
Cordiant Digital Infrastructure Limited Interim Report and Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2022



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About us

Cordiant Digital Infrastructure Limited is a sector-focused specialist owner and operator of Digital Infrastructure.

It was the first UK-listed investment company to provide investors with dedicated exposure to the core infrastructure of the digital economy.

The Company invests in data centres, telecommunications towers and fibre networks in the UK, EEA and North America and seeks to generate an attractive total return of at least 9% per annum over the longer term (comprising capital growth and a progressive dividend).

Highlights

Financial highlights

30 September 2022

107.5p

NAV per share increased by 2.6%¹ or 2.7p to 107.5p as at 30 September 2022

£832m

Net assets increased to £832m as at 30 September 2022

£21m

Profit for the period increased to £21m (30 September 2021²: £14.2m)

2p

Half-year dividend of 2p, underpinned by good cash generation from the portfolio companies

Other highlights



Acquisition of Emitel completed on 15 November 2022; largest investment since launch



Solid operational performance from the underlying assets

€200m

€200m Eurobond facility provides capital for acquisitions and organic growth

A diversified portfolio comprising 1,235 telecommunications and broadcast towers, seven data centres with 17MW of capacity, 4,325km of fibre network, 4,671 microwave connections, nine multiplexers and 58,000 active IoT sensors

€3.2bn

More than €3.2bn pipeline in Western Europe, UK and North America, supports future diversification of asset base

¹Based on opening ex-dividend NAV at 1 April 2022 of 104.8p (cum-dividend NAV at 1 April 2022 was 106.3p)

²The comparator period is from the inception of the Company on 4 January 2021 to 30 September 2021



Asset base

Portfolio companies

České Radiokomunikace

Acquired April 2021
Multi-asset platform
Czech Republic



CRA

Hudson Interxchange

Acquired January 2022
Interconnect data centre
New York



**HUDSON
INTERXCHANGE**

Emitel

Acquired November 2022
Multi-asset platform
Poland



emitel

Diversified portfolio asset mix

7

data centres

17MW

of data centre power capacity

ca.4,325km

of fibre network¹

9

multiplexers²

1,173

telecommunication towers

62

broadcast towers

4,671

microwave connections

ca.58,000

active IoT sensors

Diversified portfolio client base

Vodafone

T Mobile

O2

Dial Telecom

Cyfrowy Polsat

Digital Realty

TVP

Radio ESKA

Radio Maryja

Eurozet

Grupa RMF

Česká Televisie

Nova

Prima

Český Rozhlas

TVN

Orange

Polskie Radio

Plus

Play

Exatel

UniCredit Bank

GasNet

E.on

IOT Water

Lagardère

Discovery Communications

Dish Network

TV Puls

Wirtualna Polska

Netia

Cetin

¹ Some of which is owned and some of which is leased

² Nine multiplexers (also known as MUXes) operated, of which three are owned

Who we are and what we do

Who we are

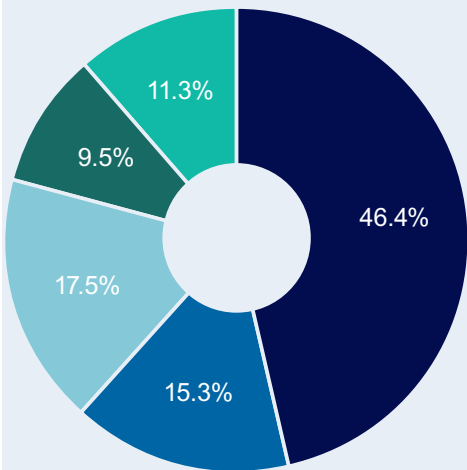
We are a sector-focused specialist owner and operator of Digital Infrastructure focused on the UK, EEA and North America.

The Digital Infrastructure sector has been a beneficiary of the continuing evolution of related technologies alongside changes in work patterns since the COVID-19 pandemic. We do not expect Digital Infrastructure usage patterns to change significantly as global economies recover from the pandemic. In our view, growth rates should remain above those of individual economies in general.

This data traffic growth will have the consequence of requiring more Digital Infrastructure to carry it. The most efficient way for this growth to be funded is for the users – telecommunications operators, corporations, cloud computing companies, governments and others – to purchase space on shared Digital Infrastructure platforms from providers such as the Company.

Our shareholders are primarily UK-based with some international investors from Europe, North America and Australia. They comprise a mixture of institutional (pension, insurance and multi-asset) investors, retail asset managers, wealth managers and individual private investors.

Revenue breakdown



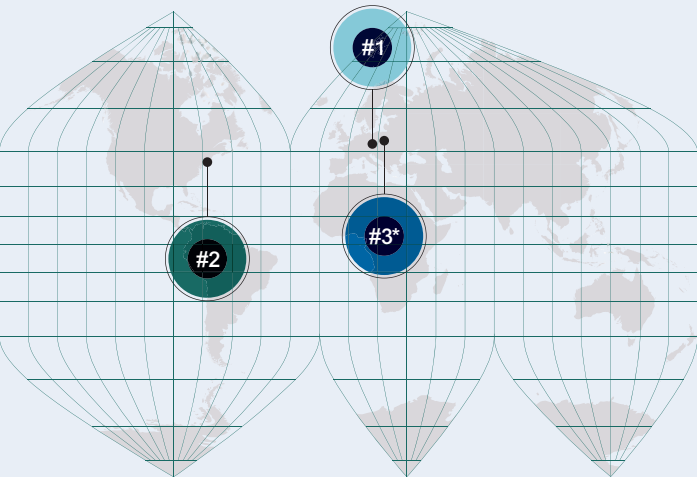
- TV broadcasting infrastructure
- Radio broadcasting infrastructure
- Telecommunications infrastructure
- Fibre-optic networks and transmission services
- Data centres and cloud computing

What we do

The core building blocks of the internet

Our diversified portfolio includes mobile and broadcast towers, fibre-optic, IoT networks and both cloud and data centres – the core building blocks of the internet. Terrestrial broadcast is about four times more efficient in terms of energy consumption and emission of greenhouse gases compared with other platforms – satellite, cable and IP streaming.

Geographic context



- #1

CRA is a leading independent Digital Infrastructure platform in the Czech Republic and holds the national broadcast licence.
- #2

Hudson is located in the 60 Hudson Street building, the most interconnected facility in one of the most interconnected cities on the planet, New York.
- #3

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

Business sectors in which we invest



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

Broadcast towers – we own the sites, many of which are not easily replicable, together with the infrastructure, antennas and other equipment necessary to provide digital TV and radio transmissions to enable broadcasters to reach mass audiences.

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



Active pipeline



Mobile telecommunication and broadcast towers



DAS, small cells and IoT



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

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



Fibre-to-the-premises



Cloud computing – the on-demand availability of computer system resources, especially data storage (cloud storage) and computing power, without direct active management by the user. The term is generally used to describe data centres available to many users over the internet.

Data centres – are physical facilities that enterprises use to run their business-critical applications and store data. This applies to almost every industry around the world and is an enabler for all current digital communications as well as vital for technology evolution such as self-driving cars, 5G, artificial intelligence and more.



Edge, interconnect and colocation



Hyperscale

Our business model and strategy

Our unique approach: Buy, Build & Grow

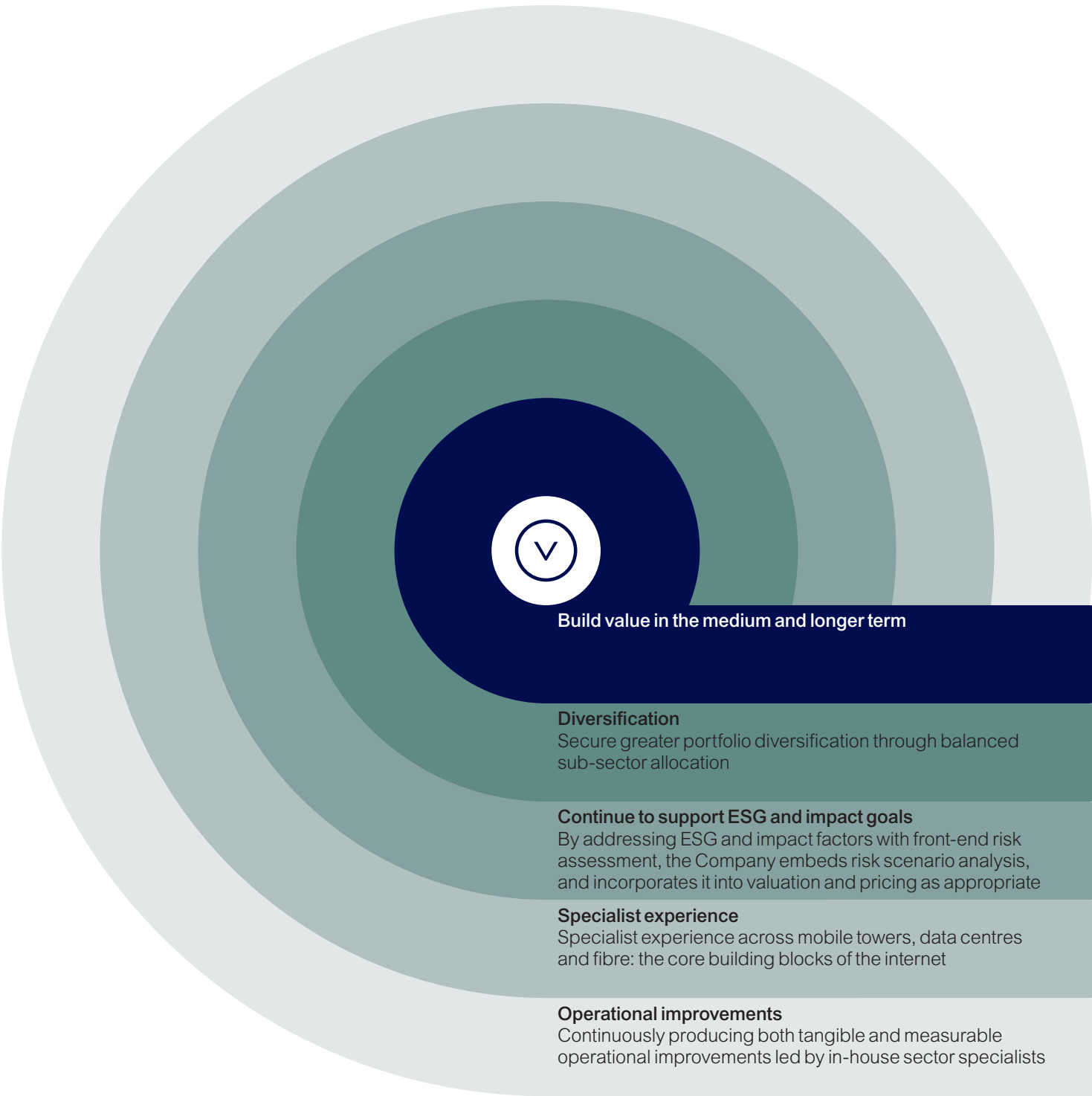
The Company invests under a Buy, Build & Grow model, with a strong capital discipline.

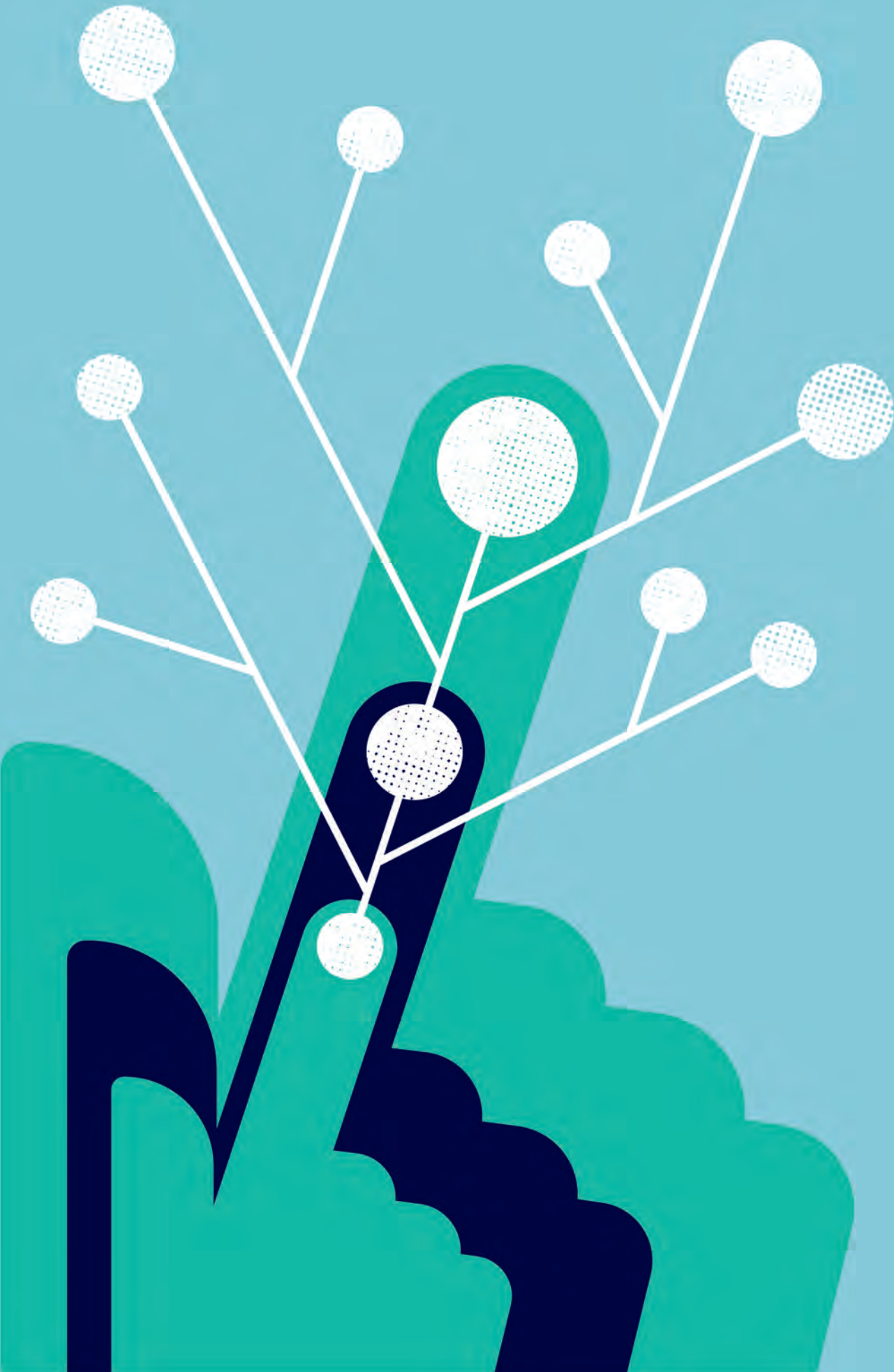
Value creation in larger capitalisation Digital Infrastructure companies tends to rely on general market growth and the effective use of leverage. By contrast, the Company seeks to acquire cash-generative platforms (generally of medium size) and then aims to both expand and improve them. This is made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



Creating value through our investment strategy

The Company invests principally in operating Digital Infrastructure Assets, with a predominant focus on data centres, mobile telecommunications/broadcast towers and fibre-optic network assets, primarily located in the UK, the EEA, the US and Canada.





Our thinking

We believe that the Company is unique in the ways in which it aims to generate higher returns for investors. The Company invests under a Buy, Build & Grow model.

Our thinking is underpinned by the Company's aim of generating attractive total returns over the longer term, with the combination of capital growth and a progressive dividend.

The balance of the portfolio of assets we acquire is central to us achieving that goal of attractive long-term returns. It requires buying the right assets at the right price and with sufficient diversity to offset risk.

In a rapidly growing market that, in terms of annual capital expenditures, is the

third largest infrastructure segment in the world, making those buying decisions requires a team with in-depth knowledge, insight and experience across the sector.

Buy

We acquire medium-sized, cash-generative Digital Infrastructure platforms with attractive growth prospects. We seek to be disciplined buyers of these assets by focusing on transactions offering relative value advantage, strong market positioning and competitive moats.

Build

Our value-creation model seeks to support the ambitions of these platforms through the deployment of strategic insight, and capital expenditure to fuel both organic growth and funding for tuck-under acquisitions.

The Investment Manager's value-creation model is anchored in strategic insight and years of operating experience at the highest levels of the Digital Infrastructure industry.

Grow

In addition to expanding the platform's productive asset base, we seek to enhance capabilities by importing operational best practices honed at some of the largest organisations in the Digital Infrastructure sector. With a growing asset base, enhanced performance and a larger revenue base we can target both improved margins and NAV growth for the benefit of our shareholders and other stakeholders.

Chairman's statement

Against what has been a volatile time for the markets and many industries, I am pleased to report a solid underlying financial performance for the period. This has been accompanied by the achievement of major milestones including the raising of the €200 million Eurobond facility and the completion of the Emitel acquisition on 15 November 2022. The operational performance of the Company's investments has been stable and in line with plan.

The Company's portfolio benefits from a good element of inflation resilience and both the Company and its investments benefit from a conservative approach to interest rate risk. This, combined with a strong deal pipeline and a buoyant market for Digital Infrastructure Assets, gives us confidence for the rest of this year and beyond.

Shonaid Jemmett-Page
Chairman

I am pleased to present the Interim Report for Cordiant Digital Infrastructure Limited (the Company) for the six months to 30 September 2022.

Introduction

The Company has achieved a solid operational and financial performance during a volatile period; increasing NAV by 2.6%, or 2.7p per share, and reporting a profit of £21 million while also achieving major milestones with the raising of a €200 million Eurobond facility and, on 15 November 2022, the completion of the acquisition of Emitel, our largest investment since launch.

With the acquisition of Emitel we have constructed a high-quality portfolio characterised by predictable revenues and cash flows supported by long tenure contracts with a high degree of inflation linkage and a blue-chip client base. This acquisition also aligns with the Company's Buy, Build & Grow strategy and offers the potential to generate additional value and further attractive returns to shareholders. We continue to be well supported, successfully raising a €200 million Eurobond facility in June 2022, and I believe that the strength of interest from global blue-

chip institutions in the facility reflects the attractiveness of the Company's assets. This facility leaves the Company and its portfolio companies well placed to execute organic growth or further investments.

Performance

CRA performed well during the six months, and it is encouraging to see increases in revenues from its telecommunications operations, data centre and cloud, and IoT-related services, given the generally higher multiples at which these businesses are valued. To achieve this revenue increase, the team at CRA is delivering on a plan to further improve efficiencies and maximise capital returns. Given the strength of the underlying business, there is also the potential for organic and acquisition led growth opportunities.

Hudson continues to make steady progress, converting its healthy pipeline of opportunities into sales. The client offering is strong, the enterprise is strategically well located and the team have a clear plan in place to deliver stronger growth in the future.

Emitel has shown consistent year-over-year growth based on a stable business

model with high revenue and cash flow visibility. The business benefits from long-term contracts with blue chip customers, strong cash flow generation and good inflation-resilient characteristics. Emitel has a strong balance sheet with net gearing at 4.2x EBITDA based on its 31 December 2021 results. Earnings to date for the current financial year (nine months to September 2022) are in line with budget and free cash flow generation is ahead of budget for the same period.

Returns and dividend

For the first six months of the year the Company achieved a profit of £21.0 million, compared to £14.2 million for the period from 4 January 2021 to 30 September 2021. This profit reflects a movement in the fair value of investments, and portfolio income, offset by transaction and operating costs.

The NAV per share was 107.5p at 30 September 2022, reflecting a 2.6% increase over the period. Net assets were £832.0 million, comprising £432.3 million of portfolio assets and £399.6 million of other net financial assets, principally cash and liquid investments held in Polish zloty in preparation for the completion of the acquisition of Emitel.

It was previously announced that, pending the successful completion of the acquisition of Emitel, the dividend target for the year to March 2023 would be increased from 3.0p to 4.0p per ordinary share and I am pleased to confirm that the Company expects to pay a dividend target of 4.0p in respect of the year to 31 March 2023. This dividend is well ahead of the schedule indicated at the time of the IPO, which envisaged a 4p per share dividend by the fifth full year. On 28 November 2022, the Board approved a distribution of 2p per share with respect to the six months ended 30 September 2022. The record date for the distribution is Friday 9 December 2022 and the payment date is Friday 23 December 2022.

The ordinary shares delivered a total shareholder return of -7.5% from inception to 30 September 2022, equivalent to -4.6% per annum over that period, calculated on the basis of dividends being reinvested and the performance of the Company's share price since inception. Market volatility and negative sentiment in UK equity markets across all sectors adversely affected the Company's share price during this period. The Board has



kept the Company's share price under review and considered its approach to this during the period, including the potential use of share buybacks. The Board currently believes that it is in the best interests of shareholders to continue to deploy the Company's capital in support of its Buy, Build & Grow strategy rather than undertake a share buyback programme but will continue to actively monitor this.

Investments

CRA is actively looking at options for organic and strategic growth. This is supported by the strength of the underlying business, including contracted revenue, cash flows and a robust balance sheet. Focus areas include potential bolt-on acquisitions and an investment in a greenfield datacentre.

There remains significant opportunity to invest in Hudson, with increased utilisation of the 6th floor of the 60 Hudson Street, New York facility and the option over two further on-site floors. Hudson has the flexibility to invest in line with incremental demand so, as its sales and marketing platform evolves, there is potential for a corresponding increase in capital deployed.

Funds committed to the Emitel acquisition accreted significantly in value against UK pounds sterling, having been held in Polish zloty during the period.

The Company also confirms that with the completion of the Emitel transaction on 15 November, it has secured the potential for full utilisation of its Eurobond facility, €80 million of which was conditional on the closing of the acquisition.

Gearing and hedging

As at 30 September 2022, the Company had no debt at the fund level. At the investee company level there is debt, but in overall terms gearing is relatively low. Gearing (measured as aggregate net debt divided by gross assets) is 30% across the group as at 30 September 2022 on a pro forma basis, including Emitel. The Eurobond remained undrawn at 30 September 2022 although the Company subsequently submitted a €25 million drawdown instruction for value in December 2022.

The Company and its investee companies seek either to fix or to hedge the majority of interest costs of existing debt to mitigate the effect of increases in interest rates. Interest costs at both Emitel

and CRA are currently largely hedged with 78% of the portfolio's aggregate debt on a fixed or swapped interest basis and so not significantly subject to market interest rate changes. Hudson currently has no debt. A combination of these hedging policies and ability to pass certain costs through to customers, such as power costs at the data centres held in the portfolio, means these businesses are significantly less affected by price inflation, including power price changes, than would otherwise be the case. The Investment Manager continues to work closely with the respective management teams to support ongoing careful input cost management.

Board and governance

The Company benefits from a highly experienced, diverse and independent Board, that is able to draw upon both direct sector and other wider knowledge, to provide effective oversight. That depth and breadth of experience also allows the Board to provide insight and guidance to complement the Investment Manager's team in its delivery for both the Company and shareholders.

Outlook

The Board believes that the Company is well placed to deliver on its target returns for investors. The investment assets acquired provide a good level of dividend cover and offer additional growth opportunities, in line with the Buy, Build & Grow strategy.

CRA is expected to continue to perform well and to continue to benefit from the management-led initiatives to grow the business. While Hudson has made steady progress, the Board believes it has strong underlying fundamentals, and remains confident it will deliver the returns and opportunities expected. Emitel represents a significant acquisition of a profitable and diversified platform in a market where data consumption growth is among the most robust in Europe. It also brings an effective ESG programme that is aligned with the Company's aims in this area, including the increased use of green energy.

The Investment Manager has successfully built a strong pipeline of opportunities in excess of €3.2 billion and that, along with the Eurobond facility, places the Company in a good position to continue to execute value accretive transactions. This, combined with ongoing demand for investment in Digital Infrastructure Assets, gives the Board continued confidence for the second half of this year and beyond.

Investment Manager's report

During the six months to 30 September 2022, the Company's portfolio companies demonstrated a solid overall performance, notwithstanding headwinds resulting from macroeconomic factors.

Steven Marshall
Investment Manager

Benn Mikula
Investment Manager

Introduction

During the six months to 30 September 2022, the Company's portfolio companies demonstrated a solid overall performance, notwithstanding headwinds resulting from macroeconomic factors such as rising interest rates and energy costs. A strong performance at CRA combined with positive foreign exchange movements more than offset the effect of an increase in discount rates associated with rising interest rates and an increasingly inflationary environment.

NAV per share increased by 2.6% over the first six months of the year³ to 107.5p, reflecting a stable performance from the Company's underlying asset base and favourable foreign exchange movements, offset by higher average discount rates.

The Emitel acquisition successfully completed on 15 November 2022 for an equity consideration of PLN1,920 million (£359 million at exchange rates on the date of completion) before customary transaction costs and expenses. Emitel is the Company's largest investment since launch.

Demand for Digital Infrastructure remains strong, with requirements for data processing and both fixed and mobile data transmission continuing to grow. This is underpinned primarily by the increased digitalisation of the economy and rising usage of software-based platforms in the personal, commercial and governmental domains. Digitalisation also enables increased remote working, which remains constant, even while the COVID-19 pandemic recedes.

By giving investors access to the critical assets underpinning the modern internet (mobile towers, data centres, fibre-optic and related infrastructure), the Company offers those investors exposure to long-term income and growth, high levels of inflation protection and long-term contracts - often with blue-chip companies and government entities.

In addition to the funds already deployed, the Company continues to have access to a healthy investment pipeline, valued at over €3.2 billion; offering the opportunity for further growth and income. After the success of raising the €200 million Eurobond facility, the Company remains well placed to execute additional diversifying transactions.

Financial performance

The Company made a profit of £21.0 million in the six-month period (period to 30 September 2021: £14.2 million), representing movements in the fair value of investments of £18.9 million (period to 30 September 2021: £17.6 million) and income from the portfolio of £7.7 million (period to 30 September 2021: £1.3 million), offset by transaction costs of £1.8 million (period to 30 September 2021: £2.5 million) and other operating and finance costs of £6.7 million (period to 30 September 2021: £2.3 million), together with net foreign exchange gains on revaluation of working capital of £2.9 million (period to 30 September 2021: £nil). This represents earnings per share of 2.7p.

The portfolio, consisting of CRA and Hudson, was valued at the reporting date at £432.3 million (31 March 2022: £409.9 million), and the Company had other net financial assets of £399.6 million (31 March 2022: £412.5 million), largely in the form of cash and liquid investments required to complete the acquisition of Emitel. Net assets were £832.0 million at 30 September 2022 (31 March 2022: £822.3 million), representing a NAV per share of 107.5p (31 March 2022: 106.34p, 104.84p ex-dividend).

The increase in NAV from 31 March 2022 is based on accrued income and the effect of translating assets from local currency into UK pounds sterling, offset by the payment of the final dividend in July 2022, a small value movement in the portfolio primarily caused by increased discount rates and fund expenses for the period.

Accrued income of £7.7 million comprises interest accruing on the shareholder loan to CRA (£1.4 million) and interest on the cash balances held by the Company available to complete the acquisition of Emitel (£6.3 million).

The gain on foreign exchange translation of £25.8 million relates to the investments in CRA (gain of £11.4 million) and Hudson (gain of £11.5 million), held in Czech koruna and US dollars respectively, together with the Polish zloty cash balance held for the acquisition of Emitel. All three currencies strengthened against UK pounds sterling during the period.

The Company paid the final dividend of 1.5p per share relating to the period ended 31 March 2022 on 21 July 2022.

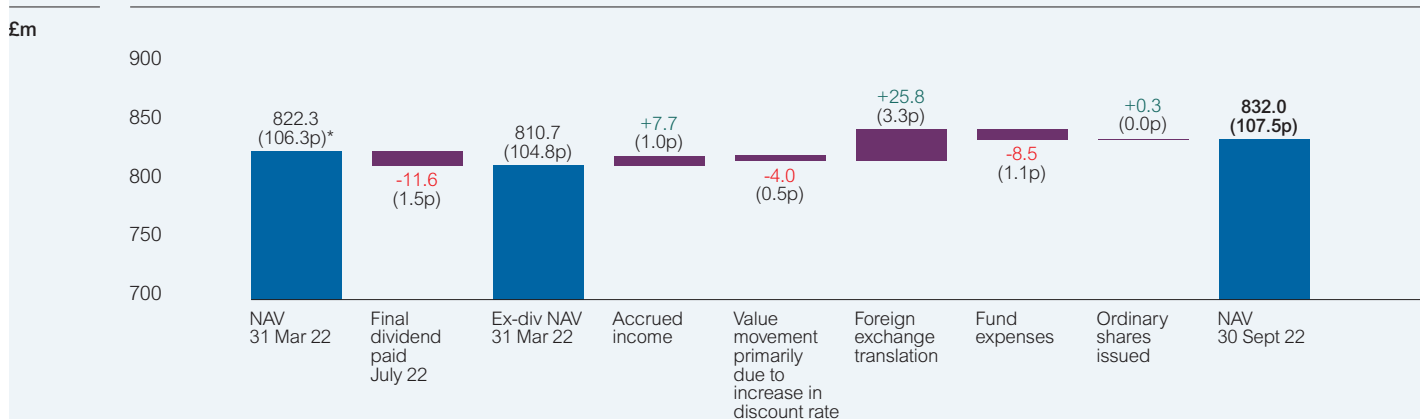
³Based on opening ex-dividend NAV

Steven Marshall and Benn Mikula



Investment Manager's report continued

Chart 1: NAV progression for the six months to 30 September 2022



*Figures in brackets are pence per share equivalent

Table 1: Reconciliation to chart 1

	IFRS Statement of Comprehensive Income total £m	Accrued income £m	Total unrealised value movement £m	Net foreign exchange translation £m	Fund expenses £m
Statement of Comprehensive Income					
Net gains on investments at fair value through profit or loss	19.4	1.4	(4.0)	22.9	(0.9)
Operating expenses	(7.6)	–	–	–	(7.6)
Foreign exchange movement on revaluation of working capital	2.9	–	–	2.9	–
Finance income	6.3	6.3	–	–	–
Finance expense	–	–	–	–	–
Profit for the six-month period before tax (£m)	21.0	7.7	(4.0)	25.8	(8.5)
Total (pence per share)	2.7	1.0	(0.5)	3.3	(1.1)

Together with the interim dividend of 1.5p per share paid on 16 December 2021, this represented a dividend yield for the period ended 31 March 2022 of 3.0% on the IPO price of 100p per share.

The value decrease of £(4.0) million (CRA: gain of £0.8 million; Hudson: loss of £(4.8) million), recorded at 30 September 2022, reflects the stable operational performance by the Company's investments, in line with plan, offset by increases in the discount rates applied by the Investment Manager. These rates were used in the discounted cash flow (DCF) valuations of the investments, conducted in line with the

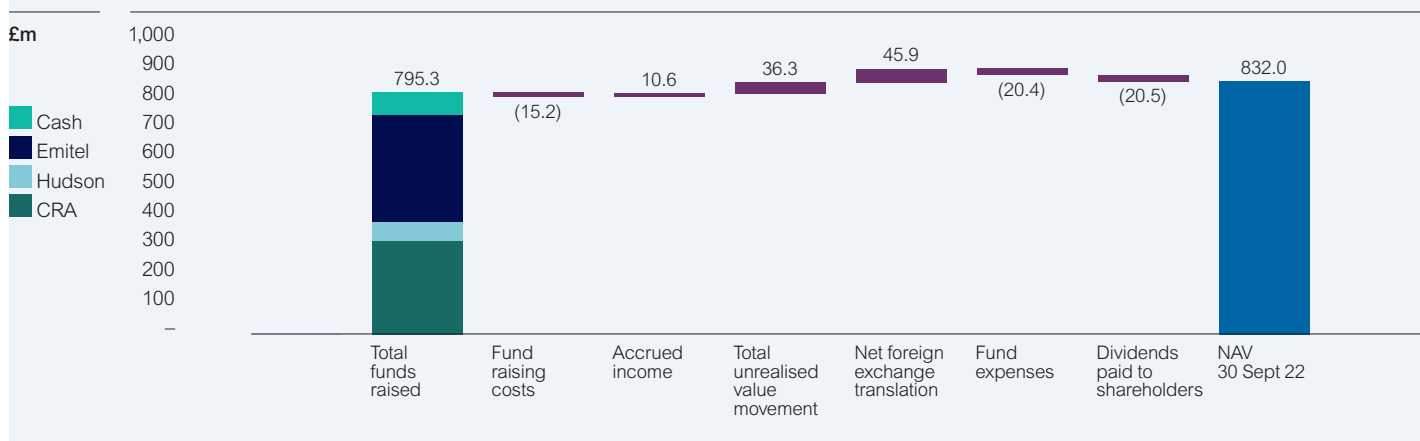
International Private Equity Valuation (IPEV) guidelines.

The market has seen some considerable volatility in relevant risk-free interest rates and risk premia over the period, and the Board and Investment Manager have taken account of this volatility in the discount rates used in the DCF valuations of the Company's investments at 30 September 2022. The Investment Manager calculates a discount rate, or weighted average cost of capital (WACC), for each DCF valuation using publicly available sources for a risk-free rate, together with a risk premium and beta appropriate to the geography and

industry sector of each portfolio company being valued.

Since 31 March 2022, the mid-point of the range of discount rates selected by the Investment Manager increased by 45 basis points on a weighted average basis. The range of discount rates or WACCs considered by the Investment Manager at 30 September 2022 was 7.86% to 9.88%. In the case of CRA, an increase in the discount rate was fully offset by other factors reflecting CRA's positive operating performance during the period. For Hudson, the increase in discount rate is the primary driver of the decrease in underlying value.

Chart 2: Company NAV progression since IPO



The Company's portfolio benefits from good resilience against inflation. On a pro forma basis including Emitel, 74% of revenues across the portfolio have full or partial inflation protection through index-linking or escalating contracts. At Hudson and other data centres across the portfolio, energy costs are passed through to the customer. Across the rest of the portfolio, dynamic forward hedging policies for energy costs are implemented by management, as well as active control of other input costs.

The Company and its investments also benefit from a conservative approach to interest rate risk, having fixed or hedged 78% of interest rate exposure on debt, on a pro forma basis at 30 September 2022, including Emitel.

Fund expenses, comprising management fees, deal costs and other operating expenses represent a cost ratio over opening ex-dividend NAV of 1.0%.

Corporate reorganisation and IFRS 10

On 31 May 2022, the Company reorganised the holding structure of its investment in CRA in order to facilitate the raising of additional capital including the Eurobond facility, such that the investment in CRA is directly owned by Cordiant Digital Holdings Two Limited,

a 100% owned subsidiary of Cordiant Digital Holdings UK Limited, which is itself a 100% owned direct subsidiary of Cordiant Digital Infrastructure Limited.

As a result of this reorganisation the Company records an investment in Cordiant Digital Holdings UK Limited which is, under IFRS 10 and IFRS 13 valued in line with IPEV guidelines and including the underlying value of its indirect investment in CRA. Returns from the Company's investment in Cordiant Digital Holdings UK Limited are recorded alongside returns from the Company's investment in CDIL Data Centre USA LLC, the legal entity through which Hudson operates, in 'Net gains on investments at fair value through profit or loss' in the Statement of Comprehensive Income presented opposite.

Table 1 opposite reconciles the NAV bridge presented in Chart 1 to the IFRS Statement of Comprehensive Income presented on page 33.

Chart 2 shows NAV progression since IPO.

The Company has raised a net £780.1 million, through the IPO and subsequent successful placings in June 2021 and January 2022. £10.6 million of accrued income has been earned by the Company on

investments and cash balances held. Total unrealised growth in the value of the portfolio to date is £82.2 million, comprising £36.3 million of unrealised valuation gain and £45.9 million of net foreign exchange translation gain. After a total since inception of £20.4 million of fund expenses and aggregate dividends paid to shareholders of £20.5 million, the NAV at 30 September 2022 is £832.0 million.

Assets and deployment

The considerable capital deployed to date has supported two increases in the Company's dividend target since the IPO. The nature of the assets acquired means the dividend is well covered by earnings generated by those assets and there is opportunity for material growth through the Company's Buy, Build & Grow strategy.

In addition to asset quality, key to delivering stable ongoing returns is retaining a strong sense of buying discipline. The strength of the Investment Manager's team in the Digital Infrastructure space is a unique advantage in this regard, in terms of both creating and converting opportunities across the market. The Company's portfolio (including Emitel) generates over £95 million of EBITDA on a run rate basis each year.

Investment Manager's report continued

Review of portfolio companies

The performance of the underlying investments during the period was broadly in line with expectations, providing a good platform for continued returns and future growth.

Following the completion of the Emitel acquisition, Cordiant has two diversified portfolio assets as well as a data centre asset in the US. The degree of exposure to Central Europe is a function of being able to purchase attractive, cash-generating assets at attractive valuation levels. It is not indicative of the long-term geographic diversification plans of the Company.

The Company's portfolio now offers investors a broad degree of diversification across asset types (communications towers, data centres, fibre and IoT). This offers investors a balance of risk and growth characteristics. These elements support the Company's ability to continue to deliver for investors. They also enable the Company to both pay a well-covered dividend and to deliver higher returns in the future.

České Radiokomunikace

Original cost:
£305.9 million

Value at 31 March 2022:
£351.6 million

Further investment in the period*:
£1.4 million

Unrealised value movement in the period:
£0.8 million

Unrealised foreign exchange translation in the period:
£11.4 million

Value at 30 September:
£365.2 million

Income generated in the period:
£1.4 million

*Capitalised interest on shareholder loan to CRA

The performance of CRA during the first half of the year was as expected and, following initiatives taken during the period, it is well placed to see growth advance in the second half. Revenues for the six-month period to 30 September 2022 were on budget at CZK1,097 million. Earnings of the business for the same period, as measured by normalised EBITDA were also on budget at CZK559 million. The business is seeing strong growth in higher value telecommunications operator services IoT, data centre and cloud services. The data centre business has also seen steady increases in capacity utilisation.

Initiatives undertaken during the period include:
— DC Zbraslav project:
CRA continues to make good progress with regard to its green field data centre project at Zbraslav. It is in the final stages of securing a hard commitment for connectivity leases (optical ring) with leading telecommunications partners.

— Broadcast revenue sharing model: earlier in the year CRA launched an innovative revenue sharing model to attract more TV channels to its network. CRA is in final negotiations with several TV operators to launch their channels in early 2023.

Other initiatives focused on operational and client development as well as financial management. Operational developments included strengthening the management team, with the appointment of a new CEO, CFO and COO, and greater deployment of capital to telecommunications operator and IoT-related revenue streams. Alongside initiatives to develop new customers, significant focus has been on working with existing key clients in relation to contractual arrangements to optimise pricing and other terms, and on supporting these relationships through a strong alignment of interests. It is expected that these initiatives will further enhance returns in years to come.

CRA's revenue base enjoys substantial mitigations against the impact of inflation, through a combination of indexing and escalators on the majority of revenue contracts. 66% of revenue contracts by value contain full or partial inflation protection through indexation or escalation agreements. CRA operates a dynamic forward hedging policy for energy costs, and typically buys energy 1-3 years in advance. This has seen the effect of rising energy costs in 2022 largely mitigated. Energy costs on data centre operations are passed through to the customer. CRA is highly cash generative and has a strong balance sheet, with net debt of CZK3,285 million representing gearing of 24% at 30 September 2022, calculated as net debt divided by enterprise value,

with 100% of interest costs on the debt fixed or hedged on favourable terms.

The underlying strength of the business gives it significant flexibility to deploy additional growth capital. As such, and in line with the Company's Buy, Build & Grow strategy, CRA management is actively examining potential capacity expansions and strategic opportunities for growth.

The market for data and therefore digital assets in the Czech Republic remains robust and is continuing to grow. This is underpinned by continuing growth in the underlying economy, with GDP forecast to increase by 2.5% in 2022 and 0.1% in 2023⁴.

⁴Source: European Commission

Hudson Interxchange

Original cost:
£55.8 million

Value at 31 March 2022:
£58.2 million

Further investment in the period:
£3.1 million

Unrealised value movement in the period:
£(4.8) million

Unrealised foreign exchange translation in the period:
£11.5 million

Value at 30 September:
£68.0 million

Income generated in the period:
£nil

Hudson continues to make steady progress, albeit with a somewhat slower pace of converting its healthy pipeline of opportunities into sales than initially expected, notwithstanding the signing of Dish, a major broadcast provider, and Windstream, a major telecommunications operator. The sales team has been augmented to accelerate this process.

In addition, Hudson benefits from having a strategically important location for internet connectivity in New York, an established blue-chip customer base and a strong offering, based around colocation services.

Since being acquired by the Company earlier this year the firm has been rebranded to Hudson Interxchange, a marketing team has been created and new product positioning tools have been developed.

The current sales focus remains on the take-up of additional space on the 6th floor of 60 Hudson Street, where several contracts with new customers for the first

data hall have been signed since acquisition by the Company. Contracts have been signed for 325KW out of 3.5MW on the 6th floor and the pipeline opportunity has increased from 1.6MW at 31 March 2022 to 2.5MW at 30 September 2022. In the six months to 30 September 2022, Hudson recognised revenues of \$9.7 million, slightly behind budget, and EBITDA of \$(2.7) million, slightly ahead of budget, as the business seeks to sign up customers and sell space.

Hudson benefits from being relatively immune to wider changes in inflation. Current revenue contracts contain escalation clauses as a mitigant against the effects of inflation. Energy costs are passed through direct to customers, resulting in no effect on Hudson's earnings. Hudson's principal other cost is rent for the building, which contains similar escalation clauses to the revenue contracts. Due to flexibility built into the business through options over additional space, it is able to align capex directly with sales growth.

Due to considerable market volatility during the period, risk free rates and risk premia have risen substantially. The Investment Manager has reflected these changes in the discount rates selected to value Hudson on a DCF basis. For Hudson, an increase in the discount rate is the primary driver of the unrealised value decrease reported in the period.

Emitel

Equity cost at exchange rates at the date of completion of the acquisition:
£359 million

As previously announced, the Company was notified on 4 November 2022 that the final regulatory clearance process for the completion of the Emitel acquisition had concluded. Subsequent to that announcement, the acquisition completed on 15 November 2022. The regulatory process in Poland was multi-stage and included receiving approvals from the Polish Minister of State Assets and anti-trust approval from the Polish Office of Competition and Consumer Protection.

The Company funded the acquisition with cash on its balance sheet, acquiring PLN1,985 million for £353 million via a series of forward contracts in the first half of the year. These zloty cash balances have earned PLN52 million (£9.7 million) in interest from conversion up to the point of completion of the acquisition. The Polish zloty also strengthened against UK pounds sterling in the period before completion of the transaction.

The Company paid equity consideration of PLN1,920 million via its 100% subsidiary Cordiant Digital Holdings One Limited, which, together with Polish stamp duty and net notional interest accruing on the acquisition since the deal was signed in January 2022, made a total of PLN2,023 million (£378 million at current exchange rates) all paid from the zloty cash balances held by the Company. The Company has also paid related transaction fees and expenses falling due upon completion.

Emitel is a multi-asset Digital Infrastructure platform, with strong fundamentals and experienced management offering a good opportunity

for growth, in line with the Company's strategy. Digital Infrastructure Assets include a network of over 500 communication towers, a fibre-optic network and a nationwide IoT sensor network, serving utilities.

Emitel has shown consistent year-on-year growth with a stable business model and high revenue and cash flow visibility. Emitel's broadcast revenue contracts have a weighted average duration of eight years, while its mobile contracts average 13 years for anchor tenants. Approximately 76% of Emitel's revenues have either full or partial inflation linkages. It has long been committed to ESG principles and buys 100% of its power from renewable sources. Emitel also routinely purchases 50-60% of its annual electricity requirement 1-2 years in advance via power purchase agreements which provides significant hedging protection in a volatile price environment. Emitel's management is supported by an organisation of around 410 operational and financial professionals with an average tenure of more than 19 years.

Over the full financial year to December 2021, Emitel delivered revenues of PLN486 million and EBITDA of PLN319 million. As at 31 December 2021, Emitel had outstanding debt of PLN1,462 million, and PLN131 million in cash on hand. Gearing represented 41% of enterprise value at 31 December 2021. Emitel also has an interest rate swap in place, which hedges 66% of the outstanding debt in relation to interest rate movements to June 2023. The transaction represents an enterprise value to the last 12 months EBITDA multiple of approximately 9.4x.

Poland remains a strong market for investment, with data use continuing to grow strongly and ongoing underlying economic growth.

Investment Manager's report continued

Team

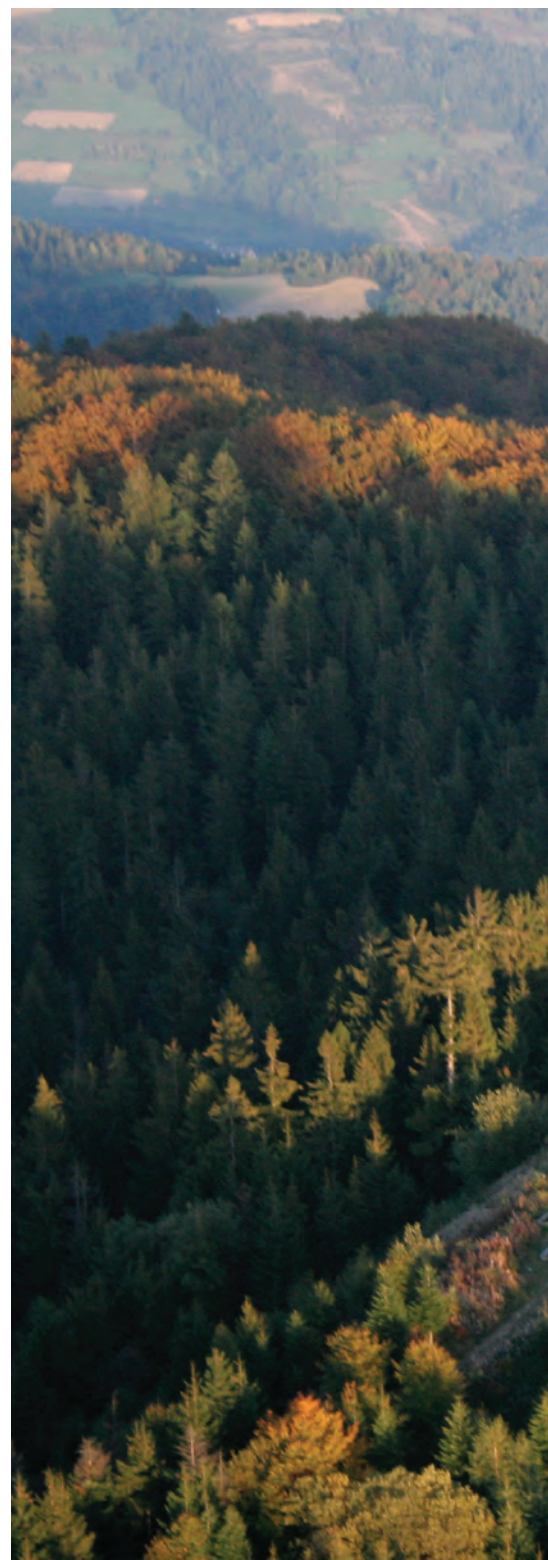
The Investment Manager's senior team combines seasoned, senior operating executives from the Digital Infrastructure industry with private capital investment executives with many years of experience in the sector. The ability to deploy operational know-how to drive improved post-investment performance and growth is key to the Company's strategy.

The experience of the team continues to manifest itself in a large and growing pipeline, a meaningful part of which is either privileged or bilateral in nature. The breadth and strength of the team has proved to be a key differentiator in certain deal situations.

The Investment Manager added Mark Tiner to the senior team during the period as Chief Financial Officer for Digital Infrastructure. Mark has experience at two investment trust managers as well as at a private equity firm. He will also be bolstering the team's focus on post-investment operational analytics as well as risk management.

Pipeline

The Investment Manager has developed and retained an attractive pipeline of additional investment opportunities, with an aggregate value in excess of €3.2 billion. This pipeline offers the opportunity for further growth and to diversify the portfolio by asset type, location and customer base. It also offers additional Buy, Build & Grow opportunities, via investment and synergies. As it stands, the current pipeline is weighted towards Western Europe and the United Kingdom. For more detail see page 23.



The Investment Manager has developed and retained an attractive pipeline of additional investment opportunities, with an aggregate value in excess of €3.2 billion.



Investment Manager’s report continued

ESG, impact and sustainability

The Investment Manager recognises the increasingly critical role of Digital Infrastructure to modern society as well as the environmental demands of the sector, in particular from data centre assets. As such, the Company’s ESG and impact objectives are based on the aim of mitigating these environment costs, specifically high energy consumption and the associated greenhouse gas emissions, to help realise the net benefits of increased data transfer and access and communication. These are the Company’s three guiding principles:

- The need to reduce the carbon footprint of the digital economy through more efficient infrastructure assets and networks, and the integration of renewable electricity into the energy mix
- The need to create enhanced communications, diminishing the need for unnecessary travel, and shrink pollution-causing congestion for the betterment of society
- The need to better connect under-served businesses and households to the digital economy, thereby supporting enhanced opportunity and economic activity.

The Company in its effort to work towards its first guiding principle has been focusing on a three-layered approach to reducing electricity consumption and enhancing sustainability. First, helping to enable efficient network design (e.g. supporting integration of 5G and broadcast); second, efficiency at the network component level (e.g. more efficient data centres, and support of the EU Code of Conduct for Data Centres); and finally, integrating renewable energy where possible, and aiming for 100% renewable energy for platform assets.

This has been demonstrated by the Company investing in broadcast tower assets such as CRA, which enable all households (within broadcast range) to receive the signal through one broadcast or one source of power consumption.

Positive external impacts

The Investment Manager, through investee companies’ products, services and business offerings, can contribute to solutions to environmental and social problems defined by the UN SDG’s and underlying targets.

Specific SDG targets



9.1/9.3
9.4/9.c

The Company promotes and supports updating and developing digital infrastructure to make it more resilient and promoting inclusive and sustainable industrialisation and fostering innovation.

In addition, a broadcast network requires fewer towers to cover the same area as a mobile network, limiting energy consumption and environmental impact. Furthermore, as part of the Company’s engagement efforts CRA has committed to obtaining its energy from renewable sources.

The Investment Manager continues to apply its ESG and impact standards, policies and principles, tailored for the Digital Infrastructure sector, to its actions as AIFM of the Company. The Investment Manager’s ESG team has been building upon its previously implemented ESG methodology and continues to evolve its processes and procedures, with the respective Responsible Investment Policies reflecting updates to the process.

Impact overview

As an inherently impactful sector, the Company has the opportunity to select companies where investment and active

engagement can intentionally generate positive and measurable social and/or environmental outcomes. The Company separates the channels through which it can create impact into two distinct approaches: positive external impacts and positive internal contributions within its investee companies.

Offsetting scheme

The Investment Manager resolved to calculate and offset the greenhouse gas (GHG) emissions for its own London office for 2021. It is the Investment Manager’s intention to increase the scope of its GHG emissions accounting and offsetting of its own carbon impact in future periods. Emissions have been calculated, assessed, and verified via a third party, Carbon Footprint Ltd, using their Carbon Footprint Appraisal Service. Based on the results, the Investment Manager decided to offset the emissions produced in its London office throughout 2021 by donating to

Positive internal contributions – climate

The Company has placed additional emphasis on addressing the environmental burden of the Digital Infrastructure sector, focusing on reducing electricity consumption and enhancing sustainability at the network and asset level. As such, the Investment Manager seeks to contribute to positive outcomes by ensuring investee companies align their operations with approaches that mitigate negative environmental and social impacts of their operations. While also promoting initiatives that provide benefits to employees, communities and other stakeholders.

Specific SDG targets



7.2/7.3

The Company supports the aims for investee companies to adopt energy efficient measures and practices, and targets the increased adoption of renewable energy sources into the energy supply mix.



12.6

The Company supports investee companies adopting sustainability reporting standards.



13.1/13.2

The Company supports investee companies in measuring GHG emissions and seek to, where necessary, implement adaptation and/or mitigation measures.

Positive internal contributions

Specific SDG targets



8.8



10.3



11.3/11.a

The Company benefits from a robust portfolio of existing investment assets, that not only underpin current returns to investors but also offer opportunities for growth, in line with its Buy, Build & Grow strategy.

two offsetting projects, one in Brazil and the other in Turkey, both within its focus sectors.

Outlook

The Investment Manager remains confident the Company will continue to be well placed to make further progress in the second half of the year and beyond.

The Company benefits from a robust portfolio of existing investment assets, that not only underpin current returns to investors but also offer opportunities for growth, in line with its Buy, Build & Grow strategy.

The Investment Manager has also developed a significant additional pipeline of investment opportunities, which the Company is well placed to take advantage of following the raising of the Eurobond facility earlier in the year.

Given that the digital economy constitutes part of the essential infrastructure of modern life and given that the growth in this sector is running comfortably above that of the economy in general, the Investment Manager looks to the Company’s future with considerable optimism.

Emitel acquisition

Emitel

Acquisition completion date:
15 November 2022

Equity consideration:
PLN1,920m
(£359m at exchange rates at the date of completion)

A national champion

Emitel is a multi-asset Digital Infrastructure platform and the Company's largest investment since launch. The Company acquired Emitel for an equity consideration of PLN1,920 million (£359 million at exchange rates at the date of completion) before customary transaction costs and expenses.

Over the full financial year to December 2021, Emitel delivered revenues of PLN486 million and EBITDA of PLN319 million. It has an interest rate swap in place, which hedges 66% of the outstanding debt in relation to interest rate movements. The transaction represents an enterprise value to the last 12 months EBITDA multiple of approximately 9.4x.

Emitel has shown consistent year-on-year growth with a stable business model and high revenue and cash flow visibility. Emitel's broadcast revenue contracts have a weighted average duration of eight years, while its mobile contracts average 13 years for anchor tenants. Approximately 76% of Emitel's revenues have either full or partial CPI inflation linkages. It has long been committed to ESG principles and buys 100% of its power from renewable sources as well as routinely purchasing 50-60% of its annual electricity requirement one or two years in advance via power purchase agreements which provides significant hedging protection in a volatile price environment.



Pipeline

The Investment Manager has developed and retained an attractive pipeline of additional investment opportunities, with an aggregate value in excess of €3.2 billion. This pipeline offers the opportunity for further growth and to diversify the portfolio by asset type, location and customer base. It also offers additional Buy, Build & Grow opportunities, via investment and synergies. As it stands, the current pipeline is weighted towards Western Europe and the United Kingdom.

The Investment Manager's focus on pricing discipline is now paying off as it is starting to see pricing levels become more attractive in light of recent market volatility and rising interest rates. There is significant activity in the fibre sector, in particular the

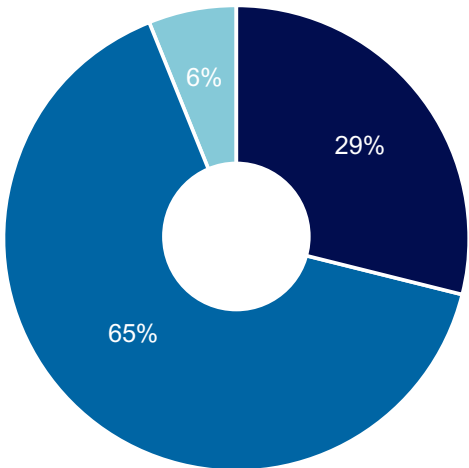
fibre-to-the-premises market, which the Investment Manager is closely monitoring with potential opportunities for consolidation on the horizon. Interconnect and edge data centres remain key target areas and there are other potential multi-asset opportunities being reviewed which could be complementary to the existing portfolio. Overall, the Investment Manager retains its focus on the mid-market, where seller expectations on value are now becoming more realistic.

With current market volatility and resulting limitations on access to capital markets, the Investment Manager acknowledges that this places restrictions on the Company's ability to convert opportunities in its pipeline. However, the Company remains well

placed to be able to execute on additional transactions following the successful raise of the €200 million Eurobond facility on attractive terms. Following the completion of the Emitel acquisition the Company has secured the potential for full utilisation of its Eurobond facility, €80 million of which was conditional on the closing of that acquisition.

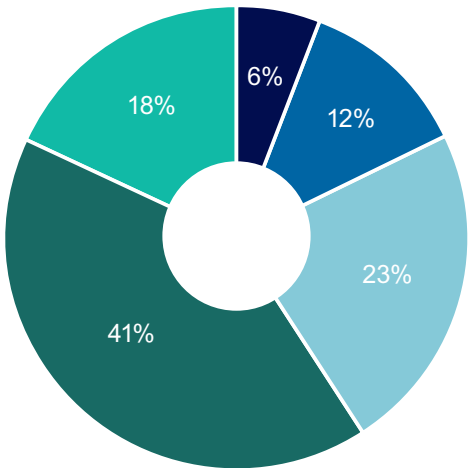
The strength of interest from blue-chip institutions in the Eurobond facility is a reflection of the underlying strength of the Company and demonstrates the trust in the ability of the Investment Manager to continue to deliver for the fund and investors.

Chart 3: Pipeline by geography



- United Kingdom
- Mainland Europe
- North America

Chart 4: Pipeline by sub-sector



- Broadcast towers
- Mobile towers
- Data centres
- Fibre
- Multi-asset

Financial key performance indicators (KPIs)

We set out below our performance against indicators that reflect our financial progress. These indicators allow the Board, management and stakeholders to compare our performance to our goals.

Net asset value per share The NAV per share is a measure of our success in adding value to the portfolio. It is calculated by dividing the net asset value of the Company at 30 September 2022 by the number of shares in issue. The target NAV per share is based on 9.0% per annum total return accruing since inception, reduced by the 3.0p of dividends paid to shareholders to date.	Target 108.7p based on target 9.0% total return per annum	Performance 107.5p
Full-year dividend The dividend paid to shareholders measures the extent to which we are able to deliver an income stream to investors.	Target for the full year 2-3p originally 2-3p per share in the IPO prospectus for the second full year, enhanced to 4p per share in November 2022	Performance for the six-month period 2p* per share for the six month period (4p guidance for the year to 31 March 2023) *£15.5 million in aggregate
EBITDA of underlying investments The adjusted earnings before interest, tax, depreciation and amortisation of our underlying investments on an annual run-rate basis measures their ability both to fund their own growth and to provide investment returns to the Company in support of our planned returns to shareholders. Pro forma including Emitel.	Target £95m annual	Performance £95m annual
Total return from investments The increase in the fair value of our investments and the returns received from them in the period, taken together and divided by the aggregate opening value adjusted for investments in the period, measure the success of our Buy, Build & Grow strategy and our ability to deliver returns to shareholders.	Target 10.2% gross investment returns per annum	Performance 9.9% annualised (4.9% for the six-month period)
NAV total return since inception The total increase in NAV per share from inception to the measurement date, with dividends reinvested at the prevailing ex-dividend NAV. This is a measure of our ability to consistently generate returns for shareholders over a sustained period of time.	Target 9.0% per annum	Performance 7.9% annualised (12.8% inception to date)
Total shareholder return since inception The total shareholder return, calculated assuming that dividends are reinvested, measures our ability to deliver attractive returns to investors, with a combination of capital growth and a progressive dividend.	Target 9% per annum	Performance -4.6% annualised (-7.5% inception to date)



Principal risks and uncertainties

Under the FCA's Disclosure Guidance and Transparency Rules, the Directors are required to identify those material risks to which the Company is exposed and take appropriate steps to mitigate those risks. The significant risk factors were disclosed in the Company's prospectus, which is available on the Company's website www.cordiantdigitaltrust.com

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

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

For each material risk, the likelihood and consequences are identified, management controls and frequency of monitoring are confirmed, and results reported and discussed at the quarterly Board meetings.

The process of risk management is a continuous one



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 able to identify and pursue 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. In addition, current market volatility and the consequent limitations on the Company's ability to access capital markets may mean that it is not able to pursue certain investment opportunities.	
2. There can be no guarantee or assurance the Company will achieve its investment objectives, which are indicative targets only. Investments may fail to deliver the projected earnings, cash flows and/or capital growth expected at the time of acquisition.	The Investment Manager performs a rigorous due diligence process with internal specialists and expert professional advisers in fields relevant to the proposed investment, prior to that investment being executed.	The operational performance of our investments to date is in line with our expectations, demonstrating that the due diligence process undertaken at the time of acquisition was appropriately rigorous to mitigate this risk. The same level of rigour must be maintained for future investments.	
3. The actual rate of return may be materially lower than the targeted rate of return.	The Investment Manager performs a rigorous due diligence process before any investment is made. Post-acquisition, investment valuations are performed by the Investment Manager in line with IPEV guidelines and the Company's valuation policy and are reviewed semi-annually by an independent valuer. The Investment Manager also carries out a regular review of the investment environment and benchmarks target and actual returns against the industry and competitors.	The NAV total return since inception of 12.8% has grown period on period, supported by investment performance in line with expectations and a dividend programme ahead of IPO target. Volatility in key market indicators over the period has had a negative impact on valuations for investments across the market, and the Company is no exception.	

Principal risks and uncertainties continued

The risk	How we mitigate risk	How the risk is changing	Movement
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 arising from Digital Infrastructure Assets and will also engage third parties where appropriate to oversee such construction.	The Company's investments to date have not undertaken significant capital construction projects. This risk has therefore been relatively low to date but may increase as capital investment increases under our Buy, Build & Grow strategy.	
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 impacts of material geo-political events such as the war in Ukraine, the continuing 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 over the medium term, so that the exposure to conditions in any one market and to individual suppliers, customers and tenants, is limited.	The war in Ukraine has had a material impact on the availability and cost of energy and has contributed to a significant increase in inflation in markets around the world. 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. COVID-19 has had limited impact on the Company and indications are that risks from the pandemic are fading.	
6. Actual results of portfolio investments may vary from the projections, which may have a material adverse effect on NAV.	The Investment Manager provides the Board with at least quarterly updates of portfolio investment performance and detail around material variation from budget and forecast returns.	The results of our investments to date are materially in line with our projections at the time of acquisition and their aggregate fair value has increased, contributing to NAV total return of 12.8% since IPO. This demonstrates the quality of the Investment Manager's projections and its ability to manage the investments for growth.	

The risk	How we mitigate risk	How the risk is changing	Movement
7. Unforeseen tax liabilities may arise during the course of making an investment, in the payment of 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 relevant experts in jurisdictions in which investments are planned or made as part of the due diligence process in order to anticipate and plan for tax liabilities.	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.	
8. Inflation may cause costs to rise faster than revenues, causing a reduction in margins and profits.	The earnings of the Company's portfolio companies are resilient to the effects of inflation. Revenue contracts include full or partial protection from inflation, or cost pass-throughs, and generally comprise long-term contracts with strong counterparties. Energy cost hedging strategies have greatly mitigated the effects on earnings of energy costs that are not pass-through. 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, levels of inflation have risen substantially, largely as a result of the war in Ukraine. While the effect of inflation is net positive in the case of the company's portfolio, there can be no guarantee that future investments will be able to obtain or maintain similar contractual protections.	
9. Increasing interest rates cause the cost of existing debt service to rise and increases the cost of new debt. A higher interest rate environment may also reduce the aggregate level of demand in the global economy, and so reduce economic growth.	The Company and its investee companies seek to fix or hedge the majority of interest costs of existing debt to mitigate the effect of increases in interest rates. The Investment Manager operates competitive processes with trusted parties to seek best value from lenders to the Company and its investee companies. The Company maintains what it considers to be a prudent level of overall gearing in the group.	In response to increasing inflation and volatility in global exchange rates, monetary authorities around the world are increasing the cost of borrowing. This will make new debt more expensive to the Company and its competitors, and increase risk around refinancing of existing debt.	

These principal risks and uncertainties remain the most likely to affect the Company in the second half of the financial period.

Statement of Directors’ responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Directors are responsible for preparing this interim financial report in accordance with the Disclosure Guidance and Transparency Rules (the DTR) of the UK’s Financial Conduct Authority (the UK FCA).

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

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

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

On behalf of the Board

Shonaid Jemmett-Page
Chairman
29 November 2022



Condensed Statement of Financial Position

As at 30 September 2022 (Unaudited)

	Note	As at 30 September 2022 £'000	As at 31 March 2022 £'000
Non-current assets			
Investments at fair value through profit or loss	7	432,320	409,856
		432,320	409,856
Current assets			
Receivables	9	12,349	51,705
Derivatives	10	–	8,072
Cash and cash equivalents		390,130	353,734
		402,479	413,511
Current liabilities			
Payables		(2,836)	(1,021)
Net current assets		399,643	412,490
Net assets		831,963	822,346
Equity			
Equity share capital	11	780,099	779,896
Retained earnings		51,864	42,450
Total equity		831,963	822,346
Number of shares in issue			
Ordinary shares		773,559,707	773,288,394
Net asset value per ordinary share (pence)		107.55	106.34

The unaudited condensed interim financial statements on pages 32 to 35 were approved and authorised for issue by the Board of Directors on 28 November 2022 and signed on their behalf by:

Shonaid Jemmett-Page
Chairman

Sian Hill
Director

The accompanying notes on pages 36 to 49 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Comprehensive Income

For the six months ended 30 September 2022 (Unaudited)

	Note	For the six months ended 30 September 2022			For the period from 4 January to 30 September 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gain on investments at fair value through profit or loss	7	1,397	18,017	19,414	1,366	17,570	18,936
		1,397	18,017	19,414	1,366	17,570	18,936
Operating expenses							
Other expenses	3	(5,441)	(1,405)	(6,846)	(2,711)	–	(2,711)
Investment acquisition costs		–	(717)	(717)	–	(2,072)	(2,072)
Operating profit		(4,044)	15,895	11,851	(1,345)	15,498	14,153
Foreign exchange movements on working capital		1,276	1,611	2,887	35	–	35
Finance income		6,275	–	6,275	150	–	150
Finance expense		–	–	–	(124)	–	(124)
Profit for the period before tax		3,507	17,506	21,013	(1,284)	15,498	14,214
Tax charge	4	–	–	–	–	–	–
Profit for the period after tax		3,507	17,506	21,013	(1,284)	15,498	14,214
Profit and total comprehensive income for the period		3,507	17,506	21,013	(1,284)	15,498	14,214
Weighted average number of shares							
Basic	6						
Ordinary shares		773,427,686	773,427,686	773,427,686	380,591,408	380,591,408	380,591,408
C Shares		–	–	–	185,000,000	185,000,000	185,000,000
Diluted	6						
Ordinary shares		773,427,692	773,427,692	773,427,692	416,249,982	416,249,982	416,249,982
C Shares		–	–	–	185,000,000	185,000,000	185,000,000
Earnings per share							
Basic earnings from continuing operations in the period (pence)	6						
Ordinary shares		0.45	2.27	2.72	(0.34)	4.07	3.73
C Shares		–	–	–	–	–	–
Diluted earnings from continuing operations in the period (pence)	6						
Ordinary shares		0.45	2.27	2.72	(0.31)	3.72	3.41
C Shares		–	–	–	–	–	–

The accompanying notes on pages 36 to 49 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2022 (Unaudited)

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
Opening net assets as at 1 April 2022		779,896	42,450	822,346
Issue of share capital	11	295	–	295
Share issue costs	11	(92)	–	(92)
Dividends paid during the period	12	–	(11,599)	(11,599)
Profit and total comprehensive income for the period		–	21,013	21,013
Closing net assets attributable to shareholders as at 30 September 2022		780,099	51,864	831,963

For the period ended 30 September 2021 (Unaudited)

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
Opening net assets as at 4 January 2021		–	–	–
Issue of share capital	11	594,696	–	594,696
Share issue costs	11	(11,058)	–	(11,058)
Profit and total comprehensive income for the period		–	14,214	14,214
Closing net assets attributable to shareholders as at 30 September 2021		583,638	14,214	597,852

The accompanying notes on pages 36 to 49 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2022 (Unaudited)

	Note	For the six months ended 30 September 2022 £'000	For the period from 4 January to 30 September 2021 £'000
Operating activities			
Operating profit for the period		11,851	14,153
Adjustments for non-cash movements			
Net gain on investments at fair value through profit or loss	7	(19,414)	(18,936)
Finance income		6,275	150
		(1,288)	(4,633)
Decrease/(increase) in receivables	9	39,356	(533)
Increase in payables		1,815	1,126
Decrease in foreign exchange derivative	10	8,072	–
		47,955	(4,040)
Investment additions	7	(3,050)	(305,907)
Net cash flows used in operating activities		44,905	(309,947)
Cash flows used in financing activities			
Issue of share capital	11	295	594,696
Payment of issue costs	11	(92)	(11,058)
Loan drawn down		–	286,980
Loan repaid		–	(287,139)
Finance costs paid		–	(124)
Dividends paid	12	(11,599)	–
Net cash flows from financing activities		(11,396)	583,355
Net increase in cash and cash equivalents during the period		33,509	273,408
Cash and cash equivalents at the beginning of the period		353,734	–
Exchange translation movement		2,887	159
Cash and cash equivalents at the end of the period		390,130	273,567

The accompanying notes on pages 36 to 49 form an integral part of these unaudited condensed interim financial statements.

Notes to the interim financial statements

1. General information

Cordiant Digital Infrastructure Limited (the Company; LSE ticker: CORD) was incorporated and registered in Guernsey on 4 January 2021 with registered number 68630 and is governed in accordance with the provisions of the Companies (Guernsey) Law 2008 (as amended). The registered office address is PO Box 656, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP. The Company's ordinary shares were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 16 February 2021 and its C Shares on 10 June 2021. On 20 January 2022, all C Shares were converted to ordinary shares. A second issuance of ordinary shares took place on 25 January 2022.

2. Accounting policies

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

Basis of preparation

The unaudited condensed interim financial statements have been prepared on a historical cost basis as modified for the measurement of certain financial instruments at fair value through profit or loss and in accordance with IFRS, AIC SORP and applicable company law. They are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates and are rounded to the nearest thousand, unless otherwise stated. The principal accounting policies are set out below.

The unaudited condensed interim financial statements have been prepared under IAS 34 'Interim Financial Reporting'. The presentation and accounting policies used in the preparation of the unaudited condensed interim financial statements are consistent with those that are adopted in the annual financial statements, except for the adoption of new standards effective as at 1 April 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These amendments are not expected to have an impact on the unaudited condensed interim financial statements of the Company.

The financial information contained in this Interim Report does not constitute statutory accounts as defined in Section 243 of the Companies (Guernsey) Law 2008 as amended. The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 March 2022.

Going concern

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

While the COVID-19 global pandemic and, more recently, the conflict in Ukraine have affected the way in which the Company's business is conducted these did not have a material direct effect on the results of the business. The Directors are satisfied that the resulting macroeconomic environment is not likely significantly to restrict business activity.

In light of the above facts, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

In reaching this conclusion, the Board has considered budgeted and projected results of the business, including projected cash flows, and the risks that could impact the Company's liquidity over the 12 months from the date of approval of the unaudited condensed interim financial statements.

Accounting for subsidiaries

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

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

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

If the Investment Manager concludes that:

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

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

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

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

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

Financial instruments

In accordance with IFRS 9, financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Statement of Financial Position and Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets

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

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

Financial assets are recognised at the date of the purchase. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Statement of Comprehensive Income as incurred.

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

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

Investments held at fair value through profit or loss

Investments are classified upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each valuation point.

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

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is calculated on an unlevered, discounted cash flow basis in accordance with IFRS 13 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.

Notes to the interim financial statements 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. The presentation of the Statement of Cash Flows has changed from the presentation included in the annual accounts for the year ended 31 March 2022 to ensure the classification of cash flows are presented in the manner which is most appropriate to the Company's principal business activities.

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 model based on experience of previous losses and expectations of future losses.

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 and C Shares will be 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. Other income is accounted for on an accruals basis using the effective interest rate method. The presentation of income in the Statement of Comprehensive Income has changed from the presentation included in the annual accounts for the year ended 31 March 2022 to ensure the classification of income between revenue and capital is presented in the manner which is most appropriate to the Company's principal business activities. As a result, the presentation of comparatives in certain other notes to the financial statements have changed.

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.

Taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

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

Foreign currencies

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

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

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

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

Foreign currency transaction gains and losses on financial instruments are included in profit or loss in the Statement of Comprehensive Income as 'Net gains on investments'.

Segmental reporting

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

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

100% of the Company's income is generated within the Czech Republic, UK and US.

100% of the Company's non-current assets are located in the UK or US.

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

Significant accounting judgements, estimates and assumptions

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

Assessment as an Investment Entity

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the six months ended 30 September 2022 is included in note 7 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 interim financial statements continued

3. Other expenses

Other expenses in the Condensed Statement of Comprehensive Income comprise:

	For the six months ended 30 September 2022 £'000	For the period from 4 January to 30 September 2021 £'000
Management fees	3,932	1,746
Legal and professional fees	1,546	112
Discontinued deal fees	1,110	446
Directors' fees	93	128
Other expenses	83	213
Audit fees	82	66
	6,846	2,711

4. Tax

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

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

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

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

5. 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.

5. Management and Performance Fees continued

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

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

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

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

For the six months ended 30 September 2022, the Investment Manager has charged management fees of £3.9 million (30 September 2021: £1.75 million) to the Company, with £1.6 million (30 September 2021: £0.38 million) owed at period end. During the six months ended 30 September 2022, the Investment Manager was required to subscribe for new ordinary shares for aggregate consideration of £0.3 million (30 September 2021: £0.2 million).

Performance fee

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

Any performance fee is to be satisfied as follows:

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

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

For the six months ended 30 September 2022, no performance fee is due to the Investment Manager (30 September 2021: £nil).

Notes to the interim financial statements continued

6. Earnings per share and net asset value per share**Earnings per share****Ordinary shares**

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

For the period from 4 January to 30 September 2021	Basic	Diluted
Allocated profit attributable to this share class – £'000	14,214	14,214
Weighted average number of shares in issue	380,591,408	416,249,982
Earnings per share from continuing operations in the period (pence)	3.73	3.41

C Shares

For the six months ended 30 September 2022	Basic	Diluted
Allocated profit attributable to this share class – £'000	–	–
Weighted average number of shares in issue	–	–
Earnings per share from continuing operations in the period (pence)	–	–

For the period from 4 January to 30 September 2021	Basic	Diluted
Allocated profit attributable to this share class – £'000	–	–
Weighted average number of shares in issue	185,000,000	185,000,000
Earnings per share from continuing operations in the period (pence)	–	–

The C Shares were all converted to ordinary shares in January 2022.

As at 31 March 2022, there were 6,435,071 dilutive Subscription Shares in issue. During the six months ended 30 September 2022, 187 Subscription Shares were exercised and therefore there were 6,434,884 Subscription Shares in issue at 30 September 2022.

Net asset value per share

As at 30 September 2022	Ordinary shares
Net asset value – £'000	831,963
Number of shares	773,559,707
Net asset value per share (pence)	107.55

As at 31 March 2022	Ordinary shares
Net asset value – £'000	822,346
Number of shares	773,288,394
Net asset value per share (pence)	106.34

7. Investments at fair value through profit or loss

As at 30 September 2022	Loans £'000	Equity £'000	Total £'000
Opening balance	27,671	382,185	409,856
Additions	—	3,050	3,050
Net gains on investments	2,320	17,094	19,414
	29,991	402,329	432,320

As at 30 September 2021	Loans £'000	Equity £'000	Total £'000
Opening balance	—	—	—
Additions	32,512	273,395	305,907
Net gains on investments	1,612	17,324	18,936
	34,124	290,719	324,843

During the six months ended 30 September 2022, the Company restructured its loan and equity investments in Communications Investments Holdings s.r.o. (CIH), an entity incorporated in the Czech Republic and the parent company of České Radiokomunikace a.s. (CRA), to hold them indirectly through Cordiant Digital Holdings UK Limited and Cordiant Digital Holdings Two Limited, two wholly owned subsidiaries of the Company. Cordiant Digital Holdings UK Limited issued shares and promissory loan notes as consideration for the Company's loan and equity investments in CIH. The promissory loans issued by Cordiant Digital Holdings UK Limited are included in the table above.

The terms of the investment in CIH remain unchanged from those disclosed in the annual report and accounts for the period ended 31 March 2022. The Company has replaced loan and equity investments in CIH with loan and equity investments in Cordiant Digital Holdings UK Limited, reported as Investments at fair value through profit or loss. As a result, the equity valuation disclosed in the table above includes the fair value of the Company's equity investment in Cordiant Digital Holdings UK Limited, which amounted to £334.4 million at 30 September 2022. The value of the Company's indirect investment in CRA as at the same date was £365.2 million.

The Company made additional capital contributions of £3.1 million towards its investment in CDIL Data Centre USA LLC, the legal entity operating as Hudson Interexchange (previously operating under the name DataGryd during the six months ended 30 September 2022. As at 30 September 2022, the equity investment is valued at £68.0 million (31 March 2022: £58.2 million). The investment is held at fair value.

Notes to the interim financial statements continued

7. Investments at fair value through profit or loss continued

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

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

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

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

The Company’s investments in CRA and Hudson Interxchange have been valued using a DCF methodology. This involves forecasting the entities’ 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 entities’ estimated weighted average cost of capital (WACC). This method also requires estimating a terminal value, being the value of the investment at the end of the period for which cash flows can be forecast with reasonable accuracy. The terminal value is calculated using an assumed terminal growth rate (TGR) into perpetuity based on anticipated industry trends and long-term inflation rates.

Both the Investment Manager and the third-party valuation expert use a combination of other valuation techniques to verify the reasonableness of the DCF valuations, as recommended in the International Private Equity and Venture Capital (IPEV) Valuation Guidelines:

- earnings multiple: applying a multiple, derived largely from comparable listed entities in the market, to the forecast EBITDA of the entity to calculate an enterprise value, and then deducting the fair value of any debt in the entity;
- DCF with multiple: calculating a DCF valuation of the cash flows of the entity to the end of the period for which cash flows can be forecast with reasonable accuracy, and then applying a multiple to EBITDA at the end of that period to estimate a terminal value; and
- dividend yield: forecasting the entity’s capacity to pay dividends in the future and applying an equity yield to that forecast dividend, based on comparable listed entities in the market.

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

8. Unconsolidated subsidiaries

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

Investment	Place of business	Ownership interest at 30 September 2022
Held directly		
Cordiant Digital Holdings UK Limited*	United Kingdom	100%
CDIL Data Centre USA LLC	USA	100%
Held indirectly		
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%
České Radiokomunikace a.s. (Czechia)	Czech Republic	100%
Czech Digital Group, a.s	Czech Republic	100%
Held directly		
Cordiant Digital Holdings UK Limited*	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%

*Cordiant Digital Holdings (Czechia) Limited changed its name to Cordiant Digital Holdings UK Limited on 9 March 2022.

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 US is 60 Hudson Street suite 116B, New York, NY 10013.

The amounts invested in the Company's unconsolidated subsidiaries during the six months ended 30 September 2022 and their carrying value at 30 September 2022 are as outlined in note 7.

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 interim financial statements continued

9. Receivables

	30 September 2022 £'000	30 March 2022 £'000
Cash collateral	10,269	50,599
Other debtors	1,746	1,020
Prepayments	16	56
Interest receivable	—	30
	12,031	51,705

Cash collateral relates to one security deposit held in money market accounts (31 March 2022: two security deposits held in money market accounts). An amount of USD11.3 million relates to collateral for a letter of credit relating to the lease of the building occupied by Hudson, and generated interest of between 0.59% and 2.91% per annum during the six months ended 30 September 2022.

10. Derivatives

	30 September 2022 £'000	30 March 2022 £'000
Forwards contracts		
Foreign exchange forwards	—	8,072

In previous periods, the Company 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 was 9 June 2022, and of the Czech koruna contract was 23 May 2022.

11. Share capital

Ordinary shares

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Total £'000
Shares at inception		–	–	–
04-Jan-21	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	–	(105)	(105)
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)
20-Jan-22	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)
29-Jun-22	Issuance of ordinary shares	271,126	295	295
	Less share issue costs	–	–	–
07-Sep-22	Subscription Shares exercised	187	–	–
	Less share issue costs	–	–	–
		773,559,707	780,099	780,099

Notes to the interim financial statements continued

11. Share capital continued

C Shares

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Total £'000
10-Jun-21	Capital raise – C Share	185,000,000	185,000	185,000
	Less share issue costs		(3,453)	(3,452)
20-Jan-22	Conversion to ordinary shares	(185,000,000)	(181,548)	(181,548)
		–	–	–
Totals at 30 September 2022		773,559,707	780,099	780,099

At 30 September 2022, the Company's issued share capital comprised 773,559,707 ordinary shares (31 March 2022: 773,288,394) and 6,434,884 Subscription Shares (31 March 2022: 6,435,071 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 30 September 2022 and the date of this report.

12. Dividends declared with respect to the period

	Dividend per ordinary share pence	Dividend per C Share pence	Total dividend £'000
Dividends declared			
During the period ended 31 March 2022	1.50	–	11,599
	1.50	–	11,599

	Dividend per ordinary share pence	Dividend per C Share pence	Total dividend £'000
Dividends declared			
During the period ended 30 September 2021	1.50	1.50	8,920
	1.50	1.50	8,920

On 28 November 2022, the Board approved a distribution of 2.0 pence per share with respect to the six months ended 30 September 2022. The record date for the distribution is Friday 9 December 2022 and the payment date is Friday 23 December 2022.

13. Related party transactions

Directors

The Company has four non-executive Directors, each of whom is considered to be independent. Directors' fees for the six months ended 30 September 2022 amounted to £92,500 (30 September 2021: £128,000), of which £nil (31 March 2022: £nil) was outstanding at the period end.

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 5.

Investments

As part of the acquisition of Communications Investments Holdings s.r.o. (CIH), the Company acquired a loan due from CIH, which accrued interest at 9.9%. As part of the subsequent reorganisation, the Company disposed of the loan due from CIH and acquired in its place a loan due from Cordiant Digital Holdings UK Limited (CDHUK) which accrues interest at 9.0% per annum. Interest on both the CIH and CDHUK loans is payable monthly and capitalised if not received. Total interest in relation to the six months ended 30 September 2022 was £1.4 million (30 September 2021: £1.4 million), of which £nil (31 March 2022: £nil) remained outstanding at the period end. The balance on the loan investment at 30 September 2022 held directly by the Company, including accrued interest, was £30.0 million (31 March 2022: £27.7 million).

14. Ultimate controlling party

In the opinion of the Board, on the basis of the shareholdings advised to them, the Company has no ultimate controlling party.

15. Subsequent events

On 4 November 2022, the Company received the final regulatory approval from the Polish Ministry of the Interior for the acquisition of Emitel and completed the acquisition on 15 November 2022.

With the exception of dividends declared and disclosed in note 12, there are no other material subsequent events.

Glossary of capitalised defined terms

AIC means the Association of Investment Companies.

AIC Code means the AIC Code of Corporate Governance.

AIC SORP means the AIC Statement of Recommended Practice.

Board means the Directors of the Company as a group.

CIH means Communications Investments Holdings s.r.o.

CRA means České Radiokomunikace s.a.

C Shares means C shares of no par value each in the capital of the Company issued pursuant to the Company's Placing Programme as an alternative to the issue of ordinary shares.

Company means Cordiant Digital Infrastructure Limited.

DCF means discounted cash flow.

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.

EBITDA means earnings before interest, taxation, depreciation and amortisation.

EEA means the European Economic Area.

Emitel means Emitel S.A.

ESG means environmental, social and governance.

Hudson means Hudson Interxchange (previously operating under the name DataGryd Datacenters LLC).

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

IFRS means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board.

Interim Report means the Company's half yearly report and unaudited condensed interim financial statements for the six-month period ended 30 September 2022.

Investment Entity means an entity whose business purpose is to make investments for capital appreciation, investment income, or both.

Investment Manager means Cordiant Capital Inc.

IoT means the Internet of Things.

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

IPO means the initial public offering of shares by a Company to the public.

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

NAV or net asset value means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in pounds sterling.

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.

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 (or FRC) 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.

USD means United States dollars.

WACC means weighted average cost of capital.

Directors and general information

Directors

(all appointed 26 January 2021)

Shonaid Jemmett-Page

Chairman

Sian Hill

Audit Committee Chairman and
Senior Independent Director

Marten Pieters

Simon Pitcher

All independent and of the registered
office opposite.

Website www.cordiantdigitaltrust.com
ISIN (ordinary shares) GG00BMC7TM77
Ticker (ordinary shares) CORD
SEDOL (ordinary shares) BMC7TM7
Registered Company Number 68630

Registered office

PO Box 656
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3PP

Investment manager

Cordiant Capital Inc.

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

Company secretary and administrator

Aztec Financial Services

(Guernsey) Limited
(appointed 8 November 2022)
PO Box 656
Trafalgar Court
Les Banques
Guernsey
GY1 3PP

Ocorian Administration

(Guernsey) Limited
(resigned 7 November 2022)
2nd Floor
Trafalgar court
Les Banques
Guernsey
GY1 4LY

Auditor

BDO Limited

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

Legal advisors to the Company

Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Carey Olsen (Guernsey) LLP

Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Registrar

Computershare Investor Services (Guernsey) Limited

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

Brokers

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Jefferies International Limited

100 Bishopsgate
London
EC2N 4JL

Receiving agent

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol
BS99 6AH

Principal banker and custodian

The Royal Bank of Scotland International Limited

Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey
GY1 4BQ

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, among other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

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

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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Cordiant Digital Infrastructure Limited

PO Box 656
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3PP

www.cordiantdigitaltrust.com