

OPEN FIBER: GREEN LIGHT FOR NEW BUSINESS PLAN AROUND 11 BILLION IN NEW INVESTMENTS

- *Focus on acceleration in white areas and extension to grey areas*
- *Participation in all 1 Giga public calls for tenders in Italy, extending coverage across the whole country*
- *Financing increased to €7.2 billion, with flexibility for a further €2.8 billion of credit lines to cover commercial grey areas, depending on the outcome of the tenders*

Rome, 10 December 2021 - On 3 December the Board of Directors of Open Fiber approved the new business plan for the company owned for 60% by CDP Equity and 40% by Macquarie Asset Management. Below are details on the business plan and the extension of project financing.

The new plan, with a 2022-2031 horizon, extends VHCN (Very High Capacity Network) coverage to 'grey areas' - in which there is only one network operator and no-one else is planning to develop an NGA (Next Generation Access) network - starting with those involved in the coming months by Ministry for Technology and Digital Transition (MITD) tenders under the Italy 1 Giga Plan.

The new business plan confirms Open Fiber's targets in black and white areas (over 7,000 municipalities in clusters C and D, where it acts as public concessionaire), with a focus - in terms of additional financial and organizational resources - on the completion by 2023 of all works in towns in white areas and, in particular, those covered by the EU's ERDF and EAFRD funds.

The main feature of OF's new plan compared with its predecessor is its flexibility. The financial resources made available by the agreement with the banks enables it to accelerate achievement of the old plan's objectives, take part in all PNRR tenders for the grey areas, and plan additional coverage in these areas of the market.

The 2022-2031 plan calls for approximately €11 billion of investment to cover roughly 24 million households (HH) from the current 13 million, and support growth of the customer base in line with a target of 50% take-up. These investments will be covered by the extension of financing to €7.2 billion from equity and cash generation.

Open Fiber intends to bid in all MITD calls for tender. Depending on their outcome, scheduled for June 2022, OF will set out a detailed plan for the additional grey areas in which it will compete and the corresponding increase in property units. For this OF will be able to draw on an additional credit line of €2.8 billion.



Open Fiber has reached an agreement with leading Italian and international banks: Banco BPM, Banco Santander, BNP Paribas, Crédit Agricole, ING Bank, Intesa, Société Générale, Unicredit, who will act as Global Coordinators, Bookrunners and Mandate Lead Arrangers. The operation is intended to support further investments under the business plan and to refinance the previous Project Financing of €4,1 billion, improving the existing terms and conditions and extending it to 2028. To be finalized before the end of the year, this represents the biggest ever EMEA funding deal in telecommunications networks.

At the end of the plan, margins are expected to exceed 75%, with over €2 billion in revenues. Break Even (EBITDA net of investments) is forecast for 2026.

The new business plan once again rests on the wholesale-only model which Open Fiber has pioneered from the outset, a technologically advanced network available to all operators on equal terms, built on environmental, economic and social and sustainability. The project is vital for the country's competitiveness, attracting resources of over €15 billion since the birth of Open Fiber.

Mario Rossetti, CEO of Open Fiber, commented: "In just a few years Open Fiber has gone from the start-up phase to playing a leading role in Italy and Europe in the development of all-fiber networks. With the strong support of shareholders and solid partnerships with leading operators, we are ready to complete our coverage of cities, small towns and industrial zones, making a decisive contribution to the goals of the Italy 1 Giga Plan for the closing of the digital divide in Italy".

Connectivity services are marketed on Open Fiber's network in 190 large and medium-sized cities and in over 3,000 small towns. More than 200 national and international operators have entered into commercial agreements with Open Fiber for the use of its infrastructure.

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