



IG4 CAPITAL

Press Release

For Immediate Release

IG4 Capital and Alberta Investment Management Corporation sign investment agreement to complete R\$ 400 million investment in Iguá Saneamento S.A.

São Paulo, Brazil (July 31, 2018) – IG4 Capital, a Brazilian private equity firm, and Alberta Investment Management Corporation (AIMCo), on behalf of certain of its clients, have entered into an investment agreement that will result in a primary investment of R\$400 million in FIP Iguá, the controlling shareholder of Iguá Saneamento S.A.. Proceeds of the investment will be used to continue its investment program in its 18 existing concessions and public-private partnerships and to grow the company by pursuing new concession opportunities in the Brazilian water and sewage sector. The transaction is expected to close within 50 days subject to customary closing conditions.

The investment agreement comes one year after IG4 Capital established FIP Iguá to manage Iguá Saneamento S.A., formerly CAB Ambiental. IG4 Capital will continue to be the controlling shareholder of FIP Iguá.

Iguá Saneamento is a water and sewage service holding company with operations in 18 locations in five Brazilian States, including public concessions and public-private partnerships providing sanitation services for approximately 6.6 million people. FIP Iguá holds an 84.2% stake in Iguá Saneamento, while BNDES Participações S.A. holds the remaining 15.8% of the company.

Since IG4 Capital assumed control, Iguá Saneamento has demonstrated consistently positive results, recording a profit of R\$30.2 million in 2017, reversing a net loss of R\$83.8 million in the previous year. 2017 results represented an improvement of 136% in a financial and operational restructuring year for the company. The restructuring resulted in an increase of 20.9% of adjusted EBITDA, which increased from R\$175.4 million to R\$212 million, with the EBITDA margin increasing from 34.5% to 39%.

“We are pleased to announce this partnership with IG4 Capital and Iguá Saneamento S.A. The Brazilian water and sanitation sector requires significant private investment in order to increase the percentage of the population that has access to potable water and sewage collection & treatment. Our involvement in Iguá Saneamento will accelerate the company’s growth and its development into a leading Brazilian water platform”, says David Perl, Director, Infrastructure & Timber, AIMCo.

“We are pleased with the partnership with AIMCo. It represents an additional proof that Iguá Saneamento is already in the path to grow, after just one year that we initiated a complex turnaround in the company. With the new resources, we will be able to create even more value to IGUA’s stakeholders”, says Paulo Mattos, IG4 Capital’s CEO.

About Alberta Investment Management Corporation (AIMCo)

Alberta Investment Management Corporation (AIMCo) is one of Canada's largest and most diversified institutional investment managers with more than CAD 107 billion of assets under management, as at March 31, 2018. 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 pension, endowment and government funds in the Province of Alberta. For more information please visit www.aimco.alberta.ca.

About IG4 Capital

IG4 Capital is an alternatives asset management firm, focused on private equity and private credit.

Further Information:

IG4 Capital and Iguá Saneamento S.A.

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