



URUGUAY 

Ferrocarril Central

NGE PRESS PACK

APRIL 2024





Jean Bernadet

Chief Executive Officer of NGE

" Ferrocarril Central is a record-breaking project in more ways than one. It sets a new record in Uruguay as the largest infrastructure project investment ever made in this South American country. It also sets a new international record for NGE, which has successfully funded, carried out and completed a project with the contract value in excess of \$1 billion.

The successful delivery of this project opens the door to a new stage of development for the Group and an impressive change of scale. For the past twenty years, we have been following a meticulously designed roadmap towards building a public-private partnership on this scale.

Our ability to offer and deliver a comprehensive and integrated solution from funding through design and construction to operation and ongoing maintenance is not only

a source of pride for the Group, but also a powerful lever for our future growth. NGE Concessions, our dedicated project funding division, is a strategic asset for positioning the Group's core businesses in all markets, from emerging to mature.

We have become a major player on the global construction and engineering stage. Our expertise is now recognised and appreciated by the biggest contracting authorities, and our clearly demonstrated ability to successfully deliver major challenges like the Ferrocarril Central project is a new and impressive milestone in the history of NGE.

Going forward, NGE will continue to design and build the complex infrastructures required to support public and private stakeholders in delivering their own transformational changes. This is the very essence of our business in France and internationally. "



Orso Vesperini

Group Senior Vice President of NGE
with responsibility for international
operations

"In recent years, the pace of our international growth has accelerated to the point where it has now doubled in just five years. Nevertheless, international growth remains a major challenge for NGE in the years ahead. It is imperative that our Group continues to diversify, not only geographically, but also culturally and financially to avoid becoming entirely dependent on the business volumes we generate in France. NGE stands out distinctively from its competitors in multiple areas of excellence within which we are recognised as leaders and continue to be proud to carry out projects that change the world.

This is particularly true of our rail sector, which spearheads our international operations, and plays a key role for NGE in promoting low-carbon mobility, as highlighted by the enormous project to upgrade the Ferrocarril Central rail link in Uruguay, as well as our projects to build, restructure and maintain subway lines in Mexico and Panama. Our commitment to water management, where the ultimate

aim is to protect and conserve this vital resource, is illustrated by our ongoing initiatives in Uruguay and Costa Rica. Similarly, our Multi-expertise model and ability to deliver every project phase from design onwards are essential for building infrastructures that can cope with climate change, which is very much the case with the project we are currently engaged on in Peru.

Latin America is now one of our most important growth areas, for which we have set the target of boosting annual revenue by a factor of 5 from €100 million to €500 million in just five years. To support this pace of growth, we anticipate the need to significantly expand our workforce by hiring around 5,000 Spanish- or Portuguese-speaking employees. All will be integrated into the New Generations of Entrepreneurs and play an active and crucial role in creating the infrastructures essential to building tomorrow's world."



Thierry Bodard

Chairman of NGE Concessions

“ The volume of investment required to deliver this major project successfully was very high at \$1.2 billion, which included \$1 billion of senior project debt raised through the SPV formed specifically for the project. I would like take this opportunity of paying tribute to the impressive efficiency of our financial engineering teams. In just a few short months, they successfully identified and involved investors with the funding arrangements most appropriate for this Public-Private Partnership.

The financial structure of this project was not particularly straightforward, and involved handling payments

in two different currencies – dollars and pesos – in order to cover a range of local requirements. The combination of variable-rate and fixed-rate borrowing, and the involvement of seven separate financial entities each imposing different financial conditions, added a further level to the overall challenge posed by this bold venture. Faced with this complex and demanding financial environment, the teams of NGE Concessions have shown an extraordinary level of professionalism. ”

→ NGE on the international stage

The international story of NGE has its roots in the body of experience accumulated over more than 97 years by its rail systems subsidiary TSO. With an operational presence in 17 countries today, the international activity of NGE is structured around regional hubs in Latin America, Africa, Canada and Europe. The growth of the Group is driven by a careful balance between winning contracts for multiple large-scale projects and developing sustainable regional business around our fixed locations.

Our traditional core businesses are now supplemented by the expertise of NGE Concessions, our dedicated project funding business, and more recently by NGE Ingénierie, which positions us in the upstream phase, from the project design stage onwards. This combination of specialist expertise is a powerful lever for international growth, and is a true reflection of our determination to develop concessions for major design and build projects.

The development of Uruguay's rail network is one of the Group's most significant international projects to date. In recent years, NGE has also led the design and build civil engineering consortium responsible for the Nachtigal hydropower scheme in Cameroon, which will be the second-largest hydropower generating facility in Africa. We are also funding and laying more than 200 km of optical fibre networks in the UK, and constructing Egypt's first High Speed Line. This diversity of projects is made possible by the Group's complementary specialist skills, whose combination enables NGE to meet the complex and varied needs of customers right around the world.

KEY FIGURES

4 continents
covered

more than
3,500
employees
internationally in 2023

↑
up 108%
since 2019

377 million
euros in annual revenue for 2022

↑
up 14%
year
on year

2x the target
to increas

annual revenue from international projects
between 2021 and 2025.

1.2 billion
euros in assets committed internationally
by NGE Concessions

→ TSO, the rail systems subsidiary of NGE

TSO is the NGE subsidiary specialising in rail systems. TSO has a long history and is a leading force in its market, both in France and internationally. It provides a focus for the full range of Group expertise in the design, construction, upgrading and maintenance of systems for the development of rail transport (track laying and maintenance, catenaries, signalling and rail safety systems).

"We are extremely proud to be making a significant contribution to developing the rail network of Uruguay with a project that has uncompromisingly delivered the highest quality standards in the industry. In winning this contract, it was the technical assessment that put us decisively ahead. TSO is involved at multiple levels of the overall project, and was awarded the contract to build every aspect of the rail infrastructure and maintain it for 21 years.", explains TSO Chairman Romuald Hugues.

KEY FIGURES

97 years
of history

519 million
euros in annual revenue for 2022

4,000
employees



TSO sectors of expertise

- Rail track construction, upgrading, replacement and maintenance
- Electrification and catenary upgrading/regeneration
- Topographic surveys and software development for rail systems
- Rail safety
- Rail signalling



Ferrocarril Central: a major infrastructure project for Uruguay and NGE

Sustainable and essential mobility: a rail link between the cities of Montevideo and Paso de los Toros

In 2017, the Uruguayan government invited tenders for the upgrading of 264 kilometres of rail track between the city of Paso de los Toros, in the centre of the country, and the capital Montevideo. Its route takes the line through the departments of Montevideo, Canelones, Florida, Durazno and Tacuarembó. For a country whose rail network dates from the early 20th century, this project is structurally important in a number of respects:

- the deterioration of the existing network was such that service was restricted to one train making the round trip once a fortnight at a speed of just 10 kph
- the landlocked department of Tacuarembó therefore had very poor links with the rest of country, a fact that has severely hampered its economic development
- the construction of a pulp mill by the Finnish papermaker UPM, whose revenues are strategically important to the national economy, was conditional on the construction of an operational freight line between Paso de los Toros and the Port of Montevideo.

This infrastructure project is the largest in the history of Uruguay, and has the potential to carry 4 million tonnes of freight annually. Strategically important for the country's multimodal transport system, this upgraded rail link will enable Uruguay to compete more effectively by expanding its range of logistics solutions.

The Ferrocarril Central project has created around 3,100 direct and indirect jobs, benefitting more than 2,800 people working in supplier and service provider businesses.

➔ **A flagship project for the NGE Group: a comprehensive package of project funding, design, construction and maintenance**

For the NGE Group, this project represents its first international public-private partnership in the rail sector, and its first project in Uruguay, at the same time as mobilising many of its core areas of expertise, from funding to rail systems civil engineering, earthworks and more. The ability of NGE to offer a comprehensive presence at every link in the project value chain proved decisive in delivering this project. The Group successfully positioned itself as the single point of contact for its customer, with full responsibility for coordinating and managing every aspect at every stage of the process.

Funding

The Ferrocarril Central project is being carried out by the concession holding company Grupo Vía Central, in which NGE is a shareholder alongside two Uruguayan companies, SACEEM and BERKES, and the Spanish group SACYR. Working through its dedicated infrastructure project funding division NGE Concessions, the NGE Group has secured \$1.2 billion in funding for this project. This is the largest amount ever raised by the Group, which successfully had the full funding package in place as early as October 2019, just six months after signing the contract with the Oriental Republic of Uruguay Ministry of Transport.

NGE helped bring together leading international financial partners from the USA, Japan, Italy and Uruguay (the multilateral Inter-American Development Bank and Corporación Andina de Fomento (and its local fund manager CAF-Asset Management), as well as Sumitomo Mitsui Banking



△ The launch of dynamic track testing with a freight locomotive

Corporation, Intesa Sanpaolo, Allianz Global Investors and Global Infrastructure Partners).

Throughout the project, we have worked to identify dependable and substantial funding opportunities and structure them to guarantee our customer the optimum long-term solution for the full contract period.

KEY FINANCIAL FIGURES

1.2 billion

euros invested by local and international investors and shareholders

125 million

euros of equity (including 34 million euros of NGE investment)

A complex financial structure

- Cross-border funding involving multilateral institutions, commercial banks and Uruguayan and international institutional investors
- A multi-tranche, multi-instrument, multi-currency funding structure – in dollars and pesos – tailored to the specific needs of the project
- The use of multiple innovative funding solutions:
 - Recourse to Uruguayan pension funds to finance the peso tranche through the debt fund managed by CAF Asset Management
 - Securing mezzanine finance from BID Invest and Global Infrastructure Partners
 - Private placement bond funding with BID Invest and Allianz Global Investors: the largest project undertaken in the history of BID Invest for this type of instrument
- A funding structure recognised by the market with two IJGlobal Awards in 2019 and 2022



Construction

The construction work was undertaken by the Consorcio Constructor Ferrocarril Central (CCFC) consortium of NGE, SACYR Construction (Spain) and two Uruguayan construction companies: SACEEM and BERKES.

The consortium carried out all the earthworks, utilities, civil engineering and rail systems aspects of the project.

At every stage of the project, NGE contributed all the following areas of expertise, which were fully integrated into the overall package and coordinated by a single point of contact:

- Design and implementation studies: geotechnical, geometric and structural sizing design studies
- Removal and replacement of overhead and underground utility networks
- Earthworks
- Special foundations
- Hydraulic structures for stormwater drainage and management
- Engineered structures, involving the construction of viaducts, cut-and-cover tunnels and rail bridges in steel and concrete
- Rail track construction, including the production of aggregates for ballast, the manufacture of concrete sleepers, and the laying and welding of rails, points and crossovers
- Installation of safe level crossings
- Rail signalling

The first task was to remove all 296 km of the existing track, whose superstructure was unsuitable for any increase in traffic capacity or operating speed. All existing rails, fasteners and sleepers were removed. This stage was essential to enable the superstructure of the main track and sidings to be built later using new continuous welded rails, fasteners, concrete sleepers and ballast.

Once the old track had been completely dismantled and removed, earthworks

could begin on several sections of the route. Linking the capital Montevideo to the centre of the country involved more than 3,000 employees (3,500 at peak project) working simultaneously on different sections of the worksite. Working out of four main bases (in Sayago, Canelones, Florida and Durazno) and a dozen secondary bases installed in response to individual concentrations of tasks, the teams built or upgraded 9 rail bridges, including 4 viaducts, as well as 250 level crossings and 30 road bridges.

Lastly, the consortium also provided the engineering, supply and assembly of all the signalling, control and communication systems by integrating the latest-generation European ERMTS system used on Europe's high speed lines.



The project achieved excellent results in terms of safety, with 0 serious or fatal accidents in the course of more than 21.5 million working hours, including temporary workers and subcontractors.



The project has also been particularly successful in accelerating gender diversity in Uruguay's construction industry. With a 5% representation in the workforce, and a 35% representation in worksite leadership, the contribution made by women to this project has been well above the national average.

KEY FIGURES

for construction

264 km
of primary track

80 km
of secondary track

37,500
tonnes of rails
in 18-metre sections welded
off site and on site

567,000
concrete sleepers



2 sections
running through cuttings in urban centres
(4 km in total and 110+ km of secant piles)

150 rail bridges

30 road bridges

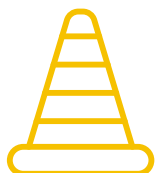
The Rio Yi bridge, a heritage structure conserved

The original rail route crossed the bridge over the Rio Yi river in the city of Durazno. The poor condition of its late 19th century structure made it impossible to carry out the scale of repairs or reinforcement needed to ensure the long-term safe use by this 660-metre bridge by freight trains. On the other hand, replacement was not an option, since the bridge had been classified as a Uruguayan National Historic Monument since 2007.

The project teams rose to the challenge with a clever solution that involved dismantling the original steel structure, installing a completely new structure on the existing - but reinforced - supports, and cladding the new structure with the legacy structure to conserve its heritage character and appearance.



TECHNICAL FOCUS MONTEVIDEO



The city of Montevideo is home to more than half of Uruguay's total population, and is therefore its most densely populated urban centre. In order to lay the final 15 kilometres of track in this extremely busy environment, the construction teams faced the major challenge of phasing work on site with the road traffic network. Working closely with the local authorities, it was possible to make the road alterations required to accommodate the new railway line with a series of structures that included building the six largest semi-covered cuttings in the country.

Testing & Commissioning



16 NOVEMBER 2023

The **264 km of primary track** between the Port of Montevideo and the UPM pulp mill in Paso de los Toros was completed by construction consortium teams.



2 APRIL 2024

The **first - part-loaded - freight train** ran from Pasos de Los Toros to the Port of Montevideo.



16 APRIL 2024

The **line was officially opened** on 16 April 2024 with a ceremony attended by Luis Lacalle Pou, the President of the Republic of Uruguay, Jose Luis Falero, the country's Minister of Transport and Public Works, Juan José Olayzola, Undersecretary in the Ministry of Transport and Public Works, and representatives of NGE, SACYR, SACEEM, BERKES and the financial partners of the consortium.



A 21-YEAR COMMITMENT

NGE and its partners are also responsible for **maintaining the new infrastructure for 21 years.**



FERROCARRIL CENTRAL

Uruguay's record-breaking rail link

Ferrocarril is a 273-kilometre railway line linking the city of Paso de los Toros in the centre of the country to the capital Montevideo. This rail link is the largest infrastructure project undertaken in Uruguay for more than a century, and is not only strategically important for the country's multimodal transport system, but will also expand its logistics options and unlock access to several regions of the interior. For NGE - France's fourth-largest construction and civil engineering company, which has funded, built and will maintain the new rail link - this \$1.2 billion project is the largest it has funded to date, and its first international Public-Private Partnership.

1.2 billion
dollars
of investment

273 km
of rail track between the city
of Paso de los Toros
and the capital
Montevideo

A freight capacity of
4 million
tonnes per year

ARGENTINA

BRAZIL

URUGUAY

PASO DE LOS TOROS

Durazno

Florida

Veinticinco

Canelones

Santa Lucía

Progreso

MONTEVIDEO

SECURING FUNDING FOR THE PROJECT

Total project cost
1.2 billion dollars

125 million in equity
(including 34 million
invested by NGE)

International funding
Involving multilateral institutions, commercial
banks and Uruguayan and international
institutional investors.

DELIVERY OF ALL CONSTRUCTION WORK

3,500+
employees involved

153
rail bridges

30
road bridges

MAINTENANCE

21
years of ongoing maintenance

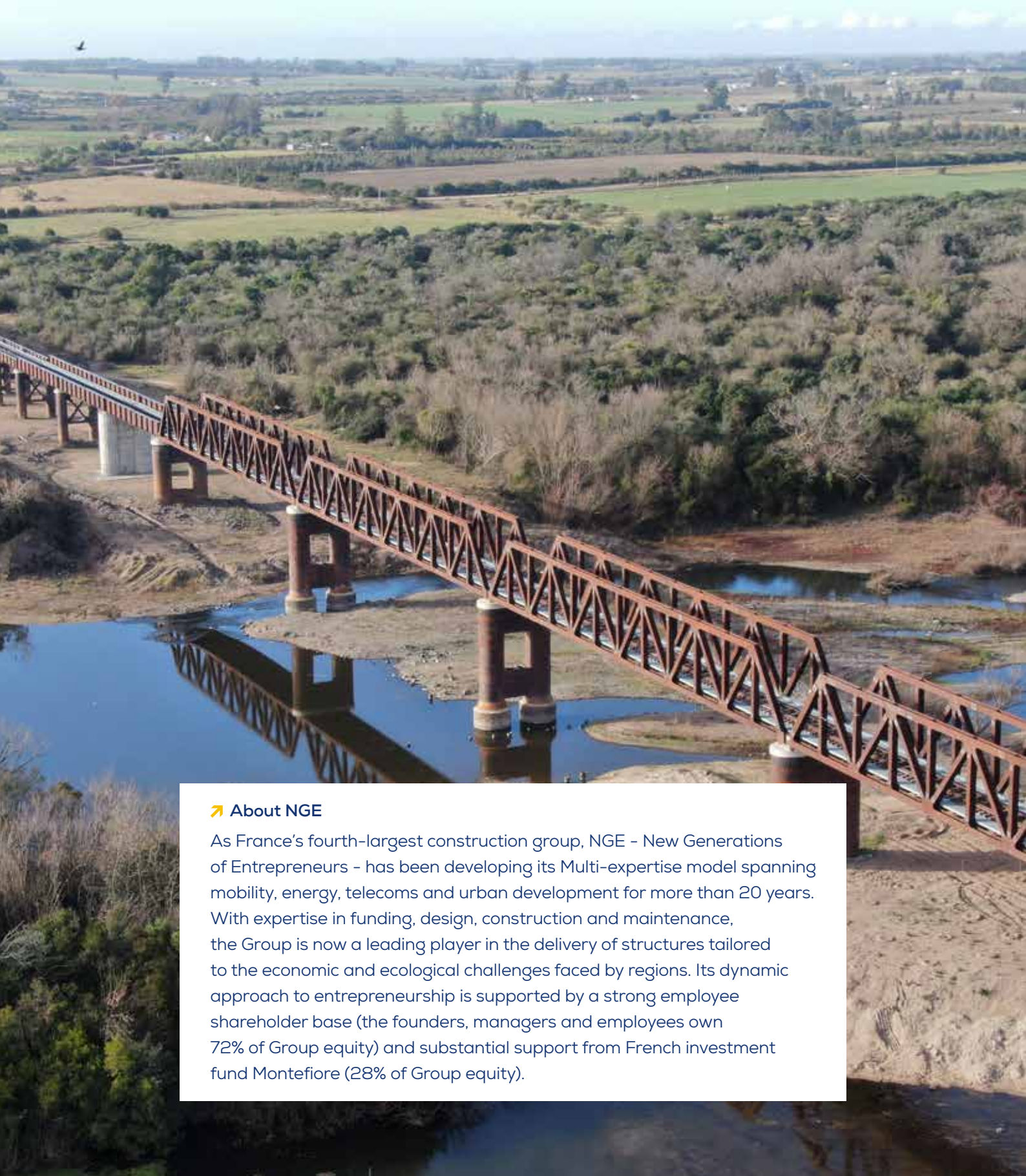
150
employees involved

NGE In Latin America



Working through its TSO subsidiary, the NGE Group has been building rail infrastructure projects to meet the new challenges of mobility in Latin America since 2007. It was in that year that the teams built the 13.5 km of track for Line 1 of the Santo Domingo subway system in the Dominican Republic. Since then, they have worked on a series of major sustainable mobility projects across the continent, including the construction of the Cuenca tramway in Ecuador, which opened in 2015 heralding the great resurgence of tramways in Latin America, the construction and maintenance of two lines of the Panama subway system, the Maya train project in Mexico, and the Mexico City and Guadalajara subway systems. In 2023, NGE opened a project engineering office in Bogota to support its activities across the region.

Following its acquisition of SADE in March this year, NGE has extended its operational presence to include Costa Rica, where its teams are currently working on water supply and wastewater treatment projects.



➤ About NGE

As France's fourth-largest construction group, NGE - New Generations of Entrepreneurs - has been developing its Multi-expertise model spanning mobility, energy, telecoms and urban development for more than 20 years. With expertise in funding, design, construction and maintenance, the Group is now a leading player in the delivery of structures tailored to the economic and ecological challenges faced by regions. Its dynamic approach to entrepreneurship is supported by a strong employee shareholder base (the founders, managers and employees own 72% of Group equity) and substantial support from French investment fund Montefiore (28% of Group equity).

PRESS CONTACT:
TADDEO, Léonore Mascarell
leonore.mascarell@taddeo.fr
+33 (0) 6 88 72 96 17

www.nge.fr

