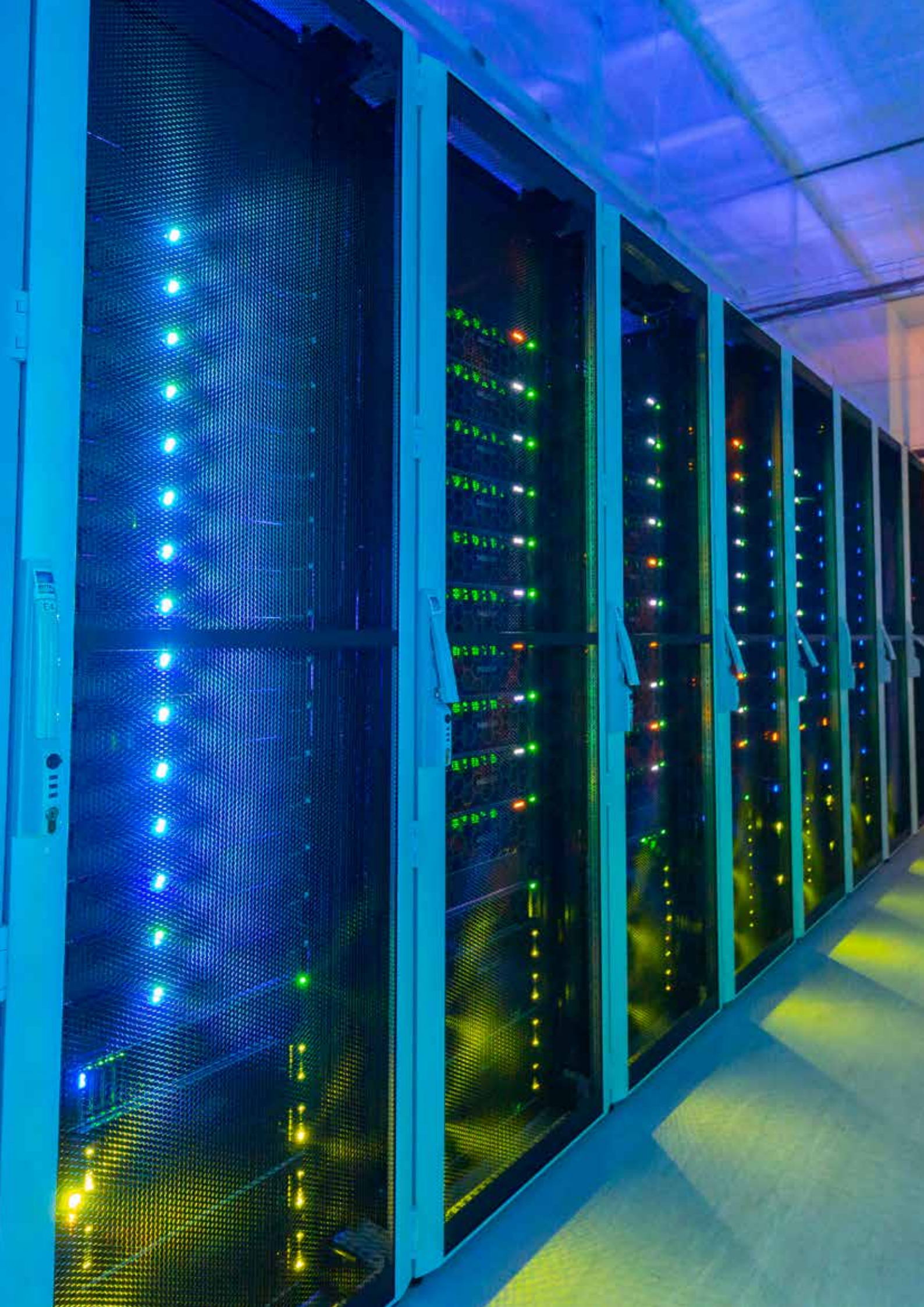
DIGITAL 9 INFRASTRUCTURE

ANNUAL REPORT

for the period 8 January 2021 to 31 December 2021



Company Overview

WHO WE ARE

Digital 9 Infrastructure plc (Ticker: DGI9) ("D9" or the "Company") is helping to bring people closer together by meeting the global demand for improved speed, reliability, accessibility and learning from data. By investing in critical Digital Infrastructure, including subsea cables and data centres, D9 drives our interconnected world, promoting economic growth and sustainable development – all whilst targeting recurring income and capital growth for investors.

Our purpose-driven investment strategy targets the provision of key infrastructure for data transfer and data storage around the world, helping to address burgeoning demand for global digital communications.

Our focus is to provide Digital Infrastructure that leverages greener, cleaner power in line with the UN's Sustainable Development Goal 9 ("SDG9"): "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". SDG9 encourages nations and firms alike to reduce the global digital divide by increasing access to information and communications technology, while at the same time decarbonising Digital Infrastructure energy usage.

WHAT WE DO

Closing the digital divide:

The internet is the lifeblood of the future. We are leading the way in carrier neutral connectivity globally and democratising access to critical digital infrastructure.

Fuelling a better, cleaner future:

Our open-access, clean-connectivity platforms harvest renewable energy to provide a more sustainable solution to exponential growth in global data demand.

Levelling up all stakeholders:

Our team shares one core ambition: to empower societies, unleash economies, and connect investors to cutting edge opportunities that deliver stable income and capital growth.

Accelerating progress:

We are engaging global stakeholders on the urgent need for a cleaner solution, spearheading urgent change in one of the world's most energy intensive industries.

Connecting the world:

As a major partner to the world's most connected companies, we're creating a unique, interconnected ecosystem that is bringing people together and helping to change lives on a global scale.

We seek to improve the accessibility of reliable, functional internet to billions of people worldwide – including developing countries. The assets we invest in typically comprise of future proofed, scalable platforms and technologies that facilitate communications, data transfer, interconnectivity and data storage. These assets come from the following sectors:

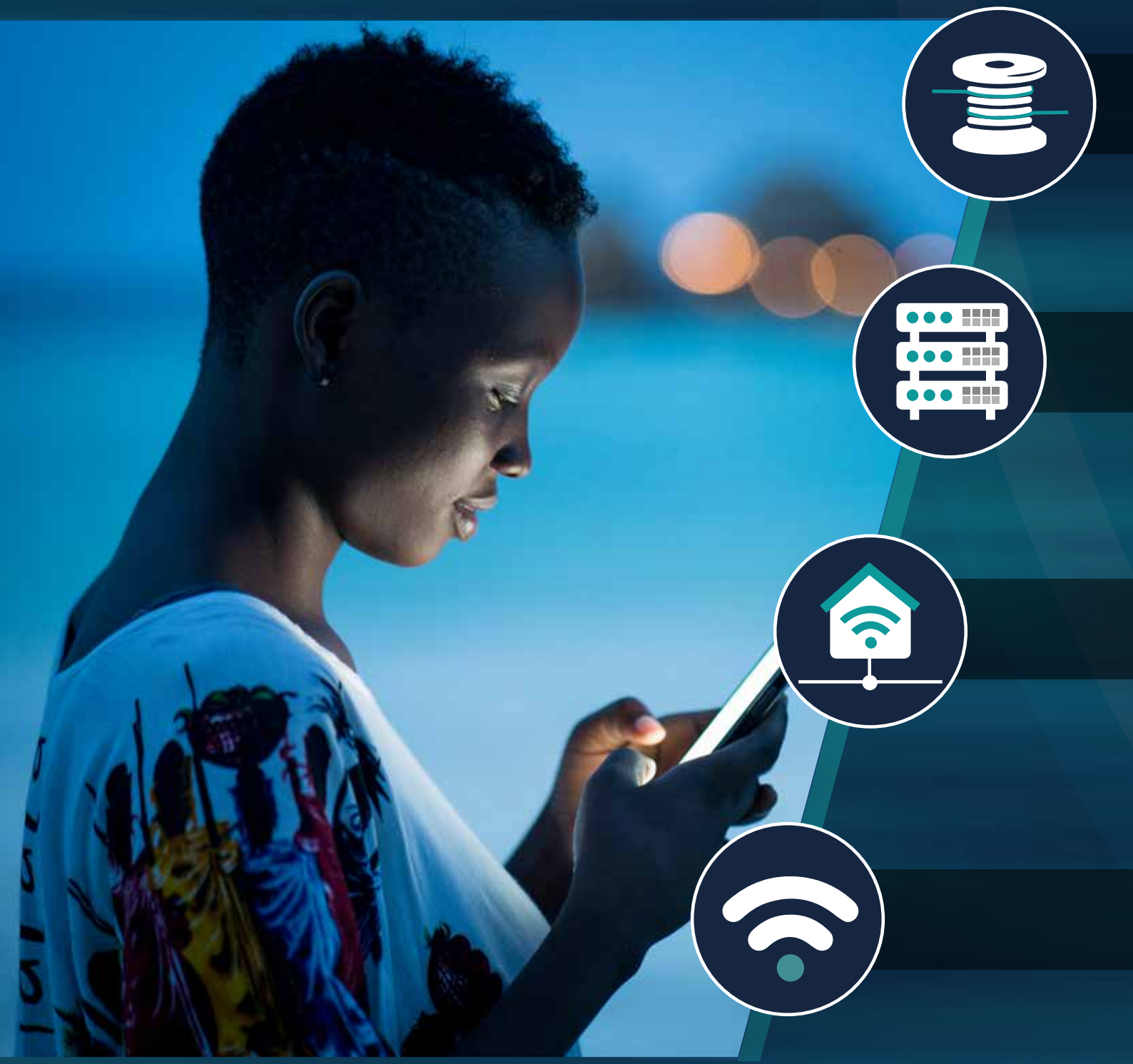
- Data centres;
- Subsea fibre optic networks;
- Terrestrial fibre optic networks; and
- Wireless networks.

Our primary focus is Digital Infrastructure investments that are already operational. These investments typically have secured medium to long-term contracts that are underpinned by investment grade counterparties or from a diversified portfolio of shorter-term contracts providing essential underlying services. We expect target acquisitions to have high cash flow visibility and resilience embedded in their business models.

Where suitable opportunities arise, we may provide limited funding during the construction or development phase of an asset, in particular. This would be on a forward funding basis where development risk for D9 is limited, subject to certain restrictions.

CRITICAL GLOBAL INFRASTRUCTURE FOR OUR CONNECTED WORLD

> Access to the internet has become a fundamental human right in the twenty-first century; and yet nearly 3 billion people – overwhelmingly in developing countries – lack access altogether.



SUBSEA FIBRE

- Backbone of the internet
- 98% of the world's data is carried by subsea cables
- 40% shortfall in transatlantic subsea capacity by 2026[1]

DATA CENTRES

- Only 10% of enterprise IT spending has moved to the cloud with $600 billion a year still to move[2]
- Over 1.1 million GB per second of data will be created by 2024[3]

TERRESTRIAL FIBRE

- Only 15% of households in the UK currently benefit from Fibre To The Home (FTTH) capability
- The government is targeting 85% of households to have fibre access by 2025, providing the foundations for substantial growth

WIRELESS NETWORKS

- c.80% of online time is now mobile – increased by c.380% over the last decade
- $800 billion in 5G investment is required

1 TeleGeography Bandwidth Demand in Pandemic
2 Gartner Big Clouds Ahead
3 Data Gravity Index 2020

KEY HIGHLIGHTS

DIVIDEND PER ORDINARY SHARE

6.0 pence annualised

Dividends declared in respect of the period from 31 March 2021 to 31 December 2021 totalled 4.5 pence per share, in line with the Company's 6.0 pence per annum target.

EARNINGS PER SHARE

9.77 pence

Earnings per share for the period to 31 December 2021 were 9.77 pence. EPS is based on earnings and including the fair value gain on investments, calculated on the weighted average number of shares in issue during the period.

IFRS INVESTMENT VALUATION

£746 million

Portfolio valued at £746 million on an IFRS basis as at 31 December 2021.

IFRS NET ASSET VALUE

104.62 pence per share

The NAV as at 31 December 2021 was 104.62 pence per share.

PROFIT BEFORE TAX

£38 million

The profit before tax was £38 million for the period ended 31 December 2021.

ONGOING CHARGES RATIO[4]

1.04%

The ongoing charges ratio was 1.04% as at 31 December 2021 and is a ratio of annualised ongoing charges expressed as a percentage of average NAV from 31 March 2021 to 31 December 2021.

[4] Alternative Performance Measure

MARKET CAPITALISATION

£822 million

Market capitalisation of £822 million as at 31 December 2021.

EQUITY RAISED

£750 million

The IPO in March 2021 raised gross proceeds of £300 million at an issue price of 100 pence per share. A second fundraise in June 2021 raised gross proceeds of £175 million at an issue price of 105 pence per share and a third fundraise in September 2021 raised gross proceeds of £275 million at an issue price of 107.5 pence per share.

CAPITAL DEPLOYED[4]

£462 million

(including committed funds)

Deployment, including committed funds, was £462 million as at 31 December 2021.

TOTAL RETURN

9.82%, or 13.09% annualised

On a NAV performance basis, Total Return since IPO was 9.82%, which represents the increase in NAV and dividends paid per share for the period from IPO to 31 December 2021. This equates to an annualised Total Return of 13.09%.

TOTAL SHAREHOLDER RETURN[4]

16.94% or 23.08% annualised

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

On a share price performance basis, Total Shareholder Return since IPO was 16.94%, which represents the increase in share price to 31 December 2021. This equates to an annualised Total Shareholder Return of 23.08%.

The Total Shareholder Return calculation takes into account the Dividend per Ordinary Share paid to shareholders since IPO.

POST BALANCE SHEET ACTIVITY

CAPITAL RAISED

In January 2022, the Company raised gross proceeds of £95.2 million at an issue price of 108 pence per share.

In March 2022, the Company completed on a new syndicated revolving credit facility ("RCF") for £300 million, led by Royal Bank of Scotland International, including DNB (UK) Limited, Royal Bank of Canada and Banco Santander. The RCF will be used by the Company to finance acquisitions on a short-term basis.

DEPLOYMENT

In January 2022, the Company announced a follow up investment of $93 million into Verne to expand capacity on the data centre campus to 40MW.

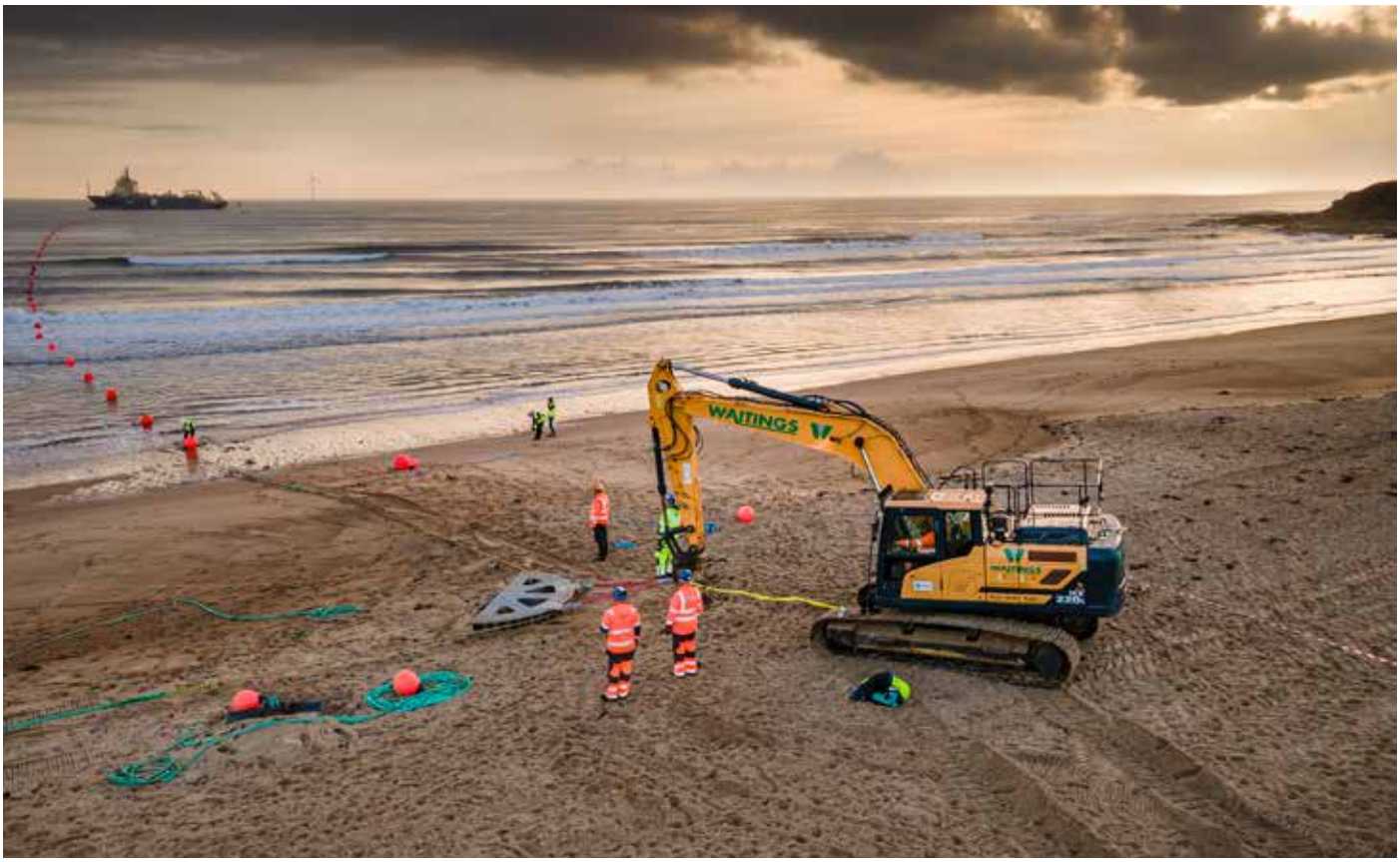
Strategic Report

CHAIR'S STATEMENT

Jack Waters
Chair

Introduction

I am pleased to present the Company's first annual report, for the period from its incorporation on 8 January 2021 to 31 December 2021. Since our admission to the Specialist Fund Segment of the Main Market of the London Stock Exchange on 31 March 2021, the Group has made strong progress including two subsequent fundraises in June 2021 and September 2021, followed by a further fundraise in January 2022, raising total gross proceeds of £845.2 million. In addition to this, we have put in place a £300 million revolving credit facility, which puts us in a strong position to act decisively when securing transactions. We have been busy implementing our strategy of investing into a range of Digital Infrastructure investments which provide key infrastructure for global data transfer and data storage and support global digital communication. We would like to thank shareholders for their support, without which the successes we have achieved during this period would not have been possible.



Investment Activity

These fund raises have enabled D9 to make the following investments since IPO.

Aqua Comms

A leading owner and operator of 20,000km of modern subsea fibre systems, with a customer base comprising hyperscalers and global carriers (April 2021, £170 million);

EMIC-1

A partnership with Meta on a new 10,000km 2Africa Pearls fibre system linking Europe to India (July 2021, £22 million initially, potentially rising to £50 million);

Verne Global

The leading Icelandic data centre platform, delivering 24MW of high intensity computing solutions to its enterprise customers in a geographically optimal environment, powered by 100% renewable power for its regular operational load, making it one of the most efficient data centres in Europe (September 2021, £231 million);

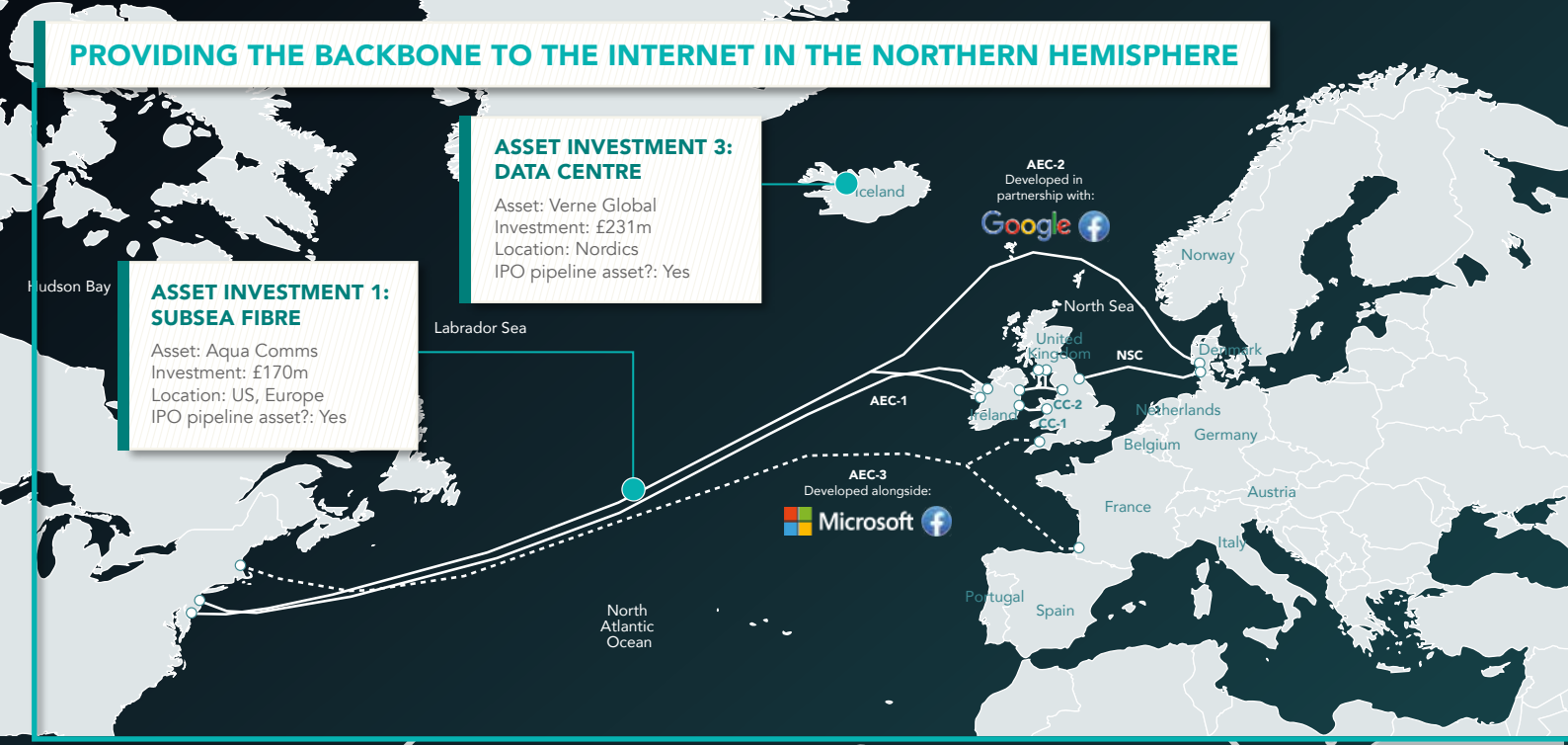
SeaEdge UK1

A data centre and the UK's only landing station for the North Sea Connect subsea cable, which improves connectivity in northern England and forms part of the North Atlantic Loop subsea network, which includes D9's Aqua Comms' AEC-1 and AEC-2 cables. (December 2021, £15 million).

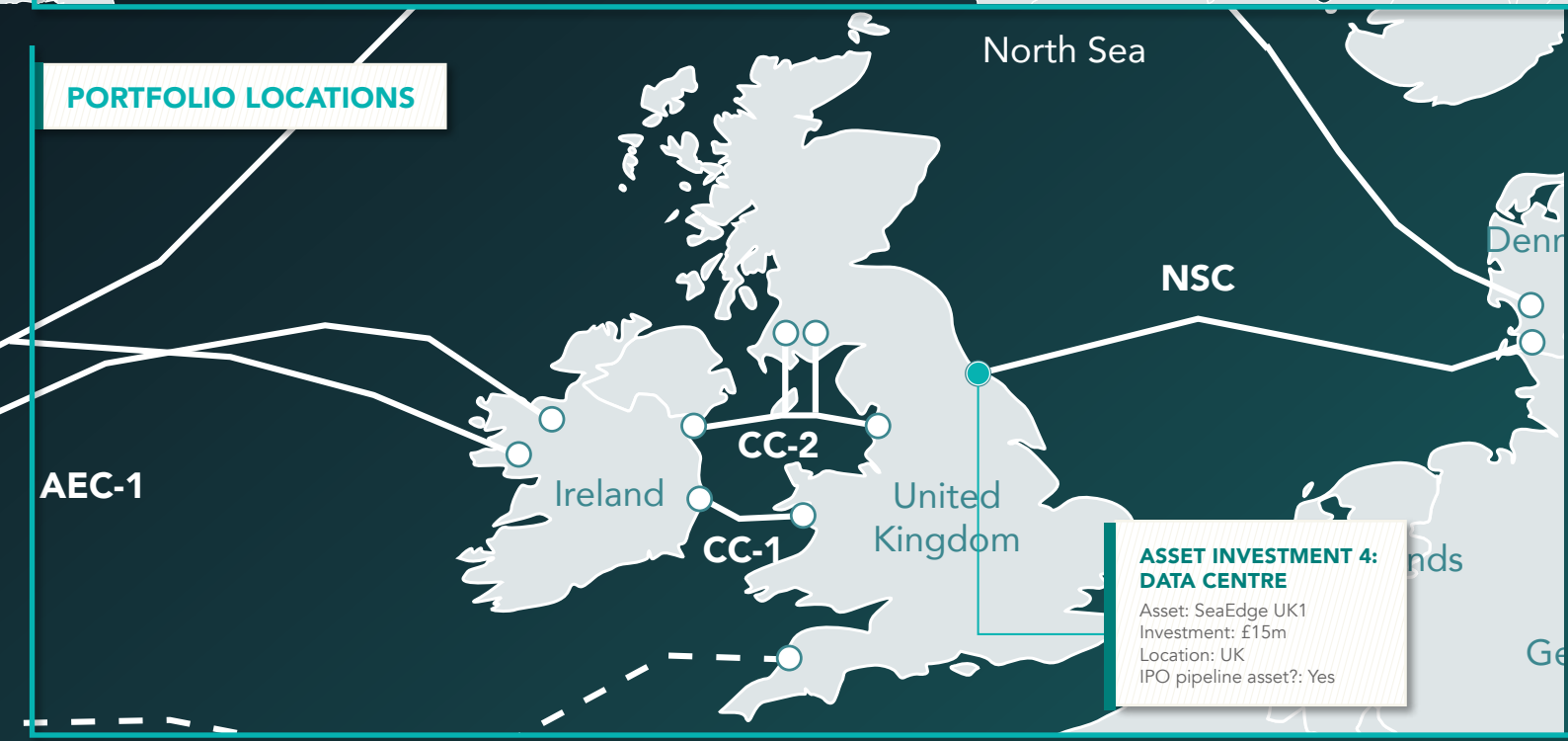
Aside from acquisitions, D9 has also committed to deploy further cash into two of its growth platforms, Aqua Comms and Verne Global. In January 2022, D9 announced a follow-on investment of $93 million (£71 million) in Verne Global over the next 12 months to fund the expansion of capacity by a further 20.7MW in response to accelerated customer demand from new and existing customers. This will take total capacity at Verne Global to approximately 40MW out of a possible 100MW on the existing campus. We are also expecting Aqua Comms to launch the AEC-3 subsea fibre cable, providing connectivity from the US to the UK, adding further resilience to its existing transatlantic AEC-1 and AEC-2 fibre network links.

The Company's intercontinental reach is illustrated in the map below.

PROVIDING THE BACKBONE TO THE INTERNET IN THE NORTHERN HEMISPHERE



PORTFOLIO LOCATIONS



PORTFOLIO

Investment Performance

Aqua Comms

Aqua Comms finished 2021 with revenues of $32.7 million, a 10% uplift on 2020. We are forecasting a steady 10% growth over the coming years. During 2021, Aqua Comms also paid its first dividends of $4 million, following a capital reduction and restructure of shares after acquisition by D9.

Operational highlights during the year included:

- *In March, Aqua Comms upgraded its two transatlantic subsea cables (AEC-1 and AEC-2) with Ciena's GeoMesh Extreme solution. This allows us to deliver 400GB wavelength services across both systems. It reduces the number of circuit ports and cross connects needed to support our customers network platforms driving efficiencies for our customers. Further to this collaboration in May Aqua Comms and Telia Carrier (now Arelion) completed a trial 400GbE commercial service between New York and Frankfurt. This was the first time ever this has been done commercially in the world.*
- *In July, D9 invested in the 2Africa Pearls/EMIC-1 system. Aqua Comms has been appointed to manage and develop this investment for D9 as part of its network.*
- *In December, we completed the final splice on the Havhingsten system. This system comprises of two cables: CeltixConnect-2, from Dublin to Blackpool, including Isle of Man; and NorthSeaConnect-1, connecting Newcastle UK to Houstrup Denmark. These have gone live in Q1 2022. The NorthSeaConnect-1 cable lands in D9's SeaEdge UK1 landing station data centre.*
- *Aqua Comms professional services revenues increased 58% year over year with a number of new contracts signed during 2021.*
- *Aqua Comms has begun augmenting its FTE base to deliver the growth ambition of the company. The company is now 29 members strong, growing to 30 by the end of 2022. This will reduce business continuity risk.*

Looking ahead, in 2022, customer pipeline development remains the biggest management priority. We are actively working towards presales on the EMIC-1 and AEC-3 routes, and large capacity sales on Havhingsten while continuing to grow the customer base on the existing Atlantic network

EMIC-1

We have committed £22 million with potential for up to £50 million to the development of the EMIC-1 subsea cable, expected to be ready for sale by the end of 2023. Construction on the cable system and negotiations with the various stakeholders along the route are on time and on budget.

Verne Global

Verne Global outperformed its budgets in 2021, with revenues growing 80% to $37.8 million and EBITDA rising to $22 million, with a margin of just under 60%. Verne Global is now at a c.15x EBITDA multiple, compared to the 20x paid on acquisition in September 2021.

Verne Global has already booked its remaining built capacity, leading to D9's $93 million follow-on investment in January 2022. This will increase capacity to 40MW out of a possible 100MW on the campus. Once this expansion is complete and sold, the effective EBITDA multiple will reduce to below 9x. We are delighted to have added such an outstanding team and excellent asset at a competitive price, an asset which is closely aligned to our wider strategy and ambitions.

Other highlights during the year included:

- *Wirth Research, a leading Computational Fluid Dynamics consultancy, has relocated its supercomputer to Verne Global's campus, which enables them to analyse and optimise the performance of designs for its industry customers at zero carbon cost.*
- *Verne Global and Sensa have partnered to provide organisations with access to a comprehensive range of sustainable NVIDIA DGX-Ready colocation services. Peptone, the molecular computational physics company has elected to colocate and install a NVIDIA DGX A100 system at Verne Global's campus as it is powered by 100% renewable energy.*

SeaEdge UK1

D9 owns the underlying real estate of the SeaEdge UK1 (also known as Stellium DC1) data centre asset and subsea fibre landing station, located on the UK's largest purpose-built data centre campus in Newcastle. The asset is leased on fully repairing and insuring terms to the tenant and operator, Stellium Data Centres Limited, via a 25-year occupational lease. The operator is up to date with all payments under the triple-net lease, delivering on D9's target yield at acquisition.

Customer Breakdown – Resilience in Income Streams

Through the acquisition of Aqua Comms, Verne Global and SeaEdge UK1, D9 has grown its end customer base. Careful consideration is given to the contract stacks before acquiring an asset, particularly the underlying customer mix. D9 targets assets with high revenue visibility from customers across a wide array of sector, offering resilient income with inflation protections in place.

Across its investments, D9 has a total of 95 customers generating an estimated recurring monthly revenue of £3.6 million, not including one-off payments, of which global tech giants (e.g. FAANGs plus Microsoft) make up 35%. In terms of customer concentration, the customer mix is as follows for the top revenue generating customers across the platform.

CUSTOMER BY REVENUE	MONTHLY RECURRING REVENUE ("MRR") GBP 000	% OF TOTAL MRR
Top 5	1,865	52%
Top 10	2,528	71%
Top 20	2,993	84%

Financial Results

The NAV per share was 104.62 pence at 31 December 2021. The portfolio, consisting of four investments held via the Company's subsidiaries, was valued at £487 million as at 31 December 2021 and the Company and its subsidiaries held cash of £259 million at the reporting date.

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

The Company's annualised ongoing charges ratio ("OCR") was 1.04%. We expect the OCR to increase proportionately in line with the operational costs of the Company as funds are deployed. The Board will continue to monitor the OCR closely as we seek to grow D9 and deliver value to our shareholders.

Share Price and Distributions

Our share price has performed well since IPO and maintained a healthy premium to NAV, reflective of our strong shareholder base since we launched in March 2021. We continue to believe there is a significant market opportunity for Digital Infrastructure investments and are confident that delivering on our outlined strategy will continue to support our share price performance.

The Board anticipates paying quarterly interim dividends, targeting a total annualised dividend of 6 pence per share underpinned by robust long-term contractual payments. We are pleased to report that we have declared dividends totalling 4.5 pence per share for the nine month period from IPO to 31 December 2021, in line with our target. The Company will seek to adopt a progressive dividend policy.

Environmental, Social and Governance

The Board recognise that Digital Infrastructure is critical to a future sustainable economy, but in order to fulfil its role, the infrastructure developed must have ESG considerations at its core. Our Investment Manager has long been committed to responsible investment and to offering strategies which help solve problems that society faces, while creating opportunities for investors. In alignment with this position, D9's purpose driven strategy is closely aligned with Sustainable Development Goal 9 and takes a structured and material approach to ESG integration throughout the investment decision making process and throughout asset ownership.

More information can be found in our sustainability report on pages 64 to 65.

Director Changes

As previously announced, as a result of having been offered the Chief Executive Officer role at a new, US based digital infrastructure operating company, I will not be standing for election at the Company's 2022 Annual General Meeting. It has been a privilege to chair the Board of D9 in this first year since its inception and to have seen it grow to a billion dollar investment company in less than 12 months. I am sorry to be departing from the Company so soon but I leave knowing that, as D9 embarks on its second year of operation, it has a strong pipeline of investment opportunities coupled with the financial capacity to execute on those transactions.

The Board, led by Lisa Harrington, Chair of the Nomination Committee, have undertaken a robust succession exercise and we are pleased to have identified Phil Jordan as my successor. Phil has a successful track record in the digital infrastructure and technology sectors, both in an executive and non-executive capacity. Phil's executive career includes country, regional and group Chief Information Officer roles, including spending over 10 years at Vodafone, over seven years with Telefonica, where in addition to the Group CIO role, he was CEO and the Chair of Telefonica Global Technology. He is currently Group CIO of Sainsbury's, a role he has held for over four years. He has also acted as a non-executive industry adviser to HSBC and was a non-executive director of Talk Talk Telecom Group PLC until it was taken private in 2021. Phil will be appointed as Chair with effect from 23 May 2022, following the conclusion of the Annual General Meeting, following an induction period and completion of the standard Jersey regulatory confirmations.

I am delighted that Phil will be joining the Board as my successor and I believe that his background, skills and enthusiasm will serve the Company and investors well for what, I trust, will be an equally exciting future.

Additionally, we are pleased to report that Aaron Le Cornu will be appointed as a Non-Executive Director with effect from 1 April 2022, following an induction period and completion of the standard Jersey regulatory confirmations. Aaron, who is based in Jersey, has been appointed as a replacement for Monique O'Keefe who has informed the Board of her intention to step down from her role as a Director to pursue a senior executive role limiting her ability to hold non-executive positions. As a result, she will also not be standing for re-election at the AGM.

Aaron comes from a financial background. Having qualified as a Chartered Accountant with Arthur Andersen in London, he worked for HSBC for over 10 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 (offshore legal and fiduciary services provider), Elian (a fiduciary firm headquartered in Jersey) and, latterly, at GLI Finance, an alternative finance provider and strategic investor in numerous fintech platforms. Aaron is currently the Chair of the Aberdeen Standard Capital Offshore Strategy Fund Ltd. He also served as a non-executive director for Jersey Electricity plc, having stepped down in 2021 after 10 years on the Board.

I am also pleased to welcome Aaron as a Non-Executive Director, who will bring his considerable experience across finance, M&A, ESG and risk management to Board discussions. On behalf of the Board, I wish Monique well in her new role and thank her for her valuable contribution to the Board to date.

Further detail regarding the process undertaken, can be found in the Nomination Committee Report on pages 97 to 99.

Outlook

The deeply distressing events unfolding in Ukraine have far-reaching implications for the world, the economy and capital markets. Whilst the full impact of the conflict is yet to be fully understood, the potential to fuel increased inflation globally is highly probable. We believe that the quality and growth of our portfolio companies positions D9 well to mitigate the wider economic impact of the conflict. To be clear, D9 has no exposure to Russia or eastern European territories. Our currency exposure is primarily to US Dollar, Sterling and Euro, and Verne Global has a 10-year fixed power supply contract for 100% baseload renewable electricity. We will, however, continue to remain vigilant in maintaining a resilient portfolio, particularly when considering future data centre acquisitions and their associated power terms.

The digital transformation of our societies has been evident over the last few decades, but no more so than in the last two years, when the Covid-19 pandemic dramatically accelerated the key drivers and trends already fundamental to the growth in demand for Digital Infrastructure. I believe that, as a result of these societal shifts, we are at the dawn of a much broader transformation.

We intend to build on our initial cornerstone investments into Aqua Comms, Verne Global, and SeaEdge, continuing our focus on global investment into the critical infrastructure required to underpin this unstoppable change. Digital inclusion and environmental impact will be at the heart of all our investment decisions. The internet is fundamental to all our futures. D9 is committed to help shape that future, and is leading the way in promoting carrier-neutral connectivity globally, and in democratising access to critical digital infrastructure.

Jack Waters
Chair
16 March 2022

STRATEGY AND BUSINESS MODEL

The Board is responsible for the Company's Investment Objective and Investment Policy and has overall responsibility for ensuring the Company's activities are in line with such overall strategy. The Group's Investment Policy and Investment Objective are published below.

Investment Objective

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

Investment Policy

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

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

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

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

- assets and Investee Companies which deliver communications, data transfer, interconnectivity and data storage;
- assets and Investee Companies which derive a significant proportion of their revenues from high quality counterparties (meaning, for these purposes, companies (or their parent companies) which are included in the FTSE 350 (or equivalent) or which are investment-grade rated by a recognised grading agency) and/or a diversified portfolio of counterparties that, by reason of its diversity, is resilient and well placed to weather economic downturns;
- assets and Investee Companies with high cash flow visibility and resilience, specifically from medium to long-term contracts or from a diversified portfolio of shorter-term contracts providing essential underlying services.

The Group focuses, primarily, on Digital Infrastructure Investments where the assets (or Investee Companies which own the assets) are operational and, where appropriate, there is a contract in place with the end user and/or off-taker. Where suitable opportunities arise, however, the Group may provide limited funding during the Construction Phase or Development Phase of a Digital Infrastructure asset, in particular, on a forward funding basis where development risk for the Company is limited, subject to the restrictions set out page 22.

Investment Restrictions

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

- the Company will not invest more than 25% of Adjusted Gross Asset Value in any single asset or Investee Company. When the Gross Asset Value reaches £2 billion (as notified by the Company in its annual or half year financial results report), this restriction will change to 20% of Adjusted Gross Asset Value;
- investments will be focused on acquiring a controlling interest (meaning more than a 50% interest) in the relevant investment assets or Investee Companies being acquired or invested in but can also comprise minority interests (where appropriate minority protections are in place);
- at least 50% of Adjusted Gross Asset Value will be invested in developed markets, in particular (but not limited to), the UK, EU and US;
- neither the Company nor any of its subsidiaries will invest in any assets or Investee Companies located in or with co-investment exposure to any Restricted Territories;
- neither the Company nor any of its subsidiaries will invest in any assets or Investee companies using technologies or equipment under any current prohibition ruling by relevant UK, EU, or US authorities, unless such equipment is in the process of being removed in line with the guidelines of such UK, EU or US authorities;
- the Company may invest a limited amount in assets (or Investee Companies which own assets) which are predominantly in construction, which typically will be undertaken via a forward funding arrangement which pays a return during the Construction Phase, with any investments which expose the Company to development risk limited to, in aggregate, no more than 5%, of Adjusted Gross Asset Value, and the aggregate value of assets in construction or development being no more than 20% of Adjusted Gross Asset Value (such amount to be calculated as the aggregate value of all material construction or development activities, including forward funded developments, within Investee Companies);
- neither the Company nor any of its subsidiaries will invest in any listed entities, or in private closed-ended investment companies or any funds of any kind; and
- the Company itself will not conduct any trading activities which are significant in the context of the Group as a whole.

Compliance with the above investment limits will be measured at the time of investment and non-compliance resulting from changes in the price or value of assets following investment, the need to invest further capital in respect of maintenance or repairs to the underlying assets or the investment of expansion capital, will not be considered as a breach of the investment limits. Further, in the event that an Investee Company develops or acquires an additional asset, which requires further investment from the Company, or the Company chooses to invest in a new, separate asset via an existing Investee Company, such investment will be considered as a standalone investment, including the application of any of the above investment restrictions.

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

Gearing

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

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

Hedging and Derivatives

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management. In particular, the Company may engage in interest rate or currency hedging or otherwise seek to mitigate the risk of interest rate increases and currency movements.

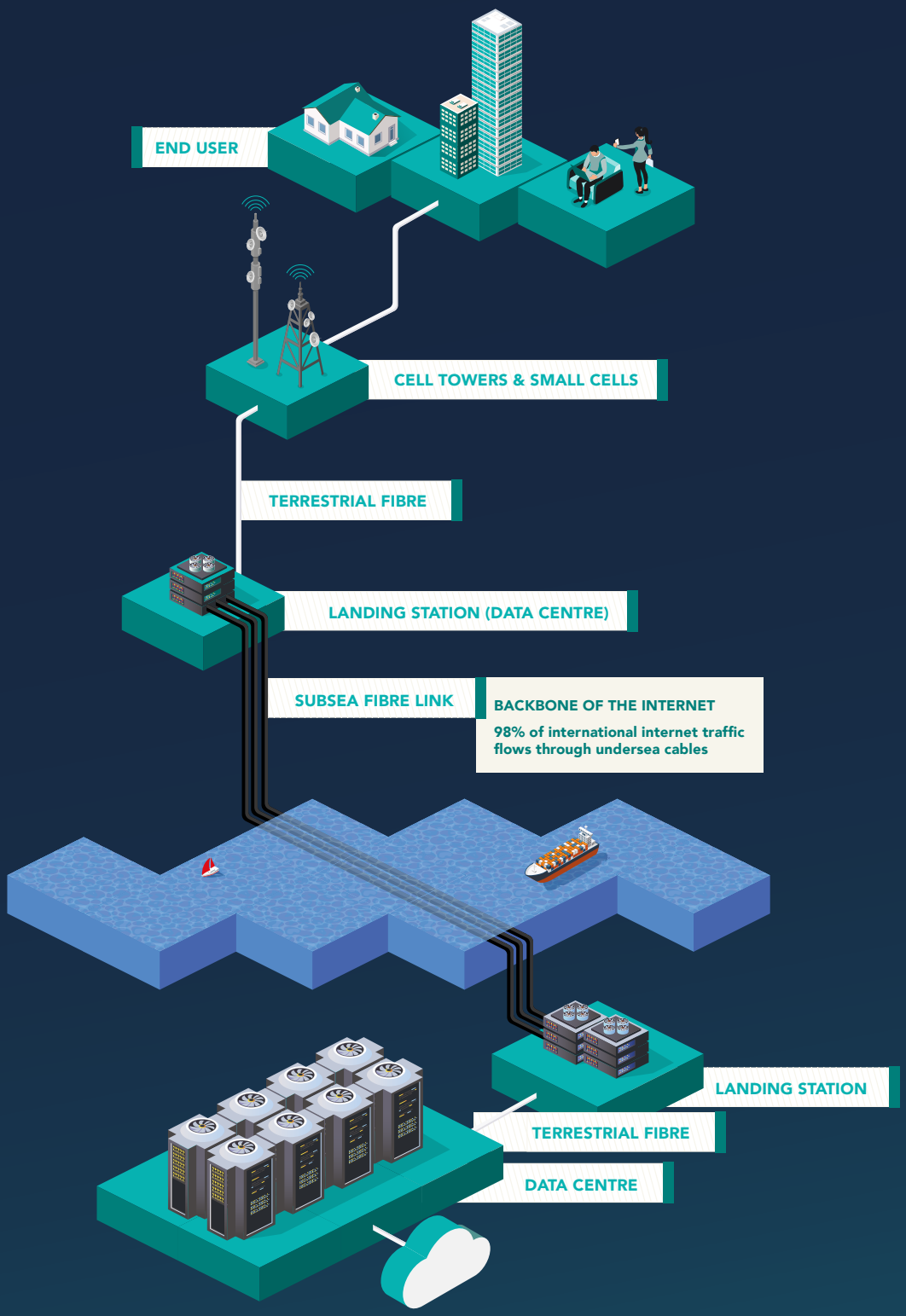
The Group will only enter into hedging contracts and other derivative contracts when they are available in a timely manner and on acceptable terms. The Company reserves the right to terminate any hedging arrangement in its absolute discretion. Any such hedging transactions will not be undertaken for speculative purposes.

Cash Management

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

Changes to and compliance with the Investment Policy

The Investment Policy was amended following shareholder approval with effect from 27 February 2022.



D9 creates shareholder value by investing in companies and assets that provide the critical Digital Infrastructure required to deliver equal, ubiquitous internet access to people and organisations across the globe. Furthermore, our open-access clean-connectivity platform provides a sustainable solution to exponential growth in global data demand, fuelling a greener future.

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

The digital infrastructure market is driven by subsea fibre cables, which transports 98% of all international data flows. These cables constitute the backbone of the internet and are critical to the functioning of the global economy and social inclusion.

If subsea cable networks are the backbone, then data centres are the brain. These facilities are where the world's data is stored: websites, videos, music, corporate data, and more. They are where the internet lives. It is estimated that the growth of data centre capacity correlates to submarine cable capacity with a coefficient of 0.98, implying a near direct correlation and demonstration of the inter-connectedness between both. **This correlation absolutely underpins our inter-connected platform approach.**

Our data centre strategy is focused on growth, identifying strategic locations that are suitable based on their level of connectivity, access to "eyeballs", and access to renewable energy. We will leverage our growing subsea network to drive connectivity to these locations, so that customer data can be stored and processed – the symbiotic relationship between subsea networks and data centres is a significant differentiator of our platform-based approach to Digital Infrastructure. Both our subsea and data centre business models follow our global expansion platform approach, adopting a modular growth strategy to build assets in response to customer demand, which includes the largest technology companies globally.

Overlaying D9's platform-based investment strategy is our steadfast commitment to decarbonise Digital Infrastructure. Indeed, this focus is critical to the success of our business model. Through our data centre platform, Verne Global, we have a strong foothold in the Nordic data centre market, one of the fastest growing markets globally, that is uniquely suited to provide data centre services, and supports energy intensive workloads, due to its cool climate and access to renewable power. Please see pages 32 to 37 for a deeper analysis of Verne Global and D9's decarbonisation aims.

The terrestrial fibre and wireless infrastructure subsectors represent the capillaries of digital infrastructure, leveraging the connectivity offered by subsea fibre systems, combined with the data stored and processed in data centres, to bring data to and from the end consumer. The wireless sector in particular offers the opportunity to invest in mature, cash-generative businesses, which will support our dividend yield alongside the growth opportunities from our platforms in subsea fibre and data centres. Achieving this balance is important to our business model which aims to deliver growth by investing in the underlying megatrends, whilst maintaining a healthy dividend.

Wireless infrastructure includes mobile communication towers, used for the transmission and receipt of radio frequency signals from mobile devices. This includes "small cells", or in-building digital antenna systems (DAS), which allow for the provision of wireless services within a geographical area or large building. Terrestrial fibre infrastructures include a combination of Fibre-to-the-Premises ("FTTP") and Fibre-to-the-Home ("FTTH"), offering services to enterprises and households alike.

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

Investment Approach

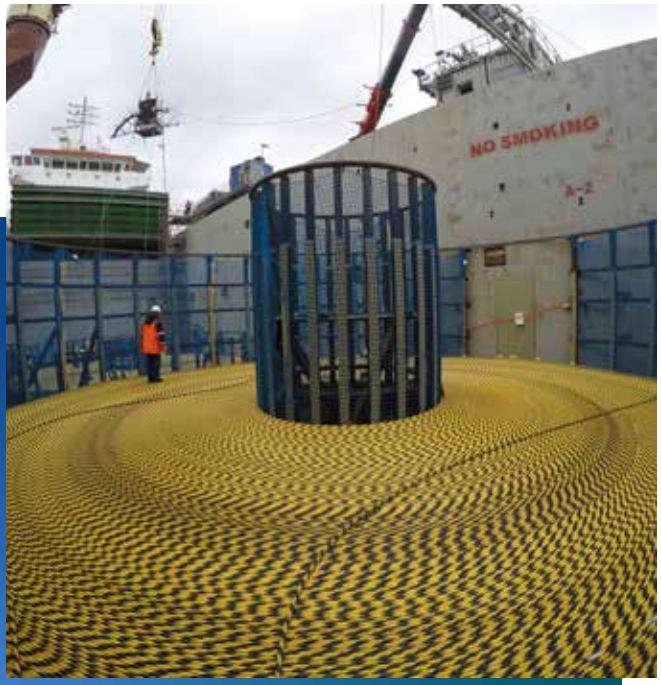
Our purpose-driven investment strategy targets the provision of key infrastructure for global data transfer and data storage, all of which help to address this critical demand for sustainable digital communications.

The key themes in this investment approach are both consistent with SDG9 and are driven by two powerful megatrends, digitalisation and sustainability. We aim to:

- significantly increase access to information and communications technology; and
- improve the environmental sustainability of Digital Infrastructure, which includes decarbonisation.

We target investment opportunities which align to this overlay, which have high revenue visibility, and which benefit from high quality management teams with a comprehensive understanding of the sector.

Through this investment approach, we aim to build a global platform that promotes scalability, flexibility, reliability and neutrality across the Digital Infrastructure value chain. We intend to build upon our deep sectoral expertise within the Digital Infrastructure ecosystem – with over $300 billion of transaction experience – by optimising investment across network convergence amidst a rapidly shifting landscape. Our ultimate focus is to provide a network and infrastructure which offers high reliability and superior experience consistent with SDG9. This in turn will deliver long-term, reliable returns to our shareholders, portfolio companies and investments.



Subsea Fibre

The roll out of subsea connectivity helps bridge the digital divide by bringing people together and changing lives on a global scale.

We seek to identify key locations for internet traffic demand globally, a factor that has led to our investment in the EMIC-1 cable between Europe and India, demonstrating how the D9 investment approach responds to market demand.

Through the Aqua Comms subsea platform, we are a major partner to the world's most connected companies. The subsea network is a major competitive advantage to D9, allowing us to leverage its connectivity and customer base with 95% of revenues from global tech giants and global telecoms carriers. The subsea network automatically produces more deal flow for D9, which has been demonstrated following the acquisition of Aqua Comms leading to that of SeaEdge UK1 as its landing station for the North Sea Connect cable.

Subsea fibre is the cornerstone for our global interconnected platform of Digital Infrastructure. Our strategy is to expand our resilient, reliable network to new regions, driving connectivity to our data centre investments and, wherever possible, landing stations. This will enable us to improve our existing relationships with key customers, which rely on our Digital Infrastructure ecosystem to deliver on their own business models.

Data Centres

The Company's data centre strategy is primarily focused on opportunities leveraging key network connectivity and optimising renewable energy sourcing, leveraging the Aqua Comms platform and creating customer synergies. The strategy comprises of:

1. Landing station: where a subsea cable comes ashore is a natural location for a data centre, offering low latency and reliable access to a global network.
2. Green Data Centres: affordability of land and optimising access to renewable energy and natural cooling.
3. Metro/Edge facilities: located primarily in or near urban centres offering robust connectivity to customers which require low latency solutions or are location sensitive.

The acquisition of Verne Global delivers on both strategies 1 and 2, whereas the recent acquisitions of SeaEdge UK1 delivers on 1. We continue to assess opportunities globally with this overarching strategy in mind.

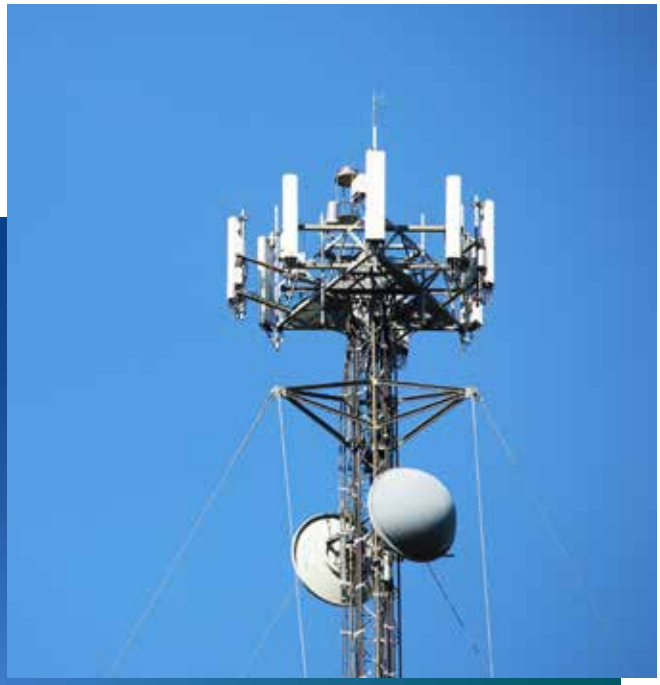
Typically, data centre investments will have secure, long-term, inflation-adjusted contracts in place and benefit from high revenue visibility.

Terrestrial Fibre

Our terrestrial fibre strategy has been focused mainly on the UK market. The UK is lagging other European countries in terms of FTTH deployment, which is accentuating the digital divide. High levels of capital expenditure are required to improve the UK's coverage, creating a huge opportunity for investment. The UK Government's target is to reach 85% of homes with full fibre connectivity by 2025, which is going to require £30 billion of capex. FTTH platforms are scalable by nature (operations, systems, processes, etc.) and we are ideally positioned to take advantage of that growth.

Bridging the UK digital divide is aligned with the Company's purpose to "significantly increase access to information and communications technology". D9 is focused on both rural and urban areas, which existing providers have so far neglected, in order to be a first mover and create a high barrier to entry. We also target FTTH investments that provide significant expansion opportunities in the country, but we remain cautious around FTTH market multiples.

Following a similar logic, we are also interested in FTTH investment opportunities in other countries. Those opportunities are typically larger and more mature. We will also be opportunistic when it comes to more traditional long-haul and B2B fibre opportunities, which could also be a good fit for the fund, both strategically and financially.



Wireless Networks

Similar to terrestrial fibre, our wireless strategy initially focuses on the UK market and serves to prepare our infrastructure for the 5G and Internet of Things ("IoT") revolution.

Online traffic is already growing at an exponential rate. The expectation is that 5G will account for 20% of global connections by 2025, with take-up particularly strong across developed Asia, North America and Europe. However, operators will find it difficult, time consuming and expensive to deploy the infrastructure themselves. To support the generational shift and further drive consumer engagement, operators are expected to invest $1.1 trillion worldwide between 2020 and 2025 in mobile capex of which 80% will be in 5G networks. Today, most operators have divested their tower assets to fund future investments and there has been significant consolidation. Consequently, the macro-tower market is not a core area of focus for D9, but we assess transactions opportunistically.

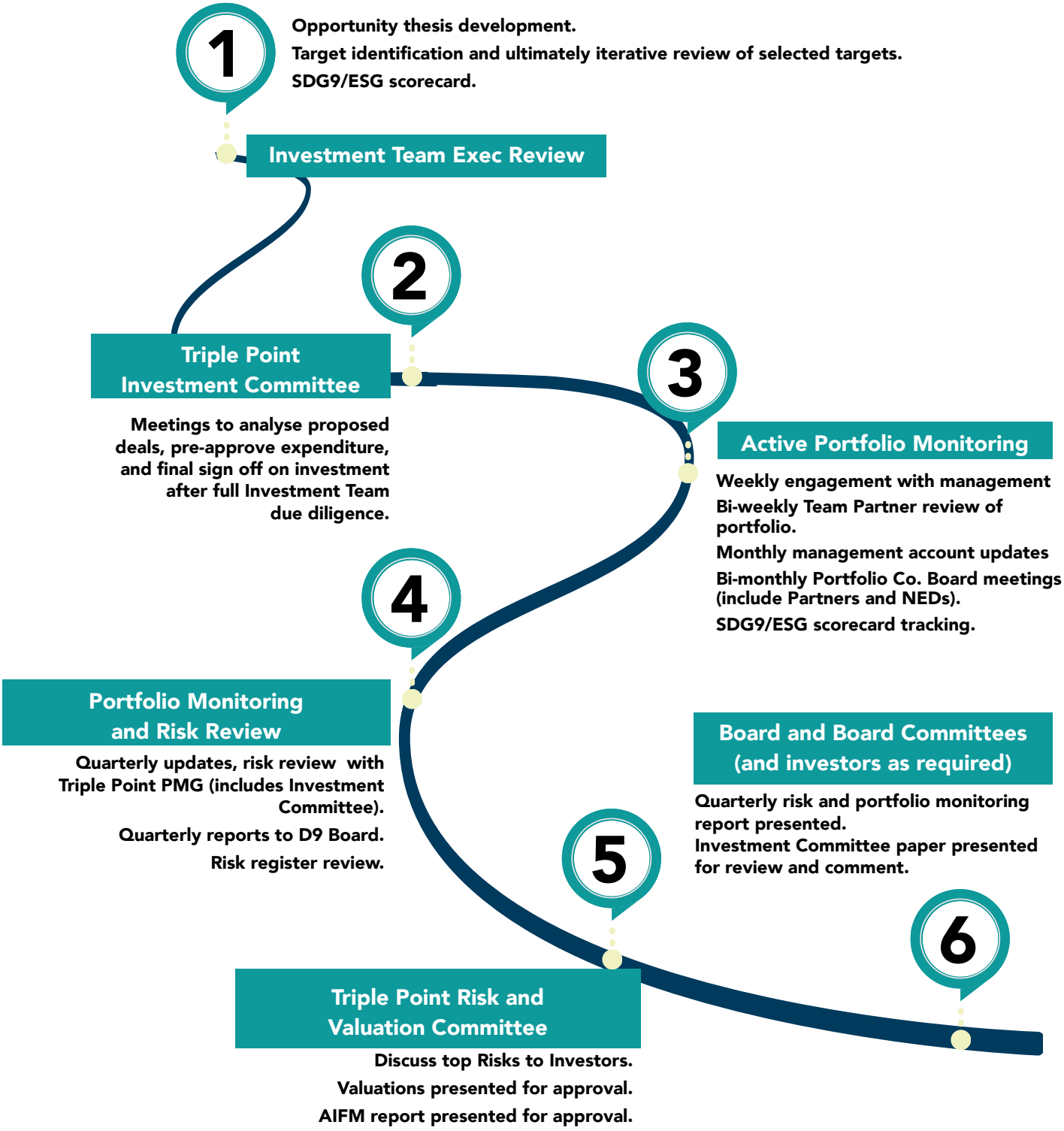
However, wireless infrastructure is also important to future connectivity, including small cells and fixed wireless access ("FWA"). Estimates suggest that global mobile data usage will grow almost fourfold between 2019 and 2025. Small cells can provide high capacity solutions in areas of dense demand. FWA has the potential to match or exceed the performance of traditional wired networks, providing a complementary and resilient alternative to traditional fibre.

Driven by the potential of advanced use cases for 5G and IoT, the "edge" is becoming increasingly attractive. The drive for the "edge" is producing interesting opportunities for further investment along the data centre and wireless infrastructure value chain.

Benefiting from our breadth of digital infrastructure experience and focused approach, we continue to explore emerging opportunities across the shifting landscape.

INVESTMENT PROCESS

The Investment Manager's Digital Infrastructure team employs a rigorous investment process when appraising new opportunities presented to it for consideration.



The Strategy in Practice: Verne Global

Critical infrastructure for our connected world

By 2025, it's predicted that 200+ zettabytes of data will be captured in cloud storage around the world. It is nearly impossible to comprehend how big that number really is. A single zettabyte of storage is equivalent to as much information as there are grains of sand on all the world's beaches.

Processing this data is also becoming increasingly complex as organisations turn to high performance computing ("HPC"), artificial intelligence ("AI"), machine learning, and more to move their business forward. These workloads process billions of calculations a second every day for weeks or months on end. Data sets are used to drive research for vaccine trials, autonomous cars, and climate change for society as a whole. They are also used to deliver better customer experiences, increase financial performance and streamline operations for companies around the world.

Sustainability moves to the forefront

Our lives are increasingly dependent on the internet, making us more dependent upon data centres than ever before. However, we need to ensure they are a net positive for the environment. Worldwide, data centres consume 2% of electricity and contribute 2% to CO_2 emissions. Much of that power consumption goes towards keeping the servers housed in data centres cool, potentially as much as 40% of a data centre's energy consumption.

Data centres house the infrastructure for cloud computing. Cloud computing is the delivery of computing services over the Internet. It offers faster innovation, flexible resources, and economies of scale that have helped power a generation of entrepreneurs. Companies no longer need to source their own IT, they can simply scale up a hyperscale offering (e.g., Amazon's AWS, Microsoft Azure, Google Cloud) for access to compute previously found only in government or academic supercomputers.

As demand for the cloud has grown, so too has the number of data centres. While data centres themselves have become more efficient over time, HPC and AI workloads are pushing the boundaries of traditional cooling technologies. Data centre operators have begun exploring new cooling methods, but have also looked to alternatives for their fuel sources. The hyperscalers have begun to build their own renewable capacity, while many operators in the industry tend to rely on power purchase agreements to offset data centre energy use. These agreements, depending on the country they originate from, do not provide a clear picture of where electricity is coming from and exactly how clean it is.

Building regulatory and accountability consensus within the industry is very much up for debate. Most commitments to climate change have been voluntary which has led to lax enforcement or definition. In some worst case scenarios, it has also led to greenwashing – where companies provide misleading information about how environmentally friendly their product or services really are. There are several industry-led initiatives that D9 is involved with, which are establishing guidelines for greater self-regulation. This includes the Sustainable Digital Infrastructure Alliance (SDIA) and the Climate Neutral Data Centre Pact (CNDCP).

Turning to the Nordics

The focus on sustainability is driving companies to rethink where their data centres are located. Organisations have become comfortable with the idea of locating their IT equipment and applications in specialist data centres providing colocation and cloud-based services, particularly those powered by renewable resources. Data centres no longer need to be next to corporate headquarters for the vast majority of business applications.

Countries in Europe and around the world are also facing energy scarcity issues in relation to their power grids. Both Singapore and the Netherlands have stopped issuing new data centre permits because of the strains on the local electrical grids. According to Marietje Schaake, the international policy director at Stanford University's Cyber Policy Center, almost 30% of Ireland's electricity demand will come from data centres in 2028, while the sector will also be responsible for 15% of Denmark's power consumption by 2030. Even if data centres in those countries "go green", they are still using finite resources. Shifting to net renewable surplus countries makes the most long-term sense.

D9 is investing in abundant, ultra-efficient, 100% renewable-electricity powered Nordic data centres to reduce the energy used and emissions created by the data centre industry. Our focus is on shifting the energy-intensive processing of these huge and growing data sets to the Nordics, which have abundant green power, free cooling – and the lowest power prices in Europe. They also generate a lot of renewable power – the highest proportion in the world – with Sweden generating 65% of its electricity from renewables, Norway 90%, and Iceland 100%.

Turning positive energy into unreal results

Iceland is the only country in Europe that generates nearly 100% of its power from renewable sources. It has an abundance of hydroelectric power generation and a vast amount of untapped geothermal energy that can help solve one of the world's greatest and growing challenges – the ever-expanding demand for power driven by the exponential growth in data creation and consumption.

Verne Global, one of D9's portfolio companies, is a leading Nordic data centre platform, based in Iceland, powered entirely by renewable, baseload hydroelectric and geothermal electricity. Founded in 2012, Verne Global delivers data centre solutions for high intensity computing, engineered for optimal high performance compute. The company has been at the forefront in establishing what has become Iceland's thriving data

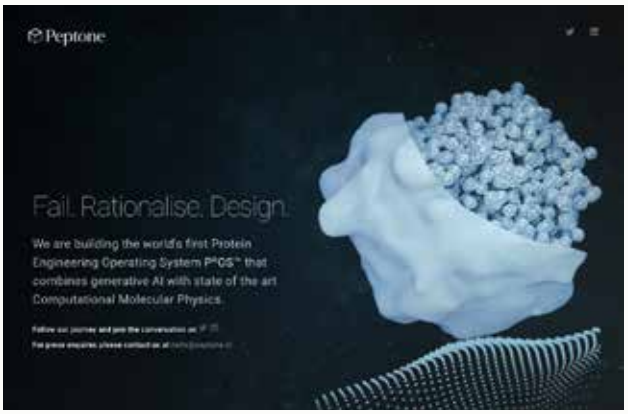
centre industry, as well as educating the market on why shifting latency insensitive data to areas of abundant green energy makes good business sense. Verne Global has become the "go to" destination for organisations that are as serious about their compute as they are their carbon footprint.

As more companies work to decarbonise their digital infrastructure, Verne Global's sustainable, high intensity compute solutions will continue to be in great demand. One of the ways enterprises are measuring their carbon emissions is through the Greenhouse Gas Protocol (GHCP). The GHCP sets out the emissions generated by a companies' operations into three "scopes" – from directly created to indirect – all of which contribute to a business's overall carbon footprint.

Verne Global is taking key steps to ensure customers' sustainability more than any other data centre operator in the industry. These include improving power usage effectiveness ("PUE"), carbon usage effectiveness ("CUE"), and water usage effectiveness ("WUE") for its customers, all whilst reducing the total cost of operations without any premium for choosing sustainable infrastructure. Verne Global is enabling its customers to benefit from the lowest carbon footprint in the industry by setting a new standard for best in class visibility and reporting.

Verne Global customer examples

Verne Global powers some of the world's most innovative and demanding industries, including financial services, engineering, scientific research and AI. These include:



BMW

Verne Global has been assisting car manufacturers like BMW with their HPC powered computer-aided design, modelling and simulation since 2012.

BMW moved a number of applications – including crash simulations, aerodynamic calculations and computer aided design and engineering (CAD/CAE) – to Verne Global's campus in the early phase of their electric vehicle roll out. The electric vehicles yield the same performance and driveability – as all cars BMW has designed for more than a century – with a commitment to taking an ethical path towards an electrified future.

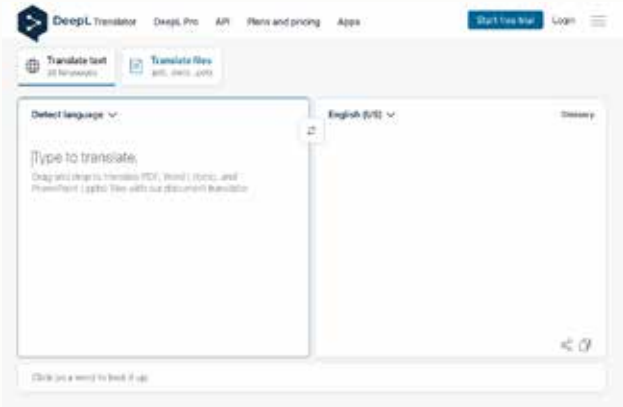
By initially moving ten of its HPC clusters from its German facilities to Verne Global, BMW was able to reduce the cost of powering its HPC applications by as much as 82% and reduce its annual carbon emissions by 3,570 metric tons; the equivalent of the carbon produced by burning 1.46 million litres of petrol. Since 2012, BMW has continued to benefit from this carbon reduction many times over.

Peptone

Peptone is a computational molecular physics company that leverages Artificial Intelligence to analyse the anomalous behaviour of proteins and speed up drug development research.

Locating its compute with Verne Global has allowed Peptone the freedom to focus on its ground-breaking research; it can flexibly scale its AI-driven protein engineering system on-demand, while maintaining full visibility of operations and keeping the data in sight at all times.

> Verne Global is the ideal partner for our hybrid supercomputing cloud approach due to its foundation in sustainability, global connectivity and reassuring ability to keep our world-leading practical research completely secure," said Dr. Kamil Tamiola Founder & CEO, Peptone.



Wirth Research

Wirth Research is pioneering the use of advanced virtual engineering technologies to make life more enjoyable and sustainable. It uses high resolution Computational Flow Design (CFD) analyses to design and develop innovative airflow solutions for buildings in a wide variety of sectors and uses, ultimately helping them to achieve energy savings.

CFD simulations require a huge number of calculations and a vast amount of computing power. Wirth Research turned to Verne Global to help improve the speed, performance and reliability of its applications. By moving to Verne Global, Wirth Research's costs were reduced so significantly that the savings in energy usage easily justified a significant investment in upgraded hardware.

Wirth was also moving its headquarters to a newly developed eco building that enabled it to reduce its workplace carbon output to zero. The flexible workspace provides access to virtual workstations powered from Verne Global's campus in Iceland.

DeepL

DeepL is a German-based technology company specialising in natural language translation. Its service was created to develop a more advanced, deep neural network translation service that shifts language translation from stilted to more natural dialog.

DeepL utilises advanced AI and neural network machine translation technologies to analyse and train its service. Supercomputers such as DeepL's are power hungry and require specialised HPC infrastructure and support to enable them to operate fluently. After evaluating the data centre options in Germany, DeepL quickly concluded that it needed an HPC specialist provider, but German data centres have been slow to design and optimise infrastructure for these types of HPC workloads and lack the scalable power profiles needed to support them.

DeepL struck a partnership with Verne Global, which enabled the start-up to grow incrementally within the data centre, in line with customer demand. This approach, together with the long term, low cost power, and free cooling, has enabled DeepL to take advantage of an optimised data centre solution at a 70% lower cost than available in continental Europe.

KEY PERFORMANCE INDICATORS

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

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
1. Dividends per share (pence)			
Dividends paid and declared on every ordinary outstanding share in relation to the period.	The dividend reflects the Company's ability to deliver a growing income stream from the portfolio.	The Company will pay an annualised dividend of 6.0 pence per share equivalent to 4.5 pence per share in respect of the period from IPO to 31 December 2021 (see Note 15).	The Company has paid or declared dividends of 4.5 pence per share in respect of the period from IPO to 31 December 2021, in line with our target.
2. Total return (%)			
The increase 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.	9.82% (13.09% annualised) in respect of the period from IPO to 31 December 2021.	A medium-term total return target of 10% per annum was set out at IPO.
3. Total shareholder return (%)[5]			
The increase in share price in the period and dividends paid per share in the period.	A measure of the return based upon share price movements over the period and assuming reinvestment of dividends. The total shareholder return highlights the gross return to investors including dividends paid.	16.94% (23.08% annualised) in respect of the period from IPO to 31 December 2021 (see page 150).	A medium-term total shareholder return target of 10% per annum was set out at IPO.
4. Earnings per Share (pence)			
The post-tax earnings attributable to shareholders divided by weighted average number of shares in issue over the period.	The EPS reflects our ability to generate earnings from our investments including valuation increases.	9.77 pence per share for the period from IPO to 31 December 2021 (see Note 20).	EPS is based on earnings and including the fair value gain on investment, calculated on the weighted average number of shares in issue during the period.
5. NAV per share			
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.	104.62 pence per Share (see Note 21).	This is an increase of 6.8% since IPO driven by growth in the underlying valuation of the Company's investments.
6. Cash dividend cover[5]			
Operational cash flow divided by dividends paid to shareholders during the year.	The cash dividend cover reflects the Company's ability to cover its dividends from the income generated by its portfolio.	Dividend cover for the period to 31 December 2021 was 39.61%. Dividend cover is measured as total dividends paid and payable at 31 December 2021, as a percentage of total operating cash flows for the Company and its subsidiaries. (see page 149).	D9 will monitor dividend cover as the Company continues to deploy funds.

[5] Alternative Performance Measure. See Unaudited Alternative Performance Measures section on pages 149 to 150.

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
7. Ongoing charges ratio[5]			
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.	1.04% annualised. (see page 149).	A key measure of our operational performance. Keeping costs low supports our ability to pay dividends.
8. Points of presence (POPs)			
A Point of Presence is a discrete geographic location within the portfolio company network, containing portfolio company owned exchange equipment and allows for connection into the wider network.	Points of presence represent a physical demonstration of the fibre networks distribution to a wider set of customers. We seek growth in this value over time.	17	POPs, with kilometres of fibre and growth in network capacity provide a picture of the connectivity provided the Company. These KPIs are intended to be tracked over time and their growth demonstrate an increase in connectivity as a result of the Company's investments.
9. Kilometres of fibre			
The total length of fibre (operational and in development) owned or part-owned by portfolio companies[6].	Kilometres of fibre represent a physical demonstration of the fibre networks presence. We seek growth in this value over time.	32,000[7]	Kilometres of fibre, with POPs and growth in network capacity provide a picture of the connectivity provided by the Company. These KPIs are intended to be tracked over time and their growth demonstrate an increase in connectivity as a result of the Company's investments.
10. Growth in network capacity Ⓐ			
The increase in sold capacity across fibre networks, between two points in time.	Growth in network capacity represents the network's ability to respond to and deliver on demand for more connectivity. We seek a positive percentage growth year on year.	7%	Growth in network capacity, with kilometres of fibre and POPs provide a picture of the connectivity provided by the Company. These KPIs are intended to be tracked over time and their growth demonstrate an increase in connectivity as a result of the Company's investments.
11. Power Usage Effectiveness (PUE) Ⓐ			
PUE is the total energy entering a datacentre divided by the energy used by IT equipment inside the datacentre.	PUE is a measure of our energy efficiency and represents the decarbonisation of our investments either through targeting assets with the most advanced energy efficiency practices, or through improvements of existing systems. The decarbonisation measure reflects the Company's success in aligning to SDG9, target 9.4.	1.22[8]	PUE is applicable to Data Centre assets and represents an important measure in the environmental sustainability of an asset. Efficiency and increases in efficiency can contribute to a lower carbon emission and better use of natural resource. Industry average is commonly reported to be 1.3 in cold air temperature locations and 1.4 in warm air temperature locations.

Ⓐ Independent limited assurance has been provided only over 2021 data marked with this symbol. PwC's assurance statement can be found on pages 120 to 123. Triple Point's Reporting Principles and Methodologies can be found in Annex 1.

[6] Total kilometres of fibre owned or part-owned 32,035km (14,268km operational; 17,767km in development).

[7] Subsea cable lengths are measured between cable landing stations.

[8] Audited PUE includes power used in construction. The unaudited number excluding construction is 1.18.

Thor Johnsen
Head of Digital Infrastructure

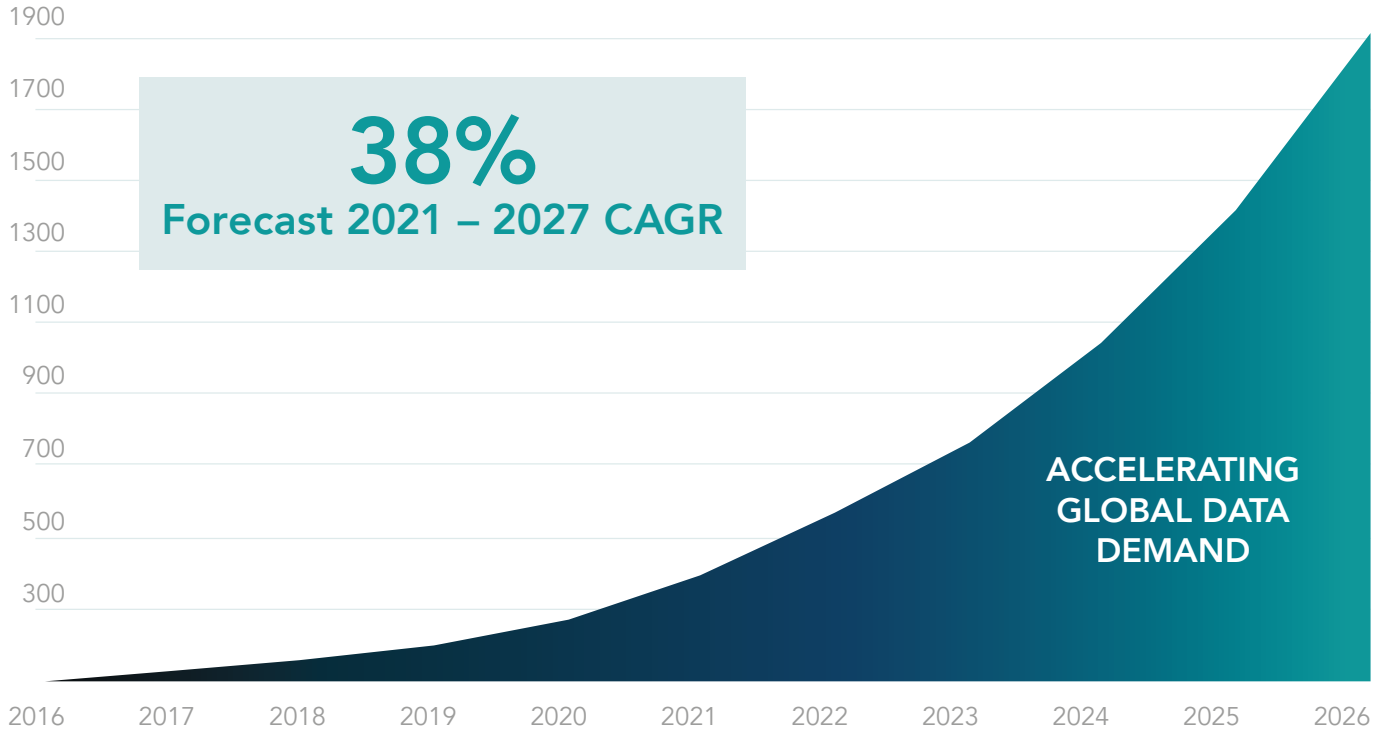
Review of the Period

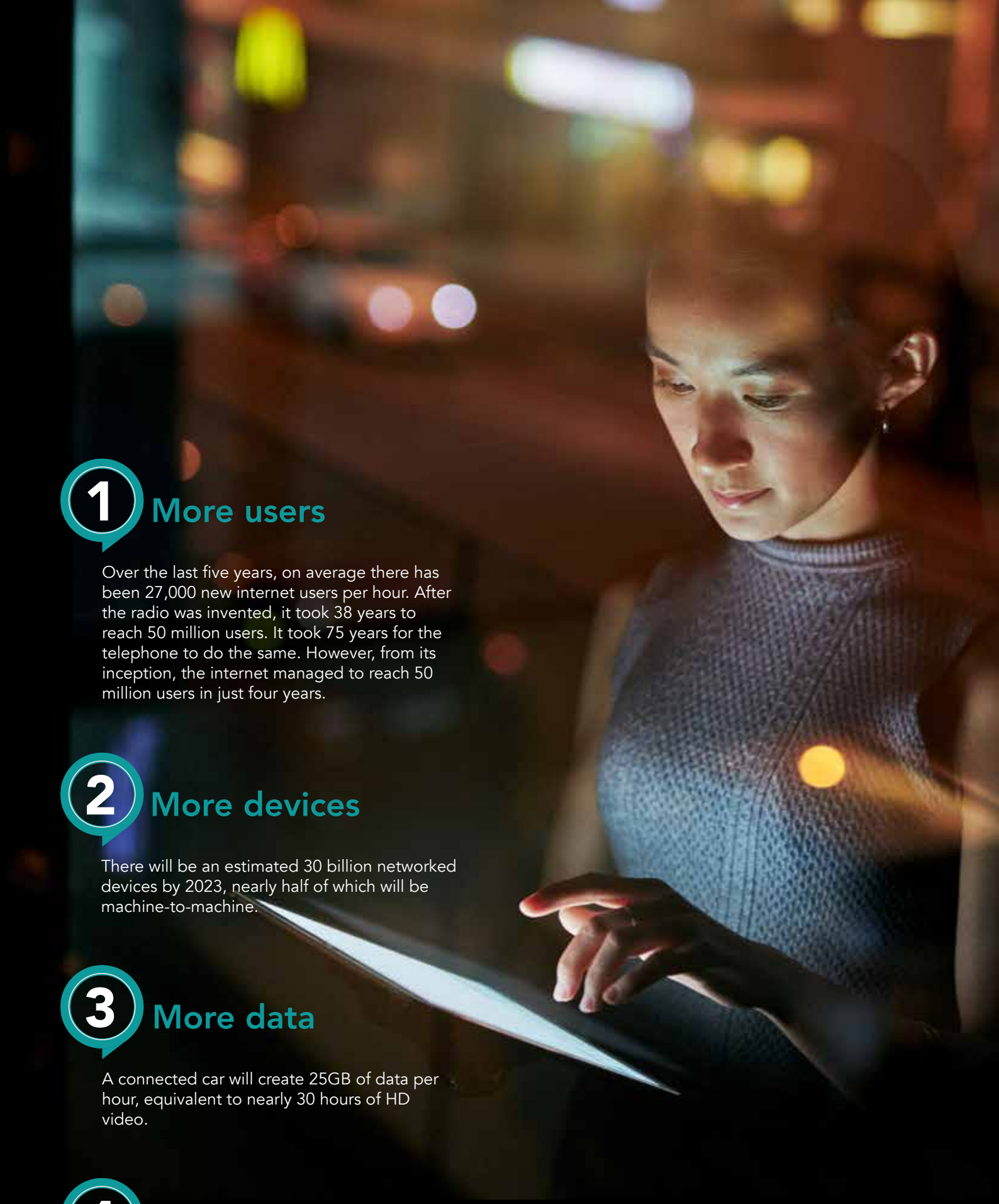
Our cornerstone platform investments into Aqua Comms, Verne Global and SeaEdge UK1 create a launchpad for D9 from which to enable further accretive investment in the subsea and data centre sectors. The investments are aligned to our wider strategy of bridging the digital divide and decarbonising digital infrastructure. As we continue to build the portfolio, we believe further accretive opportunities will continue to compound, as represented by the synergistic acquisitions of EMIC-1 and SeaEdge UK1.

Market Review

Any business that requires the internet to function is reliant on Digital Infrastructure in order to operate. In essence, the greater the demand for the internet, the greater the need for the infrastructure to support it.

Digital Infrastructure is an asset class that requires £400 billion of annual invested capital, and growing rapidly as our demand and dependency on it continues to increase. This demand continues to be driven by a set of growth pillars, which have been accelerated by the coronavirus pandemic's impact on lifestyles, work practices and the global supply chain.





1 More users

Over the last five years, on average there has been 27,000 new internet users per hour. After the radio was invented, it took 38 years to reach 50 million users. It took 75 years for the telephone to do the same. However, from its inception, the internet managed to reach 50 million users in just four years.

2 More devices

There will be an estimated 30 billion networked devices by 2023, nearly half of which will be machine-to-machine.

3 More data

A connected car will create 25GB of data per hour, equivalent to nearly 30 hours of HD video.

4 At faster speeds

Amazon claims that every 100 milliseconds of latency costs them 1% in sales.

Sector Review and M&A Activity

This growing dependency on technology is evidenced by the tech M&A market. The value of tech deals announced in 2021 surpassed $1 trillion for the first time in history, topping 2019 and 2020 combined[9]. Whilst inflationary pressures and the threat of rising interest rates may slow down M&A activity and stock market performance for tech companies, recent market activity points to the continued adoption of products created by these businesses for the end consumers. These products and their ever-increasing connectivity requirements are underpinned by the Digital Infrastructure.

Data Centres

The data centre market has been highly active. Both before the pandemic, and particularly since, it has attracted interest from specialist investors as well as generalist investors that are new to the sector, which have typically invested in traditional infrastructure. Competition among different types of buyers has propelled overall valuations to very high levels, reaching over 30x EBITDA in many instances.

Across a sample of 60 global comparable transactions in the retail and wholesale data centre markets over the last seven years, the weighted average transaction EBITDA multiple is 17x, rising to 26x in the last three years, and up to 29x in the last 12 months, demonstrating a clear upward pressure on pricing. D9 acquired Verne Global at a 20x EBITDA multiple demonstrating its ability to execute bilateral, off-market transactions at competitive pricing. This is due to the Investment Manager's decades of operational know-how and $300 billion of transaction experience in Digital Infrastructure which gives us a wide-reaching global network.

Subsea Fibre

The subsea market is characterised by a shortfall in global capacity in the face of huge growth in demand. There will be an estimated 40% shortfall in transatlantic subsea capacity by 2026 as legacy cables reach the end of their 25-year design lives. Aqua Comms' two transatlantic fibre cables (AEC1 & 2) are some of the most modern connecting North America and Europe, with further transatlantic cables being developed in partnership with global tech firms.

Despite this shortfall, the subsea industry has still seen considerable capacity increase, due to the inherent upgradeability of modern cables. Capacity along the transatlantic routes will increase at a CAGR of 22.7% over the next several years reaching over 3,000 Tbps in 2025. The fastest growing demand for traffic comes from the global internet content providers, accounting for 66% of overall submarine traffic in 2020.

One of the fastest-growing routes for subsea capacity demand is the Middle East into Asia, which underlies D9's investment into EMIC-1. Further opportunities along this route are being considered to increase resilience, as demonstrated in the Atlantic.

Subsea fibre infrastructure is a complex and capital-intensive business with high barriers to entry. New cables require international efforts from all stakeholders, including governments, as well as an expert management team with a deep understanding of the product and market. As a result of these barriers, the subsea fibre market is not as active or widely explored as the data centre market, but is beginning to attract new investment due in part to the high proportion of long-term contracts with creditworthy counterparties, and with that, higher EBITDA multiples.

Across a sample of 47 global comparable transactions in the subsea, dark and enterprise fibre markets over the last seven years, the weighted average transaction EBITDA multiple is 14.0x, rising to 19.5x in the last 12 months, demonstrating a clear upward pressure on pricing. D9 acquired Aqua Comms in a bilateral off-market transaction below 12x EBITDA, again demonstrating its ability to execute on competitive terms.

Terrestrial Fibre

The terrestrial fibre market continues to attract infrastructure capital, yet may be showing early signs that valuations are plateauing or even eroding in some instances.

The traditional long-haul/B2B fibre space has gone through years of consolidation and roll-up activity. This means that deals have become relatively scarce and dominated by infrastructure funds, who like the strong cash generation and

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opportunity for both top line growth and cost rationalisation. Despite that, valuations have been stable around 13-14x EBITDA in Europe. While Polhem Infra's acquisition of Telia Carrier in October 2020 marked a new high in the sector (18.9x EBITDA), other recent transactions, such as iSquared's acquisition of GTT's Infrastructure division (12.6x) and Asterion's acquisition of Retelit (10.0x) have been more reasonable. This sub-sector generally attracts lower valuations than fibre to the home (FTTH), yet we still expect investors to look to pay premiums for quality assets.

European FTTH is also very popular with infrastructure funds. Each European country has seen a small number of dominant FTTH platforms emerge in recent years. Those platforms are usually open networks in nature but underpinned by a strong anchor tenant, typically an incumbent or well-established altnet. This model guarantees solid growth, limited downside and meaningful operating cash flows. With several large assets trading above 20x EBITDA, such as KKR's acquisition of Reintel (22.1x) or Ardian's acquisition of Adamo (25x), valuations still seem to be rising. Consolidation is still limited but could soon gather pace as FTTH roll-outs slow down or even come to an end in some markets.

The UK FTTH market is quite peculiar: much less mature than most European markets, very fragmented with dozens of platforms having raised several billion pounds in recent years and with a dominance of the vertically integrated ISP model. The market's lack of maturity means that most assets are still EBITDA negative with EV/homes passed often used as the main valuation metric. Using that metric, it seems that the market may be cooling down a little bit: whereas several major assets traded around £4,000 per home passed during the 2018-20 period, more recent transactions point to a £2,000-2,500 range. As winners emerge more clearly, we expect investors to be increasingly selective and consolidation to become more prominent.

Wireless Infrastructure

The wireless infrastructure market continues to be driven by consolidation and limited opportunities in the traditional macro tower market. Major players continue to be large operating companies including the likes of Cellnex and American Tower, and large generalist infrastructure players such as Brookfield competing on consortium deals. Given the maturity of the macro tower market, these major players are propelling valuations to high levels, such as Brookfield's and Alecta's acquisition of Telia Towers for $1.8 billion on a 27.2x EBITDA multiple in December 2021.

Given the current valuation metrics and average deal size over the last two years, the macro tower market remains challenging for D9's investment criteria. However, D9 will continue to be opportunistic, particularly around high yielding assets servicing transitioning or legacy use cases. While these will not be considered core assets within D9's broader portfolio they will help support the dividend target of the Fund.

Outside of the more traditional macro tower market, 5G and IoT use cases are propelling opportunities in fixed wireless access and other alternate wireless connectivity solutions. While these opportunities are limited their valuations are more attractive, such as DigitalBridge's acquisition of Boingo in March 2021 was for $854 million at a 10.2x EBITDA multiple. While these opportunities are more technology specific, D9's investment team and highly experienced operating partners are well placed to undertake in-depth analysis of an otherwise "secondary" focus sector for most infrastructure investors. This promotes exclusive deal opportunities for the Fund and the ability to execute on transactions. However, these assets will primarily be valued on their ability to interact with the wider portfolio and industry trends.

Pipeline

Activity and competition for good quality Digital Infrastructure projects remains strong. New entrants from the wider infrastructure sector are coming into the market seeking diversification from their existing portfolio in response to the impact of the Covid-19 pandemic and are attracted to it by the resilience demonstrated during this period. Our alignment to the UN SDG9 and improving connectivity globally, our subsea and data centre platforms, as well as our team's sectoral specialism, with over $300 billion of Digital Infrastructure transaction experience, gives us a unique advantage in competitive processes and bilateral opportunities. As such, we continue to build out our strong pipeline of opportunities.

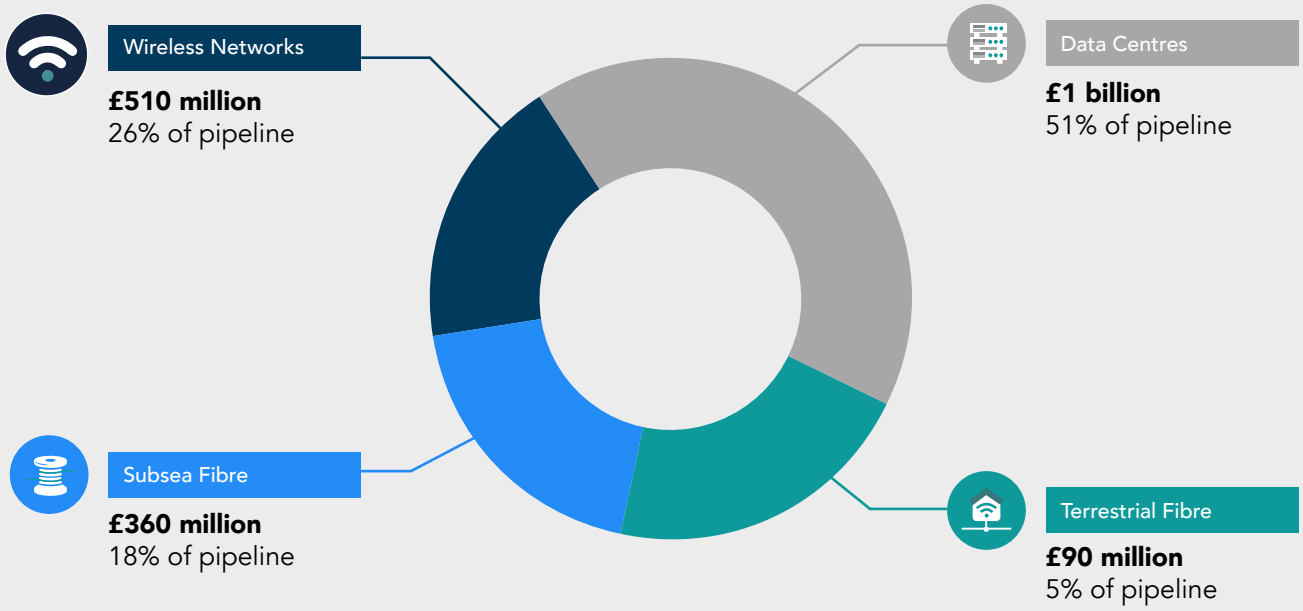
The pipeline is spread across the subsectors and is reflective of the longer-term asset mix we intend to achieve for D9. At a target £2 billion AUM, we would expect, data centres and subsea fibre to form approximately 60-70% of assets, and terrestrial fibre and wireless 30-40%. The opportunities are across a global profile primarily in the UK & Ireland, the Nordics, North America, the Middle East and Asia Pacific, with longer-term opportunities in Africa and Latin America.

D9 has c. £2 billion of pipeline opportunities under consideration, including over £500 million of more immediate pipeline opportunities that the Investment Manager is actively progressing.[9]

We have secured exclusivity on c. £150 million of opportunities. Following our most recent equity raise in January 2022 and completion of a £300 million RCF, we anticipate completing on these at various stages over the coming months and look forward to announcing their successful completion to the market in due course.

Many opportunities are bilateral, off-market projects that are not part of a competitive process, sourced via the Investment Manager's network of relationships, built through $300 billion of transactional experience in the Digital Infrastructure sector and decades of operational experience. While these projects can take longer to execute and ensure the necessary

Total Pipeline



[9] N.B. These figures are not probability weighted

Near Term

	£'m	%	No. of assets	Bilateral or Exclusive £'m
Data Centre	108	20%	5	38
Subsea Fibre	–	–	0	–
Terrestrial	90	16%	2	90
Wireless	350	64%	2	350
Total	548	100%	9	478

Wider Term

	£'m	%	No. of assets	Bilateral or Exclusive £'m
Data Centre	908	64%	5	490
Subsea Fibre	360	25%	3	–
Terrestrial	–	–	0	–
Wireless	160	11%	1	160
Total	1,428	100%	9	650

robust due diligence is carried out, this enables us to secure better acquisition terms.

We remain encouraged by the significant and growing pipeline that the Company's investment strategy presents.

Financing

During the reporting period, D9 has raised gross equity proceeds of, in aggregate, £750 million through the issue of ordinary shares at IPO in March 2021 and two further fundraises completed in June 2021 and September 2021. This was supplemented by a further equity raise in January 2022 of £95 million, bringing total gross proceeds raised to £845.2 million.

To achieve an efficient capital structure, D9 intends to introduce prudent leverage, resulting in enhanced returns for our investors, particularly in the current economic climate with domestic borrowing rates remaining well below our portfolio yields. To assist in short term funding of the Company's pipeline of investment opportunities, in March 2022, D9 raised £300 million through its first debt facility, being a bespoke RCF with an international syndicate of four banks. RBSI acted as structuring bank, sole coordinator and bookrunner for the new facility. The RCF is structured to support the Company's pipeline, benefiting from an uncommitted accordion provision allowing the Company to request an increase, subject to Lenders' approval, of the amount provided under the RCF by up to an additional £200 million. We are pleased to welcome the Bank Syndicate as new counterparties into our relationship group and value their strong support of the Digital Infrastructure sector. The level of lender interest we have received on this transaction reaffirms the attractive fundamentals and growth prospects of this asset class and the quality of our existing portfolio.

As set out in the Prospectus, gearing will only be used by the Company to finance acquisitions on a short-term basis, with long-term gearing likely to be applied at an investee company level.

Outlook

Digitalisation has taken hold of our everyday lives and interaction with appliances, driving endless demand for the digital infrastructure supporting this unstoppable transformation. We're solving the world's biggest problems by closing the digital divide and creating greener, more sustainable connectivity. Invest in our portfolio to accelerate economic growth, social development and critical climate action.

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

Thor Johnsen
Head of Digital Infrastructure

Triple Point Investment Management LLP

16 March 2022

THE INVESTMENT MANAGER

Key representatives of the Investment Manager

James Cranmer, Managing Partner

James joined the Investment Manager in 2007 to develop its origination and investment capability. He has over 20 years' experience in structured, asset and vendor finance. He has been responsible for in excess of £1 billion of funding into UK Local Authorities, NHS Hospital Trusts, FTSE 100 including numerous investments in the infrastructure, energy and low carbon sectors. James has led Triple Point's infrastructure investments over the years. He became co-Managing Partner in 2016.

Thor Johnsen, Head of Digital Infrastructure

Thor has over 15 years' experience in infrastructure investment and over 22 years in M&A, deploying over $3 billion, including as head of infrastructure investment for Arcapita Bank across Europe. He has managed digital infrastructure portfolios for 7 years.

Andre Karihaloo, Investment Director

Andre has over 15 years' experience in financial services, starting in investment management at HSBC. In digital infrastructure, he has invested over $700 million into projects and businesses and advised on over $4 billion of transactions.

Arnaud Jaguin, Investment Director

Arnaud has over 15 years' experience in telecoms and digital infrastructure. Arnaud began his career in telecoms M&A advisory at UBS Investment Bank in London, advising on almost £50 billion of transactions. At Level 3 Communications and RETN, he worked on corporate development, corporate strategy, segmentation and sales operations. Arnaud graduated with an MSc in Finance & Strategy from Sciences Po, Paris.

A committed Investment Manager

Triple Point's mission statement is:

> Through our people, and the partnerships we build, Triple Point unlocks investment opportunities that have purpose, while generating profits for investors.

Triple Point believes that investing in the solutions to socio-economic problems creates a flywheel effect. The scale of the problem drives the size of the demand, which in turn underpins the strength of the investment. With long-lasting social impact comes long-term sustainable returns.

In line with this business mission and the commitment to responsible investment, Triple Point has applied to become a B Corporation (status pending). Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

In 2019, Triple Point became a signatory to the Principles for Responsible Investing ("PRI"), to demonstrate best practice in investor ESG integration and guide continued improvement.

Triple Point seeks to promote these principles throughout its business, and they are reflected in its Sustainable Business Objectives document. These principles ensure all investment processes have sound and appropriate integration of ESG practice and are overseen by the Triple Point Sustainability Group. This means investment teams are aware of, and can make informed investments decisions about, key ESG risks and opportunities.

Triple Point's adoption of the six Principles for Responsible Investment

SIGNATORY OF PRI: PRINCIPLES FOR RESPONSIBLE INVESTMENT

PRI is recognised as the leading global network for investors who are committed to integrating environmental, social and governance (ESG) considerations into their investment practices and ownership policies. The Principles demonstrate best practice in ESG integration, guide signatories in improvements and promote closer alignment between the objectives of institutional investors and those of society at large.

Triple Point became a member of PRI in 2019. The first Assessment Report period of 2020-2021 was a fallow reporting year for PRI to accommodate the launch of a new reporting and scoring system. Triple Point's first Assessment Report will be published in 2023.

PRI PRINCIPLE		HOW TRIPLE POINT ADOPTS THE PRINCIPLES FOR D9
1	We will incorporate ESG issues into investment analysis and decision-making processes.	ESG analysis is considered by the investment team alongside financial, and shared in Investment Committee papers to inform the final investment decision.
2	We will be active owners and incorporate ESG issues into our ownership policies and practices.	Investments made by D9 are frequently majority or fully owned. Triple Point acts as asset manager on behalf of the Company and uses initial ESG analysis to implement an ESG engagement programme with portfolio companies, to drive improvements in ESG behaviours. These are reported in our annual report.
3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	ESG topics are investigated in all due diligence of acquisitions/ investments. ESG topics are monitored through Board meetings and the ESG engagement programme and reported on annually.
4	We will promote acceptance and implementation of the principles within the investment community.	The value of the principles and importance of the role of ESG factors in good decision making are proactively promoted.
5	We will work together to enhance the effectiveness in implementing the principles.	D9 uses the best practice promoted by the principles to inform the engagement programme with portfolio companies and others in our investment network to encourage best practice and seek change.
6	We will each report on our activities towards implementing the principles.	D9 reports annually on ESG activities. PRI signatories are required to report on their responsible investments activities annually. The next and first published Assessment Report for Triple Point will be in 2023.

The importance of sustainability to D9

We follow a best practice approach to sustainable investment, based on these four pillars:

1. Sustainable outcomes and Sustainable Development Goal 9 ("SDG9") alignment
2. ESG research and analysis
3. Engagement programme
4. Transparency and Governance

1. Sustainable outcomes and SDG9 alignment

Sustainable Outcomes, the bigger picture

SDG9 alignment is at the heart of the Company and a key source of sustainability outcomes for the strategy. In addition to SDG9 alignment, the D9 network has the opportunity to create wider sustainability outcomes over time.

The UN Sustainable Development Goals (SDGs): In 2015, world leaders gathered at the UN to adopt 17 Sustainable Development Goals to achieve several objectives by 2030: end poverty, promote prosperity and well-being for all, and protect the planet. The UN Sustainable Development Goals have been adopted by 193 countries. D9's business and investment approach has the potential to help address SDG9, 11, 12 and 14. Table 2 shows the full SDG alignment opportunity for D9.

D9's SDG alignment opportunity

UN SDG		UN SDG TARGET		HOW D9 CONTRIBUTES TO THIS GOAL AND TARGET	PORTFOLIO COMPANIES
CORE ALIGNMENT					
9	**Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation**	9.c.1	Significantly increase access to information and communications technology, and strive to provide universal and affordable access to the Internet in least developed countries.	Investing in subsea and terrestrial fibre networks that are managed in a responsible and sustainable way and can provide connectivity growth and a reduction in digital shortfall.	Aquacomms EMIC 1
		9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Investing in infrastructure which considers environmental impact and efficiency in its construction and processes, and in particular ensuring that data centre investments (the most energy intensive in our sub sectors) are working to, or already offer, a low carbon service.	Verne Global SeaEdge
WIDER ALIGNMENT SDG OPPORTUNITY					
11	**Make cities and human settlements inclusive, safe, resilient and sustainable**	11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.	Investing in responsibly managed and sustainable digital infrastructure which can contribute to connectivity across developed and developing jurisdictions promotes capacity for participatory and sustainable human settlement.	Aquacomms EMIC 1
12	**Ensure sustainable consumption and production patterns**	12.2	By 2030, achieve the sustainable management and efficient use of natural resources.	Investing in responsibly managed and sustainable digital infrastructure which influences supply chain behaviours and looks to implement low energy solutions, and in particular ensuring that data centre investments (the most energy intensive in our sub sectors) are working to or already offer high energy efficiency.	Verne Global SeaEdge
14	**Conserve and sustainably use the oceans, sea and marine resources for sustainable development**	14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	Investing in data centres with sustainable and responsible cooling systems contributes to reduction in marine pollution from land-based activities.	Verne Global SeaEdge
		14.2	Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.	Ensuring the responsible construction, deployment and management of subsea fibre contributes to reduction in marine and coastal ecosystem pollution and damage.	Aquacomms EMIC 1

The Impact Management Project (IMP): From 2016-2018, the IMP brought together more than 2,000 practitioners from across the value chain to agree on the dimensions of performance that matter for impact measurement, management and reporting. In 2018, the IMP began facilitating a structured network of standard-setting organisations to coordinate efforts with a shared vision of getting to global consensus. The Project developed the ABC of impact performance which links the impact of an asset, or portfolio of assets, to an investor's specific intentions.

Does (or may) cause harm

Act to avoid harm

"I have regulatory requirements to meet (e.g. I have to cut my carbon emissions)"

"I want to mitigate risk"

"I want to behave responsibly"

Benefit stakeholders

"I want to have a positive effect on the world to sustain long-term financial performance"

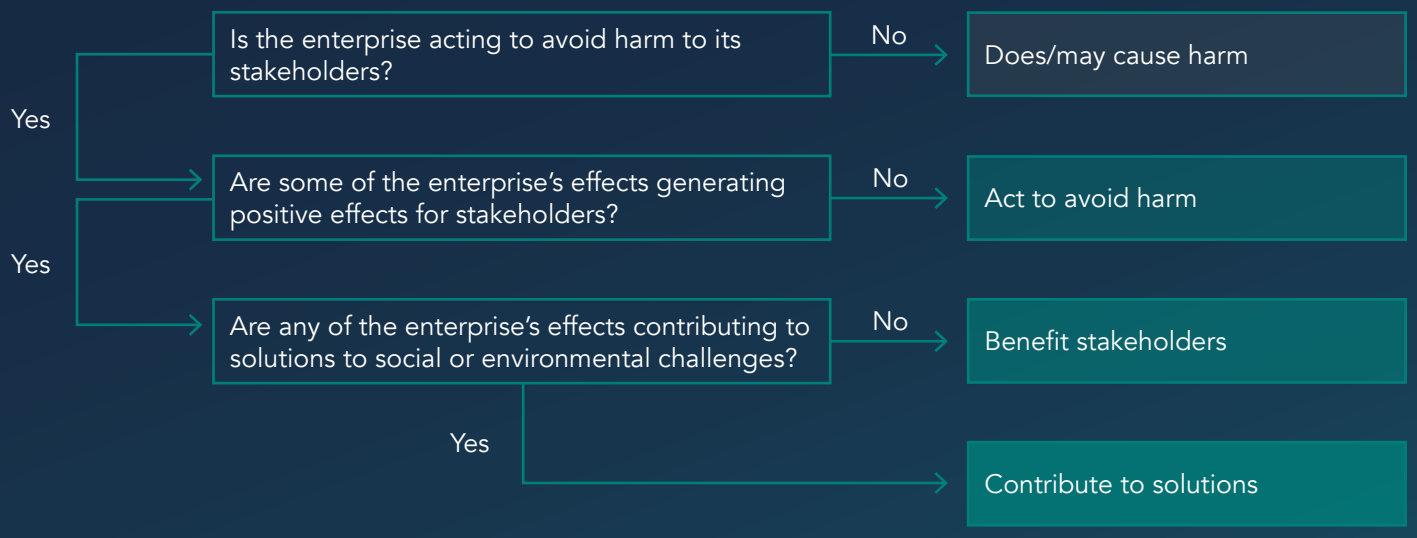
"I want a world where all businesses try to have a positive effect on society"

Contribute to solutions

"We want to help tackle malnutrition in Africa"

"We want to help tackle the education gap"

To be categorised as "Contribute to Solutions", assessment of an enterprise must be a yes for each assessment question:



D9's Impact Management Project ABC alignment

QUESTION		ENTERPRISE ANSWER			
		AQUACOMMS	EMIC1	VERNE GLOBAL	SEAEDGE
1	Is the enterprise acting to avoid harm to its stakeholders?	Y	Y	Y	Y
2	Are some of the enterprise's effects generating positive effects for stakeholders?	Y	Y	Y	Y
3	Are any of the enterprise's effects contributing to solutions to social or environmental challenges?	Y	Y	Y	Y
	#YES	3	3	3	3
	IMP A,B,C ALIGNMENT	C	C	C	C
	RATIONALE	Creating a network of digital infrastructure that considers environmental implications, is energy efficient, and working towards lowest possible carbon footprint, while accounting for connectivity needs and access, is expected to contribute to SDG9 aligned outcomes: • Increased connectivity and reducing digital shortfall • Environmentally sustainable and lower carbon infrastructure SDG alignment is considered a relevant framework for identifying contribution to social or environmental challenges. This categorisation is based on the requirement that all other aspects of a portfolio company are managed in a responsible and sustainable way. Strong ESG integration in due diligence and ownership helps to support the ability for a thematic fund such as D9 to align to the "Contribute" category.			

SDG9 Alignment

D9 will only invest in Digital Infrastructure opportunities which align with at least one of two purpose-driven themes aligned with SDG9: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". Investments must:

i. Significantly increase access to information and communications technology to improve digital access, for all sections of society.

and/or

ii. Improve the environmental sustainability of Digital Infrastructure, including energy use by targeting assets with the most advanced energy efficiency practices, or where strong improvement can be achieved.

These two purpose driven overlays are directly derived from SDG targets 9.c and 9.4. Where an investment does not align to either of these purpose statements, or where there is no opportunity to create improvements D9 will not invest.

Examples of investments we have rejected on the ground of poor SDG9 alignment

- A data centre opportunity housing bitcoin mining operations but obtaining its power from a gas power plant. This deal did not align to either of the SDG9 purpose-driven overlay themes, and it did not present any opportunity to engage for improvement, as a result the opportunity was not progressed beyond the initial screening stage.
- A data centre opportunity housing purely bitcoin mining was rejected on the grounds of no potential to transition the capacity away from bitcoin mining to enterprise, despite the renewable energy credentials.
- A data centre opportunity was rejected on the grounds of weak environmental and governance credentials. There was no strong pathway to greening the power, coupled with evidence of poor management.

Evidencing SDG9 alignment

To demonstrate D9's commitment to and success in alignment to SDG9, five Key Performance Indicators have been identified for on-going tracking and reporting.

D9's SDG9-linked Key Performance Indicators

SDG9 ALIGNMENT		SUB SECTOR	METRIC
Target 9.4	Decarbonisation of digital infrastructure	All sub sectors	Scope 1 and 2 emissions
		Data Centre	Data Centre PUE
Target 9.c.1	Increasing connectivity and reducing digital shortfall	Subsea and terrestrial fibre	POPs – Points of presence (presented as a number)
			Kilometres of fibre
			Growth in network capacity (a % of terabyte growth)

We require all our portfolio companies to report their Scope 1 and 2 emissions, and to provide details of the carbon emission reduction initiatives they have in place. This enables us to monitor their absolute emissions. We have implemented a programme with our portfolio companies to work towards Scope 3 and embodied carbon data reporting. We target a year-on-year reduction in GHG emissions intensity per portfolio company for fully owned companies.

For our data centres we use a further measure of energy efficiency (PUE) to assess their ability to contribute to decarbonisation. We target a weighted average PUE of 1.3 across the portfolio of data centre assets. 1.3 is widely considered to be industry best standard for data centres in cold air locations. Where we acquire a data centre with a weaker PUE we engage to drive improvement.

We measure our fibre network's contribution to digital connectivity through the number of POPs (points of presence), the kilometres of fibre, and growth in network capacity (attributed to the reporting period as a % of terabyte growth). We look for growth across each of these metrics.

What is PUE, and how can you improve it

Power usage effectiveness ("PUE") is a metric used to determine the energy efficiency of a data centre. It was created by members of the Green Grid, an industry group focused on data centre energy efficiency (https://www.thegreengrid.org/).

The metric is calculated by dividing the amount of power entering a data centre by the power used to run the computer infrastructure within it. PUE is therefore expressed as a ratio, with overall efficiency improving as the quotient decreases towards 1.

Efficient server utilisation in combination with low energy heating and cooling methods contribute to a PUE closer to 1.0. Best practice guidance from the Carbon Neutral Data Centre pact sets a PUE of 1.3 in cold environments and 1.4. in warm (https://www.climateneutraldatacentre.net/).

2. ESG research and analysis

ESG integration delivers value during the initial investment decision-making process and on an ongoing basis. D9 undertakes both a broad and deep analysis in order to build a clear picture of the sustainability credentials of a potential investment, as well as to drive continuous improvement.

i. Breadth – We align to cross-sector ESG expectations defined by the United Nations Global Compact.

ii. Depth – We align our ESG expectations to sector relevant risks and opportunities drawn from, but not exclusively, the Sustainability Accounting Standards Board ("SASB") and the Sustainable Digital Infrastructure Alliance ("SDIA") assessing each potential investment for climate risk, using the Task Force on Climate-related Financial Disclosures ("TCFD") framework for guidance.

ESG integration and the investment process

ESG will be considered by the Investment Manager at every stage of the investment process:

1. Sourcing – All investments are assessed for alignment to one of our two purpose driven themes.
2. Due Diligence – We systematically consider the breadth and depth of an investment's ESG credentials. **All investments are assessed for alignment to the ten principles of the UN Global Compact, to ensure due attention to the key areas of human rights, labour, environment and anti-corruption** (for further detail see Table 5). A deep bespoke analysis of industry specific ESG themes and topics is conducted guided by SASB, SDIA, TCFD and other relevant industry practice. At this stage we identify any possible concerns or areas for further interrogation, including climate risk/opportunity. Where appropriate a second opinion from the Sustainable Investment Sub Group is sought, a group consisting of investment professionals and Partners from across the Investment Manager to provide a sounding board and further layer of governance to sustainability decision making.
3. Preparation for approval – Once the Investment Manager has determined to progress with an opportunity, a comprehensive review is conducted which, where possible, includes a site visit. At this stage the Investment Manager will seek clarification on any areas of concern previously identified, to enable final completion of the ESG tracker. At this stage the Investment Manager will baseline current performance on key ESG areas.
4. Investment Committee Review – Deal screening papers and full investment committee papers include ESG and climate analysis for the Investment Committee's consideration. All Triple Point Investment Committee members receive specialist ESG training, to ensure they fully understand the ESG integration approach in place and can assess investment opportunities in the correct context.
5. Execution – Metrics are established that will be collected for future reporting. D9 will use its influence as owners to drive ongoing improvement.
6. Monitoring & Reporting – Triple Point will collect and report on key ESG metrics across investments.
7. Holding & Exit Strategy – the Investment Manager, will work with portfolio companies to continue to improve sustainability behaviours and bring further added value to the business model. At the point of sale, we will seek buyers for assets which support and uphold the highest standards of ESG within their business conduct.

Integration of the UN Global Compact in D9 ESG analysis

D9 SUPPORTS UN GLOBAL COMPACT		PRINCIPLE	HOW D9 SUPPORTS THE PRINCIPLE
The 10 Principles of the UN Global Compact The United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment, and anti-corruption. These principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. D9 references these Principles within the ESG analysis process, to ensure all companies meet a strong baseline of sustainable behaviours. Where weaknesses are identified, the investment manager's engagement programme is designed to improve behaviours.	1	Businesses should support and respect the protection of internationally proclaimed human rights.	All portfolio companies are assessed for their statement on protection of human rights and equal opportunities approach.
	2	Businesses should make sure they are not complicit in human rights abuses.	All portfolio companies are assessed for their human rights approach, employee health and safety approach and record and exposure, oversight and influence on supply chain.
	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	All portfolio companies are assessed for their respect for an employee's right to join a trade union and representative organisation of their own choosing.
	4	Businesses should uphold the elimination of forced and compulsory labour.	All portfolio companies are assessed for their approach to managing modern slavery risk within their own workforce and those they are exposed to through suppliers and counterparties.
	5	Businesses should uphold the effective abolition of child labour.	All portfolio companies are assessed for their human rights and modern slavery risk approach and management.
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	All portfolio companies are assessed for their approach to equal opportunities and worker health and safety.
	7	Businesses should support a precautionary approach to environmental challenges.	All portfolio companies are assessed for their approach to environmental management and climate risk management.
	8	Businesses should undertake initiatives to promote greater environmental responsibility.	On behalf of D9, Triple Point are members of the Sustainable Digital Infrastructure Alliance, an independent alliance of stakeholders working across the digital sectors to execute a roadmap for sustainable digital infrastructure. All portfolio companies are actively encouraged to join relevant initiatives.
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	D9 has been structured to drive the deployment of sustainable digital infrastructure assets, with a focus on environmental sustainability and decarbonisation.
	10	Businesses should work against corruption in all its forms, including extortion and bribery.	All portfolio companies are assessed for their approach to prevention of corruption, appropriate corporate governance, ability to demonstrate fair treatment of customers and avoidance of anti-competitive behaviours.

Topics of assessment

While the approach to ESG must take into account the individual nature of the target asset, for example, its size and type, region, operational environment and stage of project cycle, there are common measures that can be systematically applied to calculate the longevity of an infrastructure asset's value. For responsible infrastructure investments, we always follow this approach:

Environmental

We consider greenhouse gas emissions and air pollution, their creation, management and monitoring during build and asset life. Use, generation and intensity of energy, and the nature of the energy (e.g. renewable) along with water use and its pollution. The Investment Manager will also look at levels of waste generated, avoided and disposed of, the approach to raw material sourcing and supply chain sustainability, and potential risk to biodiversity and habitat.

Social

We consider the asset and its quality and fit with a more sustainable economy, including relevance/appropriateness to the locality. The Investment Manager will seek reassurance of good customer and stakeholder relations, including management of land and territorial sea rights and accessibility and social inclusion of access to the asset. We expect strong management and reporting of health and safety as well as good labour management including staff wellbeing, diversity and inclusion practices, appropriate training, fair pay, and reassurance of the absence of modern slavery.

Governance

We scrutinise the management team's responsibility and their ability to promote a corporate governance structure that is accountable and responsive to stakeholders by addressing issues such as boards of directors and trustees, pay structure, ownership and accounting practices. Examination of governance reveals important information on a company's business ethics, and the Investment Manager looks for evidence of best practice in approaches to tax policy, management of bribery and corruption, conflicts of interest and appropriate senior level ownership of ESG issues.

Climate analysis

Within our initial deal scanning and on-going pre acquisition due diligence, we consider the implications of climate change on the long-term value of the company. Details of our approach to the management of climate risk and opportunity are captured in our TCFD disclosure.

Staying close to the sustainable digital infrastructure agenda

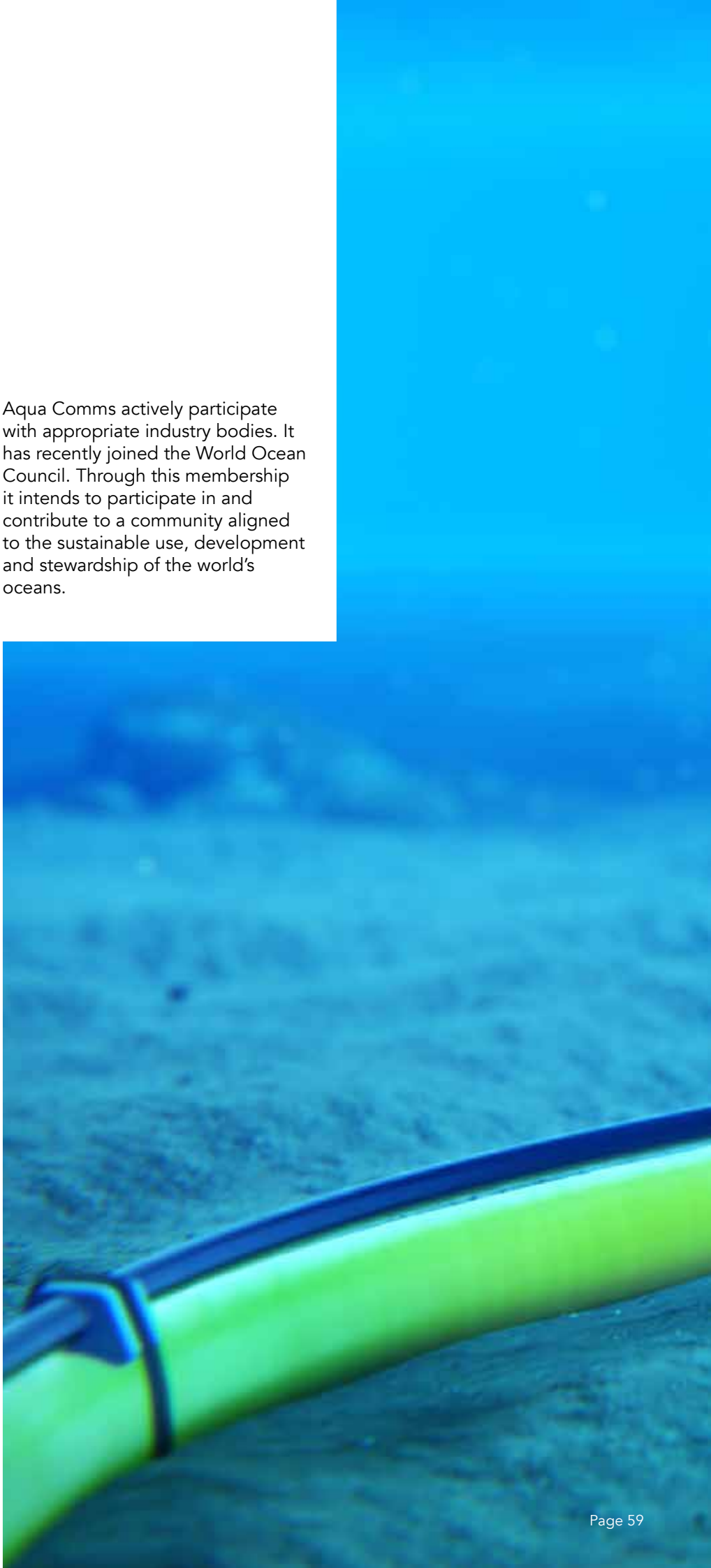
The research we conduct to ensure risks and opportunities are integrated into our decision making process do not stop once we have acquired an asset. Sustainability is a living and developing arena. The Investment Manager's sustainability and investment teams work together to stay on top of emerging issues and will revise topics of analysis as they emerge and evolve. Close engagement between our portfolio companies and the Investment Manager ensures on-going sharing of insight and experience, creating a valuable network of information. Through membership of the SDIA the teams stay informed of latest activities, collaborations and best practice behaviours and performance. Insight from this forum feeds into the analysis process and influences the expectations we place on portfolio companies.

Contributing to, and learning from, sector knowledge

D9 portfolio company Aqua Comms has contributed data to an international research project run out of New York University, exploring the carbon intensity of fibre, relative to that of data centres. The research aims to empower data-driven strategic decision making in the growth of the digital infrastructure market. This is insight D9 will utilise in our own acquisition strategy.

Preliminary research from the Sustainable Subsea Networks project, a joint academic-industry initiative, shows that subsea cables are an underutilised resource with significant potential for decarbonising the Information and communication Technology (ICT) sector more broadly. Cables and cable landing stations are often omitted from ICT climate impact analyses because their energy needs are significantly smaller than terrestrial data centres or fixed/wireless access network infrastructures. This marginal status, however, is a strength; it means that, whenever latency and data sovereignty concerns are not acute, subsea pathways can be mobilised to route data to and from parts of the world with lower-carbon energy grids or to shifting data from locations where storage is carbon intensive to data centres with advanced sustainability designs. This also reduces the need to deploy redundant edge cache servers. In short, significant climate gains can be made in the future with more cables connecting strategically-located data centres.

Aqua Comms actively participate with appropriate industry bodies. It has recently joined the World Ocean Council. Through this membership it intends to participate in and contribute to a community aligned to the sustainable use, development and stewardship of the world's oceans.



3. Engagement programme

Engagement on sustainability and ESG actions forms an important part of the long-term value add strategy for D9. It is through our engagement programme that we work with our portfolio companies to drive forward improvements in sustainability credentials, support best practice and innovation, and benefit from each other's experience and strengths. This process drives long-term value for our investors, our portfolio and for society at large.

For each acquisition we implement an engagement programme based on the results of our ESG analysis. Programmes are tailored to each portfolio company, but all align to D9's broader strategy – to create a low carbon linked network of connectivity – to materialise. Their strategy is underpinned by two principles:

1. Engagement allows us to invest in assets which offer the right strategic credentials, but where the benefits of our sustainability experience can add value to the asset over the long term.
2. Engagement allows us to guide and support strong sustainability performing companies into positions of market leaders, influencers and innovators. Experience which in turn can benefit other assets within the portfolio.

These two principles underpin the sustainability engagement ambitions for D9. While we are still in the early stages of this programme, initial activities have already generated positive outcomes.

Creating Sustainability Outcomes through Engagement, from acquisition to 31 December 2021

ACQUISITION	DATE ENTERED PORTFOLIO	ESG RISK/ OPPORTUNITY IDENTIFIED	ACTION FOR CHANGE
Aqua Comms	04/21	Modern Slavery risk management	Aqua Comm conducted a review of their modern slavery risk and implemented a modern slavery policy.
		Emissions data management and reporting	Implementation of a full review of the network and landing sites to implement energy use data collection, to enable emissions calculations. Furthermore, this process led to a review of energy providers and planning for renewable energy on landing sites.
		Continue industry engagement	Aqua Comm have joined the World Ocean Council. Aqua Comm CEO was a lead author on a Frontiers publication exploring the use of SMART cables to support climate and ocean observation, sea level monitoring, observations of Earth structure, and tsunami and earthquake early warning and disaster risk reduction, including hazard quantification.
Verne Global	09/21	Health & Safety approach	An opportunity for improvement was identified, which led to Verne Global implementing a new process and policy around health and safety management.

4. Transparency and Governance

There is a strong approach to information sharing and oversight for Sustainability across Triple Point and D9.

The Board, in conjunction with Triple Point's Head of Digital Infrastructure, Thor Johnsen, have oversight of all sustainability risks. These risks are reported into the Company's risk register. The D9 investment team are responsible for completing the D9 risk register, which is owned by the Board. This risk register is reviewed and discussed through the portfolio risk review meeting, involving members of the investment, risk and the sustainability teams. The risk register is reviewed by Risk Committee bi-annually and is presented to the Board on a quarterly basis. The Board are also kept informed of sustainability risks and opportunities facing portfolio companies through updates provided by the investment team and Triple Point's Head of Sustainability, including deep dives into sustainability integration, engagement, target setting and performance.

Responsibility for the ESG integration strategy across Triple Point sits with the Head of Sustainability, Lindsay Smart, who leads the Triple Point Sustainability Team. There are a number of oversight functions in place to ensure the effective implementation of ESG by the Sustainability Team.

Triple Point operates a Sustainability Group which consists of senior partners and managers from across the Investment Manager. This Group meets monthly to discuss Sustainability initiatives and concerns from across the company. The Group is chaired by Triple Point's co-Managing Partner; and both Managing Partners sit on the Group. The Sustainable Investment Sub Group reports to this Group. The sub-Group consists of senior investment team members from across Triple Point's investment strategies. This Group meets every eight weeks to share best practice, latest industry activity and ESG ideas from across the business. This Group can also be called to review a deal which has received a critical level of ESG flag at the due diligence stage, or to act as a sounding board for critical debate should a deal present a complex sustainability profile. A D9 investment opportunity receiving nine or more flags is brought to the Group for opinion which must then be shared within Investment Committee papers.

The Sustainability Team conducts an annual ESG monitoring programme to assess the effectiveness of ESG integration across each of Triple Point's strategies, including D9. Each strategy is subject to a review of their adherence to their strategy's ESG integration policy, and opportunity for development and evolution. The findings of this audit are presented to the Sustainability Group for discussion and further action if appropriate.

The Sustainability Team are also subject to quarterly risk reviews by the risk team, and any identified sustainability risks are recorded on the Triple Point Group risk register, which is reviewed quarterly by the Group's Risk Committee.

The Head of Sustainability also sits on the Risk Committee to ensure that the Group outlook for risk appropriately considers sustainability issues.

Our commitment to strong governance and transparency is also demonstrated in our sustainability-related disclosures in the financial services sector (the "EU Sustainable Finance Disclosure Regulation" or "SFDR").

The Investment Manager as AIFM has determined that D9 is subject to Article 8 of the EU Sustainable Finance Disclosure Regulation. Article 8 applies where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Our full disclosure on our website: https://www.d9infrastructure.com/

The transparency of our sustainability activities is an important aspect of our commitment. The data we provide reflects our SDG9 commitments and the disclosure expectations we respond to in relation to EU Taxonomy requirements and those associated with being subject to Article 8 of the EU Sustainable Finance Disclosure Regulation, and those associated with our commitment to disclose details in line with the expectations of the Task Force for Climate Related Disclosure (TCFD).

The following table shows metrics, for operational and fully owned D9 portfolio companies, which demonstrate our commitment to align with SDG9 through sustainable investment in digital infrastructure and contribution to connectivity. We will report these metrics each year and look to show progress over time. As this is Year 1 for the strategy comparison is not yet possible, however we are pleased to point to our aggregated PUE value of 1.22 which is stronger than industry best practice (in cool air temperatures) of 1.3. We are also pleased to report growth in connectivity since acquisition of 7%. Also provided is an emissions comparison chart to show how the emissions savings of our largest data centre, compares to an equivalent data centre drawing from a non-renewables grid.

Metrics and data associated with SDG alignment from acquisition to 31 December 2021

SDG 9 ALIGNMENT	SUB SECTOR	METRIC	UNITS	VERNE GLOBAL	AQUA COMMS	WEIGHTED AVERAGE (BY INVESTMENT VALUE)
Decarbonisation of digital infrastructure	All sub sectors	Scope 1 and 2 (market-based) emissions intensity	tCO_2e/£M revenue	16	23	19
			tCO_2e/GWh	4	217	93
	Data Centre	Data Centre Power Usage Effectiveness Ⓐ	PUE	1.22	n/a	1.22
Increasing connectivity and reducing digital shortfall	Subsea and terrestrial fibre	Points of presence (PoPs)	Number	n/a	17	17
		Fibre distance (operational & in development fibre)	Kilometre	n/a	32,000	32,000
		Growth in network capacity Ⓐ	% of terabyte growth	n/a	7%	7%

Notes:

- *Ⓐ Independent limited assurance has been provided only over 2021 data marked with this symbol. PwC's assurance statement can be found on pages 120 to 123. Triple Point's Reporting Principles and Methodologies can be found in Annex 1.*
- *Data is shown for operational and fully owned D9 portfolio companies.*
- *The weighted average Scope 1 and 2 (location-based) emissions intensities are 42 tCO_2e/£Mrevenue and 134 tCO_2e/GWh.*
- *Verne Global's GHG emission results include carbon emissions from geothermal energy, and biogenic carbon and methane emissions from hydropower reservoirs. This reflects Verne Global's energy supplier (Landsvirkjun) approach and is a broader scope than is typical for energy providers in other markets, including the UK. For further details on assumptions associated with calculations in this table please refer to Reporting Principles and Methodologies detail in Annex 1.*
- *Audited PUE includes power used in construction. The unaudited number excluding construction is 1.18.*

The chart below demonstrates context for the emissions for one of our data centres, Verne Global, and shows full year emissions for Verne Global compared to full year emissions for an equivalent data centre operating in the UK at the same efficiency levels.

Contextualising decarbonisation results

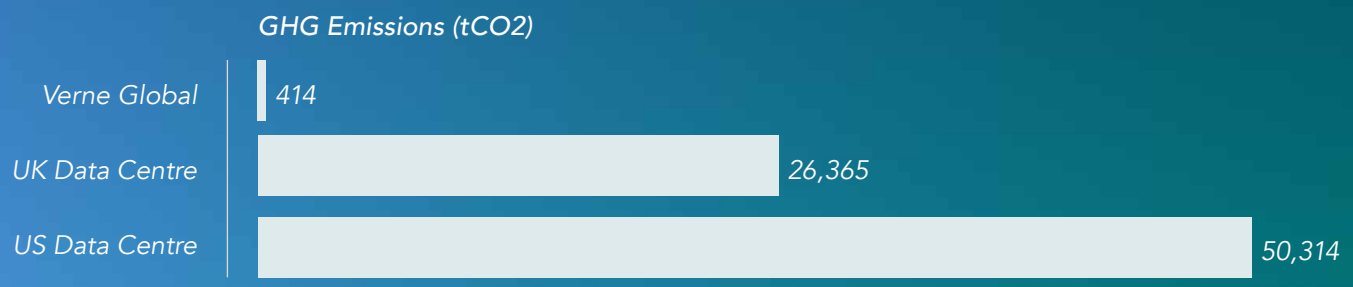
Few digital infrastructure strategies report their carbon intensity. When comparing D9s footprint to different sectors, D9's low carbon footprint relative to other sectors is evident.

STRATEGY	DESCRIPTOR	tCO_2e/£MILLION[6]
D9	Sustainable digital infrastructure	18.93
iShares US Technology ETF	Large technology companies e.g. Microsoft, Meta, Apple, Alphabet	27.26
iShares Core S&P 500 ETF	An example US economy snapshot	173.21
iShares North American Natural Resources ETF	Oil & Gas	860.84

Notes:
– ETF information is MSCI sourced. ETFs are reported in USD and have been converted using Bank of England spot rate for 31 December 2021.
[6] D9 data is based on £million revenue; ETF data is based on $million sales.

The chart below demonstrates context for the emissions for our data centre, Verne Global, and shows full year emissions for Verne Global compared to full year emissions for an equivalent data centre operating in the UK or the US using the same amount of energy.

Verne Global's tCO2 emissions are shown to be 98.4% lower than those of an equivalent UK Data Centre and 99.2% lower than those of an equivalent US Data Centre.



Sustainability Chart 1: Emissions Comparison. A data centre with the same energy use as Verne Global, and sourcing average grid mix electricity for each country for calendar year 2021, would produce 26,365 tCO_2[11] if located in the UK and 50,314 tCO2[12] if located in the US, compared to Verne's 414 tCO2 (Landsvirkjun 2020, market-based).

Further data requirements

EU Taxonomy requirements and those associated with being subject to Article 8 of the EU Sustainable Finance Disclosure Regulation require disclosure of indicators in accordance with reporting guidance. The following tables provide this information for the Digital 9 Infrastructure investments.

Table 1 refers to data for Verne Global and Aqua Comms. Table 2 refers to data for SeaEdge.

It should be noted that in accordance with the SFDR disclosure guidance we report SeaEdge according to the SFDR Real Estate reporting requirements and all data is reported for the calendar year to 31 December 2021.

11 UK Government GHG Conversion Factors for Company Reporting
12 EPA eGrid 2020 - US Average

Sustainability Data Table 1: SFDR Aligned data (covering Aqua Comms and Verne Global)

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES			
ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT (2021)
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Greenhouse gas emissions	1. GHG emissions Ⓐ	Scope 1 GHG emissions (tCO_2e)	33
		Scope 2 GHG emissions (location-based, tCO_2e)	2,087
		Scope 2 GHG emissions (market-based, tCO_2e)	962
		Total GHG emissions (tCO_2e)	995
	2. Carbon footprint	Carbon footprint (tCO_2e/£Million investment value)	2.14
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO_2e/£Million revenue)[13]	19
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%
	5. 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%
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million GBP of revenue of investee companies, per high impact climate sector (GWh/£Million)	N/A
Biodiversity	7. Activities negatively affecting biodiversity – sensitive areas	Share of investments in investee companies with sites/operations location in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million GBP invested, expressed as a weighted average	0
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million GBP invested, expressed as a weighted average	–[14]
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%
	12. Unadjusted gender pay gap Ⓐ	Median unadjusted gender pay gap of investee companies	14%
		Mean unadjusted gender pay gap of investee companies	8%
	13. Board gender diversity Ⓐ	Average ratio of female to male board members in investee companies	0%
	14. Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%

Ⓐ Independent limited assurance has been provided only over 2021 data marked with this symbol. PwC's assurance statement can be found on pages 120 to 123. Triple Point's Reporting Principles and Methodologies can be found in Annex 1.

[13] Weighted Average Carbon Intensity (tCO_2e/£M).

[14] A ratio has not been calculated here as hazardous waste data was not collected by Verne Global for 2021. This is considered to be a small amount and will be tracked from the 2022 reporting period onwards.

Table 2: Additional climate and other environmental-related indicators (covering SeaEdge)

INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS			
ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT (2021)
Greenhouse gas emissions	17. GHG emissions	Scope 1 GHG emissions generated by real estate assets	14
		Scope 2 GHG emissions generated by real estate assets	0
		Total GHG emissions generated by real estate assets	14
Energy consumption	18. Energy consumption intensity	Energy consumption in kWh[15] of owned real estate assets per square metre	457

For further details on assumptions associated with these calculations please refer to Reporting Principles and Methodologies detail in Annex 1.

[15] kWh used over GWh.

For further details on assumptions associated with the reporting of these indicators please refer to Reporting Principles and Methodologies detail in Annex 1.

In accordance with the Task Force for Climate Disclosure we also collate and report our approach to climate risk management. Our full TCFD disclosure can be found in Annex 2 of this Report.

SECTION 172(1) STATEMENT

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

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

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

As a Jersey incorporated entity, the Company voluntarily discloses how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and fulfils the reporting requirements under section 414CZA of the Companies Act 2006 (the "Act").

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

Stakeholder Engagement

Stakeholder	Why is it important to engage?	How have the Investment Manager/ Directors engaged?	What were the key topics of engagement?	What was the feedback obtained and the outcome of the engagement?
Shareholders				
	Shareholders and their continued support is critical to the continuing existence of the business and delivery of our long-term strategy.	The Investment Manager has been heavily engaged with shareholders through the IPO and subsequent fundraises. Given the ongoing restrictions enforced as a result of the Covid-19 pandemic, meetings with shareholder have been held virtually. Directors met with shareholders upon request in advance of IPO and during placing offers. The Board as a whole remain cognisant of shareholder views and during decision making. The Board's shareholder engagement programme is kept under review and is a key focus for the financial year ending 31 December 2022.	An important topic of engagement with shareholders has been sustainability. The Investment Manager has been responsive to due diligence requests on the matter. In early January 2022, the Board considered changing the Company's Investment Policy and conducted a consultation with shareholders before proceeding.	The Company held a consultation to amend the Investment Policy in January 2022. Feedback from the consultation was implemented into the change of Investment Policy which was approved in February 2022.

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.	As the relationship has progressed since IPO the Board have been able to provide constructive feedback to the Investment Manager on the content of reporting, which has allowed for more focused discussion. The Board established a risk appetite during the course of the year which provided additional clarity to the Investment Manager on the parameters in which they should operate.	As a result of the engagement between the Board and the Investment Manager, the Group has been able to execute its investment strategy, which has also resulted in the Company raising £845.2 million as at the date of this report.
Portfolio companies				
	The performance and long-term success of the Company is linked to the performance of the companies in which we invest.	On acquisition of Verne Global, the Investment Manager went to Iceland to visit the site and meet management. The Investment Manager has held regular meetings with the board and management of each of the portfolio companies and received regular reporting including financial.	Once a portfolio company has been acquired the Investment Manager establishes a 180-day plan, which seeks to embed various processes and procedures to ensure the Company receives appropriate reporting. On an ongoing basis the Investment Manager engages with the portfolio companies on matters including finance, ESG and strategy.	A key focus of the 180-day plan has been ESG reporting. At the time of acquisition Aqua Comms did not report data on carbon emissions, the Investment Manager has worked closely with Aqua Comms to improve this and the business now reports Scope 1 and 2 emissions data in line with best practice reporting standards.

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?
Suppliers				
	The Company's suppliers include third-party service providers, each of which is essential in ensuring the ongoing operational performance of the Company. The Company relies on the performance of third-party service providers to undertake all its main activities.	The Board maintains close working relationships with all its key advisers. 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.	As it was the Company's first year in operation, the Management Engagement Committee did not meet to review the performance of service providers, but will meet and conduct a review in the financial year ending 31 December 2022.	As relationships have developed, the Board has been open in providing feedback to its service providers to make clear their expectations.
Regulators				
	Engagement with the regulator is imperative to the Company's ability to operate.	During the period the Company has had to engage with various regulators (including the Financial Conduct Authority and Jersey Financial Services Commission) on a number of different matters.	Following the acquisition of Aqua Comms the Company has undertaken a change of control process with the Federal Communications Commission in the US, without which the acquisition of Aqua Comms could not have been successful.	Without engagement with the regulator the Company would not have been able to complete additional equity raises, acquisitions or its change of investment policy.

Principal Decisions

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

Equity Raises

Following the Company's IPO in March 2021, two subsequent equity raises were completed in June and September 2021, followed by a further fundraise in January 2022, raising total gross proceeds of £845.2 million. The additional equity enabled the Company to complete acquisitions of attractive assets, ultimately aiding in the achievement of the Company's investment objective.

Deployment of capital

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

Change of Investment Policy

In January 2022, the Company held a consultation with shareholders regarding proposed changes to the Investment Policy. The Board felt it important to consult with shareholders in advance of publishing the circular, in order to provide an opportunity for shareholders to share their views. As a result of the consultation, the wording of the Investment Restriction was amended such that "…the Company will not invest more than 25% of Adjusted Gross Asset Value in any single asset or Investee Company. When the Gross Asset Value reaches £2 billion (as notified by the Company in its annual or half year financial results report), this restriction will change to 20% of Adjusted Gross Asset Value." This is in recognition of the growth aspirations of the Company. The change of Investment Policy was approved by shareholders and became effective on 27 February 2022.

Framework

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

As an externally managed investment company, we outsource 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 page 100.

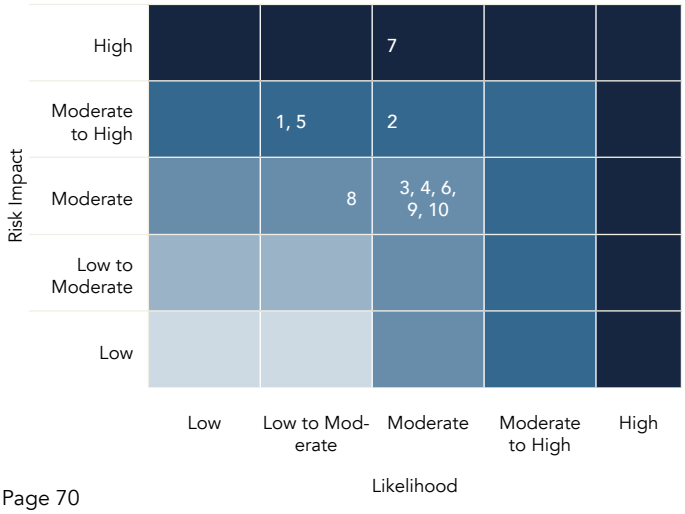
The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to assess the potential impact of recorded risks against the likelihood of occurrence and graded suitably. In assessing risks, both internal and external controls and 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

Managing risk is fundamental to the delivery of the Company's strategy, and this is achieved by defining risk appetite and managing risks within that appetite. Risk appetite is the level of risk the Company is willing to take to achieve its strategic objectives. The Board is responsible for setting the Company's risk appetite and ensuring that the Company operates within these parameters. The Board has a defined risk appetite for each risk and has implemented controls to manage risks within that appetite, particularly those which would threaten its business model, future performance, solvency, valuation, liquidity or reputation. Risk appetite is identified by reference to the same impact and probability criteria as the risk evaluation.

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

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



Risk

1 Interruptions or poor-quality services as a result of failure of infrastructure, equipment and/or third-party networks.

2 Investments operate in a highly regulated sector and which will be subject to the different regulatory regimes of all the countries in which they operate.

3 Dependence on key personnel within investee companies level and the Investment Manager.

4 External competition - well-funded competitor acquiring a market share and competitive market for target acquisitions.

5 Risk of security breaches of both the Digital Infrastructure Investments and the Investment Manager, Administrator and other service providers.

6 The risk that the Company has invested in a concentrated pool of investments or sector of the market.

7 The Company's ability to access further capital, either equity or debt, will limit our ability to grow and pay a progressive dividend.

8 Reliance on the Investment Manager.

9 The Company's investment performance is dependent on the performance of its portfolio performance.

10 The Investment Manager is not able to source a sufficient number of suitable investments within a reasonable timeframe whether by reason or lack of demand, competition or otherwise.

Principal Risks and Uncertainties

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

	Risk Category	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Appetite
1	**External – Business Interruption**	Interruptions or poor-quality services as a result of failure of infrastructure, equipment and/or third-party networks.	D9's investee companies rely on infrastructure and technology to provide their customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors. Failure to deliver may breach performance conditions in contracts with customers and therefore affect revenue streams, which in turn could impact the performance of D9 and therefore adversely impact the NAV.	There are appropriate insurances in place to cover issues such as accidental damage and power issues. Furthermore, the Digital Infrastructure Investments in which the Group invests use proven technologies, typically backed by manufacturer warranties, when installing applicable machinery and equipment.	Moderate to High	Moderate to Low	Medium

	Risk Category	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Appetite
2	**Operational – Regulation**	D9 acquires Digital Infrastructure Investments which operate in a highly regulated sector and which will be subject to the different regulatory regimes of all the countries in which they operate.	Failure of D9's investee companies to comply with their regulatory obligations and/ or maintain a relevant permit or licence may result in sanctions from the applicable regulator including fines and/ or the revocation of its authorisation to provide services. This could result in the relevant infrastructure ceasing to be operable and possibly subject to decommissioning requirements which may in turn, have a material adverse effect on the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.	Experts are engaged to ensure compliance with all relevant regulations. Thorough due diligence is carried out prior to completing on investments to assess the likelihood of regulatory risk taking place and in what shape it may do so. After completion, the Investment Manager and Investee Companies maintain a frequent and ongoing dialogue on the subject to ensure compliance and preparedness for any change.	Moderate to High	Moderate	Medium
3	**Business – Key Personnel**	Dependence on key personnel within investee companies level and the Investment Manager.	Key personnel leaving or being incapacitated long term could impact the performance of an investee company or Investment Manager and therefore adversely impact the NAV of the Company.	The Company will ensure that appropriate incentive and succession plans are in place to mitigate any key person risk.	Moderate	Moderate	Medium

	Risk Category	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Appetite
4	**External – Competition**	There are two key types of competition risk which the Company faces. Firstly a well-funded competitor acquiring market share in the markets in which the Company's investee companies operate, that may adversely affect the revenue and margins of the Company's investments. The second is the competitive market for target acquisitions.	Increased competition could make it harder for the investee companies to access good pricing and gain market share. Increasing competition in the Digital Infrastructure sector has also led, in certain markets, to declines in prices the operators of such assets are able to charge for the services provided. The Company invests in an increasingly competitive environment, as new investors seek to invest into the sector from traditional infrastructure or other sectors, and global content companies, such as the FAANGs, may choose to invest in the infrastructure directly, rather than as a customer. Such competition creates pricing risk when bidding on target acquisitions, with EBITDA multiples increasing, which drives higher pricing. This could result in the Company being out-bid on a particular asset or paying a premium which, in turn, could impair D9's ability to deploy funds therefore affecting the NAV, the Company's earnings and returns to Shareholders.	Frequent communication between the Company and its investee companies will lead to innovative and reactive thinking regarding its services to remain competitive and adapt to emerging technologies and customer preferences. The Investment Manager carries out thorough due diligence and applies realistic assumptions before acquiring assets to ensure the total return target can be met. Where possible, the Investment Manager seeks to secure off-market assets with strategic benefits through an alignment with D9's existing investee companies, thus avoiding competitive bidding situations.	Moderate	Moderate	High

	Risk Category	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Appetite
5	**Business – Data Security**	Digital Infrastructure Investments, in particular data centre assets, may be vulnerable to security breaches which could include unauthorised access to computer systems, loss or destruction of data, computer viruses, malware, distributed denial-of-service attacks or other malicious activities. In addition, attempts may be made to access the IT systems and data used by the Investment Manager, Administrator and other service providers through a cyber attack or malicious breaches of confidentiality.	Increased regulation, laws, rules and standards related to cyber security, could impact the Company's reputation or result in financial loss through the imposition of fines. Suffering a cyber breach will also generally incur costs associated with repairing affected systems, networks and devices. The effect of a cyber security breach may result in reputational damage which may affect relationships D9 has with partners, investors and other third parties, impair the ability of the Company to operate and/or expose D9 to fines and penalties which could have an effect on the Company's revenue and ultimately the Company's NAV.	Cyber security policies and procedures implemented by key service providers are reported to the Board regularly to ensure conformity. Thorough third-party due diligence is carried out on all suppliers engaged to service the Company. All providers have processes in place to identify cyber security risks and apply and monitor appropriate risk plans. Each of the portfolio companies manages their own data security appropriately according to the level of risk their business is exposed to.	Moderate to High	Low to Moderate	Medium

	Risk Category	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Appetite
6	**Business – Portfolio concentration**	The risk that the Company has invested in a concentrated pool of investments or sector of the market.	If a particular investment or sector that the Company has a large exposure to underperforms, investment performance could be negatively impacted.	The Company has been established with a specific investment criteria as set out in the Prospectus. The Company will make a series of investments during its life spread across targeted jurisdictions (UK/US and Europe) and in a diversified portfolio of Digital Infrastructure Investments which provide key infrastructure for global data transfer (subsea fibre-optic networks, wireless networks and terrestrial fibres) and data storage (data centres), to reduce the concentration risk by diversification.	Moderate	Moderate	Low. The Company is currently outside its risk appetite in relation to Portfolio Concentra-tion. The company has a strong pipeline of oppor-tunities that, when executed, will bring this risk back within appetite
7	**Financial – Availability of capital**	The Company's ability to access further capital, either equity or debt, will limit our ability to grow and pay a progressive dividend.	Without sufficient capital at sustainable rates, we will be unable to pursue suitable investments in line with our Investment Policy. This would significantly impair our ability to pay dividends to shareholders at the targeted rate.	The Company completed on a new syndicated RCF for £300 million on 15 March 2022 that will be used to finance acquisitions on a short-term basis. As the fund grows and matures, D9 will assess its options with regard to an accordion facility and/or further equity capital raising.	High	Moderate	Medium

	Risk Category	Risk Description	Risk Impact	Risk Mitigation	Impact	Likelihood	Appetite
8	**Corporate – Third Party Management**	Reliance on the Investment Manager.	We rely on the Investment Manager's services and its reputation in the Digital Infrastructure market. As a result, our performance will, to a large extent, depend on the Investment Manager's abilities in the market. Termination of the Investment Management Agreement would severely affect our ability to effectively manage our operations and may have a negative impact on the share price of the Company.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 12 months' written notice, with such notice not to be served before the fourth anniversary of the date of the IPO. The Board will regularly review and monitor the Investment Manager's performance. In addition, the Board meets regularly with the Manager to ensure that we maintain a positive working relationship.	Moderate	Low to Moderate	Medium
9	**Business – Performance of portfolio companies**	The Company's investment performance is dependent on the performance of its portfolio.	In the event there is under-performance in any of the Company's portfolio investments, the Company may be at risk of not delivering target returns.	The Investment Manager ensures due diligence is carried out on all new investments and where possible third party valuations will be obtained. The Investment Manager ensures the Company's portfolio is actively monitored. This ensures any under-performance is identified early and allows corrective action to be taken.	Moderate	Moderate	Medium
10	**Financial – deployment and cash drag**	The Investment Manager is not able to source a sufficient number of suitable investments within a reasonable timeframe whether by reason of lack of demand, competition or otherwise.	This could result in a greater proportion of the Company's assets being held in cash for longer than anticipated and the Company's ability to achieve its investment objective will be adversely affected and result in reduced IRR to investors.	A significant portion of the Company's capital has been invested in cash generative businesses providing material contribution to dividend cover. The Company also has a very strong pipeline of future investments.	Moderate	Moderate	Medium

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 recent events such as Covid-19 and 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 cease certain activities.

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

Global supply chain pressure

As a result of Covid-19, global supply chains are showing increasing signs of pressure. This could result in delays in the supply of key hardware required to maintain or improve infrastructure. As part of our ongoing monitoring of investments and assessment of new opportunities, supply chain pressures will be considered and, where necessary, mitigation plans will be put in place.

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 Company constantly monitors the emerging technology trends with digital infrastructure to ensure investee companies evolve their business models where required and new investment opportunities are accurately assessed.

New capital raised

There are an increasing number of companies focusing on digital infrastructure and as such increasing capital being raised into the sector. The Company is confident that it has a competitive advantage due to the focus and breadth of digital infrastructure experience it holds. However, as competition increases, the availability of capital is likely to decrease.

Rising inflation and interest rates

Material increases in inflation could adversely impact construction costs for both data centres and subsea cables. This is partially mitigated by the ability of the investee companies to pass through this increase to customers in the form of higher prices and indexation.

Rising interest rates could impact the discount rates used in the Company's valuations and therefore its ability to raise NAV in future, even if investee companies grow their cash flows in line with forecasts. In a rising interest rate environment it is expected that investee companies will be in a position to increase prices which would partially mitigate this risk.

GOING CONCERN AND VIABILITY

Going Concern

The Strategic Report and financial statements have set out the current financial position of the Company and its investments in its underlying subsidiaries. The Board has regularly reviewed the position of D9 and its ability to continue as a going concern in Board meetings throughout the year. The Group has targeted high-quality properties in line with yield expectations and will continue to analyse investment opportunities to ensure that they are the right fit for the Group.

The Company has invested £462 million including transaction costs up to 31 December 2021. The cash balance of the Company at year end was £11.3 million, the remaining uninvested cash of £237 million is held by its wholly owned subsidiary Digital 9 Holdco Limited for investment purposes.

The Company was admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 31 March 2021, which was a year after the UK entered into its first lockdown in response to the Covid-19 pandemic. As a result, the Investment Manager and Administrator had already successfully implemented business continuity plans to ensure business disruption was minimised and had been operating effectively whilst working remotely. All staff are able to continue to assume their day-to-day responsibilities. To date, Covid-19 has not impacted the Company's ability to continue as a going concern. As a result, the Directors believe that the Company is still well placed to manage its financing and other business risks and will remain viable, continuing to operate and meet its liabilities as they fall due despite the risk of Covid-19.

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

Viability Statement

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Group over a period longer than 12 months required by the relevant "Going Concern" provisions. The Board has considered the nature of the Group's assets and liabilities, and associated cash flows, and has determined that five years, up to 31 December 2026, is the maximum timescale over which the performance of the Group can be forecast with a material degree of accuracy and therefore is the appropriate period over which to consider the viability.

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

- That the business model of the Group assumes the future growth in its investment portfolio through the acquisition of a diversified portfolio of digital infrastructure investments which are intended to be held for the duration of the viability period.
- On 15 March 2022 the Company secured a floating rate Revolving Credit Facility with an initial term of three years which may be extended by a further year to March 2026.
- Market Comparisons have been considered to similar funds in the infrastructure space who apply a five-year forecast in their viability statements. It would seem appropriate to benchmark to similar funds.
- In assessing the Company's viability, we carried out a robust assessment of the emerging risks and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, liquidity and dividend cover for a five-year period.

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

The Directors' assessment has been made with reference to the principal risks and uncertainties and emerging risks summarised on pages 71 to 77 and how they could impact the prospects of the Company both individually and in aggregate.

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

- Inflation: 8% for 2022, 2023, 4% for 2024, 2025 and return to long-term target of 2% thereafter.
- Interest rates: increase the margin by 2.00% in response to the current economic climate.
- Distributions from investments: apply a discount of 16% to all portfolio investments. This figure is arrived at by removing each investment's largest revenue contributor indefinitely from the revenue stream. We have then weighted the Net Operating Profit After Tax ("NOPAT") margin to the revenues generated from those customers to arrive at a D9 weighted NOPAT margin from its revenue-generating investments.
- Portfolio valuations: apply a discount of 16% to the portfolio valuations, in line with the loss in dividends paid up to D9.

The outcome in the downturn scenario on the Company's covenant testing is that there are no breaches, and the Company can maintain a covenant headroom on the existing facility.

In the downturn scenario mitigating actions would be to reduce variable costs to enable the Group to meet its future liabilities.

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

Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for the next five years.

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.

Jack Waters
Chair

16 March 2022

Governance

Chair's Introduction

I am pleased to present the Company's first Corporate Governance Report which covers the financial period to 31 December 2021. Since inception the Board has dedicated significant time to ensuring robust governance processes are in place and has interacted extensively with the Investment Manager and other third party services providers to continue to develop and strengthen these processes through the first period of operation. 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. The Board continue to work together effectively to deliver long-term success of the Company.

The Board are pleased to welcome Aaron Le Cornu as a Non-Executive Director, effective from 1 April 2022 and Phil Jordan as Chair of the Board immediately following the AGM which will take place on 23 May 2022. At IPO, the Board benefited from a detailed induction process covering Director duties, including in respect of its listing, and a similar induction process will be undertaken for our new Directors to ensure a streamlined transition and succession. I am delighted that Phil will be joining the Board as my successor and have every confidence that he will build on the high standards of governance that have been implemented to date.

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 of Digital 9 Infrastructure plc 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 Digital 9 Infrastructure plc.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been 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
17. Annual review of contractual relationships and performance of, the manager.	Given the Company's short period of operation, the Management Engagement Committee did not meet in the period to review the relationship with and performance of the Investment Manager. The Management Engagement Committee has subsequently met since the period end and will report on these activities in the Company's 2022 Annual Report.
18. Evaluation of other service providers (such as the company secretary, custodian, depositary, registrar and broker).	Given the Company's short period of operation, the Management Engagement Committee did not meet in the period to evaluate the performance of the service providers. The Management Engagement Committee has subsequently met since the period end and will report on these activities in the Company's 2022 Annual Report.
37. 38. 41. 42. Establishment and reporting of a remuneration committee	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; the Board does not consider it necessary to establish a separate remuneration committee and those functions are undertaken by the Board as a whole.

On behalf of the Board:

Jack Waters
Chair

16 March 2022

John (Jack) Waters Jr, Chair	
Appointed	5 March 2021
Skills and experience	Jack Waters has significant experience in the digital infrastructure sector with an executive career spanning over 30 years. Most recently, Jack was President of Zayo Networks and Chief Operating Officer at Zayo Group Holdings Inc ("Zayo") which was listed on the New York Stock Exchange prior to its US$14.3 billion take private in 2019. During his tenure, Zayo owned c.13 million miles of fibre and 45 data centres in the US and Europe. Jack oversaw the company's global business. Prior to joining Zayo, Jack was Chief Technology Officer and one of the founding senior executives at Level 3 Communications, where he was focused on global network technology, architecture, engineering, process and security. He also held management positions at MCI Communications and the Southeastern University Research and Academic Network. Jack has served on the board of directors for the Colorado Technology Association and the U.S. Federal Communications Commission Technical Advisory Council.
Committee memberships	Nomination Committee Risk Committee (Chair)
Principal external appointments	N/A

Keith Mansfield, Non-executive Senior Independent Director	
Appointed	5 March 2021
Skills and experience	Keith Mansfield is a Chartered Accountant by background and brings extensive accountancy experience, having worked at PricewaterhouseCoopers LLP ("PwC") for over 30 years, during which time he served as Chair of PwC in London responsible for assurance, tax and advisory services. As a partner for 22 years, he advised many public and private companies across a range of industry sectors. Keith is a Non-executive Director (and Chair of the Audit Committee) of Tritax EuroBox plc (of which he is also Senior Independent Director) and Motorpoint Group plc. He is Chair of the board of Albermarle Fairoaks Airport Limited and also sits on the investment advisory board of Nexus Investment Ventures Limited.
Committee memberships	Audit Committee (Chair) Management Engagement Committee
Principal external appointments	Tritax Eurobox Plc (Director) Motorpoint Group Plc (Director)

Charlotte Valeur, Independent Non-executive Director	
Appointed	5 March 2021
Skills and experience	Charlotte Valeur has over 35 years' experience in finance, primarily in Denmark and UK. Charlotte's previous non-executive roles include Chairing 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 was also the former Chair of the UK institute of directors. She is currently Chair of Blackstone/GSO Loan Financing Ltd, a Non-executive Director of Laing O'Rourke Ltd, and a member of the Primary Markets Group of the London Stock Exchange.
Committee memberships	Management Engagement Committee (Chair) Nomination Committee Risk Committee
Principal external appointments	Blackstone GSO Loan Financing Ltd (Chair) Laing O'Rourke Corporation Ltd (Director) Global Governance Group (Director)

Monique O'Keefe, Independent Non-executive Director	
Appointed	5 March 2021
Skills and experience	Monique O'Keefe has over 25 years' experience in finance and law. She is currently a Non-executive Director on the boards of Foresight Solar Fund Limited and Phoenix Spree Deutschland Limited, as well as a number of private equity funds. She also sits on the Board of Commissioners at the Jersey Financial Services Commission and is the co-founder of Jersey-based investment consultancy business, Kairos Wealth Limited. Prior to this, Monique was at Merrill Lynch and Goldman Sachs in London and New York working in structured finance, and previously a structured finance lawyer at Clifford Chance.
Committee memberships	Audit Committee Risk Committee
Principal external appointments	Kairos Wealth Limited (Director) Phoenix Spree Deutschland Limited (Director) Jersey Financial Services Commission (Deputy Chair) Cevian Capital Limited (Manager) Foresight Solar Fund Limited (Director) AGG Capital Management Limited (Manager)

Lisa Harrington, Independent Non-executive Director	
Appointed	5 March 2021
Skills and experience	Lisa Harrington is a tech executive and has spent 25 years growing and transforming business across a range of sectors including telecommunications, technology and utilities. Joining British Telecom ("BT") in 2007, Lisa spent 10 years in a range of leadership positions with her final role being Chief Customer Officer BT Group, reporting to the CEO. In 2021, Lisa held the interim Managing Director role at Hyperoptic Ltd, a private equity backed fibre alternative network. Lisa is currently a Non-Executive Director of Post Office Limited and has previously held non-executive posts on the boards of Southern Water, West London NHS Mental Trust and Calisen plc (FTSE250). She started her career at Accenture in Ireland and the UK and, more recently, was managing director Tech Learning Division of QA Limited, one of the biggest tech and cyber skills providers in the UK.
Committee memberships	Audit Committee Management Engagement Committee Nomination Committee (Chair)
Principal external appointments	Post Office Ltd (Director)

Changes to the Board of Directors

Jack Waters and Monique O'Keefe have formally notified the Board of their intention to resign from their roles as Directors of the Company. Therefore, Jack Waters and Monique O'Keefe will not be standing for re-election at the Company's AGM and their resignations will take effect immediately following the AGM.

Aaron Le Cornu will be been appointed as Non-executive Director on 1 April 2022 and Phil Jordan will be appointed as Chair immediately following the AGM on 23 May 2022. Aaron and Phil will be appointed to the committees shown below from their respective appointment dates. Aaron will replace Charlotte Valeur as a Chair of the Management Engagement Committee and Charlotte Valeur will become Chair of the Risk Committee, following the resignation of Jack Waters. Further information can be found on pages 97 to 98.

Aaron Le Cornu, Independent Non-executive Director	
Appointed	To be appointed on 1 April 2022
Skills and experience	Aaron Le Cornu comes from a financial background. Having qualified as a Chartered Accountant with Arthur Andersen in London, he worked for HSBC for over 10 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 (offshore legal and fiduciary services provider), Elian (a fiduciary firm headquartered in Jersey) and, latterly, at GLI Finance, an alternative finance provider and strategic investor in numerous fintech platforms. Aaron is currently the Chairman of the Aberdeen Standard Capital Offshore Strategy Fund Ltd. He also served as a non-executive director for Jersey Electricity plc, having stepped down in 2021 after 10 years on the Board.
Committee memberships	Audit Committee Management Engagement Committee (Chair) Risk Committee
Principal external appointments	Aberdeen Standard Capital Offshore Strategy Fund Ltd (Chair) A2Z Consulting Limited (Director)
Philip (Phil) Jordan, Independent Non-executive Director	
Appointed	To be appointed on 23 May 2022, immediately following the Company's 2022 AGM
Skills and experience	Phil Jordan has a successful track record in the digital infrastructure and technology sectors, both in an executive and non-executive capacity. Phil's executive career includes country, regional and group Chief Information Officer roles, including spending over 10 years at Vodafone, over seven years with Telefonica, where in addition to the Group CIO role, he was CEO and then Chairman of Telefonica Global Technology. He is currently Group CIO of Sainsbury's, a role he has held for over four years. He has also acted as a non-executive industry adviser to HSBC and was a non-executive director of Talk Talk Telecom Group PLC until it was taken private in 2021.
Committee memberships	Management Engagement Committee Nomination Committee Risk Committee
Principal external appointments	J Sainsbury plc (Group Chief Information Officer)

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 determine the Investment Objective and Investment Policy and reviews investment activity and performance, in addition to setting the risk appetite 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 recommendations 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.

The Board's main focus is to promote the long-term sustainable success of the Company, to deliver value for shareholders and contribute to wider society. 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, auditor (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 adviser/service provider;
- 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 of Corporate Governance 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 period to 31 December 2021, the number of meetings attended by each Director was as follows:

Director	Board*	Audit Committee*	Risk Committee*	Nomination Committee*	Management Engagement Committee*
Justin Hubble**	2/2	–	–	–	–
James Cranmer**	2/2	–	–	–	–
Jack Waters	13/13	–	2/2	1/1	–
Keith Mansfield	13/13	2/2	–	–	0/0
Lisa Harrington	11/13	2/2	–	1/1	0/0
Charlotte Valeur	10/13	–	2/2	1/1	0/0
Monique O'Keefe	10/13	2/2	2/2	–	–

* Number of scheduled meetings attended/maximum number of meetings that the Director could have attended.
** Justin Hubble and James Cranmer served as directors prior to IPO. Both attended the two meetings they were eligible to attend and resigned as directors on 5 March 2021.

Of the 14 Board meetings held in the period, three were scheduled quarterly Board Meetings, the additional Board meetings were convened to discuss various matters including, but not limited to, the IPO, additional fundraising, debt facility and potential acquisitions.

Composition

The Company has a non-executive Chair and four other non-executive Directors, including a Senior Independent Director, all of whom were considered independent on and since their appointment. All the Directors are independent of the Investment Manager.

Jack Waters is the Chair of the Board and is responsible for the Board's overall effectiveness in directing the Company. The 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. He 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 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. Keith Mansfield is the Senior Independent Director and, if required, 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 management arrangements, governance, internal controls and risk management.

The Directors' other principal commitments are listed on pages 83 to 84. 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 an Audit Committee, a Management Engagement 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 meetings as required from time to time. 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 matters in connection with the Company's IPO;
- Approval of various Company policies;
- Approval of the Investment Management Agreement and other service provider agreements;
- Pipeline review and monitoring;
- 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;
- Declaration of the Company's interim dividends; and
- Approval of various matters in connection with the two additional fundraises carried out by the Company during the 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 Board's effectiveness and contribute to the Company's success.

The Board conducted its first evaluation process this year and has established a formal process to evaluate its performance each year and, recognising the importance of this process, intends to conduct an externally facilitated evaluation once every three years.

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. It was acknowledged that due to the short period since inception, the review of the committees was limited, particularly the Management Engagement Committee, which did not meet in the period.

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.

Challenges and Opportunities	2022 Development Points
Shareholder engagement	To put in place a shareholder engagement programme for the financial year ending 31 December 2022 and coordinate further opportunities for the Board to engage with its shareholders directly and proactively.
Strategic review	To dedicate more time to considering and refreshing the Company's strategy, in particular taking into account developments in the external environment.
Training and development	To dedicate more time to enhance the professional development of the Directors to continuously improve knowledge and skills.
Efficiency of process	To re-examine information flow and timing to allow for greater scrutiny.
Remuneration review	To regularly review Director remuneration to ensure that it is set at a level to retain high calibre Directors with the skills and experience necessary for their role.

A full performance evaluation of the Board, its committees and the individual Directors will continue to be conducted annually. The Chair will regularly consider an externally facilitated Board evaluation.

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 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.

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 covered the Group's investment activities, the role and responsibilities of a Director and guidance on corporate governance and the applicable regulatory and legislative landscape. A similar induction process has and will be undertaken for the incoming Directors and future Directors of the Board. The Directors' training and development will ordinarily be 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 seeks to attract long-term investors in the Company and acknowledges the importance of building and maintaining strong relationships to achieve this. During the IPO process and in the following fundraises carried out by the Company, the Investment Manager, the broker and the financial adviser were actively engaged with prospective investors to understand shareholder sentiment. There were investor meetings held for the IPO and additional fundraises, some of which were attended by members of the Board.

The Investment Manager and the Group's financial advisers regularly speak to discuss, amongst other things, the views of the Company's shareholders. The Company's broker 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.

The Company's first Annual General Meeting will be held in May 2022. Shareholders are encouraged to attend and vote at this meeting, 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 make himself available, as necessary, outside of these meetings to speak to shareholders.

The Board is committed to providing investors with regular announcements of significant events affecting the Group.

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

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.

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 2021.

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;
- review the investment valuations and underlying assumptions and provide advice to the Board;
- provide advice to the Board on whether the annual report and accounts, 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 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 auditor and to approve the remuneration and terms of engagement of the external auditor;
- 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 auditor 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 auditor 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; and
- report to the Board on how it has discharged its responsibilities.

Committee Membership

The Audit Committee comprises Keith Mansfield, who chairs the Committee, Lisa Harrington and Monique O'Keefe.

The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience. Keith Mansfield is a Chartered Accountant by background and brings extensive accountancy experience, having worked at PricewaterhouseCoopers LLP ("PwC") for over 30 years, during which time he served as Chair of PwC in London responsible for assurance, tax and advisory services. The Board is also satisfied that the committee as a whole has competence relevant to the sector in which the Group operates.

Meeting Attendance

The Committee met twice in the 9 month period to 31 December 2022, and the meetings were attended by each member as follows:

Director	Attendance
Keith Mansfield	2/2
Lisa Harrington	2/2
Monique O'Keefe	2/2

Activities

In a full financial year, the Audit Committee will meet 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 interim report for the period ended 30 June 2021, reviewed the non-audit services policy, reviewed internal control reports from key service providers, and met with PwC, the external auditors, to discuss and agree audit plans..

Performance Evaluation

Refer to the above Corporate Governance section on pages 88 to 89 detailing how the review of the Audit 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. From admission, the Board satisfied itself that the procedures for identifying the information needed to monitor the business and manage risks were 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

The Audit Committee has considered the appropriateness of establishing an internal audit function and, having regard to the size and nature of the Company and concluded that the function is not necessary at a Company level at this time.

The Audit Committee are undertaking a review of the Group's portfolio companies to establish if an internal audit function would be appropriate to provide assurance that risk management, governance and internal control processes are operating effectively.

The Audit Committee will review on an annual basis the need for this function and make appropriate recommendations to the Board.

Significant Issues considered by the Audit Committee

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.

Adoption 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 are 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 adopting the standard with the Investment Manager and independent auditor. 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 – Discount rates
The Fair value for investment is derived from the present value of the investments' expected future cash flows, using reasonable assumptions and forecasts, and an appropriate discount rate. The main level 3 inputs used by the Group are derived and evaluated as follows: • The Investment Manager 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 subsectors 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. The applied discount rates range from 9.2% to 13.1%. • 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 growth rate factors. • Risk free rate of 1.9%, reflecting the long-term rate for the US economy, with the US dollar being the base currency for Aqua Comms and Verne Global. • Pre-tax cost of debt between 4.5% and 6.5%. The Audit Committee and the Company's auditors, PwC, 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. The Audit Committee has taken account of the solvency and liquidity position of the Company from the financial statements and the information provided by the Investment Manager on the forecasted cash flow for the Company and expected pipeline. As a result, the Audit Committee consider that it is appropriate to adopt the going concern basis of preparation of the financial statements.

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 will be assessed by the committee each year. In evaluating PwC's performance, the Committee examines the robustness of the audit process, independence and objectivity and the quality of delivery.

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

During the period, it was identified that impermissible tax services (i.e. they were not one of the permissible services under the FRC Ethical Standard) were provided by PwC to Aqua Comms that did not complete within the three month transitional provisions of the FRC Ethical Standard. PwC have confirmed within their audit report that based on their assessment of the breach, nature and scope of the service and the subsequent action taken, the provision of this service has not compromised their professional judgement or integrity and as such believe that an objective, reasonable and informed third party in possession of these facts would conclude that the integrity and objectivity of PwC has not been impaired and accordingly PwC remain independent for the purposes of the audit.

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 period, and will continue to monitor the policy on a regular basis to ensure that the external auditor remains 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 auditor 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 auditor in the last three consecutive financial years Total fees paid to PwC during the period totalled £678,999, of which £258,145 was received for non-audit services, being 61.3% of the audit services fee. The nature of the non-audit services included:

- Interim Review
- Summary approved procedures
- ESG assurance services
- Tax compliance services

Keith Mansfield
Audit Committee Chair

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

Responsibilities

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

The Committee will regularly review the composition of the key executives performing the services on behalf of the Investment Manager and monitor and evaluate 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 Charlotte Valeur who chairs the Committee, Keith Mansfield and Lisa Harrington.

The Management Engagement Committee did not hold a meeting during the period given the Company's short period of operation. The Nomination Committee will meet at least twice in the financial year ending 31 December 2022.

Performance Evaluation

Refer to the above Corporate Governance section on pages 88 to 89 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 as 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 Net Asset Value)
On such part of the Adjusted Net Asset Value that is up to and including £500 million	1.0%
On such part of the Adjusted Net Asset Value that is above £500 million and up to and including £1 billion	0.9%
On such part of the Adjusted Net Asset Value that exceeds £1 billion	0.8%

The annual fee paid to the Investment Manager under the Investment Management Agreement for the period ended 31 December 2021 was £2,952,159.

The Investment Management Agreement may be terminated by the Investment Manager or the Company by not less than 12 months' written notice, with such notice not being served before the fourth anniversary of the date of Initial Admission.

On 16 March 2022, the Board approved a side letter to the Investment Management Agreement that clarified certain provisions in connection with the calculation of the Annual Management Fee, principally to remove the potential for double counting of deployed capital. The amendments do not result in any benefit to the Investment Manager and were considered appropriate to remove ambiguity from the Investment Management Agreement.

Continuing Appointment of the Investment Manager

The Management Engagement Committee will meet during the next financial year to review the continuing appointment of the Investment Manager and other key service providers, to ensure that their appointment remains in the best interests of shareholders as a whole.

Charlotte Valeur
Management Engagement Committee Chair

NOMINATION COMMITTEE REPORT

Responsibilities

The Nomination Committee's main function is to lead the process for appointments, ensuring plans are in place for orderly succession to the Board, overseeing 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 period and operates within clearly defined terms of reference.

Committee Membership

The Nomination Committee comprises Lisa Harrington, who chairs the Committee, Jack Waters and Charlotte Valeur.

The Nomination Committee held one meeting during the period, which was attended by all members.

Activities

The Nomination Committee met formally once in the year during which it discussed matters including but not limited to: tenure policy, diversity policy, Board composition, time commitments and the talent management of the Investment Manager and portfolio companies.

Appointment and replacement of Directors

On 5 March 2021, Justin Hubble and James Cranmer of TPIM resigned as directors and Jack Waters, Keith Mansfield, Lisa Harrington, Monique O'Keefe and Charlotte Valeur were appointed in preparation for IPO.

As a result of having been offered the Chief Executive Officer role at a new, US based digital infrastructure operating company, Jack Waters will not stand for re-election at the Company's 2022 AGM. Similarly Monique O'Keefe will also not stand for re-election at the Company's 2022 AGM to pursue a senior executive role limiting her ability to hold non-executive positions. The Board would like to thank both Jack and Monique for their valuable contributions and wish them well in their new roles.

The Nomination Committee evaluated the skills and experience necessary to complement the existing Board composition. The evaluation identified that the Board would benefit primarily from candidates with accounting experience and industry knowledge. Following this, the Board identified a number of potential external recruitment advisers to help facilitate the search and identified two suitable external recruitment advisers for the roles as set out below. The Nomination Committee, in conjunction with the external recruitment advisers agreed a suitable job specification for the preferred candidate giving due regard to the benefits of diversity on the Board, including diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Alma Mater Resourcing Ltd were engaged for Chair recruitment due to their extensive experience in the Digital Infrastructure industry. As part of the search process they provided a long list of candidates, which in consultation with the Nomination Committee was narrowed down to a shortlist of candidates which was reviewed identifying those candidates who held the right skills and experience for the role, and complemented the skills and experience that would be lost by virtue of Jack Waters stepping down as Chair. A series of interviews were conducted with the other Directors and the Nomination Committee recommended Phil Jordan as the most suitable candidate as successor to Jack Waters as Chair. This recommendation was subsequently approved by the Board as a whole. Phil Jordan will be appointed as Chair immediately following the AGM on 23 May 2022, following an induction period and completion of the standard Jersey regulatory confirmations. Alma Mater Resourcing Ltd has no other connection to the Company or individual Directors.

Additionally, Maven Partners were engaged for a recruitment search for a Jersey based Non-Executive Director due to their extensive network of Jersey candidates. The same process as set out above was undertaken by the Nomination Committee, focusing on candidates with accounting background and experience in ESG, identified by the Nomination Committee as a potential area of improvement, which concluded with Aaron Le Cornu being recommended for appointment as a Non-Executive Director with effect from 1 April 2022; this recommendation was subsequently approved by the Board as a whole. Aaron will hold office until the Company's 2022 AGM where he will be submitted for election by shareholders. Maven Partners has no other connection to the Company or individual Directors.

Performance Evaluation

Refer to the above Corporate Governance section on pages 88 to 89 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, and that each Director's contribution continues to be important to the Company's long-term sustainable success. 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 on pages 83 to 84), 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:

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

All Directors will submit themselves for re-election on an annual basis. With the exception of Jack Waters and Monique O'Keefe, all Directors in office as at the date of this report are to be proposed for re-election at the Company's first AGM, due to be held on 23 May 2022.

Tenure 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 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.

The Board has established a diversity policy within which is has committed to maintaining that the Board, as a whole, will have at least 40% representation of either gender. Additionally, the Board has set a goal of having at least one Director of non-white ethnic minority background as soon as practicable.

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.

At the period end, the Board comprised of Chair and four non-executive Directors; two male and three female.

External Search Consultancy

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

Alma Mater Resourcing Ltd were engaged for the recruitment of the Chair role due to their extensive experience in the Digital Infrastructure industry. Maven Partners were appointed for the appointment of a Jersey-based Non-Executive Director due to their extensive network of Jersey candidates.

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.

Lisa Harrington
Nomination Committee Chair

RISK COMMITTEE REPORT

Responsibilities

The Risk Committee's main function is to 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 and review performance against risk appetite and monitor key trends and concentrations; review the Company's procedures for managing and mitigating principal risks, 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

The Risk Committee comprises Jack Waters, who chairs the Committee, Monique O'Keefe and Charlotte Valeur.

Meeting Attendance

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

Director	Attendance
Jack Waters	2/2
Charlotte Valeur	2/2
Monique O'Keefe	2/2

Performance Evaluation

Refer to the above Corporate Governance section on pages 88 to 89 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 a 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 Objectives, Policy and restrictions; and
- 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.

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;
- Established the Company's risk appetite for risks including regulatory risk, concentration risk, reputational risk and key personnel risk; and
- Assessed the Company's principal risks, which are outlined on pages 71 to 77.

Jack Waters
Risk Committee Chair

Annual Statement

Dear shareholder,

I present to you our first Directors' Remuneration Report. It is set out in two sections in line with legislative reporting regulations:

Directors' Remuneration Policy – This sets out our Remuneration Policy for Directors of the Company for the future and will be subject to a binding shareholder vote for the first time at our 2022 AGM.

Annual Report on Directors' Remuneration – This sets out how our Directors were paid for the period ended 31 December 2021 and we intend to apply our Policy for the year ending 31 December 2022. There will be an advisory shareholder vote on this section of the report at our 2022 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.

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

Jack Waters
Chair

16 March 2022

Approval of Remuneration Policy

Under section 439A of the Companies Act 2006, with which the Company voluntarily complies, a resolution to approve the Directors' Remuneration Policy will be proposed at the Annual General Meeting of the Company to be held on 23 May 2022. If the resolution is passed, 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 Remuneration Policy has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (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	Each Director received a basic fee which is paid on a quarterly basis. The Audit Committee Chair and Risk Committee Chair is entitled to a fee of £5,000 each in addition their normal Director fee, reflecting their additional duties and responsibilities in those roles.	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 Annual General Meeting 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.

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 who is entitled to an additional £5,000 and the Chair of the Company who is entitled to receive an annual fee of £50,000 and an additional £5,000 for his role as Chair of the Risk Committee.

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

Per the terms of the Directors' appointment letters, 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. During the period, no additional fees were incurred.

Single Total Figure (audited information)

The fees paid to Directors in respect of the period ended 31 December 2021 are shown below.

Paid in the Period to 31 December 2021	Fixed Remuneration	% change from prior year	Discretionary remuneration	% change from prior year	Total remuneration
Justin Hubble (resigned 5 March 2021)	nil	n/a	nil	n/a	nil
James Cranmer (resigned 5 March 2021)	nil	n/a	nil	n/a	nil
Jack Waters (Chair)	£45,269	n/a	nil	n/a	£45,269
Keith Mansfield	£37,039	n/a	nil	n/a	£37,039
Lisa Harrington	£32,923	n/a	nil	n/a	£32,923
Charlotte Valeur	£32,923	n/a	nil	n/a	£32,923
Monique O'Keefe	£32,923	n/a	nil	n/a	£32,923
Total	£181,077	n/a	nil	n/a	£181,077

The Company does not provide bonuses, pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as Non-Executive Directors of the Company.

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 2021.

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.

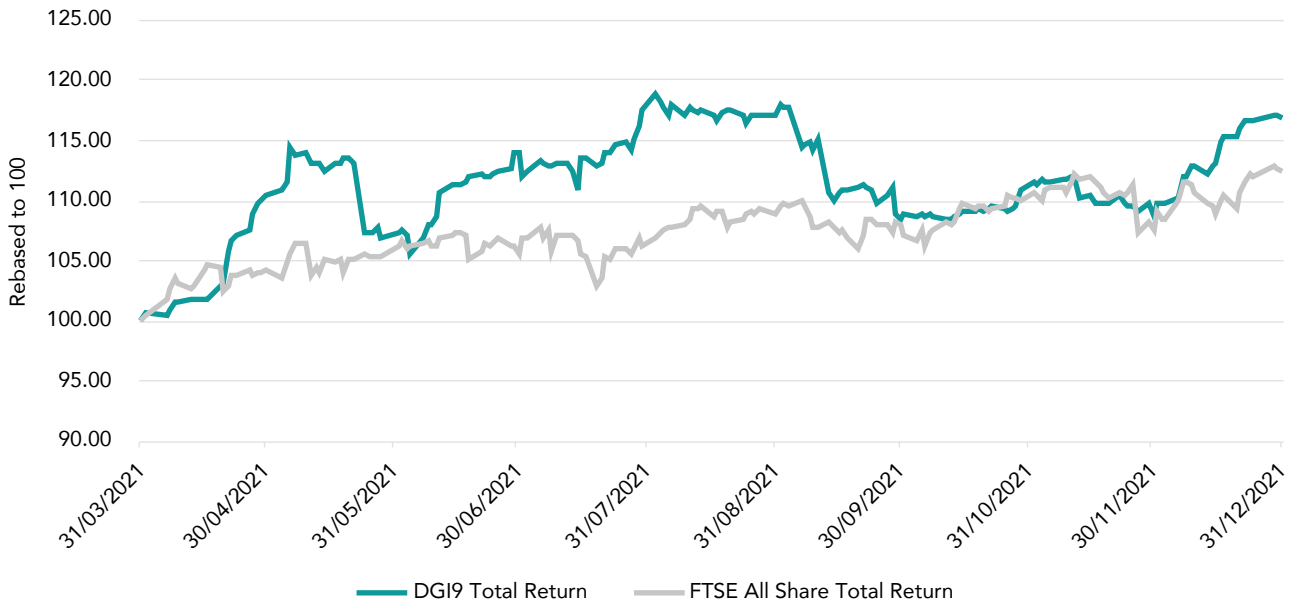
There has not been any change to the Directors' shareholdings from 31 December 2021 to the date of this report.

	Ordinary shares of £1 each held at 31 December 2021	% of issued ordinary share capital
James Cranmer*	–	–
Justin Hubble*	48,935	0.0060%
Jack Waters	70,000	0.0097%
Keith Mansfield	58,604	0.0081%
Lisa Harrington	38,604	0.0053%
Monique O'Keefe	10,000	0.0014%
Charlotte Valeur	10,000	0.0014%

* James Cranmer and Justin Hubble resigned as Directors of the Company on 5 March 2021.

Total Shareholder Return

As required under regulation, 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 Index. 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 FTSE All Share represents companies of a similar capital size and is in line with our peer group.



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 2021
Dividends paid	17,837,209
Share buybacks	0
Management fee	2,952,159
Directors' emoluments	**181,077**

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.

The AGM to be held in 2022 will be the first opportunity for shareholders to vote on the Directors' Remuneration Policy.

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

On behalf of the Board:

Jack Waters
Chair

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 2021. 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 81 to 111 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.

Principal Activity

The Company is a closed-ended UK investment company that invests in Digital Infrastructure assets. 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.

Its shares are listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange. The Ordinary Shares will trade under the ticker: DGI9 (ISIN: JE00BMDKH437).

Directors

The names of the Directors who served from IPO are set out in the Board of Directors section on pages 83 to 84, together with their biographical details and principal external appointments. The biographical details of Directors following this period are also set out on page 85.

Investment Trust Status

The Company has been approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Tax 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 income.

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 126.

The Company declared the following interim dividends in respect of the period from 31 March 2021 to 31 December 2021 totalling 4.5 pence per share, in line with the Company's annualised dividend target of 6.0 pence per share per annum.

Relevant period	Dividend per share (p)	Ex-dividend date	Record date	Payment date
31 March to 30 June 2021	1.5	16 September 2021	17 September 2021	30 September 2021
1 July to 30 September 2021	1.5	9 December 2021	10 December 2021	23 December 2021
1 October to 31 December 2021	1.5	17 March 2022	18 March 2022	31 March 2022

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 Instruments and Risk Management

The information relating to the Company's financial instruments and risk management policies can be found in Notes 22 and 23 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

At incorporation on 8 January 2021, the Company issued 2 Ordinary Shares of no par value. On admission to trading on 31 March 2021, the Company issued 267,011,661 Ordinary Shares at a price of £1.00 per share ("Initial Issue"). On 1 April 2021, the Company issued a further 32,988,339 Ordinary Shares at a price of £1.00 per share. On 10 June 2021, the Company issued a further 166,666,667 Ordinary Shares at a price of £1.05 per share. On 1 October 2021, the Company issued a further 255,813,953 Ordinary Shares at a price of £1.075 per share. Following the period end, the Company issued a further 88,148,880 Ordinary Shares at a price of £1.08 per share. 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.

Purchase of Own Ordinary Shares

A special resolution was passed granting the Directors authority to repurchase up to 14.99% of the Company's ordinary share capital immediately following initial admission and expiring on the conclusion of the earlier of the Company's first annual general meeting and 6 June 2022.

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

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 2021:

	Number of Ordinary shares held	% of voting rights
Schroders plc	96,734,374	13.39%
Rathbone Investment Management Ltd	72,817,875	10.08%
Jupiter Fund Management plc	14,350,000	4.78%
Insight Investment Management (Global) Ltd	29,315,482	4.06%
South Yorkshire Pensions Authority	10,000,000	3.75%
J M Finn & Co	26,471,050	3.66%

The Company has been informed of the following changes to notifiable interests between 31 December 2021 and the date of this report:

	Number of Ordinary shares held	% of voting rights
Schroders plc	101,385,278	12.51%
Rathbone Investment Management Ltd	89,349,867	11.02%

Disclosure of Information to the Auditors

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

Related Party Transactions

Related Party transactions for the period to 31 December 2021 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 Annual General Meeting of the Company will be held on 23 May 2022 at 9am at the offices of Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW.

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 156 and the Management Engagement Committee annually reviews the effectiveness and performance of these service providers, taking into account any feedback received. Due to the shorter initial period, the first Management Engagement Committee took place following the period end. 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 Digital 9 Infrastructure plc are from the financial services and digital infrastructure industries and other services associated with those industries.

Given what Digital 9 Infrastructure plc understands to be a low risk profile of anyone supplying it with services being involved in slavery and/or human trafficking, the Board of Directors of the Company believes the Company's current procedures and ability to rely on regulatory oversight in relation to professional services are sufficient in this regard.

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	Pages 14 to 20
Greenhouse gas emissions	Pages 64 to 65

On behalf of the Board:

Jack Waters
Chair
16 March 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Company. The Directors are responsible for preparing the Annual Report 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 applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRS 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. 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 Annual Report, taken as a whole, are fair and balanced and understandable and provide the information necessary for Shareholders to assess the Company's position, performance, business model and strategy. The Directors confirm that they have complied with the above in preparing these financial statements..

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

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

Approval

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

Jack Waters
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 2021 and of its profit and cash flows for the period from 8 January 2021 to 31 December 2021;
- 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 2021; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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 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.

During the period, we identified that impermissible tax services were provided during the year that did not complete within the three month transitional provisions of the FRC Ethical Standard. The tax service is not one of the permissible services under the FRC Ethical Standard. We confirm that based on our assessment of the breach, nature and scope of the service and the subsequent action taken, the provision of this service has not compromised our professional judgement or integrity and as such believe that an objective, reasonable and informed third party in possession of these facts would conclude that our integrity and objectivity has not been impaired and accordingly we remain independent for the purposes of the audit.

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.

Our audit approach

Context

Digital 9 Infrastructure plc is a listed company on the Main Market of the London Stock Exchange. The Company was incorporated on 8 January 2021 and invests in a range of digital infrastructure assets.

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 Manager") 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

- Valuation of investments held at fair value through profit or loss

Materiality

- Overall materiality: £7,560,000 based on 1% of Net Assets.
- Performance materiality: £5,670,000.

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.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation of investments held at fair value through profit or loss Refer to Report of the Audit and Risk Committee, Note 2: Significant accounting policies, Note 4: Significant accounting judgements, estimates and assumptions and Note 8: Financial assets at fair value through profit and loss. The Company has £746m 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 net assets of the HoldCo and, accordingly, the fair value of the underlying investments within the Holdco, for which there is no liquid market. The fair value of the underlying investments has principally been valued on a discounted cash flow basis, 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.	We obtained and reviewed management's key accounting papers and assessed for compliance with IFRS, including the assumptions therein. • We obtained an understanding of the Company's processes for determining the fair value of level 3 investments. We documented and assessed the design and implementation of the investment valuation processes and controls. • We planned our audit to critically assess management's assumptions and the investment valuation models in which they are applied. • We have assessed whether the valuation methodology adopted for the underlying investments within the HoldCo was appropriate and in line with accounting standards and industry guidelines. • We tested the mathematical accuracy of the valuation models. • We tested a sample of inputs into the fair value models to supporting documentation and assessed the reasonableness of the assumptions used in determining the fair value of investments; • We used our internal valuation experts to provide audit support in reviewing and concluding on the fair valuation of the underlying investment portfolio. Our experts (a) reviewed the appropriateness of the valuation methodology and approach and (b) reviewed the computation of the discounted cash flow valuation models, including comparing the discount rate against those used by comparable market participants and other macroeconomic data, where appropriate. • We compared the investment valuations to the acquisition costs. We also assessed the adequacy of the disclosures related to investments held at fair value through profit and loss in the financial statements. No material issues were identified in our testing.

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.

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:

Overall company materiality	£7,560,000.
How we determined it	1% of Net Assets
Rationale for benchmark applied	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% of overall materiality, amounting to £5,670,000 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 £377,500 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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 checked the mathematical accuracy of management's forecasts;
- 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.

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, 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.

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

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 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 group 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' Responsibilities 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. 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 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; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and words.

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 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. This is therefore our first year of uninterrupted engagement.

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

16 March 2022

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF DIGITAL 9 INFRASTRUCTURE PLC

("the Company") on selected key performance indicators (KPIs) included in the Company's Annual Report for the period ended 31st December 2021

The Board of Directors of Digital 9 Infrastructure plc engaged us to obtain limited assurance on the selected KPIs (together the "Subject Matter Information") as defined below and marked with the symbol Ⓐ on pages 39, 62 and 64 in the Company's Annual Report for the year ended 31 December 2021 (the "Report").

Our assurance conclusion does not extend to any other information included in, or linked from, the Report.

Our limited assurance conclusion

Based on the procedures we have performed, as described under the 'Summary of work performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information marked with the symbol Ⓐ on pages 39, 62 and 64 in the Company's Annual Report for the period ended 31 December 2021, has not been prepared, in all material respects, in accordance with the Reporting Criteria set out on in Annex 1 on pages 158 to 159 of the Report and referenced in the 'Subject Matter Information and Reporting Criteria' section below.

Subject Matter Information and Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which the Company is solely responsible for selecting and applying. The Subject Matter Information and the Reporting Criteria are as set out in the table below:

Subject Matter Information	Reporting Criteria
Scope 1 emissions GHG Emissions	The Reporting Principles and Methodologies as found in Annex 1 on pages 158 to 159 of the Report.
Scope 2 emissions GHG Emissions (location-based)	
Scope 2 emissions GHG Emissions (market-based)	
Total GHG Emissions	
Share of non renewable energy consumption and production	
Unadjusted gender pay gap	
Board gender diversity	
Data Centre Power Usage Effectiveness	
Growth in network capacity	

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

Responsibilities of the Company's directors

The Directors of the Company are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to the Company and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria; and
- producing the Report, including underlying information and a statement of Directors' responsibility, which provides an accurate, balanced reflection of the Company's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of the Company.

Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board.

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF DIGITAL 9 INFRASTRUCTURE PLC

("the Company") on selected key performance indicators (KPIs) included in the Company's Annual Report for the period ended 31st December 2021

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed as the basis for our assurance conclusion

In carrying out our limited assurance engagement we:

- made enquiries of management at TriplePoint Investment Management Limited (the Investment Manager) and of the subsidiary investments of the Company;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;
- performed substantive testing of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities, testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other information

The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other information. As explained above, our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Use and distribution of our report

This report, including our conclusion, has been prepared solely for the Board of Directors of the company in accordance with the agreement between us dated 22 February 2022 (the "agreement"). Our report must not be made available to any other party save as set out in the agreement. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and the company for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
16 March 2022

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

For the period from 8 January 2021 to 31 December 2021

	Note	Revenue £'000	Capital £'000	Total £'000
Income				
Income from investments held at fair value	5	2,923	–	2,923
Gains on investments held at fair value	9	–	45,502	45,502
Interest income		14	–	14
Total income		**2,937**	**45,502**	**48,439**
Expenses				
Acquisition expenses	9	–	(5,516)	(5,516)
Investment management fees	6	(2,214)	(738)	(2,952)
Other operating expenses	7	(1,012)	(648)	(1,660)
Total operating expenses		**(3,226)**	**(6,902)**	**(10,128)**
Operating (loss)/profit		(289)	38,600	38,311
Finance expense		(2)	–	(2)
(Loss)/profit on ordinary activities before taxation		**(291)**	**38,600**	**38,309**
Taxation	8	–	–	–
(Loss)/profit and total comprehensive (expense)/income attributable to shareholders		**(291)**	**38,600**	**38,309**
(Loss)/earnings per ordinary share – basic and diluted (pence)	20	**(0.07p)**	**9.84p**	**9.77p**

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards as adopted by the European Union. 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 130 to 148 form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31 December 2021 £'000
Non-current assets		
Investments at fair value through profit or loss	*9*	746,229
Total non-current assets		**746,229**
Current assets		
Trade and other receivables	*10*	228
Cash and cash equivalents	*11*	11,311
Total current assets		**11,539**
Total assets		**757,768**
Current liabilities		
Trade and other payables	*13*	(1,912)
Total current liabilities		**(1,912)**
Total net assets		**755,856**
Equity attributable to equity holders		
Stated capital	*14*	717,547
Capital reserve		38,600
Revenue reserve		(291)
Total Equity		**755,856**
Net asset value per ordinary share – basic and diluted	*21*	**104.62p**

The Financial Statements were approved and authorised for issue by the Board on 16 March 2022 and signed on its behalf by:

Jack Waters
Chair
16 March 2022

The accompanying notes on pages 130 to 148 form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the period from 8 January 2021 to 31 December 2021

Period from 8 January 2021 to 31 December 2021	Note	Stated Capital £'000	Capital Reserve £'000	Revenue Reserve £'000	Total Equity £'000
Balance at 8 January 2021		–	–	–	–
Transactions with owners					
Ordinary shares issued	*14*	750,000	–	–	750,000
Share issue costs	*14*	(14,616)	–	–	(14,616)
Dividends paid	*15*	(17,837)	–	–	(17,837)
Profit/(loss) and total comprehensive income/(expense) for the period		–	38,600	(291)	38,309
Balance at 31 December 2021		**717,547**	**38,600**	**(291)**	**755,856**

The accompanying notes on pages 130 to 148 form part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the period from 8 January 2021 to 31 December 2021

	Note	8 January 2021 to 31 December 2021 £'000
Cash flows from operating activities		
Profit on ordinary activities before taxation		38,309
Adjustments for:		
Gains on investments held at fair value	*9*	(45,502)
Cash flow used in operations		**(7,193)**
Increase in trade and other receivables		(228)
Increase in trade and other payables		1,898
Net cash outflow from operating activities		**(5,523)**
Cash flows from investing activities		
Purchase of investments at fair value through profit or loss	*9,12*	(667,739)
Net cash flow used in investing activities		**(667,739)**
Cash flows from financing activities		
Proceeds from issue of Ordinary Shares	*12*	717,012
Dividends paid	*15*	(17,837)
Cost of issue of shares		(14,602)
Net cash flow generated from financing activities		**684,573**
Net increase in cash and cash equivalents		**11,311**
Reconciliation of net cash flow to movements in cash and cash equivalents		
Cash and cash equivalents at 8 January 2021		–
Net increase in cash and cash equivalents		11,311
Cash and cash equivalents at 31 December 2021	*11*	**11,311**

The accompanying notes on pages 130 to 148 form part of these Financial Statements.

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 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, following its IPO which raised gross proceeds of £300 million. A further £175 million and £275 million were raised following the second and third equity raise on 10 June 2021 and 1 October 2021 respectively.

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 as detailed in the significant accounting policies below.

The Company has appointed Triple Point Investment Management LLP ("Triple Point") as its Investment Manager (the "Investment Manager") pursuant to the Investment Management Agreement dated 8 March 2021. The Investment Manager is registered in England and Wales under number OC321250 pursuant to the UK Companies Act 2006. The Investment Manager is regulated by the UK Financial Conduct Authority (the "FCA"), number 456597.

These financial statements of the Company from the period of incorporation, 8 January 2021 to 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 16 March 2022.

2. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The financial statements have also been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) to the extent that such standards have been endorsed by the European Union.

The financial statements have been prepared on the historical cost basis, except for certain financial assets measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

These financial statements relate to the period from incorporation on 8 January 2021 to 31 December 2021; and as such there is no comparative information for this period. The Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The functional and reporting currency is pounds sterling, reflecting the primary economic environment in which the Company operates.

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

The preparation of the financial statements requires management to make certain significant accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in Note 4.

The principal accounting policies to be adopted are set out below and will be consistently applied, subject to changes in accordance with any amendments in IFRS.

The financial statements incorporate the financial statements of the Company only and are rounded to the nearest thousand, unless otherwise stated.

(a) Going concern

The Company was admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 31 March 2021, which was a year after the UK entered into its first lockdown in response to the Covid-19 pandemic. As a result, the Investment Manager and Administrator had already implemented business continuity plans to ensure business disruption was minimised and had been operating effectively whilst working remotely. All staff are able to continue to assume their day-to-day responsibilities. To date, Covid-19 has not impacted the Company's ability to continue as a going concern. As a result, the Directors believe that the Company is still well placed to manage its financing and other business risks and will remain viable, continuing to operate and meet its liabilities as they fall due despite the risk of Covid-19.

As at 31 December 2021, the Company had cash balance of £11.3 million and the remaining uninvested cash of £237 million is held by its wholly owned subsidiary D9 Holdco for investment purpose. The major cash outflows of the Company are the payment of fees and costs relating to the acquisition of new assets, both of which are discretionary.

The Directors have reviewed Company forecasts and pipeline projections which cover a period of at least 12 months from the date of approval of this report, considering foreseeable changes in investment and the wider pipeline.

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

(b) Investment entities

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

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

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

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

2. It commits to its investors that its business purpose is to invest its funds solely for returns (including having an exit strategy for investments) from capital appreciation, investment income or both; and

3. It measures and evaluates the performance of substantially all its investments on a fair value basis.

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

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

investment and enhance the value of the Company as a whole.

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

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

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

a) it has more than one investment

b) it has more than one investor

c) it has investors that are not related parties of the entity

d) it has ownership interests in the form of equity or similar interests.

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

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

The Directors are 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".

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 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 in Digital Infrastructure Projects, 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 gains or losses through profit or loss within the capital column of the Statement of Comprehensive Income.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). When measuring fair value, the Company takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date, including assumptions about risk.

(iii) Financial liabilities and equity

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

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

(iv) Equity instruments

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

(b) Finance income

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

(c) Finance expenses

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

(d) Fair value estimation for investments at fair value

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

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held on call with banks. Deposits to be held with original maturities of greater than three months are included in other financial assets.

The Company have not identified material expected credit losses in relation to cash and cash equivalents. 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 rate 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, twelve 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) 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 rate method until settled.

(h) 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 Company has no single major customer. 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.

(i) 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.

(j) 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 rate method.

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.

(k) 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.

(l) Fund Expenses

Expenses are accounted for on an accruals basis. Share issue expenses 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 the revenue column and 25% to the capital column of 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.

(m) Acquisition costs and disposals

In line with IFRS 9, 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.

(n) Foreign currency translation

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.

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.

(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) Standards in issue not yet effective

Certain new accounting standards and interpretations have been published, that are not yet effective for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards, listed below, are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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

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

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

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

New and revised standards effective for the year

Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements. The most significant of these standards are set out below.

(a) Covid-19-related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) – Applicable to annual reporting periods beginning on or after 1 April 2021.

(b) Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) – Applicable to annual reporting periods beginning on or after 1 January 2021.

(c) Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 19.

4. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, which are described in Note 3, 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), in the judgement of the Directors, 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 and equity redemptions and adjusted in accordance with the IPEV (International Private Equity and Venture Capital) valuation guidelines where appropriate to comply with IFRS 13 and IFRS 9.

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

In the income approach, the discounted cash flow from revenue forecasted over a fifteen-year period followed by a terminal value based on a long-term growth rate. 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.

The following significant unobservable inputs were used in the model:

- Discount rates range from 9.2% to 13.1%.
- Inflation rate of 3%.
- Foreign exchange rates.

The Company has also carried out sensitivity analysis of these unobservable inputs and the results are disclosed in Note 8.

5. INVESTMENT INCOME

	8 January 2021 to 31 December 2021 £'000
UK dividends	2,923
	2,923

6. INVESTMENT MANAGEMENT FEES

	8 January 2021 to 31 December 2021 Revenue £'000	8 January 2021 to 31 December 2021 Capital £'000	8 January 2021 to 31 December 2021 Total £'000
Management fees	2,214	738	2,952

The Company and the Investment Manager entered into an Investment Management Agreement on 8 March 2021.

The Company and Triple Point 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.

As the entity appointed to be responsible for risk management and portfolio management, the Investment

Manager 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 due to Triple Point at the year end was £1.26 million.

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

Adjusted Net Asset Value	Annual Management Fee (% of Adjusted Net Asset Value)
Up to and including £500 million	1.0%
Above £500 million up to and including £1 billion	0.9%
Exceeding £1 billion	0.8%

The management fee from 31 March 2021 to 30 June 2021 has been accrued at 1% based on total funds deployed and committed from admission to 30 June 2021.

For the period from 1 July 2021, in the event that less than 75% of the net proceeds from the issue of shares have been deployed, Adjusted Net Asset Value is the Current Net Asset Value at the previous reporting date adjusted as follows:

(a) Deduction from the Current Net Asset Value for undeployed and uncommitted cash balances

(b) Addition to the Current Net Asset Value the amount equal to the total funds (if any) deployed after the Current Net Asset Value Date and before the end of the relevant Quarter.

In the event that 75% or more of the net proceeds of all relevant issues have been deployed there will be no deduction from the Current Net Asset Value for any undeployed cash balances.

7. OTHER OPERATING EXPENSES

	8 January 2021 to 31 December 2021 £'000
Allocated to Revenue:	
Legal and professional fees	153
Auditors' fees – audit services[13]	180
Auditors' fees – non-audit services[14]	111
Directors' fees	181
Administration and company secretarial fees	163
Other administrative expenses	224
	1,012
Allocated to Capital:	
Aborted deals costs	648
	1,660

13 – Fees presented include VAT but exclude audit fees on the financial statements of subsidiaries totalling £271,000.

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

8. TAXATION

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

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

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

	8 January 2021 to 31 December 2021		
	Revenue £'000	Capital £'000	Total £'000
Net (loss)/profit before tax	(291)	38,600	38,309
Tax at UK corporation tax standard rate of 19%	(55)	7,334	7,279
Effects of:			
Gain on financial assets not taxable	–	(8,645)	(8,645)
Exempt UK dividend income	(555)	–	(555)
Acquisition expenses not allowable	–	1,048	1,048
Other disallowed expenses	–	123	123
Excess of allowable expenses	610	140	750
	–	**–**	**–**

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

The Company has unrelieved excess management expenses of £750. 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 £187. The Finance Act 2021 received Royal Assent on 10 June 2021 and the rate of Corporation Tax of 25% effective from 1 April 2023 has been used to calculate the potential deferred tax asset.

9. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

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

Summary of Company's valuation:

	31 December 2021 £'000
Opening balance on incorporation	–
Investments in D9 Holdco	700,727
Change in fair value of investments	45,502
As at 31 December 2021	**746,229**

Following the IPO, the Company acquired in its entirety Aqua Comms Designated Activity Company ("Aqua Comms DAC") on 1 April 2021 for £170 million. On 30 June 2021, the Company transferred its investment in Aqua Comms DAC to its 100% subsidiary, D9 Holdco in return for equity.

During the year, the Company through its subsidiary companies made further commitments and acquisitions as follows:

Date	Entity	Acquisition and Investment	Value
7 Jul 2021	Digital 9 Subsea Limited	EMIC-1 – Development of subsea and terrestrial fibre assets between Europe, the Middle-East and India	£22m
4 Sep 2021	Digital 9 DC Limited	Verne Holdings Limited – Data centre operator in Iceland	£231m
2 Dec 2021	Digital 9 Seaedge Limited	SeaEdge UK1 – Data centre asset and subsea fibre landing station in Newcastle	£15m

Acquisition expenses totalling £5.5 million relating to the acquisition of Aqua Comms DAC by the Company have been expensed to the Statement of Comprehensive Income in line with the accounting treatment under IFRS 9.

Valuation process

The Investment Manager includes a team that is responsible for carrying out the fair valuation of financial assets for financial reporting purposes, including level 3 fair valuations. This valuation is presented to the Board for its approval and adoption. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year and is reported on 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 SPVs through its investment in D9 Holdco.

The Investment Adviser has carried out fair market valuations of the SPV investments as at 31 December 2021 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations. All SPV investments are at fair value through profit or loss and are valued using the IFRS 13 framework for fair value measurement. The following economic assumptions were used in the valuation of the SPVs.

The main level 3 inputs used by the group are derived and evaluated as follows:

- The Investment Manager uses its 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. The applied discount rates range from 9.2% to 13.1%.
- 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 growth rate factors.
- Inflation rate of 3%.
- Foreign exchange rates of GBP against USD, EUR and ISK.

Fair value measurements

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

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

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

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. 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 2021:

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Assets measured at fair value:					
Investment in D9 Holdco	31 December 2021	746,229	–	–	746,229

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

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

Fair value measurements using significant unobservable inputs (Level 3)

As set out within the significant accounting estimates and judgements in Note 4(b), the valuation of the Company's financial asset is an estimation uncertainty. The sensitivity analysis was performed based on the current capital structure and expected performance of the Company's investment in D9 Holdco. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the SPVs remains static throughout the modelled life. The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement and the changes to the fair value of the financial asset if these inputs change upwards or downwards by 1%:

Unobservable inputs	*Valuation if rate increases by 1% £'000	Movement in valuation £'000	*Valuation if rate decreases by 1% £'000	Movement in valuation £'000
Discount rate	737,537	(8,692)	755,137	8,908
Inflation rate	743,501	(2,728)	749,058	2,829
Foreign exchange rates	742,426	(3,803)	750,186	3,957

* excludes cash balance at valuation date which is not subject to variance in unobservable inputs.

10. TRADE AND OTHER RECEIVABLES

	31 December 2021 £'000
Amounts due from subsidiary undertakings	209
Other receivables	19
	228

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

11. CASH AND CASH EQUIVALENTS

	31 December 2021 £'000
Foreign currencies account	27
Cash at bank	11,284
	11,311

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

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

12. NON-CASH TRANSACTIONS

The Company had material non-cash transactions during the period totalling £203 million. Aqua Ventures Limited ("AVL") and Black Forest Funding (Ireland) Designated Activity Company ("Black Forest") have been issued a total of 32,988,339 Ordinary Shares, at an issue price of 100p per share, in part and full payment, respectively, of the consideration payable to AVL and Black Forest for the acquisition of Aqua Comms DAC. This has been deducted from the proceeds from issue of Ordinary Shares.

On 30 June 2021, the Company transferred its investment in Aqua Comms DAC totalling £170.1 million to its 100% subsidiary, D9 Holdco in return for equity.

13. TRADE AND OTHER PAYABLES

	31 December 2021 £'000
Accruals	1,912
	1,912

The Directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are unsecured and due for payment within one year from the reporting date.

14. STATED CAPITAL

Ordinary shares of no par value

Allotted, issued and fully paid:	No of shares	Price	31 December 2021 £'000
Allotted following admission to London Stock Exchange			
31 March 2021	300,000,000	100.0p	300,000
10 June 2021	166,666,667	105.0p	175,000
1 October 2021	255,813,953	107.5p	275,000
Ordinary Shares at 31 December 2021	**722,480,620**		**750,000**
Dividends paid (Note 15)			(17,837)
Share issue costs			(14,616)
Stated capital at 31 December 2021			**717,547**

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

On 28 January 2022, the Company raised gross proceeds of £95.2 million via the Placing of new Ordinary Shares. A further 88,148,880 Ordinary Shares were admitted to trading on the London Stock Exchange.

15. DIVIDENDS

	Dividend per share	Total dividend £'000
Dividend period 31 March 2021 to 30 June 2021	1.5 pence	7,000
Dividend period 1 July 2021 to 30 September 2021	1.5 pence	10,837
		17,837

The Company announced a dividend of 1.5 pence per share equivalent totalling £12.16 million with respect to the period from 1 October 2021 to 31 December 2021 to be paid on or around 31 March 2022 to shareholders on the register on 18 March 2022.

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 interim financial statements.

Name	Place of business	% Interest	Principal activity	Registered office
Digital 9 Holdco Limited	United Kingdom	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 Subsea Limited	United Kingdom	100%	Subsea fibre optic network	1 King William Street, London EC4N 7AF
Digital 9 DC Limited	United Kingdom	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Fibre Limited	United Kingdom	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Wireless Limited	United Kingdom	100%	Intermediate holding company	1 King William Street, London EC4N 7AF
Digital 9 Seaedge Limited	United Kingdom+	100%	Leaseholding company	1 King William Street, London EC4N 7AF
Aqua Comms Designated Activity Company	Ireland	100%	Holding company	The Exchange Building, 4 Foster Place, Dublin 2
Aqua Comms Connect Limited	Ireland*	100%	Intermediate holding company	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect 2 Limited	Ireland*	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect 2 Denmark ApS	Denmark*	100%	Subsea fibre optic network	c/o Bech-Bruun Langeline Alle 35, Copenhagen
North Sea Connect Denmark ApS	Denmark*	100%	Subsea fibre optic network	c/o Bech-Bruun Langeline Alle 35, Copenhagen
Aqua Comms Management (UK) Limited	United Kingdom*	100%	Management company	85 Great Portland Street, London W1W 7LT
Aqua Comms Denmark ApS	Denmark*	100%	Subsea fibre optic network	c/o Bech-Bruun Langeline Alle 35, Copenhagen
Aqua Comms (Ireland) Limited	Ireland*	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect Limited	Ireland*	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
Celtix Connect Limited	Ireland*	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2

Name	Place of business	% Interest	Principal activity	Registered office
Aqua Comms Management Limited	Ireland*	100%	Management company	The Exchange Building, 4 Foster Place, Dublin 2
Sea Fibre Networks Limited	Ireland*	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
Aqua Comms (IOM) Limited	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	United Kingdom*	100%	Subsea fibre optic network	85 Great Portland Street, London W1W 7LT
Aqua Comms Services Limited	Ireland*	100%	Subsea fibre optic network	The Exchange Building, 4 Foster Place, Dublin 2
America Europe Connect (UK) Limited	United Kingdom*	100%	Subsea fibre optic network	85 Great Portland Street, London W1W 7LT
America Europe Connect 2 USA Inc	USA*	49%	Subsea fibre optic network	251 Little Falls Drive, Wilmington, Delaware,19808 USA
Aqua Comms (Americas) Inc	USA*	49%	Subsea fibre optic network	3500 South Dupont Highway, Dover, Delaware 19901 Kent, United States
Verne Holdings Ltd	United Kingdom+	100%	Holding company	Hays Galleria, 1 Hays Lane, London SE1 2RD
Verne Global GmbH	Germany^	100%	Data centre solutions	Äußere Sulzbacher Straße 118, 90491 Nürnberg
Verne Global hf	Iceland^	100%	Data centre operation	Valhallarbraut 868, 262 Reykjanesbaer, iceland
Verne Global Ltd	United Kingdom^	100%	Data centre solutions	Hays Galleria, 1 Hays Lane, London SE1 2RD
Verne Global Inc	USA^	100%	Data centre solutions	1825 Washington Street, Canton MA 02021 USA

* – held by Aqua Comms Designed Activity Company.
+ – held by Digital 9 DC Limited.
^ – held by Verne Holdings Limited.

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 Chair receives a director's fee of £55,000 per annum, the senior independent director receives a fee of £45,000 per annum and the other directors of the Board receive a fee of £40,000 per annum.

Director	Number of Ordinary Shares held	Dividends paid
Jack Waters	70,000	£1,800
Lisa Harrington	38,604	£879
Keith Mansfield	58,604	£1,479
Monique O'Keefe	10,000	£300
Charlotte Valeur	10,000	£300

Investment Manager

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

18. EVENTS AFTER THE REPORTING PERIOD

Placing Results

The Company raised a further £95.2 million gross proceeds via Placing of new Ordinary Shares after the period end. On 28 January 2022, 88,148,880 new Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

Investments

On 10 January 2022, the Company announced a further $93 million follow-on investments by Digital 9 DC Limited in Verne Global data centre platform over the next 12 months to fund the expansion of capacity by a further 20.7 MW. The expansion includes the completion of a new 8.2 MW data hall and a further 12.5 MW of repurposed capacity for additional enterprise customer demand.

Dividends

The Company will pay a dividend after the period end as detailed in Note 15.

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

Revolving Credit Facility

In March 2022, the Company completed on a new syndicated revolving credit facility ("RCF") for £300 million, led by Royal Bank of Scotland International, including Den Norse Bank (UK), Royal Bank of Canada and Banco Santander. The RCF will be used by the Company to finance acquisitions on a short term basis.

19. 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.

20. 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

	Revenue	Capital	Total
Net profit attributable to ordinary shareholders (£'000)	(291)	38,600	38,309
Weighted average number of ordinary shares	392,462,432	392,462,432	392,462,432
Earnings per share – basic and diluted	**(0.07p)**	**9.84p**	**9.77p**

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

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

Calculation of Weighted Average Number of Shares in Issue

	08-Jan-21	31-Mar-21	10-Jun-21	01-Oct-21	31- Dec-2021
No. of days	358	276	205	92	358
Ordinary Shares					
No. of shares					
Opening Balance	–	2	300,000,000	466,666,667	–
New Issues	2	299,999,998	166,666,667	255,813,953	722,480,620
Closing Balance	2	300,000,000	466,666,667	722,480,620	722,480,620
Weighted Average	**2**	**231,284,915**	**95,437,617**	**65,739,899**	**392,462,433**

21. 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 2021
Net assets at end of period	755,855,727
Shares in issue at end of period	722,480,620
IFRS NAV per share – basic and dilutive	**104.62p**

22. 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; and
- 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 had the following foreign currency balances and their GBP equivalents at the end of the reporting period:

	USD $'000	EUR €'000	GBP £'000
Bank balances	4	28	27
Investment at fair value	627,438	–	465,590

The Company is primarily exposed to changes in USD/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. The sensitivity of profit or loss to changes in the exchange rates arises mainly on the fair value of investment. To demonstrate the impact of foreign currency risk (in GBP), a 5% increase/decrease in USD/GBP rate is 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 exchange rate – increase by 5%	(22,203)	(22,203)
USD/GBP exchange rate – decrease by 5%	24,481	24,481

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

Interest rate risk

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

The Company's main interest rate risk arises in the valuation of the financial asset where interest rate is one of the key assumptions of the Weighted Average Cost of Capital. Exposure to interest rate risk on the financial asset valuation is included in Note 8 above.

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

Credit risk

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

Credit risk 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.

Maturity of financial liabilities

	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Carrying amount
Period ended 31 December 2021						
Accruals	1,912	–	–	–	–	1,912

23. 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
Period ended 31 December 2021					
Non-current assets:					
Financial assets at fair value through profit or loss	–	–	–	746,229	746,229
Current assets:					
Receivables	–	228	–	–	228
Cash and cash equivalents	11,311	–	–	–	11,311
Total Assets	**11,311**	**228**	**–**	**746,229**	**757,768**
Current liabilities:					
Trade and other payables	–	–	(1,912)	–	(1,912)
Total liabilities	**–**	**–**	**(1,912)**	**–**	**(1,912)**
Net assets	**11,311**	**228**	**(1,912)**	**746,229**	**755,856**

24. 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.

Until the Company is fully invested and pending re-investment or distribution of cash receipts, the Company will invest in cash equivalents, and money market instruments.

25. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2021.

UNAUDITED ALTERNATIVE PERFORMANCE MEASURES

For the period from 8 January 2021 to 31 December 2021

1. ONGOING CHARGES RATIO

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

* Average undiluted net assets has been calculated as the average of net asset value at IPO of £294 million and net asset value as at 31 December 2021 of £756 million.

Annualised expenses are the estimate of the annual cost of management fee and other operating expenses based on the quarterly cost in the period to 31 December 2021.

2. TOTAL RETURN

		31 December 2021 £'000
Closing NAV per share (pence)		104.62p
Add back dividends paid (pence)		3.00p
Adjusted closing NAV (pence)		107.62p
Adjusted NAV per share as at 31 December 2021 less NAV per share as at 31 March 2021	(a)	(107.62p – 98.00p)
Net asset value per share as at 31 March 2021	(b)	98.00p
Total return % (c = a/b)(%)	**(c)**	**9.82%**

The above return is for the period of 9 months to 31 December 2021, this equates to annualised total return of 13.09%.

3. CASH DIVIDEND COVER

	Period to 31 December 2021 £'000
Operating cash flows	11,882
Dividends paid and declared for the period	29,996
Dividends covered by operating cash flows	**39.61%**

Dividend cover is measured as total dividends paid and payable at 31 December 2021, as a percentage of total operating cash flows for the Company and its subsidiaries.

4. MARKET CAPITALISATION

		31 December 2021 £'000
Closing share price at 31 December 2021	(a)	113.8p
Number of shares in issue at 31 December 2021	(b)	722,480,620
Market capitalisation (c) = (a) x (b)	**(c)**	**£822,182,945**

5. CAPITAL DEPLOYED

Deployment including committed fund	£'000
Aqua Comms DAC	£175,615
EMIC-1	£22,796
Verne Holdings Limited	£247,190
SeaEdge UK1	£16,292
Total deployment	**£461,893**

6. TOTAL SHAREHOLDER RETURN

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

		31 December 2021 £'000
Closing share price (pence)		113.80
Add back effect of dividend reinvestment (pence)		3.14
Adjusted closing share price (pence)	(a)	116.94
Opening share price (pence)	(b)	100.00
Total shareholder return (c = ((a-b)/(b))(%)	**(c)**	**16.94**

The above return for the period of 9 months to 31 December 2021, this equates to annualised total return of 23.08%.

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Information

GLOSSARY AND DEFINITIONS

"Aqua Comms"	Aqua Comms Designation Activity Company, a private company limited by shares incorporated and registered in Ireland;
"AIC Code"	AIC Code of Corporate Governance produced by the Association of Investment Companies;
"AIC Guide"	AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies;
"AIFM"	the alternative investment fund manager of the Company being Triple Point Investment Management LLP;
"AIFMD"	the EU Alternative Investment Fund Managers Directive 2011/61/EU;
"Board"	the Directors of the Company from time to time;
"CAGR"	Compound annual growth rate;
"D9" or **"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;
"DTR"	the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers;
"EBITDA"	Earnings before interest, taxes, depreciation and amortisation;
"EPS"	Earnings per share;
"ESG"	Environmental, Social and Governance;
"FAANGs"	global content providers such as Facebook, Amazon, Apple, Netflix, Google;
"FTTH"	Fibre to the home;
"FTTP"	Fibre to the premises;
"GAV"	the gross assets of the Company in accordance with applicable accounting rules from time to time;
"Group"	the Company and any other companies in the Company's Group for the purposes of Section 606 of the Corporation Tax Act 2010 from time to time but excluding Investee Companies;
"Internet of Things" or **"IoT"**	the network of physical objects (things) that are embedded with technologies such as sensors or software for the purpose of connecting and exchanging data with other devices and systems via the internet;
"Investee Company"	a company or special purpose vehicle which owns and/or operates Digital Infrastructure assets or projects in which the Group invests or acquires;
"Investment Manager"	Triple Point Investment Management LLP (partnership number OC321250);

"Investment Objective"	the Company's investment objective as set out in the Prospectus dated 8 March 2021;
"Investment Policy"	the Company's investment policy as set out in the Prospectus dated 8 March 2021;
"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;
"MRR"	Monthly recurring revenue;
"NAV"	Net Asset Value being, the net assets of the Company in accordance with applicable accounting rules from time to time;
"Ongoing Charges Ratio"	a measure of all operating costs incurred in the reporting period, calculated as a percentage of average net assets in that year. Operating costs exclude costs of buying and selling investments, interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares;
"Ordinary Shares"	ordinary shares of no-par value in the capital of the Company;
"RCF"	Revolving Credit Facility;
"SDG9"	the UN's Sustainable Development Goal 9;
"SASB"	Sustainability Accounting Standards Board;
"SDIA"	Sustainable Digital Infrastructure Alliance;
"TCFD"	Taskforce for Climate-related Financial Disclosures;
"Total Shareholder Return"	the increase in Net Asset Value in the period plus distributions paid in the period; and
"Verne Global"	Verne Holdings Limited, a private limited company incorporated in England and Wales.

SHAREHOLDER INFORMATION

Non-executive Directors

Jack Waters (Chair)
Keith Mansfield
Monique O'Keefe
Charlotte Valeu
Lisa Harrington

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Delegated Company Secretary

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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.

Energy and Carbon Emissions

Carbon emissions are calculated by multiplying energy consumption data by emissions factors. Emissions factors are derived from various sources, according to geography and energy supply specifics. For each investee company within our portfolio, our reporting methodology and boundaries follow the GHG Protocol's Corporate Accounting and Reporting Standard. Emissions are attributed to D9 using PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry.

The main source of Scope 1 emissions within the portfolio is fuel used in on-site electricity generation. On-site generation is required by data centres to guarantee up-time, and by subsea network operators to ensure the continuous running of this critical infrastructure. The calculation methodology for these emissions differs by geography. In the UK, UK Government GHG Factors were used to convert this data into emissions. In Iceland, factors provided by the Icelandic Environmental Agency was used. Additional factors from these same sources were used to convert fuel use in litres to kWh of energy use.

Market- and location-based emissions figures are presented for Scope 2, reported in line with the GHG Protocol's Scope 2 guidance. To calculate market-based emissions, emissions factors supplied by the electricity company and derived from contractual instruments are used in the first instance. In the absence of these specific factors, residual mix factors are applied from Green-e in the United States and the Association of Issuing Bodies (AIB) in Europe, or location-based emissions factors where these aren't available. In all cases, the most recent available emissions factor is used.

Aggregated carbon intensity metrics are a weighted average based on the value of the investment within the portfolio, as of 31 December 2021.

Verne Global Emissions

Verne Global has a higher carbon intensity than might be assumed, given its sourcing of 100% renewable energy. This is due to the energy supplier, Landsvirkjun, including a broader scope of emissions in their calculations[16] than is typical for energy providers in other markets such as the United Kingdom or United States. Carbon emissions from geothermal energy, and biogenic carbon and methane emissions from hydropower reservoirs, are both included in scope.

SDG9 Alignment Data

Reporting Period

The data underlying these metrics is from the full 2021 reporting year.

Power Usage Effectiveness

Power usage effectiveness (PUE) is a measure of the energy efficiency of a data centre, with reference only to the electricity usage onsite. It is a ratio of the total facility energy compared to the equipment used in the computing equipment:

$$PUE = \frac{Total\ Facility\ Energy}{IT\ Equipment\ Energy}$$

16 https://www.landsvirkjun.com/annualreports/annual-report-2020

IT Equipment Energy: includes the energy associated with all of the IT equipment involved in computation, storage and networking, as well as supplemental equipment such as switches.

Total Facility Energy: includes all energy associated with IT equipment, plus everything that supports the IT equipment energy usage, including power delivery components, cooling systems and other miscellaneous energy uses, such as data centre lighting. A more detailed explanation can be found in the guidance from the Green Grid[17].

Verne's PUE is calculated based on the average daily metered load figures for Total Facility Energy and IT Equipment Energy. The sum of these daily values is taken to calculate PUE for the reporting period.

Growth in Network Capacity

Capacity on the Aqua Comms network is provisioned to customers as blocks of a defined capacity (GB/s) between two individual points of presence on the network. The sum of all of these blocks, as provisioned to customers, is taken for 31st March 2021 (the point of acquisition) and 31st December 2021 (the reporting year end).

SFDR-Aligned Indicators

Reporting principles and methodologies for the SFDR-aligned indicators are the same as those outlined in the principal adverse sustainability impacts statement of the February 2021 SFDR RTS[18], with any exceptions noted in footnotes.

Gender pay gap calculations are based on a snapshot of the data for the calendar month of December 2021. We have followed UK Government guidance[19] in calculating the gender pay gap. This sample represents the pay that employees would have seen on their pay slip for December, excluding overtime and bonus payments. This includes salary (or basic pay and hours worked, for employees paid hourly), pay for leave, pay for being on call, car allowances, and pay for recruitment and retention. Benefits in kind, such as healthcare and pension contributions have been excluded. Bonuses were excluded as consistent bonus data for all employees was not available for the month of December.

Employees who started or terminated their employment during the month of December have been excluded from the sample, as have those currently on parental leave. Salaried non-executive directors and chairpersons have also been removed from the sample as their remuneration approach is not comparable to FTEs and their hours worked are less well-defined. Including them in the calculations would skew the data. For salaried employees, we have assumed that 2,080 hours are worked across the year.

Employee data from Verne Global and Aqua Comms were consolidated into a single data set, and the overall gender pay gap of this data set was calculated.

TCFD Indicators

All data reported is from the point of acquisition of the portfolio company by D9 up to 31 December 2021. Emissions and energy data is attributed to D9 following PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry.

17 https://datacenters.lbl.gov/sites/default/files/WP49-PUE%20A%20Comprehensive%20Examination%20of%20the%20Metric_v6.pdf

18 https://www.eiopa.europa.eu/sites/default/files/publications/reports/jc-2021-03-joint-esas-final-report-on-rts-under-sfdr.pdf

19 https://www.gov.uk/guidance/the-gender-pay-gap-data-you-must-gather#ordinary-pay

ANNEX 2 – TCFD DISCLOSURE

Governance

Describe the Board's oversight of climate-related risks and opportunities

Risks to the D9 strategy, including climate risks, are formally captured in the D9 Risk Register which is owned by the D9 Board. The Board are also kept informed of material climate risks and opportunities facing portfolio companies through updates provided by the D9 investment team, and through updates provided by Triple Point's Head of Sustainability.

A member of the Board is also a member of Chapter Zero, a group designed to facilitate engagement and collaboration of non-executive directors to ensure best practice on climate risk management.

Describe management's role in assessing and managing climate-related risks and opportunities

Assessment and management of climate-related risks and opportunities is shared across D9 and the wider Triple Point business through the Risk Committee and Sustainable Investment Sub Group. Triple Point's Sustainability Team and, in particular, the Head of Sustainability, co-ordinate these processes.

Pre-investment: screening and due diligence

Triple Point's central Sustainability Team works with the D9 deal team to identify any material climate risks when screening potential investments. Key climate-related risks are presented in the materials provided to Triple Point's D9 Investment Committee as part of the standard process for assessing deals. These risks are discussed in the committee meetings to assess the extent to which they affect the quality of the deal.

Triple Point has a central Sustainable Investment Sub Group, meeting every second month, which provides an additional forum for the discussion of any potentially material ESG issues within potential investments, including climate risks and opportunities. Senior investment team members and partners from all Triple Point investment strategies sit on this Group, bringing their diverse experience and perspectives to a constructive discussion. Andre Karihaloo represents D9 in this group.

Post-investment: monitoring and engagement

D9 acquires control provisions in all of its acquisitions, which enables thorough and constructive engagement with portfolio companies. Each portfolio company has an assigned asset manager within the D9 team. This manager is supported by Triple Point's Sustainability Team in climate risk analysis for each portfolio company. Any material climate risks identified through pre-investment due diligence, or later engagements, are highlighted to the Board of Directors of the portfolio company, on which at least one member of the D9 investment team sits. The Board oversees any necessary mitigation actions.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

The time horizon over which the following risks are material are categorised as:

- Short Term: next 5 years
- Medium Term: next 15 years
- Long Term: next 25 years

Time Horizon	Type	Risk	Potential Financial Impacts
Data Centres			
Short term	Transitional	• Low-carbon building regulations for new buildings. • SDIA target for 90% of new data centres to achieve nearly zero energy building status by 2030.	Increased costs of expanding current data centre operations to meet the standards.
Medium term	Transitional	• Requirements for hardware to be recyclable. • SDIA target for 90% of hardware to be recyclable by 2030.	Increased costs of new equipment to meet these standards.
Long term	Physical	• Increased frequency of extreme heat events. • Increased temperatures will decrease the thermal gradient between equipment and fresh air. • Data centre ventilation requirements will increase, increasing energy requirements.	Increased operational expenditure due to increasing energy requirements, also leading to increased PUE.
Subsea Cables			
Long term	Physical	Increasing sea levels could flood subsea cable landing stations and other low-lying infrastructure.	Increased capital expenditure to build resilience or move the landing station site.
Long term	Physical	Increased frequency of extreme weather events could damage supporting terrestrial infrastructure, such as fibre and co-location facilities.	Increased capital expenditure of terrestrial infrastructure providers used to bolster climate resilience passed on in the form of increased rental costs.

Time Horizon	Type	Risk	Potential Financial Impacts
Terrestrial Cables			
No portfolio companies			
Wireless			
No portfolio companies			

Table 1: Climate related risks and opportunities over various time horizons. Please note, terrestrial cables and wireless risk areas have not yet been assessed, as we do not currently have investments in these sub-sectors.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

The fund's fundamental strategy is aligned with the connectivity and environmental sustainability aims of Sustainable Development Goal 9. Given this focus on sustainability, combined with our internal ESG review process, we acquire well-performing assets that are ahead of the regulatory regime and have lower transitional risks, or assets where efficiency gains can be made within a reasonable time frame. Overall, we believe that the demand for sustainable digital infrastructure will increase over time, presenting a major climate-related opportunity to the fund and fuelling future growth. Physical risks do not pose a systemic or fundamental risk to the fund's strategy. Climate-related risks are integrated into the fund's financial planning through the fund model. Risks are closely monitored, but a change of overall strategy is not currently required.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Overall, given the fund's climate risk analysis and mitigation processes, D9 management is of the belief that the fund's strategy is resilient to a range of future climate scenarios, including a 2°C or lower scenario. This belief is founded upon the following key reasons:

- Our digital infrastructure assets outperform the market average across a range of climate-relevant metrics (renewable energy sourcing, power usage effectiveness, circularity), both globally and within their respective markets, and are ahead of the regulatory regime.
- Every investment undergoes analysis to determine its vulnerability to future climate change and the fund only invests in assets with minimal, and manageable climate-related risks.
- Wherever possible, the financial materiality of the climate change on the asset is assessed and integrated into sensitivity of the financial fund model, to ensure that these effects do not pose a significant risk to the fund's performance.
- Our controlling stake in portfolio companies allows for the implementation of mitigation measures to manage the risks that we are exposed to.
- Our Scope 1 carbon price exposure is relatively low.

Risk Management

Describe the organisation's processes for identifying and assessing climate-related risks

Triple Point's Sustainability Team research and monitor the impacts of climate change to be able to ensure that risk assessments performed on all assets managed are well-informed and credible. Triple Point is a signatory to the Principles for Responsible Investment (PRI), and a member of the Sustainable Digital Infrastructure Alliance (SDIA). We receive cues from these organisations on potential future risks and the likely future policy landscape. If necessary, we will also seek external expertise to evolve our understanding and have previously engaged with the Carbon Trust.

The Sustainability Team and the D9 Team work closely to discuss existing and emerging climate risks for the assets during the acquisition phase. We also plan to hold annual workshops to ensure the periodic review our risks to our assets and to further map the climate management approach for the strategy.

Transitional risks

Given the nature of the investment trust and the narrow range of assets that it invests in, it is possible to maintain a centralised register of potential transitional risks that may affect the asset types. When compiling this register of potential risks, we are guided by the assumptions and pathways of:

- International Energy Association (IEA): Net Zero Emissions by 2050 Scenario (from the IEA World Energy Outlook; https://www.iea.org/reports/world-energy-model/net-zero-emissions-by-2050-scenario-nze)
- Principles for Responsible Investment (PRI): Inevitable Policy Forecast (from the Inevitable Policy Response; https://www.unpri.org/download?ac=12954)
- Sustainable Digital Infrastructure Alliance (SDIA): Roadmap to Sustainable Digital Infrastructure by 2030; (https://sdialliance.org/roadmap/)
- Carbon Neutral Data Centre Pact Self-Regulatory Initiative (https://www.climateneutraldatacentre.net/self-regulatory-initiative/)

Other relevant policy intentions are recorded in the central risk register as they are identified. Any such risks are discussed by the Investment Manager's investment and sustainability teams, both in routine catch-ups and through the teams' close day-to-day interaction.

When assessing an individual investment, we consult the central risk register to assess any risks that can reasonably be considered to transpire over the investment lifespan. A non-exhaustive extract of this register can be seen in Table 2, below:

	2025	2030	2035	2040	2045	2050
Net Zero Emissions by 2050						
CO_2 prices for electricity in advanced economies ($/t$CO_2$)	75	130		205		250
Share of zero carbon buildings – retrofit (%)	<1	20				>85
Share of zero carbon buildings – new (%)	5	100				100
SDIA Roadmap						
Share of nearly-zero emissions buildings (%)	90					
Share of hardware components that are recyclable (%)	90					
Inevitable Policy Forecast*						
CO_2 prices in the EU ($/t$CO_2$)	75					
100% clean power by:			FR, CAN	UK, USA, SA	GER, ITA, JAP, SK, VIE	

Table 2: Transition risk policy register extract

Physical risks

To identify physical climate risks to potential assets, we use a worst-case, Business as Usual, scenario – IPCC RCP 8.5 – to identify as much risk as possible. We use an externally developed climate model, which assesses an assets vulnerability to a number of physical climate risks, to provide us with a high-level risk exposure value.

Where a risk is identified, the D9 team, in consultation with the Sustainability Team, will decide if a deeper analysis of the risk is required, using external specialists.

As a deal progresses, we also identify any potential physical risks outside of the scope of this modelling process. For example, an increase in cooling costs for data centres under increased temperatures.

This scoping process, for both transitional and physical risks, results in a list of potential climate risks for the investment, which are captured in the deal screening documentation.

Portfolio-level opportunities

After an initial analysis, it was determined that climate-related opportunities were more applicable across the portfolio, rather than specific to investments, and are tracked at this level as a result. Overall, the mandate of the fund means that investment inflows into sustainable infrastructure provide a large opportunity for future growth. The overall strategy and position of the fund is informed by these opportunities.

Describe the organisation's processes for managing climate-related risks

Many of the risks faced by the portfolio are not fundamental or particularly financially material, and are accepted. Mitigation options are identified for any risks that are identified as material. Data that is relevant to the management of these risks is included in the data requirements that form part of our initial engagement with newly acquired company, allowing the likelihood and impact of this risk to be assessed and managed over the long term and mitigated against as required.

Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management

Digital 9 Infrastructure risk management

D9's Investment Director, Thor Johnsen, has oversight of all climate-related risks. These risks are reported into the strategy's risk register. The D9 investment team are responsible for completing the D9 risk register, which is owned by the D9 Board, and would include identified climate risk. This register is reviewed and discussed through the Portfolio Risk Review meeting, involving members of the D9, the risk and the sustainability teams. The register is approved by the Board.

Triple Point as investment manager risk management

For Triple Point as investment manager, risks identified within the D9 Risk Register are approved by Triple Point's Risk and Valuation Committee, a process overseen by Triple Point's Head of Risk and may be raised to the Triple Point Risk Register, should an issue be considered of critical concern, and this could include climate related risk. The Triple Point Risk register is reviewed and discussed by the Triple Point Risk Committee, which is also led by Triple Point's Head of Risk. The Head of Sustainability also sits on the Risk Committee, and in particular will contribute to discussions relating to any climate risks identified on the Triple Point Risk Register.

METRICS AND TARGETS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

As risks are identified through pre- and post-investment analysis, data requirements that will allow them to be monitored and assessed are determined and included in our requests to the portfolio company. This process is completed on an asset-by-asset basis, depending on the nature of the particular risk. Emissions and energy data is collected from all of our portfolio companies.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

	Verne Global 04/09/2021	Aqua Comms 01/04/2021	Total
Scope 1 (tCO_2e)	10	2	**12**
Scope 2 (tCO_2e) location-based	426	578	**1,004**
Scope 2 (tCO_2e) market-based	134	411	**545**
Renewable energy consumption (kWh)	40,556,417	648,487	**41,204,904**
Non-renewable energy consumption (kWh)	15,518	1,255,561	**1,271,079**

Table 3: GHG emissions disclosure. This data is based on fully owned portfolio companies excluding real estate assets. All data reported is from the point of acquisition of the portfolio company by D9 up to 31 December 2021. Emissions and energy data is attributed to D9 following PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry.

Independent reasonable assurance has been provided only over 2021 data marked with this symbol. PwC's assurance statement can be found in this document. Triple Point's Reporting Principles and Methodologies can be found in Annex 2.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

- We target a weighted average PUE of 1.3 across the portfolio of data centre assets. 1.3 is widely considered to be industry best standard for data centres in cold air locations. We look to ensure across our portfolio we are in line with the best practice. Where we acquire a data centre with a weaker PUE we engage to drive improvement.
- We target a year-on-year reduction in GHG emissions intensity per portfolio company for fully owned companies.

Reporting against these targets will be in 2023.