

MetroFibre Networkx completes new capital increase with support of AIIM and STOA

The investment signals African Infrastructure Investment Manager's (AIIM) expansion in the digital infrastructure sector, through newly created Digital Infrastructure Investment Holdings platform as well as the renewed support of the French investment vehicle STOA to MFN in the African telecommunication sector.

Cape Town/Johannesburg/Paris, 17 November, 2020: African Infrastructure Investment Managers (AIIM), one of Africa's largest infrastructure-focused private equity fund managers, has acquired a minority equity stake in MetroFibre Networkx (Pty) Ltd, a South African open access fibre network operator, through the newly incorporated Digital Infrastructure Investment Holdings platform.

AIIM's ZAR980 million investment forms part of a ZAR1.5 billion equity funding round to support Metrofibre's capital expansion plan which exceeds ZAR 3 billion over the coming three years and will further enhance the company's empowerment positioning. Existing shareholder STOA, a foreign investment vehicle based in France, is providing incremental funding as part of the transaction together with new investment by the founders of the South African Housing & Infrastructure Fund (SAHIF), Rali Mampeule and Kameel Keshav. The transaction sees AIIM, STOA and SAHIF partner with remaining shareholders of MetroFibre, including Sanlam Private Equity and African Rainbow Capital.

MetroFibre, which was launched in 2010, is a high-growth player in South Africa's Fibre-To-The-Home ("FTTH") and Fibre-To-The-Business ("FTTB") markets. Over the last 10 years, MetroFibre has expanded its service offering to both residential and corporate customers in line with its strategic objective of being a diversified operator. MetroFibre owns and manages its core network which is a globally compliant Carrier Ethernet 2.0 open access network.

Commenting on the transaction, Marie-Laure Mazaud, Deputy CEO of STOA, noted: "This transaction materializes the company's efforts combined with the active support and expertise of STOA investment team in managing, alongside the management, the fund-raising process to ensure qualitative, fruitful and solution-oriented interactions between all the parties involved. STOA's further equity investment in MetroFibre as part of this new funding round confirms our long-term commitment to the deployment of affordable, reliable and fast connectivity in Africa." **Charles-Henri Malecot, STOA's CEO, added:** "The successful closing of this capital raise signals our full confidence in the company and its management in the midst of the COVID-19 crisis and demonstrates the strong resilience of the fibre sub-sector and the growing market momentum in both the FTTH and FTTB segments in the African continent."

Commenting on the transaction, Ed Stumpf, AIIM's Investment Director, noted: "This investment provides AIIM with an attractive foothold in the digital infrastructure market in South Africa. Despite material investment in recent years, AIIM continues to see a significant deficit in last-mile fibre connectivity across many parts of the country. Fibre networks underpin the growing demand for high speed, low latency home internet and are crucial to facilitate the accelerating digital migration caused by recent global lockdowns."

"Through this investment, AIIM has additionally prioritised the strengthening of MetroFibre's empowerment credentials. Rali Mampeule and Kameel Keshav – CEO and CFO of the South African

Housing & Infrastructure Fund – both of whom bring years of experience in the affordable housing sector – have been introduced as strategic empowerment partners through the newly incorporated Digital Infrastructure Consortium Proprietary Limited platform and share our growth agenda and excitement in enhancing connectivity for all South Africans.”

SAHIF CEO, Rali Mampeule, noted: “Our key investment focus is to support synergistic opportunities in property sector-related impact development. As a business we recognise the long-term impact that technological advancement can have for households and businesses. Diminishing the barriers to technological advancement adoption for households is key to local development impact in the property sector.”

AIIM is a member of Old Mutual Alternative Investments (OMAI) and has been investing in the African infrastructure sector since 2000, with a track record extending across seven African infrastructure funds. AIIM’s investment, through its IDEAS Managed and AIIF3 Funds, will support MetroFibre’s plans to densify its network in existing areas and expand its offering to an additional 300,000 residential homes across cities and towns nationwide over the next three years.

Existing shareholder STOA, a French investment holding with a capital base of EUR600 million backed by Caisse des Dépôts (CDC) and the Agence Française de Développement (AFD), earmarked for investments in equity and quasi equity in emerging countries in the telecommunications, power and transportation sectors, also followed its equity rights and participated to this new capital raise in MetroFibre.

MetroFibre CEO, Steve Booyesen, added: “The successful capital raise will enable MetroFibre to continue with its growth strategy and explore acquisition opportunities, connecting customers with the global economy through a reliable and fast connection. In addition to our organic growth plan, the successful capital raise ensures that MetroFibre is well placed to play a leading role in the sector’s consolidation process, given our strong leadership and operational teams, as well as significant shareholders of reference.”

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ABOUT AIIM

AllIM is a member of Old Mutual Alternative Investments (OMAI) and has been investing in the African infrastructure sector since 1999 with a track record extending across seven African infrastructure funds. AllIM's team of 41 investment professionals is based out of five offices across the continent in Cape Town, Johannesburg, Nairobi, Lagos and Abidjan.

AllIM manages private equity funds which structure and invest in the financing of infrastructure projects and companies across the continent. AllIM currently manages USD1.6 billion in assets across the power, telecommunications, energy and transport sectors with operations in 19 countries throughout the continent. AllIM is one of the largest private investors in the power sector with power portfolio extending across renewable energy and thermal power assets with a combined generation capacity of over 2,800 MW.

ABOUT METROFIBRE

Metrofibre Networkx revolutionised fibre for business in South Africa when it became SA's first globally compliant Carrier Ethernet 2.0 (CE 2.0) open access fibre network, connecting data centre & cloud, application, voice and Internet service providers with our customers. Today, Metrofibre is a South African ICASA-licensed open access fibre network operator and internet service provider to many of SA's leading blue-chip companies, multinationals, SMEs and thousands of connected residential customers.

As a rapidly growing business, powered by passionate and committed people who are making world-class connectivity possible for businesses and homes across the country, our investors include Sanlam, African Rainbow Capital, STOA Infra and Energy, AllIM, management and others. We are a proud, home grown company where superior quality, customer satisfaction, respect, integrity and honesty are part of our DNA. Metrofibre Networkx is actively involved in and members of our industry bodies – the MEF Forum and the FTTX Council Africa.

We take our role in shaping and promoting best practice and world class connectivity for our customers very seriously, and are immensely proud of the facilitating role we play in making our country, our cities and our world, more connected and integrated places to work, live, transact, learn and engage. It's a bright and exciting technology-enabled future, and we want to enable our customers to enjoy the benefits it will bring.

ABOUT STOA

STOA is a joint stock company (Société Anonyme) with an initial share capital of €240 million, 83.3% owned by Caisse des Dépôts ("CDC") and 16.7% owned by Agence Française de Développement ("AFD"), the object of which is to invest up to €600 million in equity and quasi equity in the infrastructure and power sectors of developing and emerging countries.

STOA benefits from the complementary support and expertise of its two shareholders. Caisse des Dépôts is a public long-term investor serving the general interest and economic development of local areas; AFD is the French Public Development Bank which commits to financing projects in key transition sectors in developing and emerging countries. In the context of their joint strategy, these two institutions are fully committed to play a key role in the four major transitions, the energy/environmental, digital, territorial and demographic transitions.

ABOUT SAHIF

Digital Infrastructure Consortium Proprietary (DICP) Limited is an investment vehicle of South African Housing & Infrastructure Fund (SAHIF) CEO and CFO Rali Mampeule and Kameel Keshav.

SAHIF's initial entry into the affordable housing market was in response to the observed socio-economic development needs in the real estate sector of South Africa. A market gap was identified which is catalytic to the value chain of affordable housing delivery, social infrastructure and commercial opportunities. At our core is to unlock the resultant opportunities in these areas, from the delivery of serviced stands.

SAHIF recognise the long-run impact of investing in opportunities that can spur additional economic development and is focused on being an organisation that generates positive social outcomes as it generates returns.