



# 4<sup>th</sup> Neltume Ports Alignment Meeting



## Strategy and Business Development

Fernando Reveco



# Agenda

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1. HSE Performance
2. Neltume Strategy
3. Projects
4. Talent Formation
5. Pricing

# 1. HSE Performance

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# HSE Performance - Safety Indicators

## Reactive Indicators

### Q Lost Time Incidents

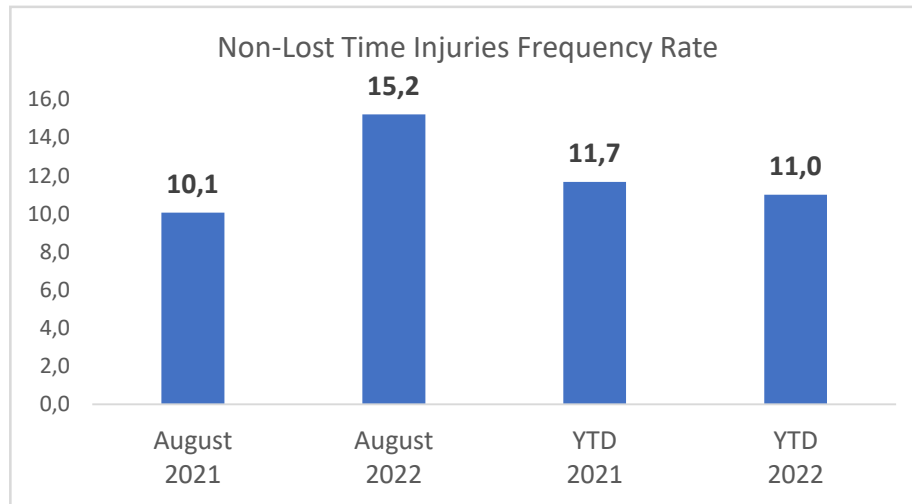
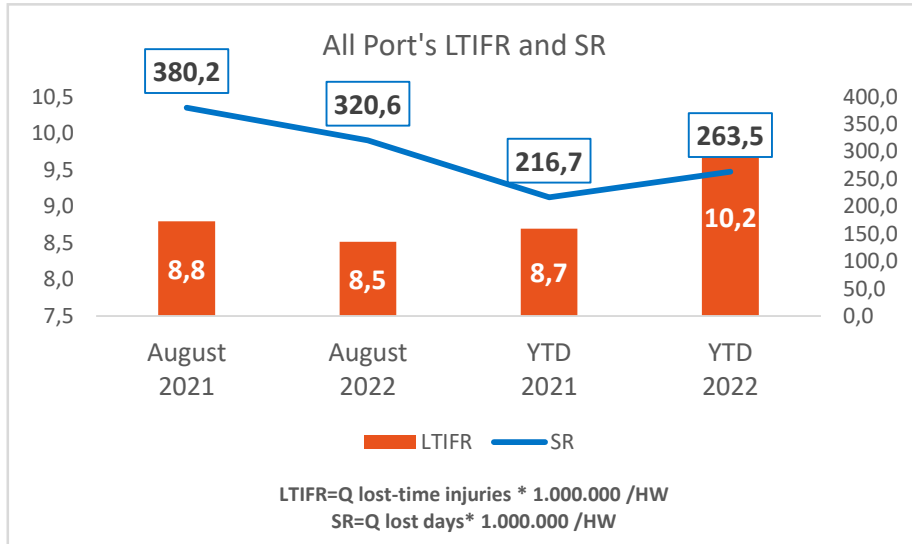
Month = 14  
 YTD 2022 = 130  
 YTD 2021 = 88

### Q Lost Days

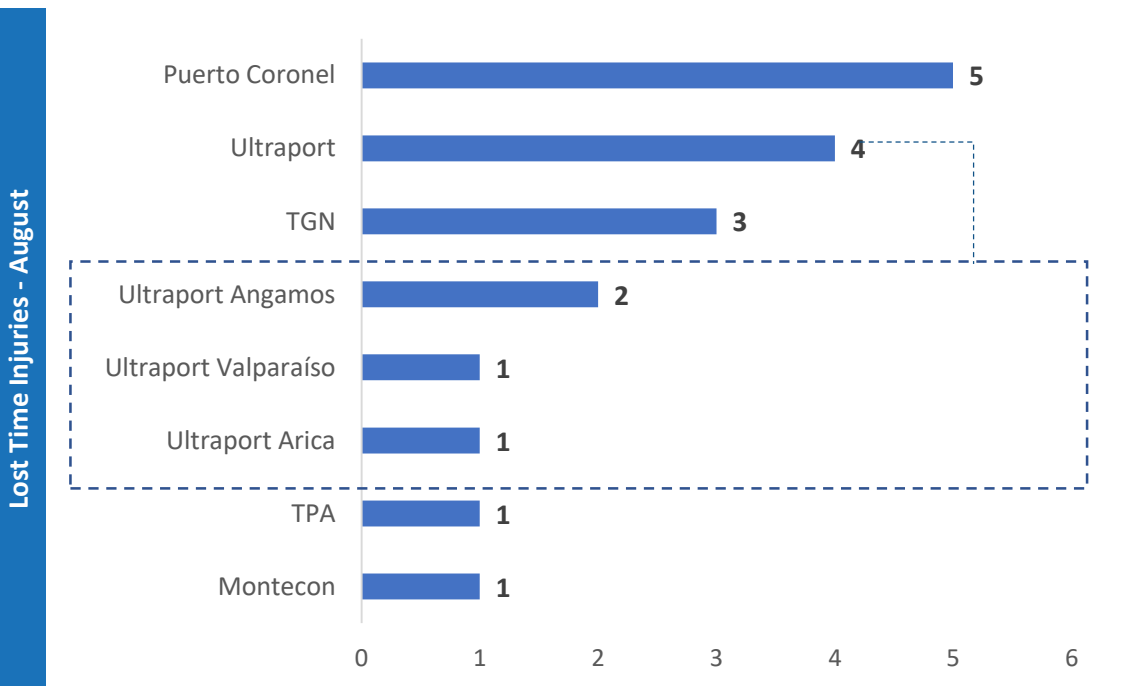
Month = 527  
 YTD 2022 = 3,355  
 YTD 2021 = 2,193

### Hours Worked

Month = 1,643,678  
 YTD 2022 = 12,734,092  
 YTD 2021 = 10,121,380



### Severity and Potential Injuries (Lost and Non-Lost Time)



# HSE Performance - Environmental Indicators

## Reactive Indicators

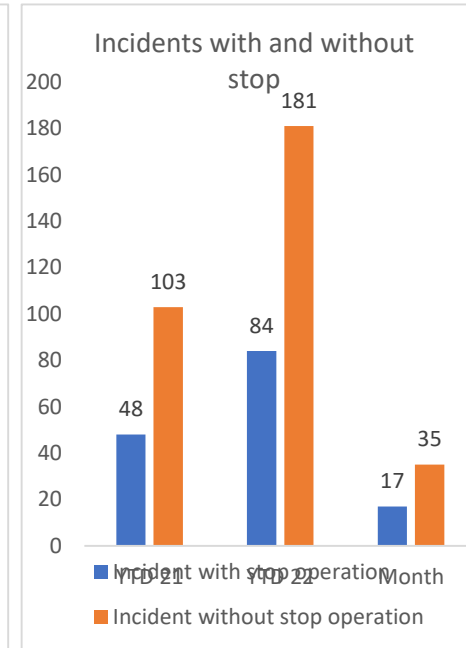
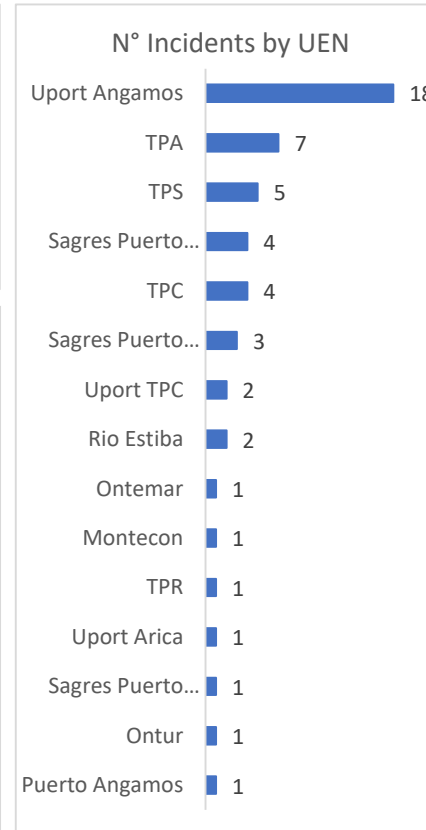
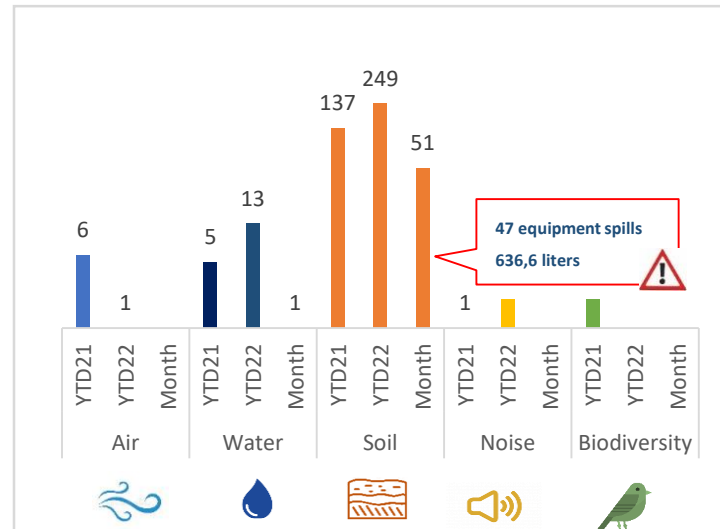
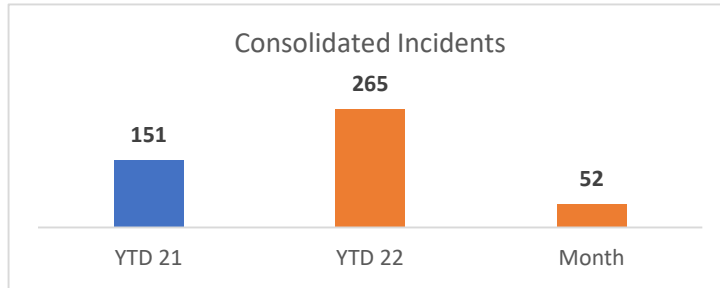
Hours of Operation Detention	
Month =	22,3
YTD 22 =	480,1
YTD 21 =	105,6

Type of Operation	N°
Other	15
Loading	10
Shipment	7
UnLoading	6
Gathering	6
Maintenance	4
Stacking	3
Transport	1

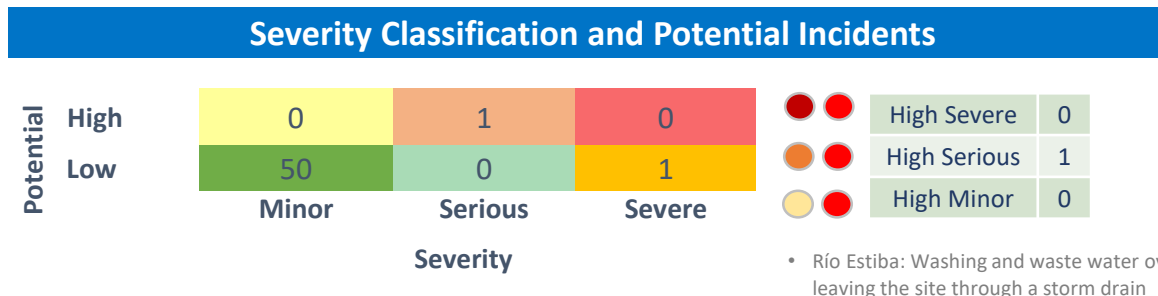
Material or Substance	N°
Hydraulic oil	41
Petróleo o Derivados	6
Other	3
Grain	1
Cleaning product	1

Spills	Lt/kg
Hydraulic oil	586,6
Petróleo o Derivados	50
<b>Total month</b>	<b>636,6</b>

Equipment spills	YTD 2021	4646
	YTD 2022	2973



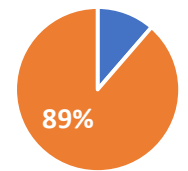
Management Indicators	
<b>Permits</b>	
Submit=	8
Pendings =	4*
* 3 Puerto Mejillones y 1 TPA	
<b>Fines</b>	
Month =	0
YTD 22 =	0
<b>Claims</b>	
Month =	0
YTD 22 =	11



## Proactive Indicators

Leadership Activities	
<b>Compliance</b>	
CEO	100%
Management	100%
Head	73%
Supervisors	72%

## Housekeeping Observations



■ Pending

\* Río Estiba: Washing and waste water overflows, leaving the site through a storm drain

## 2. Neltume Strategy

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# Growth Strategy by Business Lines



## Main Commercial Platform for Ultramar



Tailor-Made solutions for our customers: Integral solutions.



Sustain traditional business: Niche differentiation and partnership with customers. And **Line of Business** focus.



Excellence delivery of **quality and safe** performing services.



## Terminal Strategy and Internal Growth



Focus on **inland terminal solutions** connecting new and existing customers.



Provide **high quality services and HSE performance**.



**Growth in new markets** where we can add value with current success stories.



Expand on **new services on current companies** to customers that look for long term and quality service providers.



## Sustain & Growth



Leverage our **operator's role**



Increase the **average life** of current operations.



Reach new markets, **levered by our geographical presence**.



**Flexible Business Models** and Strong relations with **local partners, cargo owners and off-takers**

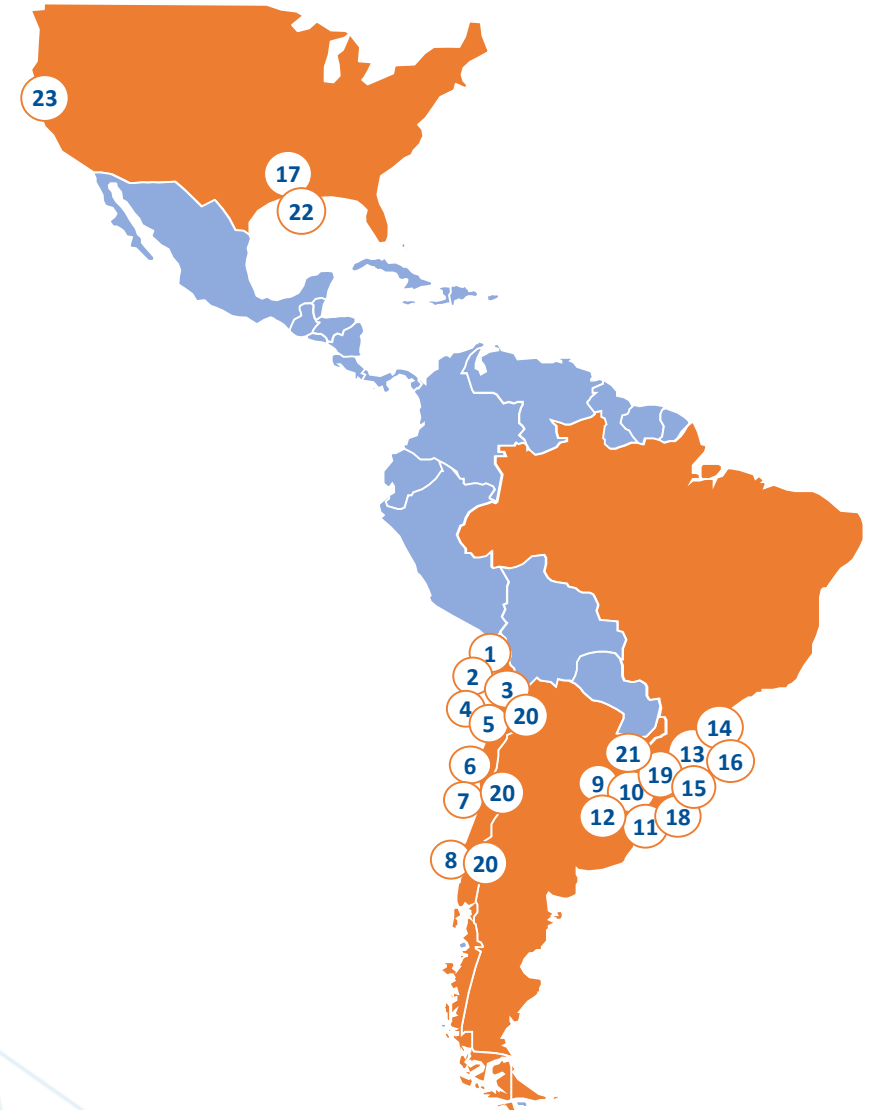


Improve presence **outside Chile**

# Neltume Ports Key Figures

**5 American Countries**

**23 BUSINESS UNITS**  
(SUBSIDIARIES AND ASSOCIATES)



1	<b>TPA</b> Terminal Puerto Arica	2	<b>PUERTO ANGAMOS</b> MEJILLONES - CHILE	3	<b>TGN</b> TERMINAL GRANDES DEL NORTE S.A.
4	<b>Puerto Mejillones</b>	5	<b>Terminal Mejillones</b>	6	<b>TPC</b> Terminal Puerto Coquimbo
7	<b>TPS</b> VALPARAISO	8	<b>Puerto Coronel</b>	9	<b>TERMINAL PUERTO ROSARIO</b>
10	<b>TGU</b> Terminales Graneleras Uruguayas S.A.	11	<b>MONTECON</b>	12	<b>Terminal Ontur</b> NUEVA PALMIRA
13	<b>TLG</b> Sagres	14	<b>TLP</b> Sagres	15	<b>TPP</b> Sagres
16	<b>TLRG</b> Sagres	17	<b>AUTO MOBILE</b> INTERNATIONAL TERMINAL	18	<b>SUATILCO</b>
		19	<b>ontemar</b> LOGISTICS		
Stevedoring Companies					
20	<b>ULTRAPORT</b>	22	<b>SOUTHERN CARGO HANDLING</b>	23	<b>TIDAL TRANSPORT</b>
21	<b>RIESTBA</b>				





# Sustain Strategy

**Increase the average life of concessions** in current operations, by extending the current contracts and focusing the energy in re awarding the concessions.

**Reinforce our stevedoring operations** by; looking for long term contracts that allow us to develop into full terminal operation.

**Increasing ownership in assets currently in portfolio** or sustain investment to increase capacity backed by additional cargo commitments.

**Reach new markets**, levered by our geographical presence given by regional agencies:

**Attractive Greenfield/Brownfield opportunities in the Americas**, through strategic partnerships, joint ventures and tender opportunities with local partners.

**Identify M&A situations**: select opportunities where we can add value with our know-how.

# Growth Strategy



*Through:*

1. **Business Development Team**
2. **Take advantage of our geographical coverage and network for New Targets**
3. **Providing safe and quality services and ensuring operational excellence**



# Business Development Team

## Project Development and M&A

Development of projects that sustain the strategy.  
Talent generation and support to the business units.



## Engineering

Management and development of project engineering, infrastructure and procurement. The area specializes in technical design, expert judgement, and project management.

## Operational Excellence

Responsible for safety, environmental, maintenance, and relevant operational issues, such as: equipment specification, automation, carbon footprint management to achieve net zero, among others.

# Business Development

## Project Development and M&A



We are the strategic advisor and expert within the business units in project evaluation

- Monitoring, analysis and feasibility studies on investment opportunities:
  - Tenders: Public or Private.
  - Directed or Bilateral processes.
  - Development projects: Greenfield or Brownfield.
- Preliminary filters: feasibility, strategic alignment, added value.
- Coordination and integral management of the projects.



- Delivery of information for decision making.
- Evaluation, valuation and management of purchase, sale and partnership processes.



**Camila Esquerré**  
Projects Deputy Manager



**Pedro Alonso**  
Head of Valuations



**Francisco Opaso**  
Head of Projects



**Joaquin Flores**  
Projects Engineer



**Macarena Huber**  
Projects Engineer



**Javiera Toledo**  
Projects Engineer



**Florencia Contreras**  
Projects Engineer



**Strategy Definition**



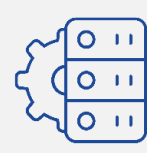
**Projects**



**Risk Management**



**Recruitment & Talent Promotion**



**Formation & Training**

# Business Development

## Engineering



Management and development of project engineering, infrastructure and procurement.

- Management of Technical Studies.
- CAPEX & estimation.
- Design and conceptual engineering.
- Layouts for Infrastructure and Operations
- Infrastructure Due Diligence.
- Tender Processes
- Provider management.



- Delivery of information for decision making.
- Tailored solutions that take into account both strategic alignment and local reality
- Immediate action and response
- R&D: new equipment, technologies and services



**Coral Ruf**  
Engineering Deputy Manager



**Johannes Viljoen**  
Head of Engineering



**Facundo Seillant**  
Projects Engineer



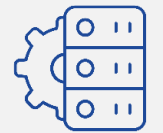
Engineering



Projects



Recruitment &  
Talent Promotion



Formation  
& Training

# Business Development

## Operational Excellence



We lead the management of the technical focus of sustainability, through a transversal **Environmental Management** of our operations, a new focus in **Maintenance**, and a consolidated **Safety Strategy**.

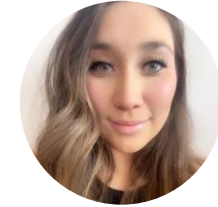
- **Sharing best practices** and generate opportunities for knowledge sharing and training
- **Managing operational management information** (Safety, environment and other), under a single and reliable view for Ultramar
- **Evaluating and managing control** of the BU's in the different disciplines that integrate the operational excellence of the business
- **Normalizing and intervene in units** that are underperforming or in operational crisis



- Operational continuity
- Continuous improvement



**Teresa Matamala**  
Operational Excellence Manager



**Francisca Mercader**  
Administration Coordinator



**Camila Olguín**  
Head of Environmental Control



**Maria Jesus Sepulveda**  
Safety Control Engineer



**Cristóbal Ambiado**  
Maintenance Control Engineer



Safety and environment specialist



**Steering & Developing Strategy**



**Maintenance & Operation**



**Safety**



**Environment**



**Recruitment & Talent Promotion**



**Formation & Training**

# 3. Projects

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# New Targets - Expanding our Presence

## NORTH AMERICA



## SOUTH AMERICA



# New Targets

## Growth focused in the Americas

Develop associations with local partners to enhance our geographical coverage and market penetration



### DETECT OPPORTUNITIES



### ENTER THE MARKET



### DEVELOPMENT



- Take advantage of our geographical coverage with DAIS.
- Important to use our customer database and **network** as efficiently and widely as possible

#### Stevedoring Synergies Companies



- Market penetration through Stevedoring companies

#### Tailor-made Solutions



- Concession / Public Port / Private Port

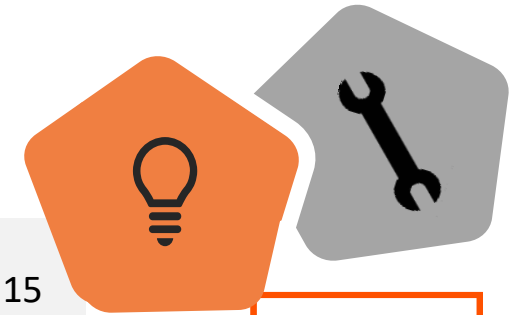






## PRIVATE INITIATIVE TO DEVELOP A PULP PROJECT WITH CMPC

- CMPC is planning an **expansion of their pulp production**, totaling 2,15 tonnes/year, and adding another 2,15 million tonnes in 2027-2028.
- They want to ensure adequate port capacity for this new volume of production.
- CPMC **invited Neltume Ports** to jointly study the feasibility to develop and operate a port terminal in Porto Novo, Rio Grande.
- **Sagres will be the O&M provider.**
- **The Private Initiative has been submitted to the local government and we are waiting for the bidding process to be launched in February 2023.**



### STRATEGY ALIGNMENT



Sustainable Management



Long Term operation



Leverage on Sagres



Cargo Owners



Brazil





# HNH Energy Project - Magallanes, Chile

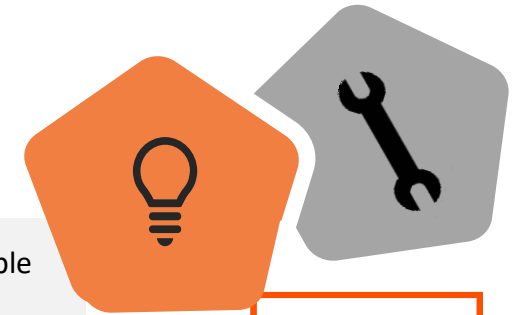
## RENEWABLE ENERGY PROJECT IN MAGALLANES



- Neltume Ports seeks to invest in projects that promote the development of renewable energies.
- To this end the opportunity to be part of a project of green **Hydrogen (H2)** or green **Ammonia (NH3)** in Magallanes is being evaluated.
- For this, a **Joint Venture** would be made with the cargo owners, and Neltume would build an **open access terminal** operated by Ultraport.
- In the first phase, the project will produce **1 m tonnes/year of Green Ammonia** from H2G and Nitrogen (from air). In the final phase, it will produce 10 m ton/year.
- Neltume Ports is involved in the port area for the export of ammonia, which considers a **Take or Pay contract**, as well as in the development of project cargo import.

### Main Members of HNH Energy Project:

- Renewable Energy Developers & Specialists   
- Constructor and Operator of the Port  & Other TBD



### STRATEGY ALIGNMENT



Sustainable Management



Long Term



Leverage on Uport



Cargo Owners



# VANCOUVER – Washington, USA

## LONG TERM AGREEMENT TO OPERATE A BULK TERMINAL



- From January to August 2022, Nautilus is carrying out a transitory operation of a marine export bulk facility at the port's Terminal 2 in the Port of Vancouver (POV).
- In September 2022, **Nautilus and Neltume Ports signed the Joint Venture Agreement**, called Vancouver Bulk Terminal (VBT), to continue operating it.
- Nautilus and Neltume's proposal is to modernize the current operation by incorporating Container Rotation Systems.
- It is expected to sign a **30 year (+10)** lease contract to operate terminal 2 between a Joint Venture of Nautilus - Neltume Ports and Port of Vancouver Port Authority.
- It is expected to move more than **1,5 m tonnes/year of bulk cargo**.
- POV authority is willing to consider a lease for Terminal 3 and Terminal 5 if sufficient load is captured.

STRATEGY  
ALIGNMENT



Sustainable  
Management



Long Term



Leverage on NLI



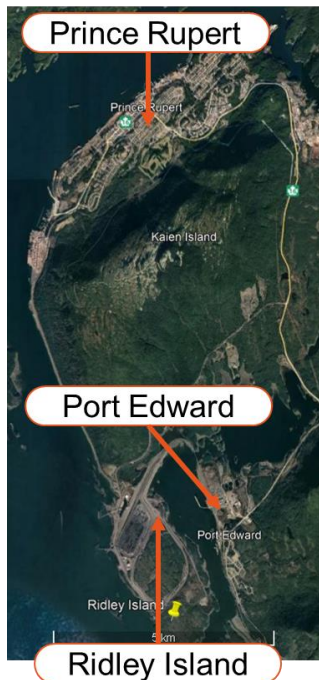
Local Partners



USA

# Prince Rupert - Canada

## ATCO is studying potential blue ammonia production and export via Prince Rupert, BC, Canada



- ATCO is pursuing blue ammonia production opportunities in Alberta.
- ATCO has identified Ridley Island, Prince Rupert, BC as the most viable location for the export terminal.
- The export terminal will need to receive **1,5 m tonnes/year** of Green Ammonia via the existing CN Rail connection, temporarily store the ammonia for subsequent export.
- Neltume Ports and ATCO is performing the conceptual engineering for input to the pre-FEED study. The layout and Capex is scheduled to be completed in December 2022

### Cargo and Handling Characteristics:



Ammonia – NH<sub>3</sub>  
1,5 MTPA

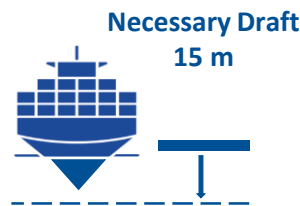


Imported via train



Exported via pipeline and loading arm

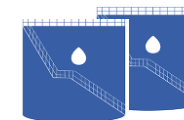
### Terminal Characteristics:



Access Bridge:  
500-1200 m



18-20 Ha  
(Phase I total area)



Necessary Static Capacity:  
174.000 m<sup>3</sup> aprox.

### STRATEGY ALIGNMENT



Sustainable Management



Long Term Concession



Leverage on ATCO



Local Partners



Canada

# TPC – Coquimbo, Chile

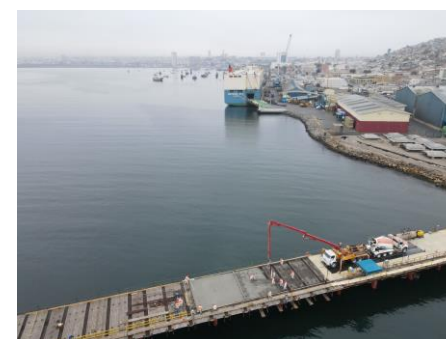
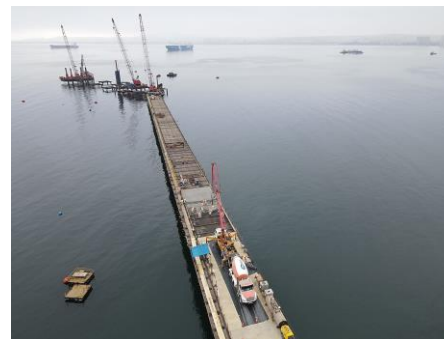
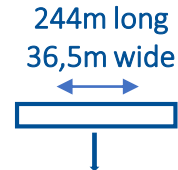
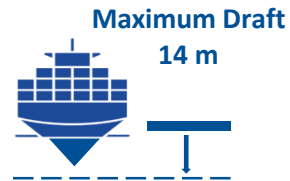


## TPC is carrying out an expansion process

- **Phase I:** Ongoing - Construction of a 300 m finger pier and 240 m quay located north of the terminal.
  - 🚩 It will be finished at the end of 2023.
  - ✅ New berths will have the capacity to handle larger vessels.
- **Phase II:** Pending - Modernization of the existing pier and other terminal upgrades



Site 4 construction    Reinforcement Sites 1 and 2



### STRATEGY ALIGNMENT



Sustainable  
Management



Long Term  
Concession



Local Partners



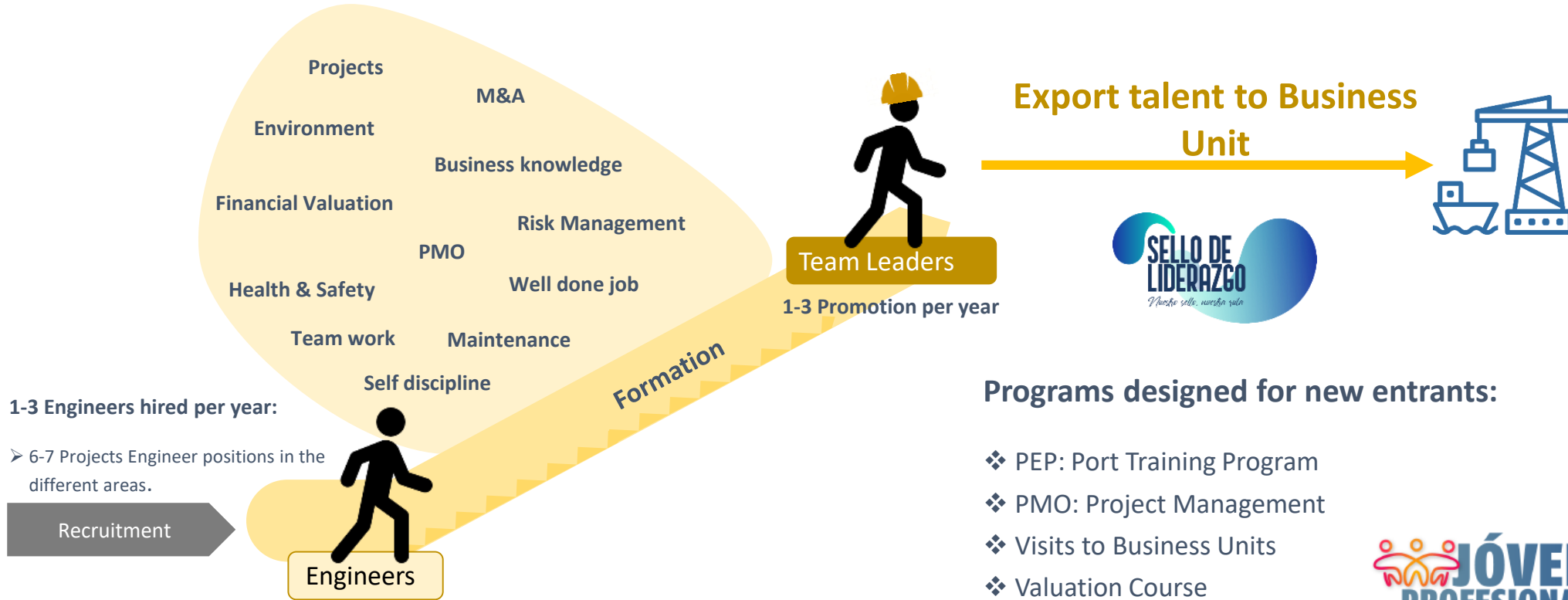
# 4. Talent Formation

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# Talent Formation

Generating talent to support growth



## Programs designed for new entrants:

- ❖ PEP: Port Training Program
- ❖ PMO: Project Management
- ❖ Visits to Business Units
- ❖ Valuation Course
- ❖ Young Professionals



**Sustain & Growth Neltume Ports business, through Excellence, Integrity, Passion and Safety**

# 5. Pricing

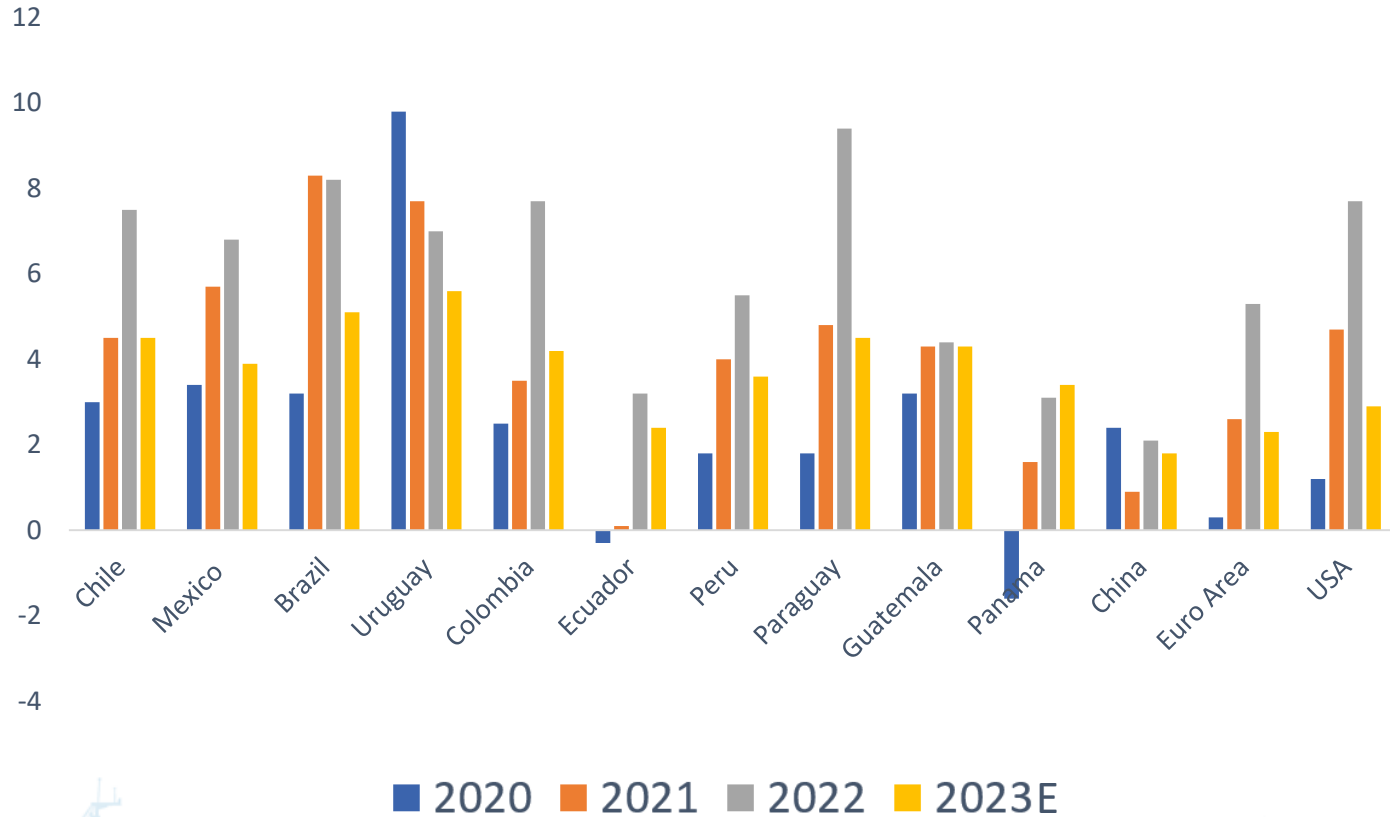
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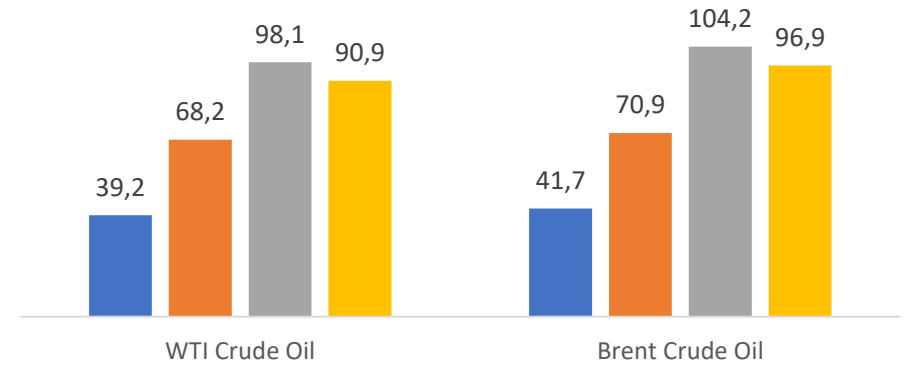


# Global Economic Situation

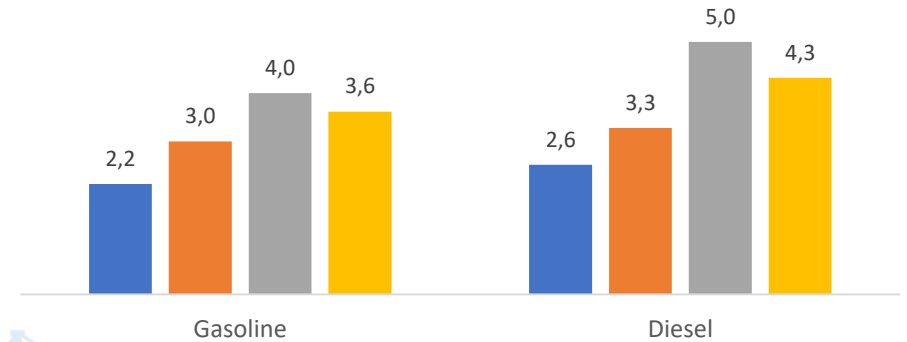
## Consumer Prices - Annual change (%)



## Crude Oil - US\$ per barrel

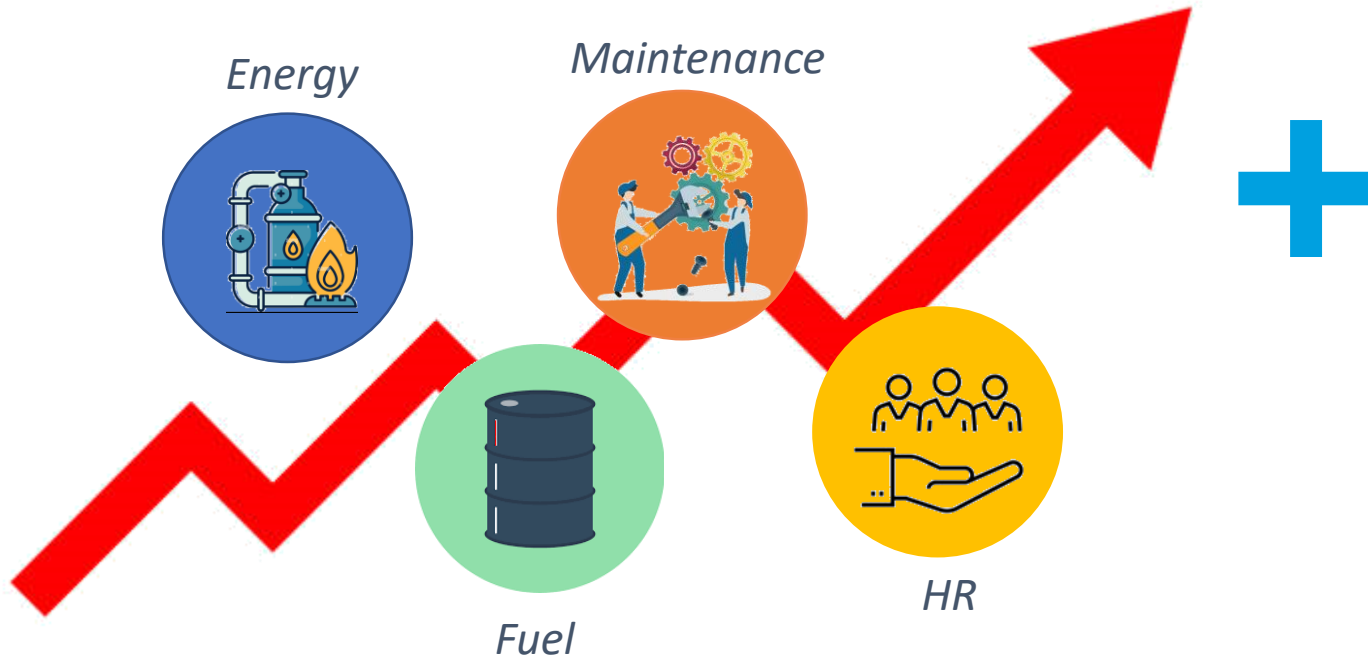


## Other commodities -US\$ per gallon



# Pricing

It is necessary to know what are the components of my service and their respective cost.



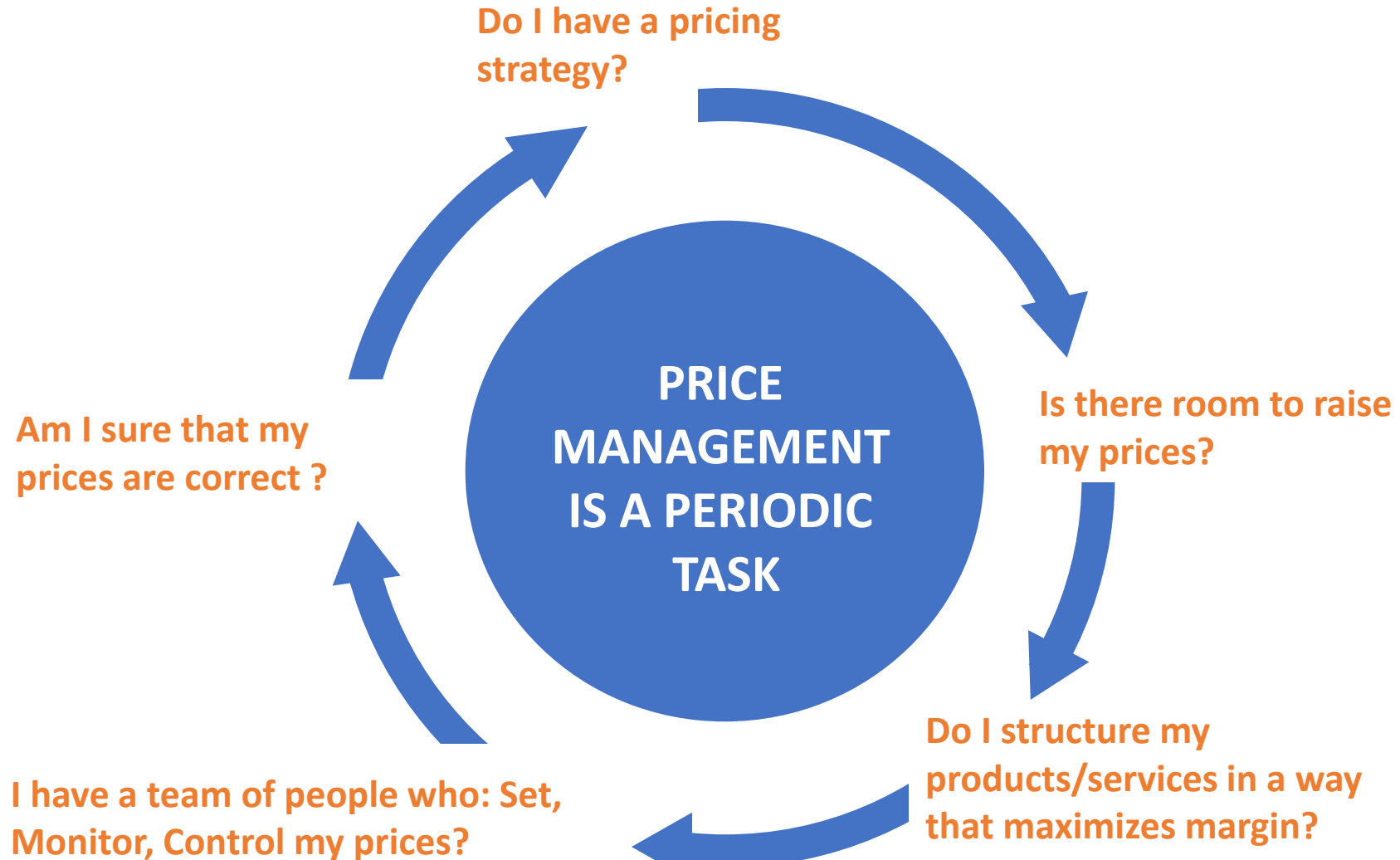
We need to know our customers



*Who they are and what they want*



**PRICING MANAGEMENT**





## General managers' responsibility

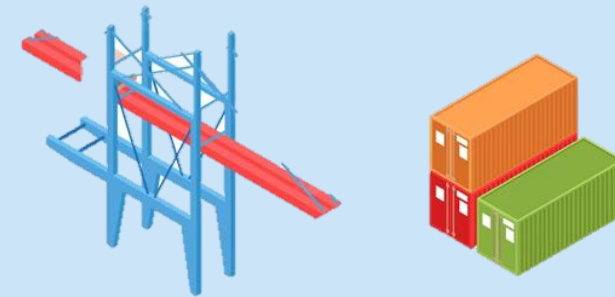


## HOW TO ACHIEVE IT?

### Adding new rates



### Increasing the current rates



✓ Improve profitability.

✓ Prioritize services, products, processes, etc.

✓ Improve customer service.

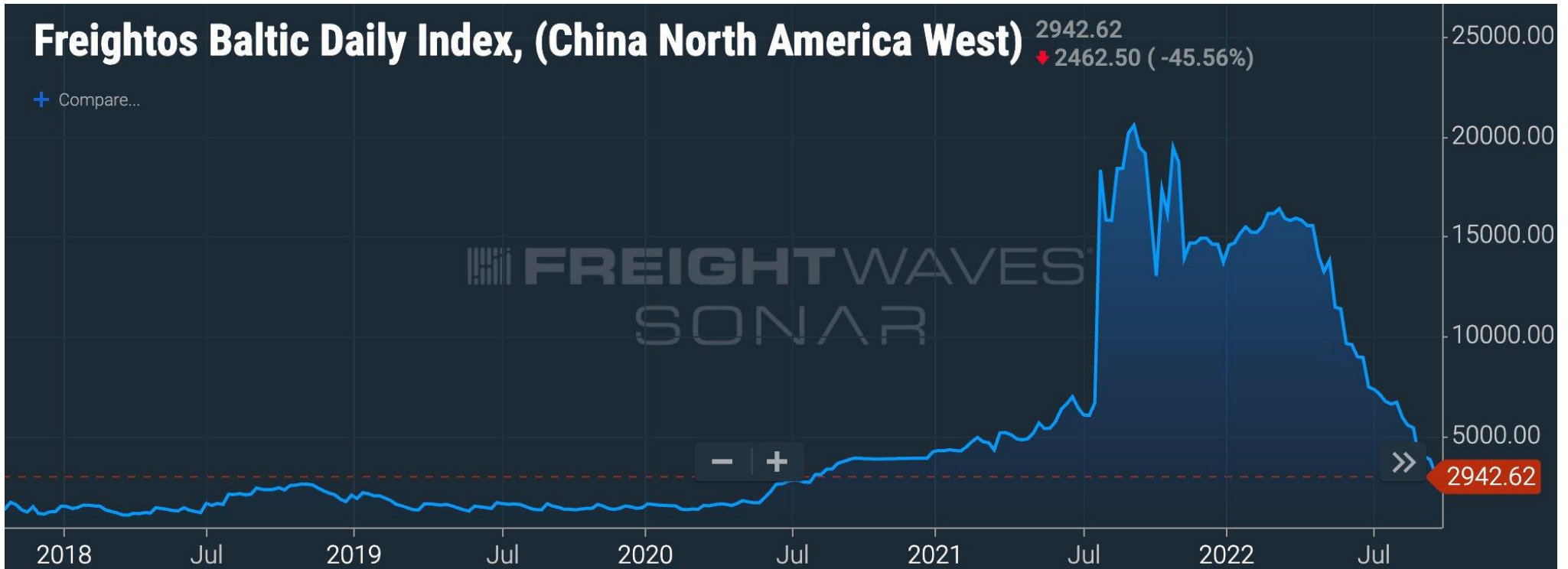
✓ Complement my competitive position.

✓ Not only the focus is on costs, the attention on prices is more positive for the organization.

# Freight Rates

Spot freight rates drop to lowest levels since April 2021

- Container spot rates from China to the US West Coast have broken below \$3,000.
- Ocean carriers are canceling voyages, but it isn't pulling enough capacity off the market to match the drastic drop in demand.



Source: Freightos Data

Challenging time ahead



**NELTUME PORTS**

Empowering Trade

