

28 February 2024

DIGITAL 9 INFRASTRUCTURE PLC

("D9" or the "Company")

Proposed change of investment objective and policy to facilitate a managed wind-down of the Company and Notice of General Meeting

As announced by the Company on 29 January 2024, the Board of Directors of the Company (the **Board** or the **"Directors"**) has decided to put forward details for the implementation of a managed wind-down of the Company (the **"Managed Wind-Down"**).

A circular (the **"Circular"**) to convene a general meeting (the **"General Meeting"**) containing details of the proposals in respect of the Managed Wind-Down is expected to be published today and a copy of the Circular will be submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. The Circular will also be available on the Company's website at www.d9infrastructure.com and posted to the Company's shareholders (**"Shareholders"**) shortly.

Rationale for and overview of the Managed Wind-Down

As announced on 29 January 2024, following careful consideration of the options available to the Company, and after consultation with its financial advisers, and taking into account feedback received from a large number of Shareholders and the position of the lenders to the Company's group's £375 million revolving credit facility (the **"RCF"**), the Board has determined that it would be in the best interests of the Company and Shareholders, to pursue a managed wind-down of the Company.

The Board proposes to implement the Managed Wind-Down by pursuing a disposal process for the assets of the Company at the appropriate time, namely Aqua Comms, EMIC-1, Elio Networks and SeaEdge UK1 (being the **Wholly-Owned Assets**) and Arqiva. At the current time, the Board's high-level approach to realising each of the investments is set out below:

- a) **Wholly-Owned Assets:** The Board intends to commence sale preparations for each of the Company's Wholly-Owned Assets immediately following the passing of the resolution to be proposed at the General Meeting of the Company (**"Resolution"**) ahead of launching what it currently expects to be competitive sale processes later this year. The Board has instructed advisers to assist with the sale process relating to Aqua Comms and is mandating advisers to assist with the preparation of the other sale processes.
- b) **Arqiva:** As part of the strategic review process initiated by the Company and announced on 27 November 2023 (the **"Strategic Review"**), various options for realising the stake in Arqiva have been considered on a preliminary basis by the Board. After careful consideration of Arqiva's plans and current market conditions, the Board believes that the maximisation of the value of the Company's stake in Arqiva is likely to take longer to realise than the other investments held by the Company. As such, while the Company will continue to consider and be open to all options for Arqiva which are value-accretive to Shareholders, the Board has decided to defer launching a sale process for the Company's stake in Arqiva for the time being. The Board will continue to explore various options, including but not limited to the possible start of a sale process once the plan intended to fully realise the embedded value in the asset is more advanced.

The disposal of each of these assets, and their supervision pending disposal, is expected to be carried out either by a third party manager approved by the Board, by members of the Board itself or possibly, insofar as the Board considers it appropriate, a combination of those arrangements.

Notwithstanding the above, the strategy for each of the sales contemplated will be flexible and may need to be altered to reflect changes in the circumstances of a particular investment or in the prevailing market conditions. The Board will meet regularly to review the progress of the realisation of each of the assets. Any disposal will be subject to the Board's approval.

It is difficult for the Board to provide a precise date or certainty on the timeframe for the disposal of the Company's assets. However, the Board aims to realise the Company's assets in an orderly manner to maximise shareholder value whilst also being aware of the ongoing costs of managing the Company's portfolio.

New investment objective and policy

The implementation of the Managed Wind-Down will require amendments to the existing investment objective and policy of the Company (the "**Existing Investment Policy**"). The amendments are considered a material change to the Existing Investment Policy, which requires the consent of Shareholders in accordance with the Listing Rules of the Financial Conduct Authority (the "**Listing Rules**"). The Company is therefore seeking Shareholder approval to amend the Existing Investment Policy.

The Board is proposing that the Company's investment objective and investment policy be restated as follows:

Investment Objective

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

Investment Policy

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

a) failure to make the investment or capital expenditure would result in a breach of contract or applicable law or regulation by the Company, any member of its group or any vehicle through which it holds its investments; or

b) the investment or capital expenditure is considered necessary to protect or enhance the value of any existing investment or to facilitate an orderly disposal, any such investment or capital expenditure being a "Permitted Investment".

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

Borrowing and hedging

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

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

Shareholder returns

The Board expects to use proceeds from the Managed Wind-Down to repay the amount of the RCF that will be outstanding following completion of the sale of 100 per cent. of the Verne Global group of companies (the "**Verne Transaction**"). Once the RCF has been repaid, the Board will review the potential allocation of any remaining proceeds between the repayment of the indebtedness to the vendor in respect of the Company's acquisition of its interest in Arqiva in October 2022 and distributions to Shareholders. No further dividend distributions are planned in respect of the year ended 31 December 2023 and none are foreseen in the medium term. To the extent possible, it is intended that any cash distributions to Shareholders will take the form of returns of capital.

Further, the Company's liquidity constraints prevent it from being able to give consideration to the implementation of a programme to buy back shares in the market at this stage.

Listing and Jersey regulatory status during the Managed Wind-Down

During the Managed Wind-Down, the Company will continue to be a "listed fund" regulated by the Jersey Financial Services Commission, and it will continue to comply with all of the investment restrictions imposed by the Listing Rules in order to maintain the admission of the Company's shares to listing on the Official List of the FCA, under Chapter 15 of the Listing Rules (or such successor to Chapter 15 as may be in place following the conclusion of the FCA's Primary Markets Effectiveness Review). There are however costs involved with the Company maintaining its listing and Jersey regulatory status, and the Board will monitor and review the cost efficiency and practicalities of maintaining the same on an ongoing basis during the course of the Managed Wind-Down. The Company will also seek to continue to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 for as long as the Board believes such qualification to be practicable and cost-effective.

The Board may reconsider the listing and Jersey regulatory status of the Company alongside the completion of the sale of the Company's Wholly-Owned Assets having regard to the proposed strategy for Arqiva at that time.

On an ongoing basis during the Managed Wind-Down, the Board may also consider whether it would be appropriate for the Company to appoint an alternative investment fund manager or potentially become a self-managed alternative investment fund, should the Company's relationship with the Investment Manager be terminated as referred to below.

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Relationship with the Investment Manager

On 29 January 2024, the Company announced its intention to give notice to terminate the investment management agreement (the "IMA") with the Investment Manager under the provision in the IMA which states that "*The Company or the Investment Manager shall be entitled to terminate this Agreement upon giving to the other party not less than twelve (12) months' prior written notice of termination, such notice not to expire before the fourth anniversary of the date of Admission.*" The fourth anniversary of the date of admission is 31 March 2025. The Company has advised the Investment Manager that, subject to any required consents, it presently intends to give notice to terminate the IMA under the above provision, with any such notice of termination to be issued on the later of 31 March 2024 or the closing of the Verne Transaction (the "Notice Date").

Pending the Notice Date, the Company is actively exploring with the Investment Manager whether the Company and the Investment Manager might agree revised commercial terms that would be in the best interests of the Company and its Shareholders given its future needs in the context of the other matters set out in the Circular.

NAV reporting

If the Resolution is approved by Shareholders, the Board also proposes during the Managed Wind-Down to continue to publish the Company's net asset value on a semi-annual basis and monthly factsheets and portfolio updates in a shortened form summarising the current portfolio and other relevant information, as considered appropriate.

The Board will keep this process under review in light of the diminishing size of the Company's portfolio during the course of the Managed Wind-Down.

Benefits of the New Investment Policy

The Directors believe, having taken into account the views expressed by Shareholders, that the proposed investment objective and policy for the Company as set out in this announcement and the Circular (the "New Investment Policy") is in the best interests of the Company's Shareholders as a whole because:

- a) implementing a managed and orderly realisation of assets, rather than seeking an immediate sale of the portfolio or the status quo, is expected to strengthen the financial position of the Company by maximising the value to be realised on the sale of the Company's assets;
- b) the Directors believe that the realisation process would be the best way to maximise Shareholder value; and
- c) maintaining the listing of the Shares while the substantial majority of the Company's assets are realised will, subject to market conditions, enable certain Shareholders and prospective investors to continue to be able to trade Shares in this period and meet their own investment restrictions, for example where they are required to hold listed securities or instruments with daily liquidity.

Accordingly, the Directors are recommending that Shareholders vote in favour of the Resolution.

Consequences of the Resolution not being approved

In the event that the Resolution to be proposed at the General Meeting relating to the Resolution is not passed by the Shareholders, the Company will continue to operate under the Existing Investment Policy and the articles of association of the Company. The Directors would in this scenario consider proposals for the future of the Company and update the Shareholders accordingly.

General Meeting

The Resolution is subject to Shareholder approval. The Circular contains a notice convening the General Meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL at 1:00 on 25 March 2024 setting out the full text of the Resolution. A form of proxy to be used in connection with the General Meeting is enclosed with the Circular.

At the General Meeting, the Resolution will be proposed as an ordinary resolution (which, to be passed, requires more than half of the total number of votes cast on the Resolution by Shareholders being entitled to vote (by proxy or in person) to be cast in favour) so as to duly sanction the changes to the Existing Investment Policy.

The Board considers that the passing of the Resolution is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the directors intend to do in respect of their own beneficial holdings of Shares which, in aggregate, amount to 582,031 Shares representing approximately 0.067 per cent. of the Company's issued share capital (no Shares are held in treasury).

The Board therefore strongly recommend that Shareholders VOTE IN FAVOUR of the Resolution being proposed at the General Meeting.

Expected timetable of events

The anticipated dates and sequence of events relating to the implementation of the Managed Wind-Down are set out below:

Date of publication of the Circular and Notice of General Meeting

28 February 2024

Latest time and date for receipt of Forms of Proxy or transmission of CREST proxy Instructions (as applicable)	11.00 a.m. on 21 March 2024
General Meeting	11.00 a.m. on 25 March 2024
Announcement of results of General Meeting	25 March 2024

ENDS

FOR FURTHER INFORMATION ON THE COMPANY, PLEASE CONTACT:

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About Digital 9 Infrastructure plc:

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

The Investment Manager is Triple Point Investment Management LLP, which is authorised and regulated by the Financial Conduct Authority. For more information on the Investment Manager please visit www.triplepoint.co.uk. For more information, please visit www.d9infrastructure.com.

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