

InfraCo Asia Investments contributes to growth financing package for rural broadband roll-out in Indonesia

16 November 2020 - Singapore

InfraCo Asia Investments, the investment arm of a Private Infrastructure Development Group (PIDG) company InfraCo Asia, funded by the United Kingdom's Foreign, Commonwealth & Development Office (FCDO), has contributed USD 15 million to a growth financing package supporting Net1 Indonesia's roll-out of broadband access in underserved regions of rural Indonesia.

InfraCo Asia joins a group of investors, led by Gemcorp Capital, which has co-committed USD 75 million to Mobile Internet Holdings BV, an indirectly owned subsidiary of Net1 International Holdings AS (Net1 International). Mobile Internet Holdings, through its subsidiaries, specialises in delivering broadband connectivity to underserved populations in emerging markets. In view of disruptions to movement, supply chains and livelihoods, internet connectivity is only growing in importance amidst the ongoing COVID-19 pandemic.

Promoting access to essential infrastructure and services

The debt financing facility of USD 75 million in total is committed collectively with c.\$47.5m by Gemcorp Capital, \$15m by InfraCo Asia Investments, and \$12.5m by OP Finfund Global Impact Fund I.

Allard Nooy, CEO of InfraCo Asia, said: "InfraCo Asia is focused on promoting socially responsible, sustainable and commercially viable infrastructure projects. We are delighted to support Indonesia's rural digital infrastructure sector through our participation in this financing facility, which will help provide an essential service at scale. This partnership marks InfraCo Asia's first project finance initiative in the telecommunications sector, adding to the diversity of our infrastructure portfolio and the range of its impact across South and Southeast Asia."

JD Fouchard, Chairman of Net1 International, said: "We are delighted with the additional support from our current lenders and shareholders, as well as from two new and important financing partners. We are proud to bring on board a leading infrastructure investment company, InfraCo Asia and Finland's first emerging markets impact fund OP Finfund Global Impact Fund I, whom, alongside our long-term partners Gemcorp Capital, are enabling us to continue our growth plan in Indonesia. Our aim is to ultimately transform the lives of hundreds of thousands of people in rural areas where limited or no broadband access is currently available."

Providing connectivity to over 300,000 households

Currently, according to International Telecommunication Union, only 3% of Indonesia's population have access to fixed broadband connectivity. The company aims to provide

connectivity to over 300,000 households over the next five years. New or improved access to broadband connections is expected to bridge the digital divide in work and education opportunities between rural and urban populations in Indonesia, as well as improve access to the latest healthcare advice pertaining to the pandemic.

Net1 Indonesia is the only operator in Indonesia licensed to operate the 450MHz spectrum. This spectrum is significantly more efficient in broadcasting signals over long distances compared with the traditional higher frequency spectrums. This enables cost-efficient broadband access in rural Indonesia.

Net1 International, is listed on the Norwegian Over the Counter Market (NOTC), and currently has investments in Indonesia and Philippines. It has a highly experienced management team with a track record of rolling out and managing LTE 450MHz networks, a technology well suited to address underserved broadband markets, such as the semi-rural and rural regions in Indonesia.

Read more [here](#)

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About InfraCo Asia Investments

InfraCo Asia Investments Pte Ltd (InfraCo Asia) is a commercially managed infrastructure investment company of the Private Infrastructure Development Group (PIDG), funded by the UK's Foreign, Commonwealth & Development Office (FCDO), a member of the PIDG.

Headquartered in Singapore, InfraCo Asia provides funding and development expertise for early-stage infrastructure projects in South and Southeast Asia, to realise socially responsible and commercially viable infrastructure that contributes to sustainable and inclusive economic growth.

For more information, visit www.infracoasia.com.

About PIDG

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 157 infrastructure projects to financial close and provided 209 million people with access to new or improved infrastructure. PIDG is funded by six governments (the UK, the Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC.

For more information, visit www.pidg.org.