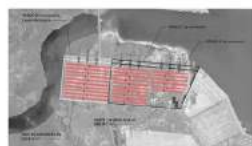


PROJECTS



SUA 05 – Lease of terminal for handling general cargo (container) in the port of Suape/PE. Contract term: 25 years. Estimated investments: US\$ 321.9 million being directed to the construction of berths, dredging, installation of equipment and retro area. Characterized as a greenfield project of approximately 269,000 m² with a quayside of 900 meters long (with 2 berths). Capacity: 840,000 TEU/ year.



SUA 01 – Lease of vehicles terminal – roll on roll off in the port of Suape-PE. Contract term: 25 years. Estimated investments: US\$ 2 million. Characterized as a brownfield project of approximately 90.000 m² fully paved in concrete. Capacity: aprox. 200,000 Ton/ year.



PAR 01 – Lease of general cargo terminal dedicated to pulp and paper in the port of Paranaguá / PR. It is a Greenfield area of 28,000 m². Estimated investments: US\$ 23.2 million to guarantee a dynamic capacity of 1.25 million tons / year. Contract term: 25 years.



PAR 12 – Lease of vehicles terminal – roll on roll off in the port of Paranaguá / PR. Contract term: 25 years. Estimated investments: US\$ 21.4 million. Is characterized as a greenfield project of approximately 170,200 m². Capacity: 310,000 units/year (vehicles).



STS 13A – Lease of liquid bulk terminal in the port of Santos-SP. Contract term: 25 years. Estimated investments: US\$ 30,0 Million. Is characterized as a brownfield project of approximately 38,398 m². Static storage capacity: 70.000 m³.

Exchange rate: 1 US\$ = 3,78 BRL, as of April 5, 2019.



SCHEDULE

PAR 01 and PAR 12



SUA 05 and SUA 01

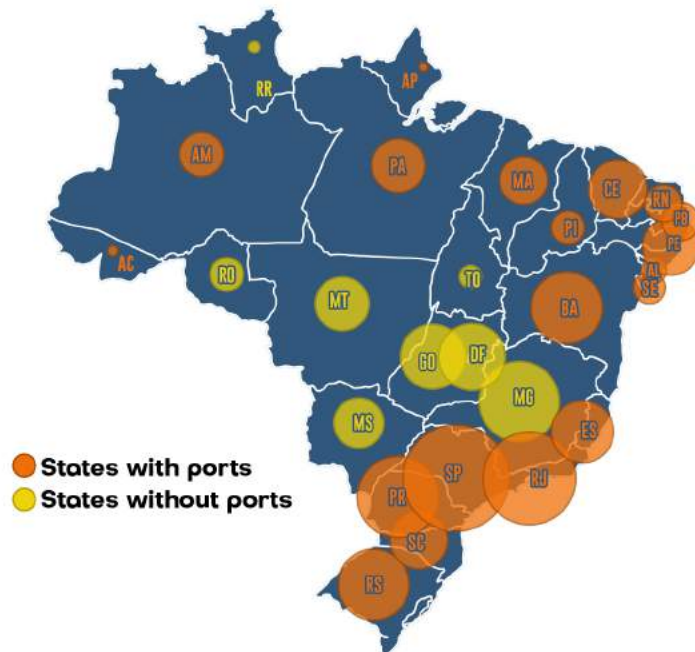


STS 13 A



In 2018, the Brazilian port sector handled 1.177 billion tons. This corresponds to a growth of 2.71%, compared to 2017, when 1,088 billion tons were handled. For 2019, the expectation is to keep growing. Industry data shows that the ports are a strategic sector for the national economy, to the extent that 95% of the amount of exports and imports goes through sea ports and 80% of national GDP is concentrated in States that has access to the coast and with sea ports.

Highlights: In the general cargo sector, the business opportunities presented by PPI include 1 Pulp and Paper Terminal at Paranaguá Port –PR, 2 Vehicle Terminals at Paranaguá Port –PR and Suape Port –PE, a Container Terminal at Suape Port –PE and a liquid bulk terminal in the port of Santos–SP.



Bidding Process – The public sessions of port sector auctions are usually held at B3 (the most traditional Stock Exchange in São Paulo, Brazil). The criterion commonly used for deciding the best economic proposal is the higher value of grant, and minimum value is set at BRL 1 (one real). Apart from that, contracted companies are obliged to make the necessary investments, and to pay monthly amounts predetermined in contract.

Landlord Port Concession Model – Part of the services, including port operation and superstructure investments, are private partner’s responsibilities; the rest of the services, such as land property and the role of port authority, are government’s responsibility.

Legal and regulatory aspects – Port leases are regulated by Law nº 12.815/2013 and by the Decree 9.048/2017. The main guidelines of the sector’s regulatory policy are: reduction of entry barriers; stimulus to the increase of the private investments in the sector; infrastructure and port management improvements; increase in cargo handling and decrease in logistics costs.

It is important to highlight that the studies presented by the granting authority are merely indicative, and the tenant is free to decide on the engineering solutions to be adopted at the terminal. Also, the regulatory model in the Brazilian port sector is based on compliance with minimum transactions required by contract, with no costs regulation, which allows the lessee flexibility to adopt its strategy of action.

PPI held new auctions ending a period of discontinuity since 2015 and concluded projects provided a capacity expansion of more than 10 millions tons per year.