

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This document does not constitute an invitation to participate in the Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities laws. Persons into whose possession this document comes are required by each of the Republic of Paraguay and the Dealer Managers to inform themselves about, and to observe, any such restrictions.



Republic of Paraguay
Offer to Purchase for Cash the Existing Bonds Listed Below

The Republic of Paraguay (the “Republic,” “Paraguay,” “we,” “us” or “our”) is offering to purchase for cash from each registered holder or beneficial owner (each, a “Holder” and, collectively, the “Holders”) the outstanding bonds of the series set forth in the table below (collectively, the “Existing Bonds” and each Existing Bond, a “series” of Existing Bonds), upon the terms and subject to the conditions set forth in this offer document (this “Offer Document”). The Republic refers to the offer to purchase each series of the Existing Bonds as set forth in this Offer Document as the “Offer.” The Republic will determine in its sole discretion the maximum amount to be paid by the Republic for the outstanding principal amount of each series of Existing Bonds validly tendered and accepted for purchase by the Republic pursuant to the Offer, not including interest accrued and unpaid thereon (such amount for each series, the “Maximum Purchase Price”).

The Offer is not conditioned upon any minimum participation of any series of the Existing Bonds, but it is conditioned, among other things, on the concurrent (or earlier) closing of one or more series of new global bonds (the “New Bonds”), in an aggregate principal amount sufficient to fund the Offer, with pricing and on terms and conditions acceptable to the Republic in its sole discretion (“New Bonds Offerings”). The New Bonds Offerings are being made solely by means of the offering memoranda relating to the offering of the New Bonds (collectively, the “New Bonds Offerings Memoranda”, and the offering memorandum for each of the New Bonds Offerings, the “New Bonds Offering Memorandum”), and this Offer Document does not constitute an offer to sell or the solicitation of an offer to buy any New Bonds.

The Republic will pay a purchase price per U.S.\$1,000 principal amount of each series of Existing Bonds that are accepted pursuant to the Offer equal to the fixed price indicated in the table below (such amount for each series, the “Purchase Price”) together with Accrued Interest (as defined herein). The Republic reserves the right, in its sole discretion, not to accept any valid orders to tender any series of Existing Bonds in accordance with the terms and conditions of the Offer (“Tenders”), to modify the Purchase Price for any series of the Existing Bonds, or to terminate the Offer for any reason.

If the aggregate Purchase Price for all validly tendered Existing Bonds of a series (the “Tendered Aggregate Purchase Price”) would exceed the Maximum Purchase Price for such series, then the Republic will, in its sole discretion, apply a proration factor to the Tenders of such series. See “*The Offer—Maximum Purchase Price; Proration.*”

<u>Title of Existing Bonds</u>	<u>Outstanding Principal Amount as of February 17, 2025</u>	<u>ISINs/CUSIP Numbers</u>	<u>Purchase Price (per Outstanding US\$1,000 Principal Amount) (1)</u>
5.000% Bonds due 2026 (“2026 Bonds”)	US\$332,061,000	US699149AC49/699149AC4 USP75744AD76/P75744AD7	US\$1,005.00
4.700% Bonds due 2027 (“2027 Bonds”)	US\$500,000,000	US699149AD22/699149AD2 USP75744AE59/P75744AE5	US\$997.50

(1) In addition, investors will receive Accrued Interest, as described below.

You should consider the risk factors beginning on page 13 of this Offer Document before you decide whether to participate in the Offer.

THE OFFER COMMENCED ON TUESDAY, FEBRUARY 18, 2025 AND, UNLESS EXTENDED OR EARLIER TERMINATED, THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M. (NEW YORK CITY TIME) ON MONDAY, FEBRUARY 24, 2025 (SUCH TIME AND DATE, AS MAY BE EXTENDED OR EARLIER TERMINATED, THE “EXPIRATION TIME”). SEE “THE OFFER—TENDER PROCEDURES.”

Tenders for Existing Bonds must be submitted through a direct participant in The Depository Trust Company (“DTC”), Euroclear Bank SA/NV, as operator of the Euroclear System (“Euroclear”), or Clearstream Banking, S.A. (“Clearstream”). Existing Bonds tendered pursuant to the Offer may only be withdrawn in accordance with the procedures specified under “*The Offer—Irrevocability; Withdrawal Rights*,” prior to the Expiration Time, but not thereafter. Existing Bonds validly tendered and accepted for purchase will be settled on the Settlement Date (as defined herein).

You are advised to consult with the broker, dealer, bank, custodian, trust company, or other nominee through which you hold your Existing Bonds as to the deadlines by which such intermediary would require receipt of instructions from you to participate in the Offer in accordance with the terms and conditions of the Offer as described in this Offer Document in order to meet the deadlines set forth above. The deadlines set by Euroclear, Clearstream, DTC or any such intermediary for the submission of Existing Bonds may be earlier than the deadlines specified in this Offer Document.

This Offer Document does not constitute an offer to buy or a solicitation of an offer to sell any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The Offer is being made only in those jurisdictions where it is legal to do so.

The Dealer Managers for the Offer are:

Citigroup

Itaú BBA

The date of this Offer Document is February 18, 2025.

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the Offer Document, whether received by e-mail or otherwise received as a result of electronic communication, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached document. In accessing the Offer Document, you agree to be bound by the following terms and conditions, including any modifications made to them from time to time, each time you receive any information from us at any time. Capitalized terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Offer Document.

The Offer Document should not be forwarded or distributed to any other person and should not be reproduced in any manner whatsoever. Failure to comply with these instructions may result in a violation of the applicable laws and regulations of the United States or other jurisdictions.

Confirmation of your representation: By accessing the Offer Document you shall be deemed to have represented to Paraguay, the Dealer Managers and the Tender and Information Agent (as defined herein), that:

- (i) you are a Holder or a beneficial owner of Existing Bonds;
- (ii) you are not a person to whom it is unlawful to send the attached Offer Document or to make the Offer to under applicable laws and regulations;
- (iii) you have made all the representations included in this Offer Document. See “**Holders’ Representations, Warranties and Undertakings;**”
- (iv) you consent to delivery of the Offer Document to you by electronic transmission; and
- (v) you are not located or resident in the United Kingdom or, if you are located or resident in the United Kingdom, you are: (A) a person who has professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), or (B) a person falling within Articles 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order; or (C) a person to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended, the “FSMA”)) may otherwise lawfully be communicated.

The Offer Document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Paraguay, the Dealer Managers, the Tender and Information Agent or any person who controls, or is a director, officer, employee or agent, of any of them, or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offer Document distributed to you in electronic format and the hard copy version available to you on request from the Tender and Information Agent at the address specified on the inside back cover of the Offer Document.

You are reminded that the Offer Document has been delivered to you on the basis that you are a person into whose possession the Offer Document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorized to, deliver, transmit, forward or otherwise distribute the Offer Document, directly or indirectly, to any other person.

The materials relating to the offering to which the Offer Document relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and one of the Dealer Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate in that jurisdiction.

Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would be unlawful. Securities may not be offered or

sold in the United States absent registration or an exemption from registration. **The New Bonds Offerings will be made solely by means of the New Bonds Offerings Memoranda relating to those offerings, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy the New Bonds. You may not participate in the New Bonds Offerings unless you have received and reviewed the applicable New Bonds Offering Memorandum, and not in reliance on, or on the basis of, this Offer Document. The New Bonds will be offered only to qualified institutional buyers in accordance with Rule 144A under the Securities Act (“Rule 144A”) and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”), and will not be registered under the Securities Act or the securities laws of any other jurisdiction.**

Neither the communication of this Offer Document nor any other offer material relating to the Offer is being made, and this Offer Document has not been approved, by an authorized person for the purposes of section 21 of the FSMA. Accordingly, this Offer Document is not being distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, the communication of this Offer Document as a financial promotion is being made to, and is directed only at: (a) persons outside the United Kingdom; or (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order; or (c) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order; or (d) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) may otherwise lawfully be communicated or caused to be communicated (all such persons together being “relevant persons”). **This Offer Document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offer Document relates is available only to relevant persons and will be engaged in only with relevant persons.**

Under the dealer manager agreement, the Dealer Managers assume no obligations other than to Paraguay. The Dealer Managers will not be responsible to anyone other than Paraguay for providing the protections afforded to their clients or for providing advice in relation to the transactions contemplated in this Offer Document.

You must comply with all laws that apply to you in any place in which you possess this Offer Document. You must also obtain any consents or approvals that you need in order to accept this Offer and tender Existing Bonds. None of Paraguay, the Dealer Managers or the Tender and Information Agent is responsible for your compliance with these legal requirements.

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CERTAIN OFFER MATTERS

Any questions regarding the Offer to purchase Existing Bonds may be directed to Global Bondholder Services Corporation, which is serving as depository and information agent in connection with the Offer for the Existing Bonds (the “Tender and Information Agent”), at the telephone numbers provided on the back cover of this Offer Document. Holders may also contact Citigroup Global Markets Inc. and Itau BBA USA Securities, Inc. (together, the “Dealer Managers”) at the telephone numbers provided on the back cover of this Offer Document for information concerning the Offer.

The internet address for the offer website is: <https://www.gbsc-usa.com/paraguay>.

Neither the Republic nor the Dealer Managers will pay any commissions or other remuneration to any broker, dealer, salesperson or other person for soliciting Tenders of Existing Bonds. Tendering Holders will not be obligated to pay the fees of the Dealer Managers and the Tender and Information Agent; however, such Holders may be required to pay a fee or commission to their broker or intermediary through whom their Existing Bonds are tendered.

The Offer is not conditioned upon any minimum participation by the Holders of Existing Bonds, but is conditioned on the satisfaction or waiver by the Republic of the conditions described under “*The Offer—Conditions to the Offer*,” including the closing of the New Bonds Offerings. The Republic intends to apply a portion of the net proceeds of the New Bonds Offerings to purchase any Existing Bonds tendered and accepted in the Offer.

The New Bonds will be offered only to qualified institutional buyers in the United States in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. Allocations in the New Bonds Offerings will be determined by the Republic in its sole discretion based on a number of different factors, which may include an assessment of an investor’s long-term interest in owning debt securities issued by the Republic, the size and timing of such investor’s indication of interest in purchasing New Bonds, and the aggregate principal amount of all Tenders in the Offer. However, the Republic is not obligated to consider participation in the Offer in making an allocation determination with respect to the New Bonds with regard to any particular investor.

The Republic is responsible only for the information provided in this Offer Document. Neither the Republic nor the Dealer Managers have authorized anyone else to provide you with different information.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Offer Document and, if given or made, such information or representations must not be relied upon as having been authorized by the Republic, the Dealer Managers or the Tender and Information Agent, and none of the Republic, the Dealer Managers or the Tender and Information Agent takes any responsibility for information that others may give to you.

The Republic is furnishing this Offer Document solely for use by current Holders of Existing Bonds in the context of the Offer. The Republic confirms that:

- the information contained in this Offer Document is true and correct in all material respects and is not as a whole misleading as of the date of this Offer Document;
- it has not omitted other material facts the omission of which makes this Offer Document as a whole misleading as of the date of this Offer Document;
- it holds the opinions and intentions expressed in this Offer Document; and
- it accepts responsibility for the information it has provided in this Offer Document.

Before you decide to participate in the Offer, you should read this entire Offer Document.

The information contained in this Offer Document is current only as of its date. Neither the delivery of this Offer Document nor any purchase made hereunder shall, under any circumstances, create any implication that the information in this Offer Document is correct as of any time subsequent to the date hereof

or other dates which are specified herein, or that there has been no change in the affairs of the Republic since such dates.

The Republic will cancel the Existing Bonds it acquires following consummation of the Offer. Accordingly, upon completion of the Offer, the aggregate principal amount of the Existing Bonds purchased in the Offer that otherwise might trade in the market will be reduced, which could adversely affect the liquidity and market value of the remaining Existing Bonds that are not purchased in the Offer.

None of the Republic, the Dealer Managers or the Tender and Information Agent makes any recommendation in connection with the Offer. None of the Republic, the Dealer Managers or the Tender and Information Agent has expressed any opinion as to whether the terms of the Offer are fair. None of the Republic, the Dealer Managers or the Tender and Information Agent makes any recommendation that you tender your Existing Bonds or refrain from doing so pursuant to the Offer, and no one has been authorized by the Republic, the Dealer Managers or the Tender and Information Agent to make any such recommendation. You must make your own decision as to whether to tender Existing Bonds or refrain from doing so, and, if you do tender, the principal amount of Existing Bonds to tender.

The Republic may, at its sole discretion, extend, re-open, amend or waive any condition of or terminate the Offer at any time. In the event the Offer is withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Republic, the Purchase Price and Accrued Interest will not be paid or become payable to Holders who have validly tendered their Existing Bonds in connection with such Offer and the relevant Existing Bonds will be returned to the tendering Holder.

You must comply with all laws that apply to you in any place in which you possess this Offer Document. You must also obtain any consents or approvals that you need in order to accept this Offer and submit your Tender. None of the Republic, the Dealer Managers or the Tender and Information Agent is responsible for your compliance with these legal requirements. The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offer in, from, or otherwise involving, the United Kingdom.

The Republic has prepared this Offer Document and is solely responsible for its contents. You are responsible for making your own examination of the Republic and your own assessment of the merits and risks of participating in the Offer. By tendering your Existing Bonds, you will be deemed to have acknowledged that:

- you have reviewed this Offer Document;
- you have had an opportunity to request and review any additional information that you may need; and
- neither the Dealer Managers nor the Tender and Information Agent is responsible for, nor is making any representation to you concerning, the accuracy or completeness of this Offer Document.

The Republic and the Dealer Managers are not providing you with any legal, business, tax, accounting or other advice in this Offer Document. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to accept the Offer and submit Tenders.

As used in this Offer Document, “Business Day” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City. References herein to “US\$” are to United States dollars. References herein to “Guaraníes” are to the lawful currency of the Republic of Paraguay.

Important Information for Tendering Existing Bonds

Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate. See “*The Offer—Tender Procedures.*”

Holders wishing to tender Existing Bonds pursuant to the Offer should transmit an Agent's Message (as defined herein) together with the confirmation of the transfer of such Existing Bonds into the account of the Tender and Information Agent with DTC pursuant to the procedures for book-entry transfer set forth herein. Beneficial owners whose Existing Bonds are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Existing Bonds. The Republic expects that DTC will authorize participants that hold Existing Bonds on behalf of beneficial owners of Existing Bonds through DTC to tender their Existing Bonds as if they were Holders. To effect a Tender, DTC participants may transmit their acceptance to DTC through the DTC Automated Tender Offer Program ("ATOP"), for which the Offer will be eligible, and follow the procedures for book-entry transfer set forth in "*The Offer—Tender Procedures*."

A beneficial owner who holds Existing Bonds through Euroclear or Clearstream and wishes to tender its Existing Bonds must arrange for a direct participant in Euroclear or Clearstream to deliver a valid electronic acceptance instruction (an "Electronic Acceptance Instruction"), which includes the proper instructions, to Euroclear or Clearstream, as applicable. Only a direct participant in Euroclear or Clearstream may submit an Electronic Acceptance Instruction to Euroclear or Clearstream. See "*The Offer—Tender Procedures*."

The Republic has not provided any guaranteed delivery provisions in connection with the Offer. You must tender your Existing Bonds in accordance with the procedures set forth in "*The Offer—Tender Procedures*."

Jurisdiction; Enforcement of Judgments

The Republic of Paraguay is a foreign sovereign state. Consequently, it may be difficult for investors to obtain or realize upon judgments of courts in the United States or elsewhere against Paraguay, and enforcement of such judgments may be subject to limitations with respect to attachment of certain classes of assets.

Paraguay reserves the right to plead sovereign immunity under the United States Foreign Sovereign Immunities Act of 1976, as amended (the "Foreign Sovereign Immunities Act"), in actions brought against it under the United States federal securities laws or any state securities laws. Paraguay's appointment of its process agent will not extend to these actions. Without Paraguay's waiver of immunity, you will not be able to obtain a United States judgment against Paraguay unless the court determines that Paraguay is not entitled under the Foreign Sovereign Immunities Act to sovereign immunity in such action. In addition, execution upon property of Paraguay located in the United States to enforce a judgment obtained under the Foreign Sovereign Immunities Act may not be possible except in the limited circumstances specified in the Foreign Sovereign Immunities Act.

A judgment obtained against Paraguay in a foreign court can be enforced in the courts of Paraguay, if such judgment is ratified by the Paraguayan courts. Based on existing law, Paraguayan courts will ratify such a judgment if (i) a formal request for the payment of the award under the judgment is lodged with the Paraguayan government and not honored (it is not clear how such request must be made, and how and when such request must not have been honored, in order for a party to have the right to seek such ratification) and (ii) there exists a treaty with the country where such judgment was issued providing for reciprocal enforcement of foreign judgments (no such treaty exists at the present time between Paraguay and the United States); or if no such treaty exists (A) such judgment has *res judicata* effects in the jurisdiction where it was rendered; (B) such judgment was issued by a competent court with *in personam* jurisdiction or (if the relevant assets were transferred to Paraguay during or after the complaint was filed) in rem jurisdiction; (C) there is no legal action filed and pending judgment at a Paraguayan court with the same cause of action and among the same parties; (D) any person or entity domiciled in Paraguay against whom such judgment is sought to be enforced must have been duly served with process and represented during the trial or adjudged to have failed to appear in accordance with the laws of the country where the trial was held; (E) the obligation that gave rise to the complaint must be valid under Paraguayan law; (F) such judgment is not contrary to the public policy of Paraguay; (G) such judgment must comply with all necessary requirements to be considered as a valid judgment in the foreign jurisdiction; and (H) such judgment must not conflict with a judgment rendered previously or simultaneously by a Paraguayan court.

Once a foreign judgment is ratified by the Paraguayan courts, payment of such judgment should be included by Congress as a liability under the budget law for the following fiscal year. Under Paraguayan law, creditors may not be able seek attachment prior to judgment and attachment in aid of execution with respect to property of Paraguay located in Paraguay.

Forward-Looking Statements

This Offer Document contains forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about Paraguay's beliefs and expectations. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. Paraguay undertakes no obligation to update any of these forward-looking statements in light of new information or future events, including changes in Paraguay's economic policy or budgeted expenditures, or to reflect the occurrence of unanticipated events. Forward-looking statements involve inherent risks and uncertainties. Paraguay cautions you that a number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. The information contained in this Offer Document identifies important factors that could cause such differences. Such factors include, but are not limited to:

- adverse external factors, such as wars or international conflicts, public health crises and epidemics/pandemics and worldwide effects thereof, including the impact in Paraguay's economy, and responses thereto; a global or regional financial crisis or downturn; higher international interest rates; decisions and policies of international institutions such as the International Monetary Fund, the World Bank, the World Trade Organization, the United Nations, the Organization of American States, the Inter-American Development Bank or MERCOSUR; adverse court decisions; a downgrade of Paraguay's sovereign credit ratings by international rating agencies; changes in MERCOSUR import tariffs; changes in international commodity prices, in particular soy beans and bovine meat; recession, low economic growth or economic contraction affecting Paraguay's trading partners; suspension or termination of trade agreements or treaties; deterioration in the economic condition of or Paraguay's relationship with neighboring countries; and volatility in the international capital markets for emerging market issues caused by geopolitical pressures;
- adverse domestic factors, such as deterioration or non-improvement in general economic and business conditions; reduction in foreign currency reserves; volatility of exchange rates of Guaraníes against key currencies; reduction in fiscal revenue; the ability of the government to enact key economic reforms; higher domestic debt; increased rates of domestic inflation; the level of foreign direct and portfolio investment in Paraguay; the level of Paraguay's domestic interest rates; political instability; increase in crime rates; and natural events, such as climatic changes and floods, which may have a negative impact on soy and bovine meat production and exports.

Governing Law

This Offer and any tenders shall be governed by and interpreted in accordance with the laws of the State of New York, United States of America.

CERTAIN LEGAL RESTRICTIONS

The distribution of materials relating to the Offer, and the transactions contemplated by this Offer Document, may be restricted by law in certain jurisdictions. The Offer is being made only in those jurisdictions where it is legal to do so. The Offer is void in all jurisdictions where it is prohibited. If materials relating to the Offer come into your possession, you are required to inform yourself of and to observe all of these restrictions. Each person accepting the Offer shall be deemed to have represented, warranted and agreed (in respect of itself and any person for whom it is acting) that it is not a person to whom it is unlawful to make the Offer pursuant to this Offer Document, it has not distributed or forwarded this Offer Document or any other documents or materials relating to the Offer to any such person, and that it has complied with all laws and regulations applicable to it for purposes of participating in the Offer. Neither the Republic nor the Dealer Managers accepts any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The materials relating to the Offer do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. This Offer Document does not constitute an offer to buy or a solicitation of an offer to sell any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer and in which any Dealer Manager or any of its affiliates is so licensed, it shall be deemed to be made by the Dealer Managers or such affiliates on behalf of the Republic.

SUMMARY TIMETABLE

The following summarizes the anticipated time schedule for the Offer assuming, among other things, that the Expiration Time is not extended. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer Document.

Tuesday, February 18, 2025

Commencement of the Offer.

You may tender your Existing Bonds through DTC, Euroclear or Clearstream. Failure to deliver your Existing Bonds on a timely basis may result in the cancellation of your Tender. **This is the only way you may tender Existing Bonds in the Offer. See “The Offer—Tender Procedures.”**

5:00 p.m. (New York City time) on Monday, February 24, 2025, unless extended or earlier terminated (the “Expiration Time”).....

The deadline by which a Holder must have validly tendered its Existing Bonds in order to be eligible to participate in the Offer. If the Offer is extended or earlier terminated, the term “Expiration Time” shall mean the time and date on which the Offer, as so extended or earlier terminated, shall expire.

5:00 p.m. (New York City time) on Monday, February 24, 2025, unless extended or earlier terminated (the “Withdrawal Deadline”).....

The last day and time to validly withdraw tendered Existing Bonds pursuant to the Offer. A valid withdrawal of Existing Bonds on or prior to the Withdrawal Deadline will result in the Holder not being eligible to receive the Purchase Price or Accrued Interest.

At or around 9:00 a.m. (New York City time) on Tuesday, February 25, 2025, subject to change without notice

The Republic expects to announce the aggregate principal amount of Tenders of each series of the Existing Bonds that have been received on or prior to the Expiration Time.

At or around 5:00 p.m. (New York City time) on Tuesday, February 25, 2025, subject to change without notice

The Republic expects to announce: (i) the Maximum Purchase Price for each series; (ii) the Tendered Aggregate Purchase Price for each series, (iii) the aggregate principal amount of Tenders of each series of the Existing Bonds that have been accepted; and (iv) any proration of Tenders of the Existing Bonds. Such announcement may be conditioned on the consummation of the New Bonds Offerings, in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic in its sole discretion.

Monday, March 3, 2025, subject to change without notice (the “Settlement Date”).....

Subject to the concurrent (or earlier) closing of the New Bonds Offerings and to the satisfaction of the other conditions set forth herein, the Republic will pay the Purchase Price plus Accrued Interest to Holders of Existing Bonds validly tendered and accepted for purchase. Settlement with respect to the Existing Bonds will occur through DTC, Euroclear or Clearstream. The Republic will cancel such Existing Bonds promptly thereafter.

The above times and dates are subject to the right of the Republic to extend, re-open, amend or terminate the Offer, in its sole discretion (subject only to applicable law). Holders are advised to consult with any bank, securities

broker or other intermediary through which they hold Existing Bonds whether such intermediary would require receipt of instructions to participate in the Offer before the deadline set forth above.

In the event the Offer is withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Republic, the Purchase Price or Accrued Interest will not be paid or become payable to Holders who have validly tendered their Existing Bonds in connection with such Offer and the relevant Existing Bonds will be returned to the tendering Holder.

The Republic will make (or cause to be made) all announcements regarding the Offer by press release issued to news media in accordance with applicable law and by an announcement on an international news service and on the website for the Offer run by the Tender and Information Agent (<https://www.gbsc-usa.com/paraguay>) (the “Offers Website”). See “*The Offer—Communications*.”

SUMMARY

This summary highlights information contained elsewhere in this Offer Document. It is not complete and may not contain all the information that you should consider before tendering Existing Bonds. You should read the entire Offer Document. Capitalized terms not otherwise defined in this summary have the meanings assigned to them elsewhere in this Offer Document.

Purchaser	The Republic of Paraguay.
The Offer	<p>The Republic is offering to purchase for cash the Existing Bonds upon the terms and subject to the conditions set forth in this Offer Document. The Republic will determine in its sole discretion the Maximum Purchase Price to be paid for each series of Existing Bonds to be purchased in the Offer. In addition, the Republic reserves the right, in its sole discretion, to modify the Purchase Price for any series of the Existing Bonds, or to terminate the Offer for any reason.</p> <p>The Offer is made subject to the terms and conditions set forth in this Offer Document, including the concurrent (or earlier) closing of the New Bonds Offerings in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic. The Offer is not conditioned upon any minimum participation of any series of the Existing Bonds. For a more detailed discussion, see “<i>The Offer</i>.”</p>
Maximum Purchase Price	The Maximum Purchase Price will be an amount to be paid by the Republic for the outstanding principal amount of each series of Existing Bonds validly tendered and accepted for purchase by the Republic pursuant to the Offer, not including Accrued Interest. The Maximum Purchase Price of each series of Existing Bonds will be determined by the Republic in its sole discretion.
Proration	<p>If the Tendered Aggregate Purchase Price for a series would exceed the Maximum Purchase Price for such series, then the Republic will, in its sole discretion, apply a proration factor to the Tenders of such series, so that the Tendered Aggregate Purchase Price of such series accepted by the Republic equals or does not exceed the corresponding Maximum Purchase Price.</p> <p>These proration procedures are subject to the Republic’s right in its sole discretion not to accept any or certain Tenders for any reason.</p> <p>Existing Bonds accepted for purchase will be determined by multiplying each Holder’s Tender by the proration factor, and rounding the product down to the nearest US\$1,000 principal amount. All Existing Bonds validly tendered but not accepted as a result of proration or otherwise will be rejected and returned to Holders through the applicable clearing system. However, if the principal amount of Existing Bonds that are not accepted and are returned to a Holder as a result of proration would result in less than the Minimum Denomination (as defined herein) being returned to such Holder, the Republic will either accept or reject all of such Holder’s validly tendered Existing Bonds.</p> <p>See “<i>The Offer—Maximum Purchase Price; Proration</i>.”</p>
Source of Funds	The Republic expects to fund the purchase of the Existing Bonds using a portion of the net proceeds from the sale of the New Bonds in

the New Bonds Offerings. The Offer is subject to a number of conditions, including that the Republic concurrently (or earlier) consummate the New Bonds Offerings, in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic in its sole discretion.

The New Bonds Offerings will be made solely by means of the New Bonds Offerings Memoranda, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy the New Bonds. You may not participate in the New Bonds Offerings unless you have received and reviewed the applicable New Bonds Offering Memorandum, and not in reliance on, or on the basis of, this Offer Document. The New Bonds will be offered only to qualified institutional buyers in the United States in reliance on Rule 144A and outside the United States in reliance on Regulation S under the Securities Act, and will not be registered under the Securities Act or the securities laws of any other jurisdiction.

Purchase Price

Upon the terms and subject to the conditions set forth in this Offer Document, Holders who validly tender Existing Bonds at or prior to the Expiration Time and whose Existing Bonds are accepted for purchase by us, will receive the applicable Purchase Price for such series of Existing Bonds, plus Accrued Interest. The Purchase Price applicable to each series of the Existing Bonds is specified in the table on the cover page.

The amount of cash you will receive as Purchase Price plus Accrued Interest for any series of Existing Bonds purchased by the Republic in the Offer will be rounded to the nearest cent (US\$0.01).

Accrued Interest

In addition to the Purchase Price, Holders whose Existing Bonds are accepted for purchase by the Republic in the Offer will receive accrued and unpaid interest with respect to their tendered Existing Bonds from, and including, the last applicable interest payment date for such Existing Bonds to, but excluding, the Settlement Date (“Accrued Interest”).

Tender Period

The Offer commenced on Tuesday, February 18, 2025, and unless extended or earlier terminated by the Republic in its sole discretion, the Offer and withdrawal rights will expire at 5:00 p.m. (New York City time) on Monday, February 24, 2025.

Submitting Tenders

Tenders for Existing Bonds must be submitted through DTC, Euroclear or Clearstream. Tenders must be submitted in the applicable Minimum Denomination. Failure to deliver your Existing Bonds on a timely basis may result in the cancellation of your Tender.

If you are a beneficial owner whose Existing Bonds are held by a broker, dealer, commercial bank, trust company or other nominee (each, a “Nominee”) and you wish to tender the Existing Bonds in the Offer, you must contact your Nominee and instruct such Nominee, as Holder of the Existing Bonds, to tender the Existing Bonds on your behalf.

Accordingly, beneficial owners wishing to participate in the Offer are advised to contact their Nominee as soon as possible in order to determine the deadlines by which such Nominee would require receipt

of instructions from you to participate in the Offer in accordance with the terms and conditions of the Offer described in this Offer Document in order to meet the deadlines set forth in this Offer Document. The deadlines set by DTC, Euroclear, Clearstream or any such intermediary for the submission of tenders of Existing Bonds may be earlier than the relevant deadlines specified in this Offer Document. See “*The Offer— Tender Procedures.*”

Irrevocability; Withdrawal Rights..

The Offer will become irrevocable upon the Expiration Time. However, the Offer may be withdrawn or revised prior to the Expiration Time in accordance with the procedures described under “*The Offer—Irrevocability; Withdrawal Rights.*”

**Announcement of Results;
Announcement of Accepted Tenders**

At or about 9:00 a.m. (New York City time) on the Business Day after the Expiration Time, subject to change without notice, the Republic expects to announce: (i) the aggregate principal amount of Tenders of each series of the Existing Bonds that have been received on or prior to the Expiration Time; (ii) the Maximum Purchase Price for each series; (iii) the Tendered Aggregate Purchase Price for each series; (iv) the aggregate principal amount of Tenders of each series of the Existing Bonds that have been accepted; and (v) any proration of Tenders of the Existing Bonds. Such announcement may be conditioned on the consummation of the New Bonds Offerings, in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic in its sole discretion.

Acceptance of Tenders.....

The Republic will accept for purchase valid tenders of Existing Bonds in such principal amounts as the Republic shall determine (subject to the terms and conditions of the Offer, including potential proration of the Existing Bonds). **Tenders that are accepted will be settled by the Republic on the Settlement Date, subject to the terms and conditions of the Offer.** The Republic reserves the right, in its sole discretion, not to accept any Tenders for any reason.

Minimum Denomination.....

Existing Bonds may be tendered only in the principal amount equal to the minimum authorized denomination for each series of Existing Bonds set forth in the table below (the “Minimum Denomination”).

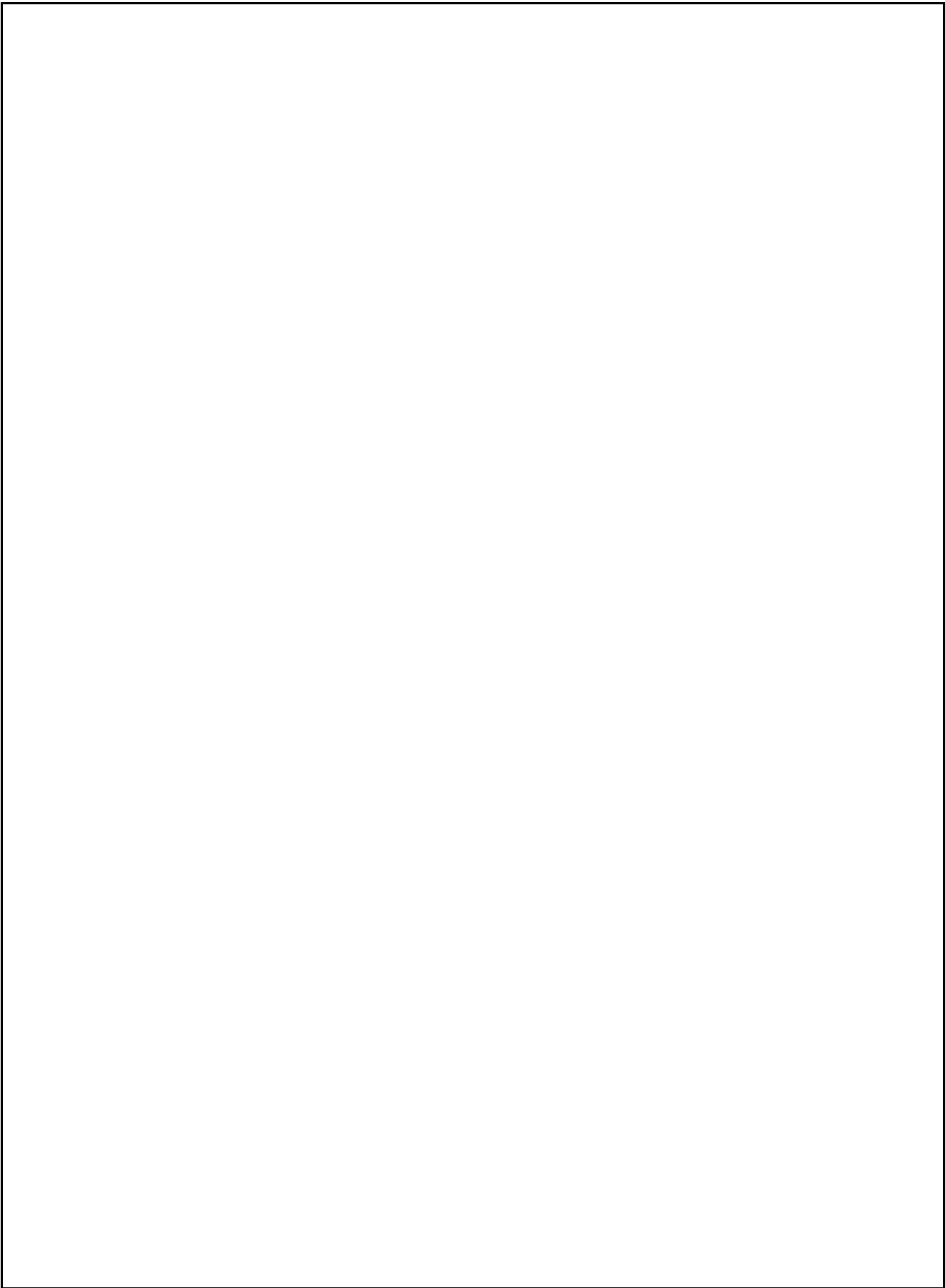
Existing Bonds	Minimum Denominations
2026 Bonds	US\$1,000 and integral multiples of US\$1,000 in excess thereof.
2027 Bonds	US\$1,000 and integral multiples of US\$1,000 in excess thereof.

No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Existing Bonds must continue to hold Existing Bonds in at least the Minimum Denomination.

Settlement.....

Subject to the concurrent (or earlier) closing of the New Bonds Offerings and the other conditions set forth herein, the Republic will purchase validly tendered and accepted Existing Bonds in such amounts as previously announced by the Republic.

Liquidity	Following the settlement of the Offer, the Existing Bonds purchased by the Republic in the Offer will have reduced liquidity, which may adversely affect the trading price of the Existing Bonds.
Conditions to the Offer	The Republic reserves the right, in its sole discretion, not to accept any Tenders, or to accept Tenders for one series of Existing Bonds while excluding the other, for any reason. In addition, the Offer is conditioned upon the concurrent (or earlier) closing of the New Bonds Offerings, including in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic. In addition, notwithstanding any other provisions of the Offer, the Offer is conditioned upon there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that (1) makes or seeks to make illegal the purchase of any series of Existing Bonds pursuant to such Offer; (2) would or might result in a delay in, or restrict, the ability of the Republic to purchase of any series of the Existing Bonds or issue the New Bonds; or (3) imposes or seeks to impose limitations on the ability of the Republic to issue and/or price the New Bonds in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic. Each of the foregoing conditions is for the sole benefit of the Republic and may only be satisfied or waived by the Republic, in whole or in part, at any time and from time to time, in its sole discretion. Any determination by the Republic concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived, except as in the case of the termination of the dealer manager agreement relating to the Offer) will be final and binding upon all parties.
Certain Deemed Representations, Warranties and Undertakings	If you tender Existing Bonds in the Offer, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to the Republic, the Dealer Managers and the Tender and Information Agent. See “ <i>Holders’ Representations, Warranties and Undertakings.</i> ”
Taxation	See “ <i>Taxation</i> ” for important information regarding the possible tax consequences to Holders who tender Existing Bonds. You are also urged to consult your own professional advisors regarding the possible tax consequences under the laws of jurisdictions that apply to you or to the tender of your Existing Bonds.
Jurisdictions	The Offer is being made only in those jurisdictions where it is legal to do so.
Risk Factors	The Offer involves material risks. See “ <i>Risk Factors.</i> ”
Announcements	The Republic will make (or cause to be made) all announcements regarding the Offer by press release issued to news media in accordance with applicable law and by an announcement on an international news service and on the Offers Website. See “ <i>The Offer—Communications.</i> ”
Offers Website	The website https://www.gbsc-usa.com/paraguay is operated by the Tender and Information Agent for the purpose of the Offer.



RISK FACTORS

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the other information contained in this Offer Document, the following:

Limited Trading Market; Increased Volatility. To the extent that Existing Bonds are purchased by the Republic pursuant to the Offer, the trading markets for the Existing Bonds that remain outstanding will become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Existing Bonds not purchased may be affected adversely to the extent the amount of Existing Bonds purchased by the Republic reduces the float of the Existing Bonds. On the other hand, if the Republic’s purchase of the Existing Bonds is viewed by the market as significant positive news due to its potential beneficial impact on the Republic’s debt maturity profile, the price of the Existing Bonds could rise following completion of the Offer to a level greater than the applicable Purchase Price. The reduced float may also make the trading price of the Existing Bonds more volatile. The extent of the public market for the Existing Bonds following consummation of the Offer will depend upon the number of Holders that remain at such time, the interest in maintaining markets in the Existing Bonds on the part of securities firms and other factors. There can be no assurance that any trading market will exist for the Existing Bonds following the consummation of the Offer.

Other Purchases or Redemption of Existing Bonds. Whether or not the Offer is consummated, the Republic may acquire, from time to time following completion or cancellation of the Offer, Existing Bonds other than pursuant to the Offer, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise (and may redeem or defease the Existing Bonds in accordance with the terms and conditions of the Existing Bonds), upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration. The effect of any of these actions may directly or indirectly affect the price of any Existing Bonds that remain outstanding after the consummation of the Offer.

Enforcement of Civil Liabilities; Waiver of Sovereign Immunity. Paraguay is a foreign sovereign state. Consequently, it may be difficult for you or a trustee to obtain or enforce judgments of courts in the United States or elsewhere against Paraguay, and enforcement of such judgments may be subject to limitations with respect to attachment of certain classes of assets. See “*Certain Offer Matters—Jurisdiction; Enforcement of Judgments.*”

Even if you are able to obtain a judgment against Paraguay in the United States or in Paraguay, you might not be able to enforce it in Paraguay. Under Paraguayan law, creditors may not be able seek attachment prior to judgment and attachment in aid of execution with respect to property of Paraguay located in Paraguay.

Holdings are Responsible for Complying with the Procedures of the Offer. In order to be eligible to receive the applicable Purchase Price plus Accrued Interest for your Existing Bonds, you will need to properly deliver such Existing Bonds through the applicable clearing system (DTC, Euroclear or Clearstream) in accordance with the procedures and in the timeframe provided in this Offer Document. If you hold Existing Bonds through a broker, it is your responsibility to ensure that your broker is aware of the times by which such clearing systems must receive your Existing Bonds and the clearing systems’ restrictions. Failure to deliver Existing Bonds on a timely basis may result in the cancellation of your Tender. See “*The Offer—Tender Procedures.*”

Tenders of the Existing Bonds, or Portions Thereof May be Rejected due to Proration. Tenders of each series of the Existing Bonds may be subject to proration, on the basis described under “*The Offer—Maximum Purchase Price; Proration.*” If the Tendered Aggregate Purchase Price for a series would exceed the Maximum Purchase Price for such series, then the Republic will, in its sole discretion, apply a proration factor to the Tenders of such series, so that the Tendered Aggregate Purchase Price of such series accepted by the Republic equals or does not exceed the corresponding Maximum Purchase Price. Accordingly, Tenders of Existing Bonds may be rejected in whole or in part as a result of proration. In addition, Paraguay reserves the right, in its sole discretion, not to accept any Tenders, or to accept Tenders for one series of Existing Bonds while excluding the other, for any reason.

The Offer May be Amended, Terminated or Delayed. The Offer is subject to the satisfaction of certain conditions, including the concurrent (or earlier) closing of the New Bonds Offerings, in an amount, with pricing, maturity and on terms and conditions acceptable to the Republic. There can be no assurance that such conditions will

be met with respect to the Offer. See “*The Offer—Conditions to the Offer.*” Subject to applicable law and limitations described elsewhere in this Offer Document, the Republic may, in its sole discretion, extend, amend, waive any condition of or, upon failure of any condition described herein to be satisfied or waived, terminate the Offer at any time at or prior to the Expiration Time. The Republic also reserves the right, in its sole discretion, subject to applicable law, to terminate the Offer at any time at or prior to the Expiration Time. Accordingly, the Offer may not be completed or, if completed, it may not be completed on the schedule described in this Offer Document, and Holders participating in the Offer may have to wait longer than expected to receive their consideration, during which time such Holders will not be able to effect transfers of their Existing Bonds tendered in the Offer.

There are limits on your ability to withdraw tendered Existing Bonds. Tendered Existing Bonds may be withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter. Holders who tender their Existing Bonds after the Withdrawal Deadline may not withdraw their tendered Existing Bonds.

Reinvestment Risk. Allocations in the New Bonds Offerings will be determined by the Republic in its sole discretion based on a number of factors, which may include an assessment of an investor’s long-term interest in owning debt securities issued by the Republic, the size and timing of such investor’s indication of interest in purchasing New Bonds, and the aggregate principal amount of all Tenders in the Offer. The Republic is not obligated to consider participation in the Offer in making an allocation determination with respect to the New Bonds with regard to any particular investor. If you tender Existing Bonds in the Offer and submit an indication of interest expecting to receive New Bonds, and, for any reason, you are not given an allocation of New Bonds at the levels you subscribed for, or at all, your Tenders may still be accepted by the Republic. In such case, you may not be able to reinvest such cash at a comparable return for a similar level of risk.

THE OFFER

Introduction

The Republic is offering to purchase for cash each series of the Existing Bonds up to the Maximum Purchase Price for such series, upon the terms and subject to the conditions set forth in this Offer Document. The Republic will determine in its sole discretion the Maximum Purchase Price to be paid for each series of Existing Bonds to be purchased in the Offer. In addition, the Republic reserves the right, in its sole discretion, to modify the Purchase Price for any series of the Existing Bonds, or to terminate the Offer for any reason.

Such purchases will be made in exchange for the Purchase Price plus Accrued Interest, subject to the Maximum Purchase Price and proration procedures described herein. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Tender and Information Agent, DTC, Euroclear or Clearstream.

Existing Bonds may be subject to proration if the Tendered Aggregate Purchase Price for a series would cause the Maximum Purchase Price for such series to be exceeded. For a description of the proration procedures, see *“The Offer—Maximum Purchase Price; Proration.”*

The Offer is made subject to the terms and conditions set forth in this Offer Document, including the concurrent (or earlier) closing of the New Bonds Offerings in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic. See *“—Conditions to the Offer.”* The Offer is not conditioned upon any minimum participation of any series of Existing Bonds.

The Offer commenced on Tuesday, February 18, 2025 and, unless extended by the Republic, the Offer and withdrawal rights will expire at 5:00 p.m. (New York City time) on Monday, February 24, 2025. No tenders will be valid if submitted after the Expiration Time. If a broker, dealer, commercial bank, trust company or other nominee holds your Existing Bonds, such nominee may have an earlier deadline for accepting the Offer. You should promptly contact the broker, dealer, commercial bank, trust company or other nominee that holds your Existing Bonds to determine its deadline. The Offer is open to all registered Holders of the Existing Bonds.

Source of Funds

The Republic expects to fund the purchase of the Existing Bonds using a portion of the net proceeds from the sale of the New Bonds in the New Bonds Offerings. The Offer is subject to a number of conditions, including that the Republic concurrently (or earlier) consummate the New Bonds Offerings, in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic in its sole discretion.

The New Bonds Offerings will be made solely by means of the New Bonds Offerings Memoranda, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy the New Bonds. You may not participate in the New Bonds Offerings unless you have received and reviewed the applicable New Bonds Offering Memorandum, and not in reliance on, or on the basis of, this Offer Document. The New Bonds will be offered only to qualified institutional buyers in the United States in reliance on Rule 144A and outside the United States in reliance on Regulation S under the Securities Act, and will not be registered under the Securities Act or the securities laws of any other jurisdiction.

Purchase Price

Upon the terms and subject to the conditions set forth in this Offer Document, Holders who validly tender Existing Bonds at or prior to the Expiration Time and whose Existing Bonds are accepted for purchase by us, will receive the corresponding Purchase Price plus Accrued Interest for such Existing Bonds. The Purchase Price applicable to each series of the Existing Bonds is specified in the table on the cover page.

The amount of cash you will receive as Purchase Price plus Accrued Interest for any series of Existing Bonds purchased by the Republic in the Offer will be rounded to the nearest cent (US\$0.01).

In the event of any dispute or controversy regarding any amount of the Purchase Price plus Accrued Interest for each series of Existing Bonds accepted pursuant to the Offer, the determination of the Republic will be conclusive and binding, absent manifest error.

Accrued Interest

Holders whose Existing Bonds are accepted for purchase by the Republic in the Offer will receive Accrued Interest corresponding to the Existing Bonds.

Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Tender and Information Agent, DTC, Euroclear or Clearstream.

Announcement of Results; Announcement of Accepted Tenders

At or about 9:00 a.m. (New York City time) on the Business Day after the Expiration Time, subject to change without notice, the Republic expects to announce: (i) the aggregate principal amount of Tenders of each series of the Existing Bonds that have been received on or prior to the Expiration Time, (ii) the Maximum Purchase Price for each series; (iii) the Tendered Aggregate Purchase Price for each series; (iv) the aggregate principal amount of Tenders of each series of the Existing Bonds that have been accepted; and (v) any proration of Tenders of the Existing Bonds. Such announcement may be conditioned on the consummation of the New Bonds Offerings, in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic in its sole discretion.

The Republic will make (or cause to be made) all announcements regarding the Offer by press release issued to news media in accordance with applicable law and by an announcement on an international news service and on the Offers Website.

No Recommendation

NONE OF THE REPUBLIC, THE DEALER MANAGERS OR THE TENDER AND INFORMATION AGENT MAKES ANY RECOMMENDATION THAT ANY HOLDER TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF SUCH HOLDER'S EXISTING BONDS, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER EXISTING BONDS INTO THE OFFER, AND, IF SO, THE PRINCIPAL AMOUNT OF EXISTING BONDS TO TENDER.

This Offer Document is not an offer to sell or a solicitation of an offer to buy the New Bonds.

Any investment decision to purchase any New Bonds should be made solely on the basis of the information contained in the applicable New Bonds Offering Memorandum, and no reliance is to be placed on any information other than that contained in the applicable New Bonds Offering Memorandum. Subject to compliance with all applicable securities laws and regulations, the New Bonds Offerings Memoranda will be available from the joint bookrunners for the New Bonds Offerings on request.

The New Bonds will not be registered under the Securities Act or the securities laws of any jurisdiction. Accordingly, the New Bonds will be offered and sold only to qualified institutional buyers as defined in and in accordance with Rule 144A and outside the United States in accordance with Regulation S.

Duration of the Offer; Amendments

The Offer commenced on Tuesday, February 18, 2025, and unless extended or earlier terminated by the Republic in its sole discretion, the Offer and withdrawal rights will expire at 5:00 p.m. (New York City time) on Monday, February 24, 2025.

If the Offer is extended or earlier terminated, the term "Expiration Time" shall mean the time and date on which the affected Offer, as so extended or earlier terminated, shall expire.

Subject to applicable law, the Republic expressly reserves the right, in its sole discretion, to:

- modify the Maximum Purchase Price for any series of Existing Bonds;
- extend or change the period of time during which the Offer shall remain open at any time and from time to time by giving oral or written notice of such extension or change to the Dealer Managers and the Tender and Information Agent;
- increase or decrease the Purchase Price for any series of Existing Bonds;
- prospectively terminate or withdraw the Offer at any time and return any tendered Existing Bonds;
- waive all unsatisfied conditions and accept for payment and purchase all Existing Bonds that are validly tendered at or prior to the Expiration Time;
- extend the Offer and retain the Existing Bonds that have been tendered during the period for which the Offer is extended; or
- amend the terms of the Offer in any other respect.

There can be no assurance that the Republic will exercise its right to extend, terminate or amend the Offer. The terms of any extension or an amendment of the terms or conditions of the Offer may vary from the original terms of such Offer depending on such factors as prevailing interest rates and the principal amount of Existing Bonds previously tendered or otherwise purchased.

The failure by the Republic at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Any extension, termination or amendment of the Offer will be followed, as promptly as practicable, by public announcement thereof. The Republic shall communicate such public announcement by issuing a press release in accordance with applicable law and by an announcement on the website of an international news service and on the Offers Website run by the Tender and Information Agent (<https://www.gbsc-usa.com/paraguay>). See “*The Offer—Communications*.”

Maximum Purchase Price; Proration

The amount of each series of the Existing Bonds accepted for purchase in the Offer is subject to the Maximum Purchase Price (as described herein) corresponding to such series. Purchases of any series of the Existing Bonds may be prorated (as described herein).

Maximum Purchase Price

The Republic is offering to purchase for cash each series of Existing Bonds up to the Maximum Purchase Price for such series, upon the terms and subject to the conditions set forth in this Offer Document. The Maximum Purchase Price for each series will be an amount determined by the Republic in its sole discretion. In addition, the Republic reserves the right, in its sole discretion, to modify the Purchase Price for any series of the Existing Bonds.

Proration

If the Tendered Aggregate Purchase Price for a series would exceed the Maximum Purchase Price for such series, then the Republic will, in its sole discretion, apply a proration factor to the Tenders of such series, so that the Tendered Aggregate Purchase Price of that series accepted by the Republic equals or does not exceed the corresponding Maximum Purchase Price.

These proration procedures are subject to the Republic’s right in its sole discretion not to accept any or certain Tenders for any reason.

Existing Bonds accepted for purchase will be determined by multiplying each Holder's Tender by the proration factor, and rounding the product down to the nearest US\$ 1,000 principal amount. All Existing Bonds validly tendered but not accepted as a result of proration or otherwise will be rejected and returned to Holders through the applicable clearing system. However, if the principal amount of Existing Bonds that are not accepted and are returned to a Holder as a result of proration would result in less than the Minimum Denomination being returned to such Holder, the Republic will either accept or reject all of such Holder's validly tendered Existing Bonds.

The Offer is not conditioned upon any minimum level of participation. The Republic will not be able to definitively determine whether the Offer is oversubscribed or what the effects of proration may be until after the Expiration Time has passed.

If proration of the tendered Existing Bonds is required, the Republic will announce the results of such proration as described in "*—Announcement of Results; Announcement of Accepted Tenders.*" Holders may obtain such information from the Dealer Managers and may be able to obtain such information from their brokers.

Tender Procedures

General

Existing Bonds must be submitted through the applicable clearing system (DTC, Euroclear or Clearstream). Failure to deliver your Existing Bonds on a timely basis may result in the cancellation of your Tender.

By submitting a Tender with respect to a series of Existing Bonds and thereby offering to tender them pursuant to the Offer, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to the Republic, the Dealer Managers and the Tender and Information Agent as set forth under "*Holders' Representations, Warranties and Undertakings.*"

A defective Tender of Existing Bonds will not entitle the Holder thereof to the Purchase Price plus Accrued Interest unless the relevant defect is waived by the Republic. Any beneficial owner whose Existing Bonds are registered in the name of a custodian, nominee or participant of DTC and who wishes to Tender its Existing Bonds should contact such custodian, nominee or participant promptly and instruct such custodian, nominee or participant to tender its Existing Bonds on such beneficial owner's behalf through DTC, Euroclear or Clearstream, as applicable.

The Tender by a Holder of Existing Bonds (and subsequent acceptance of such Tender by the Republic) pursuant to one of the procedures set forth below will constitute a binding agreement between such Holder and the Republic in accordance with the terms and subject to the conditions set forth in this Offer Document.

Each direct participant in DTC, Euroclear or Clearstream, by validly tendering the Existing Bonds, will be deemed to have given the authority to the relevant clearing system to provide details concerning such direct participant's identity to the Tender and Information Agent.

The method of delivery of Existing Bonds and all other required documents, including delivery through DTC and any acceptance of an Agent's Message transmitted through ATOP or an Electronic Acceptance Instruction transmitted through Euroclear or Clearstream, is at the election and risk of the person tendering Existing Bonds and delivery will be deemed made only when actually received by the Tender and Information Agent.

There will be no letter of transmittal for the Offer.

Only registered Holders of Existing Bonds are authorized to Tender their Existing Bonds pursuant to the Offer. Accordingly, to properly Tender Existing Bonds or cause Existing Bonds to be tendered, the following procedures must be followed.

Tenders with Respect to Existing Bonds Held in DTC

If you hold your Existing Bonds through DTC, you must arrange for a direct participant in DTC to submit your Tenders to DTC through DTC's ATOP and follow the procedure for book-entry transfer set forth below. DTC has confirmed that the Offer is eligible for ATOP. Accordingly, a DTC participant whose name appears on a security position listing as the Holder of the relevant Existing Bonds must electronically Tender its Existing Bonds causing

DTC to transfer the Existing Bonds in the participant's account to the Tender and Information Agent's ATOP account at DTC in accordance with DTC's ATOP procedures for such a transfer. DTC will then send an Agent's Message (as defined herein) to the Tender and Information Agent.

The term "Agent's Message" means a message, transmitted by DTC, received by the Tender and Information Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the terms of the Offer (as set forth in this Offer Document) and that the Republic may enforce such agreement against such participant. Holders who intend to Tender their Existing Bonds prior to the Expiration Time should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date. Tenders not received by the Tender and Information Agent prior to the Expiration Time will be disregarded and of no effect.

Although transfer of the Existing Bonds to the Tender and Information Agent's ATOP account at DTC may be effected through book-entry at DTC, an Agent's Message must be transmitted by DTC and received by the Tender and Information Agent at or prior to the Expiration Time in order to validly tender your Existing Bonds pursuant to the Offer.

Tenders for Existing Bonds must be submitted through DTC, Euroclear or Clearstream. Tenders must be submitted in the applicable Minimum Denomination. Failure to deliver your Existing Bonds on a timely basis may result in the cancellation of your Tender.

Tenders with Respect to Existing Bonds Held in Euroclear or Clearstream

If you hold your Existing Bonds through Euroclear or Clearstream, you must arrange for a direct participant in Euroclear or Clearstream, as the case may be, to deliver your Tenders, which includes blocking instructions (as defined below), to Euroclear or Clearstream in accordance with the procedures and deadlines specified by Euroclear or Clearstream at or prior to the Expiration Time. Only a direct participant in Euroclear or Clearstream may submit an Electronic Acceptance Instruction to Euroclear or Clearstream.

"Blocking instructions" means:

- irrevocable instructions to block any attempt to transfer your Existing Bonds on or prior to the Settlement Date;
- irrevocable instructions to debit your account on or about the Settlement Date in respect of all of your Existing Bonds, or in respect of such lesser portion of your Existing Bonds as are accepted for purchase by the Republic, upon receipt of an instruction by the Tender and Information Agent, and
- an irrevocable authorization to disclose, to the Tender and Information Agent, the identity of the participant account holder and account information,

subject in each case to the automatic withdrawal of the irrevocable instruction in the event that the Offer is terminated by the Republic and your right to withdraw your Tender prior to the Expiration Time.

Your Tender, which includes your blocking instructions, must be delivered and received by Euroclear or Clearstream in accordance with the procedures established by them and on or prior to the deadlines established by each of those clearing systems. You are responsible for informing yourself of these deadlines and for arranging the due and timely delivery of blocking instructions to Euroclear or Clearstream.

Tenders with Respect to Existing Bonds Held by Custodians

If you hold your Existing Bonds through a custodian, you may not submit a Tender directly. You should contact that custodian to submit a Tender on your behalf.

Deadlines

You are responsible for arranging the timely delivery of your Tender pursuant to one of the procedures above.

None of the Republic, the Dealer Managers or the Tender and Information Agent will be responsible for the communication of Tenders by:

- Holders of Existing Bonds to the direct participant in DTC, Euroclear or Clearstream, as applicable, through which they hold Existing Bonds; or
- Holders of Existing Bonds or the direct participant to the Tender and Information Agent, DTC, Euroclear or Clearstream.

If you hold Existing Bonds through a broker, dealer, commercial bank or financial institution, you should consult with that institution as to whether it will charge any service fees.

Irrevocability; Withdrawal Rights

Your Tenders will become irrevocable upon the expiration of the Offer. However, any Tender may be withdrawn or revised prior to the Expiration Time by withdrawing the Tender in accordance with the procedures established by, and within the respective deadlines of, DTC, Euroclear or Clearstream, as the case may be. If you have requested that a custodian submit a Tender on your behalf and you would like to withdraw or revise your Tender, you should contact that custodian and request it to withdraw or revise your Tender prior to the Expiration Time. You should be aware, however, that the custodian may impose earlier deadlines for withdrawing or revising a Tender in accordance with its procedures. If the Republic does not accept all Tenders for any reason pursuant to the terms and conditions of the Offer, any Tenders not so accepted shall automatically be deemed to be withdrawn. If as a result of the proration the Republic does not accept some or all of your Existing Bonds tendered for cash, any Tenders not so accepted shall automatically be deemed to be withdrawn.

No Guaranteed Delivery

No guaranteed delivery procedures are being offered in connection with the Offer. As Holders are authorized to Tender their Existing Bonds only through DTC, Euroclear or Clearstream, beneficial owners of Existing Bonds that are held in the name of a custodian must contact such entity sufficiently in advance of the Expiration Time if they wish to Tender their Existing Bonds and be eligible to receive the applicable Purchase Price plus Accrued Interest for such Existing Bonds.

Acceptance of Tenders

The Republic will accept valid Tenders of Existing Bonds for purchase in such amounts as the Republic shall determine pursuant to the terms and conditions of the Offer. See “—*Maximum Purchase Price; Proration.*” **Tenders that are accepted will be settled solely by the Republic on the Settlement Date, subject to the satisfaction or waiver by the Republic (in its sole discretion) of the terms and conditions of the Offer.** The Republic reserves the right, in its sole discretion, not to accept any Tenders for any reason. In addition, the Republic reserves the right, in its sole discretion, to modify the Purchase Price for any series of the Existing Bonds, or to terminate the Offer for any reason.

In all cases, the Republic will purchase Existing Bonds accepted for purchase pursuant to the Offer only after timely receipt by the Tender and Information Agent of (a)(i) confirmation of satisfaction of DTC’s ATOP procedures set forth above under “—*Tender Procedures,*” or (ii) timely confirmation of the submission of valid Electronic Acceptance Instructions pursuant to the procedures of Euroclear or Clearstream set forth under “—*Tender Procedures—Tenders with Respect to Existing Bonds Held in Euroclear or Clearstream*” and (b) any other documents required thereby.

For purposes of the Offer, the Republic will be deemed to have accepted validly tendered and validly delivered Existing Bonds when, as and if the Republic gives oral or written notice thereof to the Tender and Information Agent. Payment for Existing Bonds accepted for purchase pursuant to the Offer will be made by the Republic depositing (or causing the deposit of) such payment with DTC, Euroclear or Clearstream, as applicable, which will act as agents for the tendering Holders for the purpose of receiving the Purchase Price plus Accrued Interest, and transmitting such Purchase Price plus Accrued Interest, to such Holders. Under no circumstances will any

additional amount be paid by the Republic or the Tender and Information Agent by reason of any delay in making such payment.

If the Tendered Aggregate Purchase Price for a series would exceed the Maximum Purchase Price for such series, then the Republic will, in its sole discretion, apply a proration factor to the Tenders of such series, so that the Tendered Aggregate Purchase Price of such series accepted by the Republic equals or does not exceed the corresponding Maximum Purchase Price. See “—*Maximum Purchase Price; Proration.*”

If any tendered Existing Bonds are not accepted for purchase or payment as a result of proration or because of an invalid Tender or the occurrence or non-occurrence of certain other events set forth herein or otherwise, then such Existing Bonds tendered will be credited to the account maintained at the relevant clearing system from which such Existing Bonds were delivered promptly after the Expiration Time or the termination of the Offer.

No alternative, conditional or contingent Tenders of Existing Bonds will be accepted. A tendering Holder, by electronically transmitting its acceptance through ATOP or an Electronic Acceptance Instruction, as applicable, waives all rights to receive notice of acceptance of such Holder's Existing Bonds for purchase.

The Republic shall not be liable for payments to any Holder of Existing Bonds validly tendered and accepted for purchase if such Holder fails to deliver such Existing Bonds on or prior to the settlement of the Offer as described herein.

The Republic reserves the right, in its sole discretion, not to accept any Tenders for any reason.

Minimum Denomination

Each series of Existing Bonds may be tendered only in the principal amount equal to the applicable Minimum Denomination. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Existing Bonds must continue to hold Existing Bonds in at least the Minimum Denomination.

Settlement

Subject to the concurrent (or earlier) closing of the New Bonds Offerings and the other conditions set forth herein, the Republic will purchase validly tendered and accepted Existing Bonds in such amounts as previously announced by the Republic, on the Settlement Date, which is expected to be Monday, March 3, 2025, or as soon as practicable thereafter, subject to change without notice.

The Republic will cancel Existing Bonds purchased pursuant to the Offer promptly following the Settlement Date.

Failure to deliver Existing Bonds on a timely basis may result in the cancellation of your Tender.

Payments for Existing Bonds purchased pursuant to the Offer will be made in same day funds to the applicable clearing system. The amount of cash a Holder will receive for its tendered Existing Bonds purchased by the Republic in the Offer will be rounded to the nearest cent (US\$0.01). The determination by the Republic and/or the Dealer Managers of any calculation or quotation made with respect to the Offer shall be conclusive and binding on all Holders, absent manifest error.

Conditions to the Offer

The Republic reserves the right, in its sole discretion, not to accept any Tenders, or to accept Tenders for one series of Existing Bonds while excluding the other. In addition, the Offer is conditioned upon the concurrent (or earlier) closing of the New Bonds Offerings, including in an aggregate principal amount, with pricing and on terms and conditions acceptable to the Republic. In addition, notwithstanding any other provisions of the Offer, the Offer is conditioned upon there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that (1) makes or seeks to make illegal the purchase of Existing Bonds pursuant to such Offer; (2) would or might result in a delay in, or restrict, the ability of the Republic to purchase the Existing Bonds or issue the New Bonds; or (3) imposes or seeks to impose limitations on the ability of the Republic to issue and/or price the New Bonds in an aggregate principal amount, with pricing and on terms and conditions

acceptable to the Republic. Each of the foregoing conditions is for the sole benefit of the Republic and may only be satisfied or waived by the Republic, in whole or in part, at any time and from time to time, in its sole discretion. Any determination by the Republic concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived, except as in the case of the termination of the dealer manager agreement relating to the Offer) will be final and binding upon all parties.

Market for the Existing Bonds

The Republic will cancel the Existing Bonds it acquires in the Offer following completion of the Offer. Accordingly, this transaction will reduce the aggregate principal amount of each series of the Existing Bonds acquired in the Offer that otherwise might trade in the market, which could adversely affect the liquidity and market value of the remaining Existing Bonds of that series that the Republic does not acquire.

Communications

Information about the Offer will be published, to the extent provided in this Offer Document, by means of press releases to an international news service in accordance with applicable law.

Without limiting the manner in which such public announcement may be made, the Republic shall not have any obligation to publish, advertise or otherwise communicate such public announcement other than to news media in accordance with applicable law and by an announcement on the website of an international news service and on the Offers Website run by the Tender and Information Agent (<https://www.gbsc-usa.com/paraguay>)).

Holders may obtain information about the Offer by contacting the Dealer Managers or the Tender and Information Agent at the addresses and telephone numbers listed on the inside back cover of this Offer Document.

Certain Other Matters

Each proper acceptance of Existing Bonds will constitute the binding agreement of the tendering Holder of such Existing Bonds to deliver such Existing Bonds at a clearing system as described in this Offer Document and to settle the Tender of such Existing Bonds on the Settlement Date. The acceptance of the Offer by a Holder with respect to any Existing Bonds will constitute the agreement by such Holder to deliver good and marketable title to such Existing Bonds on the Settlement Date, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

Payment for Existing Bonds accepted for purchase pursuant to the Offer will in all cases be made only after timely receipt by the Tender and Information Agent of (i) in the case of a tender through DTC, an Agent's Message, or (ii) in the case of a tender through Euroclear or Clearstream, an Electronic Acceptance Instruction. Under no circumstances will interest be paid on the Purchase Price as a result of any delay in making such payments.

All questions as to the validity, form and eligibility (including time of receipt), any acceptance of the Offer and any sale pursuant thereto will be determined by the Republic, in its sole discretion, which determination shall be final and binding. The Republic reserves the absolute right, in its sole discretion, to reject any and all Tenders not in proper form or for which the corresponding agreement to purchase, in its opinion, would be unlawful. The Republic also reserves the absolute right in its sole discretion to waive any defects, irregularities or conditions in acceptances and settlement with regard to any particular Existing Bonds.

None of the Republic, the Dealer Managers, the Tender and Information Agent or any other person will be under any duty to give notice to accepting or selling Holders of Existing Bonds of any defects or irregularities in acceptances or sales, nor shall any of them incur any liability for failure to give such notice.

The calculation of the Purchase Price plus Accrued Interest and any other calculation or quotation made by the Republic and/or the Dealer Managers with respect to the Offer shall be conclusive and binding on all Holders, absent manifest error. The Republic's interpretation of the terms and conditions of the Offer will be final and binding.

The Republic reserves the right at any time or from time to time, following completion or cancellation of the Offer, to purchase any series of Existing Bonds (including, without limitation, those tendered pursuant to the Offer but not accepted), in the open market, in privately negotiated transactions, through subsequent tender offers or

otherwise, in each case, on terms and subject to the conditions that may be more or less favorable to the Holders of such Existing Bonds than those contemplated by the Offer. The making of any such new offers and the issuance of any new invitation will depend on various factors, including interest rates prevailing at such time and the principal amount of Existing Bonds, if any, retired pursuant to the Offer.

TAXATION

General

A Tender of Existing Bonds pursuant to this Offer Document that is accepted by the Republic may be a taxable transaction under the laws applicable to a holder of Existing Bonds. You should consult your own tax advisors to determine the particular tax consequences that apply to you in respect of the sale of Existing Bonds.

Paraguayan Income Tax Consequences Associated with the Existing Bonds

The following is a general summary of certain Paraguayan tax considerations that may be relevant in connection with the Offer. This summary is based on Paraguayan tax laws in effect on the date hereof, including Law No. 6,638/20, Law No. 6,380/19 and Law No. 125/91, as applicable. Paraguayan tax laws are subject to change, or to be interpreted in a new or different manner than that set forth herein, which could affect the continued validity of this general summary.

This summary does not address all of the Paraguayan tax consequences that may be relevant to the Holders of the Existing Bonds, and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to accept the Offer. This summary does not constitute tax advice, nor does it purport to furnish information in the level of detail or with attention to an investor's specific tax circumstances that would be provided by an investor's own tax advisor. Prospective investors of the Existing Bonds are urged to consult their own tax advisors as to the precise Paraguayan and other tax consequences that may be applicable to specific Holders of the Existing Bonds. This summary does not describe any tax consequences in relation to (i) any taxing jurisdiction other than Paraguay or (ii) Holders that are Paraguayan Residents.

Under Paraguayan law, as currently in effect, if you are a Non-Resident Holder of bonds, interest and principal payments, or capital gains, on the bonds will not be subject to Paraguayan income or withholding tax. For the purposes of this summary, a "**Non-Resident Holder**" means a holder of bonds who is an individual that is a non-resident of Paraguay, or a legal entity that is neither organized in, nor maintains a permanent office in, Paraguay, as defined below:

For purposes of Paraguayan taxation, a resident is:

- a foreign individual (i) if such individual is present in Paraguay for more than 120 days in a calendar year; (ii) alternatively, if such individual carries out civil or commercial activities in Paraguay; or (iii) if such individual has a proxy or legal representative in Paraguay, which normally execute contracts on its behalf in Paraguay (other than the sale and purchase of goods);
- a company (i) if it is a legal entity incorporated in Paraguay; or (ii) if it is a foreign entity registered in Paraguay before the Public Registries (Dirección General de los Registros Públicos);
- a foreign company if (i) its permanent establishment is located in Paraguay, or (ii) it has no permanent establishment in Paraguay but it has a proxy or legal representative in Paraguay, which normally execute contracts on its behalf in Paraguay (other than the sale and purchase of goods); and
- permanent establishments are (i) branches or agencies; (ii) factories, industrial or assembly plants, and agricultural establishments; (iii) mines, quarries, or other natural resources extraction places; or (iv) carrying out construction works that exceed 12 months.

If you are a Non-Resident Holder and you obtain capital gains resulting from any trades of bonds effected between or in respect of accounts maintained by or on your behalf, you will not be subject Non-resident Income tax (*Impuesto a la Renta de No Residentes*) or other Paraguayan taxes.

Article 79 of Law No. 6,380/19 and Article 4 of Law No. 6,638/20 provide that capital gains, increases, interests and any income derived from the possession or transfer of public debt securities issued by Paraguay are exempt from Paraguayan taxes. Investors are not obligated to provide certification of non-residency status under Paraguayan law.

Certain United States Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a U.S. holder (as defined below) of Existing Bonds who participates in the Offer. This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable Treasury regulations, laws, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. This summary deals only with U.S. holders (defined below) that hold Existing Bonds as capital assets. This summary does not address particular tax considerations that may be applicable to investors that are subject to special tax rules, such as banks, financial institutions, tax-exempt entities, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Existing Bonds as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, entities taxed as partnerships or the partners therein, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, or persons that have a “functional currency” other than the U.S. dollar.

This summary addresses only certain aspects of U.S. federal income tax consequences, and does not address consequences arising under state, local, foreign tax laws, the alternative minimum tax or the Medicare tax on net investment income or under special timing rules prescribed under section 451(b) of the Code. Investors should consult their own tax advisors in determining the tax consequences to them of holding Existing Bonds under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

As used herein, a “U.S. holder” is a beneficial owner of Existing Bonds that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise will be subject to U.S. federal income taxation on a net income basis in respect of the Existing Bond.

Sale of Existing Bonds Pursuant to the Offer

A sale of Existing Bonds pursuant to the Offer by a U.S. holder generally will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder selling Existing Bonds pursuant to the Offer will recognize gain or loss in an amount equal to the difference between the amount of cash received (other than amounts received attributable to accrued interest, which will be taxed as such) and the U.S. holder’s adjusted tax basis in the Existing Bonds sold at the time of sale. A U.S. holder’s adjusted tax basis in an Existing Bond generally will equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Existing Bonds. Subject to the discussion of the market discount rules set forth below, any gain or loss will be long-term capital gain or loss if the U.S. holder’s holding period for the Existing Bonds on the date of sale was more than one year.

In general, if a U.S. holder acquired the Existing Bonds with market discount, any gain realized by a U.S. holder on the sale of the Existing Bonds will be treated as ordinary income to the extent of the portion of the market discount that has accrued while the Existing Bonds were held by the U.S. holder, unless the U.S. holder has elected to include market discount in income currently as it accrues.

Possible Alternative Treatment of the Sale of Existing Bonds

A tendering U.S. holder of Existing Bonds that purchases New Bonds pursuant to the New Bonds Offerings should consult its tax advisor to determine whether the sale of the Existing Bonds pursuant to the Offer and the purchase of New Bonds pursuant to the New Bonds Offerings could be subjected to the wash sale rules (which generally limit loss recognition) and/or characterized as an exchange of Existing Bonds for New Bonds for U.S. federal income tax purposes.

The Republic intends to take the position that sale of Existing Bonds pursuant to the Offer is treated as a taxable sale for cash, and not as an exchange, for U.S. federal income tax purposes, and the discussion assumes that this treatment is correct. If, however, the sale and purchase were treated as an exchange of Existing Bonds for New Bonds, it is expected that the exchange would be a taxable exchange, and the amount realized on the disposition of the Existing Bonds would equal the issue price of the New Bonds treated as received in exchange for the Existing Bonds, and the tax treatment to a U.S. holder would be substantially similar to the treatment described above.

If you sell Existing Bonds pursuant to the Offer and purchase New Bonds pursuant to the New Bonds Offerings, you should consult your tax advisor regarding the consequences of such sales and purchases.

Information Reporting and Backup Withholding

Information returns will be filed with the U.S. Internal Revenue Service (“IRS”) in connection with payments on the Existing Bonds made to, and the proceeds of dispositions of Existing Bonds effected by, certain U.S. holders. In addition, certain U.S. holders may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Holders who are not U.S. persons (as defined in the Code) may be required to comply with applicable certification procedures to establish that they are exempt from the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

HOLDERS' REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

By tendering Existing Bonds, each Holder shall be deemed to agree with, and acknowledge, represent, warrant and undertake (on behalf of itself and of any person for whom it is acting) to the Republic, the Dealer Managers and the Tender and Information Agent that, as of the time it tenders its Existing Bonds and on each of the Expiration Time and Settlement Date, as set forth below. If any Holder of such Existing Bonds or the direct participant through which a Holder tenders its Existing Bonds is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such Holder or direct participant is not permitted to participate in the Offer and, if it has taken any steps to do so, should contact the Tender and Information Agent immediately.

- (1) It has received, reviewed this Offer Document and understood and accepted the terms and conditions of the Offer and distribution restrictions, all as described in this Offer Document.
- (2) It understands that the tender of Existing Bonds pursuant to any of the procedures set forth in this document will constitute its acceptance of the terms and conditions of the Offer and that only Paraguay will be liable for the payment of the Purchase Price plus Accrued Interest for Existing Bonds validly tendered and accepted subject to the terms and conditions of the Offer.
- (3) It is assuming all the risks inherent in participating in the Offer, and has undertaken all the appropriate analysis of the implications of the Offer, without reliance on Paraguay, the Dealer Managers, the Tender and Information Agent or any of their respective representatives, directors or employees.
- (4) Upon the terms and subject to the conditions of the Offer, it has submitted one or more Tender Orders with respect to the principal amount of one or more series of Existing Bonds, subject to and effective on the acceptance for purchase in respect of such Existing Bonds pursuant to the Offer, it renounces all right, title and interest in and to all such Existing Bonds accepted for purchase pursuant to the Offer and waives and releases any rights or claims it may have against Paraguay with respect to any such Existing Bonds or the Offer.
- (5) It has full power and authority to accept the Offer and tender, sell, assign and transfer the Existing Bonds tendered, and that, if such Existing Bonds are accepted for purchase then (i) on the Settlement Date, it will deliver good and marketable title thereto, and together with all rights attached, free and clear of all liens, charges, claims, interests, rights of third parties, encumbrances and restrictions of any kind, and such Existing Bonds will not be subject to any adverse claim or right; and (ii) it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Dealer Managers or by the Republic to be necessary or desirable to complete the sale, assignment, transfer, and/or cancellation of the Existing Bonds tendered or to evidence such power and authority.
- (6) All authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties, undertakings and directions, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity.
- (7) It understands that acceptance for purchase of Existing Bonds validly tendered by it pursuant to the Offer will constitute a binding agreement between it and Paraguay, in accordance with and subject to the terms and conditions of the Offer and that only Paraguay will be liable for the payment to the applicable clearing system of the Purchase Price plus Accrued Interest for Existing Bonds validly tendered and accepted.
- (8) It understands that Paraguay may, at its sole discretion, extend, re-open, amend or waive any condition of, or terminate, the Offer at any time, and that in the event of a termination of the Offer, the relevant Existing Bonds will be returned to the Holder.
- (9) None of Paraguay, the Dealer Managers, the Tender and Information Agent, the trustee for the Existing Bonds or any of their respective representatives, directors or employees, has given it any

information with respect to the Offer save as expressly set forth in this Offer Document nor has any of them made any recommendation to it as to whether it should tender its Existing Bonds pursuant to the Offer, and it has made its own decision with regard to tendering its Existing Bonds pursuant to the Offer based on any legal, tax or financial advice it has deemed necessary to seek.

- (10) Other than as expressly stated in the Offer, no information has been provided to it by Paraguay, the Dealer Managers, the Tender and Information Agent or any of their respective representatives, directors or employees, with regard to the tax consequences for Holders of Existing Bonds arising from any Existing Bonds purchased pursuant to the Offer and the receipt of any cash payment, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Offer or in relation to the New Bonds and agrees that it does not and will not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against Paraguay, the Dealer Managers, the Tender and Information Agent, any of their respective representatives, directors or employees or any other person in respect of such taxes and payments.
- (11) It understands that validly tendered Existing Bonds (or defectively tendered Existing Bonds with respect to which Paraguay has waived, or has caused to be waived, such defect) will be deemed to have been accepted by Paraguay if, as and when Paraguay gives oral or written notice thereof to the Tender and Information Agent.
- (12) It is not a person to whom it is unlawful to make an Offer pursuant to this Offer Document, it has not distributed or forwarded this Offer Document or any other documents or materials relating to the Offer to any such person, and it has (before tendering the Existing Bonds for cash) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer.
- (13) It shall indemnify Paraguay, the Dealer Managers and the Tender and Information Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, the Offer (including any acceptance thereof) by any such Holder.
- (14) It agrees that Accrued Interest to be paid on the Existing Bonds on the Settlement Date together with the Purchase Price pursuant to the Offer shall be paid on the Settlement Date and in accordance with the terms set forth in this Offer Document notwithstanding any other provision of the Existing Bonds.
- (15) It agrees to treat the sales of Existing Bonds pursuant to the Offer as a transaction separate from any purchase it may make of New Bonds pursuant to the New Bonds Offerings.

DEALER MANAGERS AND TENDER AND INFORMATION AGENT

The Republic has entered into a dealer manager agreement with Citigroup Global Markets Inc. and Itau BBA USA Securities, Inc. to act as Dealer Managers for the Offer. Pursuant to the dealer manager agreement, the Republic has:

- retained the Dealer Managers to act, directly or through affiliates, as the dealer managers in connection with the Offer;
- agreed to pay for certain expenses in connection with the Offer; and
- agreed to indemnify the Dealer Managers against certain liabilities and expenses in connection with the Offer, including liabilities under the Securities Act. The dealer manager agreement contains various other representations, warranties, covenants and conditions customary for agreements of this sort.

Global Bondholder Services Corporation will act as Tender and Information Agent in connection with the Offer for the Existing Bonds. The Tender and Information Agent's address is 65 Broadway, Suite 404. The Tender and Information Agent will be paid customary fees for its services in connection with the Offer.

Each of the Dealer Managers is participating as an initial purchaser in connection with the New Bonds Offerings and each of the Dealer Managers has provided and may continue to provide certain investment banking services to Paraguay for which they have received and may receive compensation that is customary for services of such nature. The Dealer Managers may trade, or hold a long or short position in, the Existing Bonds, the New Bonds or other debt securities or related derivatives of Paraguay for their own accounts or for the accounts of their customers at any given time, and the Dealer Managers may participate in the Offer by submitting Tenders on their own behalf or by submitting Tenders on behalf of clients.

Some of the Dealer Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Republic. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Paraguay. If the relevant Dealer Managers or their affiliates have a lending relationship with Paraguay, certain of those Dealer Managers or their affiliates routinely hedge, and certain others of those Dealer Managers may hedge, their credit exposure to Paraguay consistent with their customary risk management policies. Typically, such Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Paraguay's securities, including potentially the Existing Bonds. Any such credit default swaps and short positions could adversely affect future trading prices of the Existing Bonds. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with the Offer, Paraguay may solicit, or cause to be solicited, tenders by use of postal services, personally or by telephone, electronic mail, facsimile, telegram or other similar methods.

The Dealer Managers have agreed to pay for certain expenses in connection with the Offer.

None of the Dealer Managers, the Tender and Information Agent, the clearing systems or any of their respective representatives, directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offer or Paraguay contained herein or for any failure by Paraguay to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of Paraguay, the Dealer Managers or the Tender and Information Agent has expressed any opinion as to whether the terms of the Offer are fair. None of Paraguay, the Dealer Managers or the Tender and Information

Agent makes any recommendation that you Tender your Existing Bonds or refrain from doing so pursuant to the Offer, and no one has been authorized by Paraguay, the Dealer Managers or the Tender and Information Agent to make any such recommendation. You must make your own decision as to whether to Tender Existing Bonds or refrain from doing so, and, if so, the principal amount of Existing Bonds to Tender.

ISSUER OF EXISTING BONDS

Republic of Paraguay
c/o Ministerio de Economía y Finanzas
Sede Central: Chile 252
Asunción 1220, Paraguay

DEALER MANAGERS

Citigroup Global Markets Inc.
388 Greenwich Street,
4th Floor Trading
New York, New York 10013
United States of America

Attention: Liability Management Group
Collect: +1 (212) 723-6106
Toll free: +1 (800) 558-3745

Itau BBA USA Securities, Inc.
599 Lexington Avenue, 34th Floor
New York, New York 10022
United States of America

Attention: DCM
Collect: +1 (212) 710-6749

TENDER AND INFORMATION AGENT

Global Bondholder Services Corporation
65 Broadway – Suite 404
New York, New York 10006
Attn: Corporate Actions

Banks and Brokers call: +1 (212) 430-3774
Toll free +1 (855) 654-2015
E-mail: contact@gbsc-usa.com

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To the Dealer Managers as to U.S. law:

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