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Cordiant Digital Infrastructure Ltd
24 May 2022

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Cordiant Digital Infrastructure Limited

Preliminary results

For the period ended 31 March 2022

Cordiant Digital Infrastructure Limited (the Company) an investor in the core digital infrastructure that enables modern communications and the internet, is pleased to announce its preliminary unaudited results for the period from 4 January 2021 to 31 March 2022.

Highlights:

- NAV per share increased by 8.4% to 106.34p as of 31 March 2022.
- NAV total return of 10%, exceeding IPO expectations
- Total shareholder return for the period of 10.3%
- Total dividend for the period increased to 3p, from the 1p outlined at IPO. Subsequent guidance of 4p for the financial year 2023
- Successfully raised gross proceeds of £795m, including an upscaled IPO at £370m with net proceeds prudently deployed or committed
- Three diverse digital infrastructure assets in Europe and US, acquired or being acquired at c.12x EBITDA, offering:
 - Growth potential in line with stated strategy
 - Pro forma 2021 EBITDA of £95m (which includes the contribution from Emitel), more than covering enhanced dividend
 - Long-term contracts with strong counterparties, incorporating full or partial inflation protection and pass throughs
- >€3bn pipeline of acquisition opportunities in Western Europe, UK and North America, supporting future growth

Commenting, **Shonaid Jemmett-Page**, Chairman of Cordiant Digital Infrastructure Limited, said:

"Cordiant Digital Infrastructure Limited has enjoyed a busy and successful maiden year as a listed company. It has more than delivered on expectations set out at the time of the IPO and is well placed to continue to meet expectations in the current year. The proceeds of the IPO and subsequent raises have been carefully deployed or committed into three assets, that offer stable income, a strong platform for organic growth, in line with the buy, build & grow strategy, and more than cover the upscaled dividend target. Future growth is also supported by the €3bn pipeline of acquisition opportunities, which has never been stronger and more diverse.

"It is an exciting time to be involved in the digital infrastructure sector. The overall direction of travel in data consumption appears to be sustainably upwards; none of which would be possible without the corresponding investment in the digital infrastructure to support it."

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Basis of preparation:

This preliminary announcement does not constitute the Group's full financial statements for the period ended 31 March 2022. The Group's full financial statements will be approved by the Board of Directors and reported on by the auditors no later than 25 May 2022. Accordingly, the financial information for the period ended 31 March 2022 is presented unaudited in the preliminary announcement.

Notes to Editors:

Cordiant Digital Infrastructure Limited primarily invests in the core infrastructure of the digital economy - data centres, fibre-optic networks and broadcast and telecommunication towers - 'the plumbing of the internet' - in the UK, Europe and North America. Further details of the Company can be found on the Company's website at www.cordiantdigitaltrust.com.

Cordiant Capital Inc., the Company's investment manager, is a sector-focused investment manager with particular expertise and experience in digital infrastructure. Cordiant invests in global infrastructure and real assets, running infrastructure private equity and infrastructure private credit strategies through limited partnership funds and managed accounts. Cordiant's current client base consists of global insurance companies, pension plans and family offices.

Chairman's statement

I am pleased to present the unaudited results of Cordiant Digital Infrastructure Limited for the period ended 31 March 2022.

Performance

The Company has enjoyed a busy and successful first year as a listed company. We have been well supported, raising £795 million of gross proceeds during the period and deploying or committing substantially all of it. Creating a platform that offers a strong and consistent stream of income and opportunities for growth, in line with the strategy we set out at the time of the IPO.

The judicious and rapid deployment of the funds raised has enabled the Company to increase its dividend guidance twice since the listing and to deliver a total return for the period exceeding expectations.

All told, this has been a strong result and the Board is delighted with the progress that has been made to date.

A successful IPO and subsequent fundraises

The Company debuted on the market in February 2021, with an upscaled fundraise of £370 million. We subsequently made our first acquisition in April that year: CRA, which delivered a diversified pool of assets, including towers, data centres, fibre and wireless sensors for our investors.

Following the IPO, the Company successfully raised capital three further times: £185 million via a C Share issue, £40 million via the conversion of Subscription Shares and, early in 2022, an additional £200 million of ordinary shares. The last of these coincided with announcing the purchase of a strategic, New York-based interconnect data centre platform, Hudson Interxchange (formerly DataGryd), and Emitel, a multi-asset tower and Digital Infrastructure business based in Poland, which is expected to complete later in 2022. These investing activities enabled the conversion of the C Shares in January 2022.

The success of the various capital raises reflects the market's confidence in the Investment Manager, the investments made and the oversight and governance by the independent Board. It further speaks to the appeal of the Digital Infrastructure sector for investors seeking an attractive total return underpinned by enduring growth trends.

The portfolio

At the time of the IPO, the management team spoke of building an attractive, cash flow generating portfolio of Digital Infrastructure Assets through the acquisition of platforms with sufficient scale and growth opportunities. The two acquisitions made to date meet these criteria, as will Emitel after the purchase successfully completes. Together they offer an aggregate portfolio of over 1,200 communications towers, thousands of kilometres of fibre, multiple strategic data centre assets and two national networks of wireless sensors serving utilities.

Each of the operating investments acquired is a mid-sized platform, offering stable income and the opportunity for growth. Income is typically generated from long-term contracts, with strong counterparties, which tend to incorporate full or partial inflation protection and pass throughs. The opportunity for growth is in line with our buy, build & grow strategy, which offers reduced investment cost and the potential for enhanced returns. These assets also offer diversified risk, geographically and by market segment.

The investments to date, including Emitel, would together have recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of £95 million on a proforma basis in 2021. This would provide sufficient cash to cover the enhanced dividend now being paid to shareholders more than 4.6 times.

The portfolio, consisting of CRA and Hudson Interxchange, was valued at the reporting date at £409.9 million, and the Company had other net assets of £412.4 million, largely in the form of cash and liquid investments available to complete the planned acquisition of Emitel. Net assets were £822.3 million at 31 March 2022, representing a net asset value (NAV) per share of 106.34p.

The Company has demonstrated strong financial and investment discipline. In what is a competitive market, these decisions can be challenging but are essential to safeguard the interests of investors and other stakeholders.

Strategy and market outlook

The aim of the Company is to generate attractive total returns over the longer term, through capital growth and a progressive dividend. To deliver on that, we are focused on our buy, build & grow model in Digital Infrastructure's middle market. We seek attractive relative entry prices, robust counterparties and compelling operating models. As it grows, the portfolio will continue to diversify across geographies and sub-sectors.

This is a strategy that allows us to remain at the forefront of the industry. It enables us to serve the evolving needs of our investee companies' clients as they adapt to new technologies and new customer demands.

It is an exciting time to be involved in the digital sector. The COVID-19 pandemic initiated an acceleration in the adoption of digital applications. While that rate of growth may slow as the world recovers and new patterns of work emerge, the overall direction of travel in data consumption appears to be persistently upwards. None of this would be possible without the corresponding investment in Digital Infrastructure to support it.

Sustainability

As a responsible operator of Digital Infrastructure Assets enabling critical functions for society and commerce, sustainability forms a key component of the Company's strategy.

The environment, and in particular, reducing the carbon footprint of the digital sector, is a central consideration when making acquisitions. These considerations are a critical part of investment decision making, and remain highly relevant as the Company works with portfolio companies to deliver a positive impact.

Extending the reach of strategic digital communications is of value to both business and communities. Access to high-speed and high-quality digital communications is widely regarded as a driver of income growth, living standards and ultimately quality of life.

Corporate Governance

In keeping with governance standards, the Company benefits from a strong and independent Board, able to offer wide-ranging and directly relevant experience. That includes industry, finance, financial markets and sustainability experience, among other areas of understanding. I thank my colleagues for their efforts.

Outlook

Alongside the successful deployment of funds over the period, the Company has generated a strong and continuing pipeline of opportunities to further support its development in 2022 and beyond.

The continued expansion of digital business models, and the corresponding growth in data use, are the principal drivers of our industry.

The past year has been a busy and rewarding time for the Company. It is an exciting time to be at the heart of a growth industry, serving increasingly essential needs, from communicating with friends and family and fulfilling everyday requirements to running a business. As a Board, we therefore look forward to the year ahead, with enthusiasm and confidence.

Details of the Annual General Meeting, including the formal business of that meeting, are set out in the separate Notice of Meeting. With the ending of COVID-19 restrictions, I am pleased to say we can hold that meeting in person and therefore I, along with the rest of the Board, look forward to seeing as many shareholders there as are able to attend.

Shonaid Jemmett-Page

Chairman

Investment Manager's report

The Company is delighted to have pioneered the modern Digital Infrastructure trust sector on the London Stock Exchange. The Company made its market debut on the 150th anniversary of Submarine Cables Trust, a financier of the first generation of (analogue) transatlantic telegraph cables. Just as that trust played a role in connecting

societies and spurring economic development, the Company looks forward to playing its part in financing more and better Digital Infrastructure - the 'plumbing of the internet' - required by businesses, governments and society generally across the UK, North America and Europe.

The Company seeks to provide investors with access to established, growing Digital Infrastructure investment opportunities in the critical elements of the modern internet: data centres, mobile towers, fibre-optic networks and distributed sensor networks (serving governments and utilities).

These assets typically tend to be long lived and serve larger (often blue chip and government) customers on longer-term contracts. Contracts tend to incorporate full or partial inflation protection and pass throughs.

Central to our investment strategy is the notion of buy, build & grow. We aim to identify medium-sized platforms, with expansion potential, and provide them with the capital and management expertise to expand and flourish. This approach augments potential returns for our investors, as capital investments made after purchase increase the possible rate of growth even as they lower the average cost of entry.

Financial performance

On an unaudited basis, the Company made a profit of £51.4 million in the period, representing movements in fair value of investments (including foreign exchange movements) and interest income from them of £57.1 million and net foreign exchange gains on derivatives and working capital of £6.2 million, offset by transaction costs of £6.1 million, management fees of £4.7 million and other operating costs of £1.1 million. This represents basic earnings per share of 12.49p, and fully diluted earnings per share of 12.48p.

The portfolio, consisting of CRA and Hudson Interxchange, was valued at the reporting date at £409.9 million, and the Company had other net financial assets of £412.4 million, largely in the form of cash and liquid investments available to complete the planned acquisition of Emitel. Net assets were £822.3 million at 31 March 2022, representing a NAV per share of 106.34p.

CRA performance

CRA had a solid financial year to 31 March 2022. The company continues to benefit from its strong market positioning within the broadcasting and mobile towers sector and an increasing market presence in the data centre, cloud services and IoT business.

During the past year, the company continued to generate new sales opportunities across its various business lines. Early in the year, CRA signed a significant 15-year contract with the Czech Ministry of Interior to provide guaranteed connectivity to separate high-quality networks for Public Protection for Disaster Relief. In addition, it signed a 10-year network backbone contract extension, secured an expansion of data centre services to a major retailer, won a contract for deploying 10,000 sensors for energy management and is experiencing strong customer interest related to 5G rollout on its mobile towers.

Overall, revenue was CZK2.2 billion (£74 million) for the year ending March 2022 with EBITDA of CZK1.15 billion (£39 million). During the past year, CRA invested ca.CZK240 million (£8 million) in growth capex initiatives, which will support revenue growth in future years.

CRA achieved outstanding service levels throughout the year and maintained a clean track record of health and safety. By financial year end it employed 342 FTEs.

Hudson Interxchange performance

The Hudson Interxchange (HIX) facility is well suited to support retail and/or wholesale colocation and connectivity services. HIX services clients from 250 KW to 5 MW of capacity, delivering power density well above the offerings of most carrier hotels.

HIX serves two types of customers:

- Retail - providing space, power, and access to connectivity offered to customers who wish to deploy servers in a managed data centre facility.
- Wholesale colocation - large blocks of space and power offered to large customers including enterprises, cloud providers, or other colocation providers who will customize the space to suit their own needs

HIX operates from a number of floors in 60 Hudson Street, New York. The fifth floor is fully let to a major wholesale colocation provider on long-term basis. HIX has already started to fill up the sixth floor, letting it directly to retail customers; the pipeline of customers remains robust and has increased to more than 2 MW of demand.

In addition, the company secured an option to lease two more floors in the building, effectively providing the potential to double the size of operations in the next several years.

The evolution of the Digital Infrastructure market

The IPO of the Company took place during one of the peaks of the COVID-19 pandemic and did so digitally and online through video meetings. As the team 'met' investors, the overwhelming majority of whom were working from home, discussions invariably touched on the growing role of online activities, from investor roadshows to food shopping. It was a tangible demonstration of just how far the world had embraced the use of digital technologies in everyday life.

As the world recovers from the impact of COVID-19, we are unlikely to see the clock rewound. Augmented adoption of digital technologies will remain part of our business and social lives, and demand for new and improved digital services, made possible by the infrastructure we invest in, is likely to continue to grow.

Cisco, the American telecommunications equipment giant, periodically publishes a review of global internet trends. In March 2020, before the impact of COVID-19 had even become clear, Cisco was already forecasting that the number of devices connected to IP networks would, by 2023, exceed the global population by a factor of 3.6x. Some forecasts show the volume of data created and transmitted online will almost double between 2022 and 2025.

With the growth of the internet in the 1990s, users - in particular corporations and governments - began to build their own networks. The number of players building, operating and owning Digital Infrastructure consequently expanded significantly.

In the early 2000s, with demand for data increasing apace, it became clear to this expanded sector that the value added for any telecoms operator or business or government department lay in the applications that were delivered - the Facetime call, the online order, the sharing of information - rather than ownership of the pipes that carried the data.

This in turn led to the model of outsourced, shared infrastructure. This model - of sharing towers and data centres and fibre - allows carriers and corporations to optimise their capital structures and devote more resources to software-based customer interactions.

It is the combination of these two factors - demand growth and efficiency-driven outsourcing - that has resulted in Digital Infrastructure becoming the third largest category of infrastructure spending (as measured in annual capital expenditure).

Deployment

The Company has successfully committed most of the £795 million of gross proceeds to three investments over the course of its first year as a listed company, while its pipeline of investment opportunities is now larger and more varied than at any time during the last year and very much aligned with the Company's buy, build & grow model.

This has been achieved with the exercise of discipline over price and deal terms. Several meaningfully sized investment opportunities did not progress for these reasons even though they were at advanced stages of negotiation.

The funds deployed were invested in, or have been committed to, three medium-sized operating platforms with significant growth potential representing what we believe are a compelling and diversified collection of Digital Infrastructure Assets, comprising in aggregate:

- ca.350,000 square feet of existing and potential raised floor (or equivalent) data centre capacity;
- ca.1,200 communication towers and sites;
- two fibre-optic networks, totalling ca.4,000 kilometres of fibre;
- two national wireless sensor networks, serving 'smart city' and utility applications; and
- ca.£95 million of 2021 pro forma EBITDA: enough to comfortably cover the projected 4p dividend with excess cash available to fund additional investments that should further grow NAV.

The acquisitions are CRA in the Czech Republic and the assets of US interconnect data centre operator Hudson Interxchange (formerly DataGryd), with the completion of the acquisition of Emitel in Poland expected later this year subject to the satisfaction of the remaining regulatory approvals. The Investment Manager is in daily contact with all the platform companies, to provide input and support. This includes those in Central Europe, which has been the focus of world attention this year, as the tragic events in Ukraine have unfolded. Neither CRA nor Emitel have been affected in any way by these events and where possible they have sought to provide support, including the delivery of Ukrainian language television and radio channels in their respective geographies. There was initial volatility in the foreign exchange markets, but this quickly has diminished, with no notable impact.

CRA

CRA is a leading independent Digital Infrastructure platform in the Czech Republic. Acquired for £305.9 million, on an EBITDA multiple of less than 12x, this national champion operates a nationwide network of mobile towers (serving mobile carriers and government), the national broadcast network, six edge data centres, ca.3,700 kilometres of well-located fibre optics and a national sensor network serving major utilities.

CRA benefits from contracted, long-term and growing revenues from a customer base that is largely blue chip or government counterparties. Furthermore, it also benefits from continued innovation, such as the recent testing of 5G services.

Demand for digital services in the Czech Republic is strong and enjoys a buoyant outlook underpinned by the strength of the economy, which boasts gross domestic product per capita comparable to those of Italy, Spain and Portugal and strong public finances.

Hudson Interxchange

In January 2022, the Company acquired the assets of US interconnect data centre platform Hudson Interxchange.

HIX operates out of 60 Hudson Street, an iconic art deco skyscraper, nestled at the edge of downtown Manhattan's district of office towers. Having been constructed as the headquarters for the Western Union Company (formerly the largest provider of telegraphic services), it contains many design features that have allowed it to remain as a centre of US and global interconnectivity for almost 100 years, from the telegraph to the internet of today.

We see 60 Hudson Street as one of the most strategic buildings on the internet. Over 400 carriers meet and interconnect there, making it one of the densest carrier meeting points on the internet serving the essential purposes of allowing one network to connect to another and networks to effectively balance traffic loads.

The customers in these facilities are typically blue chip carriers, internet companies, media firms and software as a service (SaaS) providers, among others. Contracted space is generally at premium prices, under long-term leases, across multiple customers.

HIx occupies or has options on ca.290,000 square feet of this building, including scarce and vitally important technical capacity. The company has also secured important supplies of power, giving it a critical competitive advantage.

These assets were acquired for US\$74 million, and a similar amount of capital expenditure is planned to expand the business potential.

Emitel

Emitel is a multi-asset Digital Infrastructure business based in Poland. It operates a network of over 500 communications towers and a nationwide IoT sensor network, serving utilities. The company shares many structural characteristics with CRA, albeit in a larger market.

The announced purchase consideration was £352 million at then-prevailing exchange rates. The acquisition is subject to the remaining regulatory approvals (antitrust approval having been granted earlier this year). The acquisition is expected to close later in 2022.

Emitel's assets are strategically located in Poland, and expansion opportunities will be explored in all four aspects of Digital Infrastructure (towers, fibre, data centres and IoT).

Emitel is the beneficiary of long-term contracts, averaging 10 years and including escalation clauses. The customer base is predominantly blue chip, including major media and communications firms.

Emitel has secured a 5-star rating from GRESB, an Amsterdam-based environmental organisation providing global ESG ratings.

In accordance with the Company's buy, build & grow and ESG strategies, once closed this acquisition offers a platform for growth in a country that has one of the highest data consumption growth rates in Europe.

Configuration of the team, value add and competitive landscape

The team at the Investment Manager brings value at all stages through its experience and expertise. This enables us to offer more than just capital to investee assets.

Providing that value is made possible by having a dedicated team of almost 20 people, supported by the Investment Manager's wider regulatory back office and middle office team. The dedicated Digital Infrastructure team is set to grow further.

Included within the Digital Infrastructure team are 10 senior managing director-level executives. Of these, six have backgrounds as senior operators at leading firms in the Digital Infrastructure space, including as CEO, head of strategy, head of network, general counsel, finance/operations and human resources. This provides the platforms in which we invest with valuable expertise and access to industry best practice: tools and coaching that can be deployed to increase size and profitability to the benefit of our investors.

That being said, the depth and breadth of the team is also of considerable value during the investment process.

Those competing against us to purchase Digital Infrastructure platforms are typically 'strategics' (companies in the sector) and infrastructure private equity funds (managing private capital pools for pension funds and insurance companies). Strategic buyers tend to focus on larger transactions than those targeted by the Company (albeit with some overlap at the top end of our range). The larger infrastructure funds likewise seek large deals, leaving competition for middle-sized deals predominantly to generalist infrastructure private equity. Such funds tend to lack the deep operational and strategic experience of the Investment Manager.

The implication of this is that customers of the platforms - who have a vested interest in quality of service - tend to view us as a much safer buyer.

The Company's ability to deploy investment capital for the long term also ensures it is advantageously seen as a preferred investor.

These attributes have enabled the Company to be named the preferred bidder, and sometimes the sole bidder, across several interesting investment opportunities.

Pipeline

The Investment Manager continues to improve its pipeline of investment opportunities for the Company in terms of quantity and quality.

At the time of writing, the pipeline of opportunities stands at over €3.0 billion. Of that, the largest pool of opportunities is in Western Europe and the UK, followed closely by the US and then Canada. Potential data centre and tower transactions currently represent the largest proportion of opportunities but, as with the overall size of the pipeline, the mix of asset opportunities will evolve and change in tandem with shifting market conditions.

A pipeline of this size and quality offers the opportunity to further diversify the investment portfolio, both in terms of asset type and geography.

The Company's existing portfolio also presents several compelling opportunities for capital expenditures. This will generate new revenues and profits, thereby boosting NAV per share.

ESG, impact, sustainability and corporate governance

ESG and impact investing have been key areas of focus for the Investment Manager, for a considerable time.

An early signatory of the UN's Principles for Responsible Investing, the Investment Manager subsequently became a founding signatory of the IFC's Operating Principles for Impact Management.

During the period, the Investment Manager continued to evolve its ESG strategy. ESG analysis, now based on metrics developed by the Sustainable Accounting Standards Board, underpins the investment analysis of potential acquisitions and enables ESG action plans to be developed at the time of the investment. These analyses and plans subsequently guide the activities and monitoring of investee platforms.

The Investment Manager is committed to reducing the carbon intensity of the digital economy. Based on data from the International Energy Agency (www.iea.org/reports/data-centres-and-data-transmission-networks) in total, fixed line data transmission, mobile data transmission, various types of data centres and cryptocurrency mining account for ca.5% of global electricity consumption.

Emitel is a good example of how ESG considerations are an integral part of and underpin initial investment decisions. Emitel's power supply is, for example, already fully purchased from renewable sources and the company has obtained a 5-star rating from GRESB.

The Investment Manager aims to work with all portfolio companies to collectively reduce carbon emissions and introduce strong governance in this area.

The Company's focus revolves around three interconnected initiatives:

- Improving the efficiency of electrical consumption at data centres at platform companies.
- Integrating renewable energy into the mix of portfolio companies, where possible.
- Enhancing efficient network design, such as moving data and users to the network edge, thereby reducing energy consumption.

At the platform level in which the Company invests, the primary mechanism for initiating, managing, and reporting on these (and other) impact investing initiatives is through impact action plans. These are developed through active and engaged involvement by the Investment Manager's team members serving on the portfolio company's Board of Directors, supported by the relevant members of the investment and ESG and impact teams.

In terms of reporting structures, at the portfolio management level, the Investment Manager is working towards the Net Zero Asset Management (NZAM) initiative via its membership of UN PRI. It is also progressing alignment with the EU's taxonomy for sustainable activities.

The Company benefits from a fully independent Board of Non-Executive Directors. The Board has directly relevant experience to the operations of the Company and, along with its committees, provides appropriate oversight of the Company's portfolio and challenge to the Investment Manager.

Portfolio strategy and outlook

We are greatly encouraged by the progress achieved since the IPO in assembling the Company's portfolio of high-quality, operational Digital Infrastructure Assets. Plans outlined at the time of the IPO have been more than delivered, including the full, and prudent commitment of capital, and the construction of a strong portfolio generating solid cash flows and offering the potential for NAV growth in line with target returns.

In building the platform, the Company remained committed to delivering a portfolio that is both geographically and technologically diversified. Although the two largest deals announced during the period are based in the EU, the pipeline skews westwards and beyond to North America.

We see active opportunities in areas such as edge and interconnect networking, hybrid cloud, the growth of DAS and fibre densification in relation to tower networks, multi-asset platforms, misunderstood assets requiring strategic repositioning, the potential integration of 5G and broadcast, and other areas.

The Investment Manager's commitment to investing rigour (including the exercise of pricing discipline) will continue to be combined with substantial industry and operating experience. This can in turn support the delivery of long-term and sustainable returns for investors. We look forward to the year ahead with confidence and enthusiasm.

Steven Marshall

Investment Manager

Benn Mikula

Investment Manager

Dividends

On 23 May 2022, the Board approved a further interim dividend of 1.5 pence per share in respect of the period from 1 October 2021 to 31 March 2022, bringing the total dividend for the period to 31 March 2022 to 3 pence per share. The record date for this dividend is 24 June 2022 and the payment date is 21 July 2022.

Principal risks and uncertainties

The risk	How we mitigate risk	How the risk is changing	Movement
1. The Company may lose investment opportunities if it does not match investment prices, structures and terms offered by competing bidders. Conversely, the Company may experience decreased rates of return and increased risk of loss if it matches investment prices, structures and terms offered by competitors.	The Investment Manager operates a prudent and disciplined investment strategy, participating in transaction processes only where it can be competitive without compromising its investment objectives.	The Investment Manager has been successful in identifying and pursuing bilateral opportunities rather than auction processes, where competition for assets has been less significant. However, there can be no guarantee that suitable further bilateral opportunities will arise, and prices in competitive processes in the market have been rising.	Up

2. There can be no guarantee or assurance the Company will achieve its investment objective, which is an indicative target only. Investments may fail to deliver the projected earnings, cash flows and/or capital growth expected at the time of acquisition.	The Investment Manager performs a rigorous due diligence process, using expert professional advisors in fields relevant to the proposed investment, prior to any investment being executed.	The results of our investments to date are in line with our expectations and have met the Company's investment objective so far, demonstrating that the due diligence process undertaken at the time of acquisition was appropriately rigorous to mitigate this risk. However, the same level of rigour must be maintained for future investments.	Flat
3. The actual rate of return may be materially lower than the targeted returns.	The Investment Manager performs a rigorous due diligence process before any investment is acquired. The Investment Manager also carries out a regular review of the investment environment and also benchmarks target and actual returns against the industry and competitors.	The NAV total return for the period had exceeded the 9% return targeted at the time of the IPO, supported by investment performance in line with expectations and a dividend ahead of IPO target.	Flat
4. The Company may invest in Digital Infrastructure Assets which are in construction or construction-ready or otherwise require significant future capital expenditure. Digital Infrastructure Assets which have significant capital expenditure requirements may be exposed to cost overruns, construction delay, failure to meet technical requirements or construction defects.	The Investment Manager has significant experience of managing construction risks and engages third parties where appropriate to oversee such construction.	The Company's investments to date have not undertaken significant capital construction projects. This risk has therefore been relatively low, but may increase as capital investment increases under our buy, build & grow strategy.	Up
5. The operation, maintenance and performance of Digital Infrastructure Assets in which the Company may invest, or acquire in the future, may be affected by the impact of COVID-19 or another pandemic or epidemic, climate change, or other wide-scale disruption to the global economy and business. Such disruption may materially adversely affect the Company's suppliers, tenants and customers.	The Company seeks to acquire a diversified range of investments, so that the exposure to conditions in any one market, and to individual suppliers, customers and tenants, is limited.	COVID-19 has had very little impact on the Company and indications are that risks from the pandemic are fading. However, the war in Ukraine has shown that there can be emergent risks to the world economy. The war itself is not expected to affect the Company's investments directly, but it will have an impact on supply chains in the short to medium term, in respect of both pricing and delivery times.	Up
6. Actual results may vary from the projections, which may have a material adverse effect on NAV.	The Investment Manager provides the Board with at least quarterly updates of portfolio investment performance and detail around material variation from forecast returns. Investment valuations are performed in line with the valuation policy and IPEV guidelines, and at year end reviewed both by the Company's auditors and by an independent valuer.	The results of our investments to date are in line with our projections at the time of acquisition, and their fair value has increased, contributing to NAV growth of 8.4%] since IPO. This demonstrates the quality of the Investment Manager's projections and its ability to manage the investments for growth.	Down
7. Unforeseen tax liabilities may arise during the course of making an investment, in extracting dividends from investments, and on disposal of investments.	The Company has taken and will continue to take specialist tax advice in relation to maintaining investment trust status, and regularly reviews its compliance with the requirements to maintain that status. The Company takes specialist advice from local experts in jurisdictions in which investments are planned or made before	The Company has in-house expertise and has taken, and will continue to take, advice from suitably qualified external advisors in relation to UK and international tax risks.	Flat

	investment in order to anticipate and plan for tax liabilities.		
8. Inflation may cause costs to rise faster than revenues, causing a reduction in margins and profits.	CRA has predominantly long-term contracts with strong counterparties which tend to incorporate full or potential protection and pass throughs. The Company will seek to put similar protections in place in future contracts and in future investments wherever possible. The Investment Manager will continue to take board positions on investee companies and use its influence to maintain rigorous cost controls.	Globally, inflation has risen dramatically, largely as a result of the war in Ukraine. While the effect of inflation is net positive in the case of CRA, there can be no guarantee that future investments will be able to obtain or maintain similar contractual protections.	Up

Statement of Financial Position (unaudited)

As at 31 March 2022

	Note	As at 31 March 2022 £'000
Non-current assets		
Investments at fair value through profit and loss	5	409,856
		409,856
Current assets		
Receivables	7	51,705
Foreign exchange forwards	8	8,072
Cash and cash equivalents		353,734
		413,511
Current liabilities		
Payables		(1,021)
		(1,021)
Net current assets		412,490
Net assets		822,346
Equity		
Equity share capital	9	779,896
Retained earnings		42,450
Total equity		822,346
Number of shares in issue		
Ordinary shares	9	773,288,394
		773,288,394
Net asset value per ordinary share (pence)	13	106.34

Statement of Comprehensive Income (unaudited)

For the period ended 31 March 2022

For the
period from
4 January
2021 to 31
March 2022

	Note	£'000
Movement in fair value of investments	5	40,346
Unrealised foreign exchange gains on investments	5	13,852
Interest income	5	<u>2,932</u>
		57,130
Operating expenses		
Investment acquisition costs		(4,564)
Other expenses	4	<u>(7,448)</u>
Operating profit		45,118
Foreign exchange movement on revaluation of working capital		(1,876)
Unrealised gain on foreign exchange forwards	8	8,072
Finance income		180
Finance expense		<u>(124)</u>
Profit for the period before tax		51,370
Tax charge	11	<u>-</u>
Profit for the period after tax		51,370
Profit and total comprehensive income for the period		<u>51,370</u>
Weighted average number of shares		
Basic	13	411,129,146
Diluted	13	411,644,654
Earnings per share		
Basic earnings from continuing operations in the period (pence)	13	12.49
Diluted earnings from continuing operations in the period (pence)	13	<u>12.48</u>

Statement of Changes in Equity (unaudited)
For the period ended 31 March 2022

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
Opening net assets as at 4 January 2021		-	-	-
Issue of share capital		794,997	-	794,997
Share issue costs		(15,101)	-	(15,101)
Distributions paid in the period	14	-	(8,920)	(8,920)
Profit and total comprehensive income for the period		-	51,370	51,370
Closing net assets attributable to shareholders as at 31 March 2022		779,896	42,450	822,346

Statement of Cash Flows (unaudited)

For the period ended 31 March 2022

	Note	For the period from 4 January 2021 to 31 March 2022 £'000
Operating activities		
Operating profit for the period		45,118
Adjustments to operating activities		
Movement in fair value of investments	5	(40,346)
Unrealised foreign exchange gain on investments	5	(13,852)
Interest capitalised and receivable on shareholder loan investments		(2,932)
Increase in receivables		(1,038)
Increase in payables		1,021
Net cash flows used in operating activities		(12,029)
Cash flows used in investing activities		
Investment additions		(361,481)
Cash collateral held for investing purposes	7	(50,599)
Repayment of shareholder loan received	5	8,620
Loan interest received		397
Net cash flows used in investing activities		(403,063)
Cash flows used in financing activities		
Issue of share capital	9	794,997
Payment of issue costs	9	(15,101)
Loan drawn down		286,980
Loan repaid		(286,980)
Realised foreign exchange gain on short-term loan		159
Finance costs paid		(124)
Bank interest received		150
Dividends paid	14	(8,920)
Net cash flows from financing activities		771,002
Net increase in cash and cash equivalents during the period		353,734
Cash and cash equivalents at the beginning of the period		-
Exchange translation movement		(1,991)
Cash and cash equivalents at the end of the period		353,734

Notes to the financial statements (unaudited)

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 2nd Floor Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY. 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 9 gives more information on share capital.

2. Significant accounting policies

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

Basis of preparation

The summary financial information set out above does not constitute the Company's statutory financial statements for the financial period ended 31 March 2022. The Company has not yet fully completed the finalisation of the 2022 Annual Report. The Company expects the 2022 full financial statements to be signed by the Directors no later than 25 May 2022. Accordingly, the financial information for the period ended 31 March 2022 set out above is unaudited.

The financial statements have been prepared in accordance with IFRS as issued by the IASB and with the Companies (Guernsey) Law 2008 (as amended).

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

Going concern

The Company's cash balance at 31 March 2022 was £353.73 million, which is sufficient to cover its existing liabilities of £1.02 million, dividend of £11.6 million with respect to the six-month period ended 31 March 2022, and any foreseeable expenses for at least, but not limited to, 12 months from the issuance of the financial statements. The Company also has future acquisition commitments of £366 million. As at 31 March 2022, Royal Bank of Scotland International held £42 million as collateral in respect of foreign currency forward contracts held for financing the acquisition. The £42 million cash collateral will be released when the forward contracts mature and will be available to help meet the Emitel purchase consideration.

The most significant cash requirements arise when the Company successfully bids for investments, and the amount and timing of these are impossible to predict. Where further cash is needed to make fully funded bids, it is anticipated that the Company will be able to access the capital markets for equity, debt or a combination of both, and will therefore be able to continue to make investments.

The Company's cash balance is comprised of cash held on deposit with substantial global financial institutions with strong credit ratings, and the risk of default by the counterparties is considered extremely low. Due to this the Directors believe there is no material going concern risk. The major

Notes to the financial statements

2. Significant accounting policies (continued)

Going concern (continued)

cash outflows of the Company are expected to be the payment of dividends and expenses and the acquisition of new assets. The Company is closed-ended and there is no requirement for the Company to redeem shares.

The COVID-19 pandemic has caused severe disruptions in global economies and capital markets. The pandemic is not yet over and may also continue to materially and adversely impact the performance of the global economy, the Company's operations, and investments in the future. The war in Ukraine has also had, and is expected to continue for some time to have, substantial additional impacts on the global economy, in particular in respect of inflation rates. Given the ongoing nature of the COVID-19 pandemic and the war in Ukraine, it is currently not possible to determine the potential scale and scope of the ultimate effects on the global economy, capital markets, and the Company's operations and investments. As the situation continues to evolve, this will remain a risk to the Company.

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

- unavailability of key personnel at the Investment Manager or Administrator due to illness
- 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 COVID-19 and the war in Ukraine on the Company and its underlying investments, the Investment Manager has assessed these with reference to the mitigation measures in place.

As further detailed in note 5 to the financial statements, the Investment Manager 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.

Based on the assessment outlined above, including the various risk mitigation measures in place, the Directors do not consider that the effects of COVID-19 and the war in Ukraine have created a material uncertainty over the assessment of the Company as a going concern.

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 12 months from 24 May 2022 to 30 June 2023, 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, IFRS 12 'Disclosure of Interests in Other Entities' and IAS 27 'Consolidated and Separate Financial

Notes to the financial statements

2. Significant accounting policies (continued)

Accounting for subsidiaries (continued)

Statements'. The three essential criteria are that the entity must:

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

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

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

then the Investment Manager will take appropriate steps to dispose of the investment.

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

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

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

Financial instruments

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

Notes to the financial statements

2. Significant accounting policies (continued)

Financial assets (continued)

The Company's financial assets principally comprise of investments held at fair value through profit or loss, derivative financial instruments, 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 measured at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each 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 plus outstanding interest. Any gains and losses to investments are allocated to equity.

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 and IFRS 9.

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.

Derivatives held for trading

When considered appropriate the Company will enter into derivative contracts to manage its foreign-exchange risk and provide protection against the volatility of the market.

Quoted derivatives are valued at bid price on the reporting date. If the price is not available as at the accounting date, the last available price is used. Gains and losses arising from changes in fair value are presented in the Statement of Comprehensive Income in the period in which they arise.

Notes to the financial statements

2. Significant accounting policies (continued)

Financial assets (continued)

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 expected 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, 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.

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. Interest income is accounted for in accordance with the loan documentation.

Expenses

Expenses include legal, accounting, auditing and other operating expenses. They are recognised on an accruals basis in the Statement of Comprehensive Income in the period in which they are incurred.

Notes to the financial statements**2. Significant accounting policies (continued)****Taxation**

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions in section 1158 Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust.

In respect of each accounting period for which the Company is, and continues to be, approved by HMRC as an investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and its capital profits from creditor loan relationships. The Company will, however, be subject to UK corporation tax on its income (currently at a rate of 19%).

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

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

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

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.

Notes to the financial statements**2. Significant accounting policies (continued)****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 pounds sterling at the rate of exchange prevailing on the date of the transaction.

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

Non-monetary items measured at fair value in a currency other than pounds sterling are translated using the exchange rates at the date 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 finance income or expense.

Segmental reporting

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the 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 Annual Report.

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

100 % of the Company's income is generated within the Czech Republic.

86% of the Company's non-current assets are located in the Czech Republic and 14% within the US.

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

New and amended standards and interpretations not applied

Accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 April 2022 or later periods. The following are the new or amended accounting standards or interpretations applicable to the Company:

- amendments to IAS 1 'Presentation of financial statements' on classification of liabilities, effective for annual periods beginning on or after 1 January 2023;
- amendments to IAS 1 'Presentation of financial statements' and IFRS Practice Statement 2 on disclosure of accounting policies, effective for annual periods beginning on or after 1 January 2023;

Notes to the financial statements

2. Significant accounting policies (continued)

New and amended standards and interpretations not applied (continued)

- amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', effective for annual periods beginning on or after 1 January 2023; and
- amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023) - Deferred tax related to assets and liabilities arising from a single transaction.

The impact of these amendments is not expected to be material to the reported results and financial position of the Company.

3. Significant accounting judgements, estimates and assumptions

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

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

Assessment as an Investment Entity

The Directors have concluded that the Company has all the elements of control as prescribed by IFRS 10 'Consolidated Financial Statements' in relation to all its subsidiaries and that the Company satisfies the three essential criteria to be regarded as an Investment Entity as defined in IFRS 10, IFRS 12 'Disclosure of Interests in Other Entities' and IAS 27 'Consolidated and Separate Financial Statements'. Refer to note 2 for more information.

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 period ended 31 March 2022 is included in note 15 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.

Notes to the financial statements

3. Significant accounting judgements, estimates and assumptions (continued)

Judgements (continued)

Climate change

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

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

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

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

4. Other expenses

Other expenses in the Condensed Statement of Comprehensive Income comprise:

	Note	For the period ended 31 March 2022 £'000
Management fees	12	4,690
Discontinued deal fees		1,612
Other expenses		798
Directors' fees		218
Fees payable to the statutory auditor	10	130
		7,448

5. Investments at fair value through profit or loss

	As at 31 March 2022		
	Loans £'000	Equity £'000	Total £'000
Opening balance	-	-	-
Additions	32,249	329,232	361,481
Shareholder interest capitalised	2,797	-	2,797
Shareholder loan repayment	(8,620)	-	(8,620)
Unrealised movement in fair value of investments	-	40,346	40,346
Foreign exchange movement on valuation of investments	1,245	12,607	13,852
	27,671	382,185	409,856

Notes to the financial statements

5. Investments at fair value through profit or loss (continued)

During the period the Company made two investments, one in the Czech Republic and one in the US. These additions are described in more detail below.

The Company's investments in the Czech Republic comprise a loan investment and an equity investment in Communications Investments Holdings s.r.o., an entity incorporated in the Czech Republic and the parent company of České Radiokomunikace a.s. (CRA), the principal operating company. To fund the acquisition, a loan of €333 million was drawn down on 29 April, and was fully repaid within 15 days out of the proceeds of a maturing deposit. The investment is held at fair value.

The loan to Communications Investments Holdings s.r.o. is repayable on a monthly basis, and bears interest at a rate of 9.90% per annum. Interest receivable on the loan investment in the period was £2,932,000, of which £nil was outstanding at 31 March 2022. During the period £2,797,000 of interest receivable was capitalised as interest income. Under the terms of the loan, interest is payable monthly and capitalised if not received.

During the period the Company purchased, through its subsidiary, CDIL Data Centre USA LLC, the full operational platform of Hudson Interxchange (previously operating under the name DataGryd Datacenters LLC). The investment is held at fair value.

The investment comprises a \$1 equity investment and various equity contributions made in the period. As at 31 March 2022 the equity investment is valued at £55,837,000. The fair value of the investment is considered to be equal to cost due to the proximity of its acquisition to the financial period end.

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

	As at 31 March 2022		
	Loans £'000	Equity £'000	Total £'000
Shareholder loan interest income	2,932	-	2,932
Unrealised movement in fair value of investments	-	40,346	40,346
Foreign exchange movement on valuation of investments	1,245	12,607	13,852
Total investment income recognised in the period	4,177	52,953	57,130

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.

Notes to the financial statements

5. Investments at fair value through profit or loss (continued)

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 fair value of the Company's investment in Hudson Interxchange has been assessed as being equal to invested capital. In reaching this conclusion, the Investment Manager and the Board have considered the short time since the acquisition, and the absence of factors which might suggest the acquisition price might no longer be an accurate assessment of fair value. In particular, there have been no significant changes in the results of Hudson Interxchange from the forecast at the time of acquisition and no significant changes in the market for data centre space. The independent valuation expert concurs with this assessment. This valuation has also been calibrated using a discounted cash flow (DCF) valuation model.

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

The DCF valuation methodology requires estimation of unobservable inputs. The following table summarises the effect on the valuation of the Company's portfolio of reasonably possible alternative investment assumptions with regards to those estimates.

Unobservable input	Range	Valuation if rate increases by 1% (£m)	Movement in valuation (£m)	Valuation if rate decreases by 1% (£m)	Movement in valuation (£m)
WACC	7.5%-10%	329.7	(80.1)	517.8	107.9
TGR	1.0%-2.5%	482.4	72.6	355.9	(54.0)

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.

6. Unconsolidated subsidiaries

The following table shows subsidiaries of the Company. As the Company qualifies as an Investment Entity as referred to in note [5], these subsidiaries have not been consolidated in the preparation of the financial statements:

Investment	Place of business	Ownership interest at 31 March 2022
Held directly		
Cordiant Digital Holdings UK Limited ¹	United Kingdom	100%
Cordiant Digital Holdings One Limited	United Kingdom	100%
Cordiant Digital Holdings Two Limited	United Kingdom	100%
Communications Investments Holdings s.r.o.	Czech Republic	100%
CDIL Data Centre USA LLC	USA	100%
Held indirectly		
České Radiokomunikace a.s. (Czechia)	Czech Republic	100%
Czech Digital Group, a.s	Czech Republic	100%

¹ Entity previously named Cordiant Digital Holdings (Czechia) Limited.

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 subsidiaries located in the USA 60 Hudson Street suite, New York, NY 10013.

The amounts invested in the Company's unconsolidated subsidiaries during the period and their carrying value at 31 March 2022 are as outlined in note 5. [his comprised £305,643,000 invested in Communications Investments Holdings s.r.o. on acquisition of the entity in April 2021 £2,797,000 of the shareholder loan interest receivable capitalised in the period, and £55,837,000 invested in CDIL Data Centre USA LLC in January 2022.

During the period, the Company has invested £1 into each of Cordiant Digital Holdings UK Limited, Cordiant Digital Holdings One Limited and Cordiant Digital Holdings Two Limited, relating to the subscription for ordinary share capital on incorporation. Each of these entities has been dormant since incorporation. The Company intends to fund underlying investments through its unconsolidated subsidiaries.

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 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.

Notes to the financial statements

7. Trade and other receivables

As at 31 March 2022

	£'000
Cash collateral	50,599
Other debtors	1,020
Prepayments	56
Interest receivable	30
	51,705

Cash collateral relates to two security deposits held in money market accounts. £42,000,000 is held as collateral in respect of three foreign exchange forward contracts the Company has entered into, and will be released when the forward contracts are settled. The collateral generates interest at 1.05% per annum. The remaining amount relates to collateral for a letter of credit relating to the lease of the building occupied by Hudson Interxchange, totalling US\$11.3 million (£8.6 million) and generates interest at 0.59% per annum.

8. Derivatives

Forward contracts

	As at 31 March 2022
	£'000
Foreign exchange forwards	8,072
	8,072

The Company has entered into three foreign exchange forwards of £50 million each in Polish zloty, and one in Czech koruna of CZK260 million. The maturity dates of the three Polish zloty foreign exchange forwards are 9 June 2022, and the Czech koruna contract is 23 May 2022. The fair value of the foreign exchange forward contracts receivable is determined using forward rates at reporting date. There have been no realised gains in the period and the total unrealised gains are £8,072 million.

Notes to the financial statements

9. Share capital

Ordinary shares

Date	Issued and fully paid	Number of shares issued	Share capital	Total
			£'000	£'000
GBP				
Shares at inception		-	-	-
	Incorporation - ordinary shares of no par value	-	-	-
	Less share issue costs	-	-	-
16-Feb-21	Capital raise - ordinary shares	370,000,000	370,000	370,000
	Less share issue costs	-	(7,007)	(7,007)
01-Apr-21	Subscription Shares exercised	930,447	930	930
	Less share issue costs	-	(13)	(13)
04-May-21	Subscription Shares exercised	771,713	772	772
	Less share issue costs	-	(13)	(13)
01-Jun-21	Subscription Shares exercised	4,480,528	4,481	4,481
	Less share issue costs	-	(13)	(13)
01-Jul-21	Subscription Shares exercised	6,221,004	6,221	6,221
	Less share issue costs	-	(16)	(16)
02-Aug-21	Subscription Shares exercised	6,017,044	6,017	6,017
	Less share issue costs	-	(121)	(121)
01-Sep-21	Subscription Shares exercised	21,274,718	21,275	21,275
	Less share issue costs	-	(422)	(422)
21-Dec-21	Issuance of ordinary shares	154,238	175	175
	Less share issue costs	-	(13)	(13)
	Conversion of C Shares to ordinary shares	174,640,000	181,548	181,548
	Less share issue costs	-	(12)	(12)
25-Jan-22	Capital raise - ordinary shares	188,679,245	199,999	199,999
	Less share issue costs	-	(3,868)	(3,868)
01-Mar-22	Subscription Shares exercised	119,457	127	127
	Less share issue costs	-	(151)	(151)
		773,288,394	779,896	779,896

C Shares

Date	Issued and fully paid	Number of shares issued	Share capital	Total
------	-----------------------	-------------------------	---------------	-------

GBP			£'000	£'000
10-Jun-21	Capital raise - C Share	185,000,000	185,000	185,000
	Less share issue costs		(3,452)	(3,452)
20-Jan-22	Conversion to ordinary shares	(185,000,000)	(181,548)	(181,548)
		-	-	-
Totals at 31 March 2022		773,288,394	779,896	779,896

In January 2022, the Company announced the conversion of C Shares into new ordinary shares, in accordance with the terms of the C Shares. The total number of new shares arising on conversion was 174,640,000. The new ordinary shares rank equally with the existing ordinary shares for any dividends or distributions declared after the conversion date.

Notes to the financial statements

9. Share capital (continued)

At 31 March 2022, the Company's issued share capital comprised 773,288,394 ordinary shares and 6,435,071 Subscription Shares. 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 31 March 2022 and the date of this report.

10. Audit fees

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

	For the period ended 31 March 2022 £'000
Fees to the Company's auditor	
for audit of the statutory financial statements	114
for other audit related services	-
for non-audit services	16
	130

Non-audit services paid to the Company's auditor relate to, a review of the Interim Report (£8,000) and services relating to the C Share conversion to ordinary shares (£7,500).

11. Tax

a) Analysis of the tax charge for the period ended 31 March 2022

	For the period from 4 January 2021 to 31 March 2022 £'000
Corporation tax	
Taxation for the period (see note 11b)	-

b) Factors affecting tax charge for the period ended 31 March 2022

The tax assessed for the period ended 31 March 2022 is lower than the Company's applicable rate of corporation tax for that period of 19%. The factors affecting the tax charge for the period are as follows:

Notes to the financial statements

11. Tax (continued)

Profit for the period before tax	51,370
Net return before taxation multiplied by the Company's applicable rate of corporation tax for the period of 19%	9,760
Effects of:	
Capital return on investments	(11,475)
Expenses not deductible for corporation tax	1,173
Unrelieved current period expenses	542
Total tax for the period (see note 11a)	-

c) Deferred taxation

The Company has an unrecognised deferred tax asset of £712,000 based on a main rate of corporation tax of 25%.

A change to the UK tax rate from 19% to 25% was enacted on 24 May 2021 and the deferred tax asset not recognised has been calculated at the expected applicable future rate.

It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

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

12. Management and performance fees

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

Management fee

The Investment Manager receives from the Company an annual management fee, based on the average market capitalisation of the Company, calculated 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, 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

Notes to the financial statements**12. Management and performance Fees (continued)**

- b) if the average trading price is lower than the last reported NAV per ordinary share (as adjusted to reflect any dividends reflected in the average trading price) the Investment Manager shall, as soon as reasonably practicable, use the relevant amount to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within two months of the relevant NAV announcement date.

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

During the period from 4 January 2021 to 30 September 2021 the Investment Manager has been allotted and issued 154,238 new ordinary shares for aggregate consideration of £175,000. During the period from 1 October 2021 to 31 March 2022 the Investment Manager is required to subscribe for new ordinary shares for aggregate consideration of £294,000.

During the period from 4 January 2021 to 31 March 2022 the Investment Manager has charged management fees of £4,690,000 to the Company, with £661,000 accrued at period end.

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

Performance fee

The Investment Manager may 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 from 4 January 2021 to 31 March 2022 no performance fee is due to the Investment Manager.

Notes to the financial statements

13. Earnings per share and net asset value per share

Earnings per share

	For the period from 4 January 2021 to 31 March 2022	
	Basic	Diluted
Allocated profit attributable to this share class- £'000	51,370	51,370
Weighted average number of shares in issue	411,129,146	411,644,654
Earnings per share from continuing operations in the period (pence)	12.49	12.48

On IPO 46,249,982 Subscription Shares were issued. During the period 39,814,911 Subscription Shares were exercised, as detailed in note 9. At 31 March 2022, there were 6,435,071 dilutive Subscription Shares in issue. No earnings are attributable to the Subscription Shares.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	For the period from 4 January 2021 to 31 March 2022
Weighted average number of shares used in basic earnings per share	411,129,146
Effect of subscription shares carrying a right to subscribe for ordinary shares	515,508
Weighted average number of shares used in diluted earnings per share	411,644,654

Net asset value per share

Net asset value - £'000	822,346
Number of ordinary shares issued	773,288,394
Net asset value per share (pence)	106.34

Notes to the financial statements

14. Dividends declared with respect to the period

Dividend per	Dividend per C	Total
--------------	----------------	-------

ordinary share	Share	dividend
pence	pence	£'000
Dividends paid during the period		
With respect to the period ended 30 September 2021	1.50	8,920
1.50	1.50	8,920
Dividends declared after 31 March 2022 and not accrued in the period	Dividend per ordinary share	Total dividend
	pence	£'000
With respect to the period ended 31 March 2022	1.50	11,599
	1.50	11,599

On 23 May 2022, the Board approved an interim dividend of 1.5 per share in respect of the period from 1 October 2021 to 31 March 2022, bringing the total dividend for the period to 31 March 2022 to 3 pence per share. The record date for this dividend is 24 June 2022 and the payment date is 21 July 2022.

15. Financial risk management

Financial risk management objectives

The Company's investing activities intentionally expose it to various types of risks that are associated with the underlying investments. The Company makes the investment in order to generate returns in accordance with its investment policy and objectives.

The most important types of financial risks to which the Company is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has overall responsibility for the determination of the Company's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

The Investment Manager and the Administrator provide advice to the Company which allows it to monitor and manage financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. The Investment Manager and the Administrator report to the Board on a quarterly basis.

Categories of financial instruments

For those financial assets and liabilities carried at amortised cost, the Directors are of the opinion that their carrying value approximates to their fair value.

Notes to the financial statements

15. Financial risk management (continued)

	As at 31 March 2022 £'000
Financial assets	
<i>Financial assets at fair value through profit or loss:</i>	
Investments	409,856
Forward contracts receivable	8,072
<i>Other financial assets at amortised cost:</i>	
Cash and cash equivalents	353,734
Trade and other receivables	51,649
Financial liabilities	
<i>Financial liabilities at amortised cost:</i>	
Trade and other payables	(1,021)

Fair value hierarchy

The table below analyses financial instruments measure at fair value at the reporting date by the level in fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position. All fair value measurements below are recurring.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
<i>Financial assets at fair value through profit or loss:</i>				
Investments	-	-	409,856	-

Foreign exchange forwards

-

8,072

-

-

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the capital return to shareholders. The capital structure of the Company consists of issued share capital and retained earnings, as stated in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Company may issue new shares. There are no external capital requirements imposed on the Company.

During the period ended 31 March 2022, the Company entered into a €333 million loan on 29 April 2021, to fund the purchase of an investment. The loan was fully repaid within 15 days out of the proceeds of a maturing deposit. As at 31 March 2022 the Company had no borrowings.

The Company's investment policy will be set out in the Strategic report of the Annual Report 2022.

Notes to the financial statements**15. Financial risk management (continued)****Market risk**

Market risk includes price risk, foreign currency risk and interest rate risk.

a) Price risk

The underlying investments held present a potential risk of loss of capital to the Company. As outlined in note 5, investments are in the form of shareholder loans and equity. Price risk arises from uncertainty about future prices of underlying financial investments held by the Company. As at 31 March 2022, the fair value of investments, excluding cash and cash equivalents, was £409.9 million and a 3% increase / (decrease) in the price of investments with all other variables held constant would result in a change to the fair value of investments of +/- £12.3 million .

Please refer to note 5 for quantitative information about the fair value measurements of the Company's Level 3 investments.

The Company is exposed to a variety of risks which may have an impact on the carrying value of its investments. The risk factors are set out in (a)(i) to (a)(ii) below.

i. Not actively traded

The Company's investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The investments of the Company vary as to geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

ii. Concentration

The Company invests in the Digital Infrastructure sector. While the Company is subject to the investment and diversification restrictions in its investment policy, within those limits, material concentrations of investments may arise.

Although the investments are in the same industry, each individual underlying data centre, mobile telecommunications tower or segment of a fibre-optic network held within the portfolio constitutes a separate Digital Infrastructure Asset. This risk is managed through careful selection of investments within the specified limits of the investment policy.

Each of these investment restrictions are calculated and applied as at the time of investment and noncompliance resulting from changes in the price or value of assets following investment is not considered a breach of the investment restrictions.

The Board and the Investment Manager monitor the concentration of the Company's investments to ensure compliance with the investment policy.

Notes to the financial statements**15. Financial risk management (continued)****Market risk (continued)***b) Foreign currency risk*

The Company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in US dollars, Polish zloty and Czech koruna.

The Company's currency risk is managed by the Investment Manager in accordance with the policies and procedures in place.

The Company also has exposure to foreign currency risk due to the payment of some expenses in euros, Canadian dollars, Czech koruna, Polish zloty and United States dollars. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than pounds sterling. Any exposure to foreign currency risk at the underlying investment level is captured within price risk.

The following table sets out, in pounds sterling, the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

As at March 2022

	USD	CZK	CAD	PLN	GBP	Total £'000
Non-current assets						
Investments at fair value through profit or loss	58,231	351,625	-	-	-	409,856
Total non-current assets	58,231	351,625	-	-	-	409,856
Current assets						
Trade and other receivables	8,599	-	-	-	43,106	51,705
Forward contracts receivable	-	-	-	8,072	-	8,072
Cash and cash equivalents	954	-	3	-	352,777	353,734
Total current assets	9,553	-	3	8,072	395,883	413,511
Current liabilities						
Trade and other payables	-	-	(2)	-	(1,019)	(1,021)
Total current liabilities	-	-	(2)	-	(1,019)	(1,021)
Total net assets	67,784	351,625	1	8,072	394,864	822,346

The table below sets out the effect on the net assets against a reasonably possible weakening of the pound against the US dollar, Czech koruna, Canadian dollar and Polish zloty by 3%, at 31 March 2022. The analysis assumes that all other variables remain constant.

Notes to the financial statements

15. Financial risk management (continued)

Market risk (continued)

	As at 31 March 2022 £'000
<i>Effect in increase of pounds sterling</i>	
USD	2,034
CZK	10,549
CAD	-
PLN	242

A strengthening of the pound against the above currencies would have resulted in an equal but opposite effect to the amounts shown above.

c) Interest rate risk

The Company's exposure to interest rate risk relates to the Company's cash and cash equivalents. The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates.

The Company has no other interest-bearing assets or liabilities as at the reporting date. As a consequence, the Company is only exposed to variable market interest rate risk. As at 31 March 2022, the cash balance held by the Company was £353,734,000. A 1% increase/(decrease) in interest rates with all other variables held constant would result in a change to interest received of +/- £3,537,000 per annum.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company's policy and the Investment Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liabilities are made up of estimated accruals and trade creditors which are due to be settled within three months of the period end.

The Company adopts a prudent approach to liquidity management and through the preparation of budgets and cash flow forecasts maintains sufficient cash reserves to meet its obligations.

The Company's liquidity risk arises principally from the fact that there is no liquid market for its investments and it may not be able to realise their full value on a timely basis. The Company will maintain flexibility in funding by keeping liquidity in cash and cash equivalents, which may be invested on a temporary basis in line with the cash management policy as agreed by the Board of Directors from time to time.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Notes to the financial statements

15. Financial risk management (continued)

Credit risk (continued)

Financial assets mainly consist of cash and cash equivalents and investments at fair value through profit or loss. The Company's risk on liquid funds is reduced because it can only deposit monies with institutions with a minimum credit rating of A-. The Company mitigates its credit risk exposure on its investments at fair value through profit or loss by the exercise of due diligence on the counterparties and the Investment Manager.

The table below shows the material cash balances and the credit rating for the counterparties used by the Company at the period-end date:

	Location	Rating	31 March 2022 £'000
Counterparty			
Royal Bank of Scotland	Guernsey	A-	353,734

The Company's maximum exposure to loss of capital at the period end is shown below:

Carrying value and maximum exposure

	31 March 2022 £'000
31 March 2022	
Other financial assets (including cash and equivalents but excluding prepayments)	413,455

Gearing

As at the date of these financial statements the Company has no gearing.

16. Related party transactions

Directors

The Company has four non-executive Directors, each of whom is considered to be independent. Directors' fees for the period ended 31 March 2022 amounted to £218,000, of which £nil was outstanding at the period end. During the period, £194 was paid to Directors as reimbursement of travel and other incidental expenses, and no such amounts were outstanding at period end. As part of the IPO Shonaid Jemmett-Page and Sian Hill purchased 20,000 shares each, and Marten Pieters and Simon Pitcher purchased 25,000 shares each. Each of the directors was also granted Subscription Shares at time of the IPO at a rate of one Subscription Share for every eight ordinary shares purchased, and each of them has subsequently exercised their rights to convert their Subscription Shares into additional ordinary shares.

Investment Manager

The Investment Manager provides advice to the Company on the origination and completion of new investments, the management of the portfolio and on realisations, as well as on funding requirements, subject to Board approval. For the provision of services under the Investment Management Agreement, the Investment Manager earns a management and performance fee, as disclosed in note 12.

Notes to the financial statements

16. Related party transactions (continued)

Investments

As part of the initial acquisition of Communications Investments Holdings s.r.o. (CIH) in April 2021, the Company acquired a loan due from CIH which accrues interest at 9.9% per annum. Total interest in relation to the period was £2,932,000, of which £[nil] remained outstanding at the period end. The balance on the loan investment at 31 March 2022, including accrued interest, was £27,671,000. Interest is payable monthly and capitalised if not received.

Under the terms of the Investment Management Agreement, on a semi-annual basis in respect of the six-month period ending 31 March and 30 September in each year, the Investment Manager is required to apply an amount in aggregate equal to 10% of the management fee for the relevant six-month period to the acquisition of ordinary shares in the Company. On 21 December 2021

154,328 ordinary shares, with a consideration of £175,000, were allotted by the Company and issued to the Investment Manager relating to the period from 4 January 2021 to 30 September 2021.

In January 2022, the assets of Hudson Interchange were acquired by the Company's subsidiary CDIL Data Centre USA LLC. The Company provided funding for this transaction in the form of equity contributions. The balance of the equity investment at 31 March 2022, was £58,231,000.

17. 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.

18. Subsequent events

With the exception of dividends declared and disclosed in note 14, there are no other material subsequent events.

19. Commitments

On 4 January 2022, the Company entered into a binding agreement with Emitel S.A to acquire the business for a consideration of 1.97 billion Polish zloty. As at 31 March 2022, the Company has committed £366 million to the acquisition.

Glossary of capitalised defined terms

Administrator means Ocorian Administration (Guernsey) Limited

Admission means admission of the ordinary shares on 16 February 2021 to the Official List and/or admission to trading on the Specialist Fund Segment of the London Stock Exchange, as the context may require

AGM means Annual General Meeting

AIC means the Association of Investment Companies

AIC Code means the AIC Code of Corporate Governance

Annual Report means the Company's report and financial statements for the period ended 31 March 2022

Auditor means BDO Limited

Board means the Directors of the Company as a group

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

Company means Cordiant Digital Infrastructure Limited

Digital Infrastructure or Digital Infrastructure Assets 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

DTR means the Disclosure Guidance and Transparency Rules sourcebook issued by the Financial Conduct Authority

EEA means the European Economic Area

ESG means environmental, social and governance.

FCA means the UK Financial Conduct Authority (or its successor bodies)

IAS means international accounting standards as issued by the Board of the International Accounting Standards Committee

IASB means 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

Glossary of Capitalised Defined Terms (continued)

Interim Report means the Company's half yearly report and unaudited condensed interim financial statements for the period from incorporation on 4 January 2021 to 30 September 2021

Investment Management Agreement means the agreement entered into between the Company and the Investment Manager for the provision of investment management and related services

Investment Manager means Cordiant Capital Inc.

IPEV Valuation Guidelines means the International Private Equity and Venture Capital Valuation Guidelines

IPO means the initial public offering of shares by the Company to the public, completed on 16 February 2021

Listing Rules means the listing rules made by the UK Listing Authority under Section 73A of the Financial Services and Markets Act 2000

Main Market means the main market of 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 pound sterling

SASB means Sustainability Accounting Standards Board, an independent non-profit, whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors

Specialist Fund Segment means the Specialist Fund Segment of the London Stock Exchange's Main Market

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

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland

UK Code means the UK Corporate Governance Code issued by the Financial Reporting Council

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

Directors and general information

Directors	
Shonaid Jemmett-Page (Chairman) (<i>appointed 26 January 2021</i>)	
Sian Hill (Audit Committee Chairman) (<i>appointed 26 January 2021</i>)	
Marten Pieters (<i>appointed 26 January 2021</i>)	
Simon Pitcher (<i>appointed 26 January 2021</i>)	
<i>all independent and of the registered office below</i>	
Registered Office	Website: www.cordiantdigitaltrust.com
2 nd Floor	ISIN GG00BMC7TM77
Trafalgar Court	Ticker CORD
Les Banques,	Sedol BMC7TM7
St Peter Port	Registered Company Number 68630
Guernsey	
GY1 4LY	

Investment Manager	Registrar
Cordiant Capital Inc.	Computershare Investor Services
28 th Floor	(Guernsey) Limited
Bank of Nova Scotia Tower	1 st Floor Tudor House
1002 Sherbrooke Street West	Le Bordage
Montreal, QC H3A 3L6	St Peter Port
	Guernsey
	GY1 4BZ
Company Secretary and Administrator	Brokers
Ocorian Administration (Guernsey) Limited	Investec Bank plc
2 nd Floor	30 Gresham Street
Trafalgar Court	London
Les Banques,	EC2V 7QP
St Peter Port	
Guernsey	Jefferies International Limited
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Cautionary Statement

The Chairman's statement and Investment Manager's review have been prepared solely to provide additional information for 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 the Investment Manager, concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to 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.

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