



## **nexfibre acquires altnet Upp to accelerate fibre rollout by 175,000 homes in partnership with Virgin Media O2**

- nexfibre to acquire fibre operator Upp following initial integration work by Virgin Media O2
  - The deal complements the existing nexfibre strategy and accelerates fibre footprint by 175,000 premises in the East of England
- nexfibre plans to invest more than £350m in the region by 2026 as part of a £4.5bn investment across the country

**5 September 2023:** UK fibre builder, nexfibre, in partnership with Virgin Media O2, has reached an agreement with fibre operator, Upp, to acquire the provider. The acquisition will efficiently boost the fibre footprint of nexfibre by 175,000 premises in the East of England and ensure investment and network build in the region continues for years to come.

The all-cash deal sees Virgin Media O2 initially purchase the provider and carry out integration work, but nexfibre will ultimately fund the acquisition through a back-to-back agreement to buy Upp's network assets.

As a result of the transaction, nexfibre will gain a quality regional fibre network with low overlap of the existing Virgin Media O2 footprint and a build engine that will continue expansion in the region. Through its access to the nexfibre network, Virgin Media O2 will extend the reach of its gigabit connectivity to more homes.

Over the next 12 months Virgin Media O2 will proceed with completing Upp's build currently in progress; integrating and aligning Upp's fibre network and systems; and offering Upp customers a wide range of Virgin Media O2 services.

nexfibre will then acquire the network assets, equating to approximately 175,000 premises, with this second stage transaction expected to complete within the next year and resulting in a de minimis net cash outflow for Virgin Media O2. The full range of Virgin Media O2's broadband services are available via the nexfibre network.

As part of a well-capitalised longer-term rollout plan which is already in place, nexfibre, with Virgin Media O2 acting as a build supplier, will continue to expand its network in the East of England with an expected investment upwards of £350 million to reach more than 500,000 premises by 2026.

Upp's ~4,000 existing retail and business customers will be offered a wide range of Virgin Media O2 services in the coming months, with no service changes occurring in the near term as a result of the transaction. Clear communications providing further details will be sent directly to Upp customers.

Upp, formerly known as FibreMe, was founded in 2021 by a group of successful British entrepreneurs with extensive telecoms experience. Since then, the company has invested and delivered fast, reliable full fibre connectivity to homes and businesses in the East of England and East Midlands using the latest build techniques and respected partners. This includes areas such as Boston, Lincoln, Norwich and King's Lynn.

nexfibre is a network joint venture owned by Liberty Global, Telefónica and InfraVia Capital Partners and is investing £4.5 billion to bring fibre to 5 million homes by 2026 with the option of reaching a total of 7 million homes beyond that.

**Andrea Salvato, Chairman of nexfibre, said:**

“Our acquisition of Upp’s network assets represents an important step as we continue to build a world class fibre network along with our wholesale partner Virgin Media O2. At nexfibre, we are on a mission to build and expand our network in suburban and semi-rural areas, closing the digital divide and boosting local economies. Upp is a high-quality regional fibre network in the East of England and will accelerate our rollout in an area where we expect to invest more than £350 million by 2026.”

**Lutz Schöler, CEO of Virgin Media O2, said:**

“Virgin Media O2 is playing a key role in supporting nexfibre with integration work and build, and through our wholesale partnership we will extend the reach of our gigabit connectivity in the East of England. Building on the strong foundations that exist today, Virgin Media O2 and nexfibre have a clear strategy in place to be the biggest fibre challenger in the country, offering greater choice and competition to the BT status quo.”

**Drew Ritchie , CEO of Upp said:**

“Upp is delighted to have been acquired by nexfibre, in partnership with Virgin Media O2, and we are looking forward to continuing the rollout of full fibre in the East of England. It is an important recognition of the scale and quality of the network that we have built, and all the hard work and effort put in over the last two years.

“Since we began in early 2021, Upp has grown to deliver the quality, scale and excellence in customer service envisaged from the start. We are all personally very proud of having this recognised by our thousands of customers and through the purchase by industry leaders.

“We would like to extend our thanks to our previous shareholder for the belief and backing they gave us from the start and we’re now looking forward to working with the nexfibre and Virgin Media O2 teams to make the most of the opportunities ahead.”

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## **Media contacts**

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## **About nexfibre**

nexfibre is a joint venture between InfraVia Capital Partners, Liberty Global and Telefónica and is financed with £4.5 billion of equity and debt investment. It will initially roll out fibre to 5 million homes not currently served by Virgin Media O2's network by 2026, with the opportunity to expand to an additional 2 million homes.

nexfibre's investment will provide a major boost to the UK's digital economy and make a significant contribution to the Government's gigabit broadband ambitions.

Virgin Media O2 is nexfibre's anchor wholesale tenant, as well as network construction partner. nexfibre and Virgin Media O2 intend to wholesale their networks to other third-party internet service providers creating the UK's first national-scale challenger to BT Openreach, boosting choice and competition in the market.

## **About Virgin Media O2**

Virgin Media O2 launched on 1 June 2021, combining the UK's largest and most reliable mobile network with a fully gigabit broadband network where customers benefit from average speeds 5x faster than the national average.

The company has 46 million UK connections across its award-winning broadband, mobile, TV and home phone services. Its fixed network covers more than half of the country (16.4m homes serviceable) alongside a mobile network that covers 99% of the nation's population, with 5G services live in more than 2,800 towns and cities. The company is on track to reach 50% population 5G coverage in 2023.

Virgin Media O2 is upgrading its fixed network to full fibre to the premises with completion in 2028. Its shareholders and investment firm InfraVia Capital Partners, through a joint venture called nexfibre, are investing approximately £4.5bn to build fibre to 5 million homes and businesses not currently served by Virgin Media O2's network by 2026, with the opportunity to expand to an additional 2 million homes. As a wholesale customer of this network, Virgin Media O2's total footprint will reach around 80% of the UK once build and upgrade work is completed.

Through Virgin Media O2 Business, the company plays a leading role supporting entrepreneurs, businesses, enterprises and the public sector with their digital transformation through a range of connectivity, security, cloud and tailor-made services. It is also the network of choice for mobile virtual network operators giffgaff and Sky Mobile, as well as managing a 50:50 joint venture with Tesco for Tesco Mobile.

The company is committed to using the power of connectivity to make its better for people and the planet, taking action to close the digital divide and building an inclusive, resilient, and low carbon economy. The business has set an ambitious commitment to achieve net zero carbon across its operations, products and supply chain by the end of 2040.

Virgin Media O2 is a 50:50 joint venture between Liberty Global and Telefónica SA, and one of the UK's largest businesses. Virgin Media O2 is registered in England and Wales. Registration number: 12580944. Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.

### **About Upp**

Launched in June 2021 and headquartered in Peterborough, Upp is on a mission to provide Next Level Broadband to the areas of the East of England that need it the most. With a futureproof, full fibre, high quality network, the company offers a range of residential and business full-fibre packages designed to meet the diverse needs of its customer.

Founded by four British entrepreneurs, Upp's leadership team brings more than 160 years of industry expertise from BT, Orange, Ericsson, KCOM and Gigaclear. Today, the company boasts a robust team of over 180 staff members, serves thousands of satisfied customers, and has connected over 20 towns.

In a short space of time, Upp has achieved and maintained an industry-leading customer review score, reflecting its commitment to unparalleled service quality and first-class customer experience. [www.upp.com](http://www.upp.com)