

Press release

NORD/LB and KfW IPEX-Bank arrange fibre optic financing for TNG

- **Support of fibre optics expansion in Northern Germany**
- **Use of KfW promotional programme to support digitalisation**

The Kiel-based fibre-optic company TNG Glasfaser GmbH, majority owned by Intermediate Capital Group, is continuing to expand its fibre-optic network in previously underserved rural regions. NORD/LB and KfW IPEX-Bank, together with an international bank consortium, are providing EUR 325 million for this purpose.

A total of six banks are involved in this project financing. NORD/LB and KfW IPEX-Bank are acting as joint bookrunners, ING, HCOB, NIBC and Kommunalkredit are acting as arrangers.

The KfW promotional programme loan “Investitionskredit Digitale Infrastruktur, where KfW IPEX-Bank acts as KfW Programme Coordinator as well as Facility and Security Agent, is also part of the financing package.

The financing is part of the company’s overall investment to pass around 500,000 households with fibre optic infrastructure over the next four years. The focus lies on various districts in Schleswig-Holstein, Lower Saxony and Hesse, with a mostly rural and suburban profile. Thus, the company is setting the course for a stable internet and the connection of rural regions to high-speed broadband infrastructure.

The investment is a contribution to the federal government's declared goal of achieving nationwide coverage with gigabit networks by 2025.

Helmut Gertz (CFO TNG):

“We are delighted to have been able to secure long-term financing to support the development of our fast-growing network. As we continue our growth plan, we are confident that we have all the resources required to become one of the key fibre operators in rural and semi-rural areas in Germany.”

Frank Heiss (Managing Director ICG Infra):

“We are very happy to further support the growth plan of the company and enable broadband connection throughout Germany. This successful financing demonstrates the robustness and attractiveness of the sector.”

Andreas Ufer (Member of the Management Board of KfW IPEX-Bank):

“Financing for the expansion of digital infrastructure has become one of our core business areas. KfW IPEX-Bank and KfW together once again showcase their tool kit to support and promote expansion of digital infrastructure and drive the digital society in Germany forward.”

With circa 20 projects financed over the last 2.5 years, NORD/LB has become one of the leading financiers of digital infrastructure in the German and European markets.

Heiko Ludwig (Global Head Structured Finance at NORD/LB):

“We are very happy to support TNG Glasfaser GmbH and the Sponsor ICG with our expertise and dedication to the digital infrastructure sector helping in their push to a full coverage with FTTH in our home regions in Northern Germany. We are proud to be such an active part in the strive for a German digital society.”

About KfW IPEX-Bank

Within KfW Group, KfW IPEX-Bank is responsible for project and export finance. It supports German and European companies operating in key industrial sectors in global markets by structuring medium and long-term financing for their exports, funding infrastructure investments, securing supply of raw materials and by financing environmental and climate protection projects worldwide. As a bank that stands for transformation, it finances technologies of the future to support the transition towards sustainable society in all three dimensions of the economy, environment and society. By implementing ambitious sector guidelines for CO2-intensive sectors KfW IPEX-Bank ensures its financings are compatible with the goals of the Paris Agreement. By introducing GHG accounting it aims to achieve a net zero emissions portfolio by 2050. As specialist bank, KfW IPEX-Bank has extensive industry, structuring and country expertise, it takes on leading roles in financing consortia and actively involves other banks, institutional investors and insurance firms. KfW IPEX-Bank operates as a legally independent group subsidiary and is represented in the most important economic and financial centres across the globe.

About NORD/LB

For over 20 years, NORD/LB has been one of the leading financiers of infrastructure projects, providing the essential needs for our society. In the past decade, circa 150 infrastructure projects have been financed by NORD/LB.

About TNG

Created in 1997, TNG has grown to a strong regional FTTH platform in the North of Germany with more than 90,000 contracted private and business customers.

TNG has established a strong position in the Northern German telecommunication market as the leading, independent city carrier in Kiel. In 2013, the Company entered the rural FTTH market and has expanded its network footprint on both own and leased networks significantly since then.

TNG has developed a strong FTTH track record on the back of a highly vertically integrated business model, including own fibre planning and construction activities, and provides customers with fast and reliable fibre connectivity solutions and telecommunication services.

About ICG Infra

In 2018, ICG launched a new European Infrastructure Investment team dedicated to investing in core and core-plus infrastructure. ICG Infra is following a green generalist strategy, with an integrated ESG approach and has already closed 8 transactions including 2 in the digital space (Océinde Communications, leading player in fibre in Reunion Island and TNG, FTTH operator in Germany), 2 in the energy transition (OSB, n°3 player in the French sub-metering market and Zeplug, EVCS for collective parking lots) and 4 in the renewables space (Akvo and CVE in France, BSR in UK and Dos Grados in Iberia) These investments are a perfect illustration of ICG's investment strategy in the infrastructure segment: a focus on the mid-market, with a flexible approach in terms of capital structuring (equity / quasi equity) and a desire to forge long-term partnerships with management teams led by a strong entrepreneurial growth project.