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**Cordiant Digital Infrastructure Limited**  
Interim Report 2023



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**About this report**  
For more online, visit  
[www.cordiantdigitaltrust.com](http://www.cordiantdigitaltrust.com)

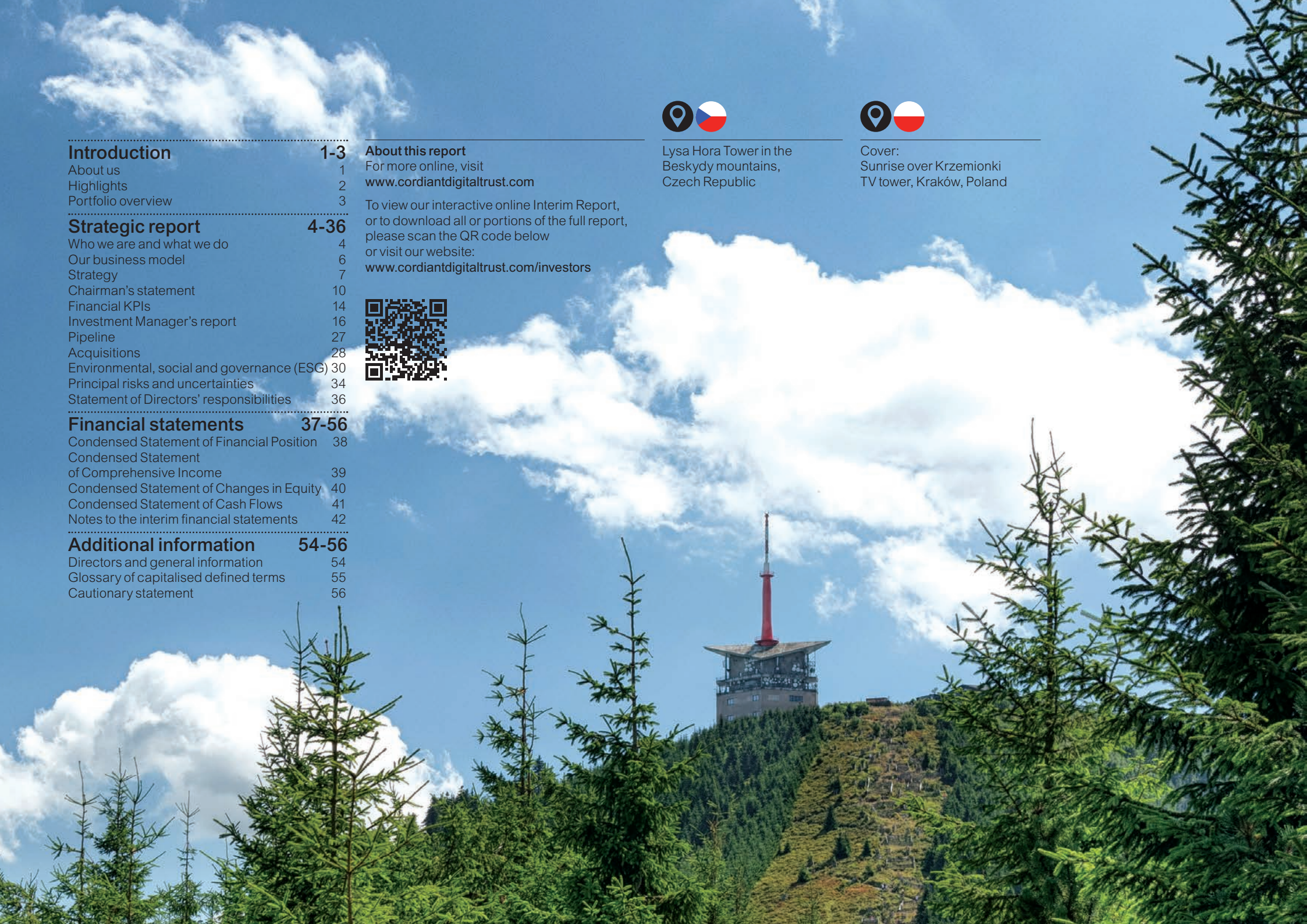
To view our interactive online Interim Report, or to download all or portions of the full report, please scan the QR code below or visit our website:  
[www.cordiantdigitaltrust.com/investors](http://www.cordiantdigitaltrust.com/investors)



Lysa Hora Tower in the Beskydy mountains, Czech Republic



Cover:  
Sunrise over Krzemionki TV tower, Kraków, Poland



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**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 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: solid performance despite market conditions

**£868.6m**

Net asset value (NAV)  
(31 March 2023: £875.7m,  
ex-dividend: £860.3m)

**1.1%**

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

**2.0p**

Dividend in respect of the  
interim period  
(31 March 2023: 4.0p)

**112.7p**

NAV per ordinary share  
(31 March 2023: 113.4p,  
ex-dividend: 111.4p)

**22.4%**

NAV total return since inception,  
assuming dividends reinvested  
(31 March 2023: 21.1%)

**5.5%**

Portfolio company EBITDA  
growth over the prior  
comparable period, earned  
from 10.7% revenue growth over  
the prior comparable period

**1.2x**

Dividend covered by adjusted  
funds from operations (AFFO)<sup>1</sup>.  
Dividend covered 3.6x by  
EBITDA

<sup>1</sup>See calculation and discussion on page 22.

**€190.5m**

Acquisition of Speed Fibre in  
October 2023, of which €97.2m  
is equity funding



# Portfolio overview: pro forma including Speed Fibre

## Portfolio companies



**Emitel**  
Acquired November 2022  
Multi-asset platform  
Poland



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



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



**Speed Fibre**  
Acquired October 2023  
Fibre infrastructure platform  
Ireland



## Diversified portfolio asset mix



**17MW**  
of data centre power capacity

**7**  
data centres



**1,268**  
telecommunications towers

**6,109**  
microwave connections

**9**  
multiplexers<sup>1</sup>

**64**  
broadcast towers



**9,924km**  
of fibre-optic network<sup>2</sup>

**ca.87,000**  
active IoT sensors

<sup>1</sup>Nine multiplexers (also known as MUXes) operated, of which three are owned.  
<sup>2</sup>Some owned and some leased.

## Diversified portfolio client base, including:



Vodafone

T-Mobile

O2

Digital Realty

Orange

AT&T

Verizon

Amazon

## Who we are and what we do

The Investment Manager is a sector specialist, with a team who have deep operating expertise. Its Core Plus strategy (see page 7) is to grow net asset value 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.

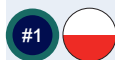
Digital Infrastructure enables modern communication networks, which have assumed a central place in the day-to-day activities of society, government and business.

Digital Infrastructure is commonly described as consisting of the communications towers, data centres, fibre-optic networks and 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. Digital Infrastructure contracts are typically long term in duration, 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 1,332 communications towers, 9,924 kilometres of fibre-optic network, IoT networks and seven data centres. This broadly diversified base of assets is held through four portfolio companies.

We have constructed a portfolio of high-quality Digital Infrastructure platforms with the ability to expand these further through additional capex.



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

→ Read more on page 24.



**CRA**  
Czech Republic  
The leading independent Digital Infrastructure platform in the Czech Republic that holds the national broadcast licence.

→ Read more on page 25.



**Hudson**  
Hudson Street, 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 26.

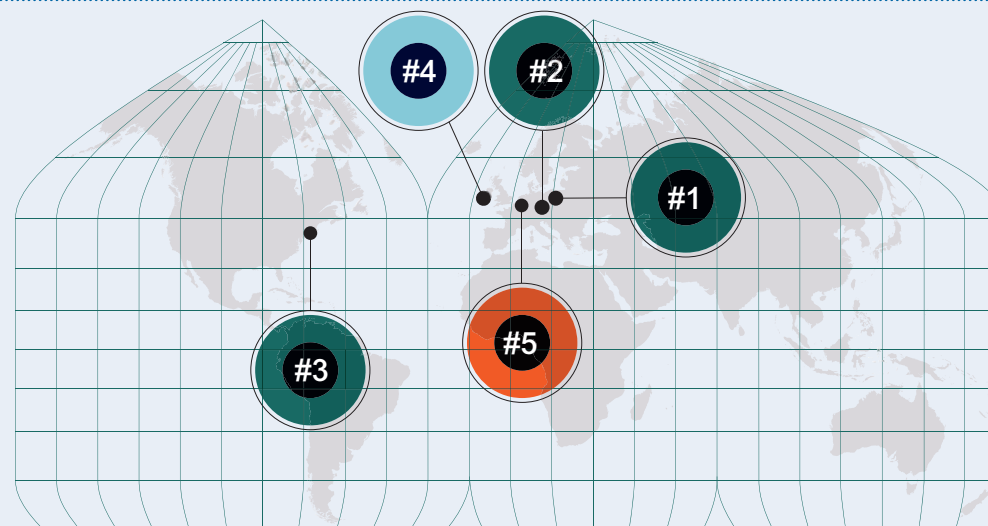


**Speed Fibre**  
Ireland  
Ireland's leading open access fibre infrastructure provider with fibre and wireless backhaul across the country as well as providing connection and services to business and retail customers.

→ Read more on pages 28 and 29.

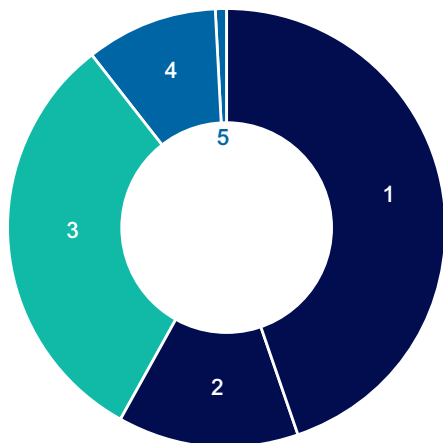
### Geographic context

-  New acquisition  
#4 Speed Fibre  
(acquired October 2023)
-  New acquisition  
#5 Norkring  
(announced November 2023)



## Our investments

A diversified portfolio



Revenue by segment\*

	%
1. TV & radio broadcasting	44.8
2. Telecoms infrastructure	13.3
3. Fibre-optic networks and transmission services	31.5
4. Data centres and cloud	9.7
5. IoT/Smart city	0.7
<b>Total</b>	<b>100.0</b>

\*Pro forma including Speed Fibre



### TV & radio broadcasting

Broadcast antennas are placed on towers, that 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.

### Telecoms infrastructure

**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.



### 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.



### Data centres

Physical facilities that enterprises 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 self-driving cars, 5G and artificial intelligence.

### Cloud computing

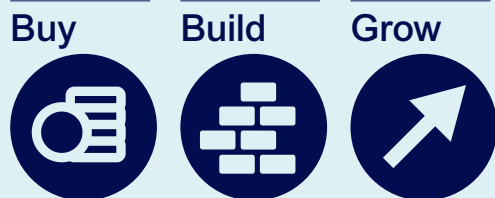
Cloud computing is the on-demand delivery of computing services including servers, storage, databases, software and analytics over the internet to offer faster innovation, flexible resources, and economies of scale.

### Internet of Things (IoT)

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

## Our business model

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



Value creation in larger capitalisation Digital Infrastructure companies tends to rely on general market growth and the effective use of leverage. By contrast, the Company seeks to acquire cash-generative platforms (generally of medium size) and then aims to both expand and improve them. This is made possible by our team. The Investment Manager has 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.

## Creating value through our investment strategy

The Company invests 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 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.

#### Continue to support sustainable operations

Responsible investing in Digital Infrastructure requires a nuanced approach. The sector necessitates balancing the attainment of the positive contributions of Digital Infrastructure assets (communication, technology and societal & economic development), while balancing the resource requirements and the associated environmental burden of assets.

The Company seeks to support the growth of its portfolio companies through its Buy, Build & Grow model without compromising efforts to move towards a more sustainable society.

#### 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.

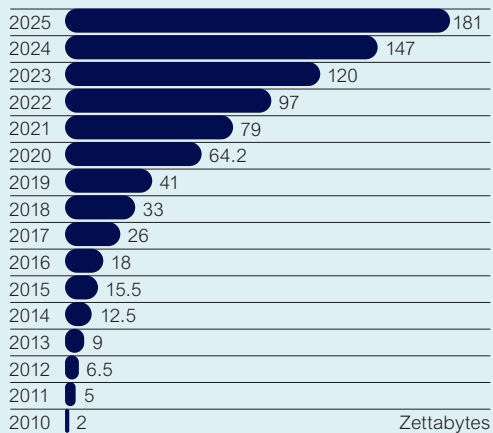


# Strategy

## 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

## An active approach to building value by expanding the revenue frontier

The infrastructure industry divides investment strategies into several different approaches.

‘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

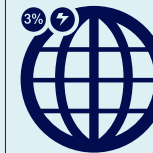
The Company’s IPO and subsequent equity raises in 2021 and early 2022 took place at a time of heightened valuations in the Digital Infrastructure industry. The Investment Manager sought to deploy capital in areas deemed to be overlooked or undervalued.

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 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, and the opportunity to diversify by asset segment and geography exists. This is exemplified by the Company’s acquisition of Speed Fibre in Ireland, a fibre infrastructure platform. 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.

## Our focus on sustainability

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



The Digital Infrastructure sector is essential to modern society, highly intertwined with pressing macroeconomic, environmental and socioeconomic trends, and is pivotal to the on-going development of modern society and the transition to greater sustainability. Recognising the importance of this sector, the Company operates with the following guiding principles in mind:

- 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.
- 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.
- The need to better connect underserved businesses and households to the digital economy, supporting enhanced opportunity and economic activity.

## Strategy – key features

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 brings 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 over \$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.



Žižkov Tower, Prague



## Chairman's statement



Shonaid Jemmett-Page,  
Chairman

I am pleased to present the Interim Report for Cordiant Digital Infrastructure Limited (the Company) for the six months to 30 September 2023.

### Introduction

The Company has achieved a solid financial performance despite the headwinds created by the current high interest rate environment which have continued throughout the period. The Company's NAV has decreased from £875.7 million at 31 March 2023 to £868.6 million, due to the payment of the second interim dividend in July 2023. The decrease in NAV was partially offset by the £9.4 million profit for the period. Profit for the period would have been higher but for the adverse movements in the weighted average discount rate used to value the portfolio and foreign exchange.

At the portfolio company level, we have seen a good financial performance. The aggregate pro forma<sup>1</sup> normalised EBITDA of the portfolio companies for the six months to 30 September 2023 was £55.5 million<sup>1</sup>, up 5.5% from the prior comparable period.

<sup>1</sup>Portfolio comprising CRA, Emitel and Hudson; comparison on a constant currency basis.

This financial performance was accompanied by strong operating performance, reflecting the overall quality of our portfolio companies. Among the highlights during the period were the successful refinancing of Emitel's senior loan facilities, with a consortium of leading international and national lenders that secured PLN 1.57 billion (£293.5 million) of financing maturing in 2030 and the new 15-year contract CRA signed with T-Mobile, which substantially expanded the scope of its existing contract.

A further strategic step in the construction of the portfolio has also been achieved with the acquisition of Speed Fibre – Ireland's leading open access fibre infrastructure provider. This was the Company's fourth significant investment since its IPO, announced during the summer and completed in October 2023. In November 2023, we also announced a smaller transaction – the agreement to acquire Norkring, the Belgian broadcast and colocation business, which we expect to complete later in the financial year.

We recognise that macroeconomic factors have continued to create challenges for many companies and their shareholders across the listed investment trust sector and throughout the

**“The Company has achieved a solid financial performance despite the headwinds created by the current high interest rate environment which have continued throughout the period.”**

period we have continued to consider capital allocation as part of our decision-making process. In this, we have taken into account our strategy for the portfolio and our aim of further diversification by geography and asset class, as well as opportunities to drive further growth through disciplined capital expenditure, while also acknowledging that some shareholders wish to see capital deployed through the purchase of the Company's own shares. We have made further buy backs during the period under the programme announced in February 2023 and expect to retain this option as part of our response to current financial market conditions.

### Portfolio strategy

The Investment Manager has a Core Plus strategy that aims to generate a stable 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.

Following its IPO, the Company began deploying the capital raised during a period of intense corporate activity where Digital Infrastructure transaction prices reached a peak. Consequently, we prudently sought out high-quality,



Enet, a Speed Fibre subsidiary, is aiming to develop the primary wholesale telecoms network in Ireland

cash-generating mid-market assets that we viewed as attractive investment opportunities. We have continued to focus on targeted investment in our existing portfolio companies and the acquisition of new businesses that reflect the current pricing environment and further diversifies the portfolio, both geographically across Europe and North America and by asset class. This highly focused strategy is exemplified by the acquisition of Speed Fibre in Ireland, as well as the smaller acquisition of Norkring in Belgium.

Our disciplined approach to deploying capital since IPO has resulted in a portfolio acquired for an EBITDA/EV multiple of approximately 10.2x and which delivers approximately £132 million of annual EBITDA based on most recent last twelve months (LTM) EBITDA, pro forma including Speed Fibre.

Overall, the portfolio we have constructed is high quality with a broad diversification by asset type. It is supported predominantly by blue-chip customers and is capable of generating strong cash flows through long-term contracts.

We are also a long-term investor with a clear focus on sustainability. We consider the ESG approach and metrics of

potential targets in our pipeline as part of our pre-investment analysis and post-acquisition we work with our portfolio companies to improve their ESG performance.

### Operational performance

The strength of the overall performance of our portfolio companies underpinned the Company's results for the period. This performance was achieved against the backdrop of rates of inflation and central bank interest rate levels not seen in many years. The Company's 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.

Excluding Speed Fibre, approximately three-quarters of the portfolio's contracts are multi-year in nature and offer full or partial inflation protection, with the remainder being annual in nature, often renewed automatically, and therefore capable of being repriced to reflect the renewal year's inflation. Active management of long-term contracts also provided opportunities to re-negotiate contractual terms with a number of customers.

Emitel performed well during the period, with revenues increasing 10.1% and EBITDA increasing 3.6% over the prior comparable period. Performance was driven by the launch of a new sixth digital TV multiplex and the effect of inflation-linked price increases. In addition, Emitel completed a successful refinancing of its loan facilities during the period, 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. Recently, Emitel has also won several important broadcast contracts in TV and radio, which are expected to drive further future revenue and EBITDA.

CRA also performed well during the period, with revenue and EBITDA growth of 10.5% and 8.1% respectively, driven by growth in all business areas. CRA continued to see strong growth in demand for data centre capacity, +15.1% as measured in racks occupied and +22.0% as measured in power deployed. A new 15-year contract with T-Mobile, which significantly expanded the scope of services provided by CRA completed a successful half year.

Hudson remains a growth opportunity, with the Investment Manager providing substantial hands-on support in order to develop the business. During the period, the Investment Manager began to refresh Hudson's leadership team and has

refocused the sales effort. While Hudson has added customers to its business during the period, its overall financial progress has been slower than hoped.

Speed Fibre was acquired after 30 September 2023 and we will report on its performance in the Company's Annual Report 2023 for the year ended 31 March 2024.

For further information about each of our portfolio companies see pages 24 to 29.

### Returns and dividend

On 28 November 2023, the Board approved an interim dividend of 2.0p per share for the six months ended 30 September 2023 and confirms that it expects to pay a total dividend of 4.0p per share for the year ended 31 March 2024. The record date for distribution is 8 December 2023 and the payment date is 22 December 2023. The dividend continues to be well covered by earnings and by adjusted funds from operations (net cash flows from the portfolio businesses) and represents a significant increase over the indicative level set out at the time of the IPO in 2021.

The NAV per share as at 30 September 2023 was 112.7p (as at 31 March 2023: 113.4p or 111.4p ex-dividend), reflecting the payment of the dividend in July 2023 and a return of 1.1% over the period from the ex-dividend opening NAV, or 1.2p per share.

The profit for the six-month period reflected the strong overall performance of the underlying portfolio companies, offset by adverse foreign exchange movements (totalling £22.3 million) and an increase in the weighted average discount rate used to value our investments of 18 basis points to 9.8% (causing a £32.6 million decrease in value). Excluding foreign exchange movements in the period would result in a total return of 3.7%. The Company continues to target an annual NAV total return of at least 9%.

The Company's shares traded at a discount to NAV during the period. A similar situation exists for many of the companies in the UK investment trust sector, largely as a result of macroeconomic factors and dislocations in the market. Both the Board and Investment Manager remain confident in the Company's strategy and the reported NAV. While the primary focus has been, and remains, deploying available capital in support of the Company's Buy, Build & Grow model, further purchases of the Company's shares have been made under the discretionary programme of share buybacks of up to £20 million announced in the

**“The market conditions that we have seen during the period are expected to broadly continue through the balance of the financial year. However, the overall performance of our portfolio companies also continues to be a positive one with Speed Fibre well placed to contribute positively to the results for the full year.”**

February 2023 trading update. Buybacks totalling £2.0 million had been executed by 30 September 2023. The buyback programme is not subject to a set cut-off date.

#### Gearing and interest

In June 2022, the Company raised a €200 million Eurobond facility from a group of blue-chip financial institutions, further bolstering its liquidity position and giving it additional flexibility to invest in the existing portfolio and make further acquisitions. The Eurobond was issued at subsidiary company level and fully drawn down by June 2023.

As at 30 September 2023, the Company and its subsidiaries had total debt on a look-through basis equivalent to £552.9 million. The Company takes a conservative approach to gearing, and on a pro forma basis, including Speed Fibre, net gearing was 38% of gross assets (substantially below the level of 50% permitted under the gearing policy set out in the Company's Prospectus). A majority of the debt is held at the portfolio platform level on a non-recourse basis, with the remainder being the full drawdown of the Eurobond facility during the period.

Of the debt at 30 September 2023, 51% of the Company and its subsidiaries' total debt is on a fixed-interest basis, with the rest at floating rates, none of which is inflation linked. The Company is reviewing the appropriate level of hedging for the interest rate of the new Emitel facilities, which are currently all at floating rates.

#### Principal risks and uncertainties

In the six months to 30 September 2023, we updated the principal risks identified by the Company. The changes largely continue to be driven by macroeconomic factors and the resulting impacts on the financial markets which we have seen persist across the period. As a result of the high inflation environment, further increases to interest rates and market volatility, the Company's share price, as with many other investment trusts listed on the London Stock Exchange, has been adversely impacted and this in turn has restricted the ability to raise additional equity capital and to take advantage of some of the opportunities to develop in portfolio. These factors are expected to continue for some time yet. Further details of the Company's risks are set out on pages 34 and 35.

#### Sustainability

Both the Board and the Investment Manager continue to focus on sustainability and reducing the impact of the Company and its portfolio companies on our environment. It is pleasing to highlight achievements and progress on initiatives across the portfolio. Emitel has been the recipient of a number of prestigious awards, including ranking second in the 'telecommunications, technology, media and entertainment' group in the XVII edition of the Responsible Companies Ranking 2023. In the general classification, the company was ranked twelfth, out of a total of 250, of the largest companies operating in the Polish market. CRA published its first 'ESG Sustainability & Responsibility' report in October 2023, issuing a public commitment to meet 100% of its electricity consumption through the use of renewables by 1 January 2025, having made progress to reach 46% by December 2022. Hudson has become a participant in a new initiative being undertaken by major US utility, Con Edison – the Conservation Voltage Reduction (CVR) Plan. The CVR plan enables an electric utility to reduce energy and peak demand by lowering voltage at the distribution system. Hudson is making the necessary adjustments in its transformers to enable energy savings. Speed Fibre's ESG performance was considered as part of the acquisition process. Earlier this year it was awarded a 5-star rating by GRESB, the widely recognised provider of ESG data to financial markets.

#### 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. During the period, the Senior Independent Director and I met with a number of shareholders to listen to their views on the Company and the Investment Manager and to feed these back for discussion at our Board meetings. The Board, Investment Manager and the Company's brokers remain available to engage with shareholders as appropriate. The Board continues to note the Investment Manager's strong hands-on operational experience and depth of capability being deployed on a day-to-day basis in support of portfolio's operations whether through its active engagement with portfolio company management of commercial initiatives and technological insights to increase revenue growth, its leadership on strategic financings and bolt on acquisitions and its support in taking forward ESG initiatives.

#### Outlook

There are early indications that financial market conditions could be entering a new phase, as interest rates begin to plateau or fall across the Company's markets. This brings uncertainty as well as opportunity for the Company and its portfolio companies. However, the overall performance of our portfolio companies also continues to be a positive one, with Speed Fibre well placed to contribute positively to the results for the full year. The Investment Manager is actively managing the portfolio to drive that performance. In addition, Digital Infrastructure's importance to the functioning of the global economy and our society continues to increase, with the growth of AI representing a further major evolution of the sector.

As a result, and notwithstanding the current conditions affecting financial markets generally, the underlying strength of the Company and the attractiveness of its core markets lead the Board to look forward to the year ahead with confidence.

Shonaid Jemmett-Page  
Chairman  
28 November 2023



Speed Fibre is Ireland's leading open access fibre infrastructure provider



## Financial KPIs

Our financial KPI targets are set for the full financial year. We report on them for the interim period only where it is useful and meaningful to do so.

### 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 30 September 2023 by the number of shares in issue, not including shares held in treasury. The target NAV per share is based on 9.0% per annum total return accruing since inception, reduced by the 7.0p of dividends paid to shareholders to date.

### Target

# 114.5p

NAV per share at 30 September 2023

### Performance

# 112.7p

NAV per share at 30 September 2023

### EBITDA of underlying investments

The adjusted earnings before interest, tax, depreciation and amortisation, on a constant currency basis 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 consists of the budgets of the portfolio companies aggregated together.

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

### Target

# £55m

for the six month period to 30 September 2023

### Performance

# £55m

for the six month period to 30 September 2023

### Interim dividend

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

The dividend target is 4.0p for the full year to 31 March 2024. Our dividend policy is to pay 50% in respect of the first six months and 50% in relation to the second six months.

### Target/policy

# 2.0p

in respect of the first six months

### Performance

# 2.0p

in respect of the first six months





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Praděd Tower in Jeseníky,  
North Moravia region,  
Czech Republic



## Investment Manager's report

### Highlights of the period

The Company actively implemented its Buy, Build & Grow model during the period.

### Debt refinancing

In July 2023, Emitel successfully refinanced its senior debt package of PLN 1.57 billion, comprising a senior loan of PLN 1.27 billion and the balance made up of a capex facility and an RCF. The new facilities were 1.6x oversubscribed, and Emitel achieved a margin lower than the 2.9% of the previous facilities.

### New acquisition

In August, the Company announced the acquisition of Speed Fibre Group, Ireland's leading open access fibre infrastructure provider, for an enterprise value of €190.5 million. Speed Fibre operates 5,400 kilometres of owned and leased fibre and wireless backhaul across Ireland. The acquisition completed on 18 October 2023.



### Share purchases

During the period and up to the date of this report, the Directors, the Investment Manager and its staff increased their direct holdings of ordinary shares in the Company to a total of over nine million shares, or 1.2% of the ordinary shares in issue.

### New contract

CRA signed a new 15-year contract with T-Mobile, substantially expanding the scope of the existing contract. Previously T-Mobile used CRA facilities at 202 sites; the new contract is expanded to all 610 telecoms sites and provides the opportunity to grow revenues by leasing additional tower space to T-Mobile.



### EBITDA growth

During the six-month period, the portfolio companies generated aggregate EBITDA on a normalised basis of £55.5 million, an increase of 5.5% on the prior comparative period on a constant currency basis. This increase in earnings was generated by a 10.7% increase in portfolio company aggregate revenues over the same period.



### Share buybacks

Since announcing the commencement of a £20 million share buyback programme in February 2023, the Company has purchased 2.55 million shares for £2.0 million.

**“The Company delivered a solid performance in the six months to 30 September 2023 based on a positive operating performance by the portfolio.”**

**Steven Marshall**

Chairman of Cordiant Digital Infrastructure Management

#### 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 Sao 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.

Steven Marshall



#### Introduction

The Company delivered a solid performance in the six months to 30 September 2023 based on a positive operating performance by the portfolio. NAV per share of 112.7p was slightly down at 30 September 2023, reflecting a positive total return per share of 1.2p earned in the six months, less the payment of the 2.0p second interim dividend to shareholders in July 2023. The target dividend remains at 4.0p per share for the year, ahead of the schedule outlined in the Company's Prospectus. The Company's dividend is well covered, both by portfolio company earnings and on a cash basis. Aggregate debt levels in the Company's financing subsidiary and at the portfolio level are prudent and remain below industry averages for the Digital Infrastructure sector.

#### Capital allocation

With the deployment of funds into the acquisition of Speed Fibre, the Company has remaining pro forma liquidity, including undrawn debt facilities, of £207 million, of which £72 million is held at the Company level, and £135 million at portfolio platform level. The Board and Investment Manager closely monitor the options for optimal use of these funds and which activities will be in the best long-term interests of shareholders.

Options for capital deployment include the following:

- The Company announced earlier in the year a programme of share buybacks up to a total of £20 million. To date, the Company has bought back 2.6 million shares at a total cost of £2.0 million. The Company did not set an end date to the buyback programme.
- The Investment Manager believes that further diversification of the portfolio is an important strategic aim. The acquisition of Speed Fibre closed in October and added to the portfolio's diversification by increasing exposure to Western Europe, a euro-denominated jurisdiction and fibre-optic networks.
- Capital could also be allocated to substantial capital expenditure projects at the portfolio company level if that expenditure was expected to generate significant future growth in earnings and value. During the six-month period, £9.0 million of capital expenditure was deployed, all funded from internal portfolio company cash flows.



Benn Mikula

**“Our management teams, in collaboration with Cordiant’s industry experts, are driving value from the operating platforms by investing in capital expenditure to generate growing revenues and earnings.”**

**Benn Mikula**  
CEO, Cordiant Capital

#### Activity in the period

In May 2023, the Company announced that CRA had signed contracts with broadcasters for three new TV broadcast channels, A11 TV, A11 Sport and a teleshopping channel from Swedish-based Topmerch group.

These contracts, together with the previously announced five-year agreement between CRA and the US blue chip pay TV broadcaster, AMC Networks International (AMC), demonstrate the appeal of the digital terrestrial broadcast platform to regional and international broadcasters as the most sustainable and efficient way to transmit content to viewers. Terrestrial television broadcasting is the most widely used method of television distribution in the Czech Republic, covering 99% of the population and used by nearly 60% of households. Digital terrestrial broadcasting brings households a wide range of the most watched TV channels in the Czech Republic.

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 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 package. Emitel secured a debt package of PLN 1.57 billion, 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 30 September 2023, PLN 240 million of the capex facility and the whole RCF remain substantially undrawn.

The new facilities were 1.6x oversubscribed and have a blended credit margin lower than the 2.9% of the previous senior facilities. 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, Ireland’s leading open access fibre infrastructure provider. Speed Fibre was acquired from the Irish Infrastructure Fund for a total enterprise value of €190.5 million. The equity consideration of €97.2 million has been funded by

€67.6 million in cash and €29.6 million through a vendor loan note, with an initial interest rate of 6% and a maturity of four years.

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.

With a stable business model, sales growth and high revenue and cash flow visibility, Speed Fibre generated revenues of ca.€80 million and EBITDA of ca.€23 million in 2022. Outstanding gross debt of ca.€111 million as at December 2022, which matures in 2029, is provided by three bank lenders, all of whom have committed to continue to support Speed Fibre under the Company’s ownership. Gross debt was balanced by ca.€19 million of cash on hand at December 2022.



Enet, a Speed Fibre subsidiary, is aiming to develop the primary wholesale telecoms network in Ireland

This acquisition completed on 18 October 2023.

Since 31 March 2023, the Company's Directors, the Investment Manager and its staff made further investments in the Company's shares, acquiring in total 3.1 million more shares to bring the combined total to 9.2 million shares. This included Steven Marshall, Chairman of Cordiant Digital Infrastructure Management, who acquired a further 2.6 million shares, bringing his total personal holding to 6.9 million shares.

At the date of this report, the Directors, Investment Manager and its staff owned 1.2% of the ordinary issued share capital of the Company.

In February 2023 the Company announced that, in light of the 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, 2.6 million shares had been acquired by the Company at an average price of 79.5p and held in treasury.

#### Financial highlights

During the six months to 30 September 2023, the Company achieved a NAV total return of 1.1% or 1.2p per share. The NAV per share decreased from 113.4p (111.4p ex-dividend) over the period to 112.7p. This movement comprises a positive total return for the six-month period of 1.2p, offset by the payment of the second interim dividend of 2.0p in July 2023.

The total return reflects a positive underlying operating performance across the portfolio, offset by a slight increase in the weighted average discount rate and adverse foreign exchange movements in the period.

With the agreement of the Board, the Investment Manager has increased the weighted average discount rate (WACC, for further analysis and explanation see section 'Valuations' below) for the whole portfolio by 18 basis points to 9.8% at 30 September 2023. The total return, excluding the adverse underlying foreign exchange movement in the period, would

be 3.7%. The Company remains a net beneficiary of foreign exchange movements when measured from inception in February 2021 to 30 September 2023.

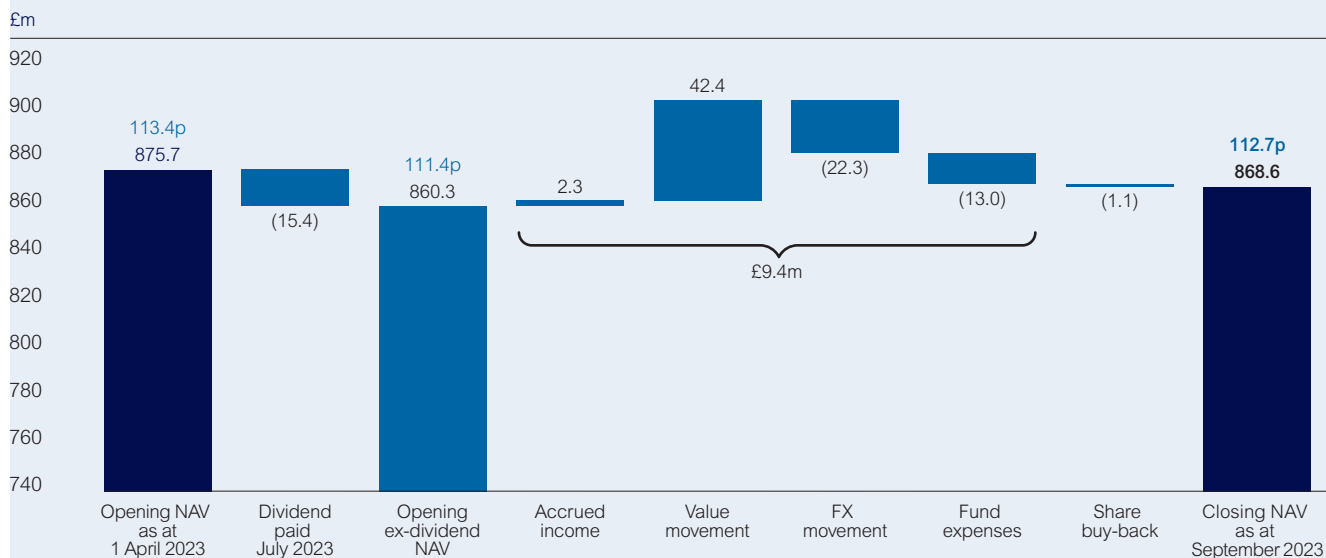
The Company's total return of 1.1% or 1.2p per share is equal to a profit for the period of £9.4 million (30 September 2022: £21.0 million). Net assets were £868.6 million (31 March 2023: £875.7 million, £860.3 million ex-dividend), representing a NAV per share of 112.7p (31 March 2023: 113.4p, 111.4p ex-dividend).

#### Application of IFRS

As disclosed in the Company's Annual Report 2023, the Company holds Hudson directly whereas Emitel and CRA are both 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

Chart 1: NAV progression for the six month period to 30 September 2023



“Significant growth in underlying value was offset by a higher discount rate and foreign exchange losses.”

**Benn Mikula**  
CEO, Cordiant Capital

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

	Accrued income	Total unrealised value movement	Net FX movement	Fund expenses	IFRS P&L
Movement in fair value of investments	1.3	42.4	(22.6)	–	21.1
Investment acquisition costs	–	–	–	(1.2)	(1.2)
Other expenses	–	–	–	(6.9)	(6.9)
Foreign exchange movements on working capital	–	–	0.3	–	0.3
Finance income	1.0	–	–	–	1.0
Finance expense	–	–	–	(4.9)	(4.9)
	2.3	42.4	(22.3)	(13.0)	9.4

exposure to Emitel, CRA and the Eurobond. In order to facilitate shareholders' understanding of the breakdown and performance of the Company's portfolio, the 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 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 reconciliation of the closing NAV in Chart 1 to the IFRS Statement of Financial Position.

#### Financial performance in the period

Chart 1 shows the Company's NAV progression for the six months to 30 September 2023, with underlying value growth, foreign exchange movements and costs split out from the IFRS classification of returns presented in the Statement of Comprehensive Income and Statement of Financial Position.

**Table 2: Underlying components of Statement of Financial Position**

	Emitel	CRA	Hudson	Cash	Intercompany balances	Other assets and liabilities	Eurobond	IFRS Total
Investments at fair value through profit and loss	461.2	388.6	48.9	–	170.2	(0.4)	(172.4)	<b>896.1</b>
Receivables and prepayments	–	–	–	–	–	15.5	–	<b>15.5</b>
Cash and cash equivalents	–	–	–	130.9	–	–	–	<b>130.9</b>
Payables	–	–	–	–	(1.3)	(3.7)	–	<b>(5.0)</b>
Loans and borrowings	–	–	–	–	(168.9)	–	–	<b>(168.9)</b>
	<b>461.2</b>	<b>388.6</b>	<b>48.9</b>	<b>130.9</b>	<b>–</b>	<b>11.4</b>	<b>(172.4)</b>	<b>868.6</b>

Underlying value growth was £42.4 million in the period (30 September 2022: decrease of £4.0 million), comprised of £35.4 million gain in respect of Emitel, £18.3 million gain in respect of CRA (30 September 2022: gain of £0.8 million) and an £11.3 million decrease in respect of Hudson (30 September 2022: decrease of £4.8 million).

Underlying foreign exchange loss for the Company was £22.3 million for the period (30 September 2022: gain of £25.8 million), comprising a £3.2 million unrealised loss in respect of Emitel and Polish zloty (30 September 2022: gain of £2.9 million), £20.1 million unrealised loss in respect of CRA and Czech crowns (30 September 2022: gain of £11.4 million), £0.3 million gain in respect of Hudson and the US dollar (30 September 2022: gain of £11.5 million) and a £0.7 million gain relating to other balance sheet assets and liabilities.

For the period since the Company's inception, unrealised foreign exchange gains of £42 million have been recognised in the NAV, equal to approximately 5.4p per share. This comprises £18 million in respect of Emitel and Polish zloty, £18 million in respect of CRA and Czech crowns and £6 million in respect of Hudson and US dollars.

The Investment Manager and Board have kept the Company's hedging strategy under regular review in light of the volatility in foreign exchange rates since the Company began operations. The Company is a long-term investor in the portfolio and is mindful of the costs and liquidity demands of hedging; it does not seek to manage balance sheet foreign exchange exposure from reporting period to reporting period. To date the Company has not undertaken any hedging of balance sheet foreign exchange exposure, though it has hedged discrete foreign exchange cash flows where this has been deemed desirable.

Total Company costs of £13.0 million for the period reflected: management fees paid to the Investment Manager; costs attributable to the Eurobond facility raised by Cordiant Digital Holdings Two Limited; operating costs and discontinued deal costs of the Company; and certain acquisition costs relating to the acquisition of Speed Fibre accrued during the period. The ongoing charges ratio for the six months to 30 September 2023, calculated as annualised management fee and operating expenses (excluding acquisition costs and non-recurring items) divided by the average NAV during the period, was 0.9%. This has been calculated in line with the guidelines published by the AIC.

### Valuations

The Investment Manager conducts a rigorous valuation process in respect of every interim and year end reporting date. The valuations of the portfolio companies are prepared by the Investment Manager according to the IPEV Valuation Guidelines and IFRS 13.

The Investment Manager and Board are keenly aware of the apparent disconnect between asset valuations and the discounts to NAV at which many investment companies trade, including for the present time, the Company. Since the Company's IPO, the Board has appointed an independent valuation team from a Big 4 accounting firm. This independent valuer performs a full valuation of each asset at each interim and financial year end and reports independently to the Board.

The Investment Manager has increased the weighted average discount rate applied to the portfolio since the company's first valuations in March 2022 by 173bps to 9.8%, to reflect increases in risk-free rates and risk premia over that time. When assessing future forecast cash flows to include in the discounted cash flow, the Investment Manager makes careful judgements about the probability of cash flows materialising in the future. Prudent valuations are the result of this approach, with Emitel being valued at an enterprise value of 9.7x last twelve months (LTM) EBITDA, and CRA being valued at an enterprise value of 11.1x LTM EBITDA at 30 September 2023. Hudson currently has negative EBITDA and has been reduced in value by a further £11.3 million.

At Emitel, the value increase during the six months to 30 September 2023 was primarily driven by new business won and the impact of 2023 inflation on future revenues. The discount rate selected by the Investment Manager has remained unchanged since 31 March 2023.

At CRA, the value movement in the period is driven by cash flow generation reducing net debt and strong earnings performance in the period from long-term contracts, increasing future expected earnings. This is slightly offset by an increase in the discount rate at 30 September 2023.

**Table 3:**  
**Weighted average cost of capital at 30 September 2023**

	Range low point	Range high point	Weighted average mid point
Cost of equity	<b>10.1%</b>	<b>13.5%</b>	<b>11.4%</b>
Cost of debt	<b>5.5%</b>	<b>7.5%</b>	<b>6.8%</b>
WACC	<b>8.6%</b>	<b>11.0%</b>	<b>9.8%</b>

**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%

Hudson continues to seek new customers and build out revenues. During the period, the Company invested a further £2.9 million to support cash flow. At 30 September 2023, the Investment Manager valued the business at £48.9 million, a reduction of £8.1 million from 31 March 2023. This was driven by the slower than expected ramp-up in revenues and EBITDA. The discount rate was slightly increased compared to 31 March 2023.

The primary valuation methodology of the Company's three portfolio platforms is a discounted cash flow approach. The Investment Manager has discounted the near-term forecast cash flows of each platform and a terminal value using a weighted average cost of capital (WACC) as the discount rate. This process yields an enterprise value from which the net debt of the platform is deducted to arrive at the equity value attributable to the Company. At 30 September 2023, the Company owned 100% of each platform either directly or indirectly through intermediate holding companies.

The WACC for each valuation comprises a weighted average of the cost of equity attributable to the platform and the cost of debt attributed.

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

	Twelve months to 30 September 2023 <sup>1</sup> (unaudited) £m
Portfolio company revenues	214.1
<b>Portfolio company normalised EBITDA</b>	<b>111.1</b>
<b>Dividend coverage, EBITDA basis</b>	<b>3.6x</b>
Net Company-specific costs	(14.0)
Net finance costs	(32.0)
Net taxation, other	(14.5)
Free cash flow before all capital expenditure	50.6
Maintenance capital expenditure <sup>2</sup>	(13.4)
<b>Adjusted funds from operations</b>	<b>37.2</b>
Dividend at 4.0p per share	(30.8)
<b>Dividend cover</b>	<b>1.2x</b>

<sup>1</sup>At average foreign exchange rates for the period.

<sup>2</sup>Aggregate growth capital expenditure of £12.4 million was invested in the 12 months to 30 September 2023 across the portfolio (not included in AFFO calculation).

The cost of equity comprises an appropriate risk-free rate plus a premium for specific risk relating to the platform, its size and its geographical location. Table 3 shows the range of cost of equity and cost of debt used at 30 September 2023 in the valuations of the three platforms. The weighted average mid-point cost of equity was 11.4% and the weighted average cost of debt mid-point was 6.8%.

The weighted average discount rate (WACC) used across the portfolio at 30 September 2023 was 9.8%. From 31 March 2023 to 30 September 2023, the weighted average discount rate for the portfolio increased by 18 basis points. Increases in discount rates since 31 March 2022 have caused an aggregate £110 million reduction in value in the portfolio.

#### Dividend coverage

The Company's prudent approach to portfolio construction, as further evidenced by the acquisition of Speed Fibre which completed after the period end, has created a cash generative, conservatively geared and strongly diversified pool of assets with scale and the potential for future growth.

In December 2023, Company will pay a first interim dividend of 2.0p per share for the year to 31 March 2024, as part of the target for the year of 4.0p per share. This represents a significant increase over the dividend for the year planned at the time of the IPO in February 2021. The 4.0p per share dividend is approximately 3.6x covered by EBITDA and 1.2x covered by AFFO, defined as free cash flow after Company level costs, net finance costs, taxation and maintenance capital expenditure.

AFFO dividend cover has reduced slightly from the 1.5x disclosed at 31 March 2023 due to higher net finance costs following the full Eurobond drawdown in June 2023, and from higher interest costs on the 33% of Emitel debt that was floating rate, as interest rates in Poland peaked during the last twelve months. LTM EBITDA increased 5.8% from March to September 2023. Table 4 shows the calculation of AFFO for the twelve months to 30 September 2023.

The addition of Speed Fibre to the portfolio after September 2023, with its strong EBITDA generation, supports the Company's dividend coverage, increasing EBITDA coverage to 4.3x and AFFO coverage to 1.5x on a pro forma basis with reference to Speed Fibre's LTM EBITDA and cash flows to 30 September 2023.



### Investee company performance

For the six months to 30 September 2023, the portfolio companies generated combined revenue of £108.3 million, representing a 10.7% increase over the prior comparable period, on a like-for-like pro forma, constant currency basis. Portfolio EBITDA increased 5.5% over the prior comparable period, on a like-for-like pro forma, constant currency basis, to £55.5 million.

These increases in revenue and EBITDA reflect the impact of new contracts being entered into, including in the broadcasting and telecoms business units at Emitel and CRA, together with the effect of inflation-linked revenues feeding through 2022 inflation rates into 2023 revenues. Notable new contracts included the new contract between CRA and T-Mobile that expanded the existing scope of services and the number of towers made available to T-Mobile, broadcast contracts at CRA and Emitel with new broadcasters and the successful tender win by Emitel extending the coverage of the Polish DAB+ radio multiplex with 17 regional radio stations.

During the six months to 30 September 2023, across the portfolio companies £5.9 million was invested in maintenance capital expenditure and £7.6 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 investment related to the DAB+ contract win (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 £552.9 million, an increase of £87 million since 31 March 2023 and reflected the full drawdown of the Eurobond in June 2023 offset by a de-levering of Emitel's drawn facility by PLN 200 million as part of the refinance during the period. Aggregate cash balances at the Company, subsidiary and platform level were equivalent to £202 million. Including undrawn debt facilities at portfolio company level, total liquidity was equivalent to £259 million, or £207 million on a pro forma basis, after the acquisition of Speed Fibre.

51% of all debt is on a fixed-interest basis, with the remainder floating, none of which is inflation linked. The Company is assessing options for fixing the interest rate of the new Emitel facilities, currently all floating rate. Aggregate net gearing was 38% on a pro forma look-through basis including Speed Fibre,

David Kippen,  
Managing Director



well below the 50% maximum permitted under the Company's investment policy.

### 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 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

For the second year in a row, the Investment Manager has achieved Carbon Neutral+ accreditation, after verifying and offsetting emissions associated with operations. The Investment Manager disclosed in the Company's Annual Report 2023 its intention to offset emissions associated with operations

(covering Scope 1, 2 and select Scope 3 categories associated with its London, Montreal and Luxembourg offices and employees, for the period 1 January 2022 to 31 December 2022). Since publication of the Company's Annual Report 2023, the Investment Manager has offset these verified emissions, as well as an additional 25%, achieving both CO<sub>2</sub>e Assessed and Carbon Neutral+ organisation accreditation.

### 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 is seeing 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 30 September 2023, the Investment Manager believes the Company remains well placed to deliver as planned in the year ending 31 March 2024.

The Investment Manager looks forward to the second half of the year ahead with confidence.

## Emitel



# £353.0m

Original cost

# £429.0m

Value at 1 April 2023

—

Further investment in the period

# £35.4m

Unrealised value movement in the period

# (£3.2m)

Unrealised foreign exchange movement in the period

# £461.2m

Value at 30 September 2023



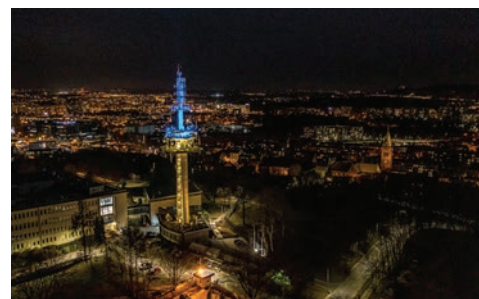
**“In addition to volume growth and M&A, revenue growth was also driven by inflation-linked price increases.”**

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

### Financial performance in the period

For the first six months of Emitel's financial year to 30 June 2023, revenue increased 10.1% to PLN 293 million (£55.5 million at average exchange rates for the period) and EBITDA increased by 3.6% to PLN 189 million (£35.8 million at average exchange rates for the period). This performance reflected strong revenue growth in telecoms infrastructure and TV broadcast, offset by an increase in employee costs driven by salary increases to combat the impact of high inflation in Poland.

The increase in TV broadcast revenues was primarily driven by the launch of a new sixth digital television multiplex (MUX 6), which launched with an anchor agreement with Telewizja Polska S.A. (TVP) in February 2023. MUX 6 is the second DTT multiplex operated by Emitel exclusively for TVP, the other being MUX 3. The extra broadcast capacity provided by MUX 6 enables TVP to increase the number of channels it offers and allows the media market



to use existing MUX 1 and MUX 8 capacity for additional new channels in Poland.

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

In addition to volume growth and M&A, revenue growth was also driven by inflation-linked price increases (approximately 79% of Emitel's revenues have full or partial CPI-linked contracts). Inflation in Poland for 2022 was 14.4%, and the latest European Commission inflation forecast for Poland in 2023 is 11.4%.

In the period, 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 were 1.6x oversubscribed and have a blended credit margin lower than the 2.9% of the current senior facilities. The capex facility and RCF will support Emitel's growth trajectory by financing its operational activities, new investments, and acquisition plans.

Cash balances decreased to PLN 83 million (£15.5 million) due to a partial de-levering of the senior debt facilities by PLN 200 million (£37 million) upon refinancing, completed in September 2023. The outstanding principal amount of third-party bank debt was PLN 1,294 million (£241.9 million) at 30 September 2023. Of the interest payable on the third-party bank debt, 100% was floating, pending negotiation of interest rate swaps with lending banks to effect some rate fixing; none was inflation linked.

### Outlook

Emitel has recently won the tender for extending the coverage of Polskie Radio's DAB+ multiplex with 17 regional radio stations. Upon completion of the implementation, the reach of Polskie Radio's digitally broadcast stations will include 75% of Poland and nearly 88% of the population. This is initially a four-year contract with revenue inflation linkage commencing in October 2023.

After the period end, Emitel signed a new contract for the provision of TV broadcasting services via a new channel with Telewizja Polsat and via the extension of an existing contract with TV Spektrum. Both agreements cover 62 existing locations and have the same terms regarding duration, fees, indexation, and SLA as the other contracts on MUX 1. Following this agreement, MUX 1 is now at full capacity. Emitel is currently marketing available capacity on MUX 8 to broadcasters.

CRA



# £305.9m

Original cost

# £389.1m

Value at 1 April 2023

# £1.3m

Further investment in the period\*

\*Interest on shareholder loan capitalised during the period

# £18.3m

Unrealised value movement in the period

# (£20.1m)

Unrealised foreign exchange movement in the period

# £388.6m

Value at 30 September 2023



**“CRA continued to benefit from its market leading position in all its areas of operations.”**

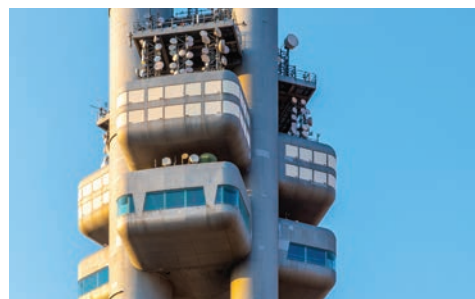
**Miloš Mastník**

Chief Executive Officer, České Radiokomunikace

### Financial performance

Revenues for the six months to 30 September 2023 increased by 10.5% to CZK 1.2 billion (£44.0 million at average exchange rates for the period) and adjusted EBITDA increased 8.1% to CZK 0.6 billion (£21.9 million at average exchange rates for the period).

The revenue performance was driven by year-on-year growth in all business areas. The broadcast division produced solid mid-single digit growth, driven mainly by the TV segment. In addition, CRA experienced strong double-digit growth in the data centre and cloud, towers and IoT business lines coupled with single-digit growth in the telecoms business. Inflation escalations have mostly benefited the TV and tower businesses. As mentioned in the Company's Annual Report 2023, TV broadcasting won several new contracts including signing a five-year agreement in March 2023 with blue-chip pay



TV broadcaster, AMC Networks International (AMC), a global provider of well-known content such as AMC, Film+ and Sport1. In addition, in July 2023 CRA signed a new 15-year contract with T-Mobile related to leasing space on CRA towers.

EBITDA performance was driven by an increase in revenues which was slightly offset by a decrease in gross margin mainly due to higher power cost. Operating expenditure as a percentage of revenue has fallen slightly due to operating leverage effect.

CRA continues to enjoy strong demand for its data centre capacity, as measured in racks occupied +15.1% and power +22.0%. This reflects robust demand dynamics from new and existing customers. CRA tower portfolio benefited from an increase in both the number of points of presence (PoPs) up 1.2% and the price per PoP up 7.3%.

Cash balances increased to CZK 1.5 billion (£54.5 million) at 30 September 2023. Third-party bank debt remained unchanged at CZK 3.9 billion (£138.5 million). Interest on the bank debt is 100% hedged. The loan falls due in the second half of 2025. The Investment Manager intends to begin the refinance project before the end of 2023.

### Operations

CRA continued to benefit from its market leading position in all its areas of operations

as evidenced by the increase in utilisation rates in most of its business lines. This was achieved while preserving a high-quality blue-chip customer base and pricing power. In addition, the company is constantly looking for efficiency improvements in its business lines, further augmenting the benefits of its operating leverage. 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 two years; 46% is the most recent measurement at 31 March 2023.

### Outlook

Inflation escalations, increased capacity utilisation and new contracts wins are expected to help drive CRA's growth in the second half of this financial year and in future years. The Czech economy is expected to grow by 0.1% in 2023 while the inflation rate is expected to be 11% according to the Czech central bank's August 2023 forecast. CRA's business lines benefit from either full inflation protection or fixed escalators which help protect the company's margins. Inflation linked contracts will typically incorporate 2023 inflation from January 2024 onwards.

Continued demand for data centre capacity is a key driver for CRA's plans to invest in a new 26MW data centre on a former AM radio transmission site outside Prague. The new centre is expected to be a state-of-the-art facility, with market-leading power utilisation efficiency and on-site solar power. The execution for the fibre ring of this data centre has now started. With current plans for the new data centre to be completed in 2025, CRA is also actively looking at bolt-on acquisition opportunities to further boost its data centre and cloud operations.



## Hudson



£55.8m

Original cost

£57.0m

Value at 1 April 2023

£2.9m

Further investment in the period

(£11.3m)

Unrealised value movement in the period

£0.3m

Unrealised foreign exchange movement in the period

£48.9m

Value at 30 September 2023

“The team is actively looking at all options to improve sales initiatives and operations.”

Atul Roy  
Interim CEO, Hudson

### Financial performance

During the six months to 30 September 2023, Hudson saw revenue increase by 15.8% to \$11.2 million (£8.9 million at average exchange rates for the period) and EBITDA loss decrease by 0.9% to \$2.7 million (loss of £2.1 million at average exchange rates for the period). The increase in revenue is due to inflation escalation, the increase in pass-through power costs and new contracts signed for the sixth floor of 60 Hudson Street. The slight improvement in EBITDA loss was a result of higher revenue which was mostly offset by an increase in rent and power costs and the additional sales personnel and the impact of sales commission.

Hudson saw sub-optimal operational and financial progress through the first six months. The pace of new sales has been slower than the Investment Manager had hoped, with Hudson's management also dealing with global supply chain issues affecting the availability and lead times of data hall construction materials.



Capacity utilisation of the sixth floor has increased to 356kW resulting from a number of contract wins.

### Operations

During the period, the Investment Manager took the decision to refresh the Hudson leadership team. Atul Roy, former Head of Strategy at BT Group and Head of Telecoms at the Investment Manager, has been appointed Interim CEO while the Manager seeks a leader for the business. In the first six months of the year, Hudson benefited, to a certain extent, from the investment made in its sales and marketing teams in the previous period. However, the Investment Manager is not satisfied with the pace of the sales ramp up and the team is actively looking with the management team at all options to improve sales initiatives and operations in order to bring Hudson to profitability. This will primarily be achieved by increasing the conversion of the current pipeline to sales, coupled with attracting

anchor connectivity customers who bring other customers to their ecosystem. In addition, the team is looking at other services that can be sold on top of rent and power, such as remote hands and cross connect services.

### Outlook

The Investment Manager believes Hudson will struggle to show positive EBITDA in the next twelve months. Hudson continues to offer a significant opportunity for growth, with its unique location, current utilisation below 30%, overall demand for data centre space in the region and no requirement for additional upfront investment, essentially de-risking capital expenditure by linking it directly to new revenue contracts.



# Pipeline

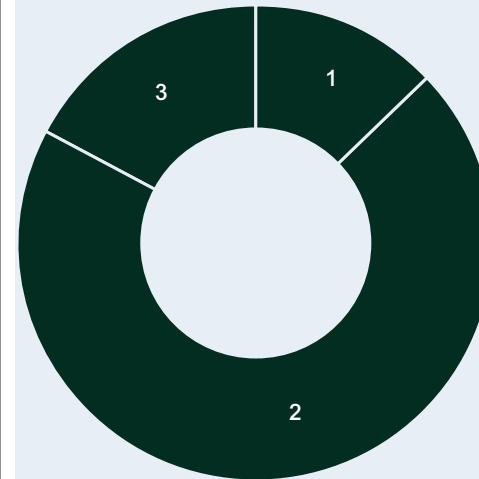
## Current opportunities (>£2.8bn)

At 30 September, the Company and its subsidiaries had aggregate liquid resources of £207 million, pro forma for the acquisition of Speed Fibre in October 2023.

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

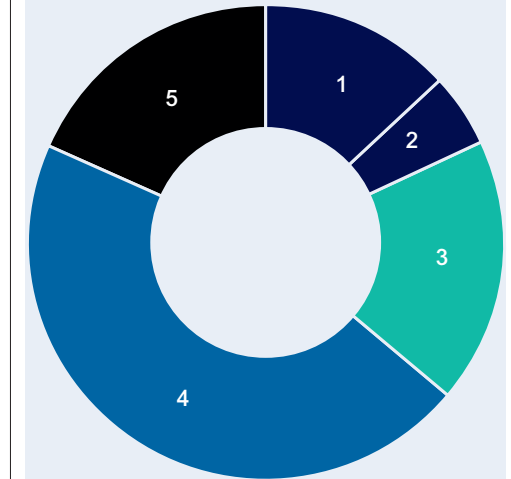
The Company retains its focus on the mid-market, where the Investment Manager judges that seller expectations on value are now becoming more realistic compared to the large cap private and public markets.

### Pipeline by geography(%)



1. UK	13%
2. Mainland Europe	70%
3. North America	17%

### Pipeline by sub-sector(%)



1. Mobile telecommunications	14%
2. Broadcast towers	5%
3. Fibre-optic networks	18%
4. Data centres (DCs)	45%
5. Multi-asset	18%

# Acquisitions

## Speed Fibre

(acquired October 2023)



# £164.6m<sup>1</sup>

Enterprise value

# £80.7m

Net senior debt

# £83.9m

Equity value

# £58.4m

Of which funded by cash

# £25.5m

Of which funded by vendor loan note

**“The business is well positioned to serve Ireland’s growing data centre sector, which is expected to be the fastest growing... in Western Europe over the next six years.”**

**Peter McCarthy**  
CEO, Speed Fibre Group

Speed Fibre is Ireland’s leading open access fibre infrastructure provider. 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 platform 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.

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.

With a stable business model, sales growth and high revenue and cash flow visibility, Speed Fibre generated revenues of approximately €80 million and EBITDA of approximately €23 million in 2022. Outstanding gross debt of ca.€111 million as at December 2022 and which matures in 2029 is provided by three bank lenders, all of whom have committed to continue to support Speed Fibre under the Company’s ownership. Speed Fibre’s debt interest is set as a margin over Euribor, and 70% of the interest is fixed through an interest rate swap. Gross debt was balanced by ca.€19 million of cash on hand at December 2022.

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.

### Key highlights

- A national digital network in a strategically located market acquired at an attractive price.
- Two complementary operating companies, combined to create a #1 carrier-neutral wholesale fibre business and vertically integrated ISP able to deliver 100GB across Ireland.
- Strong management team with track record of operational success, and a strong focus on ESG (5-star rating from GRESB).

- Positive Digital Infrastructure market dynamics with high (and growing) rates of data consumption.
- High barriers to entry protecting SFG’s business and market position, coupled with long-term relationships with main carriers and retail service providers in Ireland.
- Blue chip clients include Vodafone, AT&T, Three and Verizon.

### Investment case

- Speed Fibre provides a strong platform from which to invest in accretive strategic organic and inorganic opportunities.
- The valuation multiple reflects the transaction dynamics, change in macroeconomic conditions and our institutional approach to disciplined M&A.
- This is an attractive entry multiple for the Company shareholders for a stable business model with high revenue and cash flow visibility.
- Seasoned and accomplished management team with a proven track-record and over 125 years of combined experience in the industry.
- Ireland still lags Europe in high-speed internet coverage; the need for which was further accelerated by remote working trends catalysed by COVID-19.
- Data consumption growth in Ireland expected to be among the highest in Europe.
- Supportive regulatory backdrop; the Irish Government remains committed to delivering quality, affordable, high-speed broadband to all parts of Ireland.



<sup>1</sup>Foreign exchange rate on the date of completion applied.

## % of Speed Fibre revenue for financial year ended 31 December 2022



Concession Metropolitan Area Network (MANs)

22%



1,400km

Fibre infrastructure



92 MANs

94 Cities



100

Domestic and international customer



National backhaul and proprietary networks

36%



4,000

Leased backhaul links



200km

Owned/proprietary fibre network



292

High sites



Aggregation platform (Verax)

8%



15

ISPs (additional 4 being onboarded)



~2.0m

Premises can be connected



17,000

Verax customers



MAGNET+  
PEOPLE POWERED CONNECTIVITY

Retail high bandwidth

34%



9,700

Total customers



7,100

B2B customers



2,600

B2C customers



## Norkring AS

(announced November 2023)



In November 2023, the Company announced that it had agreed to acquire Norkring België NV (Norkring), which operates 25 communication and broadcast towers in Belgium, from its current shareholders Telenor Communication II AS and Participatiemaatschappij Vlaanderen NV.

Norkring is being acquired for a total enterprise value of €5.25 million, subject to customary adjustments. The transaction is being funded from the Company's cash on its balance sheet and is conditional upon foreign direct investment approval in Belgium. The acquisition is expected to complete during the course of the Company's current financial year.

In addition to its towers, Norkring is the holder of two DAB licences and one DTT multiplex licence. It provides (i) radio and TV broadcasting services to commercial stations and distributors and (ii) colocation and site-hosting to broadcasters, niche communications operators and mobile network operators. As part of a consortium, Norkring is conducting trials using 5G broadcast technology, which is expected to provide it with the ability to offer additional services to broadcast and mobile operator customers.



# Environmental, social and governance (ESG)

## Emitel ESG highlights



For six months ended 30 September 2023

Emitel ranked 12th in 2023's Ranking of Responsible Companies and Startups of Positive Impact.



Emitel displayed their public support for equality in sports through the promotion of the women's football team Diamenty Warszawa.

### Awards

Emitel was awarded second place in the 'telecommunications, technology, media and entertainment' in the XVII edition of the Responsible Companies Ranking 2023. In the general classification, Emitel ranked 12th out of a total of 250 of the largest companies operating in the Polish market.

The Responsible Business Forum held the 12th POLITYKA's CSR Leaves Awards for Polish leaders of sustainable development and ESG practices. For the second year in a row, Emitel was awarded the Silver CSR Leaf, accrediting the company's activities in the field of sustainable development, environmental protection, social responsibility and corporate governance. The company was additionally among those awarded 'good practices' for the it's smart city projects.

### Community outreach and stakeholder engagement

Emitel has continued to be actively involved in its community, with new initiatives undertaken since year end, including:

- **ToTeraz:** to help combat the increasing amount of misinformation being circulated online about 5G, electromagnetic fields and related threats, Emitel recorded a short programme for the ToTeraz internet series, which was released in October 2023. The programme focused on the research of an expert in the field and provided a platform discussion of reviewed and verified evidence.
- **Wheelchair Association of Legia, Warsaw:** supported by Emitel's senior management, employees volunteered to support a fencing tournament organised by the Wheelchair Association.
- **Diamenty Warszawa:** with a robust equal opportunity mandate at Emitel, the company displayed their public support for equality in

Emitel employees volunteered to support a fencing tournament organised by the Wheelchair Association.



sports through the promotion of the women's football team Diamenty Warszawa, working with the team to run a social media campaign in support of the women's football league.

- **Bee protection:** Emitel has continued its active involvement in bee protection programmes, with planned collaboration with three new hive operators in the areas surrounding company operations. Bees are critical for biodiversity and ecological health and, together with other insects, are responsible for plant pollination, ensuring the survival and diversity of food crops, medicinal plants, and our natural environment.



Bee protection: Emitel has continued its active involvement in bee protection programmes, with planned collaboration with three new hive operators in the areas surrounding company operations.



## CRA ESG highlights



For six months ended 30 September 2023

Since year end, CRA has published its first Sustainability & Responsibility Report. The report included various highlights demonstrating the company's commitment to sustainable business development.

### Key highlights of the report

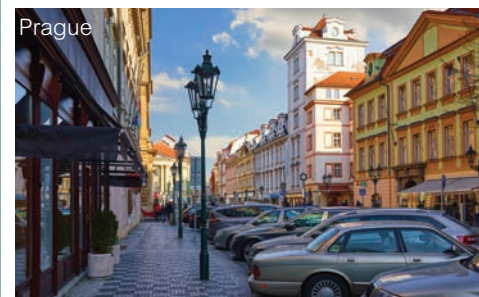
- A public commitment to meet 100% renewable energy consumption by 1 January 2025.
- Involvement with the Zelená Firma (Green Company) project, with the aim of eliminating the adverse impact of technology usage by ensuring the take back and efficient recycling of waste from electrical and electronic equipment.
- Membership of the REMA System and REMA Battery collective scheme, as well as registration in the EKO KOM system.
- Reducing the volume of coolants with a high global warming potential index by switching to coolants with a lower index (such as coolant R32) when replacing air-conditioning

CRA's public commitment to meet 100% renewable energy consumption by 1 January 2025.

Involvement with the Zelená Firma (Green Company) project, with the aim of eliminating the adverse impact of technology usage by ensuring the take back and efficient recycling of waste from electrical and electronic equipment.

- equipment. Additionally, CRA installed back-up electricity sources that meet the Euro 6 emission standards; decommissioned a 500-kW boiler room at the Kojal transmitter and replaced with a 48kW furnace as a back-up source. Finally, as a result of extensive new monitoring systems at facilities, CRA is reducing travel by technical staff.
- Commitment to using local suppliers, wherever possible, in order to reduce the carbon footprint of the services and materials used.
- Cooperation with CzechInno on the European Center for Digital Innovation (EDIH) project – bringing IoT, the cloud and artificial intelligence together to create effective systems for monitoring the environment and optimizing and managing the activities and processes required for protection.

Cooperation with the City of Prague and other regional governments on the implementation of a comprehensive innovation project to detect cars with a removed or malfunctioning particulate filter.



- OHS: developing a near miss culture designed to detect – in a timely manner – incidents that could result in injury and damage to health.
- Disclosure of the demographic composition of employees within the report (82% men; 18% women), alongside a message encouraging diversity and promoting their equal opportunity mandate.

### Future sustainability efforts

- New data centre with strong sustainability credentials and specifications.
- Continuation of photovoltaic panel installation.
- Drafting of a decarbonisation strategy.
- Promotion of biodiversity on CRA's properties and surrounding areas (e.g. forestation efforts, creating lakes and hideaways for insects).



Promotion of biodiversity on CRA's properties and surrounding areas (e.g. forestation efforts, creating lakes and hideaways for insects).

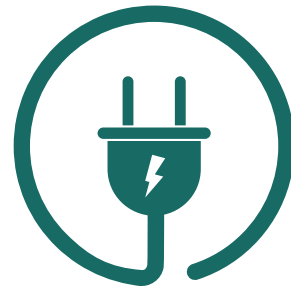
- Increasing the use of sustainable materials with minimal or lessened carbon footprint, and a high potential for reuse.
- Cooperation with the City of Prague and other regional governments on the implementation of a comprehensive innovation project to detect cars with a removed or malfunctioning particulate filter.
- Introduction of an 'ESG Week' for employees, promoting activities such as a day without cars, a day without meat, or a zero-waste day.

## Hudson ESG highlights



For six months ended 30 September 2023

Hudson has joined a new ESG initiative planned by New York electricity utility provider Con Edison, called the Conservation Voltage Reduction Plan.



Hudson has joined a new ESG initiative planned by New York electricity utility provider Con Edison, called the Conservation Voltage Reduction Plan (CVRP).

The CVRP enables an electricity utility to reduce energy and peak demand by lowering the voltage at the distribution system. This is a cost-effective way to improve system energy efficiency. Hudson is participating in the plan and making the necessary adjustments in company transformers to enable the energy savings. To date, ConEd has energy savings of 1.27% with an overall goal of 1.75% by 2026. Current calculations suggest that ConEd has saved ca.1,560MW hours of electricity this year alone.

Hudson is committed to playing its part in the reduction of energy usage and improvement of energy efficiency, while maintaining and continuing its high level of service and performance.

## Speed Fibre ESG highlights



For six months ended 30 September 2023

Speed Fibre is in the process of creating a more comprehensive Net-Zero Pathway Policy to include annual reduction targets and KPI's.

Signed a new contract with two large energy suppliers, to provide 100% renewable energy to colocation sites. Green certificate will be provided in Q1 2024.

### Overview

#### ESG practices in place at the company

Speed Fibre displays strong levels of understanding and commitment to sustainability and aims to mitigate the most materially impactful sustainability risks through the implementation of robust policies and procedures and a strong governance framework.

### Environmental

- Measures and reports material sustainability KPIs in its annual GRESB reporting and annual ESG Insights Report. Relevant environmental policies are reviewed and updated on an annual basis and the company frequently updates its business risk register to include environmental risks (e.g. physical, transition and regulatory).
- Signed a new contract with two large energy suppliers, to provide 100% renewable energy to colocation sites. Green certificate will be provided in Q1 2024.
- In the process of creating a more comprehensive net zero pathway policy to include annual reduction targets and KPI's.
- Certified ISO 14001: Environmental Management System and in the process of becoming ISO 50001 (Energy Management) certified.

Enet, a subsidiary of Speed Fibre, was recognised as a Gold Standard 'Deloitte Best Managed Company' in 2023.

The Company recognises the importance of external benchmarking in the aid of transparency so annually reports to the GRESB assessment and was awarded a 5-star rating in 2022 and 2023.



Aligning operations to the UN SDGs levelling up agenda, and promoting diversity and inclusion through active policies.



Providing services to those in regional Ireland and other (digitally) disadvantaged areas – most notably areas classified as rural and/or remote.

**Social**

- Implemented a sustainable procurement policy to mitigate supply-chain related risk(s). The policy is currently in the process of being revised to include more stringent parameters.
- Enet, a subsidiary of Speed Fibre, was recognised as a Gold Standard 'Deloitte Best Managed Company' in 2023.
- Has both ISO 45001: Occupational Health and Safety Certificate and ISO 9001: Quality Management Certificate certifications and was additionally awarded a Silver Investor in Diversity Accreditation.
- 2023 saw the implementation of volunteer days for all employees throughout the company through our CSR committee.
- SFG has recently completed an alignment exercise for the UN Sustainable Development Goals (SDGs).
- Continuing employee initiatives such as the employee recognition scheme.
- Ongoing employee satisfaction surveys – both internal and external.

**Governance**

- The company recognises the importance of external benchmarking in the aid of transparency so annually reports to the GRESB assessment and was awarded a 5-star rating in 2022 and 2023.
- Enterprise risk-management system across the group.
- Implementation of a delegation of authority.
- Annual board effectiveness reviews.
- Suite of governance related policies which are updated annually including the anti-bribery and conflicts of interest policy, the data protection charter, the speaking up policy, the lobbying and political contributions policy, and much more.
- Company-wide GDPR and cyber security training.
- Decentralisation of GDPR responsibility in the group saw the formation of the data advocates forum.





**Positive impact creation**




- The company currently promotes a number of positive impacts within the digital infrastructure sector, and places particular focus on the following impact themes:
- **Increasing connectivity and reducing the digital divide**
    - a. Providing services to those in regional Ireland and other (digitally) disadvantaged areas – most notably areas classified as rural and/or remote.
    - b. Providing businesses the opportunity to innovate using the company's services and hardware.
  - **Reducing carbon footprint of operations**
    - a. Amending procedures to mitigate, where possible, the impact data flow and storage have on the environment, due to the large associated energy burdens.
    - b. Incorporating renewable energy wherever possible.

- c. Targeting net zero carbon emissions – specific annual reduction plan being drafted.
- **Stakeholder and community engagement**
  - a. Adopting a strategy to benefit both customers and the planet, while aligning business objectives with those of its stakeholders.
  - b. Aligning operations to the UN SDGs levelling up agenda, and promoting diversity and inclusion through active policies.

## Principal risks and uncertainties

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 process for identifying, assessing, managing and monitoring risks was described in the Company's Annual Report 2023, and that process has not substantially changed. The principal risks are as follows:

The risk	How we mitigate risk	How the risk is changing	Movement
<p>1. <b>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.</b></p>	<p>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.</p>	<p>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 worsened somewhat over the last six months.</p>	<p>Higher</p> 
<p>2. <b>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.</b></p>	<p>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.</p>	<p>The continuing poor conditions in the investment trust sector give rise to uncertainty. It is not possible to predict when market conditions might improve.</p>	<p>New risk</p> 
<p>3. <b>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.</b></p>	<p>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.</p>	<p>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 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.</p>	<p>Level</p> 
<p>4. <b>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. The actual rate of return may be materially lower than the targeted rate of return.</b></p>	<p>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.</p>	<p>The operational performance of our investments to date is in line with our expectations, demonstrating that the due diligence process undertaken at the time of acquisition was appropriately rigorous to mitigate this risk. The same level of rigour must be maintained for future investments. Foreign exchange movements have had a negative effect on the Company's returns.</p>	<p>Higher</p> 

The risk	How we mitigate risk	How the risk is changing	Movement
<p>5. <b>Actual results of portfolio investments may vary from the projections, which may have a material adverse effect on NAV.</b></p>	<p>The Investment Manager provides the Board with at least quarterly updates of portfolio investment performance and detail around material variation from budget and forecast returns.</p>	<p>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.</p>	<p>Level</p> 
<p>6. <b>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.</b></p>	<p>The Investment Manager has considerable experience across relevant digital infrastructure sectors, and members of them team have been involved 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.</p>	<p>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. Its exposure to divestment risk is limited in the short to medium term.</p>	<p>New risk</p> 
<p>7. <b>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.</b></p>	<p>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.</p>	<p>The Company's investments to date have not undertaken significant capital construction projects. This risk has therefore been relatively low to date but may increase as capital investment increases under our Buy, Build &amp; Grow model.</p>	<p>Level</p> 

## Statement of Directors' responsibilities

The Directors are responsible for preparing this Interim Report in accordance with the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

In preparing the unaudited condensed set of interim financial statements included within the Interim Report, the Directors are required to:

- prepare and present the condensed set of interim financial statements in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and the DTRs;
- ensure the condensed set of interim financial statements has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine are necessary to enable the preparation of the condensed set of interim financial statements that is free from material misstatement whether due to fraud or error.

On behalf of the Board  
**Shonaid Jemmett-Page**  
Chairman  
28 November 2023

# Financial statements

For the six months ended 30 September 2023 (unaudited)



RTCN Mast Suwałki,  
Krzemianucha, Podlaskie  
Voivodeship, Poland

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# Condensed Statement of Financial Position

As at 30 September 2023 (unaudited)

	Note	As at 30 September 2023 £'000	As at 31 March 2023 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	8	896,126	872,315
		<b>896,126</b>	<b>872,315</b>
<b>Current assets</b>			
Receivables	10	15,499	14,680
Cash and cash equivalents		130,868	10,498
		<b>146,367</b>	<b>25,178</b>
<b>Total assets</b>		<b>1,042,493</b>	<b>897,493</b>
<b>Current liabilities</b>			
Payables		(4,980)	(1,495)
		<b>(4,980)</b>	<b>(1,495)</b>
<b>Net current assets</b>		<b>141,387</b>	<b>23,683</b>
<b>Non-current liabilities</b>			
Loans and borrowings	13	(168,936)	(20,287)
		<b>(168,936)</b>	<b>(20,287)</b>
<b>Total liabilities</b>		<b>(173,916)</b>	<b>(21,782)</b>
<b>Net assets</b>		<b>868,577</b>	<b>875,711</b>
<b>Equity</b>			
Equity share capital	11	778,071	779,157
Retained earnings – Revenue		(9,663)	(196)
Retained earnings – Capital		100,169	96,750
<b>Total equity</b>		<b>868,577</b>	<b>875,711</b>
<b>Number of shares in issue</b>			
Ordinary shares	11	771,009,707	772,509,707
		<b>771,009,707</b>	<b>772,509,707</b>
<b>Net asset value per ordinary share (pence)</b>		<b>112.65</b>	<b>113.36</b>

The unaudited condensed interim financial statements on pages 38 to 53 were approved and authorised for issue by the Board on 28 November 2023 and signed on their behalf by:

**Shonaid Jemmett-Page**  
Chairman

**Sian Hill**  
Director

The accompanying notes on pages 42 to 53 form an integral part of these unaudited condensed interim financial statements.



# Condensed Statement of Comprehensive Income

For the six months ended 30 September 2023 (unaudited)

	Note	For the six months ended 30 September 2023			For the six months ended 30 September 2022		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gain on investments at fair value through profit or loss	8	1,316	19,734	<b>21,050</b>	1,397	18,017	<b>19,414</b>
		<b>1,316</b>	<b>19,734</b>	<b>21,050</b>	<b>1,397</b>	<b>18,017</b>	<b>19,414</b>
<b>Operating expenses</b>							
Other expenses	4	(6,869)	–	<b>(6,869)</b>	(5,441)	(1,405)	<b>(6,846)</b>
Investment acquisition costs		–	(1,198)	<b>(1,198)</b>	–	(717)	<b>(717)</b>
<b>Operating (loss)/profit</b>		<b>(5,553)</b>	<b>18,536</b>	<b>12,983</b>	<b>(4,044)</b>	<b>15,895</b>	<b>11,851</b>
Foreign exchange movements on working capital		–	332	<b>332</b>	1,276	1,611	<b>2,887</b>
Finance income		988	–	<b>988</b>	6,275	–	<b>6,275</b>
Finance expense		(4,902)	–	<b>(4,902)</b>	–	–	<b>–</b>
<b>(Loss)/profit for the period before tax</b>		<b>(9,467)</b>	<b>18,868</b>	<b>9,401</b>	<b>3,507</b>	<b>17,506</b>	<b>21,013</b>
Tax charge	5	–	–	<b>–</b>	–	–	<b>–</b>
<b>(Loss)/Profit for the period after tax</b>		<b>(9,467)</b>	<b>18,868</b>	<b>9,401</b>	<b>3,507</b>	<b>17,506</b>	<b>21,013</b>
<b>(Loss)/Profit and total comprehensive (loss)/income for the period</b>		<b>(9,467)</b>	<b>18,868</b>	<b>9,401</b>	<b>3,507</b>	<b>17,506</b>	<b>21,013</b>
<b>Weighted average number of shares</b>							
Basic							
Ordinary shares	7	772,435,390	772,435,390	<b>772,435,390</b>	773,427,686	773,427,686	<b>773,427,686</b>
Diluted							
Ordinary shares	7	772,435,390	772,435,390	<b>772,435,390</b>	773,427,692	773,427,692	<b>773,427,692</b>
<b>Earnings per share</b>							
Basic earnings from continuing operations in the period (pence)							
Ordinary shares	7	(1.22)	2.44	<b>1.22</b>	0.45	2.27	<b>2.72</b>
Diluted earnings from continuing operations in the period (pence)							
Ordinary shares	7	(1.22)	2.44	<b>1.22</b>	0.45	2.27	<b>2.72</b>

The accompanying notes on pages 42 to 53 form an integral part of these unaudited condensed interim financial statements.

# Condensed Statement of Changes in Equity

For the six months ended 30 September 2023 (unaudited)

	Note	For the period from			
		Share capital £'000	Retained earnings- Revenue £'000	Retained earnings- Capital £'000	Total equity £'000
					1 April 2022 to 30 September 2022
<b>Opening net assets as at 1 April 2022</b>	11	779,896	(2,724)	45,174	822,346
Issue of share capital	11	295	–	–	295
Share issue costs		(92)	–	–	(92)
Dividends paid during the period		–	–	(11,599)	(11,599)
Profit and total comprehensive income for the period		–	3,507	17,506	21,013
<b>Closing net assets attributable to shareholders as at 30 September 2022</b>		<b>780,099</b>	<b>783</b>	<b>51,081</b>	<b>831,963</b>
					1 October 2022 to 31 March 2023
					1 October 2022 to 31 March 2023
					1 October 2022 to 31 March 2023
<b>Opening net assets as at 30 September 2022</b>	11	780,099	783	51,081	831,963
Dividends paid during the period	12	–	–	(15,473)	(15,473)
Shares repurchased in the period		(943)	–	–	(943)
Share issue costs		1	–	–	1
(Loss)/Profit and total comprehensive (loss)/income for the period		–	(979)	61,142	60,163
<b>Closing net assets attributable to shareholders as at 31 March 2023</b>		<b>779,157</b>	<b>(196)</b>	<b>96,750</b>	<b>875,711</b>
					1 April 2023 to 30 September 2023
					1 April 2023 to 30 September 2023
					1 April 2023 to 30 September 2023
<b>Opening net assets as at 1 April 2023</b>	11	779,157	(196)	96,750	875,711
Shares repurchased during the period	11	(1,086)	–	–	(1,086)
Dividends paid during the period	12	–	–	(15,449)	(15,449)
(Loss)/Profit and total comprehensive (loss)/income for the period		–	(9,467)	18,868	9,401
<b>Closing net assets attributable to shareholders as at 30 September 2023</b>		<b>778,071</b>	<b>(9,663)</b>	<b>100,169</b>	<b>868,577</b>

The accompanying notes on pages 42 to 53 form an integral part of these unaudited condensed interim financial statements.

# Condensed Statement of Cash Flows

For the six months ended 30 September 2023 (unaudited)

	Note	For the six months ended 30 September 2023 £'000	For the six months ended 30 September 2022 £'000
<b>Operating activities</b>			
Operating profit for the period		12,983	11,851
<b>Adjustments for non-cash movements</b>			
Net gain on investments at fair value through profit or loss	8	(21,050)	(19,414)
(Increase)/Decrease in receivables		(801)	39,356
Increase in payables		3,485	1,815
Decrease in foreign exchange derivative		–	8,072
<b>Net cash flows (used in)/generated from operating activities</b>		<b>(5,383)</b>	<b>41,680</b>
<b>Cash flows (used in)/generated from investing activities</b>			
Investment additions	8	(2,761)	(3,050)
Finance income received		175	6,275
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(2,586)</b>	<b>3,225</b>
<b>Cash flows generated from/(used in) financing activities</b>			
Issue of share capital	11	–	295
Payment of issue costs	11	–	(92)
Shares repurchased		(870)	–
Loan drawn down		148,992	–
Finance costs paid		(4,042)	–
Dividends paid	12	(15,450)	(11,599)
Bank interest received		385	–
<b>Net cash flows generated from/(used in) financing activities</b>		<b>129,015</b>	<b>(11,396)</b>
Net increase in cash and cash equivalents during the period		121,046	33,509
Cash and cash equivalents at the beginning of the period		10,498	353,734
Exchange translation movement		(676)	2,887
<b>Cash and cash equivalents at the end of the period</b>		<b>130,868</b>	<b>390,130</b>

The accompanying notes on pages 42 to 53 form an integral part of these unaudited condensed interim financial statements.

# Notes to the interim 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 (as amended). 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 11 gives more information on share capital.

## 2. Accounting policies

The principal accounting policies applied in the preparation of these unaudited condensed interim financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

### Basis of preparation

The unaudited condensed interim financial statements have been prepared on a historical cost basis as modified for the measurement of certain financial instruments at fair value through profit or loss and in accordance with IFRS, AIC SORP and applicable company law. 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 principal accounting policies are set out below.

The unaudited condensed interim financial statements have been prepared under IAS 34 'Interim Financial Reporting'. The presentation and accounting policies used in the preparation of the unaudited condensed interim financial statements are consistent with those that are adopted in the annual financial statements, except for the adoption of new standards effective as at 1 April 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These amendments are not expected to have an impact on the unaudited condensed interim financial statements of the Company.

The financial information contained in this Interim Report does not constitute statutory accounts as defined in Section 243 of the Companies (Guernsey) Law 2008 as amended. The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 March 2023.

### 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 conflict in Ukraine and market volatility during the period have affected the way in which the business activities of 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 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 of the conflict in Ukraine and 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 the conflict in Ukraine and market volatility have created a material uncertainty over the assessment of the Company as a going concern.

As further detailed in note 8 to the financial statements, the Company 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 from 28 November 2023 to 30 November 2024, 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;
- 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 and financial liabilities are only offset and the net amount reported in the Statement of Financial Position and Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

### 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 the purchase or the date on which the Company became party to the contractual requirements of the asset. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs 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 classified upon initial recognition as held 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 valuation point.

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, which is considered to be equal to its fair value, plus outstanding interest. Any gains or losses on the loan investment are 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.

### 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.

### 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.

### Trade receivables

Trade receivables are classified as financial assets at amortised cost. They are measured at amortised cost less impairment assessed using the simplified approach of the expected credit loss (ECL) model based on experience of previous losses and expectations of future losses. Trade and other receivables are recorded based on agreements entered into with entities with no notable history of default causing the ECL of these receivables to be immaterial and therefore no ECL has been 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 include legal, accounting, auditing and other operating expenses. They are recognized on an accruals basis in the Statement of Comprehensive Income in the period in which they are incurred.

**Taxation**

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 date of the Statement of Financial Position.

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 affects neither the taxable profit nor the accounting profit. Deferred tax 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 and when 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 sterling, reflecting the primary economic environment in which it operates. The Company has chosen pounds sterling as its presentation currency for financial reporting purposes.

Transactions during the period, including purchases and sales of investments, income and expenses are translated into pound sterling at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than pound 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 pound sterling are translated using the exchange rates at the dates of the initial transactions and are not subsequently retranslated.

Non-monetary items measured at fair value in a currency other than pounds sterling are translated using the exchange rates at the date when 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 'Net gains on investments'.

### 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 Board 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 Interim 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 April 2023 and determined that these do not have material impact on the Company and are not expected to significantly affect the current or future periods.

### 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 30 September 2023 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 or on foreseeable future transactions.

### 3. Significant accounting judgements, estimates and assumptions

The preparation of the unaudited condensed interim 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.

#### 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 9.

#### 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 six-month period ended 30 September 2023 is included in note 8 and relates to the determination of fair value of investments with significant unobservable inputs.

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 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.

**4. Other expenses**

Other expenses in the Condensed Statement of Comprehensive Income comprise:

	For the six months ended 30 September 2023 £'000	For the six months ended 30 September 2022 £'000
Management fees	3,100	3,932
Legal and professional fees	259	1,546
Discontinued deal fees	2,873	1,110
Directors' fees	93	93
Audit fees	85	83
Other expenses	459	82
	<b>6,869</b>	<b>6,846</b>

**5. Taxation**

As an investment trust, the Company is exempt from UK tax on capital gains on any disposal of shares. To the extent it has qualifying interest income, it may make a streaming election to treat part or all of its distributions as interest distributions, and will be entitled to deduct any interest distributions paid out of profits arising from its loan relationships in computing its UK corporation tax liability.

It is anticipated that the Company will meet the conditions for the UK dividend exemption and will be exempt from UK tax on any dividend income received.

No tax expense or liability has been recognised in these unaudited condensed interim financial statements because the Company's tax-deductible expenses exceed taxable income.

The Company does not recognise deferred tax assets in respect of taxable losses because it does not expect to have profits against which those losses can be utilised.



## 6. Management and performance fees

Under the investment management agreement dated 29 January 2021 between the Company, the Investment Manager and Cordiant Digital Infrastructure Management LLP, 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 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 are only 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 six months ended 30 September 2023, the Investment Manager has charged management fees of £3.1 million (30 September 2022: £3.9 million) to the Company, with £0.6 million (30 September 2022: £1.6 million) owed at period end. During the six months ended 30 September 2023, the Investment Manager did not subscribe for any new ordinary shares (30 September 2022: £0.3 million) but made open market purchases of 444,772 shares at an average price of 73.8p per share (30 September 2022: no open market purchases).

### 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 period ended 30 September 2023, no performance fee is due to the Investment Manager (30 September 2022: £nil) and no amount has been accrued as the share price performance hurdle has not been met.

**7. Earnings per share and net asset value per share****Earnings per share**

## Ordinary shares

	Basic	Diluted
<b>For the six months ended 30 September 2023</b>		
Allocated profit attributable to this share class – £'000	9,401	9,401
Weighted average number of shares in issue	772,435,390	772,435,390
Earnings per share from continuing operations in the period (pence)	<b>1.22</b>	<b>1.22</b>
<b>For the six months ended 30 September 2022</b>		
Allocated profit attributable to this share class – £'000	21,013	21,013
Weighted average number of shares in issue	773,427,686	773,427,692
Earnings per share from continuing operations in the period (pence)	<b>2.72</b>	<b>2.72</b>

As at 31 March 2023 there were 6,434,884 potentially dilutive Subscription Shares in issue. During the six months ended 30 September 2023 no additional Subscription Shares had been issued.

**Net asset value per share**

	As at 30 September 2023	As at 31 March 2023
Net asset value – £'000	868,577	875,711
Number of shares	771,009,707	772,509,707
Net asset value per share (pence)	<b>112.65</b>	<b>113.36</b>

**8. Investments at fair value through profit or loss**

	Loans £'000	Equity £'000	Total £'000
<b>As at 30 September 2023</b>			
Opening balance	37,350	834,965	872,315
Additions	2,761	–	2,761
Net gains on investments	1,316	19,734	21,050
	<b>41,427</b>	<b>854,699</b>	<b>896,126</b>
<b>As at 31 March 2023</b>			
Opening balance	27,671	382,185	409,856
Additions	4,691	379,724	384,415
Net gains on investments	4,988	73,056	78,044
	<b>37,350</b>	<b>834,965</b>	<b>872,315</b>

The terms of the Company's direct investment in CDIL Data Centre USA LLC, the legal entity operating as Hudson Interexchange (Hudson) remains unchanged from those disclosed in the Company's Annual Report 2023. The Company made an additional loan investment in Hudson of £2.8 million during the period ended 30 September 2023. As at 30 September 2023, the equity investment in Hudson was valued at £41.3 million and the loan investment in Hudson at £7.6 million. The total investment in Hudson was valued at £48.9 million.

The value of the Company's indirect investment in České Radiokomunikace a.s. (CRA), as at 30 September 2023 was £388.6 million (31 March 2023: £389.1 million), comprising an equity investment valued at £362.5 million (31 March 2023: £362.9 million) and a loan investment of £26.1 million (31 March 2023: £26.2 million).

During the period, Cordiant Digital Holdings One Limited (CDH1), a subsidiary of the Company, restructured part of its equity investment in Emitel amounting to PLN192.5 million to a loan investment. Interest accrued on the loan investment during the period ended 30 September 2023 amounted to £0.9 million. As at 30 September 2023, the Emitel loan investment is valued at £36.9 million and the remaining equity investment is valued at £424.3 million (31 March 2023: £429.0 million). The Company's total indirect investment in Emitel is £461.2 million.

**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.

The Company's investments in CRA, Hudson 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 and March 2037 for Hudson. The terminal value is calculated using an assumed terminal growth rate (TGR) into perpetuity based on anticipated industry trends and long-term inflation rates.

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.

## 9. Unconsolidated subsidiaries

The following table shows subsidiaries of the Company. As the Company qualifies as an Investment Entity under IFRS 10, these subsidiaries have not been consolidated in the preparation of these financial statements:

Investment	Place of business	Ownership interest at 30 September 2023	Ownership interest at 31 March 2023
<b>Held directly</b>			
Cordiant Digital Holdings UK Limited	United Kingdom	100%	100%
CDIL Data Centre USA LLC	USA	100%	100%
<b>Held indirectly</b>			
Cordiant Digital Holdings One Limited	United Kingdom	100%	100%
Cordiant Digital Holdings Two Limited	United Kingdom	100%	100%
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%
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%
EM Tower sp.z.o.o.	Poland	100%	–
Hub Investments sp. z o. o.	Poland	100%	100%

The registered office of the subsidiaries located in the Czech Republic is Skokanska 2117/1, 169 00, Prague 6. The registered office of the subsidiaries located in the UK is 63 St James's Street, London, SW1A 1LY. The registered office of the subsidiary located in the US is 60 Hudson Street suite 116B, New York, NY 10013.

The amounts invested in the Company's unconsolidated subsidiaries during the six months ended 30 September 2023 and their carrying value at 30 September 2023 are as outlined in note 8.

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.

Subsidiaries held in the Czech Republic and 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.

## 10. Receivables

	30 September 2023 £'000	31 March 2023 £'000
Cash collateral*	9,182	9,130
Other debtors	3,380	2,573
Expenses paid on behalf of related parties	2,878	2,866
Prepayments	59	77
Interest receivable	–	34
	<b>15,499</b>	<b>14,680</b>

\*Cash collateral relates to one security deposit held in money market accounts (31 March 2023: one security deposit held in money market accounts). An amount of USD11.3 million (£9.2 million) relates to collateral for a letter of credit relating to the lease of the building occupied by Hudson, and generated interest of 0.73% per annum during the period ended 30 September 2023.

## 11. 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

	30 September 2023 Number of shares	Share capital £'000	31 March 2023 Number of shares	Share capital £'000
Issued and fully paid	773,559,707	780,100	773,559,707	780,100
Cancellation of treasury shares	–	–	–	–
<b>Issued and fully paid at period/year end</b>	<b>773,559,707</b>	<b>780,100</b>	<b>773,559,707</b>	<b>780,100</b>
<b>Shares held in treasury</b>	<b>(2,550,000)</b>	<b>(2,029)</b>	<b>(1,050,000)</b>	<b>(943)</b>
<b>Outstanding shares at period/year end</b>	<b>771,009,707</b>	<b>778,071</b>	<b>772,509,707</b>	<b>779,157</b>

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

No Subscription Shares have been exercised between 30 September 2023 and the date of this report.

### Treasury shares

	30 September 2023 Number of shares	31 March 2023 Number of shares
Opening balance	1,050,000	–
Shares repurchased during the period/year	1,500,000	1,050,000
<b>Closing balance at period/year end</b>	<b>2,550,000</b>	<b>1,050,000</b>

During the year ended 31 March 2023, the Company initiated a share buyback programme. Investec, as the Company's joint broker, has been given limited authority to undertake market buybacks. 1,500,000 ordinary shares (31 March 2023: 1,050,000 ordinary shares) have been repurchased and held in treasury by the Company during the period ended 30 September 2023.

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

**12. Dividends declared with respect to the period**

	Dividend per ordinary share pence	Total dividend £'000
<b>Dividends declared</b>		
First interim dividend in respect of the period ended 30 September 2023	2.00	15,420
Second interim dividend in respect of the year ended 31 March 2023	2.00	15,449
	<b>2.00</b>	<b>15,449</b>

	Dividend per ordinary share pence	Total dividend £'000
<b>Dividends declared</b>		
Second interim dividend in respect of the year ended 31 March 2023	1.50	8,920
	<b>1.50</b>	<b>8,920</b>

On 28 November 2023, the Board approved a distribution of 2.00 pence per share with respect to the six months ended 30 September 2023. The record date for the distribution is 8 December 2023 and the payment date is 22 December 2023.

**13. Related party transactions****Directors**

The Company has four non-executive Directors, each of whom is considered to be independent. Directors' fees for the six months ended 30 September 2023 amounted to £92,500 (30 September 2022: £92,500), of which £nil (31 March 2023: £nil) was outstanding at the period end.

**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. 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 30 September 2023, including accrued interest, was £32.2 million (31 March 2023: £32.6 million).

In January 2022, the assets of Hudson 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 30 September 2023, was £52.5 million (31 March 2023: £52.2 million). The Company has also provided additional funding during the period ended 30 September 2023 in the form of loans totalling £2.8 million.

**Company subsidiaries**

During the period ended 30 September 2023, the Company borrowed an additional £149.0 million (EUR 172.9 million) from its indirect subsidiary, Cordiant Digital Holdings Two Limited (CDH2) to bring its total borrowings owing to CDH2 to £168.9 million (EUR 196.0 million) as at 30 September 2023. The loan is subject to interest charged at a variable rate. Interest charged during the period amounted to £4.0 million (30 September 2022: nil) of which £1.3 million remains outstanding at period end and is included in current liabilities on the Statement of Financial Position.

The expenses paid by the Company on behalf of its subsidiary companies during the period amounted to £2.9 million (30 September 2022: £0.2 million).

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#### 14. 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.

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#### 15. Subsequent events

On 18 October 2023, the Company acquired Speed Fibre DAC, Ireland's leading open access fibre infrastructure provider which operates via its subsidiaries Enet and Magnet Plus. The Company has funded this acquisition through a combination of equity and debt.

On 30 June 2023, the Company's subsidiary Cordiant Digital Holdings UK Ltd (CDHUK) entered into an agreement to acquire 74.99% of the shares of Norkring België N.V. (Norkring), a Belgian broadcasting company. On 1 November 2023, CDHUK entered into an agreement to acquire the remaining 25.01% of Norkring. Both agreements are conditional upon receiving clearance under Belgium's foreign direct investment rules. CDHUK is acquiring Norkring for a total enterprise value of €5.25m, subject to customary adjustments.

Other than the events above and dividends declared as disclosed in note 12, there are no other material subsequent events.

## 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](http://www.cordiantdigitaltrust.com)  
**ISIN (ordinary shares)** GG00BMC7TM77  
**Ticker (ordinary shares)** CORD  
**SEDOL (ordinary shares)** BMC7TM7  
**Registered Company Number** 68630

### Registered office

East Wing  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3PP

### Investment manager

#### **Cordiant Capital Inc.**

28th Floor  
Bank of Nova Scotia Tower  
1002 Sherbrooke Street West  
Montreal  
QC H3A 3L6

### Company secretary and administrator

#### **Aztec Financial Services**

#### **(Guernsey) Limited**

East Wing  
Trafalgar Court  
Les Banques  
Guernsey  
GY1 3PP

### Auditor

#### **BDO Limited**

PO Box 180  
Place du Pre  
Rue du Pre  
St Peter Port  
Guernsey  
GY1 3LL

### Legal advisors to the Company

#### **Gowling WLG (UK) LLP**

4 More London Riverside  
London  
SE1 2AU

#### **Carey Olsen (Guernsey) LLP**

Carey House  
Les Banques  
St Peter Port  
Guernsey  
GY1 4BZ

### Registrar

#### **Computershare Investor Services (Guernsey) Limited**

1st Floor Tudor House  
Le Bordage  
St Peter Port  
Guernsey  
GY1 4BZ

### Brokers

#### **Investec Bank plc**

30 Gresham Street  
London  
EC2V 7QP

#### **Jefferies International Limited**

100 Bishopsgate  
London  
EC2N 4JL

### Receiving agent

#### **Computershare Investor Services PLC**

The Pavilions  
Bridgwater Road  
Bristol  
BS99 6AH

### Principal banker and custodian

#### **The Royal Bank of Scotland International Limited**

Royal Bank Place  
1 Glatigny Esplanade  
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.

**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 Interchange (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.

**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.

**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.

## Cautionary statement

The Chairman's statement and Investment Manager's review have been prepared solely to provide additional information for the Company's shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman's statement and Investment Manager's review may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and/or the Investment Manager, concerning, among 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 events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors 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.



Cukrák Tower, Czech Republic

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**Cordiant Digital Infrastructure Limited**

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Krzemionki TV tower,  
Kraków, Poland