Disclosure – Non-Independent Marketing Communication. This is a non-independent marketing communication commissioned by Cordiant Digital Infrastructure (CORD). The report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on the dealing ahead of the dissemination of investment research.

Cordiant Digital Infrastructure (CORD)

CORD has beaten its own NAV target, and delivered excellent share price returns.

Update
04 September 2025

Overview

Cordiant Digital Infrastructure (CORD) is a specialist infrastructure investment company, investing in the growing demand for digital services as part of our ever interconnected world, ranging from the likes of fibre-optic networks, data centres and communications towers. As such, growth is a large part of the investment case set out by the management team at Cordiant Capital, with a total return goal of a 9% p.a. setting the fund apart from a peer group largely focussed on income (see **Portfolio**).

To achieve this, the managers implement a 'Buy, Build & Grow' approach, which involves taking over companies in their entirety and using their operational expertise to increase their value. This has largely been successful since inception, with returns ahead of target, driven by strong operational performance from key holdings, which have benefitted from new contracts, bolt-on acquisitions and strong cash flow generation (see **Performance**).

Despite the successful growth, the dividend remains a core part of the returns picture. The fund currently yields 4.4%, having increased its payout three times since inception in 2021. The dividend is comfortably covered by cash flow generated, using the managers preferred AFFO metric (see **Dividend**), which accounts for all revenues and running costs, whilst still allowing for investment into future growth.

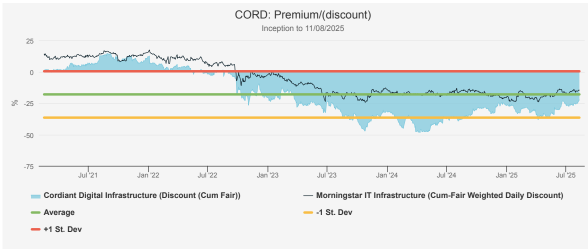
Share price returns in the near term have been excellent, climbing c. 40% in the year to 11/08/2025. Despite this, the fund remains at a wide **Discount** to NAV of c. 22%. Not only is this level still wide versus the fund's five-year average, but it also one of the widest in the infrastructure sector, despite CORD's NAV growth potential.

Analysts:

Ryan Lightfoot-Aminoff
Ryan@keplerpartners.com

Key Information:

Price (p)	97
Discount/Premium(%)	-24.9
OCF (%)	0.89
Gearing (%)	67.5% (Please read this figure in conjunction with the gearing section)
Yield (%)	4.5
Ticker	CORD
Market cap (£)	742,744,013



Kepler View

We believe CORD is a largely misunderstood investment company. As a specialist infrastructure investor, amongst a peer group that invests in a broad range of more traditional infrastructure projects, it has been given a wider rating than most, arguably due to concerns that this specialism, and the portfolio concentration, could be considered riskier in more challenging times (see **Discount**).

However, we believe these two factors mean CORD has some of the strongest capital upside potential in the sector. Firstly, the focus on digital infrastructure means the fund arguably has greater growth prospects, as the demand for digital services increases. Secondly, the operational control the managers have, plus their expertise, means they are well placed to capture this through their Buy, Build & Grow approach, as they have demonstrated thus far in the strong NAV track record (see **Performance**). Therefore, whilst the recent share price move has been excellent, we believe the current discount is not accounting for the upside potential, especially when compared to peers.

Furthermore, the portfolio continues to diversify, with the managers adding new companies where possible, and developing existing holdings. In the past year, this has been best demonstrated by the potentially transformational acquisition of BT Ireland by Speed Fibre (see **Portfolio**), which has the scope to make the company a leading player in a wholesale market featuring several tech giants. Moves such as this are helping reduce the concentration risk of the fund, whilst also setting up the fund well for future growth, in our view, further helping CORD stand out from the infrastructure peer group for all the right reasons.

BULL

- Specialist investment area can provide capital growth as well as income
- Despite excellent near-term share price return, discount remains wide versus peer group
- Ongoing diversification efforts have created a more balanced portfolio by asset class

BEAR

- Portfolio remains highly concentrated by company
- Gearing can exacerbate losses as well as supporting upside
- Performance fee could be off-putting to some investors, although it has not yet been earned

Portfolio

Cordiant Digital Infrastructure (CORD) owns a portfolio of assets that provide the backbone of the digital economy, ranging from communications towers, fibre-optic networks and data centres. These are held across various geographies, primarily focussed in Europe, and are owned by a concentrated number of portfolio companies, which are primarily owned in their entirety by the fund.

This structure provides the fund's management team at Cordiant Capital the ability to exercise operational control and execute their strategy, which they have titled Buy, Build & Grow. In practice, this means they will invest growth capital to develop each company, looking to increase revenues and build out new assets. Cordiant Capital are specialists in buying and operating mid-sized infrastructure companies, and have put this specialism to use in developing the portfolio notably in the fund's short history.

At present, the portfolio consists of six companies, although the portfolio is considerably more diversified than this when considering the individual assets, with highlights including over 1,400 communications towers, making up just over half of all revenue, 11.8 thousand km of fibre-optic networks making up a third of the revenue, and 22 data centres, which equates to around 15% of the revenue. We have shown the top-level of portfolio companies below.

Portfolio

COMPANY	PURCHASE DATE	PRIMARY GEOGRAPHY	VALUE (£M) AS AT 31/03/2025	VALUE AS %
Emitel	Nov-22	Poland	581.4	47.80%
CRA	Apr-21	Czech Republic	429	35.20%
Speed Fibre	Oct-23	Ireland	87.3	7.20%
DCU	Feb-25	Belgium	77.6	6.40%
Hudson Interxchange	Jan-22	USA	36.2	3.00%
Belgian Tower	Jan-24	Belgium	6	0.50%

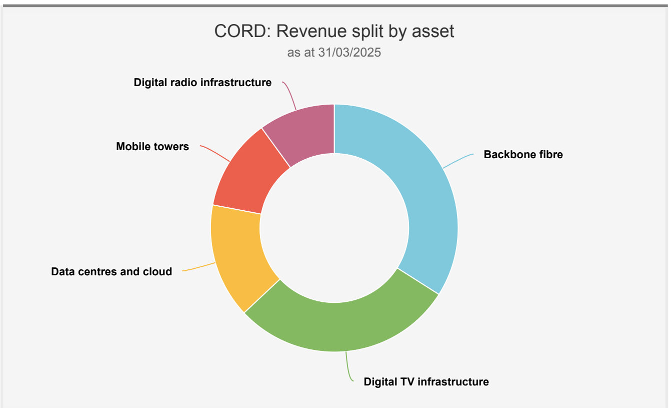
Source: Cordiant Capital

Of these, DCU (Datacenter United), is the newest. The firm is the result of a combination between two data centre businesses to create a leading data centre platform in Belgium. The firm currently has c. 13MW of capacity, equivalent to the server capacity requirements for over 1,500 small businesses, with considerable opportunities for growth. The firm has several long-term, inflation linked contracts, which is likely to contribute to profitability in the near-term, with Cordiant planning future development.

The acquisition of DCU was undertaken as a joint venture with a local specialist investor – TINC. As we mentioned in **our previous note**, this is the first time CORD has not taken full ownership of a holding. However, this has not affected their growth plans. In July 2025 CORD announced the syndication of the holding, which released capital to repay a revolving credit facility (see Gearing). CORD itself now has a 37.4% economic interest in DCU, with another Cordiant vehicle holding 10.1%. This total is equal to TINC's stake, with DCU's founding partner holding 5% of non-voting stock. In total therefore, Cordiant holds 50% of the voting rights. Since acquisition, CORD has introduced several new senior team members, including a new CFO. This supports their plan to identify synergies between the two firms, leading to reduced costs and increased profitability. They are also planning potential expansion plans to increase revenue in the future.

Data centres are one of the key areas for growth for CORD. The DCU acquisition has supported this and helped increase portfolio diversification by asset class, which has been a key goal. As we show in the chart below, data centre and cloud services now make up 15% of revenues, a 50% increase from the 9.7% level in September 2023.

Fig.1: Revenue Split By Asset Class



Source: Cordiant Capital

As well as adding new holdings, the managers have also developed the existing portfolio. Speed Fibre in particular saw major progress in the past year, following the announcement of the bolt-on acquisition of BT Ireland's wholesale business for €22m which completed in September 2025. Once integrated, this should increase the group's fibre optic network by over 50%, with revenues forecast to increase by over 60%, making the group one of the two largest players in Ireland's internet provider market. Whilst a small domestic market, Ireland is the European base for several US mega-cap firms, which is supportive for growth. This type of bolt-on acquisition is a good example of the Buy, Build & Grow approach in action, demonstrating CORD's willingness to continue to develop assets and increase their value, rather than simply generate a steady income from them.

Disclosure – Non-Independent Marketing Communication. This is a non-independent marketing communication commissioned by Cordiant Digital Infrastructure (CORD). The report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on the dealing ahead of the dissemination of investment research.

Elsewhere, the two largest holdings of Emitel and CRA continue their growth trajectory, which we discussed at length in **our previous note**. Emitel has continued to sign new contracts, predominantly with blue chip customers, and has built-out projects that were signed in previous years to deliver strong earnings growth (see **Performance**).

CRA is focussing its growth plans on its data centre business, which has been a big driver of growth over the past year. In CORD's most recent financial year (to 31/03/2025), the number of data centres in the portfolio more than doubled, from nine at the beginning of the year, to 22 at the end. The increase in CRA's portfolio was a substantial portion of this and has been supported by the increased demand for AI, and the required computing capacity to support this. As such, the managers believe there is considerable growth potential to come from the asset class in the future, especially with the potential for a large new project to break ground in the coming months being a source of particular optimism (see **Performance**).

The remaining holding of size is Hudson Interxchange. The company has now reached capacity in its pre-existing data halls. As such, CORD has committed more investment into a new data hall, which should increase capacity and enable the business to move towards profitability in the future.

Gearing

To best understand CORD's gearing position, we believe there are two elements to consider. Firstly, there is the debt taken out at the fund level, and secondly the borrowings undertaken by the portfolio companies. The latter of these is held on a non-recourse basis meaning any default stays within the portfolio company, and lenders cannot claim any other assets in CORD's portfolio.

As highlighted in **our previous note**, CORD refinanced its fund level debt in July 2024 into a €200m bond with a maturity date of 2029. This is predominantly (c. 75%) at a fixed rate, with the floating rate at a margin between 3.75% and 4.75% over EURIBOR, a lower margin than before the refinancing.

The managers have continued to work on managing the debt at a portfolio company basis. In the most recent financial year (to 31/03/2025), the €30 million vendor loan note issued as part of the acquisition of Speed Fibre was repaid, and CRA's £167m debt facilities were also refinanced in August 2024, allowing for additional headroom to fund the company's development, as well as extending repayment to August 2030. Emitel's debt was last refinanced in July 2024.

The progress made at both a fund and company level has significantly reduced the fund's refinancing risk, in our view, with no material capital repayments due until June 2029. It has also provided additional borrowing capacity for the company to continue to invest in the growth of the existing portfolio companies in line with its approach, although we believe it is worth noting that CORD has limited fixed commitments for capital from its underlying holdings, and that additional investment is discretionary and will only be undertaken to increase future profitability.

As at 31/03/2025, CORD's consolidated gearing position was 40.3%, using their preferred GAV metric: this is equivalent to 67.5% of NAV. The managers note their debt level is considerably lower than equivalent multiples of comparable operators in the towers space in different geographies, such as American Tower and Cellnex, with CORD having net debt/EBITDA ratio of 4.5×, lower than the peer group average of 5.9×.

At the publication of the financial results, CORD had £7.4m of cash at the fund level, with a further £75.1m of cash across the various portfolio companies, and a total of £113.8m in undrawn credit facilities.

Since the publication of the results, the managers undertook a syndication process with their newest holding, DCU. As part of this, €20m was realised and was used to repay the RCF, which makes up the undrawn credit facilities, which we understand will have improved the gearing and liquidity position further.

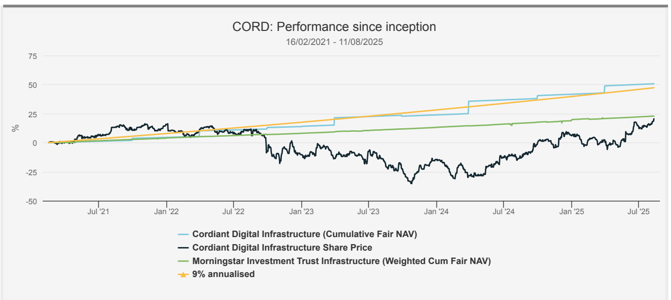
Performance

The managers have set an ambitious goal of achieving a 9% NAV total return per annum, from a blend of the income generated by their assets, as well as capital growth generated from their Buy, Build & Grow approach increasing the value of their assets. The capital growth element is supported by the managers' focus on digital infrastructure, which is likely to see demand growth for these services increase, which we have discussed later. Furthermore, we believe this growth potential helps differentiate CORD amongst its peer group, which often has a higher focus on income generation.

Since inception in February 2021, CORD has outperformed its 9% goal, having delivered a NAV TR of 9.2% on an annualised basis (or 50.6% in total), according to Morningstar. CORD is also considerably ahead of the weighted average of the infrastructure sector over the same period, which was 22.8%, as we have shown in the chart below. CORD's share price has been more challenged in its lifetime, having only delivered a total return of 20.5% over the same period. However, this overall picture masks a very strong recovery in the past year, which has come about as the managers have delivered on several key performance metrics.

Disclosure – Non-Independent Marketing Communication. This is a non-independent marketing communication commissioned by Cordiant Digital Infrastructure (CORD). The report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on the dealing ahead of the dissemination of investment research.

Fig.2: Performance Since Inception



Source: Morningstar

Past performance is not a reliable indicator of future results.

The managers have also delivered on their 9% goal in the near term, with the most recent annual report (covering the 12 months to 31/03/2025) providing a NAV TR of 11.6% on the ex-dividend opening NAV. This move was primarily driven by the fund's two largest companies, Emitel and CRA, both companies having performed well in operational terms, which has resulted in valuation uplifts.

Emitel saw a valuation increase of c. 11% due to new contracts being signed, and bolt-on acquisitions driving growth, which contributed to strong free cash flow generation. The mobile towers sector was a standout performer in the year, which was supported by a new contract to build towers for a leading mobile network operator. The fund also benefitted from a decrease in the discount rate used to value the company, which dropped by 28 bps to 9.32%, a process that is overseen by an independent valuer and reflects the company delivering on certain goals such as earnings growth, which was up 13.3% in EBITDA terms.

CRA similarly saw a strong increase in EBITDA, which was up 10.2% in the financial year. Much of this was attributable to the data centre and cloud computing assets, which was supported by one of the newer, bolt-on acquisitions performing better than expected. We believe this is a good demonstration of how the Buy, Build & Grow strategy can support NAV performance, and helps differentiate CORD from the wider infrastructure peer group, which predominantly has an income focus. The data centre portion of CRA's portfolio is one area where the managers believe considerable future growth could come from, due to its central geographic position making it a key hub for the EU's data plans. Data centre capacity has increased by two thirds in the past year, and CRA currently has fairly developed plans for a new site, which, if approved, would be the largest in the Czech Republic. This is currently held at a negative value in the NAV, but could provide significant uplift should permission be achieved. CRA's strong operational performance in the latest financial year fed through to a strong increase in free cash flow, which alongside a reduction in the discount rate, saw its valuation increased by c. 11%.

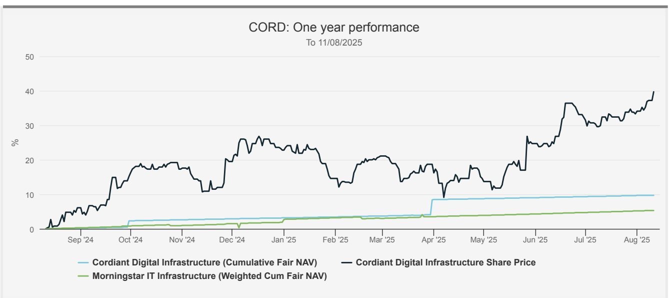
Elsewhere in the portfolio, Speed Fibre had more muted results, with EBITDA up 3.7%. However, early in 2025 it announced the acquisition of BT Ireland's wholesale business, which completed in September 2025, and has the potential to significantly increase revenue and growth for the firm as the management team integrate this into the business. The repayment of a vendor loan note in the first half of the financial year, which we discussed in our previous note, was the primary reason for the valuation uplift across the full 12 months to 31/03/2025.

Hudson Interxchange continues to be a headwind to performance. Whilst the company did benefit from revenue growth of 3%, the company was still loss-making in EBITDA terms, although these narrowed through good cost control. CORD made a further incremental investment into the company to increase data hall capacity, as the existing facilities are now full, which should support future profitability. As part of a prudent approach, the discount rate used to value the company was increased and therefore the carrying value of the holding was written down in the financial year.

Elsewhere, the purchase of DCU was completed too recently to have had a meaningful impact on returns. However, the managers note the firm has been benefitting from synergies coming through following its completion in February 2025. This is expected to support revenue and profit growth over the next few years, as they implement the next phase of their Buy, Build & Grow approach on the company.

Overall, these portfolio changes have contributed to a one-year NAV total return of 9.7% to 11/08/2025, according to Morningstar data. Share price returns were far in excess of this, being 39.7% as the **Discount** narrowed significantly as investors have arguably begun to recognise the increasing attraction of the fund, as well as the reduction in risk, such as the improving portfolio diversification and refinancing (see **Gearing**). As such, CORD has considerably outperformed the average of the peer group in the near term in both NAV and share price terms.

Fig.3: One-Year Performance



Source: Morningstar

Past performance is not a reliable indicator of future results.

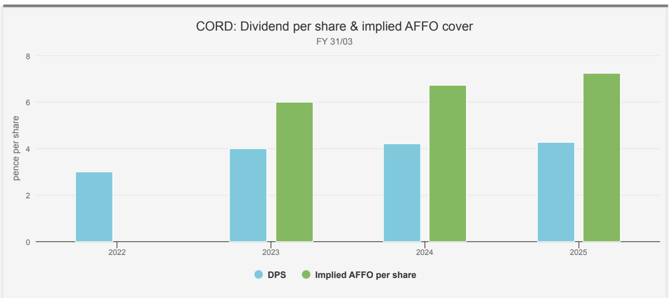
Disclosure – Non-Independent Marketing Communication. This is a non-independent marketing communication commissioned by Cordiant Digital Infrastructure (CORD). The report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on the dealing ahead of the dissemination of investment research.

Dividend

CORD has now increased its dividend for a third time since inception in 2021, with an announcement confirming the increase in the final dividend of its 2025 financial year to 2.25p per share, from 2.2p for the same period last year. As such, the full dividend for 2025 was 4.35p per share, a 3.6% increase on the prior year, and delivering an annualised growth rate of 13% since inception, although this is likely to moderate going forward as the managers focus on the dual goals of an attractive income alongside capital growth from the portfolio. This equates to a yield of 4.4% on the share price at the time of writing. This makes CORD one of the lower yielders amongst its infrastructure peer group, which we believe reflects the dual goals of both capital growth and income from its portfolio. So, whilst we believe CORD's income picture adds to the investment case, it is not as integral as it is to many peers.

The dividend growth has been supported by the fund's strong revenue picture, which the managers measure using their 'adjusted funds from operations' (AFFO) figure. This aggregates the earnings from all of the holdings and then deducts interest, taxes and maintenance capex. This enables the fund to generate a dividend cover whilst accounting for the development of the portfolio, although we note this does not account for growth capex. The managers highlight that the majority of growth capex is optional with limited fixed commitments. In the most recent annual report, dated 31/03/2025, AFFO covered the dividend 1.7× over, meaning coverage has increased in every year since it was first used. As such, we believe the dividend, even after its growth, is well supported by revenues and has the scope to continue to grow over time.

Fig.4: Dividend Cover & Progression



Source: Cordiant Capital

Past performance is not a reliable indicator of future results.

Management

CORD is managed by an 18-strong digital infrastructure group at Cordiant Capital, who are specialists in buying and operating mid-sized companies involved in global infrastructure and real assets, with a particular focus on digital infrastructure assets. They also have operations in energy transition infrastructure and the agriculture value chain.

Across the firm, there is c. $3.1bn of committed capital invested in a mixture of investment vehicles, ranging from private equity and private credit to managed accounts, with a client base that extends across global insurance firms, pension plans and family offices. The firm has offices in London, Montreal, Luxembourg and Sao Paulo.

Cordiant Digital Infrastructure Investment Management is headed up by Executive Chairman Steven Marshall. Steven has a long history in digital infrastructure, having previously been the president of the American Tower Corporation's US Tower Division where he pioneered new infrastructure models now widely used in a number of countries. Steven is supported by several highly experienced individuals, including Jean-François Sauvé who is a co-managing partner and executive chairman, having taken over some senior responsibilities from Benn Mikula who left the firm in the first half of 2025.

In total, the team own over 2% of the share count between them, showing a strong alignment of interests with shareholders. This includes the shareholding of Steven Marshall, who owns 13.3m shares, having added as recently as July 2025.

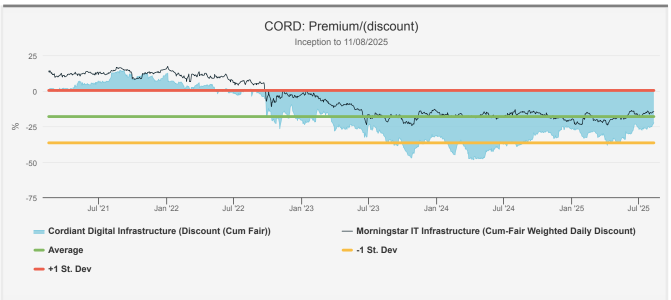
Discount

CORD's discount has narrowed significantly in the past year, arguably as the fund's good **Performance** on numerous metrics has been recognised by investors, and therefore driven the share price up. Factors that could support this move include the improvements made in the portfolio's concentration risk, the reduction in refinancing concerns, solid operational performance of the portfolio companies and the increase in the **Dividend**. The upshot has been a share price increase of c. 60% from the fund's nadir in February 2024, when the discount was c. 45%.

Whilst the discount has narrowed considerably to its current level of c. 22%, we believe there is still scope for this to continue, driven by both fund specific and wider backdrop factors. On the fund itself, the current discount is wider than the fund's historical average since inception of 18.1%, which include a period of a year and a half when CORD traded close to NAV and even at a premium. Furthermore, the current discount is one of the widest in the infrastructure sector of those continuing to trade. This is despite CORD having arguably some of the best NAV growth prospects, as a result of its Buy, Build & Grow approach, and investment into areas such as data centres, which are enjoying valuation uplifts as demand for their services increases.

Rate cuts would also be supportive for further narrowing of the discount. The infrastructure sector is relatively highly sensitive to interest rates and therefore as these come down, it is improving the outlook for the sector. Should this begin to feed through to investor sentiment, we believe the whole infrastructure sector could see a potential re-rating. For all these reasons, we believe the current discount could prove an attractive entry point for investors.

Fig.5: Premium/(Discount)



Source: Morningstar

Charges

CORD has a tiered management fee that will pass on the economies of scale to investors as the fund grows. For the first £500m of CORD's market capitalisation, a charge of 1% is levied. This drops to 0.9% for the market cap between £500m and £1bn, before falling again to 0.8% for assets above this. By being based on market cap, this further aligns the goals of the managers with shareholders in aiming to narrow the discount. As at 12/08/2025, CORD had a market capitalisation of £758m, which we calculate to imply a management fee of 0.97%.

The fund also has a performance fee. Should the return of either the NAV or share price (whichever is lower) exceed the 9% performance target since launch, the managers will be entitled to an amount equivalent of 12.5% of the excess return. This will be paid half in cash and half in shares, which will be subject to a three-year lock up period. In the two financial years since the performance fee has been active, no performance fee has been earned.

CORD has an OCF of 0.9%. We note this is lower than the management fee, due to its calculation on NAV rather than market capitalisation, in line with AIC guidelines. This means CORD has the lowest OCF in the AIC Infrastructure peer group, with a weighted average of 1.22%, according to JPMorgan Cazenove, as at 07/08/2025.

CORD's latest KID is dated October 2024, with a RIY figure of 0% declared. We note that regulation around KID RIYs is changing, and a consensus on how or whether they should be calculated has not yet been formed.

ESG

CORD does not have a label under the FCA's sustainability regime. However, Cordiant Capital has integrated ESG principles into its investment process for over 20 years, with the goal of understanding potential challenges that ESG issues may present, as well as identifying potential solutions that can solve these challenges. Their approach is based on three key pillars: screening, management and tracking.

Within the firm, there are dedicated ESG analysts who are embedded within the team that undertake wider corporate analysis. This ensures that ESG factors are considered alongside more traditional company fundamentals. Beyond just the identification of issues, the team look to engage with investee companies on issues they identify in order to manage or mitigate risk.

Cordiant Capital also have vehicles that invest in agriculture, infrastructure and renewable energy so ESG analysis is a notable feature throughout the firm. The firm was an early signatory of the United Nations' Principles for Responsible Investment (PRI) and a founding signatory of the Operating Principles for Impact Management.

Due to the nature of digital infrastructure investment, the primary ESG focus for the managers within CORD is on green energy. ESG analysis during the purchase of Speed Fibre had a fundamental impact on the decision to invest in the firm, with the company achieving a five-star GRESB rating in 2023. An example of changes the Cordiant team have made since investment is with CRA, where the managers have set a target of 100% renewable energy use by 2025. This is to be achieved by rolling out solar energy across the firm.

Due to the esoteric nature of the asset base, CORD has not been given an external rating by Morningstar.

Disclaimer

This report has been issued by Kepler Partners LLP for communication only to eligible counterparties and professional clients as defined by the Financial Conduct Authority. Its contents may not be suitable for and are not to be communicated to or be relied on by retail clients. It is not an indication as to the suitability or appropriateness of investing in the security or securities discussed.

The analyst who has prepared this report is aware that Kepler Partners LLP has a relationship with the company covered in this report and/or a conflict of interest which may impair the objectivity of the research.

Past performance is not a reliable indicator of future results. The value of investments can fall as well as rise and you may get back less than you invested when you decide to sell your investments. It is strongly recommended that if you are a private investor independent financial advice should be taken before making any investment or financial decision.

This report is based on factual information only, is solely for information purposes only and any views contained in it must not be construed as investment or tax advice or a recommendation to buy, sell or take any action in relation to any investment.

The information provided on this website is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Kepler Partners LLP to any registration requirement within such jurisdiction or country. In particular, this website is exclusively for non-US Persons. Persons who access this information are required to inform themselves and to comply with any such restrictions.

The information contained in this website is not intended to constitute, and should not be construed as, investment advice. No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information, for any errors, omissions or misstatements, negligent or otherwise. Any views and opinions, whilst given in good faith, are subject to change without notice.

This is not an official confirmation of terms and is not a recommendation, offer or solicitation to buy or sell or take any action in relation to any investment mentioned herein. Any prices or quotations contained herein are indicative only.

Kepler Partners LLP (including its partners, employees and representatives) or a connected person may have positions in or options on the securities detailed in this report, and may buy, sell or offer to purchase or sell such securities from time to time, but will at all times be subject to restrictions imposed by the firm's internal rules. A copy of the firm's Conflict of Interest policy is available on request.

PLEASE SEE ALSO OUR TERMS AND CONDITIONS

Kepler Partners LLP is authorised and regulated by the Financial Conduct Authority (FRN 480590), registered in England and Wales at 70 Conduit Street, London W1S 2GF with registered number OC334771.