

Overview of the BNDES infrastructure strategy and the Projects Factory

Madrid, May 2022

Agenda

- > Infrastructure highlights
- > Projects Factory



> Infrastructure highlights

> BNDES mission - Infrastructure highlights



Our priority regarding infrastructure is to create an environment that **widens investment** by developing and providing support for projects that **increase productivity** and **promote accessibility and integration**

We plan on achieving this by exploring the following tools:



Risk-taking

Develop the project finance market in Brazil, providing non-recourse and limited-recourse funding

Projects Factory

Structure a high-quality project pipeline for concessions, PPPs and privatizations, leveraging and attracting private investment

Sustainability and resilience

Promote projects that mitigate potential damage to the environment and take into account climate resilience

> We have a long history of financial support for infrastructure ...

1,908 infrastructure projects and
USD 177 bn funded over the last 20 years ^{1/}



371 power projects
73% of the electricity generation expansion in Brazil



90 highway projects
up to 25,000 km – 12% of the Brazilian paved network

+ 87 telecom projects, 60 railway projects, 160 sanitation, 48 airports/ ports and 50 mobility/ subway, among others

... and infrastructure remains the highlight for disbursements

Disbursements by industry in 2021



40.7% of the disbursements in the year

Total disbursements^{2/} in 2021

USD 13.6 billion

> Project Finance is strategic to promote infrastructure ...

Recent landmark transactions in the highway and urban mobility sectors^{1/}



Toll Road SP - Pipa

*Limited-recourse
Project finance*

*Largest road system
ever granted to the
private sector in Brazil*

USD 633 m (loan)
USD 1.1 bn (capex)
Co-financing: local
infrastructure bonds
Sponsor: Pátria, GIC



2021



Toll Road MT - 100

*Non-recourse
Project finance*

USD 42.2 m (loan)
USD 63.3 m (capex)
Sponsor: Conasa

2022



Subway SP Line 6

*1st urban mobility
greenfield project
structured as non-
recourse PF in Brazil*
*Largest urban mobility
PPP project in Brazil*

USD 1.5 bn (loan)
USD 3.6 bn (capex)
Co-financing: local
infrastructure bonds
Sponsors: Acciona,
Stoa, SocGen

2021

BNDES aims at developing the project finance market in Brazil, increasing risk-taking and providing non-recourse and limited-recourse financing

- > Recent transactions include new approach to pre-completion security package: MT-100 and Linha 6
- > Pipa and GNA II ^{2/} and other transactions also include structured features, such as partial completion acceptance and backstop facilities

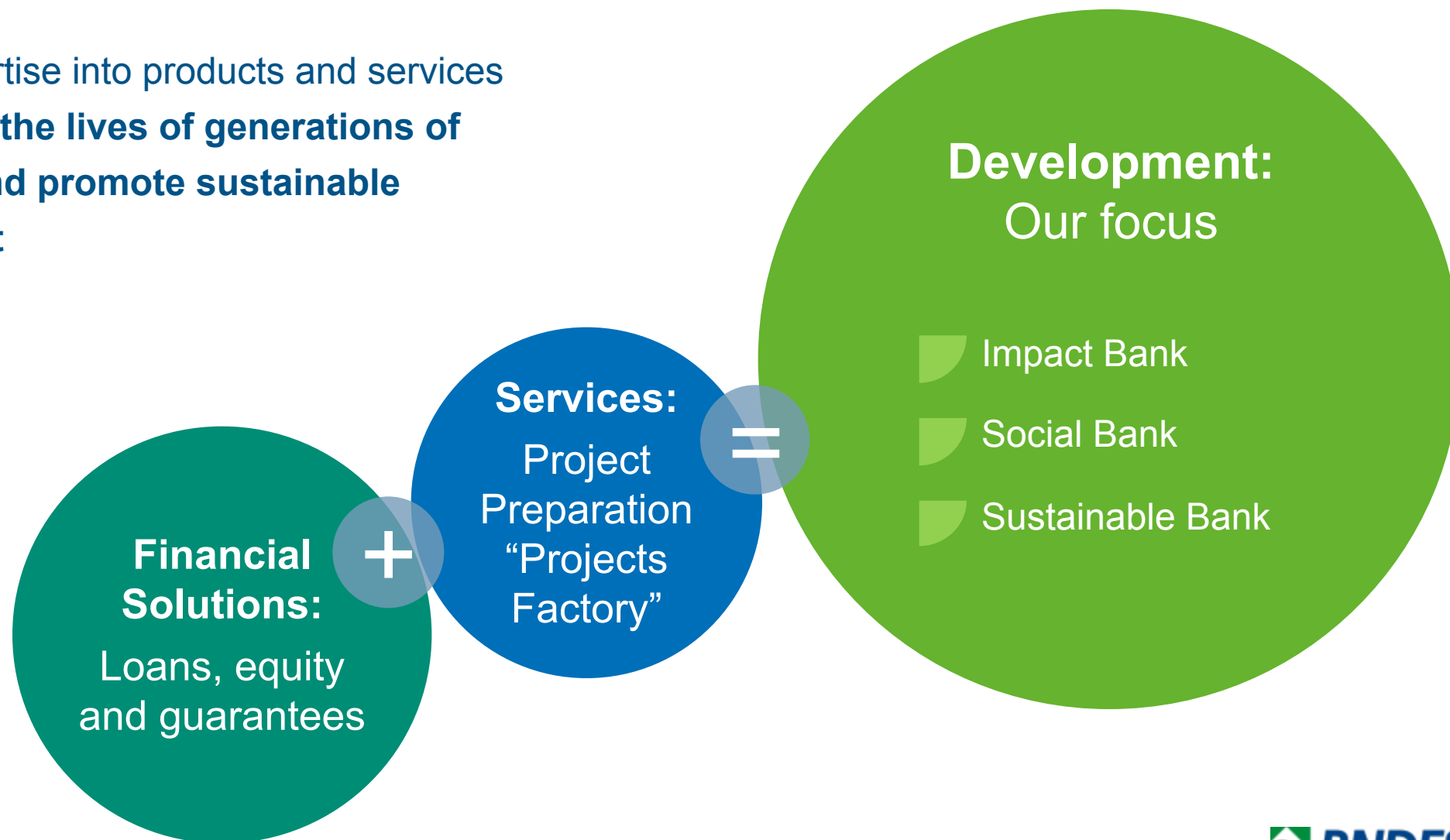


> Projects Factory

> Service Bank: more services, more development



Turning expertise into products and services to **transform the lives of generations of Brazilians and promote sustainable development**



> BNDES as a one-stop shop

Sell side

Origination

BNDES seeks opportunities with the Brazilian public sector to develop infrastructure projects and privatizations

Project Preparation

We benefit from our expertise in infrastructure to develop technical studies, suitable business models and tender documents, working alongside the public sector until the contract signing

Promotion

BNDES reaches out to investors promoting opportunities and presenting the more mature projects to engage the private sector in bidding for them

Buy side

Financing

With a well-established history in providing long-term funding, BNDES can offer loans and financial solutions for these projects (e.g. guarantees, capital markets – debentures – and syndicated finance)

Securitization

In order to recycle our loan portfolio, securitization opportunities may be analyzed and implemented

> BNDES Projects Factory – diversified portfolio

Auctions (since 2019)

23

auctioned projects^{1/}

USD 23.8 bn

mobilized capital ^{2/}

Active portfolio

153

mandated projects^{1/}

USD 56.5 bn

estimated investment^{2/}

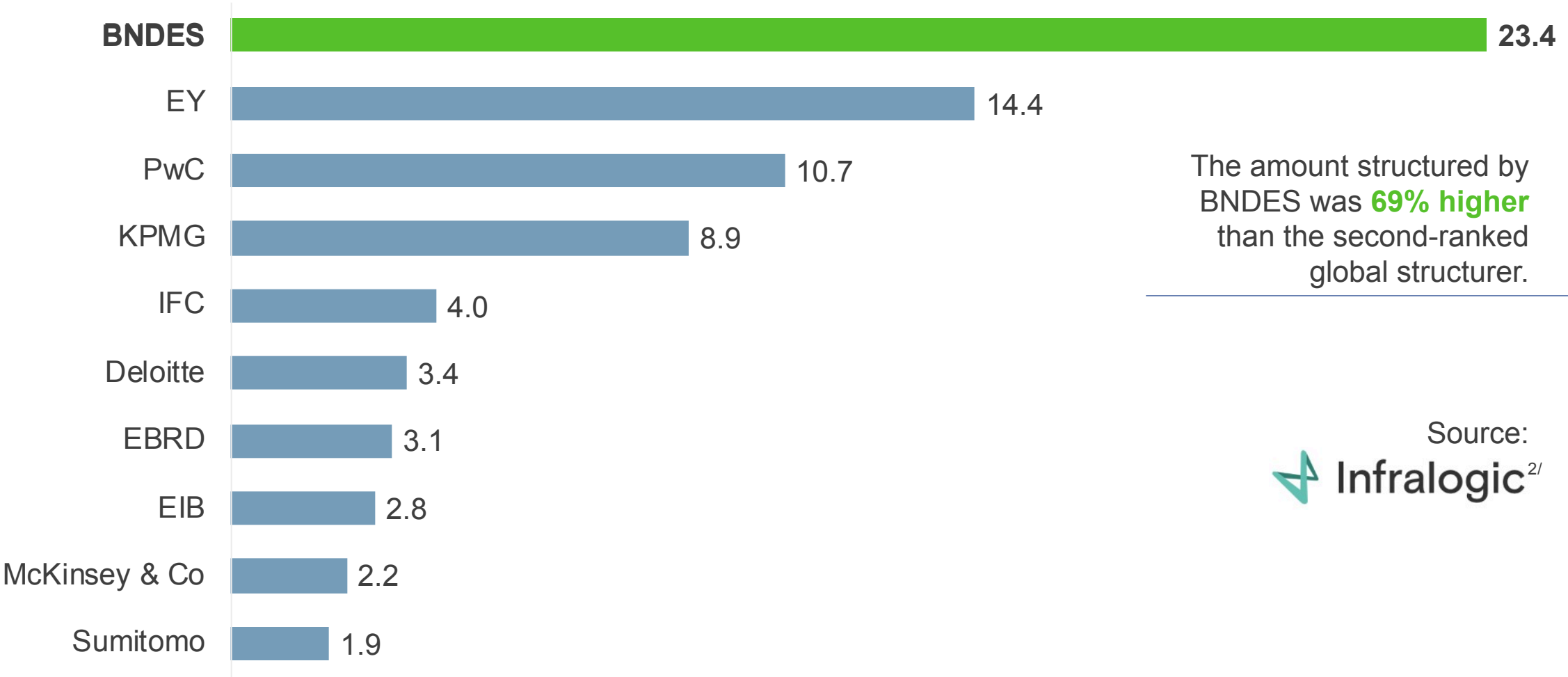
<div>Environmental Assets (65)</div> <div><div>Parks46</div><div>Forests19</div></div>	<div>Logistics Infrastructure (36)</div> <div><div>Highways32</div><div>Ports4</div></div>	<div>Social Infrastructure (10)</div> <div><div>Health5</div><div>Education2</div><div>Security3</div></div>	<div>Energy (9)</div> <div><div>Electricity7</div><div>Natural Gas2</div></div>
<div>Urban Infrastructure (36)</div> <div><div>Sanitation19</div><div>Mobility4</div></div>	<div></div> <div><div>Public Lighting12</div><div>Solid Waste1</div></div>	<div>Technology and Communications (4)</div> <div><div>Comunications2</div><div>Technology2</div></div>	<div>Other (16)</div> <div><div>Real Estate14</div><div>Supply1</div><div>Industry1</div></div>

1/ As of Mar 31, 2022. Number of projects does not consider equity sales

2/ Concessions and PPPs: CAPEX for the entire concession period and concessions already committed or estimated; Privatizations: Value of transactions already concluded and committed investments for concluded or modeled operations. Approximate amounts in USD converted at the exchange rate of BRL/ USD = 4.74 (Mar 31st, 2022)

> In 2021, BNDES was recognized by Infralogic^{1/} as the largest global structurer of infrastructure projects

US\$ billion^{1/}



Source:
 Infralogic^{2/}



1/ Position on December 31, 2021; values include active privatization and PPP projects involving amounts from Jan 2019 to Dec 2021.
2/ Platform resulting from the merger between the Inframation and Dealogic platforms, covering transactions in the infrastructure and energy markets, in sectors such as generation, distribution, renewables, social infrastructure, telecommunications and transportation.

> BNDES Projects Factory – 23 projects auctioned since 2019



Sanitation

- **Alagoas: Blocks A, B and C** (2020/ 2021)
- **Rio de Janeiro - Cedae:** Blocks 1, 2, 3 and 4 (2021)
- **Amapá** (2021)
- **Cariacica / ES** (2020)

17.6 million people
USD 15.2 bn



Public Lighting

- **Jaboatão** (2022)
- **Caruaru** (2022)
- **Petrolina** (2020)
- **Vila Velha** (2020)
- **Porto Alegre** (2019)
- **Teresina** (2019)

3.4 million people
USD 179.3 mn



Highways

- **Rio Grande do Sul - block 3** (2022)
- The first project to be auctioned of the 18,000 km being structured by BNDES

271 km
USD 0.7 bn



Energy

- **Sulgás** (2021)
- **CEEE-T** (2021)
- **CEEE-D** (2021)
- **CEA** (2021)
- **CEB-D** (2020)

7.8 million people
USD 7.3 bn



Ports

- **CODESA – Espírito Santo State Port Authority**

1st concession of a port authority in the private landlord model

USD 0.5 bn



Parks

- **Parque Nacional do Iguaçu, Paraná** (2022)

1st project auctioned from BNDES environmental assets portfolio

USD 0.2 bn

+ 28 million
impacted people

+ USD 23.8bn
mobilized capital

> BNDES Projects Factory – upcoming opportunities



Ports

Concession of port authorities in a private landlord model

> **São Sebastião Port** in São Sebastião city – 180 km from the state capital| auction: 4Q22

> **Santos Port** in São Paulo – largest in Brazil and South America | auction: 1Q23



Highways

18,000 km to be auctioned and USD 27.4 bn of estimated CAPEX

> **Federal – CN block**| auction: 1Q23

> **Minas Gerais state**| section 1 auction: 2Q22

> **Rio Grande do Sul state**| block 1 and 2 auction: 3Q22



Environmental assets

Largest environmental assets portfolio in the world

46 Conservation Units, 19 national forests, total c.a. 8 million ha

> **Forests - Block 1 (Southern)**| auction: 4Q22



> BNDES Projects Factory – upcoming opportunities



Sanitation

Robust project pipeline since 2020

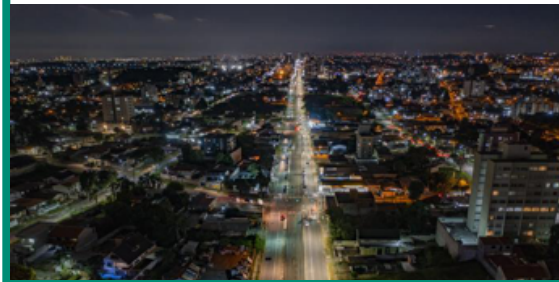
> **Ceará Sanitation** (PPP) for the sewage collection and treatment of 24 municipalities
| auction: 3Q22



Public Lighting

6 PPP projects auctioned since 2019

> **Curitiba** – PPP for the public lighting system of the municipality of Curitiba
| auction: 2Q22



Natural Gas

Privatization with concession contract

> **ES Gás**- Gas local distribution company in the Espírito Santo State
| auction: 4Q22



Learn more on the BNDES' Projects Hub at: <https://projectshub.bndes.gov.br>

> BNDES Projects Factory – upcoming opportunities



Urban mobility

Privatization associated with the concession of public urban rail transportation services in metropolitan regions

> **CBTU – Belo Horizonte** in Minas Gerais | auction: 3Q22

> **Trensurb – Porto Alegre** in Rio Grande do Sul | auction: 4Q22



Power

> **Eletrobras**
Largest Brazilian transmission network (43% of the grid) and **largest power generation** (29% installed capacity, 97% clean energy)



Real Estate

Privatization/ concession

> **Furnas** real estate | Auction: 2Q22

> **Mauá Pier**- historic center of Porto Alegre (Rio Grande do Sul State) | Auction: 3Q22

> **Emgea** (mortgage recovery) | Auction: 3Q22

> **Ceasa Minas** (distribution hubs) | Auction: 3Q22



Learn more on the BNDES' Projects Hub at: <https://projectshub.bnDES.gov.br>

> BNDES Projects Hub


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<https://projectshub.bndes.gov.br>



More information and updates on the projects from the BNDES Projects Factory

Connect with other investors interested in concession and privatization projects prepared by BNDES using our **Investors Network**

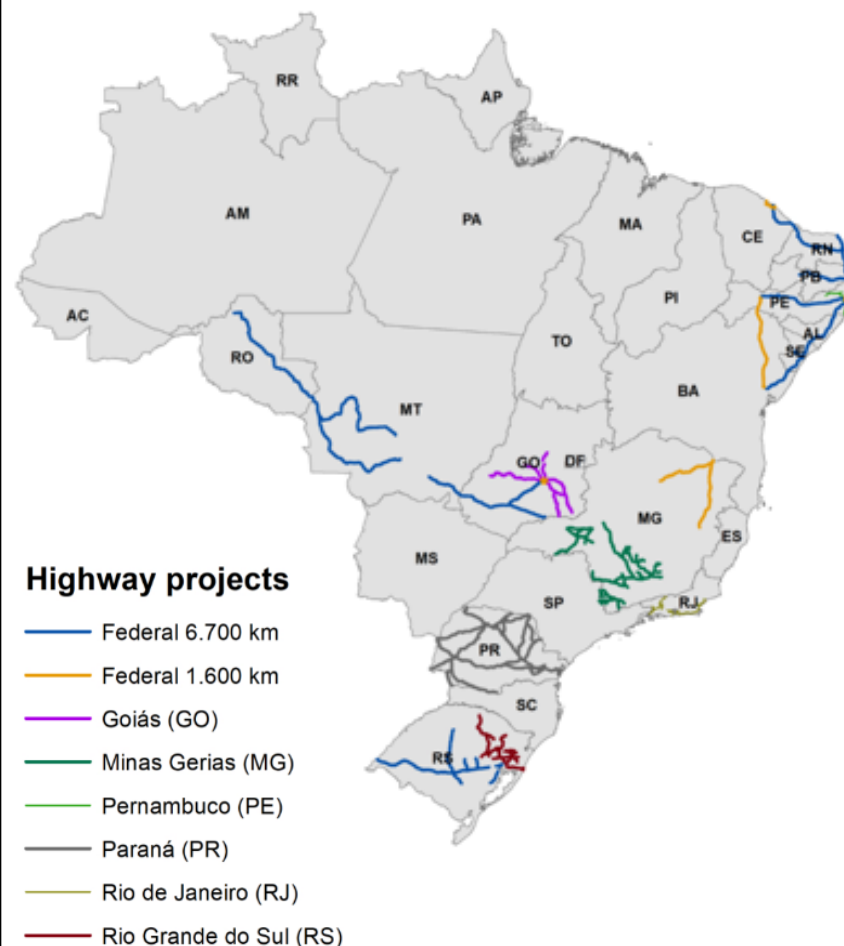
The screenshot shows the BNDES Projects Hub website. At the top, the BNDES logo and 'Projects Hub' are on the left, and 'Investor Relations', 'English | Português', 'LOGIN', and a menu icon are on the right. The main banner features a highway scene with the text: 'Investment opportunities in projects prepared by BNDES and useful information on featured sectors of the Brazilian economy'. Below the banner are three sections: 'Projects' with the subtext 'Get more information about our projects.', 'Sector profile' with 'Go deeper into the main aspects of the industries in which BNDES structures its projects.', and 'Investors Network' with 'Connect, expand your network and create new investment opportunities.'



> Appendix – project pipeline

> Toll-road projects overview

Over **18,000 km of new concessions** under development and +USD 27bn investments^{1/}



> Upcoming projects

	Federal 6,700 km	Federal 1,646 km	Paraná ^{3/} 	Minas Gerais	Rio Grande do Sul (BI 1&2)	Rio de Janeiro	Pernambuco
Business Model	Concession	Concession	Concession	Concession or PPP	Concession	Concession or PPP	Concession
Length	6,700 km	1,646 km	3,327 km	2,641 km	1,131 km	516 km	235 km
Est. Capex	USD 9.5 bn	t.b.d.	USD 9.3 bn	USD 2.1 bn	USD 1.8 bn	USD 1.0 bn	USD 0.3 bn
Public Auction	1Q23	3Q23	3Q22	3Q22 – 4Q22	3Q22	2Q23	3Q22
Current Status	Studies	Studies	Public Hearing	Bid Notice/Public Hearing ^{2/}	Public Hearing	Studies	Approval Control Bodies
Contract Term	30 years	30 years	30 years	30 years	30 years	35 years	30 years

1/ Approximate amounts in USD converted at the exchange rate of March 31, 2022 (4.74 BRL/USD).

2/ Minas Gerais: bid notice for lots 1&2 out in 'dec 21' and auction in 3Q22. For lots 3-6, bid notices expected during 2Q22.

3/ Paraná: PSP Facility: IFC, IDB and BNDES

> Port authority projects overview

4 Ports in the pipeline are responsible for **more than 30% of Brazilian foreign trade balance** and +USD 6bn investments^{1/}



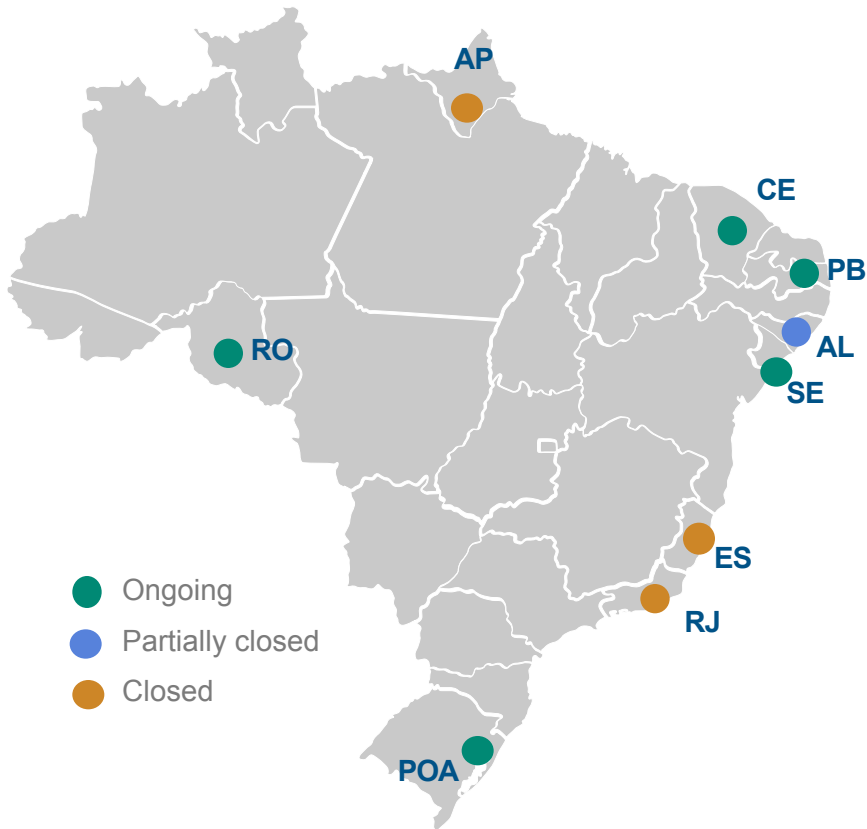
> Upcoming projects

	São Sebastião Port	Santos Port Authority	CODEBA
Business Model	Concession	Concession	Privatization
Est. Capex + Grant	USD 7 m	USD 5.5 bn USD 1.4 bn ^{2/}	t.b.d.
Public Auction	4Q22	1Q23	2Q24
Current Status	Public Hearing	Public Hearing	Studies
Contract Term	25 years	35 years	35 years

1/ Capex + concession fees, total concession term. Amounts also include costs associated to the maintenance/ dredging of the access channels.
Approximate amounts in USD converted at the exchange rate of March 31, 2022 (4.74 BRL/USD).
2/ Capex in the first 5 years (BRL 1.4 bn), tunnel capex contribution (BRL 3 bn) and upfront concession fee (BRL 2 bn).

> Sanitation projects overview

 Total estimated investment^{1/} of USD 19bn, **covering a 40 million+ population**



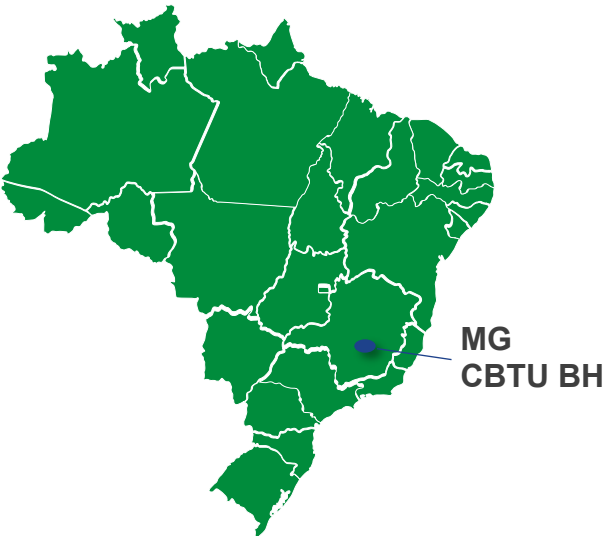
> Upcoming projects

	Ceará	Porto Alegre (POA)	Paraíba	Rondonia	Sergipe
Business Model	PPP	Concession	To be defined	To be defined	To be defined
Est. Capex + Grant	USD 1.35 bn	USD 0.46 bn	USD 0.84 bn	USD 0.42 bn	USD 0.76 bn
Public Auction	3Q22	1Q23	1Q23	4Q23	4Q23
Current Status	Studies	Studies	Studies	Kick-off Studies	Kick-off Studies
Contract Term	30 years	35 years	35 years	To be defined	To be defined

1/ Capex + concession fees, total concession term.
Approximate amounts in USD converted at the exchange rate of March 31, 2022 (4.74 BRL/USD).

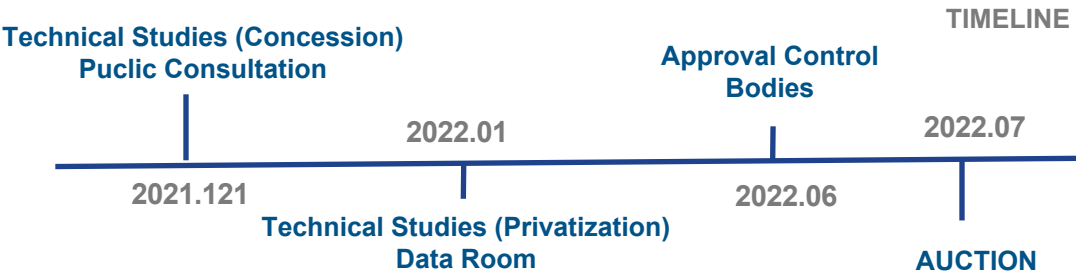
> Urban mobility – CBTU BH

Privatization associated to the concession of the public urban rail transportation services in the metropolitan region of Belo Horizonte (MG)



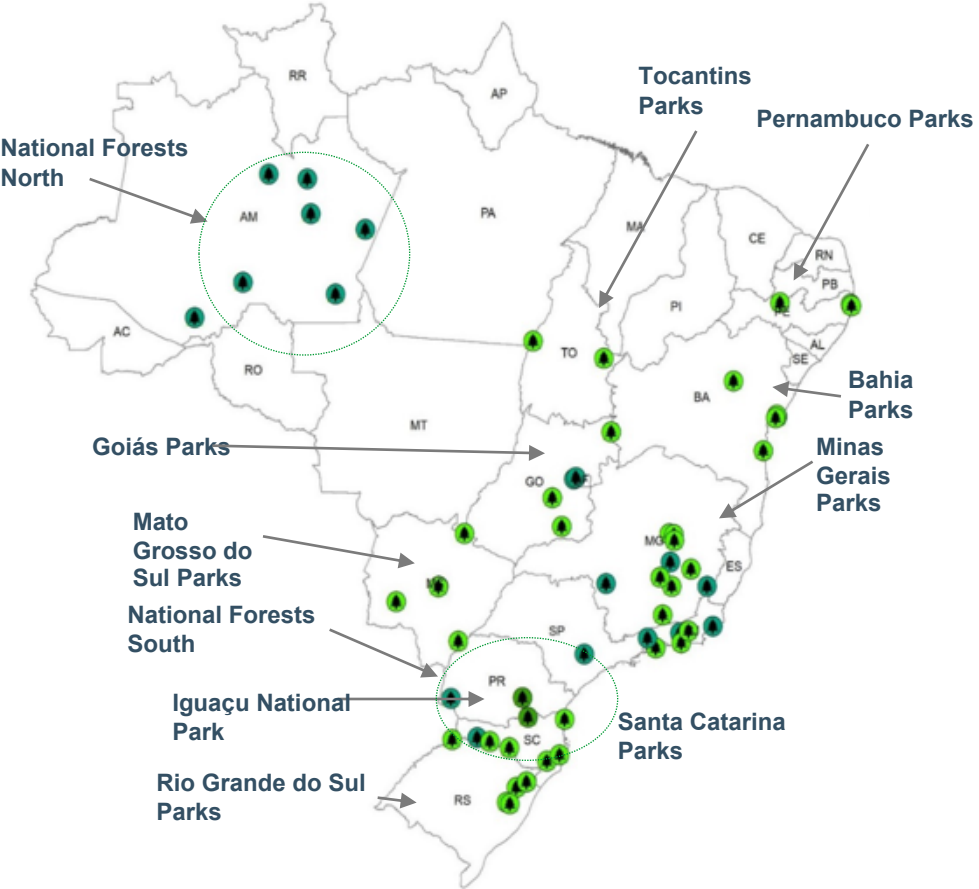
Estimated investment: USD 0.8 bn
Federal government grant: USD 0.6 bn
MG State government grant: USD 90 m
Population to be served: 6 m
Passengers: 54 m (2019)
Type of project revenues: Tariff + ancillary revenues
Contract term: 30 years

- > Rail transportation service operated by CBTU (Minas Gerais state), composed by a single line (Line 1) servicing the municipalities of Belo Horizonte and Contagem
- > 19 stations and 28.1 km, with approximately 170,000 passengers per working day (2019)
- > Estimated investments include the renewal of Line 1 and construction of Line 2, with 7 new stations and 10 km in length.
- > The studies indicate that Line 2 will transport 45,000 passengers per working day after completion
- > CBTU has 4,550 employees, of which approximately 1,500 are based in Belo Horizonte



> Environmental projects overview

 Largest environmental PPP projects portfolio in the world: ca. 8.3 million ha, equivalent to the Austrian territory including 64 conservation units and national forests, fostering the bioeconomy and sustainable development



> Upcoming projects

	Pernambuco Parks	Rio Grande do Sul Parks	National Florest South	Bahia Parks	Minas Gerais Parks
Business Model	Concession	Concession	Concession	Concession	Concession
Est. Capex + Grant	USD 17.9 million	USD 18.3 million	USD 72.2 million	USD 25.3 million	USD 2.5 million
Public Auction	3Q22	3Q22	4Q22	3Q22	3Q22
Current Status	Public Hearing	Public Hearing	Studies	Public Hearing	Public Hearing
Contract Term	30 years	30 years	35 years	30 years	30 years

1/ Capex + concession fees, total concession term.
Approximate amounts in USD converted at the exchange rate of March 31, 2022 (4.74 BRL/USD).



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