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5 September 2024

CORDIANT DIGITAL INFRASTRUCTURE LIMITED

FIRST QUARTER TRADING UPDATE

Cordiant Digital Infrastructure Limited (the "Company" or "CORD"), the operationally focused, specialist digital infrastructure investor, is pleased to provide a first quarter ("Q1") update for the financial year ending 31 March 2025 on the operating performance of platform companies in the portfolio, balance sheet, dividend coverage and market outlook.

The Company continues to implement its "Buy, Build & Grow" model of increasing the cash flow-generating asset bases of its diversified platform companies to drive the value of these businesses. The Company invests in "Core Plus" digital infrastructure assets and seeks to construct a balanced, diversified portfolio. The Company's NAV total return target of 9% per annum comprises capital growth and a progressive dividend fully supported by free cash flows generated by its portfolio.

Highlights

- Aggregate portfolio company EBITDA[1] for the three months to 30 June 2024 increased by 14.2% to £38.5 million on the prior comparable period on a constant currency, pro forma basis[2], driven by contributions from bolt-on acquisitions undertaken in the year, contract wins, cost control and the beneficial effects of inflation on revenues.

- Aggregate portfolio company revenue increased 8.9% to £80.0 million during the three months to 30 June 2024 on the prior comparable period on a constant currency, pro forma basis[2].

- The dividend of 4.2p per share is 4.5x covered by EBITDA and1.6x covered by free cash flow after Company-level costs, net finance costs, taxation and maintenance capital expenditure (collectively "Adjusted Funds from Operations" or "AFFO")[3].

- A programme of active debt management, designed to provide flexibility and enhanced portfolio robustness at a time of evolving financial conditions, has been successfully implemented. The Company and its portfolio companies collectively now have no debt maturities before June 2029. In the past year, the Company, using the Investment Manager's internal resources, has successfully refinanced and increased Emitel's senior debt facilities and the fund-level facilities, including the Eurobond, and CRA's senior debt facilities, eliminating medium term refinancing risk from the portfolio.

- As at 30 June 2024, the Company had total available liquidity of £335.4 million, on a pro forma basis including the Eurobond and CRA refinancings. This comprised total available cash at fund and portfolio company level of £118.2 million, and total undrawn facilities of £217.2 million.

- Gross drawn debt, on a full look-through basis, was £691.2 million, resulting in aggregate net debt of £573.0 million. The Company's leverage is 4.3x on an aggregated net debt divided by LTM 30 June 2024 EBITDA basis, including Company-level costs, and 38.4% on a net debt divided by gross asset value ("GAV") basis[4]. By way of comparison, many companies operating in the digital infrastructure sector have debt/EBITDA ratios in the 6-7x range.

- Under the share buy-back programme announced on 8 February 2022, the Company has continued to make share purchases, having bought back a total of 7.8 million shares for £5.9 million, at an average purchase price of 75.0 pence per share since the programme was announced.

- Steven Marshall, Co-Head of Cordiant Digital, made further purchases of shares, taking his aggregate holding to 10.5 million shares as at the date of this trading update. The Directors, Steven Marshall, the Investment Manager and employees of the Investment Manager now own 1.8% of the Company's ordinary shares as at the date of this trading update.

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

"The Board is pleased to present the Company's first Q1 trading update, complementing the Q3 update published in the past two years and the interim and annual reports.

"Operational performance across the portfolio remains strong and, as set out in this update, we have a number of promising initiatives under way to create further value. The Board notes the recent improvement in the share price but nonetheless remains greatly disappointed with the share price performance, as we believe the Company's operational and financial performance does not warrant the substantial discount to NAV still prevailing. We remain confident that the Company's progress and achievements will be better reflected as current market conditions improve."

Steven Marshall and Benn Mikula, Co-Heads of Cordiant Digital, said:

"We have assembled a diversified portfolio of assets which has enjoyed a good start to the financial year. Strategic debt management has been a key focus for the Investment Manager in recent months and we are pleased with the outcomes achieved and the elimination of medium-term refinancing risk from the portfolio by terming out all debt, resulting in the next maturity occurring in 2029.

"Under our management, the portfolio continues to grow revenues and EBITDA from the existing asset base, and we have judiciously deployed growth capital expenditure into accretive projects. We continue to execute the Company's Buy, Build & Grow model in order to deliver a more diversified digital infrastructure platform, that aims to produce capital growth and a progressive dividend over time."

Analyst Call

The Investment Manager will host a remote presentation for analysts at 12 PM BST today. For those wishing to log in to this please contact Ali AlQahtani at Celicourt via CDI@celicourt.uk.

Capital Allocation

The Board and Investment Manager have maintained their focus on capital allocation, as described in the 2024 Annual Report. Both the Board and Investment Manager have spent significant time with investors over the past year, listening to shareholders' views on capital allocation and explaining the options available to the Company. These valuable conversations and the consideration of differing viewpoints have informed the adoption of a multi-pronged approach to allocating the Company's available capital.

Announced in June 2024, the Board approved a 5% increase to the annual dividend, resulting in the payment of a 2.2 pence second interim dividend on 19 July 2024. This was in line with the progressive dividend policy announced by the Company in its Prospectus upon IPO.

The Company has also continued with the buy-back programme announced in February 2022. A programme of up to £20 million was announced and to the date of this trading update, the Company has bought back 7.8 million of its own shares at an average price of 75.0 pence, adding 0.4 pence to the NAV per share.

The Company completed five bolt-on acquisitions recently, all funded using the existing financial resources of CRA or Emitel. Cloud4com, a leading Czech cloud services business; DC Lužice, a Czech data centre; Prague Digital, a Czech broadcast business; American Tower Corporation's Polish tower portfolio of 65 mobile towers; and a small independent tower business in Poland. The Board and Investment Manager believe that these acquisitions - supporting strong European communications tower and data centre platforms - will deliver strong returns and valuable synergies with the existing businesses.

Finally, the Board and Investment Manager strongly believe that there are opportunities for highly accretive returns to be

Finally, the Board and Investment Manager strongly believe that there are opportunities for highly accretive returns to be earned by deploying funds into growth capital expenditure within the portfolio. Examples include the planned construction of a large new data centre at Zbraslav in Prague, the buildout of DAB radio broadcast networks in both Poland and the Czech Republic, and new fibre connections to business parks and new customers in Ireland to increase Speed Fibre's addressable market and generate future revenues.

Dividend Cover

The Company's dividend policy continues to be based on the underlying principle that the dividend must be covered by free cash flow generated by the portfolio and be sustainable in future periods. The Company also remains committed to a progressive dividend policy.

In June 2024, the annual dividend, comprising two interim dividends paid in July and December each year, was increased by 5.0% to 4.2 pence, in line with the Company's progressive dividend policy.

As at 30 June 2024, this increased dividend continues to be 1.6x covered by Adjusted Funds From Operations ("AFFO") and 4.5x by aggregate portfolio company EBITDA. AFFO is calculated over the last 12 months to 30 June 2024, and is calculated as EBITDA less net finance costs, tax paid and maintenance capital expenditure.

The free cash flow generated by the portfolio amply covers the 4.2p dividend. The table below shows aggregate financial information for the portfolio and the Company for the 12 months to 30 June 2024:

	12 months to 30 June 2024* (unaudited) £m
Revenues	312.0
Portfolio company aggregate EBITDA	144.9
Dividend covered by EBITDA	4.5x
Company-specific costs	(12.6)
Net finance costs	(40.1)
Net taxation, other	(19.4)
Free cash flow before all capital expenditure**	**72.8**
Maintenance capital expenditure	(20.6)
Adjusted Funds From Operations***	**52.2**
Dividend at 4.2 pence per share	(32.2)
Dividend cover	***1.6x***

* At average foreign exchange rates for the period and on a pro forma basis, assuming portfolio companies were owned for the whole 12 month period
** Aggregate growth capital expenditure of £29.6 million was invested during the 12 month period across the portfolio
*** Adjusted Funds from Operations comprises EBITDA less Company-specific costs, aggregate net finance costs, taxation payments and maintenance capital expenditure

An increase in net finance costs since March 2024, reflecting the higher average interest rate of the Emitel facilities since those were refinanced, and higher tax and other cash flows, has been offset by increased EBITDA generated by the portfolio and a slight reduction in Company-specific costs.

Portfolio Financial Update

The Company's portfolio currently consists of two diversified digital infrastructure platforms, CRA in the Czech Republic and Emitel in Poland; a fibre business, Speed Fibre, in Ireland; a standalone data centre, Hudson Interxchange in the USA; and a discrete broadcast and colocation business, Norkring België, in Belgium.

These assets together generated aggregate revenues of £80.0 million in the three months to 30 June 2024, an increase of 8.9% on the prior comparable period, on a pro forma, constant currency basis. The EBITDA of the portfolio was£38.5 million for the same period, an increase of 14.2% on a pro forma, constant currency basis. The increase in EBITDA was driven by strong performance at CRA, Emitel and Speed Fibre in the first quarter of the financial year.

The Company had total liquidity equivalent to £335.4 million at 30 June 2024, pro forma for the Eurobond and CRA debt refinancings announced on 1 July and 7 August respectively. Total liquidity comprised £ 62.0 million of cash held at the fund level, £56.2 million held at the portfolio company level and £217.2 million in undrawn credit facilities.

In aggregate, the Company and its portfolio companies had gross drawn debt equivalent to £691.2 million at 30 June 2024, and therefore net debt of £573.0 million. This resulted in gearing as at 30 June 2024 of4.3x measured as net debt divided by LTM EBITDA (including Company-level costs) or 38.4% measured as net debt divided by GAV[5].

70% of all drawn debt is on a fixed interest basis, with the remainder at floating interest; none is inflation-linked. The weighted average margin across all debt facilities remains c.2.9%.

In the past year, the Company has refinanced and extended the debt packages of Emitel, CRA and the fund itself. All debt at the Company and portfolio level has now been termed out to June 2029 at the earliest, with additional undrawn facilities arranged, both at fund and portfolio company levels, to augment the Company's available liquidity. The Investment Manager remains keenly focused on only deploying capital where it anticipates strong returns that are accretive to the return target may be earned. These financing packages have been achieved by the Investment Manager through the deployment of its internal resources and, in the case of portfolio companies, in collaboration with the relevant local management teams. As a result, it has not been necessary to engage a bank as arranger and under the Investment Manager's guidance the Company was able to secure improved terms from lenders.

Update on Portfolio Companies

Emitel

Emitel is the largest operator of digital terrestrial television ("DTT") in Poland as well as IPTV platforms, the leading provider of radio broadcast services and a leading provider of network neutral mobile towers. The company had a good start to the year, with revenue for the first quarter increasing 8.9% to PLN158.5 million (£31.4 million) over the prior comparable period and with EBITDA increasing14.1% to PLN107.6 million (£21.3 million) over the prior comparable period.

This strong performance primarily reflected the impact of new broadcast contracts signed with two broadcasters at the end of the previous year, with the full effect being realised in the current financial year. The Polish broadcast market still offers growth opportunities, demonstrating that the broadcasting sector in Europe is far from being "one size fits all". The performance also reflected the effect of higher inflation in Poland during 2023 feeding through into revenues from January 2024 onwards.

Emitel continued to show growth in telecom infrastructure revenues from mobile towers, with an increase of 12% year-on-year, supported by the acquisition in June 2023 of American Tower Corporation's Polish portfolio, ATC Polska.

Overall, costs were flat for the quarter compared to the prior comparable period, showing disciplined cost control during a period of double-digit inflation. This focus on costs has been shown by Emitel's management of the company's energy costs, which have been hedged at low price levels for the year.

Cash balances at 30 June 2024 were PLN186 million (£37 million), and third-party bank debt was PLN1,331 million (£262 million) at the same date.

Since the refinancing of the debt facilities announced in July 2023, the Investment Manager and the Emitel finance team have executed interest rate swaps fixing 48.2% of the total interest on the drawn facilities. The Investment Manager and the Emitel team continue to keep the hedging of the remaining interest rate exposure under active review.

In April 2024, a process to allocate two further slots on MUX8, which is operated by Emitel, was announced by the Polish broadcast regulator. On 21 June 2024, the two winning channels were announced as "Republika" and "WPOLSCE24". Emitel anticipates that these new channels, which represent additional revenues for the business, will begin broadcasting before the end of 2024.

In May 2024, Emitel concluded an agreement with broadcaster CDA S.A. to include an online shop "Kapitan.pl" accessible to viewers via broadcast from MUX8. This hybrid TV offer is the first service of its kind on a Digital Terrestrial TV (DTT) platform and illustrates how Emitel is developing hybrid TV technology to offer new services for additional revenues.

In June 2024, Emitel acquired a small local mobile tower company, RTTS, with 5 towers and 4 under construction, with Orange Poland as the anchor tenant. This acquisition was funded using Emitel's own cash resources and further cements its relationship with Orange.

In June 2024, Emitel signed a new contract with the water authorities in Wrocław for the installation of 25,000 smart water meters, further extending its Internet of Things (IoT) network in Poland.

In the period, Emitel also introduced a new corporate visual identity and website, and published its 2023 ESG report online.

CRA

CRA is a diversified digital infrastructure company, operating mobile towers, a broadcast network, data centres, a fibre network and Internet of Things networks serving utilities. The company made a strong start to the financial year for the first quarter, with revenues for the period increasing to CZK692.5 million (£23.7 million), up 14.3% on the prior comparable period, and EBITDA increasing to CZK352.5 million (£12.1million), up 17.7% over the same period.

This strong growth was primarily driven by the acquisition of Cloud4com and DC Lužice in January 2024. These acquisitions have exceeded expectations in the six months of ownership to date, with revenues and EBITDA from these businesses running ahead of plan. Excluding the effects of these acquisitions, revenue grew 5.1% and EBITDA grew7.8% over the same periods.

This increase also reflected a strong performance across all CRA's business lines. In broadcast, growth was primarily driven by higher inflation indexation feeding through compared to last year. Organic data centre and cloud earnings also continue to grow strongly.

CRA's cash balances were CZK218 million (£7.4 million) as at 30 June 2024. The third-party bank debt was fully refinanced in August before the publication of this trading update, with a group of blue-chip lenders.

The term of all facilities was extended to August 2030 and additional undrawn revolving credit facilities of CZK1.1 billion (£37.3 million) were secured. The new debt package has a margin of 2.00% over PRIBOR, which could reduce to 1.75% depending on net leverage. CRA will benefit from the existing interest rate swaps that hedged the previous facility until March 2025 when they expire. This hedge results in an effective all-in interest rate on the hedged portion of the loan of 2.76%. Following the expiry of the hedge, the company will look to hedge the interest cost.

The undrawn facilities are available to support the funding of new investments by CRA in digital infrastructure in the Czech Republic and other strategic markets in the form of growth capital expenditure and bolt-on acquisitions.

Demand for CRA's data centre capacity continued to grow by c.30%, as measured by racks occupied and power used, at 30 June 2024 compared to a year earlier. This includes the effect of the Cloud4com and DC Lužice acquisitions and the buildout of further capacity at the existing edge facilities.

In April, CRA announced that it had opened a new edge data centre at Cukrák, outside Prague. This is CRA's eighth data centre and is located on land owned by CRA in repurposed buildings on site. CRA is assessing offers from potential tenants to lease the whole space. In addition, work on securing the required permits for the proposed new 26MW data centre at Zbraslav continues, with the final permits expected to be obtained later this year.

Speed Fibre

Speed Fibre is a leading open access backbone fibre network provider in Ireland, acquired by the Company in October 2023 for an enterprise value of €190.5 million (£165 million), a multiple of 8.3x 2022 audited EBITDA. The acquisition was funded by a combination of cash on hand together with a vendor loan note of €29.6 million (£26 million), bearing initial interest of 6.0% and repayable in four years.

Speed Fibre's business comprises two principal units: Enet, a provider of backbone fibre in Ireland, which generates approximately two thirds of revenues, and Magnet Plus, operator of Ireland's largest connectivity network, providing connection and service to approximately 10,000 business and retail customers in Ireland, which generates a third of revenues.

Speed Fibre's revenues for the first quarter of its financial year[6] increased 5.1% to €21.6 million (£18.5 million), and EBITDA increased 8.1% to €6.2 million (£5.3 million) over the same period. The increase in EBITDA was driven by higher connection revenues and slightly higher than expected recurring service revenues. While the Company is pleased with the EBITDA growth performance for the quarter of 8.1%, it is not expected that a similar level of growth will be reported for the full year due to proportionately higher connection revenues booked in the first part of the year.

Speed Fibre had cash balances of €11.2 million (£9.5 million) at 30 June 2024 and gross debt of €119.2 million (£101.1 million) at the same date. The gross debt is made up of a term loan of €100 million (£84.7 million) and drawn RCF of €19.2 million (£16.4 million), both due for repayment in 2029. The interest on the term loan is 85% fixed and the RCF interest is floating rate.

In July 2024, the Company repaid the vendor loan note of €29.6 million (£26 million) in full out of cash balances on hand. The Company has the ability to draw the same amount from the new undrawn commitments of the Eurobond to make itself whole in cash terms.

In June 2024, Speed Fibre won a new 5+2 year contract with National Broadband Ireland ("NBI") following a nationwide tender to provide national backhaul connectivity for its fibre network throughout the Republic of Ireland. Further investment in Enet's SuperCore high-speed backbone network is required to facilitate the provision of the NBI contract, and the SuperCore investment will further future-proof Speed Fibre's product offering by increasing capacity in Enet's 100GB network.

In August 2024, Speed Fibre won a multi-year €4.5 million IRU contract for the provision of duct infrastructure for inter-DC connectivity from a global hyperscaler. This multi-bundle deal will require the building of new duct infrastructure assets which can be leveraged to generate incremental revenue for Enet, and the project immediately delivers incremental cost-savings from alleviating the need to use existing third-party tails in the relevant areas.

Hudson Interxchange

Hudson Interxchange is a data centre business located in 60 Hudson Street, New York, one of the most interconnected buildings in the world, and home to c.300 telecommunications carriers. Hudson's management has made several sales in the first part of the financial year and is seeking to build momentum for the remainder of the year. Costs and cash flow are a particular focus for management, which has reduced the EBITDA loss to(1.1) million (loss of £(0.9) million) for the first quarter, a 5% improvement on the prior comparable period.

Revenues for the first quarter increased marginally by 1.7% to 5.6 million (£4.4 million), as the effect of recent sales on revenues and earnings will be lagged depending on the buildout of the space required. Hudson has 0.8 million (£0.6 million) of cash and remains debt-free.

In August 2024, Hudson announced that it was beginning work on expanding capacity at 60 Hudson Street by developing two data halls. Completion of the project is currently scheduled for Q3 2025.

Norkring België

The acquisition of Norkring België was announced by the Company in November 2023 and completed in January 2024. Norkring operates 25 communication and broadcast towers in Belgium and has been conducting 5G broadcast trials as part of a consortium, which is expected to provide it with the ability to offer additional services to broadcast and mobile operator customers. The trials support and supplement similar trials that are under way in the Czech Republic and Poland involving the Company's other portfolio companies, CRA and Emitel.

Market Overview

The Company has acquired its portfolio platforms at an average multiple of EBITDA of 10.2x; well below the average level of current trading multiples of most digital infrastructure companies listed on major stock exchanges and observable private market transactions. While the Company's tower businesses in particular make margins and show EBITDA growth similar to US and European competitors, their valuation multiples, building in the CORD share price discount, are about a third of competitors'.

While interest rates in the Company's countries of operation appear to be decreasing more slowly than anticipated at the beginning of the year, the downward trajectory appears to be confirmed. Inflation has also come down, with the portfolio companies' indexed contracts now benefiting from the high inflation of the past two years. More broadly, Poland, the Czech Republic and Ireland continue to be forecast to outperform the EU's overall economic growth rate in 2024.

Demand for digital infrastructure services remains robust, driven by multi-year trends towards the digitisation of the economy, continued growth in mobile data services and the advent of new technologies such as generative artificial economy, continued growth in mobile data services and the advent of new technologies such as generative artificial intelligence (AI).

For further information, please visit www.cordiantdigitaltrust.com or contact:

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Notes to Editors:

About the Company

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

In total, the Company has successfully raised £795 million in equity, along with a further €375 million through a Eurobond and other facilities with blue-chip European institutions; deploying the drawn proceeds into five acquisitions: CRA, Hudson Interxchange, Emitel Speed Fibre and Norkring België, which together offer stable, often index-linked income, and the opportunity for growth, in line with the Company's Buy, Build & Grow model.

About the Investment Manager

Cordiant Capital Inc ("Cordiant") is a specialist global infrastructure and real assets manager with a sector-led approach to providing growth capital solutions to promising mid-sized companies in Europe, North America and selected global markets. Since the firm's relaunch in 2016, Cordiant, a partner-owned and partner-run firm, has developed a track record of exceeding mandated investment targets for its clients.

Cordiant focuses on the next generation of infrastructure and real assets: sectors (digital infrastructure, energy transition infrastructure and the agriculture value chain) characterised by growth tailwinds and technological dynamism. In addition, Cordiant applies a strong sustainability and ESG overlay to its investment activities.

With a mix of managed funds offering both value-add and core strategies in equity and direct lending, our sector investment teams (combining seasoned industry executives with traditional private capital investors) work with investee companies to develop innovative, tailored financing solutions backed by a comprehensive understanding of the sector and demonstrated operating capabilities. In this way, Cordiant aims to provide value to investors seeking to complement existing infrastructure equity and infrastructure debt allocations.

Cautionary Statement

This announcement aims to provide an update of developments that have taken place since the release of the Company's final results to 31 March 2024 in June 2024 and the resulting financial position of the Company and the Company's portfolio companies. The financial position of the Company and the Company's portfolio companies are subject to a number of risks and uncertainties and could change from that described in this announcement. Factors which could cause or contribute to such changes include, but are not limited to:

announcement. Factors which could cause or contribute to such changes include, but are not limited to; general geopolitical, economic and market conditions, including interest rates, inflation rates and rates of foreign exchange, as well as specific factors affecting the financial and operational performance and prospects of the Company and the Company's portfolio companies.

This announcement contains forward looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects'", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company and/or the Company's portfolio companies to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. These forward-looking statements speak only as at the date of this announcement.

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[1] All numbers shown throughout this trading update are unaudited.

[2] Assuming all portfolio companies were owned by the Company for the three months to 30 June 2024 and the prior comparable period.

[3] AFFO calculated over the 12 months ending 30 June 2024.

[4] GAV calculated on a pro forma basis using published 31 March 2024 Net Asset Value and net debt as at 30 June 2024.

[5] Using 31 March 2024 published NAV, updated for cash and debt balances at 30 June 2024.

[6] Speed Fibre has a 31 December financial year end; the data for Q1 presented here is therefore for the three months to 31 March 2024.

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