

***This Announcement has been determined to contain inside information for the purposes of the UK version of the market abuse regulation (EU) No.596/2014.***

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**5 January 2022**

### **Cordiant Digital Infrastructure Limited**

#### **Acquisition of two strategic digital infrastructure investments**

Cordiant Digital Infrastructure Limited (the "**Company**") is pleased to announce that the group has entered into binding agreements to acquire a strategic interconnect data centre in New York and a multi-asset digital infrastructure platform in Poland, thereby fully committing all available capital within the Ordinary and C Share classes.

The Company (via its wholly-owned subsidiary) has entered into a binding agreement to acquire certain assets constituting the full operational platform (and assumed certain operational liabilities) of DataGryd Datacenters LLC ("**DataGryd**") for a consideration of US\$74<sup>1</sup> million. The DataGryd acquisition will be fully funded from the Company's available cash resources. These assets will constitute a data centre operating platform in the U.S. that will operate under a new brand name reflective of both its strategic positioning and significant growth potential in this important interconnect market. More than half of DataGryd's existing footprint is leased to blue chip customers. It is anticipated that an additional US\$75 million of expansion capital will be invested in this interconnect platform over the coming three years. The acquisition is subject to landlord's lender consent.

The Company is also pleased to announce that it has (via its wholly-owned subsidiary) signed a binding agreement with the shareholder Emitel S.A. ("**Emitel**") to acquire this multi-asset digital infrastructure business for an equity consideration of €352 million. Based in Warsaw, Emitel operates over 500 mobile towers, the national broadcast network, five digital terrestrial networks, a nationwide network of wireless "smart city" sensors serving utilities and a nationwide fibre network traversing tens of thousands of kilometres. The acquisition is subject to regulatory and governmental approvals and financing confirmations at the Emitel level. On completion, the acquisition will be funded through a combination of available cash resources and, if applicable, backstop vendor financing.

On a *pro forma* basis, these transactions, together with CRA, would have generated an estimated €95 million of EBITDA in 2021; this portfolio combining stable cash flows and attractive growth opportunities will have been acquired at a multiple of less than 12x.

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

"We are delighted to be announcing the agreement to acquire the DataGryd assets in the U.S. and Emitel in the EU. These acquisitions will, when completed, complement CRA, our existing portfolio company, and provide an attractive combination of highly cash generative operational assets with long-contracted revenue streams and compelling growth opportunities through building out the platforms."

#### **Further Information about the DataGryd Assets**

DataGryd currently operates from the 60 Hudson building in the Tribeca neighbourhood of New York City. This landmark art deco skyscraper has organically grown into one of the most concentrated hubs of internet connectivity available for use by third parties within New York City; over 300 carriers and internet firms interconnect in this location. The location has strategic value within New York City, which functions as a digital crossroads for the most critical corporate, government, entertainment and education data traversing the Internet.

DataGryd currently occupies c.170,000 sq ft of 60 Hudson (c.120,000 sq ft of high-quality raised floor data centre space and over 50,000 sq ft of additional support space) and the new platform will benefit from an option on an additional c.120,000 sq ft of raised floor data centre space. The platform has access to approximately 15MW of power, enabling it to provide its customers with attractive levels of power density.

The various underlying customers of interconnect data centres tend to be large and sophisticated organisations such as global banks, major media and internet firms, content delivery networks, large software-as-a-service companies and major wireless and wireline telecoms operators. Current tenants and sub-tenants of the platform include well-known names in the Internet, media and finance sectors.

**Benn Mikula, Managing Partner and Co-CEO, Cordiant Capital** commented:

"The DataGryd platform offers our investors a compelling investment opportunity to invest in interconnect datacentres and we are delighted to add this platform to our portfolio. This platform can deliver scale, high quality infrastructure, power and technical skill in what we believe is the most connected building in the most connected city globally. These are strategic assets with significant growth potential."

**DataGryd's CEO Thomas Brown** commented: "As a patient, well-funded and long-term investor with industry expertise, Cordiant Digital Infrastructure is ideally positioned to support us in our planned expansion to four floors of 60 Hudson (over 20% of the leasable space in the building) and beyond. This platform has the capabilities to become the leading player in this critical market segment. We look forward to working with the Cordiant Digital team to execute our business plan."

#### **Further Information about Emitel**

Emitel is a national champion, operating network assets across Poland. It is the sole national provider of digital terrestrial television ("DTT"), the leading radio broadcast emissions provider and a leading provider of network neutral towers and fibre infrastructure in Poland and benefits from long-term contracts, averaging 10 years, with escalator clauses. The client base consists largely of blue chip customers. Emitel has a substantial physical footprint of digital distribution assets comprising 521 towers, an IoT network, distributed antenna systems ("DAS") and fibre and terrestrial networks. This creates a platform for growth in a country that has one of the highest data consumption usages in Europe. Emitel is also the owner and operator of critical national television infrastructure, complemented by leading DTT and global media distribution capabilities with c.98% population coverage in Poland, in one of the stronger DTT markets in Europe.

Emitel is the beneficiary of attractive growth prospects in areas such as mobile towers, edge data (where it can also benefit from the experience of CRA), fibre-optic networks and 'smart cities' supported by networks of wireless sensors (including utility services, municipal services and security). Growth opportunities also exist in the rollout of two new MUXs.

Emitel has a strong ESG and sustainability focus, earning a 5 star rating from GRESB, an investor-backed group providing standardised ESG ratings mechanisms. This rating is awarded to only the top 20% of reporting companies globally.

**Steven Marshall, Chairman Digital Infrastructure, Cordiant Capital** commented:

"Emitel is a true multi-asset platform offering an attractive mix of scale, cash flow, growth and diversification. The purchase price represents an EV/EBITDA multiple of less than 10 times forward earnings. We recognise Emitel's important role in providing critical digital infrastructure in Poland, including the development of national 5G infrastructure. We are committed to invest to build the broadcast infrastructure capacity over the next 18 months in line with our 'buy, build & grow' philosophy. We applaud what the management and employees of this national champion have built to date, and look forward to working with Emitel to capture future opportunities for investment, growth and profit."

**Emitel's CEO Andrzej J. Kowalski** commented:

"In Cordiant Digital Infrastructure we have an investor bringing both a long investment horizon and significant industry expertise; as such it can deploy capital, insight and patience to support us in our medium- and long-term growth plans to expand from our current base to become an even more significant provider of outsourced digital infrastructure. We are excited as we look ahead to working with the Cordiant Digital team."

#### **Analyst & Investor Call**

The Investment Manager will host a conference call for analysts at 11.00 a.m. today and a conference call for institutional investors at 12.00 noon today. Please contact the Company's Brokers, Investec Bank and Jefferies International Limited or the Company's Financial Communications Adviser ([CordiantDigitalInfra@Camarco.co.uk](mailto:CordiantDigitalInfra@Camarco.co.uk)) for participation details.

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1. *Subject to post-closing working capital price adjustment*

#### **Notes to Editors:**

Cordiant Digital Infrastructure Limited primarily invests in the core infrastructure of the digital economy - data centres, fibreoptic networks and broadcast and telecommunication towers - "the plumbing of the internet" - in the UK, Europe and North America. Further details of the Company can be found on the Company's website at [www.cordiantdigitaltrust.com](http://www.cordiantdigitaltrust.com).

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

#### **Disclaimer:**

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