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IDEAL, CPPIB and Ontario Teachers' Expand Mexican Infrastructure Partnership

Mexico City, Mexico/Toronto, Canada (November 21, 2019): Canada Pension Plan Investment Board ("CPPIB") and Ontario Teachers' Pension Plan ("Ontario Teachers'") have entered into a definitive agreement to acquire a stake in Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. (BMV:IDEAL B-1, "IDEAL") to further invest in key infrastructure projects throughout Mexico.

IDEAL's portfolio includes 18 infrastructure concessions in Mexico (13 toll roads, three logistics terminals and two wastewater treatment plants), as well as an electronic toll collection service business and an operations business. IDEAL, Ontario Teachers' and CPPIB are already partners in the Arco Norte and Pacifico Sur toll roads.

Under the terms of the agreement, CPPIB and Ontario Teachers' have committed to launch a tender offer in the Mexican stock exchange for shares in IDEAL, subject to the fulfillment of certain conditions, at MXN\$43.96 per share. If successful, CPPIB will acquire a 23.7% interest in IDEAL alongside a 16.3% stake by Ontario Teachers'. The current majority owners of IDEAL's outstanding shares will maintain a majority shareholding in the company.

As part of the arrangement, an infrastructure investment trust, known locally in Mexico as a FIBRA-E (Fideicomiso de Inversión en Energía e Infraestructura), will be formed by a subsidiary of IDEAL, and subsequently funded by certain shareholders of IDEAL, CPPIB and Ontario Teachers'. The FIBRA-E structure was introduced in Mexico in 2015 to encourage private-sector investment in energy and infrastructure projects.

The FIBRA-E will be managed by a subsidiary of IDEAL and purchase partial stakes in four of IDEAL's toll roads: Arco Norte, Chamapa - La Venta, Toluca Bypass and Tijuana - Tecate. After the FIBRA-E is formed, a secondary offering led by CPPIB and Ontario Teachers' will occur, which will reduce their ownership to small minority positions while also introducing other investors.

"This investment in IDEAL provides CPPIB with the valued opportunity to access a diversified portfolio of assets with stable cash flows, while also providing the opportunity for future growth through development opportunities in Mexico's infrastructure sector," said Scott Lawrence, Managing Director, Head of Infrastructure, CPPIB. "Broadening our partnership with Ontario Teachers' and IDEAL further strengthens our commitment to long-term ownership."

"Following our investments in Arco Norte and Pacifico Sur, this investment in IDEAL represents an important addition to our infrastructure portfolio. IDEAL is a leading Mexican infrastructure platform and provides Ontario Teachers' new capabilities to further invest in projects in the region," said Dale Burgess, Senior Managing Director, Infrastructure and Natural Resources, Ontario Teachers'. "We are excited to deepen our partnership with IDEAL and CPPIB to continue to invest in core infrastructure in Mexico."

The transaction is subject to customary closing conditions, including by certain competition and regulatory authorities.



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ABOUT IDEAL

IDEAL is an independent publicly traded company listed on the Mexican Stock Exchange (Ticker: IDEALB1.MX). IDEAL engages in the development, promotion, operation and administration of infrastructure projects in Mexico and Latin America. IDEAL is one of the largest infrastructure companies in Latin America, with 18 infrastructure concessions in different sectors, including toll roads, water, energy, social infrastructure and logistics terminals.

ABOUT CANADA PENSION PLAN INVESTMENT BOARD

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits in the best interests of 20 million contributors and beneficiaries. In order to build diversified portfolios of assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2019, the CPP Fund totalled \$409.5 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

ABOUT ONTARIO TEACHERS' PENSION PLAN

The Ontario Teachers' Pension Plan (Ontario Teachers') is Canada's largest single-profession pension plan, with \$201.4 billion in net assets at June 30, 2019. It holds a diverse global portfolio of assets, approximately 80% of which is managed in-house, and has earned an annual total-fund net return of 9.7% since the plan's founding in 1990 (all figures as at Dec. 31, 2018 unless noted). Ontario Teachers' is an independent organization headquartered in Toronto. Its Asia-Pacific region office is located in Hong Kong and its Europe, Middle East & Africa region office is in London. The defined-benefit plan, which is fully funded, invests and administers the pensions of the province of Ontario's 327,000 active and retired teachers. For more information, visit otpp.com and follow us on Twitter [@Otpplnfo](#).

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