

NOVA FERROESTE

SUSTAINABLE LOGISTIC SOLUTION



GOVERNO DO ESTADO
Mato Grosso do Sul



NOVA
FERROESTE
LOGÍSTICA INTELIGENTE



PARANÁ

One of the most **SUSTAINABLE** states worldwide, according to the OECD. NOVA FERROESTE shall transform Paraná into **LOGISTIC HUB** of South America.

✓ Project eligible for Green Bonds Issue.



Environmental License issue by IBAMA prior to the Auction.

SUSTAINABLE DEVELOPMENT GOALS

-  No poverty
-  Decent work and economic growth
-  Industry, innovation and infrastructure
-  Reduced inequalities
-  Sustainable cities and communities
-  Climate action
-  Life on land

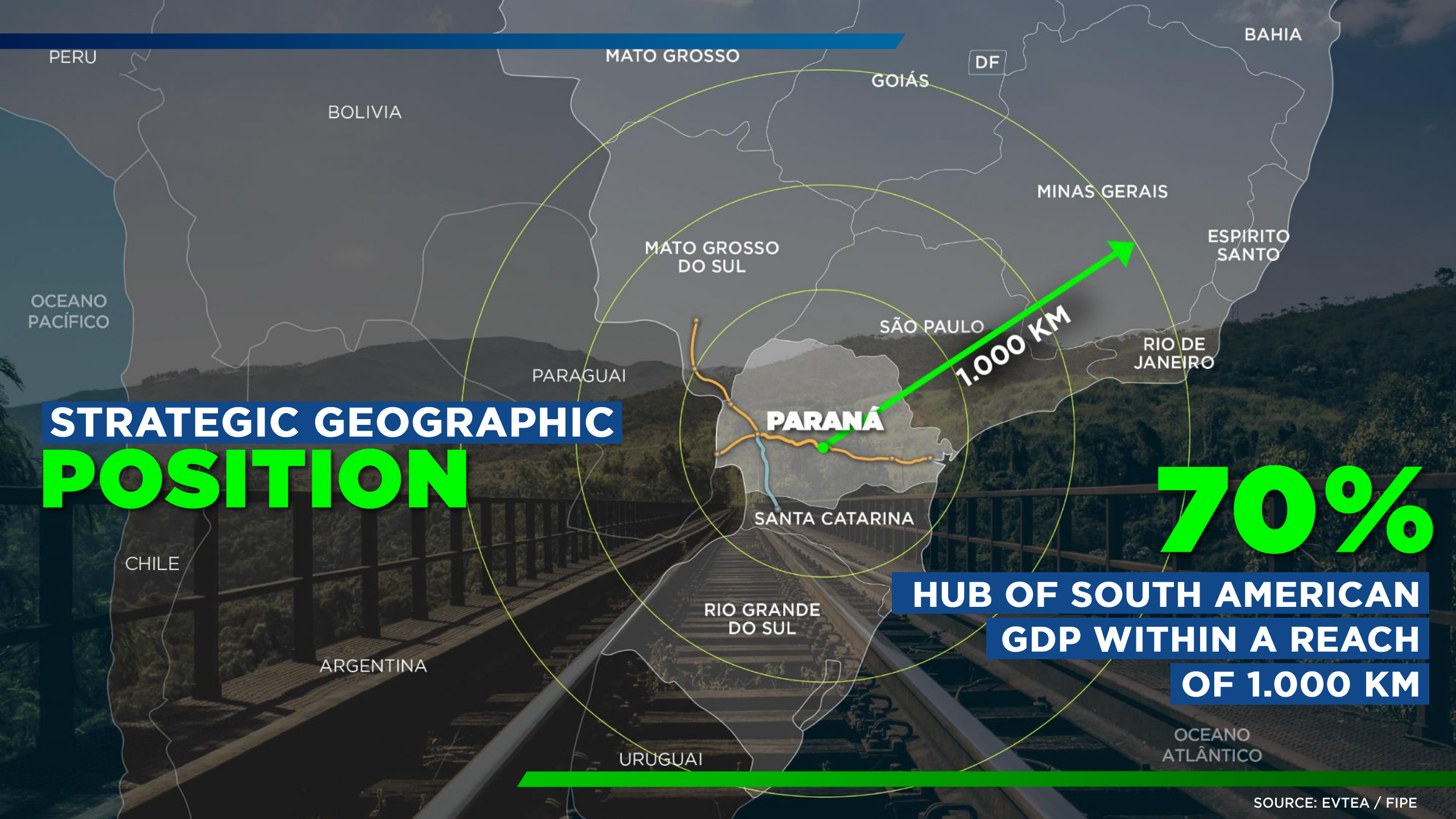
7 REACHED GOALS FROM A TOTAL OF 17



STRATEGIC GEOGRAPHIC POSITION

70%

HUB OF SOUTH AMERICAN
GDP WITHIN A REACH
OF 1.000 KM



AGRIBUSINESS PRODUCTION

2020	BRASIL		ARGENTINA		PARAGUAY		TOTAL
	WORLD POSITION	MI / TONS	WORLD POSITION	MI / TONS	WORLD POSITION	MI / TONS	
SOYBEAN	1st	122	3rd	49	6th	11	182
POULTRY	3rd	104	4th	58	-	6	168
WHEAT	-	6	11th	20	-	1	27

SOURCE: FAO ([HTTPS://WWW.FAO.ORG/FAOSTAT](https://www.fao.org/faostat))

08/2022 (YEARLY ACCUMULATED)	PARANÁ		SANTA CATARINA		MATO GROSSO DO SUL		TOTAL PRODUCTION
	NATIONAL POSITION	PRODUCTION PROP.	NATIONAL POSITION	PRODUCTION PROP.	NATIONAL POSITION	PRODUCTION PROP.	
SWINE	2nd	21,2%	1st	28,6%	7th	4,5%	54%
POULTRY	1st	33,7%	2nd	13,4%	7th	3,4%	50%
BEEF	9th	4,3%	13th	1,7%	3rd	10,4%	16%
CORN	2nd	15,3%	10th	2,0%	3rd	10,3%	28%
SOYBEAN	3rd	10,5%	13th	1,8%	5th	7,4%	20%
SUGAR CANE	5th	5,5%	22nd	0,1%	4th	7,5%	13%

SOURCE : MINISTÉRIO DA PECUÁRIA, AGRICULTURA E ABASTECIMENTO





2nd LARGEST EXPORT CORRIDOR

— GRAINS AND CONTAINERS IN BRAZIL —



2/3 OF THE TOTAL PRODUCTION



70% EXPORT

RAILWAY SHARE AT THE PARANAGUÁ PORT

Future Scenario with Nova Ferroeste

Other Modals

38%

Railway

62%

0%

20%

40%

60%

80%



Cargo Forecast at Paranaguá Port

2021 → 60 Mton

2030 → 100 Mton

(on going investments)



Current Cargo Situation without Nova Ferroeste

20% → Railway

80% → Other Modals



**UPSIDE PROJECT
INVESTMENT**

US\$ 4 Billion

**Total
US\$ 6,8 Billion**



**UPSIDE
INVESTMENT**

"Non-recourse finance"
(based upon proceeds
generated from the
project funded)

INVESTMENT PLAN



**ROLLING STOCK
US\$ 0,6 Bi**



**2027-2029
US\$ 0,6 Bi
223 km**

**2027-2029
US\$ 0,8 Bi
223 km**

**2025-2029
US\$ 0,8 Bi
184 km**

**MANDATORY
INVESTMENT
US\$ 2,2 Bi**

ONEROUS ASSIGNMENT WITH CHARGES

CONTRACT TRANSFER

FEDERAL GOVERNMENT OF BRAZIL



PARANÁ
STATE-OWNED COMPANY



INVESTOR
(Special Purpose Company
or Company)

CONTRACTS TRANSFER

1 CONCESSION CONTRACT



4 AUTHORIZATION CONTRACTS

**US\$ 34 Million Minimum
Consideration**

99 years renewable contracts

MITIGATED RISKS



COMPLETED

ENGINEERING RISKS



Investor has freedom in the final decision of the project



Robust routing and engineering study (CAPEX and OPEX)



Adherent to EPC model

ENVIRONMENTAL RISK



Environmental license issued



Member of Sustainable Market Initiatives



Project eligible for Green Bonds (Good Climate Initiative platform)

LEGAL RISK



All rail service contracts signed with Federal Government (Concession and Authorization)



Authorization Regulatory Framework (Federal Law 14.273)



Arbitration chamber for resolving conflicts in a fast manner

DEMAND RISK



70% of Latin America's GDP within the area of influence



Mitigated by contractual agreement with cargo owner



Only railway solution to serve agribusiness below the 16th parallel

FINANCIAL RISK



IRR of 11% p.a. (Project)



Financial hedge against exchange rate variations by contracting freight in dollars (Law 14.286/2021)



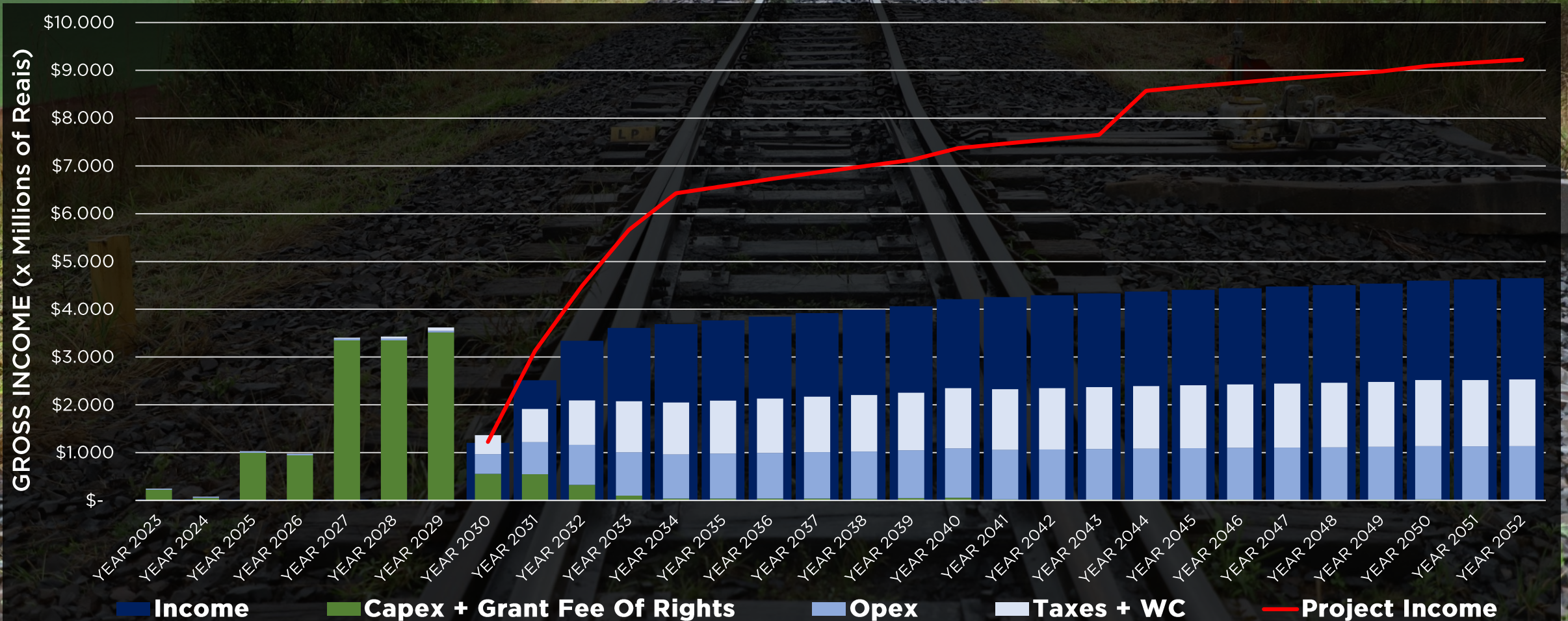
Freedom to define the investment plan of the freight collection branches



Upside of the project baked up by the revenues

OUTCOME

FORECAST (x Millions of Reais)



**EXPECTED
MANDATORY
CAPEX**



US\$ 2,2 Bi

**ROLLING STOCK
US\$ 0,6 Bi**



**EXPECTED
INTERNAL RATE
OF RETURN (IRR):**

11% per year



99 Years

(renewable)

**AWARD CRITERIA:
highest grant Of rights
(minimum offer)**

US\$ 34 Millions

AUCTION DATE

**(INCLUDING
ENVIRONMENTAL
LICENSE)**



2025

THANK YOU!

QUESTIONS AND ANSWERS

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