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PATRIA SELLS ITS PARTICIPATION IN ODATA

Several firms steer cross-border data centre buy

Lily Squires

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Four Vinson & Elkins LLP offices, Brazilian firm Stocche Forbes Advogados, Colombia's Posse Herrera Ruiz, Mijares, Angoitia, Córtes y Fuentes SC in Mexico City and Uruguay's Posadas have helped data centre operator Aligned acquire Latin American-focused counterpart ODATA from Brazil's Patria Investimentos and US IT company CyrusOne.

Patria and ODATA relied on the New York offices of Cuatrecasas and Proskauer Rose LLP, Pinheiro Neto Advogados in São Paulo and Dentons Jiménez de Aréchaga in Montevideo. Patria sold its entire 90% interest in the company through the transaction.

CyrusOne divested its 10% stake in ODATA through the deal, turning to Demarest Advogados in São Paulo for legal counsel.

Latin Lawyer understands that Patria also enlisted Mayer Brown (Mexico), while CyrusOne is thought to have hired Kirkland & Ellis LLP but this could not be determined before publishing.

Aligned, which is controlled by Australian investor Macquarie Asset Management, simultaneously acquired a minority structured investment in ODATA from SDC Capital Partners in the US.

Skadden, Arps, Slate, Meagher & Flom LLP in New York advised SDC, while the joint lead arrangers of that investment vehicle enlisted Paul Hastings LLP in New York.

The deal was signed on 10 December and is expected to close in early 2023. No purchase value was disclosed. ODATA's market value is estimated to be around US$1.8 billion.

Texas-headquartered Aligned expands into Latin America for the first time through the deal. The purchase also makes the buyer one of the

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largest private data centre operators across both North and South America. The buyer now has a two-gigawatt capacity across its data centres in 30 locations worldwide – including ODATA's assets in Brazil, Chile, Colombia and Mexico.

ODATA will integrate into Aligned following the acquisition, providing customers with increased access to data centre assets across North and South America. This includes three data centres that ODATA has in Brazil, as well as one each in Colombia and Mexico. The target group also has a facility under construction in Chile, while it is developing a fourth Brazilian centre in Rio de Janeiro. There are also plans for a second facility in Mexico, with construction on a 30-megawatt centre in the city of Querétaro expected to begin soon. The Latin American-focused business plans to target Peru for its next project.

Data centre transactions are an increasingly common feature in Latin America. In September, US data centre company EdgeConneX obtained a US$150 million financing from French investment bank Natixis. Just months before, US internet company Equinix bought a data centre in Lima from Chilean telecoms group Entel for US$74 million. This came after Equinix acquired three data centres in Santiago.

ODATA was founded as a start-up by Patria in 2015 to capture an increased demand from Latin America's fast-growing data centre market. Since then, the company quickly developed several hundred megawatts worth of assets across some of the region's largest jurisdictions.

Founded in 2013, Dallas-based Aligned operates data centres across the US states of Texas, Illinois, Arizona, Utah, Virginia and Maryland.

Counsel to Aligned Data Centers

Vinson & Elkins LLP

Partners Gabriel Silva, Eamon Nolan, Francisco Morales Barron and Patricia Adam, associates Willian Waid Barfield, Michele Helene West, Mel Byun and Doug Fujimoto Ogata and visiting lawyer Yasmim Santos in New York; partner Robert Hughes and associates Caitlin

Turner and Jason McIntosh in Houston; partners Natan Leyva, Christopher Mangin and Hill Wellford, and counsel Evan Miller in Washington, DC; and associate Gabriela Astolphi in London

Stocche Forbes Advogados

Partner Bruno Bercito and associates Edgard Schwery Neto, Guilherme Nunes, Victor Corrêa and Lara Beatriz Andrade Santos in São Paulo

Posse Herrera Ruiz

Partner Jaime Cubillos and associates Catalina Noreña and Laura Aristizabal in Bogotá

Mijares, Angoitia, Córtes y Fuentes SC

Partners Horacio de Uriarte Flores, Carlos Orcí Berea and Rodrigo Del Valle Prieto, and associates Elián Ávila Zataray, Fernando Guerrero Uribe, Aisha Calderón Moisés, Paula Pérez Benítez, Paulina Martínez Alvarado, María José Canseco Melín, Rodrigo González-Duarte Morales, Fernanda Cid, Raquel Najmias and David Ricardo Rajunov in Mexico City

Posadas

Partner Andres Aznarez and associates Karina Souza, Paula Costa, Jacinta Inciarte and Paula Cabarcos in Montevideo

Counsel to Patria Investimentos and ODATA

In-house counsel t0 Patria Investimentos - Luiz Portela, Miguel Raszl, Larissa Sabino and Felipe Rezende

In-house counsel to ODATA - Erika Patara

Cuatrecasas

Partners Antonio Baena, Diego Pérez-Yarza and Dèlcia Capocasale in New York

Proskauer Rose LLP

Partners Daniel Ganitsky and Kunal Dogra, and associate Lauren Kim in New York

Pinheiro Neto Advogados

Partners Miguel Tornovsky, Tiago Eler Silva and Giancarlo Matarazzo, and associates Bruna Pavanello, Nicholas Versignassi, Filipe Coube Ferraz, José Arnaldo de Paula in São Paulo

Brigard Urrutia

Partner Tomás Holguín and associates Nicolás Alonso and Natalia Castiblanco in Bogotá

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Partners Pablo Iacobelli, Cristián Eyzaguirre, Manuel José Garcés, Manuel José Barros and José Pardo, director Alejandra Risso and associates Daniela Pfeffer, Ignacio Alfaro, Constanza Rivera and Javiera Álvarez in Santiago

Dentons Jiménez de Aréchaga

Partner Héctor Viana, of counsel Magdalena Secco and associate Mariana Lartigau in Montevideo

Counsel to CyrusOne

Demarest Advogados

Partners Luciana Tornovsky, José Diaz, Christiano Chagas, Marcello Pedroso, Milena Mundim and Tomás Paiva, and associates Marcelo Peloso, Débora Sejtman, Fabio Tayar, Laura Pelegrini and Luiza Peralta in São Paulo

Counsel to SDC Capital Partners

Skadden, Arps, Slate, Meagher & Flom LLP

Partners Thomas Greenberg, David Nagler and Chase Wink, counsel Nazmiye Gokcebay and associates Caroline Frizzo, Jerome Newton and Patrick Hasson in New York

Counsel to SMBC, MUFG, Deutsch Bank and Normura

Paul Hastings LLP

Partners Alexandro Padres and Thomas Sines, and associate Bruna Rey in New York