



AIIM, SAHIF and STOA sign follow-on acquisition in MetroFibre Networkx, consolidating their position in South Africa’s fibre landscape

The investment reinforces African Infrastructure Investment Manager’s (AIIM), SAHIF and STOA’s support for the digital infrastructure sector to assist in addressing the deficit in last-mile fibre connectivity across South Africa.

Cape Town/Johannesburg/Paris, [14 June, 2021]: African Infrastructure Investment Managers (AIIM), one of Africa’s largest infrastructure-focused private equity fund managers, along with a consortium comprising South African Housing & Infrastructure Fund (SAHIF), through its Digital Infrastructure Consortium platform and STOA, a foreign investment vehicle based in France, have agreed to acquire a 25.8% interest in MetroFibre Networkx (MFN) held by Sanlam Private Equity, African Rainbow Capital and a minority shareholder. This transaction follows the ZAR1.5 billion equity funding round concluded in December 2020 by AIIM, SAHIF and STOA in order to support MetroFibre’s ZAR3.0 billion capital expansion plan over the next three years.

The transaction also introduces the Old Mutual Hybrid Equity Fund 1 General Partnership, managed by Hybrid Equity (HE), a division of Old Mutual Alternative Investments (OMAI), as funding provider to SAHIF, which is owned by Rali Mampeule and Kameel Keshav and is the strategic empowerment partner to MFN.

The acquisition remains subject to regulatory approvals and is envisaged to reach financial close during the second half of 2021.

The investment reinforces AIIM, SAHIF and STOA’s belief in the potential of the digital infrastructure sector in South Africa and their support for the management team of MFN.

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, Ed Stumpf, AIIM’s Investment Director, noted: “This transaction secures AIIM’s investment vehicle Digital Infrastructure Investment Holdings as the largest single shareholder in MFN and underlines AIIM and the broader Old Mutual Alternative Investment Group’s continued support for the MetroFibre team as a platform for connectivity growth in South Africa. In addition to the significant ramp up in digital volumes as a result of telecommuting during the pandemic, AIIM continues to see strong growth potential for quality high speed digital infrastructure in South Africa

and is excited to work together with the MFN management team and our partners SAHIF and STOA to deliver infrastructure which connects South Africans and enables the digital economy.” ”

Marie-Laure Mazaud, Deputy CEO of STOA, added: “Over the past three years, STOA supported the management team into building one of the leading national fibre players in South Africa offering affordable, reliable and fast connectivity services, and is more than ever confident on the leading role MFN will play in the challenge of digital transition in the country. STOA is therefore delighted to consolidate its position as one of its strategic partners and to take the next steps of the company’s growth alongside AIIM, SAHIF and the management team.”

SAHIF CEO, Rali Mampeule, noted: “As a land fund player, we want to ultimately integrate the use of Digital Fibre and Technology to transform affordable housing into an Integrated Housing Platform. We have created a concept called “New Smart City and Smart Living,” a strategy to redefine affordable housing by enabling seamless engagement between the online and offline world. This transaction and the resultant increase of our shareholding in MetroFibre compliments this strategy for our group.”

“SAHIF’s increased shareholding in MFN to 22% ownership is another landmark for our group. We are excited to journey with MFN in its efforts to transform and grow the South African digital infrastructure landscape. The additional investment not only signifies our continued support of the MFN management team’s growth ambitions, it also further emphasizes SAHIF’s commitment to finding digital infrastructure solutions aimed at accelerating delivery of service land for affordable housing. We are thrilled at entrenching our position as a preeminent participant and contributor in the telecommunications space.”

commented SAHIF CFO, Kameel Keshav

Co-head OMAI HE, Mujaahid Hassan stated: “We are excited by the prospects this transaction opens up for MFN and SAHIF as its strategic empowerment partner. From our side, HE was able to provide SAHIF, within a very tight timeline, with a well-structured funding solution, allowing them to increase their shareholding in MFN, demonstrating our commitment as a business to empowerment and transformation in South Africa. This transaction also ensures that MFN meets its growth targets of delivering quality high-speed digital infrastructure to South Africa and at the same time strengthens its empowerment credentials. Given the scarcity of empowered equity capital available in South Africa historically, HE is committed to providing innovative funding solutions enabling the transformation of ownership in South Africa.”

MetroFibre CEO, Steve Booyesen, added: “This rationalization of the shareholder base will allow MFN to continue with its growth strategy and play a leading role in the sector’s consolidation process, with a strong leadership and operational team and significant shareholders of reference.”

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ABOUT AIIM

AIIM 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. AIIM's team of 41 investment professionals is based out of five offices across the continent in Cape Town, Johannesburg, Nairobi, Lagos and Abidjan.

AIIM is one of Africa's largest infrastructure fund managers, currently managing USD2.0 billion in assets across the renewable energy, power, digital infrastructure, midstream and transport sectors with investments in 19 countries throughout the continent. AIIM 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, AIIM, 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 HYBRID EQUITY (HE)

With over 30 years of deal origination, execution and exit experience HE is one of South Africa's most established alternatives fund managers investing in mezzanine debt, preference shares, and quasi equity.

Since 2007 HE have sourced, structured, invested, managed and exited transactions across multiple sectors and capital structures, for Old Mutual on a principal basis, deploying in excess of ZAR 7 billion across 28 transactions.

As a new capability within Old Mutual Alternative Investments (OMAI), HE's aim is to continue delivering superior investment returns for investors by building a strong, well-diversified portfolio of investments, supporting medium-to-large companies operating on the African continent, with a specific focus on South Africa.

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.

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.