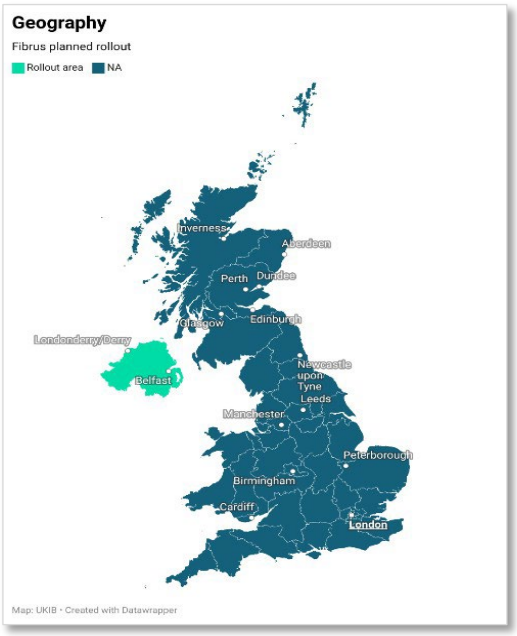
Fibrus Networks Limited deal: factsheet

Deal Information	
Deal signed	29/03/2022
Project status	Live
Sector	Digital
Location	Northern Ireland
Counterparty	Fibrus Networks Limited[i]
Total Investment	£200m
UKIB Finance	£50m
Product	Senior Debt



Summary

UK Infrastructure Bank has lent £50 million for Fibrus Networks Limited's delivery of high-capacity full-fibre broadband in Northern Ireland, to improve productivity and deliver regional and local economic growth. The deal will benefit properties in rural areas and market towns that have historically had poorer access to digital services than urban areas. Our finance is supporting the rollout of Fibre To The Premises (FTTP) broadband to c.220,000 premises, including both households and businesses, in regional towns and rural communities.

Sector context

The Government's objective is to ensure every UK home and business can access fast and reliable digital connectivity. Their target is for at least 85% of UK premises to have access to gigabit capable broadband by 2025, with[ii] the Levelling Up white paper[iii] increasing this target to 99% by 2030. The increase in demand for connectivity requires a transformation of the digital infrastructure on which the telecoms sector is built. At the end of 2021, 28% of UK homes and businesses had access to a Fibre-to-the-Premises ("FTTP") based broadband network.[iv]

Impact and Additionality

This project is expected to contribute to UKIB's strategic objectives of regional and local economic growth and the transition to Net Zero because:

- FTTP broadband rollout in Northern Ireland to date has focused on urban and commercial areas, with low coverage in rural communities.
- By 2025 over a quarter of a million homes will have received improved digital access thanks to the project. Around 90% of these will be in digitally "hard-to-reach" areas which are currently underserved by the commercial market.[v]
- Full-fibre is the most energy efficient broadband technology, leading to emission savings compared to copper.[vi]

In the absence of the investment, it is likely that the earliest these properties would be connected without our investment would be 2026[vii]. UKIB involvement in the Construction Facility is seen as important to the success of Fibrus' full fibre FTTP rollout plan for Northern Ireland. Our involvement supports the crowding-in of £150 million of additional private sector finance.

ESRG considerations

The project was assessed for ESRG risks.[viii] Full fibre is resilient to climate change and more efficient than copper. Fibre optic cables emit 88% fewer greenhouse gases per gigabit than networks using copper wires[ix]. Fibrus also received over 43% of their electricity from renewable sources in 2021[x]

Impact Metrics

2	**# Deals in the Digital sector**
£150m	**Total Investment in Sector[xi]**
400	**Jobs (Created and Safeguarded)[xii]**
+ 700 tCO2e	**Emissions[xiii]**
£150m	**Private Finance Mobilised**

Note: this factsheet has been completed retrospectively based on the information which was available to the bank at the time of investment decision making.

[i] Fibrus Networks Ltd, Lanyon Plaza, West Tower, 8 Lanyon Place, Belfast, BT1 3LP
[ii] Gigabit-broadband: Funding for rural and hard to reach areas - House of Commons Library (parliament.uk)
[iii] Levelling Up the United Kingdom - GOV.UK (www.gov.uk)

[iv] Fibre to the premise (FTTP) means the connection from the exchange to the premises is entirely fibre (no copper), meaning that generally speed doesn't degrade with distance. FTTP has other benefits above copper including resilience and lower energy consumption. See: Connected Nations 2021: UK report (ofcom.org.uk)

[v] https://www.nationalwealthfund.org.uk/news/uk-infrastructure-bank-investment-support-thousands-rural-homes-access-ultrafast-broadband

[vi] Fibre is the most energy efficient broadband technology | Shaping Europe's digital future (europa.eu)

[vii] Project gigabit – Openreach's plan to roll out Ultrafast Full Fibre broadband build plan | Openreach

[viii] UKIB developed its approach to ESRG over time, establishing a robust framework which is used to assess all current deals. Before this framework was finalised, a qualitative assessment based on the Equator Principles was carried out on investments.

[ix] https://ifgconsultingeurope.com/the-hidden-challenges-of-moving-to-fibre%EF%BF%BC

[x] Information provided by the company

[xi] Calculated from summing our lending across our Gigaclear deal and this transaction.

[xii] UKIB share of total investment yields attributable jobs at circa 50 jobs.

[xiii] GHG emissions figures are self-reported ex-ante estimates provided by the underlying company/project sponsor. The scope boundaries vary in each case and UKIB cannot guarantee alignment with the GHG protocol. UKIB share of total investment yields attributable emissions of circa + 90 tCO2e.