

Financial Statements

TPI – Triunfo Participações e Investimentos S.A.

Individual and consolidated financial statements
December 31, 2019
with the independent auditors' report

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Individual and Consolidated Financial Statements

December 31, 2019

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Independent auditor's report on the individual and consolidated financial statements

To the Managers and Shareholders of
TPI – Triunfo Participações e Investimentos S.A.
São Paulo – SP

Qualified opinion on the individual and consolidated financial statements

We have audited the accompanying individual and consolidated financial statements of TPI - Triunfo Participações e Investimentos S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the individual and consolidated balance sheet as of December 31, 2019, and the individual and consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies.

In our opinion, except for effects from the matters described in the section called "Basis for qualified opinion", the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of TPI - Triunfo Participações e Investimentos S.A. as of December 31, 2019, and its individual and consolidated financial performance and their individual and consolidated cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for qualified opinion on the individual and consolidated financial statements

Investigations and other legal procedures conducted by government authorities

As mentioned in Note 1 to the individual and consolidated financial statements, the Company's Board of Directors installed an Independent Committee to coordinate the internal investigation aiming to verify the events reported in the search and seizure warrants executed by the Federal Police at the headquarters of TPI - Triunfo Participações e Investimentos S.A. and of its subsidiaries Empresa Concessionária de Rodovias do Norte S.A. - Econorte ("Econorte") and Rio Tibagi Serviços de Operações e Apoio Rodoviário Ltda. ("Rio Tibagi"), on February 22 and September 26, 2018.

The search and seizure warrants were performed based on the orders of the 13th and 23rd Federal Courts of Curitiba in connection with Operation Integration, which investigates reports of wrongdoings involving entrepreneurs and government officials, fueled by the alleged overpricing in the collection of tolls by public road concessionaires in the State of Paraná. The order by the 23rd Federal Court of Curitiba presents plea bargain agreements which reported wrongdoings in the performance of the concession agreement by executives and former executives of the Company and its subsidiaries Econorte and Rio Tibagi. According to the Federal Prosecution Office (MPF), there is material and circumstantial evidences of wrongdoings related to active and passive corruption, money laundering, bid fraud, embezzlement and racketeering.

The Independent Committee, together with the firms hired to conduct the internal investigations, completed the works on April 29, 2019 and informed the Board of Directors of the factual results arising from the investigation procedures, work limitations and, also, the recommendations for enhancing the Anticorruption Compliance program of the Company and its subsidiaries. However, the investigations by government authorities involving executives and former executives of the Company and its subsidiaries Econorte e Rio Tibagi are in progress.

As such, since the investigations and other proceedings conducted by government authorities are still ongoing, so far it has not been possible to conclude whether any adjustments would be necessary in the individual and consolidated financial statements on December 31, 2019.

We conducted our audit in accordance with Brazilian and international standards on auditing. In accordance with said standards, our responsibilities are described in the next section, namely "Responsibilities of the auditor for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set forth in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Accounting Council (CFC) and we comply with the other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Relevant uncertainty regarding operational continuity

The Company and its subsidiaries Empresa Concessionária de Rodovias do Norte S.A. – Econorte, Companhia de Concessão Rodoviária Juiz de Fora – Rio S.A. and Transbrasiliana Concessionária de Rodovia S.A. present negative net working capital exposure and/or have not been complying with their financial obligations and, in the case of concessionaires, the investments planned in their respective Concession agreements. As detailed on Notes 1 and 15 to the individual and consolidated financial statements, the Management of the Company have been developing actions to maintain their normal course of business, making capital injections, divesting assets and implementing out-of-court reorganization plans, which have been subject to objections and have not been certified by all instances required, as disclosed in Note 15. These events and conditions indicate the existence of significant uncertainty, which could raise considerable doubts as to the capacity of the operational continuity of the Company and its subsidiaries. Our opinion has not been modified regarding this matter.

Main audit issues

The main audit issues are those that in our professional judgment were most significant in our audit of the current year. These issues were treated within the scope of our audit of the individual and consolidated financial statements as a whole and in forming our opinion on said financial statements and, therefore, we do not express a separate opinion on said issues. In addition to the subject described in the section "Relevant uncertainty regarding the operational continuity", certain matters described below correspond to the main audit matters to be included in our report.

Out-of-Court Reorganization

As described in Notes 1.1 xiii) and 15 to the consolidated financial statements, on December 3, 2019, the 1st Reserved Chamber of Corporate Law of the São Paulo State Court of Appeals granted the appeal filed by BNDES and Infrabrazil, which reformed the lower court decision of February 9, 2018, granted by the 2nd Court of Bankruptcy and Court-supervised Reorganizations of São Paulo, that had ratified the Out-of-Court Reorganization Plans (PREs).

On January 22, 2020, the court published the appellate decision with the opinion of the judges on the appeal, and on January 23, 2020, the PREs of the Company and Concer were suspended, with the applicable credits returning to the conditions precedent. Such decision also establishes that the creditors contemplated by the Reverse Auction held on March 20, 2018 must deposit into court the amounts received.

The Company, considering that such decision may be reversed by higher courts since it has not become final and unappealable, maintained on its accounting books the effects of all transactions resulting from the Out-of-court Reorganization Plans.

How our audit addressed the matter

Discussion with Managers and legal advisors of the Company to assess the possible legal alternatives in relation to the Appellate Decision published.

Discussion with Managers of the Company about the identification and validation of the ongoing actions to reaffirm to creditors the commitments assumed under the PRE and the reverse auctions held.

Based on the result of the audit procedures described above, we considered that, except for the effects from matters described in the section “Material uncertainty related to operational continuity,” the measures adopted by the Company with regard to the court suspension of its Out-of-court Reorganization were satisfactory. The disclosures made are adequate in the context of the financial statements taken as a whole, in all material aspects.

Impairment assessment of intangible assets of subsidiaries

As described in Note 14, on December 31, 2019, the Company’s intangible assets of toll road concessions, including intangible assets under construction, amounted to R\$2,923,347 thousand. The Management assesses annually the impairment risk of these cash-generating units based on projections of future cash flow and budgets prepared by the Company and approved by its governance levels, given that, for each cash-generating unit, any adjustments to the assumptions used may significantly impact the assessment result and the financial statements of the Company.

Considering the operating segment of the investees, which requires the analysis of long-term assumptions supporting the projections for the period of the concession agreement, which are directly affected by the economic and political scenario in Brazil, as well as assumptions regarding future profitability, which are complex and require a high level of judgment by Management.

How our audit addressed the matter

Our audit procedures included, among others: (i) assessment of the impairment methodology adopted by Management in accordance with CPC 01 (R1) / IAS 36 requirements; (ii) a comparison of the projections approved by Management and the budgets used by the Company to determine the recoverability of the intangible asset; (iii) comparison of the main assumptions adopted by the Management with industry information; (iv) an assessment of the disclosures made in the notes to the financial statements.

Based on the results of the audit procedures mentioned above, the criteria and assumptions of recoverable amount of intangible assets of toll road concessions adopted by the Management comply with the requirements described in CPC 01 (R1) / IAS 36, just as the respective disclosures in Note 14 are appropriate to the context of the financial statements in all material aspects.

Recognition and measuring - revenue from concession of subsidiaries

As per Note 22 to the financial statements, the recognition of revenue in the segment of highway concessions is deemed an inherent risk because the process involves complex billing systems, which process large volumes of data, with a combination of tariffs per vehicle types. Revenues are recognized as collections are made, manually or automatically, using the control systems of the Company, and the investment amount recorded by the equity method in the individual financial statements was deemed a relevant matter to our audit.

How our audit scope addressed the matter

Our audit procedures included, among others: (i) analysis of the internal controls used by the Management for measuring and recognizing the revenue from manual and automatic collections; (ii) assessment and testing of the relevant Information Technology systems; (iii) performance of evidentiary tests, by sample, of the existence and accounting of revenues in an adequate period, assessing the time for revenue recognition; (iv) review of the proper disclosure in the notes to the financial statements. (v) recalculation of the equity method for direct and indirect subsidiaries.

Based on the results of the audit procedures described above, we consider that the recognition of revenues and the disclosures made are appropriate in the context of the financial statements taken as a whole, in all material aspects.

Other issues

Statements of Value Added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2019, prepared under the responsibility of the Company's management and presented as supplemental information for IFRS purposes, were submitted to audit procedures performed together with the audit of the individual and consolidated financial statements of the Company. In forming our opinion, we assessed whether these individual

and consolidated financial statements are reconciled with the individual and consolidated financial statements and records, as applicable, and whether their form and content comply with the criteria set forth under Technical Pronouncement CPC 09 – Statement of Value Added. In our opinion, the individual and consolidated statements of value added were presented fairly, in all material respects, in agreement with the criteria set forth under this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Audit of the corresponding amounts and restatement of the financial statements of the previous fiscal year

The financial statements for the fiscal year ended December 31, 2018, presented for the purposes of comparison with those for the fiscal year ended December 31, 2019 referred to as “restated,” were originally audited by another independent auditor, which issued the report with a change in the opinion on Investigations and other legal proceedings conducted by government authorities and a paragraph of relevant uncertainty as to the operational continuity of the Company and its subsidiaries, dated May 8, 2019.

As described in Note 2.7, the individual and consolidated financial statements of the Company on December 31, 2018 are being restated in compliance with CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors. We have revised and agreed with the adjustments incorporated into the financial statements restated herein.

Other information that accompany the individual and consolidated financial statements and the auditor’s report

The Company’s management is responsible for such other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not include the Management Report and we did not express an audit judgment on this report.

With reference to the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and assess if this report is substantially inconsistent with the financial statements or with the knowledge we gained in performing the audit, or otherwise, appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement in the Management Report, we are required to communicate the fact. As described in section “Basis for qualified opinion”, it was not possible to conclude if the Management Report could also be significantly distorted for the same reason of the matter informed in said section.

Responsibilities of the management and the governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in conformity with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of the individual and consolidated

financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for evaluating the ability of the Company and its subsidiaries to continue operating, disclosing, as applicable, the issues related with its operating continuity and the use of this accounting base in the preparation of the individual and consolidated financial statements, unless management intends to liquidate the Company and its subsidiaries or close down its operations, or if it does not have any realistic alternative to prevent the closing down of operations.

The people in charge of the governance of the Company and its subsidiaries are responsible for supervising the process of preparation of the individual and consolidated financial statements.

Responsibilities of the auditor for the audit of the individual and consolidated financial statements

Our objective is to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free of material misstatements, whether caused by error or fraud, and to issue an audit report with our opinion.

Reasonable assurance is a high level of security, but it is not a guarantee that an audit performed in accordance with the Brazilian and international audit standards will always detect a material misstatement. Misstatements may result from fraud or error and are considered relevant when, individually or taken together, they can influence, within a reasonable perspective, the economic decisions made by users based on said individual and consolidated financial statements.

As part of an audit performed in accordance with Brazilian and international audit standards, we make a professional judgment and maintain an attitude of professional skepticism throughout the audit. In addition:

- We identify and assess the material misstatement risks in the individual and consolidated financial statements, whether caused by fraud or error, plan and carry out audit procedures in response to such risks, and obtain adequate and sufficient audit evidence to support our opinion. The risk of non-detection of material misstatement resulting from fraud is bigger than that arising out of error, as that fraud may involve bypassing the internal controls, collusion, forgery, omission or intentional misrepresentations;
- We gain an understanding of the internal controls relevant to the audit so that we can plan audit procedures suitable to the circumstances, but, not with the aim of expressing an opinion on the efficiency of the internal controls of the Company and its subsidiaries;
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and respective disclosures made by management;
- We issue an opinion on the appropriateness of the use by management of the operating continuity accounting base and, supported by the audit evidence obtained, if there is relevant uncertainty regarding events or conditions that might raise significant doubt as

to the ability of the Company and its subsidiaries to continue as a going concern. If we come to the conclusion that there is significant uncertainty, we must call attention in our audit report to the respective disclosures in the parent company and consolidated financial statements or, should the disclosures be inappropriate, include a modification to our opinion. Our conclusions are grounded in the audit evidences obtained up to the date of our report. However, future events or conditions may impair the ability of the Company and its subsidiaries to continue as a going concern; and

- We assess the general presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and the events in a manner compatible with the aim of a fair presentation;
- We obtain appropriate and sufficient audit evidence regarding the financial information of the entities or business activities of the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the group and, consequently, for the audit opinion.

We communicate with those in charge of governance regarding, among other aspects, the planned scope, the audit time and the significant audit findings, including any significant deficiency in the internal controls identified during our work.

We also provide those in charge of governance a declaration of our compliance with relevant ethical requirements, such as the applicable independence requirement, and we report all relationships or issues that may significantly affect our independence, including the respective safeguards when applicable.

Of the issues we discussed with those in charge of governance, we determined the most significant ones in the audit of the financial statements of the current year and, as such, they constitute the main audit issues. We describe these issues in our audit report, unless any law or regulation prohibits their disclosure to the public, or when, in extremely rare circumstances, we determine that the issue must not be mentioned in our report because the adverse consequences of such disclosure may reasonably overcome the benefits of its communication to the public.

São Paulo, March 11, 2020.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Eduardo A. de Vasconcelos
Accountant CRC 1 SP 166001/O-3

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Balance Sheet
December 31, 2019 and 2018
(In thousands of Brazilian reais)

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		Company			Consolidated		
	Note	12/31/2019	12/31/2018 (restated)	1/1/2018	12/31/2019	12/31/2018 (restated)	1/1/2018
Assets							
Current							
Cash and cash equivalents	3	84	45	3,782	101,673	119,563	376,131
Restricted cash	4	-	-	-	4,901	1,864	3,983
Restricted financial investments	5	-	-	-	8,394	26,084	25,105
Trade accounts receivable	6	-	1,168	123,173	50,969	46,014	194,577
Indemnification receivable – contractual amendments	7	-	-	-	20,164	20,164	20,164
Advances to suppliers		106	4	54	4,472	2,303	4,090
Taxes recoverable		2,888	3,004	2,913	12,453	14,377	8,899
Accounts receivable - related parties	10	15,375	22,326	950	-	17,184	-
Interests to be sold	11	25,262	19,599	19,559	25,262	19,599	19,559
Other credits		2,581	9,014	23	8,284	15,169	7,342
Total current assets		46,296	55,160	150,454	236,572	282,321	659,850
Non-current							
Long-term receivables							
Restricted financial investments	5	-	-	-	-	35	35
Trade accounts receivable	6	-	-	-	740	667	-
Deferred Tax Credits	8	-	-	-	312,816	210,957	185,565
Accounts receivable - related parties	10	205,611	417,588	655,773	48,180	4,859	2,603
Judicial deposits	9	15,489	11,014	18	27,763	22,885	13,289
Taxes recoverable		-	-	-	1,488	1,488	1,488
Right of use assets		-	-	-	12,461	-	-
Other credits		4,631	6,175	-	4,645	7,437	1,085
		225,731	434,777	655,791	408,093	248,328	204,065
Permanent investments:							
In subsidiaries	12	698,128	920,300	1,047,313	-	-	-
Property, plant and equipment	13	7,800	8,174	9,437	178,894	171,644	135,397
Intangible Assets	14	3,063	1,657	10,202	2,331,940	2,316,211	3,649,521
Intangible assets under construction	14	-	-	-	591,407	963,989	-
		708,991	930,131	1,066,952	3,102,241	3,451,844	3,784,918
		934,722	1,364,908	1,722,743	3,510,334	3,700,172	3,988,983
Total non-current assets							
Total assets							
		981,018	1,420,068	1,873,197	3,746,906	3,982,493	4,648,833

The notes are an integral part of the financial statements.

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Balance Sheet
December 31, 2019 and 2018
(In thousands of Brazilian reais)

	Note	Company			Consolidated		
		12/31/2019	12/31/2018 (restated)	1/1/2018	12/31/2019	12/31/2018 (restated)	1/1/2018
Liabilities and shareholders' equity							
Current							
Trade accounts payable		1,481	4,765	307	56,686	81,634	102,350
Loans and Financing	15	80,739	90,484	82,634	339,388	1,160,516	1,216,374
Debentures	16	26,690	24,546	43,484	247,938	225,865	166,094
Promissory notes	17	-	-	-	54,215	54,304	54,344
Derivative financial instruments	27	-	-	-	-	16,813	9,466
Concession Agreement Obligations	18	-	-	-	41,991	30,586	25,904
Salaries, provisions and social contributions		4,396	1,732	1,666	29,534	26,277	25,415
Taxes, fees and contributions	19	280	347	6,710	47,515	77,156	119,043
Proposed dividends	21	-	-	113,262	1,545	1,543	114,806
Payables - related parties	10	14,284	14,282	14,285	30,259	40,982	61,238
Lease liabilities		-	-	-	8,494	-	-
Other liabilities		21,621	26,969	40,065	53,550	51,717	64,173
Total current liabilities		149,491	163,125	302,413	911,115	1,767,393	1,959,207
Non-current							
Long-term liabilities:							
Trade accounts payable		45	-	-	1,079	-	-
Loans and Financing	15	44,675	39,405	48,435	1,382,596	471,759	418,254
Debentures	16	-	-	-	7,305	84,530	265,974
Promissory notes	17	-	-	-	9,026	63,181	117,336
Derivative financial instruments	27	-	-	-	-	7,237	15,688
Concession Agreement Obligations	18	-	-	-	309,759	261,602	210,907
Taxes, fees and contributions	19	-	-	-	45,427	11,861	7,792
Deferred income and social contribution taxes	8	-	-	-	215,319	233,254	272,202
Provision on negative equity of Subsidiaries	12	70,899	317,070	289,355	46	48	48
Deferred revenues, net		-	-	-	84	576	1,647
Provision for legal and administrative claims	20	380	6,505	-	67,440	60,185	11,274
Lease liabilities		-	-	-	3,675	-	-
Other liabilities		-	-	14,317	42,817	42,958	24,357
Total non-current liabilities		115,999	362,980	352,107	2,084,573	1,237,191	1,345,479
Shareholders' equity							
Share Capital	21	842,979	842,979	842,979	842,979	842,979	842,979
Treasury shares		(10,894)	(10,894)	(10,894)	(10,894)	(10,894)	(10,894)
Capital reserves		40,447	20,772	13,188	40,447	20,772	13,188
Comprehensive income (loss)		16,420	43,696	85,014	16,420	43,696	85,014
Profit reserves		-	-	288,390	-	-	288,390
Accumulated losses		(173,424)	(2,590)	-	(173,424)	(2,590)	-
Non-controlling Interest		-	-	-	35,690	83,946	125,470
Total shareholders' equity		715,528	893,963	1,218,677	751,218	977,909	1,344,147
Total Liabilities and Shareholders' Equity		981,018	1,420,068	1,873,197	3,746,906	3,982,493	4,648,833

The notes are an integral part of the financial statements.

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statement of Income December 31, 2019 and 2018 (In thousands of Brazilian reais)

	Note	Company		Consolidated	
		12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Net Operating Revenue	22	-	-	991,701	1,195,768
Costs of services rendered					
Road operation, maintenance and conservation		-	-	(197,175)	(199,853)
Maintenance Costs – IAS 37		-	-	(45,023)	(36,998)
Construction Costs		-	-	(96,254)	(176,182)
Personnel Costs		-	-	(104,101)	(114,657)
Depreciation of property and equipment (cost)		-	-	(1,085)	(1,088)
Amortization of intangible assets (cost)		-	-	(347,721)	(232,870)
Amortization of intangible assets (surplus)		-	-	(40,877)	(39,056)
Government remuneration		-	-	(42,325)	(41,204)
		-	-	(874,561)	(841,908)
Gross Profit		-	-	117,140	353,860
Operating income (expenses)					
General and Administrative Expenses	23	(17,858)	(23,190)	(85,618)	(98,591)
Management Compensation		(7,625)	(11,829)	(19,214)	(28,702)
Personnel Expenses		(5,569)	(10,973)	(41,135)	(55,249)
Depreciation of property and equipment (cost)		(610)	(1,709)	(6,560)	(2,181)
Depreciation of property and equipment (surplus)		-	-	(96)	(96)
Amortization of intangible assets		(121)	(37)	(9,136)	(5,283)
Amortization of goodwill on investments		(232)	(2,586)	(792)	(3,123)
Equity Income (Loss)	12	(190,665)	(314,155)	-	-
Other operating income		8,617	22,259	2,024	13,799
Other operating expenses		-	(6,779)	14,718	(192,763)
Provision for impairment gain (loss)		(2,240)	(2,611)	(2,323)	(3,058)
Other non-recurring expenses		(3,562)	(40,045)	(13,212)	(69,145)
		(219,865)	(391,655)	(161,344)	(444,392)
Operating loss before financial result		(219,865)	(391,655)	(44,204)	(90,532)
Financial Result					
Financial Income	24	16,145	27,035	14,712	34,667
Financial Expenses	24	(18,944)	(22,353)	(327,230)	(382,590)
		(2,799)	4,682	(312,518)	(347,923)
Net loss before Income tax and social contribution		(222,664)	(386,973)	(356,722)	(438,455)
Income tax and social contribution					
Current	8	-	-	(3,914)	(23,400)
Deferred	8	-	1,736	114,162	58,241
		-	1,736	110,248	34,841
Net loss from continuing operations		(222,664)	(385,237)	(246,474)	(403,614)
Discontinued Operations					
Net income from discontinued operations	11	30,039	17,226	30,039	17,226
Net loss in the year		(192,625)	(368,011)	(216,435)	(386,388)
Attributable to:					
Controlling Shareholders		(192,625)	(368,011)	(192,625)	(368,011)
Non-controlling shareholders		-	-	(23,810)	(18,377)
Number of shares (in '000)		176,000	176,000		
Diluted losses per '000 shares (in R\$)					
Basic and diluted losses from continuing operations		(1.09)	(2.09)		
Basic and diluted losses from discontinued operations		0.17	0.10		

The notes are an integral part of the financial statements.

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statement of Comprehensive Income December 31, 2019 and 2018 (In thousands of Brazilian reais)

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Net loss for the year	(192,625)	(368,011)	(216,435)	(386,388)
Comprehensive income (loss)				
Realization of revaluation reserve effects	21,791	22,637	21,791	22,637
Adjustment to reflex revaluation reserve	-	10,351	-	10,351
Total profit/loss for the year net of taxes	(170,834)	(335,023)	(194,644)	(353,400)
Attributable to:				
Controlling Shareholders	(170,834)	(335,023)	(170,834)	(335,023)
Non-controlling shareholders	-	-	(23,810)	(18,377)

The notes are an integral part of the financial statements.

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statement of Changes in Shareholders Equity December 31, 2019 and 2018 (In thousands of Brazilian reais)

	Profit Reserves						Comprehensive income						
	Share Capital	Treasury shares	Capital reserve	Legal reserve	Retained earnings reserve	Profit reserve	Special reserve for unpaid dividends	Reflex revaluation reserve	Total comprehensive income/(loss)	Retained earnings (accumulated losses)	Shareholders' equity	Non-controlling interest in equity of subsidiaries	Consolidated shareholders' equity
Balance on January 1, 2018 (restated)	842,979	(10,894)	13,188	32,224	256,166	288,390	-	85,014	85,014	-	1,218,677	125,470	1,344,147
Realization of revaluation reserve effects	-	-	-	-	-	-	-	(22,637)	(22,637)	22,637	-	-	-
Adjustment to reflex revaluation reserve	-	-	(3,005)	-	-	-	-	(10,351)	(10,351)	13,356	-	-	-
Loss / write-off due to impairment of the revaluation reserve	-	-	-	-	-	-	-	(15,210)	(15,210)	-	(15,210)	-	(15,210)
Stock option plan	-	-	(7,273)	-	-	-	-	-	-	7,273	-	-	-
Accrual of dividend reserve	-	-	-	-	-	-	33,765	-	-	-	33,765	-	33,765
Gain in interest increase	-	-	17,862	-	-	-	-	6,880	6,880	-	24,742	-	24,742
Net loss for the year	-	-	-	-	-	-	-	-	-	(368,011)	(368,011)	(18,377)	(386,388)
Allocations:													
Absorption of losses	-	-	-	(32,224)	(256,166)	(288,390)	(33,765)	-	-	322,155	-	-	-
Other transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(23,147)	(23,147)
Balance on December 31, 2018 (restated)	842,979	(10,894)	20,772	-	-	-	-	43,696	43,696	(2,590)	893,963	83,946	977,909
Realization of revaluation reserve effects	-	-	-	-	-	-	-	(21,791)	(21,791)	21,791	-	-	-
Loss / write-off due to impairment of the revaluation reserve	-	-	-	-	-	-	-	(9,264)	(9,264)	-	(9,264)	-	(9,264)
Gain in interest increase	-	-	19,675	-	-	-	-	3,779	3,779	-	23,454	-	23,454
Net loss for the year	-	-	-	-	-	-	-	-	-	(192,625)	(192,625)	(23,810)	(216,435)
Allocations:													
Other transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(24,446)	(24,446)
Balance on December 31, 2019	842,979	(10,894)	40,447	-	-	-	-	16,420	16,420	(173,424)	715,528	35,690	751,218

The notes are an integral part of the financial statements.

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statement of Cash Flows December 31, 2019 and 2018 (In thousands of Brazilian reais)

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Cash flow from operating activities	(12,643)	(67,264)	255,341	357,961
Loss in the year	(192,625)	(368,011)	(192,625)	(368,011)
Non-cash adjustments to profit or loss	-	31,777	(46,494)	32,262
Allowance for doubtful accounts	-	(1,736)	(114,162)	(58,241)
Deferred income and social contribution taxes	610	1,709	7,741	3,365
Depreciation of property and equipment	121	37	397,734	277,302
Amortization of intangible assets	33	1,420	45,657	40,713
Write-off of property and equipment and intangible assets	9,692	-	9,692	-
Loss on write-off of investments	241	2,354	2,752	3,123
Amortization of goodwill and negative goodwill on investments	14,626	16,493	184,500	297,379
Monetary restatement of loans, financings and debentures	(7,339)	(14,400)	-	-
Monetary restatement of non-commercial intercompany agreements	-	-	3,370	-
Monetary restatement on asset acquisition agreements	-	-	-	(2,407)
Gain from settlement of debt	-	6,779	(14,718)	192,763
Asset impairment losses (gain)	(6,125)	6,505	7,255	48,911
Provision for contingencies, net of write-off and reversals	-	-	(542)	(2,459)
Construction margin	-	-	(23,810)	(18,377)
Non-controlling Interest	-	-	(492)	(1,071)
Allocation of deferred income, Net	190,665	314,155	-	-
Equity Income (Loss)	(30,039)	(17,226)	(30,039)	(17,226)
Result from discontinued operations	-	-	(26,401)	(20,017)
Fair value adjustment of derivatives and debentures	-	-	-	1,440
Amortization of debentures issue cost	-	-	-	-
(Increase) decrease in assets	-	-	(5,028)	25,846
Trade accounts receivable	-	-	(5,028)	25,846
Accounts receivable from related companies – non-commercial operations	9,242	7,897	3,173	(2,256)
Taxes recoverable	116	(91)	1,924	(5,478)
Judicial deposits	(3,664)	(10,996)	(4,878)	(9,596)
Other receivables	7,792	(14,676)	(3,331)	(11,251)
Increase (decrease) in liabilities	-	-	-	-
Trade accounts payable	(3,238)	4,458	(23,869)	(20,716)
Accounts payable from related companies, commercial operations	-	(3)	(10,723)	(20,256)
Payroll and social charges	2,664	66	3,257	862
Taxes, fees and contributions	(67)	(6,363)	7,839	(14,418)
Provision for current income tax and social contribution	-	-	(3,914)	(23,400)
Advances from clients and other accounts payable	(5,348)	(27,412)	56,394	27,437
Other changes in assets and liabilities	-	-	25,079	1,738
Cash flow from investing activities	10,627	(17,218)	1,801	(42,613)
Investment in subsidiaries and associated companies	(30,288)	(136,294)	-	-
Gain from divestment	-	121,565	-	121,565
Dividends and interest on equity received	42,711	-	42,711	-
Acquisition of property and equipment	(269)	(578)	(5,068)	(7,948)
Additions to intangible assets	(1,527)	(1,911)	(35,842)	(156,230)
Cash flow from financing activities	2,055	80,745	(275,032)	(571,916)
Capital payment	-	-	1,064	1,595
Dividends and interest on equity paid	-	(80,209)	-	(80,209)
Payment to related companies, non-commercial operations	(60,844)	(502,729)	-	(31,777)
Receivables from affiliated companies, non-commercial operations	74,059	686,472	-	-
Interest received from related companies, non-commercial operations	5,797	13,109	-	-
New Loans, Financings and Debentures	-	-	1,360	-
Payment of loans, financing, and debentures	(14,307)	(31,534)	(229,740)	(376,784)
Interest and remunerations paid on loans, financing and debentures	(2,650)	(4,364)	(47,716)	(84,741)
Increase (decrease) in cash and cash equivalents	39	(3,737)	(17,890)	(256,568)
Cash and cash equivalents				
At the beginning of the year	45	3,782	119,563	376,131
At the end of the year	84	45	101,673	119,563
Increase (decrease) in cash and cash equivalents	39	(3,737)	(17,890)	(256,568)

The notes are an integral part of the financial statements.

TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statement of Value Added December 31, 2019 and 2018 (In thousands of Brazilian reais)

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Revenue	33,126	37,971	1,175,028	1,318,045
Sale of services	-	-	967,627	1,101,180
Construction revenue	-	-	153,969	178,641
Realization of revaluation reserve	21,791	47,029	21,791	47,029
Other Revenues	11,335	22,259	31,641	21,976
Allowance for doubtful accounts	-	(31,317)	-	(30,781)
Input acquired from third parties	(25,056)	(39,360)	(476,979)	(767,863)
Costs of services rendered	-	-	(191,357)	(179,925)
Construction Costs	-	-	(153,427)	(176,182)
Materials, energy, outsourced services and other	(13,105)	(27,747)	(134,962)	(162,615)
Other Operating Costs	(11,951)	(11,613)	2,767	(249,141)
Gross value-added	8,070	(1,389)	698,049	550,182
Retentions	(963)	(4,332)	(406,267)	(283,697)
Depreciation and Amortization	(963)	(4,332)	(406,267)	(283,697)
Net value-added produced by the entity	7,107	(5,721)	291,782	266,485
Value-added received as transfer	(174,520)	(285,384)	13,850	36,403
Equity Income (Loss)	(190,665)	(314,155)	-	-
Financial Income	16,145	27,035	13,850	34,667
Deferred income and social contribution taxes	-	1,736	-	1,736
Total value added to distribute	(167,413)	(291,105)	305,632	302,888
Distribution of value added	(167,413)	(291,105)	305,632	302,888
Payroll and charges	10,872	20,484	144,915	164,516
Direct compensation	8,722	17,921	100,302	121,460
Benefits	1,750	1,958	32,003	26,508
Workers' severance fund (FGTS)	400	605	6,168	10,484
Other	-	-	6,442	6,064
Taxes, fees and contributions	3,202	3,731	9,596	66,705
Federal	3,073	3,615	(39,001)	11,900
State	8	10	272	357
Municipal	121	106	48,325	54,448
Remuneration of third-party capital	19,387	22,889	333,481	387,049
Interest	18,944	22,353	316,540	382,590
Rental	442	468	1,874	3,405
Other	1	68	15,067	1,054
Government remuneration	-	-	42,325	41,204
Net Income (loss) from Discontinued Operations	(30,039)	(17,226)	(30,039)	(17,226)
Retained profit in the year	(170,835)	(320,983)	(170,836)	(320,983)
Non-controlling Interest	-	-	(23,810)	(18,377)

The notes are an integral part of the financial statements.

Notes to the Financial Statements

1. Operations

TPI - Triunfo Participações e Investimentos S.A. ("Triunfo", the "Company" or "Parent Company") was incorporated on January 11, 1999, and is engaged in investing in other companies and in deals, ventures and businesses. TPI is a publicly held company incorporated in accordance with Brazilian law with registered office in the City and State of São Paulo and its stock is traded on the São Paulo Stock Exchange - B3 (Brasil, Bolsa, Balcão) under the ticker "TPIS3".

Direct and indirect subsidiaries and joint arrangements of the Company are summarized in Note 2.3. The Company's main concession agreements, by entity and by business segment, are presented below:

i) *Highway concessions*

Concer

Concer operates 180 km of Highway BR-040/MG/RJ, Juiz de Fora - Petrópolis - Rio de Janeiro section (Missões interchange), with the purpose of recovering, reinforcing, monitoring, improving, maintaining, preserving, operating and exploiting the highway. The concession started on March 1, 1996, with a 25-year term, ending in February 2021. Due to the constructions executed under the 12th Amendment to the concession agreement ("12th Amendment"), the term may be extended for the proportion necessary to obtain the economic-financial balance of the investment made.

The 12th Amendment was signed in April 2014 with the main purpose of executing the construction of Nova Subida da Serra, in consideration for the payment of services by the National Land Transport Agency ("ANTT" or "concession authority") or the postponement of the concession agreement, so as to establish economic and financial balance with the investments in construction.

The concession authority is in default, at it has made only two payments referring to part of the first portion of the construction already completed. In January 2017, the Federal Accounting Court (TCU) ordered the restoration of the economic-financial balance of the concession agreement.

In June 2017, ANTT published Resolution no. 5,353 seeking to unilaterally annul the clause in the 12th Amendment that allows an extension of the concession period. On September 12, 2019, Concer was granted a first instance decision by the Federal Court of the Federal District declaring the nullity of such resolution, preserving the right to extend the period established in the agreement and is waiting for the appropriate reestablishment of the economic and financial balance of the concession agreement.

The total value of construction related to the 12th Amendment, net of payments made by the concession authority, is R\$523,868, recorded as intangible construction assets, representing the right to operate the highway, given that, if the concession authority does not pay the outstanding amount, it should be recovered through toll collection due to the extension of the concession term, in accordance with the 12th Amendment.

Concepa

Until July 3, 2018, Concepa operated 121 km of Highway BR-290/RS, Osório – Porto Alegre section, known as 'Free Way', and the intersection of BR-116/RS, between Porto Alegre and Guaíba. The concession started on July 4, 1997, with a 20-year term, which may be extended upon mutual agreement between Concepa and the concession authority, in accordance with specific conditions provided for in the concession agreement.

On July 4, 2017, with the end of the original concession term, Concepa and ANTT entered into the 14th amendment to the concession agreement, extending by one more year all the highway maintenance and operations services.

Notes to the Financial Statements

Before the termination of the agreement, Concepa had filed a request for reestablishment of the economic and financial balance through an extension of the concession term.

Among the requests currently under administrative and court analysis, Concepa highlights the need for compensation of the investments made towards modernizing the movable span of the Guaíba Bridge and the special operation for use of the shoulder lane as an additional lane, in addition to the reestablishment of the effect of suspension of the alternative commercial revenues of the toll tariff. Concepa has pending imbalances since 2003.

The requests are grounded on paragraph 4, article 9 of Federal Law 8,987/95 (Law of Concessions), which requires the reestablishment of the economic and financial balance of agreements while the imbalance occurs, when it is caused unilaterally by the concession authority.

Econorte

Econorte operates 341 km of Highways in the State of Paraná (BR-369 and PR-323) through the concession obtained through a public bid for 24 years, which will end in November 2021. The object of the concession is the recovery, improvement, maintenance and operation of highways, through collection of tolls (adjusted annually according to specific clauses) and alternative revenue sources, provided they are previously approved by the Highway Department of the State of Paraná (DER/PR), which could come from activities related to the operation of the highway and its side lanes, ramps or service and leisure areas, including those from advertising and fines for overweight.

The operation of Econorte was significantly affected in the last two fiscal years, due to various actions by government authorities (detailed below), including the developments of the Integration Operations I and II of the Federal Police, described in item 1.2 of these notes to the financial statements.

On November 23, 2018, the Company was notified of an injunction granted by the Court of Jacarezinho on Public-Interest Civil Action ("ACP") no. 5010042-54.2018.4.04.7013/PR filed by the Federal Prosecution Office, which suspended all the amendments to the concession agreement since 2000. As such, on the same day it stopped toll collection at the Jacarezinho Plaza and reduced the toll rates at its toll plazas by 26.75%. On December 4, 2018, the Regional Federal Appellate Court of the 4th Region ("TRF-4") ruled that the Jacarezinho Court did not have the authority and referred the case to the 1st Federal Court of Curitiba, which ratified the preliminary injunction granted earlier. On March 1, 2019, the decision was suspended by the Chief Justice of the Superior Court of Justice on February 28, 2019. However, as part of Citizen Suit no. 200670.13.003009-4, through a plea for prohibitory injunction filed by the Federal Prosecution Office, as part of provisional compliance of the judgement, the court once again determined the suspension of toll collection at the Jacarezinho Plaza.

On May 24, 2019, the 1st Federal Court of Curitiba, in connection with the ACP filed by the Federal prosecution Office, among other things, ordered that, while the Jacarezinho toll plaza remains closed the concessionaire could open the Cambará/Andirá plaza and collect tolls. As such, the Cambará toll plaza was reopened and toll collection started on June 1.

On July 5, 2019, Econorte was notified by the court regarding the injunction granted by the 1st Federal Court of Jacarezinho on July 3, 2019 in response to the Public Civil Action (ACP) Against Misconduct in Public Office filed by the State of Paraná and the Highways Department of Paraná, determining, among other things, the reduction of 25.77% in toll tariffs at the three plazas, maintenance of services and investments, the continuation of construction works at Santo Antonio da Platina, and the prohibition from distributing profits and dividends by the Company, Econorte and Rio Tibagi. In compliance with said decision, toll tariffs at the three plazas managed by Econorte were reduced by 25.77% since July 6, 2019.

On August 1, 2019, the 1st Federal Court of Curitiba revoked the July 3, 2019 injunction and dismissed the ACP for Misconduct in Public Office. The decision reverses: (i) the 25.77% reduction in toll tariffs at the three plazas; the prohibition on distributing profits and dividends by the Company,

Notes to the Financial Statements

Econorte and Rio Tibagi. In compliance with said decision, toll tariffs at Econorte plazas were reestablished on August 2, 2019.

On August 9, 2019, the Chief Justice of the Federal Supreme Court, regarding the petition for suspending the injunction and the decision, among other things, authorized the reopening of the Jacarezinho toll plaza. The Jacarezinho plaza was reopened on August 11, 2019, simultaneously with the end of collections at the Cambará/Andirá plaza, which had been in operation since June 1, 2019, as previously established by the 1st Federal Court of Curitiba.

On January 21, 2020, the Company and its subsidiaries Econorte and Rio Tibagi took cognizance of the decision rendered by the Regional Federal Appellate Court of the 4th Region, in the record of the Public Interest Civil Action of Administrative Impropriety filed by the State Government of Paraná and DER/PR, establishing a new toll tariff reduction by 25.77% in the three plazas of Econorte and the prohibition on the distribution of profits and dividends by the Company, Econorte and Rio Tibagi.

On February 5, 2020, the Superior Court of Justice partially stayed the injunction above, reversing the toll tariff reduction. Therefore, the tariff was re-established at toll plazas on February 6, 2020. On March 2, 2020, the trial court decision that stayed the prohibition on the distribution of profits and dividends by the Company, Econorte and Rio Tibagi was published.

Concebra

Concebra operates highways BR-060, BR-153 and BR-262, specifically the stretch between the Federal District and the states of Minas Gerais and Goiás, comprising 1,176.5 km and 47 cities, of which: 630.2 km of BR 060 and BR153, from the intersection with BR 251 in the Federal District to the border of the states of Minas Gerais and São Paulo, and 546.3 km of BR 262, from the intersection with BR 153 to the intersection with BR 381 in Minas Gerais, and the respective ramps. The object of the concession is the recovery, maintenance, improvement, monitoring, conservation and operation. The concession started on January 31, 2014, with a 30-year term.

According to the national highway concession program, Concebra assumed the highway estimating that it would make significant investments during the first five years of the concession, financed with equity and debt. On February 24, 2016, BNDES approved a long-term loan for the subsidiary, with grace period for amortization until the end of the year of investments (expected in 5 years) and amortization period of 20 years. The uncertainty about the other public banks that would transfer a portion of the approved funds resulted in the maturity of the bridge loan on December 15, 2016 and the default by Concebra. On December 23, 2019, Concebra signed with BNDES the instrument of acknowledgment and rescheduling of the debt, backed by the Company. For more details, see Note 15.

Without the release of the loans initially planned and considering the large volume of investments established for the first years of the concession period, compliance with all the concessionaire's obligations became unfeasible. To continue the agreement with the Federal Government, Concebra is in final negotiations with for the Five-Year Review, in accordance with the concession contract.

As a parallel measure to the Five-Year Review, Concebra filed on July 5, 2019 a request to start arbitration proceedings at the International Court of Arbitration of the International Chamber of Commerce (ICC), where the economic and financial balance of the Concession Agreement is being discussed.

On June 10, 2019, Concebra, through the 3rd Federal Civil Court of SSJ, obtained an injunction ensuring that, until the economic and financial imbalance in the concession agreement is resolved, ANTT will abstain from applying penalties such as: lapse, tariff reduction based on the application of the D factor, collection of amounts or requirement to comply with contractual obligations until the arbitral court issues a judgment on the matter or the Agency restores the contractual balance. On July 30, 2019, a decision was issued to ratify the Injunction, making its effects stable.

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In addition, the federal government established the possibility of the amicable return of concessions, through a re-auctioning process, provided for in Provisional Presidential Decree 752, which was later converted into Law 13,448/17 and regulated by Decree 9,957/19, in August 2019. In December 2019, the ANTT published Resolution 5,860/19 establishing the methodology for calculation of indemnifiable amounts in case of early termination of the concession agreement. In addition to the previous measures, the adoption of re-auctioning is also being assessed by the Management of Concebra and the Company.

Transbrasiliiana

Transbrasiliiana operates 321.6 km under Road Lot no. 01, BR-153/SP, Stretch Border MG/SP – Border SP/MG, and road accesses thereto. The object is to manage and operate infrastructure and provide public services and carry out construction works, comprising the recovery, maintenance, conservation, operation, expansion and improvements to the concession stretches. Triunfo acquired interest in Transbrasiliiana on January 05, 2015. The concession started on February 13, 2008, with a 25-year term ending in February 2033.

ii) *Rendering of highway operation, upkeep and maintenance services*

Rio Guaíba

The subsidiary Rio Guaíba provided services of paramedical assistance, mechanical assistance (tow) and maintenance of highways (recovery of infrastructure works) to the subsidiary Concepa until July 3, 2018, when the concession's operations were discontinued.

Rio Tibagi

The subsidiary Rio Tibagi provided intermediation services for use of right of way and maintenance on stretches of the highway managed by the subsidiary Econorte until December 31, 2018.

iii) *Monitoring services*

CTVias

The subsidiary CTVias provided monitoring and pavement evaluation services to the group's highway concessionaires until the first half of 2019.

iv) *Operation and maintenance of hydroelectric power plants*

Tijóá

Tijóá was incorporated for the specific purpose of electricity generation through the concession of the Três Irmãos Hydroelectric Power Plant ("Três Irmãos SHPP"), under regime of allocation of quotas of physical guarantee of energy and power to electricity distributors of the National Interconnected System (SIN). Três Irmãos SHPP has five generating units with Francis turbines and installed capacity of 807.50 MW and physical guarantee of 217.5 average MW.

Since August 2014, Triunfo holds a 50.1% indirect interest in Tijóá. The joint venture is in the process of being divested, see Note 11.

CSE

CSE provides specialized services in the power generation and transmission segment, related to operation and maintenance engineering, supervision and execution of the operation and local maintenance, environmental and land management, as well as administrative support, planning and project management. CSE started operating in October 2015 with activities substantially related to the

Notes to the Financial Statements

provision of services to Tijoá and later expanded its operations to serve other clients. Triunfo holds an indirect interest of 50.1% in CSE, which is also being divested (see note 11).

v) *Airport management*

Aeroportos Brasil - Viracopos

On June 14, 2012, the joint venture Viracopos signed a concession agreement for the expansion, maintenance and operation of the Campinas International Airport (Viracopos) for a period of thirty (30) years with the National Aviation Agency (ANAC).

Triunfo's indirect interest in the business corresponds to 24.54%, since:

- a) The Concessionaire is formed of shareholders (i) Aeroportos Brasil (Private Shareholder), which has an interest of 51%, and (ii) Empresa Brasileira de Infraestrutura Aeroportuária - INFRAERO, which holds 49%;
- b) The Private Shareholder is a specific purpose entity with the following ownership structure: Triunfo with 48.12%, UTC Participações S.A. with 48.12%, and Egis Airport Operation with 3.76%.

In consideration for the concession of the exploration of the airport, the concessionaire Viracopos must pay the Federal Government a fixed annual contribution in the amount of R\$127,367, restated at the IPCA, equivalent to a total of R\$3,821,010. The total restated value of the concession fee payable on December 31, 2019 is R\$3,386,030, net of indemnities and payments already made. In addition to the fixed contribution, it also includes a variable contribution corresponding to 5% of the total annual gross revenue of the concessionaire and its wholly-owned subsidiaries. Key matters of said joint ventures are presented below.

Re-auctioning:

At the Extraordinary Shareholders Meeting held on July 28, 2017, the shareholders of Viracopos authorized the concessionaire to take the necessary measures for requesting the re-auctioning proceeding of the concession agreement, in accordance with Law 13,448/17. On July 29, 2017, the Concessionaire requested the Investment Partnership Program Council (CPPI) to qualify the Viracopos airport concession for re-auction.

Interest for the re-auctioning of the Viracopos Concession resulted from the scenario of financial difficulties faced by the concessionaire, due to changes in the macroeconomic scenario in Brazil and the expected demand estimated by the government for concession services. This is on top of several economic-financial unbalances of the Concession Agreement, which were not resolved by the concession authority (ANAC) to the concessionaire in parallel to the act, as envisaged in Law 8,987/95.

In fiscal year 2017, the Company's financial statements reflected the effect of the recognition of the loss on this asset, by writing off the investment in joint venture Aeroportos Brasil, which added to the cash injections provided in that year amounted to a loss of R\$404,289 on December 31, 2017. In 2018 and 2019, there were no new investment contributions, therefore no losses or write-offs were recognized in fiscal years 2018 and 2019.

The Management of TPI based the recording of loss of the investment in Viracopos on the following facts: (i) the procedures for terminating the current concession agreement will be the subject of an amendment to be signed after the qualification of the project for re-auctioning is accepted; (ii) the indemnification amount was subject to arbitration; (iii) the Company would pay indemnification to current shareholders only when the concession agreement was transferred to the future concessionaire or when limitation proceedings are filed, and would prioritize lenders, fines and concession fees in its payments.

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Under the Court-Supervised Reorganization Plan (“PRJ”), approved by the General Meeting of Creditors on February 14, 2020, Viracopos undertook to request the re-auctioning of the concession agreement, under Decree 9,957/2019, which regulates Law 13,448/17.

Time-barring period:

On February 19, 2018, the joint venture Viracopos was notified by ANAC of the filing of an administrative proceeding to determine delinquency that could lead to the termination of the concession agreement for Viracopos Airport.

On May 9, 2018, the suspension of the administrative proceeding for declaration of the termination of the concession, as well as of all actions and enforcements brought against the investees, particularly the administrative fine applied related to the conclusion of phase I-B of the Concession Contract, was approved by the 8th Civil Court of the District of Campinas. In a session held on September 29, 2018, the 1st Chamber of the São Paulo Court of Justice revoked the decision of the Court of Reorganizations for suspending the administrative proceeding for a possible declaration of the termination of the concession, as well as of the administrative fine applied related to the conclusion of phase I-B of the Concession Agreement.

In view of the decision of December 19, 2018 on the Action for Revision, as detailed below, the Concession Authority is prevented from declaring lapse of the concession.

On September 24, 2019, the Federal Appellate Court of the 1st Region granted the request for suspending the injunction and decision of the National Civil Aviation Agency (ANAC), which suspended the effects of the injunction previously granted to Viracopos preventing the application of penalties, including the penalty of forfeiture and the execution of contractual guarantee for alleged default with financial obligations. On January 3, 2020, the same Court granted effect of supersedeas to the concessionaire’s appeal, allowing the time-barring process to continue, but preventing the imposition of the penalty for time-barring.

On January 23, 2020, the Superior Court of Justice stayed the time-barring process and the administrative fines imposed by ANAC on the joint venture Aeroportos Brasil Viracopos S.A. On February 17, 2020, the reporting judge of the case in the Superior Court of Justice rendered a decision resuming the time-barring process. However, the decision of January 3, 2020, of the TRF-1, prevails, as per the paragraph above.

Court-supervised reorganization:

On May 7, 2018, the joint ventures Aeroportos Brasil S.A., Aeroportos Brasil Viracopos S.A. and Viracopos Estacionamentos S.A. filed a request for Court-Supervised Reorganization, under Federal Law 11,101/05 and the sole paragraph of Article 122 of Federal Law 6,404/76. The goal of the request is to preserve the assets of the companies, balance its financial situation, ensure the continuity of activities and preserve thousands of direct and indirect jobs, ensure the payment of significant taxes and the payment of claimed credits, in accordance with the Court-Supervised Reorganization Plan (“PRJ”). The consulting firm Deloitte Touche Tohmatsu conducted an advance analysis of the documentation presented and was appointed the bankruptcy trustee.

On May 23, 2018, the processing of the Court-Supervised Reorganization of the companies was granted, initiating the period of 60 business days for submitting the Court-Supervised Plan and the stay period of 180 business days, during which all actions and enforcements brought against the

Notes to the Financial Statements

companies were suspended. On July 27, 2018, the Court-Supervised Reorganization Plan was filed at the 8th Civil Court of the District of Campinas, for approval by the creditors.

On December 3, 2018, the General Meeting of Creditors (“AGC”) was determined to be held on February 12, 2019 (on 1st call) and February 26, 2019 (on 2nd call), and the extension of the stay period was approved for another 120 days. On February 1, 2019, a request was made for changing the date of the AGC to May 16, 2019, as well as for extending the stay period for another 90 days, what was granted by the Court in charge of the Reorganization. On May 8, 2019, responding to a request by the Companies under Reorganization, the AGC was rescheduled to June 27, 2019 (1st call) and August 1, 2019 (2nd call). The meeting was not held on 1st call due to lack of quorum. At the meeting on 2nd call, the creditors decided to suspend the AGC for 60 days. The AGC was called once again for October 1, 2019, yet due to an agreement among creditors, it was suspended once again and resumed on December 16, 2019, on first call. The AGC was postponed again to February 13, 2020 and, after being suspended for twelve (12) hours, on February 14, 2020, the PRJ presented by the concessionaire was approved, establishing, among other measures, the need to request a re-auctioning process. The return of assets as part of this re-auctioning will occur to represent a stop-loss order, implying an ample release for the Concessionaire and its shareholders (public and private) as per the terms and conditions of the plan. On February 18, 2020, the PRJ was judicially ratified.

Viracopos also signed an agreement with the Brazilian Development Bank (BNDES) establishing that the amounts arising from financial instruments granted to the Concessionaire are not subject to the Court-supervised Reorganization. The agreement also provides for the release of resources available in guarantee accounts backing these liabilities, as well as the partial suspension of payments until the re-auctioning of the airport.

Fines – ANAC:

On October 8, 2018, the Court of Justice of the State of São Paulo approved the Interlocutory Appeal filed by ANAC related to the prevention of execution of the fine for alleged failure to make, in a timely manner, the investments planned for phase I-B of the concession agreement and the respective insurance policies (“policies”) and the administrative proceeding to declare the termination of the concession. As a result of the judgment, the court decision issued on May 9, 2018 by the 8th Civil Court of the District of Campinas was revoked. Triunfo is the counter-guarantor of the policies.

On February 27, 2019, ANAC filed for an Interlocutory Appeal (“appeal”) against the preliminary injunction and, on the following day, lodged a petition for Suspension of Injunction and Court Order (“SLS”). If the Appeal or the SLS is granted, ANAC can execute the policies for enforcing the contractual guarantees.

Furthermore, the administrative proceedings, filed by ANAC for calculating the amounts and periods related to daily fines imposed for delay in the delivery of phase I-B works, were concluded, and the amounts of the fines were fixed. Joint venture Viracopos is disputing the imposition of the fine in the Courts.

The external legal counsel believes that the possibility of shareholders being executed in such proceedings is remote. Any fine amounts due to ANAC are subject to the terms of the Court-Supervised Reorganization.

Action for review:

On December 12, 2018, Viracopos filed a lawsuit before the Federal Court of the 1st Region seeking the rebalance of the concession agreement and consequent prohibition to continue with the concession termination proceeding and execution of the contractual guarantees. As a preliminary matter, it was requested that ANAC refrained from imposing contractual penalties to Viracopos related to alleged defaults on financial obligations, including the concession termination penalty, and from enforcing the contractual guarantees. On December 19, 2018, the Federal Court of the 1st

Notes to the Financial Statements

Region granted the preliminary injunction, whose effects were stayed by a decision of the Regional Federal Court of the 1st Region issued on September 24, 2019.

Lawsuit for Injunction:

On August 14, 2019, Viracopos filed a lawsuit, among other things, to enforce compliance by ANAC with its contractual obligations related to the failure to deliver the areas mentioned in the Airport Operation Plan ("PEA"). The lawsuit requests interlocutory relief limiting the payment of fixed concession fees overdue and unpaid and of fixed concession fees coming due to the amounts that would be due excluding the premium of 159.75% at the auction, which was granted on October 1, 2019 by the 17th Federal Court of the Federal District. On November 22, 2019, effect of supersedeas was granted to the Interlocutory Appeal filed by ANAC, to reestablish the amount of the concession fees.

With the current scenario of the Viracopos Airport, for which the Court-Supervised Reorganization Plan envisages Re-auctioning and a stop loss order, currently there is no expectation for disbursement by Triunfo to honor any commitments of the concessionaire or the other companies (Aeroportos Brasil or VESA). There also is the fact that the investment in the joint venture was fully written off as a loss in fiscal year 2017, as mentioned above, with no impacts to be reported in the Financial Statements of the Company.

1.1. Summary of material events in 2019

i) Charges brought by the Federal Prosecution Office (MPF)

Triunfo and its subsidiaries Econorte and Rio Tibagi became aware through the media that the MPF, within the scope of the Task Force, on January 28, 2019, brought charges against executives and former executives of Triunfo and Econorte before the 23rd Federal Court of Paraná. The Company and its subsidiaries are not included in said charges.

ii) Rating Downgrade – Econorte's 3rd Debenture Issue

On February 19, 2019, Fitch Ratings Brasil Ltda. changed the classification of Econorte's ratings, which went from BBB-(bra) to CCC(bra), in accordance with the new report of extraordinary ratings review. Given that this was an alleged case of non-automatic early maturity, General Meetings of Debentureholders ("AGD") were called to decide for the non-declaration of the early maturity, among other matters. On December 31, 2019, the Long-Term National Rating for the 3rd Debentures Issue of Econorte was assigned a rating of C(bra). For more information, see Note 16.

iii) Court decision – Econorte

On February 28, 2019, the Chief Justice of the Superior Court of Justice suspended the effects of the ruling given by the 1st Court of Curitiba in the Public-Interest Civil Action 5010042-54.2018.4.04.7013/PR. As a result of the full suspension of the ruling, the toll collection at the Jacarezinho toll plaza was reestablished and the reduction of 26.75% on the tariffs of the other Econorte's toll plazas was suspended.

However, on March 1, 2019, the 1st Federal Court of Jacarezinho rendered a decision on Incidental Request for Prohibitory Injunction proposed by the Public Prosecution Office, ordering Econorte not to resume charging for the toll at the Jacarezinho toll plaza. The 26.75% tariff reduction in the other of Econorte's toll plazas remains suspended. Therefore, on March 2, 2019, Econorte resumed charging its toll tariffs that were effective prior to the Public Interest Civil Action filed by the Federal Prosecution Office.

On May 24, 2019, the 1st Federal Court of Curitiba, in connection with the Public-Interest Civil Action filed by the Federal Prosecution Office, among other things, ordered that while the

Notes to the Financial Statements

Jacarezinho toll plaza remains closed the concessionaire may open the Cambará/Andirá plaza and collect tolls. Consequently, the Cambará toll plaza was reopened and toll collection started on June 1, 2019.

On July 5, 2019, Econorte was served a notice regarding the injunction, in compliance with said decision, the 25.77% reduction in the toll tariffs of the three plazas managed by 25.77% was applied as of July 6, 2019.

On August 1, 2019, the 1st Federal Court of Curitiba revoked the injunction of July 2019, and terminated the ACP for Misconduct in Public Office filed by the State of Paraná and by the Paraná State Road Department. The decision reverses: (i) the 25.77% reduction in toll tariffs of the three plazas; the prohibition from distributing profits and dividends applicable to the Company, Econorte and Rio Tibagi. In compliance with said decision, toll tariffs at the Econorte plazas were reestablished on August 2, 2019.

On August 9, 2019, a decision was issued by the Chairman of the Federal Supreme Court regarding the request for Suspension of the Injunction and Decision that, among other things, authorized the reopening of the toll plaza of Jacarezinho. The Jacarezinho plaza was reopened on August 11, 2019.

On January 21, 2020, the Company and its subsidiaries Econorte and Rio Tibagi took cognizance of the decision rendered by the Regional Federal Appellate Court of the 4th Region, in the record of the Public Interest Civil Action of Administrative Impropriety filed by the State Government of Paraná and Paraná State Road Department, establishing a new toll tariff reduction of 25.77% at the three plazas of Econorte and the prohibition on the distribution of profits and dividends by the Company, Econorte and Rio Tibagi.

On February 5, 2020, the Superior Court of Justice partially stayed the injunction above, reversing the toll tariff reduction. Therefore, the tariff was re-established in the toll plazas on February 6, 2020.

iv) Freezing of accounts – Triunfo, Econorte and Rio Tibagi

On March 21, 2019, the 23rd Federal Court of the Judiciary Subsection of Curitiba/State of Paraná, in connection with Operation Integration, issued an order to freeze the accounts of the Company and subsidiaries Econorte and Rio Tibagi. See additional information on Note 9.

v) Search and Seizure Warrant – Concebra and CTVias

On April 11, 2019, the Federal Police executed a search and seizure warrant at the subsidiaries Concebra and CTVias in connection with the operation called “Infinita Highway.” The court order was issued by the 11th Federal Court of Goiás based on a complaint made to the Federal Police to investigate alleged fraud in the issue of reports on highway conditions in order to circumvent inspection, increase toll rates and obtain financing from the BNDES. Search and seizure warrants were also executed at the concessionaires ECO 101 and ViaBahia, as well as at ANTT and the residences of the Managing Director and Superintendent of Inspection of ANTT.

Until the publication of these Financial Statements, there was no new information on the progress of the investigations.

vi) Closure of Independent Committee – Triunfo

On April 29, 2019, the Independent Committee, set up to coordinate the measures to launch an investigation after the Search and Seizure Warrants executed at the Company and some of its

Notes to the Financial Statements

subsidiaries as part of Operation Integration, concluded its work and was terminated. For more information, see item 1.2.

vii) Court decision – Concebra

On June 11, 2019, an injunction by the 3rd Federal Civil Court of the Federal District determined that ANTT abstain from applying contractual penalties against Concebra, including declaring lapse of the contract, and from requiring the investments disputed in the claims for rebalance/revision already offered, from imposing new investment obligations and promoting tariff reductions until the resolution of the economic and financial imbalance of the concession contract through a ruling of the arbitral court or a solution proposed by ANTT.

On July 30, 2019, the decision was ratified by the 3rd Federal Civil Court of the Federal District, confirming the effects of the injunction.

viii) Toll tariff adjustments – Econorte

The annual basic toll tariff adjustment was approved on July 26, 2019, at 7.8% for the Jataizinho and Sertaneja plazas of Econorte, which corresponds to inflation in the 12 months through November 2018.

On December 9, 2019, a new annual adjustment of 3.36% to the basic toll tariff was approved, equivalent to the inflation variation in the last 12 months.

ix) Divestment of Tijoá and CSE

On August 1, 2019, a purchase agreement of shares was entered into with an affiliate of BlackRock Global Energy & Power Infrastructure Funds for the sale of 100% of the Company's direct and indirect interest in the Companies Juno Participações e Investimentos S.A. Tijoá Participações e Investimentos S.A. and CSE – Centro de Soluções Estratégicas S.A.

The transaction value is R\$169.5 million, subject to adjustments typical of this type of operation, as well as potential earn-out at an amount to be determined in accordance with the achievement of certain events. The Company highlights that the transaction is still subject to compliance with certain conditions, including approval by regulatory agencies, as applicable.

x) Court decision – Concer

On September 5, 2019, the judge of the 5th Federal Civil Court of the Legal Section of the Federal District granted the interlocutory relief requested by Concer, regarding the economic-financial unbalance of the contract. Accordingly, ANTT is prevented from amending the economic-financial conditions of the concession contract, from reducing the toll tariff, and from imposing administrative and contractual penalties related to investment obligations.

xi) Bridge loan – Concebra

On December 23, 2019, an agreement was entered into with BNDES renegotiating the conditions in force for the bridge loan approved for Concebra in June 2014. The new financing format envisages, among other factors, waiver of late payment charges through a bonus for regular payments. The renegotiation envisages the allocation of 27% of the concessionaire's revenue,

Notes to the Financial Statements

earned monthly under normal conditions, for payment of debt service, and it also changes the TJLP index + 2% p.a. to TLP + 2% p.a. For more information, see Note 15.

xii) Court decision – Viracopos

On September 24, 2019, the Regional Federal Appellate Court of the 1st Region granted the request for suspension of the injunction and decision by the National Civil Aviation Agency (ANAC), which suspended the effects of the injunction previously granted to Viracopos preventing the application of penalties, including the penalty of cancelation of the contract and execution of collateral, due to alleged default with financial obligations.

On October 1, 2019, a decision issued by the 17th Federal Court of the Legal Section of the Federal District partially granted an urgency measure requested by the joint venture Aeroportos Brasil Viracopos S.A. through an action filed on August 14, 2019, aiming, among other things, to enforce compliance by ANAC with its contractual obligations, related to the failure to deliver the areas under the Airport Operation Plan ("PEA").

The court decision limits the payment of fixed concession fees overdue and unpaid and of fixed concession fees coming due to the amounts that would be due excluding the premium of 159.75% paid over the minimum price of the auction held in 2012, ensuring that the amounts already paid by Viracopos through that date would be considered in any unpaid concession fees.

On November 22, 2019, effect of supersedeas was granted to the Interlocutory Appeal filed by ANAC, to reestablish the amount of the concession fees.

On January 23, 2020, the Superior Court of Justice stayed the time-barring process and the administrative fines imposed by ANAC on the joint venture Aeroportos Brasil Viracopos S.A.

xiii) Out-of-court Reorganization Plans (PREs)

On December 3, 2019, the 1st Reserved Chamber of Corporate Law of the São Paulo Court of Appeals accepted the appeal filed by BNDES and Infrabrazil, which reformed the lower court decision of February 9, 2018, granted by the 2nd Court of Bankruptcy and Court-supervised Reorganizations of São Paulo, that had ratified the Out-of-Court Reorganization Plans (PREs).

On January 22, 2020, the court published the appellate decision with the opinion of the judges on the appeal, and on January 23, 2020, the PREs of the Company and Concer were suspended, with the applicable credits returning to the conditions precedent. In addition, such decision also establishes that the creditors contemplated by the Reverse Auction held on March 20, 2018 must deposit judicially the amounts received.

The Company has been adopting all applicable judicial measures, while also renegotiating with creditors. See Note 15.

1.2. Investigations involving the Company and its subsidiaries

On February 22, 2018, the Federal Police executed a search and seizure warrant at the registered offices of the Company and its subsidiaries Econorte and Rio Tibagi. The court order was issued by the 13th Federal Court of the Judiciary Subsection of Curitiba through the 48th phase of Operation Car Wash, called Operation Integration.

On March 1, 2018, the Board of Directors of the Company created an Independent Committee to coordinate the measures for starting an investigation of the events report at the occasion of the search

Notes to the Financial Statements

and seizure procedure. On March 6, 2018, the Independent Committee engaged the services of the law firm Maeda, Ayres & Sarubbi Advogados to start the investigation. The Committee was formed by two Independent Directors of the Company and a third independent member, Mr. Durval José Soledade Santos, a lawyer with vast experience in the capital markets, who previously worked at the Securities and Exchange Commission of Brazil (CVM), the Brazilian Development Bank (BNDES) and on the committees of various publicly held corporations.

On September 26, 2018, the Federal Police executed a fresh search and seizure warrant at the registered offices of the Company and its subsidiary Econorte. The court order was issued by the 23rd Federal Court of Curitiba, under what was called Operation Integration II, in continuation of the probe that began on February 22, 2018.

The new search and seizure warrant was based on the alleged involvement of entrepreneurs and government officials, fueled by the alleged fraudulent overpricing in toll collections at federal highways granted under concession by the Paraná Government, including the subsidiary Econorte.

Investigations are based on plea bargain agreements between MPF and defendants Nelson Leal Junior (Former Director of the Highway Department of the State of Paraná - DER/PR) and Hélio Ogama (former CEO of Econorte), both arrested in the first phase of Operation Integration, as well as Hugo Ono, former Controller of Econorte.

On January 28, 2019, the Federal Prosecution Office brought charges against executives and former executives of the Company and Econorte before the 23rd Federal Court of Curitiba.

On March 21, 2019, the Company and its subsidiaries Econorte and Rio Tibagi were notified of the decision handed down by the 23rd Federal Court of Curitiba in criminal prosecution no. 5008581-52.2019.4.04.7000, determining the attachment of assets, as requested by the Federal Prosecution Office, within the scope of Operation Integration I and II.

On April 29, 2019, the works of the Independent Committee were concluded and results were submitted to the Board of Directors. The works of the Independent Committee were inconclusive about the existence of wrongdoings pointed out in the claims of the Federal Prosecution Office. Nonetheless, the Board of Directors will assess the implementation of the Independent Committee's recommendations, seeking to enhance governance structure and anticorruption practices. The Independent Committee completed its works and was disassembled.

On September 10, 2019, Econorte, Triunfo and Rio Tibagi were notified of the filing of an Administrative Proceeding of Liability ("PAR") by the Controller General's Office of the State of Paraná to investigate alleged harmful practices against public administration. Econorte submitted its defense and there is no decision regarding such PAR.

The Company has been providing all information requested by the concerned authorities.

1.3. Company initiatives for operational continuity:

Due to the worsening macroeconomic conditions, the unstable political scenario and executions by creditors, Triunfo implemented initiatives to improve its financial structure, currently composed of two main fronts:

- **Divestment of assets:**
In the beginning of 2017, the Company announced to the market its plans to divest the assets Tijoá and CSE (see Note 11). The investment in the joint venture Aeroportos Brasil, previously held for sale, was written-off to loss, as shown in Note 1, item v). Portonave was divested on October 26, 2017 and on August 1, 2019 a purchase and sale agreement was entered into for the assets of Tijoá and CSE.
- **Renegotiation of financial debts**

Notes to the Financial Statements

The Company and its subsidiaries constantly review their liability structure and conduct renegotiations with their creditors whenever necessary. In 2017, important agreements were entered into with creditors, especially the development of out-of-court reorganization plans, which are a legal instrument that allows a company to renegotiate with its creditors the conditions to pay its debts of a private nature, except labor credits. The Plans were ratified in February 2018, but are currently suspended, as determined by an appellate court in February 2020. For more details, see Note 15.

The parent company and consolidated financial statements were prepared based on the principle of business continuity. The Management assessed the Company's capacity to continue operating normally and believes actions implemented to divest certain assets, along with the out-of-court reorganization plans and renegotiations with creditors are important for the Company's financial planning agenda and for the continuity of its operations.

2. Preparation and consolidation base and main accounting policies

The Board of Directors authorized the completion and issue of the individual and consolidated Financial Statements on March 11, 2020.

2.1 Statement of compliance

The Company's financial statements were prepared in accordance with the accounting practices adopted in Brazil, which include the provisions in Brazilian Corporations Law (Federal Law 6,404/76, as amended by Federal Law 11,638/07 and Federal Law 11,941/09) and accounting pronouncements, interpretations and recommendations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Securities and Exchange Commission of Brazil ("CVM") and the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

In compliance with the CPC Guidance on Evidencing in the Disclosure of Accounting-Financial Reports of General Purpose (OCPC 07), the Management of the Company informs that all the material information characteristic of financial statements, and only such information, is being evidenced in these Financial Statements.

2.2 Preparation base

The Financial Statements were prepared based on historical costs, except for certain financial instruments measured at fair value.

2.3 Consolidation base

The consolidated Financial Statements include equity account balance and income of the Company and its subsidiaries, which are recorded under the equity method of accounting.

The fiscal year and Financial Statements of the subsidiaries included in the consolidated are the same as the Parent Company, and the accounting policies used are the same used by the parent and are consistent with those used in the previous year. Transactions are carried out between the Parent Company and subsidiaries under specific conditions agreed upon by the parties, similar to the market's conditions.

The following table shows the interest held in subsidiaries and joint ventures. All companies are domiciled in Brazil:

Notes to the Financial Statements

• Subsidiaries

Company	12/31/2019		12/31/2018	
	Interest (%)		Interest (%)	
	Direct	Indirect	Direct	Indirect
Empresa Concessionária de Rodovias do Norte S.A. ("Econorte")	100.00	-	100.00	-
Rio Tibagi Serviços de Operações e de Apoio Rodoviários Ltda ("Rio Tibagi")	100.00	-	100.00	-
Concessionária da Rodovia Osório – Porto Alegre S.A. ("Concepa")	100.00	-	100.00	-
Rio Gualba Serviços Rodoviários Ltda. ("Rio Gualba")	100.00	-	100.00	-
Concessão Rodoviária Juiz de Fora – Rio S.A. ("Concer")	81.84	-	74.87	-
Rio Bonito Serviços de Apoio Rodoviário Ltda. ("Rio Bonito")	82.00	-	62.50	-
Concessionária das Rodovias do Vale do Paraíba S.A. - Triunfo Convale ("Convale")	100.00	-	100.00	-
Concebra Concessionária das Rodovias Centrais do Brasil S.A. ("Concebra")	100.00	-	100.00	-
Dable Participações Ltda ("Dable") (i)	100.00	-	100.00	-
BR Vias Holding TBR S.A. ("BR Vias Holding TBR") (i) (ii)	-	100.00	-	100.00
Transbrasiliana Concessionária de Rodovia S.A. ("Transbrasiliana") (ii)	-	100.00	-	100.00
Centro Tecnológico de Infraestrutura Viária ("CTVias")	100.00	-	100.00	-
TPI-Log S.A. ("TPI-Log") (iii)	100.00	-	100.00	-
TPB Terminal Portuário Brites Ltda. ("TPB") (iii)	-	100.00	-	100.00
Rio Claro Energia Ltda ("Rio Claro")	100.00	-	100.00	-
Tucano Energia S.A. ("Tucano")	100.00	-	100.00	-
Retirinho Energia S.A. ("Retirinho")	100.00	-	100.00	-
Guariroba Energia S.A. ("Guariroba")	100.00	-	100.00	-
Estrela Energia S.A. ("Estrela")	100.00	-	100.00	-
Taboca Energia S.A. ("Taboca")	100.00	-	100.00	-
ATTT do Brasil Inspeções e Participações Ltda ("ATTT")	64.00	-	64.00	-
Juno Participações e Investimentos S.A. ("Juno")	100.00	-	100.00	-
TPL – Terminal Portuário Logístico S.A. ("TPL") (iv)	100.00	-	100.00	-
Vênus Participações e Investimentos S.A. ("Vênus")	100.00	-	100.00	-
Mercurio Participações e Investimentos S.A. ("Mercurio")	100.00	-	100.00	-
Netuno Participações e Investimentos S.A. ("Netuno")	100.00	-	100.00	-
Minerva Participações e Investimentos S.A. ("Minerva")	100.00	-	100.00	-

(i) Dable holds 100.00% interest in BR Vias Holding TBR.

(ii) BR Vias Holding TBR holds 100.00% interest in the subsidiary Transbrasiliana.

(iii) TPI-Log holds a 100.00% interest in TPB.

(iv) TLP is the new corporate name of the subsidiary Santa Cruz Participações e Investimentos S.A.

• Joint ventures

Companies	12/31/2019		12/31/2018	
	Interest (%)		Interest (%)	
	Direct	Indirect	Direct	Indirect
Aeroportos Brasil S.A. Under court-supervised reorganization ("Aeroportos Brasil") (i)	48.12	-	48.12	-
Aeroportos Brasil - Viracopos S.A. Under court-supervised reorganization("Viracopos") (i)	-	24.54	-	24.54
Viracopos Estacionamentos S.A. Under court-supervised reorganization ("VESA") (i)	-	24.54	-	24.54
Tijóá Participações e Investimentos S.A. ("Tijóá") (ii)	-	50.10	-	50.10
Centro de Soluções Estratégicas S.A. ("CSE") (ii)	-	50.10	-	50.10
Empresa Concessionária de Rodovias do Vale do Itajaí S.A. ("Ecovale") (iii)	52.50	-	52.50	-

(i) Aeroportos Brasil holds 51% interest in Viracopos and Viracopos holds 100.0% interest in VISA.

(ii) Juno holds 50.1% interest in Tijóá and in CSE.

(iii) Concession of the BR-470/SC Highway System was canceled while still in pre-operational phase. The joint venture does not have a record of financial transactions.

Notes to the Financial Statements

2.4 Functional currency and translation of foreign-currency balances and transactions

The Financial Statements were prepared and presented in Brazilian real (R\$), which is the functional currency of the Company and its subsidiaries.

2.5 Key accounting practices and use of estimates and judgement

The accounting policies and relevant estimates of the Company and its subsidiaries are presented in the Notes to each item disclosed in these financial statements.

In preparing the financial statements, the Company and its subsidiaries make use of estimates and judgments based on available information and adopt assumptions that impact the disclosed amounts of revenues, expenses, assets and liabilities, and contingent liabilities. Accounting estimates and judgments are continuously assessed and are based on historical experience and other factors, including expectations of future events that are deemed as reasonable for the circumstances.

Improvement of accounting practices - Amortization of intangible assets under construction

The Management constantly assesses the operational and regulatory aspects of its subsidiaries considering factors such as the remaining concession period, construction projects and investments executed and to be executed, tariff revisions, progress in discussions and actions with the concession authority and other entities. In addition, in the fiscal year 2019, due to new surveys and improvements in controls, information previously not available enabled the reclassification of amounts from “intangible assets under construction” to “intangible assets.” As a result of the assessment of all this information, the Management found it needed to improve the criterion adopted for amortizing the intangible assets under construction related to the Highway Exploration Program and change the period to start amortizing part of these assets.

The improvement basically consists of starting the amortization of such investments at the time they are made, since part of the investments is already recognized in the tariff ratified by the Concession Authority, and no longer when the asset is available for use, upon the completion of construction. For more details, see Note 14.

2.6 Standards, changes and interpretation

Adoption of new accounting pronouncements and interpretations

- CPC 06 (R2 - Leases)

IFRS 16 replaced the existing lease standards, including CPC 06 (IAS 17) Lease Transactions and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) Additional Aspects of Lease Transactions.

IFRS 16 introduced a single model for the accounting of leases in the balance sheet for lessees. A lessee recognizes a right-of-use asset, which represents its right to use the leased asset, and a lease liability that represents its obligation to make lease payments. Short-term leases and low-value items are exempt from these disclosures.

The impact of the application of IFRS 16 on financial statements in the initial period of application was concentrated in the recognition of assets and liabilities for their operating leases, as well as the replacement of operating lease expenses with the cost of straight-line depreciation of the right-of-use assets and the interest expense on lease obligations. The Company highlights below the effects from application of CPC 06 – Lease Transactions (IFRS 16).

	Company	Consolidated
Assets		
Right of use	-	21,293

Notes to the Financial Statements**Liabilities**

Lease liabilities	-	(21,293)
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The Company applied IFRS 16 initially using the modified retrospective approach. Hence, the cumulative effect of the adoption of IFRS 16 was recognized as an adjustment to the opening balance of the balances on January 1, 2019, without updating the comparative information.

In the initial adoption, the Company used the following practical records permitted by IFRS 16/CPC 06 (R2):

- Did not register the agreements, which on the date of initial application, will end within 12 months;
- Did not reassess whether the agreement is or contains any lease on the date of initial application. The Company applied the standard to agreements that were earlier identified as leases;
- Did not register low-value agreements;
- Applied a single discount rate to the lease portfolio with reasonably similar characteristics.

Standards issued but not yet in force

The Company did not identify any new standards and changes issued that were not in force on December 31, 2019 and could impact the Financial Statements of the subsequent periods.

1.4. Restatement of balances from previous years

In 2019, the subsidiary Concebra reviewed the balances of intangible assets, supported by external advisors, to validate and improve controls of fixed assets.

Due to the revision works and with the identification of incorrect accounting records on the corresponding amounts, the Company and its subsidiary Concebra, in compliance with the Technical Pronouncement CPC 23 / IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and CPC 26 / IAS 1 – Presentation of Financial Statements, made adjustments retroactively to the oldest date, considering the initial adjustments on January 01, 2018 and December 31, 2018. The main adjustments are related to:

- i) Incorrect registration of expenses incurred with the installation of its registered office under intangible assets and consequent amortization;
- ii) Registration of the effects from amortization of items that were not being amortized due to a process error;
- iii) Interest on loans and financing taken out for execution of construction envisaged in the Highway Exploration Program, and consequent amortization;
- iv) Effects from taxes deferred.

The adjustments mentioned affected the financial statements on January 01 and December 31, 2018 as follows:

Balance sheet on January 01, 2018, restated:

Company	Consolidated
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Notes to the Financial Statements

	Originally disclosed	Adjustments	1/1/2018 restated	Originally disclosed	Adjustments	1/1/2018 restated
Current assets	150,454	-	150,454	659,850	-	659,850
Deferred tax credits	-	-	-	153,218	32,347	185,565
Investments in affiliated companies and subsidiaries	1,033,976	13,337	1,047,313	-	-	-
Intangible assets	10,202	-	10,202	3,622,071	27,450	3,649,521
Other non-current assets	665,228	-	665,228	153,897	-	153,897
Total current assets	1,859,860	13,337	1,873,197	4,589,036	59,797	4,648,833

	Company			Consolidated		
	Originally disclosed	Adjustments	1/1/2018 restated	Originally disclosed	Adjustments	1/1/2018 restated
Current assets	302,413	-	302,413	1,959,207	-	1,959,207
Income tax and social contribution deferred	-	-	-	225,742	46,460	272,202
Other non-current assets	352,107	-	352,107	1,073,277	-	1,073,277
Total shareholders' equity	1,205,340	13,337	1,218,677	1,330,810	13,337	1,344,147
Total liabilities and shareholders' equity	1,859,860	13,337	1,873,197	4,589,036	59,797	4,648,833

Notes to the Financial Statements

Balance sheets on December 31, 2018, restated:

	Company			Consolidated		
	Originally disclosed	Adjustments	12/31/2018 (restated)	Originally disclosed	Adjustments	12/31/2018 (restated)
Current assets	55,160	-	55,160	282,321	-	282,321
Deferred tax credits	-	-	-	173,822	37,135	210,957
Investments in affiliated companies and subsidiaries	910,456	9,844	920,300	-	-	-
Intangible assets	1,657	-	1,657	2,291,857	24,354	2,316,211
Other non-current assets	442,951	-	442,951	1,173,004	-	1,173,004
Total current assets	1,410,224	9,844	1,420,068	3,921,004	61,489	3,982,493

	Company			Consolidated		
	Originally disclosed	Adjustments	12/31/2018 (restated)	Originally disclosed	Adjustments	12/31/2018 (restated)
Current assets	163,125	-	163,125	1,767,393	-	1,767,393
Income tax and social contribution deferred	-	-	-	181,609	51,645	233,254
Other non-current assets	362,980	-	362,980	1,003,937	-	1,003,937
Total shareholders' equity	884,119	9,844	893,963	968,065	9,844	977,909
Total liabilities and shareholders' equity	1,410,224	9,844	1,420,068	3,921,004	61,489	3,982,493

Statement of income for the fiscal year ended December 31, 2018, restated:

	Company			Consolidated		
	Originally disclosed	Adjustments	12/31/2018 (restated)	Originally disclosed	Adjustments	12/31/2018 (restated)
Gross profit	-	-	-	357,790	(3,930)	353,860
Operating income (expenses)						
Equity income (loss)	(310,662)	(3,493)	(314,155)	-	-	-
Amortization of intangible assets	(37)	-	(37)	(6,210)	927	(5,283)
General and administrative expenses	(23,190)	-	(23,190)	(98,498)	(93)	(98,591)
Operating expenses	(54,273)	-	(54,273)	(340,518)	-	(340,518)
	(388,162)	(3,493)	(391,655)	(445,226)	(3,096)	(444,392)
Financial result	4,682	-	4,682	(347,923)	-	(347,923)
Net loss before income tax and social contribution	(383,480)	(3,493)	(386,973)	(435,359)	(3,096)	(438,455)
Income tax and social contribution	1,736	-	1,736	35,238	(397)	34,841
Net loss from continuing operations	(381,744)	(3,493)	(385,237)	(400,121)	(3,493)	(403,614)
Net income/loss from discontinued operations	17,226	-	17,226	17,226	-	17,226
Net loss in the year	(364,518)	(3,493)	(368,011)	(382,895)	(3,493)	(386,388)
Attributable to:						
Controlling shareholders	(364,518)	(3,493)	(368,011)	(364,518)	(3,493)	(368,011)
Non-controlling shareholders	-	-	-	(18,377)	-	(18,377)

Notes to the Financial Statements

Statements of cash flows for the fiscal year ended December 31, 2018, restated:

	Company			Consolidated		
	Originally disclosed	Adjustments	12/31/2018 (restated)	Originally disclosed	Adjustments	12/31/2018 (restated)
Net loss in the year	(364,518)	(3,493)	(368,011)	(364,518)	(3,493)	(368,011)
Adjustments to reconcile the result:						
Income tax and social contribution deferred	(1,736)	-	(1,736)	(58,638)	397	(58,241)
Equity income (loss)	310,662	3,493	314,155	-	-	-
Amortization of intangible assets	-	-	-	274,206	3,096	277,302
Other adjustments for reconciliation of result	35,448	-	35,448	558,399	-	558,399
Changes in assets and liabilities	(47,120)	-	(47,120)	(51,488)	-	(51,488)
Net cash generated (invested) in operating activities	(67,264)	-	(67,264)	357,961	-	357,961
Net cash used in investment activities	(17,218)	-	(17,218)	(42,613)	-	(42,613)
Net cash generated (invested) in financing activities	80,745	-	80,745	(571,916)	-	(571,916)
Changes in cash and cash equivalents	(3,737)	-	(3,737)	(256,568)	-	(256,568)
Cash and cash equivalents						
At the beginning of the year	3,782	-	3,782	376,131	-	376,131
At the end of the year	45	-	45	119,563	-	119,563
Change in cash and cash equivalents	(3,737)	-	(3,737)	(256,568)	-	(256,568)

Notes to the Financial Statements

Statement of value added for the fiscal year ended December 31, 2018, restated:

	Company			Consolidated		
	Originally disclosed	Adjustments	12/31/2018 (restated)	Originally disclosed	Adjustments	12/31/2018 (restated)
Revenue	37,971	-	37,971	1,318,045	-	1,318,045
Input acquired from third parties	(39,360)	-	(39,360)	(767,770)	(93)	(767,863)
Gross value-added	(1,389)	-	(1,389)	550,275	(93)	550,182
Retentions	(4,332)	-	(4,332)	(280,694)	(3,003)	(283,697)
Net value-added produced by the entity	(5,721)	-	(5,721)	269,581	(3,096)	266,485
Value-added received as transfer	(281,891)	(3,493)	(285,384)	36,403	-	36,403
Total value added to distribute	(287,612)	(3,493)	(291,105)	305,984	(3,096)	302,888
Distribution of value added	(287,612)	(3,493)	(291,105)	305,984	(3,096)	302,888
Payroll and charges	20,484	-	20,484	164,516	-	164,516
Taxes, fees and contributions	3,731	-	3,731	66,308	397	66,705
Remuneration of third-party capital	22,889	-	22,889	387,049	-	387,049
Government remuneration	-	-	-	41,204	-	41,204
Net income from discontinued operations	(17,226)	-	(17,226)	(17,226)	-	(17,226)
Retained losses in the year	(317,490)	(3,493)	(320,983)	(317,490)	(3,493)	(320,983)
Non-controlling interest	-	-	-	(18,377)	-	(18,377)

3. Cash and cash equivalents

	Parent Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Cash and cash equivalents	84	33	8,045	23,704
Financial investments	-	12	93,628	95,859
	84	45	101,673	119,563

Financial investments classified as cash and cash equivalents consist primarily of restricted Bank Deposit Certificates (CDB) investments linked to the interbank overnight rate (CDI), redeemable at any time and without significant risk of change in value.

Notes to the Financial Statements**4. Restricted cash**

	Consolidated	
	12/31/2019	12/31/2018 (restated)
Restricted cash - Concer	4,901	1,864
	4,901	1,864

On July 21, 2017, Concer signed a Condition Subsequent Agreement with the Debentureholders and holders of Promissory Notes, to establish the terms of settlement of overdue notes. On August 16, 2017, the 1st Amendment to the Agreement with Senior Creditors was signed, which changed the form of payment, through the partial retention of funds in a restricted account, up to the limits of each amortization installment. The Agreement provides for the settlement of these securities through 43 monthly successive installments through the Constant Amortization System (SAC), beginning in 2017 through April 2021, by freezing the necessary funds for the payment of principal and interest.

Only the amounts necessary for the payment of principal and interest on the debt in the respective months are blocked, remaining so until the business day before each payment date and surplus amounts will be released.

5. Restricted financial investments

	Consolidated	
	12/31/2019	12/31/2018 (restated)
Transbrasiliana	8,394	8,458
Econorte	-	17,661
	8,394	26,119
Current	8,394	26,084
Non-current	-	35

Transbrasiliana holds a financial investment in CDB with daily liquidity, paying remuneration equal to the variation of the CDI overnight rate, which is held as guarantee for the operation with BNDES (see Note 15).

Subsidiary Econorte should record a cash reserve to pay monthly interest rates and amortizations of debentures (see Note 16). The establishment of these reserves is supervised by the trustee and currently is suspended, as resolved by the debentureholders.

Notes to the Financial Statements**6. Accounts receivable**

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Toll (toll card and toll ticket)	-	-	46,465	40,475
Use of right of way	-	-	9,829	9,454
Other accounts receivable	-	1,168	13,749	15,086
	-	1,168	70,043	65,015
Allowance for doubtful accounts (i)	-	-	(18,334)	(18,334)
	-	1,168	51,709	46,681
Current	-	1,168	50,969	46,014
Non-current	-	-	740	667

- (i) The allowance for doubtful accounts refers to the balance of accounts receivable of subsidiaries Concer and Transbrasiliana related to the use of the right of way (R\$5,216), and the sale of the environmental license obtained by Concepa to the concession authority classified under Other accounts receivable (R\$13,118), which is over 90 days past due.

The balance of consolidated accounts receivable per maturity, is as follows:

	12/31/2019	12/31/2018 (restated)
Current and past-due under 90 days	51,709	46,681
Past-due over 90 days	18,334	18,334
	70,043	65,015

Below, the breakdown of allowance for doubtful accounts:

	12/31/2019	12/31/2018 (restated)
Balance at the beginning of the year	(18,334)	(26,231)
Additions	-	(811)
Write-offs	-	8,708
Balance at the end of the year	(18,334)	(18,334)

Triunfo and its subsidiaries constitute provisions for doubtful accounts for items more than 90 days past due, as a criterion.

The allowance is deemed sufficient by the Company to cover doubtful credits.

7. Accounts receivable – concession agreements

	Consolidated	
	12/31/2019	12/31/2018 (restated)
Accounts receivable from amendments - Concepa	20,164	20,164
	20,164	20,164

Notes to the Financial Statements

Subsidiary Concepa received, on April 16, 2014, through the 13th amendment to the concession agreement, authorization from ANTT to build the fourth lane of the BR-290/RS highway between Porto Alegre and Gravataí. The works, concluded in November 2015, included the widening of both ways of BR-290/RS, between the access to road BR-448 in Porto Alegre and the Gravataí junction that gives access to state highway RS-118.

According to the technical note no. 099/2017 issued by ANTT after the Agency's revision, the recomposed balance to be settled regarding the 13th amendment is R\$20,164. The amendment determines that, if financial settlement has not occurred, the balance receivable may be converted into an extension of the concession agreement for a period proportional to the unpaid balances.

Concepa's operations were discontinued on July 3, 2018 (see note 1, item i). The concessionaire continues to negotiate the financial rebalancing of the investments that were made during the management period and have not yet been remunerated, including the balance of the 13th amendment.

8. Income tax and social contribution

Deferred taxes are usually recognized over all deductible or taxable temporary differences. Deferred tax assets arising from tax losses and social contribution tax loss carryforwards are recognized only when it is probable that the Company will report future taxable income.

A careful and thorough judgment by Management is required to determine the amount of deferred tax assets that can be recognized, based on probable term and level of future taxable income, together with future tax planning strategies.

The ICPC 22 Interpretation (IFRIC 23) - Uncertainty over income tax treatments under IAS 12 (CPC 32) and is not applied to taxes outside the ambit of IAS 12 nor includes specifically the requirements related to interest and fines connected to uncertain tax treatments.

According to the Company's Management, there is no impact due to the adoption of this interpretation, given that all adopted procedures for determining and paying taxable profits are backed by legislation and arise from administrative and legal precedents.

a) Deferred income and social contribution tax assets

	Consolidated	
	12/31/2019	12/31/2018 (restated)
<u>Tax losses and Social contribution tax loss carryforward (i)</u>	150,366	107,447
<u>Temporary differences:</u>		
Provision for maintenance	77,805	59,747
Provision for lawsuits and administrative claims	23,985	17,371
Amortization of goodwill	120	120
Waiver of default charges	35,583	-
Other temporary provisions	2,982	3,074
	140,475	80,312
Deferred income and social contribution taxes at fair value recognized in the acquisition of investment Transbrasiliana (ii)	21,975	23,198
	312,816	210,957

- (i) Balances resulting from tax loss and negative social contribution (CSLL) base of the subsidiaries Concer (R\$60,334), Concebra (R\$79,179) and Transbrasiliana (R\$10,853).
- (ii) Deferred taxes arising from the recognition of fair value of the acquisition of assets of Transbrasiliana.

The book value of deferred tax credit is revised annually by the Management of the subsidiaries and subsequent adjustments have not been significant in relation to the Management's initial estimates.

Notes to the Financial Statements

The expected recoverability of deferred tax credits related to provisions for maintenance is within up to 5 years.

The expected recoverability of deferred tax credits related to tax losses and tax loss carryforwards indicated by taxable income projections is as follows:

Consolidated	
Year ending	
2020	19,610
2021	13,897
2022	22,602
2023	26,640
2024	24,891
2025	22,319
After 2025	20,407
	<u>150,366</u>

b) Deferred income and social contribution taxes liabilities

	Consolidated	
	12/31/2019	12/31/2018 (restated)
Revaluation reserve	10,336	30,066
Construction revenue – Amendment	119,396	118,848
Capitalized financial costs	38,267	39,706
Amortization reversal – ICPC 01	47,320	44,634
	215,319	233,254

c) Cumulative tax losses and tax loss carryforwards - Parent Company

The balances of tax losses and social contribution tax loss carryforwards on the net income of the Company and its subsidiaries can be carried forward indefinitely and can be offset pursuant to Law 9,065/95, which restricted said tax credit offset at the ratio of 30% of taxable income verified in each base period when taxes were collected, and are stated as follows:

	12/31/2019	12/31/2018 (restated)
Triunfo	85,399	58,229
	85,399	58,229

Tax credits on Triunfo's income and social contribution tax loss carryforwards were not recorded since there is no history of profits and due to the fact that they do not comply with the requirements for the initial recognition.

In 2017, the Company granted credits from tax loss and negative social contribution base to its subsidiaries to be used in the installment programs of the Federal Revenue Service, the Tax Regularization Program (PRT) established by Provisional Measure 766/17, and the Special Tax Amnesty Program (PERT) created by Provisional Measure 783/17, which was later passed into Law 13,496/2017. The amount of R\$575,751 of the balance of tax loss and negative social contribution base (credits of R\$195,756) was used in the abovementioned installment programs, consolidated in December 2018.

Notes to the Financial Statements**d) Income and social contribution taxes – profit or loss**

Reconciliation of income and social contribution taxes calculated by applying effective rates and amounts reflected in profit or loss:

	12/31/2019				
	Company	Subsidiaries Taxable Income	Other subsidiaries	Eliminations	Consolidated
Accounting profit (loss) before taxes	(222,664)	(283,710)	(85,695)	235,347	(356,722)
Effective tax rate (34%)	75,706	96,462	29,136	(80,018)	121,286
Adjustments to calculate the effective tax rate:					
Equity income (Loss)	(64,826)	-	-	-	(64,826)
Impairment base amortization value, net	-	26,167	-	-	26,167
Permanent additions (exclusions), net	(628)	1,921	-	-	1,293
Tax incentives (PAT, Pronac and others)	-	(44)	-	-	(44)
Temporary additions (exclusions), net	-	8,177	-	-	8,177
Unrecognized tax losses and tax loss carryforwards	(10,252)	(21,349)	-	-	(31,601)
Difference of the calculation base for presumed profit companies	-	-	(29,202)	78,998	49,796
Current income and social contribution taxes	-	(3,848)	(66)	-	(3,914)
Deferred income and social contribution taxes	-	115,182	-	(1,020)	114,162
Total income and social contribution taxes	-	111,334	(66)	(1,020)	110,248
Effective tax rate (i)		39%			31%

- (i) The effective rate of investees opting for Taxable Income is distorted mainly due to the exclusion from the tax base of the effects from amortization of the intangible assets subject to impairment adjustment added to the tax base in 2018 (for Econorte), as well as the non-accrual of deferred taxes on tax losses due to the uncertainty over the taxable income expected for the coming years for the subsidiary Econorte. Excluding these effects, the effective tax rate of Taxable Income would be 34%.

	12/31/2018 (restated)				
	Company	Investees Taxable Income	Other subsidiaries	Eliminations	Consolidated
Account profit (loss) before taxes	(386,973)	(313,069)	(104,272)	365,859	(438,455)
Tax rate in force (34%)	131,571	106,444	35,452	(124,392)	149,075
Adjustments to calculate the effective tax rate:					
Equity income (Loss)	(106,813)	-	-	-	(106,813)
Provision for asset depreciation losses	-	(63,234)	-	-	(63,234)
Permanent additions (exclusions), net	20,055	1,175	-	-	21,230
Tax incentives (PAT, Pronac and others)	-	(41)	-	-	(41)
Portion exempt from Income Tax	-	474	-	-	474
Unrecognized tax losses and tax loss carryforwards	(43,077)	(10,273)	-	-	(53,350)
Other adjustments (presumed profit subsidiaries and eliminations)	-	-	(35,702)	123,202	87,500
Current income and social contribution taxes	-	(23,150)	(250)	-	(23,400)
Deferred income and social contribution taxes	1,736	57,695	-	(1,190)	58,241
Total income and social contribution taxes	1,736	34,545	(250)	(1,190)	34,841
Effective tax rate (i)		11%			8%

- (i) The effective rate of investees opting for Taxable Income is distorted due to the adjustment of deficiency notice amounts against Concepa, resulting from the Federal Revenue Service's decision, as well as from recognition of impairment in subsidiary Econorte, both recorded in net result, but with no tax impacts on the determination of IRPJ and CSLL. Excluding these effects, the effective tax rate of Taxable Income would be 33%.

Notes to the Financial Statements

The nominal rate of taxes is 34% on income, adjusted as per legislation in force in Brazil for the taxable profit regime. Additionally, no deferred tax assets were recognized when there is no presumption of future taxable income, resulting in the effective rate mentioned above.

9. Judicial deposits

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Creditors – Reverse Auction (i)	11,327	10,914	11,327	10,914
Frozen funds (ii)	4,063	-	9,850	-
Other judicial deposits (iii)	99	100	6,586	11,971
	15,489	11,014	27,763	22,885

- (i) Judicial deposits made on behalf of creditors of the funds FLA Investors, contemplated by the Reverse Auction of the Out-of-Court Reorganization Plan of Triunfo (see note 15).
- (ii) Funds frozen in March 2019 stemming from Criminal Action 5008581-52.2019.4.04.7000, in which attachment of assets was determined, at the request of the Federal Prosecution Office, in connection with Integration Operations I and II.
- (iii) Sundry judicial deposits and frozen funds related to civil, tax and labor lawsuits.

10. Related party transactions

Transactions with related parties refer to operations with subsidiaries, joint ventures and companies under the common control of the Company.

The main balances and amounts are described as follows:

	Company					
	12/31/2019			12/31/2018 (restated)		
	Assets	Liabilities	Profit or Loss	Assets	Liabilities	Profit or Loss
Dividends receivable:						
Concer	1	-	-	1	-	-
Tijoa	-	-	-	16,533	-	-
CSE	-	-	-	652	-	-
Juno	-	-	-	2,158	-	-
Rio Guaíba	238	-	-	-	-	-
Other:						
Vênus	-	14,282	-	-	14,282	-
Concebra	-	2	-	-	-	-
Concer (i)	15,136	-	-	2,982	-	-
Total current	15,375	14,284	-	22,326	14,282	-
Financial loans / transactions:						
Concepa (ii)	-	-	-	-	-	131
Rio Claro (iii)	54,940	-	2,674	78,183	-	12,034
Concer (iv)	6,973	-	685	6,063	-	920
Other:						
Econorte	15,810	-	3,160	12,729	-	7,747
Rio Tibagi	1,753	-	-	1,752	-	-
Rio Guaíba	-	-	-	982	-	513
Concepa (v)	-	-	-	169,358	-	2,369
Concer (v)	43,623	-	7,191	37,872	-	6,751

Notes to the Financial Statements

Concer (i)	26,967	-	1,944	36,598	-	1,056
Concebra (v)	17,510	-	3,868	37,640	-	5,381
Transbrasiliana (v)	28,667	-	1,264	27,106	-	1,780
Vênus	8,659	-	-	8,659	-	-
Aeroportos Brasil (i)	31,317	-	-	31,317	-	-
(-) PCLD (i)	(31,317)	-	-	(31,317)	-	-
Outros	709	-	62	646	-	-
Total non-current	205,611		20,848	417,588	-	38,682

- (i) Receivables of the subsidiary Concer and the joint venture Aeroportos Brasil related to the subrogation of Triunfo in the position of the creditors contemplated by the Reverse Auction (see Note 15). The Company recorded an allowance for doubtful accounts for the receivables from the joint venture Aeroportos Brasil, due to the scenario of Court-Supervised Reorganized of the investee (see Note 1, item v).
- (ii) Loan related to borrowings by Concebra from Triunfo, restated at 100% of the variation of the CDI overnight rate, plus IOF (tax on financial transactions) for the period, settled in June 2018.
- (iii) Loan related to borrowings by Rio Claro from Triunfo, restated at 100% of the variation of the CDI overnight rate, plus IOF (tax on financial transactions) for the period.
- (iv) Loan related to borrowings by Concer from Triunfo, restated at 100% of the variation of the CDI overnight rate, as well as a 7% spread p.a. plus IOF (tax on financial transactions) for the period.
- (v) Accounts receivable of subsidiaries including, in addition to reimbursements of expenses, deferred IRPJ and CSLL credits on tax loss and negative social contribution base of TPI, granted to the subsidiaries to deduct the tax dues in the installment programs (PRT and PERT). See Note 8, item c).

	Consolidated					
	12/31/2019			12/31/18 (restated)		
	Assets	Liabilities	Profit or Loss	Assets	Liabilities	Profit or Loss
Dividends receivable:						
Tijóá	-	-	-	16,532	-	-
CSE	-	-	-	652	-	-
Concer	-	-	-	-	-	-
Service rendering:						
Consórcio NSS (Concer) (i)	-	23,837	-	-	26,745	-
CTSA (Econorte)	-	872	-	-	4,306	-
CTSA (CTVias)	-	1,055	-	-	-	-
CTSA (Transbrasiliana)	-	3,135	-	-	4,842	-
Other:						
Non-controlling shareholders - Concer	-	461	-	-	3,016	-
Other	-	899	-	-	2,073	-
Total current	-	30,259	-	17,184	40,982	-
Service rendering:						
Consórcio NSS (Concer) (i)	145	-	-	145	-	-
CTSA (Econorte)	617	-	-	3,479	-	-
CTSA (Concebra) (ii)	45,946	-	-	-	-	-
Other:						
Aeroportos Brasil S.A. (iii)	31,317	-	-	31,317	-	-
(-) Allowance for doubtful accounts (iii)	(31,317)	-	-	(31,317)	-	-
Other	1,472	-	-	1,235	-	-
Total non-current	48,180			4,859	-	-
Intangible assets from concession and Property, plant and equipment:						
CTSA (Concebra) (ii)	-	-	-	48,707	-	-
Total property, plant and equipment/intangible assets	-	-	-	48,707	-	-
Total	48,180	30,259	-	70,750	40,982	-

- (i) Concer engaged Construtora Triunfo S.A. ("CTSA"), directly or jointly with other companies, through Contractor Consortia in which CTSA is party, to execute structural expansion and recovery works in the highways. The prices and number of

Notes to the Financial Statements

works executed in highways are in accordance with the established in the concession agreement are monitored by the concession authority.

- (ii) They refer to advances paid by Concebra to CTSA for the works envisaged in the Highway Operation Program (PER), as well as highway renovation and maintenance services. Due to the temporary interruption to the works, the balance of this agreement was reclassified from Intangible Assets under construction to Advances paid to related parties.
- (iii) Receivables related to the subrogation of Triunfo in the position of the creditors considered in the Reverse Auction (see Note 15). The Company recorded an allowance for doubtful accounts for the receivables from the joint venture Aeroportos Brasil, due to the Court-Supervised Reorganization of the investee (see Note 1, item v).

11. Interests to be sold and discontinued operations

Assets held for sale

In order to improve its capital structure, the Company implemented an asset divestment plan, aiming to raise funds and reduce its debt level. The Company held for sale certain assets in which it holds interest, namely Aeroportos Brasil, Portonave, Tijoá and CSE.

As such, on December 31, 2016, the Company reclassified its investments in the above joint ventures as “Equity interest for sale” under current assets in the separate and consolidated Financial Statements. According to CPC 31 – Non-current assets held for sale and discontinued operations (IFRS 5), the assets are stated at the book value of the investments, which is lower than their fair value.

The investment in the joint venture Aeroportos Brasil was written off as loss, as explained in Note 1, item v) and the Portonave asset was divested in 2017. Therefore, on December 31, 2019, only the investments in Tijoá and CSE were held for sale.

On August 1, 2019, a purchase agreement of shares was entered into with an affiliate of BlackRock Global Energy & Power Infrastructure Funds for the sale of 100% of the Company’s direct and indirect interest in the Companies Juno, Tijoá and CSE. Juno is a wholly-owned subsidiary of Triunfo and holds 50.1% of the companies Tijoá and CSE. As of August 1, 2019, the balance of the investment in the subsidiary Juno, previously demonstrated under Investments, is also presented as investment held for sale.

a) Breakdown of investments held for sale and discontinued operations

	Company and consolidated				Balances on 12/31/2019	Balances on 12/31/2018 (restated)
	Shareholders' Equity	Interest %	Equity income (loss)	Others		
Tijoá	31,178	50.10%	15,620	6,453	22,073	17,018
CSE	6,364	50.10%	3,189	-	3,189	2,581
Juno	25,261	100.00%	25,261	(25,261)	-	-
Investments held for sale	62,803	-	44,070	(18,808)	25,262	19,599

The results of these investments are recorded as “Result from discontinued operations” in the separate and consolidated income statements for the year, separately from the results from continuing operations.

Result from discontinued operations (company and consolidated)

Investment	12/31/2019	12/31/2018 (restated)
Tijoá	29,433	16,727
CSE	606	499

Notes to the Financial Statements

Juno	-	-
Total	30,039	17,226

b) Main balances of investments held for sale

Investee	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' Equity	Profit/loss for the year
TIJOÁ	38,779	44,522	22,271	29,852	31,178	58,748
CSE	9,916	406	3,958	-	6,364	1,210
Juno	25,261	-	-	-	25,261	30,039

12. Investments**a) Permanent investments**

Investment	Company				Permanent investments on 12/31/2019	Permanent investments on 12/31/2018 (restated)
	Shareholders' Equity	Interest %	Equity income (loss)	Other		
Rio Tibagi	2,814	100.00%	2,814	-	2,814	3,107
Concebra	209,249	100.00%	209,249	-	209,249	297,013
Concer (i)	194,857	81.84%	159,471	(9,627)	149,844	238,032
Rio Bonito	11,118	82.00%	9,117	-	9,117	7,401
Dable (ii)	187,578	100.00%	187,578	-	187,578	211,010
Venus	5,364	100.00%	5,364	-	5,364	3,011
TPI-Log (v)	78,897	100.00%	78,897	-	78,897	78,772
TPL	23,867	100.00%	23,867	-	23,867	25,727
Juno (iii)	30,039	100.00%	30,039	(30,039)	-	-
Rio Claro	8,807	100.00%	8,807	-	8,807	1,909
Tucano	8,892	100.00%	8,892	-	8,892	8,892
Guariroba	2,888	100.00%	2,888	-	2,888	2,864
ATTT (i)	131	64.00%	84	50	134	134
Mercurio	1	100.00%	1	-	1	1
Minerva	1	100.00%	1	-	1	1
Netuno	1	100.00%	1	-	1	1
Convale (vi)	13,461	100.00%	13,461	(13,461)	-	49
Rio Guaíba	852	100.00%	852	-	852	21,747
Estrela (vii)	2,755	100.00%	2,755	(2,755)	-	2,756
Retirinho (vii)	2,674	100.00%	2,674	(2,674)	-	2,674
Taboca (vii)	4,262	100.00%	4,262	(4,262)	-	4,262
CTVias (iv)	(1,172)	100.00%	(1,172)	10,994	9,822	10,937
Total investments	787,336		749,902	(51,774)	698,128	920,300
Econorte	(58,357)	100.00%	(58,357)	-	(58,357)	(105,433)
Concepa	(12,496)	100.00%	(12,496)	-	(12,496)	(209,431)
Rio Guaíba	-	100.00%	-	-	-	-
Ecovale (i)	-	52.50%	-	(46)	(46)	(48)
Juno (iii)	-	100.00%	-	-	-	(2,158)
Total provision on unsecured liabilities of subsidiaries	(70,853)		(70,853)	(46)	(70,899)	(317,070)
Total investments, net	716,483		679,049	(51,820)	627,229	603,230

- (i) The subsidiaries present an imbalance among shareholders in the injections and payment of due to the remittance of funds at rates that differ from the Company's interest in the investees.
- (ii) Subsidiary Dable holds 100% interest in BR Vias Holding TBR, which holds a 100% interest in Transbrasiliana.
- (iii) Juno holds 50.1% interest in Tijoá and CSE and the balance of its investment is reclassified to Equity interest for sale (see Note 11).
- (iv) Goodwill and surplus in the acquisition of CTVias, net of amortization (R\$11,000), are recognized in the investment balance of the Parent Company.
- (v) The subsidiary TPI-Log holds a 100% interest in TPB.

Notes to the Financial Statements

- (vi) The subsidiary presents an imbalance due to receivables from Triunfo, recorded as investment reduction in the parent company.
- (vii) Subsidiaries Estrela, Retirinho and Taboca underwent a liquidation process as of August 2019, with the consequent recognition of losses on these investments.

Notes to the Financial Statements

Investment	Consolidated			
	12/31/2019		12/31/2018 (restated)	
	Investments	Equity income (loss)	Investments	Equity income (loss)
Ecovale	(46)	-	(48)	-
Total provision on unsecured liabilities of subsidiaries	(46)	-	(48)	-

b) Changes in permanent investments

Investment	Permanent investment on 12/31/2018 (restated)	Capital injection (reduction)	Equity income (loss)	Dividends distributed	Other (a)	Permanent investment on 12/31/2019	Equity income (loss) 12/31/2018 (restated)
Econorte	(105,433)	-	47,076	-	-	(58,357)	(193,826)
Rio Tibagi	3,107	-	(293)	-	-	2,814	(760)
Concepa (i)	(209,431)	13,483	(8,239)	-	191,691	(12,496)	29,347
Rio Guaíba	21,747	1,235	(393)	(21,737)	-	852	8,490
Concer (ii)	238,032	-	(100,070)	-	11,882	149,844	(39,241)
Rio Bonito (ii)	7,401	-	(593)	-	2,309	9,117	(322)
Triunfo Convale	49	5	(60)	-	6	-	(95)
Tucano	8,892	57	(57)	-	-	8,892	(74)
Retirinho (iii)	2,674	25	(25)	-	(2,674)	-	(20)
Guariroba	2,864	49	(25)	-	-	2,888	(19)
Estrela (iii)	2,755	12	(11)	-	(2,756)	-	(30)
TPI Log	78,772	206	(81)	-	-	78,897	(31,900)
Taboca (iii)	4,262	16	(16)	-	(4,262)	-	(24)
Dable	211,010	11,768	(35,200)	-	-	187,578	(21,831)
ATTT	134	-	-	-	-	134	-
Rio Claro	1,909	8,019	(1,121)	-	-	8,807	(8,559)
Ecovale	(48)	2	-	-	-	(46)	(2)
Juno (iv)	(2,158)	-	-	(110)	2,268	-	(20)
TPL	25,727	1,644	(3,504)	-	-	23,867	(41)
Concebra	297,013	260	(88,024)	-	-	209,249	(68,082)
Venus	3,011	25	2,328	-	-	5,364	17,141
Mercurio	1	10	(10)	-	-	1	(22)
Minerva	1	12	(12)	-	-	1	(16)
CT Vias	10,938	1,448	(2,323)	-	(241)	9,822	(1,830)
Netuno	1	12	(12)	-	-	1	(16)
Trevally	-	-	-	-	-	-	(8)
Terlip	-	-	-	-	-	-	(2,395)
Total Investments	603,230	38,288	(190,665)	(21,847)	198,223	627,229	(314,155)

(a) Main changes of other kinds:

- (i) Capital increase at the subsidiary Concepa, upon financial contribution and payment of credits held by the parent company.
- (ii) Gain from the increase in the interest held in the subsidiaries Concer and Rio Bonito, due to the transfer of shares from minority shareholders to the Company.
- (iii) Subsidiaries Estrela, Retirinho and Taboca underwent a liquidation process as of August 2019, with the consequent recognition of losses on these investments.
- (iv) Juno holds a 50.1% interest in Tijoá and CSE and the balance of its investment was reclassified to equity interest for sale (see Note 11).

c) Reconciliation of shareholders' equity and net income (loss) for the period of the Parent Company and consolidated

Shareholders' Equity		Net Income (loss)	
12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)

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Parent Company	751,218	977,909	(192,625)	(368,011)
Non-controlling shareholders	35,690	83,946	(23,810)	(18,377)
Consolidated	786,908	1,061,855	(216,435)	(386,388)

Notes to the Financial Statements**d) Balances of assets, liabilities and net income (loss) for the subsidiaries as of December 31, 2018**

Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' Equity	Net income (loss) for the year
Econorte	33,528	88,642	143,954	36,573	(58,357)	47,076
Rio Tibagi	695	4,106	1,907	80	2,814	(293)
Concepa	26,422	703	9,608	30,013	(12,496)	(8,239)
Rio Guaíba	726	443	317	-	852	(393)
Concer	30,818	917,104	336,478	427,907	183,537	(123,749)
Rio Bonito	10,636	506	24	-	11,118	(724)
Convale	-	13,456	-	-	13,456	(60)
Concebra	43,764	1,721,159	154,052	1,401,622	209,249	(88,024)
Dable	-	187,578	-	-	187,578	(35,200)
BRVias Holding	1,261	345,968	130,672	519	216,038	(36,784)
Transbrasiliiana	14,683	596,335	111,069	154,213	345,736	(5,356)
CTVias	716	3,990	2,429	3,449	(1,172)	(2,323)
Venus	14,283	-	8,659	261	5,363	2,328
TPI - Log	-	78,897	-	-	78,897	(81)
TPL	5	62,809	7,255	31,693	23,866	(3,504)
Juno	-	-	-	-	-	-
Rio Claro	56,039	7,766	54,998	-	8,807	(2,579)
Tucano	-	8,892	-	-	8,892	(57)
Retirinho	-	-	-	-	-	(25)
Guariroba	18	2,869	-	-	2,887	(25)
Estrela	-	-	-	-	-	(11)
Taboca	-	-	-	-	-	(16)
ATTT	-	131	-	-	131	-
Mercurio	1	-	-	-	1	(10)
Netuno	1	-	-	-	1	(12)
Minerva	1	-	-	-	1	(12)

Notes to the Financial Statements

13. Property and equipment

Property, plant and equipment is recognized at cost, net of cumulative depreciation and/or impairment losses, where applicable. Property, plant and equipment cost includes the replacement cost of part of the property, plant and equipment and borrowing costs for long-term construction projects. Depreciation is calculated on a linear basis.

	Consolidated						
	Land	Buildings and facilities	Machinery and equipment	Furniture and fixtures	Data processing equipment	Vehicles	Other
Balance on 12/31/2018							
(restated)	144,672	22,817	15,446	1,587	3,036	13,493	1,194
Constructions /							
Acquisitions	2,996	20	827	36	184	2,494	3
Write-offs	(2,214)	-	(411)	(3)	(39)	(1,493)	-
Transfers (i)	-	7,043	2,565	1,981	7,520	11,670	(6)
Balance on 12/31/2019	145,454	29,880	18,427	3,601	10,701	26,164	1,191
Depreciation							
Balance on 12/31/2018							
(restated)	-	(7,847)	(8,175)	(1,324)	(2,207)	(10,547)	(501)
Depreciation	-	(1,613)	(2,028)	(320)	(1,003)	(2,598)	(83)
Depreciation – surplus	-	-	(96)	-	-	-	-
Write-offs	-	-	246	-	29	1,111	-
Transfers (i)	-	(4,880)	(1,837)	(740)	(2,339)	(9,772)	-
Balance on 12/31/2019	-	(14,340)	(11,890)	(2,384)	(5,520)	(21,806)	(584)
Residual value, net							
Balance on 12/31/2018							
(restated)	144,672	14,970	7,271	263	829	2,946	693
Balance on 12/31/2019	145,454	15,540	6,537	1,217	5,181	4,358	607
Average depreciation rate		4%	10%	10%	20%	20%	10%

(i) Transfer to property and equipment of assets not revertible to the Concession Authority, previously registered as concession assets (Intangible assets), of subsidiaries Concer and Concebra.

Notes to the Financial Statements

14. Intangible assets and intangible assets under construction

Consolidated										
	Total Company	Highway concession assets (i)	Port activity projects (ii)	SHPP Projects/Studies (iii)	Others	Goodwill in the acquisition of Transbrasiliana (iv)	Goodwill in the acquisition of CTVias (v)	Client portfolio (CTVias) (vi)	Total intangible assets	intangible assets under construction (vii)
Cost										
Balance on 12/31/2018 (restated)	1,843	4,693,687	8,769	9,902	327	17,738	9,555	1,355	4,743,176	963,989
Additions	1,527	69,053	-	-	-	-	-	-	70,580	39,522
Write-offs	-	(5,141)	-	(7,477)	-	-	-	-	(12,618)	(50,924)
Reversal of revaluation reserve	-	(17,152)	-	-	-	-	-	-	(17,152)	-
Reversal of impairment	-	14,718	-	-	-	-	-	-	14,718	-
Transfers	-	325,899	-	-	-	-	-	-	325,899	(356,669)
Balance on 12/31/2019	3,370	5,081,064	8,769	2,425	327	17,738	9,555	1,355	5,124,603	595,918
Amortization										
Balance on 12/31/2018 (restated)	(186)	(2,423,683)	-	-	(209)	(2,752)	-	(135)	(2,426,965)	-
Amortization	(121)	(355,810)	-	-	-	(790)	-	(136)	(356,857)	(4,511)
Amortization – surplus	-	(40,877)	-	-	-	-	-	-	(40,877)	-
Write-offs	-	7,960	-	-	-	-	-	-	7,960	-
Transfers (viii)	-	24,076	-	-	-	-	-	-	24,076	-
Balance on 12/31/2019	(307)	(2,788,334)	-	-	(209)	(3,542)	-	(271)	(2,792,663)	(4,511)
Residual value, net										
Balance on 12/31/2018 (restated)	1,657	2,270,004	8,769	9,902	118	14,986	9,555	1,220	2,316,211	963,989
Balance on 12/31/2019	3,063	2,292,730	8,769	2,425	118	14,196	9,555	1,084	2,331,940	591,407

- (i) Assets referring to highway concession rights to be amortized during concession terms by traffic curve. The additions in the period refer to investments made in highways, which will be amortized during the remaining term of the concession, under the ICPC 01.
- (ii) Related to expenses with project development in the port segment, which is still in pre-operational phase.
- (iii) Related to expenses with project development of Small Hydropower Plants (SHPP), which are still in pre-operational phase. Part of this amount was written off in August 2019 with the liquidation of the companies Estrela, Taboca and Retirinho.
- (iv) Related to goodwill paid for the expectation of future profitability in the acquisition of BR Vias Holding TBR, Parent Company of the concessionaire Transbrasiliana.
- (v) Refers to the goodwill from the acquisition of CTVias, concluded on December 28, 2017, whose final allocation of the acquisition price was recognized in June 2018.
- (vi) Refers to the customer portfolio identified in the evaluation of allocation of the acquisition price of the subsidiary CTVias.
- (vii) Intangible assets under construction (contract assets) reflects the assets that were not yet in operation on the date of the Financial Statements, and they are separate from the balance of Intangible assets as required under the revenue recognition standard (CPC 47 / IFRS 15).
- (viii) The amount of R\$302,306 was reclassified from Intangible assets under construction to Intangible assets, due to revision of the balances of the works of Nova Subida da Serra ("NSS") performed by the Management of Concer and the engineering team due to the latest tariff revisions of the subsidiary. This revision led to the conclusion that part of the investments was already reflected in the tariff because it is part of the original PER and, since the continuity of NSS construction is not planned, the original PER amount of the works exclusively envisaged in the amendment had to be segregated (see context of Concer in Note 1). Therefore, the Company also considered the need to start amortizing such investments (see item below on improvement of the practice of amortization of intangible assets). In addition, the other transfers (both in cost and accrued amortization) refer to reclassifications from Intangible Assets to Property and Equipment of items not revertible to the Concession Authority, performed by the subsidiaries Concer and Concebra.

Assets related to public concession are recognized when the operator is granted the right to charge users of the public service. Under these circumstances, the concessionaire's revenue is contingent on the use of the asset, and the concessionaire bears the risk that the cash flows generated by users of the service may not be sufficient to recover the investment.

The Company's concession agreements under the scope of ICPC 01 – Concession

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agreements do not provide for payment by concession authority for the construction services, therefore all concession assets are recorded as intangible assets represented by the right to operate roads, by charging toll from users.

Amortization of the right to explore infrastructure is recognized in the profit or loss based on the curve of the expected financial benefit over the term of the highway concession. For this purpose, estimated traffic curves were employed as amortization baseline. Thus, the amortization rate is determined based on economic surveys that seek to reflect the projected growths of highway traffic and generation of future financial benefits arising from each concession contract. The Company employs econometric models to project the estimated traffic. These models are reviewed by our management on a regular basis.

Impairment loss of non-financial assets

Every year, the Company assesses events or economic/operating changes that may indicate impairment of intangible assets.

On December 31, 2018, the result obtained from the impairment test for subsidiary Econorte was lower than the sum of goodwill balances (recognized at Triunfo) and intangible assets, thus detecting the need to record a provision for impairment of its assets in the amount of R\$268,282, of which R\$6,778 at Triunfo, related to goodwill in the acquisition of investment.

The assumptions on the future cash flows and growth projections are based on 2020 budget and on the long-term business plan, approved by the Board of Directors. The main assumptions used comprise the concession term considering: (i) growth the projected revenues with increase in the average volume and annual average revenues, (ii) operating costs and expenses projected, considering historical data, (iii) the maintenance levels provided for by concession agreements and (iv) capital goods investments. Future estimated cash flows have been discounted at rate equivalent to the weighted average cost of capital of the Company.

Until December 31, 2019, the result obtained from the impairment test for subsidiary Concer was lower than the sum of intangible assets balances, thus detecting the need to record a provision for impairment of its assets in the amount of R\$17,152. Since it is a reappraised asset, in compliance with topic 60 of accounting pronouncement CPC-01/IAS-36, such adjustment affects the Shareholders' Equity as "Other comprehensive income," in the amount of R\$11.320, net of taxes deferred.

In subsidiary Econorte, the impairment test result was R\$14.718 higher than the accounting balance. Therefore, on December 31, 2019 the partial reversal of the provision for loss assessed in 2018 was recognized.

The results obtained from impairment tests for the other subsidiaries of the Company were higher than book balances. As a result, no other losses from impairment were identified in the assets revaluated in 2019.

Improvement of accounting practice - Amortization of intangible assets / Intangible assets under construction

As described in Note 1, the Management revised the practice adopted for recognizing the amortization of intangible assets of the subsidiaries, especially investments envisaged in the Highway Exploration Plan ("PER"). The main driver for such revision was the result of the analysis of the subsidiary Concer carried out by the Management, which verified the need to start amortizing part of the balances of intangible assets under construction, referring to the construction of Nova Subida da Serra, which is not concluded, but part of the amount is already included in the concessionaire's tariff.

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The improvement consists of basically changing the moment the PER investments start to be amortized, considering the execution date of the construction works, and no longer the time the asset becomes available for use (conclusion of works). In other words, if such investments are already recognized in the tariff ratified by the Concession Authority and, consequently, already bring economic benefits to the Company, their amortization should start already, bringing a simultaneous effect of recognition of revenue and costs (toll revenue vs. cost of amortization of intangible assets).

Therefore, amortization of the amounts of intangible assets under construction, which represent the ongoing construction agreements, now is recognized at the time the future economic benefit is obtained (investment resulting in toll tariff). The improvement of the practice took place prospectively, as of January 1, 2019.

15. Loans and financing

After their initial recognition, interest-bearing loans and financing are measured subsequently at their amortized cost, using the effective tax rate method. Gains or losses are recognized in the income statement upon write-off of liabilities, and during the amortization process using the effective tax rate method.

Type of loan	Guarantees	Index	Consolidated	
			12/31/2019	12/31/2018 (restated)
Triunfo (Parent Company):				
Bank Guarantee FINEP – FIBRA	None	8% p.a.	579	535
Bank Guarantee FINEP – ABC	None	CDI+2% p.a.	731	676
Bank credit note – China Construction Bank	None	CDI + 7.4424% p.a.	40,363	35,417
Bank credit note – Trophy FIP Multiestratégia (i)	Guarantee of THP (Triunfo Holding de Participações)	140% of CDI	26,994	24,896
Bank guarantee FINEP – China Construction Bank	None	CDI+8% p.a.		
			3,002	2,777
Bank Guarantee FINEP – Santander (i)	None	CDI+1% p.a.	9,035	8,444
Bank credit note – BTG Pactual	Fiduciary Sale of Shares	CDI+3% p.a.	33,342	47,017
Bank credit note – ABC (i)	None	CDI+5.8% p.a.	11,368	10,127
			125,414	129,889
Concer:				
Financing of property and equipment – FINEP	Letter of bank guarantee	TJLP + 0.5% p.a.	1,054	1,102
Bank credit note - Guarantor	None	CDI + 0.5% p.a.	6,847	6,538
FINAME – Banco Guanabara	Fiduciary sale of financed goods	1.50% to 8.50% p.a.	21	260
FINAME - Banco Mercedes	Fiduciary sale of financed goods	6% p.a.	19	307
Bank credit note - Banco Panamericano	Company guarantee (Triunfo)	CDI + 0.5% p.a.	7,793	8,122
FINAME - Banco ABC do Brasil	Guarantee by the Company (Triunfo) and Letter of Guarantee	CDI + 0.5% p.a.		
			37,869	39,520
Bank credit note - Banco Pine (i)	Company guarantee (Triunfo)	CDI + 0.5% p.a.	30,197	28,352
Bridge loan – BNDES	Company (Triunfo) suretyship and bank guarantee	TJLP + 0.5% p.a.	194,127	204,782
Bank credit note – Banco Credito Varejo (i)	Company guarantee (Triunfo)	CDI + 0.5% p.a.	5,294	4,980
Bank credit note – Banco Fibra (i)	Company guarantee (Triunfo)	CDI + 0.5% p.a.	6,512	6,114
			289,733	300,077
Econorte:				
Overdraft account - Santander	None	32.5% p.a. + CDI	41,075	9,404
			41,075	9,404
Concebra:				
Bridge loan – BNDES	Company suretyship (Triunfo)	TLP + 2% p.a.	1,111,226	952,524
Bank credit note – BDMG	Company guarantee (Triunfo)	CDI + 2.5% p.a.	-	13,338
Bridge loan – BDMG	Company suretyship, pledge and receivables	CDI + 2.5% p.a.	-	17,211
FINAME – BNDES	Fiduciary sale of financed goods and Company guarantee (Triunfo)	7.5% p.a.	-	190
			-	28,733
Bridge Loan – Banco do Brasil	Company suretyship, pledge and receivables	CDI + 2.5% p.a.		
			1,111,226	1,011,996
Transbrasiliana:				
Finem – BNDES	Assignment of rights over receivables under the Concession Contract / Pledge of shares	TJLP + 2.91% p.a.	131,231	152,425
Bank credit note – Banco ABC	Company guarantee (Triunfo)	CDI + 3% p.a.	12,813	13,600
Lease – HP Financial	Fiduciary sale of financed goods	15.7% p.a.	-	51
Lease – Banco Volkswagen S.A.	Fiduciary sale of financed goods	26.1% p.a.	8	76
Bank credit note – BTG Pactual	Tijoa shares and Company guarantee (Triunfo)	CDI + 3% p.a.	9,501	14,595
Finame – Banco Volkswagen S.A.	Fiduciary sale of financed goods and Promissory notes	10% p.a.	57	141
			53	

Notes to the Financial Statements

Bank credit note – Banco Volkswagen S.A.	Fiduciary sale of financed goods	12.63% p.a.	926	21
			154,536	180,909
Total loans and financing			1,721,984	1,632,275
Current			339,388	1,160,516
Non-current			1,382,596	471,759

- (i) Credits considered in the Reverse Auction held on March 20, 2018. The amounts deposited in court were raised by the creditors in July 2018, except for the funds FLA Investors (Bank credit note – Trophy FIP Multiestratégia, whose withdrawal of funds is conditioned on the presentation of bank guarantee, since the financial institutions are located abroad. The residual balance of the debts considered in the Reverse Auction, equivalent to the discount given by creditors at the time, continues to make up the balance of loans, financing and debentures and is being restated considering the interest rates and inflation adjustment envisaged in the respective bilateral agreements, since the debts considered in the Reorganization Plan returned to their original conditions, after the decision that reversed the ratification of the Reorganization Plan. At December 31, 2019, these credits amounted to R\$89,400.

The maturity of the amount recorded from loans and financing in non-current liabilities on December 31, 2019, is distributed as follows:

Year	Company	Consolidated
2021	11,169	342,895
2022	11,169	146,769
2023	11,169	141,112
After 2024	11,168	572,491
	44,675	1,203,267

The Company and its subsidiaries took over economic-financial commitments with loan creditors, such as not to conduct operations that do not comprise its corporate purpose; not to apply funds from financings to purposes different from the ones set forth in agreement; to continue the proper disclosure of economic-financial data, pursuant to Law 6,404/76, ratio among debt and EBITDA and indebtedness, among other.

On December 31, 2019, the restrictive covenants of loans and financing contracts of TPI and its subsidiaries were met.

The Management of the Company has been adopting measures to enhance its capital structure by negotiating alternatives to lengthen the debt profile, at the Parent Company and its subsidiaries. In 2017, Out-of-Court Reorganization Plans ("Reorganization Plans") were formulated, as detailed below.

Out-of-Court Reorganization Plans (suspended in January 2020):

The request for ratification of the Reorganization Plans of the Company and other subsidiaries was filed on July 22, 2017 and was approved on July 25, 2017, determining, as of said date, the suspension of all actions and enforcements related to the tax liabilities included in the Plans.

On February 9, 2018, the Out-of-Court Reorganization Plans were ratified, as per the decision of the Judge of the 2nd Bankruptcy Court of the judicial District of São Paulo, published in the Electronic Justice Gazette on February 19, 2018.

The reorganization plans were structured mainly due to: (i) the execution, by financial creditors, of the debts and its guarantees of the subsidiaries Concer and Concebra; (ii) the risks inherent to judicial freeze of operating and financial assets that are essential to maintaining the operations of Triunfo and Concer; (iii) the liquidity restrictions, considering the worsening macroeconomic scenario; (iv) the decline in the operating performance of some of Triunfo's subsidiaries; and (v) the need to make unplanned capital injections in Concer and Concebra.

Notes to the Financial Statements

The reorganization plans cover only the financial creditors of the companies and do not involve suppliers and employees. With these plans, the Company and its subsidiaries seek to balance their financial debt in order to maintain their business activities.

The ratification of the reorganization plans consists of the recognition that the necessary legal requirements were met and that the provisions in the Plans are binding upon all Applicable Creditors, irrespective of whether they joined such Plans spontaneously or not. Consequently, the Applicable Credits will be paid in accordance with the restructured conditions provided for in each of the plans, as follows:

- Option A for payment of the Reorganization Plan of Triunfo and subsidiaries: grace period of 48 months as from the date of request of the ratification and payment of principal and interest within 48 months after the grace period.
- Option B for payment of the Reorganization Plan of Triunfo and subsidiaries: consists of the option of accelerating the receivables by applying a discount in debt through a Reverse Auction; and
- Concer Out-of-Court Reorganization Plan: consists of the payment of monthly interest equivalent to the contractual index + a spread of 0.5% p.a., with amortization of the principal between 2019 and 2021.

Regarding the Option B, the Reverse Auction was conducted on March 20, 2018 and included creditors that presented the highest discount, up to the limit of R\$112 million, which were available for this option. The liabilities to be settled in this operation include Triunfo's own liabilities and those of subsidiaries for which it is guarantor. The aggregate amount of the liabilities is R\$250.4 million and average negative goodwill obtained was 55.3%. Payment of the claimed credits was suspended by the São Paulo Court of Justice ("TJSP") on March 19, 2018. On May 10, 2018, TJSP released the payment to creditors, but included the possibility of reimbursement of the amounts if the Reorganization Plan was not ratified by higher courts.

Due to this decision, on May 17, 2018, the Company deposited into court amounts to settle the liabilities contemplated. On May 29, 2018, the TJSP approved the issue of the guides to raise the funds deposited in court, but maintained the possibility of reimbursement of the amounts in case there was no ratification by higher courts.

The following table presents the results of the proposals for discounts and amounts deposited in court, separated by debtor:

Creditor	Original debtor	Proposed discount	Updated balance (i)	Discount	Amount deposited in court
Santander	Triunfo	63.10%	12,463	7,864	4,599
FLA Investors	Triunfo	54.00%	23,097	12,472	10,625
BTG	Vessel	52.03%	44,326	23,063	21,263
ABC	Maestra	61.00%	14,544	8,872	5,672
Debts Triunfo + Maestra and Vessel (ii)			94,430	52,271	42,159
Pine	Concer	52.20%	54,864	28,639	26,225
Fibra	Concer	63.00%	9,855	6,209	3,646
BCV	Concer	37.00%	13,734	5,081	8,653
Debts Concer (iii)			78,453	39,929	38,524
Haitong	Aeroportos Brasil	68.00%	36,783	25,013	11,771
BTG	Aeroportos Brasil	52.02%	40,739	21,192	19,546
Debts Aeroportos Brasil (iii)			77,522	46,205	31,317
Total			250,405	138,405	112,000

(i) Balance restated through the date of Reverse Auction.

Notes to the Financial Statements

- (ii) Maestra and Vessel were wholly-owned subsidiaries of the Company with discontinued operations, which were also included in the Reorganization Plan. They were terminated in August 2017 and Triunfo assumed all of their liabilities.
- (iii) Concer and Aeroportos Brasil are subsidiaries of the Company. The debts settled under this payment option were guaranteed by the Company.

The amounts deposited in court were raised by the creditors in July and August 2018, except for the funds FLA Investors, whose withdrawal of funds is subject to presentation of bank guarantee, since those financial institutions are located abroad (see Note 9).

Therefore, the statements for the third quarter of 2018 record the amortizations of the credits included in the Reverse Auction, except for the credits of the funds FLA Investors, which continued to be recorded as judicial deposits (see Note 9). For the claimed credits to which the Company is a guarantor (Concer and Aeroportos Brasil), Triunfo subrogated in the position of the creditors, collecting from the investees the amounts deposited in court. The subrogated credits are recognized under related parties (see Note 10). The residual balance of the debts considered in the Reverse Auction, equivalent to the discount given by creditors at the time, continue to make up the balance of loans, financing and debentures (Note 15).

As mentioned in Note 1, on December 3, 2019, the trial court decision granted on February 9, 2018 was reversed, and as of January 23, 2020, with the publication of the Appellate Decision, the Out-of-court Reorganization Plans of the Company and others, as well as of Concer, are suspended. The decision also establishes that creditors contemplated by the Reverse Auction should return the funds through judicial deposit until they are allocated again by a new court decision.

In the opinion of the legal advisors of the Company, it is possible that the decision could be overturned by the higher courts. Therefore, on December 31, 2019, the financial statements present the debt balances with the effects from the Out-of-court Reorganization Plans of the Company and Concer, since the decision rendered in the case has not become final and unappealable and, consequently, the expectation is that the conditions already agreed upon with creditors of the Plans ratified by the trial court will be maintained.

If the effects from suspension of the Plans were considered on December 31, 2019, the amortized balances of creditors contemplated by the Reverse Auction would be recognized again, in the total of de R\$93,069 (Triunfo and Concer), in consideration for the right to receive the funds deposited by Triunfo in May 2018, with the respective inflation adjustment, in the amount of R\$107,792 (excluding the deposit to creditor Trophy, which has not been redeemed, and including deposits made to creditors of Aeroportos Brasil, which is not consolidated in these Financial Statements). In addition, waived charges for late payment would be recognized again for Concer, especially those related to the BNDES, and the difference of current spreads to those set in the original agreements, which are the conditions agreed upon with the creditors of the subsidiary's Plan at the time, which would amount to R\$44,215 on December 31, 2019. Therefore, the Company estimates that the total possible loss if an adverse decision rendered in the case becomes final and unappealable is R\$29,492.

It is worth mentioning that, in addition to the aforementioned effects on the financial statements, if the suspension of the PREs is maintained, part of the debts would be recognized again as current liabilities, considering the original deadlines of each agreement in force prior to the implementation of the out-of-court reorganization proceeding.

Meanwhile, negotiations with creditors contemplated by the Out-of-court Reorganization Plans are being resumed. In addition, creditors contemplated by the Reverse Auction filed Motion for Clarification of the Appellate Decision, requesting that the decision be reversed and reaffirming the commitment established in the Plan. Therefore, the balances presented currently in the financial statements reflect, conservatively, Management's best estimate of

Notes to the Financial Statements

the settlement of the liabilities with creditors covered by the Plans.

Renegotiation of Bridge Loan – BNDES (Concebra)

On December 23, 2019, Concebra signed with BNDES the instrument of acknowledgment and rescheduling of debt arising from the Bridge Loan, backed by Triunfo. The new format of negotiation envisaged settlement of the total debt (updated until the date of its rescheduling) of R\$1,111,265 (i) R\$792,348 (portion named Sub-credit A) will be paid by Concebra in 72 installments, plus a single installment due on December 15, 2025, to be settled with a contribution by Triunfo, and (ii) the difference, R\$318,917 (named Sub-credit B), corresponding to the charges for late payment of the Bridge Loan, will be waived. The new applicable index will be TLP + 2% p.a.

As envisaged in the rescheduling agreement, the payment of the Sub-credit B amount will be waived annually by BNDES from December 31, 2020 to December 31, 2024, in the proportion of the balance of Sub-credit A effectively amortized. The residual amount of Sub-credit B also will be waived in the settlement of Sub-credit A, on the due date (December 31, 2025), or at any moment in case of early settlement.

To ensure the payment of the 72 installments of Sub-credit A, Concebra divested to BNDES, under fiduciary sale, credit rights accounting for 27% of its gross monthly revenue, while the revenues from the concession agreement must be deposited directly into a centralizing account opened specifically for this purpose. In practice, the toll and ancillary revenues earned by Concebra will be directly deposited into the centralizing account and, by the end of each month, 27% of the balance will be directly transferred to BNDES for payment of the Sub-credit A, and only the residual balance can be used by the Concessionaire to settle its current and non-current costs, expenses and taxes.

Despite the above confirmation of the waiver of Sub-credit B, and also the change in the index, form and term of the debt payment, guarantee, etc., BNDES established in the agreement that these changes do not represent novation of the debt; therefore, the requirements for settlement, cancellation or expiration of the term for derecognition of a financial liability were not met, under item 3.3.1 of Technical Pronouncement CPC-48. As explained above, significant changes were made, but they do not fully comply with the standard. Therefore, item 3.3.2 of CPC-48 cannot be fully applied (replacement of debt instruments by another substantially different instrument), due to the conditional (legal) nature of the annual waiver of Sub-credit B and the specific requirements of item B.3.3.6 for its application, even though, in practice, the benefits obtained were substantial.

However, it is unquestionable that the execution of the rescheduling agreement led to a profound and considerable change in the debt conditions with BNDES, generating relevant gains soon realized by Concebra, although full application of item 3.3 of CPC-48 does not enable the appropriate presentation of this new financial position.

The Management of the Company and Concebra understand that such standard neither reflects the essence of the transaction with BNDES nor does it provide for the generation of results similar to those that would be obtained by independent third parties when assessing the amount of this very liability in any other circumstance.

As a result, to disclose all the information available to any interpreter of these financial statements, below is the estimated debt amount, which, in the Company Management's opinion, properly reflects the rescheduling terms and the amount that is actually expected to be disbursed to settle the debt balance.

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<u>Sub-credit A</u> , net of payment of the 1st installment and adjusted by contractual interest	790,498
<u>Sub-credit B</u> , adjusted by contractual interest	320,728
(-) Waiver of charges for late payment	(179,329)
Estimated amount payable to BNDES	931,897

The estimated amount of charged for late payment waived by BNDES was assessed in accordance with the following criteria: (i) calculation of the debt balances from 2020 to 2024 considering the interest envisaged in the rescheduling agreement; (ii) recognition of the amortization that will occur with the retention of 27% of toll revenues and, therefore, of the Sub-credit B balance to be waived, which, in the end, (iii) discounted to present value at the rate of 7.28% p.a., which represents the current financing cost. Considering this flow, the conclusion is that Concebra will not pay R\$179,329 on the date of these Financial Statements, and R\$931,897 is the liability amount the Company finds more adequate for assessing its financial situation.

The estimated installments to be waived referring to charges for late payment (Sub-credit B) are presented below by due date, and the debt waiver expected in the short term is R\$46,490.

	2020	2021	2022	2023	2024	2025	Total
Future amount (Sub-credit B)	46,490	43,554	43,501	43,500	43,503	216,409	436,957
(-) Adjustment at present value	(3,206)	(5,792)	(8,379)	(10,793)	(13,050)	(75,334)	(116,554)
Waiver of charges for late payment on December 31, 2019	43,284	37,762	35,122	32,707	30,453	141,075	320,403

Also note that in case of early settlement of Sub-credit A, the payment of Sub-credit B balance will be fully waived. Thus, the debt amount, for purposes of analysis of the settlement amount, on December 31, 2019, would be equivalent to the Sub-credit A balance only, which amounts to R\$790,498.

16. Debentures

Issuer	Issue	Debentures Issued	Maturity	Nominal Value	Transaction Cost	Net value	Issue interest rate	Effective interest rate	Consolidated	
									12/31/2019	12/31/2018 (restated)
Econorte (i)	3 rd Issue	24,600	04/2020	246,000	(6,435)	239,565	CDI + 3.20%	CDI + 3.95%	50,463	94,232
Vessel / Triunfo (ii)	1 st Issue	145,000	09/2017	145,000	(3,188)	141,812	IPCA + 7.60%	IPCA + 8.19%	26,690	24,546
Concer (iii)	1 st Issue	200	02/2021	200,000	(8,750)	191,250	CDI + 3.85%	CDI + 4.82%	49,374	91,719
BR Vias Holding TBR (iv)	1 st Issue	44,000	12/2021	44,000	-	44,000	IGPM + 12%	IGPM + 12%	128,455	97,285

Notes to the Financial Statements

Vênus (v)	1 st Issue	699,331	01/2021	647,300	(7,355)	639,945	13.5% a 15.5%	23.64%	261	2,613
				<u>1,282,300</u>	<u>(25,728)</u>	<u>1,256,572</u>			255,243	310,395
								Current	247,938	225,865
								Non-current	7,305	84,530

- (i) Simple, unsecured, non-convertible debentures with additional security interest and personal guarantee, issued on April 15, 2015. Derivatives (swap) were contracted in relation to this issue (see note 27, item c). There was a breach of covenants related to the downgrade of Econorte's credit rating, but it did not trigger the early maturity of the debt.
- (ii) Simple, unsecured, non-convertible debentures with additional security interest and personal guarantee, in 4 series, issued on September 21, 2017. After the dissolution of Vessel, the original issuer of the debentures, the Company assumed the debt with debentureholders, who are included in the Reorganization Plan of the Company. The outstanding balance of the debentures was included in the Reverse Auction held on March 20, 2018, and the settlement amount was deposited into court on May 17, 2018 (see note 15), which was raised by the creditors on July 6, 2018. The residual value, equivalent to the discount given by the creditor at the time, with the due adjustment of interest, remains part of the debentures balance until a resolution on the PRE in higher courts or formal confirmation of the discount granted by debentureholders, if the Plan remains suspended. In addition, if the original deed of the debt were considered, the Company would be in violation of the restrictive clauses, which could characterize early termination. However, there is no expectation that this will occur, since the debt balance already was considered settled in connection with the out-of-court reorganization. Also note that there would be no accounting effects in the case of early termination, since the residual balance of the reverse auction is fully recognized as current liabilities.
- (iii) Simple, non-convertible debentures with security interest and additional personal guarantee, issued on July 12, 2013. On July 21, 2017, Concer entered into a Condition Subsequent Agreement with creditors for monthly amortization of the outstanding balance in 43 monthly and successive installments by February 2021.
- (iv) Simple, unsecured, non-convertible debentures, with annual amortization from December 2012, issued on December 22, 2010. The installments of December 2017, December 2018 and December 2019 are overdue. Triunfo's guarantee for the debentures of BR Vias Holding TBR is included in the Reorganization Plan (see Note 15). The debt balance is still fully recognized as current liabilities.
- (v) Private convertible debentures, consisting of two series, issued on November 23, 2016. The 1st series paying from 13.5% to 15.5% p.a. plus exchange variation, guaranteed by the fiduciary sale of shares of Portonave. Therefore, due to the sale of the asset, the 1st series of debentures was fully redeemed on October 26, 2017. The 2nd series consists in a premium to be paid on maturity, calculated over the price of the Triunfo stock. On December 31, 2019 and December 31, 2018, the balance payable refers to the premium, measured at fair value through the pricing of Triunfo's stock for the date of maturity of the debentures (See Note 27, item c).

On December 31, 2019, except as stated in items (i), (ii) and (iv) above, all covenants of the indentures of the debentures of the Company and its subsidiaries are complied with.

The amounts recorded under non-current liabilities on December 31, 2019 are related to the debentures of subsidiaries Concer and Vênus, with maturity in February 2021.

Notes to the Financial Statements**17. Promissory Notes**

Issuer	Issue	Maturity	Nominal value	Interest rate	Consolidated	
					12/31/2019	12/31/2018 (restated)
Concer	1/18/2016	02/2021	210,000	CDI + 2.00%	63,241	117,485
					63,241	117,485
				Current	54,215	54,304
				Non-current	9,026	63,181

The proceeds will be used to invest in the new uphill lanes (Nova Subida da Serra) on Highway BR 040. On July 21, 2017, the subsidiary Concer entered into a Condition Subsequent Agreement with creditors for monthly amortization of the outstanding balance in 43 monthly and successive installments by February 2021.

18. Obligations under Concession Contracts

The amounts recorded as cost of provision for maintenance refer to the estimated future expenditures to maintain the highway infrastructure in compliance with operating contractual obligations and are recorded at present value. Provision for maintenance is discounted to present value at the internal rate of return of the respective concessions.

	Consolidated					12/31/2019
	12/31/2018 (restated)	Accrual of provision for maintenance	Effect of present value on accrual	Realization of maintenance	Present value adjustment - realization	
Econorte	51,145	11,335	4,222	(5,275)	(2,289)	59,138
Concebra	237,608	32,503	17,057	-	-	287,168
Concer	598	-	-	-	-	598
Transbrasiliana	2,837	1,185	824	-	-	4,846
Total	292,188	45,023	22,103	(5,275)	(2,289)	351,750
Current	30,586					41,991
Non-current	261,602					309,759

Notes to the Financial Statements

19. Taxes, fees and contributions

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Social Contribution on Net Income	-	-	921	237
Corporate Income Tax	-	-	2,589	396
Withholding Income Tax	14	30	930	315
COFINS	49	78	10,275	4,099
PIS	8	13	2,223	730
INSS	-	-	540	758
Tax on Services	-	13	24,835	26,011
Tax on Financial Transactions	159	129	169	129
Withholding Social Contribution	50	84	430	580
Tax Regularization Program - PRT	-	-	-	4,671
Special Tax Regularization Program - PERT	-	-	6,255	17,112
Other installment plans	-	-	42,761	16,927
Other tax debits	-	-	1,014	17,052
	280	347	92,942	89,017
Current	280	347	47,515	77,156
Non-current	-	-	45,427	11,861

20. Provision for administrative proceedings and lawsuits

The Company and its subsidiaries are parties to civil, labor and tax claims at various levels.

The provisions, constituted to meet potential losses arising from ongoing lawsuits, and for which it is possible to reasonably estimate the amount to be disbursed, are revised and adjusted based on the assessment of the Management, supported by the opinion of its external legal advisors, and require a high degree of judgment of the matters involved

The breakdown and the balances of provisions are shown below:

	Consolidated			
	12/31/2018 (restated)	Additions	Payments	Reversals
Civil lawsuits	46,970	7,176	(987)	(1,197)
Tax lawsuits	3,348	2,838	-	(1,559)
Labor lawsuits	9,867	8,210	(326)	(6,900)
	60,185	18,224	(1,313)	(9,656)
				67,440

The civil lawsuits are composed mainly by actions filed by users seeking civil redress of incidents in the highways.

Labor claims basically refer to the payment of salary differences, severance pay, overtime, salary parity, night work pay and hazardous work premium. Highway concessionaires are also parties in indemnification actions for losses incurred in managed highways.

Additionally, the Company and its subsidiaries are defendants in proceedings whose likelihood of a negative outcome has been classified by our legal counsels as possible in the amounts of R\$393,776 and R\$287,046 on December 31, 2019 and 2018, respectively, to which no provisions have been recorded.

In addition, the Out-of-court Reorganization Plans of the Company and subsidiaries are suspended due to an appellate court decision that reversed the ratification of the Plans. The advisors of the Company consider the chances of defeat in such lawsuit in higher courts as possible, therefore, the Company neither made provisions for lawsuits nor recognized the financial liabilities under the original conditions of the agreements with creditors, which would amount to R\$29,492 net of amounts to be returned by creditors,

Notes to the Financial Statements

since it does not recognize that cash disbursement of these natures will be probable. See the full context of the Out-of-court Reorganization on Note 15.

21. Shareholders' equity

a) Capital stock

On December 31, 2019, the Company's subscribed and paid-up capital stock was R\$842,979 represented by 176,000,000 registered, book-entry common shares, with no par value.

In accordance with the Bylaws, the Company is authorized to increase its capital stock to up to 200,000,000 new common shares upon resolution by the Board of Directors, as provided by law for the issue and exercise of the preference right. Of the total authorized increase amount, as of December 31, 2019, 92,575,734 new shares had been issued.

b) Treasury shares

On March 25, 2015, the Board of Directors of the Company approved the program to repurchase shares issued by the Company, to be later canceled, held in treasury or sold, aiming to maximize the creation of value to shareholders, given the discount of the Company's shares in the Market. The initial program had a term of 365 days and was once again approved on March 22, 2016, extending its duration for 18 months.

On September 18, 2017, the Board of Directors of the Company approved the continuation of the stock buyback program, which ended in March 2019. A total of 2,493,400 shares were repurchased, bringing the total to R\$10,894.

c) Revaluation reserve

It refers to surplus value on the revaluation of property and equipment of the subsidiaries Concer and Econorte, after the approval of appraisal reports by the subsidiaries' Management, with a corresponding entry to "Revaluation reserve" item, under shareholders' equity.

The realization of revaluation reserve, net of deferred taxes, occurs proportionally to the realization of assets that generated them, against retained earnings/ accumulated losses accounts. The realized portion of the revaluation reserve, net of taxes, recorded under "Retained earnings" item comprises the basis for calculating interest and dividend distribution.

In fiscal year 2018, with verification of investment impairment at subsidiary Econorte, the revaluation reserve related to this asset in the amount of R\$23,047 was fully reversed. In fiscal year 2019, with the investment impairment at subsidiary Concer, the revaluation reserve related to this asset was reversed in the amount of R\$9,264 (see Note 14).

d) Earnings (losses) per share

	12/31/2019	12/31/2018 (restated)
Numerator		
Earnings attributable to holders of common shares	(192,625)	(368,011)
Denominator		
Weighted average of common outstanding shares – basic	173,506,600	173,506,600

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Earnings (losses) per share – basic	(1.11019)	(2.12102)
Earnings (losses) per share – diluted	(1.11019)	(2.12102)
Earnings (losses) per share – basic and diluted from continuing operations	(1.28332)	(2.22030)
Earnings (losses) per share – basic and diluted from discontinued operations	0.17313	0.09928

e) Net income (loss) base for dividend distribution

	12/31/2019	12/31/2018 (restated)
Net income (loss)	(192,625)	(368,011)
(+) Realization of revaluation reserve effects	21,791	35,993
(+) Reversal of stock option plan	-	7,273
Net income (loss) as dividend base before legal reserve	(170,834)	(324,745)
(-) Legal reserve (5% of net income)	-	-
Dividend calculation base	(170,834)	(324,745)

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f) Legal Reserve

The legal reserve is accrued through the appropriation of 5% of the net income for the year up to the limit of 20% of the capital, under article 193 of Law 6,404/76. The legal reserve balance was fully absorbed by the loss of fiscal year 2018.

g) Non-controlling Interest

The balance of non-controlling interest presented under consolidated Shareholders' Equity refers to the interest of other shareholders of Concer and Rio Bonito, which are fully consolidated into the Company.

22. Net operating revenue

	Consolidated	
	12/31/2019	12/31/2018 (restated)
Toll collection from highway concessionaires	967,627	1,101,180
Highway concession asset building projects	96,796	178,641
Other	11,584	11,959
	1,076,007	1,291,780
(-) Revenue deductions (tax on sales, discounts and deductions)	(84,306)	(96,012)
	991,701	1,195,768

The lower net revenue in 2019 was mainly due to the end of the operation of Concepa on July 3, 2018, and to the effects of the reduction of the tariff at the toll plazas of Econorte, as well as the temporary suspension of toll collection of the Jacarezinho/PR toll plaza, resulting in a reduction of approximately 43%. In August 2019, revenues were normalized with the end of the action against misconduct in public office (see Note 1).

a) Toll revenues

Toll revenues, including revenues from toll cards and post-paid cards, are recorded in profit or loss when the user passes through the toll station.

b) Recognition of revenue and construction margin

When a concessionaire provides construction services, it must recognize construction revenue at its fair value and the respective costs related to the construction service and thus, consequently, determining the profit margin. While booking construction margins, the Management assesses issues related to the primary responsibility for providing construction services, even in cases when services are outsourced, costs incurred with managing and/or supervising the work.

The Company also assessed that there are no provisions in the original concession agreement for remuneration payable by the government for the provision of construction services in road concessions.

Based on studies conducted and internal surveys, Concebra identified costs that only exist in connection with the road duplication and recovery works and which negatively impact the company's results. Based on this scenario, starting January 1, 2014, Concebra accounted for a construction margin of 2.6% on the construction cost, calculated in an amount deemed sufficient by Management to cover the Concessionaire's primary liability, as well as costs related to construction management and oversight.

All premises described are used for the purpose of determining the fair value of

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construction activities.

c) Ancillary revenues from highway concessionaires

Revenues deriving from agreements that allow third parties to use the right-of-way.

23. Management compensation

The Annual General Meeting held on April 30, 2019 approved the Management global compensation proposal of the Company in the amount of up to R\$8,596. The compensation amounts include the fixed and variable compensation, and the variable compensation is subject to the fulfillment of goals previously set.

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Fixed annual compensation				
Salary or management fees	6,399	5,368	12,946	15,305
Social charges	1,258	1,073	2,640	2,423
Direct and indirect benefits	50	106	1,484	1,914
Profit sharing	(82)	5,282	2,144	9,060
	7,625	11,829	19,214	28,702

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24. Financial result, net

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Financial income				
Income from financial investments	128	344	4,641	12,227
Fair value debentures	-	-	2,351	17,163
Derivative instruments	-	-	-	1,799
Interest income	-	-	188	113
Monetary restatement of loans and financing	8,278	14,326	4,112	1,524
Other interest and discounts	7,739	12,365	3,420	1,841
	16,145	27,035	14,712	34,667
Financial expense				
Interest and remuneration on debentures	-	-	(51,773)	(37,018)
Monetary restatement on loans and financing	(18,386)	(17,735)	(226,045)	(243,153)
Derivative instruments	-	-	(8,698)	(11,138)
Fair value adjustment – maintenance provision	-	-	(19,814)	(14,909)
Tax on financial operations	(100)	(965)	(1,758)	(33,591)
Other interest, fines and restatements	(458)	(3,653)	(19,142)	(42,781)
	(18,944)	(22,353)	(327,230)	(382,590)
Financial result	(2,799)	4,682	(312,518)	(347,923)

25. Insurance (Consolidated)

The policy adopted by Triunfo and its subsidiaries is to maintain insurance coverage considered sufficient, based principally on the concentration of risks and the significance of the assets, the nature of their activities, and the advice of their insurance consultants.

	Civil Liability	Operating Risks	Engineering Risks	Surety	Other	Total Insured Amount (i)
Econorte	12,500	95,976	-	90,869	-	199,345
Concer	20,000	109,701	25,000	-	-	154,701
Concebra	10,000	65,000	10,000	-	2,792	87,792
Transbrasiliana	10,000	47,735	15,411	-	-	73,146
Triunfo	-	-	-	-	47,000	47,000
	52,500	318,412	50,411	90,869	49,792	561,984

- (i) The maximum amount of damages corresponds to 100% of the policies amount. In addition, the analysis of the sufficiency of the insurance coverage, determined and assessed by the Company's Management, is not included in the scope of our auditors' work.

26. Private Pension Plan

On January 6, 2012, the Company established the Retirement Plan denominated Triunfo Prev of the defined contribution type. Thus, the Company does not have actuarial obligations to be recognized.

The contributions of the Company in the year ended December 31, 2019 amounted to R\$1,693 (R\$5,658 in the consolidated) and contributions by professionals amounted to R\$2,465 (R\$7,044 in the consolidated). The contributions of the Company in the fiscal year

Notes to the Financial Statements

ended December 31, 2018 amounted to R\$1,884 (R\$6,681 in the consolidated) and contributions by professionals amounted to R\$2,600 (R\$7,973 in the consolidated).

Total active participants in the defined contribution plan at December 31, 2019 amounted to 529 participants (732 participants at December 31, 2018).

27. Financial instruments

a) Analysis of financial instruments

The Company and its subsidiaries measured their financial assets and liabilities in relation to market prices using information available to them and appropriate valuation methodologies. However, the interpretation of market data and the selection of the valuation methods require considerable judgment and estimates to calculate the more appropriate realization value. As a result, the estimates presented do not necessarily indicate the amounts that may be realized in the current market. The use of different market assumptions and/or methods may have a material effect on the estimated realization values.

Below, we present a comparative table per class of book value and fair value of the Company's financial instruments presented in the Financial Statements:

	Consolidated			
	Book Value		Fair Value	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Financial Assets				
Short-term financial investments, committed (Note 5)	8,394	26,119	8,394	26,119
Total	8,394	26,119	8,394	26,119
Financial Liabilities				
Loans and financing (Note 15)	1,721,984	1,632,275	1,542,655	1,632,275
Debentures (Note 16)	255,243	310,395	255,243	310,395
Promissory Notes (Note 17)	63,241	117,485	63,241	117,485
Dividends	47,515	77,156	47,515	77,156
Derivative financial instruments (Note 27, item c)	-	24,050	-	24,050
Total	2,087,983	2,161,361	1,908,654	2,161,361

The following methods and assumptions were used to estimate the fair value.

- Cash and cash equivalents, accounts receivable, accounts payable to suppliers and other short-term liabilities are close to their respective book value mostly due to the short-term maturity of these instruments.
- The Vênus debenture was recognized as a liability at fair value through profit or loss, using valuation techniques and assumptions adopted by the market.
- Other loans, financing and debentures had their book value equal to their fair value.

b) Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments through the valuation technique:

December 31, 2019		
Assets/liabilities quoted in active markets (Level 1)	Significantly observable inputs (Level 2)	Significantly unobservable inputs (Level 3)

Notes to the Financial Statements

Assets/Liabilities measurable at fair value			
Debentures (Vênus)	-	-	261
Assets/Liabilities with disclosure of fair value			
Debentures (Vênus)	-	-	261

c) Derivative financial instruments

- Econorte:

The Company maintained an interest swap contract with Banco Santander to hedge the remuneration of interest by the CDI overnight rate + 1.90 p.a. for the debentures issued in April 2015. The swap contract transferred the Company's risk from CDI + 1.90% p.a. to the bank in exchange for IPCA + 9.10% p.a.

The face value of the contract was R\$246,000 maturing every semester, with the first installment on October 15, 2015 and the final on April 15, 2020. Swap maturities corresponded to interest payments on the debenture.

A bank credit note for working capital was issued on June 13, 2019, maturing on September 11, 2019, in the amount of R\$32,995, with the settlement of the swap operation with Santander bank.

The derivative financial instrument was being measured at fair value based on significant observable inputs and corresponds to level 2 of the fair value hierarchy. The Company maintained controls on the effects of financial liabilities and derivatives.

Derivative Instruments

	Consolidated	
	12/31/2019	12/31/2018 (restated)
Loss derivative instruments	-	(24,925)
Mark-to-market derivatives	-	875
Total derivative financial instruments	-	(24,050)
Current liabilities	-	(16,813)
Non-current liabilities	-	(7,237)
	-	(24,050)

- Vênus:

In November 2016, Vênus issued private convertible debentures, as described in Note 16. The debentures will mature in January 2021, although the 1st series of the issue was settled in advance in 2017.

The 2nd series consists in the payment of a premium to debentureholders, and of the difference between (i) the financial volume-weighted average of the shares of Triunfo traded on B3 on the 60 trading sessions prior to the maturity date and (ii) R\$4.46, multiplied by 15,000,000.

The balance of the premium is recorded at Fair Value Option, representing the calculation of the amount to be paid in accordance with the pricing of Triunfo's stock projected for the maturity date of the debentures. At December 31, 2019, the fair value

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of the premium was R\$261 (R\$2,613 at December 31, 2018).

d) Sensitivity analysis of financial assets and liabilities

Three different scenarios were set up for the purpose of verifying the sensitivity of the index used in financial investments to which the Company was exposed to as of December 31, 2019. Based on projections by financial institutions, a 12-month projection was made for Interbank Deposit Certificates (CDI), with an average of 6.50% for the fiscal year of 2019 (probable scenario); in addition, negative variations of 25% and 50% were calculated.

For each scenario, we calculated the gross interest income disregarding any taxes levied on the income from such investments. The reference date for the portfolio was December 31, 2019, with a one-year projection, verifying the sensitivity of the CDI to each scenario.

• *Triunfo (Parent and Consolidated)*

Transaction	Risk	Probable scenario I	Scenario II	Scenario III
Econorte	CDI	372	279	186
Concer	CDI	297	223	148
Transbrasiliana	CDI	438	329	219
Concebra	CDI	1,003	752	502
Rio Claro	CDI	2,477	1,857	1,238
CTVias	CDI	4	3	2
R\$102,022 (**)		4,591	3,443	2,295
Rate/Index subject to changes (**)	CDI	4.50%	3.38%	2.25%

(*) Balances as of December 31, 2019, invested in CDB and DI Funds.

(**) Source: Central Bank of Brazil.

Three different scenarios were set up for the purpose of verifying the sensitivity of the index used in debts to which the Company was exposed to as at December 31, 2019. Based on the values of TJLP (long-term interest rate), CDI (interbank deposit rate), and IPCA (Broad Consumer Price Index) projected for 2019, we determined the likely scenarios for the period and then calculated positive variations of 25% and 50%.

For each scenario, we calculated the gross interest expense disregarding any taxes levied and the stream of payments in each contract scheduled for 2019. The reference date used for loans and debentures was December 31, 2019, to which we made one-year index projections and confirmed the sensitivity of such indexes in each scenario.

Notes to the Financial Statements

- *Triunfo (Company and Consolidated)*

Operation	Risk	Probable scenario I	Scenario II	Scenario III
Bank Guarantee FINEP – ABC	CDI	33	41	49
Bank credit note – China Construction Bank	CDI	1,816	2,270	2,725
Bank credit note – Trophy FIP Multiestratégia	CDI	1,215	1,518	1,822
Bank guarantee FINEP – China Construction Bank	CDI	135	169	203
Bank Guarantee FINEP – Santander	CDI	407	508	610
Bank credit note – BTG Pactual	CDI	1,500	1,875	2,251
Bank credit note – ABC	CDI	512	639	767
Financing of property, plant and equipment - FINEP	TJLP	54	67	80
Bank credit note - Guarantor	CDI	308	385	462
Bank credit note - Banco Panamericano	CDI	351	438	526
Bank loan – Banco ABC	CDI	1,704	2,130	2,556
Bank credit note - Banco Pine	CDI	1,359	1,699	2,038
Bridge loan – BNDES A and B	TJLP	9,881	12,351	14,822
Bank credit note – Banco Crédito Varejo	CDI	238	298	357
Bank credit note – Banco Fibra	CDI	293	366	440
Overdraft account - Santander	CDI	1,848	2,310	2,773
Bridge Loan - BNDES	TJLP	56,561	70,702	84,842
Finem - BNDES	TJLP	6,680	8,350	10,019
Bank credit note – Banco ABC	CDI	577	721	865
Bank credit note – BTG Pactual	CDI	428	534	641
R\$1,720,374 (**)		85,900	107,371	128,848
Debtentures - Econorte	CDI	2,271	2,839	3,406
Debtentures - Concer	CDI	2,222	2,777	3,333
Debtentures – Triunfo (Vessel)	IPCA	1,078	1,348	1,617
Debtentures - BR Vias Holding TBR	IGP-M	7,091	8,863	10,636
R\$254,982 (**)		12,662	15,827	18,992
Promissory Notes – Concer	CDI	2,846	3,557	4,269
R\$63,241		2,846	3,557	4,269
Rate/index subject to variations (**)	CDI	4.50%	5.63%	6.75%
Rate/index subject to variations (**)	IGP-M	5.52%	6.90%	8.28%
Rate/index subject to variations (***)	TJLP	5.09%	6.36%	7.64%
Rate/index subject to variations (**)	IPCA	4.04%	5.05%	6.06%

(*) Balances as of December 31, 2019.

(**) Source: BACEN

(***) Source: Santander Report

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To assess the sensitivity of the premium of the debenture of the subsidiary Vênus a probable scenario was defined for 2019, and positive and negative variations of 25% and 50% were calculated based thereon.

- *Vênus (Consolidated)*

Risk	Probable Scenario	Scenario II	Scenario III	Scenario IV	Scenario V
Triunfo share risk (i)	-	- 50% 3	- 25% 46	25% 833	50% 1,920

(i) The probable scenario considers Triunfo's stock price on December 31, 2019.

e) Risk analysis

The main market and regulatory risks faced by the Company and its subsidiaries in the execution of their activities are:

- **Liquidity Risk**

Liquidity risk is the risk that the Company and its subsidiaries will not have sufficient funds to honor their commitments due to different currencies and settlement terms of its rights and obligations.

Control of the Company's liquidity and cash flow is monitored on a daily basis by the Company's Management divisions, so as to ensure that operating cash generation and early funding, when necessary, are sufficient to maintain the Company's commitment schedule, generating no liquidity risks to the Company and its subsidiaries.

- **Credit Risk**

The Company and its subsidiaries are exposed to credit risks in its operating activities (especially regarding accounts receivable) and financing, including deposits in banks and financial institutions, foreign exchange transactions and other financial instruments.

Around 50.0% of highway concessionaires' revenues are received in cash, maintaining the delinquency ratio below 1%.

- **Market Risk**

Interest Rate and Inflation Risk: Interest rate risk arises from the portion of debt indexed to TJLP, IGP-M, CDI and financial investments indexed to CDI that may have a negative effect on financial revenues or expenses if there is any unfavorable change in interest rates and inflation.

- **Price Risk and Market Value**

The tariff structure is regulated by the concession authority, which allows for maintaining the economic and financial balance of the contract.

- **Regulatory Risk**

We did not take into account any federal government's initiative that may affect the continuity of highway operations. In relation to any political act that implies the breach of contractual relationship, the likelihood is deemed as remote.

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The future cash generation of the highway concessionaires seems to be compatible with the need of investments provided for in the Highway Operation Program - PER. We consider that the Company and its subsidiaries have the effective capacity of complying with their investment commitments.

- Capital management

Triunfo controls its capital structure by making adjustments and adapting to current economic conditions. The Company may pay dividends, return capital to shareholders, take new loans, issue debentures, issue promissory notes and contract derivative operations.

The Company includes in the net debt infrastructure: loans, financing, debentures and promissory notes less cash, cash equivalents and restricted financial investments.

	Company		Consolidated	
	12/31/2019	12/31/2018 (restated)	12/31/2019	12/31/2018 (restated)
Loans and financing (Note 15)	125,414	129,889	1,721,984	1,632,275
Debentures (Note 16)	26,690	24,546	255,243	310,395
Promissory notes (Note 17)	-	-	63,241	117,485
Derivative financial instruments (Note 27, item c)	-	-	-	24,050
(-) Cash and cash equivalents (Note 3)	(84)	(45)	(101,673)	(119,563)
(-) Restricted cash (Note 4)	-	-	(4,901)	(1,864)
(-) Restricted financial investments (Note 5)	-	-	(8,394)	(26,119)
Net debt	152,020	154,390	1,925,500	1,936,659
Shareholders' equity	715,528	893,963	751,218	977,909
Total capital	867,548	1,048,353	2,676,718	2,914,568
Financial leverage - %	17.52	14.73	72.58	67.49

28. Segment Reporting

The consolidated operating segments of the Company include following businesses:

- Road segment: Econorte, Rio Tibagi, Concer, Rio Bonito, Concepa, Rio Guaíba, Dable, BR Vias, Holding TBR, Transbrasiliana, Concebra, Convale, and CTVias;
- Port projects: TPI-Log, TPB and TPL;
- Power segment: Juno;
- Holding: the Company;
- Other: Rio Claro, Tucano, Retirinho, Guariroba, Estrela, Taboca, Netuno, Mercúrio, Minerva, ATTT and Venus.

The joint ventures Tijoá and CSE, operating in the energy segment, are direct subsidiaries of Juno and are not consolidated into Triunfo and those assets are currently held for sale (see Note 11). The joint venture Aeroportos Brasil, which operates in the airport segment, is not consolidated and its investment was written off by the Company in fiscal year 2017 (see Note 1, item v).

The Company operates in Brazil and its customer portfolio is diversified, with no revenue concentration.

Segment reporting is presented below:

	12/31/2019				Eliminations (*)	Consolidated
	Highway	Port	Other	Holding		
Continuing operations						

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Net operating revenue	991,701	-	-	-		991,701
Costs of services rendered	(874,561)	-	-	-		(874,561)
Gross profit	117,140	-	-	-		117,140
Operating revenues (expenses)	(129,992)	(118)	(3,492)	(219,865)	192,123	(161,344)
Net operating income (loss) before financial result	(12,852)	(118)	(3,492)	(219,865)	192,123	(44,204)
Financial result	(309,325)	(3,467)	3,073	(2,799)	-	(312,518)
Earnings (losses) before income tax and social contribution	(322,177)	(3,585)	(419)	(222,664)	192,123	(356,722)
Income tax and social contribution	110,248	-	-	-	-	110,248
Net income (loss) from continuing operations	(211,929)	(3,585)	(419)	(222,664)	192,123	(246,474)
Discontinued operations						
Result from discontinued operations	-	-	-	-	30,039	30,039
Net income (loss) after result from continuing operations	(211,929)	(3,585)	(419)	(222,664)	222,162	(216,435)
Non-controlling interest	-	-	-	-	23,810	23,810
Net income (loss) for the year	(211,929)	(3,585)	(419)	(222,664)	245,972	(192,625)
Total assets per segment	3,468,851	141,711	90,001	981,018	(934,675)	3,746,906
Total liabilities per segment	2,932,272	38,948	63,918	265,490	(304,940)	2,995,688

12/31/2018 (restated)							
	Highway	Port	Power	Other	Holding	Eliminations (*)	Consolidated
Continuing operations							
Net operating revenue	1,196,146	-	-	-	-	(378)	1,195,768
Costs of services rendered	(841,907)	-	-	-	-	(1)	(841,908)
Gross profit	354,239	-	-	-	-	(379)	353,860
Operating revenues (expenses)	(331,742)	(31,939)	(20)	(3,643)	(391,655)	314,607	(444,392)
Net operating income (loss) before financial result	22,497	(31,939)	(20)	(3,643)	(391,655)	314,228	(90,532)
Financial result	(362,206)	-	-	9,601	4,682	-	(347,923)
Earnings (losses) before income tax and social contribution	(339,709)	(31,939)	(20)	5,958	(386,973)	314,228	(438,455)
Income tax and social contribution	33,105	-	-	-	1,736		34,841
Net income (loss) from continuing operations	(306,604)	(31,939)	(20)	5,958	(385,237)	314,228	(403,614)
Discontinued operations							
Result from discontinued operations	-	-	-	-	17,226	-	17,226
Net income (loss) after result from continuing operations	(306,604)	(31,939)	(20)	5,958	(368,011)	314,228	(386,388)
Non-controlling interest	-	-	-	-	-	18,377	18,377
Net income (loss) for the year	(303,604)	(31,939)	(20)	5,958	(368,011)	332,605	(368,011)
Total assets per segment	3,667,967	138,600	19,600	116,000	1,410,224	(1,369,898)	3,982,493
Total liabilities per segment	3,107,354	34,101	2,158	89,498	526,105	(754,632)	3,004,584

(*) Eliminations of consolidation between the Holding company and its subsidiaries

Notes to the Financial Statements

29. Concession commitments

The right to explore the infrastructure derives from expenditures incurred in the construction of upgrade projects in exchange for the right to charge highway users for using the infrastructure. As the construction/upgrade services represent potential generation of additional revenue, with recovery of the investment made through the additional revenue generation, they have an execution nature, and the obligations (to build) and rights (to explore) are recognized to the extent that construction services are provided.

Commitments related to the concessions of subsidiaries that represent potential generation of additional revenue are:

a) Concer

Concer took control of the highway and was expected to make significant investments in the first 12 years of the concession. The Highway Operation Program – PER provides for remaining annual investments, as shown below:

Year	Amount
2020 to 2021	24,492
	<u>24,492</u>

The amounts are stated at their original price in April 1995 and are restated at the tariff adjustment rate, which is currently 5.06442, approved in 2018.

Construction costs and revenue are recognized according to the concession agreement and amendments as follows:

	12/31/2019	12/31/2018 (restated)
Revenue from construction	8,033	10,349
Construction cost	(8,033)	(10,349)
	<u>-</u>	<u>-</u>

b) Econorte

Econorte's concession period will be the period necessary to comply with all the obligations deriving from the concession agreement entered into with the Highway Department of Paraná (DER/PR), scheduled to expire in 2021.

Pursuant to the 6th Amendment to the Concession Contract, the Highway Operation Program (PER) entailed investments of R\$202,832, with the following timetable of disbursements:

Year	Amount
2020	94,536
2021	108,296
	<u>202,832</u>

Construction costs and revenue are recognized according to the concession agreement as follows:

	12/31/2019	12/31/2018 (restated)
Revenue from construction	43,277	26,074
Construction cost	(43,277)	(26,074)
	<u>-</u>	<u>-</u>

Notes to the Financial Statements**c) Concebra**

Concebra took charge of the highway under the premise of making significant investments during the first five years of the concession. With the consent of the ANTT, the Company also undertook new investment commitments such as traffic diversion within the city of Goiânia, GO (Goiânia beltway), access to Goiânia airport and other investments whose nominal value is shown below:

Year	Amount
2020	1,006,546
2021	406,434
2022 through 2044	5,416,198
	6,829,178

The amounts above are in accordance with original PER; however, the subsidiary submitted a proposal for five-year revision of the concession agreement, to adjust the contractual obligations to the current reality.

Construction costs and revenue are recognized according to the concession agreement as follows:

	12/31/2019	12/31/2018 (restated)
Revenue from construction	21,198	97,029
Construction cost	(20,656)	(94,570)
	542	2,459

d) Transbrasiliana

According to the national highway concession program, the Company assumed the highway management under the premise of making investments during the concession period. The remaining annual investments according to the PER are as follows:

Year	Amount
2020	40,314
2021	10,892
2022	27,878
2023	14,849
2024	9,409
2025 through 2028	158,581
	261,923

Construction costs and revenue are recognized according to the concession agreement as follows:

	12/31/2019	12/31/2018 (restated)
Revenue from construction	24,288	45,189
Construction cost	(24,288)	(45,189)
	-	-

Note that, in addition to the abovementioned commitments, the subsidiaries Concer, Concepa, Econorte, Concebra and Transbrasiliana did not assume any other burdensome commitment, whether fixed or variable, to operate the highways

Notes to the Financial Statements

under their concession.

30. Subsequent Events

i) Court decision - Econorte

On January 21, 2020, the Company and its subsidiaries Econorte and Rio Tibagi took cognizance of the decision rendered by the Regional Federal Appellate Court of the 4th Region, in the record of the Public Interest Civil Action of Administrative Impropriety filed by the State Government of Paraná and Paraná State Road Department, establishing a new toll tariff reduction of 25.77% at the three plazas of Econorte and the prohibition on the distribution of profits and dividends by the Company, Econorte and Rio Tibagi.

On February 5, 2020, the Superior Court of Justice partially stayed the injunction above, reversing the toll tariff reduction. Therefore, the tariff was re-established in the toll plazas on February 6, 2020. On March 2, 2020, the trial court decision that stayed the prohibition on the distribution of profits and dividends by the Company, Econorte and Rio Tibagi was published. Vide Note 1, item i).

ii) Out-of-court Reorganization Plans (PERs)

On January 22, 2020, the court published the appellate decision with the opinion of the judges on the appeal, and on January 23, 2020, the PERs of the Company and others, as well as of Concer, were suspended, with the applicable credits returning to the conditions precedent. In addition, the creditors contemplated by the Reverse Auction held on March 20, 2018 must deposit into court the amounts received. See Note 15.

iii) Time-Barring Process - Viracopos

On January 23, 2020, the Superior Court of Justice stayed the time-barring process and the administrative fines imposed by ANAC on the joint venture Aeroportos Brasil Viracopos S.A. See Note 1, item v).

iv) Court-Supervised Reorganization Plan - Viracopos

On February 14, 2020, the Court-Supervised Reorganization Plan ("PRJ") of the joint ventures Aeroportos Brasil S.A., Aeroportos Brasil Viracopos S.A. and Viracopos Estacionamentos S.A. was approved, which establishes, among other measures, the need to request a new auction process. The return of assets in connection with this new auction will be carried out in a way to represent a stop-loss order, which will represent ample settlement for the Concessionaire and its shareholders (public and private) as per the terms and conditions of the plan. On February 18, 2020, the PRJ was ratified by the courts.

The joint venture Viracopos also signed an agreement with the Brazilian Development Bank (BNDES) establishing that the amounts arising from financial instruments granted to the Concessionaire are not subject to the Court-supervised Reorganization. The agreement also provides for the release of resources available in guarantee accounts backing these liabilities, as well as the partial suspension of payments until the re-auctioning of the airport. See Note 1, item v).

v) Effects of the Coronavirus on the Financial Statements

Notes to the Financial Statements

In compliance with CVM instruction issued on March 10, 2020, through Circular Letter SNC/SEP 02/2020, as well as the standard CPC 24 – Subsequent Event, the Management of the Company informs that it could not yet identify significant changes in its operations, such as a decrease in vehicle traffic, for example, that could be related to an impact of the coronavirus epidemic.

Therefore, at this time it cannot estimate the risks and uncertainties to which the Company will be exposed in the short term due to impacts that still cannot be measured on Triunfo's business, especially on its highway concessionaires, and also on its users and suppliers. However, Triunfo does not rule out the possibility that the effects on the economy and market in general from the coronavirus pandemic could adversely affect its operations.

MANAGEMENT REPORT 2019

1. To the shareholders:

We are pleased to present the Management Report and Consolidated Financial Statements of TPI – Triunfo Participações e Investimentos S.A. (“Triunfo” or “Company”) for the fiscal year ended December 31, 2019, prepared in accordance with the accounting practices in force, together with the Independent Auditors’ Report.

1.1 Outlook

The year 2019 was marked by progress on important strategic aspects aligned with the Company’s objectives.

In the highways segment, for example, Concebra, our wholly-owned subsidiary, signed an agreement with BNDES to renegotiate the bridge loan approved in June 2014. The agreement includes a waiver of late payment charges through a bonus for on-time payment, the allocation of a portion of the concessionaire’s monthly revenue and a change in the index from TJLP + 2% p.a. to TLP + 2% p.a.

The other concessionaires in the segment – Econorte, Concer and Transbrasiliana – registered traffic growth in practically all operations during the year, reflecting the recovery after the end of the truck drivers’ strike in May 2018. Econorte was the exception, where traffic normalized in August 2019, after closure of the Jacarezinho toll plaza during different periods of the year. Excluding Concebra as well, which was closed in July 2018, consolidated growth was 2.3%.

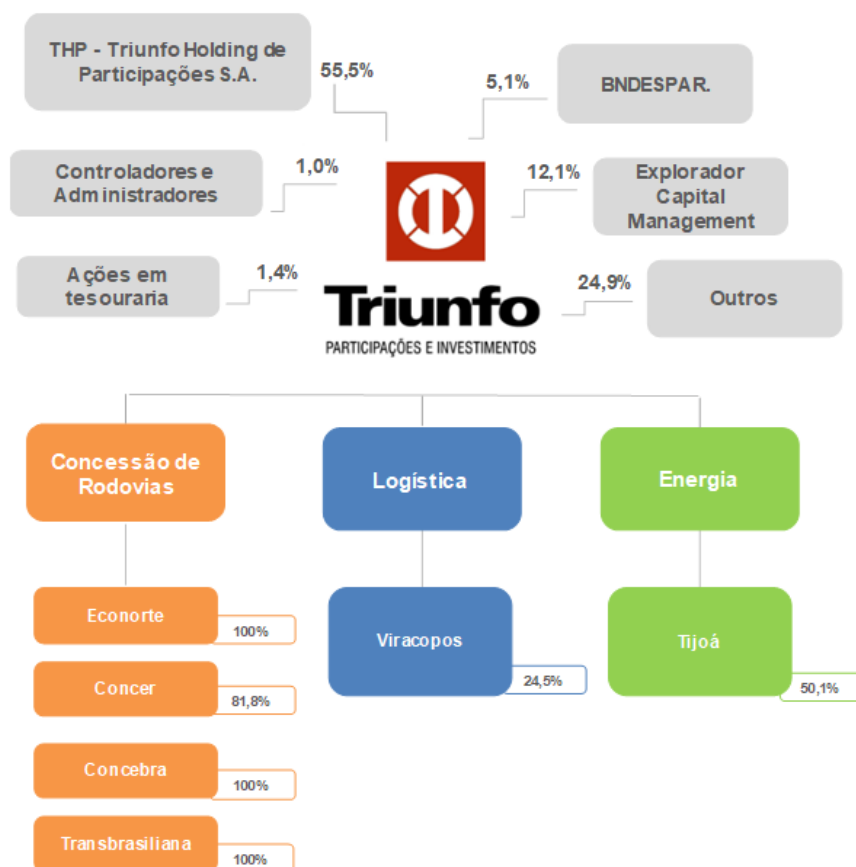
In the energy segment, the agreement with an affiliate of BlackRock Global Energy & Power Infrastructure Funds to divest 100% of the Company’s interest in the Três Irmãos Hydroelectric Plant, located in the interior region of the state of São Paulo, is pending fulfillment of all contractual requirements. The transaction amount is R\$169.5 million, subject to the typical adjustments, as well as potential earn-out in an amount to be determined with the occurrence of certain events.

In the airport segment, in February 2020, the court-supervised reorganization plan for Viracopos was approved. The conditions required by creditors for their approval include Viracopos requiring the use of a new amicable return of assets, with a stop-loss guarantee for shareholders.

Lastly, although the out-of-court reorganization plans for the Company and others, as well as for Concer, are suspended after the court decision in December, negotiations to reestablish its effects with the creditors involved are ongoing, and the applicable legal measures are being taken to protect the interests of Triunfo and its shareholders.

2. Corporate Profile

Ownership Structure 12/31/2019 – Simplified chart



As one of Brazil's leading infrastructure companies, we have a strong presence in the country's highway and airport concessions and power generation sectors. The common feature in all our businesses is the management of public services through concession contracts. We have been listed since 2007 on the Novo Mercado, the listing segment of the São Paulo Stock Exchange (B3) with the highest corporate governance standards. We focus our efforts on pursuing business opportunities generated by advances and improvements in Brazil's infrastructure, provided they generate adequate financial returns for shareholders.

In the toll road segment, Triunfo manages four toll road concessions in the South, Southeast and Midwest regions of Brazil, which combined amount to 2,019.5 km of highways, namely Concer, Concebra, Econorte and Transbrasiliana. The Company operates in the logistics sector through its administration of Viracopos International Airport in Campinas, São Paulo. In the energy segment, the joint venture Tijoá is responsible for operating and maintaining the Três Irmãos Plant, located in São Paulo.

Consolidation of Subsidiaries 2019

Company	Interest	Entity	Type of Consolidation
Highway Concessions			
Concer*	81.8%	Subsidiary	100% consolidated
Econorte	100.0%	Subsidiary	100% consolidated
Transbrasiliana	100.0%	Subsidiary	100% consolidated
Concebra	100.0%	Subsidiary	100% consolidated
Energy Generation/Sale/Operation and Maintenance			
Tijoá	50.1%	Joint Venture	Not consolidated

*In February and April 2019, Triunfo raised its interest in Concer, from 74.9% to 79.1% and 81.8%, respectively.

3. 2019 Highlights:

- **March:** reinstatement of the full value of tariffs in effect at Econorte;
- **May:** (i) conclusion of the efforts of the Independent Committee set up to coordinate investigation after the Search and Seizure Warrants executed at the Company and some of its subsidiaries, under Operation Integration, with inconclusive findings regarding the existence of the alleged wrongdoings cited by the Federal Prosecution Office. and (ii) the opening of the Cambará/Andirá plaza in Econorte, while the Jacarezinho plaza remained closed;
- **July:** (i) the new court ruling determining a 25.77% reduction in Econorte's toll plazas; and (ii) the annual increase in the basic toll at the Jataizinho and Sertaneja toll plazas, in Econorte (+7.8%);
- **August:** (i) a purchase agreement of shares was entered into with an affiliate of BlackRock Global Energy & Power Infrastructure Funds for the sale of 100% of the Company's direct and indirect interest in the companies Juno Participações e Investimentos S.A., Tijoá Participações e Investimentos S.A. and CSE – Centro de Soluções Estratégicas S.A.; (ii) reinstatement of the full value of tariffs in effect at Econorte; and (iii) reopening of the Jacarezinho toll plaza in Econorte;
- **December:** (i) reform of the trial court decision that had ratified the Out-of-court Reorganization Plans of the Company and others and its subsidiary, Companhia de Concessão Rodoviária Juiz de Fora - Rio ("Concer"); and (ii) an agreement was entered into with the Brazilian Development Bank (BNDES) to renegotiate the conditions in force for the bridge loan approved for Concebra in June 2014.

4. Operating Performance

Operating Data 2019			
Highway Traffic			
Paying Vehicle Equivalents (thousands)	2019	2018	Var%
Concer	23.768	22.794	4.3%
Econorte	9.837	11.643	-15.5%
Transbrasiliana	23.651	22.702	4.2%
Concebra	85.861	82.799	3.7%
Total Equivalent Traffic - ex Concepa¹	143.117	139.938	2.3%

¹After the termination of Concepa's concession contract on 07/03/2018, the highway operations were shut down. Therefore, data for the concession was excluded from the analysis to improve comparisons

In the period, total paying vehicle equivalents reached 143.1 million, up 2.3% from 2018, reflecting the truck drivers' strike in May 2018 and also effects from initiatives to reduce evasions. Excluding Econorte, due to legal developments throughout 2019, growth would have stood at 3.9%.

5. Economic and Financial Performance

Financial Statements

(R\$ '000)	2019	2018	Var. %
Gross Operating Revenue (GOR)	1,076,007	1,291,780	-16.7%
Toll Revenue	967,627	1,101,180	-12.1%
Construction of Assets	96,796	178,641	-45.8%
Other Revenues	11,584	11,959	-3.1%
Deductions from Gross Revenue	(84,306)	(96,012)	-12.2%
Net Operating Revenue (NOR)	991,701	1,195,768	-17.1%
Operating Costs	(874,561)	(841,908)	3.9%
Highway Operation and Maintenance	(197,175)	(199,853)	-1.3%
Maintenance Costs – IAS 37	(45,023)	(36,998)	21.7%
Construction Costs	(96,254)	(176,182)	-45.4%
Construction Costs	(104,101)	(114,657)	-9.2%
Depreciation and Amortization	(389,683)	(273,014)	42.7%
Concession Liabilities	(42,325)	(41,204)	2.7%
Gross Profit	117,140	353,860	-66.9%
Operating Expenses	(161,344)	(444,392)	-63.7%
General and Administrative Expenses	(85,618)	(98,591)	-13.2%
Management Compensation	(19,214)	(28,702)	-33.1%
Personnel Expenses	(41,135)	(55,249)	-25.5%
Depreciation and Amortization	(16,584)	(10,683)	55.2%
Other Operating Income (Expenses)	1,207	(251,167)	n/c
Profit (Loss) before Financial Result	(44,204)	(90,532)	-51.2%
Financial Result	(312,518)	(347,923)	-10.2%
Financial Income	14,712	34,667	-57.6%
Financial Expenses	(327,230)	(382,590)	-14.5%
Exchange Variation	-	-	n/c
Income before Taxes	(356,722)	(438,455)	-18.6%
Income Tax	110,248	34,841	n/c
Current Taxes	(3,914)	(23,400)	-83.3%
Deferred Taxes	114,162	58,241	96.0%
Discontinued Operations	30,039	17,226	74.4%
Non-controlling Interest	23,810	18,377	29.6%
Net Income (Loss) in the Year	(192,625)	(368,011)	-47.7%

Dividend Calculation Base

(R\$ '000)	2019	2018	Var. %
Net Income (Loss) in the Year	(192,625)	(368,011)	-47.7%
Realized portion of Revaluation Reserve and Equity	21,791	35,993	-39.5%
Valuation Adjustment	-	7,273	-100.0%
Dividend Calculation Base (Loss)	(170,834)	(324,745)	-47.4%

a) Operating Revenue

Consolidated gross operating revenue fell 16.7% in 2019, from R\$1,291.8 million to R\$1,076.0 million, reflecting primarily the termination of Concepa's activities in July 2018. In addition, the tariff reduction at Econorte (-25.77%) during different periods of 2019, as well as the closure of the Jacarezinho toll plaza until August 2019, also contributed to the decline.

Net operating revenue registered a similar variation, reaching R\$991.7 million.

b) Operating Costs

The main items that comprise our operating costs are: (i) highway operation and maintenance; (ii) cost of construction of concession assets; (iii) personnel; (iv) depreciation and amortization; and (v) regulatory agency costs. Operating costs amounted to R\$874.6 million, up 3.9% from the prior year (R\$841.9 million), mainly due to the fact that amortization began for part of the costs referring to Nova Subida da Serra in Concer.

c) Operating Expenses

Operating expenses are represented by expenses with installations and administrative and consulting services, personnel expenses, management compensation, as well as other revenues, non-recurring expenses, depreciation and amortization.

In 2019, operating expenses decreased 63.7%, from R\$444.4 million to R\$161.3 million, given that, in 2018, the line was impacted by the impairment effect at Econorte due to the need to record a provision for impairment of its assets (R\$186.0 million) and a provision for court expenses at Concer (R\$41.7 million).

d) Financial Result

The financial result is represented by interest, inflation adjustments and interest paid to the Company's creditors, adjusted by financial income and adjustments to fair value. In 2019, the consolidated financial result was a loss of R\$312.5 million, down 10.2% from 2018, due to the reversal of financial expenses at Concebra following the renegotiation of the debt, as well as the reduction of Concebra's financial expenses, which had recognized penalties and interest on tax liabilities in 2018.

e) Net loss in the year

Due to the aforementioned factors, the Company recorded a net loss of R\$192.6 million in 2019, compared to the loss of R\$368.0 million in 2018. Considering the realized portion of the revaluation reserve and the equity valuation adjustment, the dividends calculation base amounted to a loss of R\$170.8 million.

f) Debt Profile and Indebtedness

On December 31, 2019, gross debt stood at R\$2,040.5 million, down 2.1% compared to 2018, mainly due to Concebra's renegotiation of debt with BNDES, as well as the reduction in debt at some of the other subsidiaries and at the holding corporation. Meanwhile, net debt decreased by 0.6%, impacted by the reduction in cash and cash equivalents during the year. The Company's debt is broken down in the Financial Statements, in notes 15. Loans and Financing, 16. Debentures and 17. Promissory Notes.

Debt			
(R\$ '000)	2019	2018	Var. %
Short-term debt	641,541	1,457,498	-56.0%
Long-term debt	1,398,927	626,707	123.2%
Gross Debt	2,040,468	2,084,205	-2.1%
Cash and Cash and equivalents	114,968	147,546	-22.1%
Net Debt	1,925,500	1,936,659	-0.6%

6. Human Resources

To us, human capital is fundamental to the execution of our business strategy. Our People Management Policy, which guides all of the professional relationships of Triunfo's companies, is based on seven dimensions: attractive work environment, equal opportunities, ethical and transparent conduct, development of skills, fair and competitive compensation, occupational health and safety, and freedom of association and collective bargaining.

Given that the development, performance and safety of our employees are crucial for assuring service excellence, we offered 64,400 hours of training during 2019. Providing employees with a healthy work environment and giving them opportunities to develop skills are principles that have always guided our activities. In 2019, the companies in the highways segment and the Company employed 2,708 people, down 4.7% from the prior year.

7. Sustainability

Through the Triunfo Sustainability Policy, we undertook the commitment to conduct our business in a way that minimizes the negative impacts from our operations and effectively contributes to the development of the country's infrastructure. The Policy's guidelines set the direction for Triunfo's operations, divided into seven dimensions: ethics and integrity; user and client satisfaction; innovation; valuing professionals; environmental conservation; community engagement; and responsible management.

To encourage this commitment, we formed the Sustainability Committee, which reports to the Board of Directors, whose main duty is to ensure that the topic is incorporated as a fundamental element into the corporation's strategy and culture.

To ensure the continuous monitoring and transparency of our activities, we publish our Greenhouse Gas Emissions Inventory annually. The key indicators of the inventory are reported, with data for the previous year, always in the first half of each year, jointly with our Sustainability Report, which is prepared in accordance with the framework of the Global Reporting Initiative (GRI) and subjected to external assurance by an independent company.

8. Investments

To prioritize liquidity and improve the Company's capital structure, we have adopted an asset divestment plan whose proceeds will be used for deleveraging. From our investment portfolio, we have allocated the assets Aeroportos Brasil, Tijoá and CSE for divestment.

As such, the Company reclassified its investments in the aforementioned joint ventures as "Equity interest for sale" under current assets in the stand-alone and consolidated financial statements.

The investment in the joint venture Aeroportos Brasil was written off as a loss on June 30, 2017, given the impossibility of measuring the impairment until the sale of the asset or the return of the Viracopos concession to the government. We remain committed to the divestment plan for the joint ventures Tijoá and CSE, for which an agreement already has been signed with an affiliate of BlackRock Global Energy & Power Infrastructure Funds, in August 2019.

As of December 31, 2019, the amounts invested in subsidiaries were:

Investment	Interest %	Permanent Investment 12/31/2019
Rio Tibagi	100.00%	2,814
Concebra	100.00%	209,249
Concer	81.84%	149,844
Rio Bonito	82.00%	9,117
Dable	100.00%	187,578
Venus	100.00%	5,364
TPI-Log	100.00%	78,897
TPL	100.00%	23,867
Rio Claro	100.00%	8,807
Tucano	100.00%	8,892
Guariroba	100.00%	2,888
CTVias	100.00%	9,822
Other assets	-	989

Total Investments		698,128
Econorte	100.00%	(58,357)
Concepa	100.00%	(12,496)
Ecovale (i)	52.50%	(46)
Total provision for unsecured liabilities of subsidiaries		(70,899)
Total Net Investments		627,229

9. Corporate Governance

As a company listed on the Novo Mercado segment of the B3, we believe that adopting best practices in corporate governance is essential for the strategic and efficient management of our business. Our management structure comprises the Board of Directors, the Board of Executive Officers and the Audit Board.

The Board of Directors is a collective decision-making body that is responsible for establishing the general policies and guidelines of the business, including its long-term strategy, and for controlling and supervising the Company's performance. It also supervises the Board of Executive Officers. The Board of Directors consists of eight members, two of whom are independent members nominated by the non-controlling shareholders, with a term of office of two years, ending on April 2021.

The Board of Executive Officers, formed by three members, manages and executes the business activities in accordance with the resolutions taken by the Board of Directors. The officers have individual responsibilities and are appointed by the Board of Directors for a unified term of two years ending in May 2021, with reelection permitted. Triunfo's Audit Board was created in 2010 as a non-permanent body, whose members are elected by the Annual Shareholders Meeting. Consisting of three members, the Audit Board's key responsibility is to supervise the management acts and to analyze the financial statements, with its findings reported to the shareholders.

Triunfo's executive officers, directors and Audit Board members formally take office after signing the Instrument of Consent of Managers required by the B3 Novo Mercado regulations.

The independent audit firm, BDO RCS Auditores Independentes - S.S., applies the procedures of accountability to shareholders and investors. In line with corporate governance best practices and pursuant to CVM Instruction 381/03, we inform that the independent auditors did not provide any services other than those related to audit. The compensation for fiscal year 2019 of the Company and its highway operations amounted to R\$710,000.

10. Capital Markets

Since its IPO in 2007, Triunfo has been listed on the Novo Mercado, which is the listing segment of the B3 with the highest corporate governance standards. The common shares, which trade under the ticker TPIS3, ended 2019 quoted at R\$1.69, with daily average trading volume of R\$765,000, or 457,200 shares. The total number of common shares is 176 million, and market capitalization at the end of 2019 was R\$297.4 million.

11. Dividends

Our Bylaws establish a minimum annual dividend corresponding to 25% of the net income reported in the financial statements. The annual declaration of dividends requires approval by a majority vote of shareholders at the Annual Shareholders Meeting and depends on various factors, such as operating results, financial condition, cash requirements and outlook, etc. In the fiscal year ended December 31, 2019, there was no dividend calculation base.

12. Investor Relations

Shareholders, investors and market analysts can obtain information from the website www.triunfo.com/ri They also may contact the company by e-mail: ri@triunfo.com or by telephone: +55 11 2169-3999, or through the Company's investor relations app. We believe that transparently reporting our results is fundamental for enabling the financial community to accurately analyze our activities.

13. Acknowledgements

We take this opportunity to thank our shareholders, users, service providers and especially our professionals, who play such a crucial role in our growth, for yet another year of dedicated service to the Company.