

# Project Frau

MOELIS & COMPANY

## Opportunity Overview

June 2020

# Project Frau

## Disclaimer & Key Contact Information

MOELIS & COMPANY

This confidential presentation (the “Teaser”) is being delivered to a limited number of parties who, it is believed, may be interested in a potential transaction involving Project Frau (“Frau” or the “Company”). This Teaser is furnished to you on a confidential basis solely for the purpose of evaluating the transaction described herein.

This Teaser has been prepared by the Company. Moelis & Company Assessoria Financeira Ltda. (“Moelis”) has not conducted any investigation with respect to such information, and each of the Company and Moelis expressly disclaim any and all liability for representations, expressed or implied, contained in, or for omissions from, this Teaser or any other written or oral communication transmitted to any interested party in the course of its evaluation of Frau. Only those particular representations and warranties that may be made by the Company in a definitive written agreement, when and if one is executed, and subject to such limitations and restrictions as may be specified in such agreement, shall have any legal effect.

This Teaser may include certain statements provided by the Company with respect to the Company’s historical and anticipated performance. No representations or warranties are made as to the accuracy of such statements or estimates of anticipated performance. By its acceptance hereof, each recipient agrees that neither it nor its agents, advisers, representatives, directors or employees will copy, reproduce or distribute to others this Teaser, in whole or in part, at any time without the prior written consent of the Company and Moelis. This Teaser shall remain the property of the Company. This Teaser does not constitute an offer or invitation for the sale or purchase of the securities, assets or business described herein and shall not form the basis of any contract or agreement.

By accepting this Teaser, each recipient acknowledges that it is aware and will advise its officers, directors, employees, advisors and representatives who are informed of the matters that are the subject of this Teaser, of the restrictions imposed by applicable securities laws on the purchase or sale of securities by any person who has received material, non-public information from the Company and on the communication of such information to any other person. In furnishing this Teaser, neither the Company nor Moelis undertakes any obligation to update any of the information contained herein or to correct any inaccuracies which may become apparent.

All communication, inquiries and requests related to Frau should be directed to the Moelis team members below.

### MOELIS & COMPANY

<p><b>Jório Salgado-Gama</b> <i>Managing Director, Co-Head of Moelis Brazil</i></p> <p>T: +55.11.3279.9020 M: +55.11.97570.8326 <a href="mailto:jorio.salgado@moelis.com">jorio.salgado@moelis.com</a></p>	<p><b>Bruno Fischel</b> <i>Associate</i></p> <p>T: +55.11.3279.9022 M: +55.11.94146.0587 <a href="mailto:Bruno.fischel@moelis.com">Bruno.fischel@moelis.com</a></p>	<p><b>Wilson Rocha Jr.</b> <i>Analyst</i></p> <p>T: +55.11.3279.9017 M: +55.11.95551.5304 <a href="mailto:wilson.rocha@moelis.com">wilson.rocha@moelis.com</a></p>
--	---	--

Moelis & Company  
Av. Horácio Lafer, 160 – 8<sup>th</sup> Floor  
São Paulo, SP - Brazil - 04538-080  
T: +55 11 3279-9000

# Project Frau

## Overview

### INVESTMENT OPPORTUNITY

<b>Company</b>	<ul style="list-style-type: none"> <li>Frau Terminal is a greenfield private port terminal (TUP) in the region of Santos, Brazil</li> <li>Although the project is still at a greenfield stage, IBAMA has already granted the Installation License, ANTAQ has granted a Formal Assent, Infrastructure Ministry has granted the Declaration of Public Utility, the Adhesion Contract has been signed, and MMA has granted ASV license</li> </ul>
<b>Project Sponsor</b>	<ul style="list-style-type: none"> <li>Local developer of real estate projects with 130+ years of experience managing real estate assets in the region of Santos</li> </ul>
<b>Transaction</b>	<ul style="list-style-type: none"> <li>Capital increase at Frau Terminal via subscription of new common shares, paid-in according to the schedule of investments by the SPE</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>Exact value to be determined after the development of the detailed capital expenditure studies</li> <li>The Group owns ~100,000 m<sup>2</sup> of additional support land in areas close to the planned berths</li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>Resources will be fully invested in an SPE for the deployment of the project</li> </ul>

Source: Company

### INVESTMENT HIGHLIGHTS

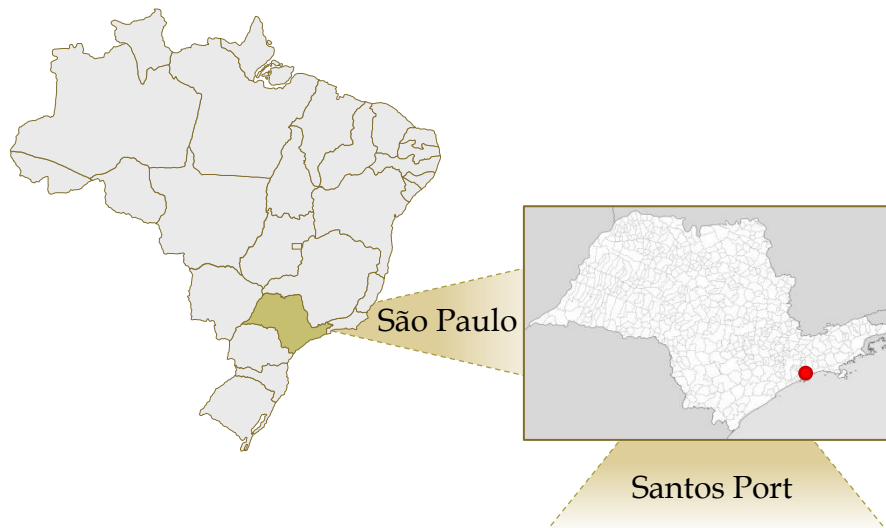
- Privileged Location in the Port of Santos Channel
- Unique Road and Rail Access
- Advanced Licensing Status
- Port Structure Deficit in the Region
- State of the Art Project with High Operational Efficiency

# Project Frau

## Unique Positioning

Frau Terminal is uniquely positioned in the Port of Santos, with easy road, rail and waterway access

### STRATEGIC LOCATION



### ROAD & RAIL ACCESS

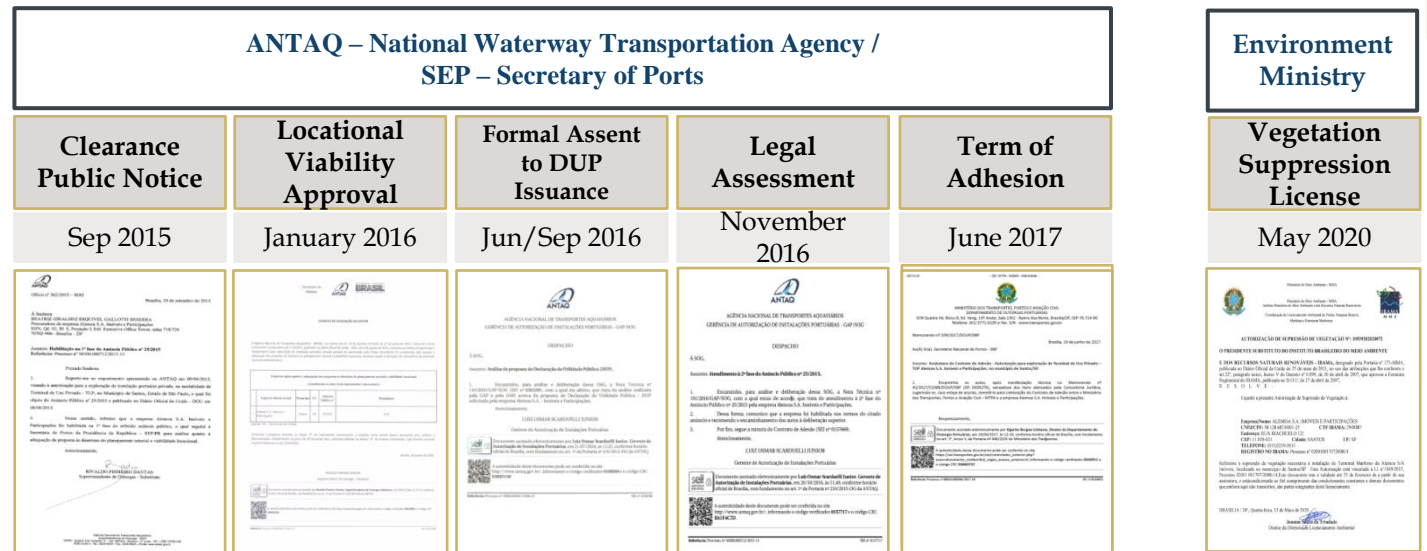
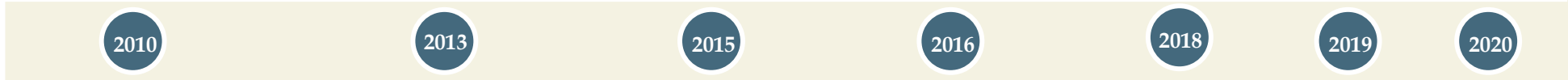
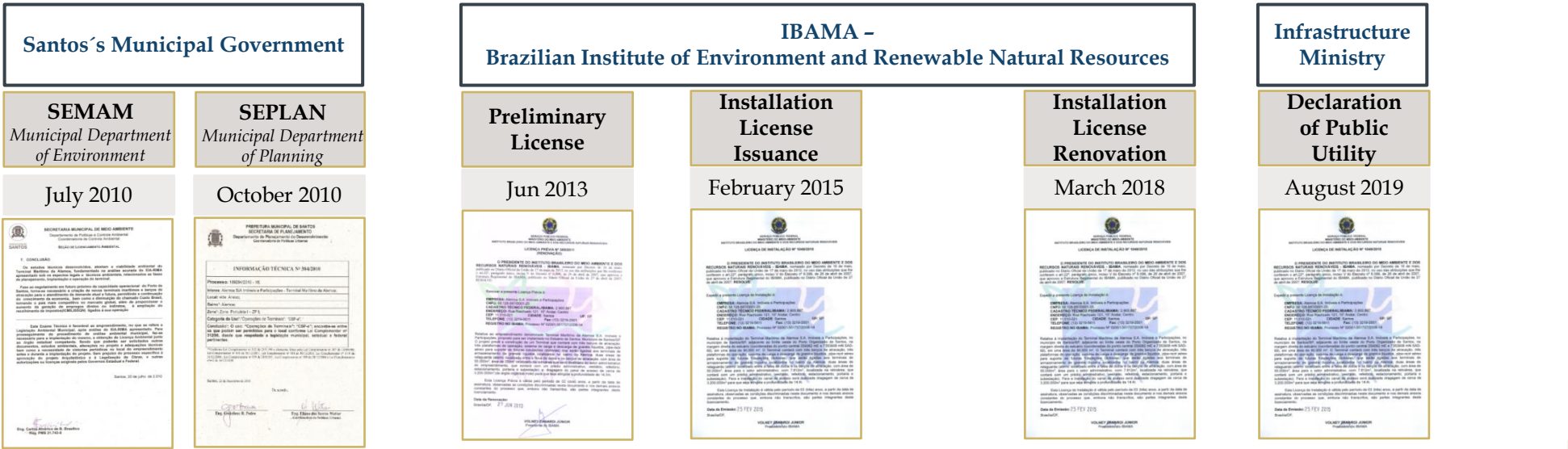
- Terminal entrance is close to the Anchieta Highway, which is the main connection between São Paulo and the Port of Santos
  - Easy road access to the terminal, avoiding Santos' intracity traffic
- ALL/FCA/MRS railway runs tangent to the Frau Terminal, allowing for a highly efficient rail connection

### WATERWAY ACCESS

- Frau is located in sector IV' of the Port of Santos channel
- Dredging investments will be required in order to enlarge the sector's depth to accommodate grain, pulp and liquid vessels
  - Such investments are considered in the estimated capital expenditures



# Project Frau Licensing & Approval Process



# Project Frau

## Base Case Layout

Base Case layout contemplates specific berths for 3 different types of cargoes: grains, pulp and liquid

### PLANNED FRAU TERMINAL

