



IG4 CAPITAL



## Iguá to acquire concession in CEDAE water and wastewater services

**São Paulo, Brazil (April 30, 2021)** – Iguá Saneamento S.A. (“Iguá”) has won the auction for the concession of Block 2 in the privatization of water and sewage services from CEDAE, Rio de Janeiro’s water and sewage company, for a fixed grant fee of R\$7.286 billion (C\$1.7 billion). The new concession will be funded with additional capital invested into Iguá from among its current shareholders, as well as debt financing.

Iguá is a water and sewage service holding company currently operating 18 concessions and contracts across five Brazilian states, and providing sanitation services for more than six million people. This new transaction will expand its operations to the Greater Rio de Janeiro area and add one million people to its client base.

“Iguá prepared itself for this moment. We have been investing resources and energy to improve our processes, transform and innovate within the sanitation chain and delight our customers. We are ready to be leaders in the sector, promoting a better quality of life for the people we serve. Winning this auction amplifies Iguá’s ESG strategy, leveraging the company’s approach to value creation and reinforcing our vision of being a leader in this theme in Latin America, as well as setting an international benchmark in sustainability. Winning the contract for one of the CEDAE blocks is also an important milestone for Iguá’s expansion plans, and it further reinforces the company’s long-term strategy,” said Carlos Brandão, Chief Executive Officer of Iguá.

The new concession will have a length of 35 years. CEDAE, as a state-owned company, will remain responsible for supplying clean and treated water to the Metropolitan Region of Rio de Janeiro. Iguá will be responsible for water distribution, collection, treatment and sewage services in its designated concession area.

Existing Iguá shareholder Canada Pension Plan Investment Board (“[CPP Investments](#)”) will make a capital investment of up to R\$1.7 billion (C\$385 million) into Iguá, including the acquisition of both equity and convertible debentures, to fund the new concession. CPP Investments will continue to hold a 46.7% aggregate equity stake in Iguá, [as announced in March, 2021](#).

“This additional investment to support Iguá’s expansion into Rio de Janeiro will help address the high demand for improved water and sanitation services in Brazil over time, making this a good fit for long-term investors such as CPP Investments,” said Scott Lawrence, Managing Director and Head of Infrastructure, CPP Investments. “Iguá can continue to build on its strong track record in the sector in the coming years, and we look forward to working with our partners to support that development.”

Alberta Investment Management Corporation (“[AIMCo](#)”) will continue to own a 38.6% aggregate stake in Iguá and will invest up to R\$500 million (C\$115 million) in Iguá to fund the new concession.

“We are excited for Iguá in its successful tender on Block 2 and for the opportunity to invest further in the business alongside like-minded partners to increase the service levels in water distribution and sanitation in the State of Rio de Janeiro. This long-term investment is an excellent addition to our



IG4 CAPITAL



infrastructure portfolio that is well-aligned to meeting our clients' investment objectives," said Ben Hawkins, AIMCo's Senior Vice President of Infrastructure & Renewable Resources.

"Iguá's winning bid at CEDAE's auction shows our competitiveness, strength and commitment to grow and expand investments in water and sanitation services in Brazil," said Paulo Mattos, co-founder and CEO of IG4 Capital Group ("IG4 Capital"). IG4 Capital has a proprietary 3.8% stake in Iguá and is the asset management company that manages the FIP Iguá and FIP Mayim, jointly Iguá's controlling shareholders, in partnership with CPP Investments and AIMCo.

BNDES Participações S.A. ("BNDESPar") also owns a direct stake of 10.9% of Iguá.

Iguá continues to be the third-largest private water and sewage treatment service provider in Brazil. The company is focused on acquiring concessions and forming public-private partnerships to build scale in the Brazilian water and sewage sector.

The transaction is subject to customary closing conditions and regulatory approvals.

- ### -

### **About Iguá Saneamento**

Iguá is a sanitation company, controlled by IG4 Capital, which operates in the management and operation of water supply and sewage systems through concessions and public-private partnerships. It is currently present in 37 municipalities in five Brazilian states – Alagoas, Mato Grosso, Santa Catarina, São Paulo and Paraná – through 18 operations that benefit about 6 million people. The range of services provided by the company places it among the largest private operators in the country's sanitation sector. In 2020, Iguá joined the Brazilian Network of the Global Compact, an initiative of the United Nations (UN) to mobilize the business community in the adoption and promotion of Ten Principles universally accepted in the areas of human rights, work, environment and combating corruption. In 2020, for the fourth consecutive year, Iguá was named a great company to work for by Great Place to Work (GPTW). It currently employs around 1,500 people. The name Iguá is a direct reference to the universe in which it operates: in Tupi-Guarani, "ig" means water. [www.iguá.com.br](http://www.iguá.com.br).

### **About CPP Investments**

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the more than 20 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2020, the Fund totalled \$475.7 billion. For more information, please visit [www.cppinvestments.com](http://www.cppinvestments.com) or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).



IG4 CAPITAL



### **About Alberta Investment Management Corporation (AIMCo)**

AIMCo is one of Canada's largest and most diversified institutional investment managers with more than \$118 billion of assets under management. AIMCo was established on January 1, 2008 with a mandate to provide superior long-term investment results for its clients. AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 32 pensions, endowments and government funds in the Province of Alberta. For more information on AIMCo please visit [www.aimco.ca](http://www.aimco.ca).

### **About IG4 Capital**

IG4 Capital is a specialist alternative investment asset management firm focused on generating superior performance with purpose through value creation, ESG integration and sustainable capitalism in the emerging markets. With offices in London, São Paulo, Santiago, Lima, and Madrid, IG4 has approximately USD 700 million under management.

For more information on IG4 Capital please visit [www.ig4capital.com](http://www.ig4capital.com).

### **For further information, please contact:**

#### **CPP Investments**

Steve McCool

Director, Corporate Communications

CPP Investments

T: +44 7780 224 245

[smccool@cppib.com](mailto:smccool@cppib.com)

#### **AIMCo**

Dénes Németh

Vice President, Corporate Communications & Public Affairs

O: +1 780-392-3857 M: +1 780-932-4013

[denes.nemeth@aimco.ca](mailto:denes.nemeth@aimco.ca)

#### **IG4 Capital**

Luiz Antonio Magalhães

+55 11 98911-1830 –

[luiz.magalhaes@lamcomunicacao.com](mailto:luiz.magalhaes@lamcomunicacao.com)

#### **Iguá**

Néctar Comunicação

Júlia Tessari – [julia.tessari@nectarc.com.br](mailto:julia.tessari@nectarc.com.br)

Tel: +55 11 94068-0965

Luiz Pedrosa – [luiz.pedrosa@nectarc.com.br](mailto:luiz.pedrosa@nectarc.com.br)

Tel: +55 11 97635-2924