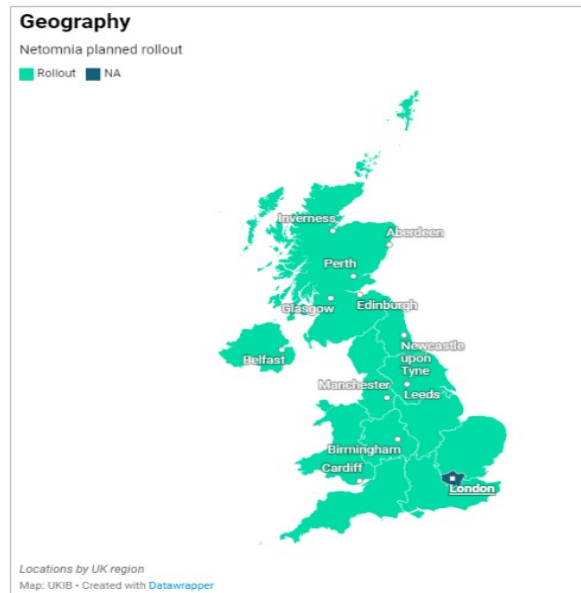


# Netomnia deal: factsheet

Deal Information	
Deal signed	March 2023
Sector	Digital <sup>i</sup>
Location	UK wide
Counterparty	Netomnia <sup>ii</sup>
Total Cost	£230m
UKIB Finance	£75m
Product	Senior Debt



## Summary

The UK Infrastructure Bank will invest £75 million to support the roll out of full fibre broadband to over 1.2m UK homes and businesses by Netomnia (as part of its 1.5m homes rollout plan). This project supports the Government’s ambitious target for at least 85% of UK premises to have access to gigabit broadband by 2025. UKIB investment is needed to ensure these benefits are delivered without delay. The bank’s loan facility is specifically targeted to accelerate roll-out in areas with current poor broadband connectivity and with high skills among the workforce in order to maximise the benefit from improved connectivity.

## Sector context

The Government’s objective is to ensure every UK home and business can access fast and reliable digital connectivity. Its target is for at least 85% of UK premises to have access to gigabit capable broadband by 2025<sup>iii</sup>, with the Levelling Up white paper<sup>iv</sup> 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 2022, 42% of UK homes and businesses had access to a Fibre-to-the-Premises (“FTTP”) based broadband network.<sup>v</sup>

## Impact and Additionality

By improving digital connectivity across the country, this project is expected to contribute to UKIB’s strategic objectives because:

- This investment is targeted at rolling out to areas with low existing connectivity, low productivity, but with the skills within the local workforce to realise the benefits from improved digital infrastructure. UKIB’s loan facility is targeting the more than 300k premises that meet those criteria.
- The project supports our regional and local economic growth (RLEG) objectives by supporting jobs and investment in rollout areas, boosting competition through better connectivity, productivity, and quality of life.
- It also supports net zero transition through greater resilience and lower emissions of fibre than energy intensive copper.<sup>vi</sup>

Evidence exists to suggest UKIB can support the acceleration of rollout to premises in hard-to-reach areas with this transaction. Market feedback has highlighted constrained market conditions limiting large debt funding rounds. UKIB funding ensures FTTP connectivity is available in underserved locations and speeds up rollout to most parts of the country.

## ESRG considerations

The project aligns with our emerging ESRG framework<sup>vii</sup>. Full fibre to the premises is not subject to planning permission, but Netomnia has committed to utilise the existing infrastructure wherever possible.<sup>viii</sup> Further, full fibre is resilient to climate change, and more efficient and future proof than copper.<sup>ix</sup>

## Impact Metrics

<b>5</b>	# Deals in the Digital sector
<b>£775m</b>	Total Investment in Sector
<b>400</b>	Jobs created (direct and indirect) <sup>x</sup>
<b>23,400 tCO2e</b>	Emissions <sup>xi</sup>
<b>£155m</b>	Private Finance Mobilised

<sup>i</sup> The UK Infrastructure Bank' Digital Sector blog here sets out blog [our approach to investments in the sector](#)

<sup>ii</sup> Netomnia. Unit H, The Courtyard, Tewkesbury Business Park, Tewkesbury, Gloucestershire GL20 8GD

<sup>iii</sup> [Gigabit-broadband: Funding for rural and hard to reach areas - House of Commons Library \(parliament.uk\)](#)

<sup>iv</sup> [Levelling Up the United Kingdom - GOV.UK \(www.gov.uk\)](#)

<sup>v</sup> [Connected Nations 2022 - Ofcom](#)

<sup>vi</sup> 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 \(ofcom.org.uk\)](#)

<sup>vii</sup> 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.

<sup>viii</sup> [Welcome to Our Support Page | Netomnia](#)

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<sup>x</sup> Circa 50 attributed to UKIB's share of the finance.

<sup>xi</sup> This is an estimate of current emissions. Circa +2,800tCO<sub>2</sub>e attributed to UKIB's share of the finance. 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..