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Abril de 2024

GRUPO CERRO EMITE BONOS VERDES POR US$98 MILLONES

Chile's Grupo Cerro makes US$98 million green bond issuance

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11 April 2024

US firm Milbank and Morales & Besa in Santiago have helped Chilean renewables company Grupo Cerro issue US$98 million worth of green bonds.

Grupo Cerro made the private placement of notes through the holding company for its hydroelectric portfolio, Anpac. Morales & Besa also advised several of Anpac's subsidiaries as guarantors of the debt.

Placement agents BTG Pactual and HSBC relied on Clifford Chance LLP in New York, US firm Shearman & Sterling, as well as Chilean firm Barros & Errázuriz Abogados. Carey in Santiago advised HSBC's US branch as offshore collateral agent and HSBC Chile as onshore collateral agent in the deal.

The deal closed on 19 March. The notes were issued under Grupo Cerro's green financing framework and have a maturity of 15 years.

Cerro will use the proceeds of the issuance to repay existing debt, while the remainder will contribute towards the company's shareholder growth plans.

Anpac's hydroelectric portfolio has a total installed capacity of 73 megawatts. It consists of 10 run-of-river plants, nine of which are operational, and one in the final stage of construction. The assets are located in Chile's central regions of O'Higgins, El Maule, Bío Bío and La Araucanía, south of Santiago.

Launched in 2022, Grupo Cerro is the Chilean renewables platform of US investment group EIG Global Energy Partners. Grupo Cerro manages around 280 megawatts worth of operational renewables assets in Chile, while it has solar plants with a combined capacity of

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1,000 megawatts under development.

Transactions involving hydroelectric assets are increasingly common in Latin America. In March, Vale acquired a stake in Brazilian green energy generator Aliança, gaining access to seven hydroelectric plants. This came four months after UK-owned Niagara Energy purchased shares in Peruvian subsidiary of Italy's Enel for US$1.4 billion, a central electricity generation company that produces 1,677 megawatts of power per year through its hydroelectric and thermoelectric plants.

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Shearman & Sterling LLP

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Barros & Errázuriz Abogados

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