Early Warning System

IFC-45362

Digital Bridge Emerging Markets

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2021-09-28
Borrower	DIGITAL COLONY ACQUISITIONS
Sectors	Communications
Investment Type(s)	Equity
Investment Amount (USD)	$ 100.00 million

Project Description

Certain investment funds sponsored by DigitalBridge Group, Inc, which are focused on privately negotiated investments in worldwide digital infrastructure (“DI”) assets and businesses (the “Funds”) (together, with their respective affiliates as applicable, “DB”), have over $35 billion in assets under management as of June 30, 2021. The DI subsectors include tower, data center, small cells/DAS, fiber, and outdoor digital infrastructure assets. DB operates more than 440,000 communication tower sites, over 130,000 route miles of dense metro fiber, more than 80,000 small cell nodes, and over 100 data centers.

The proposed Project consists of a US$100 million equity commitment, to be invested in pre-identified co-investments managed by affiliates of DB which are portfolio companies of investment funds managed by affiliates of DB (each, a “DB Fund” and together the “DB Funds”) and/or a DB Fund Emerging Markets SideCar (“EM SideCar” or “SideCar”). The investments consider:

a) co-investment in Scala, one of the leading hyperscale data center platforms in Brazil, with expansion plans across Latin America. Scala currently operates four data center facilities in Brazil with +50 MW of total power availability and a roadmap to over 80MW of IT critical capacity;

b) co-investment in Highline, one of the largest independent tower companies in Brazil, growing through acquisitions of assets known to IFC (Phoenix Towers do Brasil, a former IFC client) and other assets, as well as build-to-suit construction of towers. Highline has outdoor and indoor sites located in the main Brazilian cities across 27 states. It has approximately 4000 outdoor macro and rooftop sites, 300 indoor DAS systems, and 600 small cell nodes and biosites, with approximately 58% greenfield sites;

c) co-investment in EdgePoint, a newly established tower company, envisioned to grow across Southeast Asia (aiming to manage 20,000+ sites) with initial focus on Indonesia and Malaysia. In Malaysia, EdgePoint acquired Asiaspace Sdn Bhd, along with its 178 telecommunication towers in May 2021 and has continued expansion since then. Currently, EdgePoint has 190 assets across Peninsular Malaysia. In Indonesia, EdgePoint owns a majority stake in PT Centratama Telekomunikasi Indonesia Tbk (“Centratama”), an independent Indonesian tower company who owns and manages over 4,200 sites, It subsequently entered into a sale leaseback agreement for Indosat Ooredoo’s 4,247 towers (transaction closed in May 2021), and also has entered into an arrangement to build approximately 1,250 greenfield sites for Indosat.

d) commitment to the EM SideCar, a blind pool fund expected to be formed to invest in DI alongside a DB Fund; DB currently expects the SideCar to focus on investments in Latin America and East Asia. The SideCar has not been created yet, and should it not materialize, IFC will have the option to invest in other managed emerging market co-investments at IFC’s discretion.

Investment Description

- International Finance Corporation (IFC)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
DigitalBridge Group, Inc	Client	Communications	invests in	EdgePoint	Investor	Communications
DigitalBridge Group, Inc	Client	Communications	invests in	Highline	Investor	Communications
DigitalBridge Group, Inc	Client	Communications	invests in	International Finance Corporation (IFC)	Buyer	Finance
DigitalBridge Group, Inc	Client	Communications	invests in	Scala	Investor	Communications
International Finance Corporation (IFC)	Investor	Finance	contracts with	DIGITAL COLONY ACQUISITIONS	Subsidiary	Finance

Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org