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February 2021

WOM GETS FINANCING RELATED TO THE 5G BIDDING PROCESS

Chilean telecoms group WOM gets financing ahead of 5G trial

Emily Darby

Guerrero Olivos in Santiago has helped Chilean telecoms group WOM obtain a US$450 million financing, the proceeds of which it will use to bid for local telecoms contracts as Chile goes ahead with Latin America's first 5G test zone.

The money was raised by Luxembourg-based Kenbourne Invest, which subsequently provided the amount as a loan to WOM.

Latham & Watkins LLP in London and New York and Chile's Carey advised the initial purchasers in the deal, which closed on 22 January.

White & Case LLP is also thought to have advised the issuer, but Latin Lawyer could not confirm this prior to publishing

The debt has a 4.7% coupon and matures in seven years from the issuing date. The bonds were guaranteed by WOM's Chilean assets and London-headquartered parent company Novator Partners.

WOM is one of five local telecoms groups to qualify for several 5G contracts auctioned by Chile's telecoms regulator Subtel. The initial auction, launched in October 2019, recently reached a standstill when the bidding companies – Borealnet, Claro, Entel, Movistar and WOM – made equal offers for the three sets of high-frequency transmission bands. Instead, Subtel will announce the winners of the contracts in separate closed auctions, with the first one taking place on 8 February. That bid is for a high-speed 700-megahertz band of 5G frequency, which is the fastest on offer. The contracts for the other frequencies will be auctioned later this month.

The transaction comes after Chile became the first Latin American country to announce a 5G test zone last month. For a trial period, connection to the ultra-fast wireless network will be available to mobile users across a 5.5 square-kilometre radius in the municipality

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of Santiago. The test zone is expected to demonstrate the benefits of faster mobile internet in the city's capital, including residential areas, hospitals, schools and offices.

Founded in 2015, WOM provides mobile, telecoms and internet services to over 6 million users, while Kenbourne Invest controls the group's finances. Both companies are owned by British private investment group Novator, which counts well-known UK start-ups Deliveroo, Monzo and Bloom & Wild, among others, in its investment portfolio.

WOM has raised debt before. It made another US$450 million bond issuance as part of a larger US$600 million financing in late 2019. Guerrero Olivos, Latham & Watkins and Carey all worked on that deal too.

Counsel to WOM and Kenbourne Invest

In-house Counsel - Marcelo Fica and Raimundo Meneses

Guerrero Olivos

Partner Pedro Pellegrini, counsel Alejandro Chechilnitzky and associates Benjamín Novoa and Abel Flores

Counsel to JP Morgan, Banco Santander and Bank of America

Latham & Watkins LLP

Partners Brett Cassidy and Matthew Schneider, and associate Phil Houten in London, and partners Roderick Branch and Bora Bozkurt, and associates Sam Yang and Vicente Allende, international visiting associate in New York

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Partners Diego Peralta and José Manuel Garcés, counsel Eduardo Martin, and associates Felipe Tupper, Paluska Solar, Nadia Jara, Raúl Mazzarella, Antonio Dourthe, Elías Mohor and Javiera Sepúlveda in Santiago