Earn-Out will be payable if 100% of the Performance Target is met and will be reduced on a sliding scale with no Earn-Out being payable if Verne Global does not achieve 80% of the Performance Target. This target is as set in the business plan provided to all potential purchasers at the time of the sale process.

The Investment Manager believes that Ardian's own value creation objectives are aligned with deploying the requisite capital expenditures to enable Verne Global to deliver in line with or close to the Performance Target. The Company also benefits from customary protections to ensure Verne Global continues operating and reporting substantially in line with existing practices, including the provision of quarterly updates on its run-rate EBITDA.

Following the completion of the Verne Transaction as announced on 15 March 2024, the Initial Purchase Price proceeds were used as follows:

- £273.5* million was used for partial repayment of the RCF (more details on this below);
- c.£17 million to pay costs incurred in relation to the Verne Transaction, including a contingency of £1.6 million***;
- Around £12 million was retained to cover future operational expenses of the Company if and when required; and
- Around £23 million was retained for prudent capital management to cover possible future liabilities arising from certain indemnification provisions made in connection with the Verne Transaction.

Suspension of the Company's dividend

In September 2023, at the time of considering the Q2 2023 dividend, the Board and Investment Manager were mindful of the uncertainty around the timing of the completion of the sale of Verne Global and were conscious, that the persistence of a high interest rate environment continued to weigh on the Company's liquidity position. Therefore it was agreed that a more conservative approach to capital allocation was required in the interest of the Company and its shareholders, and, on 28 September 2023 the Board elected not to declare the Q2 2023 dividend and withdrew its target dividend of 6.0 pence per Ordinary Share for the year ending 31 December 2023. During the year, the Company paid a total dividend of 3.0 pence per share: 1.5 pence was paid in March 2023 relating to the period to 31 December 2022, and a further 1.5 pence per share in June 2023 in relation to the period to 31 March 2023. No further dividends have been declared for 2023.

* GBP amounts based on a 1.28 USD/GBP exchange rate as of 13 March 2024.

** GBP amounts based on a 1.25 USD/GBP exchange rate as of 25 April 2024.

*** It was agreed with the RCF lenders that £17 million would be set aside to pay costs arising from the Verne Transaction. This includes: £1.0 million for financing arrangement costs related to the accordion facility for Verne Global and legal fees to implement the amendments to the RCF facility; £14.4 million for transaction advisory services, including £5.8 million for financial advice, £5.8 million for legal advice, and £2.8 million for vendor due diligence, tax, and other advice and expenses in relation to the Verne Transaction. The remaining £1.6 million represents a contingency which has not yet been utilised and may be further used to pay down the RCF. £9.2 million of the above mentioned £17 million was incurred in the period-ended 31 December 2023, and £6.2 million was incurred post-period end in 2024. The level of costs due to advisory fees incurred for the Verne Transaction reflects the transaction's complexity in contemplating different transaction structures and executing the sale of three separate legal entities in three different jurisdictions.

It is the company's intention to retain its Investment Company status during the managed wind down process. To maintain this status, under s1158 of the provisions the Company may be required to pay further distributions. The Board will continue to monitor this requirement.

RCF partial repayments and cancellation

Following completion of the Verne Transaction, and receipt of the Initial Purchase Price, as announced on 15 March 2024, the Company has been able to substantially deleverage its balance sheet through the partial repayment and cancellation of its RCF. Following receipt of the Deferred Consideration and the cessation of certain indemnification provisions for which the Company had ringfenced £23 million for prudent capital management, the Company intends to further reduce its drawn RCF to c.£53 million by 3 May 2024, thus completing the execution of the 3-step plan to substantially deleverage its balance sheet and reinforce its financial position.

At the time of the partial RCF repayment and cancellation effected in March 2024, the RCF documentation was amended to set revised financial covenants to make it more bespoke for the reduced portfolio size going forward until the RCF is fully repaid. The new set of covenants include:

- The LTV test threshold at the Digital 9 HoldCo Limited level (being the ratio of total financial indebtedness of each obligor under the RCF documentation to adjusted portfolio investment value) is 20%;
- The global LTV test threshold (being the ratio of total financial indebtedness of Digital 9 Infrastructure plc, Digital 9 HoldCo Limited and all subsidiaries to enterprise value) is 62.5%; and
- An interest reserve based on any applicable residual RCF size must be maintained in the interest reserve account at all times to legal maturity (March 2025).

In addition to the final bullet point above, the Company also negotiated and agreed with its RCF Lenders that from 1 January 2024, the cash reserves locked up in the RCF's interest reserve account can be used for interest payments, which will enable the Company to pay interest for the residual RCF without using any unrestricted cash until the RCF's legal maturity in March 2025.

As at 29 April 2024, the balance of the interest reserve account was £9.9 million, which is sufficient to cover future outstanding interest payments due to the legal

maturity. Part of these funds will also be used for the further partial repayment and cancellation planned at the beginning of May, as explained above.

Finally, the Minimum Aggregate Approved Investment Value threshold has changed from £700 million previously to 500% of the total commitments under the residual RCF.

The RCF is an important consideration for the Company, even though it is not held on the Company's balance sheet. The RCF is held by its main subsidiary D9 Holdco, but the Company is a guarantor of the facility.

/ STRATEGIC REVIEW

Following the conclusion of the Strategic Review and the subsequent shareholder approval for the revised Investment Objective and Policy, the Company has entered into a Managed Wind-Down and has started to work to realise all of the Company's assets in a manner that maximises value to shareholders. The next steps for the Investee Companies are set out below.

Next steps for the wholly owned assets (Aqua Comms, EMIC-1, Elio Networks and SeaEdge UK1)

The Board and Investment Manager have commenced sale preparations and mandated advisers for the sale of the Company's wholly owned assets. Investor outreach for the sale of Aqua Comms EMIC-1 and Elio Networks was launched in April 2024. Preparations for sales processes are ongoing and advisers have been appointed. The Company expects good progress to be achieved for the orderly sale of the wholly-owned assets in 2024 and will continue to update shareholders. The Company will continue to prioritise the achievement of best value for shareholders over speed of execution.

Next steps for Arqiva

As part of the Strategic Review, various options for realising the stake in Arqiva were considered on a preliminary basis by the Board. In consideration of Arqiva's complexity as a business and its co-shareholding structure, the Investment Manager and the Board believe that the maximisation of the value of D9's stake in Arqiva is likely to take longer to realise than the other investments held by the Company. As such, the Board has decided to defer launching a formal sale process for D9's stake in Arqiva for the time being but remains open to all value-accretive options, including in collaboration with Arqiva's co-shareholders.

FINANCIAL REVIEW

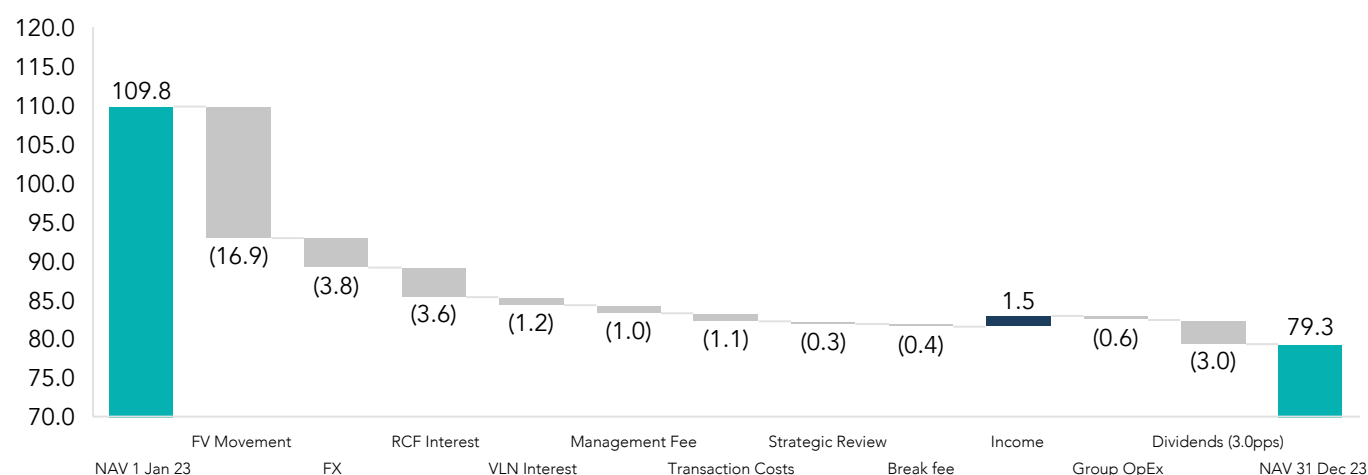
Net Asset Value

The following charts show the movement in the Company’s NAV on a pence per share basis, for the twelve-month period from 1 January 2023 to 31 December 2023.

In the 12 months to 31 December 2023, the portfolio’s fair value movement including foreign exchange (“FX”) was a reduction of £179 million or 20.7 pence per share, this is split between fair value movement and FX in the chart below with adverse FX movements comprising of 3.8 pence per share.

The total fall in value of the portfolio of 20.7 pence per share, was driven largely by a reduction in value of Verne Global platform, which contributed 14.8 pence of this reduction, whose NAV was rebased in line with the price realised in the Verne Transaction (further information on this is below on pages 20 to 21). Of the 14.8 pence per share fall attributable to Verne Global, 9.2 pence was as a result of recognition of the Earn-out at £26.8 million (\$34.1 million out of a total contingent consideration of \$135 million), 2.3 pence was due to adverse FX movements with the balance being other valuation movement, including additional contributions to and repayments from, the Verne Group in the 12 month period to 31 December 2023.

NAV per share movement – twelve months to 31 December 2023 (Pence per share)



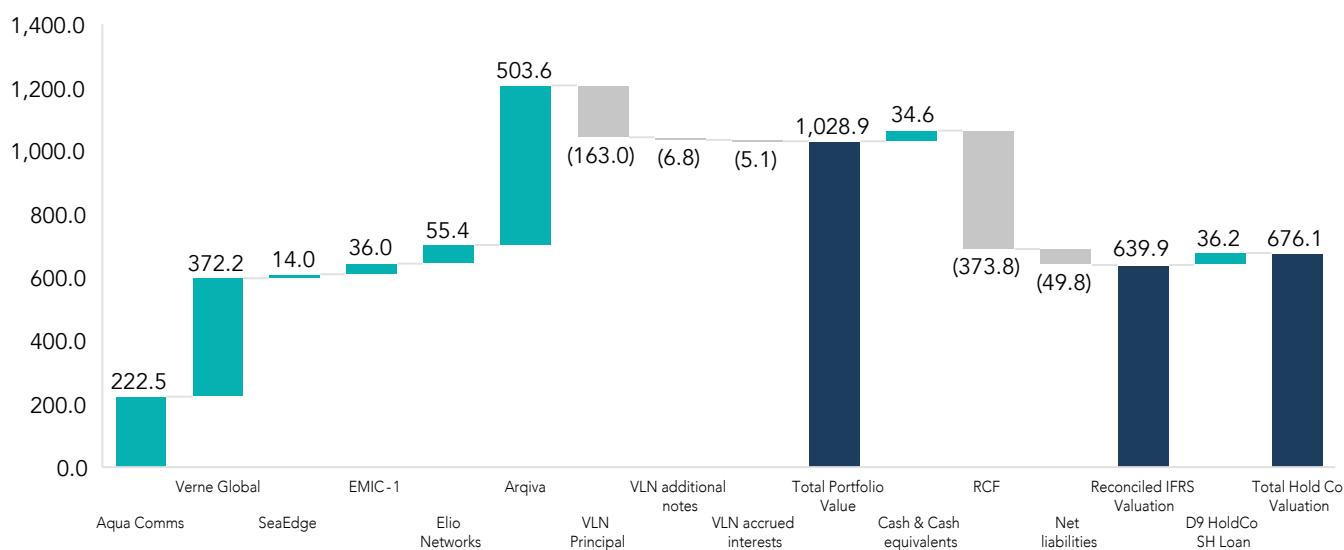
Reconciliation to IFRS Valuation

The below chart shows the build-up of the IFRS Investment Valuation held on the Balance Sheet of the Company. £639.9 million is the valuation of the Company's wholly-owned subsidiary Digital 9 HoldCo Limited which holds the investments in the underlying Investee Companies. There is also a £36.2 million shareholder loan the Company has made to Digital 9 HoldCo Limited; this is shown separately. The total valuation on the Balance Sheet of the Company is £676.1 million.

The chart below includes the gross equity valuation of the Company's share of Arqiva (£503.6 million) and shows deductions for the VLN principal (£163.0 million), for the additional VLN notes issued in June 2023 (£6.8 million) and for VLN interest accrued to 31 December 2023 (£5.1 million). This yields a proforma valuation of £328.7 million net of all VLN deductions. Deductions are also made for the RCF, which, for the avoidance of doubt, do not sit on the Company's Balance Sheet, but are held in underlying unconsolidated subsidiaries of the Company, being Digital 9 Wireless OpCo 2 Limited and Digital 9 HoldCo Limited respectively.

A pro-forma consolidation Group position, is provided below in the unaudited non-statutory information section on pages 128 to 131.

HoldCo valuation reconciliation as of 31 December 2023 (£ million)



Valuations

The independent valuation process of the Company's portfolio of assets and the audit have now concluded for the December 2023 year end. During the audit process, the key inputs and assumptions for all operating models used in the valuation process were revisited and challenged to arrive at the audited fair value figures. As a result, the unaudited valuations for two of the Company's assets, Aqua Comms and the Verne Earn-out, have been revised to reflect a more conservative valuation than had been previously announced.

For Aqua Comms, the discount rate utilised was increased to reflect the nascent nature of the business' expansion into the Asia region alongside its well-established transatlantic business. This more conservative approach has resulted in a reduction of the Aqua Comm valuation of 7% relative to the unaudited NAV published on 28 March 2024.

For the Verne Earn-Out, measuring the fair value of contingent consideration presented a number of valuation challenges. In pricing the Earn-Out, a scenario-based technique (Monte Carlo Simulation) was used by the

independent valuer. This technique involved considering discrete scenario-specific cash flow estimates around Verne Global achieving its run-rate EBITDA targets. These amounts were then probability weighted and discounted using an appropriate discount rate.

After consultation with the auditor and the independent valuer the Board took a more conservative approach to the risk parameters which had been utilised in the initial independent valuation. This prudent approach recognises the inherent uncertainty and perceived risk around Verne Global's ability to meet future run-rate EBITDA targets, which in turn will determine the amount of the Earn-Out to be received by the Company in early 2027. This approach reflects the most recent update to the AICPA (American Institute of Certified Public Accountants) guidelines for valuing contingent consideration. When considering the above, the calculations were adjusted accordingly which reduced the Earn-Out valuation by £25.9 million from the unaudited number previously announced, a 49% reduction when compared to the unaudited NAV published on 28 March 2024.

Going forward, the fair value of the Earn-Out will be updated each reporting period to reflect the actual progress made by Verne Global in achieving the run-rate EBITDA target.

Valuations for the remainder of the Company's Investee Companies are unchanged from the unaudited figures published on 28 March 2024.

The total portfolio valuation stands at £1,029 million and this comprises the reduction for the VLN including additional notes issued in June 2023 and accrued interest on the VLN as at 31 December 2023 reflecting a 6% reduction to the unaudited figures published in March 2024.

The decrease was driven largely by the recognition of only \$34 million (25%) of the potential \$135 million Verne Global Earn-Out, reflecting the uncertainty and perceived risk around Verne Global's ability to meet future run-rate EBITDA targets.

\ SUMMARY OF PORTFOLIO VALUATION METHODOLOGY

The cash flows used in the valuations are from Investee Company operating models, which are reviewed and signed off by the respective Investee Company boards. These models are used to evaluate Investee Company performance and assess the performance of Investee Company management.

Valuation

Investment valuations are calculated at the financial half-year (30 June) and the financial year-end (31 December) periods. For the current period ended 31 December 2023, in arriving at their fair value conclusions the Board obtained an independent valuation of Aqua Comms, Elio Networks, Arqiva Group and the Verne Earn-Out whose sale completion was announced on 15 March 2024 (the "Verne Transaction"). EMIC-1 continues to be held at cost and reflects cash contributed by the Company while SeaEdge remains consistent with prior years.

The fair valuation of the portfolio has also been reviewed by the Company's auditors, PwC, as at 31 December 2023 and further details are set out in the Independent Auditors' Report on pages 90 to 97.

Discount rates

As described in Note 4, investments are typically valued on a discounted cash flow ("DCF") basis. The discounted cash flow from revenue is forecasted over an 8-to-10 year period followed by a terminal value based on a long-term growth rate. Discount rates are arrived at via a bottom-up analysis of the weighted average cost of capital, using both observable and unobservable inputs, and calculation of the appropriate beta based on comparable listed companies. Where appropriate, a sense-check to the DCF analysis is done by comparison to market multiples.

In respect of the portfolio of data centres where the disposals were completed after the year-end, the fair value of these investments at the year end equals the agreed disposal value plus an amount for the valuation of the Earn-Out as per the terms of the share purchase agreement ("SPA").

As a result of the above, discount rates are only relevant to Arqiva, Aqua Comms, Elio Networks and the Verne Global Earn-Out, which was valued utilising a Monte Carlo Simulation. The weighted average discount rate used in these valuations was 13.62%.

Liquidity

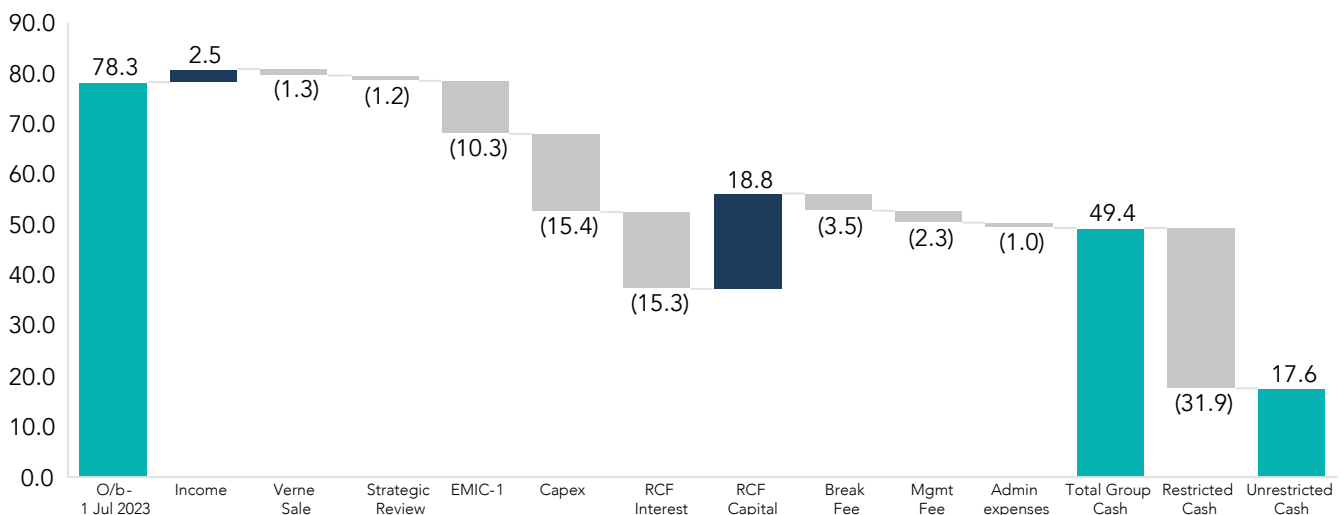
The chart below shows the unrestricted cash movements for the Group in the six-month period to 31 December 2023. For the avoidance of doubt, this chart includes all unrestricted cash across the D9 subsidiaries to 31 December 2023 and is on a cash basis and not an accruals basis.

A second chart showing the cash flow movements across the Group from 1 January 2024 to 31 March 2024 has also been added in the unaudited non-statutory information section on page 129.

As at the period end, the Group held total cash of £49.4 millionⁱⁱⁱ. Of this, unrestricted cash available for use was £17.6 million, shown in the chart below. Restricted cash consisted of an escrow account in relation to the EMIC-1 project, which in 2024 is being unwound as project milestones are hit.

At 31 December 2023, the Group had cash of £24.4 million in a restricted interest reserve account, under the terms of its RCF. In agreement with its RCF lenders, the Company negotiated and agreed that from 1 January 2024 the cash reserves in the RCF's interest reserve account can be used for interest payments which enables the Company to pay interest for the residual RCF without using any unrestricted cash until the RCF's legal maturity in March 2025.

Unaudited Unrestricted Cash Group Waterfall – 1 July 2023 to 31 December 2023 (£ million)



Restricted cash of £31.9 million included a Restricted Interest Reserve Account in relation to the RCF of £24.4 million and an amount in a restricted escrow account in relation to the construction of EMIC-1 of £7.5 million.

Unrestricted cash includes £14.8m held at the Company level, with the balance being held in unconsolidated subsidiaries.

The Company had fully drawn the RCF as at the reporting date in the form of £373.8* million drawn and £1.2 million committed through a Letter of Credit in favour of Verne Global Iceland.

As described in both the Interim Chair's Statement and Investment Manager's Review, the Group closed the sale of the Verne Global group of companies as announced on 15 March 2024. Subsequent to this, the cash position of the Group has strengthened.

A cash waterfall for the 3 months to 31 March 2024 is included within the unaudited non-statutory information section on page 129.

ⁱⁱⁱ Alternative Performance Measure, further information on APMs can be found on pages 125 to 127.

Inflation

The 12 months to 31 December 2023 saw some of the highest inflation in recent years, which had both positive and adverse effects on the Investee Companies. The Investment Manager and Board monitored developments closely and took steps to reduce forward macroeconomic exposure through hedging instruments and forward agreements.

High RPI in March 2023 (13.5%) had a direct short-term cash flow impact on Arqiva due to its inflation-linked swaps, with Arqiva paying £147 million in accretion payments (equating to c.£76 million prorated for D9's 51.76% economic interest in Arqiva). For the avoidance of doubt, accretion is paid by Arqiva, not D9. The long-term net impact of inflation on Arqiva is positive, increasing EBITDA due to the compounding effect of Arqiva's long-term inflation-linked contracts. RPI has fallen substantially from the Q1 2023 peak, dropping to 4.3% in March 2024, which will result in an accretion payment of c.£53 million in June 2024 (equating to c.£28 million prorated for D9's 51.76% economic interest in Arqiva). Furthermore, Arqiva's inflation collar implemented in June 2023 limits future downside inflationary exposure by capping accretion payments at an effective RPI of c.6.0% for the remaining life of the swaps, which expire in 2027. More information on Arqiva can be found below.

Debt financing

As at 31 December 2023, the Group had unrestricted cash of £17.6 million and the RCF was fully drawn at £375 million (divided into a £373.8** million cash draw and a £1.2 million non-cash draw for a Letter of Credit provided under the RCF in favour of Verne Global Iceland). In aggregate, excluding Investee Companies, D9 had gross debt of £544.8 million, comprising the VLN and RCF (including the Letters of Credit described above) as of 31 December 2023, which is 51% of Adjusted GAV. For the avoidance of doubt, the VLN balance also includes the additional PIK notes issued in June 2023, but does not include the accrued interest of £5.1m to 31 December 2023.

** Alternative Performance Measure, further information on APMs can be found on pages 125 to 127.



Debt metrics

The below table shows the Group's leverage position as at 31 December 2023. Included within the unaudited non-statutory information section on page 130 is a pro-forma position as at 31 March 2024, which shows the position following the Company's partial RCF repayment in March 2024.

	31 December 2023 £'m
Aqua Comms	222.5
Verne Global	372.2
SeaEdge	14.0
EMIC-1	36.0
Elio Networks	55.4
Arqiva	503.6
Arqiva Principal VLN	(163.0)
Arqiva Additional VLN	(6.8)
Arqiva Accrued VLN Interest	(5.1)
Total Portfolio Value	1,028.8
Subsidiary Cash & Equivalents	34.6
RCF	(373.8)
Net Subsidiary Other Liabilities	(49.8)
D9 Shareholder loan	36.2
Reconciled IFRS Valuation	676.1
PLC Other Current Assets	1.5
PLC Receivables & Cash	14.8
Total Assets	692.3
RCF*	375.0
Adjusted GAV	1,067.3
	£'m
RCF*	375.0
VLN (including £6.8m additional notes)	169.8
Total Group Leverage	544.8
Leverage / Adjusted GAV	51.0%

* As at 31 December 2023, the RCF was fully utilised at £375 million, which comprised £373.8** million drawn and the £1.2 million non-cash draw Letter of Credit. In Q1 2024, the Letter of Credit was cancelled and did not require a cash repayment.

** Alternative Performance Measure, further information on APMs can be found on pages 125 to 127.

As at 31 December 2023, the Company's net debt / EBITDA position has marginally increased since December 2022 as a result of the PIK loan notes on the VLN being capitalised on 30 June 2023 and a slight decline in portfolio EBITDA.

	At 31 December 2023 £'m
Net Debt / EBITDA	
Drawn RCF inc. Letter of Credit	375.0
VLN*	169.8
Group Cash & Equivalents (inc. restricted cash)	(49.4)
Net Debt	495.4
2023 Portfolio EBITDA	197.7
Net Debt / EBITDA	2.5x
Arqiva debt (prorated for D9 ownership)**	744.4
Verne Global debt	78.6
Adjusted Net Debt	1,318.4
Adjusted Net Debt / EBITDA	6.7x

* Includes the additional notes of £6.8 million issued in June 2023.

** This is D9's share of Arqiva gross debt. It is not an Arqiva net debt figure and as a result does not include cash held by Arqiva; it is a more conservative approach and is in line with previously reported figures.

Revolving Credit Facility

As at the reporting date, the Group had a £375 million bespoke RCF in place with an international syndicate of four banks. The Group has fully drawn the facility as at the reporting date in the form of £373.8 million drawn and £1.2 million committed through a Letter of Credit in favour of Verne Global Iceland. As set out above, the RCF has been partly repaid and cancelled following the completion of the Verne Transaction.

As previously disclosed and given the current economic landscape in the UK, characterised by high interest rates with SONIA trading around the 5% mark, the Group's RCF will reduce to c.£53 million on 3 May 2024 in order to reduce its financing costs and preserve shareholder value.

VLN

Details of the Arqiva VLN are set out on pages 34 to 35.

Investee Company leverage

As at 31 December 2023, only two of the Investee Companies had asset-level debt: Arqiva and Verne Global Iceland.

Arqiva:

As at 31 December 2023, Arqiva's debt balance was £1,438 million (including project debt), of which the Company's share was £744 million.

Verne Global Iceland:

During the year, the Company sought asset-level financing into selected Investee Companies in the form of long-term structured debt. In June 2023, the Company achieved this through Verne Global Iceland which agreed a \$100 (c.£80) million green term-loan facility (the "Green Term Loan").

The Facility is structured as a syndicated facility, fully underwritten by Natixis and with a fixed term of five years, maturing in June 2028. The interest rate payable in the first three years of the facility is 3% per annum over the Secured Overnight Financing Rate ("SOFR"), stepping up to 3.25% per annum and 3.5% per annum, in fourth and fifth year, respectively. Verne Global Iceland has also put in place an interest rate swap for the first three years of the facility to manage longer-term fluctuations in interest rates. The fixed rate for the tenor of the swap is 4.14% per annum and the all-in fixed rate, including the applicable margin, is 7.14% per annum.

As announced on 15 February 2024, Verne Global Iceland signed a \$17 million increase (the "Accordion Facility") under the terms of the Green Term Loan to help fund growth capital expenditure and strengthen cash position ahead of closing the Verne Transaction, bringing the total indebtedness under the facility to \$117 million.

The Green Term Loan debt liability has been transferred in whole as part of the Verne Global sale.

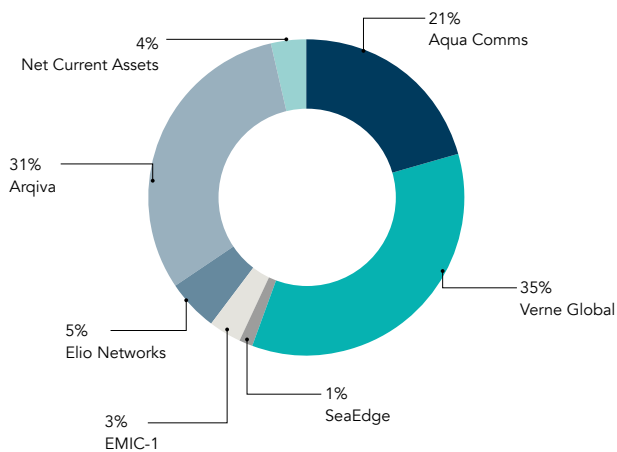
\ PORTFOLIO SUMMARY AND KEY VALUE DRIVERS

As at 29 April 2024, the Company's portfolio consists of 5 attractive and complementary investments.

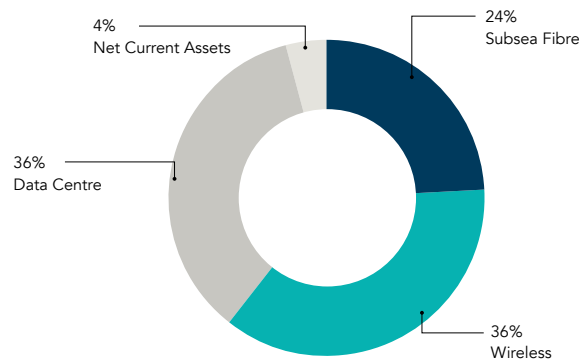
The below table shows the portfolio's asset and sector concentration levels comprising valuations as at 31 December 2023.

A pro forma basis as at 31 March 2024 following the completion of sale of the Verne Global group of companies is set out in the 'Unaudited Non-Statutory Information' section at the end of this report on pages 128 to 131.

Portfolio Concentration at 31 December 2023



Sector Concentration at 31 December 2023



\ REVIEW OF PORTFOLIO AS OF 31 DECEMBER 2023

In 2023, aggregate Investee Company revenue grew by 10% year-on-year, driven mainly by the performances of Arqiva, Aqua Comms and Verne Global. EBITDA during the period was negatively affected by Arqiva and Aqua Comms, as was factored into business plans. Further details are provided in the following sections.

The sale of the Verne Global group of companies, which completed in March 2024, removed the majority of D9's exposure to the data centre subsector. Adjusting for the sale, the pro-forma subsector exposure at year-end was predominantly subsea and wireless, with Aqua Comms and Arqiva being the largest contributors.

Portfolio Financial Performance (including Verne Global)

	2023	2022
Revenue	£446.6 million	£405.5 million
% growth	10%	4%
EBITDA	£197.7 million	£202.4 million
% growth	(2%)	0%
% margin	44%	50%

Pro-forma Portfolio Financial Performance (excluding Verne Global)

	2023	2022
Revenue	£395.9 million	£363.9 million
% growth	9%	1%
EBITDA	£180.6 million	£193.2 million
% growth	(7%)	(0%)
% margin	46%	53%


Aqua Comms (excluding EMIC-1)

Sector	Subsea
Currency	USD
Date invested	April 2021
Ownership	100%
SDG9 alignment	Connectivity
Revenue (2023)	£28.1 million
Initial investment	£170 million
Total capex funded to date	£18 million
Total investment to date	£188 million
Closing value (31 Dec 2023)	£223 million
Valuation movement (from 30 June 2023)	(2%)
EBITDA (2023)	£8.5 million

Aqua Comms is a leading carrier-neutral owner and operator of subsea fibre, providing essential connectivity through 20,000 km of transatlantic, North Sea and Atlantic, and Irish sea routes. Aqua Comms serves mainly hyperscalers and global carriers who have an exponential data demand.

Compared to 2022, revenue increased by 4% in 2023 mainly driven by increased sales in Aqua Comms' lease business. EBITDA decreased by 33% mainly because of the planned addition of headcount to support sales, operations and expansion into new geographies such as Asian markets in line with the business' long-term strategy, along with additional and temporary overlapping costs to internalise its previously outsourced Network Operations Centre. In addition, the launch of Aqua Comms' third transatlantic cable, AEC-3, in August 2023 temporarily hindered profitability as all related costs were incurred upfront (e.g. backhaul leases). Therefore, Aqua Comms expects that revenue ramp-up will occur in future years. Aqua Comms also expects customer demand to remain strong in the foreseeable future whilst capacity demand continues to grow at very high rates.

Aqua Comms had a successful year in 2023 in its core transatlantic market, growing its lease business by double the growth rate of the overall market, demonstrating Aqua

Comms' ability to capture market share and testament to the strength of the sales team. Aqua Comms also launched AEC-3 onto its network in August 2023, adding a third high-capacity system to their transatlantic footprint offering enhanced diversity in both the US and Europe and delivering the latest technology to its customers.

In February 2024, CEO Jim Fagan decided to leave the business to pursue an external opportunity. He hands over a company which has a strong, growing Atlantic business and a significant pipeline of future opportunities to extend its reach to new markets on the back of strong competences and market positioning. Aqua Comms' Chief Networks Officer Andy Hudson has been appointed acting CEO after leading all aspects of Aqua Comms' global operations and engineering since June 2017. Chair Alan Harper is providing enhanced commercial and strategic assistance to Andy Hudson as Aqua Comms continues to execute on its ambitious sale plans for its multiple Atlantic routes and the new EMIC-1 system, which is under construction.



	2023	2022
Revenue	£28.1 million	£27.1 million
% growth	4%	5%
EBITDA	£8.5 million	£12.6 million
% growth	(33%)	–
% margin	30%	47%

EMIC-1

Aqua Comms is also managing the EMIC-1 system with its development continuing through 2023 before expected launch in 2025. EMIC-1 has the potential to be delayed based on the geopolitical situation in the Red Sea and Middle East, which is impacting the ability of all new cable systems to be deployed in the region. Despite the geopolitical situation and potential for delay, the Aqua Comms team achieved a large pre-sale on EMIC-1 in Q4 of this year.

Sector	Subsea
Currency	USD
Date invested	August 2021
Ownership	100%
Closing value (31 Dec 2023)	£36 million
Initial investment	£0 million
Total capex funded to date	£38 million*

* Includes £2 million of capex funded post balance sheet.

 	
Verne Global Iceland	
Sector	Data centre
Currency	USD
Date invested	September 2021
Ownership	100%
SDG9 alignment	Decarbonisation
Initial investment	£231 million
Total capex funded to date	£14 million
Total investment to date	£245 million
Revenue (2023)	£24.7 million
EBITDA (2023)	£9.9 million

Verne Global Iceland is a leading data centre platform which 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 10-year fixed-price supply contract, enabling customers to reduce their carbon footprint significantly. Verne Global'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 United Nations Sustainable Development Goal 9 ("UN SDG 9").

In light of increased global temperatures, increasing ESG reporting requirements, and 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 which bring stability, availability and scalability to support their rapidly increasing high performance compute needs.

During the period, Verne Global generated sustained and accelerated demand for its facilities from both new and existing customers. Revenue increased by 24% in 2023, driven by new colocation contracts coming online along with the continued ramp-up of existing colocation contracts. EBITDA grew by 41% in the period, with EBITDA margin increasing to 40% as the business continued to scale.

At 31 December 2023, Verne Global had 99% of recurring revenue benefitting 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 across a variety of sectors including automotive, artificial intelligence and financial services.

As previously noted, Verne Global drew a \$100 million (c.£80 million) green term-loan debt facility in June 2023 and subsequently put in place an interest rate swap for the first three years of the facility, applying an all-in fixed interest rate of 7.14% to the facility. The proceeds were used to:

- Fund additional capacity under construction and development in 2023
- Refinance Verne Global's existing bridge loan facility for \$26 million (£21 million)
- Repay \$50 million (£40 million) of the \$62 million (c.£49 million) shareholder loan owed to the Company by Verne Global

During the period in which the Company held Verne Global in its portfolio, the Investment Policy included a restriction that the Company could 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). Therefore, due to Verne Global's large contribution to the portfolio's Adjusted Gross Asset Value, prior to the Verne Transaction, the Group could not have materially increased its exposure to Verne Global through further capital expenditure without breaching the Investment Policy.

	2023	2022
Revenue	£24.7 million	£19.9 million
% growth	24%	9%
EBITDA	£9.9 million	£7.0 million
% growth	41%	17%
% margin	40%	35%

 	
Verne Global Finland	
Sector	Data centre
Currency	EUR
Date invested	July 2022
Ownership	100%
SDG9 alignment	Decarbonisation
Initial investment	£114 million
Total capex funded to date	£5 million
Total investment to date	£119 million
Revenue (2023)	£13.4 million
EBITDA (2023)	£4.4 million

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 23 MW.

Although capital expenditure plans had been delayed pending closing of the Verne Global Sale, Verne Global Finland has continued to grow its client base and is looking to expand its data centre capacity further to meet increasing customer demand, particularly in its Helsinki campus.

In 2023, Verne Global Finland achieved revenue growth of 6% and EBITDA growth of 52% year-on-year as new customer contracts were secured, increasing utilisation on its sites. EBITDA growth also reflected year-end adjustments for one-off items relating to intergroup recharges and severance payments.



	2023	2022
Revenue	£13.4 million	£12.7 million
% growth	6%	14%
EBITDA	£4.4 million	£2.9 million
% growth	52%	21%
% margin	33%	23%



Verne Global London

Sector	Data centre
Currency	GBP
Date invested	April 2022
Ownership	100%
SDG9 alignment	Connectivity
Initial investment	£45 million
Total capex funded to date	£21 million
Total investment to date	£66 million
Revenue (2023)	£12.6 million
EBITDA (2023)	£2.9 million

Verne Global London wholly owns and operates a hyper-connected data centre in Farringdon, central London, providing up to 6 MW of colocation services. Verne Global London's facility is a fully accredited hub for connectivity and content distribution to networks across the UK and worldwide and is in an ideal location for latency-sensitive workloads.

2023 saw revenue growth of 40% as a result of power passthrough, customer contracts ramping up, upfront installation fees and smaller bespoke projects for customers. This resulted in strong growth overall in 2023, as revenue grew 40% year-on-year and EBITDA margin turned positive, at 23%.

Since acquisition, the data centre has been integrated into the Verne Global platform. The business has benefitted from this and a hedged power procurement policy, turning a loss-generating operation into a profit-making one. During the Company's ownership, we have continued to reinvest into the facility to maintain and improve its critical infrastructure and expand capacity towards 6 MW.



	2023	2022
Revenue	£12.6 million	£9.0 million
% growth	40%	30%
EBITDA	£2.9 million	(£0.7 million)
% growth	N/M*	N/A
% margin	23%	(8%)

* Not material as previous year negative

SEAEDGEUK1

Sector	Data centre
Currency	GBP
Date invested	December 2021
Ownership	100%
SDG9 alignment	Connectivity & Decarbonisation
Revenue (2023)	£1.0 million
Initial investment	£16 million
Total capex funded to date	–
Total investment to date	£16 million
Closing value (31 Dec 2023)	£14 million
Valuation movement (from 31 Dec 2022)	(21%)
EBITDA (FY)	£1.0 million

D9 owns the underlying real estate of the SeaEdge UK1 data centre asset and subsea fibre landing station, which is located in Newcastle on the UK's largest purpose-built data centre campus. D9 leases the facility to data centre operator, Stellium Data Centres Ltd, on a 25-year occupational lease.

SeaEdge UK1 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 Aqua Comms' AEC-1 and AEC-2 cables.

Revenue growth of 11% and EBITDA growth of 13% were achieved in 2023 due to positive revenue indexation and reduced expenses.

The asset is leased on fully repairing and insuring terms to the tenant and operator, Stellium Data Centres Ltd, via a 25-year occupational lease with over 21 years remaining. Stellium continues to meet its payment obligations under the lease, delivering on the Company's target yield at acquisition.



	2023	2022
Revenue	£1.0 million	£0.9 million
% growth	11%	N/A
EBITDA	£1.0 million	£0.9 million
% growth	13%	N/A
% margin	94%	93%



Elio Networks

Sector	Wireless
Currency	EUR
Date invested	April 2022
Ownership	100%
SDG9 alignment	Connectivity
Revenue (2023)	£8.2 million
Initial investment	£51 million
Total capex funded to date	–
Total investment to date	£51 million
Closing value (31 Dec 2023)	£55 million
Valuation movement (from 30 June 2023)	(4%)
EBITDA (2023)	£4.2 million



Elio Networks is an enterprise high-speed connectivity provider that owns and operates the highest capacity fixed wireless access ("FWA") network in Greater Dublin, connecting c.1,600 enterprise customers with high-quality wireless access across over 50 base stations.

Elio Networks continued growing its high-quality wireless connectivity operations in 2023, with unique customer connections of c.2,700 in December 2023. Elio Networks completed a re-branding exercise and launched under its new name in February 2023. Furthermore, Elio Networks extended its services to Cork city in early 2023, reaffirming its position as the leading wireless fixed connectivity player in Ireland. Elio Networks achieved £8.2 million revenue in 2023, a 6% increase on 2022.

The provider 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, it has grown to become the largest wireless internet service provider ("ISP") in the greater Dublin region, with the 2023 expansion into Cork city reaffirming its position as a leading connectivity player in Ireland.

	2023	2022
Revenue	£8.2 million	£7.7 million
% growth	6%	6%
EBITDA	£4.2 million	£4.1 million
% growth	2%	(14%)
% margin	51%	53%



Sector	Wireless
Currency	GBP
Date invested	October 2022
Ownership	48.02%
SDG9 alignment	Connectivity
Revenue (2023)	£358.6 million
Initial investment	£300 million
Total capex funded to date	–
Total investment to date	£300 million
Closing value (31 Dec 2023)	£341 million*
Valuation movement (from 30 June 2023)	(1%)
EBITDA (2023)	£166.9 million

Note: Figures presented are prorated based on D9's 51.76% economic interest in Arqiva.

* To enable comparison in line with previous valuations, NAV is presented as equity value (£504 million as of 31 December 2023) less VLN principal (£163 million). A proforma NAV is presented as £329 million, and this is net of £7 million PIK notes issued in June 2023 and £5 million further interest accrued to 31 December 2023.

Arqiva is the UK's pre-eminent national provider of television and radio broadcast infrastructure and provides end-to-end connectivity solutions in the media and utility industries. It has been an early and leading participant in the development of smart utility infrastructure in the UK through its smart water and energy metering services. It is also a leading provider of satellite uplink infrastructure and distribution services in the UK.

Arqiva is a large, robust business with c.1,300 employees and predictable earnings underpinned by long-term contracts with blue-chip customers, including the BBC, ITV, Channel 4, Sky, Discovery, the DCC and Thames Water. Arqiva's utilities business continues to represent an exciting growth opportunity grounded in a quality product offering and enabling clear cost savings and environmental benefits.

Arqiva sustained good business momentum in 2023, with revenue up 9% year-on-year, reflecting strong growth in smart water metering, whilst the media

business saw upwards indexation of inflation-linked revenue contracts and higher passthrough power charges. Limited offset was driven by some TV channel customers entering administration. EBITDA dropped by 5% year-on-year as a result of an increased mix of utility device sales, higher power costs and TV channel revenue reductions, as well as some one-offs. The Arqiva business plan already anticipated a drop in EBITDA in this period.

The UK government is currently drafting the Media Bill, which includes a range of provisions to modernise broadcasting regulation and support public service broadcasters. At its second reading in the House of Commons in November 2023, MPs spoke about the importance of protecting delivery of Broadcast TV in the long term to ensure broadcast services remain available to everyone in the UK.

Whilst macroeconomic factors impacted some customers during the year, Arqiva continued to see positive commercial momentum in both media and smart utilities. Several major Digital Audio Broadcasting ("DAB") contracts were extended to 2035, with DAB remaining the UK's dominant listening platform, delivering 42% of all listening hours. Arqiva also signed a multi-year deal with a UK public service broadcaster ("PSB"), representing the first Satellite Direct to Home deal (including satellite capacity) that has been signed with a PSB. Arqiva continues to carefully monitor customer demand and requirements to ensure efficient management of satellite transponder capacity. In November, Arqiva announced the extension of its smart water meter network through a contract to deliver an additional 300,000 meters for its existing customer Anglian Water ("Anglian") by 2025. This should allow Anglian to continue to improve network monitoring, identify and reduce leakages, and engage with customers to modify behaviour and help them reduce consumption. To date, Anglian's smart water metering programme has helped customers find and resolve over 200,000 leaks in their properties, on average saving three million litres of water per day over the past three years.

Clarification on capital structure at Arqiva and at HoldCo level

In October 2022, D9 acquired a 51.76% economic interest (48.02% equity stake) in Arqiva for £463 million, which consisted of £300 million paid in cash and £163 million owed to the vendor in the form of a vendor loan note (VLN). For further details on the VLN, see below. Per the valuation conducted by the independent valuation adviser, Arqiva is held at a NAV of £341 million as of 31 December 2023, representing a 13.5% increase on the £300 million D9 paid initially. For comparative purposes, NAV is presented as equity

value (£504 million as of 31 December 2023) less VLN principal (£163 million). As of 31 December 2023, D9 still owes the £163 million VLN principal to the vendor along with £6.8 million of PIK interest (PIKed on 30 June 2023) as well as £5.1 million interest accrued from 01 July 2023 to 31 December 2023. Arqiva also holds a large balance of shareholder loans owed to its own shareholders. For the avoidance of doubt, these do not represent an external debt obligation and should be stripped out when examining Arqiva's leverage. Arqiva's total external debt as of 31 December 2023 was £1,438 million, which corresponds to £744 million attributable to D9 pro rata based on its 51.76% economic interest.

Collar on Arqiva's inflation-linked swaps

As disclosed in June 2023, Arqiva implemented a collar on its inflation-linked swaps, which applies a cap and floor to future accretion payments, limiting downside cash flow exposure for the business. For its financial year ending June 2023, Arqiva paid £147 million in accretion (equating to c.£76 million prorated for D9's 51.76% economic interest in Arqiva). This was based on a 13.5% Retail Price Index ("RPI") inflation rate in March 2023. As a result of the collar, accretion payments going forwards are effectively limited by the collar's cap of c.6.0%. If RPI is lower than c.6.0%, the accretion payment will be proportionally lower as well, down to an RPI floor of 2.5%. Driven by 4.3% RPI in March 2024, the June 2024 accretion payment will be c.£53 million, c.£28 million of which is attributed to D9 based on its 51.76% economic interest. For the avoidance of doubt, accretion payments are made by Arqiva out of its operational cash flows, not paid by D9. The swaps expire in April 2027.

Arqiva senior debt refinancing

Through late June and early July, Arqiva Group raised £345 million of new debt, the proceeds of which were used to repay £262 million of existing debt which was approaching maturity, whilst providing Arqiva Group with an additional £83 million for general corporate purposes. This followed £45 million of senior debt amortisations over the previous 12 months, as well as the net £175 million deleveraging of Arqiva Group's junior debt in Q3 2022. Arqiva Group's interest rate swap portfolio was also rebalanced to maintain compliance with hedging covenants, such that changes in gilt yields continue to have no material impact on Arqiva Group's interest costs net of the pre-existing swaps portfolio.

Vendor loan note interest accrual

D9's 2022 acquisition of a 48.02% equity stake in Arqiva consisted of £300 million paid in cash and a £163 million vendor loan note issued by the vendor. The VLN, which matures in 2029, is non-recourse to the

Company. In the event of a default, recourse is limited to the Company's shares in Arqiva Group Limited, and this charge is registered at Companies House against D9 Wireless Midco 1 Limited, a subsidiary of the Company.

The VLN is due to mature on 18 October 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 on the VLN is due annually in arrears on 30 June, and D9 has the choice either to settle each payment in cash or to accrue it. For the period ending 30 June 2023, the Company elected to accrue the interest, increasing the VLN's outstanding balance from £163 million to £169.8 million. The proforma VLN balance stood at £174.9 million as of 31 December 2023, which consisted of the £169.8 million of notes issued as of 30 June 2023 plus £5.1 million of interest accrued to 31 December 2023. PIK interest is capitalised into the balance of the VLN annually in June each year, and all interest on the Arqiva VLN was PIK at 30 June 2023. No interest on the VLN has been settled in cash.

Accrued interest must be repaid in full before distributions can be made to the Group. After the fourth anniversary of the VLN (18 October 2026), the Group can only receive distributions if the entirety of the VLN principal and any rolled up interest have been repaid in full. The Company expects Arqiva's future cashflows to cover D9's VLN interest payments.

	2023	2022
Revenue	£358.6 million	£328.2 million
% growth	9%	0%
EBITDA	£166.9 million	£175.7 million
% growth	(5%)	1%
% margin	47%	54%

Note: Figures presented are pro-rated based on D9's 51.76% economic interest in Arqiva.

Diego Massidda

Head of Digital Infrastructure
Triple Point Investment Management LLP
29 April 2024

Section 172(1) Statement

The Board is committed to promoting the 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.	<p>The Investment Manager and Board have been continuously engaged with shareholders throughout the period.</p> <p>During the period, the Company and Investment Manager have hosted a number of events, including webinars following key Company Updates and the Capital Markets Day held on 20 March 2023, in addition to direct engagement.</p> <p>The Board initiated a formal consultation with shareholders and in October 2023 met with shareholders representing c.74% of the Company’s issued share capital, in conjunction with the Investment Manager and the Company’s Joint Corporate Brokers, J.P. Morgan Cazenove and Peel Hunt (Joint Corporate Broker from 12 April 2023 to 3 April 2024), and in addition to hosting a retail shareholder-only webinar.</p> <p>The Board has maintained continuous dialogue with shareholders and the Directors have made themselves available to meet to discuss a wide range of topics.</p>	Key topics through the year related to the Investment Manager Personnel, the Verne Global syndication and sale, the Company’s dividend policy, the material uncertainty around going concern and future direction of the Company.	<p>The Board considered that the feedback from shareholders, especially that received during the consultation, has been invaluable this year, through enhanced understanding of shareholder expectations.</p> <p>Following the shareholder consultation, the Board initiated a Strategic Review of the Company on 27 November 2023.</p>

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?
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 have engaged with the Investment Manager throughout the year on the most strategic topics for the Company, including on the syndication and sale of Verne Global, the decision to suspend the Company's dividend, the shareholder consultation, during the period of change of personnel of the Investment Manager; and reporting processes.	As a result of the engagement between the Board and the Investment Manager, the Group has been able to enter into a definitive agreement for the sale of Verne Global during the period. Post year end, the Board has served notice to the Investment Manager with the 12 months' notice period set to end on 31 March 2025, in line with the expiry of the lock-in period.
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. The Board has frequently engaged with Verne management during the sale process.	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. The key topic of engagement with Verne has been in relation to its sale and ongoing matters between signing and completion.	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.

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?
<p>Suppliers</p>	<p>The Company's suppliers include third-party service providers, and the RCF lenders, each of which is essential in ensuring the ongoing operational performance of the Company.</p> <p>The Company relies on the performance of third-party service providers to undertake all its main activities.</p>	<p>The Board maintains close working relationships with all its key advisers and with the RCF lenders.</p> <p>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.</p>	<p>The Management Engagement Committee met in the year and 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.</p> <p>The Board and Investment Manager has directly engaged with the RCF lenders in respect to the partial repayment and cancellation, as well as the covenants amendments.</p>	<p>The Board has continued to be open in providing feedback to its service providers to make clear their expectations, following the Management Engagement Committee process and, where appropriate, on an ad hoc basis.</p> <p>The relationship with the RCF lenders has been key to ensuring that the Company can carry out the actions necessary for its strategic actions.</p>
<p>Regulators</p>	<p>Engagement with the regulator is imperative to the Company's ability to operate.</p>	<p>During the year, 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.</p>	<p>The key topics of engagement with regulators during the year have been in relation to the change of Directors and receipt of shareholder complaints.</p> <p>Following year-end, the Company engaged with the FCA and JFSC in relation to the change of Investment Policy.</p>	<p>Engagement with the regulator has been important to ensure that the Company can carry out strategically important actions, including change of Directors, and following year-end the change of Investment Policy. In respect of the shareholder complaints, this has been important in respect of the Company's regulatory requirements.</p>

/ 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.

Verne Global sale

In November 2023, the Company announced the sale of its entire stake in the Verne Global group of companies which completed following the year end in March 2024. The Board concluded that a sale of the Company's entire stake in Verne Global was in shareholders' best interests because it provided an opportunity for the Company to deleverage its balance sheet and provide the cash resources necessary for the Company to strengthen its financial position.

Decision to suspend the Company's dividend target

The Board elected to not declare the Q2 2023 dividend and withdrew its target dividend of 6.0 pence per Ordinary Share for the year ended 31 December 2023. The Board carried out a formal consultation with shareholders to discuss the future direction of the Company which included gathering feedback with regard to dividend policy. The Board met with shareholders representing c.74% of the Company's issued share capital, in conjunction with the Investment Manager and the Company's Joint Corporate Brokers, J.P. Morgan Cazenove and Peel Hunt (Joint Corporate Broker from 12 April 2023 to 3 April 2024), and in addition to hosting a retail shareholder-only webinar.

Initiation of a Strategic Review

In November 2023, following the announcement of the Verne Global sale and shareholder consultation, the Board initiated a Strategic Review to develop a set of actions with a view to maximising shareholder value going forward.

The Company announced the conclusion of the Strategic Review on 29 January 2024 following year end. Further information in relation to the Strategic Review can be found in the Investment Manager's Report on page 18.

Change of Directors

During the year, the Company undertook a formal recruitment process led by the Nomination Committee, with the support of an independent search consultancy, for the appointment of a new Board member. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board and would support the Board's commitment to diversity, in line with the FCA's targets under the Listing Rules. The Board was pleased to announce the appointment of Gailina Liew on 1 July 2023 as an Independent Non-Executive Director.

During the period, Phil Jordan and Lisa Harrington stepped down as Directors of the Company effective 14 December 2023, and Richard Boléat and Brett Miller were appointed as Independent Non-Executive Directors of the Company with effect from 19 December 2023 and 21 December 2023 respectively. Following the period end on 3 January 2024, Keith Mansfield stepped down as a Director of the Company, and on 23 March 2024 Brett Miller and Richard Boléat stepped down as Directors 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.

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 on pages 72 to 73.

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. Post year end, this is being re-assessed to align to the revised strategy of being in a Managed Wind-Down.

The Board is responsible for setting the Company's risk appetite and ensuring that the Company operates within these parameters. The Board defines 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. Any risks outside of tolerance are subject to additional oversight and action planning.

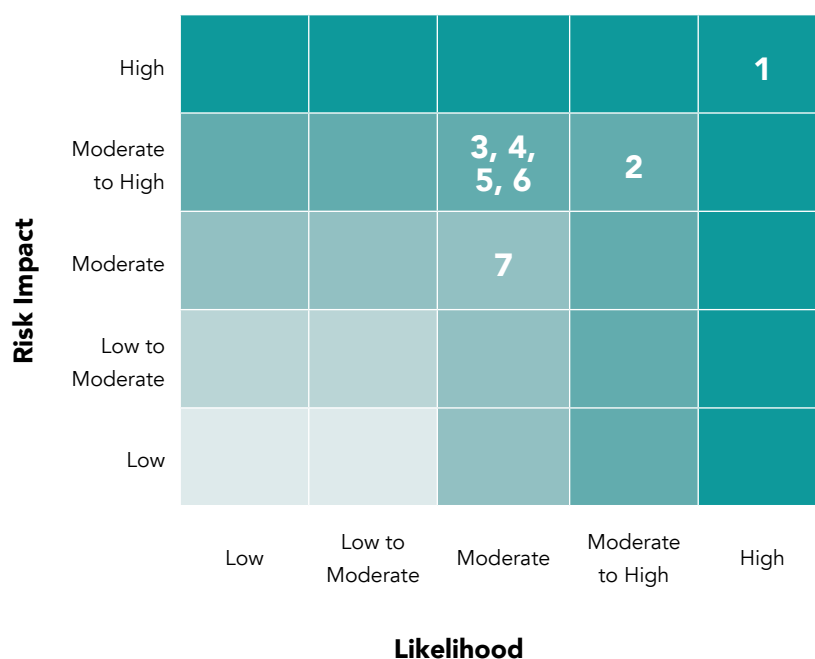
The Board has reviewed the Company's appetite for each of the principal risks set out below.

The Board will review and monitor the Company's risk appetite at least on an annual basis or when there is a material change in the internal or external environment, 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 the risks that the Group may face. The Board defines the Group's risk appetite, enabling the Group 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 29 April 2024 may also have an adverse effect on the Group.

Risk	
1.	PERSISTENT, NEGATIVE MARKET SENTIMENT LEADING TO INCREASED ACTIVISM
2.	INFORMATION SECURITY BREACH
3.	TRANSACTION / EXECUTION RISK
4.	LIQUIDITY AND SOLVENCY RISK
5.	DEPENDENCE ON INVESTMENT MANAGER
6.	INTERRUPTIONS TO OPERATIONS
7.	REGULATORY RISK



1. PERSISTENT, NEGATIVE MARKET SENTIMENT, LEADING TO INCREASED ACTIVISM

Risk Impact/Context	Risk Mitigation	Impact
<p>The fund has suffered as a result of a lengthy period where share price has traded at a discount to NAV. There are a number of legacy drivers behind the market sentiment, which include: wider macroeconomic and market conditions, Group's leverage position*, Investment Manager and Board personnel changes.</p> <p>Combined, these have led to a reduced level of shareholder confidence which has manifested itself in increased activism. Post year end, the fund has been subject to an increased volume of complaints and Board engagements.</p> <p>Specifically, the Board have experienced several changes to its constitution with both a number of longer-standing and newer Board members voluntarily resigning their position. This has in part caused disruption to the ongoing governance and oversight of the fund and is seen as a contributor to the increased level of activism.</p> <p>There is a risk that changes to, and/or further loss of the existing Directors from the fund would lead to further knowledge loss, adversely impacting the credibility and suitability of governance.</p> <p>* The Group leverage position has reduced considerably following the successful completion of the Verne transaction.</p>	<p>The Board has continued to maintain an open dialogue with shareholders and provided regular market updates on the execution of its strategy.</p> <p>At the end of 2023, the Board instigated a formal consultation with shareholders to determine the forward-looking strategy, including the management of the fund; which sought to address shareholder concerns.</p> <p>Ongoing, the Board and Investment Manager have sought appropriate corporate and legal advice to ensure the fund conducts itself appropriately and informed decisions and actions have been taken to deliver the best possible outcome to shareholders.</p> <p>Further appointments to the Board are expected to be made in the near term, which will add depth, capacity and ensure all Committees can operate appropriately and enable the Board to fulfil its obligations.</p>	High
		Likelihood
		High
		Risk Exposure Change in Year
		Increase

2. INFORMATION SECURITY BREACH

Risk Impact/Context	Risk Mitigation	Impact
<p>Given the nature of the industry and type of services being provided by the Investee Companies, the risk of cyber security breach is significant.</p> <p>Depending on the nature of the breach, this could lead to significant business disruption, data loss and/or fraud. Any which revolves around data loss and/or business disruption would materially impact reputation of the individual portfolio company resulting in possible going concern issues.</p>	<p>All Investee Companies have a core suite of controls for the mitigation of information security risks and, where possible, companies are working to comply with ISO 27001.</p> <p>Cyber security is a regular feature in Risk and Audit Committee monitoring/discussions.</p> <p>It is recognised that cyber security is a constantly changing landscape and, accordingly, each Investee Company has a commitment to continue enhancements to ensure that controls keep pace with the changing profile of the risk.</p>	Moderate to High
		Likelihood
		Moderate to High
		Risk Exposure Change in Year
		Stable

3. TRANSACTION / EXECUTION RISK

Risk Impact/Context	Risk Mitigation	Impact
<p>The execution of the wind-down strategy will be completed in an appropriate and timely manner and one that achieves best outcomes for investors. The underlying quality and performance of the Investee Companies are considered robust both financially and operationally; notwithstanding that access to capital for further investment would enhance value in certain instances.</p> <p>Where appropriate and available, this will still be explored, subject to there being no detriment to overarching achievement of strategy.</p> <p>The closure of transactions may prove materially more complex than anticipated given the geography and regulatory bias of the Investee Companies.</p>	<p>Each transaction will be supported by a carefully selected team of advisers, which together with the experience of the Investment Management team are best placed to navigate the inherent risks in selecting the most appropriate deal and respectively concluding; with the priority of delivering best investor outcomes.</p>	Moderate to High
		Likelihood
		Moderate
		Risk Exposure Change in Year
		New

4. LIQUIDITY AND SOLVENCY RISK

Risk Impact/Context	Risk Mitigation	Impact
<p>The Company has an agreed repayment profile with the RCF lenders and has a suite of management actions in place to manage this obligation. Other obligations such as the VLN are considered appropriate in size and nature and have been structure accordingly and will be fulfilled through successful execution of the overall strategy.</p> <p>Quality and performance of the underlying asset is considered strong.</p>	<p>The Company has several management actions in place to manage the debt obligations of the Company, most notably the sale of Verne which will see the majority of the RCF repaid.</p> <p>General liquidity is managed via regular cashflow monitoring, supplier negotiations, and regular visibility at Board level through ongoing reporting.</p>	Moderate to High
		Likelihood
		Moderate
		Risk Exposure Change in Year
		Decrease

5. DEPENDENCE ON INVESTMENT MANAGER

Risk Impact/Context	Risk Mitigation	Impact
<p>The Company is heavily reliant on the full range of an Investment Manager’s services, their expertise and specific knowledge pursuant to the strategic direction of the fund.</p> <p>Successful execution of the strategy to manage a wind-down of the fund, maximising shareholder value, is dependent upon the appointment of an Investment Manager who has knowledge and experience of the individual dynamics of each individual Investee Companies, the markets that they operate in, which can be leveraged to developed an approach which achieves the maximum for shareholders.</p>	<p>The selection of a new and/or continuation of engagement with the Investment Manager, forms part of the Strategic Review, which is being facilitated by independent advisers. The decision will be based upon who can achieve the best outcome for investors.</p> <p>Post year end, the Board has served notice to the Investment Manager with the 12 months’ notice period set to end on 31 March 2025, in line with the expiry of the lock-in period.</p> <p>Any changes to the Investment Manager will see new fee arrangements entered into and the Board will ensure that return and reward are aligned with delivery of strategy.</p> <p>It is acknowledged that a change of Investment Manager at a critical point in its strategy carries a risk.</p> <p>Key personnel within the current Investment Management team have suitable retention packages to ensure continuity of service and delivery of objective. Knowledge is shared across the wider business to mitigate reliance on any single individual. Support functions that deliver wider services are sufficiently resourced and have experience and competency to ensure deliverables are met.</p>	Moderate to High
		Likelihood
		Moderate
		Change in Year
		Increase

6. INTERRUPTIONS TO OPERATIONS INCLUDING INFRASTRUCTURE AND TECHNOLOGY FAILURE

Risk Impact/Context	Risk Mitigation	Impact
<p>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 because of numerous factors.</p> <p>This could result in the breach of performance conditions in customer contracts, resulting in financial or regulatory implications.</p>	<p>The Digital Infrastructure Investments in which the Group invests use proven technologies, typically backed by manufacturer warranties, when installing applicable machinery and equipment.</p> <p>Investee Companies hire experts with the technical knowledge and seek third-party advice where required.</p> <p>Where appropriate, there are insurances in place to cover issues such as accidental damage and power issues.</p>	Moderate to High
		Likelihood
		Moderate
		Change in Year
		Increase

7. REGULATORY RISK

Risk Impact/Context	Risk Mitigation	Impact
There are several regulatory stakeholders involved both at a Fund but also individual Portfolio Company level.	Compliance with regulatory expectations is a key focus of the Board.	Moderate
The Board operates in an open and transparent manner and have external advisers appointed to support and ensure obligations are met.	Relationships with FCA and JFSC are supported through engagement with the Investment Manager Triple Point Investment Management LLP and corporate service providers such as Ocorian Fund Services (Jersey) Ltd and INDOS Financial Limited.	Likelihood Moderate
Breach of obligation and/or failure to maintain adequate engagement can lead to increased scrutiny, resulting in financial and/or reputational impacts.	Individual Investee Companies have direct engagement with their regulators and recruit staff that have experience and deep understanding of the obligations in which they operate under.	Change in Year Increase

Emerging Risks

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, particularly in light of various climate-related events across the globe. 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.

The Investment Manager has a strong pedigree in understanding the current and future expectations with regards to climate change and all strategic decisions are assessed against a backdrop of understanding the impacts on compliance with these obligations and commitments made.

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. The Investment Manager constantly monitor, the emerging technology trends with digital infrastructure to ensure Investee Companies evolve their business models where required to mitigate impact.

Going Concern and Viability

/ GOING CONCERN

Following the recent shareholder vote at the General Meeting, the Company is now in a Managed Wind-Down. The audited Financial Statements for the year ended 31 December 2023 continue to be prepared on a going concern basis.

As part of the Strategic Review, various options for realising the stake in Arqiva were considered by the Board and after careful consideration of Arqiva's plans and current market conditions, the Board believes that the maximisation of the value of the Company's stake in Arqiva is likely to take longer to realise than the other investments held by the Company. As such, whilst the Company will continue to consider and be open to all options for Arqiva which are value-accretive to shareholders, the Board has decided to defer launching a sale process for the Company's stake in Arqiva.

As part of the recent sale of Verne Global, the Company has the potential to receive an Earn-Out payment of up to \$135 million, subject to Verne Global achieving run-rate EBITDA targets for the financial year ending December 2026. At the year end, the Earn-Out was valued at \$34 million (£26.8 million). Given the time frame involved, for both the sale of Arqiva and the receipt of any potential Earn-Out payment, the Board believes that the Going Concern approach to the preparation of the Financial Statements remains appropriate.

No provision has been made for the costs of winding up the company as these will be charged to the Income Statement on an accruals basis as they are incurred or as the Company becomes obligated to make such payments in the future.

The Directors believe that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months since the reporting date. However, given that a degree of uncertainty exists in the timing of ongoing strategic

initiatives which includes management's ability to refinance or repay the Group's existing RCF (of which c.£100 million remains at 29 April 2024) due in the next 12 months (March 2025), there exists a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The Company intends to make a total additional repayment and partial cancellation of its Group's RCF in the amount of c.£47 million in May 2024.

The RCF is an important consideration for the Company, even though it is not held on the Company's balance sheet. The RCF is held by its main subsidiary D9 Holdco, but the Company is a guarantor of the facility.

/ VIABILITY STATEMENT

At least once a year the Directors are required to carry out a robust assessment of the principal and emerging risks and make a statement which explains how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, considering the Company's current position.

The principal and emerging risks faced by the Company are described on pages 41 to 45. As detailed above, the Company is preparing the audited Financial Statements on a going concern basis despite the recent announcement that the Company is in a Managed Wind-Down. Accordingly, the Directors have not assessed the longer-term viability of the Company other than for a period of three years to the end of the Earn-Out period, relevant to the sale of Verne Global, which is noted above.

The Directors have assessed the Managed Wind-Down of the Company to be within 24 to 36 months of the date of the approval of these audited Financial Statements (being 29 April 2024), although there is no guarantee that it will be possible to realise maximum value for the assets within that timeframe and therefore the Managed Wind-Down could potentially take longer.

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.

Charlotte Valeur
Interim Independent Chair

29 April 2024





Governance

Interim Chair's Introduction

I am pleased to present the Company's Corporate Governance Report which covers the year ended 31 December 2023. The Board acknowledges that strong corporate governance is integral to the achievement of the Company's objectives and provides the foundation for open, informed and transparent communication with our shareholders. In light of the outcome of the Strategic Review and subsequent shareholder approval of the proposed Investment Policy at the General Meeting held on 25 March 2024, the Board continues to work together to realise the Company's assets in an orderly manner to maximise shareholder value.

Gailina Liew, Richard Boléat and Brett Miller joined the Board as a Non-Executive Directors on 1 July 2023, 19 December 2023 and 21 December 2023 respectively. A detailed induction process was undertaken by the new Directors to ensure a streamlined transition and succession.

I was appointed as Interim Independent Chair of the Board and Gailina Liew as Senior Independent Director and Independent Chair of the Nomination Committee following the resignations of Phil Jordan and Lisa Harrington, effective 13 December 2023. Aaron Le Cornu was appointed as Independent Chair of the Audit Committee following the resignation of Keith Mansfield effective 3 January 2024.

Following the subsequent resignations of Brett Miller and Richard Boléat on 23 March 2024, Aaron Le Cornu assumed the role of Independent Chair of the Valuation Committee and Gailina Liew assumed the role of Independent Chair of the Management Engagement Committee.

I remained as Interim Independent Chair and Independent Chair of the Risk Committee, Gailina Liew remained Senior Independent Director and Independent Chair of the Nomination Committee, and Aaron Le Cornu remained Independent Chair of the Audit Committee.

Gailina Liew was also appointed as a member of the Audit Committee.

The Board have initiated an independent external recruitment process for a new permanent Chair and at least one additional non-executive board director to support the future requirements of the Company and its shareholders.

This section of the Annual Report sets out the corporate governance principles the Board has adopted, how these have been applied and highlights the key governance events which have taken place during the period.

/ STATEMENT OF COMPLIANCE

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and supported by the Jersey Financial Services Commission, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code or otherwise explained non-compliance below.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Provision	Explanation
37, 38, 41, 42. Establishment and reporting of a remuneration committee	The Company does not have any executive Directors or employees, and, as a result, operates a simple and transparent remuneration policy with no variable element; the Board does not consider it necessary to establish a separate remuneration committee and those functions are undertaken by the Board as a whole.
26. Externally facilitated Board evaluation	The Board was committed to undertaking an external Board evaluation, and this was scheduled for Q4 of 2023. However, this was initially postponed due the Board's focus being on completing a sale of Verne Global. A strategic review was then carried out by the Company, the conclusion of which resulted in a proposal for the Managed Wind-Down of the Company, which was approved by shareholders at the general meeting held on 25 March 2024. It has therefore been decided that the Board's focus at this time should remain on delivering a successful disposal process for the assets of the company and a timely Managed Wind-Down of the Company. The Board did however conduct a performance evaluation in the period. Further details can be found on pages 59 to 60.

On behalf of the Board:

Charlotte Valeur
Interim Independent Chair

29 April 2024



Board of Directors

\ CHARLOTTE VALEUR

Interim Independent Chair

Appointed: 8 March 2021

Skills and experience: Charlotte Valeur has over 40 years' experience in finance, primarily in Denmark and UK. Charlotte's previous non-executive roles include chairing Blackstone Loan Financing Ltd, Kennedy Wilson Europe Real Estate Plc (FTSE 250) and DW Catalyst Fund Ltd, and non-executive director on the boards of 3i Infrastructure Plc (FTSE 250), NTR Plc, Renewable Energy Generation Limited and JPMorgan Convertibles Income Fund Ltd. She is also the former chair of the UK Institute of Directors.

Committee memberships:

Risk Committee (Chair)
Valuation Committee
Nomination Committee
Management Engagement Committee

Principal external appointments:

The Bankers Investment Trust plc
Blackstone GSO Loan Financing Ltd (Chair)
Laing O'Rourke Corporation Ltd (Director)
Global Governance Group (Director)

\ AARON LE CORNU

Independent Non-Executive Director

Appointed: 1 April 2022

Skills and experience: Aaron Le Cornu comes from a financial background, having qualified as a Chartered Accountant with Arthur Andersen and worked for HSBC for over ten years. During his time with HSBC, he held several board positions for HSBC subsidiaries, including as Deputy CEO for HSBC International and was also involved in acquisitions such as the purchase of Marks & Spencer Money. He has since held a number of senior executive roles, including at Ogier (legal and fiduciary services provider), and Elian (a fiduciary firm) having participated in the management buyout. He also previously served as a non-executive Director for Jersey Electricity for ten years and for a number of Fintech companies.

Committee memberships:

Audit Committee
(Chair effective 3 January 2024)
Risk Committee
Valuation Committee
Management Engagement Committee
(Chair up to 3 January 2024)

Principal external appointments:

RBSI Holdings and Ltd. (100% subsidiaries of NatWest Group) (Director)
Volare Capital Offshore Strategy Fund Ltd (Chair)



\ GAILINA LIEW

Independent Non-Executive Director, Senior Independent Director

Appointed: 1 July 2023

Skills and experience: Gailina Liew has a legal, scientific and commercial background, having qualified in Canada as a barrister & solicitor, working primarily in the venture capital and biotech sectors during her executive career. Previous non-executive director experience over the past 20 years span several sectors and include chair of ventureLAB and non-executive director of J.P.Morgan Global Convertibles Income Limited investment trust which culminated in a voluntary liquidation. Current board roles are primarily focussed on private equity and investment/pension funds. She will complete her 9 year tenure at Digital Jersey Limited at 31 December 2024.

Committee memberships:

Nomination Committee (Chair)
 Management Engagement Committee (Chair)
 (member from appointment, Chair with effect from 23 March 2024)
 Valuation Committee
 Risk Committee
 Audit Committee (with effect from 23 March 2024)

Principal external appointments:

Digital Jersey Limited (Senior Independent Director)
 Medicxi Ventures Management (Jersey) Limited (Director)
 TVM Life Science Innovation I Fund (Director)
 Public Employees Pension Fund (Jersey) (Member - Committee of Management)

Corporate Governance

\ RESPONSIBILITIES

The Board is responsible for leading and controlling the Company and has oversight over the management and conduct of the Company's business, strategy and development. The Board determines the Investment Objectives and Investment Policy and risk appetite. Any matters that have had a material impact upon the Company or any of its subsidiaries will be referred to the Board of Directors of the Company.

The Board is responsible for the control and supervision of the Investment Manager (also the Company's AIFM) and for compliance with the principles and provisions of the AIC Code. The Board ensures the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls), and reviews the overall effectiveness of systems in place. The Board is responsible for the approval of any changes to the capital, corporate and/or management structure of the Company.

In light of shareholder approval to enter a Managed Wind-Down of the Company, the Board's main focus is to realise the Company's assets in an orderly manner to maximise shareholder value. The Board does not routinely involve itself in day-to-day business decisions but there is a formal schedule of matters that requires the Board's specific approval, as well as decisions that can be delegated to the Board Committees or the Investment Manager.

The key matters reserved to the Board include, but are not limited to:

- Board membership and powers including the appointment and removal of Board members;

- Review of the structure, size and composition of the Board, taking account of the recommendations of the Nomination Committee;
- Ensuring an adequate Board succession planning, taking into account the recommendations of the Nomination Committee;
- The appointment or removal of the Company's alternative investment fund manager, reporting accountants, financial advisers, auditors (following appropriate recommendation by the Audit Committee), brokers, company secretary, registrar, receiving agent, depositary and legal counsel;
- Undertaking of a formal and rigorous annual review of its own performance and that of Board Committees and individual Directors;
- Managing conflict of interests of Directors;
- Overall leadership of the Company and setting of its purpose, culture, values and standards;
- Setting the Company's investment/business strategy, including the ongoing review of the Company's investment objective and investment policy and recommending to shareholders the approval of alterations thereto (if any);
- Annual assessment of significant risks and effectiveness of internal controls following recommendations from the Risk Committee;
- Approval of contracts not in the ordinary course of business, including entry into/variation/termination of agreements with the Company's alternative investment fund manager, company secretary/administrator, registrar, depositary and any other material advisers or service providers;

- Approval and issue of the half yearly results, half yearly report, annual results and annual report;
- Ensuring the maintenance of a system of internal controls and risk management;
- Review of the Company's corporate governance arrangements and annual review of continuing compliance with the AIC Code published by the AIC from time to time;
- Periodic review and continued approval of the agreements of, or changes to, the Investment Manager and other service providers; and
- Material changes relating to the strategic capital structure of the Group.

\ BOARD MEMBERSHIP AND ATTENDANCE

During the year ended 31 December 2023, the number of meetings attended by each Director was as below. The table shows the number of scheduled meetings attended/maximum number of meetings that the Director could have attended.

Of the 25 Board meetings held in the period, four were scheduled quarterly Board Meetings, there were two strategy days and the additional Board meetings were convened to discuss various matters, including, but not limited to, the syndication and subsequent sale of Verne Global, Strategic Review, dividend considerations and other portfolio actions.

Director	Board*	Audit Committee*	Risk Committee*	Nomination Committee*	Management Engagement Committee*
Keith Mansfield ¹	25/25	4/4	N/A	N/A	1/1
Lisa Harrington ¹	22/22	4/4	N/A	2/2	0/1
Charlotte Valeur	24/25	N/A	2/2	2/2	1/1
Phil Jordan ¹	22/22	N/A	2/2	2/2	1/1
Aaron Le Cornu	23/24	4/4	1/1 ⁴	N/A	1/1
Gailina Liew ³	13/16	N/A	0/1	N/A	0/0
Richard Boléat ²	1/1	0/0	0/0	N/A	0/0
Brett Miller ²	1/1	0/0	N/A	0/0	0/0

1 Phil Jordan stepped down as Chair and Non-Executive Director and Lisa Harrington stepped down as Non-Executive Director effective 13 December 2023. Keith Mansfield stepped down as Non-Executive Director effective 3 January 2024.

2 Richard Boléat was appointed as Non-Executive Director with effect from 19 December 2023 and Brett Miller was appointed Non-Executive Director effective 21 December 2023. Richard Boléat and Brett Miller stepped down as Directors on 23 March 2024.

3 Gailina Liew was appointed as Non-Executive Director with effect from 1 July 2023. Gailina was unable to attend all meetings in the period due to her appointment taking place part way through the year, and scheduling clashes with the meetings that had been pre-arranged to the pre-existing Board's availability.

4 Aaron le Cornu stepped down as a member of the Risk Committee on 1 July 2023.

\ COMPOSITION

At the date of this report, the Company has an Interim Non-Executive Chair and two other Non-Executive Directors, including a Senior Independent Director, all of whom were considered independent on and since their appointment. At 31 December 2023, the Company had an Interim Non-Executive Chair and five other Non-Executive Directors, including a Senior Independent Director. All Directors are independent of the Investment Manager.

Charlotte Valeur is the Interim Independent Chair of the Board and is responsible for the Board's overall effectiveness in directing the Company. The Interim Independent Chair, in conjunction with the Company Secretary, ensures that accurate, timely and clear information is circulated to the Directors, and that sufficient time is given in meetings to consider and discuss all agenda items thoroughly. The Interim Independent Chair promotes a culture of openness and constructive debate to ensure the effective contribution of all Directors, facilitating a co-operative environment between the Investment Manager and the Directors, and encourages Directors to critically examine information and reports to constructively challenge the Investment Manager and hold third party service providers to account where appropriate.

The Interim Independent Chair has put mechanisms in place to ensure effective communication between shareholders and the Board, to ensure that their views, issues and concerns are considered as part of the decision-making process. Lisa Harrington was the Senior Independent Director during the period, and was succeeded by Gailina Liew with effect from 14 December 2023, following Lisa Harrington stepping down from the Board. If required, the Senior Independent Director will act as a sounding board and intermediary for the other Directors and shareholders.

The Directors hold or have held senior positions in industry and commerce and contribute a wide range of skills, experience and objective perspective to the Board. The Board Committees allow the Directors to focus in greater detail and depth on key matters such as strategy, governance, internal controls and risk management.

The Directors' other principal commitments are listed on pages 52 to 53. During the year, the Board satisfied itself that all Directors were and remain able to commit

sufficient time to discharge their responsibilities effectively, having given due consideration to their other significant commitments. Changes in any Director's commitments outside the Group are required to be, and have been, disclosed and approved prior to the acceptance of any such appointment. No external appointments accepted during the year were considered to be significant for the relevant Directors, taking into account the expected time commitment and nature of these roles.

\ BOARD COMMITTEES

The Board has established a Management Engagement Committee, an Audit Committee, a Valuation Committee, a Nomination Committee and a Risk Committee. Given that the Company has no executive Directors or other employees, the Board does not consider it necessary to establish a separate remuneration committee and those functions are undertaken by the whole Board. The functions and activities of each of the Committees are described in their respective reports.

\ BOARD MEETINGS

The Board meets formally on, at least, a quarterly basis with additional ad hoc meetings as required. The Chair, in conjunction with the Company Secretary, sets the agenda for meetings and ensures that Directors receive accurate, clear and timely information to help them to discharge their duties. The Board receives periodic reports from the Investment Manager detailing the performance of the Group. The meetings focus on discussing reports from the Investment Manager, review of portfolio performance, pipeline and regulatory matters.

\ DISCUSSIONS OF THE BOARD

During the period, the following were the key matters considered by the Board:

- Approval of various Company policies;
- Appointments of Gailina Liew, Richard Boléat and Brett Miller;
- Sale of Verne Global;
- Initiating a shareholder consultation to discuss the future direction of the Company with shareholders;

- Initiation of a Strategic Review following the Verne Global sale;
- Decision to suspend the Company's dividend policy as announced on 28 September 2023;
- Appointment of Peel Hunt LLP as the Company's joint corporate broker (J.P. Morgan Cazenove have been appointed sole Corporate Broker following the resignation of Peel Hunt on 3 April 2024);
- Review of the Investment Management Agreement and other service provider agreements;
- Oversight of Investee Company performance and asset management initiatives;
- Input into investment opportunities being reviewed by the Investment Manager in its role as the AIFM;
- Review and approval of the annual expense budget;
- Review of the Company's risk appetite;
- The Investment Manager's process to replace the personnel who left during the previous year.

Under the AIC governance code, FTSE 350 companies should undertake an externally facilitated board evaluation at least every three years. The Board considered undertaking an external Board evaluation, however, it was decided that the Board's focus at this time should remain on other key matters affecting the Company, including the change of directors in the period and the change of direction of the Company. An external Board evaluation will be reconsidered on a yearly basis as to whether it would be appropriate.

The Directors were asked to complete a questionnaire, that considered amongst other areas, the Board and Committees, Board composition and diversity, leadership, efficiency of Board processes and stakeholder engagement.

Having conducted its performance evaluation, the Board believes that it has been effective in carrying out its objectives and that each individual Director has been effective and demonstrated commitment to the role. The Board discussed the challenges and opportunities identified through the evaluation and agreed appropriate development points on which progress will be assessed in the next financial year.

The Board discussed the key challenges and opportunities that were identified through the performance evaluation and agreed appropriate development points on which progress will be assessed in the next financial period.

PERFORMANCE EVALUATION

The Directors recognise that an evaluation process is a significant opportunity to review the practices and performance of the Board, its Committees and its individual Directors to implement action to improve the Boards effectiveness and contribute to the Company's success.

Challenges and Opportunities	2024 Development Points
Information flow	More timely, comprehensive and accurate forecasting and scenario testing required to support the Board's decision-making and consideration of strategic options. The Board should be provided with up-to-date information and made aware of emerging risks.
Size, skills and composition of the Board	In light of the orderly wind-down there is a recognised need to shift the emphasis of Director experience towards executive M&A expertise.
Time commitment and remuneration	The Board have spent considerable additional time on Company matters outside of the expected time commitment indicated at appointment. The current fees are not commensurate with the required level of work, however the Directors have opted not to increase fees in acknowledgement of the Company's significant discount to NAV.
Risk management of portfolio companies	There is a need for enhanced internal controls for portfolio companies and greater reporting from management to highlight gaps in risk management and implement effective monitoring programmes.
Oversight of reputation and messaging	Due to the many critical challenges faced by the Company, the Board believes additional focus and resource should be dedicated to reputation and messaging.

The progress the Board has made against its 2023 development points is set out below.

2023 Development Points	Progress made
<p>The Board could spend more time further analysing performance against an enhanced set of KPIs that reflect the genuine metrics by which the Company assesses progress. KPIs should include robust targets and should be appropriately monitored, tracked and used for forward planning.</p>	<p>The Board continue to evaluate the most appropriate KPIs for the current phase of the Company's life cycle.</p>
<p>More frequent reporting on an informal basis should be implemented to ensure the Board is provided with up-to-date information and is aware and able to oversee emerging risks.</p>	<p>The Board met frequently throughout the year and were communicated with frequently outside of meeting to ensure that they were aware of time-critical matters.</p>
<p>The Company can continue to develop its sustainability approach and targets to ensure they are clearly defined and sufficiently embedded into the Company's investment process.</p>	<p>During the year, progress has been made on a range of sustainability areas for the Investee Companies, including net zero action, improving scope 3 data and diversity training.</p>
<p>Whilst the Board has the right mix of skills, experience and expertise, diversity could be increased to further enhance the composition and balance of the Board.</p>	<p>The Board is pleased that during the year the Board's structure changed to meet the FCA's Listing Rules diversity targets and continues to do so as at the date of this report.</p>
<p>The performance of service providers should be monitored periodically with greater scrutiny to address under-performance.</p>	<p>The Management Engagement Committee reviews the performance of its service providers during the year and recommended several changes to enhance the functioning and advice provided to the Company.</p>

CONFLICTS OF INTEREST

The Company operates a conflict of interest policy that has been approved by the Board and sets out the approach to be adopted and procedures to be followed where an individual who is, or is to be appointed as, a Director of the Company and such other persons to whom the Board has from time to time has determined that this policy shall apply, or a person connected with any such a person, has an interest which conflicts, or potentially may conflict, with the interests of the Company or his or her duties in respect of the Company. It is the responsibility of each individual Director to avoid an unauthorised conflict of interest situation arising. All Directors must inform the Board as soon as they become aware of the possibility of an interest that conflicts with, or might possibly conflict with, the interests of the Company. A register of conflicts is maintained by the Company Secretary and is reviewed at Board meetings to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position. Following the year end, and as announced on 25 March 2023, Richard Boléat

and Brett Miller had indicated they would provide to the Company a proposal for the Company to become a self-managed alternative investment fund. This situation had been identified as a potential conflict of interest and managed appropriately.

The Company reserves the right to withhold information relating, or relevant, to a conflict matter from the Director concerned and/or to exclude the Director from any Board information, discussions or decisions which may or will relate to that conflict matter where the Chair or the Board considers that it would be inappropriate or prejudicial to the interests of the Company for him or her to take part in such discussion or decision or receive such information. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis and the Board is satisfied that these procedures are working effectively.

The Investment Manager maintains conflict of interest policies to avoid and manage any conflicts of interest that may arise between themselves and the Group. The Investment Manager has established a clear and robust framework to ensure that any conflicts of interest are appropriately managed.

\ PROFESSIONAL DEVELOPMENT

The Directors received a comprehensive induction programme on joining the Board that covers the Group's investment activities, the role and responsibilities of a Director and guidance on corporate governance and the applicable regulatory and legislative landscape. An induction process was undertaken for Gailina Liew, Richard Boléat and Brett Miller during the year and post-year end.

The Directors' training and development is considered as part of the annual Board performance evaluation and, in any event, the Chair regularly reviews and discusses any development needs with each Director. Each Director is aware that they should take responsibility for their own individual development needs and take the necessary steps to ensure they are fully informed of regulatory and business developments.

During the period, the Directors received periodic guidance on regulatory and compliance changes at quarterly Board meetings.

\ SHAREHOLDER ENGAGEMENT

The Board acknowledges the importance of building and maintaining strong relationships with its shareholders. The Board and Investment Manager regularly speak to discuss, amongst other things, the views of the Company's shareholders and has done so throughout 2023. The Company's Corporate Broker also speaks to shareholders regularly and ensures shareholder views are clearly communicated to the Board. The Board take responsibility for, and have a direct involvement in, the content of communications regarding major corporate matters.

During the period, the Board initiated a shareholder consultation. The consultation provided shareholders an opportunity to discuss the future direction of the Company with the Board and helped to determine shareholders' views on the Company's optimal future dividend policy. The Board engaged with c.74% of the issued share capital and held a retail shareholder-only webinar. The Board carefully considered all feedback received from shareholders and developed a set of actions focused on maximising shareholder value, along with the Investment Manager and Company advisers including the Company's Joint Corporate Brokers and Goldman Sachs International. Following the year end, a portfolio trading update was published on 28 February 2024. The Board valued feedback from all shareholders

following this announcement and has engaged with the vast majority of the share register during and post year end.

The Notice of AGM, which will follow in due course, will provide details of the AGM and the respective resolutions to be put to shareholders. Shareholders are encouraged to attend and vote, along with any other shareholder meetings, so they can discuss governance and strategy and the Board can enhance its understanding of shareholder views. The Board will attend the Company's shareholder meetings to answer any shareholder questions and the Chair will be available, as necessary, outside of these meetings to speak to shareholders.

The Board is committed to providing shareholders with regular updates as key initiatives are progressed.

In addition, the Board will also seek to communicate with shareholders regularly through the following: annual and interim financial statements, quarterly factsheets, and investor presentations.

The Board values feedback from all shareholders because understanding the views of its shareholders is a fundamental principle of good corporate governance. Strong engagement with shareholders and stakeholders is vital to achieving this.

All investor documentation is available to download from the Company's website
<https://www.d9infrastructure.com/>

\ WHISTLEBLOWING

The Board has considered the AIC Code recommendations in respect of arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisations.

Audit Committee Report

The following pages set out the Audit Committee's report on how it has discharged its duties in accordance with the AIC Code and its activities in respect of the period ended 31 December 2023.

The Audit Committee has been in operation throughout the period and operates within clearly defined terms of reference.



\ RESPONSIBILITIES

The Audit Committee has the primary responsibility for reviewing the financial statements and the accounting principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls.

The main role of the Audit Committee is to:

- monitor the integrity of the financial statements of the Company and any formal announcements relating to the financial performance and reviewing significant financial reporting judgements contained in them;
- provide formal and transparent arrangements for considering how to apply the financial reporting and internal control principles set out in the AIC Code and to maintain an appropriate relationship with the external auditors;
- provide advice to the Board on whether the Company's annual report and financial statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- monitor the integrity of the financial statements of the Company and any formal announcements relating to the financial performance and reviewing significant financial reporting judgements contained in them;
- review the investment valuations and underlying assumptions and provide advice to the Board;
- review the internal financial controls and the internal control and risk management systems of the Company;
- review the adequacy of the Company's arrangements as they relate to compliance, whistleblowing and fraud;
- make recommendations to the Board to put to the shareholders for their approval in general meeting in relation to the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- develop and implement policy on the engagement of the external auditors to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- report to the Board on significant issues relating to the financial statements and how they were addressed; its assessment of the effectiveness of the audit process; any key matters raised by the external auditors and any other issues on which the Board has requested the Committee's opinion;
- consider the need for the Company to establish an internal audit function at Company level; and
- report to the Board on how it has discharged its responsibilities.

\ COMMITTEE MEMBERSHIP

During the period, the Audit Committee comprised the Chair of the Committee Keith Mansfield, Lisa Harrington and Aaron Le Cornu. Following Lisa Harrington and stepping down from the Board on 13 December 2023, Richard Boléat was appointed as a member of the Audit Committee. Following Keith Mansfield stepping down from the Board on 3 January 2024, Aaron Le Cornu was appointed as Chair of the Committee and Brett Miller was appointed as a member. Following Richard Boléat and Brett Miller stepping down from the Board on 23 March 2024, Gailina Liew was appointed as a member of the Audit Committee and Aaron Le Cornu remains as Chair.

The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience. Aaron Le Cornu has a financial background, having qualified as a Chartered Accountant with Arthur Anderson, worked for HSBC for over ten years and previously held Chief Financial Officer positions. Gailina Liew has previously served as President & Chief Operating Officer of a listed molecular diagnostics company and currently serves on several audit committees as a non-executive director.

The Board is also satisfied that the Committee as a whole has competence relevant to the sector in which the Company operates.

\ MEETING ATTENDANCE

The Committee met four times in the financial year, and the meetings were attended by each member as follows:

Director	Attendance
Keith Mansfield*	4/4
Lisa Harrington**	4/4
Aaron Le Cornu	4/4
Brett Miller***	0/0
Richard Boléat****	0/0

* Keith Mansfield stepped down as Non-Executive Director on 3 January 2024.

** Lisa Harrington stepped down as a Non-Executive Director on 13 December 2023.

*** Brett Miller was appointed as Non-Executive Director on 21 December 2023 and member of the Audit Committee with effect from 3 January 2024. Brett Miller stepped down as a Non-Executive Director on 23 March 2024.

**** Richard Boléat was appointed as Non-Executive Director and member of the Audit Committee on 19 December 2023. Richard Boléat stepped down as a Non-Executive Director on 23 March 2024.

\ ACTIVITIES

The Audit Committee meets at least three times a year to consider the annual report, interim report, any other formal financial performance announcements, and any other matters as specified under the Committee's terms of reference and reports to the Board on how it discharged its responsibilities.

During the period, amongst other matters, the Committee reviewed and recommended to the Board for approval, the annual report for the year ended 31 December 2022, the interim report for the period ended 30 June 2023, recommended to the Board that the dividend not be paid for the second quarter of 2023 and the rest of the year, reviewed the non-audit services policy, reviewed internal control reports from key service providers, and met with PricewaterhouseCoopers LLP (PwC), the external auditors, to discuss and agree audit plans.

\ PERFORMANCE EVALUATION

Refer to the above Corporate Governance section on pages 57 to 58 detailing how the review of the Committee's performance was conducted, and the results of such an evaluation.

\ INTERNAL CONTROL AND RISK MANAGEMENT

The Company has put in place a process for identifying, evaluating and managing the principal and emerging risks faced by the Company. The Board has satisfied itself that the procedures for identifying the information needed to monitor the business and manage risks are robust. The adequacy and effectiveness of the Company's internal control and risk management systems, and the implementation of such controls are monitored by the Audit Committee and the Risk Committee. The Company has the following internal controls.

- Internal control reports of the Investment Manager, Administrator and Depository are reviewed by the Audit Committee;
- There is an agreed and defined Investment Policy, with specified exposure limits; and
- Compliance reporting is reviewed at each Board meeting.

\ INTERNAL AUDIT

Company

The Audit Committee has considered the appropriateness of establishing an internal audit function at the Company level and, having regard to the size and nature of the Company and have continued to conclude that the function is not necessary at a Company level at this time. The Audit Committee will continue to review on an annual basis the need for this function and make appropriate recommendations to the Board.

Investee Companies

The Audit Committee have undertaken a review of the Company's Investee Companies to establish if an internal audit function at Investee Company level would be appropriate to provide assurance that risk management, governance and internal control processes are operating effectively at an operating investment level.



\ SIGNIFICANT AREAS OF FOCUS

The following details the key areas of focus by the Audit Committee in relation to the financial statements for the period, which were discussed and debated with the Investment Manager and PwC.

SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT COMMITTEE

Application of Investment Entity Accounting Standard

Under IFRS 10, investment entities are required to hold subsidiaries at Fair Value through the Statement of Comprehensive Income 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. Further detail on this can be found in Note 2(b) to the Financial Statements.

The Directors have reviewed the criteria and satisfied that the Company meets the criteria of an Investment Entity under IFRS 10. As explained in Note 2(b) to the financial statements, the Directors are of the opinion that the Company meets the requirements of an "Investment Entity". Assessing whether the Company and certain subsidiaries met the criteria of Investment Entities, in accordance with the definition set out in IFRS 10 was seen as a key judgement.

The Audit Committee debated the appropriateness of the current application of the standard with the Investment Manager and independent auditors. The Audit Committee concluded that applying the investment entity exemption to IFRS 10 will improve stakeholders' understanding of the financial performance and position of the Company.

Valuation of Investments

The Valuation of Investments was considered by the Valuation Committee post year-end (please refer to the activities section of the Valuation Committee on page 74), following which the Audit Committee considered the outcome of the work of the Valuation Committee.

The Fair Value for an investment is derived from the present value of the investments' expected future cash flows, using reasonable assumptions and forecasts, and an appropriate discount rate.

During the year, an Independent Valuer was appointed to carry out the fair valuation of financial assets for financial reporting purposes, including level 3 fair valuations. In respect of the Verne Global entities, the fair value of these investments equals their agreed disposal value; completed post year end.

The Board has carried out fair market valuations of Arqiva, Aqua Comms, Elio Networks and the Verne Global Earn-Out as at 31 December 2023 and the Directors have considered the valuation of SeaEdge UK1 and satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations.

To calculate portfolio NAV, 62% of total NAV from investment companies is valued using the FCFE discounted cash flows approach, 35% of total NAV is valued using evidence of post year end disposal value either agreed or indicative offer and the remaining 3% of investments being valued at cost.

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

- The valuer 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. The bottom-up analysis of the discount rate and the appropriate beta is based on comparable listed companies. Investments are valued using a discounted cash flow approach, being valued on a Free Cash Flow to Equity ("FCFE") basis. The portfolio weighted average cost of equity for investments valued under the FCFE discounted cash flows was 13.62%. 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.
- 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. The weighted average long-term growth rate used in the valuations 0.85%.

The Audit Committee and the Independent Valuation adviser have considered the value of investments and discount rates applied and consider that the valuations derived are appropriate.

Going concern and viability statement

The Board is required to consider and report on the longer-term viability of the business as well as assess the appropriateness of applying the going concern assumption. More detail can be found on page 46.

The Audit Committee has considered and had in depth discussion regarding the solvency and liquidity position of the Company from the financial statements and the information provided by the Investment Manager on the forecasted cashflow for the Company and expected pipeline. Following this consideration, the Audit Committee considers that given that a degree of uncertainty exists in the timing of ongoing strategic initiatives which includes management's ability to refinance or repay the Group's existing RCF (of which £100.3 million remains as at 26 April 2024) due in the next twelve months (March 2025), there exists a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

\ EXTERNAL AUDITORS, AUDIT FEES AND NON-AUDIT SERVICES

PwC were appointed as the external auditors of the Company on 5 March 2021 with Kevin Rollo as the audit partner. It is the Audit Committee's responsibility to monitor the performance, objectivity, and independence of the external auditors and this is assessed by the Audit Committee each year. In evaluating PwC's performance, the Committee examines the robustness of the audit process, independence, objectivity and the quality of delivery.

On an annual basis, the Audit Committee will review the external auditors' performance, objectivity, and independence.

During the year, the Audit Committee considered the effectiveness of the external auditors' performance, and as a result, recommended their re-appointment at the 2023 AGM. Similarly, the Audit Committee considered their re-appointment following year end and are recommending the re-appointment of PwC as auditors of the Company at the upcoming 2024 AGM. The Notice of AGM, which will follow in due course, will provide details of the AGM and the respective resolutions to be put to shareholders.

The Audit Committee has approved a non-audit services policy that determines the services that PwC can provide and the maximum fee that may be raised for non-audit services in comparison to the statutory audit fee. The Audit Committee reviewed the policy during the financial year and will continue to monitor the policy on a regular basis to ensure that the external auditors remain objective and independent. The policy will also be reviewed annually to ensure it continues to be in line with best practice. Any proposed changes to the policy are recommended to the Board for approval.

Any arrangement with the auditors that includes contingent fee arrangements is not permitted. In addition, the total fees for non-audit services provided by the auditor to the Group shall be limited to no more than 70% of the average of the statutory audit fee for the Company, of its controlled undertakings and of the financial statements paid to the auditors in the last three consecutive financial years. . This will continue to be monitored by the Company to ensure that it meets these rules once they apply after three consecutive financial years. Total average fees paid to PwC during the last two periods inclusive of audit of the portfolio companies were £989,000 of which £131,000 was received for non-audit services, being 13% of the audit services fee. The nature of the non-audit services included the half year review and ESG assurance service. PwC were selected to undertake these services due to quality of their work and the efficiencies attained from their in-depth knowledge of the Company's financial information and business models.

Aaron Le Cornu
Audit Committee Chair

29 April 2024

Management Engagement Committee Report

\ RESPONSIBILITIES

The main function of the Management Engagement Committee is to keep under review the performance of the Investment Manager (which is the Company's AIFM) and to make recommendations on any proposed amendment to the Investment Management Agreement.

The Committee also regularly reviews the composition of the key executives performing the services on behalf of the Investment Manager.

The Committee also monitors and evaluates the performance of other key service providers to the Company.

The Management Engagement Committee has been in operation throughout the period and operates within clearly defined terms of reference.

\ COMMITTEE MEMBERSHIP

The Management Engagement Committee comprises all Directors. During the period Aaron Le Cornu was Chair of the Committee, with Brett Miller appointed as Chair following year end on 3 January 2024, and subsequently Gailina Liew appointed as Chair on 23 March 2024 following Brett Miller stepping down as a Non-Executive Director. The Committee now comprises Gailina Liew as Chair, and Aaron Le Cornu and Charlotte Valeur as members.

\ MEETING ATTENDANCE

The Committee met once during the financial year, and the meeting was attended by each member as follows:

Director	Attendance
Charlotte Valeur	1/1
Aaron Le Cornu	1/1
Gailina Liew*	0/0
Keith Mansfield **	1/1

Director	Attendance
Lisa Harrington***	0/1
Phil Jordan***	1/1
Richard Boléat****	0/0
Brett Miller****	0/0

* Gailina Liew was appointed as Non-Executive Director with effective from 1 July 2023.

** Keith Mansfield stepped down as Non-Executive Director with effect from 3 January 2024.

*** Lisa Harrington and Phil Jordan stepped down as Non-Executive Directors with effect from 13 December 2023.

**** Richard Boléat and Brett Miller were appointed as Non-Executive Directors on 19 December 2023 and 21 December 2023 respectively. Richard Boléat and Brett Miller stepped down as Non-Executive Directors on 23 March 2024.

\ ACTIVITIES

During the year, the Committee monitored and reviewed the performance of the Investment Manager and the Investment Manager's performance against the IMA. The Committee also reviewed the performance of the key service providers to the Company to ensure that the services provided were in accordance with each supplier's terms of engagement, were high quality and represented fair value for money.

During the year, Peel Hunt LLP was appointed as Joint Corporate Broker, to work alongside J.P. Morgan Cazenove, the Company's existing corporate broker. In relation to the Company's Strategic Review, Goldman Sachs were appointed to act as the Company's lead financial adviser, and Allen & Overy LLP as legal adviser.

Following the approval of the Managed Wind-Down by shareholders, J.P. Morgan Cazenove have been appointed sole Corporate Broker following the resignation of Peel Hunt and the Company has retained Stephenson Harwood as UK Legal Adviser going forward.

Separately, Liberum have been engaged as Financial Adviser to provide the Board with an independent review of the investment management arrangements.

\ PERFORMANCE EVALUATION

Refer to the above Corporate Governance section on pages 57 to 58 detailing how the review of the Management Engagement Committee's performance was conducted, and the results of such an evaluation.

\ MANAGEMENT ARRANGEMENTS

The Company operates an externally managed alternative investment fund for the purposes of the AIFMD. In its role as AIFM, the Investment Manager is responsible for the portfolio management and risk management of the Company pursuant to the AIFMD subject to the overall control and supervision of the Board.

Under the Investment Management Agreement, the Investment Manager is entitled to receive an annual management fee on the following basis:

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%

The annual fee accrued and due to the Investment Manager under the Investment Management Agreement for the year ended 31 December 2023 was £8.7 million. In light of the cashflow challenges facing the Company, the Investment Manager agreed to defer their Investment Management fees from 1 July 2023 onwards until the completion of the Verne Global Sale. This was agreed between the Board and the Investment Manager by way of a side letter to the Investment Management Agreement and these accrued fees have now been settled in full post year end on completion of the Verne transaction. There is no performance fee payable to the Investment Manager.

\ CONTINUING APPOINTMENT OF THE INVESTMENT MANAGER

The terms of the Investment Manager Agreement include a provision that "The Company or the Investment Manager shall be entitled to terminate this Agreement upon giving to the other party not less than twelve (12) months' prior written notice of termination, such notice not to expire before the fourth anniversary of the date of Admission (the "Initial Period")". The fourth anniversary of the date of admission is 31 March 2025.

The Company served notice of termination to the Investment Manager before 31 March 2024 following the completion of the Verne Global sale, with the Investment Management Agreement to terminate on 31 March 2025. The Investment Management Agreement cannot be terminated before this date.

Following the independent review of the investment management arrangements by Liberum, the Board will update shareholders as to the proposed arrangements for the management of the Company.

Gailina Liew
Management Engagement Committee Chair

29 April 2024

Nomination Committee Report

\ RESPONSIBILITIES

The Nomination Committee’s main function is to evaluate the performance of the Board, ensure the Board composition, skills and experience are optimal, lead the process for appointments, ensure plans are in place for orderly succession to the Board, oversee the development of a diverse pipeline for succession and any other matters as specified under the Committee’s terms of reference. This includes ensuring that any appointments and succession plans are based on merit and objective criteria, and, within this context, promotes diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Nomination Committee has been in operation throughout the year and operates within clearly defined terms of reference.

\ COMMITTEE MEMBERSHIP

During the period the Nomination Committee comprised Lisa Harrington as Chair of the Committee, Phil Jordan and Charlotte Valeur. The Committee now comprises Gailina Liew who was appointed as Chair of the Committee with effect from 13 December 2023 and Charlotte Valeur. Brett Miller was a member of the Committee from appointment on 21 December 2023 up to 23 March 2024.

The Nomination Committee met twice during the year, and the meetings were attended by each member as follows:

Director	Attendance
Charlotte Valeur	2/2
Lisa Harrington*	2/2
Phil Jordan*	2/2
Gailina Liew**	0/0
Brett Miller***	0/0

* Lisa Harrington stepped down as Non-Executive Director and Phil Jordan as Chair and Non-Executive Director and members of the Nomination Committee effective 13 December 2023.

** Gailina Liew was appointed as member and Chair of the Committee on 13 December 2023

*** Brett Miller was appointed as Non-Executive Director and member of the Committee on 21 December 2023. Brett Miller stepped down as a Non-Executive Director on 23 March 2024.

\ ACTIVITIES

The Nomination Committee met twice in the year during which it discussed matters including, but not limited to, tenure policy, diversity policy, Board composition, Board skills, Board experience, Board evaluation, Non-Executive Director recruitment succession planning, time commitments, and the Listing Rule requirements on Board diversity.

\ APPOINTMENT AND REPLACEMENT OF DIRECTORS

On 1 July 2023, Gailina Liew was appointed as Non-Executive Director of the Company. The appointment followed a formal recruitment process led by the Nomination Committee, with the support of an independent search firm.

Following an independent recruitment process for independent directors with complementary skillsets and experience to support the Board in progressing the Company's Strategic Review initiated on 27 November 2023, Richard Boléat and Brett Miller were appointed as Non-Executive Directors of the Company on 19 December and 21 December 2023 respectively. Phil Jordan and Lisa Harrington stepped down from their respective roles as Independent Chair and Senior Independent Director of the Company on 13 December 2023.

Following the year end, and an orderly handover of his role after the announcement of the Strategic Review, Keith Manfield stepped down as a Non-Executive Director with effect from 3 January 2024.

Brett Miller and Richard Boléat stepped down as Non-Executive Directors with effect from 23 March 2024. As announced on 25 March 2024, the Board has initiated an independent external recruitment process immediately for a permanent Chair and at least one additional non-executive board director to support the future requirements of the Company and its shareholders.

The resulting changes to membership of the Board Committees are set out in the respective Committee reports.

\ PERFORMANCE EVALUATION

Refer to the above Corporate Governance section on pages 57 to 58 detailing how the review of the Nomination Committee's performance was conducted, and the results of such an evaluation.

\ RE-ELECTION OF DIRECTORS

The Board considers that the performance of each Director continues to be effective and demonstrates the commitment required to continue in their present roles. This consideration is based on, amongst other things, the business skills and industry experience of each of the Directors (refer to the biographical details of each Director as set out below), as well as their knowledge and understanding of the Company's business model.

The Board has also considered the other contributions which individual Directors may make to the work of the Board, with a view to ensuring that:

- i. the Board maintains a diverse balance of skills, knowledge, backgrounds and capabilities leading to effective decision-making;
- ii. each Director is able to commit the appropriate time necessary to fulfilling their roles; and
- iii. each Director provides constructive challenge, strategic guidance, offers specialist advice and holds third party service providers to account.

All Directors submit themselves for re-election on an annual basis.

\ TENURE POLICY AND SUCCESSION POLICY

In accordance with best practice, the Board considers that the length of time each Director, including the Chair, serves on the Board should be between six and nine years. To facilitate effective succession planning, this period can be extended for a limited time if necessary.

Continuity, self-examination and ability to do the job are the relevant criteria on which the Board assesses a Director's independence. Length of service of current Directors, succession planning and independence will be reviewed each year as part of the Board evaluation process.

\ DIVERSITY

Diversity and Inclusion Policy

The Board has established and maintains a formal written diversity policy.

The Board recognises the benefits of all types of diversity and supports the recommendations of the Hampton-Alexander Review and the Parker Review. All Board appointments will be made on merit, and promote diversity of all kinds, including: gender, social and ethnic backgrounds, cognitive and personal strengths. This will ensure that any such appointment will develop and enhance the operation of the Board to best serve the Company's strategy.

The Board recognises the importance of diversity in the boardroom which introduces different perspectives to the Board debate and considers it to be in the interests

of the Group and its shareholders to take into consideration diversity criteria when appointing a new individual to the Board. When undertaking the appointment of a new Director, the Nomination Committee will generally instruct an external search consultancy to undertake an open and transparent process that includes potential candidates from a variety of backgrounds.

Members of the Board should collectively possess a diverse range of skills, expertise, industry and business knowledge. The Board will continue to monitor diversity, taking such steps as it considers appropriate to maintain its position as a meritocratic and diverse business.

FCA Listing Rule diversity targets

The Board is committed to maintaining that the Board, as a whole, will have at least 40% representation of either gender. At the period end, the Board comprised the Chair and four Non-Executive Directors; three male and two female. As required by the Listing Rules, a senior Board position should be held by a female and with effect from 13 December 2023, Gailina Liew was appointed as the Senior Independent Director and Charlotte Valeur was appointed as Interim Independent Chair, following Lisa Harrington and Phil Jordan stepping down from the Board, and therefore fulfilling this requirement.

Each of the Board's Committees, with the exception of the Management Engagement Committee and Valuation Committee of which all Directors are members, has two members and the Board is committed to maintaining at least one female member on all of its Committees.

FCA Listing Rule requirements

The Company has reported against the Listing Rules on diversity and has complied with the targets. The following table sets out the gender and ethnic diversity of the Board as at 31 December 2023, with the exception of Brett Miller and Richard Boléat who stepped down as Directors on 23 March 2024, the disclosure of which in this report having been approved by each of the current Directors:

Gender Diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹
Men	1	33	–
Women	2	66	2
Not specified/prefer not to say	–	–	–
Ethnic Diversity			
White British or other White (including minority white groups)	2	66	1
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	33	1
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

¹ Senior positions include Chair and Senior Independent Director

The Board has previously engaged with Board Apprentice, a not-for-profit organisation, which aims to increase diversity on boards globally. Effective 9 November 2022 to 9 April 2024, the Board appointed a board apprentice, Maana Ruia, with the aim for her to gain first-hand experience, through observation, of the working and dynamics on boards. The objective in taking a board apprentice is to grow and widen the pool of board-ready individuals.

As an investment company with solely independent, Non-Executive Directors, the Group does not have a Chief Executive or a Chief Financial Officer and has no employees. Accordingly, no disclosures regarding executive management positions have been included.

\ EXTERNAL SEARCH CONSULTANCY

In identifying suitable candidates for an appointment to the Board, the Nomination Committee will use open advertising or the services of external advisers to facilitate the search.

Green Park Limited* were engaged for the recruitment of a new Non-Executive Director, and Gailina Liew was appointed on 1 July 2023 following this process. There was a further independent recruitment process run by Korn Ferry (UK) Limited*, for the recruitment of two new Non-Executive directors with complementary skillsets and experience to support the Board in progressing the Company's Strategic Review, and Richard Boléat and Brett Miller were appointed on 19 December 2023 and 21 December 2023 respectively following this process.

Following the resignations of Richard Boléat and Brett Miller, Trust Associates was engaged to support an independent recruitment process for a new permanent Chair and at least one additional Non-Executive Director*.

\ COMPANY'S SUCCESSION PLANS

The Nomination Committee will give full consideration to the succession planning of the Board as part of the Board's formal annual evaluation to ensure progressive refreshing of the Board, taking into account the challenges and opportunities facing the Board and the balance of skills and expertise that are required in the future.

Gailina Liew
Nomination Committee Chair

29 April 2024

* The Board confirms that there is no connection between the Company or any individual Directors and the external search consultancies used for Director appointments during or following the period, or to facilitate the candidate search for the role of the Non-Executive Directors.

Risk Committee Report

\ KEY OBJECTIVES

The Risk Committee has been established to assist the Board in its oversight of risk through ensuring the Company maintains a high standard of risk identification, monitoring and management to minimise investment risks and any other risks not covered by the Audit Committee.

\ RESPONSIBILITIES

The Risk Committee’s key responsibilities are:

- ensuring the Company’s compliance with its investment objectives, policies, restrictions and borrowing limits;
- oversee and advise the Board on the current risk exposures of the Company and future risk strategy, including identifying and monitoring the key risks that the Company faces;
- establish the Company’s risk appetite, review performance against risk appetite and monitor key trends and concentrations;
- review the Company’s procedures for managing and mitigating principle risks; and
- reviewing the Company’s systems and controls for the prevention and detection of fraud, bribery, tax evasion and anti-money laundering and any other matters as specified under the Committee’s terms of reference.

The Risk Committee has been in operation throughout the period and operates within clearly defined terms of reference.

\ COMMITTEE MEMBERSHIP

During the period the Risk Committee comprised Charlotte Valeur as Chair of the Committee, Phil Jordan, and Gailina Liew and Aaron Le Cornu who stepped down from the Committee in July 2023. Following the Director changes noted earlier in the report, the Committee now comprises Charlotte Valeur who chairs the Committee and Gailina Liew. Richard Boléat was a member of the Committee from his appointment until his resignation as a Non-Executive Director on 23 March 2024.

\ MEETING ATTENDANCE

The Committee met twice in the financial year, and the meetings were attended by each member as follows:

Director	Attendance
Charlotte Valeur	2/2
Phil Jordan*	2/2
Aaron Le Cornu	1/1
Gailina Liew**	0/1
Richard Boléat***	0/0

* Phil Jordan stepped down as Chair and Non-Executive Director effective 13 December 2023.

** Gailina Liew was appointed as Non-Executive Director with effect from 1 July 2023.

*** Richard Boléat was appointed as Non-Executive Director with effect from 19 December 2023, and stepped down as a Non-Executive Director on 23 March 2024.

\ PERFORMANCE EVALUATION

Refer to the above Corporate Governance section on pages 57 to 58 detailing how the review of the Risk Committee's performance was conducted, and the results of such an evaluation.

\ INTERNAL CONTROL AND RISK MANAGEMENT

The Company has put in place an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company. The adequacy and effectiveness of the Company's internal control and risk management systems, and the implementation of such controls, are monitored by the Audit Committee and the Risk Committee. The Company has the following internal controls, which are monitored by the Risk Committee.

- The risk appetite was agreed by the Risk Committee, which is designed to supplement the Investment Objective and Policy;
- A risk register identifying risks and controls to mitigate their potential impact/likelihood was maintained by the Investment Manager and reviewed by the Risk Committee; and
- On a bi-annual basis, the Risk Committee is provided with an internal control report of its key service providers, including the Investment Manager, to review their effectiveness.

\ ACTIVITIES

During the period, the Risk Committee carried out the following activities:

- Received reports from the Investment Manager on how the risk management process was being undertaken;
- Reviewed the Company's risk appetite for risks, including regulatory risk, concentration risk, reputational risk and key personnel risk;
- Reviewed the Company's risk register; and
- Assessed the Company's principal risks, which are outlined on pages 41 to 45.

Charlotte Valeur Risk Committee Chair

29 April 2024



Valuation Committee Report

\ KEY OBJECTIVES

Following the year end on 3 January 2024 the Valuation Committee was established to support the Audit Committee and Board with considering the appropriate valuation policies in respect to the Company's investments, analysing valuation methodologies and recommending the valuations for the Company's investments.

\ RESPONSIBILITIES

The Valuation Committee will operate within clearly defined terms of reference, and their key responsibilities are:

- formulate or amend appropriate valuation policies in respect of individual investments or classes of investment;
- ensure the valuation policy adopted complies with the obligations within the Company's prospectus, any agreements in place, legislation, regulations, guidance and other policies of the Company that may be applicable;
- consider and approve the valuations and/or valuation methodology of the Company's listed and unlisted investments at each period-end date as recommended and/or undertaken by the Company's alternative investment fund manager and/or investment adviser, or make such amendments as are deemed appropriate;
- ensure that the annual report includes a summary of the valuation of the Company's investment portfolio made in accordance with the Listing Rules; and
- consider at each period-end whether there is a need for an independent valuation of the Company's investment portfolio and, should it deem this to be required, appoint and utilise the services of an appropriate third-party independent valuer.

\ COMMITTEE MEMBERSHIP

Richard Boléat chaired the Valuation Committee until stepping down as a Non-Executive Director on 23 March 2024, and Brett Miller was a member of the Committee until stepping down as a Non-Executive Director on 23 March 2024. The Valuation Committee is now chaired by Aaron Le Cornu and Gailina Liew and Charlotte Valeur are members of the Committee.

\ MEETING ATTENDANCE

There were no meetings held in the year, as the Committee was established after the year-end. The Valuation Committee will meet at least two times in the financial year, and on an ad hoc basis when required. Following the year end, the Valuation Committee engaged with the Independent Valuers in respect to the valuation as at 31 December 2023.

\ ACTIVITIES

Following year end, the Valuation Committee held seven meetings to consider the independent valuation work being undertaken, resulting in an unanimous recommendation of the fair value conclusions to the Board for the Company's portfolio. Further detail of the work conducted regarding valuations is provided in the Audit Committee report on page 64.

Aaron Le Cornu
Valuation Committee Chair

29 April 2024

Directors' Remuneration Report

\ ANNUAL STATEMENT

Dear shareholder,

I am pleased to present the Directors' Remuneration Report on behalf of the Board for the year ended 31 December 2023. It is set out in two sections:

1. Directors' Remuneration Policy – This sets out our Remuneration Policy for Directors of the Company, which was approved by shareholders at the Company's 2022 AGM.
2. Annual Report on Directors' Remuneration – This sets out how our Directors were paid for the period ended 31 December 2023 and how we intend to apply our Policy for the year ending 31 December 2024. There will be an advisory shareholder vote on the Directors' Remuneration Report at our 2024 AGM.

Prior to our IPO in March 2021, the Company introduced a remuneration framework to ensure that remuneration was aligned with best market practice whilst attracting and securing the right non-executive directors to deliver our investment objectives. The scale and structure of the Director's remuneration was determined by the Company in consultation with the sponsor and other advisers having been benchmarked against companies of a similar size in the sector and having regard to the time commitment and expected contribution to the role.

The Group does not have any executive directors or employees, and, as a result, operates a simple and transparent remuneration policy with no variable element, that reflects the Non-Executive Directors' duties, responsibilities and time spent.

There have been no major decisions or changes related to the Directors' remuneration during the period.

\ DISCRETION EXERCISED UNDER THE DIRECTORS' REMUNERATION POLICY

At the date of this report, no discretion is intended to be exercised under the Directors' Remuneration Policy.

We value engagement with our shareholders and for the constructive feedback we receive and look forward to your support at the forthcoming AGM.

Charlotte Valeur
Interim Independent Chair

29 April 2024

Directors' Remuneration Policy

\ APPROVAL OF REMUNERATION POLICY

Our Directors' Remuneration Policy was last approved by shareholders at the AGM of the Group held on 23 May 2022 and became effective from the conclusion of that meeting. As consistent with section 439A of the Companies Act 2006, with which the Company voluntarily complies, the provisions of the policy, will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or if the Remuneration Policy is varied, in which event shareholder approval for the new Remuneration Policy will be sought. The approved Remuneration Policy can be found on the Company's website, and is also set out below.

The Remuneration Policy has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Group's (Accounts and Reports) Regulations 2008. The policy applies to the Non-Executive Directors; the Company has no executive directors or employees. There are no planned changes to the policy in the upcoming financial year.

\ REMUNERATION POLICY OVERVIEW

The Company's objective is to have a simple and transparent remuneration structure, aligned with the strategy. The Company aims to provide remuneration packages with no variable element which will retain Non-Executive Directors with the skills and experience necessary to maximise shareholder value on a long-term basis. The remuneration packages for Non-Executive Directors will be set with reference to the remuneration packages of comparable businesses.

The Board will assess the appropriateness of the Remuneration Policy on an annual basis and shareholder approval will be sought in the event of any changes being proposed.

Policy Table

The Directors are entitled only to the fees as set out in the table below from the date of their appointment. No element of Directors' remuneration is subject to performance factors.

Component	How it Operates	Maximum Fee	Link to Strategy
Annual fee	<p>Each Director received a basic fee which is paid on a monthly basis.</p> <p>The Audit Committee Chair and Risk Committee Chair is entitled to an additional fee over and above their normal Director fee, reflecting their additional duties and responsibilities in those roles.</p>	The total aggregate fees that can be paid to the Directors is as set out in the Company's articles of association.	The level of the annual fee has been set to attract and retain high calibre Directors with the skills and experience necessary for the role. The fee has been benchmarked against companies of a similar size.
Additional fees	Where a Director performs services, which in the opinion of the Board, are outside the ordinary duties of a Director, they will be entitled to an additional fee.	A daily rate of £1,500 for attending additional meetings or time spent on the performance of other duties which result in a Director spending more than five days a month on work for the Company. Any such additional fees will be subject to discussion and approval by the Board.	The additional fee for services outside the scope of ordinary duties offers flexibilities for a Director to be awarded additional remuneration to adequately compensate a Director where this is considered appropriate for the effective functioning of, or in furtherance of, the Company's aims.
Other benefits	The Directors shall be entitled to be repaid expenses.	All reasonable travelling, hotel and other expenses properly incurred in the performance of their duties as Director.	In line with market practice, the Company will reimburse the Directors for expenses to ensure that they are able to carry out their duties effectively.

\ SERVICE CONTRACTS

The Directors are engaged under letters of appointment and do not have service contracts with the Company.

\ DIRECTORS' TERM OF OFFICE

Under the terms of the Directors' letters of appointment, each directorship is terminable on three months' written notice by either the Director or the Company. Each Director will be subject to annual re-election by shareholders at the Company's AGM in each financial year.

\ POLICY ON PAYMENT FOR LOSS OF OFFICE

Upon termination, a Director shall only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred to that date.

\ CONSIDERATION OF SHAREHOLDER VIEWS

The Company is committed to establishing ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Company will seek the reasons for any such vote and will detail any resulting actions in the Directors' Remuneration Report.

\ ANNUAL REPORT ON DIRECTORS' REMUNERATION

Consideration of Remuneration Matters

The Board does not consider it necessary to establish a separate remuneration committee as it has no executive directors. The Board as a whole considers the remuneration of the Directors.

Directors' Fees

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 is entitled to an additional £5,000 and the Chair of the Company who is entitled to receive an annual fee of £75,000.

Directors are entitled to recover all reasonable expenses properly incurred in connection with performing their duties as a Director.

Per the terms of the Director appointment letter, Directors are entitled to receive a daily rate of £1,500 for attending additional meetings or time spent on the performance of other duties which result in them spending more than five days a month on work for the Company. It is intended that such additional fees would only be incurred in exceptional circumstances. During the period, additional fees of £9,000 were paid to Phil Jordan, and further details are set out below. Despite the significant increase in time commitment of the Directors to the Company, it was agreed in December 2023 and again in February 2024 that the Directors would not charge additional fees for time spent.

Single Total Figure (audited information)

The fees paid to Directors in respect of the period ended 31 December 2023 are shown below.

Director	2023			2022			2021			2021-2022		2022-2023		
	Total fixed remuneration (£)	Total expenses (£)	Total additional fees (£)	Total (£)	Total fixed remuneration (£)	Total expenses (£)	Total additional fees (£)	Total (£)	Total (£)	Total (£)	Total (£)	Annual change in Directors' Fees (excluding expenses) (%) ⁵	Annual change in Directors' Fees (excluding expenses) (%) ⁵	
Phil Jordan ¹	71,346	4,572	9,000	84,918	45,769	1,467	–	47,236	–	–	–	N/A	56	
Keith Mansfield ⁴	45,000	2,874	–	47,874	45,000	1,481	–	46,481	37,039	75	37,114	21	0	
Lisa Harrington ¹	38,051	1,105	–	39,156	40,000	54	6,000	46,054	32,923	–	–	32,923	21	0
Charlotte Valeur	45,000	2,777	–	47,777	43,051	1,432	–	44,483	32,923	–	–	32,923	31	5
Aaron Le Cornu	40,000	2,335	–	42,335	30,000	1,549	–	31,549	–	–	–	–	N/A	33
Gailina Liew ²	20,000	–	–	20,000	–	–	–	–	–	–	–	–	N/A	N/A
Richard Boléat ³	1,385	–	–	1,385	–	–	–	–	–	–	–	–	N/A	N/A
Brett Miller ³	1,077	–	–	1,077	–	–	–	–	–	–	–	–	N/A	N/A
Total	261,859	13,663	9,000	284,522	203,820	5,983	6,000	215,803	102,885	75	–	102,960		

- Phil Jordan stepped down as Chair and Non-Executive Director and Lisa Harrington as Non-Executive Director effective 13 December 2023.
- Gailina Liew was appointed as Non-Executive Director effective 1 July 2023.
- Richard Boléat and Brett Miller were appointed as Non-Executive Directors on 19 December and 21 December 2023 respectively. Richard Boléat and Brett Miller stepped down as Non-Executive Directors on 23 March 2024.
- Keith Mansfield stepped down as a Non-Executive Director effective 3 January 2024.
- Phil Jordan was appointed on 23 May 2022 and stepped down on 13 December 2023, if he had served a full year to 31 December 2022 and 31 December 2023 the % increase for 2022 to 2023 would have been nil. Keith Mansfield and Lisa Harrington were appointed on 8 March 2021, if they had served a full year to 31 December 2021, the % increase for 2021 to 2022 would have been nil. The changes to Charlotte Valeur's fees are reflective of her appointment as Chair of the Risk Committee on 23 May 2022 (for which there is an additional £5,000 fee), and her appointment of Interim Chair which increased her base fee from £40,000 to £75,000 in line with Phil Jordan's fee as Chair. Aaron Le Cornu was appointed on 1 April 2022, if he had served a full year to 31 December 2022, the % increase for 2022 to 2023 would have been nil.

Information required on executive directors and employees has been omitted because the Company has neither and therefore it is not relevant.

Statement of Directors' Shareholding and Share Interests (Audited table)

Detailed in the table below are details of the Directors' shareholdings as at 31 December 2023.

The Directors are not required to hold any shares of the Company by way of qualification. A Director who is not a shareholder of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

	At 31 December 2023	At 31 December 2023	At 31 December 2022	At 31 December 2022	At 31 December 2021	At 31 December 2021	% change year-on-year between 31 December 2021 and 31 December 2022	% change year-on-year between 31 December 2022 and 31 December 2023
	Number of Shares	% of share capital	Number of Shares	% of share capital	Number of Shares	% of share capital		
Phil Jordan*	94,611	0.011	73,909	0.009	N/A	N/A	N/A	0.002
Keith Mansfield***	294,819	0.034	86,429	0.010	58,604	0.0081	(0.0019)	0.024
Lisa Harrington*	38,604	0.004	38,604	0.004	38,604	0.0053	(0.0013)	–
Aaron Le Cornu	107,024	0.012	72,500	0.008	N/A	N/A	N/A	0.004
Charlotte Valeur	10,000	0.001	10,000	0.001	10,000	0.0014	(0.0004)	–
Gailina Liew	–	–	N/A	N/A	N/A	N/A	N/A	N/A
Richard Boléat**	65,000	–	N/A	N/A	N/A	N/A	N/A	N/A
Brett Miller**	400,000	0.046	N/A	N/A	N/A	N/A	N/A	N/A

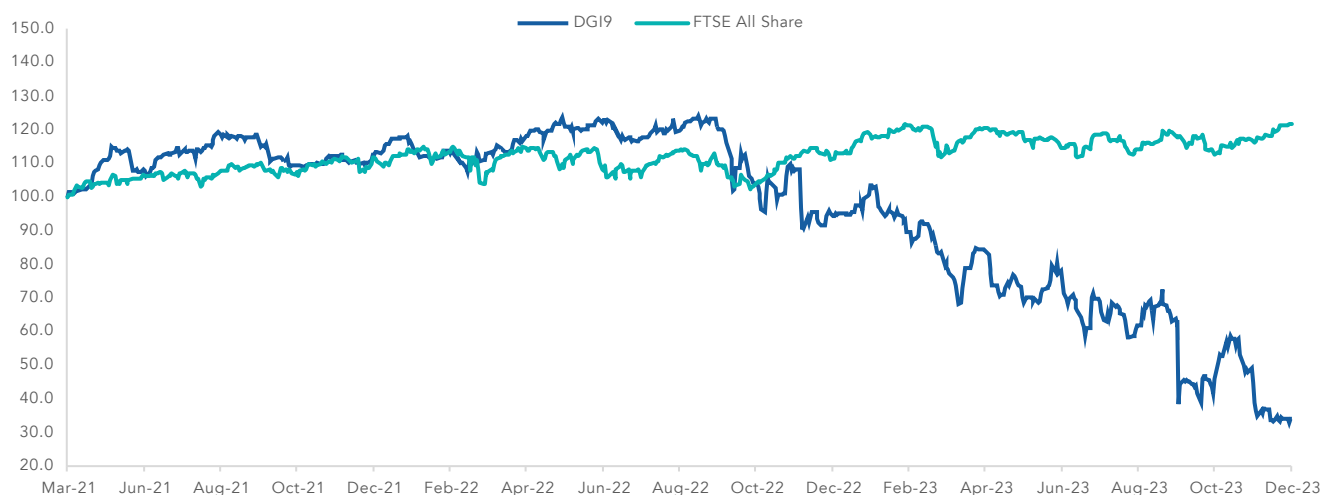
* Phil Jordan resigned as Chair and Non-Executive Director and Lisa Harrington as Non-Executive Director effective 13 December 2023.

** Richard Boléat and Brett Miller resigned as Non-Executive Directors of the Company effective 23 March 2023.

*** Keith Mansfield resigned as Non-Executive Director effective 4 January 2024.

Total Shareholder Return

The graph below illustrates the total shareholder return of the Company from Admission to the end of the financial period. This is mapped against the total shareholder return on a hypothetical holding over the same period in the FTSE All Share. This index has been chosen as it is considered to be the most appropriate benchmark against which to assess the relative performance of the Company as the Company is a constituent of the FTSE All Share.



Relative Importance of Spend on Pay

The table below shows the total spend on remuneration compared to the distributions to shareholders by way of dividends, share buybacks and the management fees incurred by the Company. As the Group has no employees the total spend on remuneration comprises only the Directors' fees.

	31 December 2023 £'000	31 December 2022 £'000
Dividends paid	25,956	50,274
Share buybacks	–	–
Management fee	8,668	7,736
Directors' emoluments	271	261

Consideration of Shareholder Views

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, the Company will seek the reasons for any such vote and will detail any resulting actions in the Directors' Remuneration Report.

During the year the Group did not receive any communications from shareholders specifically regarding Directors' pay.

The resolutions to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) and the Directors' Remuneration Policy were passed on a poll at the AGM on 23 May 2022.

	Votes for	Votes against	Votes withheld
Remuneration Report	97.58%	2.42%	31,206
Remuneration Policy	97.58%	2.42%	28,349

On behalf of the Board:

Charlotte Valeur
Interim Independent Chair

29 April 2024



Directors' Report

The Directors are pleased to present the Annual Report, including the Company's audited financial statements as at, and for the period ended 31 December 2023. The information that fulfils the requirements of the Corporate Governance statement in accordance with rule 7.2 of the DTR can be found in this Directors' Report and in the Governance section on pages 50 to 80 all of which is incorporated into this Directors' Report by reference.

Details of significant events since the balance sheet date are contained in Note 18 to the financial statements.

An indication of likely future developments of the Company and details of the outlook and pipeline are included in the Strategic Report. Information about the use of financial instruments by the Company and its subsidiaries is given in Note 21 to the financial statements.

\ PRINCIPAL ACTIVITY

The Company is a close-ended UK investment trust that invests in Digital Infrastructure assets, listed on the premium segment of the Main Market of the London Stock Exchange. The Company is domiciled in Jersey and is UK tax resident. The Directors do not anticipate any change in the principal activity of the Company in the foreseeable future.

\ DIRECTORS

The names of the Directors who served from 1 January 2023 to 31 December 2023 are set out in the Board of Directors section on page 55; the biographical details and principal external appointments of the current Directors are set out on pages 54 to 55.

\ INVESTMENT MANAGER AND AIFM

A summary of the principal contents of the Investment Management Agreement are set out in the Management Engagement Committee report on pages 66 to 67.

\ INVESTMENT TRUST STATUS

The Company has been approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010. The Company had to meet relevant eligibility conditions to obtain approval as an ITC and must adhere to ongoing requirements to maintain its ITC status, including, but not limited to, retaining no more than 15% of its annual revenue profits. The Company derives the majority of its returns via capital profits, through the revaluation of its Investee Companies. As a result, the Company has paid dividends from its stated capital, which it is entitled to do under Jersey Companies Law.

During the period, the Company has continued to conduct its affairs to ensure it complies with these requirements. The Board continues to monitor compliance with the ITC conditions.

\ FINANCIAL RESULTS AND DIVIDENDS

The financial results for the year can be found in the Company Statement of Comprehensive Income on page 100. The Company declared the following interim dividends in respect of the year to 31 December 2023 totalling 3 pence per share. As announced on 28 September 2023, the Company elected not to declare the Q2 2023 dividend and withdrew its target dividend of 6 pence per Ordinary Share for the year ending 31 December 2023.

Relevant period	Dividend per share (p)	Ex-dividend date	Record date	Payment date
1 October 2022 to 31 December 2022	1.5 pence	16 March 2023	17 March 2023	31 March 2023
1 January 2023 to 31 March 2023	1.5 pence	15 June 2023	16 June 2023	30 June 2023

\ POWERS OF THE DIRECTORS

The powers given to the Directors are contained within the current articles of association of the Company (the "Articles"), are subject to relevant legislation and, in certain circumstances (including in relation to the issuing or buying back by the Company of its shares), are subject to the authority being given to the Directors by shareholders in general meetings.

The Articles govern the appointment and replacements of Directors.

\ DIRECTORS' INDEMNITY

Subject to the provisions of any relevant legislation, the Company has agreed to indemnify each Director against all liabilities which any Director may suffer or incur arising out of or in connection with any claim made, or proceedings taken against him/her, or any application made by him/her, on the grounds of his/her negligence, default, breach of duty or breach of trust in relation to the Company or any associated Company.

This policy remained in force during the financial period and also at the date of approval of the financial statements.

The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

\ FINANCIAL RISK MANAGEMENT

The information relating to the Company's financial risk management and policies can be found in Note 20 of the financial statements.

\ POST-BALANCE SHEET EVENTS

Important events that have occurred since the end of the financial year can be found in Note 18 of the notes to the financial statements.

\ AMENDMENT TO THE ARTICLES

The Articles may only be amended with shareholders' approval in accordance with the relevant legislation.

\ SHARE CAPITAL

As at 31 December 2023, the Company had 865,174,954 Ordinary Shares. All of the Ordinary Shares are fully paid and carry one vote per share.

There are no restrictions on the transfer of securities in the Company other than certain restrictions which may be impaired by law, for example, Market Abuse Regulations, and the Company's Share Dealing Code. The Company is not aware of any agreements between shareholders that restrict the transfer of Ordinary Shares.

The Directors are generally and unconditionally authorised, in accordance with the Articles and the Companies (Jersey) Law 1991 (as amended), to exercise all powers of the Company to allot Ordinary Shares up to a maximum number of 800,000,000 with the authority expiring on 7 March 2026 in respect of the Initial Issue, and authority to allot Ordinary Shares up to a maximum number of 5,000,000,000 in respect of any further share issuances with the authority expiring on 7 March 2026.

\ MAJOR SHAREHOLDINGS

In accordance with DTR 5, the Company was advised of the following significant direct and indirect interests in the issued Ordinary Share capital of the Company as at 31 December 2023:

	Number of Ordinary Shares held	% of voting rights
Schroders plc	106,999,579	12.37%
Rathbone Investment Management Ltd	85,163,713	9.84%
Brewin Dolphin Limited	43,211,460	4.99%
Canaccord Genuity Group INC	41,313,204	4.78%
Insight Investment Management (Global) Ltd	29,315,482	3.39%
J M Finn & Co	26,471,050	3.06%
Jupiter Fund Management plc	14,350,000	1.66%
South Yorkshire Pensions Authority	10,000,000	1.16%

The Company has not been informed of changes to notifiable interests between 31 December 2023 and the date of this report.

\ PURCHASE OF OWN ORDINARY SHARES

A special resolution was passed at the Company's 2023 AGM, granting the Directors authority to repurchase up to a maximum of 86,517,495 Ordinary Shares (representing 10% of the Company's Ordinary Share capital as at 8 March 2023); the authority will expire immediately following the conclusion of the Company's 2024 general meeting or on 18 August 2024, whichever is earlier. A resolution to renew the Company's authority to purchase shares is expected to be put to shareholders at the AGM.

The Company did not purchase any of its own shares during the period.

\ DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware.

The Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

\ RELATED PARTY TRANSACTIONS

Related Party transactions for the year to 31 December 2023 can be found in note 17 of the financial statements.

\ RESEARCH AND DEVELOPMENT

No expenditure on research and development was made during the period.

\ DONATIONS AND CONTRIBUTIONS

No political or charitable donations were made during the period.

\ BRANCHES OUTSIDE THE UK

There are no branches of the business located outside the United Kingdom.

\ ANNUAL GENERAL MEETING

The Notice of AGM, which will follow in due course, will provide details of the AGM and the respective resolutions to be put to shareholders.

\ BUSINESS RELATIONSHIPS

The Company has a set of corporate providers that ensure the smooth running of the Group's activities. The Group's key service providers are listed on page 136 and the Management Engagement Committee annually reviews the effectiveness and performance of these service providers, taking into account any feedback received. Each of these relationships is critical to the long-term success of the business. Therefore, the Company and the Investment Manager maintain high standards of business conduct by acting in a collaborative and responsible manner with all its business partners that protects the reputation of the Group as a whole.

\ SIGNIFICANT AGREEMENTS

There are no significant agreements that take effect, alter or terminate on change of control of the Company following a takeover. Additionally, there are no agreements with the Company or a subsidiary in which a Director is or was materially interested or to which a controlling shareholder was a party.

\ EMPLOYEES

The Company has no employees and accordingly there is no requirement to separately report on this area.

The Investment Manager is an equal opportunities employer who respects and seeks to empower each individual and the diverse cultures, perspectives, skills and experiences within its workforce. The Investment Manager places great importance on company culture and the wellbeing of its employees and considers various initiatives and events to ensure a positive working environment.

\ ANTI-BRIBERY POLICY

The Company has a zero-tolerance policy towards bribery and is committed to carrying out its business fairly, honestly and openly. The anti-bribery policies and procedures apply to all its officers and to those who represent the Company.

\ HUMAN RIGHTS ISSUES

The Company is not within the scope of the Modern Slavery Act 2015 because it has not exceeded the turnover threshold and is therefore not obliged to make a slavery and human trafficking statement.

The majority of services supplied to or on behalf of the Company are from the financial services industries and other services associated with those industries.

Given what the Company understands to be a low risk profile of anyone supplying it with services being involved in slavery and/or human trafficking, the Board believes the Company's current procedures and ability to rely on regulatory oversight in relation to professional services are sufficient in this regard.

\ SUSTAINABILITY

Throughout the reporting period, the Company continued to uphold its sustainability-related commitments. During the reporting period the Investment Manager, on behalf of the Company, continued to uphold the commitment to consider environmental, social and governance issues in interactions with Investee Companies. For example, during this reporting period there has been a focus on working with Investee Companies on their net zero actions and diversity and inclusion.

Details of the sustainability-related commitments and activities of the Company and the Investee Companies are captured in a separate Sustainability Report. This separate report aims to make it easier for investors to locate sustainability-related information. The report includes all required the Company sustainability reporting elements, including, but not limited to, SFDR indicators and the Task Force on Climate Related Disclosure (TCFD).

We direct readers to this report, which is available here: <https://www.d9infrastructure.com/digital-9-infrastructure-plc-sustainability-report-2023/>.

\ GREENHOUSE GAS EMISSIONS

(please refer to page 31 of the Sustainability Report)

			Impact 2022 ¹	Impact 2023
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	92	637
		Scope 2 GHG emissions (location-based)	5,502	13,195
		Scope 2 GHG emissions (market-based)	1,397	6,709
		Scope 3 GHG emissions	N/A	7,831 ²
		Total GHG emissions	1,489	15,177 ³
	Carbon footprint	Carbon footprint	1.25	14
	GHG intensity of investee companies	GHG intensity of investee companies ⁴	23	86
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0	0
	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	1.34	13
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million GBP ⁵ of revenue of investee companies, per high impact climate sector	N/A	N/A

- 2022 figures do not include Arqiva data.
- Scope 3 emissions have been disclosed on a best endeavours basis. The methodology and information pertaining to Scope 3 data can be found on page 30 of the Sustainability Report. This data encompasses a part of Scope 3 emissions for Arqiva for the fiscal year ending on 30 June 2023, and for Verne Global, Aqua Comms, and Elio Networks for the fiscal year ending on 31 December 2022. This follows PCAF recommendations, with their latest guidance stating "PCAF recognises that there is often a lag between financial reporting and the reporting of required emissions-related data for the borrower or investee. In these instances, financial institutions should use the most recent data available even if it is representative of different years, with the intention of aligning as much as possible. For example, it would be expected and appropriate that a financial institution's reporting in 2020 for its 2019 financial year would use 2019 financial data alongside 2018 (or other most recent) emissions data." page 42: <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>. We are committed to collaborating with portfolio companies to actively enhance Scope 3 emission reporting in future reports.
- Total GHG emissions for 2022 only include Scope 1 and 2, no Scope 3 emissions were disclosed in 2022.
- Weighted Average Carbon Intensity (tCO₂e/£M). This includes Scope 1, 2 and 3 for 2023 (previously only included Scope 1 and 2).

\ INFORMATION INCLUDED IN THE STRATEGIC REPORT

The information that fulfils the reporting requirements relating to the following matters can be found on the pages identified.

Subject Matter	Page Reference
Likely future developments	8 to 10

On behalf of the Board:

Charlotte Valeur
Interim Independent Chair

29 April 2024

Directors' Responsibility Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with IAS in conformity with the requirements of any relevant legislation and in accordance with International Financial Reporting Standards (IFRSs) as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that year. In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors consider the Annual Report and the Financial Statements, taken as a whole, provide the information necessary to assess the Company's position, performance, business model and strategy and are fair, balanced and understandable.

The Company's Financial Statements are published on the Company's website, <https://www.d9infrastructure.com>.



To the best of our knowledge:

- The Financial Statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

We consider the financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approval

This Directors' responsibilities statement was approved by the Board of Directors and signed on its behalf by:

Charlotte Valeur
Interim Independent Chair

Independent auditors' report to the members of Digital 9 Infrastructure plc

\ REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Digital 9 Infrastructure plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

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

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's ("FRC") Ethical Standard, as applicable to listed public interest entities in accordance with the requirements of the Crown Dependencies' Audit Rules and Guidance for market-traded companies, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in the Audit Committee Report, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 (a) to the financial statements concerning the company's ability to continue as a going concern. The Company's going concern assessment is dependent on the wider Digital 9 Group (the "Group") either completing the sale of assets to fund the repayment of the remaining balance of the Group's Revolving Credit Facility due by March 2025 or alternatively refinancing this debt. These conditions, along with the other matters explained in note 2 (a) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's latest forecasts that support the Board's assessment and conclusions with respect to the going concern basis of preparation of the financial statements;
- We corroborated management's base case to appropriate supporting documentation;

- We evaluated the directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- We evaluated management's base case forecast and downside scenarios, challenging the underlying data and adequacy and appropriateness of the underlying assumptions used to make the assessment. We evaluated the directors' plans for future actions in relation to their going concern assessment, should these be required; and.
- We reviewed the directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in note 2 (a) to the financial statements, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the directors' identification in the financial statements of any other material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

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

Our audit approach

Context

Digital 9 Infrastructure plc is incorporated in Jersey and a listed company on the Main Market of the London Stock Exchange. The Company invests in a range of digital infrastructure assets, but during the year changed its investment objective to focus on a managed wind down of the Company.

Overview

Audit scope

- The Company invests in digital infrastructure investments through its investment in its wholly-owned subsidiary, Digital 9 Holdco Limited.
- The Company is a closed-ended investment company and has appointed Triple Point Investment Management LLP (the "Investment Adviser") to manage its assets.
- We conducted our audit of the financial statements using information from Triple Point Investment Management LLP, and Ocorian Fund Services (Jersey) Limited (the "Administrator") to whom the directors delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

- Material uncertainty related to going concern
- Valuation of investments held at fair value through profit or loss

Materiality

- Overall materiality: £6,863,000 (2022: £9,450,000) based on 1% of Net Assets.
- Performance materiality: £5,147,250 (2022: £7,000,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

In the audit report for the period ended 31 December 2022 we included a key audit matter on assessment of going concern. This year, this has been removed because we have identified a material uncertainty related to going concern, as set out in the 'Material uncertainty related to going concern' paragraph above. Other than in respect of the aforementioned, the key audit matters are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="129 477 563 539"><i>Valuation of investments held at fair value through profit or loss</i></p> <p data-bbox="129 564 574 658">Refer to Report of the Audit and Risk Committee, Notes to the financial statements – Note 3, 4, and 10.</p> <p data-bbox="129 676 568 1021">The Company has £676m of investments held at fair through profit or loss. The fair value of the Company's investments in Digital 9 Holdco Limited ("the HoldCo") is determined based on the fair value of the net assets of the HoldCo and, accordingly, the fair value of the underlying investments within the Holdco, for which there is no liquid market.</p> <p data-bbox="129 1041 539 1196">A third party valuation advisor ("Valuer") is engaged to assist the Company in the preparation of the fair valuation of a selection of investments.</p> <p data-bbox="129 1216 582 1756">The fair value of the underlying investments has principally been valued on a discounted cash flow basis or using a Monte Carlo simulation, which necessitates significant estimates in respect of the forecasted cash flows and discount rates applied. Determining the valuation methodology and determining the inputs and assumptions within the valuation is subjective and complex. This, combined with the significance of the investments balance in the statement of financial position, meant that this was a key audit matter for our current year audit.</p>	<p data-bbox="608 477 1477 602">We understood and evaluated the valuation methodologies applied, by reference to industry practice and applicable accounting standards, and tested the techniques used by management in determining the fair value of the investments.</p> <p data-bbox="608 620 1380 680">We performed the following over the fair value of investments as at 31 December 2023:</p> <ul data-bbox="608 698 1500 1010" style="list-style-type: none"> • Discussed and challenged the Investment Manager and Valuer's approach to valuations and significant estimates; • Undertook further investigations by holding further discussions with the Investment Manager and Valuer and obtained evidence to support explanations received where assumptions were outside the expected range or showed unexpected movements based on our knowledge; • Observed that alternative assumptions had been considered and evaluated by the Investment Manager and the Valuer before determining the final valuation. <p data-bbox="608 1030 1500 1090">Challenged management about the rationale of any non-observable inputs or significant estimates used in valuations and obtained corroborative evidence.</p> <p data-bbox="608 1111 1485 1171">We concluded that the assumptions used in the valuations were supportable in light of available and comparable market evidence;</p> <ul data-bbox="608 1189 1484 1406" style="list-style-type: none"> • Performed recalculations of valuation workings to ensure mathematical accuracy; • We tested a sample of inputs into the fair value models to supporting documentation; and • Agreed the amounts per the valuation reports to the accounting records and the financial statements. <p data-bbox="608 1426 1485 1612">In addition, given the inherent subjectivity involved in the valuation of the investments, and therefore the need for specialised market knowledge when determining the most appropriate assumptions and the technicalities of the valuation methodology, we engaged our internal valuation experts to assist us in our audit of this area. The experts performed the following procedures for the investments:</p> <ul data-bbox="608 1630 1473 1816" style="list-style-type: none"> • Reviewed the appropriateness of valuation methodology; • Reviewed key valuation inputs and estimates used, such as comparable company multiples and discount rates at 31 December 2023; and • Reported their findings and conclusions to the audit team for overall consideration and conclusions. <p data-bbox="608 1836 1484 1897">We considered the appropriateness and adequacy of the disclosures around the estimation uncertainty and sensitivities on the accounting estimates.</p> <p data-bbox="608 1917 1374 1957">Our testing did not identify any evidence of material misstatement.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The Company’s accounting is delegated to the Administrator who maintains the Company’s accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Investment Manager and the Administrator to the extent relevant to our audit.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The impact of climate risk on our audit

As part of our audit, we inquired of management to understand and evaluate D9 Group’s risk assessment process in relation to climate change. We used our own knowledge and understanding of the Group to evaluate the impact of climate risk on the performance of the Company’s digital infrastructure investments. We read disclosures in relation to climate change made in other financial information within the Annual Report to ascertain whether the disclosures are materially consistent with the financial statements and our knowledge from our audit. Our responsibility over other information is further described in the reporting on other information section of our report.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	£6,863,000 (2022: £9,450,000).
<i>How we determined it</i>	1% of Net Assets
<i>Rationale for benchmark applied</i>	We believe that Net Assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £5,147,250 (2022: £7,000,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £343,150 (2022: £470,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Jersey) Law 1991. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals, and management bias in accounting estimates and judgements applied by management in valuation of investments held at fair value through profit or loss, as described in our key audit matter. Audit procedures performed by the engagement team included:

- Discussions with management, risk and compliance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud impacting the Company;
- Reviewing relevant meeting minutes, including those of the Board of Directors, Risk Committee and the Audit Committee;

- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Procedures relating to judgemental areas of accounting and significant estimation, including as described in the related key audit matter;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Reviewing of financial statement disclosures to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

\ OTHER REQUIRED REPORTING

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 6 March 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 December 2021 to 31 December 2023.

\ OTHER VOLUNTARY REPORTING

Directors' remuneration

The company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the Companies Act 2006. The directors requested that we audit the part of the Directors' Remuneration Report specified by the Companies Act 2006 to be audited as if the company were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Kevin Rollo
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognized Auditor
London
29 April 2024





Financial Statements

Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	Year ended 31 December 2023			Year ended 31 December 2022		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Income from investments held at fair value	5	27,972	–	27,972	4,129	–	4,129
(Losses)/gains on investments held at fair value	10	–	(252,014)	(252,014)	–	97,228	97,228
Other income	5	3,471	–	3,471	773	–	773
Total income		31,443	(252,014)	(220,571)	4,902	97,228	102,130
Expenses							
Investment management fees	6	(6,501)	(2,167)	(8,668)	(5,802)	(1,934)	(7,736)
Other operating expenses	7	(4,615)	–	(4,615)	(2,323)	–	(2,323)
Total operating expenses		(11,116)	(2,167)	(13,283)	(8,125)	(1,934)	(10,059)
Exceptional item	8	–	(3,478)	(3,478)	–	–	–
Operating (loss)/profit		20,327	(257,659)	(237,332)	(3,223)	95,294	92,071
Finance expense		(1)	–	(1)	(2)	–	(2)
(Loss)/profit on ordinary activities before taxation		20,326	(257,659)	(237,333)	(3,225)	95,294	92,069
Taxation	9	–	–	–	–	–	–
(Loss)/profit and total comprehensive (expense)/income attributable to shareholders		20,326	(257,659)	(237,333)	(3,225)	95,294	92,069
(Loss)/earnings per Ordinary Share – basic and diluted	23	2.35p	(29.78p)	(27.43p)	(0.39p)	11.48p	11.09p

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 on pages 104 to 124 form part of these Financial Statements.

Statement of Financial Position

As at 31 December 2023

	Note	31 December 2023 £'000	31 December 2022 £'000
Non-current assets			
Investments at fair value through profit or loss	10	676,060	920,971
Total non-current assets		676,060	920,971
Current assets			
Trade and other receivables	11	1,471	1,417
Cash and cash equivalents	12	14,809	30,001
Total current assets		16,280	31,418
Total assets		692,340	952,389
Current liabilities			
Trade and other payables	13	(6,009)	(2,769)
Total current liabilities		(6,009)	(2,769)
Total net assets		686,331	949,620
Equity attributable to equity holders			
Stated capital	14	793,286	819,242
Capital reserve		(123,765)	133,894
Revenue reserve		16,810	(3,516)
Total Equity		686,331	949,620
Net asset value per Ordinary Share – basic and diluted	24	79.33p	109.76p

The Financial Statements were approved and authorised for issue by the Board on 29 April 2024 and signed on its behalf by:

Charlotte Valeur

Independent Interim Chair
29 April 2024

The accompanying notes on pages 104 to 124 form part of these Financial Statements.

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2023

	Note	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
Balance as at 31 December 2021		717,547	38,600	(291)	755,856
<i>Transactions with owners</i>					
Ordinary Shares issued	14	155,201	–	–	155,201
Share issue costs		(3,232)	–	–	(3,232)
Dividends paid	15	(50,274)	–	–	(50,274)
Profit/(loss) and total comprehensive income/(expense) for the period		–	95,294	(3,225)	92,069
Balance as at 31 December 2022		819,242	133,894	(3,516)	949,620
	Note	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
Balance as at 31 December 2022		819,242	133,894	(3,516)	949,620
<i>Transactions with owners</i>					
Dividends paid	15	(25,956)	–	–	(25,956)
(Loss)/profit and total comprehensive (expense)/income for the period		–	(257,659)	20,326	(237,333)
Balance as at 31 December 2023		793,286	(123,765)	16,810	686,331

The accompanying notes on pages 104 to 124 form part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities			
(Loss)/profit on ordinary activities before taxation		(237,333)	92,069
<i>Adjustments for:</i>			
(Losses)/gains on investments held at fair value	10	252,014	(97,228)
Cash flow used in operations		14,681	(5,159)
Increase in trade and other receivables	11	(55)	(1,189)
Increase in trade and other payables	13	3,241	871
Net cash outflow from operating activities		17,867	(5,477)
Cash flows from investing activities			
Loans to subsidiaries		(7,103)	(29,105)
Purchase of investments at fair value through profit or loss	10	–	(48,409)
Net cash flow used in investing activities		(7,103)	(77,514)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares	14	–	155,201
Dividends paid	15	(25,956)	(50,274)
Cost of issue of shares	14	–	(3,246)
Net cash flow generated from financing activities		(25,956)	101,681
Net (decrease)/increase in cash and cash equivalents		(15,192)	18,690
Reconciliation of net cash flow to movements in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		30,001	11,311
Net (decrease)/increase in cash and cash equivalents		(15,192)	18,690
Cash and cash equivalents at end of the year	12	14,809	30,001

The accompanying notes on pages 104 to 124 form part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2023

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

These financial statements for the year ended 31 December 2023 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") as adopted by the EU, 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

MATERIAL UNCERTAINTY

The Directors believe that the Company and the Group have adequate resources to continue in operational existence until the conclusion of the Managed Wind-Down of the Company. However, the Company's going concern assessment is dependent on the Group either completing the sale of assets to fund the repayment of the remaining balance of the Group's Revolving Credit Facility due by March 2025 or alternatively refinancing this debt. Given that a degree of uncertainty exists in the timing of ongoing strategic initiatives, the Board believes that there continues to be a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The Financial statements are prepared on a going concern basis as disclosed on page 46 of 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 and the conflict in the middle east, 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.

Following the recent shareholder vote at the General Meeting, the Company is now in a Managed Wind-Down. The audited financial statements for the year ended 31 December 2023 continue to be prepared on a going concern basis.

As part of the Strategic Review, various options for realising the stake in Arqiva were considered by the Board and after careful consideration of Arqiva's plans and current market conditions, the Board believes that the maximisation of the value of the Company's stake in Arqiva is likely to take longer to realise than the other investments held by the Company and therefore no certainty as to when the wind down of the Company's business will conclude and whether this will occur within the foreseeable future.

As such, whilst the Company will continue to consider and be open to all options for Arqiva which are value-accretive to Shareholders, the Board has decided to defer launching a sale process for the Company's stake in Arqiva.

As part of the recent sale of Verne Global, the Company may receive a potential Earn-Out payment of up to \$135 million, which is subject to Verne Global achieving run-rate EBITDA targets for the financial year ending December 2026. Given the time frame involved, for both the sale of Arqiva and the receipt of any Earn-Out payment, which are expected to be well in excess of 12 months, the Board believes that the Going Concern approach to the preparation of the financial statements remains appropriate.

No provision has been made for the costs of winding up the Company as these will be charged to the Income Statement on an accruals basis as they are incurred or as the Company become obligated to make such payments in the future.

The Directors believe that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months since the reporting date. However, given that a degree of uncertainty exists in the timing of ongoing strategic initiatives which includes management's ability to refinance or repay the Group's existing RCF (of which c.£100 million remains at 29 April 2024) due in the next 12 months (March 2025), there exists a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The Company intends to make a total additional repayment and partial cancellation of its Group's RCF in the amount of c.£47 million in May 2024.

The RCF is an important consideration for the Company, even though it is not held on the Company's balance sheet. The RCF is held by its main subsidiary D9 Holdco, but the Company is a guarantor of the facility.

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 2023, the Company had a cash balance of £14.8 million. The Company has considered at least two years when assessing its going concern position. The base case assumption in this scenario, include disposing of the Company's portfolio of investments excluding Arqiva and the use of proceeds to repay the RCF.

Numerous scenarios have been prepared which includes downside scenarios, including disposing of assets with up to a 40% discount to NAV.

B. INVESTMENT ENTITIES

Following the recent shareholder vote at the General Meeting, the Company is now in a Managed Wind-Down and as a result the objective of the Company is no longer to acquire digital infrastructure projects, it is to ensure an orderly wind down and return proceeds to Shareholders. The Company, via D9 Holdco has begun the process to start selling select Investee Companies.

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:

- It obtains funds from one or more investors for the purpose of providing these investors with professional investment management services;
- 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
- 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-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.

Post year end the Company sold 100% of its ownership in the Verne Global Group of Companies, reinforcing the exit strategy point described above. As the Company enters into its wind-down phase, it will continue to realise its exit strategy across its portfolio.

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

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- 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 Company entering into a Managed Wind-Down, a decision which was made and voted on by shareholders following the year end, and the changes in the Group structure following the sale of Verne Global 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 2023

- (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

FORTHCOMING REQUIREMENTS

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023.

- (a) Amendments to IAS 1 Presentation of Financial Statements
 - Non-current liabilities with covenants
 - Deferral of Effective Date Amendment (published 15 July 2020)
 - Classification of liabilities as Current or Non-current (Amendment to IAS1)
- (b) Lease liability in a Sale and Leaseback (Amendment to IFRS 16)
- (c) IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangements)"

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 accruals 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 December 2022 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 a separate line item in the statement of profit or loss.

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(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. SIGNIFICANT 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. During the year, an Independent Valuer was appointed to carry out the fair valuation of financial assets for financial reporting purposes, including level 3 fair valuations.

Estimates such as the forecasted cash flows from investments form the basis of making judgements about the fair value of assets, which is not readily available from other sources. The discounted cash flows from earnings are forecasted over an 8-to-10-year period followed by a terminal value based on a long-term growth rate or exit multiple. Discount rates are arrived at via a bottom-up analysis of the weighted average cost of capital, using both observable and unobservable inputs, and calculation of the appropriate beta based on comparable listed companies

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where appropriate, a sense-check to the DCF analysis is compared to market multiples.

The discounted cash flow from earning is forecasted over an 8 to 10 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. Where appropriate, a sense-check to the DCF analysis is compared to market multiples.

To do this, implied multiples from the DCF analysis are calculated and considered against the multiples available for reasonably comparable quoted companies and any relevant recent sector transactions. It should be noted that finding directly comparable companies to Aqua Comms, Arqiva and Elio Networks is challenging and as a result no directly comparable companies have been identified. Similarly, there have been few recent transactions with publicly available information where the target is directly comparable to the businesses. As a result, whilst the market multiples approach is a useful crosscheck to the DCF analysis, less reliance should be placed upon it. Finally, the last round of funding in each of the business is somewhat dated as at the Valuation Date and so no reliance was placed on this approach.

In respect of portfolio of data centres where the disposals were completed after the year-end, the fair value of these investments at the year-end equal the agreed disposal value, plus an amount for the valuation of the Earn-Out as per the terms of the SPA.

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, cash flows, terminal value and discount rates. The key area where estimates are significant to the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in the valuation of the investment portfolio. The portfolio is diversified by sector, geography and underlying risk exposures. The key risks to the portfolio are discussed in further detail in the Risk report.

The majority of assets in the investment portfolio are typically valued on a discounted cash flow basis which requires assumptions to be made regarding future cash flows, terminal value and the discount rate to be applied to these cash flows. For this reporting period, the Company had a signed SPA for its data centre assets, including Verne Global Iceland, London and Finland. At the reporting date, these assets were held at the

value of proceeds to be received under the SPA, with an allocation of the valuation of the Earn-Out ascribed to each on a pro rata basis. The Earn-Out valuation methodology is described in more detail below.

The discount rate applied to the cash flows in each investment portfolio company is a key source of estimation uncertainty. The acquisition discount rate is adjusted to reflect changes in company-specific risks to the deliverability of future cash flows and is calibrated against secondary market information and other available data points, including comparable transactions. The weighted average discount rate used in these valuations was 13.62%.

The cash flows on which the discounted cash flow valuations are based are derived from detailed financial models. These incorporate a number of assumptions with respect to individual portfolio companies, including: forecast new business wins or new orders; cost-cutting initiatives; liquidity and timing of debtor payments; timing of non-committed capital expenditure and construction activity; the terms of future debt refinancing; and macroeconomic assumptions such as inflation and energy prices.

The terminal value attributes a residual value to the portfolio company at the end of the projected discrete cash flow period based on market comparables. The valuation of each asset has significant estimation in relation to asset-specific items but there is also consideration given to the impact of wider megatrends such as the transition to a lower-carbon economy and climate change. The effects of climate change, including extreme weather patterns or rising sea levels in the longer term, could impact the valuation of the assets in the portfolio in different ways. The weighted average long-term growth rate used in the valuation was 0.85%.

The fair value of the Earn-Out, attributable to the Verne Global transaction was computed by way of a Monte Carlo analysis. In this approach a random value is selected for each of the simulations, based on a range of estimates. The model is calculated based on this random value. The result of the model is recorded, and the process is repeated. A typical Monte Carlo simulation calculates the model hundreds or thousands of times, each time using different randomly selected values. The results are used to describe the likelihood, or probability, of reaching various results in the model.

5. INVESTMENT INCOME

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
UK dividends	27,972	3,226
Loan interest income	2,617	903
Other Income	854	772
	31,443	4,901

Other Income comprises Management Services Fees charged to the Company's subsidiaries.

6. INVESTMENT MANAGEMENT FEES

	Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000
Management fees	6,501	2,167	8,668
Total management fees	6,501	2,167	8,668

	Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000
Management fees	5,802	1,934	7,736
Total management fees	5,802	1,934	7,736

The Company served notice of termination to the Investment Manager before 31 March 2024 following the completion of the Verne Global sale, with the Investment Management Agreement to terminate on 31 March 2025.

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 £4.2 million (2022: £2.2 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 2023 £'000	Year ended 31 December 2022 £'000
Legal and professional fees	539	344
Auditors' fees – audit services ¹	389	257
Auditors' fees – non-audit services ²	145	120
Directors' fees	271	261
Administration and company secretarial fees	208	207
Premium segment admission costs	–	677
Strategic review costs ³	2,423	–
Other administrative expenses	640	457
	4,615	2,323

¹ Fees excludes audit fees on the financial statements of subsidiaries totalling £616,000 (2022 - £429,000).

² Fees for non-audit services relate to the review of interim financial statements and limited assurance on environmental, social and corporate governance.

³ Strategic Review Costs also include technical advisory fees to develop contingency planning to address the Company's historical residual financial uncertainty prior to the completion of the Verne Transaction.

8. EXCEPTIONAL ITEM

During the year, the Company incurred exceptional costs of £3.5 million in connection with the disposal of its data centre subsidiaries. The break fee incurred by the Company was under a previous transaction structure for the sale of Verne Global, which was under consideration by the Board prior to the definitive agreement reached on 27 November 2023.

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9. 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 25% (2022: 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 25% (2022: 19%). The differences are explained below.

	Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000
Net (loss)/profit before tax	20,326	(257,659)	(237,333)
Tax at UK corporation tax standard rate of 25% (2022 – 19%)	5,082	(64,415)	(59,333)
<i>Effects of:</i>			
Loss/(Gain) on financial assets not taxable	–	63,004	63,004
Exempt UK dividend income	(6,993)	–	(6,993)
Expenses not deductible for tax purposes	–	660	660
Excess of allowable expenses	1,911	751	2,662
Total tax charge	–	–	–

	Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000
Net (loss)/profit before tax	(3,225)	95,294	92,069
Tax at UK corporation tax standard rate of 25% (2022 – 19%)	(613)	18,106	17,493
<i>Effects of:</i>			
Loss/(Gain) on financial assets not taxable	–	(18,473)	(18,473)
Exempt UK dividend income	(613)	–	(613)
Expenses not deductible for tax purposes	–	–	–
Excess of allowable expenses	1,226	367	1,593
Total tax charge	–	–	–

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 £18 million (2022: £8 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 £4.5 million (2022: £2 million).

10. 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:

	Period Ending 31 December 2023 £'000
Opening balance 1 January 2023	920,971
Equity investments addition in D9 Holdco	–
Debt investments addition in D9 Holdco	7,103
Change in fair value of investments	(252,014)
As at 31 December 2023	676,060
	Period Ending 31 December 2022 £'000
Opening balance 1 January 2022	746,229
Equity investments addition in D9 Holdco	48,409
Debt investments addition in D9 Holdco	29,105
Change in fair value of investments	97,228
As at 31 December 2022	920,971

The Company views 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 investments 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 £36.2 million (2022: £29.1 million) 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 £2.6 million (2022: £0.9 million) was charged during the year on the loan. The debt instrument is measured at fair value as at 31 December 2023.

Breakdown of investments in D9 Holdco between equities and debts:

	31 December 2023 £'000	31 December 2022 £'000
Equity investments	639,852	891,866
Debt investments	36,208	29,105
	676,060	920,971

During the period the Company, through its subsidiary companies, made further investments in existing subsidiaries as follows:

Date	D9 Subsidiaries ¹	Investments	Amount
Jan-Dec 2023	Digital 9 Subsea Limited	EMIC 1 – progress payments for the construction of subsea cables	\$16.7m (£13.2m)
Jan-Dec 2023	Digital 9 Holdco Limited	Provided capex loans to GSS Propco for the construction of data centre	£7.9m
Jul 2023	Digital 9 Holdco Limited	Provided capex loan to Aqua Comms for undersea cables construction.	\$14.7m (£11.6)
Jan-Dec 2023	Digital 9 Holdco Limited	Provided loans to Volta Data Centres	£4m

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

As at the year end, the breakdown of fair valued investments held by D9 Holdco were as follows:

Subsidiary company	Investments	Equity £'000	Debt £'000	Total £'000
Digital 9 DC Limited	Data centres	343,638	35,938	379,576
Digital 9 Wireless Limited	Wireless networks	83,838	299,744	383,582
Digital 9 Subsea Holdco Limited	Subsea fibre optic	244,507	18,336	262,843
Digital 9 Fibre Limited	Fibre optic networks	35	–	35
Total		£672,018	£354,018	£1,026,036

The subsidiary valuations also include any net current assets or liabilities across the holding company structure. Included in the above subsidiary valuations, is the valuation of the underlying Investee Company as presented below.

Portfolio Company	Investments	31 December 2023 £'000	31 December 2022 £'000
Aqua Comms	Subsea fibre optic	222,509	234,778
EMIC-1	Subsea fibre optic	35,981	22,617
SeaEdge	Data centres	14,042	17,550
Elio Networks	Wireless networks	55,444	59,385
Verne Global	Data centres	372,221	517,255
Arqiva Group	Wireless networks	503,598	518,266
Arqiva Group	VLN and interests	(174,939)	(162,998)
Giggle	Fibre optic networks	–	3,000
Total		1,028,856	1,209,853

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For the year ended 31 December 2023

VALUATION PROCESS

During the year, an independent valuer was appointed to carry out the fair valuation of financial assets for financial reporting purposes, including level 3 fair valuations. In respect of the Verne Global entities, the fair value of these investments equals their agreed disposal value; completed post year end. 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 Board has carried out fair market valuations of Arqiva, Aqua Comms, Elio Networks and the Verne Global Earn-Out as at 31 December 2023 and the Directors have considered the valuation of SeaEdge and 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 valuer uses its judgement 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. Investments are valued using a discounted cash flow approach, being valued on a Free Cash Flow to Equity ("FCFE") basis. The portfolio weighted average discount rate for investments valued under the FCFE discounted cash flows approach was 13.62%.

- To calculate portfolio NAV, 62% of total NAV from Investment companies is valued using the FCFE discounted cash flows approach, 35% of total NAV is valued using evidence of post year end disposal value either agreed or indicative offer and the remaining 3% 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. The portfolio weighted long-term growth rate for investments valued under the FCFE discounted cash flows approach was 0.85%.
- Future Foreign exchange rates of GBP against USD and EUR.

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 2023 and 31 December 2022:

	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 2023	639,852	–	–	639,852
Debt investment in D9 Holdco	31 December 2023	36,208	–	–	36,208
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

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 0.25% for long-term growth rate and 1% for discount rate:

Unobservable inputs	Valuation if rate increases £'000	Movement in valuation £'000	Valuation if rate decreases £'000	Movement in valuation £'000
Long-term growth rate (+/- by 0.25%)	683,030	6,970	669,307	(6,753)
Discount rates (+/- by 1%)	605,682	(70,378)	758,302	82,242

The movement in valuation column is the movement in the value of D9 Holdco which is held on the Company's balance sheet.

11. TRADE AND OTHER RECEIVABLES

	31 December 2023 £'000	31 December 2022 £'000
Amounts due from subsidiary undertakings	385	601
Other receivables	1,086	816
	1,471	1,417

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

12. CASH AND CASH EQUIVALENT

	31 December 2023 £'000	31 December 2022 £'000
Cash at bank	14,809	30,001
	14,809	30,001

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

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For the year ended 31 December 2023

13. TRADE AND OTHER PAYABLES

	31 December 2023 £'000	31 December 2022 £'000
Trade payables	421	216
Accruals	5,588	2,553
	6,009	2,769

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. £4.1 million (2022: £2.2 million) of the above accruals figure relates to fees payable to the Investment Manager, which were settled following the year end.

14. STATED CAPITAL

Ordinary shares of no par value

Allotted, issued and fully paid:	No of shares	Price	31 December 2022 £000's
As at 1 January 2022	722,480,620		717,547
Allotted during the period			
28 January 2022	88,148,880	108.0p	95,201
8 July 2022	54,545,454	110.0p	60,000
Ordinary Shares at 31 December 2022	865,174,954		872,748
Dividends paid (Note 15)			(50,274)
Share issue costs			(3,232)
Stated capital at 31 December 2022			819,242

Allotted, issued and fully paid:	No of shares	Price	31 December 2023 £000's
As at 1 January 2023	865,174,954		819,242
Ordinary Shares at 31 December 2023	865,174,954		819,242
Dividends paid (Note 15)			(25,956)
Stated capital at 31 December 2023			793,286

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.

15. DIVIDENDS

	Dividend per share	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
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
Dividends period 1 October 2022 to 31 December 2022	1.5 pence	12,978	–
Dividend period 1 January 2023 to 31 March 2023	1.5 pence	12,978	–
Total dividends paid		25,956	50,274

16. 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%	Lease holding 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
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

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For the year ended 31 December 2023

Name	Place of business	% Interest	Principal activity	Registered office
Aqua Comms Services Limited ⁵	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
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
GADData 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 Limited ¹⁰	Ireland	100%	Enterprise broadband	6-9 Trinity St, Dublin, D02 EY47, 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	Konepajaranta 4, 28100 Pori, Finland
Verne Global DC Holdco Limited ²	UK	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Aqua Comms Ireland 2 Limited ¹⁸	Ireland	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
Arqiva Group Limited ¹²	UK	48.02%	Holding Company	Crawley Court, Winchester, Hampshire SO21 2QA

¹ Held by Digital 9 Subsea Holdco

² Held by Digital 9 DC Limited

³ Held by Digital 9 Wireless Limited

⁴ Held by D9 Wireless Midco 1 Limited

⁵ Held by Aqua Comms Designed Activity Company and its intermediate holding companies

⁶ Held by Verne Holdings Limited

⁷ Held by D9 DC Opco 1 Limited

⁸ Held by GADData Holdings Limited

⁹ Held by D9 Wireless Opco 1 Limited

¹⁰ Held by Leeson Telecom Limited

¹¹ Held by D9 DC Opco 3 Limited

¹² Held by D9 Wireless Opco 2 Limited

¹³ Held by Digital 9 Fibre Limited

¹⁴ Held by D9 Opco 2 Limited

¹⁵ Held by Giggle Fibre Limited

¹⁶ Held by D9 Fibre Opco 2 Limited

¹⁷ Held by Verne Global hf

¹⁸ Held by Digital 9 Subsea Limited

The Investee Companies above are restricted in transferring cash to the Company due to the need to fulfil their capex and operational cash requirements first.

The Company is committed to fund capex totalling £11.3 million for Aqua Comms Ireland 2 Limited in respect of EMIC-1 project.

17. TRANSACTIONS WITH THE 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 entitled to an additional £5,000 and the Chair of the Company who is entitled to receive an annual fee of £75,000. Directors are entitled to recover all reasonable expenses properly incurred in connection with performing their duties as a director.

Director	Number of Ordinary shares held	*Dividends received 31 December 2023	*Dividends received 31 December 2022
Jack Waters (resigned 23 May 2022)	70,000	–	£1,050
Philip Jordan (resigned 13 December 2023)	94,611	£2,528	£1,518
Aaron Le Cornu (appointed 1 April 2022)	107,024	£2,693	£2,437
Lisa Harrington (resigned 14 December 2023)	38,604	£1,158	£2,316
Keith Mansfield (resigned 3 January 2024)	294,819	£3,218	£3,934
Monique O'Keefe (resigned 23 May 2022)	10,000	–	£150
Charlotte Valeur	10,000	£300	£600
Gailina Liew (appointed 1 July 2023)	–	–	–
Richard Boléat (appointed 14 December 2023)	65,000	–	–
Brett Miller (appointed 14 December 2023)	400,000	–	–

* - 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 to be 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 £Nil (2022: £48.4 million).

During the period, the Company received dividend income of £28 million (2022: £3.2 million) from Digital 9 Holdco Limited.

As per Note 19, the Company, through its subsidiary undertakings has capital expenditure commitments totalling £11.3 million (2022: £46 million).

LOAN TO SUBSIDIARY UNDERTAKING

As at the year-end, the Company had provided a total loan of £36.2 million (2022: £29.5 million) to Digital 9 Holdco Limited. The total loan outstanding at the year-end was £36.2 million (2022: £29.5 million). During the period an additional £7m was provided. This was used to assist the underlying Investee Companies with their capital expenditure requirements. Interest of £2.6 million (2022: £0.9 million) were charged on the loan during the year.

AMOUNTS DUE FROM SUBSIDIARY UNDERTAKINGS

Included within Note 11 is an amount due from subsidiary undertakings:

	31 December 2023 £'000	31 December 2022 £'000
Subsidiary undertakings:		
Aqua Comms DAC	120	160
D9 DC Opco 1 Limited	27	32
D9 DC Opco 3 Limited	51	34
D9 Wireless Opco 1 Limited	22	30
D9 Wireless Opco 2 Limited	129	–
Digital 9 Seaeedge Limited	7	15
Digital 9 Subsea Limited	11	42
Verne Holdings Limited	–	288
Digital 9 Holdco Limited	18	–
	385	601

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For the year ended 31 December 2023

18. EVENTS AFTER THE REPORTING PERIOD

COMPLETION OF VERNE DISPOSAL

On 14 March 2024, the Company completed the sale of its entire stake in the Verne Global group of companies to funds managed or advised by Ardian France SA for an equity purchase price of up to \$575 million (approximately £450 million). Following the Verne Transaction's completion the Company received \$415 million (£325.8 million). The completion follows receipt of all applicable regulatory approvals and the satisfaction of all conditions in line with the previously communicated timetable.

MANAGED WIND-DOWN

The Board published a circular to shareholders on 28 February 2024 to convene a general meeting and seek approval from shareholders to amend the Company's Investment Objective and Policy. The appropriate resolution was subsequently approved on 25 March 2024 with 99.9% of the votes cast in favour. The revised Investment Objective and Policy is set out on pages 12 to 13.

The Company will not make any new investments save that investments may be made in existing Investee Companies when considered appropriate to maximise value for shareholders.

INDEPENDENT REVIEW OF INVESTMENT MANAGEMENT ARRANGEMENTS

The Company served notice of termination to the Investment Manager before 31 March 2024 following the completion of the Verne Global sale, with the Investment Management Agreement to terminate on 31 March 2025.

Liberum Capital Limited ("Liberum") has been engaged as financial advisor to support the proposed wind-down process and to provide the Board with an independent review of the investment management arrangements. It will include evaluating the following options for the Company (i) continuing to be managed by Triple Point on different fee arrangements; (ii) managed by a new investment manager, or (iii) becoming a self-managed alternative investment fund, a proposal for which Brett Miller and Richard Boléat had indicated would be provided to the Company.

19. COMMITMENTS AND CONTINGENT LIABILITIES

The Company, through its subsidiary undertakings has committed £11.3 million for capital expenditures at 31 December 2023 (2022: £46.3 million). This future capex is related to the Company's investment in EMIC-1.

At the year end, the Company had entered into an SPA to sell its entire equity stake in the Verne Global Group of companies. An element of the fees applicable to this transaction were contingent

on the transaction being successful. As a result, at the year end the Company had not accrued £5.6 million of fees, as there was still sufficient uncertainty surrounding the closure of the deal. Following the year end, the deal was successfully completed, and these fees were paid.

20. 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 Company, being Digital 9 Infrastructure PLC does not hold any cash balances in different currencies, however its subsidiaries do as detailed below.

As a result, the Company is exposed to changes in fair value in its investments, as a result of foreign currency changes. The below tables present the Company's exposure to currency risk through its subsidiaries with foreign currency cash balances.

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

	USD \$'000	EUR €'000	GBP £'000
Bank balances	11,675	562	9,659
Investment at fair value	779,753	105,362	704,491

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 (Elio Networks) and Verne Finland 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 10% 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 £'000	Impact on other components of equity £'000
USD/GBP and EUR/GBP exchange rates – increase by 10%	(65,446)	(65,446)
USD/GBP and EUR/GBP exchange rates – decrease by 10%	65,446	65,446

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 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 into 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 ongoing 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 recognised any loss allowance 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.

	31 December 2023					
	Total £'000	1-3 months £'000	3-12 months £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
Trade payables	421	421	–	–	–	–
Accruals	5,588	–	5,588	–	–	–
	6,009	421	5,588	–	–	–

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

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21. FINANCIAL INSTRUMENTS

	Cash at bank balances at amortised cost £'000	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Financial assets at fair value through profit or loss £'000	Total value £'000
Year ended 31 December 2023					
Non-current assets:					
Equity investments held at fair value through profit or loss	-	-	-	639,852	639,852
Debt investment held at fair value through profit or loss	-	-	-	36,208	36,208
Current assets:					
Trade and other receivables	-	1,471	-	-	1,471
Cash and cash equivalents	14,809	-	-	-	14,809
Total Assets	14,809	1,471	-	676,060	692,340
Current liabilities:					
Trade and other payables	-	-	(6,009)	-	(6,009)
Total liabilities	-	-	(6,009)	-	(6,009)
Net assets	14,809	1,471	(6,009)	676,060	686,331
Year 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

22. 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.

23. 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:

Calculation of Basic Earnings per share	Year ended 31 December 2023		Total
	Revenue	Capital	
Net (loss)/profit attributable to ordinary shareholders (£'000)	20,326	(257,659)	(237,333)
Weighted average number of Ordinary Shares	865,174,954	865,174,954	865,174,954
Earnings per share – basic and diluted	2.35p	(29.78p)	(27.43p)

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	1-Jan-23	31-Dec-23
No of days	365	365
Ordinary Shares		
No. of shares		
Opening Balance	865,174,954	865,174,954
New Issues	–	–
Closing Balance	865,174,954	865,174,954
Weighted Average	865,174,954	865,174,954

Calculation of Basic Earnings per share	Year ended 31 December 2022:		Total
	Revenue	Capital	
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

Notes to the Financial Statements

For the year ended 31 December 2023

24. 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 2023	31 December 2022
Net assets at end of period (£'000)	686,331	949,620
Shares in issue at end of period	865,174,954	722,480,620
IFRS NAV per share – basic and dilutive	79.33p	109.76p

25. 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 2023

1. ONGOING CHARGES RATIO

		31 December 2023 £'000	31 December 2022 £'000
Management fee		8,668	7,736
Other operating expenses		2,192	1,645
Total management fee and other operating expenses	(a)	10,860	9,381
Average undiluted net assets	(b)	817,975	852,738
Ongoing charges ratio % (c = a/b)	(c)	1.33%	1.10%

Average undiluted net assets is calculated as the average of net assets at 31 December 2022 and 31 December 2023.

2. TOTAL RETURN

		31 December 2023	31 December 2022
Closing NAV per share (pence)		79.33p	109.76p
Add back dividends paid* (pence)		12.00p	9.00p
Adjusted closing NAV (pence)		91.33p	118.76p
Adjusted NAV per share as at the period end less NAV per share at 31 December 2022 (31 December 2021)	(a)	(91.33p – 118.76p)	(118.76p – 107.62p)
NAV per share at 31 December 2022 (31 December 2021)	(b)	118.76p	107.62p
Total return % (c = a/b)	(c)	(23.10%)	10.40%

* Total cumulative dividends paid since IPO.

3. MARKET CAPITALISATION

		31 December 2023	31 December 2022
Closing share price at period end	(a)	29.75p	86.40p
Number of shares in issue at period end	(b)	865,174,954	865,174,954
Market capitalisation (c) = (a) x (b)	(c)	£257,389,549	£747,511,160

Unaudited Alternative Performance Measures

For the year ended 31 December 2023

4. CAPITAL DEPLOYED

Deployment including committed funding	Deployed	Committed fund	31 December 2023 £'000	31 December 2022 £'000
Aqua Comms DAC	187,508	–	187,508	189,564
EMIC-1	35,981	11,281	47,262	47,374
Verne Holdings Limited	256,595	–	256,595	292,441
SeaEdge UK1	16,355	–	16,355	16,355
Leeson Telecom	50,807	–	50,807	50,807
Volta Data Centres	65,456	–	65,456	61,418
Ficolo Oy	118,927	–	118,927	118,927
Arqiva*	469,830	–	469,830	462,998
Giggle**	–	–	–	3,000
Total deployment	1,201,459	11,281	1,212,740	1,242,884

* - Includes £170 million Vendor Loan Notes issued by D9 Wireless Opco 2 Limited.

** - Giggle was disposed during the year.

5. TOTAL SHAREHOLDER RETURN

A measure of the return based upon share price movements over the period and assuming reinvestment of dividends.

		31 December 2023	31 December 2022
Closing share price (pence)		29.75	86.40
Add back effect of dividend reinvestment (pence)		1.29	5.14
Adjusted closing share price (pence)	(a)	31.04	91.54
Opening share price at beginning of the year (pence)	(b)	86.40	113.80
Total shareholder return (c = (a-b)/b)	(c)	(64.08) %	(19.56) %

6. INVESTEE COMPANY FINANCIAL INFORMATION FOR THE YEAR ENDING 31 DECEMBER 2023

Financial period	31 December 2023	31 December 2022
Revenue	£446.6m	£405.5m
% growth year on year	10%	4%
EBITDA	£197.7m	£202.4m
% growth year on year	(2%)	0%
% margin	44%	50%
Cash Flow from Operations	£162.0m	£174.3m
Capital Expenditure ("Capex")	£109.5m	£95.5m

7. DIGITAL 9 HOLD CO REVOLVING CREDIT FACILITY

The Company has fully drawn the facility as at the reporting date in the form of £373.8 million drawn and £1.2 million committed through a Letter of Credit in favour of Verne Global Iceland. The Letter of Credit restricted the amount available to draw.

This Letter of Credit was cancelled post period end, resulting in a drawn balance of £373.8 million.

	31 March 2024 £'000
Revolving Credit Facility Closing Balance (Excl. LoC)	373,800
Repayment (18 March 2024)	(273,512)
Revolving Credit Facility Balance (29 April 2024)	100,288

8. LIQUIDITY

The Group cash position comprised of the following at December 2023 and 31 March 2024:

	£'000
Total Group Cash at 31 December 2023	
D9 PLC Unrestricted Cash Balance	14,809
Subsidiary Cash Balances	34,621
Total Group Cash	49,430

Restricted Cash

RCF Interest Reserve	(24,445)
EMIC-1 Escrow	(7,371)
Total Unrestricted Cash	17,614

	£'000
Total Group Cash at 31 March 2024	
D9 PLC Unrestricted Cash Balance	22,054
Subsidiary Cash Balances	43,951
Total Group Cash	66,005

Restricted Cash

RCF Interest Reserve	(9,855)
EMIC-1 Escrow	(5,459)
Indemnification provision (held back by the Company)	(23,548)
Total Unrestricted Cash	27,143

Unaudited Non-Statutory Information

at 31 March 2024

As the Company completed its disposal of Verne Global following the period end, it falls outside the scope of these financial statements. To provide additional information to shareholders, additional unaudited pro-forma information has been provided to the period ending 31 March 2024.

Unaudited pro forma consolidated Balance Sheet at 31 March 2024

In accordance with IFRS 10, and in line with the criteria presented in Note 2, the Company meets the definition of an investment entity. 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.

To assist the reader, we have presented below a pro forma consolidated Balance Sheet for the Group as at both 31 December 2023 and 31 March 2024. This is following the successful disposal of the Verne Global group of companies and shows the total debt of the Group (including D9's share of debt at the Arqiva company level).

	31 March 2024		31 December 2023	
	£m	£m	£m	£m
Non-current assets				
Investments	1,559.7		1,945.7	
Verne Earn-Out	26.8		26.8	
Loans to portfolio companies	17.8		54.3	
		1,604.3		2,026.8
Total non-current assets		1,604.3		2,026.8
Current assets				
Trade and other receivables	3.6		4.0	
Cash - Unrestricted	27.1		17.6	
Cash - Restricted	38.8		31.8	
Total current assets		69.5		53.4
Total assets		1,673.8		2,080.2
Current liabilities				
Other creditors	(13.7)*		(29.8)	
Total current liabilities		(13.7)		(29.8)
Non-current liabilities				
RCF loan	(100.3)		(373.8)	
Capitalised set-up costs	2.5		2.5	
Vendor loan notes 2029	(163.0)		(163.0)	
Additional notes issued	(6.8)		(6.8)	
Verne Iceland debt	-		(78.6)	
Arqiva (D9 share of debt)	(744.4)**		(744.4)	
Total non-current liabilities		(1,012.0)		(1,364.1)
Total liabilities		(1,025.7)		(1,393.9)
Total net assets		648.1		686.3

* Includes accrued VLN interest for the period to 31 March 2024.

**As of 31 December 2023

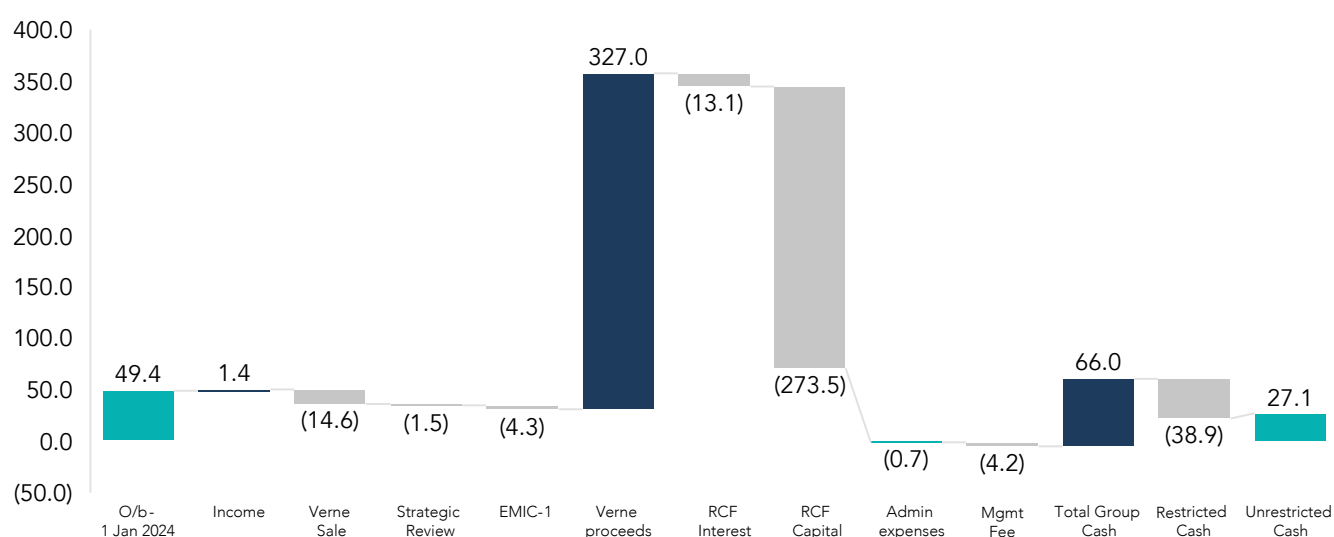
Unaudited Non-Statutory Information

at 31 March 2024

Liquidity

The below chart shows the cash movements for the Group from 1 January 2024 to 31 March 2024, on a cash basis and not an accruals basis. At 29 April 2024, the Group had total cash of £84.0 million. Of this, unrestricted cash available for use was £25.2 million. The EMIC-1 escrow account has reduced by £1.9 million, since December as further payments have been made to EMIC-1 to enable continued fulfilment of its contractual obligations.

Unrestricted Cash Waterfall – 1 January 2024 to 31 March 2024 (£ million)



Restricted cash of £38.9 million includes a Restricted Interest Reserve Account in relation to the RCF of £9.9 million, and an amount in a restricted escrow account in relation to the construction of EMIC-1 of £5.5 million. It also includes the £23.5 million the Company has set aside for an indemnification provision in relation to the Verne Global Sale, which will be utilised to make a further RCF repayment in May 2024.

In agreement with its RCF lenders, the Company has negotiated and agreed that from 1 January 2024 the cash reserves locked up in the RCF's interest reserve account can be used for interest payments which enables the Company to pay interest for the residual RCF without using any unrestricted cash until the RCF's legal maturity in March 2025.

Unrestricted cash of £27.1 million includes £22.0 million held at the Company level, with the balance being held in unconsolidated subsidiaries.

Unaudited Non-Statutory Information

at 31 March 2024

Debt Financing

The below table shows the Company's leverage position at 31 December 2023 and also on a pro-forma basis as at 31 March 2024, following the completion of the Verne Global sale and the repayment and part cancellation of the RCF.

The RCF adjustment of £274.7 million includes the cancellation of the £1.2m Letter of Credit and the cash repayment of £273.5 million. For the avoidance of doubt an adjustment has not been made in the below table in respect of the c.£47 million repayment to be made in May 2024.

The impact of the Verne Global transaction and the repayment and cancellation of the RCF is to reduce Group Leverage from 51% at 31 December 2023 to 36% on a pro forma basis at 31 March 2024.

	31 December 2023 £'m	Adjustments £'m	Pro forma 31 March 2024 £'m
Aqua Comms	222.5	-	222.5
Verne Global	372.2	(345.4)	26.8
SeaEdge	14.0	-	14.0
EMIC-1	36.0	2.1	38.1
Elio Networks	55.4	-	55.4
Arqiva	503.6	-	503.6
Arqiva Principal VLN	(163.0)	-	(163.0)
Arqiva additional VLN	(6.8)	-	(6.8)
Arqiva accrued VLN interest	(5.1)	(2.5)	(7.6)
Total Portfolio Value	1,028.8	(345.8)	683.0
Subsidiary Cash & Equivalents	34.6	9.3	43.9
RCF	(373.8)	273.5	(100.3)
Net Subsidiary Other Liabilities	(49.8)	26.5	(23.3)
D9 Shareholder loan	36.2	(12.3)	23.9
Reconciled IFRS Valuation	676.1	(48.8)	627.2
PLC Other Current Assets	1.5	(0.3)	1.2
PLC Receivables & Cash	14.8	7.2	22.0
Total Assets	692.3	(41.9)	650.4
RCF*	375.0	(274.7)	100.3
Adjusted GAV	1,067.3	(316.6)	750.7
	£'m	£'m	£'m
RCF*	375.0	(274.7)	100.3
VLN (including £6.8m additional notes)	169.8	-	169.8
Total Group Leverage	544.8	(274.7)	270.1
Leverage / Adjusted GAV	51%		36%

* As at 31 December 2023, the RCF was fully utilised at £375 million, comprised of £373.8** million drawn and the £1.2 million non-cash draw Letter of Credit. In Q1 2024, the Letter of Credit was cancelled and did not require a cash repayment.

** Alternative Performance Measure, further information on APMs can be found on pages 125 to 127.

Unaudited Non-Statutory Information

at 31 March 2024

As at 31 December 2023, the Company's net debt / EBITDA position has marginally increased since December 2022 as a result of the PIK loan notes on the VLN being capitalised on 30 June 2023 and a slight decline in portfolio EBITDA. Looking forward and on a pro forma basis, the Group's net debt and adjusted net debt to EBITDA metrics have reduced following the disposal of Verne Global.

Net Debt / EBITDA	At 31 December 2023 £'m	Adjustments £'m	Pro-forma at 31 March 2024 £'m
Drawn RCF inc. Letter of Credit	375.0	(274.7)	100.3
VLN*	169.8	-	169.8
Group Cash & Equivalents (inc. restricted cash)	(49.4)	16.5	(32.9)
Net Debt	495.4	(258.2)	237.2
2023 Portfolio EBITDA	197.7	(17.2)	180.5
Net Debt / EBITDA	2.5x	(1.2x)	1.3x
Arqiva debt (prorated for D9 ownership**)	744.4	-	744.4
Verne Global debt	78.6	(78.6)	-
Adjusted Net Debt	1,318.4	(336.8)	981.6
Adjusted Net Debt / EBITDA	6.7x	(1.2x)	5.5x

* Includes the additional notes of £6.8m issued in June 2023.

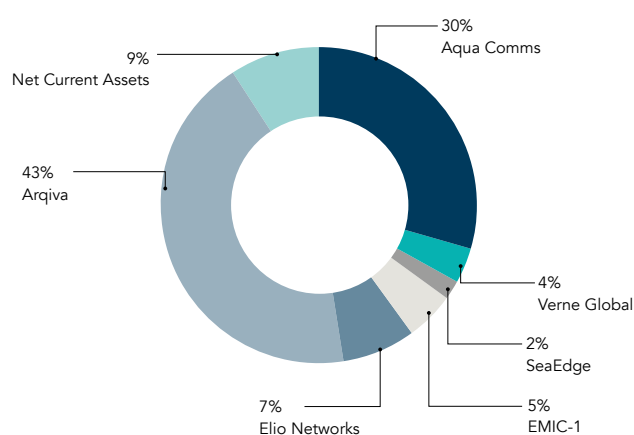
** This is D9's share of Arqiva gross debt. It is not an Arqiva net debt figure and as a result does not include cash held by Arqiva; it is a more conservative approach and is in line with previously reported figures.

\ PORTFOLIO CONCENTRATION SUMMARY

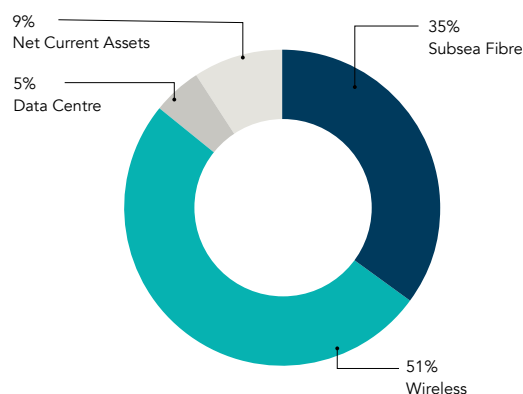
As at 29 April 2024, the Company's portfolio consists of 5 attractive and complementary investments.

The below table shows the portfolio's asset and sector concentration levels comprising valuations as at 31 March 2024 on a pro forma basis following the completion of sale of the Verne Global group of companies.

Pro forma Portfolio Concentration



Pro forma Sector Concentration







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;
"CTA 2010"	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force;
"D9" or the "Company"	Digital 9 Infrastructure plc, incorporated and registered in Jersey (company number 133380);
"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 Investments"	an investment which falls within the parameters of the Company's 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;
"EU or European Union"	The European Union first established by the treaty made at Maastricht on 7 February 1992;
"EPS"	Earnings per share;
"ESG"	Environmental, Social and Governance;
"FCA"	The Financial Conduct Authority;

"FTTH"	Fibre to the home;
"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;
"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 approved by shareholders on 25 March 2023 and set out on page 12;
"Investment Policy"	The Company's investment policy as set out in the Prospectus approved by shareholders on 25 March 2023 and set out on page 13;
"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;
"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;
"SDG9"	The UN's Sustainable Development Goal 9;
"Total Shareholder Return"	The increase in Net Asset Value in the period plus distributions paid in the period;

Shareholder Information

As at the date of publication:

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Aaron Le Cornu
Gailina Liew

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FORWARD LOOKING STATEMENTS

The Front Section of this report (including but not limited to the Chair's Statement, Strategic Report, Investment Manager's Review and Directors' Report) has been prepared to provide additional information to Shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the Investment Objectives and Investment Policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and NAV total return and dividend targets of the Company and the markets in which it invests.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts. This Annual Report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant in respect of Digital 9 Infrastructure Plc.

INVESTMENTS
WITH PURPOSE
FOR PROFIT
BY PEOPLE
FROM TRIPLE POINT



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For further information about Triple Point
please call **020 7201 8990** or send an email to contact@triplepoint.co.uk

www.triplepoint.co.uk

Triple Point is the trading name for the Triple Point Group which includes the following companies and associated entities: Triple Point Investment Management LLP registered in England & Wales no. OC321250, authorised and regulated by the Financial Conduct Authority no. 456597, Triple Point Administration LLP registered in England & Wales no. OC391352 and authorised and regulated by the Financial Conduct Authority no. 618187, and TP Nominees Limited registered in England & Wales no.07839571, all of 1 King William Street, London, EC4N 7AF, UK.

We will process any personal data of yours received in connection with the business we carry on with you in accordance with our privacy policy, which can be found on our website or provided to you upon request.