



**PETROBRAS**

***Investment opportunity  
in the Brazilian telecom  
sector***

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September 2022

# The Process

## Opportunity description

- Petróleo Brasileiro S.A. - Petrobras ("Petrobras") is conducting a competitive process ("Process") for the sale of its onshore optical fiber network with a total extension of approximately 8,000 km.
- The fibers are distributed nationally following the gas and oil pipelines from the Northeast to the South and through a stretch in the North region.
- The assets will be divided and sold into 4 blocks - North, Northeast, South and Southeast - segmented according to the pipelines. ("Potential Transaction").
- Ernst Young Assessoria Empresarial Ltda. ("Ernst & Young" or "EY") has been retained by Petrobras as its exclusive financial advisor with respect to the Potential Transaction.

## Overview of the process

- In the event that any recipient/participant who meets all of the Eligibility Requirements ("Potential Buyer"), described on page 03 and 04, is interested in participating in the Process, they must formally notify Ernst & Young of their interest through the indicated contacts, to receive the documents necessary to participate in the Process: (i) Non-Disclosure Agreement ("NDA") and Certificate of Conformity ("CC").
- Execution of both the NDA and CC and obtainment of access to the CIM is due in 21 October 2022.
- Distribution of the Confidential Information Memorandum ("CIM") will begin on 17 October 2022, and will be sent to Potential Buyers who have already executed the NDA and CC. It is recommended that Potential Buyers execute the NDA and CC promptly, to anticipate access to documents of this opportunity.

## Contact

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*\*US-based investors should direct their questions to Juliana Deslandes or Gabriel Tindó*

### EY will be responsible for all communications with potential buyers

- All communications, requests or inquiries must be directed exclusively to EY Brazil representatives dedicated to the Transaction;
- Under no circumstances should Petrobras shareholders, officers, employees or customers be contacted directly in connection with this transaction without the prior written consent of EY Brazil.



**Ernst Young Assessoria Empresarial Ltda.**  
Avenida Presidente Juscelino Kubitschek, 1909 - North Tower,  
CEP 04543-011, São Paulo - SP, Brazil

# The Process

## Eligibility requirements

1. To participate in the Process, the Potential Buyer must meet the following requirements ("Eligibility Requirements"):
  - a. Financial Requirement: (i) gross revenue equal to or greater than R\$ 100,000,000.00 (one hundred million) or (ii) assets under management equal to or greater than R\$ 500,000,000.00 (five hundred million);
2. Potential Buyer and its affiliates shall not be included in any of the following restrictive lists:
  - a. "Registration of Disreputable and Suspended Companies" (CEIS) (available at: <http://www.portaldatransparencia.gov.br/sancoes/ceis>)
  - b. "National Registry of Punished Companies" (CNEP) (available at: <http://www.portaltransparencia.gov.br/sancoes/cnep>)
  - c. "Companies prohibited from transacting with Petrobras", available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>)
  - d. "Companies Sanctioned for Prevention of Money Laundering and Financing of Terrorism" (available at <https://portal.petrobras.com.br/group/portal-petrobras/integridade-e-transparencia/normas-e-procedimentos/contratacao>)
3. If a Potential Buyer, or any of its affiliates, is included in the aforementioned lists or does not meet any of the aforementioned criteria, the Potential Buyer will be excluded from this Process.
4. In the event that the Potential Buyer or any of its subsidiaries:
  - a. Is subject to, owned or controlled by a person or entity subject to any (i) economic, financial or trade sanctions, (ii) regulatory sanctions, (iii) embargoes or (iv) restrictive measures that have been administered, enacted, imposed or applied by the World Bank, the United Nations Security Council, the United States of America, Canada, the United Kingdom, the European Union, the Netherlands and Brazil, and the respective institutions and government agencies of any country or institution mentioned herein;
  - b. Is located, has been incorporated, organized or established in a country subject to any (i) economic, financial or trade sanctions, (ii) regulatory sanctions, (iii) embargoes or (iv) restrictive measures that have been administered, enacted, imposed or enforced by the World Bank, the United Nations Security Council, the United States of America, Canada, the United Kingdom, the European Union, the Netherlands and Brazil, and the respective governmental institutions and agencies of any country or institution abovementioned;
  - c. Has the predominant part of its respective business with persons or in countries subject to any sanctions.
5. Petrobras will assess whether the relationships or situations described above prevent the Potential Buyer from participating in the Process due to non-compliance with the Sanctions applicable to Petrobras and will inform the exclusion of the Potential Buyer from the Process, if applicable.
6. In addition, by participating in the Process, the Potential Buyer agrees not to take any action or fail to take any action that may violate any applicable law, including but not limited to the US Foreign Corrupt Practices Act. Act"), the UK Bribery Act ("UK Bribery Act") and Brazilian anti-corruption laws (especially Federal Law 12,846/2013) ("Anti-Corruption Laws").
7. The Potential Buyer must execute the CC provided by Petrobras within the scope of the Process, committing to not practice any action or omission that violates the Anti-Corruption Laws, indicating, if applicable, if the Potential Buyer is subject to some type of sanction, even if the Potential Buyer considers that the Sanction does not prevent its participation in the Process. In case that the Potential Buyer and/or its affiliates are subject to Sanctions, the nature and details of the Sanction must be described in the CC, as well as the restrictions arising therefrom.
8. The accuracy of this statement and compliance with the aforementioned requirements will be verified by Petrobras after acceptance, by the Potential Buyer, of the confidentiality obligations arising from the execution of the CA, necessary for the participation in the Process.
9. In accordance with the rules applicable to Petrobras, the Potential Buyer may be excluded from the Process at any time in case the Eligibility Requirements mentioned above are not met.

# The Process

## Submission of joint offers

- A Potential Buyer may form a consortium, association or submit a joint offer (“Joint Offer”) with an independent party, or independent parties, to participate in this Process.
- The Joint Offer must have a leader, who will be the Potential Buyer who will conduct the negotiations and will be the main communication channel between Petrobras and the parties involved in the Joint Offer (“Leader of the Joint Offer”).
- In this case, the Potential Buyer must immediately inform Petrobras of its intention to submit a Joint Offer, including information on who is the Leader of the Joint Offer and the parties involved in the Joint Offer (“Joint Offer Member(s)”), within the period previously established in the Process Letter (“PL”, to be sent in due course to the participants of the Process).
- The Joint Offer shall contain (i) powers of attorney that grant powers to the Leader of the Joint Offer designated by the other participants of the Joint Offer; and (ii) a statement from the Joint Offer Leader confirming that he is not acting as an intermediary in the Potential Transaction.
- The Joint Offer must be approved by Petrobras, in accordance with the legal criteria and the rules established herein and more detailed in the PL. Once the compliance with the Eligibility Requirements and with rules for submission of a Joint Offer have been verified and approved by Petrobras, the Potential Buyer may participate in the Process.
- The submission of a Joint Offer will only be allowed if all members collectively meet item 1 and individually meet items 2, 3, 4, 5, 6, 7 of the “Eligibility Requirements” section.
- All Joint Offer Members and all Potential Buyers must execute their own CA and CC directly with Petrobras to access any non-public information related to the Potential Transaction or the Company.
- The rules applicable to the modification of the Joint Offer Members will be detailed by Petrobras in the PL.

## Additional considerations

- Throughout the Process, Petrobras may carry out preventive risk analyses, in accordance with the Anti-Corruption Laws and the Petrobras Corruption Prevention Program - PPPC, and may request any Potential Buyer to fill in a detailed questionnaire to verify compliance with their practices and conduct with the Anti-Corruption Laws.
- An Independent Offer Statement must be submitted together with the presented offer(s).
- In order to avoid a conflict of interest, any Potential Buyer who is considered to be an affiliated company of Petrobras' financial advisor in the process (Ernst & Young) will not be allowed to participate in the Process.
- The Potential Buyer may hire a financial, technical and legal advisor to assist it in the Process, under its sole responsibility and at its costs, provided that such advisors are institutions with unblemished reputation, that have experience in the area and that do not have conflict of interests with Petrobras. The existence of any conflict will be determined in accordance with the criteria stipulated by Petrobras. If the Potential Buyer decides to retain advisors and/or consultants who have potential conflicts of interest related to Petrobras, Petrobras may, at its sole discretion, exclude the Potential Buyer from the Process.

# Overview of the Asset

## General information

- Petrobras's fiber optic network coexists with the oil and gas pipeline network along the pipeline strips.
- The strips are owned by Petrobras and by third parties (TAG and TBG). For the strips owned by third-parties, there are contracts for the right to use the optical fiber sub-band and the land where the telecommunications stations are situated.
- All cables are buried, packed in HDPE tubes (bi tubes) for greater protection and maintenance versatility. The cables interconnect several telecommunications stations where optical fiber pairs are captured and interconnected to the signal transmission systems.
- Part of the fibers not used in Petrobras's operations is subject to third-party infrastructure lease contracts (dark fiber).

**~8,000 km**

Network extension

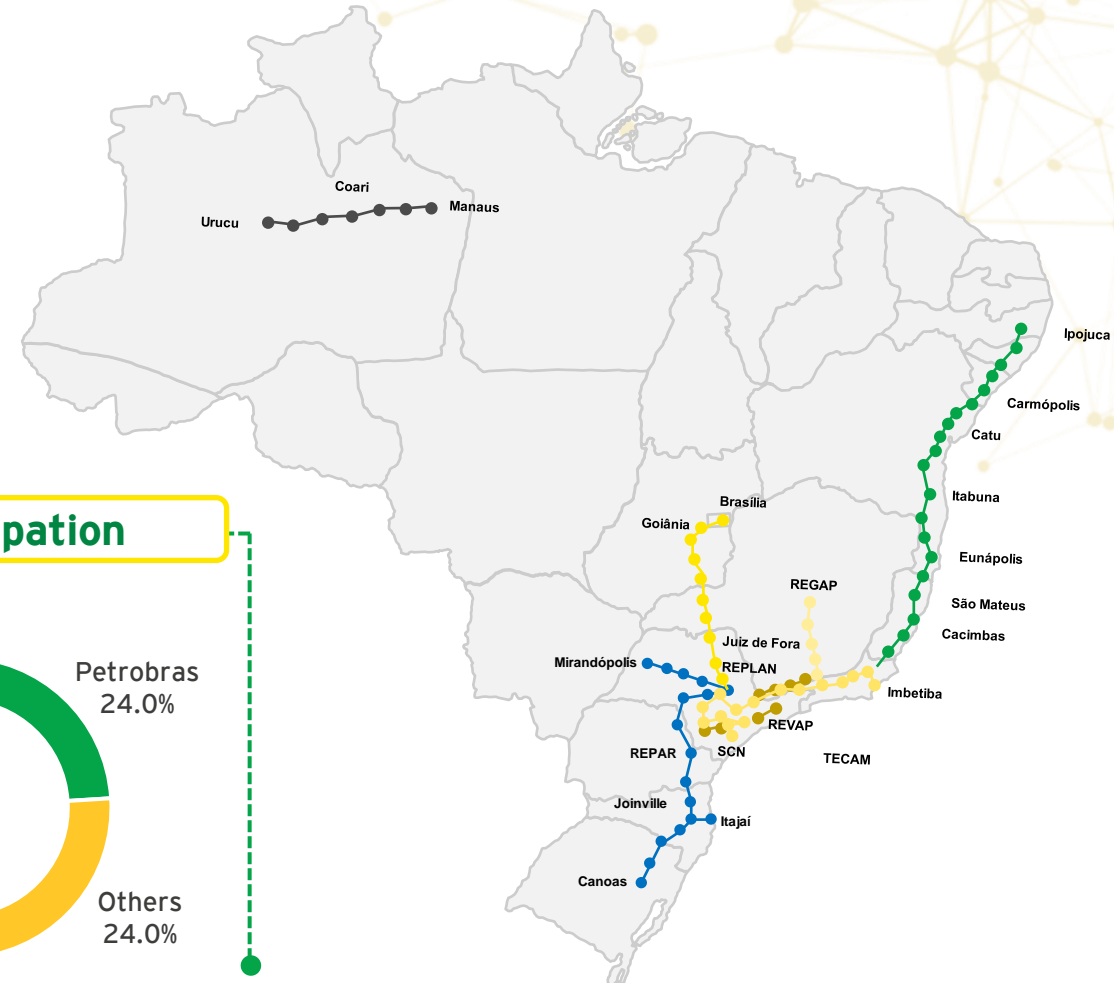
**36 optical fibers\***

Fiber capacity per cable

**0.5 m - 1.5 m**

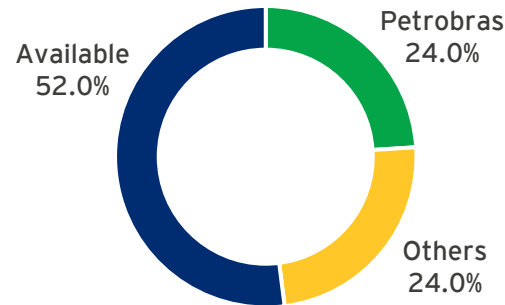
Fiber optic cable burial depth

## Scope of fiber optic assets

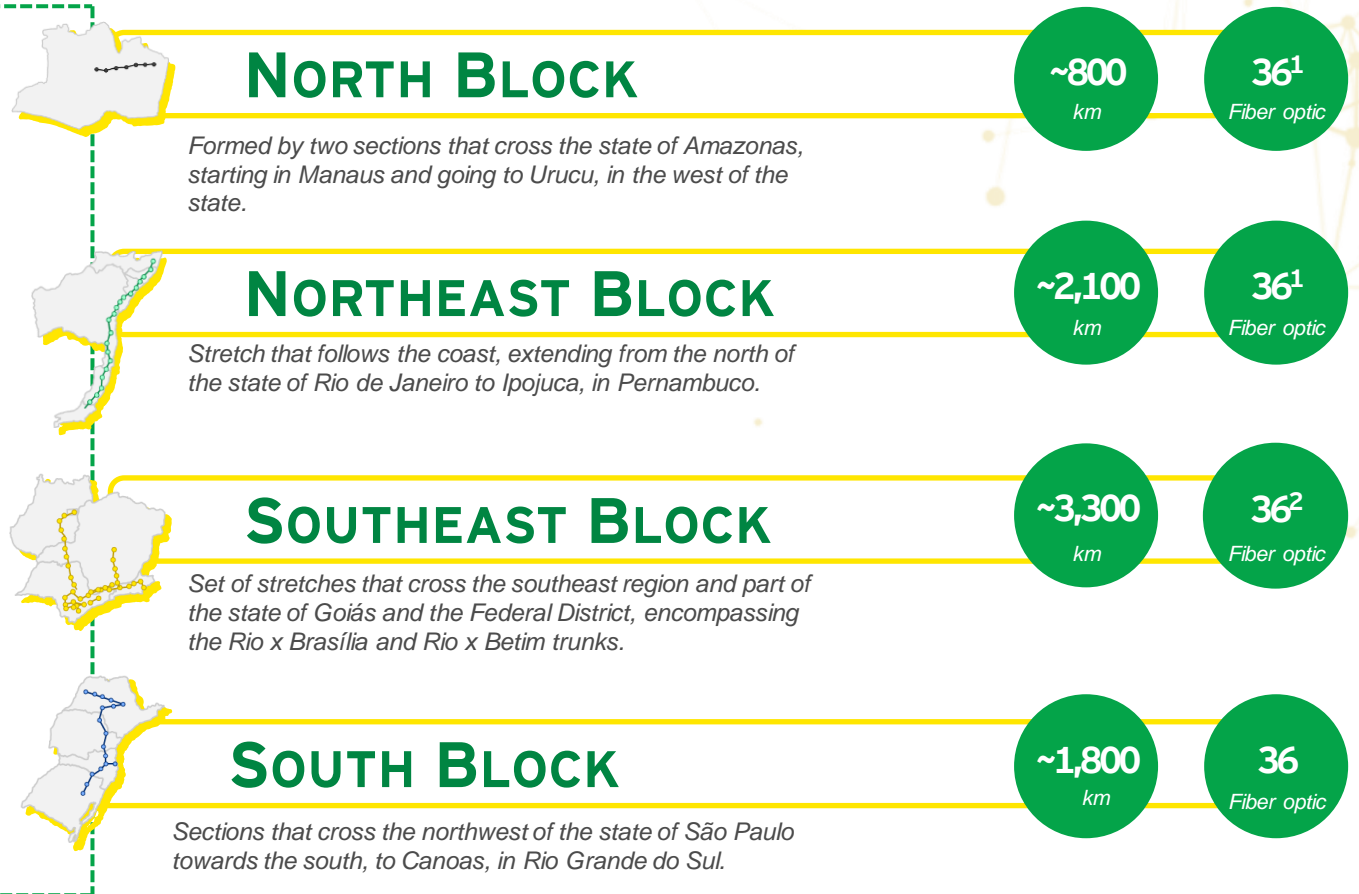
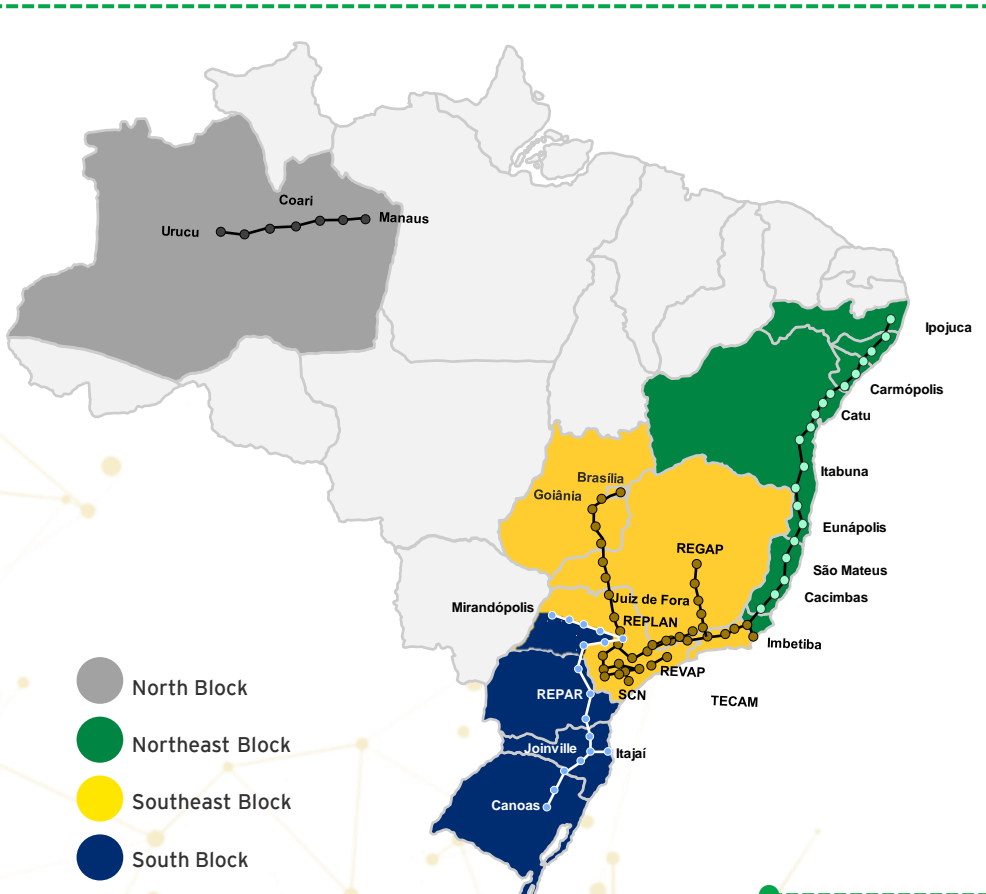


## Fiber occupation

National average (%) - May 2022



# Transaction Perimeter



**100% OF PETROBRAS' ONSHORE FIBER OPTIC NETWORK** ~8,000 km 36/12 Fiber optic

# Contracts and Accessory Infrastructure

## Right to Use Land Strips

- The right to use the right-of-way will be assigned to the buyer(s).



Pipeline land strip located in Rio de Janeiro.

## Infrastructure Lease Agreements

- The infrastructure lease / onerous assignment agreements are part of the perimeter of the transaction and will be assigned to the buyer(s).



## Telecommunication Stations

- The telecommunication stations may be leased to the buyer(s) in the context of the transaction.



Telecommunication Station located in Espirito Santo.

# Key Investment Highlights



## Unique Network in its Attributes

- Positioned alongside the pipelines, the assets follow unique, exclusive routes that provide high reliability and safety to operations.



## Consolidation Platform

- Petrobras's fiber optic network is present in all regions of Brazil, with route connections of fundamental importance, serving as a platform for strategic expansions



## Fast Expansion Opportunity

- Opportunity for rapid expansion for established operators on both national and regional levels, allowing for a gain in implementation time.



## Neutral Network Importance

- Neutral networks gain more and more importance, in Brazil and in the world. The routes represent an enormous potential to expand operations of this nature



## 5G Opportunity

- The 5G auction carried out by ANATEL fetched R\$47 billion, which shows market's interest in these networks, which do not work without high-capacity transmission networks



## Axis for Amazon Integration

- The Urucu - Manaus range is a unique asset, of high reliability, in a region of difficult access and lacking in telecommunications infrastructure



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