Cordiant

Cordiant Digital Infrastructure Limited
Annual Report 2024

About this report
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Cover and inside front cover:
Suwałki Transmitter,
Krzemianucha, Poland.

About us

Cordiant Digital Infrastructure Limited is a sector-focused, specialist owner and operator of assets in one of the fastest growing infrastructure sectors.

The Company's Core Plus investment approach is focused on generating long-term value and growth by leveraging the Investment Manager's sector expertise and operational experience. We have built a diversified portfolio of assets with high growth potential, investing in data centres, telecommunications towers and fibre-optic networks across Europe and in North America. The Company seeks to generate an attractive total return of at least 9% per annum over the longer term.

The Investment Manager's strategy is to increase net asset value for investors through buying high-quality Digital Infrastructure platforms, building additional asset capacity and growing the revenues and cash flows of those assets through active management.

Highlights: the strength of the portfolio underpins good performance

£920.7m
Net asset value (NAV)
(2023: £875.7m)

9.3%
Total return for the period on ex-dividend opening NAV
(2023: 10.0%)

4.2p
Dividend in respect of the financial year
(2023: 4.0p)

120.1p
NAV per ordinary share
(2023: 113.4p)

32.8%
NAV total return since inception, assuming dividends reinvested
(2023 21.1%)

7.2%
Portfolio company EBITDA growth over that of the prior comparable period, earned on 7.9% revenue growth over the prior comparable period

€190.5m
Enterprise value on acquisition of Speed Fibre completed in October 2023

1.6x
Dividend covered by adjusted funds from operations (AFFO)[1]. Dividend covered 4.4x by aggregate EBITDA

[1]See calculation and discussion on page 21.

4
Bolt-on acquisitions completed in the year underlining the delivery of the Buy, Build & Grow model. Emitel acquired the Polish telecom tower business of American Tower Corporation; CRA acquired Cloud4com, a leading Czech cloud provider, and two smaller businesses

Telecom masts at Croghan Hill, County Kilkenny, Ireland.

The Company uses alternative performance measures (APMs) in addition to IFRS measures to assess and describe its performance. Further information on the APMs used in this document and how they are calculated is given on page 105.

Portfolio overview

Portfolio companies

Emitel
Acquired November 2022
Multi-asset platform
Poland

České Radiokomunikace (CRA)
Acquired April 2021
Multi-asset platform
Czech Republic

Speed Fibre
Acquired October 2023
Fibre infrastructure platform
Ireland

Hudson Interxchange (Hudson)
Acquired January 2022
Interconnect data centre
New York

Norkring
Acquired January 2024
Broadcast and colocation services
Belgium

Diversified portfolio asset mix

18.3 MW
of data centre power capacity

9
data centres

1,303
telecommunications towers

6,276
microwave connections

15
multiplexers[1]

77
broadcast towers[2]

10,813 km
of fibre-optic network[3]

ca.89,520
active IoT sensors

[1] Of which nine are leased.
[2] Of which seventeen are leased.
[3] Some owned and some leased.

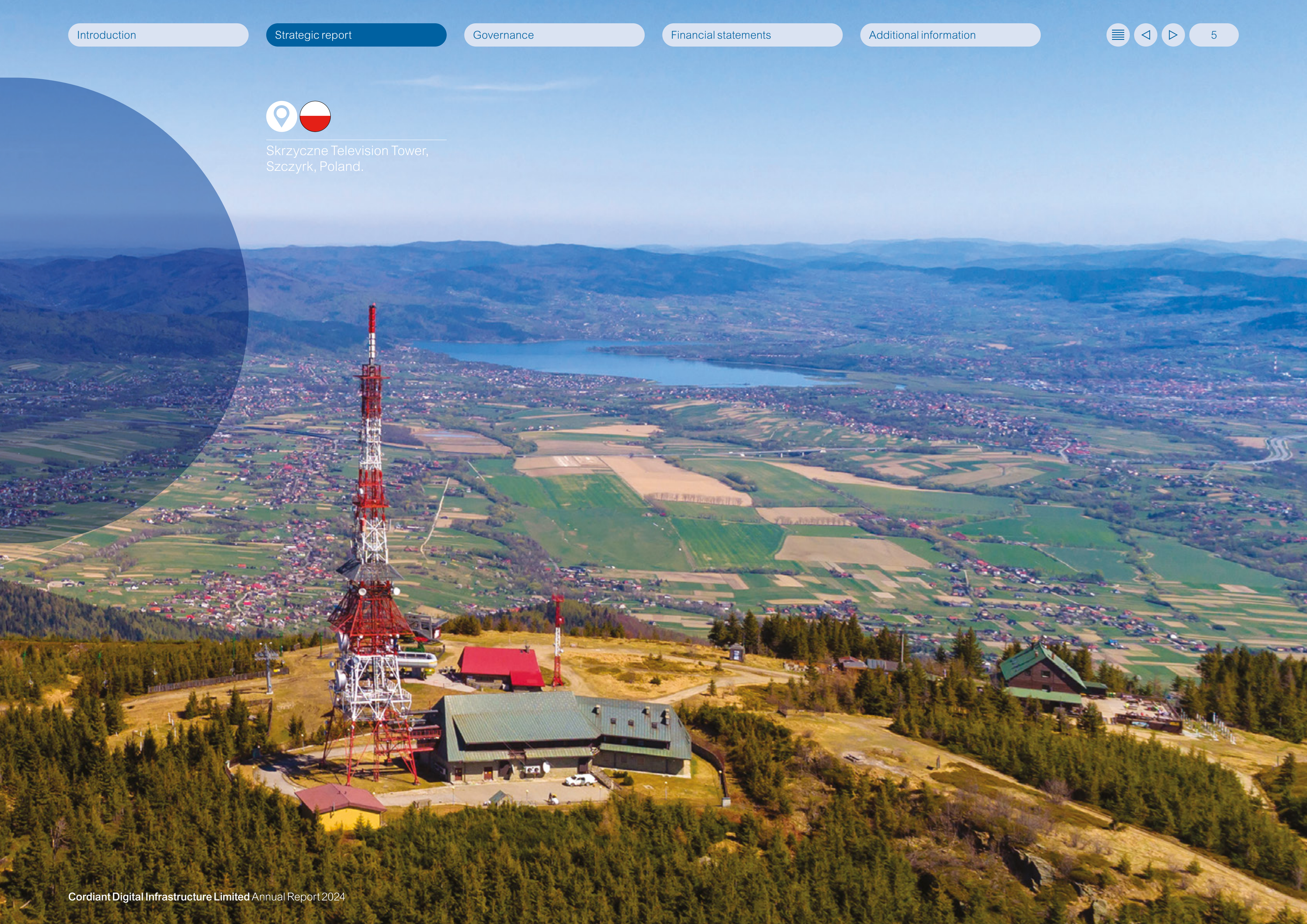
Diversified portfolio client base, including:

- Vodafone
- T-Mobile
- O2
- Three
- Orange
- AT&T
- Verizon
- Amazon
- Digital Realty

Strategic report

"The Company achieved a good performance, underpinned by the strength of the portfolio that we have constructed."

Shonaid Jemmett-Page
Chairman



Skrzyczne Television Tower,
Szczyrk, Poland.

Who we are and what we do

We have constructed a portfolio of high-quality Digital Infrastructure platforms with the ability to expand these further through incremental capex and bolt-on acquisitions.

The Investment Manager has a large, sector specialist team composed of senior industry operating executives and private capital professionals with deep expertise in the sector. Its strategy focuses on Core Plus assets (see page 9) and is designed to grow NAV for investors through buying high-quality Digital Infrastructure assets, building additional infrastructure and growing the revenues and cash flows of those assets through active management under a Buy, Build & Grow model.

Digital Infrastructure enables modern communication networks, which have assumed a central place in the day-to-day activities of society, government and business. It is commonly described as consisting of the communications towers, data centres, fibre-optic networks and Internet of Things (IoT) sensors that constitute the physical layer of the internet. In many cases, these assets can be shared by customers, potentially resulting in greater coverage and higher profits for operators. Contracts are typically long term, benefit from inflation escalators and are often with blue-chip counterparties.

Digital Infrastructure has been estimated by McKinsey Global Institute as being one of the top three categories of infrastructure capital spending globally. It benefits from growth rates above those of the economy as a whole.

The Company focuses on growth platforms in the middle market. It has assembled a well-diversified portfolio including 1,380 communications towers, 10,813km of fibre-optic network, IoT networks and nine data centres. This broadly diversified base of assets is held through five portfolio companies.

#1

Emitel
Poland
The leading independent broadcasting and telecommunications infrastructure operator in Poland, providing access to TV and radio signal for nearly the entire population.

Read more on pages 24 and 25.

#2

CRA
Czech Republic
The leading independent Digital Infrastructure platform in the Czech Republic, holding the national broadcast licence and developing a significant data centre and cloud services presence.

Read more on pages 26 and 27.

#3

Speed Fibre
Ireland
A leading open access backbone fibre network provider in Ireland with fibre and wireless backhaul across the country as well as providing connection and services to business and retail customers.

Read more on pages 28 and 29.

#4

Hudson
New York
An interconnect data centre operating in the most interconnected facility in one of the most interconnected cities on the planet.

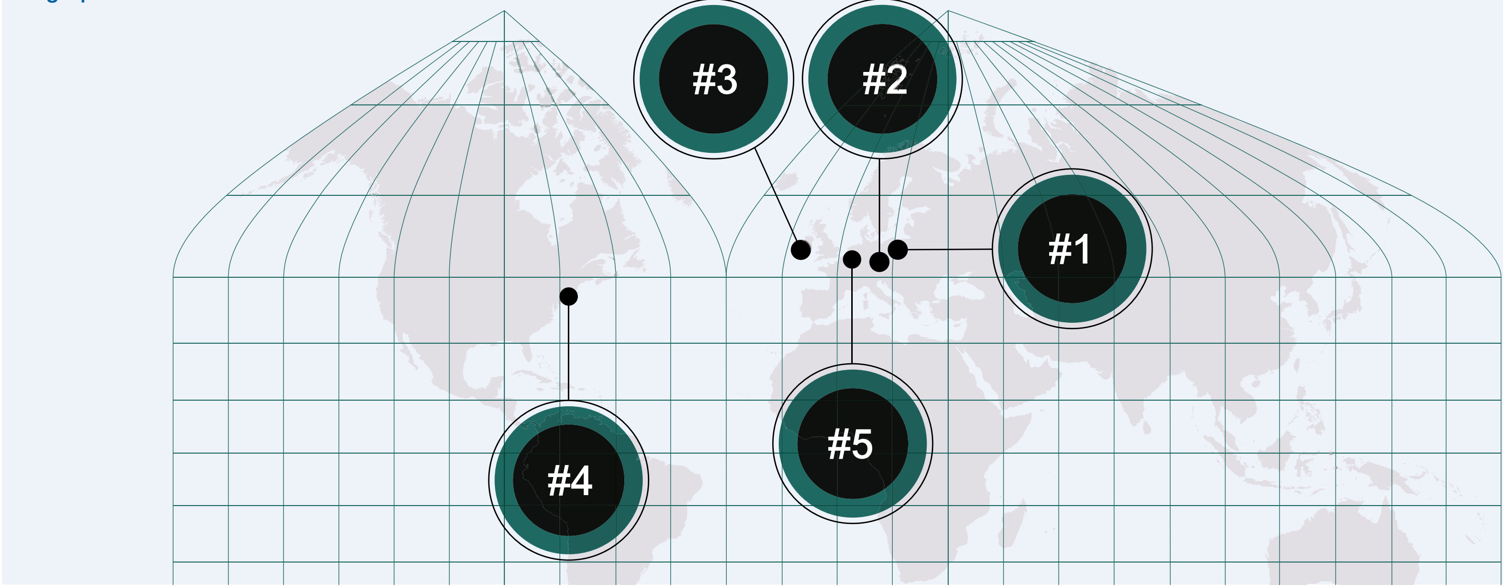
Read more on page 30.

#5

Norkring
Belgium
A provider of broadcast, colocation and site hosting services, with 25 communications and broadcast towers located across the Flemish region of Belgium and Brussels.

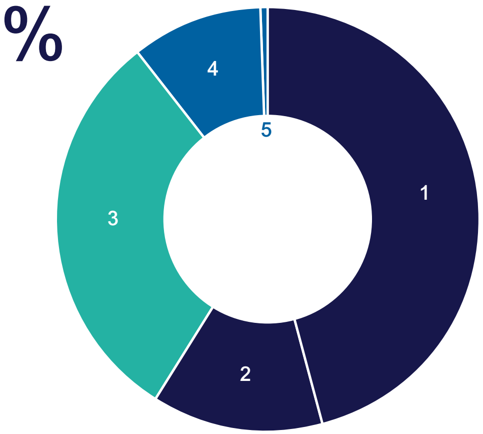
Read more on page 31.

Geographic context



Our investments

A diversified portfolio



Revenue by segment*	%
1. Digital broadcast infrastructure	46.0
2. Mobile towers	13.1
3. Backbone fibre-optic networks	30.4
4. Data centres and cloud	10.1
5. Internet of Things/Smart City	0.4
Total	**100.0**

*Pro forma for the year including Speed Fibre and Norkring

Digital broadcast infrastructure

Broadcast antennas are placed on towers, which are typically very tall and owned by the Company, for the purposes of broadcasting content from content originators, through a multiplexer which sorts and prepares the signal, to homes and businesses equipped with aerial receptors.

Mobile towers

Communications towers – cellular-enabled mobile device sites where antennas and electronic communications equipment are placed, typically on a radio mast, tower, or other raised structure.

Distributed antenna systems (DAS) – where a network of antennas connected to a common source is distributed throughout a building or an area to improve network performance.

Data centres

Physical facilities that enterprises and specialist cloud providers use to run their business-critical applications and store data. These are now fundamental to almost every industry around the world and are an enabler for all current digital communications. They are also vital for technology evolution such as artificial intelligence and 5G.

Cloud computing

Cloud computing is the outsourced on-demand delivery of computing power and associated services over the internet to offer faster innovation, flexible resources, and economies of scale.

Internet of Things (IoT)

Networks of sensors that monitor and manage utility networks, such as water.

Backbone fibre-optic networks

The medium and technology associated with the transmission of information as light pulses along a glass or plastic strand or fibre. A fibre-optic network is used for long-distance and high-performance data networking. It is also commonly used in telecommunication services such as the internet, television and telephones.

Fibre-optic networks consist of four main elements: subsea cables, cross-border hubs, metro-local loops and last mile/access.

Our business model

The Company invests under a Buy, Build & Grow model, with a strong capital discipline.

The Company seeks to acquire cash-generative platforms (generally of medium size) and then to expand and improve them. This is made possible by the team. The Investment Manager is one of the most experienced and well resourced Digital Infrastructure investment teams in the market.

Buy, Build & Grow

Mid-market focus

With an emphasis on applying growth capital to boost the internal rate of return (IRR) and multiple on invested capital.

Disciplined buying

Emphasis on disciplined buying (below average blended entry multiples) and operational improvements.

Balanced senior team

Seasoned industry executives alongside experienced private equity and corporate professionals, all with deep sector experience.

Sourcing investment opportunities

Proven ability to source proprietary investment opportunities.

Sustainability

Fully integrated into investment process.

The Company principally invests in operating Digital Infrastructure assets, mainly focusing on data centres, mobile telecommunications/broadcast towers and fibre-optic network assets, in Europe and North America.

Build value in the medium and longer term

Diversification

Secure greater portfolio diversification through geographical spread and balanced sub-sector allocation.

Specialist experience

Specialist experience across mobile towers, data centres and fibre: the core building blocks of the internet.

Operational improvements

Continuously producing tangible and measurable operational improvements led by in-house sector specialists.

Our focus on sustainability

Collectively, sorting, processing and moving data around the world currently accounts for more than 3% of global electricity consumption.

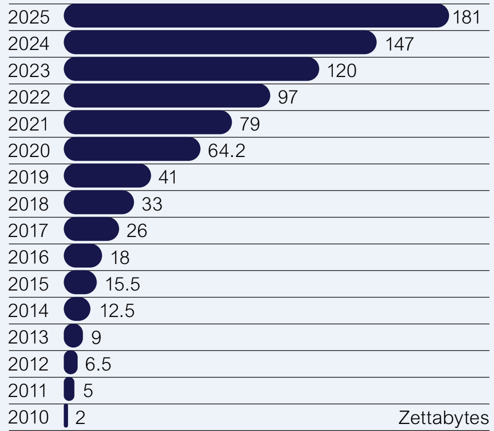
The Company recognises the need to:

- reduce the carbon footprint of the digital economy, with special focus on:
  - enabling efficient network design, e.g. supporting the integration of 5G and broadcast;
  - integrating renewable energy where possible; and
  - energy efficiency at the network component level e.g. more efficient data centres.
- reduce the carbon footprint of society, through enhanced communications and connectivity, such as the application of technologies to develop more sustainable cities.
- better connect underserved businesses and households to the digital economy, supporting enhanced opportunity and economic activity.

Market growth

The Digital Infrastructure market is forecast to grow strongly over the coming decade.

Volume of data/information created, captured, copied, and consumed worldwide from 2010 to 2025 (actual and forecast).



Source: Statista 2023

Creating value through our investment strategy

An active approach to building value

Buying cash-flowing digital companies and increasing NAV by expanding revenues and increasing margins.

'Core' strategies involve investment in mature assets. 'Core Plus' and 'Value Add' strategies seek to buy assets where the revenue frontier can be expanded significantly through the sale or lease of more space on existing under-utilised assets and/or the sale or lease of space on newly built infrastructure. These strategies also look to increase cash flows by bringing best practice to bear, something particularly true in our area of focus of the middle market, and spreading fixed costs over a larger revenue base.

The Company operates a Core Plus approach through its Buy, Build & Grow model. Executing a Core Plus strategy requires a high degree of operational knowledge and experience. The Investment Manager's digital team has strength in depth in both numbers and capability. Of 10 managing director-level staff, six have held senior roles in industry and the remaining four came from the private capital industry while also benefiting from long experience in the sector.

This enables us to bring best practice to portfolio companies, which are mid-sized platforms, and to support them in their growth trajectory.

Our commitment to growth and diversification

Since the Company's 2021 IPO, the Investment Manager has sought to deploy capital in areas it believes to be overlooked or undervalued.

This led to the purchase initially of two platforms: Emitel and CRA, offering, in varying mixes, mobile and broadcast towers, fibre-optic networks, utility sensors and data centres. These platforms are located in growth economies in Central Europe. In addition, Hudson, an interconnect data centre located in New York City, was acquired as a strategic asset.

Valuations have corrected in some parts of the Digital Infrastructure middle market, leading to attractive opportunities to diversify by asset segment and geography in accordance with the Company's investment strategy. Speed Fibre, a leading fibre infrastructure platform in Ireland, is a clear example of this.

Further acquisition opportunities will continue to be judged in relation to strategic portfolio construction as well as potential alternatives, including share buybacks. The Investment Manager remains focused on the development of a dynamic pipeline of attractive, high-quality and accretive targets in Europe and North America that aligns with the Company's investment strategy and its disciplined approach to the execution of that strategy.

Deleveraging and disruption have increased the volume of potential transactions in the mid-market.

There are opportunities to deploy capital in accordance with our strategy.

Origination
- Proven ability to source proprietary deals.
- Strong pipeline of acquisition opportunities at the portfolio company level.
- Future portfolio development is targeted on continuing to diversify both geographically and by sub-sector across Europe and North America.

Disciplined approach to pricing
- Price: emphasis on disciplined buying (below-average blended entry multiples).
- Growth: the Company seeks attractive entry prices and growth potential.
- Terms: the Company remains disciplined regarding transaction terms.

Operational insight
- Sector expertise and insight bring big-company best practice to mid-sized platforms to better enable growth and profit.
- Depth of experience stands out in the market, enabling better buying, better management and organic growth at platform companies.

M&A and debt restructuring
- Prudent approach to debt management to ensure a conservative portfolio debt structure and a strong liquidity position for the Company.
- The Company, through the capabilities and experience of the Investment Manager, leads its own M&A and debt advisory processes.

Unique and diversified
- Unique and profitable asset base acquired at ca.10.2x EBITDA, through attractively priced acquisitions as a function of geography and deal complexity.
- Diversified portfolio combining strong cash flows from national digital networks with substantial growth opportunities in key market segments (such as interconnect data centres, managed private cloud, mobile towers) and emerging areas with increased demand (such as edge data, fibre, IoT/utility and DAS2).

Value-add by experienced team
- Experienced manager, with a senior team combining industry operating executives and digital private equity experience.
- Balanced team with experience across all digital sub-sectors and disciplines; including more than $90 billion of private equity and transaction experience.
- Operating expertise driving portfolio platforms in realising their full potential, supporting platforms' management with a hands-on approach.

Focused sustainability agenda combined with a practical approach
- Integrating the consideration of sustainability risks, and opportunities, into decision making throughout the investment process.
- Promoting environmental and social characteristics within the Digital Infrastructure sector, as an Article 8 Sustainable Finance Disclosure Regulation (SFDR) product.

Chairman's statement

I am pleased to present the Annual Report for Cordiant Digital Infrastructure Limited (the Company) for the year ended 31 March 2024.

Introduction

The Company achieved a good financial performance for the year to 31 March 2024, which resulted in a total return for the year of 9.3% of ex-dividend opening NAV, ahead of the 9% annual target and notwithstanding the adverse impact of foreign exchange during the year. NAV per share rose to 120.1p at 31 March 2024 (31 March 2023: 113.4p or 111.4p ex-dividend).

The profit for the year reflected the strong overall performance of the underlying portfolio companies, offset by adverse foreign exchange movements (totalling £14.2 million). Excluding foreign exchange movements in the period would have resulted in a total return of 11.0%.

Portfolio strategy

The Investment Manager has a Core Plus strategy that aims to generate a stable and reliable annual dividend while also continuing to invest in the asset base of the Company's portfolio companies to drive higher revenues and increase net asset values. The Company is implementing this approach through its Buy, Build & Grow model.

Since its IPO, the Company has prudently sought out high-quality, cash-generating mid-market assets that we viewed as attractive investment opportunities. We have continued to focus on capital efficient investment in existing portfolio companies, through disciplined capex spending across the portfolio coupled with bolt-on acquisitions where appropriate. In the last year, these included the acquisition of American Tower's Polish telecom towers business by Emitel, and the acquisition of Cloud4com, a major Czech cloud services provider, and DC Lužice, a data centre located in the 'Digital Danube' triangle between Vienna, Brno and Bratislava, by CRA. This has been alongside the acquisition during the year of new businesses in Speed Fibre, a leading fibre network provider in Ireland, and Norkring, a provider of broadcast, colocation and site hosting services in Belgium, that reflect the current pricing environment and further diversify the portfolio geographically and by asset class.

Capex spending in the year has focused on the delivery of DAB radio networks at CRA and Emitel, continued data centre build-out at CRA and build-to-suit mobile towers at Emitel, together with Speed Fibre's continued construction of backbone fibre networks in Ireland.

Our disciplined approach has resulted in a portfolio acquired for an EV/EBITDA multiple of approximately 10.2x, which is predominantly supported by blue-chip customers and capable of generating strong cash flows through long-term contracts.

For the year to 31 March 2024, on a like-for-like, constant currency, pro forma basis, aggregate portfolio company EBITDA increased by 7.2% to £139.3 million, driven by contract wins or enhancements, cost control and the beneficial effects of inflation on revenues. Aggregate portfolio company revenue increased by 7.9% to £296.8 million.

Portfolio performance

The strong overall performance of our portfolio was again key to the Company's results for the year. This performance was achieved against the backdrop of levels of inflation and central bank interest rates not seen in many years.

The portfolio companies were able to benefit from significant levels of inflation protection through a combination of contractual revenue escalators, pass-through costs and hedging policies. Active management of long-term contracts also provided opportunities to renegotiate contractual terms with a number of customers. Together, these provided an offset to the adverse effects of inflation and interest rates on costs.

Emitel performed well during the year, with revenues increasing by 8.3% and EBITDA increasing by 4.4%. Performance was driven by the launch of a new sixth digital TV multiplex and the effect of inflation-linked price increases, offset by high energy costs and the delay in regulatory approval for a new channel until late in the year. In addition, Emitel won tenders for important broadcast contracts in TV and radio, including for the new channel from Polsat, the Polish TV broadcaster, on MUX 1 with a duration of ten years and inflation-linked revenues, which are expected to drive further future revenue and EBITDA growth. Alongside this, Emitel, working with the Investment Manager, successfully refinanced its loan facilities during the year, with a range of global, pan-European and local banks. The facilities were 1.6x oversubscribed and achieved an improved credit margin over the previous facilities.

CRA also performed strongly, with annual revenue and EBITDA growth of 10.7% and 8.8% respectively, driven by growth across all business areas. The company continues to make progress in diversifying its business, with its data centre and cloud activities now approaching 20% of revenues following the completion in January 2024 of the acquisitions of Cloud4com and DC Lužice, which are expected to provide substantial revenue and EBITDA growth opportunities. CRA also acquired Prague Digital in the Czech Republic, a regional broadcast company, which is expected to yield good synergy benefits. Telecom infrastructure was also boosted by a new 15-year contract with T-Mobile, which significantly expanded the scope of services previously provided. In January 2024, CRA successfully bid for and won the Czech spectrum tender which will enable it to launch one national commercial DAB network and seven regional networks, including Prague.

Speed Fibre's revenues for the year increased by 3.8% through sales growth, while EBITDA increased 5.0% over the same period. The increase in EBITDA was driven by higher than expected recurring service revenue and lower than expected customer churn in Speed Fibre's wholesale business. The business has performed in line with our acquisition assumptions following the completion of the transaction in October 2023.

Following a leadership change in 2023, Hudson's interim management is showing steady progress in growing revenues while managing costs and cashflow effectively. For the year to 31 March 2024, Hudson delivered revenue growth of 8.5%. While its EBITDA continued to be negative, the loss was 17.0% less than the prior comparable period, reflecting management's focus during the year.

For further information about each of our portfolio companies see pages 24 to 31.

Share price performance

In light of the progress made in constructing the portfolio and the positive financial performance achieved, the Board remains deeply disappointed with the performance of the share price and its continuing discount to NAV. We believe the causes of this are macroeconomic and are being felt market wide, leading to widespread redemptions across the sector, rather than being specific to the Company. At 31 March 2024, the discount to NAV was 46.7% (31 March 2023: 28.3%).

As a result, the Board and the Investment Manager have continued to focus on optimising portfolio performance while also seeking greater engagement with shareholders to provide a deeper understanding of the drivers of value within the portfolio. The views of our shareholders are important. My Board colleagues and I met with a number of shareholders on a bilateral basis during the year to listen to those views, to discuss the capital market challenges facing the Company and the sector and to explain our approach to these challenges.

The Company and the Investment Manager have also engaged with the UK government and the FCA, both directly and through industry bodies such as the AIC and the London Stock Exchange, in relation to the UK cost disclosure regime, which is generally viewed as being more onerous than comparable EU legislation, and potentially creating a misleading picture of investment company costs.

Dividends and share buybacks

The Company's dividend policy continues to be based on the underlying principles that, at the point the Company is fully invested, the dividend must be covered by free cash flow generated by the portfolio and be sustainable in future periods. The Company monitors dividend cover using an adjusted funds from operations (AFFO) metric calculated over a 12-month period. AFFO is calculated as normalised EBITDA less net finance costs, tax paid and maintenance capital expenditure.

In November 2023, the Board approved an interim dividend of 2.0p per share for the six months ended 30 September 2023. The Company also continues to remain committed to a progressive dividend policy. Reflecting that policy and the cash generative characteristics of its portfolio companies, the Board has approved an increase in the annual dividend with the payment of the second interim dividend of 2.2p per share on 19 July 2024.

For the 12 months to 31 March 2024, the 4.2p dividend was approximately 4.4x covered by EBITDA and 1.6x by AFFO.

In February 2023, the Company announced a discretionary programme of share buybacks of up to £20 million. Under this programme it has acquired 7.3 million ordinary shares for £5.4 million, at an average price per share of 74.9p, or an average discount to 31 March 2024 NAV of 37.6%. The NAV accretion of the Company buying back these shares at such a discount is to increase NAV per share by ca.0.4p. The programme is not subject to a set cut-off date.

Gearing and interest

The Company had total liquidity equivalent to £167.7 million at 31 March 2024, comprising £61.7 million held directly at the Company, £46.8 million held at portfolio company level and undrawn facilities at portfolio company level equal to £59.1 million. In aggregate, the Company and its portfolio companies had gross debt equivalent to £694.7 million at 31 March 2024, and therefore net debt of £586.2 million. This resulted in gearing as at 31 March 2024 of 4.5x measured as net debt divided by LTM EBITDA (including Company-level costs) or 38.9% measured as net debt divided by gross asset value (GAV).

Principal risks and uncertainties

In November 2023, we updated the principal risks identified by the Company. These changes were largely driven by macroeconomic factors. With inflation rates having fallen substantially in the UK and those countries where our portfolio companies operate, and with consequent reductions in interest rates either having been announced or being predicted, these factors are no longer considered to be principal risks. However, there have been lasting impacts on the financial markets, in particular on the Company's share price which, along with many others in the sector, has continued to trade well below NAV. This in turn has restricted the ability to raise additional equity capital and to take advantage of some of the opportunities to develop the portfolio. Accordingly, we have amended our principal risks to reflect this change in risk. Further details of the Company's risks are set out on pages 44 and 45.

Sustainability

We are a long-term investor with a clear focus on sustainability. The Board and Investment Manager continue to prioritise reducing the impact of the Company and its portfolio companies on our environment. It is pleasing to report the continued progress being made across a number of initiatives in the portfolio focused on our climate: Emitel's procurement of 91% of its electricity from renewable sources; CRA's progress towards its target of 100% electricity being from renewable sources with an increase to 68%; and Speed Fibre's procurement of 89% of its electricity from renewable sources. On pages 33 to 37 we set out our responsible investment strategy, centred on climate considerations, and the Company and its portfolio companies' sustainability highlights for the year.

We consider the ESG approach as well as the risks and opportunities of potential targets in our pipeline as part of our pre-investment analysis, and following each acquisition we work with our portfolio companies to improve their ESG performance. For the first time this year, in order to improve transparency and provide greater granularity, we will be releasing a standalone Responsible Investment Report, which will be available on our website at www.cordiantdigitaltrust.com.

Board and governance

The Board receives regular updates on the Company's performance and that of the individual portfolio companies from the Investment Manager and provides objective oversight of the Investment Manager's activities. The Board continues to support the Investment Manager's active management of the portfolio's operations, through driving performance and thereby increasing revenues and earnings growth, its leadership of strategic financing activities and bolt-on acquisitions and its championing of the Company's ESG agenda. The management fee structure is closely aligned to shareholder returns, being based on the Company's market capitalisation and not NAV.

Outlook

We are seeing the demand for digital infrastructure continue unabated, a trend that we expect to be maintained, particularly with the pace of evolution of AI. Interest rates now appear to be to be on a downward trajectory in our key geographies and, more broadly, Poland, the Czech Republic and Ireland are all forecast to outperform the EU's overall economic growth rate in 2024. The underlying strengths of the Company and our portfolio, the growth in the sector and the attractiveness of our core markets together lead the Board to look forward to the year ahead with confidence.

Shonaid Jemmett-Page
Chairman
19 June 2024

Financial KPIs

All of the measures below are APMs and are defined on page 105. See page 13 for further details on the new EBITDA growth KPI.

Net asset value per share

The NAV per share is a measure of our success in adding value to the portfolio. It is calculated by dividing the net asset value of the Company at 31 March 2024 by the number of shares in issue. The target NAV per share is based on 9.0% per annum total return accruing since inception, reduced by the 9.0p of dividends paid to shareholders to date.

Target

117.5p

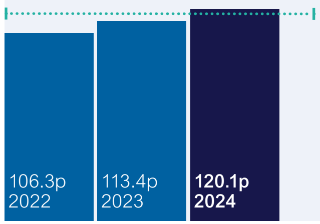
based on target 9% NAV total return per annum

Performance

120.1p

Net asset value per share

Target 117.5p



Total return from investments

The increase in the fair value of our investments and the returns received from them, taken together, measure the success of our Buy, Build & Grow model and our ability to deliver returns to shareholders.

The target is an unlevered return, and the performance is presented before the effect of leverage is taken into account.

Target

10.2%

per annum

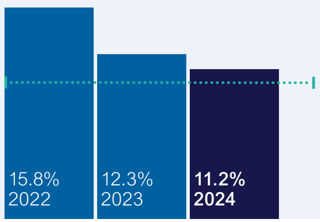
Performance

11.2%

for the year

Total return from investments

Target 10.2%



Growth in EBITDA of underlying investments*

The adjusted earnings before interest, tax, depreciation and amortisation of our underlying investments measures their ability both to fund their own growth and to provide investment returns to the Company in support of our planned returns to shareholders.

The target is for aggregate EBITDA of the underlying investments to grow year on year, as measured on a constant currency basis.

Earnings are adjusted to exclude one-off items such as profit on non-core asset sales.

Target

Positive

annual

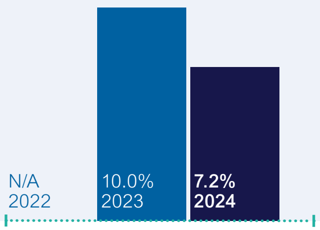
Performance

7.2%

annual

EBITDA

Target Positive



Full-year dividend

The dividend paid to shareholders in respect of the year measures the extent to which we are able to deliver an income stream to investors.

Target

4.0p

for the year

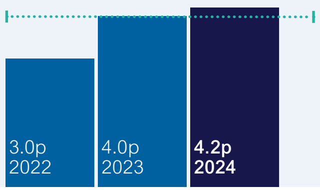
Performance

4.2p

for the year

Full-year dividend

Target 4.0p



NAV total return

The total increase in NAV per share over the reporting period, with dividends reinvested at the prevailing ex-dividend NAV. This is a measure of our ability to consistently generate returns for shareholders over a sustained period of time.

Target

9.0%

per annum

Performance

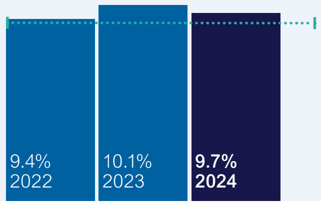
9.7%

for the year

(32.8% inception to date)

NAV total return

Target 9.0%



Total shareholder return

The total shareholder return over the reporting period, calculated assuming that dividends are immediately reinvested at the prevailing share price, measures our ability to deliver attractive returns to investors, with a combination of share price growth and a progressive dividend.

Target

9.0%

per annum

Performance

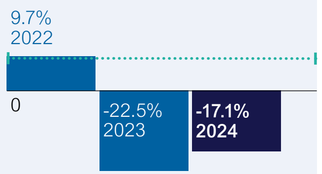
-17.1%

for the year

(-29.2% inception to date)

Total shareholder return

Target 9.0%



Non-financial measures

*The EBITDA growth KPI differs from the KPI used in previous reports. The KPI presented previously was the EBITDA of the underlying investees. The change to measuring EBITDA growth, rather than an absolute figure, aligns with the evolution and maturity of the Company. In previous periods, the emphasis was on the Buy element of the Buy, Build & Grow model; the new KPI is a more appropriate measure of the Build and Grow elements.

Balance of the Board

This measures our ability to bring together a wide range of perspectives and experiences with a diversity of business skills, sector experience, geographical background and gender to the benefit of the Company and its activities.

Target

40/60

women/men based on FCA target from April 2022

Performance 2023

50/50

(2022: 50/50)

Note: sustainability data from the portfolio companies represents calendar year data for the period 1 January 2023 – 31 December 2023.

Increasing connectivity

This measures the coverage in our countries of operation and our portfolio companies success in their respective service provision to the benefit of their respective communities.

Target

N/A

Performance 2023

ca.98%

(2022: ca.98%)
Emitel coverage of area of Poland

ca.99%

(2022: ca.99%)
CRA coverage of area of Czech Republic

Operational health and safety

The number of operational health and safety incidents measures the success of our underlying investments in upholding health, safety and well-being standards and practices for our portfolio companies' employees and others.

Target number of incidents

Zero

Performance[1] 2023

2

(2022: 1)
Emitel

1

(2022: 2)
CRA

0

Speed Fibre
(2022: N/A)

0

Hudson
(2022: 0)

[1]All operational health and safety incidents were non-lethal.

Sustainability management

Sustainability management measures our success in implementing our responsible investment strategy with its focus on promoting climate change mitigation. Our focus is on increasing the percentage of renewable energy used by our portfolio companies.

Target % of electricity from renewable sources

100%

Performance 2023

71%

(2022: 63%)[2]
Total % of electricity from renewable sources 71%

68%

(2022: 58%)[2]
Total % of energy from renewable sources 68%

[2]The figure for the previous period 2022 has been presented in line with the methodology used for the presentation of the current year's renewable energy percentage figure.

Digital divide (coverage of remote and rural areas)[3]

The digital divide metric measures the criticality of our investments' underlying assets in enabling access to digital services, with rural and remote areas having sparser digital infrastructure networks.

Target coverage of rural areas

N/A

Performance 2023

91%

(2022: 91%)
Emitel & CRA

[3]Remote area is considered a location at a distance of more than 10km from the nearest town/village; rural is considered a location in the vicinity of a village with up to 10,000 inhabitants. Both Poland and the Czech Republic.

Investment Manager's report

Highlights of the year

The Company continued to implement its Buy, Build & Grow model actively during the period.

Buy

€190.5m

Enterprise value of Speed Fibre, acquired in October 2023.

Speed Fibre is a leading open access fibre infrastructure provider in Ireland.

4

Bolt-on acquisitions executed during the year. Emitel acquired American Tower's Polish telecom tower business in June 2023.

CRA bought Cloud4com, a leading Czech cloud services business and DC Lužice, a data centre located in the 'Digital Danube' triangle between Vienna, Brno and Bratislava, in January 2024.

CRA also acquired Prague Digital, a broadcast business based in the Czech capital.

Build

DAB radio tenders

Both Emitel and CRA bid for and won valuable national tenders in their respective countries to design, build and operate national and regional DAB radio networks in multi-year contracts.

Growth capex

CRA continues to build out data centre capacity at DC Cukrak and continues with planning for a large 26MW DC at Zbraslav.

Speed Fibre continues to deploy capital in building out backbone fibre networks and Metropolitan Area Networks (MANs) in the Republic of Ireland.

Grow

7.2%

Aggregate EBITDA growth across the portfolio for the year, earned from 7.9% aggregate revenue growth over the same period.

New contracts

CRA signed a new 15-year contract with T-Mobile, substantially expanding the scope of the existing contract.

CRA also won and extended a substantial Ministry of Interior tower contract.

Emitel signed new 10-year broadcast contracts with Polsat and Red Carpet TV in Poland.

1.5%

The % of the Company's shares owned by the Investment Manager, its staff and the Directors of the Company at the date of this report, including 8.3 million shares held by Steven Marshall, demonstrating strong alignment with shareholders' interests.

"I am delighted with the operational performance of the portfolio companies despite the high interest rate environment and foreign exchange headwinds. Unfortunately the portfolio continues to be significantly undervalued by the market despite its historical performance and strong future growth prospects."

Steven Marshall
Co-Founder and Chairman of
Cordiant Digital Infrastructure Management

Steven Marshall
Investment Manager

About the Investment Manager

Cordiant Capital, the Investment Manager appointed by the Company, is a sector-specialist investor focused on middle-market 'Infrastructure 2.0' platforms in Digital Infrastructure, energy transition infrastructure and the agriculture value chain.

It manages approximately $4 billion of funds through offices in London, Montreal, Luxembourg and São Paulo, and offers Core Plus, Value Add and Opportunistic strategies.

The Investment Manager's Digital Infrastructure group, consisting of 17 front office professionals, brings considerable hands-on investing and operating expertise to its investment approach. This investing strategy can be summarised as acquiring and expanding cash-flowing Digital Infrastructure platforms in the UK, EEA and North America.

Introduction

The Company delivered a good performance in the year to 31 March 2024, again driven by a strong operating performance by the portfolio. NAV per share increased from 111.4p (ex-dividend) at 31 March 2023 to 120.1p at 31 March 2024, reflecting a total return of 9.3% on ex-dividend opening NAV (31 March 2023: 10.0%).

NAV growth is driven by successful implementation of the Company's Buy, Build & Grow model: to buy good quality platforms and bolt-on acquisitions; to build new assets at construction cost from which new revenues can be earned; and to grow existing revenues using the operational expertise of the Investment Manager.

Headwinds from the Company's aggregate foreign exchange position caused an impact on total return for the year of -1.7%, meaning that the underlying performance before taking foreign exchange movements into account was a total return of 11.0%.

The Company paid two dividends in the period: the second interim dividend of 2.0p per share, relating to the year ended 31 March 2023, which was paid on 21 July 2023; and the interim dividend of 2.0p per share relating to the year ended 31 March 2024, which was paid on 22 December 2023. The Company also proposes a second interim dividend for the year of 2.2p, making a total dividend for the year to 31 March 2024 of 4.2p, an increase over the previous year of 5.0%. This is in line with the Company's progressive dividend policy announced at IPO, and this level of dividend remains well covered (1.6x) by adjusted funds from operations (AFFO), being EBITDA less net financing costs, maintenance capex, tax and other cash flows.

Capital allocation

The Investment Manager and Board have engaged with shareholders frequently over the past year to discuss the issue of capital allocation and the discount of the Company's share price to the NAV per share. In acknowledgment of the variety of opinions expressed, the Company has elected to take a multi-pronged approach to capital allocation. A buyback programme was initiated, with £20 million approved by the Board, of which £5.4 million has been deployed, at an average price of 74.9p, crystallising a NAV gain of 0.4p per share.

The Company remains committed to its progressive dividend policy, and has allocated capital to a 5.0% increase in dividend

Benn Mikula
Investment Manager

"We have constructed a portfolio that is evidencing strong and diversified growth across data centres, communications towers and backbone fibre. This is the result of our senior team – composed in equal measure of senior industry operating expertise and private capital investing skill – working in partnership with our portfolio companies."

Benn Mikula
Co-Founder of Cordiant Digital Infrastructure Management and CEO, Cordiant Capital

from 4.0p per year to 4.2p per year, to take effect from the second interim dividend expected to be paid in July 2024. The increased dividend remains well covered by AFFO.

The Company has also sought to diversify the portfolio, acquiring Speed Fibre in Ireland for €190 million and Norkring in Belgium for €6 million. Accretive bolt-on acquisitions have also been completed by Emitel and CRA, leveraging the Company's existing high-quality platforms and adding assets that provide a measure of diversification to existing businesses. These include Emitel's acquisition of American Tower's Polish telecoms towers business and CRA's acquisitions of Cloud4com, a cloud business, DC Lužice, a data centre business and Prague Digital, a broadcast business. CRA has now built a data centre and cloud business accounting for almost 20% of revenues, from a minimal amount at the time of the Company's initial investment.

Finally, the Company, relying on the operational expertise of the Investment Manager, has made investments in accretive growth capital expenditure projects such as: the buildout of the DAB radio networks in the Czech Republic and Poland; build-to-suit tower portfolios in Poland; and the buildout of CRA's sixth edge data centre facility at Cukrák. Planning for Central Europe's largest and most modern data centre at Zbraslav in Prague, Czech Republic, on a decommissioned AM radio site owned by CRA, continues.

The Investment Manager believes that the portfolio, valued at 31 March 2024 at 10.6x LTM EBITDA, is undervalued compared to recent transaction multiples. Lower growth mobile tower assets have been valued in other countries at over 18x earnings and data centre assets at over 20x. While broadcast assets typically attract a lower valuation multiple, the Company's broadcast assets are growing faster than most European mobile tower businesses and have higher escalation rates and a wider customer base.

The Investment Manager considers that there is no 'magic bullet' to resolve the Company's share price discount to NAV, but that continued strong operational performance, value-creating capital expenditure, acquisition price discipline, significant alignment of interests and continuing the buyback programme should all be recognised when macroeconomic issues affecting equity markets, and especially the investment trust sector, abate.

Since 31 March 2023, the Company's Directors, the Investment Manager and its staff have made further investments in the Company's shares, acquiring in total 5.0 million more shares to bring the combined total to 11.1 million shares. This included Steven Marshall, Chairman of Cordiant Digital Infrastructure Management, who acquired a further 3.9 million shares, bringing his total personal holding to 8.3 million shares. At the date of this report, the Directors, the Investment Manager and its staff owned 1.5% of the ordinary issued share capital of the Company.

In February 2023 the Company announced that, in light of the c.20% discount at which the Company's shares were then trading, and in consultation with the Company's brokers, the Board had approved a discretionary share buyback programme of up to £20 million. Shares acquired under the programme will either be held in treasury by the Company or cancelled. The buyback programme is not subject to a set cut-off date. To the date of this report, 7.3 million shares had been acquired by the Company at an average price of 74.9p and held in treasury.

Activity in the period

In June 2023, the Company announced that Emitel had acquired American Tower Corporation's subsidiary in Poland, whose portfolio comprises 65 modern lattice telecoms towers. The portfolio has a low tenancy ratio providing available load capacity

Sint-Pieters-Leeuw Transmission Tower, Sint-Pieters-Leeuw, Belgium.

for additional lease customers, which will be accretive to Emitel's revenue and is distributed across attractive locations that complement Emitel's existing telecoms network.

In July 2023, Emitel successfully refinanced its senior debt facilities. Emitel secured a debt package of PLN 1.57 billion (£312 million), which comprises a senior loan of PLN 1.27 billion, a capex facility of PLN 250 million and an RCF of PLN 50 million. As at 31 March 2024, PLN 187 million (£37 million) of the capex facility and the entirety of the RCF remain undrawn.

The new facilities were 1.6x oversubscribed and have a blended credit margin lower than the 2.9% of the previous senior debt. The banking group included international banks Citi, BNP, Credit Agricole and DNB Bank ASA, as well as leading Polish banks and financial institutions. The capex facility and RCF will be applied to support Emitel's growth trajectory by financing its operational activities, new investments and acquisition plans.

In August 2023, the Company announced that it had agreed to acquire Speed Fibre, a leading open access fibre infrastructure provider in Ireland. Speed Fibre was acquired by the Company for an enterprise value of €190.5 million (£165 million), a multiple of 8.3x 2022 audited EBITDA. The acquisition was funded by a combination of cash on hand plus a vendor loan note of €29.6 million (£26 million) bearing initial interest of 6.0% and repayable in four years.

In November 2023, Emitel announced that it had won a nationwide tender to extend DAB coverage to 17 regional radio stations for state broadcaster, Polskie Radio. As a result of this, Emitel expects to extend DAB coverage across the country, from 67% to 88% of households. The contract is a renewal, and an expansion, of an existing contract held by Emitel and is also expected to result in incremental extra revenues. The contract runs to Q3 2027 and has a gross value of PLN 59.5 million (£12 million), with revenues linked to inflation. DAB is far more energy efficient than FM or AM radio, and so as Emitel (and CRA) progressively decommission AM radio sites, there is a consequential reduction in carbon footprint.

In November 2023, the Company announced the acquisition of Norkring, which was completed in January 2024. The final consideration on completion after adjustments was €6.1 million (£5.2 million). Norkring operates 25 communication and broadcast towers in Belgium. Of particular interest to the Company are the 5G broadcast trials that Norkring is conducting as part of a consortium.

Emitel recently signed a new ten-year digital terrestrial television (DTT) broadcast contract expiring in 2034 with Polsat, the most watched free-to-air TV channel in Poland. The channel will be broadcast from MUX1, and revenues under the contract are inflation-linked. The Polish National Broadcast Council has extended Polsat's DTT MUX licence to 2034.

In January 2024, CRA successfully bid for and won the spectrum tender which will enable the launch of one national commercial DAB network and seven regional networks, including Prague. This DAB spectrum gives CRA the strongest DAB coverage in the country. The company will install DAB transmitters during 2024 and expects to conclude agreements with existing FM radio customers (representing additional incremental revenues), which are expected to commence in 2025.

In January 2024, CRA completed the acquisition of Cloud4com, a leading cloud services provider in the Czech Republic (acquired for CZK 870 million, £29.4 million), and DC Lužice, a Tier III data centre (acquired for CZK 130 million, £4.4 million).

Chart 1: NAV bridge for the year to 31 March 2024

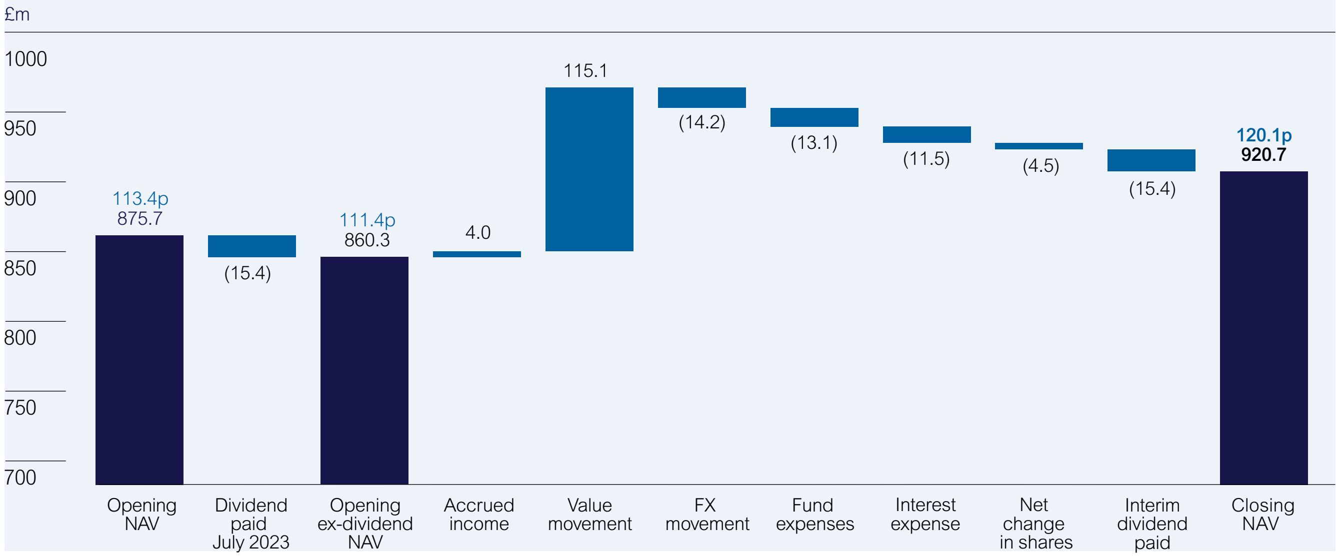


Table 1: Reconciliation of Statement of Comprehensive Income to Chart 1

£m	Accrued income	Total unrealised value movement	Net FX movement	Intercompany balances	Fund expenses	Interest expense	IFRS P&L
Movement in fair value of investments	1.9	113.7	(11.7)	10.2	(3.0)	(11.5)	**99.6**
Unrealised foreign exchange gains	–	–	(3.0)	–	–	–	**(3.0)**
Management fee income	–	1.4	–	–	–	–	**1.4**
Interest income	–	–	–	1.9	–	–	**1.9**
Investment acquisition costs	–	–	–	–	(0.6)	–	**(0.6)**
Other expenses	–	–	–	–	(9.5)	–	**(9.5)**
Foreign exchange movements on working capital	–	–	0.5	–	–	–	**0.5**
Finance income	2.1	–	–	–	–	–	**2.1**
Finance expense	–	–	–	(12.1)	–	–	**(12.1)**
	4.0	**115.1**	**(14.2)**	**–**	**(13.1)**	**(11.5)**	**80.3**

A further potential payment of up to CZK 485 million (£16.4 million) is payable subject to Cloud4com's EBITDA for 2024.

In addition, the highly synergistic acquisition of Prague Digital TV (a regional TV operator) by CRA at the beginning of 2024, has enabled the Company to consolidate transmissions from its sites and cease transmission from Prague Digital's three locations, reducing energy and other expense for the company.

Financial highlights

During the year to 31 March 2024, the Company achieved a NAV total return of £80.3 million (31 March 2023: £81.2 million), being 9.3% of opening ex-dividend NAV, or 10.4p per share. Net assets were £920.7 million (31 March 2023: £875.7 million, £860.3 million ex-dividend), representing a NAV per share of 120.1p (31 March 2023: 113.4p, 111.4p ex-dividend). This movement in NAV per share comprises a positive total return for the six-month period of 10.4p, plus a 0.4p gain arising from the share buyback programme, offset by the payment of the second interim dividend for 2023 of 2.0p in July 2023 and the first interim dividend of 2.0p for 2024 in December 2023.

The total return reflects strong underlying operating performance across the portfolio, offset by adverse foreign exchange movements in the period. The total return, excluding the adverse underlying foreign exchange movement in the period, would be 11.0%. The Company remains a net beneficiary of foreign exchange movements when measured from inception in February 2021 to 31 March 2024.

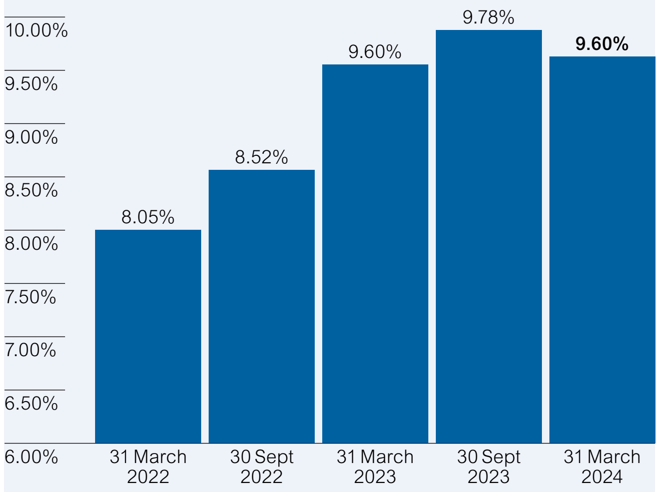
Application of IFRS

As disclosed in the Company's Annual Report 2023, the Company holds only Hudson directly. Emitel, CRA, Speed Fibre and Norkring are all held through its wholly-owned subsidiary, Cordiant Digital Holdings UK Limited. The Eurobond was issued by Cordiant Digital Holdings Two Limited, which is a wholly-owned subsidiary of Cordiant Digital Holdings UK Limited. Consequently, under the application of IFRS 10 and the classification of the Company as an investment entity, the Company's investment in Cordiant Digital Holdings UK Limited is recorded as a single investment that encompasses underlying exposure to Emitel, CRA, Speed Fibre, Norkring and the Eurobond. As in previous reports, the underlying elements of the overall value movement attributable to foreign exchange movements and value movement and income from each portfolio company are identified in Chart 1. The Company's profit and NAV under this approach are exactly the same as in the audited

Table 2: Underlying components of Statement of Financial Position

£m	Emitel	CRA	Speed Fibre	Hudson	Norkring	Cash	Intercompany balances	VLN	Other assets and liabilities	Eurobond	**IFRS Total**
Investments	525.0	385.9	86.5	42.3	5.2	1.6	158.7	(25.7)	(2.6)	(171.0)	**1,005.9**
Receivables	–	–	–	–	–	–	2.8	–	14.5	–	**17.3**
Cash	–	–	–	–	–	60.1	–	–	–	–	**60.1**
Payables	–	–	–	–	–	–	(3.9)	–	(1.1)	–	**(5.0)**
Loans and borrowings	–	–	–	–	–	–	(157.6)	–	–	–	**(157.6)**
	525.0	**385.9**	**86.5**	**42.3**	**5.2**	**61.7**	**–**	**(25.7)**	**10.8**	**(171.0)**	**920.7**

Chart 2: Weighted average discount rates over time



IFRS Statement of Comprehensive Income and the Statement of Financial Position.

Table 1 shows the reconciliation of Chart 1 to the IFRS Statement of Comprehensive Income. Table 2 shows the underlying components of the IFRS Statement of Financial Position.

Financial performance in the period

This section, including valuation, foreign exchange, costs and gearing, refers to the figures in Chart 1 and Table 2 on the non-IFRS basis.

Valuation

The Investment Manager prepares semi-annual valuations according to the IPEV Valuation Guidelines and IFRS13. These valuations are reviewed and challenged by the Board. The Board also commissions independent third party valuations at the half year and at year end from an expert valuations group at a Big 4 accounting firm. The Investment Manager reviews the key assumptions of the valuations and performs a sensitivity analysis on them as included in note 6 to the financial statements.

The Investment Manager and Board are keenly aware of the scepticism that some valuations of private assets elicit in certain sections of the market and so take great care to maintain a rigorous process, using market information from reputable third party sources wherever possible. Discounted cash flow (DCF) is the primary methodology of valuation, as noted in the Company's prospectus. The Investment Manager is confident that the quality of earnings included in the DCF models, and the actual cash accretion observed in the net debt figures for each asset included in the bridge from enterprise value to equity value show the qualities of the portfolio, notwithstanding volatility in the market-observable inputs used every six months to construct the weighted average cost of capital (WACC) used for each valuation as a discount rate.

Chart 2 shows the movement in the Company's average WACC over time, weighted for the investments held at each reporting date. Since the low point for risk free rates at March 2022, the Investment Manager raised the WACC 173bps to the high point at September 2023. The WACC has decreased slightly between September 2023 and March 2024 by 18bps to 9.6%. This is substantially less than the decrease in risk free rates in the Company's two main markets, Poland and the Czech Republic, where risk free rates have decreased 100bps and 175bps

Table 3: Weighted average cost of capital at 31 March 2024

	Range low point	Range high point	Weighted average mid point
Cost of equity	**10.0%**	**12.1%**	**11.2%**
Cost of debt	**5.0%**	**7.5%**	**6.7%**
WACC	**8.5%**	**10.8%**	**9.6%**

Weighted average cost of capital at 31 March 2023

	Range low point	Range high point	Weighted average mid point
Cost of equity	9.6%	12.9%	11.0%
Cost of debt	5.0%	7.0%	6.5%
WACC	8.2%	11.0%	9.6%

Breakdowns of unrealised value movement and foreign exchange movement in the year

Chart 3: Unrealised value movement

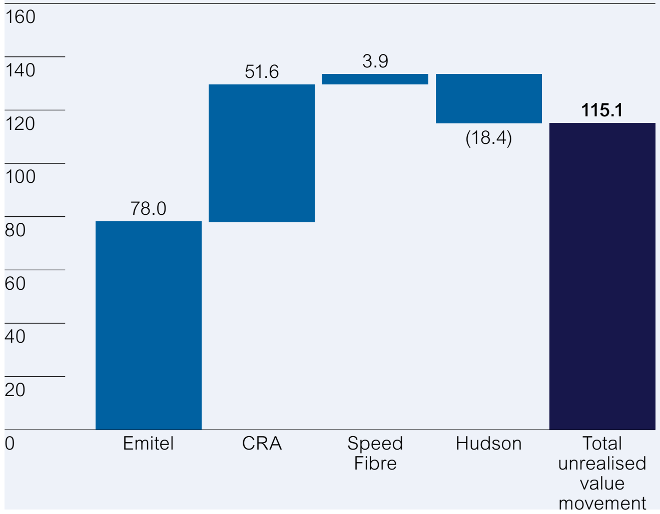
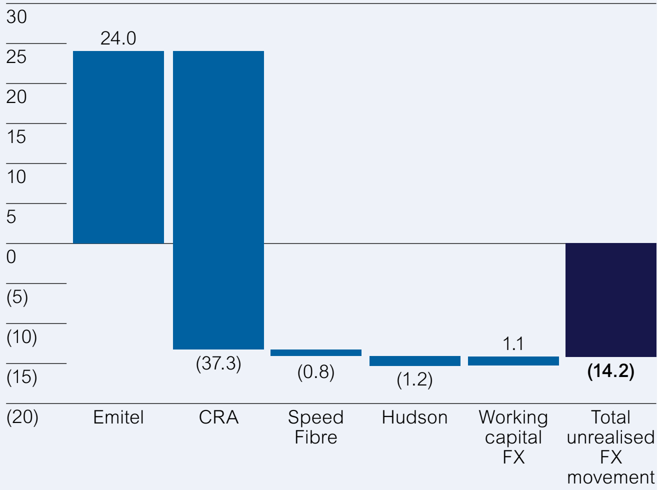


Chart 4: Unrealised foreign exchange movement



respectively since September 2023 as it reflects the longer term view taken by the Investment Manager in reflecting market volatility in risk free rates.

Table 3 shows the breakdown of the WACC at 31 March 2024, compared to the prior period.

The largest value movements were observed on Emitel (+£78.0 million) and CRA (+£51.6 million), driven by calibration to actual inflation, new contract wins and a slightly reduced discount rate (in the case of Emitel). These reflected annual increases in underlying currency equity value of 15.9% and 9.9% respectively. Speed Fibre, the acquisition of which closed in October 2023, though the acquisition price was set in December 2022, saw an increase in equity value from cost of 5.2%. An increase in net debt since acquisition arising from working capital timing and capex out flows, obscured an enterprise value increase of 10.8% since acquisition.

Hudson remains an asset that is not performing to expectations and the Investment Manager recognised a prudent write-down of £18.4 million in the year on a DCF basis. The carrying value at the year end was £42.3 million, or 4.2% of the value of the portfolio.

Foreign exchange

The Company has recognised an unrealised foreign exchange loss in the year of £14.2 million (since inception: gain of £50 million). This aggregate number comprises a gain of £24.0 million on Polish zloty, a loss of £37.3 million on Czech crowns and combined net losses of £0.9 million on US dollar and Euro. While the Investment Manager hedges individual cash flows between the Company and portfolio companies through forward contracts, no balance sheet hedging has been undertaken to date. The cost of doing so using forward contracts, considered to be the lowest cost approach, has been disproportionate to the benefit, such that the aggregate cost of hedging would over several years, consume the gain being protected. Notwithstanding, the Investment Manager and Board have kept the Company's hedging strategy under regular review, given the volatility in foreign exchange rates and movement in forward points in the Company's respective currency pairs. The Company is a long-term investor in the portfolio and currently does not seek to manage balance sheet foreign exchange exposure from reporting period to reporting period.

Costs

In the year, the Company incurred £24.6 million of costs. The largest component was £10.8 million of costs relating to the Eurobond debt facility, recorded within the Company's subsidiary, Cordiant Digital Holdings Two Limited. The Eurobond has been fully drawn since 5 June 2023, and the costs include interest, commitment fee, agency fees and amortised deal arrangement costs.

The management fee of £5.9 million (31 March 2024: £7.2 million) is greatly reduced from the prior year because management fees are calculated on the basis of the Company's market capitalisation, not its NAV, thus aligning the Investment Manager with shareholders. Deal costs of £3.0 million relate to the acquisitions of Speed Fibre and Norkring. Other costs of £4.8 million relate to transactions that did not proceed, interest paid on the vendor loan for the acquisition of Speed Fibre, administrative and other running costs and directors' fees. The ongoing costs ratio, calculated in accordance with the guidelines published by the AIC, is 0.9% per annum.

Table 4: Calculation of adjusted funds from operations (AFFO)

	Twelve months to 31 March 2024[1] £m
Portfolio company revenues	304.7
Portfolio company normalised EBITDA	**142.1**
Dividend coverage, EBITDA basis	**4.4x**
Net Company-specific costs	(13.1)
Net finance costs	(38.2)
Net taxation, other	(17.0)
Free cash flow before all capital expenditure	73.8
Maintenance capital expenditure[2]	(20.9)
Adjusted funds from operations	**52.9**
Dividend at 4.2p per share	(32.2)
Dividend cover	**1.6x**

[1]At average foreign exchange rates for the period.
[2]Aggregate growth capital expenditure of £33.2 million was invested in the twelve months to 31 March 2024 across the portfolio.

Gearing

The Investment Manager has taken a prudent approach to the levels of debt within the Company and its portfolio companies since inception. The Investment Manager has the expertise internally to arrange debt facilities, and so does not use banks or other intermediaries for this purpose.

At 31 March 2024, there were four debt facilities in the Company's group, at Emitel, CRA, Speed Fibre and the fund-level Eurobond. The €200 million Eurobond is a term loan, with a bullet repayment in September 2026. 83% of the interest is fixed in nature.

Aggregated together, gearing as measured by net debt (i.e. including cash balances held around the group) as a percentage of gross asset value was 38.9%. 50% is the maximum for this ratio, calculated at the time of drawdown, as required in the Company's IPO prospectus. As measured by net debt divided by aggregate EBITDA (including fund level costs such as management fee), the Company's gearing is 4.5x. Each of Emitel and CRA have individual net gearing on this basis of 3.0x. This is substantially lower than most tower companies which might be viewed as comparators of either business.

73% of all debt is on a fixed-interest basis, with the remainder floating, none of which is inflation linked. The Company has executed interest rate hedging for 50% of the new Emitel facilities and is assessing options for fixing the remainder. The average margin across all facilities remains at 2.9% which the Investment Manager considers to represent good value.

CRA's debt package is due for renewal in mid 2025. The investment Manager and CRA have begun work on refinancing these facilities well in advance of the term date.

The Investment Manager believes that the quality of gearing is as important as the quantum and so has put in place long dated facilities (including the Eurobond term loan) with good quality groups of banks, with interest hedged at advantageous rates where possible.

Dividend coverage

The Company's progressive dividend policy is ahead of the schedule laid out in the prospectus at IPO. The dividend remains very well covered by AFFO, which seeks to track whether the portfolio generates sufficient earnings less fund level costs, finance costs, tax and maintenance capex to cover the dividend. AFFO remains stable at 1.6x. The dividend is covered 4.4x by aggregate portfolio company EBITDA.

As noted in the Chairman's statement, the Company has announced an increase in the second interim dividend from 2.0p to 2.2p, to be paid on 19 July 2024 following the Company's AGM. The annual dividend of 4.2p is an increase of 5.0% over the prior year, and a reflection of the Company's commitment to its progressive dividend policy, supported at all times by a strongly cash-generative portfolio, as measured by the AFFO. Table 4 shows the calculation of AFFO for the 12 months to 31 March 2024.

Investee company performance

For the year to 31 March 2024, the portfolio companies generated combined revenue of £296.8 million, representing a 7.9% increase over the prior year, on a like-for-like pro forma, constant currency basis. Aggregate portfolio EBITDA increased 7.2% over the prior year, on a like-for-like pro forma, constant currency basis, to £139.3 million.

These increases in revenue and EBITDA reflect the impact of new contracts being entered into, including in the broadcasting and

Świnoujście Mast, Świnoujście, Poland.

Mark Noble
General Counsel, Cordiant Digital Infrastructure Management

telecoms business units at Emitel and CRA, together with the effect of inflation-linked revenues feeding through, usually with a year's lag. During the year to 31 March 2024, across the portfolio companies £20.9 million was invested in maintenance capital expenditure and £33.2 million in growth capital expenditure. Maintenance capital expenditure included investment in IT systems and security at CRA and infrastructure modernisation at Emitel.

Growth capital expenditure included fibre backbone network build-out at Speed Fibre, investment related to the DAB+ contract win (previously announced by the Company on 8 November 2023) and construction of new telecoms towers at Emitel; and data centre investment at CRA.

Total gross debt at the Company, subsidiary and platform level was equivalent to £694.7 million, an increase of £229 million since 31 March 2023 reflecting the full drawdown of the Eurobond in June 2023 and the inclusion of Speed Fibre's senior debt facilities, offset by a de-levering of Emitel's drawn facility by PLN 200 million (£39.8 million) as part of the refinance during the period. Aggregate cash balances at the Company, subsidiary and platform level were equivalent to £108.5 million.

Including undrawn debt facilities at portfolio company level, total liquidity was equivalent to £167.7 million.

The Investment Manager's team

Building on the significant strength of the existing digital team reflects the Investment Manager's continued commitment to supporting platform companies in achieving their growth ambitions, along with being able to source and deliver investment opportunities that are in line with target returns. Unlike its peers in this market, the digital team at the Investment Manager possesses deep, senior-level experience of managing and operating world-class Digital Infrastructure businesses. This is combined with private equity executives having decades of experience advising and investing in the sector, making for a unique marriage of capabilities.

Environmental, social and governance highlights

The Investment Manager focuses its attention on reducing emissions and the climate impact of the Digital Infrastructure sector. The Investment Manager's Digital and ESG and Impact Teams engage with portfolio companies to integrate renewable energy and energy efficiency measures where appropriate. Despite growth in the asset base, the portfolio's emissions (Scope 1 and Scope 2) during the period decreased.

During the year, the Investment Manager became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and has begun the further integration of its recommendations. Additionally, the Investment Manager became an early adopter of the Task Force on Nature-related Financial Disclosures (TNFD) during the period.

Outlook

The Investment Manager is pleased with the overall quality of assets and underlying cash flows in the portfolio. These have been assembled at what the Investment Manager believes to be a highly attractive price without sacrificing growth potential. Internally generated cash flows and the remaining proceeds of the Eurobond facility will allow the Company to cover the dividend, engage in appropriate maintenance capital expenditures, expand existing platforms and invest in new assets to further diversify the portfolio, both geographically and by asset type.

The Investment Manager remains closely focused on the Company's target of 9% return to shareholders, comprising dividend and capital growth. The Investment Manager continues to see some improvement in the pricing environment for digital assets in the middle market and the purchase terms available. The Investment Manager has recruited a large and capable team of digital specialists with the skills and experience required to manage the Company's assets and to succeed in maximising total return from Core Plus assets.

Based on the solid performance since inception, which has continued up to 31 March 2024, the Investment Manager believes the Company remains well placed to deliver as planned in the year ending 31 March 2025. The Investment Manager looks forward to the year ahead with confidence.

Review of portfolio companies

Žižkov Television Tower,
Prague, Czech Republic.

Emitel

£353.0m
Original cost

£429.0m
Value at 1 April 2023

–
Further investment by the Company in the year

£(6.0)m
Distributions paid to the Company in the year

£78.0m
Unrealised value gain in the year

£24.0m
Unrealised foreign exchange gain in the year

£525.0m
Value at 31 March 2024

Andrzej J. Kozłowski
Chief Executive Officer, Emitel S.A.

Kazimierz Dolny Mast, Kazimierz Dolny, Poland.

Financial performance in the year

Emitel has had a solid year. For Emitel's audited financial year ending 31 December 2023, revenue increased 8.3% to PLN 594 million (£113.8 million at average exchange rates for the year) and EBITDA increased by 4.4% to PLN 384 million (£73.7 million at average exchange rates for the year). This performance reflected strong growth in telecoms infrastructure and TV broadcast, offset by high energy costs and the regulatory delay in approving a new channel during the year. There was also a time lag in the receipt of contractual inflation-adjusted revenues.

Overall revenue growth was driven by inflation-linked price increases as 2022 inflation of 14% passed through to 2023 revenues; approximately 75% of Emitel's revenues have full or partial inflation-linked contracts. 2023 inflation will principally be reflected in indexed revenue contracts from January 2024 onwards. Inflation in Poland for 2023 was 10.9%.

Telecoms infrastructure revenue growth in the period was driven by continued growth in 'Build-to-suit' provision for MNOs, and Emitel's acquisition of 65 telecoms towers in Poland from American Tower Corporation. The acquired towers are less than three years old and have robust long-term contracts (14 years average) with inflation-linked escalators.

In Q3, Emitel signed a new loan facilities agreement with a consortium of leading Polish and international banks. The new facilities include senior secured term loans of PLN 1,270 million (of which PLN 370 million – €83 million – is denominated in euros), a capex facility of PLN 250 million and a revolving credit facility (RCF) of PLN 50 million. The new facilities have a blended credit margin lower than the 2.9% of the previous senior facilities. The capex facility and RCF will support Emitel's growth trajectory by financing its operational activities, new investments and acquisition plans.

Of the interest payable on the third-party bank debt at 31 March 2024, 50% was fixed rate and 50% floating rate. Emitel and the Investment Manager are keeping the optimal hedging approach towards the floating rate debt under constant review as interest rates in Poland trend downwards.

The aggregate amount of debt drawn at 31 March 2024 was PLN 1,320 million (£262 million). Emitel is 3.0x geared, as measured by net debt divided by EBITDA at 31 March 2024, which is viewed as conservative compared to other tower businesses.

Emitel continues to be strongly cash generative and in March 2024 paid its first distribution of PLN 30 million (£6.0 million) to the Company.

Cash balances reduced to PLN 135 million (£26.9 million) over the year. Underlying cash generation during the year was offset by the partial repayment of the senior debt facilities

Krynica Morska Mast, Krynica Morska, Poland.

as part of the refinance; the acquisition of American Tower Corporation's telecoms tower portfolio in Poland and the distribution to the Company mentioned above.

Operations

Emitel's contracted orderbook remains strong at more than PLN 3 billion (more than £596 million), with contracts extending out as far as 2043. The weighted average contract length in TV broadcasting is seven years, three years in radio broadcasting and 12 years in telecom infrastructure services.

During the year, Emitel signed a new ten-year DTT broadcast contract expiring in 2034 with Polsat, the most watched free-to-air TV channel in Poland. The channel will be broadcast from MUX1, with revenues under the contract being inflation linked.

Emitel also signed a new ten-year DTT contract with Red Carpet TV, to broadcast from a vacant slot on MUX8. Broadcasting started in March 2024.

Regarding other broadcast contracts, following the Polish election in November 2023, the company's contracts with the state-owned media providers have continued in accordance with their terms, with payments being made as expected.

In November 2023, Emitel won a nationwide tender to extend DAB coverage to 17 regional radio stations for state broadcaster, Polskie Radio. As a result of this, Emitel expects to extend DAB coverage across the country, from 67% to 88% of households. The contract is a renewal, as well as an expansion, of an existing contract held by Emitel and is also expected to result in incremental extra revenues. The contract runs to Q3 2027 and has a gross value of PLN 59.5 million (£12 million), with revenues linked to inflation.

Emitel has also been working on the development and commercial implementation of new technology to deliver dynamic advertisement insertion (DAI) which enables the delivery of targeted advertising which is adapted to the viewer. Proof of concept trials were completed in partnership with the Warsaw Stock Exchange. Commercial launch is planned for later in 2024.

A further illustration of its forward-looking approach has seen Emitel partner with IS-Wireless to create a 5G campus network at Bialystok University of Technology, the first of its kind in Poland. As part of this initiative, Emitel provided the distributed antenna system (DAS) to this innovative network. 5G networks operate at high frequencies and require advanced levels of design and implementation. It is believed that the creation and operation of the network will also educate future 6G specialists working at the University.

Outlook

Demand for data and Digital Infrastructure in Poland remains strong and was supported by continued growth in GDP during the year. Emitel remains well positioned to benefit from these positive trends in Poland.

emitel

CRA

£305.9m
Original cost

£389.1m
Value at 1 April 2023

£1.9m
Further investment by the Company in the year[1]

£(19.4)m
Distributions paid to the Company in the year

£51.6m
Unrealised value gain in the year

£(37.3)m
Unrealised foreign exchange loss in the year

£385.9m
Value at 31 March 2024

[1]Interest on shareholder loan capitalised during the period.

Miloš Mastník
Chief Executive Officer, České Radiokomunikace

Cukrák Television Tower, Jiloviste, Czech Republic.

Financial performance

CRA had a strong performance for the year. Revenue for the 12 months to 31 March 2024 increased by 10.7% to CZK 2.5 billion (£89.0 million at average exchange rates for the year) and EBITDA increased 8.8% to CZK 1.3 billion (£44.9 million at average exchange rates for the year).

The revenue performance was driven by double-digit growth in the data centre, cloud and IoT business lines, assisted by the acquisition of Cloud4com in Q1 2024.

EBITDA performance was driven by strong performance across all business units and effective control of costs, particularly personnel and energy costs, the latter of which were hedged in advance to protect the business against the increase in wholesale energy prices seen in the period.

In January 2024, CRA completed the acquisition of Cloud4com, a leading cloud services provider in the Czech Republic (acquired for CZK 870 million, £30.6 million), and DC Lužice, a Tier III data centre (acquired for CZK 130 million, £4.4 million). A further potential payment of up to CZK 485 million (£17 million) is payable subject to Cloud4com's EBITDA for 2024.

The acquisition of these businesses, all funded by organic cash flow at CRA, substantially increases the data centre and cloud proportion of CRA's revenue mix and marks an important step in CRA's continued growth in the Czech data centre and cloud services markets.
On a pro-forma basis for 2023, CRA's broadcast revenues would have accounted for less than 50% of the company's overall revenues. This will inevitably reduce further as CRA's data centre and other businesses expand at a faster rate than the growth in the broadcast business.

CRA also saw continued demand for its existing DC capacity, as measured in racks occupied (+33%) and power (+92%). This reflects the acquisition of DC Lužice and the completion of DC Cukrák, together with robust demand dynamics from new and existing customers.

Cash balances reduced to CZK 352 million (£11.9 million) at 31 March 2024 from CZK 1.3 billion a year earlier. This reduction reflected strong cash generation through the year, offset by the acquisitions mentioned above, and the distribution made to the Company in December 2023.

Third-party bank debt increased slightly to CZK 4.1 billion (£137.0 million). Interest on the bank debt is 100% hedged until the second half of 2025 when the loan falls due. As measured as a multiple of EBITDA, CRA's net debt is 3.0x unaudited financial year EBITDA.

The Investment Manager and CRA have begun work on refinancing CRA's senior debt facilities, which extend until mid-2025.

Žižkov Television Tower, Prague, Czech Republic.

The data centre and cloud businesses, now strengthened by the addition of Cloud4com and DC Lužice, are expected to continue to grow revenues and EBITDA as vacant space is utilised and a higher volume of cloud services are sold. The 'stickiness' of data centre and cloud contracts with customers is one of the key attractions of this business unit to CRA.

Operations

Planning work continues on the construction of the Zbraslav data centre on the outskirts of Prague. This 26MW data centre will be built on a former AM radio mast site wholly owned by CRA.

CRA successfully bid for and won the spectrum tender which will enable the launch of one national commercial DAB network and seven regional networks, including Prague. The company will install DAB transmitters during 2024 and expects to conclude agreements with existing FM radio clients (representing additional incremental revenues) which are expected to commence in 2025. CRA also increased available spectrum through the acquisition of Prague Digital in January 2024.

In July 2023, CRA signed a new 15-year contract with T-Mobile, in which extra revenues are expected to be earned from leasing further towers to T-Mobile that were not in scope of the previous contract.

In Q1 2024, CRA signed a new five-year contract with blue chip US content provider, Warner Bros Discovery, to broadcast free-to-air Warner Bros content in DVB-T2.

In line with power planning for the new data centre, CRA has committed to 100% of its power requirement coming from renewable sources within the next five years; as at 31 March 2024 68% of the company's electricity use came from renewable sources.

Outlook

Inflation in the Czech Republic in 2023 was 10.7%. For those revenue contracts with inflation escalation built in, this will typically take effect from 1 January 2024. Over 66% of CRA's revenue has either full or partial inflation linkage (excluding Cloud4com).

The addition of the Warner Bros TV broadcast contract, following on from new broadcast contracts with US content provider AMC, Swedish shopping channel Topmerch and local broadcaster the A11 group will also support stronger broadcast revenues during the coming year.

Speed Fibre
(acquired October 2023)

£58.4m[1]
Original cost

£(0.7)m
Vendor Loan Note interest paid and accrued in the year

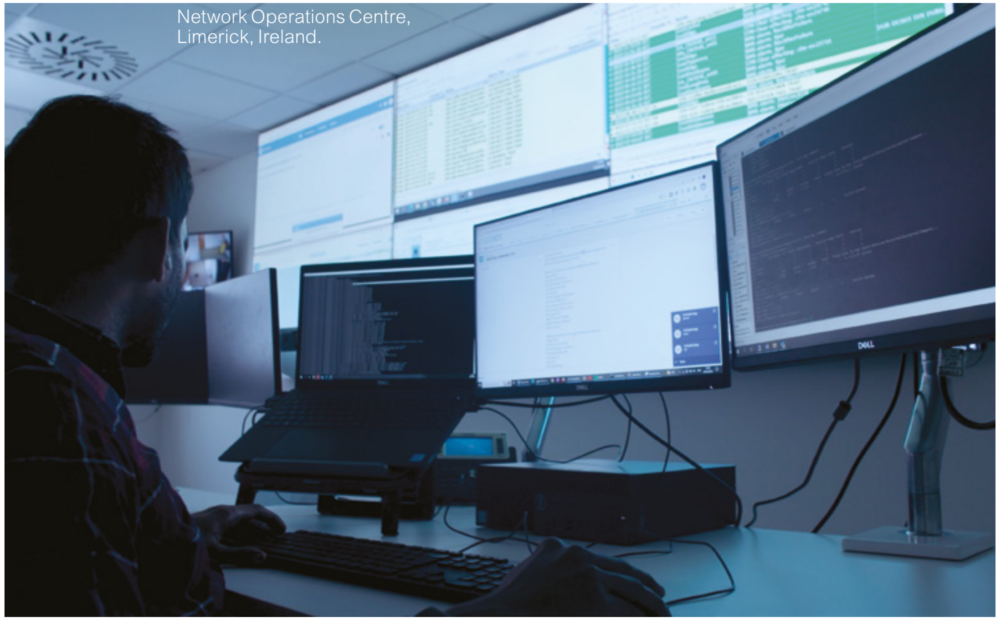
£3.9m
Unrealised value gain in the year

£(0.8)m
Unrealised foreign exchange loss in the year

£60.8m
Value at 31 March 2024

[1]Including €5.6 million (£4.8 million) of accrued deferred consideration and reported net of £25.5 million Vendor Loan Note.

Peter McCarthy
Chief Executive Officer, Speed Fibre Group



Network Operations Centre, Limerick, Ireland.

Speed Fibre is a leading open access fibre infrastructure provider based in Ireland. The acquisition of Speed Fibre from the Irish Infrastructure Fund was agreed in August 2023 for a total enterprise value of €190.5 million (£164.6 million). The equity consideration of €97.2 million (£83.9 million) was funded by €67.6 million (£58.4 million) in cash and €29.6 million (£25.5 million) through a vendor loan note with an initial interest rate of 6% and a maturity of four years. The acquisition completed in October 2023.

Speed Fibre is the fourth Digital Infrastructure asset acquired by the Company since its launch in 2021 and is consistent with its investment strategy of buying cash flow generating platforms capable of growth under its Buy, Build & Grow model. The acquisition further diversifies the Company's portfolio on a sub-sector and geographic basis.

Financial performance
Speed Fibre performed well in its financial year to 31 December 2023. Revenues increased by 3.8% to €78.6 million (£68.4 million at average exchange rates for the year) and EBITDA increased 5.0% to €23.8 million (£20.7 million at average exchange rates for the year).

Revenue growth was driven by higher recurring revenues from fibre and wireless sales and lower than expected churn. EBITDA growth was affected by higher than expected maintenance costs and the passthrough of power costs on some contracts at low or no margin.

At 31 March 2024, Speed Fibre had €6.1 million of cash (£5.2 million) and gross debt of €116.0 million (£98.8 million) comprising a term loan of €100 million and drawn RCF of €16.0 million, both due for repayment in 2029.

The interest on Speed Fibre's term loan is 85% fixed and the interest on the RCF is all floating rate.

Operations
Speed Fibre continues to deploy growth capital expenditure in the form of building out fibre networks and connecting new customers. These connections form the greater part of the annual growth capital expenditure of €17.9 million (£15.4 million) deployed by the company.

During the year, Speed Fibre completed the upgrade of its DWDM software, technology that increases the usable bandwidth of fibre networks. The company also continues to build out connections to Dublin business parks adjacent to Dublin airport.

About Speed Fibre

Speed Fibre operates 5,400 kilometres of owned and leased fibre and wireless backhaul across Ireland, on which it provides dark fibre, wavelength and ethernet services to a mix of carriers, internet service providers, corporate customers, and the government. The business is also well-positioned to serve Ireland's growing data centre sector, which is expected to be the fastest growing hyperscale data centre market in Western Europe over the next six years. While primarily a backbone provider, Speed Fibre's subsidiary, Magnet Plus, provides connection and service to approximately 10,000 business and retail customers in Ireland.

Speed Fibre has a strong ESG and sustainability focus, earning a 5-star rating from GRESB, an independent organisation providing validated ESG performance data, and is targeting net zero carbon emissions by 2040.

Outlook

Speed Fibre is a national digital network in a strategically located market. The management team has demonstrated a track record of operational success, attracting blue chip clients that include Vodafone, AT&T, Three and Verizon. Strong recurring revenues give visibility over future performance, and support a strong platform from which to invest in accretive strategic organic and inorganic opportunities.

Speed Fibre Group

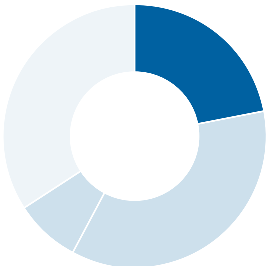
% of Speed Fibre revenue for financial year ended 31 December 2023

enet Open Access Networks

MAGNET+ PEOPLE POWERED CONNECTIVITY

Concession Metropolitan Area Network (MANs)

22%



1,400km Fibre infrastructure

92 MANs
94 Cities

103 Domestic and international customer

National backhaul and proprietary networks

36%

4,000 Leased backhaul links

200km Owned/proprietary fibre network

309 High sites

Aggregation platform (Verax)

9%

22 ISPs

~2.0m Premises can be connected

20,000 Verax customers

Retail high bandwidth

33%

8,862 Total customers

6,771 B2B customers

2,091 B2C customers

Hudson

£55.8m
Original cost

£57.0m
Value at 1 April 2023

£4.9m
Further investment by the Company in the year

£(18.4)m
Unrealised value loss in the year

£(1.2)m
Unrealised foreign exchange loss in the year

£42.3m
Value at 31 March 2024

Atul Roy
Interim Chief Executive Officer, Hudson

60 Hudson Street, New York.

Financial performance

During the year, Hudson saw revenue increase by 8.5% to $22.3 million (£17.7 million at average exchange rates for the year) and EBITDA loss reduce by 17% to $(4.4) million (loss of £3.5 million at average exchange rates for the year). The reduced loss was a result of the cost control and operational improvements implemented by Atul Roy as Interim CEO.

Shortly after the year end, Hudson signed a contract with a leading US IT services provider for 120kW of power. Once fully deployed, this is expected to increase capacity utilisation of the sixth floor to 475kW, up 36% since March 2023. In total, space utilisation is now at 61% of the fifth and sixth floors. Other contract wins in the year have included blue-chip customers such as a major US mobile operator and a leading provider of advance network communications. The fifth floor remains fully occupied by the anchor tenant.

Notwithstanding these wins, the pace of new sales has continued to be slower than the Investment Manager had anticipated. In order to improve business flexibility, Hudson has negotiated with the landlord of 60 Hudson Street to give up the call options on the seventh and eighth floors for which it was previously paying. Due to the proximity of the operations to these floors and the advantageous ownership and control of critical power supply exercised by Hudson, management consider it unlikely that the space will be taken by an alternative tenant.

Management continues to market the remaining space and power to interested potential customers, and is in early discussions with counterparties which would be able to take a considerable portion of the free space.

Operations

The team continue to explore the potential benefits of technological improvements and upgrades to Hudson, together with other innovative strategic solutions to increase the attractiveness of the offering to potential tenants. The team is now increasingly active in the market, with a campaign to target customers in the financial and AI-driven sectors where low-latency interconnection and colocation are required.

Outlook

Hudson remains an attractive opportunity for growth. While the space is 61% utilised, power utilisation is at 43%. The business has no requirement for upfront investment without new contracts having been signed. The Investment Manager confirms its view, given in the Interim Report, that Hudson is unlikely to show positive EBITDA in the next twelve months.

HUDSON INTERXCHANGE

Norkring AS
(acquired January 2024)

The Company acquired Norkring for €6.1 million (£5.2 million) in January 2024. Norkring is a tower business located in the Flemish speaking part of Belgium, and operates 25 communication and broadcast towers. Of these, eight are owned freehold and 17 are leased. Norkring is also the holder of two DAB broadcast licences and one digital terrestrial television multiplex licence. This small business is EBITDA positive.

Norkring is of most interest to the Company and its portfolio due to its participation in trials as part of a consortium using 5G broadcast technology, which are partially funded and supported by the Flemish government. 5G broadcast technology opens the potential to offer additional services to broadcasters and mobile operators to meet the growing demand for watching video content on the move. Video content already drives the most traffic on public mobile networks, accounting for around two-thirds of overall global mobile data consumption.

norkring

Sint-Pieters-Leeuw Transmission Tower, Sint-Pieters-Leeuw, Belgium.

Pipeline

Current opportunities

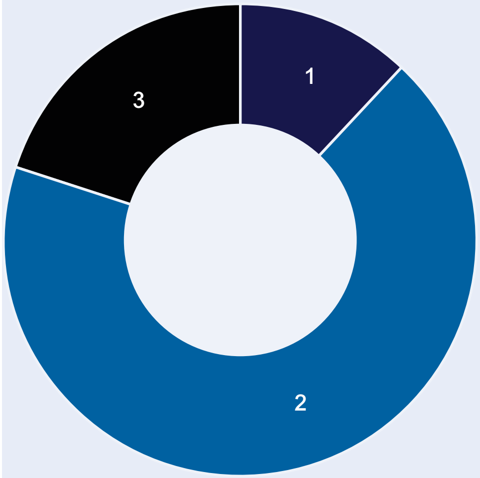
>£3.3bn

At 31 March 2024, the Company and its subsidiaries had aggregate liquid resources of £167.7 million.

The Company's pipeline of investment opportunities is weighted toward Western and Northern Europe in geographic terms. Interconnect and edge data centres, including those aimed at customers redeploying in edge data centres from the cloud (boomerang cloud) remain key target areas, with other multi-asset plays being assessed by the Investment Manager.

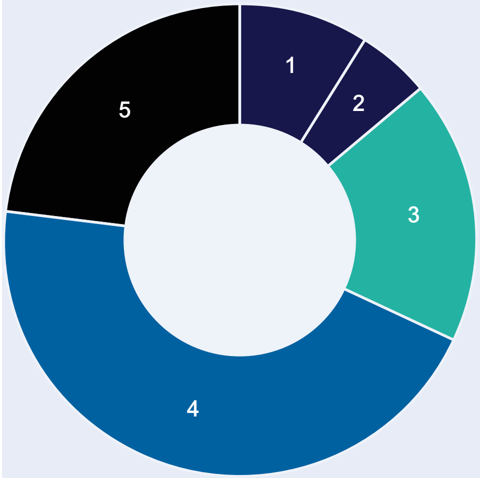
The Company retains its focus on the mid-market, where the Investment Manager judges that seller expectations on value are now becoming more realistic compared to the large cap private and public markets.

Pipeline by geography(%)



1. UK	12%
2. Mainland Europe	68%
3. North America	20%

Pipeline by sub-sector(%)



1. Mobile telecommunications	9%
2. Broadcast towers	5%
3. Fibre-optic networks	18%
4. Data centres (DCs)	45%
5. Multi-asset	23%

Environmental, social and governance (ESG)

"As a sector, Digital Infrastructure generates significant socioeconomic benefits. Assets, however, must be managed responsibly. To that end, we are pleased to report that, as the Company's own asset base has grown, the focus on greater efficiency and the integration of renewable energy has yielded positive results in the path towards a net zero economy and the creation of sustainable digital networks.

Taking a further step to enhance its transparency, the Company will be publishing its inaugural Responsible Investment Report, with more detailed disclosures regarding the Company and its assets. Key highlights are included within this report."

Lori Trotter
Head of ESG, Investment Manager

68% ↑
2022: 58%[1]

Renewable energy consumption

75.9 ↓
2022: 131.7

GHG emission intensity Scope 1 & 2[2]
(Metric tons (t) CO_2e/£m revenue)

2,480 MWh ↑
2022: 336 MWh

Renewable energy produced

40%[3] **have targets**
40%[3] **setting targets**
2022: 67%

Portfolio companies with renewable energy targets[3]

Introduction

Digital Infrastructure plays an essential role in the functioning of modern society. The sector and its sub-sectors have been identified as being crucial to facilitating the attainment of three quarters of the UN's Sustainable Development Goals.

Both the Company and the Investment Manager are aware that the attainment of the positive benefits of Digital Infrastructure need to be rationalised against the environmental impact of the sector. The increase in demand for data and storage, and consequently energy and water, driven in part by developments such as artificial intelligence, highlight the need for sustainability to be ingrained in the sector. The Company seeks to balance these considerations and centres its approach on mitigating the environmental and climate implications of its activities.

The Company also believes that modern broadcast technology is the most sustainably efficient method of delivering large volumes of video content to large numbers of consumers and undoubtedly the most socially inclusive.

The Company, by promoting a more sustainable approach at the network, asset and operational levels, seeks to maximise the net positive socioeconomic benefit while supporting climate action. During the calendar year, the portfolio made continued progress to increasing renewable energy as a percentage of total energy consumption, increasing from 58%[1] to 68%.

The Company recognises that the importance of promoting environmentally conscious operations and the effective management of material ESG factors are tied to its long-term success. The Company and Investment Manager aim to integrate these considerations throughout the investment strategy and management.

The Board is responsible for overseeing the Company, its activities, and its investments, which includes the responsible investment strategy and its application. The day-to-day management and implementation of the Company's responsible investment policy and associated practices and procedures is conducted by the Investment Manager.

The Company adheres to a tailored responsible investment policy. This policy, in addition to the Investment Manager's overarching responsible investment approach and practices, are then applied to the Company. The Company seeks to align the actions of its portfolio with the aim of net zero objectives.

Note: sustainability data from the portfolio companies represents calendar year data for the period 1 January 2023 – 31 December 2023.

[1] The figure for the previous period 2022 has been presented in line with the methodology used for the presentation of the current year's renewable energy percentage figure.
[2] The portfolio companies' GHG emissions are attributed to the Company using the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. For the full ESG data reporting methodology, please see the Company's Responsible Investment Report, available on the Company's website.
[3] As at 31 March 2023, 2/3 portfolio assets had set renewable energy targets. As at 31 March 2024 2/5 portfolio assets had set renewable energy targets and 2/5 portfolio assets are in progress on setting renewable energy targets.

Climate focus

The Company and the Investment Manager place emphasis on climate-related considerations and the aim of decarbonisation within the wider responsible investment strategy. The Investment Manager engages with the Company's portfolio assets on environmental measures, which have made continued progress in reducing their climate impact. During the period, the Investment Manager began the process of establishing a net zero methodology with the aim of setting net zero targets for the Company.

Renewable energy and emissions

A key lever for the Board and the Investment Manager to achieve this is the promotion of integrating renewable energy. Emitel and CRA have both set renewable energy commitments, and during the period met or made progress towards achieving them. Emitel, which is committed to purchasing a minimum of 63% certified renewable energy, achieved 88% of its energy being sourced renewably. Renewable electricity as a percentage of total electricity was 91%. CRA continued to make progress towards its target of attaining 100% renewable electricity, improving from 46% in 2022 to 68%, with renewable energy consumed being 62% of total energy. Speed Fibre during the year achieved 89% electricity from renewable sources, with 70% of energy being sourced renewably.

The Company's strategy is to target the largest source of its emissions, purchased electricity (Scope 2 GHG emissions), to promote alignment with its net zero aims. The increase in portfolio renewable energy consumption has supported a net 12% decrease in reported total Scope 1 and 2 emissions of the portfolio. Emitel and CRA's continued progress is resulting in emissions decreases of 16% and 39% respectively. Speed Fibre initated purchasing renewable energy as a way to decrease total Scope 1 and 2 GHG emissions.

Sustainability guiding principles

The Company's responsible investment strategy centres on the promotion of three 'guiding principles', specifically tailored to the sector – focusing on climate change impact.

1. **The need to reduce the carbon footprint of the digital economy, predominantly focusing on;**
   a. **Enabling efficient network design**
   The Company's underlying broadcast assets have the lowest energy consumption,and significantly lower GHG emissions, compared to other methods of content distribution.
   b. **Integrating renewable energy, where possible targeting 100% renewable energy**
   During the period, the portfolio increased renewable energy as a total percentage from 58% last year (using same methodology as 2023) to 68%.
   c. **Energy efficiency at the network component level**
   Supporting portfolio companies to repurpose existing facilities and improve efficiency of data centres.
2. **The need to reduce the carbon footprint of society, through enhanced communications and connectivity, such as the application of technologies to develop more sustainable cities**
3. **The need to better connect underserved businesses and households to the digital economy, supporting enhanced opportunity and economic activity**

Key climate initiatives

In addition to purchasing renewable energy, several portfolio companies have renewable energy production initiatives. Emitel, having piloted onsite solar photovoltaic panels (PV) at several locations has expanded this across its portfolio, producing 2,480 MWh. CRA has also piloted onsite solar PV and has investigated repurposing decommissioned brownfield tower sites into solar PV installations. Speed Fibre is currently in the process of setting its Net-Zero pathway.

Investment Manager

For the third year in a row, the Investment Manager will be verifying and offsetting its emissions associated with operations. The verification and offsetting will cover Scope 1, 2 and select Scope 3 categories associated with operations of the Investment Manager, such as flights. The Investment Manager will publish its verified and offset emissions once finalised.

SDG alignment – climate focus

Sustainability overview

Positive external impacts

Specific SDG targets		Our actions
9 Industry, innovation and infrastructure	9.1 9.4 9.c	The Company promotes updating and developing Digital Infrastructure to make it more resilient, promoting inclusive and sustainable industrialisation and fostering innovation.

Positive internal impacts

Specific SDG targets		Our actions
7 Affordable and clean energy	7.2 7.3	The Company aims for portfolio companies to adopt energy efficient measures and practices and targets the increased adoption of renewable energy sources into the energy supply mix.
13 Climate action	13.1 13.2	In addition to the measures to reduce GHG emissions, the Company and the Investment Manager support portfolio companies in measuring GHG emissions and, where needed, seeks to implement adaptation measures.

Last year, Emitel developed and implemented a number of advanced Smart City projects, such as innovative meter reading using IoT applications, in several cities across Poland. In 2023, Emitel set its sights on Ostrow Wielkopolski as the latest city for its Smart City projects. Emitel implemented a state-of-the-art IoT solution and built a comprehensive system for monitoring 1,000 parking spaces. An IT system to manage this solution is part of the project, enabling integration with other systems (e.g. dedicated parking applications).

Emitel's Smart City solutions that have been developed and implemented can facilitate the avoidance of estimated GHG emissions of 355kg tCO_2e/1 year/1 parking space.

"Another Smart City on the map of Poland makes us extremely happy as Smart City service providers and citizens, for whom such services are finally available. We are convinced that the implementation of the Smart City concept can bring tangible benefits to citizens, public administration units and private enterprises and at the same time we are proud that Emitel's solutions significantly contribute to the development of Smart Cities in Poland."

Piotr Guziewicz
Director of the Network Planning and Service Development Department, Emitel S.A.

Responsible investment approach

The Investment Manager became a signatory to the UN Principles for Responsible Investment in 2008 and has since continued to leverage and support best practice frameworks. This includes the support of the Task Force on Climate-related Financial Disclosures (TCFD)and, more recently, the Task Force on Nature-related Financial Disclosures (TNFD).

Responsible investment and sustainability considerations are key components to the investment strategy. The Investment Manager applies the Company's responsible investment policy and its own digital infrastructure tailored practices from the outset of an investment. The approach implemented by the Company combines concepts of responsible investment.

ESG risk and opportunity management

ESG factor consideration is a core component of prudent risk management and value creation opportunities. A systematic but flexible approach is used to identify and assess material risks and opportunities, tailored to the realities of the stage, size, location of investments. The ESG process runs in tandem with traditional investment procedures, leveraging the operational expertise of the Investment Manager's sector specialists.

Impact lens

The Company seeks to select companies where investment and active engagement can intentionally generate measurable social and/or environmental outcomes. The Company aims to support the generation of positive impact that contributes towards selected sustainable development goals (SDGs).

An assessment of material ESG-related risks, opportunities and an impact lens are embedded into all stages the investment process and portfolio management by the Investment Manager. The Investment Manager seeks to identify risks prior to investment and gaps in sustainability approaches and leverage the experience of its dedicated ESG and Impact Team and operational executives to implement tailored action plans to mitigate risks, promote improved climate performance, suitable large company best practice and capitalise on opportunities.

Active and collaborative engagement

The Company views active engagement as a vital component of the investment process, as well as the medium through which it can seek to improve investee company practices based on specific objectives (whether financial, operational and/or ESG). The Company has regularly engaged with investee companies on matters that have a material impact on the long-term, including in the realm of ESG. Engagement with portfolio companies helps to ensure ESG risks are managed within the framework of the Investment Manager's ESG principles and standards.

Responsible investing approach framed by internationally recognised standards

UN Principles for Responsible Investment

PRI Principles for Responsible Investment

- In 2008, the Investment Manager became a signatory of the UN PRI – publicly committing to implementing a global standard for managing investments with sustainability in mind.
- As a signatory, the Investment Manager aims to work towards contributing to a more financial system.

Adopted best practice

TCFD Task Force on Climate-related Financial Disclosures

PCAF Partnership for Carbon Accounting Financials

GIIN Global Impact Investing Network

TNFD Taskforce on Nature-related Financial Disclosures

SASB Inside

Portfolio indicators

Sustainability overview

Sustainability characteristics	Emitel	CRA	Speed Fibre	Hudson	Norkring
Sustainability policy	Yes	Yes	Yes	Yes	In progress
Sustainability targets	Yes	Yes	In progress	In progress	In progress
Measurement of sustainability indicators	Yes	Yes	Yes	Yes	Yes
Dedicated sustainability report	Yes	Yes	Yes	No	No

Responsible investment policy

The Company's dedicated responsible investment policy and other sustainability disclosures are available on the Company's website: **www.cordiantdigitaltrust.com**.

To read the Investment Manager's responsible investment policy and for further information on the Investment Manager's responsible investment practice, go to: **www.cordiantdigitaltrust.com/esg-impact**.

Data collection and reporting

The portfolio companies collect sustainability data on a calendar year basis. The sustainability data within this report reflects the period 1 January 2023 – 31 December 2023 and has been noted throughout. Some data has been recalculated, based on additional information being presented to the Investment Manager. Where this is the case, it has been noted. Further information for the data and the methodology used can be found in the Company's Responsible Investment Report.

Responsible Investment Report

The Company for the first time in 2024 will publish a voluntary standalone annual Responsible Investment Report for the period. The report will provide detailed information on the Company's and Investment Manager's consideration and integration of responsible investment practices for the digital infrastructure sector. In addition, the report will include information on the Company's ESG performance, case studies and its sustainability-related disclosures. It will be published on the Company's website.

TCFD

The Company and Investment Manager are supporters of TCFD and voluntarily disclose against and implement its recommendations. 2024 is the Company's second year of reporting against TCFD and has sought to build upon its previous disclosure. The Company's TCFD disclosure is published in its Responsible Investment Report, available on the Company's website. The Company's TCFD disclosure is not subject to the 'comply or explain' requirements of the Listing Rules.

Sustainable Finance Disclosure Regulation (SFDR)

The Company has been designated an Article 8 financial product. Through the combination of implementing the Company's responsible investment policy and the approach taken to promote the guiding principles for the sector, particularly reduce climate impact, the Company promotes environmental and social characteristics. The Company's sustainability-related disclosure is published in its responsible investment report. This is available on the Company's website, along with the Company's other sustainability-related disclosures.

Energy consumption

Asset	Energy consumption[1] (MWh)	Renewable energy %
Emitel	81,451	88%
CRA	49,332	62%
Speed Fibre	4,596	70%
Hudson	16,245	0%
Norkring	4,160	0%
Total	**155,784**	**68%**
2022	**149,034**	**58%**[2]

GHG emissions

Asset[3]	Scope 1 (tonnes CO_2e)	Scope 2 (tonnes CO_2e)	GHG emissions intensity (Scope 1 & 2) (tonnes CO_2e/£m revenue)
Emitel	2,943	6,009	78.7
CRA	1,024	5,783	77.6
Speed Fibre	197	249	6.0
Hudson	7	6,018	337.7
Norkring	37	600	80.2
Total	**4,208**	**18,660**	**75.9**
2022	**3,002**	**22,938**	**131.7**

Note: sustainability data from the portfolio companies reflects calendar year data, for the period 1 January 2023 – 31 December 2023.

[1] Total energy includes fleet fuel consumption.
[2] The figure for the previous period 2022 has been presented in line with the methodology used for the presentation of the current year's renewable energy percentage figure.
[3] The portfolio companies' GHG emissions are attributed to the Company using the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. The portfolio companies' GHG emissions are attributed to the Company using the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. For the full ESG data reporting methodology, please see the Company's ESG Report, available on the Company's website. Scope 2 emissions are market-based Scope 2 emissions.

Section 172 statement

The Company's stakeholders and the long-term consequences of any decision are taken into consideration by the Board when making that decision. Its decision making is guided by the Company's purpose: to generate attractive risk-adjusted returns in a sustainable and responsible manner taking into account our stakeholders. In performing their duties during the year, the Directors have had regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006. The following disclosures set out how the Directors have had regard to these matters and form the directors' statement required under section 414CZA of the Act. While Section 172 applies directly to UK domiciled companies, the AIC Code requires that the matters set out in Section 172 are reported on by all companies that are subject to the Code, irrespective of domicile.

Shareholders
The environment
Investment Manager
Service providers
Communities
Governments and regulatory bodies

Key decisions in the year to 31 March 2024

Decision | **Stakeholders considered as part of decision making:**

Deployment of capital through acquisitions

In August 2023, the Board approved the acquisition of Speed Fibre, which subsequently completed in October 2023. This acquisition aligns with Company's investment strategy and further diversifies its porfolio by geography and asset class. Market updates about the transaction were released though RNS announcements and presentations made to institutional shareholders and analysts.

Dividend policy

In November 2023, the Board confirmed the Company's dividend target of 4.0p for the year ended 31 March 2024. This target has been achieved in advance of the indicative level set out at the time of the Company's IPO in 2021. The Board remains committed to the Company's progressive dividend policy as shown by its decision after the year end to increase the second interim dividend for the year ended 31 March 2024 to 2.2 pence per share, payable on 19 July 2024.

Share buybacks

During the year, the Company's share price has continued to trade below NAV. The Board has continued to monitor this and believes it is a consequence of macroeconomic factors. The Board believes it is in the best interests of shareholders to deploy available capital in support of the Company's Buy, Build & Grow model but during the year it has also approved share buybacks under the £20 million discretionary facility announced in February 2023.

Publication of a standalone Responsible Investment Report

The Board and the Investment Manager have been pleased with the strength of the competencies of the Company's portfolio companies in operating responsibly and sustainably. During the year, the Board approved the preparation of the Company's inaugural Responsible Investment Report, to highlight the strong progress made by its portfolio companies in ESG performance. The Company expects portfolio companies to continue on this trajectory, and will continue to publish this report on an annual basis.

Stakeholder engagement

"The Company's purpose – to generate attractive risk-adjusted returns in a sustainable and responsible manner taking into account our stakeholders – underpins the decisions that the Board make."

Shonaid Jemmett-Page
Chairman

Key stakeholders identified

The Company has identified its key stakeholders as those below. As a closed ended investment trust, the Company has no employees and the Board has delegated many of its activities to the Investment Manager and other service providers.

Shareholders – the Directors regularly engage with the Company's shareholders. The Chairman offers to meet shareholders on matters such as the Company's financial results, strategy and governance and the other non-executive directors are also available to meet with shareholders as appropriate, including at the AGM. The Board is regularly briefed on and considers feedback received from shareholders and analysts. The Company's website is also regularly updated and contains comprehensive information on its activities for shareholders and other stakeholders. Representatives from the Investment Manager, including senior executives and members of the ESG team, engage directly with investors throughout the year to maintain and improve relationships. In addition, there are opportunities for investors and analysts to meet with the management of the portfolio companies.

The environment – the demand for connectivity and data is continuing to grow, increasing the need for energy intensive Digital Infrastructure. While Digital Infrastructure brings sustainability benefits by facilitating remote working and providing efficient methods of delivering large volumes of data to large populations, the Board and the Investment Manager are aware of the impact of the digital sector on the environment, particularly from data centre assets, and seek to mitigate the environmental impact of the Company and its portfolio companies by promoting a sustainable approach at the network, asset and operational level.

Investment Manager – the Board engages with the Investment Manager and other service providers in an open and constructive manner. While the Company does not have any employees, through the Board it has delegated certain functions to the Investment Manager in accordance with the Investment Management Agreement. There is regular formal and informal engagement between the Investment Manager and the Board and with individual directors as necessary. The performance of the Investment Manager is considered at least annually by the Management Engagement Committee and reported to the Board.

Service providers – as it has with the Investment Manager, the Company has delegated to or relies on external service providers in order to carry on its business activities. These include the Company Secretary and Administrator, its corporate brokers and other professional advisors and consultants. As with the Investment Manager there is the opportunity to engage with these parties during the period. The performance of certain key advisors is also considered by the Management Engagement Committee at least annually and reported to the Board.

Communities – the Company takes responsible investment seriously. Generating positive community and societal impact through investment has been a central pillar of the Company's and Investment Managers' approach. Further information on the positive impact created through the Company's activities can be found in the Company's Responsible Investment Report, which will be available on the Company's website.

Government and regulatory agencies – the Company undertakes its activities with the aim of being in full compliance with all relevant laws and regulations. The legal, compliance and investment professionals within the Investment Manager and the Company's other service providers ensure as far as practicable that appropriate working relationships are maintained with governmental bodies and regulators in the geographies that have jurisdiction over the Company and its portfolio companies. The Investment Manager is a member of and/or signatory to a number of internationally recognised networks, as described within the ESG section of the report on pages 33 to 37.

We strive to create value for our stakeholders and their interests have influenced decision making by the Board.	Shareholders	The environment	Investment Manager
What is important to them	— Meeting and, where possible, exceeding our announced objective of a total return of 9% over the longer term — The Company's share price and its NAV — Meeting shareholder ESG requirements for their investee companies — Regular and transparent disclosure together with other engagement where appropriate	— Climate change and the associated meteorological effects — An energy transition to a cleaner, more accessible and efficient model that is still reliable — Protecting biodiversity — Sustainable urban development	— Alignment with the Board on the Company's purpose and the strategy for its delivery — Regular feedback from the Board on the Investment Manager's activities and performance
Ways we are engaging	— The release of Annual and Interim Reports — Investor and analyst presentations post reporting and following material transactions — RNS announcements — Meetings between Board members and/or representatives of the Investment Manager and institutional investors in order to discuss performance, strategy and ESG matters	— Engaging throughout the period with portfolio companies on environmental management, aims and oversight, with particular attention to climate-related considerations. Topics including but not limited to, renewable energy, energy efficiency and site repurposing — Annual monitoring of sustainability KPIs, performance, and adherence to ESG action plans — Assessment of prospective investments exposure to and management of environmental risks	— Each year the Management Engagement Committee receives a report on the performance of the Investment Manager, that is prepared by the Administrator and includes input from the Company's brokers, following which feedback is provided to the Investment Manager
Example outcomes	— Following the release of the Company's Annual Report 2023, the Chairman offered to meet the Company's largest investors — During the year the Chairman, Senior Independent Director and other Directors met a number of shareholders through this or other initiatives — In April 2023 the Company hosted its first Capital Markets Day, which was held at the London Stock Exchange and in March 2024 an event was held for analysts and institutional shareholders — Presentations for analysts and shareholders were held following the release of the Annual and Interim Reports, on 24 August 2023 following the acquisition of Speed Fibre and on 14 March 2024 following the release of the Trading Update — Where appropriate, the Company, has released both RNS and RNS Reach announcements to provide additional disclosure of non-material matters to market participants	— Briefing and provision of feedback at portfolio company board meetings and/or engagement with portfolio companies on environmental initiatives - focus on renewable energy procurement — Continued effort throughout the period by portfolio companies to reduce their climate impact — Assessment of environmental management systems, procedures and initiatives of Speed Fibre and Norkring and prospective investments screened during the period — Portfolio companies CRA and Emitel both provide Smart City solutions that generate positive environmental impacts, and contribute to the creation of more sustainable cities — All portfolio companies disclosed sustainability indicators, which were reviewed by the Investment Manager, through the Investment Manager's Annual Monitoring Questionnaire — Portfolio companies CRA and Emitel, due to their scale and operations, continued to monitor and mitigate against impacts to biodiversity and wildlife across their sites	— Following consideration by the Management Engagement Committee, the Investment Manager has been invited to participate in the annual Board evaluation process to provide feedback on the Board and individual Directors with the Directors also providing feedback on the senior members of the Investment Manager's team

We strive to create value for our stakeholders and their interests have influenced decision making by the Board.	Service providers	Communities	Regulatory bodies and government
What is important to them	— Clear and timely instructions — Prompt and considered feedback on performance — Payment for services in accordance with the individual service provider's terms and conditions of engagement	— Create positive impacts within communities in the areas surrounding operations — Avoid, and where possible mitigate, all negative impacts associated with operations to surrounding communities	— Compliance with our legal and regulatory obligations — Where appropriate early engagement with the relevent regulator in order to allow for consultation and time for the regulator to consider the matter and respond — Participation in public consultations or other dialogue in relation to proposed changes to legislation to provide a market perspective
Ways we are engaging	— Each year the Management Engagement Committee receives feedback on the performance of the Company's key advisors, following which feedback is provided to that advisor as appropriate	— Emitel, CRA and Speed Fibre are involved in philanthropic endeavours, and actively engage with local communities and support community activities — Emitel, CRA, Speed Fibre, Hudson and Norkring follow local regulatory laws in regards to activities that may negatively impact surrounding local communities	— The Company and the Investment Manager engage directly through communication with governmental bodies and regulators and also via industry bodies such as the AIC — In undertaking its activities, where necessary the Company seeks assistance from the relevant professional advisor, normally its external counsel, as to the application of the relevant law or regulation. This in turn may require the advisor to discuss the matter with the applicable regulator
Example outcomes	— During the year, following Management Engagement Committee reviews, the Investment Manager, on behalf of the Company, commenced work on a number of tenders in relation to advisory work carried on by other service providers. These tenders are expected to be completed during 2024/25	Throughout the period, portfolio companies CRA, Emitel and Speed Fibre conducted community outreach programs, sponsored cultural, sporting and educational projects and carried out charitable activities – making financial and volunteering contributions to humanitarian aid programmes, with particular focus on supporting Ukraine during the ongoing war. For example: — CRA provided humanitarian, technical and financial assistance to Ukraine and its refugees. Management and employees contributed to a variety of organisations and/or projects in aid of Ukraine — Emitel continued to support a range of charitable and sponsorship activities for schools, NGOs and cultural institutions. Emitel additionally demonstrated its continued commitment in support of Ukraine, for example, through the 'Children of Heroes' foundation, which provides long-term aid to children who have lost one of both parents due to the war in Ukraine — SFG launched a company-wide 'Volunteer Days' initiative, giving employees an opportunity to actively engage with their local communities and local charities	— The Company and the Investment Manager have both participated in the broader market response to the UK's cost disclosure regime, including responses directly and via the AIC and the London Stock Exchange to the consultation by HM Treasury — The acquisition of Speed Fibre required consent from the Irish Department of Environment, Climate Action & Communications, and clearance under the United Kingdom's National Security and Investment Act 2021 — The Company's advisors regularly liaise with the London Stock Exchange in relation to dividend payments

Risk management

Risk management process

Risk identification, monitoring and review
Under the FCA's Disclosure Guidance and Transparency Rules, the Directors are required to identify those material risks to which the Company is exposed and take appropriate steps to mitigate those risks.

The Company maintains a comprehensive risk matrix, on which are recorded the significant risks that have been identified and that could affect the Company's operations and those of its subsidiaries and investments. This includes risks that were identified in a comprehensive risk identification and assessment process which was undertaken before the launch of the Company, together with other risks that have been identified since IPO.

The risk matrix is maintained by the Investment Manager and is reviewed quarterly by the Audit Committee. It is updated whenever a new risk is identified or when the assessment of a previously identified risk changes.

Risk assessment
Every risk that is identified is considered by the Investment Manager and by the Directors, with specialist third party advice where necessary. That assessment is both qualitative and quantitative, considering the nature of the risk and the likelihood of it crystallising, together with the financial, legal and/or operational consequences if it does. For each risk, a two-part score is assigned, assessing the likelihood and impact on a scale of 1 (low) to 5 (high). This initial assessment is before any risk mitigation activity.

This scoring system has changed slightly since the previous year, when the likelihood and impact of each risk was assigned a score of high, medium or low. The change to the scoring system was made to allow for a more rigorous and granular assessment of each risk.

Risk management
The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company, including emerging risks, on an ongoing basis and these are reported to and discussed at each Board meeting. The Board ensures that to the extent practicable effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulatory obligations are met.

Whenever a new risk is identified, it is assessed and scored, and the Audit Committee considers how best to manage the risk. For risks whose scoring changes as a result of a review, the Audit Committee considers whether any previously identified mitigating factors remain appropriate and sufficient, or whether additional controls are necessary.

There are several options for managing risks once identified. Some risks are likely to have minimal impact and the Company may choose simply to accept them. Some risks can be shared with or transferred to other parties, such as by purchasing insurance. Some risks can be avoided altogether by declining to participate in the process which gives rise to the risk, for example by declining to make an offer for an asset where insufficient information is available to allow a properly informed assessment of the returns available from it. Most risks, though, are managed by identifying mitigating actions which can be taken, either to minimise the probability of the risk materialising or to minimise any impact, or both.

Having assessed the options for managing risks, and having put in place appropriate risk mitigation measures, the risks are reassessed using the same two-part scoring system as before to determine a post-mitigation score. This reassessment enables the Directors to measure the effectiveness of the risk management measures put in place, and to identify any areas where further measures may be required.

The Company's assets consist primarily of investments in Digital Infrastructure assets, with a predominant focus on data centres, mobile telecommunications/ broadcast towers and fibre-optic network assets. Its principal risks are therefore related to market conditions in the Digital Infrastructure sector in general, but also the particular circumstances of the businesses in which it is invested. The Investment Manager seeks to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments.

Investment valuation

The Company's business model, and many of the specific principal risks identified and shown in the table, relate to the Investment Manager's ability to value a business appropriately. This is relevant at several stages in acquiring and managing an investment:

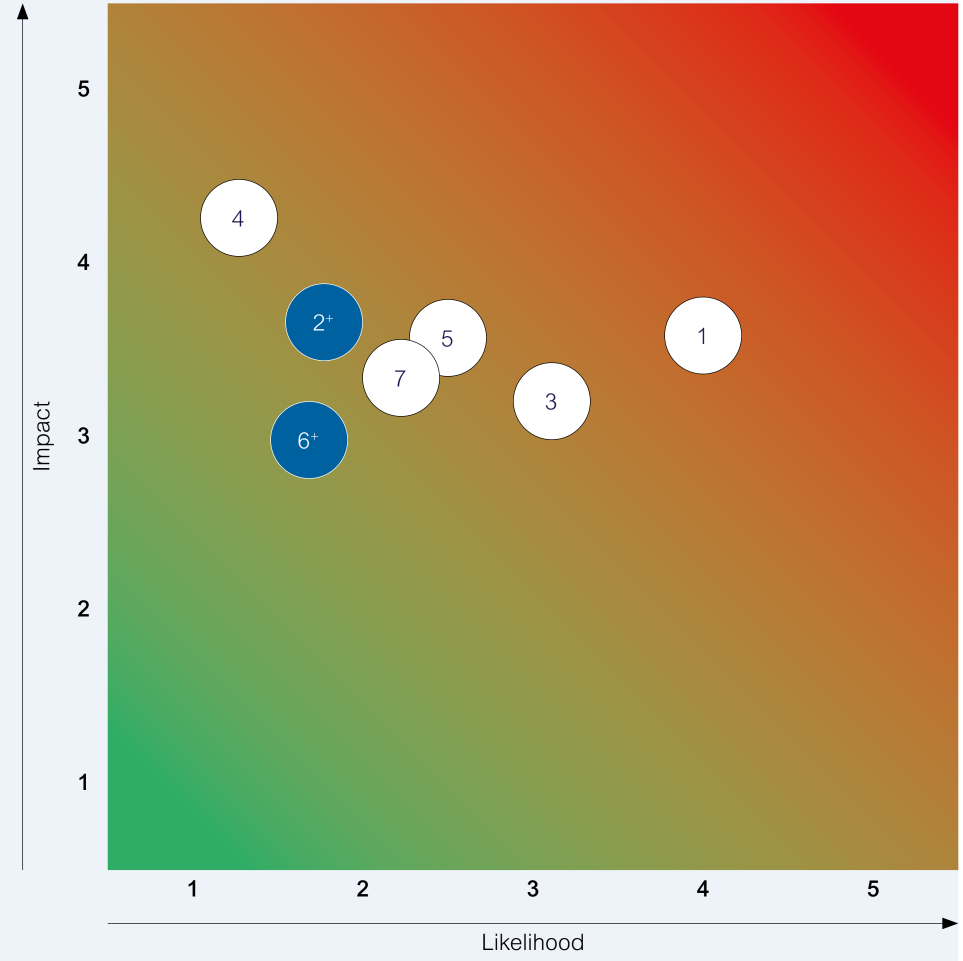
— At the initial stage of considering whether a particular target is an attractive investment prospect, and therefore whether to apply resources to pursuing it;
— At the offer stage, in considering at what level to pitch a bid, setting that level high enough to be attractive to the seller but not so high as to dilute the returns that may potentially be achieved by the Company from the asset;
— After acquisition, in considering the performance of an investment in delivering the Company's target returns and whether the investment should be retained or whether a disposal could achieve greater shareholder value;
— When a disposal is contemplated, in determining what price should be sought for the asset; and
— At each financial reporting date, in determining the value at which the investment should be recognised in the Company's financial statements.

The Investment Manager has extensive expertise in valuing businesses at all stages of making, holding and disposing of investments. It has formed an Investment Committee, consisting of six senior members of the Investment Manager's team, which meets whenever significant decisions are required involving making, holding or disposing of investments. That Investment Committee informs and makes recommendations to the Board, and the Board has the opportunity to ask questions and seek further information. The Company has also appointed an independent valuation expert, which provides a reasonableness check of the Investment Manager's valuations at each half-year financial reporting date, and performs a full independent valuation at each financial year end. The key areas of risk faced by the Company are summarised on pages 44 and 45.

Risk heat map

1 Capital markets remaining closed to the Company
2 Insufficient capital being available
3 Competition for assets resulting in decreased returns
4 Failure to achieve investment objectives
5 Actual results being below projections
6 Illiquidity of investments
7 Construction risk

\+ New risk since the Company's Annual Report 2023



Principal risks and uncertainties

The risk	How we mitigate risk	How the risk is changing	Movement in the year
1. The capital markets may remain effectively closed to the Company for a significant period. As a consequence, the Company may be unable to raise new capital and it may therefore be unable to progress investment opportunities.	The Company has acquired a portfolio of cash-generating assets with significant organic growth prospects, which together are capable of providing returns meeting the investment objective without further acquisitions. The Investment Manager also continues to consider potential alternative sources of capital, including debt and coinvestment.	Significant discounts to NAV continue to be evident in the current share prices of many investment trust companies listed on the London Stock Exchange, including the Company, and this situation has continued to deteriorate over the last year. Offsetting this, however, the Company's increased geographical and asset diversity with the acquisitions of Speed Fibre and Norkring is likely to increase the attractiveness of the Company to lenders and potential coinvestment partners.	Level
2. There is a risk that, even when the capital markets are open, insufficient numbers of investors are prepared to invest new capital, or that investors are unwilling to invest sufficient new capital, to enable the Company to achieve its investment objectives.	The Company has established a track record of successful investments, which together are capable of providing returns meeting the investment objective without further acquisitions. The Investment Manager has deep sector knowledge and investment expertise and is well-known and respected in the market.	The continuing poor equity market conditions in the investment trust sector give rise to uncertainty. It is not possible to predict when market conditions might improve.	New
3. The Company may lose investment opportunities if it does not match investment prices, structures and terms offered by competing bidders. Conversely, the Company may experience decreased rates of return and increased risk of loss if it matches investment prices, structures and terms offered by competitors.	The Investment Manager operates a prudent and disciplined investment strategy, participating in transaction processes only where it can be competitive without compromising its investment objectives.	The Investment Manager has been able to identify and pursue bilateral opportunities rather than auction processes, where competition for those assets has been a less significant factor. However, there can be no guarantee that suitable further bilateral opportunities will arise. In addition, current equity market conditions and the consequent limitations on the Company's ability to access capital markets may mean that it is not able to pursue certain investment opportunities.	Level

The risk	How we mitigate risk	How the risk is changing	Movement in the year
4. There can be no guarantee or assurance the Company will achieve its investment objectives, which are indicative targets only. Investments may fail to deliver the projected earnings, cash flows and/or capital growth expected at the time of acquisition, and valuations may be affected by foreign exchange fluctuations. The actual rate of return may be materially lower than the targeted rate of return.	The Investment Manager performs a rigorous due diligence process with internal specialists and expert professional advisers in fields relevant to the proposed investment before any investment is made. The Investment Manager also carries out a regular review of the investment environment and benchmarks target and actual returns against the industry and competitors.	The results of our investments to date are materially in line with our projections at the time of their acquisition and their aggregate fair value has increased. This demonstrates the quality of the Investment Manager's projections and its ability to manage the investments for growth.	Level
5. Actual results of portfolio investments may vary from the projections, which may have a material adverse effect on NAV.	The Investment Manager provides the Board with at least quarterly updates of portfolio investment performance and detail around any material variation from budget and forecast returns.	The results of our investments to date are materially in line with our projections at the time of their acquisition and their aggregate fair value has increased, contributing to NAV total return of 32.8% since IPO. This demonstrates the quality of the Investment Manager's projections and its ability to manage the investments for growth.	Level
6. The Company invests in unlisted Digital Infrastructure assets, and such investments are illiquid. There is a risk that it may be difficult for the Company to sell the Digital Infrastructure assets and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant Digital Infrastructure asset.	The Investment Manager has considerable experience across relevant digital infrastructure sectors, and senior members of the team have had leadership roles in over $80 billion of relevant transactions. The Company seeks a diversified range of investments so that exposure to temporary poor conditions in any one market is limited.	The Company is still in its relative infancy and, as a vehicle with permanent capital, is not likely to be seeking a full divestment of any asset for some time. The Company's prudent leverage position, in terms both of quantum and terms of its debt, mean that the risk of a forced divestment is very low. Exposure to divestment risk is limited in the short to medium term.	New
7. The Company may invest in Digital Infrastructure assets which are in construction or construction-ready or otherwise require significant future capital expenditure. Digital Infrastructure assets which have significant capital expenditure requirements may be exposed to cost overruns, construction delay, failure to meet technical requirements or construction defects.	The Investment Manager has significant experience of managing construction risks arising from Digital Infrastructure assets and will also engage third parties where appropriate to oversee such construction.	The Company's investments to date have not undertaken significant capital construction projects. This risk has therefore been relatively low to date, and remains low, but may increase in the future as capital investment increases under our Buy, Build & Grow model.	Level

Task Force on Climate-related Financial Disclosures (TCFD)

The Company has chosen to voluntarily report against the recommendations of the TCFD. This reporting year represents the Company's second disclosure in line with the TCFD. This disclosure is a summary of the Company's TCFD disclosure. The full disclosure against the recommendations is available in the Company's Responsible Investment Report, available on the Company's website. The disclosure below is based on information where available and has been set out using the relevant TCFD headings.

As not all of the information required under TCFD is available, this section should not be regarded as fully compliant with the guidelines; this section is not subject to the 'comply or explain' requirements of the Listing Rules.

Governance

Disclose the Company's governance around climate-related risks and opportunities.

a) Describe the board's oversight of climate-related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities.

Sustainability is a key discussion topic of the Board, which plays an active role in overseeing the sustainability aims, both risk mitigation and opportunities of the Company. The Board has ultimate responsibility for the Company's approach to and integration of responsible investing, sustainability considerations and the policies that govern these approaches. Of these risks and opportunities, climate-related consideration is a core focus.

The Company maintains a risk matrix, which is updated by the Investment Manager and which is reviewed quarterly by the Audit Committee, which has overall oversight of risk management. Risks to which the Company is exposed, including climate risks, are assessed in line with the Company's risk tolerance. The Directors, Investment Manager and relevant external advisors where required, will review, assess and monitor previously identified and arising risks and opportunities.

The Board in collaboration with the Investment Manager has developed and approved the Company's tailored Responsible Investment Policy and responsible investment strategy, with a strong focus on reducing the climate-related risks relating to the Digital Infrastructure sector. The Board oversees the implementation of the ESG risk management approach and the Investment Manager reports to the Board quarterly, including on physical, transitional, regulatory and reputational climate risks and mitigation measures if implemented, applicable to the Company and/or its portfolio assets. The Board reviews and approves all sustainability-related documents and reports.

The Board has delegated the discretionary investment management authority to the Investment Manager. The Investment Manager is responsible for investment activities including origination, due diligence, acquisition and disposal, as well as portfolio management. As part of its duties the Investment Manager identifies and assesses the impact of climate risks when assessing a new investment, as well as any mitigation activities currently being undertaken. Throughout the holding period of an investment, the Investment Manager will engage with the portfolio company on climate risk, with a focus on mitigating transition risks specific to the sector. Materials presented to the Investment Manager and the Board include information on climate risks (and mitigants in place) and opportunities to support the climate-transition.

The Investment Manager assigns a member of its ESG and Impact Team to each deal to oversee and implement the Company's Responsible Investment Policy and associated procedures and tools. The Investment Manager's ESG and Impact Team meets weekly to discuss and assess identified and new ESG risks, including climate risks. The ESG and Impact lead and supporting team work in tandem with the Investment Team and provide information to the group on sustainability-specific issues. The Investment Manager has a Sustainability Committee which oversees and evaluates the processes and methodologies implemented and specific ESG issues the Investment Manager is concerned with. This includes climate-related risks. The Sustainability Committee and ESG and Impact Team are currently evaluating the establishment of net zero targets for the Investment Manager. The Sustainability Committee is comprised of senior members of each of the Investment Manager's sector teams, ESG and Impact Team and chaired by the Investment Manager's Honorary Chairman.

Further information

Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy and financial planning where such information is material.	**Further information**
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. The Company, Board and Investment Manager recognise the potential impact of climate change-related risks and opportunities to the operations and success of the Company. Recognising the importance of these risks the Board and Investment Manager are increasingly considering the potential climate-related impacts, opportunities and mitigation measures to the Company and the underlying portfolio assets. The Company, Board and Investment Manager understand the climate impact of the sector and the potential physical and transition risks; therefore focus is on reducing the climate burden at the portfolio company level, and considering physical, regulatory and other transition risks which exist at Company and portfolio asset level. The Company's established guiding principle to reduce the carbon footprint of the digital economy through better-designed, more efficient data centres, as well as the integration of clean, renewable electricity sources into the energy mix, ensure that an area of focus is either investing in companies who already meet some sustainability best practices or engaging with companies so that they can meet these standards in a timely horizon. By doing so, the Company can positively contribute to the transition to a low-carbon economy.	For full disclosure of the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material please see the Company's responsible investment report.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material.

Acute Physical Risks

Digital Infrastructure
Increasing occurance and severity of extreme weather events damaging digital infrastructure and causing service disruption.

In addition, damage to digital and power networks may lead to service disruptions.

More extreme weather events, such as storms and flooding will necessitate increase redundancy, resiliency and asset maintenance.

Data centres
Fluctuating temperatures and cooling requirements can lead to increasing demands for energy to keep data centres operating. Resulting in increased opex and capex to improve cooling infrastructure and design.

Towers
Acute physical risks (weather events) can damage tower infrastructure and disrupt service provision, with potential risk of violating service level agreements Resiliency improvements would increase capex.

Fibre
Flooding and extended exposure and submersion of fibre can damage cables and corrode connection points, disrupting systems and requiring repairs and/or potential replacement.

Chronic Physical Risks

Data centres
Rising average temperatures increase the cooling demands by data centres and their energy consumption.

Fibre
Rising sea levels pose similar risks to acute flooding, as submersion of fibre damages the cables and corrodes connection points. May require the laying of further fibre inland or along routes less impacted by rising sea levels.

Transition Risks

Access to electricity market and grid systems
Increasing demand for energy by data centres could limit expansion and development due to grid constraints and other energy demands. Demand for renewable energy increasing prices of PPAs.

Data centre sustainability regulation
Regulation to curb demand conflicts regarding data centre energy consumption and its impacts may limit expansion or require increase capex in order to ensure compliance with regulation.

Carbon regulation and taxation
Carbon taxes may directly impact portfolio companies and may indirectly lead to increased renewable energy costs, impacting opex of assets.

Market demand for assets with superior sustainability credentials
Customers increasingly requiring improved sustainability credentials. More sustainable assets commanding better pricing and being more attractive to potential customers.

Opportunities / market demand for assets with sustainability credentials
The Company's sustainability approach is built around the decarbonisation of the digital economy through energy efficiency and the adoption of cleaner sources of energy. The Company believes that by building and implementing this investment strategy it is better aligned to market demands for responsible low-carbon investment products in the short and medium term.

Assets with superior sustainability credentials are better placed to capture market demands for sustainability requirements, such as the incorporation of renewable energy. In addition, for communication systems which are relatively more energy and resource efficient (such as DTT broadcast and fibre) there are growth opportunities in a transitioning world.

Further information

For full disclosure of the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material please see the Company's Responsible Investment Report.

Risk management

Disclose how the Company identifies, assesses and manages climate-related risks.

a) Describe the organisation's processes for identifying and assessing climate-related risks.
b) Describe the organisation's processes for managing climate-related risks.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Sustainability risk, which includes climate-related risks, is identified and managed within the broader risk management strategy. The Investment Manager conducts rigorous investment analysis, which includes a thorough assessment of ESG factors and mitigants through the implementation of a dedicated proprietary ESG risk and impact assessment tool, ESG due diligence questionnaire and desk review. With particular emphasis placed on evaluated energy and climate-related transition risks. The Investment Manager monitors and engages actively with portfolio companies, throughout the life of an investment, to identify arising ESG risks, including climate risks, and monitor previously identified risks and the impact of mitigation efforts.

Pre-investment: screening, due diligence and engagement

The Investment Manager conducts thorough screening and due-diligence processes to assess material sustainability risks (including climate-related risks and opportunities) associated and applicable to each prospective deal. These risks and opportunities are then assessed during investment committee meetings where required and mitigants or required management activities discussed. Identified actions will form part of an ESG action plan which will be agreed upon by the Investment Manager and the portfolio company.

Post-investment: monitoring and tracking

Throughout the investment periods, the Investment Manager engages actively with portfolio companies on a regular basis to ensure risks and opportunities are being monitored and mitigated where appropriate. The Investment Manager assesses the adherence to implemented action plans and progress towards targets. The Investment Manager engages with portfolio companies to promote sustainability initiatives that align with its guiding principles. Additionally, the Investment Manager works with portfolio companies to implement sustainability indicators, which include climate metrics to assist the identification, monitoring and management of climate-related risks.

The identification of climate-related risks and opportunities form part of the overall risk identification process and will inform any investment decision. Arising risks or changes in risk level will be discussed by the ESG and Impact Team and the Investment Team. Where material the Board will be informed of climate-related risks. Progress of mitigating measures and action plan items will be assessed by the Investment Manager, with further action taken as necessary. The Board is informed of the progress of these items annual once sustainability indicators have been collected from portfolio companies.

Further information

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Data collection

The Investment Manager collects a number of climate and ESG KPIs to assess the performance and adherence to action plans of portfolio companies. Indicators are collected through an annual monitoring questionnaire. The collected indicators are not evaluated by a third party unless commissioned by the portfolio company however, the Investment Manager will conduct a review of the indicators and engage with portfolio companies on submitted indicators. The list of indicators has been informed by SASB, the Sustainable Finance Disclosure Regulations (SFDR) Principal Adverse Indicators (PAIs) and the Investment Manager's identified impacts indicators.

Metrics and targets

With climate-related impact from the sector and the associated transition risks the Investment Manager focuses its assessment on indicators which can be used to inform the level of contribution to climate change and activities being undertaken to reduce this impact and risk level. GHG emissions and intensity indicators are used, alongside energy consumption from renewable sources and PUE to assess the implementation of mitigating measures.

The Company has the following objectives: year-on-year increase in the share of renewable energy consumption at the asset level; year-on-year decrease in energy consumption intensity at the asset level; year-on-year GHG emissions reduction of Scopes 1 and 2 intensity at the asset level.

The methodology used to calculate the PUE figures for the previous period have been readjusted to match the methodology used for the presentation of the current year's PUE figures. The methodology used for the current period reflect design PUE of the Company's data centre assets. Moving forward, the Company will disclose design PUE of its data centre assets.

Further information

For full disclosure of material portfolio company metrics and targets, please see the Company's Responsible Investment Report.

Metrics[1]	Units	2022	2023	Emitel	CRA	Speed Fibre	Hudson	Norkring
Scope 1 emissions	Metric tons (t) CO_2e	3,002	4,208	2,943	1,024	197	7	37
Scope 2 emissions	Metric tons (t) CO_2e	22,938	18,660	6,009	5,783	249	6,018	600
Total Scope 1 & 2 GHG emissions	Metric tons (t) CO_2e	25,940	22,867	8,952	6,807	446	6,025	637
GHG emission intensity (Scope 1 & 2)	Metric tons (t) CO_2e/£m revenue	131.7	75.9	78.7	77.6	6.0	337.3	80.2
% of energy consumption from renewable sources	%	58%[2]	68%	88%	62%	70%	0%	0%
Power usage effectiveness[3]	Ratio	1.43	1.43	–	1.44	–	1.43	–

Note: sustainability data from the portfolio companies reflects calendar year data, for the period 1 January 2023 – 31 December 2023.
[1] The portfolio companies' GHG emissions are attributed to the Company using the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. The portfolio companies' GHG emissions are attributed to the Company using the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. For the full ESG data reporting methodology, please see the Company's ESG Report, available on the Company's website. Scope 2 emissions are market-based Scope 2 emissions.
[2] The figure for the previous period 2022 has been presented in line with the methodology used for the presentation of the current year's renewable energy percentage figure
[3] Power usage effectiveness (PUE)is the total amount of power used by the data centre, divided by the amount of power used by the IT equipment (servers) in a data centre. The figures reported are the design PUE figures. This represents the scenario where the data centres are functioning under the design workload.

Longer term viability statement

As required by the AIC Code, the Directors have assessed the prospects of the Company over a longer period than required by the going concern provision. Given the long-term investment intentions of the Company, and the fact that its investee companies' income is generated under contracts of typically around seven years' duration from inception, and with around five years left to run on average, the Board chose to conduct a review for a period of five years to 31 March 2029. On a rolling basis, the Directors will evaluate the outcome of the investments and the Company's financial position as a whole.

While an unprecedented and long-term decline in the global Digital Infrastructure market could threaten the Company's performance, it would not necessarily threaten its viability.

In support of this statement, the Directors have taken into account all of the principal risks and their mitigation as identified in the Principal risks and uncertainties section on pages 42 to 45, the nature of the Company's business, including: the cash reserves; the potential of its portfolio of investments to generate future income and capital proceeds; and the ability of the Directors to minimise the level of cash outflows if necessary. The most relevant potential impacts of the identified principal risks and uncertainties on viability were determined to be:

- The ability of the Company to make investments in order to generate returns to shareholders may be limited by competition for assets and the availability of capital;
- The ability of the Company to achieve target returns will depend on the Investment Manager's ability to identify, acquire and manage suitable investments in accordance with the Investment Policy; and
- The ability of the Company to achieve target returns from investments may be affected by disruptions to the global economy, causing erosion of revenues and/or margins.

On at least an annual basis, the Board reviews threats to the Company's viability utilising the risk matrix and updates as required due to recent developments and/or changes in the global market. The Board relies on periodic reports provided by the Investment Manager and the Administrator regarding risks faced by the Company. When required, experts are utilised to gather relevant and necessary information, regarding market, tax, legal and other factors.

The Investment Manager considers the future cash requirements of the Company before acquiring or funding portfolio companies. Furthermore, the Board receives regular updates from the Investment Manager on the Company's cash position, which allows the Board to maintain its fiduciary responsibility to the shareholders and, if required, limit funding for existing commitments.

The Board considered the Company's viability over the five-year period, based on a working capital model prepared by the Investment Manager. The working capital model forecasts key cash flow drivers such as capital deployment rate, investment returns and operating expenses. In connection with the preparation of the working capital model, no equity capital raises or asset realisations were assumed to occur during the five-year period. In addition, the Board has reviewed credit market availability and it has assumed that the only debt raised is the refinancing of the Eurobond in the Company's financing subsidiary before its maturity in September 2026.

Based on the above procedures and the existing internal controls of the Company, the Investment Manager and the Administrator, the Board has concluded there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period of the assessment.

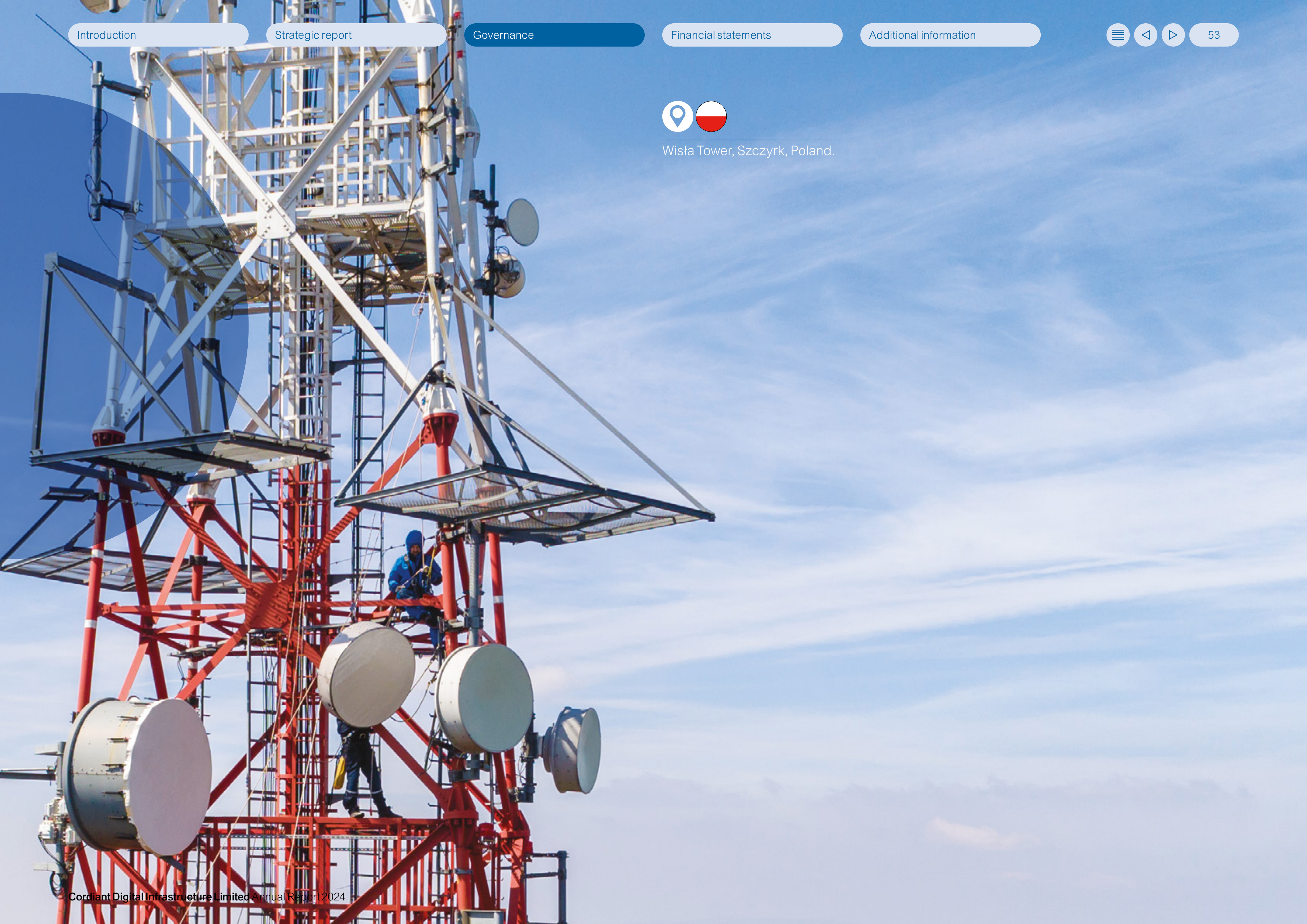
The strategic report was approved by the Board and signed on behalf of the Board by:

Shonaid Jemmett-Page
Chairman
19 June 2024

Cordiant Digital Infrastructure Limited
Registered in Guernsey No.68630

Governance

The Board is collectively responsible for the long-term success of the Company and its foremost principle is to act in the interests of shareholders.



Wisła Tower, Szczyrk, Poland.

Board of Directors

Shonaid Jemmett-Page FCA
Chairman

Shonaid Jemmett-Page is an experienced non-executive director in the energy and financial sectors. Mrs Jemmett-Page spent the first 20 years of her career at KPMG in London and Tokyo, rising to the position of Partner, Financial Services. In 2001, she moved to Unilever, where she was Senior Vice President, Finance and Information for Asia, based in Singapore, before returning to the UK as Finance Director for Unilever's global non-food business. In 2009, Mrs Jemmett-Page joined CDC Group as Chief Operating Officer, a position she held until 2012.

Since 2012 she has focused on non-executive appointments and is currently the chairman of the board and of the nomination committee of ClearBank Limited. She is also a non-executive director of Aviva Plc and a non-executive director of QinetiQ Group plc, as well as chairman of the audit committee. Until April 2023 Mrs Jemmett-Page was the non-executive chairman of Greencoat UK Wind Plc. Within the past five years she has also held roles as a non-executive director of Caledonia Investments plc, chairman of MSAmlin plc; and chairman, and then subsequently as a non-executive director of MSAmlin Insurance SE (a Belgian subsidiary of MSAmlin plc). Mrs Jemmett-Page is also the examiner of the UK branch of an Indian children's cancer charity.

Sian Hill FCA
Senior Independent Director and Chairman of Audit Committee

Sian Hill is a chartered accountant with experience principally within the financial services sector. Mrs Hill began her career practicing audit for KPMG in 1984, moving to specialise in tax in 1990. In 1996 she became a tax partner in KPMG's financial services group, working with a range of financial institutions, including major listed banking groups, international insurance and reinsurance groups and intermediaries and investment managers. She advised on a wide range of projects including mergers and acquisitions, disposals and reorganisations and also provided the tax input to the statutory audit of a number of financial services groups.

From 1999 until 2003, and again from 2008 until 2010, Mrs Hill also served as Head of KPMG's UK Financial Services Tax group. From 2003 until 2006 she served as Head and Co-Head respectively of both KPMG's UK M&A Tax and European M&A Tax groups and was a member of KPMG's Global M&A Tax Steering Group. Mrs Hill also led KPMG's response to Brexit for the insurance sector, helping clients formulate and implement their response to Brexit from early 2016 until her retirement from KPMG in 2018. Since 2019 Mrs Hill has held a number of roles as a non-executive director. She is chairman of the audit committee of Yealand Fund Services Limited (previously Carvetian Capital Management Limited), is a member of the audit and remuneration committees of Suffolk Building Society and is chairman of the audit committee and a member of the remuneration committee of Apollo Syndicate Management Limited. Since 2014 she has served as a trustee of the UK children's mental health charity Place2Be and is currently chairman of the finance and audit committee and member of the people and culture committee. Until August 2022, Mrs Hill had also held the position of non-executive director of Yealand Administration Limited.

Marten Pieters
Non-Executive Director

Marten Pieters is an executive with extensive international experience in the telecoms sector. From 1978 to 1984, Mr Pieters held company secretarial roles at Smilde Holding B.V., rising to Corporate Director of Finance and Strategic Planning in 1984 where he was responsible for various budgeting, financial reporting, policy, legal and fiscal matters. In 1988 Mr Pieters joined Fano Fine Food Salades B.V. as CEO, where he was responsible for management restructuring, overseeing several corporate acquisitions.

Mr Pieters moved into telecoms in 1989 serving in various directorship positions, including as Managing Director for Telecom District Groningen from 1993 until 1995 and as Vice President of International Operations for PTT Telecom B.V. from 1995 until 1998. Between 1998 and 2003 Mr Pieters went on to hold various other positions within the KPN Group, the Dutch landline and mobile telecommunications company, including Executive Vice President, where he was responsible for branch offices in Europe and the US, and later becoming a member of KPN's Executive Management Board and CEO of the Division KPN Business Solutions, overseeing the operation of network solutions and equipment. During this time he sat on various other international supervisory boards, including the board of directors of Cesky Telecom, Eircom Ireland, Euroweb Corp, KPNQwest, and notably as chairman of the supervisory board of Xantic, a worldwide working provider of software solutions and satellite services. From 2003 to 2007 Mr Pieters served as CEO of Celtel International B.V., a company operating mobile telephone licences in African countries, and from 2009 until 2015 he served as Managing Director and CEO of Vodafone in India.

Mr Pieters has held other board memberships including Vodacom Group S.A., Vodafone India Ltd and Indus Towers Ltd. He is currently chairman of the supervisory board for Open Tower Company B.V., the Dutch telecom tower operator and a member of the supervisory board of FC Space B.V., a Dutch business investing in global satellite IoT solutions. He is a non-executive director of Tawal Towers Saudi Arabia, a telecom tower operator and subsidiary of Saudi Telecom Company, Investment Fund for Health in Africa B.V. and of Stichting Social Investor Foundation for Africa.

Simon Pitcher ACA
Non-Executive Director

Simon Pitcher has over 20 years' experience in international private equity. Mr Pitcher is a chartered accountant, spending the first six years of his career at PwC in London. In 2000, he moved to MetLife Investments where he was responsible for making and monitoring over US$1 billion of mezzanine and private equity investments throughout Europe. In 2003, he left MetLife to become a founder member of Hermes Private Equity, a UK focused mid-market buyout fund, where he remained until 2007.

From 2007 to 2009 Mr Pitcher was a director at Blackwood Capital Partners (BCP), based in Sydney, Australia. While at BCP, a mid-market buyout fund with c.AUS$100 million under management, Mr Pitcher's role covered all aspects of investment-related activity, including holding portfolio board positions, investor reporting and assisting with the fund's financial reporting and compliance requirements. In 2009, Mr Pitcher returned to London, joining Standard Bank Private Equity, a US$800 million global emerging markets private equity business, as director, where he remained until 2011. During his time at Standard Bank, Mr Pitcher was particularly focused on its sub-Saharan African investments, fulfilling a senior deal execution role working closely with local teams.

In 2012 Mr Pitcher joined J Rothschild Capital Management (JRCM), as investment manager of RIT Capital Partners, a UK listed investment trust founded by Lord Rothschild, where he remains Head of Private Equity. His role encompasses deal execution, portfolio management and asset realisation across diverse sectors and geographies. Mr Pitcher has held several non-executive board positions representing JRCM, including six years at Helios Towers, a leading African telecom tower infrastructure company, prior to its London IPO. Mr Pitcher is currently a non-executive director of Infinity SDC, a UK data centre owner and operator, a position he has held since 2013.

Corporate Governance report

"The Board recognises the importance of the Company's culture to its long-term, sustainable performance. The Board continues to monitor the Company's culture on an annual basis through ongoing engagement with our shareholders and other stakeholders."

Shonaid Jemmett-Page FCA
Chairman

This Corporate Governance report forms part of the Directors' report as set out on pages 68 to 70. The Board operates under a framework for corporate governance which is appropriate for an investment company. Securities listed on the Specialist Fund Segment of the London Stock Exchange are not admitted to the Official List of the London Stock Exchange and are not required to comply with the Listing Rules. However, as a matter of good corporate governance, the Company voluntarily complies with the majority of the provisions of the Listing Rules applicable to closed-ended investment companies.

The Company is a member of the AIC. From the date of its admission to the London Stock Exchange, the Company has complied with the principles of good governance contained in the AIC Code. The AIC Code is endorsed by the FRC and GFSC and by reporting in accordance with the AIC Code the Company is meeting its applicable obligations under the UK Code and the GFSC Finance Sector Code of Corporate Governance 2021.

The AIC Code and the AIC Guide are available on the AIC's website, www.theaic.co.uk. The UK Code is available on the Financial Reporting Council's website, www.frc.org.uk.

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that, as the AIC Code has been specifically designed to reflect the characteristics of the investment company sector, reporting against the principles and recommendations of the AIC Code, by reference to the AIC Guide, provides better information to shareholders compared to reporting against the UK Code alone.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:
— the role of the chief executive;
— executive directors' remuneration; and
— the need for an internal audit function.

For the reasons set out in the AIC Guide and, as explained in the UK Code, the Board considers that the above provisions are not currently relevant to the position of the Company, being an externally managed investment company, which delegates substantially all of its day-to-day functions to third parties.

The Company does not have a chief executive or any executive directors and has not established a separate remuneration committee. The Board is satisfied that any relevant issues that arise can be properly considered either by the Board or by the appropriate committee.

The Company has no employees or internal operations and has therefore not reported further in respect of these provisions. The need for an internal audit function is discussed in the Audit Committee Report.

The Board

The Company is led and controlled by a board of directors, which is collectively responsible for the long-term success of the Company. It does so by creating and preserving value and its foremost principle is to act in the interests of shareholders.

The Company believes that the composition of the Board is a fundamental driver of its success, as the Board must provide strong and effective leadership of the Company. The current Board was selected, as their biographies illustrate, to bring a breadth of knowledge, skills and business experience to the Company. The Directors provide independent challenge and review, bringing wide experience, specific expertise and a fresh objective perspective.

As at the date of this report, the Board consists of four non-executive directors, all of whom are independent of the Investment Manager. All of the Directors were appointed on 26 January 2021 and have served throughout the period to date. The AIC Code requires that directors be subject to annual election by shareholders and the Directors comply with this requirement. Accordingly, all of the Directors will offer themselves for re-election at the forthcoming AGM. Having considered their effectiveness, demonstration of commitment to the role, length of service, attendance at meetings and contribution to the Board's deliberations, the Board approves the nomination for re-election of all of the Directors.

At each subsequent AGM, each of the Directors at the date of the notice convening the AGM will retire from office and may offer themselves for election or re-election by the shareholders, in accordance with corporate governance best practice.

The Chairman of the Board is independent and is appointed in accordance with the Company's Articles of Incorporation. Shonaid Jemmett-Page is considered to be independent because she:
— has no current or historical employment with the Investment Manager;
— has no current directorships or partnerships in any other investment funds managed by the Investment Manager; and
— is not an executive of a self-managed company or an ex-employee who has left the executive team of a self-managed company within the last five years.

The Board meets at least four times a year for regular, scheduled meetings. Should the nature of the activity of the Company require it, additional meetings may be held, sometimes at short notice. At each meeting, the Board follows a formal agenda that covers the business to be discussed. The primary focus at Board meetings is a review of investment performance and associated matters such as investor relations, peer group information, industry issues, principal and emerging risks and uncertainties, in particular those identified in the Strategic report on pages 44 and 45. The Board is supplied in a timely manner with information by the Investment Manager, the Administrator and other advisors, in a form and of a quality to enable it to discharge its duties.

Gender identity and ethnic background reporting as at 31 March 2024:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Gender identity			
Women	2	50%	2
Men	2	50%	0
Ethnic background			
White British or other White (including minority-white groups)	4	100%	2
Asian/Asian British	0	0%	0
Other ethnic group	0	0%	0

The Company has adopted a share dealing code for the Board and seeks to ensure compliance with the relevant provisions by the Board and, to the extent appropriate, the relevant personnel of the Investment Manager and other third-party service providers where required, as if they are also subject to the share dealing code.

Culture

The Company's culture is influenced by that of the Investment Manager, with a focus on long lasting relationships with a diverse investor base, sustainable investment excellence, and a world class team demonstrating extensive industry knowledge. The Board will continue to monitor the Company's culture on an annual basis through continued engagement with shareholders and other stakeholders.

Diversity

The Board monitors developments in corporate governance to ensure the Company remains aligned with best practice, including with respect to diversity. The Directors acknowledge the importance of diversity, including but not limited to gender, for the effective functioning of the Board, and are committed to supporting diversity in the boardroom. It is the Board's ongoing aspiration to have a well-diversified representation amongst its members. The Board also values diversity of business skills and experience because directors with diverse skills sets, capabilities and experience gained from different sectors and geographical backgrounds enhance the Board by bringing a wide range of perspectives to the Company.

The Nomination Committee and the Board are mindful of the recommendations of the Hampton Alexander Review on gender diversity (the Board's composition has been at least 50% female since its launch in 2021), the Parker Review on ethnic diversity and the requirements of the FCA's policy statement on diversity and inclusion on company boards and executive management. The Company is not currently required to formally comply with these recommendations due to its listing on the Specialist Fund Segment of the LSE. However, the Board continues to seek to comply with them as a matter of good corporate governance.

As at the Company's year end of 31 March 2024, the composition of the Board is aligned with the following frameworks and the ethnic diversity of the Board will continue to be considered during future recruitment processes undertaken by the Company:
— at least 40% of the individuals on the Board are women; and
— at least one of the following senior positions on the Board is held by a woman:
  — the Chair; or
  — the Senior Independent Director.

The Company has no employees and therefore does not have a chief executive or chief financial officer. There have been no changes to the Board that have occurred between 31 March 2024 and the signing of this Annual Report that have affected the Company's ability to meet one or more of the above targets.

The data shown in the tables above reflects the gender and ethnic background of the Board, which was collected on the basis of self-reporting by the individuals concerned. The questions asked were 'Which of the Parker Review ethnicity categories do you consider yourself to fall within?' and 'What is the gender with which you identify?'. Due to the Company's status as an investment trust, there are only non-executive Directors and therefore there is no information reportable regarding an executive management team.

In addition to the above, the Investment Manager has a diverse employee base and continues to dedicate recruitment resources to developing diversity across all positions and levels.

Remuneration policy

The table below shows all remuneration earned by each individual Director during the period:

	Total paid in the year to March 2024 £	Total paid in the year to March 2023 £
Shonaid Jemmett-Page (Chairman)	**60,000**	60,000
Sian Hill (Audit Committee Chair)	**45,000**	45,000
Marten Pieters (Non-Executive Director)	**40,000**	40,000
Simon Pitcher (Non-Executive Director)	**40,000**	40,000
Total	**185,000**	185,000

Directors' interests

	Ordinary shares each held at 31 March 2024
Shonaid Jemmett-Page	**63,355**
Sian Hill	**57,500**
Marten Pieters	**103,125**
Simon Pitcher	**63,125**

Board tenure and re-election

As the Company was incorporated on 4 January 2021 and the current Directors were all appointed on 26 January 2021, there are no matters to be considered by the Board with respect to length of tenure. In accordance with the AIC Code, in the event that any Director, including the Chairman, shall have been in office (or on re-election would have been at the end of that term of office) for more than nine years, the Company will consider further whether there is a risk that such a Director might reasonably be deemed to have lost their independence through such long service. However, the Board may nonetheless consider individual Directors to remain independent and in any such case will provide a clear explanation in future Annual Reports as to its reasoning. The Board will continue to consider its composition and succession planning on an ongoing basis.

Directors' remuneration

The table above shows the remuneration received by each Director during the period. The Board considers at least annually the level of the Director's fees in accordance with the AIC Code.

Remuneration policy

Due to the size of the Company and the Board, there is no separate remuneration committee. Discussions regarding Directors' remuneration are undertaken by the Nomination Committee, with any recommendations being considered and, if thought appropriate, approved by the Board. Each Director receives a fixed fee per annum of £40,000, other than the Chair of the Audit Committee who receives an additional £5,000, and the Chairman who receives an annual fee of £60,000. In addition, the Directors are entitled to additional fees if the Company raises further equity capital in circumstances where a new prospectus is required. If these requirements are met, each Director is entitled to an additional fee of £5,000 and the Chairman an additional £10,000. It is not considered appropriate that the Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long term incentive schemes or other benefits in respect of their service as non-executive directors of the Company.

The maximum annual limit of aggregate fees payable to the Directors was set at the time of the Company's incorporation on 4 January 2021 at £500,000 per annum. The Board may grant special remuneration to any Director who performs any special or extra services to, or at the request of, the Company. The Articles of Incorporation provide that all Directors at the date of the notice convening each AGM shall retire from office and each Director may offer themselves for re-election, in accordance with corporate governance best practice.

All of the Directors have been provided with letters of appointment by the Company, subject to annual re-election by shareholders.

A Director's appointment may at any time be terminated by and at the discretion of either party upon written notice. A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances. Being non-executive directors, none of the Directors has a service contract with the Company.

Directors' interests

Directors who held office during the period and had interests in the ordinary shares of the Company as at 31 March 2024 are given in the table above. There were no changes to the interests of each Director as at the date of this report.

Company performance

Source: Bloomberg (February 2021 = 100)

Payments for loss of office and/or payments to former directors

No payments for loss of office, nor payments to former directors were made during the period under review.

Company performance

The graph above illustrates the total shareholder return of the Company from admission to 31 March 2024. This is mapped against 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.

Relative importance of spend on pay

The remuneration of the Directors with respect to the year totalled £185,000 (31 March 2023: £185,000) in comparison to distributions paid or declared to shareholders with respect to the year of £32.2 million (31 March 2023: £30.9 million).

Percentage change in director pay

Following recommendation by the Nomination Committee, the Board has agreed that, due to the current challenging economic and market conditions, an increase in remuneration was not appropriate at this time. As such, there is no comparable year-on-year change to disclose, and full comparative information will be presented in the Annual Report for 2025.

Duties and responsibilities

The Board has overall responsibility for the Company's activities, including reviewing its investment activity, position and performance, business conduct and policy. The Directors also review and supervise the Company's delegates and service providers, including the Investment Manager.

The Directors may delegate certain functions to other parties. In particular, the Directors have delegated responsibility for management of the Company's portfolio of investments to the Investment Manager.

The Board retains direct responsibility for certain matters, including (but not limited to):

- approving the Company's long-term objectives and any decisions of a strategic nature including any change in investment objectives, policy and restrictions, in particular those which may need to be submitted to shareholders for approval;
- reviewing the performance of the Company in light of the Company's strategy, objectives and budgets, ensuring that any necessary corrective action is taken;
- appointing, overall supervision and removal of key service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers;
- approving half-yearly distributions and the Company's distribution policy;
- approving any non-ordinary course transactions and transactions with related parties for the purposes of the Company's voluntary compliance with the applicable sections of the Listing Rules;
- reviewing the Company's valuation policy;
- reviewing the Company's corporate governance arrangements;
- approving any actual or potential conflicts of interest; and
- deciding whether information relating to the Company and its activities meets the definition of inside information and whether the Company should announce immediately or whether it is permissible to delay announcement.

The Directors have access to the advice and services of the Administrator, which is responsible to the Board for ensuring that Board procedures are followed and that the Company complies with applicable law and regulations relating to its admission to the London Stock Exchange. Where necessary, in carrying out their duties, the Directors may seek independent professional advice at the expense of the Company, including to ensure compliance with the DTRs, those Listing Rules that the Company has agreed to voluntarily comply with (as set out in the Prospectus) and the AIC Code.

The Company maintains directors' and officers' liability insurance for its Directors on an ongoing basis.

The Board's responsibilities for the Annual Report are set out in the Directors' responsibilities statement. The Board has responsibility for ensuring that the Company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company at that time and which enable it to ensure that the financial statements are properly prepared and comply with applicable regulations. It is the Board's responsibility to present a fair, balanced and understandable Annual Report, which provides the information necessary for shareholders to assess the position and performance, strategy and business model of the Company. This responsibility extends to the half-yearly financial reports and other price-sensitive market announcements.

Committees of the Board

The Board believes that it and each of its committees have an appropriate composition and blend of skills, experience, independence and diversity of backgrounds to discharge their duties and responsibilities effectively. The Board is of the view that no one individual or small group dominates decision making. The Board keeps its membership, and that of its committees, under review to ensure that an acceptable balance is maintained, and that the collective skills and experience of its members continue to be refreshed. It is satisfied that all Directors have sufficient time to devote to their roles and that undue reliance is not placed on any individual.

Each committee of the Board has written terms of reference, approved by the Board, summarising its objectives, remit and powers, which are available on the Company's website and reviewed on an annual basis. All committee members are provided with an appropriate induction on joining their respective committees, as well as ongoing access to training.

Minutes of all meetings of the committees are made available to all Directors and feedback from each of the committees is provided to the Board by the respective committee Chair at the next Board meeting. The Chair of each committee attends the AGM to answer any questions on their committee's activities.

The Board and its committees are supplied with regular, comprehensive and timely information in a form and of a quality that enables them to discharge their duties effectively. All Directors are able to make further enquiries of the Investment Manager whenever necessary and have access to the services of the Administrator.

Audit Committee

The Audit Committee's role and activities are contained in the Audit Committee report on pages 64 to 66.

Nomination Committee

The Nomination Committee meets at least once a year pursuant to its terms of reference. The Nomination Committee is chaired by Shonaid Jemmett-Page and also consists of Sian Hill and Marten Pieters.

The Nomination Committee has reviewed the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Nomination Committee and the Board confirm that they believe that the Board has an appropriate mix of skills and backgrounds and was selected with that in mind, that all the Directors should be considered as independent in accordance with the provisions of the AIC Code and that all Directors have the time available to discharge their duties effectively.

If required, the Nomination Committee may be convened for the purpose of considering the appointment of additional Directors. The Nomination Committee recognises the continuing importance of planning for the future and ensuring that succession plans are in place. In considering appointments to the Board, the Nomination Committee will take into account the ongoing requirements of the Company and evaluate the balance of skills, experience, independence, and knowledge of each candidate. Appointments will be made on merit and against objective criteria with the aim of bringing new skills and different perspectives to the Board while taking into account the existing balance of knowledge, experience and diversity. Care will be also taken to ensure that candidates have sufficient time to fulfil their Board and, where relevant, committee responsibilities.

The Board believes that the terms of reference of the Nomination Committee ensure that it operates in a rigorous and transparent manner. The Board also believes that diversity of experience and approach, including gender diversity, among Board members is of great importance and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments.

Accordingly, the Board recommends that shareholders vote in favour of the re-election of all Directors at the upcoming AGM of the Company.

Management Engagement Committee

The Management Engagement Committee is chaired by Shonaid Jemmett-Page and also consists of Sian Hill and Marten Pieters. It meets at least once a year pursuant to its terms of reference.

The Committee provides a formal mechanism for the review of the performance of the Investment Manager and the Company's other advisors and service providers. It carries out this review through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisors' appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company. During the year, the Committee formally reviewed the performance of the Investment Manager and its service providers.

The AIC Code recommends that companies appoint a Remuneration Committee; however, the Board has not deemed this necessary as, being wholly comprised of non-executive directors, the Board considers these matters upon recommendation received from the Nomination Committee.

Board performance and evaluation

In accordance with Principle 7 of the AIC Code, the Board is required to undertake a formal and rigorous evaluation of its performance on an annual basis. This evaluation of the performance of the Board, the Audit Committee, individual Directors and the Chairman is carried out by the Nomination Committee, with the evaluation of the Chairman being led by the Senior Independent Director. The Board believes that the current mix of skills, experience, knowledge and tenure of the Directors is appropriate to the requirements of the Company.

Directors' attendance at Board and Committee meetings

One of the key criteria the Company uses when selecting directors is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner.

The number of Board meetings attended in the year to 31 March 2024 by each Director is set out below:

	Board meetings (min 4)		Audit Committee meetings (min 2)		Nomination Committee meetings (min 1)		Management Engagement Committee meetings (min 1)		Tenure as at 31 March 2024
Director	A	B	A	B	A	B	A	B	
Shonaid Jemmett-Page	4	4	–[1]	–[1]	2	2	1	1	3 years and 2 months
Sian Hill	4	4	4	4	2	2	1	1	3 years and 2 months
Marten Pieters	4	4	4	4	2	2	1	1	3 years and 2 months
Simon Pitcher	4	4	4	4	–[2]	–[2]	–[2]	–[2]	3 years and 2 months

[1]As Chairman of the Board, Shonaid is not a member of the Audit Committee
[2]Simon is not a member of the Nomination Committee or the Management Engagement Committee.

Column A: Indicates the number of meetings held during the period.
Column B: Indicates the number of meetings attended by the Director during the period.

From time to time the Board constitutes ad hoc committees in order to perform certain of its functions. The quorum for these ad hoc committees is likely to vary depending on a number of factors including the nature of the delegation to the committee.

The number of additional ad hoc Board meetings and Committee meetings of the Board for the period to 31 March 2024 and attendance by each Director is set out below:

	Ad hoc Board meetings		Ad hoc Board Committee meetings	
Director	A	B	A	B
Shonaid Jemmett-Page	7	7	2	2
Sian Hill	7	7	2	2
Marten Pieters	7	7	2	0
Simon Pitcher	7	7	2	2

Column A: Indicates the number of meetings held during the period.
Column B: Indicates the number of meetings attended by the Director during the period.

Directors are encouraged when they are unable to attend a meeting to provide the Chairman with their views and comments on matters to be discussed in advance. In addition to their meeting commitments, the Directors also liaise with the Investment Manager whenever required and there is regular contact outside the Board meeting schedule.

During June 2024, the Nomination Committee conducted an internal evaluation of the Board as a whole, individual Directors, the Chairman and the Audit Committee. The process was in the form of performance appraisals, questionnaires and discussion to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure, and was facilitated by the Administrator. The process confirmed that the Board and its Committees operate effectively with an appropriate level of balance and challenge.

New Directors receive an induction on joining the Board and the Board and individual Directors regularly meet with senior representatives of the Investment Manager both formally and informally to ensure that they remain up to date on relevant issues. All members of the Board are members of professional bodies and/or serve on other boards, which contribute to their keeping abreast of the latest technical and wider developments in their areas of expertise.

The Board receives presentations from the Investment Manager, the Company's brokers and other advisors on matters relevant to the Company's business. The Board will continue to assess the training needs of Directors on an annual basis.

Internal control and financial reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. However, the Board's objective is to ensure that the Company has appropriate systems in place for the identification and management of risks. The Directors carry out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future position and performance, solvency or liquidity. As further explained in the Audit Committee report, the risks of the Company are outlined in a risk matrix which is reviewed quarterly. All material changes to the risk ratings during the quarter are considered, along with any action or proposed action, to ensure that procedures are in place with the intention of identifying, mitigating and minimising the impact of risks should they crystallise.

The key procedures which have been established to provide internal control are that:

- the Board has delegated the day-to-day operations of the Company to the Administrator and Investment Manager; however, it retains accountability for all functions it delegates;
- the Board clearly defines the duties and responsibilities of the Company's advisors and consultants. Appointment of advisors are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such advisors and consultants and will continue to do so through the Management Engagement Committee;
- the Board monitors the actions of the Investment Manager at regular Board meetings and is given frequent updates on developments arising from the operations and strategic direction of the underlying investee companies; and
- the Administrator provides administration and company secretarial services to the Company. The Administrator maintains a system of internal control on which it regularly reports to the Board.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The Administrator and Investment Manager both operate risk-controlled frameworks on an ongoing basis within a regulated environment. The Administrator formally reports to the Board quarterly through a compliance report and holds the International Standard on Assurance Engagements (ISAE) 3402 Type II certification. The certification dates to October 2023, with the period up to 31 March 2024 being covered by a bridging letter that states no material changes in the internal control environment have been noted. This entails an independent rigorous examination and testing of its controls and processes. The Investment Manager formally reports to the Board quarterly and on an ad-hoc basis as required. No weaknesses or failings within the Administrator or Investment Manager have been identified.

The systems of control referred to above are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows therefore that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss. This process has been in place for the period under review and up to the date of approval of this Annual Report. It is reviewed by the Board and is in accordance with the FRC's internal control publication: Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Investment Management Agreement

The Investment Manager has been appointed as the sole investment manager of the Company. The Investment Manager is a sector-focused investor in global infrastructure and real assets, managing infrastructure private equity, infrastructure private credit and real assets partnerships and managed accounts. The Investment Manager has particular experience and expertise in Digital Infrastructure with a dedicated sector team concentrated in Montreal and London.

Pursuant to the Investment Management Agreement, the Investment Manager has been delegated responsibility for and discretion over investing and managing the Company's assets, subject to, and in accordance with, the Company's investment policy. A summary of fees paid to the Investment Manager is provided in note 13 to the financial statements.

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to an annual management fee, together with reimbursement of certain expenses reasonably incurred by it in the performance of its duties. From 31 March 2024 the Investment Manager is also entitled to receive a performance fee if certain targets are met.

The Company has delegated the provision of substantially all of activities to external service providers whose work is overseen by the Management Engagement Committee. Each year, a detailed review of performance pursuant to its terms of engagement is undertaken by the Management Engagement Committee.

In accordance with Listing Rule 15.6.2(2)R and having formally appraised the performance and resources of the Investment Manager, in the opinion of the Directors, the continuing appointment of the Investment Manager on the terms set out in the Investment Management Agreement is in the interests of the shareholders as a whole. As noted on page 60, the Management Engagement Committee reviewed the performance of the Investment Manager and reported on this to the Board. The Board concluded the performance of the Investment Manager was positive, based on its successful deployment of all of the equity capital raised by the Company, the returns achieved in the period on the assets acquired and the hands-on operational involvement of the Investment Manager's team.

Relations with shareholders

The Company formally communicates with shareholders in a number of ways. Regulatory news releases are issued through the London Stock Exchange's Regulatory News Service, as is required under the Company's regulatory obligations, in response to routine reporting obligations or to provide shareholders with updates. An Interim Report is published each year reporting on Company performance to 30 September and the Annual Report is published following the end of the financial year, both of which are available on the Company's website. In addition, the Company's website contains comprehensive information, including Company notifications, share information, financial reports, investment objectives and policy, investor contacts and information on the Board and corporate governance. Shareholders and other interested parties can subscribe to email news updates by registering on the website www.cordiantdigitaltrust.com.

The Chairman either alone or together with the Senior Independent Director met with a number of institutional shareholders following the release of the results for the period to 31 March 2023 and at other times during the year. The matters raised at those meetings were relayed to the Board and to the Investment Manager and other advisers where appropriate.

The Directors and Investment Manager receive both formal and informal feedback from analysts and investors, which is presented to the Board by the Investment Manager and the Company's brokers. The Administrator also receives informal information requests and feedback via queries submitted through a Company dedicated mailbox and these are addressed by the Board, the Investment Manager or the Administrator, where applicable.

Other stakeholders

The wider stakeholders of the Company include its shareholders, the environment, the Investment Manager, service providers, communities, governmental and regulatory bodies. The Board recognises and values these stakeholders. Further information about the Company's stakeholders and engagement with them is set out on pages 38 to 41.

Going concern

The Company's cash balance at 31 March 2024 was £60.1 million. This is not sufficient to cover its existing current liabilities of £162.6 million. Current liabilities include loans and borrowings of £157.6 million which represents amounts due to Cordiant Digital Holdings Two Limited, the Borrower of the Eurobond, which falls due by way of bullet repayment in September 2026. Cordiant Digital Holdings Two Limited is an indirect subsidiary of the Company, and the Board does not expect that this liability of £157.6 million will be required to be repaid to Cordiant Digital Holdings Two Limited before the Eurobond repayment date.

Without this intercompany loan, the cash balance is sufficient to cover remaining liabilities of £5.0 million, the dividend of £16.9 million with respect to the six-month period ended 31 March 2024, and any foreseeable expenses for at least, but not limited to, 12 months from the issuance of the financial statements.

The Board has also reviewed alternative scenarios and stress testing of the cash flow forecast performed by the Investment Manager, and concluded that the going concern basis is appropriate for the preparation of the financial statements.

The most significant cash requirements arise when the Company makes investments and is required to meet the purchase considerations for these. The exact amount and timing of these are sometimes difficult to predict.

The Company's cash balance is comprised of cash held on deposit with substantial global financial institutions with strong credit ratings, and the risk of default by the counterparties is considered extremely low. Due to this the Directors believe there is no material going concern risk. The major cash outflows of the Company are expected to be the payment of dividends and expenses and the acquisition of new assets. The Company is closed-ended and there is no requirement for the Company to redeem shares.

While inflation, high interest rates and market volatility during the year have affected the way in which the Company's investee companies' businesses are conducted, these did not have a material direct effect on the results of the business from a going concern perspective. The Directors are satisfied that the macroeconomic environment is not likely to significantly restrict business activity.

The Directors and Investment Manager are actively monitoring these risks and their potential effect on the Company and its underlying investments. In particular, they have considered the following specific key potential impacts:

- increased volatility in the fair value of investments;
- disruptions to business activities of the underlying investments;
- recoverability of income and principal and allowance for expected credit losses; and
- the Company's ability to raise capital during the current market conditions.

In considering the above key potential impacts of market volatility on the Company and its underlying investments, the Investment Manager has assessed these with reference to the mitigation measures in place. Based on this assessment, the Directors do not consider that the effects of market volatility have created a material uncertainty over the assessment of the Company as a going concern.

As further detailed in note 6 to the financial statements, the Board uses a third-party valuation provider to perform a reasonableness assessment of the Investment Manager's valuation of the underlying investments. Additionally, the Investment Manager and Directors have considered the cash flow forecast to determine the term over which the Company can remain viable given its current resources.

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the period to 30 September 2025, being the period of assessment covered by the Directors and there are no material uncertainties that would affect this conclusion. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Audit Committee report

"The Committee's role is to supervise the financial reporting, risk management, control environment and audit process of the Company."

Sian Hill
Audit Committee Chairman

The Audit Committee, chaired by Sian Hill, operates within clearly defined terms of reference, which are available from the Company's website, and include all matters indicated by Disclosure Guidance and Transparency Rule 7.1, the AIC Code and the UK Code. Its other members are Marten Pieters and Simon Pitcher. Members of the Audit Committee are independent of the Company's external auditor and Investment Manager. The Audit Committee meets no less than twice a year, and at such other times as the Audit Committee Chairman requires, and meets the external auditor at least once a year.

The Committee members have considerable financial and business experience, and the Board has determined that the membership as a whole has sufficient recent and relevant sector and financial experience to discharge its responsibilities and that at least one member has competence in accounting or auditing.

Responsibilities

The main duties of the Audit Committee are to:

— monitor the integrity of the Company's financial statements and regulatory announcements relating to its financial performance and review significant financial reporting judgements;
— report to the Board on the appropriateness of the Company's accounting policies and practices;
— consider the ongoing assessment of the Company as a going concern and assessment of longer term viability;
— review and challenge the valuations of the Company's investments prepared by the Investment Manager, and provide a recommendation to the Board on the valuation of the Company's investments;
— oversee the relationship with the external auditor, including agreeing its remuneration and terms of engagement, reviewing its reporting, monitoring its independence, objectivity and effectiveness, ensuring that any non-audit services are appropriately considered, and making recommendations to the Board on its appointment, reappointment or removal, for it to put to the shareholders in general meeting;
— monitor and consider annually whether there is a need for the Company to have its own internal audit function;
— keep under review the effectiveness of the Company's internal controls, including financial controls and risk management systems (including review and consideration of the Company's risk matrix);
— review and consider the UK Code, the AIC Code, and the AIC Guidance on Audit Committees; and
— report to the Board on how it has discharged its responsibilities.

The Audit Committee is aware that certain sections of the Annual Report are not subject to formal statutory audit, including the Chairman's statement, the Investment Manager's report and certain disclosures relating to Directors' remuneration. All information in these sections, as well as that in the audited sections, is reviewed by the Audit Committee.

The Audit Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor was invited to attend the Audit Committee meetings at which the Annual Report was considered. They have the opportunity to meet with the Committee without representatives of the Investment Manager or Administrator being present at least once per year.

Financial reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Administrator, the Investment Manager and the external auditor and report to the Board on the appropriateness of the Annual Report and Interim Report, concentrating on, among other matters:

— the quality and acceptability of accounting policies and practices;
— the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
— material areas in which significant judgements have been applied or where there has been discussion with the external auditor including going concern and viability statement;
— whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; and
— any correspondence from regulators in relation to financial reporting.

To aid its review, the Audit Committee considers reports from the Administrator and the Investment Manager and also reports from the external auditor on the outcome of its annual audit.

Meetings

During the year ended 31 March 2024, the Audit Committee met four times formally and there was ongoing liaison and discussion between the external auditor and the Audit Committee Chair with regards to the audit approach and the identified risks.

The matters discussed at those meetings include:
— review of the terms of reference of the Audit Committee for approval by the Board;
— review of the accounting policies and format of the financial statements;
— review of significant areas of financial judgement;
— review and approval of the audit plan of the external auditor;
— discussion and approval of the fee for the external audit;
— detailed review of the valuations of the Company's investment portfolio and recommendation for approval by the Board;
— detailed review of the Interim Report and half-yearly portfolio valuations, and recommendation for approval by the Board;
— assessment of the independence of the external auditor;
— assessment of the effectiveness of the external audit process; and
— review of the Company's key risks and internal controls.

The Audit Committee met on 14 June 2024 to review the results of the audit and to consider the Annual Report for the period ended 31 March 2024, which the Board approved on 19 June 2024.

Significant areas of judgement considered

The Audit Committee has determined that a key risk of misstatement of the Company's financial statements relates to the valuation of its investments at fair value through profit or loss, in the context of the judgements necessary to evaluate market values of the underlying investments. There is also an inherent risk of management override as the Investment Manager's fees are dependent on the performance of the Company's NAV and share price. The first performance fee calculation date is 31 March 2024 and subsequent calculation dates are on 31 March each year thereafter. The Investment Manager is responsible for calculating the NAV with the assistance of the Administrator, prior to approval by the Board.

The Audit Committee reviews, considers and, if thought appropriate, recommends for the purposes of the Company's financial statements, valuations prepared by the Investment Manager in respect of the investments.

As outlined in note 6 to the financial statements, the total carrying value of the investments at fair value through profit or loss at 31 March 2024 was £1,005.9 million.

The Audit Committee has satisfied itself that the key estimates and assumptions used in the valuation models for investee companies are appropriate and that the investments have been fairly valued.

The valuation process and methodology was discussed with the Investment Manager and with the external auditor at the Audit Committee meeting held on 14 June 2024. Due to the illiquid and subjective nature of the Company's investments, the Investment Manager uses an independent third-party valuation expert to perform an independent valuation, which is used to assess the reasonableness of the Investment Manager's half-yearly valuations of the underlying investments. The independent valuation expert provides a detailed valuation report to the Company at each period end.

Accounting for subsidiaries

The Directors have concluded that the Company has all the elements of control as prescribed by IFRS 10 'Consolidated Financial Statements' in relation to all its subsidiaries and that the Company satisfies the three essential criteria to be regarded as an investment entity as defined in IFRS 10, IFRS 12 'Disclosure of Interests in Other Entities' and IAS 27 'Consolidated and Separate Financial Statements. The three essential criteria, and how the Company has satisfied these are outlined in note 2.

Management fee

The Investment Manager receives from the Company an annual management fee, based on the average market capitalisation of the Company, calculated and paid monthly in arrears using the average market capitalisation for each LSE trading day for the relevant month. The management fee has been payable since 30 April 2021, being the date on which more than 75% of the IPO proceeds were deployed in investment activities.

The annual management fee is calculated on the following basis:
— 1.00% of the average market capitalisation up to £500 million;
— 0.90% of the average market capitalisation between £500 million and £1 billion; and
— 0.80% of the average market capitalisation in excess of £1 billion.

Following the publication of each Interim Report and Annual Report and financial statements, the Investment Manager is required to apply an amount, in aggregate, equal to 10% of the annual management fee for the preceding six-month period in the following manner:

a) if the average trading price, calculated over the 20 trading days immediately preceding the announcement date, is equal to, or higher than, the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) the Investment Manager shall use the relevant amount to subscribe for new ordinary shares (rounded down to the nearest whole number of ordinary shares), issued at the average trading price; or
b) if the average trading price is lower than the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) the Investment Manager shall, as soon as reasonably practicable, use the relevant amount to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within two months of the relevant NAV announcement date.

Even though the annual management fee is payable on a monthly basis, ordinary shares will only be acquired by the Investment Manager on a half-yearly basis.

Any ordinary shares subscribed or purchased by the Investment Manager pursuant to the above arrangements will, subject to usual exceptions, be subject to a lock-up of 12 months from the date of subscription or purchase.

Risk management
The Board is accountable for carrying out a robust assessment of the principal and emerging risks facing the Company, including those threatening its business model, future position and performance, solvency and liquidity. On behalf of the Board, the Audit Committee reviews the effectiveness of the Company's risk management processes. The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit Committee.
The work of the Audit Committee was driven primarily by the Company's assessment of its principal risks and uncertainties as set out in the Strategic report. The Audit Committee receives reports from the Investment Manager and Administrator on the Company's risk evaluation process and reviews changes to significant risks identified.

Internal audit
The Audit Committee considers at least once a year whether or not there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures.

External audit
BDO Limited has been the Company's external auditor since the Company's incorporation.

The external auditor is required to rotate the audit partner every five years. There are no contractual obligations restricting the choice of external auditor and the Company will put the audit services contract out to tender at least every ten years. Under Guernsey company law, the reappointment of the external auditor is subject to shareholder approval at the AGM. The Audit Committee continues to monitor the performance of the external auditor on an annual basis and considers its independence and objectivity, taking account of appropriate guidelines. In addition, the Committee Chair continues to maintain regular contact with the lead audit partner outside the formal Committee meeting schedule, not only to discuss formal agenda items for upcoming meetings, but also to review any other significant matters.

The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to the level of any non-audit fees. No non-audit services were provided by the Company's auditor during the year and as such, the Audit Committee considers BDO Limited to be independent of the Company and that there is no threat to the objectivity and independence of the conduct of the audit.

To further safeguard the objectivity and independence of the external auditor from becoming compromised, the Audit Committee are aware of the FRC's Ethical Standard 2019 which precludes BDO Limited from providing certain services such as valuation work or the provision of accounting services and also sets a presumption that BDO Limited should only be engaged for non-audit services where they are best placed to provide those services, for example the interim review and reporting accountant services. The Ethical Standard also imposes a cap on fees to be charged by a company's external auditor for non-audit services at 70% of the average statutory audit fees for the previous three years.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considers:
— discussions with or reports from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
— the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the committee reviews:
— the external auditor's fulfilment of the agreed audit plan and variations from it;
— discussions or reports highlighting the major issues that arose during the course of the audit; and
— feedback from other service providers evaluating the performance of the audit team.

Fees paid to the Company's auditor during the year are as follows:

	For the year ended 31 March 2024 £'000
Fees to the Company's auditor for audit of the statutory financial statements	**198**
	198

The statutory audit fee for the year ended 31 March 2024 is £198,100 which excludes an amount of £10,000 paid in the period and relating to the prior year.

The Audit Committee is satisfied with BDO Limited's effectiveness and independence as external auditor having considered the degree of diligence and professional scepticism demonstrated. Having carried out the review described above and having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that BDO Limited be reappointed as external auditor for the year ending 31 March 2025.

On behalf of the Audit Committee

Sian Hill
Audit Committee Chairman
19 June 2024

Karlštejn II Transmitter,
Czech Republic.

Directors' report

The Directors present their Annual Report and audited financial statements for the Company for the year ended 31 March 2024. The Corporate Governance report on pages 56 to 63 forms part of this report.

Details of the Directors who held office during the period and as at the date of this report are provided on pages 54 and 55.

Capital structure

The Company is an externally managed closed-ended investment company and its principal activity is to invest in Digital Infrastructure assets.

The Company was incorporated in Guernsey under Company Law on 4 January 2021 as a non-cellular company limited by shares with an indefinite life. It is domiciled in Guernsey and is tax resident in the UK. The Company is registered with the GFSC as a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 2020 and the Registered Collective Investment Scheme Rules and Guidance 2021.

On 16 February 2021, the Company's ordinary shares were admitted to the Specialist Fund Segment of the Main Market of the London Stock Exchange. The Company successfully raised gross proceeds of £370 million at IPO, and a further £200 million gross proceeds through the placing of new ordinary shares in January 2022. £185 million of gross proceeds were raised from the issue of C shares in June 2021 with the C Shares all converting into ordinary shares on 20 January 2022. A further £40 million was raised through the exercise of Subscription Shares.

As at 31 March 2024, the Company's issued share capital comprised 773,559,707 ordinary shares, of which 7,269,230 ordinary shares were held in treasury, and 6,434,884 Subscription Shares.

The total issued share capital with voting rights as at 31 March 2024 was 766,290,477 ordinary shares and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Ordinary shareholders are entitled to all distributions paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, ordinary shareholders are entitled to all of the surplus assets of the Company attributable to the ordinary shares. Ordinary shareholders are also entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each ordinary share held.

Subscription Shares carry no right to any dividends paid by the Company and Subscription shareholders have no voting rights.

Authority to buy back shares

The current authority of the Company to make market purchases of up to 115,799,205 ordinary shares (being 14.99% of the issued ordinary share capital as at the date of the 2023 AGM held on 28 July 2023, the date the resolution was passed) is due to expire at the conclusion of the 2024 AGM. At the 2024 AGM, the Board will seek to renew this authority.

Along with most other companies in the investment trust sector, the Company's shares traded at a discount to NAV throughout the year, largely as a result of macroeconomic factors. In February 2023 the Board approved a discretionary programme of share buybacks of up to £20 million, of which £5.4 million had been executed by 31 March 2024. The buyback programme is not subject to a set cut-off date.

All buybacks of ordinary shares made during the year have been made subject to Company Law and the authority granted by shareholders at the 2023 AGM and within any guidelines established from time to time by the Board. The making and timing of any buybacks is at the absolute discretion of the Board. Ordinary shares will only be repurchased at a price which, after repurchase costs, represents a discount to the net asset value per ordinary share and where the Directors believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the Listing Rules which provide that the price to be paid must not be more than 5% above the average of the middle market quotations for the ordinary shares for the five business days before the shares are purchased unless previously advised to shareholders.

Note 10 of the Annual Report details the share buybacks which have occurred during the period.

Modern Slavery Act

As per section 54(1) of the Modern Slavery Act 2015, our Modern Slavery Statement is reviewed and approved by the Board on an annual basis and published on our website.

Significant interests

Significant shareholdings in the Company as at 31 March 2024 are detailed below.

	Ordinary shares held %
Sarasin & Partners	8.13
Evelyn Partners (Retail)	6.59
Rathbones	6.43
Foresight Group	4.48
Charles Stanley	3.91
Killik, stockbrokers	3.88
Nottinghamshire County Council	3.02

In addition, the Company also provides the same information as at 31 May 2024, being the most current information available.

	Ordinary shares held %
Asset Value Investors	8.40
Evelyn Partners (Retail)	6.53
Rathbones	6.43
Foresight Group	4.24
Sarasin & Partners	4.02
Killik, stockbrokers	3.90
Charles Stanley	3.82

Investment trust status
On 5 May 2021, HMRC approved the Company's application to be an approved investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended, and the Investment Trust (Approved Company) (Tax) Regulations 2011, subject to continuing to meet the relevant conditions. The Directors intend at all times to conduct the affairs of the Company so as to enable it to meet those conditions and continue to qualify as an investment trust. In particular, the Company generally must not retain in respect of any accounting period an amount which is greater than 15% of its eligible investment income and must distribute by way of dividend an amount required to comply with this requirement not later than 12 months following the end of the accounting period in which the income arises.

AIFMD disclosures
The Directors have considered the impact of AIFMD on the Company and its operations. The Company is a non-EU domiciled Alternative Investment Fund and the Investment Manager has been appointed as the Company's non-EU AIFM. As the Company is managed by a non-EU AIFM, only a limited number of the provisions of AIFMD apply.

Report on remuneration and quantitative remuneration disclosure
Under the AIFMD, the Company is required to make disclosures relating to remuneration of staff working for the Investment Manager for the year to 31 March 2024.

Amount of remuneration paid
The Investment Manager paid the following remuneration to staff in respect of the financial year ending on 31 March 2024 in relation to work on the Company.

	31 March 2024 £'000
Fixed remuneration	**1,685**
Variable remuneration	**1,258**
Total remuneration	**2,943**
Number of beneficiaries	**16**

The amount of the aggregate remuneration paid (or to be paid) by the Investment Manager to its partners which has been attributed to the Company in respect of the financial year ending on 31 March 2024 was £2.5 million (2023: £2.5 million). The amount of the total remuneration paid by the Investment Manager to members of its staff whose actions have a material impact on the risk profile of the Company and which has been attributed to the Company in respect of the financial year ending on 31 March 2024 was £2.9 million (2023: £1.7 million).

Leverage
The Company's long-term gearing is expected to be between 20% and 35% of gross asset value and shall not exceed a maximum of 50% of gross asset value, calculated at the time of drawdown. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its net asset value, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure. Using the methodologies prescribed under AIFMD, the leverage of the Company is detailed in the table below:

	Commitment leverage as at 31 March 2024	Gross leverage as at 31 March 2024
Leverage ratio	**19%**	**19%**

Other risk disclosures
The risk disclosures relating to the risk framework and risk profile of the Company are set out in note 16 on pages 97 to 100 and Risk management on pages 42 and 43.

Pre-investment disclosures
AIFMD requires certain information to be made available to investors in an AIF before they invest and requires that material changes to this information be disclosed in the Annual Report of the AIF. There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

Business review and diversity
A business review is contained in the Investment Manager's report on pages 14 to 22 and the Company's policy on diversity is contained in the Corporate Governance report on page 57.

Directors' indemnity
Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Incorporation provide, subject to the provisions of the relevant Guernsey legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the court.

Except for the indemnity provisions in the Company's Articles of Incorporation and in the Directors' letters of appointment, there are no qualifying third-party indemnity provisions in force.

Risks and risk management
The Company is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk and the management and monitoring of these risks is detailed in note 16 to the financial statements.

Independent auditor
The Directors will propose the reappointment of BDO Limited as the Company's auditor and resolutions concerning this and the remuneration of the Company's auditor will be proposed at the AGM.

At the time that this report was approved, so far as each of the Directors is aware:
- there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps they ought to have taken to make themselves aware of any audit information and to establish that the auditor is aware of that information.

Annual Report
As disclosed in the Audit Committee report on pages 64 to 66, the Audit Committee has given due consideration that the Annual Report, taken as a whole, is fair, balanced and understandable. Therefore, the Board is of the opinion that the Annual Report provides the information necessary for shareholders to assess the position and performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Directors' report and the Independent Auditor's report for the period ended 31 March 2024 are received and adopted by the shareholders and a resolution concerning this will be proposed at the AGM.

Dividends
With respect to the six months ended 31 March 2024, the Board has declared a dividend of £16.9 million, equivalent to 2.2p per share, as disclosed in note 15 to the financial statements. This brings the total distribution declared with respect to the period ended 31 March 2024 to 4.2p per share.

Subsequent events
There have been no significant subsequent events, other than those disclosed in note 19 to the financial statements.

Strategic report
A review of the business and future outlook and the principal and emerging risks and uncertainties of the Company are disclosed in the Strategic report on pages 4 to 51.

Prompt payment
The Board recognises that relationships with suppliers are enhanced by prompt payment and the Administrator, in conjunction with the Investment Manager, has procedures in place to ensure all payments are processed within the contractual terms agreed with the individual suppliers.

Whistleblowing
The Board has considered arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective 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 organisation.

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the period to 30 September 2025, being the period of assessment covered by the Directors. Accordingly, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

By order of the Board

Shonaid Jemmett-Page
Chairman
19 June 2024

Statement of Directors' responsibilities

Company Law requires the Directors to prepare financial statements for each financial year and the Directors have elected to prepare the Company's financial statements in accordance with IFRS, as issued by IASB. Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that year, are in accordance with IFRS and comply with any enactment for the time being in force.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies and apply them consistently;
- make accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- present information in a manner that is relevant, reliable, comparable and understandable; and
- state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Company Law.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. The financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibilities also extend to the ongoing integrity of the financial statements contained therein. Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' responsibilities pursuant to DTR4

Each of the Directors, whose names are set out on pages 54 and 55 confirms to the best of their knowledge and belief that:
- the Company's financial statements have been prepared in accordance with IFRS, as issued by IASB, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal and emerging risks and uncertainties that they face.

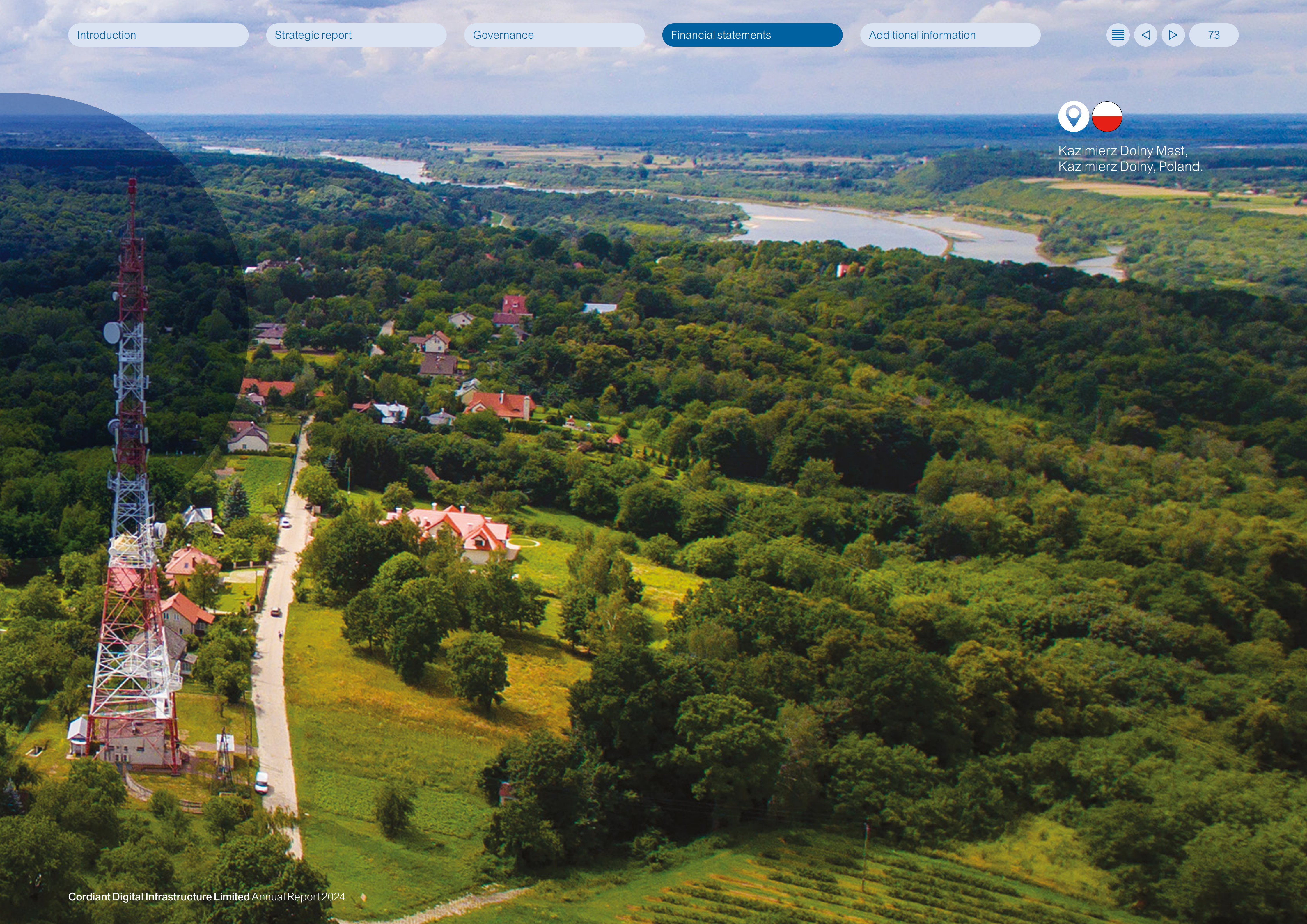
Fair, balanced and understandable

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Directors consider the Annual Report, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Shonaid Jemmett-Page
Chairman
19 June 2024

Financial statements



Kazimierz Dolny Mast,
Kazimierz Dolny, Poland.

Independent Auditor's Report to the Members of Cordiant Digital Infrastructure Limited

Opinion on the financial statements

In our opinion, the financial statements of Cordiant Digital Infrastructure Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Company for the year ended 31 March 2024 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as issued by the IASB.

Basis for opinion

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

Independence

During the year it was identified that BDO Czech Republic, a separate BDO Member Firm, had provided valuation services in relation to one of the investee entities, through BDO Czech Republic being appointed by and acting for an unrelated third party. As such, this constitutes a service which is not permitted to be provided to a Public Interest Entity which is also an audited entity, under paragraph 5.40 of the FRC Ethical Standard (2019). The service was provided during the financial year ended 31 March 2024 ("FY24") in relation to an historic valuation in 2004/05. As such, the services provided by BDO Czech Republic have had no effect on Cordiant Digital Infrastructure Limited's Financial Statements. We have therefore assessed any threats to independence arising from the provision of this non-audit service and, in our professional judgment, we confirm that based on our assessment of the breach, following the identification of the breach, our integrity and objectivity as Auditor has not been compromised. We believe that an Objective, Reasonable and Informed Third Party would also conclude that the provision of this service would not impair our integrity or objectivity for any of the impacted financial years. Those charged with governance at the entity have concurred with this view.

Other than the matter noted above, we remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. No other non-audit services prohibited by the FRC's Ethical Standard (2019) were provided to the entity.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the paper prepared by the Directors in respect of going concern and discussing, and also challenging, this with both the Company's Directors and management;
- Examining the Directors cash flow forecasts and their stress tests of future income and expenditure;
- We agreed the projected cash inflow from the underlying investments to the valuation models used to perform the investment valuation audit procedures as detailed within the Key Audit Matters section below; and
- Reviewing the minutes of the Board Meetings and the Company's RNS (Regulatory News Services) announcements and the compliance reports for any indicators of concerns in respect of going concern.

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 relation to the Company's reporting on how it has 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.

Overview

	2024	2023
Key audit matters	Valuation of Investments	
Materiality	**Company financial statements as a whole** £18.4m (2023:£17.5m) based on 2% (2023: 2%) of Net Assets	

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In designing our overall audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements.

This assessment took into account the likelihood, nature and potential magnitude of any misstatement. As part of this risk assessment, we considered the Company's interaction with the Manager and the Company's Administrators. We considered the control environment in place at the Manager and the Company's Administrators to the extent that it was relevant to our audit. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified, 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 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investments (Refer to Notes 2 and 6 to the financial statements)	The investment portfolio consists of five unlisted investments, two of which were acquired during the year. The investments consist of loan and equity investments. As the loans are an integral part of the investment, they are included as part of the overall investment valuation. Four of the investments are valued on a discounted cash flow basis. The remaining investment is immaterial and carried at cost, being the price of recent investment, due to it only being acquired in January 2024. The valuations are subjective, with a high level of judgment and estimation linked to the determination of fair value with limited market information available. These estimates and judgements include discount rate, inflation, asset life, revenue projections and terminal growth rate As a result of the subjectivity, there is a risk of an inappropriate valuation model being applied, together with the risk of inappropriate inputs to the model being used. Management also utilised a third-party valuation provided to perform a reasonableness assessment of the valuation of the underlying investments. There is also a risk of error in the discounted cash flow models through inaccurate inputs being used. The valuation of the unlisted investments is a key driver of the Company's net asset value and total return. Incorrect valuations could have a significant impact on the net asset value of the Company and therefore the return generated for shareholders. As such we determined this to be an area of audit focus and a key audit matter.	In respect of the loan portion of the investments: — We vouched the loan drawdowns to loan agreements and verified the terms of the loan. — We recalculated the loan interest on the loans based on the agreements and compared to that calculated by management. In respect of the equity investment fair valued using a discounted cash flow model, our procedures included: — We utilised our internal valuation experts to assess and challenge the reasonableness and appropriateness of the valuation model/method and the key inputs into the valuation such as discount rates and tax rates. — For the cashflow forecast we obtained a detailed understanding of the cashflow forecasts, challenged management and obtained support for the key inputs that drove the valuation. — Utilised spreadsheet analysis tools to assess the integrity of the valuation models. — Challenged the appropriateness of the selection and application of key assumptions in the model including the discount rate, inflation, asset life, revenue projections and terminal growth rate applied by benchmarking to available industry data and consulting with our internal valuations experts. — For the key assumptions in the valuation models, we also considered whether alternative reasonable assumptions could have been applied. We considered each assumption in isolation as well as in conjunction with other assumptions and the valuation as a whole. Where appropriate, we sensitised the valuation where other reasonable alternative assumptions could have been applied. — Reviewed the corporation tax workings within the valuation model and considered whether these had been modelled accurately in the context of current corporation tax legislation and rates. — Agreed cash and other net assets to bank statements and investee company management accounts. — Considered the accuracy of forecasting by comparing previous forecasts to actual results. — We obtained management's third-party expert valuation and assessed whether this supported management's calculation of fair value at period end. We reviewed the report for any factors that would indicate that the fair value calculated by management is inappropriate. In addition, we assessed the independence, objectivity and expertise of management's expert. **Key observations** Based on our procedures performed we found the valuation estimates and judgements were within an acceptable range.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

Company Financial Statements

	2024	2023
Materiality	**£18.4m**	£17.5m
Basis for determining materiality	**2% of Net Assets**	2% of Net Assets
Rationale for the benchmark applied	Net assets are considered to be the benchmark of most interest to the users of the financial statements in understanding the financial position of the Company as an investor in Digital Infrastructure assets.	
Performance materiality	**£13.8m**	£13.1m
Basis for determining performance materiality	**75% of Materiality** This was determined using our professional judgement and took into account the complexity and our accumulated knowledge of the engagement.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £920,000 (2023:£350,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Report relating to the parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Report is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	— The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 63 and 70; and — The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on pages 51 and 70.
Other Code provisions	— Directors' statement on fair, balanced and understandable set out on pages 70 and 71; — Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 62; — The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 64 to 66; and — The section describing the work of the audit committee set out on pages 64 to 66.

Other Companies (Guernsey) Law, 2008 reporting

— We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:
— proper accounting records have not been kept by the Company; or
— the financial statements are not in agreement with the accounting records; or
— we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Guernsey law 2008, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code and AIC Corporate Governance Code requirements and applicable accounting standards.

Audit procedures performed by the engagement team to respond to the risks identified included:
- Discussion with and enquiry of management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtaining an understanding of the internal control environment in place to prevent and detect irregularities;
- Reading minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission, internal compliance reports, complaint registers and breach registers to identify and consider any known or suspected instances of non-compliance with laws and regulations and fraud; and
- Agreement of the financial statement disclosures to underlying supporting documentation.

We assessed the susceptibility of the financial statements to material misstatement including fraud and considered the key fraud risk areas to be the valuation of investments and management override of controls.

Our tests included:
- Making enquiries of the directors and management on whether they had any knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- The procedures set out in the Key audit matters section above; and
- Testing journal entries, based on risk assessment criteria as well as an unpredictable sample, and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

The engagement director on the audit resulting in this independent auditor's opinion is Justin Hallett.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Justin Hallett
For and on behalf of BDO Limited
Chartered Accountants and Recognised Auditor
Place du Pré
Rue du Pré
St Peter Port
Guernsey

19 June 2024

Statement of Financial Position

As at 31 March 2024

	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Non-current assets			
Investments at fair value through profit or loss	6	1,005,937	872,315
		1,005,937	**872,315**
Current assets			
Receivables	8	17,279	14,680
Cash and cash equivalents		60,085	10,498
		77,364	**25,178**
Current liabilities			
Loans and borrowings	9	(157,629)	(20,287)
Accrued expenses and other creditors		(5,012)	(1,495)
		(162,641)	**(21,782)**
Net current (liabilities)/assets		**(85,277)**	**3,396**
Net assets		**920,660**	**875,711**
Equity			
Equity share capital	10	774,656	779,157
Retained earnings – Revenue		(14,538)	(196)
Retained earnings – Capital		160,542	96,750
Total equity		920,660	875,711
Number of shares in issue			
Ordinary shares	10	766,290,477	772,509,707
		766,290,477	**772,509,707**
Net asset value per ordinary share (pence)	14	**120.15**	**113.36**

The financial statements on pages 80 to 101 were approved and authorised for issue by the Board of Directors on 19 June 2024 and signed on their behalf by:

Shonaid Jemmett-Page
Chairman

Sian Hill
Director

The accompanying notes on pages 84 to 101 form an integral part of these financial statements.

Statement of Comprehensive Income

Year ended 31 March 2024

	Note	Year ended 31 March 2024 Revenue £'000	Year ended 31 March 2024 Capital £'000	Year ended 31 March 2024 Total £'000	Year ended 31 March 2023 Revenue £'000	Year ended 31 March 2023 Capital £'000	Year ended 31 March 2023 Total £'000
Movement in fair value of investments	6	–	99,588	**99,588**	–	73,079	**73,079**
Unrealised foreign exchange (loss)/gains on investment	6	–	(3,013)	**(3,013)**	–	6,143	**6,143**
Management fee income	6	1,408	–	**1,408**	–	–	**–**
Realised loss on restructure	6	–	–	**–**	–	(3,927)	**(3,927)**
Interest income	6	1,877	–	**1,877**	2,749	–	**2,749**
		3,285	**96,575**	**99,860**	**2,749**	**75,295**	**78,044**
Operating expenses							
Investment acquisition costs		–	(568)	**(568)**	–	(6,553)	**(6,553)**
Other expenses	4	(7,628)	(1,888)	**(9,516)**	(9,553)	(1,793)	**(11,346)**
		(7,628)	**(2,456)**	**(10,084)**	**(9,553)**	**(8,346)**	**(17,899)**
Operating (loss)/profit		**(4,343)**	**94,119**	**89,776**	**(6,804)**	**66,949**	**60,145**
Foreign exchange movements on working capital		–	518	**518**	–	11,119	**11,119**
Gain on expired foreign exchange forwards		–	–	**–**	–	580	**580**
Finance income	5	2,126	–	**2,126**	9,706	–	**9,706**
Finance expense	17	(12,125)	–	**(12,125)**	(374)	–	**(374)**
(Loss)/profit for the year before tax		**(14,342)**	**94,637**	**80,295**	**2,528**	**78,648**	**81,176**
Tax charge	12	–	–	**–**	–	–	**–**
(Loss)/profit for the year after tax		**(14,342)**	**94,637**	**80,295**	**2,528**	**78,648**	**81,176**
Total comprehensive (loss)/income for the year		**(14,342)**	**94,637**	**80,295**	**2,528**	**78,648**	**81,176**
Weighted average number of shares							
Basic	14	770,510,117	770,510,117	**770,510,117**	773,442,556	773,442,556	**773,442,556**
Diluted	14	770,510,117	770,510,117	**770,510,117**	773,442,556	773,442,556	**773,442,556**
Earnings per share							
Basic earnings from continuing operations in the year (pence)	14	(1.86)	12.28	**10.42**	0.33	10.17	**10.50**
Diluted earnings from continuing operations in the year (pence)	14	(1.86)	12.28	**10.42**	0.33	10.17	**10.50**

The accompanying notes on pages 84 to 101 form an integral part of these financial statements.

Statement of Changes in Equity

Year ended 31 March 2024

	Note	Share capital £'000	Retained earnings – Revenue £'000	Retained earnings – Capital £'000	Total equity £'000
Opening net assets attributable to shareholders at 1 April 2022		779,896	(2,724)	45,174	**822,346**
Issue of share capital		295	–	–	**295**
Share issue costs		(91)	–	–	**(91)**
Shares repurchased in the year		(943)	–	–	**(943)**
Dividends paid during the year	15	–	–	(27,072)	**(27,072)**
Total comprehensive income for the year		–	2,528	78,648	**81,176**
Closing net assets attributable to shareholders as at 31 March 2023		**779,157**	**(196)**	**96,750**	**875,711**

	Note	Share capital £'000	Retained earnings – Revenue £'000	Retained earnings – Capital £'000	Total equity £'000
Opening net assets attributable to shareholders at 1 April 2023		779,157	(196)	96,750	**875,711**
Shares repurchased in the year		(4,501)	–	–	**(4,501)**
Dividends paid during the year	15	–	–	(30,845)	**(30,845)**
Total comprehensive (loss)/income for the year		–	(14,342)	94,637	**80,295**
Closing net assets attributable to shareholders as at 31 March 2024		**774,656**	**(14,538)**	**160,542**	**920,660**

The accompanying notes on pages 84 to 101 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 March 2024

	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Operating activities			
Operating profit for the year		89,776	60,145
Adjustments to operating activities			
Movement in fair value of investments	6	(99,588)	(73,079)
Unrealised foreign exchange loss/(gain) on investments	6	3,013	(6,143)
Management fee income		(1,408)	–
Realised loss on restructure	6	–	3,927
Interest capitalised and receivable on shareholder loan investments	6	(1,877)	(2,749)
Increase in receivables		(2,979)	(4,444)
Decrease in payables		(31)	474
Cash received on settled foreign currency contract		37,167	361,652
Cash paid on foreign currency contract		(37,177)	(353,000)
Net cash flows used in operating activities		**(13,104)**	**(13,217)**
Cash flows used in investing activities			
Investment additions	6	(66,224)	(384,415)
Cash collateral held for investing purposes		–	41,469
Finance income		449	9,549
Loan interest received		3,978	–
Repayment of shareholder loan received		26,384	–
Net cash flows used in investing activities		**(35,413)**	**(333,397)**
Cash flows generated from/(used in) financing activities			
Issue of share capital		–	295
Payment of issue costs		–	(91)
Shares repurchased		(4,501)	(943)
Loan drawn down	9	148,992	20,287
Loan repaid		(7,610)	–
Finance costs paid		(7,428)	(374)
Bank interest received	5	418	157
Dividends paid	15	(30,845)	(27,072)
Net cash flows generated from /(used in) financing activities		**99,026**	**(7,741)**
Increase/(Decrease) in cash and cash equivalents during the year		50,509	(354,355)
Cash and cash equivalents at the beginning of the year		10,498	353,734
Exchange translation movement		(922)	11,119
Cash and cash equivalents at the end of the year		**60,085**	**10,498**

The accompanying notes on pages 84 to 101 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Cordiant Digital Infrastructure Limited (the Company; LSE ticker: CORD) was incorporated and registered in Guernsey on 4 January 2021 with registered number 68630 as a non-cellular company limited by shares and is governed in accordance with the provisions of the Companies (Guernsey) Law 2008. The registered office address is East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP. The Company's ordinary shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 16 February 2021 and its C Shares on 10 June 2021. On 20 January 2022, all C Shares were converted to ordinary shares. A second issuance of ordinary shares took place on 25 January 2022. Note 10 gives more information on share capital.

2. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with IFRS as issued by the IASB, the Statement of Recommended Practice issued by the Association of Investment Companies (the AIC SORP) and the Companies (Guernsey) Law 2008.

The financial statements have been prepared on an historical cost basis as modified for the measurement of certain financial instruments at fair value through profit or loss. They are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates, and are rounded to the nearest thousand, unless otherwise stated.
The material accounting policies are set out below.

Going concern

The financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

While the ongoing geopolitical conflicts and market volatility in different parts of the world during the year have affected the way in which the Company's investee companies are conducted, this did not have a material direct effect on the results of the business. The Directors are satisfied that the resulting macroeconomic environment is not likely to significantly restrict business activity.

The Directors have reviewed different scenarios and stress testing of the cash flow forecasts prepared by the Investment Manager to understand the resilience of the Company's cash flows to adverse scenarios.

The Directors and Investment Manager are actively monitoring these risks and their potential effect on the Company and its underlying investments. In particular, they have considered the following specific key potential impacts:
— increased volatility in the fair value of investments
— disruptions to business activities of the underlying investments; and
— recoverability of income and principal and allowance for expected credit losses.

In considering the above key potential impacts on the Company and its underlying investments, the Investment Manager has assessed these with reference to the mitigation measures in place. Based on this assessment, the Directors do not consider that the effects of the above risks have created a material uncertainty over the assessment of the Company as a going concern.

As further detailed in note 6 to the financial statements, the Board uses a third-party valuation provider to perform a reasonableness assessment of the Investment Manager's valuation of the underlying investments. Additionally, the Investment Manager and Directors have considered the cash flow forecast to determine the term over which the Company can remain viable given its current resources.

2. Material accounting policies continued

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the period from 19 June 2024 to 30 September 2025, being the period of assessment considered by the Directors. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Accounting for subsidiaries

The Directors have concluded that the Company has all the elements of control as prescribed by IFRS 10 'Consolidated Financial Statements' in relation to all its subsidiaries and that the Company satisfies the three essential criteria to be regarded as an Investment Entity as defined in IFRS 10. The three essential criteria are that the entity must:

- obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
- commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
- measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criterion, the notion of an investment time frame is critical and an Investment Entity should have an exit strategy for the realisation of its investments. The Board has approved a divestment strategy under which the Investment Manager will, within two years from acquisition of an investment and at least annually thereafter, undertake a review of the current condition and future prospects of the investment. If the Investment Manager concludes that:

- the future prospects for an investment are insufficiently strong to meet the Company's rate of return targets; or
- the value that could be realised by an immediate disposal would outweigh the value of retaining the investment; or
- it would be more advantageous to realise capital for investment elsewhere than to continue to hold the investment
- then the Investment Manager will take appropriate steps to dispose of the investment.

Also as set out in IFRS 10, further consideration should be given to the typical characteristics of an Investment Entity, which are that:

- it should have more than one investment, to diversify the risk portfolio and maximise returns;
- it should have multiple investors, who pool their funds to maximise investment opportunities;
- it should have investors that are not related parties of the entity; and
- it should have ownership interests in the form of equity or similar interests.

The Directors are of the opinion that the Company meets the essential criteria and typical characteristics of an Investment Entity. Therefore, subsidiaries are measured at fair value through profit or loss, in accordance with IFRS 9 'Financial Instruments'. Fair value is measured in accordance with IFRS 13 'Fair Value Measurement'.

Financial instruments

In accordance with IFRS 9, financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics. All purchases of financial assets are recorded at the date on which the Company became party to the contractual requirements of the financial asset.

The Company's financial assets principally comprise investments held at fair value through profit or loss, cash and cash equivalents, and trade receivables.

Financial assets are recognised at the date of purchase or the date on which the Company became party to the contractual requirements of the asset. Financial assets are initially recognised at cost, being the fair value of consideration given. Transaction costs of financial assets at fair value through profit or loss are recognised in the Statement of Comprehensive Income as incurred.

A financial asset is derecognised (in whole or in part) either:

- when the Company has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Investments held at fair value through profit or loss

Investments are measured at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each interim and annual valuation point, 30 September and 31 March respectively.

The loans provided to subsidiaries are held at fair value through profit or loss as they form part of a managed portfolio of assets whose performance is evaluated on a fair value basis. These loans are recognised at the loan principal value plus outstanding interest. Any gain or loss on the loan investment is recognised in profit or loss.

Fair value is defined 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. Fair value is calculated on an unlevered, discounted cash flow basis in accordance with IFRS 13.

When available, the Company measures fair value using the quoted price in an active market. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account when pricing a transaction.

2. Material accounting policies continued

Valuation process
The Investment Manager is responsible for proposing the valuation of the assets held by the Company, and the Directors are responsible for reviewing the Company's valuation policy and approving the valuations for 31 March and 30 September annually.

The Investment Manager reviews the key assumptions of the valuations of the assets proposed to the Board and performs sensitivity analysis on them. The results of this sensitivity analysis are included in note 6.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash Collateral
Cash collateral is classified as a financial asset at amortised cost. It is measured at amortised cost. Cash collateral is recorded based on agreements entered into with an entity without notable history of default causing ECL to be immaterial and therefore not recorded.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual agreements entered into and are recorded on the date on which the Company becomes party to the contractual requirements of the financial liability.

The Company's financial liabilities measured at amortised cost include trade and other payables, intercompany loans and other short-term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

Equity
Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company's ordinary shares and Subscription Shares are classified as equity.

Share issue costs directly attributable to the issue of ordinary shares are shown in equity as a deduction from share capital. When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity.

Dividends
Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make payment has been established.

Revenue recognition
Dividend income is recognised when the Company's entitlement to receive payment is established. Other income is accounted for on an accruals basis using the effective interest rate method.

Expenses
Expenses are recognised on an accruals basis in the Statement of Comprehensive Income in the period in which they are incurred.

Taxation
The Company has met the conditions in section 1158 Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 for each period to date, and it is the intention of the Directors to conduct the affairs of the Company so that it continues to satisfy those conditions and continue to be approved by HMRC as an investment trust.

In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and its capital profits from creditor loan relationships. The Company will, however, be subject to UK corporation tax on its income (currently at a rate of 25%).

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would be expected to be applicable in respect of most of the dividends the Company may receive.

A company that is an approved investment trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its 'qualifying interest income' for an accounting period. It is expected that the Company will have material amounts of qualifying interest income and that it may, therefore, decide to designate some or all of the dividends paid in respect of a given accounting period as interest distributions.

2. Material accounting policies continued

To the extent that the Company receives income from, or realises amounts on the disposal of, investments in foreign countries it may be subject to foreign withholding or other taxation in those jurisdictions. To the extent it relates to income, this foreign tax may, to the extent not relievable under a double tax treaty, be able to be treated as an expense for UK corporation tax purposes, or it may be treated as a credit against UK corporation tax up to certain limits and subject to certain conditions.

Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are recognised for taxable temporary differences arising on investments, except where the Company is able to control the timing of the reversal of the difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Statement of Comprehensive Income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with directly in equity.

Deferred tax assets and liabilities are offset when: there is a legally enforceable right to set off tax assets against tax liabilities; they relate to income taxes levied by the same taxation authority; and the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are not discounted.

Foreign currencies

The functional currency of the Company is the pound sterling, reflecting the primary economic environment in which it operates. The Company has chosen pounds sterling as its presentation currency for financial reporting purposes.

Foreign currency transactions during the year, including purchases and sales of investments, income and expenses are translated into pounds sterling at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than pounds sterling are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a currency other than pounds sterling are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a currency other than pounds sterling are translated using the exchange rates at the date as at which the fair value was determined. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the Statement of Comprehensive Income as part of the change in fair value of investments.

Foreign currency transaction gains and losses on financial instruments are included in profit or loss in the Statement of Comprehensive Income as a finance income or expense.

Segmental reporting

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors as a whole. The key measure of performance used by the Directors to assess the Company's performance and to allocate resources is the Company's NAV, as calculated under IFRS as issued by the IASB, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Annual Report.

For management purposes, the Company is organised into one main operating segment, which invests in Digital Infrastructure Assets.

Due to the Company's nature, it has no customers.

New standards, amendments and interpretations issued and effective for the financial period beginning 1 April 2023

The Board of Directors has considered new standards and amendments that are mandatorily effective from 1 January 2023 and with the exception of the Disclosure of Accounting Policies (Amendment to IAS1) has not had a significant impact on the financial statements. The Disclosure of Accounting Policies amendment generated a review of and reduction in the accounting policy disclosures to reflect only material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of the financial statements make on the basis of those financials statements.

New standards, amendments and interpretations issued but not yet effective

There are a number of new standards, amendments to standards and interpretations which are not yet mandatory for the 31 March 2024 reporting period and have not been adopted early by the Company. These standards are not expected to have a material impact on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimates made by the Company are disclosed in note 6.

The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as an Investment Entity

In the judgement of the Directors, the Company qualifies as an Investment Entity under IFRS 10 and therefore its subsidiary entities have not been consolidated in the preparation of the financial statements. Further details of the impact of this accounting policy are included in note 7.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ended 31 March 2024 is included in note 6 and relates to the determination of fair value of investments with significant unobservable inputs.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the ESG report section of the Strategic report.

In preparing the financial statements, the Directors have considered the medium- and longer-term cash flow impacts of climate change on a number of key estimates within the financial statements, including:

- the estimates of future cash flows used in assessments of the fair value of investments; and
- the estimates of future profitability used in the assessment of distributable income.

These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Company's short- or medium-term cash flows including those considered in the going concern and viability assessments.

4. Other expenses

Other expenses in the Statement of Comprehensive Income comprises:

	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Management fees	13	5,928	7,271
Legal and professional fees		713	1,281
Aborted deal fees		1,888	1,793
Directors' fees		185	185
Fees payable to the statutory auditor	11	198	195
Other expenses		604	621
		9,516	**11,346**

5. Finance income

Finance income in the Statement of Comprehensive Income comprises:

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Bank interest received	418	157
Interest on fixed term deposits[1]	1,708	9,549
	2,126	**9,706**

[1]During the year ended 31 March 2024, the Company invested £180.5 million in RBSI and £7.0 million Investec fixed term deposits at an average interest rate of 3% per annum. At 31 March 2024, £53.8 million of these deposits had not matured.

During the year ended 31 March 2024, the Company entered into two foreign exchange forward contracts totalling £37.2 million. The maturity date of one of these foreign exchange forwards was 27 March 2024 and the other instrument was 3 May 2024. The fair value gain or loss on these instruments during the year was immaterial.

6. Investments at fair value through profit or loss

	Year ended 31 March 2024			Year ended 31 March 2023		
	Loans £'000	Equity £'000	Total £'000	Loans £'000	Equity £'000	Total £'000
Opening balance	37,350	834,965	**872,315**	27,671	382,185	**409,856**
Additions	4,807	61,485	**66,292**	4,691	379,724	**384,415**
Shareholder loan interest capitalised	–	–	**–**	521	–	**521**
Interest on promissory notes	1,877	–	**1,877**	2,228	–	**2,228**
Shareholder loan repayment	(32,530)	**–**	**(32,530)**	–	–	**–**
Net (losses)/gains on investments at fair value through profit or loss	(2,060)	100,043	**97,983**	2,239	73,056	**75,295**
	9,444	**996,493**	**1,005,937**	**37,350**	**834,965**	**872,315**

During the year ended 31 March 2024 the Company, through its indirect subsidiary Cordiant Digital Holdings Ireland (CDHI), acquired Speed Fibre DAC. The Company subscribed for 40 million additional shares in CDH UK for cash consideration of £56.1 million in order to provide funds for CDHI to complete the acquisition of Speed Fibre DAC. The value of the Company's indirect investment in Speed Fibre DAC at 31 March 2024 was £86.4 million; after taking into account the vendor loan note, the net value is £60.8 million.

The Company also subscribed for an additional 3.5 million ordinary shares in CDH UK for cash consideration of £5.4 million which was directed towards acquisition of Norkring België NV (Norkring) at £5.4 million on 15 January 2024. The timing of this transaction was close to the year end and therefore the investment has not been revalued as the price of the recent acquisition is considered to be equal to its fair value at 31 March 2024.

In the prior year ended 31 March 2023, the Company restructured its loan and equity investments in Communication Investments Holdings s.r.o. (CIH), an entity incorporated in the Czech Republic and the parent company of České Radiokomunikace a.s. (CRA), to hold them indirectly through Cordiant Digital Holdings UK Limited (CDHUK) and Cordiant Digital Holdings Two Limited (CDH2), two wholly owned subsidiaries of the Company. CDH2 issued shares and promissory notes to the Company in consideration for the transfer of the loan and equity investments in CIH. CDHUK then issued shares and promissory notes to the Company in consideration for the transfer of the shares and promissory notes of CDH2. The value of the Company's indirect investment in CRA as at 31 March 2024 was £385.9 million (31 March 2023: £389.1 million), comprising an equity investment only as the loan of £32.5 million (31 March 2023: £26.2 million) including the accrued interest during the year was fully settled.

The Company, through its indirect subsidiary Cordiant Digital Holdings One Limited (CDH1), acquired 100% of the equity of Emitel S.A. during the year ended 31 March 2023. During the year ended 31 March 2024, CDH1 restructured part of its equity investment in Emitel S.A. into a loan investment. £37.2 million (PLN 192.5 million) was transferred from equity to loan. At 31 March 2024, the value of CDH1's equity investment was £490.0 million (31 March 2023: £429.0 million) and the loan investment was £35.0 million (31 March 2023: £ nil).

The fair value of the shares and promissory notes issued by CDHUK are included in the table above, and represent the fair values of the underlying investments together with other assets and liabilities of its subsidiaries. The promissory notes were repaid in full on 19 December 2023. The fair value of the Company's equity investment in CDHUK amounted to £963.8 million at 31 March 2024 (31 March 2023: £782.8 million) and the loan investment amounted to £nil (31 March 2023: £32.5 million). Movements in the fair value of CDHUK are driven largely by movements in the fair value of the underlying investee companies calculated in their local currencies, and by the effects of foreign currency fluctuations when those fair values are translated into sterling. Further information regarding foreign currency exposure is given in note 16 on page 99.

The Company has direct investments in CDIL Data Centre USA LLC, the legal entity operating as Hudson Interxchange (previously operating under the name DataGryd). As at 31 March 2024, the equity investment was valued at £32.8 million (31 March 2023: £52.3 million) and the loan investments amounted to £9.4 million (31 March 2023: £4.7 million).

6. Investments at fair value through profit or loss continued

The table below details all gains on investments through profit or loss.

	As at 31 March 2024			As at 31 March 2023		
	Loans £'000	Equity £'000	Total £'000	Loans £'000	Equity £'000	Total £'000
Movement in fair value of investments	–	99,588	**99,588**	–	73,079	**73,079**
Unrealised foreign exchange (loss)/gain on investment	(2,060)	(953)	**(3,013)**	–	6,143	**6,143**
Management fee income	–	1,408	**1,408**	–	–	–
Realised loss on restructure	–	–	–	-	3,927	**3,927**
Shareholder loan interest income	1,877	–	**1,877**	2,546	3,597	**6,143**
Total investment income recognised in the year	**(183)**	**100,043**	**99,860**	**4,988**	**73,056**	**78,044**

Fair value measurements

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 three levels:
- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Company. The Directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company's investments have been classified within Level 3 as the investments are not traded and contain unobservable inputs. The valuations have been carried out by the Investment Manager. In order to obtain assurance in respect of the valuations calculated by the Investment Manager, the Company has engaged a third-party valuations expert to carry out an independent assessment of the unobservable inputs and of the forecast cash flows of the Company's investments.

During the year ended 31 March 2024, there were no transfers of investments at fair value through profit or loss from or to Level 3 (31 March 2023: nil)

The Company's investments in CRA, Hudson Interxchange, Speed Fibre DAC and Emitel have been valued using a DCF methodology. This involves forecasting the entity's future cash flows, taking into account the terms of existing contracts, expected rates of contract renewal and targeted new contracts, and the economic and geopolitical environment. These cash flows are discounted at the entity's estimated weighted average cost of capital (WACC). This method also requires estimating a terminal value, being the value of the investment at the end of the period for which cash flows can be forecast with reasonable accuracy, which is March 2030 for CRA, December 2030 for Emitel, December 2031 for Speed Fibre and March 2037 for Hudson Interxchange. The terminal value is calculated using an assumed terminal growth rate (TGR) into perpetuity based on anticipated industry trends and long-term inflation rates. The Norkring investment has been valued at cost, the price of the most recent transaction being regarded as the most appropriate indicator of fair value.

The DCF valuation methodology requires estimation of unobservable inputs. The following table summarises the effect on the valuation of the Company's portfolio of reasonably possible alternative investment assumptions with regards to those estimates; these are calculated using the DCF valuation models referred to above.

6. Investments at fair value through profit or loss continued

31 March 2024

Unobservable input	Range	Valuation if rate increases by 1% (£m)	Movement in valuation (£m)	Valuation if rate decreases by 1% (£m)	Movement in valuation (£m)
WACC	9.00%-10.13%	**858**	(182)	1,276	**236**
TGR	1.25%-2.40%	**1,194**	154	920	**(119)**

31 March 2023

Unobservable input	Range	Valuation if rate increases by 1% (£m)	Movement in valuation (£m)	Valuation if rate decreases by 1% (£m)	Movement in valuation (£m)
WACC	8.20%-11.00%	**729**	(146)	1,063	**188**
TGR	1.25%-2.25%	**993**	118	783	**(92)**

Changes to WACC and TGR could be driven by, among other factors: market movements in interest rates, inflation rates and other macroeconomic indicators; perception of risk and volatility in debt and equity markets affecting general market returns; and by political and societal changes and technological developments affecting the operations of the portfolio companies and the countries in which they operate.

Both the Investment Manager and the third-party valuation expert use a combination of other valuation techniques to verify the reasonableness of the DCF valuations, as recommended in the International Private Equity and Venture Capital (IPEV) Valuation Guidelines:
— earnings multiple: applying a multiple, derived largely from comparable listed entities in the market, to the forecast EBITDA of the entity to calculate an enterprise value, and then deducting the fair value of any debt in the entity;
— DCF with multiple: calculating a DCF valuation of the cash flows of the entity to the end of the period for which cash flows can be forecast with reasonable accuracy, and then applying a multiple to EBITDA at the end of that period to estimate a terminal value; and
— dividend yield: forecasting the entity’s capacity to pay dividends in the future and applying an equity yield to that forecast dividend, based on comparable listed entities in the market.

The DCF valuations derived by the Investment Manager and those derived by the third-party valuation expert were not materially different from each other, and the other valuation techniques used provided assurance that the DCF valuations are reasonable.

7. Unconsolidated subsidiaries

The following table shows the subsidiaries of the Company. As the Company qualifies as an Investment Entity as referred to in note 3, these subsidiaries have not been consolidated in the preparation of the financial statements:

Investment	Place of business	Ownership interest at 31 March 2024	Ownership interest at 31 March 2023
Held directly			
Cordiant Digital Holdings UK Limited	United Kingdom	100%	100%
CDIL Data Centre USA LLC	USA	100%	100%
Held indirectly			
Cordiant Digital Holdings One Limited	United Kingdom	100%	100%
Cordiant Digital Holdings Two Limited	United Kingdom	100%	100%
Cordiant Digital Holdings Three Limited	United Kingdom	100%	0%
Cordiant Digital Holdings Four Limited	United Kingdom	100%	0%
Cordiant Digital Holdings Ireland	Ireland	100%	0%
Communications Investments Holdings s. r. o.	Czech Republic	100%	100%
České Radiokomunikace a.s. (Czechia)	Czech Republic	100%	100%
Czech Digital Group, a.s	Czech Republic	100%	100%
Cloud4com s.r.o.	Czech Republic	100%	0%
Datové centrum Lužice s.r.o.	Czech Republic	100%	0%
Prague Digital TV s.r.o	Czech Republic	100%	0%
Emitel S.A.	Poland	100%	100%
Allford Investments S.A.	Poland	100%	100%
EM Properties sp. z o. o.	Poland	100%	100%
EM Projects sp. z o. o.	Poland	100%	100%
Hub Investments sp. z o. o.	Poland	100%	100%
Norkring België NV	Belgium	100%	0%
Speed Fibre DAC	Ireland	100%	0%
Speed Fibre 2 Holdings Limited	Ireland	100%	0%
Speed Fibre Intermediate Holdings Limited	Ireland	100%	0%
Speed Fibre Borrower Limited	Ireland	100%	0%
Airspeed Communications Holdings ULC	Ireland	100%	0%
Airspeed Communications Solutions ULC	Ireland	100%	0%
Airspeed Investments Limited	Isle of Man	100%	0%
Airspeed Networks Limited	Isle of Man	100%	0%
Airspeed Ventures Unlimited	Isle of Man	100%	0%
Speed Fibre Group Limited	Ireland	100%	0%
Airspeed Communications Limited	Ireland	100%	0%
E-Nasc Éireann Teoranta	Ireland	100%	0%
Enet Telecommunications Networks Limited	Ireland	100%	0%
Enet Telecommunications Networks Limited	Ireland	100%	0%

The following additional information is provided in relation to unquoted investments as recommended by the AIC SORP.

	Turnover	Pre-tax profit/(loss)	Net assets/ (liabilities)
Emitel[2]	£113.8 million	(£24.3 million)	£214.2 million
CRA[3]	£80.0 million	£16.9 million	(£57.3 million)
Hudson Interxchange[4]	£18.2 million	(£12.4 million)	£46.8 million
Speed Fibre DAC[5]	£68.4 million	(£11.4 million)	(£99.3 million)
Norkring België NV[6]	£7.7 million	£1.7 million	£4.8 million

[2]Figures from Emitel's audited IFRS accounts for the year ended 31 December 2023.
[3]Figures from CRA's audited IFRS accounts for the year ended 31 March 2023.
[4]Figures from Hudson's audited US GAAP accounts for the period from 13 January 2022 to 31 March 2023.
[5]Figures from Speed Fibre DAC audited IFRS accounts for the year ended 31 December 2023.
[6]Figures from Norkring management pack at 31 December 2023.

The amounts invested in the Company's unconsolidated subsidiaries during the year and their carrying value at 31 March 2024 are as outlined in note 6.

There are certain restrictions on the ability of the Company's unconsolidated subsidiaries in the Czech Republic to transfer funds to the Company in the form of cash dividends or repayment of loans. In accordance with the documentation relating to loans made by various banks to CRA, such cash movements are subject to limitations on amounts and timing, and satisfaction of certain conditions relating to leverage and interest cover ratio. The Directors do not consider that these restrictions are likely to have a significant effect on the ability of the Company's subsidiaries to transfer funds to the Company. In addition, during the year, the Investment Manager received immaterial fees from Emitel and CRA for advisory services rendered.

Subsidiaries held in the Czech Republic, Ireland, Belgium and in Poland are profitable and cash generative, and do not need the financial support of the Company. The subsidiary based in the US will receive the financial support of the Company for a period of at least 12 months from the publication of this report.

8. Trade and other receivables

	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Cash collateral	8,963	9,130
Other Debtors	6,582	2,573
Expenses paid on behalf of related parties	1,599	2,866
Prepayments	105	77
Interest receivable	30	34
	17,279	**14,680**

Cash collateral relates to one security deposit held in money market accounts. An amount of USD 11.29 million (£8.96 million) relates to collateral for a letter of credit relating to the lease of the building occupied by Hudson, and generated interest of 5.4% per annum during the year ended 31 March 2024.

9. Loan and Borrowings

	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Opening balance	20,287	–
Drawdown of principal during the year	148,992	20,287
Repayments of principal during the year	(9,990)	–
Unrealised exchange loss	(1,660)	–
	157,629	**20,287**

As at 31 March 2024, the Company had borrowings of £157.6 million (€184.4 million) from CDH2 compared to £20.3 million (€23.1 million) at 31 March 2023. The loan between the Company and CDH2 is repayable on demand and carries interest at a fixed margin over a variable EURIBOR rate set at the beginning of each six-month interest period. Note 17 provides more detail on interest charged during the year ended 31 March 2024.

10. Share capital

Subject to any special rights, restrictions, or prohibitions regarding voting for the time being attached to any shares, holders of ordinary shares have the right to receive notice of and to attend, speak and vote at general meetings of the Company and each holder being present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each ordinary share that they hold.

Holders of ordinary shares are entitled to receive and participate in any dividends or distributions of the Company in relation to assets of the Company that are available for dividend or distribution. On a winding-up of the Company, the surplus assets of the Company available for distribution to the holders of ordinary shares (after payment of all other debts and liabilities of the Company attributable to the ordinary shares) shall be divided amongst the holders of ordinary shares pro rata according to their respective holdings of ordinary shares.

Ordinary shares	31 March 2024 Number of shares	£'000	31 March 2023 Number of shares	£'000
Issued and fully paid	773,559,707	**780,100**	773,559,707	**780,100**
Shares held in treasury	(7,269,230)	**(5,444)**	(1,050,000)	**(943)**
Outstanding shares at year end	766,290,477	**774,656**	772,509,707	**779,157**

Holders of ordinary shares are entitled to all dividends paid by the Company on the ordinary shares and, on a winding up, provided the Company has satisfied all of its liabilities, ordinary shareholders are entitled to all of the surplus assets of the Company attributable to the ordinary shares.

Subscription shares carry no right to any dividends paid by the Company and have no voting rights.

No subscription shares have been exercised between 31 March 2024 and the date of this report.

Treasury shares	31 March 2024 Number of shares £'000	31 March 2023 Number of shares £'000
Opening balance	1,050,000	–
Shares repurchased during the year	6,219,230	1,050,000
Closing balance at year end	7,269,230	1,050,000

The Company has undertaken market buybacks during the year. The movements are shown in the table above. The average purchase price of the shares bought back during the year is 72.4 pence. The average price at which shares were repurchased represents a 39.75% discount to the NAV per share (31 March 2023: 20.78%) at the time of repurchase. The shares repurchased were funded out of distributable reserves.

Subscription shareholders have no right to any dividends paid by the Company and have no voting rights.

11. Audit fees

Other operating expenses include fees payable to the Company's auditor, which can be analysed as follows:

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Fees payable to the statutory auditor		
for audit of the statutory financial statements	198	195
for other audit-related services	–	–
for non-audit services	–	–
	198	**195**

At 31 March 2024, there were no audit fees from the year ended 31 March 2023 remaining unpaid.

12. Taxation

a) Analysis of the tax charge for the year

Corporation tax	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Taxation for the year (see note 12b)	**–**	**–**

b) Factors affecting the tax charge for the year

The tax assessed for the year ended 31 March 2024 is lower than the Company's applicable rate of corporation tax for that year of 25%. The factors affecting the tax charge for the year are as follows:

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Profit for the year before tax	**80,427**	**81,176**
Net return before taxation multiplied by the Company's applicable rate of corporation tax for the period of 25%	20,107	15,423
Effects of:		
Capital return on investments	(24,306)	(17,275)
Expenses not deductible for corporation tax	2,180	1,586
Realised loss on restructure not deductible	–	746
Utilisation of expenses brought forward	–	(480)
Amounts taxable in different periods	(173)	–
Unrelieved current year expenses	2,192	–
Total tax for the year (see note 12a)	**–**	**–**

c) Deferred taxation

The Company has an unrecognised deferred tax asset of £2,192,000 (Prior year: £77,000) based on a main rate of corporation tax of 25%, in respect of excess management expenses of £6,768,000 and non-trading relationships of £2,000,000.

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.

Due to the Company's status as an investment trust and the intention to continue to meet the conditions required to retain that status, the Company has not provided for tax on any capital gains arising on capital gains or losses arising on the revaluation of investments.

13. Management and performance fees

Under the Investment Management Agreement, the Investment Manager is entitled to receive an annual management fee and a performance fee, plus any applicable VAT, in addition to the reimbursement of reasonable expenses incurred by it in the performance of its duties.

Management fee

The Investment Manager receives from the Company an annual management fee, based on the average market capitalisation of the Company, calculated using the closing market capitalisation for each LSE trading day for the relevant month, and paid monthly in arrears. The management fee has been payable since 30 April 2021, being the date on which more than 75% of the IPO proceeds were deployed in investment activities.

The annual management fee is calculated on the following basis:

- 1.00% of the average market capitalisation up to £500 million.
- 0.90% of the average market capitalisation between £500 million and £1 billion; and
- 0.80% of the average market capitalisation in excess of £1 billion.

Following the publication of each Interim Report and Annual Report, the Investment Manager is required to apply an amount, in aggregate, equal to 10% of the annual management fee for the preceding six-month period in the following manner:

a) if the average trading price, calculated over the 20 trading days immediately preceding the announcement date, is equal to, or higher than, the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) the Investment Manager shall use the relevant amount to subscribe for new ordinary shares (rounded down to the nearest whole number of ordinary shares), issued at the average trading price; or
b) if the average trading price is lower than the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) the Investment Manager shall, as soon as reasonably practicable, use the relevant amount to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within two months of the relevant NAV announcement date.

Even though the annual management fee is payable on a monthly basis, ordinary shares will only be acquired by the Investment Manager on a half-yearly basis.

Any ordinary shares subscribed or purchased by the Investment Manager pursuant to the above arrangements are, subject to usual exceptions, subject to a lock-up of 12 months from the date of subscription or purchase.

For the year ended 31 March 2024, the Investment Manager has charged management fees of £5.9 million (31 March 2023: £7.3 million) to the Company, with £0.6 million (31 March 2023: £0.6 million) owed at year end.

During the year ended 31 March 2024, the Investment Manager was not required to subscribe for new ordinary shares (31 March 2023: £0.29 million) but was required to conduct open market purchases for aggregate consideration of £0.63million (31 March 2023: £0.39 million).

Performance fee

The Investment Manager may in addition receive a performance fee on each performance fee calculation date, dependent on the performance of the Company's NAV and share price. The first performance fee calculation date is 31 March 2024 and subsequent calculation dates are on 31 March each year thereafter. The fee will be equal to 12.5% of the excess return over the target of 9% for the NAV return or share price return, whichever is the lower, multiplied by the time-weighted average number of ordinary shares in issue (excluding any ordinary shares held in treasury) during the relevant period.

Any performance fee is to be satisfied as follows:

- as to 50% in cash; and
- as to the remaining 50% of the performance fee, subject to certain exceptions and the relevant regulatory and tax requirements:
  a) if the average trading price, calculated over the 20 trading days immediately preceding the performance fee calculation date, is equal to or higher than the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) the Company will issue to the Investment Manager such number of new ordinary shares (credited as fully paid) as is equal to the performance fee investment amount divided by the average trading price (rounded down to the nearest whole number of ordinary shares); or
  b) if the average trading price is lower than the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) then the Company shall (on behalf of, and as agent for, the Investment Manager) apply the performance fee investment amount in making market purchases of ordinary shares, provided any such ordinary shares are purchased at prices below the last reported NAV per ordinary share.

Any ordinary shares subscribed or purchased by the Investment Manager pursuant to the above arrangements will, subject to usual exceptions, be subject to a lock-up of 36 months from the date of subscription or purchase.

For the year ended 31 March 2024, no performance fee is due to the Investment Manager (31 March 2023: £nil) and no amount has been accrued as the share price performance hurdle has not been met.

14. Earnings per share and net asset value per share

Ordinary shares	Year ended 31 March 2024	
Earnings per share	Basic	Diluted
Allocated profit attributable to this share class – £'000	80,295	80,295
Weighted average number of shares in issue	770,510,117	770,510,117
Earnings per share from continuing operations in the year (pence)	**10.42**	10.42

Ordinary shares	Year ended 31 March 2023	
Earnings per share	Basic	Diluted
Allocated profit attributable to this share class – £'000	81,176	81,176
Weighted average number of shares in issue	773,442,556	773,442,556
Earnings per share from continuing operations in the year (pence)	**10.50**	10.50

As at 31 March 2024, there were 6,434,884 (31 March 2023: 6,434,884) Subscription Shares in issue. During the year ended 31 March 2024, nil (31 March 2023: 187) Subscription Shares were exercised.

	Year ended 31 March 2024	Year ended 31 March 2023
Weighted average number of shares used in the calculation of basic earnings per share	770,510,117	773,442,556
Weighted average number of shares used in the calculation of diluted earnings per share	**770,510,117**	**773,442,556**
Net asset value – £'000	920,660	875,711
Number of ordinary shares issued	766,290,477	772,509,707
Net asset value per share (pence)	**120.15**	**113.36**

15. Dividends declared and paid with respect to the year/period

Dividends paid during the year ended 31 March 2024	Dividend per ordinary share pence	Total dividend £'000
Second interim dividend in respect of the period ended 31 March 2023	2.00	**15,450**
Interim dividend in respect of the period ended 31 March 2024	2.00	**15,395**
		30,845

Dividends declared	Dividend per ordinary share pence	Total dividend £'000
Second interim dividend in respect of the year ended 31 March 2024	2.2	**16,858**

Dividends paid during the period ended 31 March 2023	Dividend per ordinary share pence	Total dividend £'000
Second interim dividend in respect of the period ended 30 September 2023	2.00	**11,599**
Interim dividend in respect of the year ended 31 March 2023	2.00	**15,473**
		27,072

On 14 June 2024, the Board approved a second interim dividend of 2.20 pence per share in respect of the period from 1 April 2023 to 31 March 2024, bringing the total dividend for the year to 4.20 pence per share. The record date for this dividend is 28 June 2024 and the payment date is 19 July 2024.

16. Financial risk management

Financial risk management objectives

The Company's investing activities intentionally expose it to various types of risks that are associated with the underlying investments. The Company makes the investment in order to generate returns in accordance with its investment policy and objectives.

The most important types of financial risks to which the Company is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has overall responsibility for the determination of the Company's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

The Investment Manager and the Administrator provide advice to the Company which allows it to monitor and manage financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. The Investment Manager and the Administrator report to the Board on a quarterly basis.

Categories of financial instruments

For those financial assets and liabilities carried at amortised cost, the Directors are of the opinion that their carrying value approximates to their fair value.

	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Financial assets		
Financial assets at fair value through profit or loss:		
Investments	**1,005,937**	872,315
Other financial assets at amortised cost:		
Cash and cash equivalents	**60,085**	10,498
Trade and other receivables (excluding prepayments)	**17,174**	14,603
Financial liabilities		
Financial liabilities at amortised cost:		
Loans and borrowings	**(157,629)**	(20,287)
Accrued expenses and other creditors	**(5,012)**	(1,495)

Fair value hierarchy

The table below analyses financial instruments measured at fair value at the reporting date by the level in fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position. All fair value measurements below are recurring.

31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit or loss:				
Investments	–	–	1,005,937	**1,005,937**
	–	**–**	**1,005,937**	**1,005,937**

31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit or loss:				
Investments	–	–	872,315	**872,315**
	–	**–**	**872,315**	**872,315**

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the capital return to shareholders. The capital structure of the Company consists of issued share capital and retained earnings, as stated in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Company may issue new shares. There are no external capital requirements imposed on the Company.

The Company's investment policy is set out under the Additional information section on pages 106 and 107.

16. Financial risk management continued

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

Price risk

The underlying investments held present a potential risk of loss of capital to the Company. As outlined in note 6, investments are in the form of shareholder loans and equity with protective provisions in place. Price risk arises from uncertainty about future prices of underlying financial investments held by the Company. As at 31 March 2024, the fair value of investments, excluding cash and cash equivalents, was £1,005.9 million (31 March 2023: £872.3 million) and a 5% increase/(decrease) in the price of investments with all other variables held constant would result in a change to the fair value of investments of +/- £50.3 million (31 March 2023: £43.6 million).

Please refer to note 6 for quantitative information about the fair value measurements of the Company's Level 3 investments.

The Company is exposed to a variety of risks which may have an impact on the carrying value of its investments. The risk factors are set out below.

Not actively traded

The Company's investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The investments of the Company vary as to geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

Concentration

The Company invests in the Digital Infrastructure sector. While the Company is subject to the investment and diversification restrictions in its investment policy, within those limits material concentrations of investments may arise.

Although the investments are in the same industry, each individual underlying data centre, mobile telecommunications tower or segment of a fibre-optic network held within the portfolio constitutes a separate Digital Infrastructure Asset. This risk is managed through careful selection of investments within the specified limits of the investment policy.

Each of these investment restrictions is calculated and applied as at the time of investment and non-compliance resulting from changes in the price or value of assets following investment is not considered a breach of the investment restrictions.

Foreign currency risk

The Company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in Polish zloty, Czech koruna, Euros and US dollars.

The Company's currency risk is managed by the Investment Manager in accordance with the policies and procedures in place.

The Company also has exposure to foreign currency risk due to the payment of some expenses in Polish zloty, Czech koruna, Euros, US dollars and Canadian dollars. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than pounds sterling. Any exposure to foreign currency risk at the underlying investment level is captured within price risk.

16. Financial risk management continued

The following table sets out, in pounds sterling, the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities. Of the total exposure set out below, the Company's direct foreign exchange exposure is £66.7 million.

							As at 31 March 2024
	USD £'000	CZK £'000	CAD £'000	PLN £'000	EUR £'000	GBP £'000	Total £'000
Non-current assets							
Financial assets at fair value through profit or loss	42,262	385,941	–	525,050	52,654	30	**1,005,937**
Total non-current assets	**42,262**	**385,941**	**–**	**525,050**	**52,654**	**30**	**1,005,937**
Current assets							
Receivables and prepayments	9,171	–	–	–	2,568	5,540	**17,279**
Cash and cash equivalents	67	–	–	–	40,734	19,284	**60,085**
Total current assets	**9,238**	**–**	**–**	**–**	**43,302**	**24,824**	**77,364**
Current liabilities							
Loans and borrowings	–	–	–	–	(157,629)	–	**(157,629)**
Accrued expenses and other creditors	(29)	–	–	–	(3,862)	(1,121)	**(5,012)**
Total current liabilities	**(29)**	**–**	**–**	**–**	**(161,491)**	**(1,121)**	**(162,641)**
Total net assets	**51,471**	**385,941**	**–**	**525,050**	**(65,535)**	**23,733**	**920,660**

							As at 31 March 2023
	USD £'000	CZK £'000	CAD £'000	PLN £'000	EUR £'000	GBP £'000	Total £'000
Non-current assets							
Financial assets at fair value through profit or loss	56,993	389,101	–	429,002	(2,984)	203	**872,315**
Total non-current assets	**56,993**	**389,101**	**–**	**429,002**	**(2,984)**	**203**	**872,315**
Current assets							
Receivables and prepayments	9,164	–	–	–	2,639	2,877	**14,680**
Cash and cash equivalents	168	–	1	–	1	10,328	**10,498**
Total current assets	**9,332**	**–**	**1**	**–**	**2,640**	**13,205**	**25,178**
Current liabilities							
Loans and borrowings	–	–	–	–	(20,745)	–	**(20,745)**
Payables	(30)	–	–	–	–	(1,007)	**(1,037)**
Total current liabilities	**(30)**	**–**	**–**	**–**	**(20,745)**	**(1,007)**	**(21,782)**
Total net assets	**66,295**	**389,101**	**1**	**429,002**	**(21,089)**	**12,401**	**875,711**

16. Financial risk management continued

The table below sets out the effect on the net assets against a reasonably possible weakening of the pound against the US dollar, Czech koruna, Polish zloty and euros by 5%, at 31 March 2024. The analysis assumes that all other variables remain constant.

Effect in increase of pounds sterling	As at 31 March 2024 £'000	As at 31 March 2023 £'000
USD	**2,574**	3,315
CZK	**19,297**	19,455
PLN	**26,253**	21,450
EUR	**(3,277)**	(1,054)

A strengthening of the pound against the above currencies would have resulted in an equal but opposite effect to the amounts shown above.

Interest rate risk

The Company's exposure to interest rate risk relates to the Company's cash and cash equivalents and intercompany loans and borrowings. The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates.

As at 31 March 2024, the cash balance held by the Company was £60.1 million (31 March 2023: £10.5 million). A 1% increase/(decrease) in interest rates with all other variables held constant would result in a change to interest received of +/- £0.6 million (31 March 2023: +/- £0.1 million) per annum.

As at 31 March 2024, the intercompany loans and borrowings balance held by the Company was £157.6 million (31 March 2023: £20.3 million). A 1% increase/(decrease) in interest rates with all other variables held constant would result in a change to interest payable of +/- £1.6 million (31 March 2023: £0.2 million). This effect at the Company level would be off-set by an equal and opposite change in the investments as the loan is with a 100% owned subsidiary (note 17).

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company's policy and the Investment Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liabilities are made up of estimated accruals and trade creditors which are due to be settled within three months of the year end.

The Company's liquidity risk arises principally from the fact that there is no liquid market for its investments and it may not be able to realise their full value on a timely basis. The Company will maintain flexibility in funding by keeping sufficient liquidity in cash and cash equivalents, which may be invested on a temporary basis in line with the cash management policy as agreed by the Directors from time to time.

The Company adopts a prudent approach to liquidity management and through the preparation of budgets and cash flow forecasts maintains sufficient cash reserves to meet its obligations.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial assets mainly consist of cash and cash equivalents and investments at fair value through profit or loss. The Company's risk on liquid funds is managed by only depositing monies with institutions with a short term credit rating of A1/P-1 – A1/F1 or equivalent. The Company mitigates its credit risk exposure on its investments at fair value through profit or loss by the exercise of due diligence on the counterparties and the Investment Manager.

The table below shows the material cash balances and the credit rating for the counterparties used by the Company at the year/period-end date:

	Location	31 March 2024 £'000	31 March 2023 £'000
Royal Bank of Scotland International	Guernsey	**24,481**	10,498
Investec Bank Plc	UK	**35,604**	–

Credit ratings:

	S&P	Moody's	Fitch
Royal Bank of Scotland International	A/A-1	A1/P-1	A1/F1
Investec Bank Plc	Not rated	A1/P-1	BBB+/ F2

The Company's maximum exposure to loss of capital at the year/period end is shown below:

Carrying value and maximum exposure

	31 March 2024 £'000	31 March 2023 £'000
Financial assets (including cash and equivalents but excluding prepayments)	**77,259**	25,101

Gearing

As at the date of these financial statements the Company had gearing of 17.1% (31 March 2023: 2.3%) calculated as loans and borrowings divided by net assets.

17. Related party transactions

Directors

The Company has four non-executive Directors, each of whom is considered to be independent. Directors' fees for the year ended 31 March 2024 amounted to £185,000 (31 March 2023: £185,000), of which £nil (31 March 2023: £nil) was outstanding at the year end.

The shares held by the Directors at 31 March 2024 are shown in the table below:

	Ordinary shares held at 31 March 2024	Ordinary shares held at 31 March 2023
Shonaid Jemmett-Page	**63,355**	28,039
Sian Hill	**57,500**	37,500
Marten Pieters	**103,125**	48,125
Simon Pitcher	**63,125**	38,125

Investments

As part of the initial acquisition of Communications Investments Holdings s.r.o. (CIH) in April 2021, the Company acquired a loan due from CIH which accrues interest at 9.9% per annum. Total interest receivable by the Company in relation to the year was £1.9 million (31 March 2023: £0.5 million), of which £nil (31 March 2023: £nil) remained outstanding at the year/period end. The loan investment was transferred to the Company's subsidiary Cordiant Digital Holdings Two Ltd (CDH2) on 31 May 2022, in exchange for a promissory note. The balance on the promissory note investment at 31 March 2024, including accrued interest, was £nil (31 March 2023: £32.6 million). In January 2022, the assets of Hudson Interxchange were acquired by the Company's subsidiary CDIL Data Centre USA LLC. The Company provided funding for this transaction in the form of equity contributions. The balance of the equity investment at 31 March 2024, was £32.8 million (31 March 2023: £52.2 million).

Company subsidiaries

On 16 December 2022, the Company borrowed £20.3 million from CDH2, and a further £149.0 million on 6 June 2023, representing proceeds from Eurobonds issued by CDH2. At 31 March 2024, the loan principal was valued at £157.6 million (31 March 2023: £20.3 million). The loan is subject to interest charged at a variable rate. Interest charged during the year amounted to £12.1 million (31 March 2023: £0.4 million) of which £3.9 million remained outstanding as at 31 March 2024 (31 March 2023: £0.4 million). The expenses paid by the Company on behalf of subsidiary companies during the year amounted to £1.6 million (31 March 2023: £2.9 million).

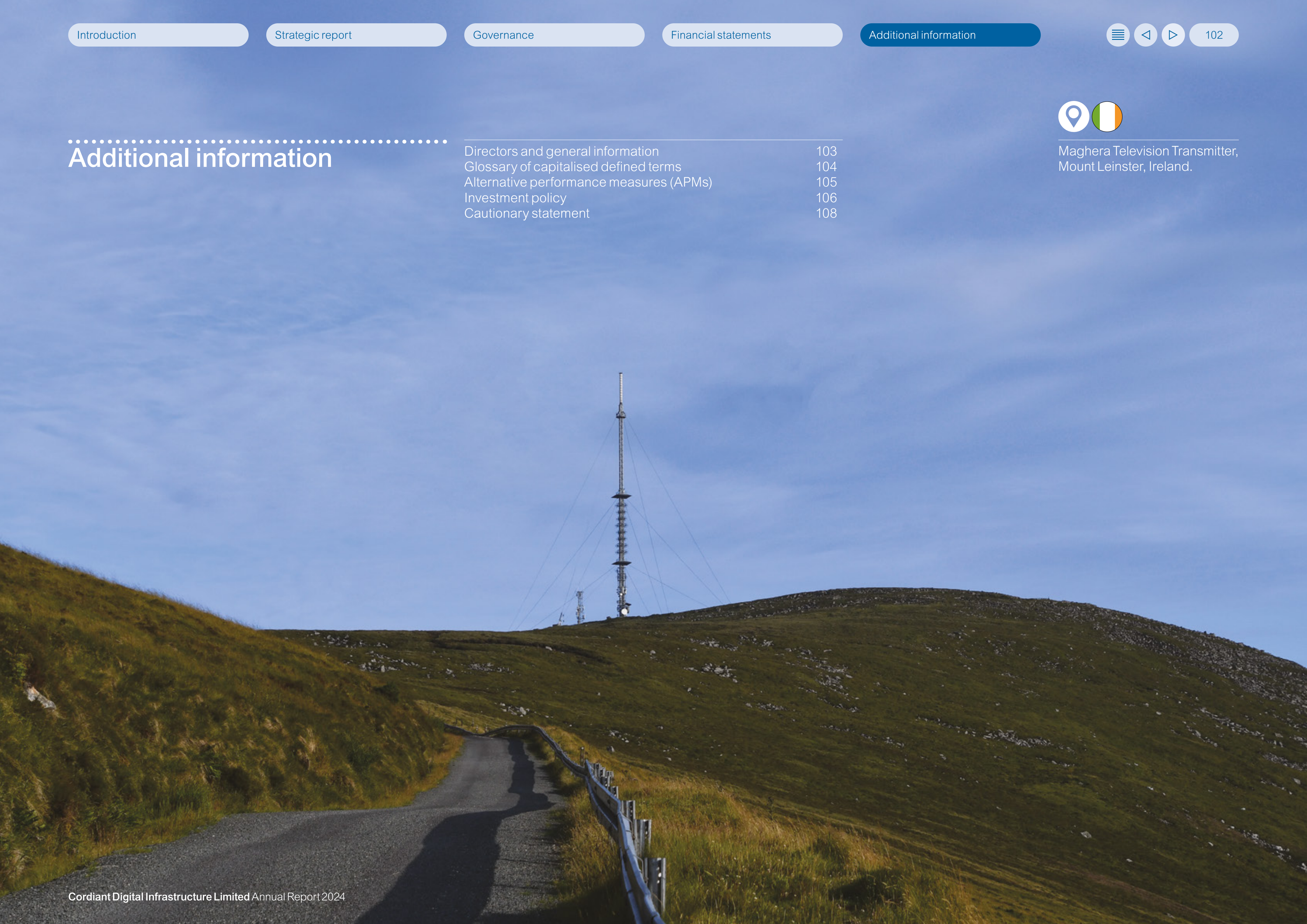
During the year ended 31 March 2024, the Company charged management fees amounting to £1.4 million related to management services provided to CRA and Emitel investments.

18. 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.

19. Subsequent events

With the exception of dividends declared and disclosed in note 15, there are no material subsequent events.



Additional information

Maghera Television Transmitter, Mount Leinster, Ireland.

Directors and general information

Directors
(all appointed 26 January 2021)

Shonaid Jemmett-Page
Chairman

Sian Hill
Audit Committee Chairman and
Senior Independent Director

Marten Pieters

Simon Pitcher

All independent and of the registered office opposite.

Website www.cordiantdigitaltrust.com
ISIN (ordinary shares) GG00BMC7TM77
Ticker (ordinary shares) CORD
SEDOL (ordinary shares) BMC7TM7
Registered Company Number 68630

Registered office
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Investment manager
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Company secretary and administrator
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Auditor
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Jefferies International Limited
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EC2N 4JL

Receiving agent
Computershare Investor Services PLC
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Bristol
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Principal banker and custodian
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St Peter Port
Guernsey
GY1 4BQ

Glossary of capitalised defined terms

Administrator means Aztec Financial Services (Guernsey) Limited.

AFFO means adjusted funds from operations.

AIC means the Association of Investment Companies.

AIC Code means the AIC Code of Corporate Governance.

AIC SORP means the AIC Statement of Recommended Practice.

Board means the board of Directors of the Company.

CIH means Communications Investments Holdings s.r.o.

Company means Cordiant Digital Infrastructure Limited.

Company's Annual Report 2023 means the Company's annual report for the year ended 31 March 2023.

Company Law means the Companies (Guernsey) Law 2008.

Company's Prospectus means the prospectus issued by the Company on 29 January 2021 in relation to its IPO.

CRA means České Radiokomunikace s.a.

C Shares means C shares of no par value each in the capital of the Company issued pursuant to the Company's placing programme as an alternative to the issue of ordinary shares.

DCF means discounted cash flow.

Digital Infrastructure means the physical infrastructure resources that are necessary to enable the storage and transmission of data by telecommunications operators, corporations, governments and individuals. These predominantly consist of mobile telecommunications/broadcast towers, data centres, fibre-optic networks, in-building systems and, as appropriate, the land under such infrastructure. Digital Infrastructure assets do not include switching and routing equipment, servers and other storage devices or radio transmission equipment or software.

Directors means the directors of the Company.

DTRs means the Disclosure Guidance and Transparency Rules issued by the FCA.

DTT means digital terrestrial television.

EBITDA means earnings before interest, taxation, depreciation and amortisation.

EEA means the European Economic Area.

Emitel means Emitel S.A.

ESG means environmental, social and governance.

EV means enterprise value.

FCA means the UK Financial Conduct Authority.

Hudson means Hudson Interxchange (previously operating under the name DataGryd Datacenters a trading name of CDIL Data Centre USA LLC).

IAS means international accounting standards as issued by the Board of the International Accounting Standards Committee.

IASB means the International Accounting Standards Board.

IFRS means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board.

Interim Report means the Company's half yearly report and unaudited condensed interim financial statements for the six-month period ended 30 September 2023.

Investment Entity means an entity whose business purpose is to make investments for capital appreciation, investment income, or both.

Investment Manager means Cordiant Capital Inc.

IoT means the Internet of Things.

IPEV Valuation Guidelines means International Private Equity and Venture Capital Valuation Guidelines.

IPO means the initial public offering of shares by a company to the public.

LSE means the London Stock Exchange.

Listing Rules means the listing rules published by the FCA.

NAV or net asset value means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in pounds sterling.

Norkring means Norkring België NV.

RCF means revolving credit facility.

SDG means Sustainable Development Goal.

Speed Fibre means Speed Fibre Designated Activity Company.

Subscription Shares means redeemable subscription shares of no par value each in the Company, issued on the basis of one Subscription Share for every eight ordinary shares subscribed for in the IPO.

TCFD means Task Force on Climate-related Financial Disclosures.

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland.

US or United States means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

USD means United States dollars.

WACC means weighted average cost of capital.

Alternative performance measures (APMs)

APM	Formula	Calculation
Net asset value per share	$\frac{\text{Net assets at the calculation date}}{\text{Number of shares outstanding at the calculation date}}$	$\frac{920{,}660{,}000}{766{,}290{,}477} \times 100p = 120.1p$
Total return from investments	$\frac{\text{Increase in fair value of investments + net income from investments – interest on vendor loan finance}}{\text{Time weighted cost of investments}}$	$\frac{100.9\text{ million}}{900.5\text{ million}} = 11.2\%$
Growth in EBITDA of underlying investments	$\frac{\text{EBITDA of portfolio companies for their last full year ending on or before the Company reporting date}}{\text{EBITDA of portfolio companies for their equivalent prior period}}$	$\frac{139.3\text{ million}}{129.9\text{ million}} - 1 = 7.2\%$
Full-year dividend	The sum of the dividends per share paid in respect of the year, normally paid in December within the year and in July following the year end	2.0p (December 2023) + 2.2p (July 2024) = 4.2p
NAV total return	The index of NAV per share, with dividends reinvested at prevailing ex-div NAV	$\left\{\left[120.1 + \left(\frac{2.0}{111.4} \times 120.1\right) + \left(\frac{2.0}{110.7} \times 120.1\right)\right] \div 113.4\right\} - 1 = 9.7\%$
Total shareholder return	The overall increase/(decrease) in the value of a shareholding over the year, assuming that all dividends paid during the year were immediately reinvested in the Company's shares	Obtained from Bloomberg, an independent third-party information provider
Adjusted funds from operations (AFFO)	Portfolio company normalised EBITDA less Company costs, net finance costs, net taxation and maintenance capital expenditure	See table 4 on page 21
Total return for the year on ex-div opening NAV	$\frac{\text{Profit for the year}}{\text{Opening NAV – second interim dividend for the prior year}}$	$\frac{80{,}295{,}000}{875{,}711{,}000 - 15{,}450{,}000} = 9.3\%$

Investment policy (extract from the Company's Prospectus)

Investment Objective

The Company will seek to generate attractive total returns (on a risk adjusted basis) for Shareholders over the longer term, comprising capital growth and a progressive dividend, through investment in Digital Infrastructure Assets.

Investment Policy

The Company will invest principally in operating Digital Infrastructure Assets, with a predominant focus on data centres, mobile telecommunications/broadcast towers and fibre-optic network assets, primarily located in the UK, the EEA, the United States of America and Canada.

The Company will seek to acquire or construct operating, cash flow generating Digital Infrastructure Assets (either individually or by acquiring entities owning portfolios of such assets), with a view to generating returns through:

(a) contracted escalators;
(b) increasing the tenanted use of such Digital Infrastructure Assets;
(c) adding additional capacity to such Digital Infrastructure Assets;
(d) driving operational improvements; and
(e) achieving operational synergies with other Digital Infrastructure Assets already held within the portfolio.

Diversification within the Company's investment portfolio will be achieved by:

(i) investing in a range of individual underlying Digital Infrastructure Assets, each of which will be capable of separate disposal;
(ii) investing in different types of Digital Infrastructure Assets;
(iii) gaining exposure at the Investee Company or asset level to a range of different underlying lessees, counterparties and customers;
(iv) contracting at the Investee Company or asset level with a range of different project developers and service providers; and
(v) achieving a geographic spread across the underlying Digital Infrastructure Assets.

There will be no operation of a common treasury function between the Company and any of its Digital Infrastructure Assets.

Investments in Digital Infrastructure Assets will be made principally through equity, or through structures having equity-like characteristics and control features (such as convertible instruments or structured debt) and will typically entail 100 per cent. ownership or majority control by the Company (either directly or indirectly). The Group may, however, enter into joint venture arrangements alongside one or more co-investors where the Investment Manager, in consultation with the Board, believes it is in the Group's best interests to do so (such as where an investment opportunity is too large for the resources of the Group on its own, to share risk or where a joint venture arrangement will optimise returns for the Company). In the case of such co-investments, the Group will target retaining a control position, where this is possible, or, where this is not possible, will have strong minority investor protections, governance rights and board representation.

The Group's Digital Infrastructure Assets will generally be held through group holding companies and vehicles which may have separate embedded management teams who are responsible for the day-to-day operational management of individual assets or groups of assets. Digital Infrastructure Assets grouped together under the management of any particular embedded management team in order to maximise economies of scale and operational efficiencies will be characterised as a "Platform".

Regardless of the operational grouping of assets into separate Platforms, each Digital Infrastructure Asset will be capable of individual disposal.

Investment restrictions

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

— no single Digital Infrastructure Asset will represent more than 20 per cent. of Gross Asset Value;
— no more than 15 per cent. of Gross Asset Value will be invested, in aggregate, in Digital Infrastructure Assets located in countries outside the United Kingdom, the EEA, the United States of America and Canada;
— the maximum exposure to Digital Infrastructure Assets in the Development Phase will not exceed, in aggregate, 10 per cent. of Gross Asset Value; and
— the maximum exposure to Digital Infrastructure Assets in the Development Phase and Construction Phase will not exceed, in aggregate, 30 per cent. of Gross Asset Value.

Each individual underlying data centre, mobile telecommunications/broadcast tower or segment of a fibre-optic network held within the portfolio will constitute a separate Digital Infrastructure Asset for the purposes of the above investment restrictions and the investment policy generally.

It is expected that the Company will predominantly invest in unquoted assets. However, in exceptional circumstances, the Company may also invest in listed entities owning Digital Infrastructure Assets and may maintain this investment if such entities subsequently cease to be listed, provided that the Investment Manager considers that such an investment is (and continues to be) consistent with the Company's investment objective. The Company will, in any case, invest no more than 15 per cent. of its total gross assets in other investment companies or investment trusts which are listed on the Official List.

The investment restrictions set out above apply following full investment of the Initial Net Proceeds and following the Company becoming substantially geared (meaning for this purpose borrowings by way of long-term structural debt of 30 per cent. of Gross Asset Value being put in place).

In addition, in circumstances in which the Group does not wholly-own an investment, the investment restrictions set out above will be applied pro rata by reference to the proportionate value of the Group's interest in such investment.

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

Gearing

The Group may employ gearing for working capital purposes, to finance acquisitions or, over the longer term, to enhance returns to investors.

Gearing may be employed either at the level of the Company, at the level of any intermediate wholly-owned subsidiary of the Company or at the individual Investee Company or asset level, and any limits set out in this document shall apply on a look-through basis. The Group's long-term gearing is expected to be between 20 per cent. and 35 per cent. of Gross Asset Value, and shall not exceed a maximum of 50 per cent. of Gross Asset Value, calculated at the time of drawdown.

In addition to such long-term gearing, the Company may also use gearing on a short-term basis, principally to finance the acquisition of assets provided that:

(i) this short-term gearing shall not exceed 30 per cent. of Net Asset Value calculated at the time of drawdown, and
(ii) it is intended to refinance such short-term borrowings at the earliest appropriate opportunity through the proceeds of further equity issuances by the Company.

The use and structure of gearing will be determined by, inter alia, the cash flow profile of each investment, the diversification of the overall asset portfolio and the availability of financing on attractive terms.

Debt may be secured with or without a charge over some or all of the Group's assets, depending on the optimal structure for the Group and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles. Intra-group debt between the Company and subsidiaries will not be included in the definition of borrowings for these purposes.

Hedging and derivatives

The Group may borrow in currencies other than Sterling as part of its currency hedging strategy. Derivatives will not be used for investment purposes. The Group may enter into hedging contracts (in particular, in respect of inflation, interest rate or currency hedging) and other derivative contracts for the purposes of efficient portfolio management. No hedging transactions will be undertaken for speculative purposes.

Cash management

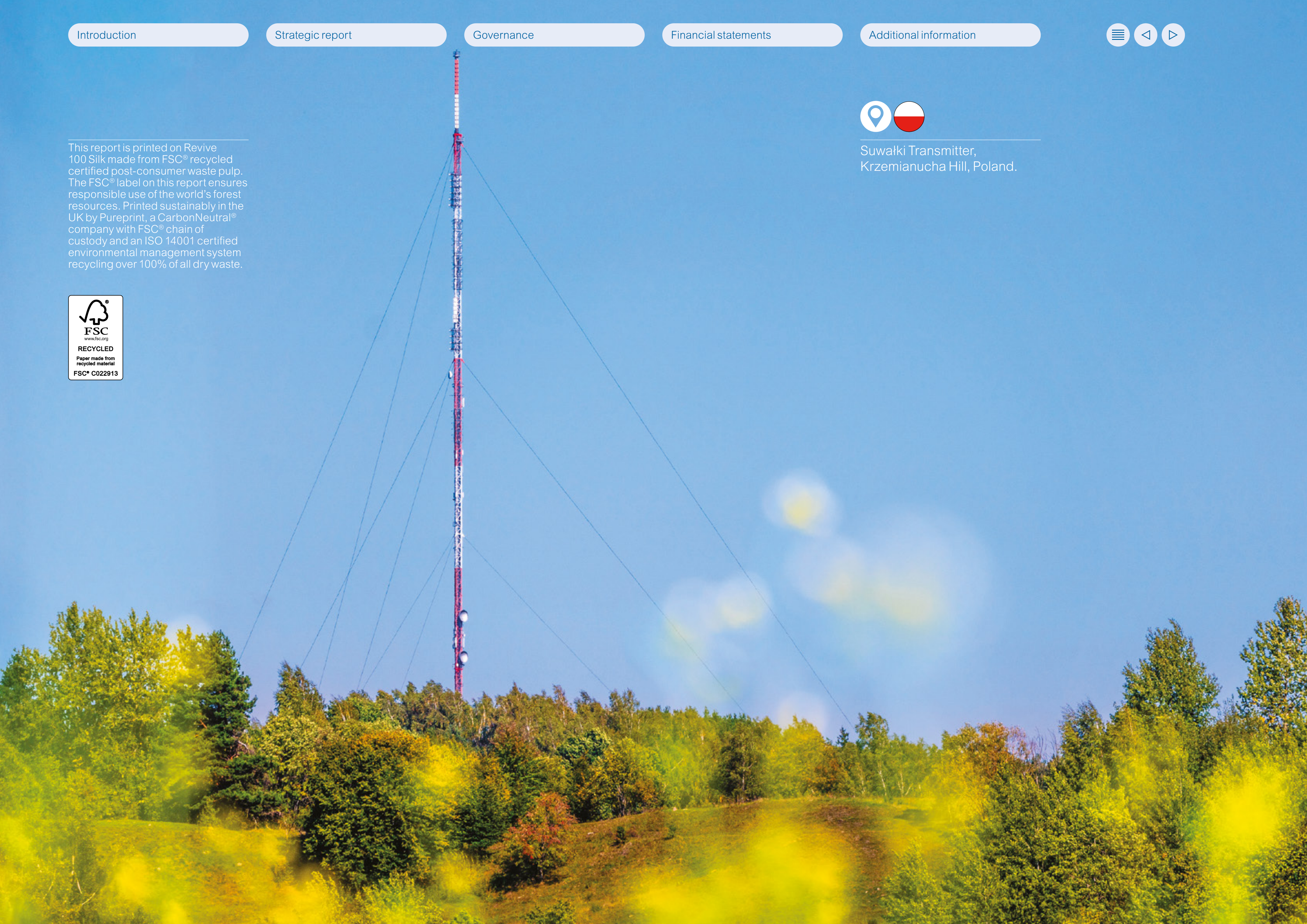
The Company may hold cash on deposit for working capital purposes and while awaiting investment and, as well as cash deposits, may invest in cash equivalent investments, which may include government issued treasury bills, money market collective investment schemes, other money market instruments and 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.

Cautionary statement

This document 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 terms or expressions, including 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'plans', 'projects', 'will', 'explore' or 'should' or, in each case, their negative or other variations or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They may appear in a number of places throughout this document and may include, but are not limited to, statements regarding the intentions, beliefs or current expectations of the Company, the Directors and/or 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 distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future 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, or described in or suggested by, the forward-looking statements contained in this document. Further, this document may include target figures for future financial periods. Any such figures are targets only and are not forecasts. Nothing in this document should be construed as a profit forecast or a profit estimate. In addition, even if actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies, are consistent with any forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Company to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, inflation and interest rates, the availability and cost of energy, competition, changes in law or regulation, changes in taxation regimes, the availability and cost of capital, currency fluctuations, changes in its business strategy, political and economic uncertainty. Any forward-looking statements herein speak only at the date of this document.

As a result, you are cautioned not to place any reliance on any such forward-looking statements and neither the Company nor any other person accepts responsibility for the accuracy of such statements. Subject to their legal and regulatory obligations, the Company, the Directors and the Investment Manager 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.



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