

CCR S.A.
(Publicly-held Company)

Individual and Consolidated Financial Statements for the Years ended
December 31, 2019 and 2018
and Independent Auditors' Report
on the Financial Statements

CCR S.A.

(Publicly-held Company)

Financial statements

as of December 31, 2019

Contents

Management Report	3 - 18
Independent auditors' report on individual and consolidated financial statements	19 - 25
Balance sheets	26 - 27
Statements of income	28
Statements of comprehensive income	29
Statement of changes in equity - Individual	30
Statement of changes in equity - Consolidated	31 - 32
Statements of cash flows - Indirect method	33 - 34
Statements of value added	35
Notes to the financial statements	36 - 188

Management Report

1. About the Company

1.1. To the shareholders

It is with great pleasure that we submit for your appreciation the Management Report and the Individual and Consolidated Financial Statements of CCR S.A. for the year ended December 31, 2019, together with the Independent Auditors' Report.

1.2. Presentation

CCR is the holding company of the CCR Group and its corporate purpose allows it to operate in highway, urban road, bridge, and tunnel concessions, in addition to subway, airport, water, and telecommunications infrastructure sector and other related sectors, as well as to hold participation in other companies.

CCR was created as the result of a strategic decision of its founding shareholders, to focus corporate efforts on a single company, improving the performance of each concessionaire by means of synergies and focus on excellency in operations.

Companies in which CCR directly and/or indirectly holds control or control jointly held with third parties are listed in note 1 to the Financial Statements - Operating report.

In order to expand its field of business, CCR plans to bid on new highway, urban road, and airport concessions via public bidding processes and Public and Private Partnerships (PPP) of the Federal, State and Municipal Governments, as well as acquire other existing concessionaires. The Company's strategy also includes seeking new opportunities in the foreign market.

1.3. Highlights for the year 2019

On January 11, Concessionária das Rodovias Integradas do Sul S.A., a wholly-owned subsidiary of Companhia de Participações em Concessões, a direct subsidiary of CCR, and the Federal Government, by means of the National Agency of Land Transportation, signed a Concession Agreement to exploit the infrastructure and provide public services of recovery, operation, maintenance, monitoring, upkeep, improvement, capacity expansion, and service-level maintenance of the Road System made up of sections of BR101/290/386/448/RS, in a section of BR-101/RS, between the SC/RS border until the junction with BR-290 (Osório); from BR-290/RS, at the junction with BR-101(A) (Osório) until km 98.1; from BR-386, at the junction with BR-285/377(B) (to Passo Fundo) until the junction with BR-470/116(A) (Canoas); and BR-448, at the junction with BR-116/RS-118 until the junction with BR-290/116 (Porto Alegre). The concession will last for 30 years.

On March 11, 2019, CCR communicated to its shareholders and the market in general that the International Competition Special Bidding Commission No. 01/2017, promoted by the State of São Paulo, through the Metropolitan Transportation Department - STM, declared that the commercial proposal presented by the Line 15 Consórcio ViaMobilidade, formed by CCR, as the leader (80%), and RUASINVEST PARTICIPAÇÕES S.A. (20%), was the best classified to provide, under an onerous concession regime, public passenger transportation services on Line 15-Silver of the São Paulo subway network, with monorail technology, comprising operation, maintenance, upkeep, improvements, and expansion.

Throughout 2019, the Company indirectly acquired additional share in VLT Carioca, corresponding to 42.023% of the capital, for R\$ 91,312, and now holds 66.9543% of the investee's capital, as well as its control, from October 7, 2019.

On December 6, the Company communicated to its shareholders and the market in general that the Company's Board of Directors approved the 12th issuance of simple debentures, totaling R\$ 800,000 thousand, falling due in 6 years.

1.4. Dividends (cash)

At a meeting of the Board of Directors *ad referendum* of the 2020 Annual General Meeting (AGM), held on May 2, 2019, the payment of dividends of R\$ 600,000 thousand, corresponding to approximately R\$ 0.30 per common share, was approved.

On October 15, 2019, a meeting of the Board of Directors *ad referendum* of the ASM above, approved dividends of R\$ 940,000 thousand, corresponding to approximately R\$ 0.47 per common share.

The amount paid in 2019 totaled R\$ 1,540,000 thousand, or approximately R\$ 0.76 per share, resulting in a payout of 107.1% in relation to the profit attributable to the parent company's shareholders.

1.5. Outlook and subsequent events

CCR continues to operate with synergies captured from administrative optimization of its businesses with positive impacts on its operating margins.

Management continues to search for new business opportunities in the national and international, primary and secondary markets, and in highway, urban mobility, and airport concession, as well as in related businesses, in line with its corporate purpose.

In the highway sector, there are multiple growth opportunities, as only about 10% of the road network paved throughout the national territory was granted to the private sector, according to the 2018 ABCR Annual Report.

According to information released by the Federal Government's Investment Partnership Program (PPI), the bidding or new auction processes for 14 federal highways are ongoing until 2022.

On February 21, 2020, CCR communicated to shareholders and the market in general that the Commission responsible for the bidding subject to Concession Auction Notices No. 02/2019, promoted by the Federal Government, through the National Agency of Land Transportation, declared that the winning proposal was the one presented by the Company regarding the concession to exploit infrastructure and the rendering of public services for recovery, operation, maintenance, monitoring, upkeep, implementation of improvements, capacity expansion, and service-level maintenance of the section BR-101/SC, between Paulo Lopes (km 244+680) and the border SC/RS (km 465+100) ("CONCESSION"), pending the award of the CONCESSION.

Three federal highways are undergoing a process of preparation a report of responses to contributions made during the public survey period for publication of concession call notices: BR-381/262/MG/ES, BR-163/230/MT/PA, and BR-153/080/GO/TO. In addition, the Public Survey process was initiated for the new auction of BR-116, in the section between Rio de Janeiro and São Paulo (Presidente Dutra highway), including the section of BR-101 between Rio de Janeiro and Ubatuba.

In the airport sector, the Federal Government announced that the 6th and 7th auction rounds should take place to grant to the private sector 6 groups of airports that add up to 40 assets, between 2020 and 2022. In 2019, the Federal Government began studies to sell 49% of Infraero's participation in Guarulhos, Brasília, Confins, and Galeão airports. The process is estimated to take place between 2020-2021.

In urban mobility, the Company is mapping opportunities in Brazil and abroad. In São Paulo, the bidding process of Line 7 of CPTM and Campinas TIC (Trem Intercidades) of Campinas are in the final stages of studies for publication of the documents for public hearing. The public hearing for Lines 8 and 9 of CPTM is scheduled for February 27, 2020.

Other projects are under analysis, such as the Brasília subway system, whose PMI studies were delivered to the Federal District Government and studies by CBTU and TRENSURB that are being conducted by BNDES. Abroad, the Company participated in the process of expressing interest for the operation of the Quito Metro, whose construction works will be completed in 2020.

2. Strategy and Management

2.1. Corporate governance

CCR and its subsidiaries are signatories to the UN Global Compact, especially the initiatives proposed by the Anti-Corruption Thematic Group, and are, therefore, committed to adopting the Integrity Handbook in the Construction Sector. Our success is based on principles of integrity and respect, our values described in the Code of Ethical Conduct and Clean Company Policy, in line with the guidelines defined by the New Market.

We constantly reinforce, with the support of Senior Management, the continuous disclosure and updating of the Compliance Program, created in 2015, by means of which we guide all employees, shareholders, managers and third parties, at all levels, on the need to develop sustainable business in line with internal policies, standards, and the legislation of the countries in which they operate.

We constantly seek the best market practices, fighting corruption, bribes, kickbacks, or facilitating payments. In this sense, the Program contains several policies and standards that address third-party risk assessment, donations and sponsorships, gifts and presents, interaction with public agents, and conflicts of interest. We constantly conduct training and communication campaigns, aiming at engaging everyone in the Compliance culture.

When monitoring compliance with these initiatives, CCR and its subsidiaries monitor the Compliance Program by mapping any non-conformities, which will be subject to disciplinary measures, if applicable.

CCR is committed to the continuous improvement of its corporate governance. At the end of 2018, CCR's Board of Directors decided to update and improve the Company's control mechanisms and corporate governance structure through the following measures:

- 1) Expanding the Executive Board to create the new Vice-Presidency of Governance, Compliance, and Internal Audit, and the Vice-Presidency of Corporate Management, and the former reports directly to the Board of Directors;
- 2) Hiring of top management consultancies to review the Company's governance structure in accordance with the best national and international practices, especially regarding the decision-making process;
- 3) Choosing an audit company selected from the top four to perform the risk mapping and structuring of CCR's risk management area;
- 4) Reviewing decision levels, internal policies and standards, as well as the respective Governance, Compliance, and Internal Audit processes, including the Bylaws and the Code of Ethical Conduct;
- 5) The Audit and Compliance Committee became statutory.

Those changes represent further development of pioneering initiatives already adopted by the CCR Group, such as the entry into the New Market and the creation of a Governance Committee in 2002.

In addition to the work carried out in 2018, the following measures were adopted in 2019:

- 1) Review of the Advisory Committees to the CCR Board of Directors, reduced from 6 to 5, with adjustment of scope and composition. They are: the Audit and Compliance Committee, Results and Finance Committee, Risks and Reputation Committee, and People and Governance Committee, composed exclusively of members of the Board of Directors and with the presence of at least one Independent Member in each Committee;
- 2) Mapping of the main decision-making processes of the Group with the help of specialized consultants, focusing on strategy, transparency, and responsibility;
- 3) Implementation of a governance portal for the various management forums of the holding company, Business Divisions and/or its subsidiaries, with improvement in the formalization of resolutions and the respective tracking of decision-making processes;
- 4) Development of an internal tool to monitor processes that depend on approval from different levels, which were also reviewed; and
- 5) Independent evaluation of the Board of Directors (CAD), advisory committees, secretary of the board and executive board, and analysis of the evaluation result, with a proposal for improvements in the operation of the evaluated forums.

Periodic training and updating workshops are part of this improvement program. For CCR, any commitment to governance represents the creation of intellectual capital and an important differential for cooperation in consortia and shared management in different operations.

The Company's shares are traded on the New Market, a segment that includes companies with the strictest governance standards of the São Paulo Stock Exchange (B3). In 2019, the average daily financial volume of CCR's shares traded on B3 was R\$ 117,831 thousand.

Management is professional and unrelated to the largest shareholders. The three largest shareholders have balanced interests, and none of them has any veto or singular approval rights.

In addition, in compliance with CVM Rulings and as provided in the Policy on Transactions with Related Parties, the Company informs the market annually, in May, through its Reference Form, of all contracts entered into between the companies of the CCR Group and its related parties, in effect as of December 31 of the previous year and/or executed in the last three years. In order for this to happen transparently and efficiently, the CCR Group's investment plan is previously approved for each business, and the investment of funds is, as relevant, financed by third parties who constantly monitor prices and execution, with the support of professionals and specialized companies. All of the above information is disclosed on the Company's and CVM's website, ensuring the traceability of its decision-making process.

The CCR Group's Compliance Program (which was created in the Group in 2015 with the preparation of the Code of Ethics and the Clean Company Policy) meets the strictest anti-bribery and anti-corruption rules and legal provisions in force in Brazil and in the world, in particular, Law No. 12.846/2013 (which provides for administrative and civil liability of legal entities for the practice of acts against the federal government, national or foreign, and other measures), Decree No. 8.420/2015 (which regulates Law No. 12.846/2013) and the FCPA (USA): *Foreign Corrupt Practices Act*.

Article 42 of Decree No. 8.420/2015 was widely considered in the elaboration and implementation of the CCR Group's Compliance Program, both in the preparation of internal standards and policies and in the design of the Program pillars: Top Management commitment, rules for donations and sponsorships, third-party due diligence, process monitoring, procedures

for interacting with public agents, conduct guidelines in electoral periods and during bidding and M&A processes, among others.

Compliance with the rules that make up the CCR Code of Ethical Conduct, which deal objectively with issues related to conflicts of interest, donations and contributions in general, relationships with politically exposed persons, money-laundering, and the recording of transactions in their accounting books, among others, is a previous precondition for the employability of all the Company's employees and, in particular, its leadership, which must ensure its effectiveness at all times.

This is also the case with the Clean Company Policy that specifically addresses the conduct of our employees in relation to public agents in general. The policy aims to provide transparency and traceability to CCR's necessary relationship, in the fulfillment of its corporate purpose, with public agencies and their agents, thus seeking to mitigate risks of inappropriate conduct. Doubts and possible misconduct are topics addressed by CCR's Ethics Line, an independent and anonymous communication channel, which helps the Company to monitor its employees' adherence to governance rules and principles.

Through the established standards and policies, continuous training, communication program, and risk assessments, the CCR Group's Integrity and Compliance program acquires maturity, mitigating corruption risks and increasing corporate security.

According to the Material Fact of 11/29/2018 (available on the CCR RI website), CCR S.A. and others of its subsidiaries, executed a Voluntary Disclosure and Settlement with the São Paulo State Public Prosecution Office (from Civil Inquiry No. 14.0695.0000295/2018), which is confidential and was approved by the São Paulo Courts. CCR S.A. committed to pay R\$ 81,530 thousand. The first installment was paid on 3/1/2019 and the second on 3/1/2020. According to the Material Fact of 7/18/2019, the State of São Paulo filed, on 7/15/2019, an appeal against the approval of the Voluntary Disclosure and Settlement. On February 4, 2020, the São Paulo State Court of Justice denied the appeal filed by the State of São Paulo, fully upholding the lower court decision.

According to the Material Fact of 3/6/2019 (available on the CCR RI website), the subsidiary RodoNorte - Concessionária de Rodovias Integradas S.A. entered into a Leniency Agreement with the Federal Public Prosecution Office - Federal Prosecutor Office in Paraná, duly approved, whereby RodoNorte committed to (a) pay R\$ 35,000 thousand as a fine provided for in the Misconduct Law, as well as (i) pay R\$ 350,000 thousand, as a 30% reduction in the toll fee in favor of users of all toll fee plazas operated by it, for the time necessary for the mentioned amount to be reached and (ii) execute construction works on the highways operated by it in the total amount of R\$ 365,000 thousand; and (b) submit to an external Compliance monitoring process under the terms therein. The Leniency Agreement was entered into under PA No. 1.25.000.004899/2018-42, conducted by the Federal Public Prosecution Office, whose purpose was to investigate, among other issues, certain facts involving the Company and some of its subsidiaries.

Aiming at strengthening Corporate Governance practices, the Risk, Compliance, Internal Controls, and Internal Audit areas were restructured and the reporting levels of these areas were adjusted, according to the concept of the three lines of defense.



The purpose is to establish a coordinated and continuous process of Risks, Compliance, and Internal Controls, validated by the Internal Audit. The synergy between these four areas is vital for the operations, providing a complete approach to the areas of the first line of defense, identifying and solving weaknesses and standardizing control.

Internal Audit has an independent role, and its scope of action is broad, aiming to contribute to the reliability of financial reports, safeguarding assets and compliance with internal laws and regulations.

The activities of the Internal Audit function include:

- 1) Execute the annual internal audit plan according to the priorities of the Board of Directors, scheduling and monitoring the work to be carried out in the different areas.
- 2) Observe compliance with the procedures, standards, and organizational policies and detect any deviations from their application by the Company, suggesting their correction.
- 3) Assess the internal control environment, with an emphasis on the risks of the audited process.
- 4) Measure and validate the implementation and effectiveness of the Company's risk management, compliance, and internal controls, through monitoring and periodic testing of processes, with an emphasis on priority risks.
- 5) Communicate new risks to the Risk Management team and weaknesses to the Internal Controls team.

Annual internal audits are carried out, arising from an internal audit plan approved by the Board of Directors. The internal audit plan is monitored by the Audit and Compliance Committee, which reports periodically to the Company's Board of Directors. The processes subject to internal audit in 2019 were:

YEAR 3 - Jun/2019 to May/2020
Process
Collection, Right of Way Management, and Accessory Revenues
Tariff Revenue
Relationship with Trade Associations and Unions
Development of New Business
Economic and Financial Rebalances
Related Party Management
Contractual rebalances with suppliers
Purchasing and Contracting
Automation of Highway Collection Audits
Collection (automated)
Relationship with Public Bodies

2019 Internal Audit in numbers

The activities carried out in 2019 by the Internal Audit Area involved:

- Creating and structuring of the Corporate Internal Audit area, working together with an external consultancy;
- Contracting a GRC (Governance, Risks, and Compliance) tool to provide a solution that meets, in an integrated manner, the areas of Risk Management, Compliance, Internal Controls, and Internal Audit, with implementation scheduled for the first half of 2020.
- A 81.3% increase in the number of hours contracted to perform internal audits;
- 16 processes audited in 13 Divisions and/or Units;
- Monthly meetings with the Audit and Compliance Committee to present the results of the internal audits and monitor the status of the action plans of previous internal audits.

More information and details on CCR's operations within the scope of corporate governance can be found on our website at www.grupoccr.com.br/ri.

2.2. Personnel management

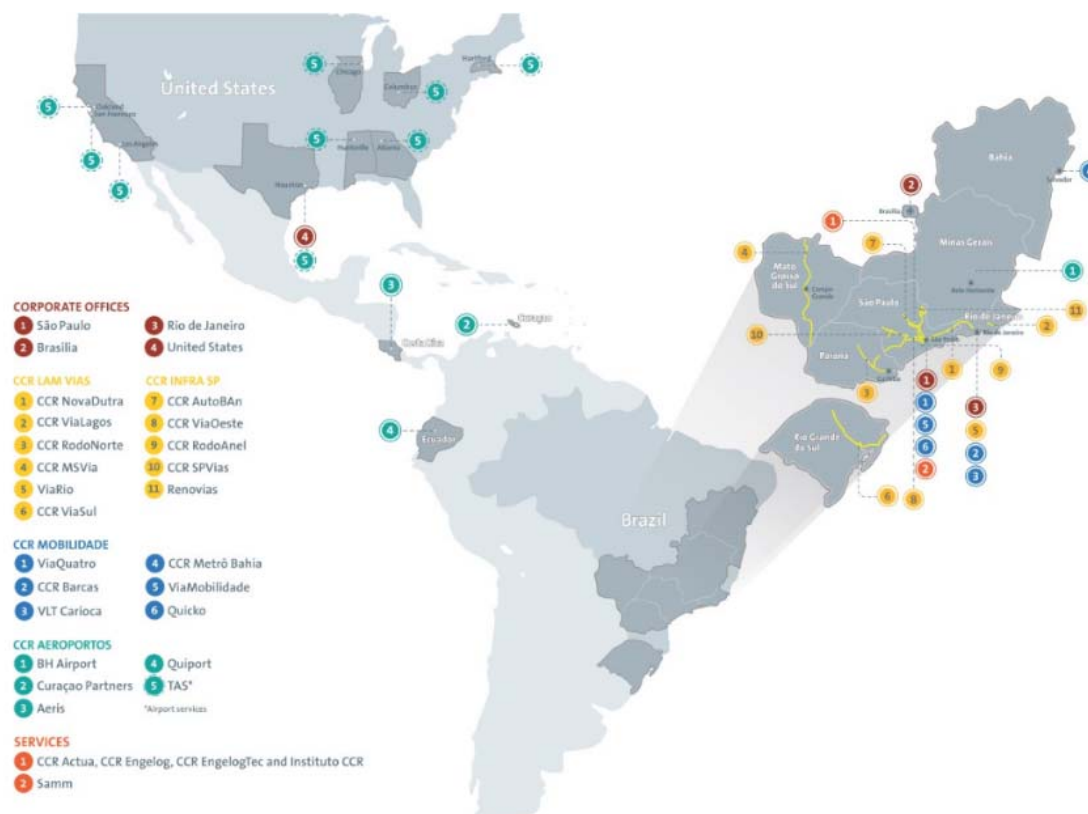
CCR believes in the creative, fulfilling and transforming capacity of human beings, which motivates teamwork and helps the company overcome challenges and exceed limits. Based on this belief, the company developed a personnel management policy focused on excellence in the selection, hiring, and development of employees, offering subsidies to promote the growth of its professionals in a solid and responsible manner.

This set of initiatives results in a high degree of employee satisfaction, which, on December 31, 2019, totaled 13,475 people, allocated in Brazil (in the States of São Paulo, Rio de Janeiro, Paraná, Bahia, Minas Gerais, Mato Grosso do Sul, and Rio Grande do Sul) and Costa Rica, Curaçao, and the United States. Considering the employees of joint ventures and outsourced companies of NovaDutra, the total number of employees reaches 15,788.

3. Economic and Financial Performance

3.1. Market

Our businesses are divided geographically as follows:



The states in which CCR operates, according to the most recent IBGE estimates, represented 59.4% of the Brazilian population in July 2019 and 69.8% of the 2017 Brazilian GDP.

3.2. CCR Performance

(R\$ thousands)	2018	2019	Var %
Gross operating revenue (including construction revenue)	10,449,044	11,386,506	9%
Gross operating revenue (excluding construction revenue)	8,869,929	10,290,090	16%
- Revenue from toll fees	6,552,929	7,050,051	7.6%
- Other revenues	2,317,000	3,240,039	39.8%
Deductions from gross revenue	-733,185	-795,695	8.5%
Gross revenue (excluding construction revenue)	8,136,744	9,494,395	16.7%
(+) Construction revenue	1,579,115	1,096,416	-30.6%
Costs and Expenses (a)	-7,528,403	-7,137,371	-5.2%
- Depreciation and amortization	-1,468,446	-1,941,956	32.2%
- Outsourced Services	-1,078,734	-1,268,434	17.6%
- Cost of grant	-154,587	-108,172	-30.0%
- Personnel cost	-1,331,723	-1,415,572	6.3%
- Construction cost	-1,573,482	-1,089,618	-30.8%
- Provision for maintenance	-194,799	-116,396	-40.2%
- Other Operating Costs and Results	-1,506,707	-918,595	-39.0%
- Appropriation of grant prepaid expenses	-219,925	-278,628	26.7%
Adjusted EBIT	2,187,456	3,453,440	57.9%
Adjusted EBIT Margin (b)	26.90%	36.37%	9,47 p.p.
(+) Equity in net income of subsidiaries	161,874	94,037	-41.9%
(+/-) Minority interest	146,557	11,803	-91.9%
EBIT (c)	2,495,887	3,559,280	42.6%
EBIT Margin	25.70%	33.61%	7,91 p.p.
(+) Depreciation and amortization	1,468,446	1,941,956	32.2%
EBITDA (c)	3,964,333	5,501,236	38.8%
EBITDA Margin	40.80%	51.94%	11,14 p.p.
(+) Provision for maintenance (d)	194,799	116,396	-40.2%
(+) Appropriation of prepaid expenses (e)	219,925	278,628	26.7%
(+/-) Equity in net income of subsidiaries	-161,874	-94,037	-41.9%
(+/-) Minority interest	-146,557	-11,803	-91.9%

(R\$ thousands)	2018	2019	Var %
Adjusted EBITDA	4,070,626	5,790,420	42.2%
Adjusted EBITDA Margin (f)	50.00%	60.99%	10,99p.p.
Net finance income (cost)	-979,397	-1,239,861	26.6%
Equity in net income of subsidiaries	161,874	94,037	-41.9%
Profit (Loss) before Income and Social Contribution Taxes	1,369,933	2,307,617	68.4%
Income and social contribution taxes	-733,751	-881,165	20.1%
Profit before Non-controlling Interests	636,182	1,426,452	124.2%
Minority interest	146,557	11,803	-91.9%
Profit attributable to the parent company's shareholders	782,739	1,438,255	83.7%
Endividamento bruto (g)	17,025,742	19,030,838	11.8%
Investments (cash)	2,114,000	1,707,795	-19.2%
Equivalent Vehicles (in thousands)	952,009	998,947	4.9%

- (a) Costs and expenses: the items presented in this group (by nature) are presented in the Company's consolidated financial statements, by function in the following groups: Cost of Sales and/or Services Provided, General and Administrative Expenses, Other Operating Results.
- (b) The adjusted EBIT margin was calculated by dividing the adjusted EBIT by net revenue, excluding net construction revenue, as this is an IFRS requirement, the counterpart of which affects total costs.
- (c) Calculated in accordance with CVM Ruling 527/12. EBIT is calculated by profit before interest and income tax and social contribution on profit. EBITDA is calculated by: profit attributed to controlling shareholders (not including the portion of the result attributed to noncontrolling shareholders) adjusted by the net financial result, by the income tax and social contribution expense on profit, and by the depreciation and amortization costs and expenses.
- (d) The maintenance provision refers to the estimate of future expenses with periodic maintenance in CCR's investees and is adjusted, as it refers to a relevant non-cash item in the financial statements.
- (e) It refers to the appropriation to the result of prepayments related to the concession and is adjusted, as it refers to the relevant non-cash item in the financial statements.
- (f) Adjusted EBITDA is calculated using EBITDA plus other non-cash expenses: (i) prepaid expenses, which refer to the accounting of the concession fee paid to the concession grantor on some of the highways in advance (AutoBA, RodoAnel Oeste, ViaOeste, and ViaLagos), and which are appropriated to the result during the concession periods; (ii) maintenance provision, which is the provision for meeting contractual obligations to maintain the infrastructure granted with a specific level of operations or to return the infrastructure to its specified condition before returning it to the Concession Grantor upon termination of the concession agreement, according to CPC 25; in addition to (iii) equity, which refers to the result of the Company's joint ventures, to which it is entitled; and (iv) participation of non-controlling shareholders, which reflects the participation of minority shareholders in the Company's investees. The adjusted EBITDA margin also excludes construction revenue from its calculation. The adjusted EBITDA margin was calculated by dividing the adjusted EBITDA by net revenue, excluding net construction revenue, as this is an IFRS requirement, whose equal counterpart affects total costs.
- (g) Gross Debt: sum of short and long-term loans, financing and debentures (net of transaction costs).

Gross operational revenue (excluding Construction Revenue)

The main component of gross operational revenue, revenue from toll fees, totaled R\$ 7,050,051 thousand in 2019 (+7.6% over 2018) and represented 68.5% of total gross revenue, excluding construction revenue. The change in this revenue component is a consequence of an increase in average tariffs, which grew by 2.5%, and a traffic growth by 4.9%.

On May 27, 2018, MP No. 833 was published, which provides for an exemption from charging suspended axis for empty trucks. This was one of the demands made by truck drivers during the strike that occurred in that same month.

As a consequence, as of May 28, the concessionaires RodoNorte, ViaLagos, and ViaRio and, as of May 31, AutoBA, RodoAnel Oeste, Renovias, SPVias, and ViaOeste began to exempt suspended axis in their toll fee plazas.

In the concessions of the State of São Paulo, Resolution SLT No. 4, dated May 30, 2018, revoked Resolution SLT No. 4, dated July 22, 2013, which authorized the collection of suspended axis in the State.

Excluding the effects of these exemptions, CCR's consolidated traffic would have grown by 6.2% in the 2019 comparison against 2018. These exemptions represented approximately R\$ 176,110 thousand and R\$ 325,890 thousand in revenue, in 2018 and 2019, respectively.

The line item of other gross revenues increased 39.8%, mainly due to the performance of revenue from subway, as a result of the ramp up of ViaQuatro (+11.7%), Metrô Bahia (+37.9%), and ViaMobilidade - Lines 5 and 17 (+258.8%), in addition to the acquisition of additional share in VLT and Aeris, and the consequent consolidation of the respective assets.

Total costs and expenses and other revenues

There was a reduction of 5.2% in relation to 2018, totaling R\$ 7,137,370 thousand in 2019. The main reasons for this change are:

- Depreciation and amortization expenses totaled R\$ 1,941,956 thousand in 2019. The 32.2% growth is mainly due to the proximity of the end of the NovaDutra and RodoNorte contract, in addition to the increase in participation in Aeris, which started to be consolidated in the 4th quarter of 2018.
- The outsourced services line item totaled R\$ 1,268,434 thousand in 2019, an increase of 17.6%. This result stems from: (i) increase in routine upkeep services at NovaDutra and MSVia; (ii) R\$ 27,345 thousand contribution from Aeris, which started to be consolidated in the 4th quarter of 2018, due to the participation increase; and (iii) a contribution of R\$ 45,154 thousand from ViaMobilidade and R\$ 28,651 from ViaSul, whose concession agreements were signed in August 2018 and January 2019, respectively.
- The concession fee reached R\$ 108,172 thousand in 2019. The 30.0% reduction was mainly due to the end of payments related to AutoBA and ViaOeste fixed concession fees in April and March 2018, respectively.
- Personnel costs reached R\$ 1,415,572 thousand in 2019, registering an increase of 6.3%. This increase was mainly due to: (i) a contribution of R\$ 108,246 thousand from ViaMobilidade; (ii) R\$ 25,792 thousand from ViaSul; and (iii) R\$ 37,030 thousand from Aeris.
- Construction costs reached R\$ 1,089,618 thousand, a 30.8% reduction compared to 2018. The change was mainly due to: (i) more relevant construction works on Metrô Bahia in 2018; (ii) retraction of investments made in ViaQuatro, NovaDutra, MSVia, and AutoBA; and (iii) ViaSul's contribution of R\$ 253,770 thousand to partially offset these reductions.
- The maintenance provision reached R\$ 116,396 thousand, a reduction of 40.2%. The variations occurred due to the periodicity of the maintenance construction works, with estimates on the costs to be provisioned, the balances already provisioned, and the corresponding calculation of their present value. The reduction was mainly due to: (i) termination of contractual interventions on SPVias pavement; and (ii) reimbursement of part of the amount previously provisioned at the NovaDutra concessionaire, which proved excessive in view of a new detailed study on the pavement conditions, considering the services already rendered in previous years.

- Other operational costs and results (insurance, rent, marketing, travel, electronic payment methods, and others) reached R\$ 918,595 thousand in 2019 compared to R\$ 1,506,707 thousand in 2018, a reduction of 39.0%. This reduction resulted from non-recurring effects that took place in 2018: (i) provision for fines and penalties as a result of the execution of the Leniency Agreement with the Federal Public Prosecution Office of R\$ 750,000 thousand at RodoNorte; (ii) the acquisition of an additional share in San José Airport, where the prior participation was remeasured, generating an increase in investments of over R\$ 91,614 thousand; (iii) provision for the fine resulting from the execution of the Voluntary Disclosure and Settlement with the Public Prosecution Office of the State of São Paulo of R\$ 81,530 thousand at CCR; and (iv) provision arising from the Collaboration Incentive Program (PIC) of R\$ 71,231 thousand at CCR. In 2019, in turn, the Group incurred mainly the following non-recurring costs: (i) payment of R\$ 65.3 million related to an extra-arbitration agreement with a supplier of Metrô Bahia; and (ii) ISS expense on NovaDutra, of R\$ 122.7 million, related to the non-withholding at source of ISS at the Consórcio Operador da Rodovia Presidente Dutra.

Financial result

In 2019, the net financial result was a negative R\$ 1,239,861 thousand, compared to a negative result of R\$ 979,397 thousand in 2018. The 26.6% increase mainly reflects: (i) 11.8% higher gross debt balance between the periods, mainly due to funding for the ViaSul concessionaire, which signed a contract on January 11, 2019; and (ii) termination of interest capitalization on Metrô Bahia.

Profit attributable to the parent company's shareholders

In 2019, the profit attributable to the parent company's shareholders reached R\$ 1,438,255 thousand, an increase of 83.7% compared to 2018.

Gross Debt

In 2019, the consolidated gross debt reached R\$ 19,030,838 thousand, compared to R\$ 17,025,742 thousand in 2018, an increase of 11.8%. Dollar debts represented 6.4% of the total gross debt. As an additional information, the Company had a net exposure of US\$ 21,198 thousand referring to the supplies of ViaQuatro and Metrô Bahia at the end of the year of 2019. The amount of debt with long-term maturity represented 78.9% of the total.

The change in gross debt was mainly due to the issuances and amortizations carried out throughout 2019, detailed in notes 17 and 18 of the Financial Statements.

Cash Investments (Including financial assets and maintenance)

In 2019, investments totaled R\$ 1,707,795 thousand. The concessionaires that invested the most were RodoNorte, ViaSul, NovaDutra and Aeris, representing, respectively, 28.2%, 18.7%, 10.7% and 9.1% of the total for the year. RodoNorte's investments focused on duplication and restoration works in multiple sections. In ViaSul, repayments were made for pavement recovery, equipment acquisition, and signaling, mostly. At NovaDutra, safety works were carried out. Aeris' investments focused on building of a new terminal and parking area for equipment used in land services.

Events deemed relevant to the market

On March 8, 2019, the 14th CCR Day was held. Public meetings were held in Porto Alegre on August 21 and in Belo Horizonte on November 5.

4. Sustainability

Sustainability is understood by the CCR Group as a strategic pillar to drive long-term value generation for its shareholders, customers, the society, employees, and all other stakeholders. Our culture of sustainability surrounds our business and is driven by a management structure dedicated to assessing risks, opportunities for improvement, and measuring the environmental, social, and economic impacts of our operations.

This strategic vision is ensured by a governance structure for sustainability that permeates the entire company, from the Board of Directors (CA) to the concessionaires that manage infrastructure assets. The activities of the Risks and Reputation Committee, which advises the Board of Directors, contributes to establishing guidelines to align business development with global demands and movements in favor of sustainable development, the improvement of relations with stakeholders, and the organization of donations and sponsorships to social and environmental projects.

The definition of the corporate sustainability strategy in the CCR Group is decided collectively through the Executive Board, the Risks and Reputation Committee, and the CCR Board of Directors. The Executive Board has a member responsible for managing the topic and a team responsible for disseminating and internalizing the concepts, practices, and strategy for the business units. The CCR Institute is responsible for planning and analyzing all social and environmental projects and making all social and environmental investments.

A solid set of corporate policies creates the basis for sustainability management to occur homogeneously across all businesses and in line with the CCR Group's strategic goals:

- Code of Ethics
- Environmental Policy
- Climate Change Policy
- Social Responsibility Policy
- Risk Management Policy
- Clean Company Policy

To learn more about these and other CCR Group policies, please access:

<http://ri.ccr.com.br/governanca-corporativa/politicas-estatuto-codigo-de-etica-e-acordo-de-acionistas/>

Aiming at the transparency of its actions, the CCR Group discloses, simultaneously and every year, to the financial statements the results and advances in management of business sustainability through the Annual and Sustainability Report. The most recent edition of the Annual and Sustainability Report is available at <http://www.grupoccr.com.br>.

4.1 Volunteer initiatives

The CCR Group participates voluntarily in external initiatives led by institutions recognized for their efforts to promote sustainable development.

The main movements to which the company adheres are:

- The Global Compact (United Nations - UN): UN initiative that disseminates 10 Principles to be followed by companies that aim to act with responsibility and sustainability.
- 2030 Agenda and the Sustainable Development Goals (SDGs): UN platform that aims to engage governments, companies, NGOs and citizens in favor of sustainable development.

- Carbon Disclosure Program (CDP): international coalition that promotes the publication of GHG (Greenhouse Gases) inventories and information on emissions management for investors.
- Global Reporting Initiative (GRI): multistakeholder organization that developed the most internationally accepted guidelines for reporting corporate sustainability management.
- Integrated Reporting (IIRC): the main goal of this framework is to explain to stakeholders how the company generates value over time in different types of capital.

4.2 CCR Institute

The CCR Institute, a non-profit entity, responsible for managing the CCR Group's social and environmental investment, enhances the positive impacts of the business that contribute to social and environmental development. Aligned with good practices and efficient management of its own resources and tax incentives, the CCR Institute invests and mobilizes partners around projects that value education and citizenship, culture and sport, health and quality of life, environmental awareness, and road safety. From 2020, there will be greater integration of sustainable business goals, promoting Quality of Life in three main areas: Social Inclusion, Education, and Health. Sustainability will be worked across the organization and investment in the Environment will focus on innovation and protection of the Environment.

To learn more about the CCR Institute's projects and investments, access the entity's website at www.institutoccr.com.br.

4.3 Acknowledgments and Awards

The CCR Group and its subsidiaries' sustainable business model has been continuously recognized by society. In 2019, the company received outstanding awards and acknowledgments, including:

- ISE 2019: for the 9th consecutive year, CCR was included in B3's Business Sustainability Index (ISE) portfolio.
- CNT Highway Research: AutoBAN ranked 2nd, while ViaOeste, SPVias, and NovaDutra were among the top 10.
- 2019 ARTESP Award (base year 2018) - "Best Concessionaire" category: CCR AutoBAN. "Relationship with Society" Category: CCR SPVias. "User's Choice" category: Renovias.
- 2019 Biggest & Best in Transportation: ViaQuatro - the country's best company of railroad for transportation of passengers for the third consecutive year.
- CDP (Carbon Disclosure Program): CCR receives Classification A in the CDP Supplier Engagement Leader Board 2019 award.
- *Empresas Mais* Award from "O Estado de São Paulo" newspaper: CCR AutoBAN ranked fifth in the Transportation and Logistics category.
- Skytrax World Airport Award: Mariscal Sucre International Airport, in Quito, Ecuador, managed by Quiport, was chosen for the 4th time as the best airport in South America.

- Airport Carbon Accreditation - ACI: Quito International Airport receives the International Carbon Neutral certificate.
- Airport Service Quality (ASQ) - ACI: International Airport Juan Santa Maria, managed by Aeris (Costa Rica) is the airport that has most improved among airports in Latin America and the Caribbean.
- Airport Service Quality (ASQ) - ACI: The Belo Horizonte International Airport, managed by BH Airport, was elected the best airport in Latin America and the Caribbean in the category "between 5 and 15 million passengers."
- Ministry of Infrastructure Passenger Satisfaction Survey: The Belo Horizonte International Airport ranked third with a score of 4.61 (scale from 0 to 5).
- CCR EngelogTec, representing the CCR Group, received the +100 Innovators in the Use of IT award, ranking third in the category of holding companies and business groups.

5. Final considerations

5.1. Independent Auditors

In compliance with CVM Ruling 381/2003, we inform that, in the year ended December 31, 2019, the Company and its investees in Brazil did not hire their Independent Auditors for jobs other than those related to external audit, except for compliance training and internal audit of R\$ 71 thousand and services for the compilation of public data on cargo and vehicle flows of R\$ 72 thousand, totaling R\$ 143 thousand, an amount less than the 5% allowed in paragraph 2 of article 2 of that Ruling. Those services had a term not exceeding one year.

In our relationship with the Independent Auditors we seek to assess conflicts of interests with non-auditing assignments based on the principle that the auditor should not audit his/her own work, perform management duties, and promote our interests.

The financial information presented here is in line with the criteria of the Brazilian corporate law and was prepared based on audited financial statements. Non-financial information, as well as other operating information, was not audited by the independent auditors.

5.2. Arbitration Clause

CCR is bound to the arbitration of the Market Arbitration Chamber, pursuant to the Arbitration Clause contained in its Bylaws.

5.3. Statement of the Executive Board

In compliance with the provisions contained in article 25 of CVM Ruling No. 480, dated December 7, 2009, as amended, the Company's Executive Board states that it has unanimously discussed, reviewed, and agreed with the opinions expressed in the KPMG Auditores Independentes Report ("KPMG") on the Company's Financial Statements, issued on this date, and with the Financial Statements related to the year ended December 31, 2019.

5.4. Acknowledgments

We wish to show our gratitude to the users, shareholders, government institutions, lenders, service providers, all employees of the CCR Group, and other stakeholders.

São Paulo, March 4, 2020.

The Management.



KPMG Auditores Independentes

Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A

04711-904 - São Paulo/SP - Brasil

Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil

Telefone +55 (11) 3940-1500

kpmg.com.br

Independent auditors' report on individual and consolidated financial statements

To the shareholders, board of directors and management of
CCR S.A.

São Paulo – SP

Qualified opinion

We have audited the individual and consolidated financial statements of CCR S.A. ("the Company"), respectively referred to as Parent Company and Consolidated, which comprise the statement of financial position as at December 31, 2019 the statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Qualified opinion on individual financial statements

In our opinion, except for the possible effects in the matter described in the section called "Basis for qualified opinion", the accompanying individual financial statements present fairly, in all material respects, the financial position of the CCR S.A. as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil.

Qualified opinion on consolidated financial statements

In our opinion, except for the possible effects in the matter described in the section called "Basis for qualified opinion", the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the CCR S.A. as at December 31, 2019, and of its consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the *International Accounting Standards Board* (IASB).

Basis for qualified opinion

According to note 28 to the individual and consolidated financial statements, the Company and certain companies of the CCR Group signed a Self-Composition Agreement with the Public Ministry of the State of São Paulo and the Leniency Agreement with the Federal Public Ministry - Federal Prosecutor's Office in the State Paraná ("Instruments"). The material effects of these instruments were reflected in the individual and consolidated financial statements issued. Investigations by public authorities have not been completed and, therefore, new information may be revealed in the future. The Company was unable to provide us with all the information and related documentation, as they are protected by a

secret of justice, as mentioned in the aforementioned note. Currently, it is not practicable to determine if there is a probable loss arising from a present obligation in view of a past event, nor to make a reasonable measurement as to any new liability provisions on this matter for these financial statements.

Consequently, it was not possible to determine whether there would have been a need to make additional adjustments and / or disclosures in the individual and consolidated financial statements as of December 31, 2019 and corresponding information disclosed for comparison purposes.

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matters - Statements of added value

The individual and consolidated statements of added value (DVA) for the year ended December 31, 2019, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Added Value issued by the Committee for Accounting Pronouncements (CPC). In our opinion, except for the possible effects of the matter described in the section above entitled "Basis for qualified opinion", these statements of added value have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As describe in the section "Basis for qualified opinion", it was not possible to conclude if other information could also be materially misstated due to the same reason, in relation to values and other aspects described in that section.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the section "Basis for qualified opinion", we determined that the matters described below are main audit matters to be disclosed in our report.

Impairment of non-financial assets related to concessions - Individual and Consolidated

See notes 2 (i), 13 and 15 to the individual and consolidated financial statements.

Key Audit Matters	How this matter was addressed
<p>The Company has evaluated the carrying amount of its non-financial assets to determine whether there is any indication of impairment for certain subsidiaries and joint ventures considered as significant component and used the value in use or fair value less cost of sale, whichever is the greater, for measurement of the recoverable value.</p> <p>The value in use calculation it was based on budgets approved by the Company from the date of the evaluation by the end of concession period, taking into consideration discount rates that reflect specific risks related to components.</p> <p>Regarding to fair value calculation used to measure the recoverable value in one of the cash-generating units, the cost approach (commonly referred to as replacement or replacement cost) was used, which includes the assessment of indemnities to be received from the concession grantor in the event of the return, new auction or forfeiture of the concession contract.</p> <p>Due to the uncertainties over the estimated future cash flows and assumptions carried out to determine the recoverable amount of its non-financial assets that includes the estimated volume of traffic/users of CCR's infrastructure projects, the monetary restatement applied to its fares, growth and fluctuations of Gross Domestic Product (GDP) of business segment, operating costs, inflation rates, capital investment and discount rate as well as due to the uncertainties inherent in the process of determining fair value, the complexity on this process, in which requires a significant level of judgment undertaken by the Company regarding the accounting estimate, we considered this a key audit matter.</p>	<p>Subsidiaries and joint ventures considered as significant components and with an indicator of impairment of non-financial assets, we obtain an understanding of the design of internal controls related to the preparation and review of the business plan, budgets and impairment testing provided by the Company.</p> <p>With the assistance of our specialists in corporate finance, we evaluated the key assumptions and technical data used by the Company in measuring the recoverable value of non-financial assets, and we compared the assumptions used with data available in the market. We conducted a sensitivity analysis of the assumptions and methodology used by the Company.</p> <p>We also evaluate, for the fair value measurement, the indemnities that are provided for in the concession contracts, in case of termination of the concession contract before its contractual term. We also evaluated the legal opinion of the Company's internal and external legal advisors regarding these indemnities.</p> <p>In addition, we evaluated the disclosures in the financial statements and their compliance with the assumptions and judgments used to test the Company's assets impairment.</p> <p>According to the evidences obtained by applying the procedures summarized above, we considered that the value of non-financial assets, as well as respective disclosures are acceptable in the context of financial statements taken as a whole for the year ended December 31, 2019 taken as a whole.</p>

Recoverability of deferred income and social contribution taxes - individual and consolidated

See notes 2 (n) and 10 to the individual and consolidated financial statements.

Key Audit Matters	How this matter was addressed
<p>The Company has deferred income and social contribution taxes arise from temporary differences, tax losses carried forward and negative social contribution basis . These balances are recognized to the extent that it is likely that future taxable income will be available in order to recover those balances. The estimated future taxable profit was undertaken by the Company in according to its judgment and supported by its business plan.</p> <p>We considered this a key audit matter, due to the uncertainties and the high level of judgment inherent in making estimates of future taxable profit that are based on assumptions affected by the future expected conditions of the economy and the markets as well as the estimated growth on revenues from each Company's operating business, which may be impacted by economic growth and slowdown, expected inflation rates, demographic changes, traffic flow, among others.</p>	<p>For certain subsidiaries and joint ventures considered as significant components, we obtain an understanding of the design of internal controls related to the preparation and review of the business plan, budgets and impairment testing provided by the Company.</p> <p>With support of our tax experts, we performed the mathematical recalculation of the calculation of deferred income and social contribution taxes, assessing whether the additions and exclusions are in accordance with tax legislation. With support of our corporate finance experts, we recalculated the projections of future taxable income for the realization of temporary differences, tax losses carryforward and negative social contribution basis , evaluated the key assumptions and technical data used by the Company to estimate the future taxable profit, and we compared the assumptions used with data available in the market. We conducted a sensitivity analysis of the assumptions and methods used.</p> <p>We also considered the disclosures in the financial statements, regarding the estimated term for using the deferred tax resulting from tax losses carryforward and negative social contribution basis.</p> <p>According to the evidences obtained by applying the procedures summarized above, we considered that assumptions and methodologies used in the determination of future taxable profit and amount of deferred income and social contribution taxes, as well as respective disclosures are acceptable in the context of the financial statements taken as a whole for the year ended December 31, 2019.</p>

Contingent liabilities – Individual e consolidated

See notes 2 (j) and 19 to the individual and consolidated financial statements.

Key Audit Matters	How this matter was addressed
<p>The Company is a standing in civil, labor, tax and social security lawsuits and administrative proceedings arising from the normal course of its activities.</p> <p>The outcome and financial effect estimates are determined by the nature of the actions and the judgment of the Company, through the opinion of the legal experts, based on the elements of the process, complemented by the experience of similar demands.</p> <p>Changes in the assumptions used by the Company to exercise this significant judgment, or changes in external conditions, including the positioning of authorities in civil, labor and tax spheres, given the high degree of complexity of some laws and regulations in Brazil, can significantly impact the amount recognized and disclosed in the financial statements.</p> <p>Due to the relevance, complexity and judgment involved in the assessment, measurement, timing of recognition and disclosures related to provisions and contingent liabilities, we consider this matter relevant to our audit.</p>	<p>We evaluated the adequacy of the provisions for recognized contingencies and the amounts of the contingencies disclosed, through the evaluation of the criteria and assumptions used in the Company's measurement methodology, also considering the evaluation of its internal and external legal advisors.</p> <p>We sent out letters of confirmation of the contingency position to external lawyers on the base date of December 31, 2019 and we compared the contingency reports prepared by the Company with the responses to the confirmation letters. With support of our legal experts, we evaluated, for the most relevant tax proceedings, the main jurisprudence related to the matters under discussion, including the classification of the expectation of loss attributed by legal advisors external to the Company. We compared the likelihood of loss of the main tax theses of our legal experts and that of the Company.</p> <p>We also evaluated whether the disclosures made in the financial statements provide information on the nature, exposure, amounts provisioned or disclosed in relation to the main contingencies that the Company is involved.</p> <p>According to the evidences obtained by applying the procedures summarized above, we consider that the balances related to the contingent liabilities, as well as respective disclosures are acceptable in the context of the financial statements taken as a whole for the year ended December 31, 2019.</p>

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

The 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 with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as it determined that is necessary to enable the preparation of 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 assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Company and its subsidiaries are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 4, 2020

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
Wagner Bottino
Accountant CRC 1SP196907/O-7

CCR S.A.
(Publicly-held company)

Balance sheets

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

		Parent company		Consolidated	
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	8	106,836	436,799	1,263,212	1,267,097
Financial investments	8	1,213,070	926,552	3,710,393	1,746,232
Interest earnings – reserve account	8	2,115	-	18,372	8,255
Accounts receivable	9	-	-	1,341,233	892,654
Accounts receivable - related parties	12	31,689	22,144	22,675	4,311
Recoverable taxes		85,035	103,695	188,385	150,137
Concession-related prepayments	11	-	-	278,628	278,628
Trade receivables - operations with derivatives	25	-	-	91,898	188,656
Advances to suppliers		295	941	27,219	62,050
Interest on capital		62,507	160,106	-	-
Prepaid expenses and others		2,757	1,967	189,911	142,702
Total current assets		1,504,304	1,652,204	7,131,926	4,740,722
Non-current assets					
Long-term assets					
Trade receivables	9	-	-	2,831,364	1,827,751
Interest earnings – reserve account	8	-	2,138	44,670	2,141
Loans - related parties	12	424,461	500,103	190,642	393,336
Advance for capital increase - related parties	12	5,976	613,800	1,057	888
Recoverable taxes		70,088	47,653	169,991	149,901
Deferred taxes	10b	-	-	835,204	783,181
Concession-related prepayments	11	-	-	2,391,344	2,669,972
Trade receivables - operations with derivatives	25	-	-	-	75,763
Advances to suppliers		-	-	-	14,892
Prepaid expenses and other		79	121	248,454	213,668
		500,604	1,163,815	6,712,726	6,131,493
Investments	13	9,442,013	8,167,728	740,649	1,264,639
Property, plant and equipment	14	35,772	53,429	1,030,861	1,083,039
Intangible assets	15	40,742	20,032	16,309,013	16,204,084
Intangible assets under construction	15	-	-	1,198,626	1,392,021
Leases	16	-	-	138,286	-
Total non-current assets		10,019,131	9,405,004	26,130,161	26,075,276
Total assets		11,523,435	11,057,208	33,262,087	30,815,998

See the accompanying notes to the financial statements.

Balance sheets

December 31, 2019 and 2018

(In thousands of reais)

		Parent company		Consolidated	
		2019	2018	2019	2018
	Note				
Liabilities					
Current liabilities					
Loans, financing and leases	17	-	-	342,767	119,331
Debentures and promissory notes	18	779,907	12,752	3,707,276	2,868,758
Accounts payable - operations with derivatives	25	-	-	-	832
Suppliers		7,370	5,356	457,304	471,331
Income and social contribution taxes		8	8	286,479	196,569
Taxes and contributions payable		14,677	7,631	141,459	107,659
Taxes and contributions in installments	21	-	-	2,277	430
Social and labor obligations		42,384	40,310	303,791	238,289
Suppliers and accounts payable – Related parties	12	63	267	123,996	155,269
Loans - related parties	12	-	17,200	291,944	3,598
Interest on capital		395	352	804	1,511
Provision for maintenance	20	-	-	125,824	289,081
Obligations with the Concession Grantor	26 (c) e (d)	-	-	103,208	98,816
Self-Composition agreement and lenience agreement	28	34,368	49,265	394,734	349,456
Leases	16	-	-	27,956	-
Other liabilities		21,808	17,173	209,489	154,694
Total current liabilities		900,980	150,314	6,519,308	5,055,624
Non-current liabilities					
Loans, financing and leases	17	-	-	6,384,668	5,424,792
Debentures and promissory notes	18	2,036,038	2,002,356	8,596,127	8,612,861
Taxes and contributions payable		-	-	14,323	9,437
Taxes and contributions in installments	21	-	-	3,269	952
Deferred taxes	10b	121,968	146,559	547,164	549,133
Deferred PIS and COFINS		-	-	13,996	24
Social and labor obligations		5,809	-	30,916	10,979
Advance for capital increase - related parties	12	1,916	1,916	56,357	45,607
Loans - related parties	12	-	-	92,121	9
Provisions for civil, labor, social security and tax risks	19	96	66	145,245	137,192
Provision for maintenance	20	-	-	224,159	231,473
Provision for unsecured liability	13	276,765	436,454	135	-
Obligations with the Concession Grantor	26 (c) e (d)	-	-	1,638,297	1,603,561
Loans granted to third parties		-	-	102,135	96,486
Self-Composition agreement and lenience agreement	28	-	32,265	216,049	482,074
Leases	16	-	-	118,037	-
Other liabilities		41,075	55,784	120,087	123,060
Total non-current liabilities		2,483,667	2,675,400	18,303,085	17,327,640
Equity					
Capital	22 (a)	6,022,942	6,022,942	6,022,942	6,022,942
Share of profit of investees	22 (f)	524,207	508,164	524,207	508,164
Profit reserves	22 (b) e (c)	984,651	1,686,396	984,651	1,686,396
Additional dividends proposed	22 (d)	600,000	-	600,000	-
Goodwill in capital transaction		6,988	13,992	6,988	13,992
Equity of parent company's shareholders		8,138,788	8,231,494	8,138,788	8,231,494
Interest of non-controlling shareholders		-	-	300,906	201,240
		8,138,788	8,231,494	8,439,694	8,432,734
Total liabilities and equity		11,523,435	11,057,208	33,262,087	30,815,998

See the accompanying notes to the financial statements.

Statements of income

for the period ended December 31, 2019 and 2018

(In thousands of reais - R\$, unless otherwise stated)

	Note	Parent company		Consolidated	
		2019	2018	2019	2018
Net revenue	23	95,301	91,192	10,590,811	9,715,859
Cost of services rendered					
Construction cost		-	-	(1,089,618)	(1,573,482)
Services		(744)	(1,971)	(984,700)	(850,087)
Cost of grant		-	-	(386,799)	(374,512)
Depreciation and amortization		(1,078)	(982)	(1,889,483)	(1,416,785)
Personnel cost		(25,602)	(27,789)	(1,050,616)	(944,211)
Provision for maintenance	20	-	-	(116,396)	(194,799)
Material, equipment and vehicles		(153)	(56)	(211,077)	(173,470)
Others		(816)	(926)	(371,957)	(324,292)
		<u>(28,393)</u>	<u>(31,724)</u>	<u>(6,100,646)</u>	<u>(5,851,638)</u>
Gross profit		<u>66,908</u>	<u>59,468</u>	<u>4,490,165</u>	<u>3,864,221</u>
Operating expenses					
General and administrative expenses					
Personnel expenses		(74,390)	(141,734)	(364,956)	(387,512)
Services		(91,215)	(87,388)	(283,734)	(228,647)
Material, equipment and vehicles		(759)	(1,122)	(16,681)	(12,589)
Depreciation and amortization		(13,001)	(11,683)	(52,473)	(51,661)
Advertisement campaigns and events, trade fairs and bulletins		(1,843)	(1,208)	(40,286)	(40,271)
Provisions for civil, labor and social security risks		(30)	(6)	(3,108)	(6,440)
Rouanet Law, audiovisual, sports and other incentives		(150)	(75)	(16,906)	(30,125)
Provision for expected loss - Accounts receivable		-	-	(4,132)	(4,296)
Water, electricity, telephone, Internet and gas		(1,259)	(1,250)	(14,234)	(13,314)
Contributions to unions and trade associations		(644)	(959)	(13,210)	(11,677)
Rentals of properties and condominiums		(4,095)	(4,768)	(6,902)	(5,678)
Taxes, rates and notary office expenses		(779)	(1,409)	(134,741)	(13,272)
Contractual indemnities		(136)	(273)	(59,589)	(273)
Reimbursement to the user		-	(6)	(14,006)	(27,369)
Expenses with travels and accommodation		(3,335)	(3,911)	(13,990)	(11,899)
Others		(6,034)	(5,483)	(66,067)	(42,445)
		<u>(197,670)</u>	<u>(261,275)</u>	<u>(1,105,015)</u>	<u>(887,468)</u>
Profit of equity-accounted investees	13	1,630,038	1,077,577	94,037	161,874
Self-Composition Agreement, Collaboration Incentive Program and Leniency Agreement	28	(21,310)	(152,761)	(43,216)	(902,761)
Other operating income		<u>1,308</u>	<u>(276)</u>	<u>111,507</u>	<u>113,464</u>
Profit before finance income (expense)		<u>1,479,274</u>	<u>722,733</u>	<u>3,547,478</u>	<u>2,349,330</u>
Finance income (expense)	24	<u>(65,610)</u>	<u>18,159</u>	<u>(1,239,861)</u>	<u>(979,397)</u>
Operating income and before income and social contribution taxes		<u>1,413,664</u>	<u>740,892</u>	<u>2,307,617</u>	<u>1,369,933</u>
Income and social contribution taxes - current and deferred	10a	<u>24,591</u>	<u>35,700</u>	<u>(881,165)</u>	<u>(733,751)</u>
Net income for the period		<u>1,438,255</u>	<u>776,592</u>	<u>1,426,452</u>	<u>636,182</u>
Attributable to:					
Owners of the Company		1,438,255	776,592	1,438,255	782,739
Non-controlling interest		<u>-</u>	<u>-</u>	<u>(11,803)</u>	<u>(146,557)</u>
Earnings per share – basic and diluted (in reais - R\$)	22f	<u>0.71201</u>	<u>0.38445</u>	<u>0.71201</u>	<u>0.38749</u>

See the accompanying notes to the financial statements.

CCR S.A.

Statements of comprehensive income

for the period ended December 31, 2019 and 2018
(In thousands of Brazilian reais - R\$)

		Parent company		Consolidated	
		2019	2018	2019	2018
Profit for the period		1,438,255	776,592	1,426,452	636,182
Other comprehensive income					
Items that will be subsequently reclassified in the statement of income					
Equity adjustment - pension plan	22e	4,459	696	4,459	696
		<u>4,459</u>	<u>696</u>	<u>4,459</u>	<u>696</u>
Items that will be subsequently reclassified in the statement of income					
Adjustments on translation of financial statements of foreign subsidiaries	22e	14,009	191,290	14,009	191,290
Income (loss) on cash flow hedge	22e	251	17,746	251	17,746
Activation of cash flow hedge		(3,926)	(21,785)	(3,926)	(21,785)
Income and social contribution		1,250	1,372	1,250	1,372
Income (loss) from cash flow hedge - joint ventures	22e	-	185	-	185
controlling shareholders	22e	-	-	388	674
		<u>11,584</u>	<u>188,808</u>	<u>11,972</u>	<u>189,482</u>
Total comprehensive income for the period		<u>1,454,298</u>	<u>966,096</u>	<u>1,442,883</u>	<u>826,360</u>
Attributable to:					
Owners of the Company		1,454,298	966,096	1,454,298	972,243
Non-controlling interests		-	-	(11,415)	(145,883)

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CCR S.A.

(Publicly-held Company)

Statement of changes in equity - Individual

for the period ended December 31, 2019 and 2018

(In thousands of Brazilian reais - R\$)

	Capital		Capital reserves		Earnings reserve		Additional dividend proposed	Other comprehensive income	Retained earnings	Total
	Capital	Borrowing costs	Transactions with shareholders	Goodwill in capital transaction	Legal	Earnings retention				
Balance at January 1, 2018	6,126,100	(102,902)	49,820	(35,828)	500,665	1,209,139	100,177	318,660	-	8,165,831
Net income for the year	-	-	-	-	-	-	-	-	776,592	776,592
Other comprehensive income	-	-	-	-	-	-	-	189,504	-	189,504
Borrowing costs	-	(256)	-	-	-	-	-	-	-	(256)
Allocations:										
Legal reserve	-	-	-	-	38,830	-	-	-	(38,830)	-
Additional dividend proposed at April 13, 2018	-	-	-	-	-	-	(100,177)	-	-	(100,177)
Interim dividends at October 18, 2018	-	-	-	-	-	-	-	-	(378,000)	(378,000)
Interim dividends at October 18, 2018	-	-	-	-	-	(422,000)	-	-	-	(422,000)
Retained earnings	-	-	-	-	-	359,762	-	-	(359,762)	-
Balance at December 31, 2018	<u>6,126,100</u>	<u>(103,158)</u>	<u>49,820</u>	<u>(35,828)</u>	<u>539,495</u>	<u>1,146,901</u>	<u>-</u>	<u>508,164</u>	<u>-</u>	<u>8,231,494</u>
Net income for the year	-	-	-	-	-	-	-	-	1,438,255	1,438,255
Other comprehensive income	-	-	-	-	-	-	-	16,043	-	16,043
Ágio RodoNorte - 1.2830% on December 20, 2019	-	-	-	(7,004)	-	-	-	-	-	(7,004)
Allocations:										
Legal reserve	-	-	-	-	71,913	-	-	-	(71,913)	-
Interim dividends at May 02, 2019	-	-	-	-	-	(600,000)	-	-	-	(600,000)
Interim dividends at October 15, 2019	-	-	-	-	-	(513,000)	-	-	-	(513,000)
Interim dividends at October 15, 2019	-	-	-	-	-	-	-	-	(427,000)	(427,000)
Highlight of proposed additional dividend	-	-	-	-	-	(33,901)	600,000	-	(566,099)	-
Profit reserve constitution	-	-	-	-	-	373,243	-	-	(373,243)	-
Balance at December 31, 2019	<u>6,126,100</u>	<u>(103,158)</u>	<u>49,820</u>	<u>(42,832)</u>	<u>611,408</u>	<u>373,243</u>	<u>600,000</u>	<u>524,207</u>	<u>-</u>	<u>8,138,788</u>

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CCR S.A.

(Publicly-held company)

Statement of changes in equity - Consolidated

for the period ended December 31, 2019 and 2018

(In thousands of Brazilian reais - R\$)

	Capital		Capital reserves		Earnings reserve					Equity attributable to owners of the Company	Noncontrolling interests	Consolidated equity
	Capital	Borrowing costs	Transactions with shareholders	Goodwill in capital transaction	Legal	Earnings retention	Additional dividend proposed	Other comprehensive income	Retained earnings			
Balances at December 31, 2018	6,126,100	(103,158)	49,820	(35,828)	539,495	1,146,901	-	508,164	-	8,231,494	201,240	8,432,734
Capital increase in subsidiary RodoNorte	-	-	-	-	-	-	-	-	-	-	6,858	6,858
Capital increase in subsidiary Quiama	-	-	-	-	-	-	-	-	-	-	5	5
Capital increase in subsidiary ViaMobilidade	-	-	-	-	-	-	-	-	-	-	3,343	3,343
Capital increase in subsidiary Toronto	-	-	-	-	-	-	-	-	-	-	3,020	3,020
Capital increase in subsidiary Linha 15	-	-	-	-	-	-	-	-	-	-	1,216	1,216
Advance for future capital increase VLT	-	-	-	-	-	-	-	-	-	-	30,210	30,210
Reversal of RodoNorte's minority dividend distribution	-	-	-	-	-	-	-	-	-	-	22,163	22,163
Distribution of ViaQuatro minority dividends	-	-	-	-	-	-	-	-	-	-	(41,620)	(41,620)
Distribution of CAI minority dividends	-	-	-	-	-	-	-	-	-	-	(403)	(403)
Distribution of ViaMobilidade minority dividends	-	-	-	-	-	-	-	-	-	-	(6,988)	(6,988)
Acquisition of a 45.372% stake in VLT on October 7, 2019	-	-	-	-	-	-	-	-	-	-	132,090	132,090
Reduction of 12.326% in the VLT	-	-	-	-	-	-	-	-	-	-	(35,459)	(35,459)
Ágio RodoNorte - 1.2830% em 20 de dezembro de 2019	-	-	-	(7,004)	-	-	-	-	-	(7,004)	-	(7,004)
Interest on Equity	-	-	-	-	-	-	-	-	-	-	(3,354)	(3,354)
Net income for the year	-	-	-	-	-	-	-	-	1,438,255	1,438,255	(11,803)	1,426,452
Other comprehensive income	-	-	-	-	-	-	-	16,043	-	16,043	388	16,431
Allocations:												
Legal reserve	-	-	-	-	71,913	-	-	-	(71,913)	-	-	-
Interim dividends at May 02, 2019	-	-	-	-	-	(600,000)	-	-	-	(600,000)	-	(600,000)
Interim dividends at October 15, 2019	-	-	-	-	-	(513,000)	-	-	-	(513,000)	-	(513,000)
Interim dividends at October 15, 2019	-	-	-	-	-	-	-	-	(427,000)	(427,000)	-	(427,000)
Highlight of proposed additional dividend	-	-	-	-	-	(33,901)	600,000	-	(566,099)	-	-	-
Profit reserve constitution	-	-	-	-	-	373,243	-	-	(373,243)	-	-	-
Balance at December 31, 2019	6,126,100	(103,158)	49,820	(42,832)	611,408	373,243	600,000	524,207	-	8,138,788	300,906	8,439,694

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity - Consolidated
for the year ended December 31, 2019 and 2018

(In thousands of reais)

	Capital	Cost of shares issuance	Transactions with	Goodwill in capital transaction	Profit reserve		Additional dividend proposed	Other comprehensive income	Retained earnings	Equity of parent company's shareholders	Interest of non-controlling shareholders	Consolidated equity
					Legal	Retained earnings						
Balance at January 1, 2018	6,126,100	(102,902)	49,820	(35,828)	500,665	1,202,992	100,177	318,660	-	8,159,684	332,763	8,492,447
Capital increase in subsidiary RodoNorte	-	-	-	-	-	-	-	-	-	-	1,084	1,084
Capital increase in subsidiary Quiama	-	-	-	-	-	-	-	-	-	-	22	22
Capital increase in subsidiary BH Airport	-	-	-	-	-	-	-	-	-	-	71,050	71,050
Capital increase in subsidiary SPAC	-	-	-	-	-	-	-	-	-	-	18,677	18,677
Capital increase in subsidiary ViaMobilidade	-	-	-	-	-	-	-	-	-	-	10,008	10,008
Capital increase in subsidiary Toronto	-	-	-	-	-	-	-	-	-	-	402	402
Acquisition of additional interest (48.40%) in Aeris October 1, 2018	-	-	-	-	-	-	-	-	-	-	1,843	1,843
Payment of dividends of CAI's non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(387)	(387)
Payment of dividends of RodoNorte's non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(24,634)	(24,634)
Payment of dividends of ViaQuatro's non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(59,636)	(59,636)
Interest on capital	-	-	-	-	-	-	-	-	-	-	(4,069)	(4,069)
Net income for the year	-	-	-	-	-	-	-	-	782,739	782,739	(146,557)	636,182
Cost of shares issuance	-	(256)	-	-	-	-	-	-	-	(256)	-	(256)
Other comprehensive income	-	-	-	-	-	-	-	189,504	-	189,504	674	190,178
Allocations:												
Legal reserve	-	-	-	-	38,830	-	-	-	(38,830)	-	-	-
Additional dividends proposed at April 13, 2018	-	-	-	-	-	-	(100,177)	-	-	(100,177)	-	(100,177)
Interim dividends at October 18, 2018	-	-	-	-	-	-	-	-	(378,000)	(378,000)	-	(378,000)
Interim dividends at October 18, 2018	-	-	-	-	-	(422,000)	-	-	-	(422,000)	-	(422,000)
Retained earnings	-	-	-	-	-	365,909	-	-	(365,909)	-	-	-
Balances at December 31, 2018	6,126,100	(103,158)	49,820	(35,828)	539,495	1,146,901	-	508,164	-	8,231,494	201,240	8,432,734

See the accompanying notes to the financial statements.

CCR S.A.

(Publicly-held company)

Statements of cash flows - Indirect method

for the period ended December 31, 2019 and 2018

(In thousands of Brazilian reais - R\$)

	Parent Company		Consolidated	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit for the period	1,438,255	776,592	1,426,452	636,182
Adjustments for:				
Deferred income and social contribution taxes	(24,591)	(36,519)	(27,529)	(64,718)
Appropriation of prepaid expenses	-	-	278,628	219,925
Depreciation and amortization	14,079	12,665	1,765,836	1,352,529
Write-off of fixed and intangible assets	55	93	40,795	57,854
Amortization of concession right generated in acquisitions	-	-	146,930	115,917
Exchange rate change on borrowings and derivatives	-	(10,152)	-	(25,994)
Inflation adjustment of liabilities with Concession Grantor	-	-	77,522	105,073
Interest and inflation adjustments on debentures, promissory notes, borrowings, and lease	145,509	153,970	1,386,499	1,484,750
Income (loss) with derivatives and fair value of loans, financing and debentures (fair value opt	-	-	(63,639)	(17,648)
Exchange variation on derivatives	-	-	33,954	(9,640)
Loan cost capitalization	-	-	(177,570)	(445,998)
Fair value of loans, financing and debentures (fair value option and hedge accounting)	-	3,830	(19,054)	(43,998)
Formation of provision for maintenance	-	-	116,396	194,799
Adjustment to present value of provision for maintenance	-	-	30,511	61,369
Formation and reversal of provision for civil, labor, tax and social security risks	403	-	37,922	29,587
Allowance for doubtful accounts	-	-	(4,455)	11,584
Interest and inflation adjustment on borrowings with related parties	(44,447)	(47,324)	(26,015)	(35,285)
Interest on taxes paid in installments	-	-	289	38
Adjustment to present value of payables to the Concession Grantor	-	-	42,036	42,934
Adjustment to present value of financial asset	-	-	(256,928)	(255,695)
Deferred Pis and Cofins	-	-	445	24
Exchange rate of foreign suppliers	4	39	1,104	16,756
Monetary restatement on civil, labor risks	4	6	16,170	14,180
Investment write-off	-	1,992	-	-
Bargain purchase of VLT	-	-	(52,750)	-
Remeasurement of Aeris' previous stake	-	-	-	(91,614)
Depreciation - Leases	-	-	29,190	-
Interest and inflation on adjustment self-composition agreement and collaboration incentive program	5,292	-	30,636	-
Interest on loans with third parties	-	-	6,646	-
Adjustment to present value of lease	-	-	9,073	-
Share of profit (loss) of investees	(1,630,038)	(1,077,577)	(94,037)	(161,874)
	(1,533,730)	(998,977)	3,328,605	2,580,249
Changes in assets and liabilities				
(Increase) decrease in assets				
Trade receivables	-	-	(225,982)	(430,662)
Trade receivables - related parties	(3,264)	(3,449)	122,740	14,376
Recoverable taxes	(3,775)	12,137	(59,783)	48,616
Dividends and interest on capital received	1,575,479	1,660,413	518,515	95,782
Concession-related prepayments	-	-	-	(67,927)
Receipt of financial asset	-	-	374,641	507,765
Advances to suppliers	646	(757)	(1,394)	(18,071)
Reimbursement of works carried out	-	-	199,772	-
Prepaid expenses and others	(748)	(206)	(72,790)	(52,978)
			-	-
Increase (decrease) in liabilities				
Suppliers	2,010	1,057	(43,511)	(181,420)
Suppliers - related parties	(204)	(111)	(62,492)	327,438
Onerous assignment - capitations	-	17,200	-	-
Onerous assignment - Receipts	345,829	-	-	-
Onerous assignment - payment	(17,200)	-	-	-
Social and labor obligations	7,883	(159)	76,866	31,721
Taxes and contributions payable and in installments and provision for income tax and social contribution	7,046	(20,827)	907,678	611,173
Deferred taxes	-	-	5,120	-
Payments with income and social contribution taxes	-	-	(805,395)	(745,326)
Realization of provision for maintenance	-	-	(317,478)	(346,628)
Obligations with the Concession Grantor	-	-	(80,430)	(78,548)
Loans granted to third parties	-	-	(997)	5,696
Payment of provision for civil, labor, tax and social security risks	(377)	-	(47,924)	(37,328)
Self-composition agreement	(50,096)	-	(249,025)	-
Other payables	(12,432)	148,184	1,817	785,567
Net cash generated by operating activities	1,755,322	1,591,097	4,995,005	3,685,677

The accompanying notes are an integral part of these financial statements.

CCR S.A.

(Publicly-held company)

Statements of cash flows - Indirect method

for the period ended December 31, 2019 and 2018

(In thousands of Brazilian reais - R\$)

	Parent Company		Consolidated	
	2019	2018	2019	2018
Cash flow from investing activities				
Loans with related parties:				
Release	(235,600)	(106,388)	(53,004)	(83,388)
Receipts	3,579	285,514	159,914	57,153
Settlement of operations with derivatives	-	-	-	(20,417)
Acquisitions of fixed assets	(10,340)	(41,421)	(174,513)	(245,972)
Additions to intangible assets	(7,038)	-	(1,213,498)	(2,040,820)
Other intangible assets	191	-	22,259	(30,904)
Capital increase in investees and other changes in investments	(658,977)	(1,623,026)	(197)	(19,015)
Acquisition of 42,023% of VLT	-	-	(90,827)	-
Acquisition of 48,40% of Aeris	-	-	-	(146,119)
Advance for capital increase - related parties	(5,976)	(35,938)	(1,057)	3
Financial applications	(286,518)	237,214	(1,964,161)	233,375
Net cash used in investing activities	(1,200,679)	(1,284,045)	(3,315,084)	(2,296,104)
Cash flow from financing activities				
Redemptions/investments (reserve account)	23	17,974	(26,301)	9,774
Settlement of operations with derivatives	-	10,564	201,454	88,378
Loans with related parties:				
Funds raised	-	-	705	1,162
Payments	-	-	-	(1,162)
Borrowings, debentures, promissory notes and leases				
Funds raised	793,722	(186)	3,174,279	5,422,550
Payments of principal	-	(874,403)	(2,251,206)	(6,240,581)
Payments of interest	(138,394)	(165,465)	(1,176,840)	(1,046,578)
Leases (payementes of principal and interest)	-	-	(37,464)	-
Dividends paid to parent company's shareholders	(1,539,957)	(1,199,983)	(1,540,727)	(1,211,885)
Dividends payable (paid) to noncontrolling shareholders	-	-	(52,365)	(88,726)
Capital increase	-	(256)	-	(256)
Advance for capital increase - related parties	-	-	(21,278)	-
Interest of non-controlling shareholders	-	-	45,040	101,917
Net cash from used in financing activities	(884,606)	(2,211,755)	(1,684,703)	(2,965,407)
Effects of exchange rate changes on cash and cash equivalents	-	-	897	7,705
Decrease in cash and cash equivalents	(329,963)	(1,904,703)	(3,885)	(1,568,129)
Statement of decrease in cash and cash equivalents				
At the beginning of period	436,799	2,341,502	1,267,097	2,835,226
At the end of period	106,836	436,799	1,263,212	1,267,097
	(329,963)	(1,904,703)	(3,885)	(1,568,129)

The accompanying notes are an integral part of these financial statements.

CCR S.A.

(Publicly-held Company)

Statements of value added

for the period ended December 31, 2019 and 2018

(In thousands of Brazilian reais - R\$)

		Parent Company		Consolidated	
	Notes	2019	2018	2019	2018
Revenues					
Airport revenues	23	-	-	1,136,279	814,616
Revenues from subway	23	-	-	1,365,143	814,427
Revenue from optical fiber services	23	-	-	99,604	94,957
Revenue from toll fees	23	-	-	7,050,051	6,552,929
Revenues from services between related parties	23	108,155	104,057	29,660	24,163
Construction revenue	23	-	-	1,096,416	1,579,115
Income from waterways	23	-	-	136,264	123,007
Ancillary revenues	23	-	-	191,821	164,994
Income from financial assets' remuneration	23	-	-	247,103	250,147
Revenue from variable monetary consideration	23	-	-	31,945	28,659
Capitalized interest		-	-	177,570	445,998
Other revenues		-	91,614	2,220	2,030
Provision for expected loss - Accounts receivable		-	-	(4,132)	(4,296)
Inputs acquired from third parties					
Construction costs		-	-	(1,089,618)	(1,573,482)
Provision for maintenance	20	-	-	(116,396)	(194,799)
Cost of services rendered		(198)	(93,280)	(1,431,642)	(1,158,101)
Materials, energy, third-party services and others		(127,254)	(257,128)	(773,620)	(1,400,402)
Gross value added		(19,297)	(154,737)	8,148,668	6,563,962
Depreciation and amortization		(14,079)	(12,665)	(1,941,956)	(1,468,446)
Net added value generated by the Company		(33,376)	(167,402)	6,206,712	5,095,516
Added value received as transfer					
Share of profit of investees	13	1,630,038	1,077,577	94,037	161,874
Finance income	24	87,355	202,544	546,027	858,302
Total added value payable		1,684,017	1,112,719	6,846,776	6,115,692
Distribution of added value					
Employees					
Direct remuneration		74,365	138,210	1,025,475	968,944
Benefits		8,518	9,564	223,949	190,565
FGTS (Severance Pay Fund)		3,256	4,311	39,164	37,094
Others		473	329	11,979	15,483
Taxes and fees					
Federal		(902)	(6,208)	1,357,030	1,188,279
State		37	29	23,545	21,927
Municipal		3,809	3,874	368,307	346,563
Third-party capital remuneration					
Interest		151,669	180,954	1,906,136	2,221,410
Rentals		4,537	5,064	35,904	71,799
Grants		-	-	428,835	417,446
Remuneration of own capital					
Dividends	22d	427,000	378,000	427,000	378,000
Retained earnings for the year		1,011,255	398,592	1,011,255	404,739
Interest of non-controlling shareholders		-	-	(11,803)	(146,557)
		1,684,017	1,112,719	6,846,776	6,115,692

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

1. Operating report

Enable investment solutions and infrastructure services. This is the main contribution of CCR (Company) to the socioeconomic and environmental development of the regions where it operates. CCR is one of the largest private infrastructure concession groups in Latin America. CCR's corporate purpose allows the Company to operate in the highway, airport, urban road, bridge, and tunnel concession sector, in addition to the subway infrastructure sector and other related activities, as well as to hold interests in other companies.

CCR is a publicly-held corporation, headquartered in São Paulo, Capital, at Avenida Chedid Jafet, 222, block B, 5th floor, incorporated in accordance with the Brazilian Corporation Law and with shares traded on BM&F Bovespa (B3 or B3 - Brasil, Bolsa, Balcão) under the abbreviation "CCRO3."

The year of the Company and its investees begins on January 1 and ends on December 31 of each year.

Currently, the CCR Group is responsible for 3,735.58 kilometers of highways of the national concession network in the States of São Paulo, Rio de Janeiro, Paraná, Mato Grosso do Sul, and Rio Grande do Sul. It is responsible for managing 3,645.00 kilometers and for upkeep and maintaining 90.58 kilometers. The CCR Group highways are managed by concessionaires CCR NovaDutra, CCR ViaLagos, CCR RodoNorte, CCR AutoBAn, CCR ViaOeste, CCR RodoAnel Oeste, CCR SPVias, CCR MSVia, CCR ViaSul, Renovias, and ViaRio.

In addition to operating in highway concessions, we seek investments in other businesses. An example of this are our direct or indirect equity interests in the subsidiaries ViaQuatro (Line 4-Yellow of the São Paulo subway system), Metrô Bahia (Salvador subway system-Lauro de Freitas), ViaMobilidade (Line 5 and 17-Purple and Gold of the São Paulo subway system), Line 15 (Line 15-Silver of the São Paulo subway system), Samm (high-capacity data transmission through optical fibers implanted along highways and Line 4 of the São Paulo subway system), Barcas (waterway passenger transportation), VLT Carioca (passenger transportation by light rail vehicles), BH Airport (Tancredo Neves International Airport), Quiport, Aeris, CAP (operators of Quito, San Jose and Curaçao International Airports, respectively), Quicko (customer loyalty program), and TAS (airport service provider in the United States of America).

The following companies are part of the CCR Group:

CCR direct equity participation

- Concessionária da Rodovia Presidente Dutra S.A. (CCR NovaDutra)
- Concessionária da Rodovia dos Lagos S.A. (CCR ViaLagos)
- Concessionária da Ponte Rio-Niterói S.A. (CCR Ponte)
- RodoNorte - Concessionária de Rodovias Integradas S.A. (CCR RodoNorte)
- Companhia de Participações em Concessões (CPC)
- Parques Serviços Ltda. (Parques)
- CIIS - Companhia de Investimentos em Infraestrutura e Serviços. (CIIS)
- Samm - Sociedade de Atividades em Multimídia Ltda. (Samm)
- Sociedade de Participação em Concessões Públicas S.A. (SPCP)
- Concessionária da Linha 4 do Metrô de São Paulo S.A. (ViaQuatro)
- Concessionária ViaRio S.A. (ViaRio)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- Concessionária das Linhas 5 e 17 do Metrô de São Paulo S.A. (ViaMobilidade) and its wholly owned subsidiary Five Trilhos – Administração e Participações S.A. (Five Trilhos)
- Infra SP Participações e Concessões S.A. (CCR Infra SP)
- Companhia de Investimentos e Participações (CIP)
- Concessionária da Linha 15 do Metrô de São Paulo S.A. (Linha 15)

CCR indirect equity participation through its subsidiary CCR Infra SP (Infra SP)

- Concessionária do Sistema Anhanguera-Bandeirantes S.A. (CCR AutoBAn)
- Concessionária de Rodovias do Oeste de São Paulo - ViaOeste S.A. (CCR ViaOeste)
- Concessionária do RodoAnel Oeste S.A. (CCR RodoAnel Oeste)
- Renovias Concessionária S.A. (Renovias)
- Rodovias Integradas do Oeste S.A. (CCR SPVias)
- Inovap 5 Administração e Participações Ltda. (Inovap 5)

CCR indirect equity participation through its subsidiary CIP

- Controlar S.A. (Controlar) (em fase de liquidação)

CCR indirect equity participation through its subsidiary CPC

- CCR España - Concesiones y Participaciones S.L. (CCR España)
- CCR España Emprerimientos S.L.U. (CCR España Emprerimientos)
- Alba Concessions Inc. (Alba Concessions)
- Alba Participations Inc. (Alba Participations)
- Barcas S.A. - Transportes Marítimos (CCR Barcas) and its subsidiary ATP - Around The Pier Administração e Participações Ltda. (ATP)
- Green Airports Inc. (Green Airports), its joint venture (indirect subsidiary of CPC), Inversiones Bancnat S.A. (IBSA BVI) and its subsidiary, IBSA Finance (Barbados) Inc. (IBSA Finance)
- Companhia do Metrô da Bahia (CCR Metrô Bahia)
- Concessionária de Rodovia Sul-Matogrossense S.A. (CCR MSVia)
- Sociedade de Participação no Aeroporto de Confins S.A. (SPAC) and its subsidiary Concessionária do Aeroporto Internacional de Confins S.A. (BH Airport)
- Concessionária das Rodovias Integradas do Sul S.A. (ViaSul)
- CIM - Companhia de Infraestrutura em Mobilidade (CCR Mobilidade)
- Lam Vias Participações e Concessões S.A. (CCR Lam Vias)
- International Airport Finance, S.A. (IAF)
- RS Holding e Participações S.A. (RS Holding)

CCR indirect equity participation through its indirect subsidiary CCR España Emprerimientos

- Quiport Holdings S.A. (Quiport Holdings) and its subsidiaries, Ícaros Development Corporation S.A. (Ícaros) until August 18, 2019, and Corporación Quiport S.A. (Quiport)
- Quito Airport Management S.A. (Quiama) and its subsidiary Quito Airport Management Ecuador Quiamaecuador S.A. (Quiama Ecuador)
- CCR USA Management Inc. (CCR USA) and its subsidiary Total Airport Services Inc. (TAS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

CCR indirect equity participation through its indirect subsidiary CCR España

- MTH Houdster En Maritien Transport B.V. (MTH).
- Companhia de Participações Aeroportuárias (CPA), its joint venture Curaçao Airport Investments N.V. (CAI) and its subsidiaries, Curaçao Airport Real Estate Enterprise N.V. (CARE) and Curaçao Airport Partners N.V. (CAP).
- CCR Costa Rica Emprendimientos (CCR Costa Rica), its joint ventures (subsidiaries of CCR España), Grupo de Aeropuertos Internacional AAH SRL (Aeropuertos), Desarrollos de Aeropuertos AAH SRL (Desarrollos), and Terminal Aérea General AAH SRL (Terminal), and their subsidiaries, Aeris Holding Costa Rica S.A. (Aeris).
- SJO Holding Ltd., its subsidiary (subsidiaries of CCR España), CCR Costa Rica Concesiones y Participaciones S.A., and its joint ventures (Grupo de Aeropuertos Internacional AAH SRL, Desarrollos de Aeropuertos AAH SRL and Terminal Aerea General AAH SRL) and their subsidiary, Aeris Holding Costa Rica S.A. (Aeris). In addition, its joint venture IBSA Bancnat (IBSA BVI) and its subsidiary, IBSA Finance (Barbados) Inc. (IBSA Finance).

CCR indirect equity participation through its subsidiary CIIS

- Concessionária do VLT Carioca S.A. (VLT Carioca)
- Toronto S.A. - Desenvolvimento e Participações (Quicko)

CCR Group's Concessions

See more details of the CCR Group's concessions below:

CCR NovaDutra (NovaDutra): Highway BR-116/RJ/SP (Via Dutra) between the cities of São Paulo and Rio de Janeiro, for a total of 402.2 kilometers. The term of the concession agreement expires on February 28, 2021.

CCR AutoBA (AutoBA): The Anhanguera-Bandeirantes system, comprising the SP-330 and SP-348 highways, between São Paulo and Limeira, being responsible for the management (operation, upkeep, and maintenance) of 316.8 kilometers, and maintenance and upkeep of another 5.9 kilometers. The term of the concession agreement expires on April 17, 2027.

CCR ViaLagos (ViaLagos): Road connection between the cities of Rio Bonito, Araruama and São Pedro da Aldeia, covering the RJ-124 and RJ-106 highways, totaling 56 kilometers. The term that would expire on January 12, 2037, was extended for 10 years as a result of the execution of the 10th TAM on December 10, 2016, due to the inclusion, by the Concession Grantor, of investments not originally provided for in the concession agreement.

CCR RodoNorte (RodoNorte): Highway BR-376, from Apucarana to São Luís do Purunã; Highway BR-277, between São Luís do Purunã and Curitiba; PR-151, from Jaguariaíva to Ponta Grossa; and BR-373, between Ponta Grossa and Trevo do Caetano. The concessionaire is responsible for managing (operation, upkeep, and maintenance) 487.5 kilometers and maintaining and upkeeping another 80.28 kilometers. The term of the concession agreement expires on November 27, 2021. CCR holds 87.20% of the capital of this concessionaire.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

CCR ViaOeste (ViaOeste): Highways Castello Branco (SP-280), Raposo Tavares (SP-270), Senator Jose Ermírio de Moraes (SP-075), and Dr. Celso Charuri (SP-091), linking the capital of São Paulo to the West of the State. The concessionaire is responsible for managing 168.62 kilometers and maintaining and upkeeping another 4.4 kilometers. The concession agreement runs until December 31, 2022.

CCR RodoAnel Oeste (RodoAnel Oeste): West section of Rodoanel Mário Covas, with a total length of 32 kilometers, connecting the access corridors to the city of São Paulo (SP-348, SP-330, SP-280, SP-270, and BR-116) and connecting them to the south section towards the Port of Santos. The term of the concession agreement expires on May 31, 2038. CCR currently holds 99.5867% of the concessionaire's capital.

CCR SPVias (SPVias): Highways Castello Branco (SP-280), Raposo Tavares (SP-270), Francisco da Silva Pontes and Antonio Romano Schincariol (both SP-127), Francisco Alves Negrão (SP-258), and João Mellão (SP-255), in a total length of 515.68 kilometers. The concession period expires on September 18, 2028.

Renovias: Highways SP-215, SP-340, SP-342, SP-344, and SP-350, between Campinas and the south of Minas Gerais, with a length of 345.6 kilometers. The concession period expires on June 14, 2022. CPC holds 40% of the concessionaire's capital.

ViaQuatro: Line 4-Yellow of the São Paulo subway system, totaling 12.8 km of tracks and 11 stations, of which 9 km (6 stations) in phase I and the remaining 3.8 km with the inclusion of other five stations in phase II, which also projects 3.5 km to be operated through bus between Vila Sônia and Taboão da Serra stations. The concession agreement period is effective through June 20, 2040, thus guaranteeing a 30-year operation term from the start of operations in Phase I, as provided for in the concession agreement.

The concession was executed under the Public-Private Partnership (PPP) regime whereby the concession grantor made pecuniary payments and the user is charged for the transportation service. The concessionaire is responsible for the supply of trains, systems (signaling, communication, and control), for the operation and maintenance of the infrastructure granted, built by the Concession Grantor.

On April 20, 2017, the Company purchased an additional share in ViaQuatro, corresponding to 15% of the capital, for R\$ 173,162. The Company now holds 75% of the investee's capital and control.

CCR Barcas (Barcas) and ATP: The concession was carried out through a public bidding in 1998 by Companhia de Navegação of the State of Rio de Janeiro and is the only public services concessionaire dedicated to the operation of mass transportation in the waterway, with the right to operate in the State of Rio of January. The concession agreement is valid for 25 years, and it may be extended for another 25 years. The concession expires on February 12, 2023. On July 2, 2012, CPC began to hold 80% of the capital of this concessionaire.

Barcas holds 99.99% of the capital of ATP, a company whose main corporate purpose is the management of accessory revenues from Barcas.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Quito International Airport, Ecuador:

CCR España Emprendimientos, a wholly-owned subsidiary of CPC, is a company based in Madrid, Spain, whose corporate purpose is the management and administration of other companies. The company currently holds a direct ownership participation of 100% in Quiport Holdings' capital and an indirect ownership interest of 46.50% in Corporación Quiport's capital, respectively.

Quiport Holdings is a company located in Uruguay whose corporate purpose is to hold participation in other companies.

Quiport is responsible for the construction and operation of the New Quito International Airport (NQIA), located approximately 25 kilometers from the Ecuadorian capital, and was responsible for the operation of the old Mariscal Sucre International Airport (MSIA), in Quito. The concession period is 35 years, ending on January 27, 2041. Operations started at NQIA on February 20, 2013.

In addition to the above companies, CPC holds 100% of Alba Concessions, a company located in the British Virgin Islands, whose corporate purpose is to hold interests in other companies, and 100% of Alba Participations, which has no operations. The equity participation in these companies is part of the project for the Quito International Airport (Quito Project), in Ecuador.

On December 13, 2015, CPC, through CCR España Emprendimientos, acquired 50% of the shares of Quito Airport Management QUIAMA Ltd. (Quiama BVI), a company located in the British Virgin Islands, which, in turn, owns 100% of Quito Airport Management Ecuador Quiamaecuador S.A. (Quiama Ecuador), the company that operates the Quito International Airport.

International Airport of San Jose, in Costa Rica: On September 10, 2012, CPC's subsidiary, through CCR España, began to hold an indirect ownership interest of approximately 48.75% of Aeris shares, with the acquisition of CCR Costa Rica. CCR Costa Rica holds a direct ownership participation of 48.767% in Aeropuertos, 51% in Desarrollos, and 50% in Terminal, and those companies hold 42.5%, 52.4%, and 2.6%, respectively, of the capital of Aeris.

CCR Costa Rica, Aeropuertos, Desarrollos, and Terminal are companies located in Costa Rica, whose corporate purpose is to hold participation in other companies.

Aeris is responsible for the operation of the International Airport of San Jose (International Airport Juan Santa Maria). The concession period expires on May 5, 2026.

On October 1, 2018, the acquisitions of 48.4% of Aeris and 49.64% of IBSA were completed, whereby the Company began to hold 97.15% and 99.64%, respectively, of indirect equity participation in these companies. For the total acquisition, USD 64,011 thousand was paid (updated amount up to the payment date). The acquisition of the additional share in Aeris and IBSA took place through the purchase of 99.29% of the shares of SJO Holding LTD, a company located in the British Virgin Islands, which, in turn, has a 50% participation in IBSA BVI and a 100% participation in CCR Costa Rica Concesiones y Participaciones S.A., a company located in Costa Rica, which holds 51.233% participation in Aeropuertos, 49% in Desarrollos, and 50% in Terminal, and they hold 42.5%, 52.4% % and 2.6%, respectively, of Aeris' capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

In addition to the above companies, CPC owns 100% of Green Airports, which holds a 50% participation in IBSA BVI, both located in the British Virgin Islands, and IBSA BVI holds 100% participation in IBSA Finance, located in Barbados. The corporate purpose of the companies is to hold participation in other companies. The equity participation in these companies is part of the project for the International Airport of San Jose (Costa Rica Project).

Curaçao International Airport: On October 22, 2012, the subsidiary CPC, through CCR España, began to hold, indirectly, approximately 40.8% of CAP's shares, with the acquisition of 80% of CPA's capital. CPA holds a direct ownership participation of 51% in CAI, which holds 100% of CARE and CAP's capital. On June 12, 2013, CCR España directly acquired an additional share of 39% of CAI's capital and now holds, directly and indirectly (through CPA), 79.8% of Curaçao International Airport.

CPA is a company located in Brazil whose corporate purpose is to hold participation in other companies.

CAI and CARE are companies located in Curaçao. CARE currently has no operations, and CAI's corporate purpose is to hold participation in other companies.

CAP is responsible for the operation of Curaçao International Airport (Hato International Airport). The concession period expires on August 2, 2033.

ViaRio: On April 26, 2012, ViaRio signed the concession agreement for the granting, by means of a concession, of the implementation, operation, maintenance, monitoring, upkeep and improvement services of Ligação Transolímpica. This construction was part of the investment package for the 2016 Olympics held in Rio de Janeiro. The concession has a 35-year term, until April 26, 2047, and the concession road is 13 kilometers long, connecting the Deodoro neighborhood to Barra da Tijuca, in the city of Rio de Janeiro. The road starts at Avenida Brasil and ends at Estrada dos Bandeirantes, in Jacarepaguá.

On May 24, 2017, the Company purchased an additional share in ViaRio, corresponding to 33.33% of the capital, for R\$ 20,767. Additionally, it paid R\$ 12,965 for mutual loans, totaling R\$ 33,732. The Company now holds 66.66% of the investee's capital. However, it is still a joint venture, according to the shareholders' agreement.

Metrô Bahia: On October 15, 2013, Metrô Bahia signed a contract for the exploitation of a concession under a Public-Private Partnership regime, in the form of a sponsored concession, for the implementation and operation of the Salvador and Lauro de Freitas subway system. The concession agreement has a 30-year term, until October 14, 2043, and CCR holds, directly and indirectly, 100% of the capital of this concessionaire.

VLT Carioca: On June 14, 2013, the concessionaire VLT Carioca signed the concession agreement under a Public-Private Partnership regime, in the form of a sponsored concession for services, supply, and construction work for the implantation, operation and maintenance of a passenger transportation system by Light Vehicle on Rails ("VLT"), in the port and central region of Rio de Janeiro. The concession has a term of 25 years, until December 11, 2038, from the issuance of the start order and will have 42 stations and about 28 kilometers of roads when the infrastructure is completely built. Throughout 2019, CIIS acquired additional share in VLT Carioca, corresponding to 42.023% of the capital, for R\$ 91,312, and now holds 66.9543% of the investee's capital, as well as its control, from October 7, 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

MSVia: On December 20, 2013, CPC was declared the winner of the bidding process for BR-163 (lot 6). With this achievement, the company is responsible for another 847.2 kilometers of highway connecting Mundo Novo (a city in Mato Grosso do Sul, close to the border with the state of Paraná and the border with Paraguay) to Sonora/Pedro Gomes, on the border with the State of Mato Grosso. The concession period is 30 years, until April 10, 2044, from the date of execution of the Inventory and Transfer of Property Instrument, which took place on April 11, 2014.

BH Airport: On January 22, 2014, Concessionária do Aeroporto Internacional de Confins S.A. (BH Airport) was incorporated, the company responsible for the expansion, maintenance and operation of Tancredo Neves International Airport, located in the cities of Confins and Lagoa Santa, in the State of Minas Gerais. The concession agreement was signed on April 7, 2014, and the concession has a 30-year term, until May 7, 2044. On August 12, 2014, the concessionaire began the assisted operation at the Airport for 3 months, as provided for in the concession agreement, and on January 12, 2015, full operation of the airport began. CPC holds a 38.25% indirect participation in the concessionaire, through its 75% participation in the capital of its subsidiary SPAC.

ViaMobilidade and Five Trilhos: As of April 5, 2018, Concessionária das Linhas 5 e 17 do Metrô de São Paulo S.A. (ViaMobilidade) and the State of São Paulo, by means of the Metropolitan Transportation Department (STM), entered into Concession Agreement No. 03/2018, whose purpose is the onerous concession to provide public transportation services for passengers of Lines 5 - Purple and 17 - Gold of the São Paulo subway network, in which CCR and RuasInvest Participações S.A., as shareholders of the concessionaire, are the consenting intervening parties.

Five Trilhos, a wholly-owned subsidiary of ViaMobilidade, was incorporated to explore the advertisement, venue rental, and infrastructure use revenues of lines 5 and 17.

The concession has a term of 20 years, until August 3, 2039, starting as of the date of the issuance of the Start Order for the Commercial Operation of Line 5 - Purple, which occurred on August 4, 2018.

ViaSul: Concessionária das Rodovias Integradas do Sul (ViaSul) was incorporated on November 21, 2018. It is responsible for the operation and maintenance of 473.4 km of federal highways in the state of Rio Grande do Sul as of January 11, 2019, the date of signature of the concession agreement. The concession period expires on February 14, 2049. ViaSul started its commercial operations on February 15, 2019.

Line 15: On March 11, 2019, CCR, through a consortium with Ruas Group, in which it holds 80% participation, was the winner of the auction of line 15 of São Paulo's subway (bidding suspended according to lawsuit No. 10108888520198260053, dated March 8, 2019). The award of the concession is still pending. The concession will have a term of 20 years, starting as of the date of the issuance of the start order for the commercial operation of Line 15 - Silver.

Other CCR Group's companies

CPC: Its purpose is to analyze new business opportunities and bidding processes and directly manage new businesses. CPC also relies on the Engellog Division and Engellogtec Division, whose purpose is to provide engineering and IT services, respectively, both independently managed and focused on their performance in their operating markets. CCR and CIIS hold 99% and 1% interest in CPC, respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

CIIS, Parques and Inovap 5: The purpose of these companies is to provide services to CCR's subsidiaries, in accordance with their respective corporate purposes. CIIS also holds noncontrolling participation in some companies belonging to CCR Group, such as Ponte, ViaLagos, CPC, Samm SPCP and Infra SP, as well as participation of 66.9543% in VLT Carioca.

Samm: Its corporate purpose is to exploit and provide, on its own account or through third parties, telecommunication services, either by way of concession, permit or authorization, as well as related activities, and to hold participation in other companies. The company provides high-speed data transmission services using optic fibers installed throughout highways and subway systems (ViaQuatro, ViaMobilidade, and Metrô Bahia).

SPCP: Its corporate purpose is to hold participation in other companies.

CCR España Concesiones (CCR España) and CCR España Emprendimientos: The corporate purposes of these companies, headquartered in Madrid, Spain, are the management of, and holding of participation in, other companies, and the exploitation, in Spain or abroad, directly or indirectly, or through consortia, of construction and public service concessions. CPC holds 100% interest in the companies.

MTH: The main purpose of the company, headquartered in Amsterdam, is to acquire, sell, import, export, and lease vessels for regular maritime transportation of passengers, equipment and other assets. CCR España holds 100% interest in MTH, which was incorporated on September 6, 2012.

CCR USA and TAS: CCR USA, incorporated on September 30, 2015, with its registered office in the city of Dover (Delaware), United States of America, has as corporate purpose the management, administration and holding of participation in other companies. Its subsidiary TAS, with its registered office in the City of Phoenix (Arizona), USA, has as corporate purpose the provision of management and administrative services related to airport activities.

CIP: Incorporated on September 30, 2014, its purpose is to operate as a holding company of the CCR Group. CCR directly and indirectly holds 100% interest in the company.

Controlar: On January 31, 2014, the concessionaire wound up its activities and is presently under liquidation (see note 13c).

CCR Ponte (Ponte): Company under liquidation.

CCR Lam Vias (Lam Vias): Incorporated on November 21, 2017, its purpose is to act as a holding company of highway concessions in Brazil (except in the State of São Paulo) and Latin America.

CCR Mobilidade: Incorporated on November 21, 2017, its purpose is to act as a holding company for Mobilidade Urbana in Brazil and abroad.

CCR Infra SP: Incorporated on November 21, 2017, its purpose is to act as a holding company of highway concessions in the State of São Paulo.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Quicko: Incorporated on August 10, 2018, its corporate purpose is to provide, on its own behalf or through third parties, development, management, and exploitation services for customer loyalty programs, licensing, maintenance and technical support of software, as well as related activities, and to hold participation in other companies. The application was launched on July 1, 2019. A publicity campaign was started on October 15, 2019.

Other information

The CCR Group's concessions consist of the implementation of infrastructure projects through charging of tariffs and revenues from the exploitation of assets transferred, such as rights of way and business areas. The concessionaires are responsible for building, repairing, expanding, upkeeping, maintaining, and operating the infrastructure transferred, as set forth under the related concession agreements. The concession grantors transferred to the concessionaires the properties and other assets held by them upon the execution of the concession agreements, and the concessionaries became responsible for monitoring the integrity of the assets transferred and making new investments to build or improve infrastructure.

Despite the fact that the concession agreements do not include renewal clauses, except for ViaLagos and Barcas, the concession period may be extended if needed to restore the financial and economic balance of the agreement entered into between the parties.

The concession agreements provide for annual adjustment of basic rates based on specific formulas described therein, which are, in general, based on inflation rates also specified in the agreements.

CCR Institute: On August 19, 2014, Institute CCR was incorporated, aiming to foster and promote activities, programs and projects in the areas of culture, protection, and conservation of historic and artistic heritage for non-profit purposes. CCR and some of its subsidiaries are members of the Institute.

Reversible assets

All rights, privileges, and assets acquired, built or transferred under the concession agreement are handed over to the Concession Grantor at the end of the concession period, with no indemnity, except for part of the assets held by Barcas. However, a few highway concession agreements provide for the right to reimbursement relating to the investments necessary to ensure the continuity and adjustment of the services included in the concession agreement, provided that they were not depreciated/amortized, and whose implementation, duly authorized by the Concession Grantor, has taken place over the last five years of the concession period.

2. Significant accounting policies

The accounting policies and practices described below have been consistently applied in the years presented in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

a) Consolidation basis

- Business combinations

Business combinations are recorded using the acquisition method, when control is transferred to the group.

The Company measures goodwill as the fair value of the compensation transferred (including the recognized amount of any noncontrolling participation in the acquired company), minus the fair value of the identifiable assets and liabilities assumed, all measured on the acquisition date. When the difference is negative, a gain on a bargain purchase in the profit (loss) for the year is immediately recognized. In case of control acquisition in businesses related to concession activities with finite terms, goodwill or residual values are generally allocated to the right to exploit the concession and amortized based on the expected economic benefits of each business acquired.

Transaction costs, except those associated with the issuance of debt securities or equity participation, incurred on a business combination, are recognized as expenses as they are incurred.

If the initial accounting for a business combination is incomplete by the end of the year in which the combination occurred, provisional fair values known up to that date are recorded. These provisional amounts are adjusted during the measurement period (1 year), or additional assets and liabilities are recognized to reflect new information obtained about facts and circumstances that existed on the acquisition date that, if known, would have affected the amounts recognized on that date.

- Subsidiaries and joint ventures

The financial statements of the subsidiaries are included in the consolidated financial statements from the time control is obtained until the date it no longer exists. The financial statements of joint ventures (ventures directly or indirectly controlled by the Company together with other investor(s) under a contractual arrangement) are recognized in the consolidated financial statements under the equity method.

The financial information on subsidiaries is fully consolidated in the consolidated financial statements, except for noncontrolling participation if the subsidiaries are not wholly-owned.

In the financial statements of the parent company, the financial information on subsidiaries and joint ventures is accounted for under the equity income (loss) method.

- Description of main consolidation procedures

The consolidated financial statements include the financial information on the Company and its direct and indirect subsidiaries mentioned in note 13.

The main consolidation procedures are as follows:

- Elimination asset and liability account balances among consolidated companies;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- Elimination of participations in capital, reserves and accumulated losses of investees;
- Elimination of income and expenses and unrealized profits arising from transactions carried out by companies that are part of the consolidation;
- Elimination of taxes on the portion of unrealized profits. Such elimination is stated as deferred taxes in the consolidated balance sheet. Unrealized gains originating from transactions with investees recorded using the equity method are eliminated against the investment proportionally to the parent company's participation in the investee; and
- The participations of non-controlling shareholders in RodoNorte, Parques, RodoAnel Oeste, Barcas, ViaQuatro, CAI, CPA, BH Airport, SPAC, TAS, ViaMobilidade, Aeris, SJO Holding, Quicko, Line 15, and VLT Carioca in shareholders' equity and profit (loss) for the year, are recorded under line item "Participation of non-controlling shareholders."

b) Foreign currency

- Foreign currency transactions

Monetary assets and liabilities in foreign currency are translated into the Company's functional currency at the exchange rate prevailing on the closing date. Non-monetary assets and liabilities purchased or contracted in foreign currency are translated at the exchange rates prevailing on the transaction date or fair value measurement dates, if used, and are included in the carrying amounts in Brazilian reais of these transactions and are not subject to subsequent exchange rate variations.

Gains and losses from exchange rate variations on assets and liabilities are recognized in the statement of results, except regarding the foreign exchange differences from the translation of qualified and effective cash flow hedges, which are recognized in other comprehensive income.

- Foreign operations

The financial statements of foreign subsidiaries and joint ventures are adjusted to the accounting practices adopted in Brazil and the IFRS, then translated into Brazilian reais. Assets and liabilities are translated into Brazilian reais at the exchange rates prevailing on the presentation date, whereas income and expenses from foreign transactions are translated into Brazilian reais at the monthly exchange rate.

The differences in foreign currencies are recognized in Other Comprehensive Income and accumulated in line item "Equity Valuation Adjustment" in shareholders' equity. If the subsidiary is not a wholly-owned subsidiary, the corresponding portion of the translation difference is allocated to the non-controlling shareholders.

c) Revenues from contracts with customers

A five-phase model for accounting for revenue arising from contracts with customers, so that a revenue is recognized at an amount that reflects the consideration a company expects to be entitled to in exchange for the transfer of assets or services to a customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Revenues from toll fees, subway, airport, and water transportation services are recognized when highways, subways, airports, and barges are used by users/customers.

Accessory revenues are recognized when services are rendered. Income from operating leases is recognized on a straight-line basis over the lease period.

Multimedia revenues (telecommunications) are recognized as the services are rendered. The CCR Group also earns revenues from the provision of administrative services to other non-subsidiaries of the Group and recognizes them as the services are rendered.

Construction revenues: under ICPC 01 (R1), when the concessionaire provides infrastructure construction or improvement services, revenues and costs related to these services are registered, determined according to the stage of completion of the physical progress of the engaged work, which is aligned with the measurement of assignments carried out.

Revenue is not recognized when there is significant uncertainty as to its realization.

d) Financial instruments

- Classification

Financial asset and liability classification and measurement that reflects the business model in which the assets are managed and their cash flow characteristics.

Three main classification categories for financial assets and liabilities are: measured at amortized cost, at Fair Value through Other Comprehensive Income (VJORA), and at Fair Value through Result (VJR).

Financial assets are classified as measured at amortized cost if they meet both conditions below and are not designated as measured at VJR or VJORA:

- They are maintained in the business model, whose purpose is to maintain financial assets to receive contractual cash flows; and
- The contractual terms of financial assets give rise, on specific dates, to cash flows that solely refer to payments of principal and interest on the outstanding principal amount.

All financial assets not classified as measured at amortized cost or at VJORA are classified as VJR.

Financial liabilities are classified at amortized cost at VJR or VJORA. A financial liability is classified as measured at VJR if it is classified as held for trading, if it is a derivative, or if it is assigned as such in initial recognition. Other financial liabilities not classified at VJR or VJORA are measured at amortized cost.

Upon initial recognition, the Company may irrevocably designate as VJR a financial asset or liability that otherwise meets the requirements to be measured at amortized cost if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Financial assets and liabilities are measured at VJORA if they meet both conditions below and are not designated as measured at VJR:

- They are maintained within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets; and
 - Its contractual terms generate, on specific dates, cash flows that are only payments of principal and interest on outstanding principal amount.
- Measuring and derecognition

Financial assets measured at amortized cost

They are initially recognized on date of the negotiation on which the Company becomes a party to the contractual provisions of the instrument and measured at fair value, minus any transaction costs directly attributable to them. After their initial recognition, they are measured at amortized cost using the effective interest rate method.

Trade accounts receivable without a significant financing component are initially measured at the price of the transaction.

For the purpose of evaluating contractual cash flows, consisting of only principal and interest payments, the principal is defined as the fair value of the financial asset at the initial recognition, and interest is defined as: (i) a compensation at the time value of money; (ii) the credit risk associated with the outstanding principal amount for a given period of time; and (iii) other basic risks and costs, such as liquidity risk and administrative costs, as well as a profit margin, if any.

The Company derecognizes a financial asset when the contractual rights to the cash flow of the asset expire, or when the Company transfers the rights to receipt of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred or in which the Company neither transfers nor substantially maintains all risks and rewards of ownership of the financial asset and does not withhold control over the financial asset.

Interest revenue and foreign exchange gains and losses calculated on the subsequent measurement or upon derecognition of these financial assets are recognized in the result.

Financial liabilities measured at amortized cost

The Company initially recognizes debt securities issued on the date that they are originated. All other financial liabilities measured at amortized cost are recognized initially on the negotiation date on which the Company becomes a party to the contractual provisions of the instrument.

They are initially measured at fair value, minus any transaction costs directly attributable to them. After their initial recognition, they are measured at amortized cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The Company writes-off a financial liability when its contractual obligations are discharged, canceled or settled.

The Company derecognizes a financial liability when terms are changed and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the terms changed is recognized at fair value. The difference between the fair value of the new financial liability and the write-off of the previous one, as amended, is recognized in the result.

Interest expenses and foreign exchange gains and losses calculated on the subsequent measurement or upon derecognition of these financial liabilities are recognized in the result.

Financial assets and liabilities measured at VJR

Financial assets or liabilities are classified at VJR if they were classified as such upon initial recognition. Subsequent to initial recognition, transaction costs, as well as subsequent measurement of fair value, are recognized in the result.

Derivative financial instruments - assets and liabilities

They are initially recognized at fair value. The attributable transaction costs are recognized in the result when incurred. After initial recognition, derivatives are measured at VJR and variations are recognized in the profit (loss) for the year, except when the cash flow hedge is applied, in which case the effective portion of variations in fair value of the derivative is measured at VJORA.

Hedge accounting

The Company designates certain hedging instruments related to foreign currency and interest risks as fair value hedge or cash flow hedge.

At the inception of the hedge, the Company documents the relationship between the hedging instrument and the hedged item, with its goals related to risk management and its strategy to take over several hedging transactions. Additionally, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument used in a hedge relationship is highly effective in offsetting changes in the fair value or cash flow of the hedged item, attributable to the hedged risk.

For details on the fair value of derivatives used for hedging purposes, see note 25.

Fair value hedge: a hedge of exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect the result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Changes in the fair value of derivatives designated and qualifying as fair value hedge are recognized in the result along with any changes in the fair value of hedged items attributable to the hedged risk. The hedge accounting is prospectively discontinued when the Company revokes the hedge relationship, the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment of the hedged item, arising from the hedged risk, is recognized in the result as of the discontinuation date.

Cash flow hedges: a hedge of exposure to fluctuations in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on a variable rate debt) or a highly probable forecast transaction that may affect the result.

The effective portion of changes in the fair value of derivatives that is designated and qualifies as cash flow hedge is recognized in other comprehensive income and accumulated under line item cash flow hedge in shareholders' equity and is limited to the cumulative change in fair value of the hedged item, determined based on present value, since the beginning of the hedge. Losses or gains related to the ineffective portion are recognized immediately in the profit (loss) for the year.

When the estimated hedged item transaction results in a subsequent recognition of a non-financial item, such as intangible asset, the accumulated amount in the cash flow hedge line item is directly included in the initial cost of the non-financial item when it is recognized. The same procedure applies to discontinued hedge operations until such time as this occurs.

The amounts previously recognized in other comprehensive income and accumulated in shareholders' equity are reclassified to the result in the period when the hedged item is recognized as result (expense or revenue), under the same line item of the income statement in which such item is recognized.

The hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

When the hedged item transaction is no longer expected to occur, gains or losses accumulated and deferred in equity are immediately recognized in the result.

Offsetting

The financial assets or liabilities are offset, and the net value is presented in the balance sheet when, and only when, the Group has the legal right to offset the amounts and has the intention of settling them on a net basis, or realizing the asset and settling the liability simultaneously.

e) Cash and cash equivalents and financial investments

- Cash and cash equivalents

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Cash and cash equivalents comprise balances of cash and financial investments with original maturities of three months or less as of the contracting date, which are subject to an insignificant risk of change in value.

- Financial investments

Refers to financial investments with an original maturity of more than three months or with a maturity of less than that period, but without expected use in that period.

f) Transaction cost in the issuance of securities

Costs incurred to raise funds from third parties are allocated to the result as the term elapses, based on the amortized cost method that considers the transaction Internal Return Rate (TIR) to recognize financial charges during transaction effectiveness. The internal return rate considers all cash flows, from net value received for transaction completion to all payments made or to be made to settle this transaction.

g) Fixed assets

- Recognition and measurement

Fixed assets are measured at historical acquisition cost or building of assets, less accumulated depreciation and impairment losses, when necessary.

Property, plant and equipment costs comprise the costs directly attributable to the acquisition/construction of the assets, including costs of materials, direct labor, and any other costs to place the assets in the location and conditions necessary for them to operate. In addition, for qualifying assets, costs of loans are capitalized.

When parts of a property, plant and equipment item have different useful lives, they are recorded as individual items (main components) of property, plant and equipment.

Other expenditures are capitalized only when there is increase in the economic rewards of the property, plant and equipment item to which it refers; otherwise, it is recognized in the result as an expense.

Gains and losses on disposal of a property, plant and equipment item are determined by comparing the proceeds from disposal with the book value of property, plant and equipment are recognized in the result in other operating revenues/expenses.

The replacement cost of a component of property, plant and equipment is recognized as such when it is probable that the future economic benefits embodied and its cost can be reliably measured. The book value of the component that is replaced is written off. The maintenance costs are recognized in the result when incurred.

- Depreciation

Depreciation is calculated on a straight-line basis, at the rates compatible with the economic useful life and/or concession period, whichever is shorter. The main depreciation rates are shown in note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The depreciation methods, useful lives, and residual values are reviewed at the end of each corporate year and potential adjustments are recognized as changes in accounting estimates.

h) Intangible assets

The Company has the following intangible assets:

- Rights to use and development costs of computer system

They are stated at acquisition cost less amortization, calculated in accordance with generation of economic benefits.

- Concession right from business acquisition and goodwill

Concession rights arising from the full or partial acquisition of shares reflect the acquisition cost of the right to operate concessions. These rights are based on expected future earnings and are amortized over the concession period on a straight-line basis or based on the economic benefit curve.

See note 15 for further details.

- Infrastructure operation right - see item "q."

Assets under construction are classified as intangible assets under construction.

Intangible assets with a defined useful life are monitored with regard to the existence of any indication of impairment. If there are any such indications, the Company carries out the impairment test.

i) Impairment of assets

- Non-derivative financial assets

The Group recognizes provisions for expected credit losses on financial assets measured at amortized cost.

Provisions for loss on financial assets receivable from the Concession Grantor or with a significant financing component are measured for 12 months, unless the credit risk has increased significantly, when the expected loss would be measured during the entire life of the asset.

Expected credit losses for 12 months are credit losses that result from potential default events within 12 months after the balance sheet date (or in a shorter period, in case the expected life of the instrument is lower than 12 months).

Provisions for trade accounts receivable losses without a significant financing component are measured at a value equal to a credit loss estimated for the instrument's entire life, which derive from all possible default events throughout the financial instrument's entire life.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The maximum period considered in the estimate of expected credit loss is the maximum contractual period during which the Group is exposed to credit risk.

When determining if the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Group considers reasonable and tolerable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information and analysis, based on the Group's historical experience, credit assessment, and considering forward-looking information.

The Group considers a financial asset as in default when:

- It is unlikely that the debtor will fully pay its credit obligations to the Group; or
- Accounts receivables from customers is overdue for more than 90 days, except for regulated revenues of BH Airport, where 120 days is considered.

Expected credit losses are estimates weighted by the probability of credit losses. When applicable, credit losses are measured at present value by the difference between the cash flows receivable owed to the Group in accordance with the contract and the cash flows that the Group expects to receive. The expected credit losses are discounted by the effective interest rate of the financial asset.

The gross book value of a financial asset is written off when the Group has no reasonable expectation of recovering the financial asset in full or in part. However, financial assets that are written off may still be subject to credit collection, in compliance with procedures of the Group for the recovery of the amounts due.

Provision for losses for financial assets measured at amortized cost are deducted from the gross book value of assets and debited to the result.

- Non-financial assets

The carrying amounts of non-financial assets are reviewed on each presentation date to determine if there is an indication of impairment loss and, if it is found that the asset is impaired, a new asset value is determined.

The Company establishes the value in use of the asset considering the present value of projections of expected cash flows, based on the budgets approved by Management, the evaluation date until the ending date of the concession period, considering discount rates that reflect specific risks related to each cash generating unit.

During the projection, the key assumptions considered refer to the estimated traffic/users of the infrastructure projects, tariff adjustment indexes, GDP growth and the respective GDP elasticity of each business, operating costs, inflation, capital investment, and discount rates.

An impairment loss is recognized in the result when the book value of an asset exceeds its estimated recoverable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The recoverable value of an asset is its value in use or its fair value less sales costs, whichever is greater. The value in use is based on estimated future cash flows, discounted to present value, using a pre-tax discount rate that reflects current market valuations and the value of money over time, and the specific risks of the asset.

An impairment loss in respect of goodwill is not reversed. Regarding other assets, impairment losses recognized in prior periods are assessed at the end of each presentation period for any indications that the loss has increased, decreased or no longer exists. An impairment loss is reversed in case of changes in estimates used to determine the recoverable amount, only to the extent that the asset's book value does not exceed the book value that would have been determined, less depreciation or amortization, had no impairment loss been recognized.

j) Provisions

A provision is recognized in the balance sheet when the Company has a legal or not formalized obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are calculated by discounting the expected future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability.

The finance costs incurred are recorded in the result.

k) Maintenance provision - concession agreements

Contractual obligations to maintain the infrastructure transferred to a specified level of serviceability or to restore the infrastructure to a specified condition before it is handed over to the Concession Grantor at the end of the concession agreement period are recorded and measured based on the best estimate of the expenditure that would be required to settle the present obligation on the date of the balance sheet.

The Company's policy defines that periodic physical interventions, clearly identified and intended to recompose granted infrastructure to technical and operating conditions required by the contract, are in the scope of the maintenance provision during entire concession period.

A present maintenance obligation refers only to the next intervention to be made. Recurring obligations over the concession agreement period are accrued to the extent that the prior obligation has been completed and the restored item is again made available to users.

The maintenance provision is recorded based on the estimated cash flows of each provision, adjusted to present value, taking into account the costs associated with the economic resources over time and the business risks.

l) Finance income and costs

Financial income comprises basically interest from financial investments, changes in the fair value of financial instruments (assets), which are recorded through profit (loss) for the year, and positive inflation and exchange rate variations on financial instruments (liabilities).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Financial costs comprise basically interest, inflation and exchange rate variations on financial liabilities, recompositions of adjustments to present value on provisions and changes in the fair value of financial assets measured at fair value through profit or loss. Loan costs which are not directly attributable to the acquisition, construction, or production of qualifying assets are recognized for in profit (loss) for the year using the effective interest rate method.

m) Employee benefits

- Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity (pension fund) and has no obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in the result for the periods in which the services are rendered by the employees.

- Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are incurred as expenses as the related service is provided.

n) Income tax and social contribution

Income tax and social contribution for current and deferred years are calculated based on the rates of 15% plus a surcharge of 10% on taxable profit in excess of R\$ 240 (annual basis) for income tax and 9% on taxable profit for social contribution on profit, and they consider the offsetting of tax losses and negative basis of social contribution, limited to 30% of the profit.

Current and deferred taxes are recognized in the result unless they are related to items recognized directly in shareholders' equity.

Current taxes are the taxes payable on taxable profit for the year, at rates effective on the date of presentation of financial statements.

Deferred taxes are recognized in relation to the temporary differences between the net values of assets and liabilities for accounting purposes and the related amounts used for taxation purposes.

Deferred tax assets and liabilities are measured based on the rates that are expected to be applied to temporary differences when they are reversed, based on the rates that were enacted up to the balance sheet date, and reflects the uncertainty related to tax on profit, if any.

To determine current and deferred income tax, the Company considers the impact of uncertainties on tax positions taken and if the additional income tax and interest payment should be made. The Company believes that the provision for income tax recorded in liabilities is adequate for all outstanding tax years, based on its evaluation of several factors, including interpretations of tax laws and past experience. This evaluation is based on estimates and assumptions that may involve several judgments on future events. New information may be provided, making the Company change its judgment on the existing provision adequacy; such changes will impact income tax expenses for the year in which they are made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Deferred tax assets and liabilities are offset in case of any legal right to offset current tax assets and liabilities, related to income tax assessed by the same tax authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized for tax losses, negative bases and deductible temporary differences when it is probable that future taxable profits will be available against which the unused tax losses and credits can be used, limited to 30% of the annual taxable profits.

Deferred tax assets arising from temporary differences consider the expectation of generating future taxable profits, based on a technical feasibility study approved by management, which include assumptions that are affected by expected future conditions of the economy and the market, in addition to growth assumptions of the revenue arising from each of the Company's operating activities, which may be impacted by economic reductions or growth, expected inflation rates, traffic volume, among others.

Deferred taxes are not recognized for:

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and does not affect the taxable profit or loss nor the accounting result; and
- temporary differences arising from the initial recognition of goodwill.

o) Earnings per share

The basic earnings per share are calculated based on the net income attributable to Company's controlling shareholders and the weighted average of outstanding common shares during the year. The Company does not have instruments that could potentially dilute basic earnings per share.

p) Concession right

ViaMobilidade

Pursuant to the guidance set forth under items 12 (b) and 14 of OCPC 05 - Concession agreements, the subsidiary adopts the accounting practice of recording as assets the price of public service delegation paid to the Concession Grantor (disclosed in note 15).

BH Airport

Pursuant to the guidance set forth under items 12 (b) and 14 of OCPC 05 - Concession agreements, the subsidiary adopts the accounting practice of recording as assets the price of public service delegation, recognizing future amounts payable to the Concession Grantor (disclosed in note 26d), based on contractual provisions.

Under this type of agreement, the concessionaire acquires an operation right, a license to operate over a certain period and, consequently, an irrevocable obligation to (a) make payments in cash to the concession grantor and (b) make improvements and expansions in the infrastructure. The liability is presented at the present value of the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

AutoBAn, ViaOeste and RodoAnel Oeste

Pursuant to the guidance set forth under items 12 (a) and 13 of OCPC 05 - Concession agreement, the accounting practice to not record in assets the price of public service delegation, thus not recognizing future amounts payable to the Concession Grantor (disclosed in note 26), based on contractual provisions, is adopted due to an understanding that the concession agreements of these investees are executory contracts. The Company's Management believes that these concession agreements may be terminated with no material costs that are not indemnified.

q) Service concession agreements - Infrastructure exploration right (ICPC 01 - R1)

The infrastructure, within the scope of technical interpretation ICPC 01 (R1) - Concession Agreements, is not recognized as the concessionaire's fixed assets because the concession agreement sets forth only the transfer of ownership of these assets for the provision of public services, and they are handed over to the Concession Grantor after the termination of the relevant agreement. The concessionaire has access to build and/or operate the infrastructure to provide public services on behalf of the concession grantor under the conditions set forth in the agreement.

Under the terms of the concession agreements in the scope of ICPC 01 (R1), the concessionaire is a service provider that builds or improves infrastructure (construction or improvement services) used to provide a public service and operates and maintains the infrastructure (operation services) during a certain period.

If the concessionaire provides construction or improvement services, the concessionaire's received or receivable remuneration is recorded at fair value. This remuneration may correspond to right on an intangible asset or financial asset or both. The concessionaire recognizes an intangible asset to the extent it receives the right (authorization) of charging public utility users for the provision of public services. The concessionaire recognizes a financial asset to the extent that it has the unconditional contractual right to receive cash or another financial asset from the concession grantor for the construction services.

Such financial assets are measured at fair value upon initial recognition and then measured at amortized cost.

Should the Company be partially compensated for the construction services through a financial asset and partially through an intangible asset, each item of the remuneration received or receivable is recorded individually and recognized initially at the fair value of the remuneration received or receivable.

The right to use the infrastructure results from expenses on construction for improvement works in exchange for the right to charge users for using the infrastructure. This right is made up of construction cost plus profit margin and loan costs attributable to this asset. The Company estimated that any margin, net of taxes, is immaterial, considering it as zero.

The amortization of the infrastructure operation right is recognized in profit (loss) for the year based on the expected economic benefit curve over the concession period; the estimated traffic curve was adopted as a basis for amortization.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

r) Segment information

An operating segment is a Company's component that performs business activities from which it can earn revenues and incur expenses, including income and expenses relating to other components of the CCR Group. All operating results are frequently reviewed by Management to make decisions on the funds to be allocated to the segment and evaluate its performance and for which individual financial information is available.

The results from segments include items directly attributable to the segment.

s) Statements of added value

The Company prepared statements of added value (DVA) of the parent company and consolidated pursuant to technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements under the CPCs and are applicable to publicly-held companies, whereas under IFRS they represent additional financial information.

t) First-time adoption of new and reviewed standards and interpretations

The CCR Group adopted the following standards as of January 1, 2019:

- **CPC 06 (R2)/IFRS 16 - Leases**

IFRS 16/CPC 06 (R2) replaces the existing lease standards, including CPC 06 (IAS 17) Lease Operations and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) Complementary Aspects of Commercial Lease Operations.

IFRS 16/CPC 06 (R2) presented a unique accounting model for leases in the balance sheet for lessors. A lessor recognizes a right of use asset that represents its right to use the leased asset and a lease liability that represents its obligation to make lease payments. Exemptions are available for short-term leases and low-value items.

The impact of the application of IFRS 16/CPC 06 (R2) on financial statements in the initial application period will be focused on the recognition of assets and liabilities for operational leases of equipment and facilities, as well as on the replacement of the regular expense of operating lease for a straight-line amortization cost of right of use assets and interest expense on lease obligations.

The CCR Group applied IFRS 16/CPC 06 (R2) initially using the modified retrospective approach. Therefore, the cumulative approach of adopting IFRS 16 was recognized as an adjustment to opening balances on January 1, 2019, without updating comparative information.

The effect of the first-time adoption of IFRS 16/CPC 06 (R2) was R\$ 141,048 in the Lease line item, in liabilities, of which R\$ 34,530 in current assets and R\$ 106,518 in non-current assets, whose corresponding line item of Right of use in lease in fixed assets. See note 16 for further details.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The CCR Group is not required to make adjustments for one-lessor leases, except if it refers to an intermediary lessor in a sublease.

- **ICPC 22/IFRIC 23 - Uncertainties Concerning Taxes on Profits**

This clarifies how the recognition and measurement requirements of CPC 32 (IAS 12) - Income Taxes are applied in case of uncertainty about the acceptance of the treatment of taxes on profits by the tax authority. This Interpretation is effective for fiscal years beginning on January 1, 2019. In the opinion of the Company's Management, there were no significant impacts as a result of the interpretation because the procedures adopted for calculating and paying taxes on profit are supported by the legislation and precedents of Administrative and Judicial Courts.

u) New standards and interpretations not yet effective

A series of new standards will be effective for fiscal years beginning as of January 1, 2020. The CCR Group did not adopt these standards when preparing these financial statements.

The following amended standards and interpretations should not have a material impact on the CCR Group's financial statements:

- Changes in references to the conceptual framework in IFRS standards.
- Definition of a business (changes to CPC 15/IFRS 3).
- Definition of materiality (amendments to CPC 26/IAS 1 and CPC 23/IAS 8).
- IFRS 17 Insurance Contracts.

3. Presentation of financial statements

Statement of conformity (in relation to IFRS and CPC standards)

These financial statements include:

- The consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with accounting practices adopted in Brazil (BRGAAP); and
- The individual financial statements were prepared in accordance with the accounting practices adopted in Brazil (BRGAAP).

It should be noted that, until the year 2018, there was a difference between the parent company's and consolidated results and shareholders' equity because, for the purposes of the consolidated financial statements, the balance of the deferred assets was fully written off, while, for the purposes of the parent company and as permitted by Law 11638/07, this occurred through amortization.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***Adjustments to shareholders ' equity**

	<u>2018</u>
Shareholders ' equity of the parent company	8,231,494
Deferred Asset retirement	(220,681)
Reversal of depreciation of deferred assets	<u>220,681</u>
Shareholders ' equity of the parent company-Consolidated	<u><u>8,231,494</u></u>

Adjustments to the exercise result

	<u>2018</u>
Result of the exercise of the parent company	776,592
Reversal of depreciation of deferred assets	<u>6,147</u>
Result of the consolidated financial year (attributable to the shareholders of the parent company)	<u><u>782,739</u></u>

Management states that all significant information specific to Financial Statements is disclosed and only this information is recorded and corresponds to the information used in its management.

On February 27, 2020, and March 3, 2020, the Supervisory Board and the Audit and Compliance Committee, respectively, analyzed and expressed themselves in favor of these financial statements. The Company's Board of Directors approved them on March 4, 2020.

Measurement basis

The individual and consolidated financial statements were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Financial instruments measured at fair value through profit or loss.
- Financial instruments measured at fair value through comprehensive income.
- Remeasurement at fair value of prior participation on the acquisition of investees' control.

Functional and presentation currency

The individual and consolidated financial statements are presented in Brazilian reais (R\$), which is the Company's functional currency. All balances presented in Brazilian reais in these statements have been rounded up to the nearest thousand, unless otherwise indicated.

Use of estimates and judgments

The preparation of individual and consolidated financial statements of the parent company requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are periodically reviewed by the Company's Management, and the changes are recognized in the period in which estimates are reviewed and in any affected future years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Information on critical judgment related to accounting policies adopted and/or uncertainties about the relevant assumptions and estimates are included in the notes:

Note

- 2q Classification of improvement works included in intangible assets - ICPC 01 (R1)
- 9 Provision for expected loss
- 10b Deferred taxes
- 15 Amortization of intangible assets
- 19 Provisions for civil, labor, social security and tax risks
- 20 Maintenance provision
- 25 Financial instruments measured at fair value

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods: When applicable, additional information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- Cash and banks

The fair values of these financial assets are equal to the carrying amounts, considering their immediate liquidity.

- Financial investments

The fair value of financial assets measured at fair value through the result is determined at closing prices determined on the date of presentation of financial statements.

- Non-derivative financial liabilities

The fair value determined for accounting record and/or disclosure purposes is calculated based on the present value of projected future cash flows. The rates used in calculations were obtained from public sources (B3 and Bloomberg).

- Derivatives

Derivative financial instruments transactions comprise interest rate swaps, NDF (non-deliverable forward), and Libor call options aimed at hedging against foreign exchange and interest rate risks.

Interest and/or currency swap and NDF transactions

The fair values of derivative contracts are calculated by projecting future cash flows from operations, based on future market quotations obtained from public sources (B3 and Bloomberg) increased by coupons, for the maturity date of each of the transactions and adjusted to present value at a risk-free rate on the measurement date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

5. Operating segments

Segment information is presented as set forth in IFRS 8/CPC 22 - Segment Reporting and with respect to the Company's and its subsidiaries' businesses that were identified based on their management framework and internal managerial information used by the Company's key decision-makers.

The results by segment, as well as the assets and liabilities, consider items directly attributable to that segment as well as those that may be allocated on a reasonable basis.

The Company's businesses were divided into four operating segments: Infra SP, Lam Vias, Urban Mobility, and Airports.

The following Company's businesses are included in its operating segments:

- Infra SP: AutoBA, ViaOeste, SPVias and Rodoanel Oeste.
- Lam Vias: NovaDutra, RodoNorte, ViaLagos, Samm, MSVia and ViaSul.
- Urban Mobility: Metrô Bahia, ViaQuatro, ViaMobilidade, Line 15, VLT Carioca, Quicko, Five Trilhos, Barcas, ATP and CIP.
- Airports: BH Airport, Quiport, Aeris, CAP, TAS, CCR USA and CCR España and all companies related to these concessions.
- Not allocated: the Company and sub-holdings CPC, CIIS and SPCP.

Most of the Company's operations are carried out in Brazil, except for the holding of participations in airports and their respective holding companies. The Company has a widespread customer portfolio, with no revenue concentration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

The information by segment is as follows:

	Lam Vias	Infra SP	Urban Mobility	Airports	Not allocated	Consolidated
Information from december 31, 2019						
Revenue from toll fees	2,804,824	4,245,227	-	-	-	7,050,051
Construction revenue (ICPC 01 R1)	696,221	85,045	179,353	135,797	-	1,096,416
Revenue from boarding passes issued	-	-	2,220	-	-	2,220
Revenue from optical fiber services	99,604	-	-	-	-	99,604
Airport revenue	-	-	-	1,136,279	-	1,136,279
Revenue from financial assets' remuneration	-	-	247,103	-	-	247,103
Accessory revenues	51,302	53,841	86,678	-	-	191,821
Revenue from variable monetary consideration	-	-	31,945	-	-	31,945
Revenue from waterways	-	-	136,264	-	-	136,264
Revenue from subway	-	-	1,365,143	-	-	1,365,143
Revenue from services rendering of related parties	129	-	47	8	29,476	29,660
Finance income	136,114	156,528	149,844	28,457	75,084	546,027
Finance costs	(273,031)	(518,313)	(559,904)	(266,079)	(168,561)	(1,785,888)
Depreciation and amortization	(862,067)	(574,298)	(214,477)	(242,106)	(49,008)	(1,941,956)
Income (loss) from reportable segments after income and social contribution taxes	325,277	1,403,898	176,117	(81,624)	(397,216)	1,426,452
Income and social contribution taxes	(201,762)	(626,045)	(113,432)	48,020	12,054	(881,165)
Equity income (loss)	(2,617)	54,154	(4,255)	47,621	(866)	94,037
Information from December 31, 2018						
Revenue from toll fees	2,505,385	4,047,544	-	-	-	6,552,929
Construction revenue (ICPC 01 R1)	603,852	150,410	669,938	154,915	-	1,579,115
Revenue from boarding passes issued	-	-	2,030	-	-	2,030
Revenue from optical fiber services	94,957	-	-	-	-	94,957
Airport revenue	-	-	-	814,616	-	814,616
Revenue from financial assets' remuneration	-	-	250,147	-	-	250,147
Accessory revenues	50,401	56,822	57,771	-	-	164,994
Revenue from variable monetary consideration	-	-	28,659	-	-	28,659
Revenue from waterways	-	-	123,007	-	-	123,007
Revenue from subway	-	-	814,427	-	-	814,427
Revenue from services rendering of related parties	195	-	-	84	23,884	24,163
Finance income	97,042	333,984	164,871	67,893	194,512	858,302
Finance costs	(212,221)	(772,340)	(387,743)	(283,143)	(182,252)	(1,837,699)
Depreciation and amortization	(636,191)	(528,691)	(145,756)	(108,614)	(49,194)	(1,468,446)
Income (loss) from reportable segments after income and social contribution taxes	(239,203)	1,245,677	145,516	51,030	(566,838)	636,182
Income and social contribution taxes	(219,665)	(531,992)	(87,428)	68,044	37,290	(733,751)
Equity income (loss)	(10,494)	48,211	-	122,502	1,655	161,874
	Lam Vias	Infra SP	Urban Mobility	Airports	Not allocated	Consolidated
Information as of December 31, 2019						
Assets of the reportable segments	5,984,200	9,230,021	9,879,734	5,309,801	2,858,331	33,262,087
Net investments of shareholders' deficit in associated companies and joint ventures	82,435	86,728	-	571,487	(136)	740,514
CAPEX	923,218	119,960	230,104	252,289	20,571	1,546,142
Liabilities of the reportable segments	(3,376,999)	(6,246,690)	(7,471,997)	(3,780,352)	(3,946,355)	(24,822,393)
Information as of December 31, 2018						
Assets of the reportable segments	5,208,690	9,279,078	7,731,870	5,503,846	3,092,514	30,815,998
Net investments of shareholders' deficit in associated companies and joint ventures	98,053	111,700	-	1,054,156	730	1,264,639
CAPEX	690,193	189,883	946,639	203,050	111,243	2,141,008
Liabilities of the reportable segments	(3,867,018)	(6,353,029)	(5,996,642)	(3,667,840)	(2,498,735)	(22,383,264)

6. Financial risk management

Overview

The Company is exposed to the following risks from using financial instruments:

- Credit risk;
- Interest rate and inflation risk;
- Exchange rate risk; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

d) Capital structure risk (or financial risk) and liquidity.

Information on the Company's exposure to each one of the abovementioned risks and the goals, policies and processes for the risk and capital measurement and management is as follows. Additional quantitative disclosures are included throughout these financial statements.

a) Credit risk

It arises from the possibility of the Company and its investees incurring losses as a result of default by their counterparties or financial institutions that are depositaries of funds or financial investments. In order to mitigate these risks, an analysis of the financial and equity situation of their counterparties is adopted, as well as the definition of credit limits and permanent follow-up of outstanding positions, except for accounts receivables from Concession Grantors, potentially subjecting investees to credit risk concentration. As regards financial institutions, operations are carried out only with low risk financial institutions as assessed by rating agencies.

b) Interest rate and inflation risk

It arises from the possibility of reduction in gains or losses resulting from fluctuations in interest rates applicable to its financial assets and liabilities.

The Company and its investees are exposed to floating interest rates, mainly those related to variations in (1) the London Interbank Offered Rate (Libor); (2) the Long-Term Interest Rate (TJLP) and the Interbank Deposit Certificate rate (CDI) relating to Brazilian reais-denominated loans; (3) the General Market Price Index (IGP-M), the Broad Consumer Price Index (IPCA), and the debenture-related CDI; and (4) the IGP-M and IPCA relating to the concession fee. The interest rates of financial investments are mainly linked to the CDI rate variation. For further information, see notes 8, 12, 17, 18, 25 and 26.

The tariffs of the CCR Group's concessions are adjusted by inflation indexes.

c) Exchange rate risk

It arises from the possibility of fluctuations of exchange rates of foreign currencies used to acquire foreign equipment and inputs, as well as for settlement of financial liabilities. In addition to payables and receivables in foreign currencies, the Company has investments in foreign subsidiaries and joint ventures and operating flows from purchases and sales in other currencies. The Company and its subsidiaries and joint ventures conduct an ongoing assessment of the contracting of hedge transactions to mitigate these risks.

The Brazilian investees finance part of their transactions with loans and financing in foreign currency linked to the US dollar (USD) equivalent, as of December 31, 2019, to R\$ 1,223,862 (R\$ 1,253,514 as of December 31, 2018).

TAS and Quiport have loans and financing transactions in USD, which is the official currency in the countries where they operate.

Aeris, CAP and CCR España have loans and financing transactions in USD, which is the functional currency of these investees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

See notes 17 and 25 for further details.

d) Capital structure (or financial risk) and liquidity risk

It arises from the choice made by the Company and its investees between cost of capital (capital contributions and profit retention) and third parties' capital to finance their operations. To mitigate liquidity risks and optimize the weighted average cost of capital, the indebtedness levels according to market standards and the compliance with covenants set forth in loan agreements, financing, debenture are monitored on a permanent basis. Management believes that the Company and its investees are able to continue as going concern under normal conditions.

Information on the maturity of liability financial instruments may be obtained in the respective notes.

The table below shows the derivative and non-derivative financial liabilities per maturity intervals, corresponding to the remaining period in balance sheets until the contract maturity date. These amounts are gross, not discounted, and include payment of contractual interest:

	Parent Company				
	<1 year	1–2 years	2–3 years	3–4 years	>4 years
Debentures and promissory notes (a)	912,843	445,213	429,305	638,485	889,111
Suppliers and other accounts payable	29,178	41,075	-	-	-
Suppliers and accounts payable – Related parties	63	-	-	-	-
Related parties - AFAC (Advances for future capital increases)	-	1,916	-	-	-
Interest on capital	395	-	-	-	-
	Consolidated				
	<1 year	1–2 years	2–3 years	3–4 years	>4 years
Loans, financing and leases (a)	922,927	975,018	831,110	749,514	9,296,411
Debentures and promissory notes (a)	4,151,417	3,371,910	2,196,200	1,217,012	3,310,460
Suppliers and other accounts payable	666,793	120,087	-	-	-
Loans granted to third parties	-	-	-	-	120,073
Suppliers and accounts payable – Related parties	123,996	-	-	-	-
Related parties - AFAC (Advances for future capital increases)	-	56,357	-	-	-
Interest on capital	804	-	-	-	-
Obligations with the Concession Grantor	103,208	80,676	78,177	1,479,444	-

(a) Gross values from transaction costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***7. Acquisition of subsidiary**

	100% VLT Carioca 10/07/2019
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	482
Financial investments	26,345
Trade receivables	1,428
Financial asset	1,323,624
Recoverable taxes	1,314
Prepaid expenses and others	5,931
Inventory	3,274
Deferred taxes	26,216
Fixed assets	3,328
Intangible asset	363,687
Loans, financing and debentures	(839,437)
Accounts payable from related parties	(6,102)
Related party loans	(492,640)
Advance for capital increase - related parties	(34,911)
Suppliers	(28,380)
Social and labor obligations	(8,573)
Deferred ISS	(11,762)
Provision for civil, labor and social security risks	(1,885)
Tax obligations	(26,839)
Other obligations	(13,969)
Total identifiable net assets	<u>291,131</u>
Total amount of consideration transferred (in cash) - 4.23%	<u>6,152</u>
	6,152
Fair value of identifiable assets	(291,131)
Remeasurement of previous participation - 50.4%	146,727
Non-controlling interest, based on proportional participation in the acquiree's recognized assets and liabilities	<u>132,090</u>
Advantageous purchase on acquisition - 4.23%	<u>6,162</u>
	6,162
Cash flow from acquisition less cash from investee	<u><u>5,670</u></u>

In the period from April to December 2019, the subsidiary CIIS acquired shares of VLT Carioca and made capital contributions alone or jointly with part of the other shareholders of the investee, through a total compensation of R\$ 91,312, resulting in an increase participation of approximately 42.022% and an increase in investments of R\$ 144,057. These operations generated accounting effects on CIIS of: (i) an increase of the concession right generated by the business acquisition by R\$ 6; and (ii) a gain from a bargain purchase gain of R\$ 52,750, recorded under other operating results. As of October 7, 2019, CCR indirectly controls VLT Carioca.

The remeasurement analysis of the prior participation is as described above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***8. Cash and cash equivalents and financial investments**

	Parent Company		Consolidated	
	2019	2018	2019	2018
Cash and banks	103	164	805,482	324,646
Interest earning bank deposits				
Investment Funds and CDB	106,733	436,635	457,730	942,451
	<u>106,836</u>	<u>436,799</u>	<u>1,263,212</u>	<u>1,267,097</u>
	Parent Company		Consolidated	
	2019	2018	2019	2018
Current				
Interest earning bank deposits				
Reserve account	2,115	-	18,372	8,255
Investment Funds and CDB	<u>1,213,070</u>	<u>926,552</u>	<u>3,710,393</u>	<u>1,746,232</u>
Total current	<u>1,215,185</u>	<u>926,552</u>	<u>3,728,765</u>	<u>1,754,487</u>
Non-Current				
Interest earning bank deposits				
Reserve account	<u>-</u>	<u>2,138</u>	<u>44,670</u>	<u>2,141</u>
Total non-current	<u>-</u>	<u>2,138</u>	<u>44,670</u>	<u>2,141</u>
Total - financial investments	<u>1,215,185</u>	<u>928,690</u>	<u>3,773,435</u>	<u>1,756,628</u>

Financial investments have an average remuneration corresponding to 99.52% of the CDI rate, which is equivalent to 5.89% p.a. (99.20% p.a., equivalent to 6.34% p.a. on average, at December 31, 2018).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***9. Accounts receivables - Consolidated**

	2019	2018
Current		
Receivables from airports (a)	145,935	155,339
Accessory revenues (b)	35,447	35,798
Electronic toll (c)	407,576	366,423
Income from waterways (d)	5,638	4,937
Multimedia revenues (e)	17,397	18,589
Tariff revenues (f)	46,234	55,069
Demand mitigation revenue (g)	118,403	-
Concession Grantor - Metrô Bahia / VLT Carioca (h)	584,265	280,616
	<u>1,360,895</u>	<u>916,771</u>
Allowance for excepted losses – accounts receivables (i)	<u>(19,662)</u>	<u>(24,117)</u>
	<u>1,341,233</u>	<u>892,654</u>
Non-current		
Accessory revenues (b)	288	288
Multimedia revenues (e)	20,608	19,074
Concession Grantor - Barcas and BH Airport (j)	71,924	55,175
Demand mitigation revenue (g)	39,467	-
Concession Grantor - Metrô Bahia / VLT Carioca (h)	2,699,077	1,753,214
	<u>2,831,364</u>	<u>1,827,751</u>

Maturity periods of receivables

	2018	2017
Credits to falling due	3,981,866	2,701,663
Credits overdue up to 60 days	26,981	8,779
61–90 days past-due	13,252	9,963
91–180 days past-due	32,231	16,227
Credits overdue >180 days	<u>137,929</u>	<u>7,890</u>
	<u>4,192,259</u>	<u>2,744,522</u>

- (a) Receivable credits from airport tariffs, such as boarding, connection, landing, permanence, storage and wharfage fees, as well as credits from accessory revenues such as space rental and parking fees;
- (b) Credits from accessory revenues (mainly concession area occupation and rental of advertising displays) set forth in the concession agreements;
- (c) Receivable credits from services provided to users, relating to toll rates that will be passed on to concessionaires and receivable credits from toll fee vouchers;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (d) Receivable credits from services provided to users related to waterway (Barcas) and subway (VLT Carioca) tariffs, held through the RioCard card;
- (e) Receivable credits from multimedia services provided to third parties by Samm;
- (f) Receivable credits from Companhia do Metropolitano de São Paulo, SPTrans, Companhia Metropolitana da Bahia and RioPar from services provided to users of subsidiaries ViaQuatro, ViaMobilidade, Metrô Bahia and VLT Carioca, respectively;
- (g) It refers to credits from Metrô Bahia receivable from the Concession Grantor, due to the lower demand from March 1, 2019, to December 31, 2019, compared to the demand projected in exhibit 8 of the concession agreement. The amount will be received in 12 monthly installments, starting in March 2020;
- (h) It refers to the contractual right to receive public contribution and pecuniary compensation from the Concession Grantor as part of the remuneration to implement infrastructure by the subsidiary, and the amounts are recognized at their present value, calculated at the internal return rate of the agreement in accordance with the physical progress of the improvements made;
- (i) The provision for expected loss – accounts receivables, reflects the expected loss for each business of the Company; and
- (j) It refers to the contractual right to receive cash from the Concession Grantor in exchange for infrastructure improvements, upon the return of assets upon termination of Barcas' concession agreement; And the completion of construction works commenced by the Concession Grantor subject to reimbursement as per exhibit 3 of BH Airport's Concession Agreement.

The right to receive cash from the Concession Grantor of Metrô Bahia and VLT Carioca is presented in the table below:

	2018		2019					
	Opening balance	New acquisitions	Additions	Receipt	Remuneration	Transfer	Other	Closing balance
Current								
Public contribution	93,060	52,001	-	(81,522)	14,148	-	(5,411) (a)	72,276
Pecuniary consideration	187,556	286,018	43,639	(293,119)	1,580	283,803	2,512	511,989
	<u>280,616</u>	<u>338,019</u>	<u>43,639</u>	<u>(374,641)</u>	<u>15,728</u>	<u>283,803</u>	<u>(2,899)</u>	<u>584,265</u>
Non-current								
Pecuniary consideration	1,753,214	985,605	12,742	-	231,319	(283,803)	-	2,699,077
Total	<u>2,033,830</u>	<u>1,323,624</u>	<u>56,381</u>	<u>(374,641)</u>	<u>247,047</u>	<u>-</u>	<u>(2,899)</u>	<u>3,283,342</u>

- (a) It refers to the reprogramming of cash flow at present value in accordance with Modifying Amendment Term No. 6 for Metrô Bahia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***Payment schedule - non-current**

2021	277,435
2022	246,237
2023	225,346
2024	200,065
2025 onwards	1,749,994
	<u>2,699,077</u>

10. Income tax and social contribution**a. Reconciliation of current and deferred income tax and social contribution**

The reconciliation of income tax and social contribution recorded in the result is shown as follows:

	Parent company		Consolidated	
	2019	2018	2019	2018
Income before income and social contribution taxes	1,413,664	740,892	2,307,617	1,369,933
Nominal rate	34%	34%	34%	34%
Income tax and social contribution at nominal rate	(480,646)	(251,903)	(784,590)	(465,777)
Tax effect of permanent additions and exclusions				
Equity in net income of subsidiaries and associated companies (a)	561,691	373,855	31,973	55,037
Non-deductible expenses	(463)	(25,433)	(12,831)	(22,541)
Provisions / updates to the Self-Composition Term, Leniency Agreement and PIC	(9,045)	(27,720)	(25,111)	(282,720)
Variable remuneration of statutory officers	(1,842)	(7,929)	(4,674)	(15,034)
Interest on capital	(47,099)	(20,258)	1,140	1,383
Profits earned abroad	-	-	(4,532)	(6,587)
Income tax incentive	-	-	18,941	26,376
Transaction costs in the issuance of shares	-	87	-	103
Accumulated conversion adjustment reclassification	-	-	11,704	-
IR and CS not constituted on tax losses and temporary differences	-	-	(60,440)	(26,179)
Other tax adjustments (b)	1,995	(4,999)	(21,933)	2,188
Constitution of provision for losses in the realization of deferred taxes - MSVia	-	-	(30,812)	-
Income and social contribution tax (expense)	<u>24,591</u>	<u>35,700</u>	<u>(881,165)</u>	<u>(733,751)</u>
Current taxes	-	(819)	(908,694)	(798,469)
Deferred taxes	<u>24,591</u>	<u>36,519</u>	<u>27,529</u>	<u>64,718</u>
	<u>24,591</u>	<u>35,700</u>	<u>(881,165)</u>	<u>(733,751)</u>
Effective tax rate	<u>-1.74%</u>	<u>-4.82%</u>	<u>38.19%</u>	<u>53.56%</u>

- (a) The amounts are net of amortization of the concession right generated in the acquisition of an additional share in ViaQuatro.
- (b) The amount includes the payment effects of R\$ 18,517 as income tax and social contribution (including fine and interest) on services contracted in previous years, with a value different from the market value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***b. Deferred taxes**

Deferred income tax and social contribution have the following sources:

Parent company					
Balance in 2019					
	2018	Recognized in the Statement of income (loss)	Net value	Deferred tax assets	Deferred tax liabilities
Income and social contribution on tax losses and carryforward (a)	21,638	17,366	39,004	39,004	
Provision for profit sharing (PLR)	4,934	2,041	6,975	6,975	
Provision for labor and tax risks	141	10	151	151	
Credit assignment	1,689	(1,689)	-	-	
Temporary differences - Law No. 12.973/14 (b)	(2,436)	(1,301)	(3,737)	-	(3,737)
Gain from bargain purchase in acquisition of ViaRio interest	(12,393)	-	(12,393)	-	(12,393)
Concession right generated in remeasuring ViaQuatro interest	(160,754)	7,477	(153,277)		(153,277)
Other	622	687	1,309	1,309	-
Taxes (liabilities) before use offset	(146,559)	24,591	(121,968)	47,439	(169,407)
Tax use offset	-	-	-	(47,439)	47,439
Deferred tax asset (liabilities), net	(146,559)	24,591	(121,968)	-	(121,968)

Parent company					
Balance in 2018					
	2017	Recognized in result	Net value	Deferred tax assets	Deferred tax liabilities
Income and social contribution taxes on tax losses and negative bases (a)	18,731	2,907	21,638	21,638	-
Provision for profit sharing (PLR)	4,676	258	4,934	4,934	-
Provision for labor and tax risks	139	2	141	141	-
Exchange-rate change	(21,153)	21,153	-	-	-
Income (loss) from operations with derivatives	(6,246)	6,246	-	-	-
Credit assignment	3,675	(1,986)	1,689	1,689	-
Temporary differences - Law No. 12.973/14 (b)	(2,282)	(154)	(2,436)	247	(2,683)
Gain from bargain purchase in acquisition of ViaRio interest	(12,393)	-	(12,393)	-	(12,393)
Concession right generated in remeasuring ViaQuatro	(168,231)	7,477	(160,754)	-	(160,754)
Other	6	616	622	622	-
Taxes (liabilities) before compensation	(183,078)	36,519	(146,559)	29,271	(175,830)
Tax compensation	-	-	-	(29,271)	29,271
Deferred tax asset (liabilities), net	(183,078)	36,519	(146,559)	-	(146,559)

Consolidated							
Balance in 2019							
	2018	New acquisitions	Recognized in the Statement of income (loss)	Recognized in other comprehensive income	Net value	Deferred tax assets	Deferred tax liabilities
Income and social contribution on tax losses and carryforward (a)	1,201,436	191,346	137,705	-	1,530,487	1,530,487	-
Exchange-rate change	(7,215)	-	8,939	-	1,724	1,724	-
Provision for profit sharing (PLR)	20,027	849	8,156	-	29,032	29,032	-
Allowance for excepted losses – accounts receivables	5,350	-	(326)	-	5,024	5,024	-
Provision for labor and tax risks	26,507	641	(1,895)	-	25,253	25,253	-
Maintenance provision	176,987	-	(92,425)	-	84,562	84,562	-
Income (loss) from operations with derivatives	(46,187)	-	48,615	247	2,675	29,780	(27,105)
Credit assignment	1,689	-	(1,689)	-	-	-	-
Temporary differences - Law No. 12.973/14 (b)	(674,363)	(20,172)	(28,772)	-	(723,307)	271,644	(994,951)
Gain from bargain purchase in acquisition of ViaRio interest	(12,393)	-	-	-	(12,393)	-	(12,393)
Concession right generated in remeasuring ViaQuatro	(160,754)	-	7,477	-	(153,277)	-	(153,277)
Revenues from financial assets' remuneration	(265,772)	(146,836)	(69,297)	-	(481,905)	-	(481,905)
Amortization of transaction cost	(1,830)	-	756	-	(1,074)	-	(1,074)
Assisted operation	1,795	-	(46)	-	1,749	1,749	-
Difference of fiscal versus accounting amortization criteria - Costa Rica	(80,080)	-	2,185	-	(77,895)	-	(77,895)
Operating Lease - CPC 06	-	-	(55)	-	(55)	114	(169)
Gain from bargain purchase in acquisition of VLT interest	-	-	(17,834)	-	(17,834)	-	(17,834)
Diversification of provision	9,373	-	15,371	-	24,744	25,455	(711)
Other	39,478	388	10,664	-	50,530	50,688	(158)
Taxes (liabilities) before use offset	234,048	26,216	27,529	247	288,040	2,055,512	(1,767,472)
Tax use offset	-	-	-	-	-	(1,220,308)	1,220,308
Deferred tax asset (liabilities), net	234,048	26,216	27,529	247	288,040	835,204	(547,164)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

	Consolidated					Balance in 2018		
	2017	Acquisition of interest in Aeris	Recognized in income (loss)	Recognized in other comprehensive income	Other (*)	Net value	Deferred tax assets	Deferred tax liabilities
Income tax and social contribution on tax losses carryforward (a)	1,093,985	-	189,406	-	(81,955)	1,201,436	1,201,436	-
Exchange-rate change	(63,582)	-	56,367	-	-	(7,215)	2,200	(9,415)
Provision for profit sharing (PLR)	18,279	-	1,748	-	-	20,027	20,027	-
Allowance for expected loss - accounts receivable	3,425	1,605	320	-	-	5,350	5,350	-
Provision for labor, tax and fiscal risks	24,792	-	1,715	-	-	26,507	26,507	-
Formation of provision for maintenance	207,747	-	(30,760)	-	-	176,987	176,987	-
Income (loss) with operations with derivatives	(48,921)	-	(8,854)	11,588	-	(46,187)	32,953	(79,140)
Credit assignment	3,675	-	(1,986)	-	-	1,689	1,689	-
Temporary differences - Law No. 12.973/14 (b)	(571,110)	-	(103,253)	-	-	(674,363)	503,574	(1,177,937)
Gain from bargain purchase in acquisition of ViaRio interest	(12,393)	-	-	-	-	(12,393)	-	(12,393)
Concession right generated in remeasuring of ViaQuatro's interest	(168,231)	-	7,477	-	-	(160,754)	-	(160,754)
Revenues from financial assets' remuneration	(188,838)	-	(76,934)	-	-	(265,772)	-	(265,772)
Amortization of transaction cost	-	-	(1,830)	-	-	(1,830)	-	(1,830)
Assisted operation	-	-	1,795	-	-	1,795	1,795	-
Difference in tax versus accounting amortization criteria - Aeris	-	(80,080)	-	-	-	(80,080)	-	(80,080)
Diversification of provision	2,982	-	6,391	-	-	9,373	9,540	(167)
Other	16,362	-	23,116	-	-	39,478	42,041	(2,563)
Deferred tax assets (liabilities) before offset	318,172	(78,475)	64,718	11,588	(81,955)	234,048	2,024,099	(1,790,051)
Offset of tax	-	-	-	-	-	-	(1,240,918)	1,240,918
Deferred net tax assets (liabilities)	318,172	(78,475)	64,718	11,588	(81,955)	234,048	783,181	(549,133)

(*) It refers to the credit assignment from losses and negative bases of RodoAnel Oeste to SPVias and CCR, as allowed by the Tax Regularization Special Program (PERT) established by Law 13496/2017.

- (a) The Company and its investees estimate the recovery of tax credit arising from tax losses and negative bases of social contribution in the following years:

	Parent company	Consolidated
2020	2,243	27,593
2021	2,243	43,909
2022	2,243	54,148
2023	2,243	120,716
2024	2,243	80,984
de 2025 em diante	27,789	1,203,137
	<u>39,004</u>	<u>1,530,487</u>

- (b) Amounts of temporary differences arising from the application of article 69 of Law 12973/14 (end of the Transitional Tax Regime - RTT) composed mainly by depreciation of fixed assets (tax) versus amortization of intangible assets (accounting) and capitalized financial costs.

The recovery of tax credits may occur in a different time than the above estimate due to corporate and capital structure reorganizations.

Certain CCR Group companies, mainly CPC and Barcas (partially), did not recognize deferred tax assets on the balance of tax losses of R\$ 738,071 and negative bases of R\$ 757,041, as there was no expectation of generating taxable profit in the future. Had they been recorded, the balance of deferred tax assets (IRPJ/CSLL) would be R\$ 252,652 on December 31, 2019 (R\$ 224,482 on December 31, 2018).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***11. Concession-related prepayments - Consolidated**

	Beginning of concession (a)		Extension of the concession period (b)		Total	
	2019	2018	2019	2018	2019	2018
Current						
ViaLagos	234	234	-	-	234	234
AutoBAn	4,585	4,585	155,275	155,275	159,860	159,860
ViaOeste	3,297	3,297	41,659	41,659	44,956	44,956
RodoAnel Oeste	73,578	73,578	-	-	73,578	73,578
	<u>81,694</u>	<u>81,694</u>	<u>196,934</u>	<u>196,934</u>	<u>278,628</u>	<u>278,628</u>
	Beginning of concession (a)		Extension of the concession period (b)		Total	
	2019	2018	2019	2018	2019	2018
Non-current						
ViaLagos	7,508	7,742	-	-	7,508	7,742
AutoBAn	29,036	33,621	983,406	1,138,681	1,012,442	1,172,302
ViaOeste	6,594	9,891	83,317	124,976	89,911	134,867
RodoAnel Oeste	1,281,483	1,355,061	-	-	1,281,483	1,355,061
	<u>1,324,621</u>	<u>1,406,315</u>	<u>1,066,723</u>	<u>1,263,657</u>	<u>2,391,344</u>	<u>2,669,972</u>

During the year ended on December 31, 2019, the amount of R\$ 278,628 (R\$ 219,925 in 2018) was allocated to the result.

- (a) Prepayments made at the start of concession to the Concession Grantor, related to the fixed concession fee and indemnified subrogated agreements in subsidiaries, were recorded in assets and are recognized in the result for the concession period.
- (b) In order to adjust the costs incurred with the fixed concession fee in subsidiaries for which the concession period was extended without changing the payment date of the fixed concession fee, part of the payments was recorded in assets during the original period of concessions and is recognized in the results in the extended period.

12. Related parties

The balances of assets and liabilities on December 31, 2019 and 2018, as well as transactions that have influenced the results for the years 2019 and 2018, related to operations with related parties, result from transactions between the Company, its parent companies, joint ventures, key management personnel and other related parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***a. Parent company**

	Transactions			Balances					
	2019			2019					
	Expenses / costs with services rendered	Gross revenue	Finance income	Assets			Liabilities		
				Accounts receivable	Advances for future capital increase	Loans	Loans / Interest on equity receivable	Advances for future capital increase	Suppliers and accounts payable
Parent companies									
Camargo Corrêa Investimentos em Infraestrutura	-	-	-	-	-	-	-	720 (d)	-
Camargo Corrêa Infra Construções	-	-	-	-	-	-	-	-	12
Construtora Andrade Gutierrez	-	-	-	-	-	-	-	720 (d)	-
Soares Penido Concessões	-	-	-	-	-	-	-	189 (d)	-
Soares Penido Obras, Construções e Investimentos	-	-	-	-	-	-	-	287 (d)	-
Subsidiaries									
CIIS	-	-	79 (b)	-	5,976 (d)	-	10,423	-	-
Infra SP	-	-	-	8 (h)	-	-	-	-	-
Lam Vias	-	-	-	6 (h)	-	-	-	-	14 (h)
NovaDutra	-	21,358 (a)	780 (e)	1,670 (a)	-	-	-	-	-
ViaLagos	-	2,694 (a)	-	211 (a)	-	-	-	-	-
RodoNorte	-	6,191 (a)	2,314 (k)	484 (a)	-	233,893 (k)	-	-	-
AutoBAn	-	22,192 (a)	14,397 (e)	1,740 (a)	-	-	-	-	3 (h)
ViaOeste	-	12,975 (a)	2,119 (e)	1,015 (a)	-	-	-	-	-
ViaQuatro	-	3,835 (a)	-	307 (a)	-	-	-	-	1 (h)
RodoAnel Oeste	-	256 (a)	5,210 (e)	20 (a)	-	-	-	-	-
CPC	262 (f)	1,321 (a)	-	112 (a)	-	-	52,084	-	29 (f)
Samm	607 (i)	842 (a)	-	66 (a)	-	-	-	-	2 (h) (i)
SPVias	-	2,623 (a)	-	205 (a)	-	-	-	-	2 (h)
Barcas	-	3,855 (a)	2,303 (g)	17,762 (a) (g)	-	-	-	-	-
VLT Carioca	-	2,325 (a)	1,154 (g)	5,794 (a) (g)	-	-	-	-	-
Metrô Bahia	-	3,097 (a)	-	242 (a)	-	-	-	-	-
BH Airport	-	7,300 (a)	-	602 (a)	-	-	-	-	-
MSVia	-	3,633 (a)	-	284 (a)	-	-	-	-	-
ViaMobilidade	-	2,639 (a)	-	208 (a)	-	-	-	-	-
Toronto	-	408 (a)	-	7 (a)	-	-	-	-	-
ViaSul	-	2,030 (a)	-	272 (a)	-	-	-	-	-
Joint ventures									
ViaRio	-	1,816 (a)	16,091 (c)	142 (a)	-	190,568 (c)	-	-	-
Renovias	-	2,115 (a)	-	169 (a)	-	-	-	-	-
Other related parties									
Companhia Operadora de Rodovias	-	939 (a)	-	73 (a)	-	-	-	-	-
Consórcio Operador da Rodovia Presidente Dutra	-	3,711 (a)	-	290 (a)	-	-	-	-	-
Total, december 31, 2019	869	108,155	44,447	31,689	5,976	424,461	62,507	1,916	63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

	Transactions			Balances						
	2018			2018						
	Expenses / costs with services rendered	Gross revenue	Finance income	Assets			Liabilities			
				Accounts receivable	Advances for future capital increase	Loans	Loans / Interest on equity receivable	Advances for future capital increase	Loans	Suppliers and accounts payable
Parent companies										
Camargo Corrêa Investimentos em Infraestrutura	-	-	-	-	-	-	-	720 (d)	-	12
Construtora Andrade Gutierrez	-	-	-	-	-	-	-	720 (d)	-	-
Soares Penido Concessões	-	-	-	-	-	-	-	287 (d)	-	-
Soares Penido Obras, Construções e Investimentos	-	-	-	-	-	-	-	189 (d)	-	-
Subsidiaries										
CIIS	-	-	-	-	-	-	1,892	-	-	-
Infra SP	-	-	-	-	-	-	89,607	-	-	-
Ponte	-	-	2 (j)	-	-	-	-	-	-	13 (h)
NovaDutra	-	20,494 (a)	974 (e)	1,603 (a)	-	14,576 (e)	23,805	-	-	-
ViaLagos	-	2,637 (a)	-	206 (a)	-	-	1,069	-	-	-
RodoNorte	-	5,806 (a)	-	454 (a)	-	-	4,710	-	-	2 (h)
AutoBAN	-	21,400 (a)	17,982 (e)	1,682 (a)	-	269,138 (e)	-	-	-	42 (h)
ViaOeste	-	12,582 (a)	2,646 (e)	984 (a)	-	39,609 (e)	-	-	-	8 (h)
ViaQuatro	-	4,678 (a)	-	369 (a)	-	-	-	-	-	8 (h)
RodoAnel Oeste	-	246 (a)	7,168 (e) (o)	19 (a)	-	-	-	-	17,200 (l)	-
CPC	1,380 (f)	1,019 (a)	-	83 (a)	613,800 (d)	-	39,023	-	-	120 (f)
Samm	566 (i)	813 (a)	-	106 (a)	-	-	-	-	-	10 (h) (i)
SPVias	-	2,532 (a)	1,723 (m)	198 (a)	-	-	-	-	-	3 (h)
Barcas	-	3,721 (a)	1,956 (g)	11,736 (a)	-	-	-	-	-	-
Metrô Bahia	-	2,814 (a)	178 (n)	423 (a)	-	-	-	-	-	34 (h)
BH Airport	-	7,830 (a)	-	628 (a)	-	-	-	-	-	-
MSVia	-	3,507 (a)	-	274 (a)	-	-	-	-	-	7 (h)
ViaMobilidade	-	2,578 (a)	-	269 (a)	-	-	-	-	-	-
Toronto	-	-	-	6 (a)	-	-	-	-	-	8 (h)
Joint ventures										
ViaRio	-	2,315 (a)	14,695 (c)	136 (a)	-	176,780 (c)	-	-	-	-
VLT Carioca	-	2,577 (a)	-	2,457 (a)	-	-	-	-	-	-
Renovias	-	2,062 (a)	-	164 (a)	-	-	-	-	-	-
Other related parties										
Companhia Operadora de Rodovias	-	899 (a)	-	70 (a)	-	-	-	-	-	-
Consórcio Operador da Rodovia Presidente Dutra	-	3,547 (a)	-	277 (a)	-	-	-	-	-	-
Total, december 31, 2018	1,946	104,057	47,324	22,144	613,800	500,103	160,106	1,916	17,200	267

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (a) Agreement for the provision of administrative management services in the accounting, legal advisory, supply, treasury and human resources areas by CCR - Actua Division, the amounts of which mature in the month after the month for billing;
- (b) Mutual loan agreement remunerated at a variation of 110.7% of the CDI rate, maturing on December 31, 2019, the date on which the settlement occurred;
- (c) Mutual loan agreements, two of which are remunerated at 130% of changes in CDI rate, and six subject to interest corresponding to TR + 9.89% p.a., all with maturity on January 16, 2034, plus one agreement with interest at the CDI rate + 2.90% p.a. with maturity on June 1, 2028;
- (d) Advance for future capital increase;
- (e) It refers to the onerous assignment of IRPJ and CSLL on tax losses and negative bases credits of RodoAnel Oeste, as authorized by article 33 of MP 651/14, converted into Law 13043/2014. Interest of 105% of the CDI rate were paid semiannually, in April and October of each year, until the final maturity of the transaction which occurred on October 28, 2019, when the principal was paid for this operation. On May 3, 2017, RodoAnel Oeste sold receivables to CCR, with a discount of future credits at a market rate of 127.73% of the CDI rate;
- (f) Agreement for the provision of IT and maintenance services exclusively by CPC - EngelogTec Division, the amounts of which are settled monthly on the first business day of the month after the billing;
- (g) It refers to interest charged on invoices not received when due;
- (h) It refers to payroll charges related to the transfer of employees;
- (i) Provision of data transmission services;
- (j) Remunerated mutual loan agreement at an accumulated variation of 110.7% of CDI rate, settled on June 29, 2018;
- (k) Remunerated mutual loan agreement at a variation of 110.7% of the CDI rate, maturing on November 27, 2021;
- (l) It refers to the credit assignment from losses and negative bases of RodoAnel Oeste to CCR, as allowed by the Tax Regularization Special Program (PERT) established by Law 13496/2017, settled on January 14, 2019.
- (m) Remunerated mutual loan agreement at an accumulated variation of 117.49% of CDI rate, settled on October 22, 2018. On August 22, 2018, an early settlement was carried out;
- (n) Remunerated mutual loan agreement at a variation of 127.67% of the CDI rate whose maturity would occur on December 31, 2020. On January 04, 2018, the contract was settled early; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

- (o) Remunerated mutual loan agreements at an accumulated variation of 110.7% of the CDI rate. The contract matured fully on December 27, 2018, date on which it was settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018
(amounts expressed in thousands of reais, unless otherwise indicated)

b. Consolidated

	Transactions					Balances				
	2019					2019				
	Expenses / costs with services rendered	Property, plant and equipment/ Intangible asset	Gross revenue	Finance income	Finance costs	Assets		Liabilities		
						Accounts receivable	Advances for future capital increase	Loans	Advances for future capital increase	Suppliers and accounts payable
Parent companies										
Construtora Andrade Gutierrez	-	-	-	-	-	-	-	-	720 (c)	-
Camargo Corrêa Infra Construções	-	-	47 (z)	-	-	16 (z)	-	-	-	12
Camargo Corrêa Investimentos em Infraestrutura	-	-	-	-	-	-	-	-	720 (c)	-
Soares Penido Concessões	-	-	-	-	-	-	-	-	287 (c)	-
Soares Penido Obras, Construções e Investimentos	-	-	-	-	-	-	-	-	189 (c)	-
Consórcio Mobilidade Bahia	138 (a)	3,375 (a)	-	-	-	-	-	-	-	2,891 (a)
Subsidiaries										
MTH	-	-	-	1,614 (q)	1,900 (q)	-	-	-	-	-
Barcas	-	-	8 (q)	-	-	-	-	-	-	-
Aeris Holding	-	-	12,032 (w)	538 (q)	1,007 (q)	-	-	73	-	-
IBSA Finance	-	-	-	-	-	-	-	-	-	5
IBSA	-	-	-	10 (q)	-	-	-	-	-	-
Green Airport	-	-	-	-	-	-	-	-	4	-
CAP	-	-	134	12 (q)	8 (q)	-	-	-	-	-
CAI	-	-	-	1 (q)	7 (q)	9	-	-	-	-
VLT Carioca	-	-	1,800 (b)	11,072 (e)	-	-	-	-	-	-
RS Holding	-	-	-	-	-	-	10 (c)	-	-	-
TAS	-	-	-	66 (q)	50 (q)	-	-	-	-	-
Joint ventures										
Corporación Quiport	-	-	771 (b)	1,423 (f)	37 (q)	195 (b)	-	-	-	-
ViaRio	-	-	3,885 (b)	16,091 (d)	-	324 (b)	-	190,569 (d)	-	-
Controlar S.A.	-	-	-	-	-	-	1,047 (c)	-	-	-
Renovias	-	-	2,506 (b)(r)	-	-	192 (b)	-	-	-	-
Other related parties										
Consórcio Operador da Rodovia Presidente Dutra	379,409 (h)	-	7,447 (b)	-	-	592 (b)	-	-	-	35,702 (h)
Companhia Operadora de Rodovias	-	-	1,003 (b)	-	-	83 (b)	-	-	-	24
Coalzi Marketing - Eireli	845 (o)	-	-	-	-	-	-	-	-	65 (o)
Concessionária do Aeroporto Internacional	-	-	27	-	-	10	-	-	-	-
Intercement Brasil S/A	-	225 (k)	-	-	-	-	-	-	-	-
JCA Holding Participações	-	-	-	-	162 (n)	-	-	-	21,400 (c)	2,174 (n)
Rodomar Administ e Partic.	-	-	-	-	125 (m)	-	-	-	-	2,614 (m)
Auto Viação 1001	-	-	-	-	2,037 (m)	-	-	-	-	42,369 (m)
Zurich Airport	11,809 (p)	-	-	-	-	-	-	-	-	5,951 (p)
Infraero	1,128 (s)	-	-	10,301 (l)	-	-	-	-	-	-
RioCard Tecnologia da Informação	-	-	-	-	-	-	-	-	-	1,528 (g)
Consórcio Nova Rodovia do Café	-	12,060 (t)	-	-	-	-	-	-	-	218 (t)
CV Serviços Meio Ambiente	-	-	-	-	-	-	-	-	-	81 (v)
Odebrecht Mobilidade S/A	-	-	-	-	3,219 (e)	-	-	-	2,375 (c)	126,746 (e)
Invepar	-	-	-	-	3,219 (e)	-	-	-	6,891 (c)	126,745 (e)
Edica	-	-	-	-	-	-	-	-	-	6,879 (u)
RIOPAR Participações	10	-	-	-	3,342 (n)(e)	-	-	-	23,775 (c)	128,396 (n)(e)
Porto de Cima Concessões	-	-	-	-	-	9,057 (x)	-	-	-	-
Cesbe	-	-	-	-	-	12,197 (x)	-	-	-	13
Companhia Paranaense de Construção	-	103,224 (i)	-	-	-	-	-	-	-	10,848 (i)
Serveng - Cívilsan S.A. - Empresas Associadas de Engenharia	-	108,892 (j)	-	-	-	-	-	-	-	13,753 (j)
Total, december 31, 2019	393,339	227,776	29,660	41,128	15,113	22,675	1,057	190,642	56,357	384,065

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

	Transactions					Balances					
	2018					2018					
	Expenses / costs with services rendered	Property, plant and equipment/ Intangible asset	Gross revenue	Finance income	Finance costs	Assets			Liabilities		
Accounts receivable						Advances for future capital increase	Loans	Advances for future capital increase	Loans	Suppliers and accounts payable	
Parent companies											
Construtora Andrade Gutierrez	-	24,578 (a)	-	-	-	-	-	-	720 (c)	-	-
Construções e Comércio Camargo Corrêa S.A.	-	24,578 (a)	-	-	-	-	-	-	-	-	-
Camargo Corrêa Infra Construções	-	21,817 (ac)	-	-	-	-	-	-	-	-	1,336 (ac)
Consórcio Mobilidade Bahia	-	8,501 (a)	-	-	-	-	-	-	-	-	5,554 (a)
Camargo Corrêa Investimentos em Infraestrutura	-	-	-	-	-	-	-	-	720 (c)	-	-
Soares Penido Concessões	-	-	-	-	-	-	-	-	287 (c)	-	-
Soares Penido Obras, Construções e Investimentos	-	-	-	-	-	-	-	-	189 (c)	-	-
Subsidiaries											
MTH Houdster em Maritiem	-	-	-	1,216 (q)	1,896 (q)	-	-	-	-	-	-
Alba Concessions	-	-	-	6,466 (q)	11,860 (q)	-	-	-	-	-	-
Aeris	-	-	1,996 (b)	881 (q)	76 (q)	-	-	61	-	-	-
IBSA	-	-	-	7,897 (q)	-	-	888	-	-	-	-
Green Airport	-	-	-	-	-	-	-	-	-	9	-
CAI	-	-	565 (b)	11 (q)	17 (q)	9	-	-	-	-	-
TAS	-	-	485 (b)	4,221 (q)	2,380 (q)	-	-	-	-	-	-
Joint ventures											
Icaros	-	-	-	-	-	29	-	-	-	-	-
Quiport Holdings	-	-	-	-	-	6	-	-	-	-	-
Corporación Quiport	-	-	3,551 (b)	7,231 (f)	212 (q)	625 (b)	-	101,324 (f)	-	-	-
ViaRio	-	-	4,212 (b)	14,694 (d)	-	361 (b)	-	176,780 (d)	-	-	-
VLT Carioca	-	-	2,577 (b)	10,730 (e)	-	2,457 (b)	-	115,171 (e)	-	-	-
Renovias	628 (r)	-	2,435 (b)(r)	-	-	187 (b)	-	-	-	-	-
Other related parties											
Consórcio Operador da Rodovia Presidente Dutra	357,482 (h)	-	7,152 (b)	-	-	559 (b)	-	-	-	-	35,624 (h)
Companhia Operadora de Rodovias	-	-	959 (b)	-	-	75 (b)	-	-	-	-	-
Jack Holding Inc	-	-	-	-	13 (aa)	-	-	-	-	-	-
Intercement Brasil S/A	-	763 (k)	13 (ag)	-	-	-	-	-	-	-	-
JCA Holding Participações	-	-	-	-	161 (n)	-	-	-	21,400 (c)	2,035 (n)	-
Consórcio Rodo Avaré	-	14,703 (ad)	-	-	-	-	-	-	-	-	621 (ad)
Santista Work Solution	-	-	81	-	-	-	-	-	-	-	-
Camargo Corrêa Desenv Imobiliário (CCDI)	-	-	59 (r)	-	-	-	-	-	-	-	-
Zurich Airport	12,924 (p)	-	-	-	-	-	-	-	-	-	7,252 (p)
Infraero	1,384 (s)	-	-	-	-	-	-	-	-	-	-
Rodomar Administ e Partic.	-	-	-	-	-	-	-	-	-	-	2,489 (m)
Consórcio Nova Rodovia do Café	-	12,801 (t)	-	-	-	-	-	-	-	-	1,168 (t)
CV Serviços Meio Ambiente	-	-	-	-	-	-	-	-	-	-	81 (v)
Edica	-	-	-	-	-	-	-	-	-	-	26,466 (u)
RIOPAR Participações	-	-	-	-	123 (n)	-	-	-	21,400 (c)	1,563 (n)	-
ADC & HAS Airports Inc.	-	-	-	-	-	-	-	-	-	-	2,348 (ae)
ADC & HAS Finance	-	-	-	-	1,324 (ab)	-	-	-	891 (c)	-	-
Mover Participações	-	-	78 (r)	-	-	3	-	-	-	-	-
J2L Participações	42	-	-	-	-	-	-	-	-	-	-
Auto Viação 1001	-	-	-	-	-	-	-	-	-	-	40,335 (m)
Companhia Paranaense de Construção	154 (af)	188,802 (i)	-	-	-	-	-	-	-	-	25,258 (i)
Serveng - Cívilkan S.A. - Empresas Associadas de Engenharia	-	101,421 (j)	-	-	-	-	-	-	-	-	6,737 (j)
Total, december 31, 2018	372,614	397,964	24,163	53,347	18,062	4,311	888	393,336	45,607	3,607	155,269

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

In December 2019, the amount of R\$ 146,453 was recorded, related to expenses related to the non-withholding of ISS by the Presidente Dutra highway operation, maintenance and conservation services, provided by Consórcio Operador da Rodovia Presidente Dutra, which paid R\$ 101,823 in 2019. The amount refers to debts created in previous periods and amounts subject to spontaneous regularization by the concessionaire, subject the decadence period established by law. The payment and provision were made due to the change in the expectation of an outcome to an unfavorable outcome, in lawsuits on this topic.

Simultaneously, a contractual agreement was entered into to renegotiate the prices of services prospectively, in order to rebalance the agreement, as approved by the independent members of the Board of Directors of CCR, at a meeting on November 28, 2019.

c. Expenses with key management personnel

Non-statutory Executive Board				
	Parent company		Consolidated	
	2019	2018	2019	2018
1. Remuneration (ah):				
Short-term benefits - fixed remuneration	978	2,869	2,648	9,929
Other benefits:				
Profit sharing provision				
Provision for profit sharing payable in the following year	416	488	1,335	3,794
(Reversal) / Completion of previous year's PPR provision paid in the year	(371)	201	(3,110)	3,982
Private pension plan	45	17	151	218
Life insurance	3	2	8	14
	<u>1,071</u>	<u>3,577</u>	<u>1,032</u>	<u>17,937</u>
Statutory Executive Board				
	Parent company		Consolidated	
	2019	2018	2019	2018
1. Remuneration (ah):				
Short-term benefits - fixed remuneration	16,125	32,827	60,898	64,987
Other benefits:				
Profit sharing provision				
Provision for profit sharing payable in the following year	6,874	11,402	20,003	24,917
(Reversal) / Completion of previous year's PPR provision paid in the year	(8,074)	14,753	(12,409)	22,627
Additional profit sharing from previous year	-	5,913	-	6,413
Private pension plan	499	641	1,580	1,333
Life insurance	31	26	102	73
	<u>15,455</u>	<u>65,562</u>	<u>70,174</u>	<u>120,350</u>
Consolers				
	Parent company		Consolidated	
	2019	2018	2019	2018
1. Remuneration (ah):				
Short-term benefits - fixed remuneration	7,744	3,247	8,026	3,647
Life insurance	77	64	77	64
	<u>7,821</u>	<u>3,311</u>	<u>8,103</u>	<u>3,711</u>

d. Balances payable to key management personnel

	Parent company		Consolidated	
	2019	2018	2019	2018
Management remuneration (ah)	8,583	14,142	25,435	33,360

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

At the Annual General Meeting (AGM) held on April 22, 2019, the annual and global compensation for the Company's Management and Board of Directors was approved for the year 2019, in the amount of up to R\$ 64,747 if all goals set (100%) are met, which can reach up to R\$ 81,378 if those goals are exceeded by 200%. Furthermore, the individual remuneration of the members of the Supervisory Board was also approved, corresponding to 10% of the average remuneration given to the Company's statutory directors (benefits, representation fees and profit sharing are not included), as provided for in paragraph 3 of article 162 of the Brazilian Corporation Law.

Below are the notes related to tables b, c and d:

- (a) Metrô Bahia and Consórcio Mobilidade Bahia signed, on June 13, 2014, a management agreement under an alliance system to achieve the best cost/benefit ratio for the expansion of the Salvador and Lauro de Freitas Subway System.

In view of the conclusion of the scope of the Agreement, the Parties, on November 14, 2018, formalized the End of Alliance Agreement, which established the end of the alliance and defined the procedures and responsibilities to be observed by the Parties in relation to the closing.

Some of the responsibilities assumed by Metrô Bahia are:

- Pay the alliance employees on leave and the respective severance pay after the end of the leave period, in accordance with the clauses of the termination term;
 - Manage the agreements assumed and the contractual relations with suppliers that are part of the agreements assumed;
 - Pay the consortium the amounts corresponding to the materialized disbursements related to the assumed agreements.
- (b) Income and accounts receivables from the provision of administrative services by CCR - Actua Division, and IT and maintenance services provided by CPC - EngelogTec Division;
- (c) Advance for future capital increase;
- (d) Mutual loan agreements executed between CCR and ViaRio, two of which are remunerated at 130% of changes in CDI rate, and six subject to interest corresponding to TR + 9.89% p.a., all with maturity on January 16, 2034, plus one agreement with interest at the CDI rate + 2.90% p.a. with maturity on June 1, 2028;
- (e) Mutual loan agreements between VLT Carioca and its shareholders, of which 11 are agreements remunerated at the accumulated variation in the CDI rate + 5% p.a., of which: four agreements were to mature on December 31, 2018, whose term was extended to December 31, 2020; two agreements mature on December 31, 2020; three agreements mature on December 15, 2024; one agreement matures on December 30, 2024; and one agreement matures on December 30, 2027;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (f) Mutual loan agreements between Quiport and its shareholders and other related parties, remunerated at up to 9.36% p.a., with maturity between 2037 and 2040. On March 14, 2019, the agreements were fully settled in advance;
- (g) RioCard administrative rate for payment management and electronic card issuance services;
- (h) Services to recover, improve, conserve, maintain, monitor and operate Presidente Dutra highway, effective until February 2021;
- (i) Provision of contracted services at a global price, with a company previously called J. Malucelli Construtora de Obras, related to the duplication works of the BR-376 highway (RodoNorte), including the construction of a new runway and the recovery of an existing runway, effective until June 25, 2021;
- (j) Provision of contracted services at a global price for pavement restoration works on sections, interchanges and accesses distributed across several sections of Presidente Dutra highway, the term of effectiveness of which is from January 23, 2014, to July 21, 2017. On June 06, 2017, a new service agreement was entered into with the same purpose, but for new sections of the highway, effective until December 2, 2020;
- (k) Cement supply agreement for concrete paving on MSVia, whose unit amounts are adjusted annually by the IGP-M. The payments related to this agreement are due and payable within 15 days from receipt of the invoice issued by the supplier;
- (l) It refers to reimbursements made by Infraero for construction works under its responsibility, which were carried out by BH Airport. The original amount of the reimbursement was R\$ 110,650, which, with a monetary variation of R\$ 10,301, totaled R\$ 120,951;
- (m) It refers to the installment, withheld under the purchase and sale agreement between CPC and the former shareholders of Barcas;
- (n) Mutual loan agreement signed on October 4, 2016, between Barcas and its shareholders, eight contracts remunerated at 127.9% of the CDI rate, 12 contracts remunerated at 110.7% of the CDI rate, with initial maturity on January 31, 2020, and extended to December 31, 2020;
- (o) Agreement for the provision of administrative management services to Quicko;
- (p) Agreement for operation and management consultancy for the Confins International Airport entered into December 2, 2014, between Zurich and BH Airport on March 31, 2021;
- (q) It refers to the exchange-rate variation resulting from related-party transactions regarding different functional currencies;
- (r) Data transmission services provided by Samm;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (s) The amounts substantially refer to labor costs of Infraero that are allocated to the Confinis International Airport, as provided for in clause 2.23.3 of the Concession Agreement, which are refunded on a monthly basis according to the services provided;
- (t) Agreement for the provision of contracted services at an estimated price for the execution of works to recover the existing lane of BR-376 (RodoNorte), effective up to November 20, 2019, remaining balance referring to the collateral. The Consortium is made up of companies Andrade Gutierrez Engenharia and AG Construções e Serviços;
- (u) Construction works carried out at Aeris by its minority shareholder Edica;
- (v) It refers to the collateral retained as guarantee for labor lawsuits, resulting from the provision of services by CV Serviços Meio Ambiente to Ponte for road maintenance;
- (w) Agreement executed between the companies CPC and Aeris Holding regarding the Management Fee established in the agreement for operation, management, expansion and modernization of the airport on December 31, 2019;
- (x) Credit with related parties signed between RodoNorte and its shareholders, with maturity during the year 2020, according to the Company's cash needs;
- (y) Receivable credits arising from services provided to VLT users related to subway tariffs;
- (z) Space assignment agreement effective until March 2022;
- (aa) Mutual loan agreement remunerated at the Libor variation + 1.9% p.m., with estimated maturity on August 2, 2018, the date on which the settlement occurred;
- (ab) Mutual loan agreement remunerated at the rate of 9.89% p.a., with estimated maturity on December 15, 2023;
- (ac) Agreement for the provision of contracted services at a global price, for the implementation of a new highway system granting access to the city of Jundiai (AutoBAn), effective from May 16, 2016, to October 30, 2018. The payments related to this agreement were made within 10 days of the receipt of the invoice issued by the supplier. Except for the collateral retention, which will be settled after compliance with certain contractual clauses;
- (ad) Agreement for the provision of contracted services at a global price for the execution of interchanges, special engineering structures and footbridges for the duplication of sections of João Mellão highway (SPVias), in the total amount of R\$ 114,550, to be effective from June 13, 2016, to January 31, 2019. The payments related to this agreement were made within 10 days of the receipt of the invoice issued by the supplier. Except for the collateral retention, which will be settled after compliance with certain contractual clauses. The Rodo Avaré consortium is made up of the companies Andrade Gutierrez Engenharia S.A. and Andrade Gutierrez Construções e Serviços S.A.;
- (ae) Agreement executed between the companies ADC&HAS Airports Inc. and Aeris regarding the Management Fee established in the agreement for operation, management, expansion and modernization of the airport on December 31, 2018;
- (af) Legal guarantee insurance for tax enforcement;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (ag) Provision of storage and wharfage fees services provided by BH Airport to Intercement; and
- (ad) It comprises the total fixed and variable remuneration amount attributable to supervisory board and management members (board of directors, statutory management and non-statutory management), totaling 24 members.

13. Investments in subsidiaries and joint ventures

In 2019, impairment tests of non-financial assets and deferred tax assets were carried out in some companies of the CCR Group. In general, the tests were performed based on the value in use method, considering, in the applicable cases, rights arising from rebalancing the concession agreements.

In the specific case of MSVia, in light of the lawsuit mentioned in item c) Other relevant information, subitem j.ii, of this note, the analysis of recoverability at fair value was applied, using the cost approach (usually referred to as replacement cost), which includes the assessment of indemnities to be received from the Concession Grantor in case of return, new auction or expiration of the concession agreement. This scenario is understood as the most appropriate for the analysis for recovery of its assets, in view of the judicial discussion regarding the reimbursement of the net book balance of amortization of investments made in the concession.

No cases of impairment loss were identified, except in the case of deferred tax assets of MSVia of R\$ 30,812.

a) Investments in subsidiaries - Parent Company

Subsidiaries	Core business	Place of establishment and operation	Equity interest percentage	
			2019	2018
CIIS	Holding	Brazil (SP / RJ)	100.00%	100.00%
CPC	Holding	Latin America and Spain	99.00%	99.00%
CIP	Holding	Brazil (SP)	100.00%	100.00%
NovaDutra	Highway concession	Brazil (SP / RJ)	100.00%	100.00%
Parques	Services	Brazil	85.92%	85.92%
Ponte	Highway concession	Brazil (RJ)	100.00%	100.00%
RodoNorte	Highway concession	Brazil (PR)	87.20%	85.92%
Samm	Services	Brazil (SP / RJ)	99.90%	99.90%
Infra SP	Holding	Brazil (SP)	99.99%	99.99%
SPCP	Holding	Brazil (RJ)	65.5171%	65.5171%
ViaLagos	Highway concession	Brazil (RJ)	100.00%	100.00%
ViaMobilidade	Passenger transportation concession	Brazil (SP)	83.34%	83.34%
ViaQuatro	Passenger transportation concession	Brazil (SP)	75.00%	75.00%
Linha 15 (a)	Passenger transportation concession	Brazil (SP)	80.00%	-

- (a) Company incorporated on April 4, 2019, with the purpose of exploring a concession for line 15 of São Paulo's subway.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)****a.1) Breakdown of investments in subsidiaries and joint ventures, net of provision for unsecured liability - Parent Company***

	Equity (unsecured liability)		Investments (provision for unsecured)		Net income (loss) for the year from investees		Equity income (loss)	
	2019	2018	2019	2018	2019	2018	2019	2018
AutoBAN (a)	(b)	(b)	(b)	(b)	(b)	687,523	(b)	508,955
CIIS	361,232	224,415	360,682	224,413	22,189	10,514	21,641	10,514
CIP	950	797	950	797	(897)	(108)	(897)	(75)
CPC	4,939,807	3,941,152	4,888,395	3,899,270	(94,372)	176,658	(92,977)	174,881
NovaDutra (a)	489,224	462,238	489,224	462,238	210,502	204,978	210,502	204,978
Parques	19	52	17	45	(33)	135	(28)	116
Ponte (a)	1,991	6,940	1,991	6,940	(4,949)	(591)	(4,949)	(591)
RodoAnel Oeste	(b)	(b)	(b)	(b)	(b)	(7,171)	(b)	(8,776)
RodoNorte	(315,963)	(505,855)	(276,765)	(436,454)	11,531	(576,398)	10,495	(496,187)
RodoNorte (Concession right generated upon the acquisition)	-	-	2,477	3,705	-	-	(1,228)	(1,180)
Samm	62,391	56,316	62,330	56,261	6,075	3,769	6,069	3,766
Infra SP	2,450,236	2,350,291	2,450,158	2,353,628	1,283,152	358,429	1,279,737	361,764
Linha 15	4,968	-	3,975	-	(2,332)	-	(1,865)	-
SPCP	405,375	391,241	265,589	256,329	134	(3,548)	88	(2,324)
ViaLagos (a)	26,168	25,254	26,166	25,255	35,555	30,418	35,555	30,418
ViaMobilidade	95,065	61,259	79,228	51,054	60,133	(7,716)	50,115	(6,430)
ViaOeste	(b)	(b)	(b)	(b)	(b)	301,585	(b)	226,580
ViaQuatro	217,285	199,660	162,968	149,749	197,282	151,056	147,961	113,292
ViaQuatro (Concession right generated upon the acquisition)	-	-	565,060	592,624	-	-	(27,564)	(27,564)
ViaRio	125,325	129,353	82,803	85,420	(4,028)	(20,632)	(2,617)	(14,560)
Total investment, net of the provision for unsecured liability	8,864,073	7,343,113	9,165,248	7,731,274	1,719,942	1,308,901	1,630,038	1,077,577

- (a) There is an irrelevant participation by non-controlling shareholders, which does not affect the calculation of equity in the parent company.
- (b) On October 29, 2018, CCR contributed its shares in these subsidiaries to the capital of Infra SP, as set forth in a corporate reorganization plan.

a.2) Changes in investments, net of unsecured liability - Parent Company

	Opening balance	Equity income (loss)	Capital increase/ (decrease)	Capital increase/ (decrease)	Dividends and interest on own capital	Equity valuation adjustment	Others	Closing balance
	2018				2019			
CIIS	224,413	21,641	-	126,711	(12,265)	182	-	360,682
CIP	797	(897)	-	1,050	-	-	-	950
CPC	3,899,270	(92,977)	-	1,125,385	(61,276)	17,993	-	4,888,395
NovaDutra	462,238	210,502	-	-	(183,516)	-	-	489,224
Parques	45	(28)	-	-	-	-	-	17
Ponte	6,940	(4,949)	-	-	-	-	-	1,991
RodoNorte	(436,454)	10,495	(7,004)	20,954	-	-	135,244	(276,765)
RodoNorte (Concession right generated upon the acquisition)	3,705	(1,228)	-	-	-	-	-	2,477
Samm	56,261	6,069	-	-	-	-	-	62,330
Infra SP	2,353,628	1,279,737	-	6,000	(1,189,207)	-	-	2,450,158
Linha 15	-	(1,865)	-	5,840	-	-	-	3,975
SPCP	256,329	88	-	9,172	-	-	-	265,589
ViaLagos	25,255	35,555	-	-	(34,644)	-	-	26,166
ViaMobilidade	51,054	50,115	-	16,689	(38,630)	-	-	79,228
ViaQuatro	149,749	147,961	-	-	(132,610)	(2,132)	-	162,968
ViaQuatro (Concession right generated upon the acquisition)	592,624	(27,564)	-	-	-	-	-	565,060
ViaRio	85,420	(2,617)	-	-	-	-	-	82,803
Total	7,731,274	1,630,038	(7,004)	1,311,801	(1,652,148)	16,043	135,244	9,165,248

- (a) Transfer of interim dividends to credit with related parties, due to changes in the investee's results.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***a.3) Summarized financial information of subsidiaries - Parent Company and Consolidated**

	2019				2018			
	Total assets	Total current and non-current liabilities	Total gross income for the year	Net income (loss) for the year	Total assets	Total current and non-current liabilities	Total gross income for the year	Net income (loss) for the year
Aeris Holding	1,037,266	990,277	328,886	9,242	989,614	955,153	121,067	6,286
Aeropuertos	6,267	-	-	3,928	1,472	-	-	2,672
Alba Concessions	126,733	-	-	1,697	280,886	-	-	8,297
Alba Participations	1,304	1	-	572	1,254	555	-	(5,648)
ATP	3,593	27,278	8,053	(5,632)	3,857	21,910	7,203	(3,717)
AutoBAn	3,562,571	3,063,086	2,307,620	765,599	3,668,683	3,194,015	2,254,132	687,523
Barcas	258,251	500,791	139,720	(78,750)	266,920	430,710	125,820	(75,141)
BH Airport	2,461,517	2,160,358	381,241	(78,929)	2,520,708	2,140,620	359,536	(124,932)
CAI	103,420	13,008	-	(8,555)	112,298	12,499	-	(8,271)
CAP	330,433	231,049	182,885	(8,555)	318,118	209,695	182,178	(8,271)
CARE	4	4,920	-	-	4	4,730	-	-
CCR Costa Rica	23,312	-	-	4,505	17,188	-	-	9,120
CCR Costa Rica Conc y Part	34,436	-	-	3,081	31,769	2,480	-	2,664
CCR España	554,694	159,499	-	(30,468)	535,381	256,756	-	89,144
CCR España Empreendimentos	1,231,591	410,799	-	4,349	1,148,779	393,164	-	70,578
CCR Infra SP	2,462,515	12,279	-	1,283,152	2,462,578	112,287	-	358,428
CCR Lam Vias	5,947	11,059	-	(31,122)	10	-	-	-
CCR Mobilidade	8,461	1,530	-	(23,079)	10	-	-	-
CCR USA	148,968	54,430	-	(18,271)	138,367	48,639	-	(23,578)
CCR ViaSul	1,285,370	75,573	413,945	61,051	320,786	8,895	8,246	346
CIIS	403,669	42,437	-	22,189	226,760	2,345	-	10,514
CIP	1,085	135	-	(897)	797	-	-	(108)
CPA	73,132	2,133	-	(6,479)	79,845	3,937	-	(1,921)
CPC	5,968,655	1,028,848	168,131	(94,372)	4,821,416	880,264	167,101	176,658
Desarrollos	7,727	-	-	4,843	1,815	-	-	3,294
Five Trilhos	23,273	5,039	17,540	14,522	1,891	668	1,920	1,546
Green Airports	161,375	975	-	10,703	144,626	941	-	9,900
IBSA	317,542	319,492	-	8	283,863	285,745	-	(6)
IBSA Finance	316,821	317,255	-	-	283,176	283,593	-	-
Inovap 5	861	181	-	(159)	874	35	-	(96)
Linha 15	209,823	204,855	-	(2,332)	-	-	-	-
Metrô Bahia	5,124,329	3,552,496	791,106	(6,716)	5,161,203	3,757,359	1,007,069	40,292
MSVia	2,003,958	1,101,193	317,770	(55,048)	1,932,836	1,001,325	435,025	13,903
MTH	34,904	221	3,339	669	33,434	17	3,263	(1,788)
NovaDutra	875,294	386,070	1,507,407	210,502	1,277,514	815,276	1,483,772	204,978
Parques	20	1	-	(33)	53	1	-	135
Ponte	6,856	4,865	-	(4,949)	8,111	1,171	-	(591)
RodoAnel Oeste	2,263,535	953,040	327,747	16,063	2,250,455	1,689,885	291,732	(7,171)
RodoNorte	1,338,446	1,654,409	1,182,201	11,531	1,228,480	1,734,335	1,107,445	(576,398)
Samm	221,505	159,114	106,354	6,075	206,885	150,569	99,799	3,769
SJO Holding	270,582	975	-	2,412	256,191	941	-	2,473
SPAC	153,932	2	-	(40,402)	194,333	1	-	(64,270)
SPCP	417,472	12,097	-	134	403,129	11,888	-	(3,548)
SPVias	1,812,874	1,545,709	703,870	161,059	1,936,963	1,645,975	681,096	140,377
TAS	249,834	322,591	379,064	(4,148)	93,232	158,662	306,763	(22,037)
Terminal	32,628	-	-	240	31,088	-	-	163
Toronto	6,450	1,405	-	(11,092)	1,412	375	-	(973)
ViaLagos	286,890	260,722	130,426	35,555	277,463	252,209	125,981	30,418
ViaMobilidade	771,654	676,589	406,772	60,133	709,601	648,342	121,021	(7,716)
ViaOeste	1,014,395	767,533	1,051,573	316,734	1,250,425	1,005,027	1,033,952	301,585
ViaQuatro	1,780,992	1,563,707	643,323	197,282	1,642,365	1,442,705	685,975	151,056
VLT Carioca	1,782,431	1,455,816	45,552	(4,799)	-	-	-	-
Quiport Holdings	947,650	73	-	500	-	-	-	-
Subtotal	42,527,247	24,055,915	11,544,525	2,693,543	37,558,918	23,565,699	10,610,096	1,389,938
Parent company	11,523,267	3,384,479	108,155	1,438,255	11,057,208	2,825,714	104,057	776,592
Write-off of deferred asset for consolidation purposes	-	-	-	-	-	-	-	6,147
Eliminations	(20,788,427)	(2,618,001)	(266,174)	(2,705,346)	(17,800,128)	(4,008,149)	(265,109)	(1,536,495)
Consolidated	33,262,087	24,822,393	11,386,506	1,426,452	30,815,998	22,383,264	10,449,044	636,182

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***b) Investments in joint ventures - Consolidated**

Joint ventures (a)	Place of formation and operation	Percentage of Interest		Main activity
		2019	2018	
Corporación Quiport	Ecuador	46.5%	-	Highway concession
Quiport Holdings	Uruguay	(b)	50.0%	Holding
Quiama	British Virgin Islands	50.0%	50.0%	Holding
IAF Madrid	Spain	46.5%	-	Holding
ViaRio	Brazil (RJ)	66.66%	66.66%	Highway concession
Renovias	Brazil (SP)	40.0%	40.0%	Highway concession
Controlar	Brazil (SP)	49.5747%	49.5747%	Services
VLT Carioca	Brazil (RJ)	(c)	24.932%	Concession of passenger transportation

(a) The investment is measured under the equity method.

(b) On July 15, 2019, Ícaros transferred 24.95624% of its 25% participation it held in Quiport Corporación to its parent company Quiport Holdings. On the same date, Quiport Holdings sold 6.95624% of its participation in Quiport Corporación to HASDC for USD 6,480 thousand (R\$ 26,819). After the sale, Quiport Holdings held 93% on July 22, 2019, of direct ownership participation in Quiport. The transaction generated a net effect on the consolidated result of R\$ 17,183, comprising: (i) Loss of capital of R\$ 51,606, which is included in the Equity line item in the income statement on Quiport Holdings; and (ii) Revenue of R\$ 34,423, referring to the partial reclassification of the balance of the line item Cumulative translation adjustments to Other operating revenues in the profit (loss) for the year. As of October 18, 2019, CCR indirectly held control of Quiport Holdings, with the spin-off and departure of shareholder Odinsa, which held a 50% participation in the company.

(c) See note 7 for further details.

b.1) Breakdown of investments in joint ventures - Consolidated

	Equity (unsecured liability) of joint ventures		Investments (provision for unsecured liability)		Net income (loss) for the year from joint ventures		Equity income (loss)	
	2019	2018	2019	2018	2019	2018	2019	2018
Corporación Quiport	967,525	-	448,402	-	195,920	-	7,473	-
Quiport Holdings (c)	-	1,744,284	-	869,072	58,796	238,904	29,392	117,010
Quiama	16,686	35,930	8,344	17,966	24,330	21,700	12,165	10,850
IAF	8,985	-	4,177	-	8,329	-	3,873	-
Aeropuertos (a)	-	-	-	-	-	5,278	-	2,572
Desarrollos (a)	-	-	-	-	-	6,508	-	3,316
Terminal (a)	-	-	-	-	-	322	-	161
IBSA (a)	-	-	-	-	-	(160)	-	(80)
ViaRio	125,325	129,353	82,435	85,052	(4,028)	(20,632)	(2,617)	(14,931)
VLT Carioca (b)	-	222,430	-	55,456	(12,983)	10,756	(5,009)	2,682
Renovias	94,178	73,400	37,666	29,357	182,423	165,110	72,969	66,044
Controlar	(314)	1,441	(135)	730	(1,755)	3,353	(866)	1,655
Total	1,212,385	2,206,838	580,889	1,057,633	451,032	431,139	117,380	189,279
Concession right generated upon the business acquisition	-	-	159,625	207,006	-	-	(23,343)	(27,405)
Total investment, net of the provision for unsecured liability	1,212,385	2,206,838	740,514	1,264,639	451,032	431,139	94,037	161,874

(a) Joint ventures until October 1, 2018, date on which CCR began to hold control indirectly.

(b) As of October 7, 2019, CCR indirectly controls VLT Carioca.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

(c) As of October 18, 2019, CCR indirectly controls Quiport Holdings.

b.2) Changes in investments in joint ventures - Consolidated

	Opening balance	Equity income (loss)	Acquisition	Capital increase	Dividends and interest on own capital	Equity valuation adjustment	Others	Closing balance
	2018				2019			
Corporación Quiport	-	7,473	-	-	(431,083)	3,609	868,403	448,402
Quiport Holdings	869,072	29,392	-	(66,113)	-	36,052	(868,403)	-
Quiama	17,966	12,165	-	-	(22,773)	986	-	8,344
IAF	-	3,873	-	197	-	107	-	4,177
ViaRio	85,052	(2,617)	-	-	-	-	-	82,435
VLT Carioca	55,456	(5,009)	57,087	39,193	-	-	(146,727)	-
Renovias	29,357	72,968	-	-	(64,659)	-	-	37,666
Controlar	730	(865)	-	-	-	-	-	(135)
Total	1,057,633	117,380	57,087	(26,723)	(518,515)	40,754	(146,727)	580,889
Concession right generated upon the business acquisition	207,006	(23,343)	-	(20,594)	-	(3,444)	-	159,625
Total investment, net of the provision for unsecured liability	1,264,639	94,037	57,087	(47,317)	(518,515)	37,310	(146,727)	740,514

(a) As of October 7, 2019, CCR indirectly controls VLT Carioca.

(b) As of October 18, 2019, CCR indirectly controls Quiport Holdings.

b.3) Summarized financial information of joint ventures

The summarized financial information of joint ventures is as follows, and they are recorded under the equity method. The amounts presented do not consider the participation of CCR, that is, they refer to 100% of the companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***Summarized balance sheet**

	2019						
	Corporación Quiport	Quiama	Quiama Ecuador	IAF	ViaRio	Renovias	Controlar
Assets							
Current assets							
Cash and cash equivalents	272,705	2,132	2,460	3,576	3,424	3,208	1,589
Other assets	186,329	14,392	11,472	81,047	102,482	72,445	361
Total current assets	459,034	16,524	13,932	84,623	105,906	75,653	1,950
Non-current assets	3,042,206	382	-	1,648,826	950,611	110,123	206
Total assets	3,501,240	16,906	13,932	1,733,449	1,056,517	185,776	2,156
Liabilities							
Current liabilities							
Financial liabilities (1)	-	-	-	56,428	36,711	24,937	-
Other liabilities	138,319	220	8,030	71,701	8,661	60,033	16
Total current liabilities	138,319	220	8,030	128,129	45,372	84,970	16
Non-current liabilities							
Financial liabilities (1)	-	-	-	1,596,335	585,629	-	-
Other liabilities	2,395,396	-	5,528	-	300,191	6,628	2,454
Total non-current liabilities	2,395,396	-	5,528	1,596,335	885,820	6,628	2,454
Equity (unsecured liability)	967,525	16,686	374	8,985	125,325	94,178	(314)
Total liabilities and equity (unsecured liability)	3,501,240	16,906	13,932	1,733,449	1,056,517	185,776	2,156

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

	2018								
	Corporación Quiport	Ícaros	Quiport Holdings	Quiama	Quiama Ecuador	ViaRio	VLT Carioca	Renovias	Controlar
Assets									
Current assets									
Cash and cash equivalents	186,199	2,717	340	23,246	4,118	61,130	3,578	19,143	1,724
Other assets	81,460	68	26	12,560	9,540	6,718	269,970	39,000	450
Total current assets	267,659	2,785	366	35,806	13,658	67,848	273,548	58,143	2,174
Non-current assets	2,876,570	513,530	1,744,030	398	-	974,235	1,376,191	148,550	213
Total assets	3,144,229	516,315	1,744,396	36,204	13,658	1,042,083	1,649,739	206,693	2,387
Liabilities									
Current liabilities									
Financial liabilities (1)	256,086	-	-	-	-	26,657	24,747	49,670	-
Other liabilities	134,887	86	112	274	8,722	8,153	187,779	52,955	235
Total current liabilities	390,973	86	112	274	8,722	34,810	212,526	102,625	235
Non-current liabilities									
Financial liabilities (1)	-	-	-	-	-	601,670	828,269	24,933	-
Other liabilities	1,115,884	-	-	-	4,540	276,250	386,515	5,735	711
Total non-current liabilities	1,115,884	-	-	-	4,540	877,920	1,214,784	30,668	711
Equity (unsecured liability)	1,637,372	516,229	1,744,284	35,930	396	129,353	222,429	73,400	1,441
Total liabilities and equity (unsecured liability)	3,144,229	516,315	1,744,396	36,204	13,658	1,042,083	1,649,739	206,693	2,387

(1) It refers to balance of loans, financing, debentures, and leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***Summarized income statements**

	2019									
	Corporación Quiport	Icaros ⁽⁵⁾	Quiport Holdings ⁽⁴⁾	Quiama	Quiama Ecuador	IAF	ViaRio	VLT Carioca ⁽³⁾	Renovias	Controlar
Revenue	851,645	-	-	27,716	68,270	-	156,460	155,063	466,143	-
Depreciation and amortization	(141,030)	-	-	-	-	-	(30,431)	(14,040)	(24,355)	-
Finance income	25,652	1,008	-	-	-	165,961	3,730	12,322	2,128	63
Finance costs	(185,065)	(8)	(12)	(20)	(62)	(153,305)	(81,277)	(106,287)	(5,645)	(14)
Income (loss) from operations before taxes	195,920	29,727	58,862	24,330	138	11,234	(6,152)	(18,369)	274,258	(1,755)
Income tax and social contribution	-	(20)	(66)	-	-	(2,905)	2,124	5,386	(91,835)	-
Income (loss) with operations	195,920	29,707	58,796	24,330	138	8,329	(4,028)	(12,983)	182,423	(1,755)
Other comprehensive income	(625,744)	40,891	65,769	(563)	7	231	-	-	-	-
Comprehensive income for the year	(429,824)	70,598	124,565	23,767	145	8,560	(4,028)	(12,983)	182,423	(1,755)

	2018												
	Corporación Quiport	Icaros	Quiport Holdings	Quiama	Quiama Ecuador	ViaRio	VLT Carioca	Renovias	Controlar	Aeris Holding ⁽²⁾	IBSA Finance ⁽²⁾	IBSA ⁽²⁾	Other investments ⁽¹⁾
Revenue	720,022	-	-	24,782	69,438	137,981	281,971	444,783	-	245,259	-	-	-
Depreciation and amortization	(123,236)	-	-	-	-	(28,506)	(1,316)	(23,673)	-	(53,972)	-	-	-
Finance income	72	4,848	(2)	-	-	1,965	15,262	2,073	274	1,549	14,884	14,884	-
Finance costs	(52,103)	(8)	(6)	(20)	(8)	(86,226)	(79,637)	(8,798)	-	(49,207)	(14,884)	(14,896)	-
Income (loss) from operations before taxes	234,957	63,246	238,904	21,700	188	(30,932)	16,384	250,615	3,716	17,778	(26)	(160)	12,108
Income tax and social contribution	-	-	-	-	-	10,300	(5,627)	(85,505)	(363)	(5,358)	-	-	-
Income (loss) with operations	234,957	63,246	238,904	21,700	188	(20,632)	10,757	165,110	3,353	12,420	(26)	(160)	12,108
Other comprehensive income	551,903	214,234	706,952	(844)	176	-	-	-	-	3,300	(142)	(716)	8,586
Comprehensive income for the year	786,860	277,480	945,856	20,856	364	(20,632)	10,757	165,110	3,353	15,720	(168)	(876)	20,694
Dividends declared/paid	-	-	-	-	-	-	-	90,000	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (1) It includes the investees Aeroportos, Desenvollos and Terminal. On October 1, 2018, control of the companies was acquired.
- (2) As of October 1, 2018, control of the companies was acquired.
- (3) As of October 7, 2019, control of VLT Carioca was acquired.
- (4) As of October 18, 2019, control of Quiport Holdings was acquired.
- (5) As of August 18, 2019, the participation in Ícaros was sold.

c) Other relevant information

The Company and its investees are parties to lawsuits and administrative proceedings involving concession regulatory issues. They are mainly:

a) RodoNorte**i. Annulment of amendments to the concession agreement (2000 and 2002)**

Lawsuit No. 2005.70.00.007929-7 filed by the State of Paraná and the Paraná Highway Department (DER) aims at annulling the amendments to the concession agreement (2000 and 2002), which reestablished the toll rates and restored the balance of the concession agreement. Initially, the lawsuit was suspended, contingent on the final judgment of the lawsuit on the unilateral reduction of toll rate, which has already been made final without judgment on the merits. On March 7, 2014, a new term of suspension for 180 days was granted, in view of the possibility of a settlement between the parties. Upon the expiration of the suspension period, the lawsuit resumed its normal course. On June 7, 2017, the parties stated their agreement with the transaction made by Concessionária Rodovias Integradas do Paraná S/A (Viapar) and Concessionária de Rodovias do Norte S/A (Econorte) with the plaintiffs. The settlement was approved, and the decision dismissed the lawsuit without judgment on the merits regarding Viapar and Econorte. Concerning RodoNorte, the lawsuit follows its normal course and is in its pre-trial phase.

ii. Takeover process

On July 4, 2003, Law No. 14065 was published, authorizing the State of Paraná to take over the Subsidiary, as set forth in the legislation and the concession agreement.

The Subsidiary filed lawsuit No. 2003.34.00.028316-4 on August 22, 2003, against the Federal Government, the National Department of Transportation Infrastructure (DNIT), the State of Paraná and the DER/PR in order to prevent the takeover process. The work performed by the Takeover Commission is suspended based on preliminary injunctions granted in similar lawsuits filed by other concessionaires of the State of Paraná. This lawsuit is in its pre-trial phase.

iii. Expropriation decree

On January 8, 2004, the Government of the State of Paraná enacted Decree No. 2462, declaring that 100% of RodoNorte's voting shares are of public utility, for purposes of expropriation and acquisition of shareholding control. Consequently, on January 14, 2004, the shareholders and the investee filed lawsuit No. 2004.34.00.001399-6 against the Federal government, the DNIT, the State of Paraná, and the DER/PR.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On February 10, 2004, a preliminary injunction suspended the effectiveness of the decree until final judgment on the lawsuit. The State of Paraná appealed this preliminary injunction on three occasions (STJ - Superior Court of Justice on May 5, 2004; the STJ's en banc court on May 6, 2004, and the STJ's special court on November 17, 2004), with no favorable outcome, and decree 2462/04 remained suspended. The lawsuit is currently concluded, pending entry of judgment.

iv. Administrative proceedings and Lawsuits on pavement

DER/PR issued notices of violation against RodoNorte, in the first half of 2004, for alleged irregularities in pavement, which would be in disagreement with the IGG (Global Severity Index). RodoNorte filed a defense alleging that this contractual index applies only to restored highway sections, which was not the case of the sections inspected. It also proved the compliance with the pavement restoration schedule. DER/PR denied the appeal and imposed fines of approximately R\$ 16,000. RodoNorte filed a lawsuit and the fines are suspended, under a preliminary injunction, since August 22, 2005. The lawsuit is in its pre-trial phase.

In December 2004, DER/PR filed an administrative proceeding (Administrative Proceeding 732/2004- DER-PR) to analyze these irregularities, but aimed to declare the expiration of the concession agreement.

RodoNorte filed two lawsuits, one (2005.34.00.001966-1) to declare the nullity of Administrative Proceeding 732/2004-DER-PR, which unduly filed an administrative proceeding to declare the expiration of the concession agreement, and the other (2005.34.00.004587-6) to declare the inexistence of infringements set out in the Administrative Proceeding, alleging duplicity of procedures and penalties arising from the same facts, in addition to formal defects in the formation of the commission that would judge the proceeding. On February 3, 2005, a preliminary injunction was granted in the first lawsuit to suspend the administrative proceeding and the collection of the imposed fines. Both lawsuits were suspended for two years, during which the parties conducted negotiations to reach an agreement on the lawsuits. In view of the time elapsed, the lawsuit on the nullity of Administrative Proceeding 732/2004-DER-PR was dismissed, and an appeal was filed on July 10, 2013, which is pending judgment.

With respect to the second lawsuit, which addresses the inexistence of the infringements described in the Administrative Proceeding, the production of expert engineering expert evidence was upheld. Before the beginning of the expert investigation, on November 18, 2016, a decision that determined the suspension of the lawsuit was published. The lawsuit remains suspended.

v. Toll tariff reduction - higher revenue

DER filed public civil action No. 2007.70.00.005416-9 in May 2007, claiming reduction of toll rates, under the allegation that RodoNorte earned alternative and finance income higher, and costs lower, than expected, in an amount that exceeded revenue losses arising from the lack of timely authorization of adjustments and the amount of the additional investments not yet restored. The motion for injunctive relief

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

was denied. The federal justice alleged that the judgment of the lawsuit was not under its jurisdiction, against which an appeal was filed by RodoNorte and granted. The jurisdiction of the federal justice was upheld because the Federal Government and DNIT are parties to the lawsuit. Decisions were issued by the lower and higher courts on the termination of the lawsuit without judgment on the merits. The DER filed an appeal with the Superior Court of Justice (STJ), which, in a judgment held on February 15, 2019, was granted to the Regional Court of the 4th region to review the opposing motions for clarification against the decision that confirmed the dismissal of the lawsuit.

vi. Extension of the Concession and Delegation Agreement

The Federal Public Prosecutor Office of Jacarezinho, State of Paraná, filed a Public Civil Action (No. 5002208- 05.2015.4.04.7013) against the Federal Government, the State of Paraná, the DER/PR, RodoNorte, and the other Paraná concessionaires, claiming that the parties intended to extend the Delegation Agreements entered into between the Federal Government and the State of Paraná and the Concession Agreements entered into between the State of Paraná and the Concessionaires, without the respective bidding, which would result in damages to consumers' rights and to the administrative morality. The preliminary injunction was granted so that: i) the Federal Government refrains from any renewal of the Delegation Agreements to comply with the proposal of the DER and the State of Paraná to extend the existing agreements; ii) the DER, the State of Paraná and the concessionaires refrain from signing any agreements to extend the term of the current concession agreements without a bidding procedure. The defendants filed an appeal with the Regional Federal Court (TRF) against the preliminary injunction granted. The appeal of RodoNorte was judged on June 8, 2016, and was partially granted to: (i) uphold the motion for annulment of the preliminary injunction granted; and (ii) dismiss the motion to acknowledge the lack of jurisdiction of Jacarezinho/PR. On August 12, 2016, RodoNorte filed a special appeal against the denial of the lack of jurisdiction of the court of Jacarezinho. The appeal of RodoNorte was not heard by the STJ. However, on September 26, 2017, the STJ granted the special appeals of the other concessionaires and DER, acknowledging the lack of jurisdiction of the court of Jacarezinho and remanding the lawsuit to the court of Curitiba/PR. On March 8, 2019, the lawsuit was assigned to the 6th Federal Court of Curitiba and is currently in its pre-trial phase.

vii. Law 13,103/2015 (suspension of tariff collection on suspended truck axle)

On April 16, 2015, RodoNorte disclosed a Market Notice informing that as of midnight on April 17, 2015, as provided for in Law 13103/2015, published in the Union Official Report (DOU) on March 3, 2015, regulated by Resolution No. 002, dated April 15, 2015, of the Paraná Regulatory Agency - AGEPAR, it had ceased to collect toll rates related to suspended axis of trucks on the highways under its management. It also informed that the loss of revenue resulting from this legal measure would be subject to contractual rebalancing, under the terms of the standards that govern the concession.

On September 4, 2015, RodoNorte disclosed a new Market Notice informing that, as provided for in Resolution No. 004, dated September 1, 2015, of AGEPAR, which revoked Resolution No. 002, dated April 15, 2015, it had resumed the collection of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

toll rates related to suspended axis of trucks on the highways under its management. It also informed that the loss of revenue in the period when Resolution No. 002/15, revoked by Resolution No. 004/15, was effective, will be rebalanced, under the terms of the agreement and standards that govern the concession.

On May 28, 2018, the Federal Executive Branch issued Provisional Measure No. 833/2018, providing for the exemption of the collection of suspended axis of empty trucks. On the same date, the DER/PR and AGEPAR edited a "Joint Statement" to communicate the immediate compliance with the provisions of Provisional Measure No. 833/2018; that is, the collection exemption of suspended axis of empty freight transportation trucks on the highways granted to RodoNorte.

RodoNorte, in compliance with the provisions of letters sent by the DER/PR, presented the required elements for the restoration of the economic and financial balance of the Concession Agreement due to the exemption of toll charge on suspended axis.

Notwithstanding the elements presented, the DER/PR did not adopt measures to restore the economic and financial balance of Agreement 075/97. Due to this situation, RodoNorte was forced to file an ordinary lawsuit (Proceeding No. 5058381-83.2018.4.04.7000/PR - 6th Lower Federal Court of Curitiba) to force the DER/PR to restore the balance of the Concession Agreement due to the toll charge losses caused by the exemption granted by the Concession Grantor as of May 28, 2018.

The judge rendered a decision ordering the DER/PR, the State of Paraná, the ANTT, the DNIT, and the Federal Government to express their opinion within 15 days (deadline expired on February 12, 2019). After this deadline, the judge should decide on the motion for injunctive relief filed by RodoNorte; that is, to demand the DER/PR to calculate the value that it considers undisputed and proceed with the immediate rebalancing.

On January 15, 2019, a petition was filed by the ANTT expressing its request for injunctive relief, claiming the dismissal of the lawsuit without judgment on the merits in relation to it or, subsidiarity, the judgment of the plaintiff's lack of standing to sue.

On January 25, 2019, a petition was filed by DNIT stating that it has no interest in the lawsuit and has no standing to be sued and discuss any financial clause of the agreement.

On February 5, 2019, a petition was filed by the State of Paraná and by the DER/PR requesting the dismissal of the request for injunctive relief made.

On February 11, 2019, a petition was filed by the Federal Government claiming that the preliminary issues raised be known and decided, namely: the defect of the proceeding; the lack of procedural interest regarding this defendant, and its lack of standing to be sued *ad causam*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On April 3, 2019, a decision was issued summoning RodoNorte to comment on the allegation of a lack of standing to be sued alleged by the Federal Government and ANTT, and RodoNorte submitted its statement on April 16, 2019. On October 17, 2019, a decision was rendered denying the injunctive relief request. On December 12, 2019, Federal Government filed an answer. On December 15, 2019, the State of Paraná and the DER filed an answer. On January 28, 2020, an order was issued determining that RodoNorte should present a reply.

viii. Preliminary Injunctive Relief No. 5044495-17.2018.4.04.7000

On September 30, 2018, the State of Paraná and the Paraná Highway Department (DER/PR) filed a lawsuit for preliminary injunctive relief (Lawsuit 5044495-17.2018.4.04.7000 - 1st Lower Federal Court of Curitiba – Paraná Judiciary Section, main case record of ordinary proceeding Lawsuit No. 5045805-58.2018.4.04.7000 pending before the 1st Federal Court - Curitiba/PR) against the highway concessionaires of the Paraná Integration Beltway and their controlling shareholders, and RodoNorte and CCR were included among as defendants.

In the lawsuit filed by the State of Paraná and DER/PR, it is alleged that the highway concessionaires would have acted in a harmful manner regarding the tariff policy practiced in the concession agreements, allegedly causing harm to users.

In its motion for preliminary injunction, the State of Paraná and DER/PR requested: (i) the freezing of defendants' assets, rights or securities, necessary to ensure the payment of the fine and/or full compensation for the alleged damage caused; (ii) a reduction of the amount of toll fees by 25% or, alternatively, by 8%, thus fully excluding the value of the TIR; and (iii) the suspension of the bank/fiscal secrecy of the defendant companies.

The final requests petitioned by the plaintiffs are: (i) cumulative application of the sanctions provided for in Law No. 12846/2013 (Anti-Corruption Law), such as: (i.1) a declaration of loss of assets, rights and securities that supposedly represent advantages or direct or indirect benefit derived from abusive, illegal or harmful conduct; (i.2) suspension of activities performed and compulsory dissolution of the defendants' legal entities; (i.3) prohibition of receiving loans from public financial institutions or those controlled by the government; (ii) retroactive tariff revision in the concession agreements; (iii) conviction in collective moral damages; (iv) imposition of a capital increase of the concessionaires to guarantee any losses that may affect the State of Paraná; (v) removal of statutory directors who acted during the periods of the events narrated in the complaint; (vi) sentencing of the defendants to pay compensation in accordance with the alleged benefits gained.

After receiving the complaint, the Judge of the 1st Federal Court of Curitiba decided that the preliminary injunction would only be considered after the defendants were summoned to express their views on the contemporaneity of the urgency alleged by the plaintiffs.

In response to the summons, both RodoNorte and CCR presented their statements on October 5, 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On October 9, 2018, a decision was rendered denying the preliminary injunction requested by the State of Paraná and the DER/PR, in view of the lack of sufficient evidence and narratives to justify the plaintiffs' claim. In the same decision, the plaintiffs were ordered to amend the complaint to correct the defects pointed out by the judge until January 21, 2019.

On November 29, 2018, the State of Paraná and DER/PR filed a petition on the case record requesting a injunctive relief with a court order to prevent the application of the toll adjustments and, alternatively, in the event of dismissal of the motion for injunctive relief, that the application of the adjustment be limited to the IPCA. On November 30, 2018, the 1st Lower Federal Court of Curitiba denied the preliminary injunctions filed by DER/PR and the State of Paraná.

On January 16, 2019, the State of Paraná and DER/PR requested an extension of the deadline to file the main lawsuits. Despite the challenge by some of the defendants, the judge granted the request for an extension of the deadline for filing the complaints.

On July 24, 2019, a decision was published to dismiss the lawsuit without that extinguished the process with no judgment on the merits. On August 12, 2019, some concessionaires that are not part of the CCR Group filed motions for clarification against the judgment specifically regarding loss of suit fees. On October 25, 2019, the motions for clarification were denied, and on December 18, 2019, a decision was rendered to dismiss the lawsuit.

ix. Ordinary Proceeding Lawsuit No. 5045805-58.2018.4.04.7000 (case assigned to the same judge of Preliminary Injunctive Relief No. 5044495-17.2018.4.04.7000 item "viii" above)

On October 4, 2018, RodoNorte filed an Ordinary Proceeding Lawsuit against the State of Paraná, DER/PR, the Federal Government, ANTT and DNIT, claiming the granting of an injunctive relief so as to suspend the efficacy of the decree of intervention in Concession Agreement 75/1997 (Decree 11243/18), and, in the end, to issue a sentence on the merits stating, pursuant to article 19, I, of the CPC (Code of Civil Procedure), the nullity of the intervention decree due to the absence of the necessary requirements for its issuance.

On October 11, 2018, the judge of the 1st Federal Court of Paraná rendered a decision upholding a preliminary injunction for the purpose of determining, in relation to the intervention decree, that where it says "intervention" it should say "inspection", and where it says "intervener" it should say "inspector". Pursuant to the aforementioned preliminary injunction, therefore, there is no intervention in the concession managed by RodoNorte. There is only an "inspection", which grants the Concession Grantor only the power to supervise the concession (a power that has always been guaranteed to the Concession Grantor by clause XXIII, item "a" of the Concession Agreement). The management of the concession remains under the responsibility of RodoNorte. This lawsuit is in its pre-trial phase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

x. Administrative proceeding of accountability and provisional suspension of the right to bid

By means of Resolution No. 35, dated October 2, 2019, the Office of the Controller General of the State of Paraná ("CGE/PR") filed an administrative proceeding for accountability, provided for in Article 8 of Law No. 12846/13, to determine any administrative responsibilities to the disadvantage of the concessionaire. The concessionaire expressed its opinion on the lawsuit on December 9, 2019. A decision by the CGE/PR is pending.

At the same time, through Resolution No. 67, dated December 20, 2019, also edited by the CGE/PR, subject to Material Fact dated January 6, 2020, a temporary suspension of the concessionaire's right to participate in new bids and enter into new contracts with the Government of the State of Paraná was granted. On February 20, 2020, the concessionaire filed a writ of mandamus with the Paraná Court of Justice in order to remove the provisional measure. The motion for injunctive relief is pending.

b) ViaOeste**i. Modifying Amendment Term No. 12/06**

In February 2012, ViaOeste received a request from the São Paulo State Regulatory Agency for Delegated Public Transport Services (ARTESP) to present a preliminary defense in an administrative proceeding relating to Modifying Amendment Term (TAM) No. 12/06 dated December 21, 2006. After the manifestation, on December 14, 2012, ViaOeste was summoned again to express its opinion. This deadline remained suspended until September 20, 2013. On September 26, 2013, ViaOeste filed its new statement on the matter addressed in said administrative proceeding. As of January 13, 2014, ViaOeste presented its closing arguments. On May 5, 2014, ARTESP closed the administrative proceedings, with the understanding that the dispute should be settled by the Judiciary Branch. The parties filed lawsuits against the dispute.

The State of São Paulo and ARTESP filed Ordinary Procedure Lawsuit No. 1019684-41.2014.8.26.0053 against ViaOeste, claiming declaration of invalidity of TAM No. 12/06. ViaOeste filed Ordinary Procedure Lawsuit No. 1027970-08.2014.8.26.0053 against the State of São Paulo and ARTESP, claiming declaration of validity of TAM No. 12/06. After the connection between the two lawsuits was acknowledged, both of them started to have the same progress in the 12th Public Treasury Court of São Paulo.

On April 13, 2016, an accounting expert report was presented on behalf of the concessionaire. On June 5, 2017, the judge dismissed the additional claims filed by the State of São Paulo and summoned the expert to express his/her opinion on the similarity between the related lawsuits. On July 12, 2017, the expert submitted a statement confirming the similarity of the subjects of the lawsuits and stated that the expert opinion already delivered could be used for both lawsuits. On September 12, 2017, ViaOeste issued a statement agreeing with the expert report and, on November 7, 2017, the judge stated that the pre-trial phase of the lawsuit was completed. Then,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

the parties presented their final arguments. On May 3, 2018, a decision was rendered converting the judgment into a postponement of judgment to produce more evidence to request a statement from the court expert on seven new questions asked by the judge. On July 2, 2018, a supplementary report of the court expert was attached to the case record, reaffirming the previous conclusions thereof, in response to the questions asked by the judge. On June 28, 2019, a decision was rendered dismissing the lawsuit filed by ViaOeste and granting the lawsuit filed by the State and ARTESP. On October 2, 2019, ViaOeste filed an appeal, which is pending judgment.

ViaOeste also filed Ordinary Procedure Lawsuit No. 0019924-81.2013.8.26.0053 aimed at a declaration of nullity of the administrative proceeding relating to the Addendum due to: (i) the impossibility of unilateral annulment of a bilateral Addendum; (ii) the loss of the management's right to annul the Addendum; (iii) the existence of administrative *res judicata*. On February 1, 2015, a decision was rendering dismissing the lawsuit without judgment on the merits. On March 19, 2015, ViaOeste filed an appeal dismissed by the São Paulo Court of Justice (TJSP) on March 19, 2018. On May 18, 2018, ViaOeste filed motions for clarification against the decision that judged the appeal.

On July 30, 2018, the motions for clarification were unanimously rejected. On September 12, 2018, ViaOeste filed a special appeal and an extraordinary appeal.

On February 14, 2019, a decision was rendered that dismissed the special appeal, and a decision was rendered that both dismissed and denied the continuation of the extraordinary appeal filed by ViaOeste.

On March 27, 2019, ViaOeste filed a special appeal, a special extraordinary appeal, and an internal appeal. On June 12, 2019, it was certified that the State of São Paulo and ARTESP did not present objections to the appeals filed by ViaOeste.

On September 26, 2019, the special chamber of presidents of the TJSP dismissed the internal appeal.

ii. 2013 Toll Rate Adjustment

The São Paulo State Government decided not to pass on to state highway users the toll rate increases set for July 1, 2013, as provided for in the concession agreements in force. On June 26, 2013, the management board of ARTESP decided to authorize the toll rate adjustment according to the changes in the General Market Price Index (IGP-M) and define several measures to offset its non-collection from users through: (i) use of 50% of the amount of 3% of gross revenues, as variable charge paid to the State for purposes of inspecting the agreements; (ii) implementation of toll charges on suspended axis of trucks in state highways; (iii) partial use of fixed charge due to the State, if necessary to complement. To carry out such resolutions, the following measures were adopted: (i) amendment of Resolution SLT No. 4, dated July 22, 2013, regulating the charge of suspended axis; (ii) the Management Board of ARTESP authorized, on July 27, 2013, the non-payment by the concessionaires of 1.5% on gross revenue (equivalent to 50%), as variable charge for the months of July, August and September 2013, and (iii) the Management board of ARTESP decided, on December

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

14, 2013, to extend the authorization for the non-payment, by concessionaires, of 1.5% on gross revenue for an indefinite period.

It turns out that the measures established by ARTESP were not sufficient to fully offset the economic and financial imbalance that the concessionaires faced due to not transferring, to users, the toll rate adjustment set in 2013.

As a result, on May 11, 2017, ViaOeste filed ordinary procedure lawsuit No. 1019351-84.2017.8.26.0053 against ARTESP and the State of São Paulo, requesting the economic and financial rebalancing of the Concession Agreement, due to the absence of the toll rate adjustment in 2013 and partially in 2014.

This lawsuit is in its pre-trial phase.

iii. 2014 Toll Rate Adjustment

ARTESP determined the application of an adjustment index other than the contractual index, by virtue of a unilateral calculation that considered effects from the application of an adjustment index in 2013; however, it prevented the users from being charged due to the offset (tariff on suspended axis and reduction of the variable concession fee).

On July 2, 2014, ViaOeste filed Ordinary Procedure Lawsuit No. 1026968-03.2014.8.26.0053, requesting the regularization of the Agreement with the application of the contractual index to the toll rates. The judgment that granted the lawsuit was published on March 3, 2015. On March 9, 2015, motions for clarification were filed by ViaOeste, ARTESP, and the State of São Paulo. Following a decision rendered on the motions for clarification, ARTESP and the State of São Paulo filed an appeal, which was unanimously granted in a decision published on June 28, 2016. ViaOeste filed motions for clarification, which were denied. ViaOeste filed special and extraordinary appeals in December 2016. As of May 31, 2017, both appeals were denied.

On June 28, 2017 ViaOeste filed interlocutory appeals in special and extraordinary appeals. On September 24, 2018, the monocratic decision that heard the interlocutory appeal to dismiss the special appeal was published. On October 16, 2018, an internal appeal was filed by ViaOeste, which is pending judgment.

iv. Change of the toll rates adjustment index

On January 5, 2013, CCR issued a material fact to the market, informing that on December 15, 2011, it entered into the Addenda (TAMs) to the Concession Agreements between ARTESP and the subsidiaries, as follows: (i) AutoBAn - Concession Agreement No. 005/CR/1998 and TAM No. 25/2011; (ii) ViaOeste - Concession Agreement No. 003/CR/1998 and TAM No. 22/2011; (iii) SPVias - Concession Agreement No. 010/CR/2000 and TAM No. 18/2011; and (iv) Renovias - Concession Agreement 004/CR/1998 and TAM 19/2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The purpose of those TAMs was (i) to change the toll rates adjustment index of the Concession Agreements, from the IGP-M to IPCA (Extended Consumer Price Index) and (ii) to establish the procedure and form of contractual revision to verify the existence of any economic and financial imbalance in relation to the original contract index (IGP-M) and its restoration due to the use of a new toll rate adjustment index (IPCA).

On June 29, 2015, Amendment and Restatement Instruments of the TAMs were entered into in order to: (i) adopt as the toll rates adjustment index of the Concession Agreement, the one that, between the IGP-M and the IPCA, presents the lowest percentage variation in the period between the date of the last adjustment made and the date of the adjustment that will be made; and (ii) establish the procedure and form of contractual review to verify the existence of any economic and financial imbalance and its recomposition, resulting from the application of this amendment.

In view of the foregoing, it will be characterized the occurrence of economic and financial imbalance of the Concession Agreement in favor of the concessionaires, if there is a difference between the annual amount of revenue from toll fees through the adjusted tariffs and actually charged by the concessionaires and the amount that would have been received if the tariffs had been adjusted by the accumulated variation of IGP-M, as provided for in exhibit 4 of the invitation to bid.

The contractual review procedure for the economic and financial rebalancing of the Concession Agreement due to the alteration of the toll rate adjustment index must be carried out, considering the imbalance amounts determined annually, through a specific administrative proceeding, established by ARTESP in July, every two years as of effectiveness of this instrument, a periodicity that may be changed by mutual agreement between the parties, as from the 5th year.

In view of ARTESP's delay in filing and implementation of the first administrative proceeding for the two-year period between July 1, 2013 and June 30, 2015, ViaOeste, on April 5, 2017, filed an ordinary procedure lawsuit No. 1016978-80.2017.8.26.0053, against ARTESP and the State of São Paulo, claiming the rebalancing due to the aforementioned period.

On October 18, 2019, a decision was rendered granting the claim. The parties filed motions for clarification in relation to the decision, which were rejected.

In spite of the fact that the claim was granted, on February 12, 2020, ViaOeste filed an appeal against the part of the decision that determined establishment of settlement phase, considering that the expert report adopted in the decision itself, expressly indicated that the contractual rebalancing should be promoted by extending the contractual term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

c) RodoAnel Oeste**i. Civil Class Action - State Law No. 2481/53 which limits toll booth facilities within a radius of 35 km from ground zero of the Capital of São Paulo**

This refers to a civil class action brought by one single plaintiff, Cesar Augusto Coelho Nogueira Machado, against the State of São Paulo, ARTESP and the shareholders of RodoAnel Oeste, CCR and Encalso Construções Ltda. (Encalso), claiming the annulment of the clauses of Concession Agreement, filed on December 15, 2008.

On January 8, 2009, a preliminary injunction was granted determining the suspension of toll charge, and RodoAnel Oeste received and accepted the Regulatory Agency's requirement in this respect, because it is not a party to the lawsuit. On January 9, 2009, due to the suspension of a preliminary injunction filed by the State of São Paulo, the Court of Justice suspended the decision, reestablishing the toll charge until final and unappealable decision is handed down.

The claim was granted. The Government of São Paulo and ARTESP filed an appeal before the Court of Justice of São Paulo (TJSP), even against the immediate application of the decision, in view of the previous decision of TJSP, which suspended the effects until favorable final and unappealable decision was handed down. The appeal of the State of São Paulo was granted to annul the lawsuit from service of process, so that the plaintiff amends the complaint. CCR and Encalso filed motions for clarification, which were rejected. On February 16, 2012, exceptional appeals were filed with the STJ and STF, which were denied. Appeals were filed against these decisions in January 2015, and in a decision handed down on August 13, 2019, the appeal filed by Encalso and CCR for the processing and judgment of the special appeal was dismissed. Against this decision, on September 3, 2019, an internal appeal was filed by Encalso and CCR, which is awaiting judgment. The appeal is pending judgment for processing and judgment of the extraordinary appeal.

On November 28, 2019, a decision was rendered, in the context of an internal appeal, which partially granted the special appeal and dismissed the conviction of CCR and Encalso to pay the fine imposed by TJSP. Against this decision, on December 9, 2019, the plaintiff filed motions for clarification, which were rejected in a decision rendered on February 7, 2020.

ii. 2013 Toll Rate Adjustment

The São Paulo State Government decided not to pass on to state highway users the toll rate increases set for July 1, 2013, as provided for in the concession agreements in force. ARTESP's Management Board decided, on June 26, 2013, to authorize the toll rate adjustment by IGP-M variation and to define several measures to offset its non-collection from users, by: (i) use of 50% of the amount of 3% of gross revenues, as variable charge paid to the State for purposes of inspecting the agreements; (ii) implementation of toll charges on suspended axis of trucks in state highways; (iii) partial use of fixed charge due to the State, if necessary to complement. To carry out such resolutions, the following measures were adopted: (i) amendment of Resolution SLT No. 4, dated July 22, 2013, regulating the charge of suspended axis; (ii) the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Management Board of ARTESP authorized, on July 27, 2013, the non-payment by the concessionaires of 1.5% on gross revenue (equivalent to 50%), as variable charge for the months of July, August and September 2013, and (iii) the Management board of ARTESP decided, on December 14, 2013, to extend the authorization for the non-payment, by concessionaires, of 1.5% on gross revenue for an indefinite period.

It turns out that the measures established by ARTESP were not sufficient to fully offset the economic and financial imbalance that the concessionaires faced due to not transferring, to users, the toll rate adjustment set in 2013.

For this reason, RodoAnel Oeste, on May 18, 2017, filed an ordinary procedure lawsuit No. 1019383-89.2017.8.26.0053 against ARTESP and the State of São Paulo, claiming the economic and financial rebalancing of the Concession Agreement, due to absence of toll rate adjustment in 2013 and partial in 2014.

On April 25, 2019, after the procedural discovery phase was concluded, a decision was handed down, considering RodoAnel's request to sentence the State of São Paulo and ARTESP to rebalance the economic and financial equation of the Concession Agreement, due to the absence of contractual adjustment in the years 2013 and 2014. At the moment, the possible filing of applicable appeals by the State of São Paulo and ARTESP is expected.

On May 8, 2019, RodoAnel Oeste filed motions for clarification against the part of the decision which provided for attorney's fees. On May 14, 2019, the State of São Paulo and ARTESP also filed motions for clarification. On June 3, 2019, a decision was rendered dismissing the motions for clarification filed by the State and ARTESP, and granting motions for clarification filed by RodoAnel Oeste. On July 23, 2019, the State of São Paulo and ARTESP filed an appeal. On July 29, 2019, an order was published summoning RodoAnel Oeste to present counterarguments until August 19, 2019.

On August 19, 2019, RodoAnel Oeste filed counterarguments to the appeal and a cross-appeal. On September 30, 2019, the State of São Paulo and ARTESP, presented counterarguments to the cross-appeal and the record was sent to the TJSP for judgment.

iii. 2014 Toll Rate Adjustment

ARTESP determined the application of an adjustment index other than the contractual index, by virtue of a unilateral calculation that considered effects from the application of an adjustment index in 2013; however, it prevented the users from being charged due to the offset (tariff on suspended axis and reduction of the variable concession fee).

On July 1, 2014, RodoAnel Oeste filed Ordinary Procedure Lawsuit No. 1026963-78.2014.8.26.0053, aiming at applying the index provided for in the respective Concession Agreement to toll rates. In the case of RodoAnel Oeste, the non-contractual index was higher than the contractual one. However, due to the irregularity, RodoAnel Oeste required the correct index. On March 3, 2015, a decision was rendered granting the claim. On March 9, 2015, motions for clarification were filed by RodoAnel Oeste, ARTESP and the State of São Paulo.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

After judgment of motions for clarification, ARTESP and the State of São Paulo filed appeals, which were dismissed by the TJSP in January 2016. In July 2016, appeals filed by the State of São Paulo and ARTESP to the higher courts were dismissed. On August 1, 2016, the State of São Paulo and ARTESP filed interlocutory appeals to the special appeal and extraordinary appeal.

On August 6, 2019, a decision was rendered, which did not grant interlocutory appeal in special appeal filed by the State of São Paulo and ARTESP. On October 16, 2019, a decision was rendered dismissing the appeal in extraordinary appeal. After rendering of final and unappealable decision, the record was sent to the origin and, on December 19, 2019, a decision was handed down, determining the compliance with the decision.

d) ViaQuatro**i. Lawsuit No. 0107038-05.2006.8.26.0053 (former No. 053.06.107038-4 - 11th Public Treasury Court of São Paulo)**

This is a Civil Class Action, filed on March 17, 2006 and proposed by several plaintiffs (individuals) against the São Paulo State Treasury Department, Companhia do Metropolitano de São Paulo - Metrô *et al.*, aiming at the annulment of acts and procedures of International Bidding No. 42325212, relating to the Sponsored Concession for the Operation of Passenger Transportation on Line 4 - Yellow of the São Paulo Metro. On March 12, 2013, TJSP maintained the granting of the Public Prosecution Office request for inclusion of individuals who were signatories to the Concession Agreement as defendants. Appeals were filed to higher courts against such decision. On August 29, 2016, the decision that denied the admissibility was rendered. On September 19, 2016, ViaQuatro filed an appeal to the STJ, which is pending judgment.

ii. Lawsuit No. 0117119-13.2006.8.26.0053 (former No. 053.06.117119-0 - 9th Public Treasury Court of São Paulo)

This is a Civil Class Action, filed on June 30, 2006 and proposed by several plaintiffs (individuals) against the São Paulo State Treasury Department, Companhia do Metropolitano de São Paulo - Metrô *et al.*, aiming at the annulment of all acts and procedures related to International Bidding No. 42325212, relating to the Sponsored Concession for the Operation of Passenger Transportation on Line 4 - Yellow of the São Paulo Metro.

On October 29, 2009, a decision was rendered, determining the connection of Civil Class Action No. 053.06.107038-4, in progress at the 11th Public Treasury Court of São Paulo.

Due to such connection, the progress of this action follows that of Civil Class Action (item "i" above).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

e) Controlar

- i. Public Civil Action No. 1429/1997 filed on December 4, 1997 by the Public Prosecution Office of the State of São Paulo (MP/SP) against Controlar, SPTrans *et al.*, before the 6th Public Treasury Court of São Paulo, aiming at the annulment of the agreement entered into by the defendants for the use of the Integrated Taxi Center, for 90 days, for testing the vehicle inspection program in the intensive use fleet. The lawsuit was partially granted on February 29, 2000, to: (i) recognize the nullity of the agreement; (ii) order the Municipality of São Paulo to refrain from granting, in any capacity, a public asset for Controlar to install its inspection centers; and (iii) to judge the administrators of SPTrans and Controlar at that time to pay a civil fine, to fully compensate damages caused, to suspend their political rights for three years and to prohibit contracting with the Government for the same period. The Court of Justice dismissed Controlar's appeal on April 8, 2003. The judgment of admissibility of the appeals filed by Controlar to the higher courts (STJ and STF) is pending.
- ii. Public Civil Action for Administrative Misconduct No. 0044586-80.2011.8.26.0053, filed by the MP/SP on November 25, 2011, before the 11th Public Treasury Court of São Paulo, against Controlar *et al.*, with a motion for injunctive relief for the suspension of execution of concession agreement of Controlar S/A, sequestration of defendants' assets as collateral for future compensation of damages allegedly caused and removal of the Mayor from office. The trial court partially granted the preliminary injunction, determining (i) the realization of a new bidding, within 90 days, for the services covered by Controlar's contract, and (ii) the unavailability of vehicles and real estate for all defendants.

Such preliminary injunction was partially suspended by the STJ, on January 11, 2012, in a decision confirmed by the special court of the same court, on April 18, 2012. The trial court, due to the STJ's decision, removed the unavailability of assets from all defendants.

On June 26, 2012, previous appeals from CCR, Controlar and others, against the same preliminary injunction, were judged by the TJSP, which were accepted to revoke the remaining part of the preliminary injunction, regarding the realization of a new bidding. On June 27, 2012, the trial court rendered a decision confirming the release of the assets for all defendants.

The new judge appointed to prosecute and decide on the matter, on July 29, 2014, rendered a decision reinforcing the determination to block defendants' assets. On August 15, 2014, the TJSP suspended such decision, maintaining the release of defendants' assets.

On September 1, 2017, a decision was rendered granting the registration of the existence of such matter on real estate registrations of the defendants. Appeals were filed against such decision, in which new preliminary injunctions were granted to suspend such registration. However, TJSP dismissed the defendants' appeals. A special appeal was filed against the decision, which was dismissed in a decision rendered on August 24, 2018. Therefore, on September 18, 2018, an interlocutory appeal in special appeal was filed, pending judgment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On June 4, 2018, a decision was rendered in lower court, after the summons of all defendants, and determined the beginning of prior defense period. After the presentation of prior defense by the parties, a decision was rendered on January 21, 2019, receiving the action and determining the summons of defendants for presentation of answer and the beginning of pre-trial phase. On November 28, 2019, an order was issued certifying the remittance of the record to the 7th Public Treasury Court of São Paulo, under the allegation of possible connection with the Civil Class Action No. 0008456-91.2011.8.26.0053, in relation to which Controlar is not a party. A definition of the jurisdiction to render a decision on the matter is awaited.

- iii. Provisional Remedy No. 1006718-80.2013.8.26.0053, filed on October 11, 2013, pending before the 11th Public Treasury Court of the Capital City of São Paulo. Such remedy was filed by Controlar against the Municipality of São Paulo, in view of the decree to close the Concession Agreement, by the Management. The remedy was granted on a preliminary basis, authorizing the continuity of rendering of services until the end of fiscal year 2013 (January 31, 2014). The Municipality filed an interlocutory appeal, but was unsuccessful in the respective suspensive effect claimed (preliminary injunction). Subsequently, Controlar pleaded the extension of the remedy so that it remained rendering the service until the Municipality concluded the bidding for the new vehicle inspection model and the new contracted companies were able to render such service, which was rejected by the judge. As determined by the Court, the matter will be judged with the main lawsuit, No. 1011663-13.2013.8.26.0053 (below).
- iv. Ordinary Lawsuit No. 1011663-13.2013.8.26.0053, filed on November 14, 2013, pending before the 11th Public Treasury Court of the Capital City of São Paulo. The lawsuit was filed by Controlar against the Municipality of São Paulo, aiming at recognizing the extinction of Contract No. 34/SVMA/95, by the defendant's exclusive fault, the Municipality being condemned to indemnify Controlar for losses caused by the early breach, including reimbursement for non-amortized assets (reversible or not), demobilization costs, severance fines (civil and labor contracts), and loss of profits for the performance of services until 2018, considering the full value of tariff. The technical accounting expert investigation was granted, in a decision later reversed by the TJSP. As determined on such investigation, before assigning the expert evidence, the trial court must examine the effective term of the Concession Agreement (internal priority). The lower court, however, determined the expert examination to be carried out. On March 2, 2017, the Municipal Government filed motions for clarification so that the term of Concession Agreement is considered immediately. On March 15, 2017, the MP/SP rendered an opinion reiterating the Municipal Government's embargoes, so that the matter on contractual term is immediately considered. On September 14, 2017, a decision was rendered accepting the Municipal Government's embargoes to acknowledge the early termination of Contract No. 34/SVMA/95, to make Municipality of São Paulo accountable for pecuniary damages caused to Controlar, with the exception of a possible adverse matter from Public Civil Action for Administrative Misconduct No. 0044586-80.2011.8.26.0053, described in item ii above. Expert evidence is awaited to determine the damages caused to Controlar.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

f) AutoBAn**i. Lawsuit No. 0022800-92.2002.8.26.0053 (former 053.02.022800-0)**

Public Civil Action for Administrative Misconduct No. 0022800-92.2002.8.26.0053 (former No. 053.02.022800-0), filed on August 28, 2002, by MP/SP against AutoBAn *et al.*, aiming at declaration of nullity of Bid 007/CIC/97 and the corresponding Concession Agreement. The defendants filed a prior defense under the terms of Law 8429/92. In April 2011, the judge rendered an order rejecting AutoBAn's previous defense, in which it was argued, among other arguments, that AutoBAn was subsequently included as defendant, after the prescription of right of action pursuant to item I of article 23 of Misconduct Law (up to five years after the end of the term of office, commissioned position or function of trust). Against this decision, AutoBAn filed appeals to the higher courts, which are awaiting judgment of admissibility. AutoBAn filed an answer on lower court on July 10, 2014. On August 25, 2017, a decision was rendered dismissing the claim. On March 20, 2018, the MP/SP filed an appeal. On April 19, 2018, AutoBAn filed a petition before STJ, informing the decision in the original record and the consequent supervening loss of the matter on special appeals.

On June 12, 2019, a decision was rendered granting the Public Prosecution Office's appeal to dismiss the intervening limitation of action and to determine the remittance of record to the lower court, so that any need to present evidence was assessed and, consequently, to consider the merits of the case. On July 26, 2019, the Treasury Public Department of the State of São Paulo and DER filed motions for clarification, which were dismissed in a final and unappealable decision on February 4, 2020.

ii. Modifying Amendment Term No. 16/06

In February 2012, AutoBAn received a request from ARTESP to file a prior defense in an administrative proceeding referring to Modifying Amendment Term No. 16/06 of December 21, 2006. After presentation of the opinion on December 14, 2012, AutoBAn was again served with notice. Such term remained suspended until, on December 16, 2013, AutoBAn presented its new opinion on the matter of said administrative proceeding. On July 17, 2014, ARTESP closed the administrative proceeding, understanding that the dispute should be settled by the Judiciary Branch. The parties filed lawsuits against the dispute.

The State of São Paulo and ARTESP filed an Ordinary Procedure Lawsuit No. 1040370-54.2014.8.26.0053 against AutoBAn claiming the declaration of nullity of TAM No. 16/06.

AutoBAn filed an Ordinary Procedure Lawsuit No. 1030436-72.2014.8.26.0053 against the State of São Paulo and ARTESP seeking the declaration of validity of TAM No. 16/06.

Once the connection between the two lawsuits was recognized, both started to have the same progress at the 3rd Public Treasury Court of São Paulo.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

After the presentation of expert evidence in lawsuits was denied, a decision was handed down considering the request made in the lawsuit from the State and ARTESP, and dismissing the request made in lawsuit from AutoBAN. Against this judgment, AutoBAN filed motions for clarification, which were rejected. AutoBAN filed an appeal on October 5, 2015. On March 15, 2016, an order was issued (i) receiving an appeal in the suspensive and review effects, (ii) allowing the State and ARTESP to see the record and present counterarguments and (iii) determining the remittance of the record to TJSP after compliance with the two previous measures.

The appeal would be judged on February 6, 2017, however, on January 31, 2017, AutoBAN presented a request for injunctive relief to the STJ to suspend the judgment of such appeal until the matter on evidence was decided by the higher courts. On February 3, 2017, the STJ partially granted the claim for preliminary injunction, suspending the judgment of AutoBAN's appeal. On February 6, 2017, the 5th Public Law Chamber of the TJSP accepted the decision rendered by the STJ and did not judge the merits. On the other hand, on the same occasion, the 5th Chamber declined its jurisdiction on AutoBAN's appeal, determining the remittance of the appeal to the 3rd Public Law Chamber of TJSP. Against such decision, AutoBAN and the State of São Paulo filed motions for clarification requiring recognition of jurisdiction of the 5th Chamber to process and judge the appeal.

The motions for clarification filed by the parties were rejected on May 30, 2017. On June 6, 2017, AutoBAN presented an opinion on doubt of jurisdiction before the Special Panel of Public Law of the TJSP, which was judged on September 15, 2017, having recognized the jurisdiction of the 5th Public Law Chamber to judge the merits AutoBAN's appeal.

On September 17, 2019, the STJ concluded the hearing initiated on February 27, 2018, regarding a request for injunctive relief and an interlocutory appeal, filed against the decision that did not allow expert evidence, and the special appeal filed by AutoBAN was partially granted to recognize the absence of loss of interlocutory appeal's object, as well as to determine the annulment of the judgment of TJSP, which judged the opposed motions for clarification filed by AutoBAN to remedy contradictions and others in the decision of interlocutory appeal and, furthermore, to consider prejudiced the provisional measure previously granted. In view of the STJ's decision, the lawsuit will be judged by TJSP. On November 4, 2019, AutoBAN filed motions for clarification, which are pending judgment.

AutoBAN also proposed Ordinary Procedure Lawsuit No. 0019925-66.2013.8.26.0053 seeking the declaration of nullity of the administrative proceeding for invalidation of Addendum, due to (i) the impossibility of unilateral annulment of the Addendum and bilateral Amendments; (ii) the loss of the management's right to annul the Addendum; (iii) the existence of administrative *res judicata*. On October 8, 2014, a judgment was rendered extinguishing the claim without judgment on the merits. On February 20, 2015, AutoBAN filed an appeal, which was dismissed in a decision published on May 31, 2016. Both parties filed appeals to higher courts. The special and extraordinary appeals filed by AutoBAN were dismissed and, on April 6, 2017, AutoBAN filed appeals against the inadmissibility of the special appeal and the extraordinary appeal, which are awaiting judgment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

iii. 2013 Toll Rate Adjustment

The São Paulo State Government decided not to pass on to state highway users the toll rate increases set for July 1, 2013, as provided for in the concession agreements in force. ARTESP's Management Board decided, on June 26, 2013, to authorize the toll rate adjustment by IGP-M variation and to define several measures to offset its non-collection from users, by: (i) use of 50% of the amount of 3% of gross revenues, as variable charge paid to the State for purposes of inspecting the agreements; (ii) implementation of toll charges on suspended axis of trucks in state highways; (iii) partial use of fixed charge due to the State, if necessary to complement. To carry out such resolutions, the following measures were adopted: (i) amendment of Resolution SLT No. 4, dated July 22, 2013, regulating the charge of suspended axis; (ii) the Management Board of ARTESP authorized, on July 27, 2013, the non-payment by the concessionaires of 1.5% on gross revenue (equivalent to 50%), as variable charge for the months of July, August and September 2013, and (iii) the Management board of ARTESP decided, on December 14, 2013, to extend the authorization for the non-payment, by concessionaires, of 1.5% on gross revenue for an indefinite period.

It turns out that the measures established by ARTESP were not sufficient to fully offset the economic and financial imbalance that the concessionaires faced due to not transferring, to users, the toll rate adjustment set in 2013.

For this reason, AutoBAn, on May 8, 2017, filed an ordinary procedure lawsuit No. 1018479-69.2017.8.26.0053 against ARTESP and the State of São Paulo, claiming the economic and financial rebalancing of the Concession Agreement, due the absence of toll rate adjustment in 2013 and partial in 2014.

This lawsuit is in its pre-trial phase.

iv. 2014 Toll Rate Adjustment

ARTESP determined the application of an adjustment index other than the contractual index, by virtue of a unilateral calculation that considered effects from the application of an adjustment index in 2013; however, it prevented the users from being charged due to the offset (tariff on suspended axis and reduction of the variable concession fee).

On July 2, 2014, AutoBAn filed an Ordinary Procedure Lawsuit No. 1026956-86.2014.8.26.0053, with a view to applying the index provided for in the respective Concession Agreement to toll rates. On March 3, 2015, a decision was rendered granting the claim. On March 9, 2015, motions for clarification were filed by AutoBAn, ARTESP and the State of São Paulo. The motions for clarification filed by AutoBAn were granted to recognize that such claim is not subject to suspension of preliminary injunction granted by the Special Body of the TJSP to the State of São Paulo. In June 2015, the State of São Paulo and ARTESP filed appeals, which, on October 4, 2016, were granted the postponement of judgment to produce more evidence, so that expert evidence is carried out to determine whether the monetary variation index applied by the State to the tariffs charged by AutoBAn is correct, considering the adjustment of 2014. Against this decision, AutoBAn filed motions for

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

clarification, which were rejected on April 4, 2017. On July 10, 2017, the lawsuit was remitted to the lower court for realization of expert evidence determined by the TJSP.

On March 6, 2019, the expert report was attached to the record. After presentation of the parties' statement on the expert report, the State of São Paulo filed final arguments on May 30, 2019, and AutoBAn on June 13, 2019.

Having completed the postponement of judgment to produce more evidence determined by the TJSP, on June 19, 2019, it was determined the remittance of the record to the 3rd Public Law Chamber to resume the judgment of the appeal filed by the State of São Paulo and by ARTESP.

On December 13, 2019, the State of São Paulo and ARTESP petitioned to request the overlook of the expert report or the withdrawal of the lawsuit from the docket, with the conversion of the lawsuit into the production of more evidence, so that a new official investigation can be carried out. On December 17, 2019, the appeal was withdrawn from the docket.

v. Change of the toll rates adjustment index

On January 5, 2013, CCR issued a material fact to the market, informing that on December 15, 2011, it entered into the Addenda (TAMs) to the Concession Agreements between ARTESP and the subsidiaries, as follows: (i) AutoBAn - Concession Agreement No. 005/CR/1998 and TAM No. 25/2011; (ii) ViaOeste - Concession Agreement No. 003/CR/1998 and TAM No. 22/2011; (iii) SPVias - Concession Agreement No. 010/CR/2000 and TAM No. 18/2011; and (iv) Renovias - Concession Agreement 004/CR/1998 and TAM 19/2011.

The subject matter of such TAMs was (i) the change in toll rates adjustment index of the Concession Agreements, from IGP-M to IPCA; and (ii) the establishment of the procedure and form of contractual review to verify the existence of any economic and financial imbalance in relation to the original contract index (IGP-M) and its new composition, resulting from the use of the new toll rate adjustment index (IPCA).

On June 29, 2015, Amendment and Restatement Instruments of the TAMs were entered into in order to: (i) adopt as the toll rates adjustment index of the Concession Agreement, the one that, between the IGP-M and the IPCA, presents the lowest percentage variation in the period between the date of the last adjustment made and the date of the adjustment that will be made; and (ii) establish the procedure and form of contractual review to verify the existence of any economic and financial imbalance and its recomposition, resulting from the application of this amendment.

In view of the foregoing, it will be characterized the occurrence of economic and financial imbalance of the Concession Agreement in favor of the concessionaires, if there is a difference between the annual amount of revenue from toll fees through the adjusted tariffs and actually charged by the concessionaires and the amount that would have been received if the tariffs had been adjusted by the accumulated variation of IGP-M, as provided for in exhibit 4 of the invitation to bid.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The contractual review procedure for the economic and financial rebalancing of the Concession Agreement due to the alteration of the toll rate adjustment index must be carried out, considering the imbalance amounts determined annually, through a specific administrative proceeding, established by ARTESP in July, every two years as of effectiveness of this instrument, a periodicity that may be changed by mutual agreement between the parties, as from the 5th year.

In view of the delay of ARTESP in the filing and implementation of the first administrative proceeding considering the two-year period between July 1, 2013 and June 30, 2015, AutoBAn, on April 6, 2017, filed an ordinary procedure lawsuit No. 1014628-22.2017. 8.26.0053, against ARTESP and the State of São Paulo, claiming the rebalancing due to the aforementioned period.

This lawsuit is in its pre-trial phase.

g) SPVias**i. Modifying Amendment Term No. 14/06**

In February 2012, SPVias received a request from ARTESP to present the respective prior defense in an administrative proceeding, referring to the Modifying Amendment Term (TAM) No. 14/06, of December 21, 2006. An opinion was presented on December 14, 2012, and SPVias was once again summoned. Such term remained suspended until, on December 2, 2013, SPVias presented its new opinion on the matter of said administrative proceeding. On January 13, 2014, SPVias presented its final arguments. On March 25, 2014, ARTESP closed the administrative proceeding, understanding that the dispute should be settled by the Judiciary Branch. The parties filed lawsuits against the dispute.

The State of São Paulo and ARTESP filed an Ordinary Procedure Lawsuit No. 1013617-60.2014.8.26.0053 against SPVias claiming the declaration of nullity of TAM No. 14/06. The complaint for the lawsuit was dismissed from the plan, and was therefore deemed extinct by the judge of the 11th Public Treasury Court of São Paulo. Against this sentence, the State and ARTESP filed an appeal, which was granted by TJSP on April 28, 2016, to determine the continuation of the lawsuit with SPVias being summoned.

SPVias filed an Ordinary Procedure Lawsuit No. 1014593-67.2014.8.26.0053 against the State of São Paulo and ARTESP seeking the declaration of validity of TAM No. 14/06.

Once the connection between the two lawsuits was recognized, both started to have the same progress in the 11th Public Treasury Court of São Paulo.

On July 13, 2017, a decision was rendered, granting the claim by the State of São Paulo and ARTESP as valid and the claim filed by SPVias as dismissed.

On August 3, 2017, SPVias filed motions for clarification, which were rejected on September 6, 2017. On September 29, 2017, SPVias filed an appeal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On June 25, 2019, the appeal was judged, maintaining the decision that granted the claim filed by the State of São Paulo and dismissing the claim filed by SPVias. On July 8, 2019, SPVias filed motions for clarification, which were rejected on July 26, 2019. On September 24, 2019, SPVias filed a special appeal and an extraordinary appeal. On January 31, 2020, interlocutory appeals were filed against orders dismissing special and extraordinary appeals.

SPVias also proposed Ordinary Procedure Lawsuit No. 0019926-51.2013.8.26.0053 seeking the declaration of nullity of the administrative proceeding for invalidation of Addendum, due to (i) the impossibility of unilateral annulment of the Addendum and bilateral Amendments; (ii) the loss of the management's right to annul the Addendum; (iii) the existence of administrative *res judicata*. On April 30, 2014, a decision was rendered, dismissing the claim. On September 15, 2014, the concessionaire filed an appeal, and on September 24, 2014, the State of São Paulo and ARTESP also filed an appeal. The appeals were brought to trial on June 7, 2016, and the claim was dismissed, with no resolution of the merits, due to lack of interest in suing, with prejudice to analysis of the appeals. On October 6, 2016, a decision was published that denied motions for clarification filed by SPVias. The parties filed special and extraordinary appeals. On December 19, 2016, TJSP dismissed the appeals filed by the concessionaire. On February 22, 2017, SPVias filed the appeals denying special and extraordinary appeals.

On June 5, 2018, a monocratic decision was published denying the appeal in progress before the STJ. On June 26, 2018, SPVias filed an internal appeal. On November 5, 2019, the 1st Panel of the STJ did not recognize the internal appeal. On December 13, 2019, the final and unappealable decision was recognized and the record was sent to the STF for judgment of the interlocutory appeal in extraordinary appeal. On February 1, 2020, the interlocutory appeal in extraordinary appeal was denied.

ii. 2013 Toll Rate Adjustment

The São Paulo State Government decided not to pass on to state highway users the toll rate increases set for July 1, 2013, as provided for in the concession agreements in force. ARTESP's Management Board decided, on June 26, 2013, to authorize the toll rate adjustment by IGP-M variation and to define several measures to offset its non-collection from users, by: (i) use of 50% of the amount of 3% of gross revenues, as variable charge paid to the State for purposes of inspecting the agreements; (ii) implementation of toll charges on suspended axis of trucks in state highways; (iii) partial use of fixed charge due to the State, if necessary to complement. To carry out such resolutions, the following measures were adopted: (i) amendment of Resolution SLT No. 4, dated July 22, 2013, regulating the charge of suspended axis; (ii) the Management Board of ARTESP authorized, on July 27, 2013, the non-payment by the concessionaires of 1.5% on gross revenue (equivalent to 50%), as variable charge for the months of July, August and September 2013, and (iii) the Management board of ARTESP decided, on December 14, 2013, to extend the authorization for the non-payment, by concessionaires, of 1.5% on gross revenue for an indefinite period.

It turns out that the measures established by ARTESP were not sufficient to fully offset the economic and financial imbalance that the concessionaires faced due to not transferring, to users, the toll rate adjustment set in 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

For this reason, SPVias, on May 11, 2017, filed an ordinary procedure lawsuit No. 1019361-31.2017.8.26.0053 against ARTESP and the State of São Paulo, claiming the economic and financial rebalancing of the Concession Agreement, due the absence of toll rate adjustment in 2013 and partial in 2014.

This lawsuit is in its pre-trial phase.

iii. 2014 Toll Rate Adjustment

ARTESP determined the application of an adjustment index other than the contractual index, by virtue of a unilateral calculation that considered effects from the application of an adjustment index in 2013; however, it prevented the users from being charged due to the offset (tariff on suspended axis and reduction of the variable concession fee).

On July 2, 2014, SPVias filed an Ordinary Procedure Lawsuit No. 1026966-33.2014.8.26.0053, aiming at the regularity of the contract with the application of contractual index to toll rates. On March 3, 2015, a decision was rendered granting the claim. On March 9, 2015, motions for clarification were filed by SPVias, ARTESP and the State of São Paulo. The motions for clarification filed by SPVias were granted to recognize that such claim is not subject to suspension of preliminary injunction granted by the Special Body of the TJSP to the State of São Paulo. On July 2015, the State of São Paulo and ARTESP filed appeals. The appeal filed by the State of São Paulo and ARTESP was distributed to the 8th Public Law Chamber, which, in a judgment held on April 27, 2016, unanimously dismissed the appeal. On July 3, 2016, the State of São Paulo and ARTESP filed motions for clarification, which were rejected on July 27, 2016. On August 30, 2016, the State of São Paulo and ARTESP filed special and extraordinary appeals. On December 19, 2016, decisions were rendered dismissing the appeals, published on May 10, 2017. Against this decision, the State of São Paulo filed appeals on special appeal and extraordinary appeal. On September 28, 2018, a decision was rendered, which did not grant interlocutory appeal in special appeal filed by the State of São Paulo and ARTESP. On February 13, 2019, the decision that dismissed the internal appeal of the State of São Paulo and ARTESP was published.

On June 26, 2019, the final and unappealable decision was confirmed and on July 1, 2019, an order was issued, which was published on July 22, 2019, determining that ARTESP and the State of São Paulo should comply with the judicial decision that determined the application of full contractual adjustment. The concessionaire's toll rates were readjusted to comply with the court decision on July 29, 2019.

iv. Change of the toll rates adjustment index

On January 5, 2013, CCR issued a material fact to the market, informing that on December 15, 2011, it entered into the Addenda (TAMs) to the Concession Agreements between ARTESP and the subsidiaries, as follows: (i) AutoBA - Concession Agreement No. 005/CR/1998 and TAM No. 25/2011; (ii) ViaOeste - Concession Agreement No. 003/CR/1998 and TAM No. 22/2011; (iii) SPVias -

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Concession Agreement No. 010/CR/2000 and TAM No. 18/2011; and (iv) Renovias - Concession Agreement 004/CR/1998 and TAM 19/2011.

The subject matter of such TAMs was (i) the change in toll rates adjustment index of the Concession Agreements, from IGP-M to IPCA; and (ii) the establishment of the procedure and form of contractual review to verify the existence of any economic and financial imbalance in relation to the original contract index (IGP-M) and its new composition, resulting from the use of the new toll rate adjustment index (IPCA).

On June 29, 2015, Amendment and Restatement Instruments of the TAMs were entered into in order to: (i) adopt as the toll rates adjustment index of the Concession Agreement, the one that, between the IGP-M and the IPCA, presents the lowest percentage variation in the period between the date of the last adjustment made and the date of the adjustment that will be made; and (ii) establish the procedure and form of contractual review to verify the existence of any economic and financial imbalance and its recomposition, resulting from the application of this amendment.

In view of the foregoing, it will be characterized the occurrence of economic and financial imbalance of the Concession Agreement in favor of the concessionaires, if there is a difference between the annual amount of revenue from toll fees through the adjusted tariffs and actually charged by the concessionaires and the amount that would have been received if the tariffs had been adjusted by the accumulated variation of IGP-M, as provided for in exhibit 4 of the invitation to bid.

The contractual review procedure for the economic and financial rebalancing of the Concession Agreement due to the alteration of the toll rate adjustment index must be carried out, considering the imbalance amounts determined annually, through a specific administrative proceeding, established by ARTESP in July, every two years as of effectiveness of this instrument, a periodicity that may be changed by mutual agreement between the parties, as from the 5th year.

In view of the delay of ARTESP in the filing and implementation of the first administrative proceeding considering the two-year period between July 1, 2013 and June 30, 2015, SPVias, on April 11, 2017, filed an ordinary procedure lawsuit No. 1016435-77.2017.8.26.0053, against ARTESP and the State of São Paulo, claiming the rebalancing due to the aforementioned period.

This lawsuit is in its pre-trial phase.

h) Renovias**i. Modifying Amendment Term No. 13/06**

In February 2012, Renovias received a request from ARTESP to present the respective prior defense in an administrative proceeding, referring to the Modifying Amendment Term No. 13/06, of December 21, 2006. An opinion was presented on December 14, 2012, and Renovias was once again summoned. This term remained suspended by decision of ARTESP until May 13, 2013, on which the term was resumed and Renovias presented its new opinion on the matter of the administrative proceeding. On January 9, 2014, Renovias presented its final arguments. On February 19, 2014,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

ARTESP closed the administrative proceeding, understanding that the dispute should be settled by the Judiciary Branch. The parties filed lawsuits on said dispute, which are pending as closed trial.

The State of São Paulo and ARTESP filed an Ordinary Procedure Lawsuit No. 1007766-40.2014.8.26.0053 against Renovias claiming the declaration of nullity of TAM No. 13/06. Renovias filed an Ordinary Procedure Lawsuit No. 1008352-77.2014.8.26.0053 against the State of São Paulo and ARTESP seeking the declaration of validity of TAM No. 13/06. Once the connection between the two lawsuits was recognized, both started to have the same progress in the 8th Public Treasury Court of São Paulo.

Having carried out an economic investigation to settle the dispute in both lawsuits, the expert appointed by the 8th Public Treasury Court of São Paulo presented, on September 27, 2016, an expert report favorable to the concessionaire's allegations. On March 14, 2017, Renovias submitted final arguments. On July 18, 2017, a decision was rendered, granting the claim by the State of São Paulo and ARTESP as valid and the claim filed by Renovias as dismissed. On August 2, 2017, Renovias filed motions for clarification, which were rejected on August 29, 2017. The State of São Paulo and ARTESP also filed motions for clarification on August 10, 2017, which were accepted on August 29, 2017, to correct a minor material error. On September 18, 2017, Renovias filed an appeal.

On May 21, 2018, the State of São Paulo and ARTESP requested an injunctive relief in order to allow execution of the necessary acts for the preparation and conclusion of the bidding for exploration of public service of the road network currently explored by Renovias. On June 8, 2018, Renovias presented its arguments against the aforementioned request for injunctive relief requested by the State of São Paulo and by ARTESP. On November 29, 2018, a decision was rendered that rejected the injunctive relief requested by the State and by ARTESP. Awaiting judgment of appeal.

Renovias also proposed Ordinary Procedure Lawsuit No. 0019867-63.2013.8.26.0053 seeking the declaration of nullity of the administrative proceeding for invalidation of Addendum, due to (i) the impossibility of unilateral annulment of the Addendum and bilateral Amendments; (ii) the loss of the management's right to annul the Addendum; (iii) the existence of administrative *res judicata*. On October 30, 2014, a decision was rendered, partially granting the claim. On January 26, 2015, the concessionaire filed an appeal. On April 29, 2015, the State of São Paulo and ARTESP also filed an appeal. On June 26, 2018, Renovias' appeal was dismissed on trial session. On September 17, 2018, Renovias filed motions for clarification, which judgment was initiated at the session of September 10, 2019, and has not yet been concluded. On October 2, 2019, the State of São Paulo and ARTESP also filed an appeal against motions for clarification, which is pending judgment. On December 4, 2019, the decision was rendered, which rejected Renovias' motions for clarification and partially granted ARTESP's motions for clarification. On December 11, 2019, Renovias filed new motions for clarification, pending judgment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

ii. 2013 Toll Rate Adjustment

The São Paulo State Government decided not to pass on to state highway users the toll rate increases set for July 1, 2013, as provided for in the concession agreements in force. ARTESP's Management Board decided, on June 26, 2013, to authorize the toll rate adjustment by IGP-M variation and to define several measures to offset its non-collection from users, by: (i) use of 50% of the amount of 3% of gross revenues, as variable charge paid to the State for purposes of inspecting the agreements; (ii) implementation of toll charges on suspended axis of trucks in state highways; (iii) partial use of fixed charge due to the State, if necessary to complement. To carry out such resolutions, the following measures were adopted: (i) amendment of Resolution SLT No. 4, dated July 22, 2013, regulating the charge of suspended axis; (ii) ARTESP's Management Board authorized, on July 27, 2013, non-payment by concessionaires of 1.5% of gross revenues (equivalent to 50%) as variable charge relating to the months of July, August and September 2013; and (iii) on December 14, 2013, ARTESP's Management Board decided to extend for an indefinite term the authorization for non-payment by the concessionaires of 1.5% on gross revenues.

It turns out that the measures established by ARTESP were not sufficient to fully offset the economic and financial imbalance that the concessionaires faced due to not transferring, to users, the toll rate adjustment set in 2013.

As a result, on December 15, 2017, Renovias filed an ordinary procedure lawsuit No. 1060269-33.2017.8.26.0053 against ARTESP and the State of São Paulo, requesting the economic and financial rebalancing of the Concession Agreement, due to the absence of toll rate adjustment in 2013 and partially in 2014. This lawsuit is in its pre-trial phase.

iii. Change of the toll rates adjustment index

On January 5, 2013, CCR issued a material fact to the market, informing that on December 15, 2011, it entered into the Addenda (TAMs) to the Concession Agreements between ARTESP and the subsidiaries, as follows: (i) AutoBAn - Concession Agreement No. 005/CR/1998 and TAM No. 25/2011; (ii) ViaOeste - Concession Agreement No. 003/CR/1998 and TAM No. 22/2011; (iii) SPVias - Concession Agreement No. 010/CR/2000 and TAM No. 18/2011; and (iv) Renovias - Concession Agreement No. 004/CR/1998 and TAM No. 19/2011.

The purpose of such TAMs was (i) to change the toll rates adjustment index of the Concession Agreements, from General Market Price Index (IGP-M) to the Extended Consumer Price Index (IPCA); and (ii) the establishment of the procedure and form of contractual review to verify the existence of any economic and financial imbalance in relation to the original contract index (IGP-M) and its new composition, resulting from the use of the new toll rate adjustment index (IPCA).

On June 29, 2015, Amendment and Restatement Instruments of the TAMs were entered into in order to: (i) adopt as the toll rates adjustment index of the Concession Agreement, the one that, between the IGP-M and the IPCA, presents the lowest percentage variation in the period between the date of the last adjustment made and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

the date of the adjustment that will be made; and (ii) establish the procedure and form of contractual review to verify the existence of any economic and financial imbalance and its recomposition, resulting from the application of this amendment.

In view of the foregoing, it will be characterized the occurrence of economic and financial imbalance of the Concession Agreement in favor of the concessionaires, if there is a difference between the annual amount of revenue from toll fees through the adjusted tariffs and actually charged by the concessionaires and the amount that would have been received if the tariffs had been adjusted by the accumulated variation of IGP-M, as provided for in exhibit 4 of the invitation to bid.

The contractual review procedure for economic and financial rebalancing of the Concession Agreement due to change of toll rate adjustment index shall be performed, considering the amounts of imbalance determined annually, through a specific administrative proceeding established by ARTESP in July, every two-year period during which this document is effective, period that may be changed by common agreement between the parties, as from the 5th year.

Due to ARTESP's delay to file and implement the first administrative proceeding for the two-year period from July 1, 2013 to June 30, 2015, on May 12, 2017, Renovias filed an ordinary procedure lawsuit No. 1018929-12.2017.8.26.0053, against ARTESP and the State of São Paulo, requesting the due rebalancing for the aforementioned period.

On June 25, 2018, a decision was rendered extinguishing the lawsuit without judgment of the merits. Against such decision, Renovias filed an appeal on September 26, 2018, which is pending judgment.

On February 19, 2019, a decision was rendered granting Renovias' appeal to cancel the judgment and remittance of record to the lower court. On April 5, 2019, the decision became final and unappealable and the record was returned to lower court.

On August 26, 2019, after receiving the record in lower court, the order was rendered, which granted the production of expert evidence and determined the presentation of certain documents by the State of São Paulo and ARTESP. The lawsuit continues in pre-trial phase.

i) Barcas

- i. Public Civil Action No. 0000838-96.2004.8.19.0001 (former No. 2004.001.000961-5) filed by the Public Prosecution Office of the State of Rio de Janeiro (MP/RJ) on January 19, 2004, against the State of Rio de Janeiro and Barcas, in progress at the 4th Public Treasury Court of Rio de Janeiro, requiring the termination of concession agreement entered into between the State of Rio de Janeiro and Barcas, and the carrying out of a new bidding procedure. On October 15, 2015, a decision was issued, dismissing the claim. On May 9, 2017, the Court of Justice of Rio de Janeiro (TJRJ) accepted the appeal from MP/SP to decide on cancellation of Concession Agreement. Barcas and the State of Rio de Janeiro filed motions for clarification against the decision, which were partially granted on July 28, 2017, to rectify the omission and dismiss the lapse alleged by the parties. On August 4, 2017, Barcas filed new motions for clarification, which were rejected. On January 24, 2018, Barcas filed appeals to

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

the higher courts, which were awaiting judgment of admissibility. Barcas' special appeal was admitted by the office of the 3rd Deputy Chief Appellate Judge of Rio de Janeiro and later on November 30, 2018, remitted to the 2nd panel of STJ, where it awaits judgment.

- ii. Civil Class Action No. 0120322-27.2012.8.19.0001, filed by Fernando Otávio de Freitas Peregrino on March 28, 2012, against the State of Rio de Janeiro, CCR, CPC, Barcas and others, claiming: a) declaration of nullity of toll rate adjustment occurred in 2012; b) declaration of nullity of ICMS tax basis reduction, c) statement of expiry of the concession agreement due to the transfer of shareholding control of the concessionaire and opening of a new bidding; d) granting of preliminary injunctive relief for the rate charged to be the one prior to the adjustment. The motion for injunctive relief was dismissed. On July 14, 2015, a decision was issued to partially grant the requests for (i) declaration of nullity on state decrees Nos. 43441/2012 and 42897/2012, maintaining the adjustments to compensate inflation effects verified between the prior increase and the increase now contested, returning to the ICMS rate previously applied; (ii) declaration of nullity for reimbursement acts of gratuities already provided for on signing date of arrangement, that is, people over the age of 65, people holding special transportation cards, those with chronic conditions that require ongoing treatment without interruption, at the risk of death, people with disabilities and their companion; and (iii) ordering Barcas to reimburse to the State of Rio de Janeiro the amounts that it failed to pay due to illegal reduction of ICMS rate, as well as the amount received as cost for the gratuities indicated above, expected at the time the arrangement was signed. All such amounts shall be calculated in judgment settlement by arbitration. Barcas filed motions for clarification, which were partially granted to exclude from the decision the declaration of nullity of Decree No. 42897 and the resulting sentencing of Barcas to refund the State of Rio de Janeiro with ICMS amounts related to such Decree, since such claim was excluded for the initially deducted claims. Defendants Barcas, CCR and CPC filed appeals, the judgment of which began on November 29, 2017, and the appellate judges of the Second Civil Chamber of the Court of Justice of Rio de Janeiro, after considering the preliminary issues, determined the suspension of the judgment on the merits of the appeals until eventual drafting of the Term of Adjustment of Conduct (TAC), object of negotiations in the record of public civil action No. 0082365-89.2012.8.19.0001.

Motions for clarification were filed by the defendants Barcas, CCR and CPC against the party that judged the preliminary issues. Such motions were judged on March 28, 2018, and accepted to eliminate from the decision the chapter that declared null the acts of reimbursement of gratuities already provided for on the contract signing date, upholding the suspension order of the lawsuit until the drafting of the TAC in public civil action No. 0082365-89.2012.8.19.0001. The judgment is expected to continue after the analysis of the merits of the appeal.

- iii. Action for Termination of Concession Agreement (with request for injunctive relief), lawsuit No. 0431063-14.2016.8.19.0001, filed by Barcas for declaration of termination of the Concession Arrangement for Public Services of Transportation of Passengers, Cargo and Vehicles in the State of Rio de Janeiro signed originally between Barcas and the State of Rio de Janeiro on February 12, 1998, for the operation for twenty-five years of the public service of waterway transportation of passengers and vehicles. Barcas' claim is based on article 39 of Law 8987/1995 and clause 34 of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

the Concession Agreement and is the result of a contractual breach reiterated by the state of Rio de Janeiro, in particular its article 21, item VII, a contractual provision that establishes very clearly the obligation of the State of Rio de Janeiro to maintain the contractual economic and financial balance. On January 10, 2017, the requests for preliminary injunction, as well as the pretrial conference request filed by Barcas were rejected, based on art. 334 of the CPC. From the decision which dismissed injunctive reliefs and requests for evidence claimed, an interlocutory appeal was filed and partially reformed the decision for which review was requested to allow the assignment of a pretrial conference. There was no agreement between the parties at the conference held on June 7, 2017. On October 8, 2018, a decision was handed down granting Barcas' request to determine that AGETRANSP and the State of Rio de Janeiro, within twenty days, would assist the concessionaire in adjusting and reorganizing deficient travel schedules and lines in order to reduce possible monthly loss. On September 3, 2018, motions for clarification were filed by the State of Rio de Janeiro and by AGETRANSP. On December 5, 2018, a decision was rendered dismissing the motions for clarification. On January 18, 2019, the State of Rio de Janeiro and AGETRANSP filed an interlocutory appeal. On February 15, 2019, Barcas filed counterarguments to the interlocutory appeal. On September 10, 2019, an interlocutory appeal was filed and then denied, with TJRJ determining the State of Rio de Janeiro to promote the adjustment and reorganization of deficient travel schedules and lines operated by the plaintiff.

In lower court, a reply was submitted and, subsequently, certain mitigation measures for the recurring losses assumed by the Concessionaire were defined, and, subsequently, it was agreed in court to suspend the processing of the lawsuit to initiate a negotiation process, to seek a global solution for the concession agreement. On February 4, 2020, the Public Defender of the State of Rio de Janeiro filed an interlocutory appeal in view on the lower court decision that allowed mitigating measures through the implementation of a new schedule for vessels' working hours.

j) MSVia**i. Suspension of toll charge**

The Brazilian Bar Association, Mato Grosso do Sul Section (OAB/MS) filed a provisional measure on lawsuit No. 0004181-71.2017.403.6000, against MSVia, ANTT and the Federal Government, claiming that MSVia did not comply with the Concession Agreement and calling for the suspension of toll charge.

At the hearing of June 20, 2017, the judge ordered ANTT to state its opinion on MSVia's request for the contractual review.

On October 09, 2017, ANTT filed a petition stating that the construction works for the highway duplication were taken over by MSVia, therefore, the request for a contractual review was unnecessary. On October 26, 2017, MSVia presented its statement, agreeing with ANTT and requesting the extinction of the lawsuit.

On November 24, 2017, the Federal Government filed a petition reiterating its request to extinct the lawsuit. OAB/MS filed a petition requesting a new pretrial conference and for the claim to be granted. After that, ANTT also expressed its request for the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

extinction of the lawsuit, due to lack of procedural interest of OAB/MS, since it was demonstrated that MSVia had already resumed the construction works for the highway duplication. On April 19, 2018, an order was issued determining the statement of the parties on the supervening loss of procedural interest alleged in the statement by ANTT. On April 23, 2018, MSVia presented its petition, agreeing with ANTT statement and requesting the extinction of the lawsuit. On April 26, 2018, the OAB/MS requested an additional period to express its views on the petitions of ANTT and MSVia, which requested the extinction of the claim and, subsequently, filed a petition requesting the rejection of the requests for extinction and reinforcing its request for the granting of injunctive reliefs.

On September 24, 2018, a decision was handed down dismissing the preliminary injunctive relief requested by OAB/MS.

Summoning of defendants was also determined, as well as the exclusion of the Federal Government as defendant.

OAB/MS requested an extension of term to submit the main claim, which was granted in an order published on March 14, 2019.

On April 2, 2019, a decision was passed extinguishing the claim without resolution of the merits, which was published on April 8, 2019. As the deadline for an eventual appeal from OAB/MS has already elapsed without the filing of an appeal, on August 27, 2019, the unappealable decision that terminated the lawsuit, without merits examination, was certified.

ii. Extraordinary contractual revision

On April 6, 2017, MSVia submitted to ANTT a request for an extraordinary contractual revision since there was a substantial modification of the contracting bases due to factors not attributable to MSVia and outside its legal or contractual liability, which prevented the continuity of the services in the terms originally contracted.

On January 3, 2018, ANTT forwarded a letter to MSVia announcing the rejection of the request for review of conditions of Concession Agreement, on the grounds that the events mentioned by MSVia would be risks that would have been transferred to MSVia in the Concession Arrangement.

Accordingly, MSVia had no other option but filing a lawsuit, on May 20, 2018, against ANTT and the Federal Government (Lawsuit No. 1009737-97.2018.4.01.3400, before the 22th Federal Civil Court of Judiciary Section of Federal District), to preliminarily request the authorization for suspension of its investment contractual obligations and determination that ANTT refrains from applying any other penalties against MSVia and, in the end, the request for ANTT to review the Concession Agreement, or, subsidiarily, on the assumption that the necessary review goes beyond the limits of amendments in administrative agreements, its judicial termination, as provided for by law and under the terms of the Concession Arrangement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On May 25, 2018, the judge rendered a decision ordering ANTT to refrain, until further deliberation, from applying any type of penalty against MSVia. After summoning of ANTT and the Federal Government, they challenged the lawsuit and later MSVia presented its statement on July 4, 2018.

On October 17, 2018, a pretrial conference was held, in which the parties agreed to suspend the lawsuit for 90 days, so that administrative negotiations could be carried out in order to reach a possible agreement.

On February 5, 2019, ANTT filed a petition requesting the suspension of the lawsuit for an additional period of 60 days, which was granted.

On April 11, 2019, ANTT presented a new request for extension, requiring the suspension to be extended for another 45 days.

In view of the passing of the additional period of 45 days without any manifestation by ANTT, as well as considering that the Agency informed that Factor D would be applied based on this new fact, MSVia, on June 13, 2019, presented a petition reiterating the preliminary injunctions initially formulated, especially the suspension of the application of Factor D.

On July 29, 2019, MSVia filed a new petition stating that ANTT had notified the concessionaire to comment, within 15 days, on Technical Note No. 2330, which recorded the preliminary results of the ongoing tariff review and pointed out any tariff reduction in September 2019, of 54.27% or of 40.58% (if recalculation is diluted over the next 36 months). Based on this new fact, the preliminary injunction made in the complaint was repeated to suspend the application of "Factor D".

On September 17, 2019, a decision was rendered that rejected the request for injunctive relief made by MSVia. On September 26, 2019, the concessionaire filed an interlocutory appeal requesting the reform of the contested decision, which was dismissed on October 16, 2019. On November 6, 2019, MSVia filed an internal appeal. On December 4, 2019, MSVia communicated in the record of the interlocutory appeal that it decided to submit the issue of contractual rebalancing to the arbitration jurisdiction, which is why it withdrew the appeal. On December 20, 2019, the Federal Government filed a petition stating that it ceased to present any appellee's brief to the internal appeal, in view of the appellant's withdrawal from appeal. In the lower court, MSVia filed a reply on October 15, 2019, and the lawsuit is still in the pre-trial phase.

In the administrative sphere, the procedure for the ordinary review, the extraordinary review and the toll rate adjustment, by means of ANTT Resolution No. 1025/19, on November 26, 2019, determined the reduction, by 53.94%, of the basic toll tariff of all toll stations included in BR-163/MS, reason that gave rise to the provisional remedy for preliminary arbitration with motion for injunctive relief (lawsuit No. 1039786-87.2019.4.01.3400), described in item iii. below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

iii. Tariff Reduction

On November 26, 2019, ANTT, through Resolution No. 1025/19 (published in the Official Gazette on November 27, 2019) issued in the scope of Administrative Proceeding No. 50501.313777/2018-04, determined the reduction, in 53.94%, of the basic toll tariff of all the toll stations in BR-163/MS.

On November 27, 2019, MSVia filed provisional remedy for preliminary arbitration with a motion for injunctive relief, seeking the suspension of Resolution 1025/19, which was distributed to the 22nd Lower Federal Court of Justice of Brasília (lawsuit No. 1039786-87.2019.4.01.3400). On November 29, 2019, the 1st lower court rendered a decision rejecting the preliminary injunction.

On November 30, 2019, MSVia filed an interlocutory appeal before the TRF of the 1st Region seeking to reform the decision and grant the motion for injunctive relief to suspend the effects of Resolution 1025/19, to which a decision was rendered that granted the appellate injunction, suspending the effects of Resolution 1025/19 and, thus, the consequent suspension of the tariff reduction, until the conflicts arising from the contractual imbalance by the arbitration court are considered. As a result, MSVia resumed the collection of the previous basic toll tariff at 12:00 a.m., on December 1, 2019. On January 20, 2020, ANTT filed an answer. On January 23, 2020, Federal Government filed an answer.

iv. New Auction

On December 20, 2019, MSVia sent an application to ANTT, expressing its intention to adhere to the "New Auction Process", object of Law 13448/2017, emphasizing that such request was prepared based on the requirements under the terms of the Federal Decree No. 9957/2019, which disciplined it.

With this requirement, the concessionaire initiates the procedures that can culminate in the friendly return of the concession, and the road system is submitted to a new bidding (New Auction) by the Concession Grantor. The conclusion of the lawsuit will depend on analysis by the regulatory agency and qualification procedure under the Investment Partnership Program (PPI) and subsequent approval by the President of the Republic.

If the project is classified by the PPI and approved by the Presidency of the Republic, the amounts to be compensated to the concessionaire for the investments made will be assessed, based on the methodology established by Resolution No. 5.860, of December 3, 2019, of ANTT.

It should be noted that the conclusion of this lawsuit depends on the acceptance by MSVia of the terms proposed by ANTT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

k) Line 15**i. Civil Class Action No.10108888520198260053 which contests bidding of Line 15 - Silver**

On March 8, 2019, a civil class action was filed against the State of São Paulo, *et al.*, claiming the annulment of international bidding No. 01/2017, STM lawsuit No. 816/2017, for the onerous concession of the provision of public passenger transportation services of Line 15, of the São Paulo subway network, with monorail technology. The preliminary injunction of the Auction was requested and, at the end, the declaration of nullity for concession of Line 15 operation.

On March 19, 2019, following the positioning expressed by the public prosecution office of São Paulo in its opinion, the preliminary injunction was dismissed, with the same decision determining the amendment of the complaint to include the leader of the winning consortium (CCR) as defendant.

After amendment of the complaint, warrants were issued for defendants to be served, and CCR was served on April 9, 2019.

Summoning of all defendants is awaited to start the defense term.

l) VLT Carioca**i. Concession Agreement Termination**

On July 3, 2019, the VLT Carioca filed an action to terminate the Concession Agreement (with request for injunctive relief), lawsuit No. 0159841-62.2019.8.19.0001, against the municipality of Rio de Janeiro and the Companhia de Desenvolvimento Urbano da Região do Porto (CDURP), claiming the termination of the Public-Private Partnership Contract under the sponsored concession modality (CVL No. 010008/2013) signed between the parties, due to contractual defaults by the Concession Grantor and the municipality of Rio de Janeiro, as well as the condemnation of the municipality to the payment of indemnity for damages and loss of profits, to be determined in judgment settlement. The VLT Carioca still claims, in a preliminary injunction, that the Concession Grantor be required to immediately comply with certain legal and contractual obligations pending, as well as the subsidiary guarantee of the concession agreement be implemented, enabling the continuity of the public service provision until final and unappealable decision. On July 10, 2019, the preliminary injunction required by VLT was dismissed. On September 26, 2019, after the defendants' defenses had been filed, the lawsuit was referred to completion. On October 9, 2019, VLT signed a Memorandum of Understanding (MOU) with the Concession Grantor, which was subsequently ratified by the shareholders of VLT on December 19, 2019, and which, among other provisions, allowed Stage 3B to be inaugurated on October 26, 2019, and allowed the suspension of the lawsuit, in due course, and according to the convenience of the VLT. On October 10, 2019, a decision was issued granting injunctive relief to determine the defendants to implement and provide the operationalization of the subsidiary guarantee of the concession agreement, in order to comply with the legal and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

contractual obligations assumed, under penalty of daily fine. Against the injunctive relief, embargoes were filed by the defendants, which were rejected on January 7, 2020. The action to terminate the Concession Agreement remains in progress, despite the signing of the MOU between the concessionaire and the Municipal Government, as mentioned above, and so far, the subsidiary guarantee of the concession agreement has not been implemented.

m) NovaDutra**i. Tariff Reduction**

On December 19, 2019, the ANTT executive board, in an extraordinary session, through Resolution No. 1903, determined the tariff reduction on Presidente Dutra highway, from R\$ 15.20 to R\$ 14.40. The Resolution was published in the Official Gazette on December 20, 2019, and would enter into force on December 23, 2019, at 12:00 a.m.

On December 20, 2019, NovaDutra filed a writ of mandamus (lawsuit No. 1000559-56.2020.4.01.3400) subsequently distributed to the 4th Federal Court of Brasília, against an act attributed to the director general of ANTT, seeking the grant of a preliminary injunction to suspend the effects of the Resolution. On December 22, 2019, a preliminary injunction was issued, which determined the suspension of the effects of the Resolution and the removal of the tariff reduction. On February 5, 2020, ANTT provided information requesting the extinction of the writ of mandamus due to the supervening loss of the object, since the contested act was revoked after the filing of the lawsuit.

ii. Rebalancing - Weight Tolerance

On September 13, 2019, NovaDutra filed a declaratory action (Lawsuit No. 5016911-49.2019.4.03.6100), before the 5th Federal Civil Court of São Paulo, against the Federal Government and ANTT aiming at restoring the balance of economic and financial equation of its concession agreement, due to changes in legislation since 1999 that increased the maintenance costs of pavement.

On January 29, 2020, a decision was rendered within the scope of the aforementioned lawsuit denying injunctive relief.

iii. Rebalancing - Remuneration of Executive Projects

On December 13, 2019, NovaDutra filed a declaratory action (lawsuit No. 5026377-67.2019.4.03.6100), before the 5th Federal Civil Court of São Paulo, against the Federal Government and ANTT, aiming at the partial rebalancing of the Concession Agreement (PG-137/95-00), to remove alleged illegality faced since ANTT's edition of Administrative Proceeding No. 161/17, which authorized anticipation of 50% of remuneration due on the costs of preparing executive projects pending approval by ANTT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On February 7, 2020, a decision was rendered within the scope of the aforementioned lawsuit, granting a request for preliminary injunction (filed on February 6, 2020), suspending the effectiveness of Resolution No. 1093, the terms of which were ratified by Resolution No. 74, of February 4, 2020, from ANTT, which had determined a 5.26% reduction in basic toll tariff for all toll stations of BR-116/RJ/SP, object of Concession Agreement No. PG – 137/95-00 entered into between Federal Government and NovaDutra, as of 12:00 a.m. on February 8, 2020.

The Company and the investees' Management confirm their confidence on current legal procedures, applicable to concession agreements.

The financial statements of investees and of parent company do not include any adjustments from these lawsuits, since up to date there has been no unfavorable outcome or trend for any of them.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***14. Fixed Assets - Consolidated**

		2018		2019					
	Annual average depreciation rate %	Opening balance	New acquisitions	Additions	Write-offs	Transfers (a)	Other (b)	Exchange rate change	Closing balance
Cost value		71,372	1,125	111	(490)	2,395	(29)	528	75,012
Machinery and equipment		431,644	714	6,252	(5,060)	91,065	(4,370)	2,553	522,798
Vehicles		153,576	177	207	(15,683)	35,170	(561)	97	172,983
Facilities and buildings		30,111	469	768	(103)	(7,872)	-	303	23,676
Land		400,383	-	-	-	8,578	-	-	408,961
Operating equipment		644,928	-	-	(7,509)	21,321	(1,148)	-	657,592
Vessels		39,548	-	-	-	-	-	815	40,363
Optical fiber		16,027	-	-	-	3,114	-	-	19,141
Construction in process		178,269	2,007	172,267	(598)	(225,076)	(813)	22	126,078
Total cost		<u>1,965,858</u>	<u>4,492</u>	<u>179,605</u>	<u>(29,443)</u>	<u>(71,305)</u>	<u>(6,921)</u>	<u>4,318</u>	<u>2,046,604</u>
Depreciation amount									
Furniture and fixtures	10	(31,232)	(292)	(6,858)	409	623	-	(129)	(37,479)
Machinery and equipment	13	(244,611)	(326)	(58,465)	4,670	(16,161)	-	(2,358)	(317,251)
Vehicles	26	(112,547)	(77)	(23,952)	14,375	(385)	-	(49)	(122,635)
Facilities and buildings	3	(6,327)	(469)	(1,219)	81	1	-	(100)	(8,033)
Operating equipment	13	(467,785)	-	(61,684)	6,948	16,225	-	-	(506,296)
Vessels	2	(16,252)	-	(2,391)	-	-	-	(513)	(19,156)
Optical fiber	5	(4,065)	-	(828)	-	-	-	-	(4,893)
Total depreciation		<u>(882,819)</u>	<u>(1,164)</u>	<u>(155,397)</u>	<u>26,483</u>	<u>303</u>	<u>-</u>	<u>(3,149)</u>	<u>(1,015,743)</u>
Grand total		<u>1,083,039</u>	<u>3,328</u>	<u>24,208</u>	<u>(2,960)</u>	<u>(71,002)</u>	<u>(6,921)</u>	<u>1,169</u>	<u>1,030,861</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

		2017	2018						
	Annual average depreciation rate %	Opening balance	New acquisitions	Additions	Write-offs	Transfers (a)	Other (b)	Exchange rate change	Closing balance
Cost value		60,582	344	1,868	(2,263)	9,768	(500)	1,573	71,372
Machinery and equipment		362,596	2,528	14,197	(22,207)	67,841	(1,194)	7,883	431,644
Vehicles		146,420	1,342	-	(12,052)	18,791	(880)	(45)	153,576
Facilities and buildings		43,022	462	17,844	(11,065)	(20,946)	-	794	30,111
Land		387,415	-	5,192	(13,770)	21,546	-	-	400,383
Operating equipment		614,103	-	-	(13,828)	45,829	(1,176)	-	644,928
Vessels		35,364	-	-	-	-	-	4,184	39,548
Optical fiber		15,252	-	-	-	775	-	-	16,027
Construction in process		158,344	106	156,751	(1)	(138,249)	1,319	(1)	178,269
Total cost		1,823,098	4,782	195,852	(75,186)	5,355	(2,431)	14,388	1,965,858
Depreciation amount									
Furniture and fixtures	10	(25,001)	-	(6,466)	1,678	(1,432)	-	(11)	(31,232)
Machinery and equipment	11	(180,087)	-	(49,761)	20,651	(28,793)	-	(6,621)	(244,611)
Vehicles	25	(98,558)	-	(25,016)	10,570	474	-	(17)	(112,547)
Facilities and buildings	9	(6,761)	-	(1,358)	1,860	-	-	(68)	(6,327)
Operating equipment	14	(420,842)	-	(60,140)	13,426	(229)	-	-	(467,785)
Vessels	2	(10,093)	-	(4,806)	-	-	-	(1,353)	(16,252)
Optical fiber	5	(3,286)	-	(779)	-	-	-	-	(4,065)
Total depreciation		(744,628)	-	(148,326)	48,185	(29,980)	-	(8,070)	(882,819)
Grand total		1,078,470	4,782	47,526	(27,001)	(24,625)	(2,431)	6,318	1,083,039

(a) Reclassifications of fixed assets to intangible assets; and

(b) The amount of R\$ 6,921 refers mainly to the reimbursement of Infraero to BH Airport, for machinery and equipment, in the amount of R\$ 4,398.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Loan costs at the amount of R\$ 5,092 on December 31, 2019 (R\$ 15,127 on December 31, 2018) were added to property, plant and equipment. The average capitalization rate was 6.61% p.a. in 2019 (loan costs divided by the average balance of loans, financing and debentures) and 7.49% p.a. in 2018.

15. Intangible assets and intangible assets under construction – Consolidated

	2018	2019						
	Opening balance	New acquisitions	Additions	Write-offs	Transfers (a)	Other (e)	Exchange rate change	Closing balance
Cost value								
Infrastructure rights of exploration - granted	18,671,334	376,706	83,002	-	1,427,774	(218,225)	70,877	20,411,468
Infrastructure rights of exploration - Barcas	315,016	-	-	(5,344)	4,248	(3,126)	-	310,794
Computerized system licenses	186,803	141	571	(222)	42,064	(238)	147	229,266
Computerized system licenses in progress	-	1,617	29,376	-	14,645	(10)	-	45,628
Computerized system development costs	37,127	-	-	-	263	-	-	37,390
Assignment of optical fiber and connectivity	65,415	-	33,450	-	-	(5,911)	-	92,954
Concession right	1,614,539	-	-	-	-	-	-	1,614,539
Transmission of radiofrequency data	3,091	-	145	-	-	6	-	3,242
Concession right generated upon acquisition of business								
Aeris	193,409	-	-	-	-	-	16,620	210,029
ViaQuatro (b)	641,484	-	-	-	-	-	-	641,484
RodoNorte (b)	14,988	-	-	-	-	-	-	14,988
SPVias (b)	1,167,354	-	-	-	-	-	-	1,167,354
Barcas (c)	11,382	-	-	-	-	-	-	11,382
ViaOeste (b)	251,709	-	-	-	-	-	-	251,709
VLT	-	137	-	-	-	-	-	137
Quiport Holding	-	24,149	-	-	-	-	160	24,309
Aeroporto Internacional de Curaçao (c)	84,569	-	-	-	-	-	10,028	94,597
TAS (d)	79,362	-	-	-	-	-	3,193	82,555
Intangible assets	23,337,582	402,750	146,544	(5,566)	1,488,994	(227,504)	101,025	25,243,825
Intangible assets under construction	1,392,021	89	1,219,992	(72)	(1,417,689)	(3,004)	7,289	1,198,626
Total cost	24,729,603	402,839	1,366,536	(5,638)	71,305	(230,508)	108,314	26,442,451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

		2018	2019						
	Annual average amortization rate %	Opening balance	New acquisitions	Additions	Write-offs	Transfers (a)	Other (e)	Exchange rate change	Closing balance
Depreciation amount									
Infrastructure rights of exploration - granted	(b)	(5,959,741)	(14,809)	(1,498,308)	-	(204)	18,542	(38,785)	(7,493,305)
Infrastructure rights of exploration - Barcas	(c)	(216,713)	-	(27,638)	4,114	-	-	-	(240,237)
Computerized system licenses	21	(149,817)	(57)	(30,024)	12	(99)	-	(63)	(180,048)
Computerized system development costs	20	(34,383)	-	(1,549)	-	-	-	-	(35,932)
Assignment of optical fiber and connectivity	(f)	(33,986)	-	(11,657)	-	-	-	-	(45,643)
Concession right	(b)	(73,119)	-	(40,434)	-	-	-	-	(113,553)
Transmission of radiofrequency data	59	(2,354)	-	(829)	-	-	-	-	(3,183)
Concession right generated upon acquisition of business									
Aeris		(3,223)	-	(27,555)	-	-	-	(6,068)	(36,846)
ViaQuatro (b)		(48,861)	-	(27,564)	-	-	-	-	(76,425)
RodoNorte (b)		(11,283)	-	(1,228)	-	-	-	-	(12,511)
SPVias (b)		(394,431)	-	(65,789)	-	-	-	-	(460,220)
ViaOeste (b)		(169,396)	-	(19,109)	-	-	-	-	(188,505)
Barcas (c)		(6,904)	-	(1,076)	-	-	-	-	(7,980)
VLT		-	(19)	(3)	-	-	-	-	(22)
Quiport Holding		-	(3,831)	(247)	-	-	-	133	(3,945)
Aeroporto Internacional de Curaçao (c)		(29,287)	-	(4,359)	-	-	-	(2,811)	(36,457)
Total depreciation		(7,133,498)	(18,716)	(1,757,369)	4,126	(303)	18,542	(47,594)	(8,934,812)
Grand total		17,596,105	384,123	(390,833)	(1,512)	71,002	(211,966)	60,720	17,507,639

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

	2017	2018							
		Initial adoption CPC 47 / IFRS	New					Exchange rate	
	Opening balance	15	acquisitions	Additions	Write-offs	Transfers (a)	Other (e)	change	Closing balance
Cost value									
Infrastructure rights of exploration - granted	17,450,022	(3,075,533)	789,406	177,139	(52)	3,310,591	(26,525)	46,045	18,671,093
Infrastructure rights of exploration - Barcas	315,266	-	-	-	-	(9)	-	-	315,257
Computerized system licenses	174,208	-	-	1,375	(1,806)	15,161	(2,250)	115	186,803
Computerized system development costs	37,328	-	-	-	-	(201)	-	-	37,127
Assignment of optical fiber and connectivity	63,618	-	-	3,801	-	-	(2,004)	-	65,415
Concession right	1,060,271	-	-	554,268	-	-	-	-	1,614,539
Transmission of radiofrequency data	1,908	-	-	1,239	-	-	(56)	-	3,091
Concession right generated upon acquisition of business									
Aeris	-	-	102,734	91,833	-	-	-	(1,158)	193,409
ViaQuatro (b)	641,484	-	-	-	-	-	-	-	641,484
RodoNorte (b)	14,988	-	-	-	-	-	-	-	14,988
SPVias (b)	1,177,136	-	-	29,100	(38,882)	-	-	-	1,167,354
ViaOeste (b)	251,709	-	-	-	-	-	-	-	251,709
Barcas (c)	11,382	-	-	-	-	-	-	-	11,382
Aeroporto Internacional de Curaçao (c)	80,122	-	-	-	-	-	-	4,447	84,569
TAS (d)	67,753	-	-	-	-	-	-	11,609	79,362
Intangible assets	21,347,195	(3,075,533)	892,140	858,755	(40,740)	3,325,542	(30,835)	61,058	23,337,582
Intangible assets under construction	-	3,075,533	-	1,576,943	-	(3,297,480)	37,025	-	1,392,021
Total cost	21,347,195	-	892,140	2,435,698	(40,740)	28,062	6,190	61,058	24,729,603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

		2017	2018						
		Annual average amortization rate %	Initial adoption CPC 47 / IFRS 15	New acquisitions	Additions	Write-offs	Transfers (a)	Other (e)	Exchange rate change
			Opening balance						Closing balance
Depreciation amount									
Infrastructure rights of exploration - granted	(b)		(4,800,256)	-	(1,118,400)	5	(3,432)	-	(37,658)
Infrastructure rights of exploration - Barcas	(c)		(194,271)	-	(22,438)	-	(4)	-	(216,713)
Computerized system licenses	20		(121,890)	-	(28,019)	100	-	-	(149,817)
Computerized system development costs	20		(32,307)	-	(2,075)	-	(1)	-	(34,383)
Assignment of optical fiber and connectivity	(f)		(24,380)	-	(9,606)	-	-	-	(33,986)
Concession right	(b)		(50,348)	-	(22,771)	-	-	-	(73,119)
Transmission of radiofrequency data	50		(1,460)	-	(894)	-	-	-	(2,354)
Concession right generated upon acquisition of business									
Aeris			-	-	(3,223)	-	-	-	(3,223)
ViaQuatro (b)			(21,297)	-	(27,564)	-	-	-	(48,861)
RodoNorte (b)			(10,103)	-	(1,180)	-	-	-	(11,283)
SPVias (b)			(342,936)	-	(61,277)	9,782	-	-	(394,431)
ViaOeste (b)			(151,284)	-	(18,112)	-	-	-	(169,396)
Barcas (c)			(5,828)	-	(1,076)	-	-	-	(6,904)
Aeroporto Internacional de Curaçao (c)			(24,407)	-	(3,485)	-	-	-	(29,287)
Total depreciation			(5,780,767)	-	(1,320,120)	9,887	(3,437)	-	(39,061)
Grand total			15,566,428	-	892,140	(30,853)	24,625	6,190	17,596,105

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (a) Reclassifications of fixed assets to intangible assets;
 (b) Amortization based on the economic benefit curve;
 (c) Straight-line amortization;
 (d) Not amortized. Indefinite useful life;
 (e) The net value of reductions, in the amount of R\$ 211,966, mainly refers to: (i) reduction by transferring the balance to the financial asset related to construction works carried out by BH Airport, Metrô Bahia and CAP and reimbursed by the respective concession grantors, in the amount of R\$ 195,374; (ii) increase resulting from the transfer of balance of non-current assets related to advances to suppliers of Metrô Bahia, in the amount of R\$ 51,117; (iii) reduction by transfer of balance to the financial asset related to construction works carried out by Metrô Bahia, in the amount of R\$ 14,416; (iv) reduction due to write-off of assets contracted in previous years, with a value different from the market value, in the amount of R\$ 20,456; (v) reduction due to claims reimbursement in previous years, in the amount of R\$ 9,556; and
 (f) Straight-line amortization in accordance with contractual terms.

Loan costs at the amount of R\$ 172,478 on December 31, 2019 (R\$ 430,871 on December 31, 2018) were added to intangible assets. The average capitalization rate was 6.61% p.a. in 2019 (loan costs divided by the average balance of loans, financing and debentures) and 7.49% p.a. in 2018.

Hedge accounting gains amounting to R\$ 4,833 as of December 31, 2019 (less gains totaling R\$ 24,860 on December 31, 2018) were decreased from intangible assets.

16. Lease - Consolidated**a. Rental right of use**

	2018		2019				
	Opening balance	Fisrt-time adoption of IFRS 16 / CPC 06	Additions / Remeasureme nt	Additions / Remeasureme nt	Depreciation	Translation adjustment	Closing balance
Machinery and equipment	-	25,435	-	11,806	(8,915)	1,884	30,210
Facilities and buildings (*)	-	108,535	-	4,477	(16,968)	6,340	102,384
Operating equipment	-	7,078	-	2,227	(3,297)	(331)	5,677
Vehicles	-	-	25	-	(10)	-	15
	-	141,048	25	18,510	(29,190)	7,893	138,286

b. Lease liabilities

	2018		2019					
	Opening balance	Fisrt-time adoption of IFRS 16 / CPC 06	Reversal of value adjustment gift	Reversal of value adjustment gift	Additions / Remeasurement	Payments	Transfers	Translation adjustment
Current	-	34,530	25	1,723	8,340	(37,432)	18,044	2,726
Non-current	-	106,518	-	7,350	10,170	(32)	(18,044)	12,075
	-	141,048	25	9,073	18,510	(37,464)	-	14,801

The calculation of present value was made considering a nominal interest rate of 7.54% p.a. for lease agreements entered into in Brazil and 6.20% p.a. for lease agreements entered into in the United States. The rates are equivalent to those for issuing debt in the market with equivalent terms and maturities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

In the year ended December 31, 2019, the amount of R\$ 1,103 was recognized as a rental expense, arising from leases not recognized as such, given its short-term characteristics.

Schedule - non-current

2021	28,454
2022	23,313
2023	17,322
2024	15,481
2025 onwards	<u>33,467</u>
	<u><u>118,037</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***17. Loans and financing**

Company	Financial institutions	Contractual rates	Transaction cost effective rate (% p.a.)	Transaction costs incurred	Balances of unallocated costs 2019	Final maturity	2019	2018
	<u>In domestic currency</u>							
1a MSVia	BNDES - FINEM I	TJLP + 2,00% p.a.	2,2338% (a)	17,013	12,785	March 2039	671,028	667,680 (d) (f)
1b MSVia	Caixa Econômica Federal	TJLP + 2,00% p.a.	2,1918% (a)	2,598	2,013	March 2039	128,028	127,420 (d) (f)
1b MSVia	Caixa Econômica Federal	TJLP + 2,00% p.a.	2,4844% (a)	2,671	2,079	March 2039	52,085	51,720 (d) (f)
2a Metrô Bahia	BNDES - FINEM II	TJLP + 3,18% p.a.	3,4364% (a)	43,108	33,143	October 2042	2,369,791	2,392,384 (d) (e)
2b Metrô Bahia	BNDES - FINEM II	TJLP + 4% p.a.	4,3450% (a)	13,085	11,335	October 2042	634,410	631,973 (d) (e)
2c Metrô Bahia	BNDES	TJLP + 3,40% p.a.	3,4979% (a)	8,871	8,804	October 2042	399,877	- (d) (e)
3a BH Airport	BNDES - TJLP (Subcrédito A e B)	TJLP + 2,31% p.a.	2,3814% (a)	2,164	1,915	December 2035	414,877	417,590 (g)
4a VLT Carioca	BNDES - FINEM I (Subcrédito A e C)	TJLP + 3,44% p.a.	3,8659% (a)	18,490	12,485	November 2035	797,047	- (h)
4a VLT Carioca	BNDES - FINEM I - Subcrédito B	6,14% p.a.	N/I	-	-	November 2035	36,430	- (h)
CPC	SG	16,49624% p.a.	N/I	-	-	October 2019	-	1,138
CPC	SG	16,49653% p.a.	N/I	-	-	October 2019	-	704
	Subtotal in domestic currency				84,559		5,503,573	4,290,609

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Company	Financial institutions	Contractual rates	Transaction cost effective rate (% p.a.)	Transaction costs incurred	Balances of unallocated costs 2019	Final maturity	2019	2018	
In foreign currency									
5 CAP	Maduro and Curriel's Bank	USD + 4,2% p.a.	N/I	-	-	April 2029	173,706	157,556	(d)
6 CCR España Emprerimientos	Banco Santander	LIBOR 6M + 3,75% p.a.	N/I	-	-	October 2022	284,155	273,240	(b)
TAS	Atlas Toyota	6,95% p.a.	N/I	-	-	January 2022	621	841	(d)
7a TAS	Banco Santander	LIBOR 6M + 2,3% p.a.	N/I	-	-	July 2021	32,931	31,605	(d)
TAS	GSE Logistics Inc.	6% p.a.	N/I	-	-	July 2021	205	326	(d)
7b TAS	Banco Bradesco	LIBOR 6M + 3,20% p.a.	N/I	-	-	October 2020	49,693	47,715	(d)
7c TAS	Banco Bradesco	LIBOR 6M + 3,00% p.a.	N/I	-	-	January 2021	14,109	-	(d)
TAS	ORD Lift & Gse Inc.	N/I	N/I	-	-	September 2024	953	-	(d)
TAS	Alliance Capital	10,952% p.a.	N/I	-	-	September 2024	958	-	(d)
TAS	Alliance Capital	10,897% p.a.	N/I	-	-	September 2024	638	-	(d)
8 CCR España	Itau BBA International PLC	LIBOR 6M + 2,7% p.a.	N/I	-	-	September 2020	158,786	256,284	(c)
9 Aeris Holding	Bank of America Merrill Lynch	USD + 7,25% p.a.	N/I	15,065	9,431	November 2025	507,107	485,947	(d)
Subtotal in foreign currency					<u>9,431</u>		<u>1,223,862</u>	<u>1,253,514</u>	
Overall total					<u>93,990</u>		<u>6,727,435</u>	<u>5,544,123</u>	
Consolidated									
							2019	2018	
Current									
Loans, financing and leases							349,426	124,613	
Transaction costs							(6,659)	(5,282)	
							<u>342,767</u>	<u>119,331</u>	
Non-current									
Loans, financing and leases							6,471,999	5,498,441	
Transaction costs							(87,331)	(73,649)	
							<u>6,384,668</u>	<u>5,424,792</u>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

N/I - Transaction cost not identified due to impracticability or immateriality.

- (a) The actual cost of these transactions refers to costs incurred to issue securities and does not consider post-fixed rates, since interest and principal will be settled at the end of the transaction and the applicable future rates are unknown on the date of each transaction. These rates will only be known as each transaction period elapses. When a transaction has more than one series/tranche, it is presented at weighted average rate.

Guarantees:

- (b) Bank guarantee.
- (c) CCR corporate bond/guarantee proportional to its direct/indirect equity participation.
- (d) Tangible guarantee.
- (e) Capital support from CCR (Equity Support Agreement - ESA) and CCR guarantee until completion.
- (f) 100% - CCR corporate bond/guarantee.
- (g) Other concessionaire partner corporate bond/guarantee, proportional to its direct/indirect equity participation.
- (h) Assignment of bank accounts, indemnities and receivables.

Disbursement schedule (non-current)

	2019
	<u>Consolidated</u>
2021	524,004
2022	356,743
2023	303,487
> 2024	<u>5,287,765</u>
Total	<u><u>6,471,999</u></u>

The Company and its investees have financial agreements, such as debentures, among others, with cross default and/or cross acceleration provisions, i.e., establishing early maturity if they are in default on amounts due in other agreements signed by them, or in case the anticipated maturity of these contracts occurs. The indicators are constantly monitored in order to avoid the execution of such clauses.

The main conditions, guarantees and covenants related to loans and financing agreements, according to the indexing of the first column in the table where transactions are detailed, are described below. Conditions, guarantees and restrictions agreed upon were regularly met.

1. MSVia

- a. On March 14, 2016, the financing agreement with BNDES was signed, in the total amount of R\$ 2,109,915, with final maturity on March 15, 2039. The financing amount is divided into 18 sub-loans, including the social sub-loan in the amount of R\$ 11,542, for the approval of BNDES for social projects in the community.

On April 15, 2016, the first disbursement of this agreement was made, in the amount of R\$ 587,039, which settled the bridge loan with this same bank.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

On March 10, 2017, the 2nd disbursement referring to BNDES direct contract occurred, with R\$ 22,390 referring to sub-loan A and R\$ 52,560 referring to sub-loan R1, remunerated at TJLP + 2% p.a.

The debt is subject to interest at TJLP + 2.0% p.a., except for the social sub-loan, which will be subject only to TJLP. The principal will be repaid in 231 monthly and successive installments, with the first installment due on January 15, 2020. The interest will be paid quarterly in March, June, September and December of each year, as of June 15, 2016, and every month from the first principal's installment maturity date.

The guarantees will be divided into three phases: (i) pre-completion, (ii) partial completion, and (iii) total completion:

(i) Pre-Completion: The guarantees consist of: (a) CCR corporate bond; (b) pledge of 100% of the MSVia shares held by CPC; and (c) fiduciary assignment of all present and future credit rights arising from the operation of the BR-163/MS highway, as well as the rights arising from the concession.

(ii) Partial Completion, defined primarily by the completion of the duplication construction works provided for in the financing agreement. The guarantees consist of: (a) CCR corporate bond of 50% of debt balance; (b) pledge of 100% of the MSVia shares held by CPC; and (c) fiduciary assignment of all present and future credit rights arising from the operation of the BR-163/MS highway, as well as the rights arising from the concession.

(iii) Total Completion, where in addition to the partial completion above, MSVia shall present an DSCR equal to or greater than 1.2 and Debt Service Coverage Ratio (includes the maintenance provision) equal to or greater than 1. The guarantees consist of: (a) pledge of 100% of the MSVia shares held by CPC; (b) fiduciary assignment of all present and future credit rights arising from the operation of the BR-163/MS highway, as well as the rights arising from the concession.

CCR, until total completion, commits to maintain a Net Debt/EBITDA ratio less than or equal to 4.5, calculated annually, with base date at December 31, based on the audited consolidated financial statements. In relation to MSVia, it shall present an DSCR equal to or greater than 1.2 and a Debt Service Coverage Ratio (includes the realization of maintenance provision) equal to or greater than 1 and presentation of an Equity/Asset ratio greater than or equal to 0.2. The anticipated redemption is permitted upon approval of BNDES.

- b.** On August 12, 2016, the financing agreements with Caixa Econômica Federal were signed, with funds from the Finisa Program (Finisa) and through transfer (Transfer) of BNDES' funds, in the amounts of R\$ 527,288 and R\$ 210,000, respectively, with final maturity on March 15, 2039.

On October 7, 2016, there was the first disbursement of Finisa in the gross amount of R\$ 103,800 and on October 18, R\$ 43,250, of the Transfer.

On March 10, 2017, the 2nd release referring to FINISA contract occurred, in the amount of R\$ 22,910.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

On March 15, 2017, the 2nd disbursement referring to Caixa contract occurred, regarding the transfer from BNDES, in the amount of R\$ 9,545.

Interest at the long-term interest rate (TJLP) + 2% p.a. is levied on both contracts. The principal will be repaid in 231 monthly and successive installments, with the first installment due on January 15, 2020. The interest will be charged quarterly in March, June, September and December of each year as of December 15, 2016, and monthly as of January 15, 2020.

The guarantees are divided into three stages: (i) pre completion, (ii) partial completion, and (iii) total completion, which are the same as those of BNDES, disclosed in item 1.a above.

The anticipated redemption is permitted at any time.

2. Metrô Bahia

- a. On December 9, 2015, a financing agreement was entered into for a facility with BNDES, in the total amount of R\$ 2,013,678, falling due on October 15, 2042, R\$ 1,622,378 from Sub-loan A, R\$ 388,300 from Sub-loan B, and R\$ 3,000 from Sub-loan C.

Sub-loans A and B should be remunerated at TJLP + 3.18% p.a. and Sub-loan C at the TJLP. Principal shall be paid in monthly installments between April 15, 2018 and October 15, 2042. Interest will be capitalized on a quarterly basis through March 15, 2018 and then will be payable monthly with the installments for amortization of the principal.

Sub-credits A and B were fully disbursed, pending only disbursement of sub-credit C.

On December 18, 2017, the first amendment to the agreement was entered into and the main changes were: replacement of CCR's support for CCR's corporate bond in Phase I and inclusion of a capital reduction.

- b. On December 18, 2017, a financing agreement was executed with BNDES, in the total nominal value of R\$ 640,000, with maturity on October 15, 2042 and as single Sub-loan.

Funds are remunerated at TJLP + 4% p.a. The principal is to be paid in monthly installments between August 15, 2019 and October 15, 2042. Interest will be paid quarterly up to July 15, 2019 and monthly as of August 15, 2019.

Disbursements of the loans (in local currency) occurred as shown below:

No. of disbursement	Date of disbursement	Amount
1 st	12/27/2017	R\$ 409,600
2 nd	02/21/2018	R\$ 147,500
3 rd	05/09/2018	R\$ 40,395
4 th	09/25/2018	R\$ 30,000
5 th	04/18/2019	R\$ 12,932
Total		R\$ 640,427

- c. On December 26, 2018, a financing agreement was entered into with BNDES, in the nominal value of R\$ 400,000, with maturity on October 15, 2042 and single sub-loan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

A disbursement occurred on February 14, 2019. Funds are remunerated at TJLP + 3.4 p.a. The principal is to be paid in monthly installments between February 15, 2021 and October 15, 2042. Interest will be paid quarterly up to January 15, 2021, and monthly as of February 15, 2021.

The financing described in items 2a, 2b and 2c, above, has the following guarantees:

(a) Fiduciary assignment of the right(s):

- To receive all tariff revenues, compensation and extraordinary revenues;
- Emerging from the PPP Agreement, except the amounts relating to Public Contribution;
- Held against the depository bank, Banco Bradesco, relating to the deposits to be made and the funds existing in checking accounts of the Concessionaire;
- Related to Payment Agent, emerging from the Agreement for Appointment of Payment Agent and Accounts Administration, signed between Banco do Brasil (Payment Agent), Desenhahia and the State of Bahia, with the adherence of Metrô Bahia;
- As a result of the Guarantee Agreement signed between Metrô Bahia, CEF (Financial Agent), Fundo Garantidor Baiano de Participações (represented by Desenhahia), and the State of Bahia;
- Related to the Settlement Agent, arising from the agreement entered into between Metrô Bahia and Banco Santander (Settlement Agent); and
- Related to the Collecting Agents, arising from the individual agreements entered into between Metrô Bahia and Prosegur, Transcard, Getnet, Metropasse, and CEF.

(b) Pledge of 100% of the shares in Metrô Bahia held by CPC.

(c) CCR's corporate bond, until the end of settlement of financing agreements, for the payment of all obligations assumed by Metrô Bahia.

CCR will be released from the corporate bond after analysis in two consecutive fiscal years, counting from the beginning of the Full Operation of the Salvador and Lauro de Freitas Passenger Rail System (SMSL), of the DSCR greater or equal to 1.3, and the DSCR is equal to Adjusted EBITDA/Debt Service, and Shareholders' Equity/Asset ratio greater than or equal to 20%.

Based on the financial statements for the first full fiscal year after start of full operations, each calculation of $DSCR \leq 1.10$, will entail a one-year increase in the term of the Corporate Bond.

In addition, financings also include the following CCR supports:

- (a) From the declaration of extinction of corporate bond, contribute funds into the concessionaire's reserve account to re-establish the minimum balance of the reserve corresponding to the debt service for the following three periods, whenever there is a default by the Concession Grantor in payment of pecuniary compensation.

The support described above terminates after: (i) the analysis for two consecutive fiscal years, counting from the release of the corporate bond, of Adjusted DSCR equal or greater than 1.1, and the Adjusted DSCR is equal to the Adjusted EBITDA – Compensation Revenue/Debt Service; and (ii) when the procedure to be followed is formalized so that the funds collected by Consórcio Transcard, which manages the collection system operated by the municipal buses, in case Metrô Bahia is entitled to, are deposited in the clearing house.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

The sureties provided by Metrô Bahia, CPC and CCR will be shared between these financings executed with BNDES.

During the effective period of the long-term agreement, Metrô Bahia cannot distribute any funds to shareholders or to any other company of its economic group in the form of dividends, except for the minimum mandatory dividends, interest on own capital, payment of interest and/or amortization of debt, capital reduction, directors' and officers' fees for services rendered, profit sharing and fees of any kind, as well as payments related to agreements with companies of the same economic group, except for the agreements already negotiated with the BNDES, if DSCR is less than 1.3.

3. BH Airport

- a. On August 24, 2018, a financing agreement was signed involving the opening of a facility with BNDES, in the total amount of R\$ 508.000, falling due on December 15, 2035, divided into two sub-loans, R\$ 381,000 from sub-loan "A" and R\$ 127,000 from sub-loan "B", both remunerated at TJLP + 2.31% p.a. The releases of "A" and "B" sub-loans shall occur *pari passu* and in proportion to the participation of each of them in the total amount.

Interest will be paid quarterly on December 15, 2018 and on March 15, 2019, and monthly thereafter, together with the amortization installments of the principal.

No. of disbursement	Date of disbursement	Sub-loan "A"	Sub-loan "B"	Total
1 st	11/16/2018	R\$ 313,483	R\$ 104,494	R\$ 417,977
2 nd	11/21/2019	R\$ 10,987	R\$ 3,662	R\$ 4,649
Total		R\$ 324,470	R\$ 108,156	R\$ 432,626

In the event that construction works of the Government, as defined in Exhibit 3 to the Concession Agreement, are reimbursed or rewarded by BH Airport, the BNDES may require the partial settlement in advance of the financing agreement, in the amount used to finance these works, proportionally to the amounts of "A" and "B" sub-loans, and the Concessionaire undertakes to do so, provided that: (i) if BH Airport is reimbursed or rewarded through an extension of the term of Concession Agreement and/or extension of investment or construction work schedule, there will be no need for early partial settlement; and (ii) if the reimbursement or recomposition is obtained through any other mechanism, the need for early partial settlement will be determined at the sole discretion of BNDES.

Such financing is backed by guarantees:

- pledge of shares, in which: Sociedade de Participações no Aeroporto de Confins ("SPAC") will give to BNDES, as a pledge, all present and future shares held by it, issued by the concessionaire, and the direct shareholders of SPAC will give to BNDES, as a pledge, all present and future shares held by them and issued by SPAC;
- Fiduciary assignment of credit rights from Confins Airport, rights from concession as a result of Concession Agreement, and all BH Airport's credit rights.
- Guarantee from shareholders CCR and Flughafen Zurich, limited to their liability to the debt from sub-loans A and B, respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

BH Airport shall present bank guarantee(s) to BNDES by June 30 of the year following the corporate closing for: (i) debt arising from sub-loan "A" and 75% of the debt not resulting from a specific sub-loan, if the opinion of the independent audit firm is not presented, attesting that CCR's Net Debt/Adjusted EBITDA ratio is lower than or equal to 3.5; and (ii) debt arising from sub-credit "B" and for 25% of the debt not resulting from a specific sub-loan, if Flughafen Zurich does not present an "investment grade" risk rating in a report issued by Fitch Ratings, Moody's, Standard & Poor's or other risk rating agency expressly accepted by BNDES and do not submit the opinion of the independent audit firm that the Flughafen Zurich Net Debt/EBITDA ratio is lower than or equal to 3.0.

Bank guarantees are not required if in the same calendar year in with noncompliance with the financial index by its guarantor occur, the DSCR is higher than 1.3, considering that the DSCR is equal to EBITDA (result before financial result + Depreciation and amortization) less current Corporate Income Tax and Social Contribution on Net Income, when applicable, and the payment of the fixed concession fee for the year/Debt Service, as well as if the 2nd takeoff and landing runway at Confins International Airport is being operated.

Furthermore, BH Airport shall not, without prior consent, distribute dividends or pay interest on own capital for a fiscal year which value, individually or jointly, exceeds the percentage provided for in paragraph 2, article 202 of Law 6404/76 when the DSCR is less than 1.3.

4. VLT Carioca

- a. On November 12, 2015, a financing agreement was entered into for a facility with BNDES, in the total amount of R\$ 746,548, falling due on November 15, 2035, R\$ 512,180 from Sub-loan A, R\$ 35,300 from Sub-loan B, and R\$ 19,068 from Sub-loan C.

Sub-loans A and C will be remunerated at TJLP + 3.44% p.a. and Sub-loan B at a fixed rate of 6.14% p.a. Principal is to be paid in monthly installments between December 15, 2018 and November 15, 2035. Interest will be capitalized on a quarterly basis through November 15, 2018 and then will be payable monthly with the installments for amortization of the principal.

No. of disbursement	Date of disbursement	Amount
1 st	11/24/2015	R\$ 214,456
2 nd	11/26/2015	R\$ 435,540
3 rd	08/16/2017	R\$ 25,000
4 th	02/21/2018	R\$ 15,012
5 th	10/17/2018	R\$ 23,000
Total		R\$ 713,008

Financing will have the following guarantees:

- Fiduciary assignment of the right(s):
 - ✓ receipt of total tariff revenue and pecuniary compensation;
 - ✓ arising from PPP contract, except for the amounts related to public contribution, held against the depository bank Banco Santander (Brasil) S/A, related to deposits to be made and the funds existing in concessionaire's checking accounts;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

- ✓ arising from fiduciary assignment of quotas and credit rights agreement of Caixa Fundo de Investimento Imobiliário VLT – FII;
 - ✓ arising from the specific account activity agreement, entered into between CDURP, the Company and CEF;
 - ✓ arising from supply of rolling stock and systems agreement, entered into between Alstom and the Company; and
 - ✓ arising from delegation contract to be signed between the Company and the collecting entity, to be contracted, of CCR S/A, Riopar Participações S/A, Odebrecht Mobilidade S/A and Investimentos e Participações em Infraestrutura S/A – Invepar (collectively referred to as Sponsors) before Banco Santander (Brasil) S/A, depository bank, related to deposits to be made and the funds existing in the accounts held by it.
- Pledge of 100% of shares of VLT Carioca, held by the shareholders CIIS - Companhia de Investimentos em Infraestrutura e Serviços, Riopar Participações S/A, Odebrecht Mobilidade S/A and Investimentos e Participações em Infraestrutura S/A – Invepar.

In addition, financing will be supported by the Sponsors, the following obligations being proportional to the participations of each sponsor in the contract and, not jointly between them:

- Transfer funds to the Company to cover any shortcomings or frustrations in sources of private funds necessary for the consideration in the project;
- Cover any insufficiency of funds that may occur to settle the outstanding balance of financing, overdue and unpaid, if the project is not completed due to the insufficiency or frustration of the responsibility of the Concession Grantor, or even due to frustrations in sources of private funds mentioned above;
- Transfer funds into its checking account (support account), to keep it with a minimum balance corresponding to the debt service to be paid in the following period; and
- Cover any insufficiency of funds that may occur to settle financing's debt balance, overdue and unpaid, in the event of non-compliance with the obligation by any of the Sponsors.

The sponsors will be released from the obligations above when the following main conditions are cumulatively met: (i) start of commercial operation; (ii) equity of Caixa Fundo de Investimento Imobiliário VLT – FII equal to or greater than R\$ 500 million; (iii) analysis, from the 2nd full fiscal year of operation, of $DSCR > 1.3$ for 12 consecutive months, (iv) analysis of Equity/Asset ratio greater than or equal to 20%. For each fiscal year with $DSCR \leq 1.1$, the support obligations will be extended for another year. If condition (ii) does not occur, and provided conditions (i), (iii) and (iv) have been met, the sponsors will be released from their obligations as of 2025.

During the effective period of the long-term agreement, the Company cannot distribute any funds to shareholders or to any other company of its economic group in the form of dividends, except for the minimum mandatory dividends, interest on own capital, payment of interest and/or amortization of debt, capital reduction, directors' and officers' fees for services rendered, profit sharing and fees of any kind, as well as payments related to agreements with companies of the same economic group, except for the agreements already negotiated with the BNDES, if $DSCR$ is less than 1.3.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

5. CAP

On June 10, 2016, an agreement was entered into with Maduro and Curiel's Bank, in the total amount of USD43,000 thousand, with estimated maturity for July 31, 2026. The remuneration was 4.2% p.a., with payments and interest, both quarterly, as of March 31, 2020.

On April 16, 2019, an amendment to the agreement was made, maintaining remuneration and periodicity of payments. Payment of principal has been extended to October 31, 2028.

On November 29, 2019, a new amendment to the agreement was made, maintaining remuneration and periodicity of payments. Payment of principal was extended to December 31, 2029.

6. CCR España Emprendimientos

On October 25, 2017, a working capital agreement with Banco Santander (Brasil) was entered into, with disbursement on October 27, 2017, in the amount of USD70,000 thousand, and maturity on October 17, 2022. Debt is remunerated by 6 month-Libor + 3.75% p.a., with payments of semi-annual interest as of April 27, 2018 and principal at maturity date. Loan has a bank guarantee from CCR.

7. TAS

- a. On July 17, 2018, a loan was contracted with Banco Santander Brasil S.A., Luxembourg branch, in the total amount of USD8,000 thousand, and the total disbursement was made on July 20, 2018. Remuneration was Libor 6m + 2% p.a. Principal will be amortized at maturity date, on July 16, 2019.

On June 10, 2019, an amendment to the contract was made, with the remuneration being Libor + 2.3% p.a., as of July 17, 2019, maintaining the frequency of semiannual payments. Payment of principal was extended to July 16, 2021. This loan is guaranteed by promissory notes, accommodated by CCR.

- b. On October 29, 2018, a loan was contracted with Banco Bradesco, New York branch, for a total amount of USD12,200 thousand. Remuneration is 6m Libor + 3.20% p.a., and interest will be paid semiannually as from April 2019, and principal will be paid on final maturity date, on October 21, 2020. Such loan is secured with promissory notes, endorsed by CCR.

- c. On January 3, 2019, there was a total disbursement of funds from financing of December 19, 2018, with Banco Bradesco S.A., New York Branch, in the amount of USD3,500 thousand.

Loan is remunerated by Libor + 3% p.a. Principal will mature on January 4, 2021. Interest is paid semiannually from the date of disbursement. This loan is guaranteed by promissory notes, accommodated by CCR.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

8. CCR España

On September 5, 2018, CCR España contracted a facility agreement with Itaú BBA, in the amount of USD65,000 thousand, to cover the indirect acquisition of 48.40% of Aeris' capital and 49.64% of IBSA's capital. The term for such operation is 2 years, subject to 6m Libor + 2.70% p.a., interest will be paid semiannually and the principal on maturity of the operation, on September 5, 2020. Financing is guaranteed by CCR's corporate bond of 120% of the total debt amount.

On August 9, 2019, partial settlement in the amount of USD26,200 thousand occurred in advance.

9. Aeris Holding

On November 15, 2015, the contracting of Aeris Senior Notes was signed, being coordinated and distributed by Bank of America Merrill Lynch, in the amount of USD127,000 thousand, and maturity in November 2025. Debt is remunerated at 7.25% p.a., with semiannual interest payments starting in May 2016, and amortization of principal adjusted according to the project's cash flow as of May 2020.

Fiduciary assignment of shares was offered to guarantee the operation, as defined by local legislation. Moreover, the assignment of receivables, rights arising from the concession, and limitation of transactions in certain reserve accounts were performed.

The proceeds were raised to refinance the previously existing debt with the IDB and OPIC and to carry out the partial amortization of subordinated debt.

There is a restriction on payment of dividends if DSCR is lower than or equal to 1.2, and a restriction on contracting of additional debt if DSCR is lower than or equal to 1.5.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***18. Debentures and promissory notes**

Company	Series	Contractual rates	Transaction cost effective rate (% p.a.)	Transaction costs incurred	Balances of unallocated costs 2019	Final maturity	2019	2018	
1a	CCR	10th issuance - single series	107,50% do CDI	0,1306% (b)	1,140	196	June 2020	300,356	300,129 (d)
1b	CCR	11th issuance - 1st series	CDI + 0,60% p.a.	0,7707% (a)	2,302	729	November 2020	472,214	472,333 (d)
1b	CCR	11th issuance - 2nd series	CDI + 0,95% p.a.	1,0644% (a)	3,249	1,796	November 2022	665,825	666,376 (d)
1b	CCR	11th issuance - 3rd series	CDI + 1,50% p.a.	1,5812% (a)	1,910	1,335	November 2024	391,438	391,902 (d)
1b	CCR	11th issuance - 4rd series	IPCA + 6% p.a.	6,096% (a)	866	630	November 2024	191,229	184,368 (d)
1c	CCR	12th Issuance	CDI + 1,80% p.a.	1,9673% (a)	6,278	6,278	December 2025	794,883	- (j)
Subtotal Parent Company					10,964			2,815,945	2,015,108
2a	SPVias	4th issuance - single series (c)	IPCA + 6,38% p.a.	6,6684% (a)	2,265	-	April 2020	246,561	240,889 (e)
2b	SPVias	6th issuance - single series	115% do CDI	0,0464% (b)	1,291	622	August 2022	944,336	1,128,249 (d) (i)
2c	SPVias	7th issuance - single series	CDI + 0,81% p.a.	1,0062% (a)	598	499	August 2021	158,122	- (h)
3a	ViaLagos	2nd issuance - single series	IPCA + 7,34% p.a.	7,6594% (a)	1,870	259	July 2020	188,469	181,214 (d)
3b	ViaLagos	4th issuance - single series	113% do CDI	0,6073% (b)	555	145	July 2020	42,029	41,941 (d)
4a	Metrô Bahia	4th issuance - single series	120% do CDI	0,3095% (b)	1,603	-	May 2020	-	125,940 (e)
4b	Metrô Bahia	5th issuance - single series	CDI + 1,50% p.a.	2,0763% (a)	2,990	-	November 2019	-	402,974 (e)
5a	RodoAnel Oeste	6th issuance - single series	120% do CDI	0,076% (b)	3,171	1,910	April 2024	805,983	807,711 (e)
6a	Samm	10th issuance (Promissory notes)	114% do CDI	0,6367% (b)	342	-	April 2019	-	56,709 (e)
6b	Samm	11th issuance (Promissory notes)	109% do CDI	0,4035% (b)	161	54	April 2020	41,751	- (e)
7a	ViaOeste	5th issuance - single series (c)	IPCA + 5,67% p.a.	5,8865% (a)	1,334	-	September 2019	-	197,322 (d)
7b	ViaOeste	6th issuance - single series	IPCA + 6,2959% p.a.	6,6313% (a)	3,706	1,558	November 2021	299,848	288,520 (f) (i)
7c	ViaOeste	7th issuance - single series	106,25% do CDI	0,0722% (b)	714	218	November 2020	331,035	331,274 (i)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

			Transaction cost effective rate (% p.a.)	Transaction costs incurred	Balances of unallocated costs 2019	Final maturity	2019	2018	
Company	Series	Contractual rates							
8a RodoNorte	4th issuance - 1st series	IPCA + 5,691% p.a.	5,8502% (a)	1,254	-	October 2019	-	167,388	(d)
8b RodoNorte	5th issuance - 1st series (*)	IPCA + 6,06% p.a.	6,3483% (a)	1,186	498	November 2021	111,228	107,066	(j)
8c RodoNorte	6th issue - 1st series (*)	106,50% do CDI	0,2462% (b)	1,661	495	November 2020	220,790	220,704	(j)
8c RodoNorte	6th issue - 2nd series	IPCA + 4,4963% p.a.	4,6905% (a)	1,284	664	November 2021	201,947	186,082	(j)
8d RodoNorte	7th issue - 1nd series	112,50% do CDI	0,2991% (b)	1,116	484	July 2021	153,449	153,109	(d)
9a AutoBAAn	5th issuance (Promissory notes)	106,75% do CDI	0,2246% (b)	4,629	1,289	October 2020	797,703	748,218	(d) (i)
9b AutoBAAn	6th issuance - single series (c)	IPCA + 5,428% p.a.	5,7635% (a)	7,650	-	October 2019	-	491,271	(d)
9b AutoBAAn	6th issuance - single series	IPCA + 5,428% p.a.	N/I	-	-	October 2019	-	218,768	(d)
9c AutoBAAn	8th issuance - single series	IPCA + 5,4705% p.a.	5,8694% (a)	11,925	6,587	July 2022	794,391	763,299	(d) (i)
9d AutoBAAn	9th issuance - single series	109,50% do CDI	0,0396% (b)	366	198	August 2021	327,131	306,881	(d) (i)
9e AutoBAAn	10th issuance - single series	CDI + 1,20% a.a	1,3001% (b)	2,798	2,677	October 2026	776,064	-	(d) (i)
10a NovaDutra	4rd issuance - single series (c)	IPCA + 6,4035% p.a.	N/I	-	-	August 2020	178,081	342,168	(f)
10b NovaDutra	5th issuance - single series	105,5% do CDI	0,1756% (b)	96	-	September 2019	-	60,816	(d)
11a ViaQuatro	5th issuance - 1st series	CDI + 2,30% p.a.	2,5373% (a)	10,072	7,582	March 2028	801,102	736,892	(g) (h)
11a ViaQuatro	5th issuance - 2nd series	IPCA+ 7,0737% p.a.	7,2943% (a)	5,534	4,285	March 2028	542,560	536,090	(g) (h)
12a CPC	5th issuance - single series	CDI + 1,50% p.a.	1,7460% (a)	11,305	11,305	October 2031	689,661	-	(f)
13a ViaMobilidade	1th issuance - single series	CDI + 1,75% p.a.	2,148% (a)	6,680	3,111	April 2021	630,955	625,016	(e)
14a Linha 15	1th issuance (Promissory notes)	115,15% do CDI	6,8007% (b)	2,243	1,983	July 2022	204,262	-	
Overall total					57,387		12,303,403	11,481,619	
					Parent company		Consolidated		
					2019	2018	2019	2018	
Current									
Debentures and promissory notes					783,202	15,073	3,725,622	2,888,321	
Transaction costs					(3,295)	(2,321)	(18,346)	(19,563)	
					779,907	12,752	3,707,276	2,868,758	
Non-current									
Debentures and promissory notes					2,043,707	2,007,043	8,635,168	8,645,421	
Transaction costs					(7,669)	(4,687)	(39,041)	(32,560)	
					2,036,038	2,002,356	8,596,127	8,612,861	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

N/I - Transaction cost not identified due to impracticability or immateriality.

- (a) Effective cost of these transactions refers to internal return rate (TIR) calculated considering contracted interest plus transaction costs. For applicable cases, variable contractual rates were not considered for TIR calculation purposes.
- (b) Effective cost of these transactions refers to transaction costs incurred upon issuance of securities and does not consider post-fixed rates, as applicable future CDI rates are not known on transaction dates. These rates will only be known as each transaction period elapses.
- (c) Transaction is being measured at fair value through result in accordance with hedge accounting methods (hedge of fair value). See note 25 for further details.
- (*) The amounts of debentures of the 5th, 6th and 7th issues are presented in the short term.

Guarantees:

- (d) There are no guarantees.
- (e) CCR corporate bond/guarantee proportional to its direct/indirect equity participation.
- (f) Tangible guarantee.
- (g) Fiduciary assignment.
- (h) Fiduciary assignment of concession and credit rights.
- (i) CCR corporate bond in a suspensive condition, in case of early termination of concession agreement.
- (j) Additional tangible guarantee.

Disbursement schedule (non-current)

	2019	
	Parent company	Consolidated
2021	331,617	2,669,171
2022	331,617	2,076,870
2023	556,877	995,020
> 2024	823,596	2,894,107
Total	<u>2,043,707</u>	<u>8,635,168</u>

The Company and its investees have financial agreements, such as debentures, among others, with cross default and/or cross acceleration provisions, i.e., establishing early maturity if they are in default on amounts due in other agreements signed by them, or in case the anticipated maturity of these contracts occurs. The indicators are constantly monitored in order to avoid the execution of such clauses.

The main conditions, guarantees and covenants related to debenture agreements and promissory notes, according to the indexing of the first column in the table where transactions are detailed, are described below. Conditions, guarantees and restrictions agreed upon were regularly met.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***1. CCR**

- a. On June 15, 2017, the Company made the 10th issuance of simple debentures in a single series, with payment of funds on July 5, 2017, at total nominal value of R\$ 300,000, single maturity date of interest and principal on June 15, 2020, remunerated at 107.50% of CDI rate. There is an estimate of full anticipated redemption or extraordinary amortization at any time, without any payment of premium.
- b. On November 7, 2017, the 11th issuance of simple debentures was carried out, with the proceeds paid-up on December 12, 2017 and with a total nominal value of R\$ 1,700,000, in four series.

Series	Amount	Remuneration	Maturity	Payments
1st	R\$ 470,030	CDI + 0,60% p.a.	11/15/2020	Interest is paid semi-annually and principal at maturity.
2nd	R\$ 663,234	CDI + 0,95% p.a.	11/15/2022	Interest is paid semi-annually and principal in two equal installments, the first on November 15, 2021 and the second on maturity.
3rd	R\$ 389,940	CDI + 1,50% p.a.	11/15/2024	Interest is paid semi-annually and principal in two equal installments, the first on November 15, 2023 and the second on maturity.
4th	R\$ 176,796	IPCA + 6,00% p.a.	11/15/2024	Interest is paid semi-annually and principal in two equal installments, the first on November 15, 2023 and the second on maturity.

This issuance does not have collaterals.

There is an estimate of full anticipated redemption or extraordinary amortization at any time, without any payment of premium for the 1st series. For the 2nd and 3rd series, the premium is 0.40% if redemption occurs up to November 14, 2019, and of 0.25% if redemption occurs up to maturity date and for the 4th series the premium is established according to the formula in the indenture.

Maturity shall be anticipated if Net Debt/EBITDA ratio exceeds 4.5 and/or if there is reduction of the issuer's capital representing more than 10% of equity, without the prior approval of majority of debenture holders, stated in a meeting specially called for this purpose.

- c. On December 20, 2019, the 12th issuance of simple debentures was made, with a total nominal value of R\$ 800,000, and final maturity on December 16, 2025.

Debentures are remunerated at CDI rate + 1.80% p.a., and the first payment of quarterly interest for January 15, 2020. Principal will be paid in accordance with the percentage of 33.33%, 50% and 100%, with first maturity on December 16, 2023.

Debentures will mature in advance if Net Debt/EBITDA ratio is greater than 4.5 times, without the prior consent of the majority of debenture holders, expressed in a meeting specially called for this purpose.

This issuance has the additional security interest of fiduciary assignment of a dividend transfer account that CCR has to receive from ViaQuatro.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

There is an estimate of full anticipated redemption or extraordinary amortization at any time, upon payment of premium as follows:

Period	Flat premium on the optional redemption value
From the date of issue (inclusive) to the date corresponding to December 16, 2023 (exclusive)	0.35%
From the date corresponding to December 16, 2023 (inclusive) to the date corresponding to December 16, 2024 (exclusive)	0.34%
From the date corresponding to December 16, 2024 (inclusive) until the expiration date (exclusive)	0.25%

2. SPVias

- a. On April 15, 2015, the company carried out the 4th issuance of nominative, book-entry, simple, non-convertible, single series, unsecured debentures, classified under Law 12431/2011 and pursuant to Administrative Proceeding No. 82 of the Ministry of Transportation of April 15, 2015, with total nominal value of R\$ 190,000 and maturity on April 15, 2020.

Remuneration of debentures is at IPCA + 6.38% p.a. and guaranteed by CCR.

- b. On August 7, 2018, the company carried out the 6th issuance of simple, single series, non-convertible debentures, with total nominal value of R\$ 1,100,000 for public distribution with restricted placement efforts.

Debentures are remunerated at 115% of CDI rate. If SPVias, during the term of the debentures, obtains the registration as a publicly-held company before the Brazilian Securities and Exchange Commission (CVM), the interest rate will be reduced to 113% of the CDI rate.

Principal is being repaid in 8 semiannual and consecutive installments, from February 15, 2019 to August 15, 2022, according to the percentage defined in the indenture. Interest will be paid on the same amortization dates of the principal.

The issuance is guaranteed by suspensive condition. The suspensive condition will automatically enter into force in the following cases: (a) the end of the concession period, prior to the maturity date of the debentures; (b) due to an enforceable judicial decision unfavorable to the issuer, issued in connection with any of the following lawsuits: (i) Declaratory Action No. 1013617-60.2014.8.26.0053, filed by the State of São Paulo and ARTESP against the issuer, seeking annulment of Modifying Amendment Term No. 14 of the Concession Agreement; or (ii) Declaratory Action No. 1014593-67.2014.8.26.0053, filed by the issuer against the State of São Paulo and ARTESP, aiming to declare the validity, effectiveness and existence of said term; or (c) in connection with any other lawsuit deemed to be related to the aforementioned lawsuits, in which case the debentures will continue in effect until maturity date.

The main criteria for early maturity are as follows: (i) non-payment of the debentures' pecuniary obligations, observing the applicable remediation period; (ii) payment of dividends and/or interest on own capital, in an amount exceeding the mandatory minimum

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to mandatory dividends, if the Net Debt/Adjusted EBITDA ratio of SPVias is greater than 4x, except if the issuer opts to buy and submit to the trustee a bank guarantee in the amount corresponding to the debt represented by the outstanding debentures, issued by an authorized financial institution, as defined in the indenture.

The anticipated redemption of all debentures at any time is allowed, considering a premium of 0.3% p.a., *pro rata*, for the remaining term from redemption date to maturity date, levied on unit nominal value or balance of unit nominal value of debentures.

- c. On August 13, 2019, the company carried out the 7th issuance of simple, single series, non-convertible debentures, with nominal amount of R\$ 155,000 for public distribution with restricted placement efforts and maturity on August 2, 2021. Remuneration will be CDI rate + 0.81% p.a., and interest will be paid semiannually, while principal will be paid at maturity.

The issuance is guaranteed by suspensive condition. The suspensive condition will automatically enter into force in the following cases: (a) the end of the concession period, prior to the maturity date of the debentures; (b) due to an enforceable judicial decision unfavorable to the issuer, issued in connection with any of the following lawsuits: (i) Declaratory Action No. 1013617-60.2014.8.26.0053, filed by the State of São Paulo and ARTESP against the issuer, seeking annulment of Modifying Addendum No. 14 of the Concession Agreement; or (ii) Declaratory Action No. 1014593-67.2014.8.26.0053, filed by the Issuer against the State of São Paulo and ARTESP, aiming to declare the validity, effectiveness and existence of said term; or (c) in connection with any other lawsuit deemed to be related to the aforementioned lawsuits, in which case the debentures will continue in effect until maturity date.

The main criteria for early maturity are as follows: (i) non-payment of the debentures' pecuniary obligations, observing the applicable remediation period; (ii) payment of dividends and/or interest on own capital, in an amount exceeding the mandatory minimum dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to mandatory dividends, if the Net Debt/Adjusted EBITDA ratio of SPVias is greater than 4x, except if the issuer opts to buy and submit to the trustee a bank guarantee in the amount corresponding to the debt represented by the outstanding debentures, issued by an authorized financial institution, as defined in the indenture.

An anticipated redemption of all debentures may be made at any time, considering a regressive variable redemption premium between 0.45% and 0.02%, according to the number of months elapsed after issuance.

3. ViaLagos

- a. On July 15, 2015, the company carried out the 2nd issuance of nominative, book-entry, simple, non-convertible, single series, unsecured debentures, classified under Law 12431/2011 and in accordance with the Ministry of Transportation's Administrative Proceeding No. 159 of July 16, 2015, with total nominal value of R\$ 150,000 and maturity on July 15, 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Debentures are remunerated at IPCA + 7.34% p.a., and the first payment of semiannual interest for January 15, 2016. Principal will be paid on maturity of the transaction. These debentures are not guaranteed.

Among the criteria for early maturity is the payment of dividends by the issuer: (i) in any amount if the issuer is in default on payments of principal and/or interest in accordance with the indenture, except for the payment of the mandatory minimum dividend provided for in article 202 of the Brazilian Corporate Law; or (ii) in an amount above the legal minimum limit mentioned above, if the Net Debt/EBITDA ratio is greater than 4, using the verification method and the definition of Net Debt and EBITDA set out in the indenture.

- b. On April 11, 2018, the company carried out the 4th issuance of simple, single series, non-convertible debentures, in the total nominal value of R\$ 41,000, for public distribution with restricted placement efforts, without guarantee and final maturity on July 15, 2020.

Interest amounts to 113% of CDI rate and will be paid in semiannual installments, in July and January of each year, as of July 15, 2018.

The main criteria for early maturity are as follows: (i) non-payment of the debentures' pecuniary obligations, observing the applicable remediation period; and (ii) payment of dividends and/or interest on own capital, in an amount exceeding the mandatory minimum dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to mandatory dividends, if the issuer's Net Debt/Adjusted EBITDA ratio is greater than 4.

The concessionaire may distribute dividends and/or interest on own capital if it contracts and presents to the trustee a bank guarantee letter in the amount corresponding to the debt balance of the outstanding debentures, issued by a first line bank in Brazil, and approved at the General Debenture Holders' Meeting.

4. Metrô Bahia

- a. On May 31, 2019, the 4th issuance of debentures was fully settled in advance.
- b. On February 19, 2019, the 5th issuance of debentures was fully settled with funds from BNDES financing, signed on December 26, 2018.

5. RodoAnel Oeste

- a. On October 25, 2017, the 6th issuance of CCR's simple, not-convertible, unsecured debentures with personal guarantee, in the total nominal value of R\$ 800,000, was carried out in a single series and at 120% of CDI rate. Payment of interest is semiannual as of April 26, 2018, and principal amortization is customized, in annual and consecutive installments, from April 25, 2020 to April 25, 2024.

The following are among the main terms providing for the early maturity: shareholding change of the issuer that leads to the loss, by the guarantor, of direct and indirect shareholding control of the issuer, change in corporate purpose or early termination of the concession agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

6. Samm

- a. On April 12, 2019, the 10th issuance of promissory notes was fully settled.
- b. On April 12, 2019, the 11th issuance of commercial promissory notes occurred, the proceeds of which were used to pay for the 10th issuance of promissory notes, carried out on the same date. The issuance amount was R\$ 40,000, with a cost of 109% of CDI rate and maturity on April 11, 2020. Such issuance is guaranteed by promissory notes, endorsed by CCR.

7. ViaOeste

- a. On September 16, 2019, the 5th issuance of debentures was settled. On the same date, 2 swap contracts were settled.
- b. On November 15, 2016, the company carried out the 6th issuance of nominative, book-entry, simple, non-convertible, single series, unsecured debentures, classified under Law 12431/2011 and pursuant to Administrative Proceeding 605/2016 of the Ministry of Transportation, with total nominal value of R\$ 270,000 and maturity on November 15, 2021, adjusted by IPCA and interest of 6.2959% p.a. Interest is being paid semiannually as of November 15, 2017, and principal will be paid at maturity.

Among the main covenants, the Issuer shall not pay dividends if Net Debt/EBITDA ratio is greater than 4, calculated semiannually.

Anticipated redemption of all debentures may occur after 4 years from issuance date, upon payment of premium, in accordance with the formula provided in indenture, and cannot be subject to optional extraordinary amortization.

Debentures shall remain in effect until maturity date and will contain a guarantee and tangible guarantee of ViaOeste, in the event of termination of concession agreement as a result of final and unappealable decision on certain lawsuits that have been filed by the State of São Paulo and ARTESP against the issuer.

- c. On November 30, 2017, the 7th issuance of simple, non-convertible and unsecured debentures, with personal guarantee and suspensive condition, in a single series was carried out. The issuance, with total nominal value of R\$ 330,000, matures in November 2020, with remuneration of 106.25% of CDI. Interest payment is semiannual as of May 30, 2018, and payment of principal will occur at maturity.

The issuance has CCR's personal guarantee with suspensive condition, that is, parent company's guarantee will enter into force in case of early termination of the concession arrangement before maturity of such debenture, due to a court ruling detrimental to ViaOeste within the lawsuits (i) 0019924-81.2013.8.26.0053; and (ii) 1027970-08.2014.8.26.0053, both filed by ViaOeste against the State of São Paulo and ARTESP; or (iii) 1019684-41.2014.8.26.0053, filed by the State of São Paulo and ARTESP against ViaOeste.

Additionally, besides usual obligations of this type of issuance, ViaOeste cannot pay dividends and/or interest on own capital, in an amount exceeding the mandatory minimum

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to mandatory dividends, if Net Debt/Adjusted EBITDA ratio of ViaOeste is greater than 4x, based on semiannual calculations made based on Issuer's financial statements or quarterly financial statements. However, it will be at ViaOeste's discretion to hire and submit to the trustee the bank guarantee letters in the amount corresponding to the debt represented by outstanding debentures, if it wants to distribute dividends above the legal minimum.

8. RodoNorte

- a. On October 15, 2019, the 4th issuance of debentures was settled on its maturity date.
- b. On November 15, 2016, the company carried out the 5th issuance of nominative, book-entry, simple, non-convertible, single series debentures, with additional personal guarantee, classified under Law 12431/2011 and pursuant to Administrative Proceeding 607/2016 of the Ministry of Transportation, with total nominal value of R\$ 100,000, and maturity on November 15, 2021.

Debentures are adjusted by IPCA and bear interest of 6.06% p.a. Interest is payable semiannually as of May 15, 2017, and principal will be amortized at maturity.

Among the main covenants, issuer shall not pay dividends if Net Debt/EBITDA ratio is greater than 4.0, calculated semiannually.

Anticipated redemption of all debentures may occur after 4 years from issuance date, upon payment of premium, in accordance with the formula provided in indenture, and cannot be subject to optional extraordinary amortization.

Debentures have a deposit and tangible guarantee obligation, which requires RodoNorte to monthly deposit in a linked account, during the last six (6) months of the effective period of these debentures, the equivalent to one-sixth (1/6) of the adjusted principal amount. If, during the effective period of debentures, the contractual concession period is extended by at least one (1) year, RodoNorte's obligation to deposit funds in such linked account will cease to apply, and the guarantee shall be released.

- c. On September 18, 2017, the 6th issuance of unsecured debentures, in two series paid-up on October 25, 2017, with additional tangible guarantee was carried out, and the 2nd series will be subject to Law 12431/2011 and to the terms of Administrative Proceeding by the Ministry of Transportation.

The 1st series, totaling R\$ 220,000, has a remuneration of 106.50% of the CDI rate, due on November 15, 2020, with payment of semiannual interest since May 15, 2018 and amortization of principal at maturity. In addition, it may be optionally fully redeemed and/or partially repaid, at any time, at the issuer's discretion, without premium.

The 2nd series, totaling R\$ 170,000, has a remuneration of IPCA + 4.4963% p.a., due on November 15, 2021, payment and principal at maturity. The early redemption is allowed 4 years after issuance date, through payment of premium, pursuant to the formula included in the indenture. Such series may not be subject to optional extraordinary amortization.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

One of the main covenants states that the issuer undertakes to not distribute dividends if Net Debt/EBITDA ratio is higher than 4.0, except if the issuer opts for previously retaining and submitting to the trustee the bank guarantees in the amount corresponding to the debt represented by outstanding debentures, issued by an authorized financial institution.

- d. On July 25, 2018, the company carried out the 7th issuance of simple, single series, non-convertible debentures, with total nominal value of R\$ 150,000, for public distribution with restricted placement efforts and final maturity on July 25, 2021. Remuneration is of 112.50% of CDI, paid in semiannual installments, as of January 25, 2019. Principal will be amortized semiannually, as of July 25, 2020.

The main criteria for early maturity are as follows: (i) non-payment of the debentures' pecuniary obligations, observing the applicable remediation period; (ii) payment of dividends and/or interest on own capital, in an amount exceeding the mandatory minimum dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to mandatory dividends, if the Net Debt/Adjusted EBITDA ratio of RodoNorte is greater than 4x, except if the issuer opts to buy and submit to the trustee a bank guarantee in the amount corresponding to the debt represented by the outstanding debentures, issued by an authorized financial institution, as defined in the indenture.

The anticipated redemption of all debentures at any time is allowed, considering a premium of 0.25% p.a., *pro rata*, for the remaining term from redemption date to maturity date, levied on unit nominal value or balance of unit nominal value of debentures.

9. AutoBAn

- a. On October 2, 2017, 5th issuance of promissory notes occurred at the total of R\$ 690,000, in a single series and remunerated at 106.75% of CDI, with maturity date as of October 1, 2020. Among the main covenants, the issuer shall not pay dividends if Net Debt/ EBITDA ratio is greater than 4.

The anticipated redemption of all debentures at any time is allowed, considering a premium of 0.3% p.a., *pro rata*, for the remaining term, incurring on the remaining outstanding balance.

There is the provision for an additional personal guarantee by CCR if the concession period established in the Concession Agreement expires before maturity, due to a court ruling detrimental to the issuer, under the lawsuits specified in the indenture, which were filed by the State of São Paulo and ARTESP against the issuer.

- b. On October 15, 2019, the 6th issuance of debentures was settled on its maturity date. Swap contracts were settled at the same date.
- c. On July 15, 2017, the company carried out the 8th issuance of single series, unsecured debentures, with additional tangible guarantee, classified under Law 12431/2011 and in accordance with the Ministry of Transportation's Administrative Proceeding No. 3 of January 4, 2017, with total nominal value of R\$ 716,514, paid on July 28, 2017, and maturity on July 15, 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Debentures are updated by IPCA, bearing interest of 5.4705% p.a., which is paid semiannually since July 15, 2018. Principal will be paid on maturity.

Among the main covenants, issuer shall not pay dividends if Net Debt/EBITDA ratio is greater than 4, calculated on June 15 and December 15 of each year.

Anticipated redemption of all debentures may occur after 4 years from issuance date, complying with the provision of Law No. 12431/2011, and cannot be subject to optional extraordinary amortization.

There is a provision for additional personal guarantee by CCR and 0.20% p.a. increase in interest, in case the concession period established in Concession Agreement expires before maturity, due to a court ruling detrimental to the issuer, under the lawsuits specified in the indenture, which were filed by the State of São Paulo and ARTESP against the issuer.

- d. On August 17, 2018, the company carried out the 9th issuance of simple, single series, non-convertible debentures, with total nominal value of R\$ 300,000 for public distribution with restricted placement efforts. Remuneration is 109.50% of the CDI rate, and payment of interest and principal will be made in a single installment on maturity date, on August 20, 2021.

The issuance is guaranteed by suspensive condition. The suspensive condition will automatically enter into force in the event of termination of the concession period regarding the concession agreement entered into with DER/SP, prior to maturity date of these debentures, due to an unfavorable judicial decision against AutoBAn rendered within the scope of any of the following: (i) 0019925-66.2013.8.26.0053; and (ii) 1030436-72.2014.8.26.0053, both filed by AutoBAn against the State of São Paulo and ARTESP; or (iii) 1040370-54.2014.8.26.0053, filed by the State of São Paulo and ARTESP against AutoBAn or, in the context of any other lawsuit that is considered related to the aforementioned lawsuits.

The main criteria for early maturity are as follows: (i) non-payment of the debentures' pecuniary obligations, observing the applicable remediation period; (ii) payment of dividends and/or interest on own capital, in an amount exceeding the mandatory minimum dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to the mandatory dividends, if the Net Debt/Adjusted EBITDA ratio of AutoBAn is greater than 4x, except if the Issuer elects to buy and submit to the trustee a bank guarantee in the amount corresponding to the debt represented by the outstanding debentures, issued by an authorized financial institution, as defined in the indenture.

The anticipated redemption of all debentures at any time is allowed, considering a premium of 0.3% p.a., *pro rata*, for the remaining term from redemption date to maturity date, levied on unit nominal value or balance of unit nominal value of debentures.

- e. On October 22, 2019, the 10th issue of debentures was made, with a nominal value of R\$ 770,000, in a single series, with remuneration of CDI + 1.20% p.a. Issuance will have a 7-year term, with amortizations as shown in the following table:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Amortization %	
1st year	13.00%
2nd year	15.00%
3rd year	15.00%
4th year	14.00%
5th year	14.00%
6th year	14.00%
7th year	15.00%

The issuance is guaranteed by suspensive condition. The suspensive condition will automatically enter into force in the event of termination of the concession period regarding the concession agreement entered into with DER/SP, prior to maturity date of these debentures, due to an unfavorable judicial decision against AutoBAn rendered within the scope of any of the following: (i) 0019925-66.2013.8.26.0053; and (ii) 1030436-72.2014.8.26.0053, both filed by AutoBAn against the State of São Paulo and ARTESP; or (iii) 1040370-54.2014.8.26.0053, filed by the State of São Paulo and ARTESP against AutoBAn or, in the context of any other lawsuit that is considered related to the aforementioned lawsuits.

The main criteria for early maturity are as follows: (i) non-payment of the debentures' pecuniary obligations, observing the applicable remediation period; (ii) payment of dividends and/or interest on own capital, in an amount exceeding the mandatory minimum dividend set forth in article 202 of the Brazilian Corporate Law, and interest on own capital attributable to the mandatory dividends, if the Net Debt/Adjusted EBITDA ratio of AutoBAn is greater than 4x, except if the Issuer elects to buy and submit to the trustee a bank guarantee in the amount corresponding to the debt represented by the outstanding debentures, issued by an authorized financial institution, as defined in the indenture.

The anticipated redemption of all debentures as of 36th month as from issuance may occur, considering a premium of 0.4% p.a., *pro rata*, for the remaining term from redemption date to maturity date, levied on unit nominal value or balance of unit nominal value of debentures.

10. NovaDutra

- a. On April 10, 2015, the 4th private issue of simple debentures, non-convertible, with tangible guarantee, in a single series, with total nominal value of R\$ 610,000, adjusted by IPCA and interest of 6.4035% p.a. Interest payments have been made semiannually since May 11, 2015 and amortizations started on October 15, 2016. The final maturity of the operation will be August 15, 2020.

Additionally, the concessionaire undertakes not to enter into new debts, if the Net Debt/EBITDA ratio is equal to or greater than 4, and the DSCR is equal to or less than 1.2. The concessionaire also undertakes not to pay dividends if the Net Debt/EBITDA ratio is equal to or greater than 4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

On the same date, swap contracts were signed, with the change in debt from 101.20% to 100.10% of CDI.

- b. On June 6, 2019, the 5th issuance of debentures was fully settled in advance, with its own funds.

11. ViaQuatro

- a. On March 15, 2018, the Company made the 5th issuance of debentures, distributed in two series, totaling 1,200,000 debentures, 700,000 of which are 1st series debentures and 500,000 of which are 2nd series debentures, all paid-up on March 29, 2018, totaling a nominal value of R\$ 1,200,000, maturing on March 15, 2028. The remuneration for the 1st series is CDI + 2.3% p.a., while the 2nd series is remunerated at IPCA + interest of 7.0737% p.a. Debentures are backed by the following guarantees: (i) fiduciary assignment of shares, and; (ii) fiduciary assignment of concession and credit rights.

Additionally, the concessionaire undertakes not to enter into new debts, if the Net Debt/EBITDA ratio is equal to or greater than 4, and the DSCR is equal to or less than 1.1. The concessionaire also undertakes not to pay dividends if the Net Debt/EBITDA ratio is equal to or greater than 4 and DSCR equal to or less than 1.3. The concessionaire may choose to contract a bank guarantee or a deposit to reserve account, if it intends to contract new debts or distribute dividends with indexes below the figures described above.

12.CPC

- a. On December 20, 2019, the 5th issuance of single series debentures occurred, with remuneration of CDI rate + 1.50% p.a. and final maturity on October 30, 2031, semiannual interest payments with the first payment on April 30, 2020 and semiannual amortization from October 30, 2020. The issuance has a tangible guarantee, being: (i) the fiduciary assignment of any and all credit rights that may be paid by ViaSul to CPC as share bonus and/or dividend, interest on own capital, or any other form of distribution of ViaSul results to CPC due to the Issuer's participation in ViaSul; (ii) reserve account, held by CPC; (iii) dividend account, held by CPC; (iv) fiduciary assignment of a special-purpose company, which purpose shall be to hold all shares issued by ViaSul ("RS Holding") and CCR guarantee, in resolute condition.

CCR's guarantee will be automatically resolved and CCR will be exonerated and released from any obligation related to the guarantee, provided that an event of default by CPC/RS Holding is not in progress, subject to the cumulative compliance with the following conditions: (i) constitution of RS Holding; (ii) granting of fiduciary assignment as guarantee for the shares of RS Holding; and (iii) contracting by ViaSul of long-term financing from Banco Nacional do Desenvolvimento Econômico e Social ("BNDES").

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***13. ViaMobilidade**

- a. On May 16, 2018, the 1st issuance of debentures in a single series, at total nominal value of R\$ 600,000, with maturity on April 3, 2021, was paid-up. Remuneration is at CDI + 1.75% p.a., and interest will be paid annually on April, while principal will be paid at maturity. The issuance has personal guarantee by shareholders in proportion to their participations in capital.

Based on the covenants of this issuance, ViaMobilidade may not distribute dividends and may not contract additional indebtedness with third parties in an amount greater than R\$ 180,000.

This issuance shall be compulsorily redeemed or amortized in advance in case of long-term debt contracting and disbursement to finance the granting and/or investments.

14. Line 15

- a. On July 4, 2019, the first issuance of promissory notes in the total nominal value of R\$ 200,000 was made, in a single series, redeemed in advance, at any time, without payment of premium and remuneration of 115.15% of CDI, and can be redeemed in advance, at any time without payment of premium.

The issuance has a non-joint corporate bond provided by the subsidiary's shareholders in proportion to their participations. The principal and interest will be paid in a single installment, on July 4, 2022.

19. Provisions for civil, labor, social security and tax risks - Consolidated

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before courts and governmental agencies, arising from the normal course of operations, involving tax, labor and civil matters.

Management constituted a provision in an amount considered sufficient to cover estimated probable losses regarding lawsuits in progress, as the table below, based on (i) information from its legal advisors, (ii) an analysis of the outstanding legal proceedings, (iii) and based on previous experience with regards to amounts claimed:

	2018		2019				
	Opening balance	New acquisitions	Constitution	Reversal	Payments	Update of the processual and monetary basis	Closing balance
Non-current							
Civil and administrative	44,088	16	29,046	(8,280)	(25,324)	5,970	45,516
Labor and social security	48,907	1,869	33,127	(3,371)	(22,600)	3,793	61,725
Tax	44,197	-	2,855	(15,455)	-	6,407	38,004
	<u>137,192</u>	<u>1,885</u>	<u>65,028</u>	<u>(27,106)</u>	<u>(47,924)</u>	<u>16,170</u>	<u>145,245</u>

The Company and its subsidiaries have other risks related to tax, civil and labor risks that have been assessed by legal advisors as a possible risk, in the amounts indicated below for which no provision has been recorded in view of the fact that the accounting practices adopted in Brazil and IFRS do not determine such record.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

	<u>2019</u>	<u>2018</u>
Civil and administrative	350,598	138,749
Labor and social security	36,095	31,201
Tax (a) (b) (c)	<u>643,040</u>	<u>438,135</u>
	<u>1,029,733</u>	<u>608,085</u>

With respect to civil lawsuits, ANTT registered until December 31, 2019, notices of infractions against MSVia, related to operating issues of the concession agreement, which amounts to R\$ 159,570. The concessionaire presented administrative defenses and administrative appeals within the scope of the lawsuits of these tax assessment notices, and none of these lawsuits has a final administrative decision.

The main processes related to tax issues are:

- (a) On November 21, 2017, SPVias filed the precautionary injunction No. 5003802-06.2017.4.03.6110, at the 1st Federal Court of Sorocaba – SP, against the Federal Government to offer a guarantee (judicial insurance) regarding alleged IRPJ and CSLL debits in the amount of R\$ 197,902 on December 31, 2019 (R\$ 174,608 on December 31, 2018), due to amortization of goodwill expenses (concession right generated in the acquisition of subsidiary) in 2014-2017 calendar years, from the operations of investment acquisition at SPVias carried out among independent parties, with proof of price payment and appraisal report complying with the corporation law, after reverse merger. The preliminary injunction was granted by the Regional Federal Court of the 3rd Region, on January 12, 2018, for acceptance of bank guarantee. On March 7, 2018, SPVias filed a lawsuit claiming the annulment of said tax debts, and the right to amortize said expenses for tax purposes for the future calendar years. The Federal Government challenged the lawsuit, and SPVias subsequently presented its answer. On September 25, 2019, court-appointed expert work was determined. Since the beginning of 2018, SPVias has been making judicial deposits related to the controversial portion, which total as of December 31, 2019, is R\$ 37,557 (R\$ 14,692 on December 31, 2018), with the remaining portion of the debt disputed is secured by guarantee.
- (b) On December 15, 2017, SPVias was notified of the drafting of an infraction notice through which the Brazilian Federal Revenue Office required differences in the IRPJ and CSLL of 2012 and 2013 calendar years, due to (i) amortization of goodwill, (ii) financial costs with issuance of debentures, and (iii) isolated fines concerning differences in calculation of monthly estimates. On January 16, 2018, SPVias filed a motion to deny, in which it stated that the debts related to amortization of goodwill were included in the Special Tax Regularization Program (PERT) (Law No. 13496/2017), which were consolidated, and objected the portion referring to the disallowance of financial costs and individual fines, corresponding to the total adjusted amount on December 31, 2019 of R\$ 268,564. On November 12, 2018, the concessionaire was notified of the decision of the 1st administrative lower court, which partially granted SPVias' challenge to reduce the debt under discussion in the portion corresponding to qualification of the fine, reducing the updated debt under discussion to R\$ 157,679. Such reduction is subject to the *ex officio* appeal to be judged by the Administrative Council of Tax Appeals ("CARF"). In turn, SPVias also appealed to CARF defending the deductibility of the costs disallowed by the inspection. The judgment of the *ex officio* and voluntary appeals is still pending.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (c) On September 3, 2019, SPVias was notified of the issuance of infraction notice, in the amount of R\$ 158,589 (R\$ 160,694 on December 31, 2019), whereby the Brazilian Federal Revenue Office required differences in IRPJ and CSLL in the 2014 calendar year, plus a qualified *ex officio* fine (150%), segregated fines and late payment interest, arising from the disallowance of expenses incurred with the payment of commission and interest on debentures issued. On October 2, 2019, SPVias filed the challenge contesting the disallowance of said financial expenses, as well as the application of qualified and segregated fines. Review on the challenge is awaited.

In addition to making escrow deposits, the Company contracted legal guarantees amounting to R\$ 98,015 as of December 31, 2019 (R\$ 132,102 as of December 31, 2018) for the ongoing lawsuits.

20. Maintenance provision

	2018	2019				
	Opening balance	Formation/Reversal of provision at present value	Reversal of adjustment to present value	Realization	Transfers	Closing balance
Current	289,081	79,239	28,572	(317,478)	46,410	125,824
Non-current	231,473	37,157	1,939	-	(46,410)	224,159
	<u>520,554</u>	<u>116,396</u>	<u>30,511</u>	<u>(317,478)</u>	<u>-</u>	<u>349,983</u>

The 2018 and 2019 annual rates for the calculation of present value are 7.54% and 6.60%, respectively.

- a) In December 2019, there was a reversal of the maintenance provision at NovaDutra, in the amount of R\$ 118,681, due to the update of estimate for dimensioning of pavement maintenance works to be carried out until the end of the concession, taking into account the current legislation on axis weight tolerance for commercial vehicles in force when the concession agreement was signed. On the other hand, there was an increase in provision at RodoNorte, in the amount of R\$ 102,012, due to accelerated pavement degradation and increased costs of bituminous products for pavement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***21. Federal, state, municipal taxes and contributions and fine with the Concession Grantor - installments - Consolidated**

	2018			2019			
	Opening balance	New acquisitions	Additions	Payments	Inflation adjustment	Transfer	Closing balance
Current							
Taxes and contributions							
NovaDutra	-	-	4,810	-	(3,848)	-	962
AutoBAAn	-	-	508	-	(297)	297	508
Samm	252	-	47	13	(281)	30	61
Barcas	178	-	-	8	(183)	183	186
VLT Carioca	-	80	-	1	(20)	13	74
Fine with the Granting Power							
MSVia	-	-	2,658	227	(1,506)	(893)	486
	<u>430</u>	<u>80</u>	<u>8,023</u>	<u>249</u>	<u>(6,135)</u>	<u>(370)</u>	<u>2,277</u>
Non-current							
Taxes and contributions							
AutoBAAn	-	-	1,525	-	-	(297)	1,228
Samm	81	-	188	15	-	(30)	254
Barcas	871	-	-	24	-	(183)	712
VLT Carioca	-	194	-	1	-	(13)	182
Fine with the Granting Power							
MSVia	-	-	-	-	-	893	893
	<u>952</u>	<u>194</u>	<u>1,713</u>	<u>40</u>	<u>-</u>	<u>370</u>	<u>3,269</u>

22. Shareholders' Equity**a. Capital**

On February 16, 2017, the Company concluded its initial public offering of shares of common stock with restricted placement efforts, which raised the amount of R\$ 4,070,605 with the issuance of 254,412,800 common shares, increasing the Company's share to R\$ 6,126,100 (gross of costs on issuance of shares), represented by 2,020,000,000 common shares.

b. Legal reserve

Constituted at 5% of net profit for each fiscal year, pursuant to article 193 of Law 6404/76, up to the limit of 20% of the capital.

c. Profit retention reserve

Of the total balance as of December 31, 2019, the amount of R\$ 373,243, resulting from the allocation of net profit for the fiscal year 2019, after constitution of Legal Reserve, the distributed intermediate dividend and the proposed additional dividends, is the object of a proposal by Company's Management, to be allocated to Statutory Reserve for Equalization of Dividends and Investments.

Such reserve was included in the Company's Bylaws, as amended as of January 10, 2020, and its purpose is to guarantee resources for (i) payment of dividends, including in the form of interest on own capital, or its anticipations, in order to maintain the flow of compensation to shareholders and; (ii) making investments in its businesses, those of its subsidiaries and associated companies, including through capital contribution.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The total amount allocated to the Dividend and Investment Equalization Reserve may not exceed the amount equivalent to 80% of the capital.

d. Dividends

Dividends are calculated in accordance with the bylaws and the Brazilian Corporate Law (Law 6404/76).

On May 2, 2019, at the Board of Directors Meeting (RCA) was approved the payment of dividends to the interim dividends account, in the amount of R\$ 600,000, corresponding to R\$ 0.297029702970297 per common share, to the account, which is part of Profit Retention Reserve, paid on May 16, 2019.

On October 15, 2019, the Board of Directors Meeting (RCA) approved the payment of interim dividends, in the amount of R\$ 940,000, of which R\$ 513,000 to the account which is part of the profit retention reserve balance and R\$ 427,000 to the account part of the profits determined between January 1 and June 30, 2019, corresponding to R\$ 0.46534653466 per share, with payment as of October 31, 2019. The shareholding base date of distribution was October 18, 2019, and the shares started being traded ex-dividend as of October 21, 2019.

The Company's Management proposes the distribution of additional dividends in the amount of R\$ 600,000, to be approved at the Annual General Meeting of 2020.

The requirements for minimum mandatory dividends for fiscal year 2019 were met as shown below:

Profit for the year (parent company)	1,438,255
(-) Formation of legal reserve	<u>(71,913)</u>
Adjusted profit	<u>1,366,342</u>
Mandatory minimum dividend - 25% on adjusted profit	<u>341,586</u>
Minimum dividends approved and paid	427,000

e. Equity valuation adjustment (Parent Company and Consolidated)

The following is recognized under this line item:

- Exchange rate variations on investments in foreign investees. This accumulated effect is reverted to profit (loss) for the year as gain or loss only in the case of disposal or write-off of investment.
- Cash flow hedge with effect on shareholders' equity, with the accumulated amount is transferred to result or to non-current assets to the extent of realization of hedged transactions.
- Fair value adjustment of defined benefit pension plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***f. Basic and diluted earnings**

The Company has no instruments that could potentially dilute results per share.

	Parent company		Consolidated	
	2019	2018	2019	2018
Numerator				
Profit	1,438,255	776,592	1,438,255	782,739
Denominator				
Weighted average of shares - basic and diluted (in thousands)	2,020,000	2,020,000	2,020,000	2,020,000
Basic and diluted profit per share	0.71201	0.38445	0.71201	0.38749

23. Operating income

	Parent company		Consolidated	
	2019	2018	2019	2018
Revenue from toll fees	-	-	7,050,051	6,552,929
Construction revenue (ICPC 01 R1)	-	-	1,096,416	1,579,115
Airport revenue	-	-	1,136,279	814,616
Revenue from subway	-	-	1,365,143	814,427
Revenue from financial assets' remuneration	-	-	247,103	250,147
Accessory revenues	-	-	191,821	164,994
Revenue from waterways	-	-	136,264	123,007
Revenue from optical fiber services	-	-	99,604	94,957
Revenue from variable monetary consideration	-	-	31,945	28,659
Revenue from services rendering of related parties	108,155	104,057	29,660	24,163
Revenue from boarding passes issued	-	-	2,220	2,030
Gross revenue	108,155	104,057	11,386,506	10,449,044
Tax on revenues	(12,854)	(12,865)	(744,616)	(679,593)
Rebates	-	-	(51,079)	(53,592)
Deduction from gross revenue	(12,854)	(12,865)	(795,695)	(733,185)
Net operating revenue	95,301	91,192	10,590,811	9,715,859

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***24. Financial result**

	Parent company		Consolidated	
	2019	2018	2019	2018
Finance costs				
Interest on loans, financing, debentures, promissory notes, and leases	(138,815)	(147,231)	(1,245,382)	(1,310,929)
Inflation adjustment on loans, financing and debentures	(7,193)	(8,520)	(150,815)	(229,523)
Exchange rate on loans and financing	-	-	-	(37,978)
Inflation adjustment on liabilities with Concession Grantor	-	-	(77,522)	(105,073)
Interest and inflation adjustments on loans with related parties	-	-	(15,113)	(18,062)
Loss with derivative transactions	-	(20,537)	(179,475)	(334,008)
Exchange rate changes on operations with derivatives	-	-	(41,658)	(11,295)
Interest on taxes paid in installments	-	-	(289)	(38)
Adjustment to present value of provision for maintenance	-	-	(30,511)	(61,369)
Capitalization of borrowing costs	-	-	177,570	445,998
Fair value of loans, financing, debentures (fair value option and hedge accounting)	-	-	(23,980)	(28,377)
Adjustment to present value of liabilities with Concession Grantor	-	-	(42,036)	(42,934)
Exchange rate changes on foreign suppliers	(17)	(110)	(9,219)	(45,415)
Interest and monetary variation on self-composition term, leniency agreement and PIC	(5,292)	-	(30,636)	-
Adjustment to present value - lease	-	-	(9,073)	-
Rates, commissions and other finance costs	(1,648)	(7,987)	(107,749)	(58,696)
	<u>(152,965)</u>	<u>(184,385)</u>	<u>(1,785,888)</u>	<u>(1,837,699)</u>
Finance income				
Exchange rate on loans and financing	-	10,152	-	54,332
Inflation adjustment on loans, financing and debentures	499	1,781	9,698	39,948
Interest and inflation adjustments on loans with related parties	44,447	47,324	41,128	53,347
Gains with derivative operations	-	10,565	243,114	351,656
Exchange rate changes on operations with derivatives	-	-	7,704	20,935
Fair value of loans, financing, debentures (fair value option and hedge accounting)	-	6,142	43,034	72,375
Yield on financial investments	36,487	121,662	146,110	198,722
Exchange rate changes on foreign suppliers	13	71	8,115	28,659
Interest and other finance income	5,909	4,847	47,124	38,328
	<u>87,355</u>	<u>202,544</u>	<u>546,027</u>	<u>858,302</u>
Net finance income (cost)	<u>(65,610)</u>	<u>18,159</u>	<u>(1,239,861)</u>	<u>(979,397)</u>

25. Financial instruments

The Company and its subsidiaries have operations with financial instruments. Management of these instruments is carried out through operating strategies and internal controls, aimed at assuring liquidity, profitability and security. The contracting of derivatives with hedge purposes is made through a periodic analysis of risk exposure that management intends to cover (exchange, interest rates, etc.). The control policy consists of permanent follow-up of contracted conditions versus those in force in the market. The Company neither enters into speculative investments in derivatives or any other risk assets nor conducts transactions defined as exotic derivatives.

The results obtained from such operations are consistent with the policies and strategies defined by Company's management.

Hedging instruments are used to hedge at least 100% of the payments of loans and financing in foreign currency relating to companies headquartered in Brazil falling due in the next 24 months or according to the criteria set forth in loan agreements.

To support the Company's Board of Directors in their strategic finance matters, the Company set up a Result and Finance Committee comprised of directors appointed by controlling shareholders and independent directors, who analyze matters regarding the Company's political and finance structure, monitors and informs to the Board of Directors any key finance issues, such as loans/refinancing of long-term debt, risk analysis, foreign exchange rate exposure, collaterals, leverage ratios, dividend policy, issuance of shares, issuance of debt securities, and investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

All transactions with financial instruments of the Company and its subsidiaries are recognized in the financial statements, as shown in the table below:

Financial instruments by category

	Parent company					
	2019			2018		
	Fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost
Assets						
Cash and banks	103	-	-	164	-	-
Financial investments	1,319,803	-	-	1,363,187	-	-
Restricted investments - reserve account	2,115	-	-	2,138	-	-
Accounts receivables - related party	-	31,689	-	-	22,144	-
Loans - related parties	-	424,461	-	-	500,103	-
Advance for capital increase - related parties	-	5,976	-	-	613,800	-
Dividends and interest on capital	-	62,507	-	-	160,106	-
Liabilities						
Debentures (a)	-	-	(2,815,945)	-	-	(2,015,108)
Loans - related parties	-	-	-	-	-	(17,200)
Suppliers and other accounts payable	-	-	(70,209)	-	-	(78,313)
Self-Composition agreement	-	-	(34,368)	-	-	(81,530)
Suppliers and accounts payable - related parties	-	-	(63)	-	-	(267)
Related parties - AFAC (Advances for future capital incre	-	-	(1,916)	-	-	(1,916)
Dividends and interest on capital	-	-	(395)	-	-	(352)
	<u>1,322,021</u>	<u>524,633</u>	<u>(2,922,896)</u>	<u>1,365,489</u>	<u>1,296,153</u>	<u>(2,194,686)</u>

	Consolidated							
	2019				2018			
	Fair value through comprehensive income	Fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Fair value through comprehensive income	Fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost
Assets								
Cash and banks	-	805,482	-	-	-	324,646	-	-
Financial investments	-	4,168,123	-	-	-	2,688,683	-	-
Restricted investments - reserve account	-	63,042	-	-	-	10,396	-	-
Trade receivables	-	-	4,172,597	-	-	-	2,720,405	-
Advances to suppliers (b)	-	-	10,577	-	-	-	56,193	-
Accounts receivables - related party	-	-	22,675	-	-	-	4,311	-
Loans - related parties	-	-	190,642	-	-	-	393,336	-
Related parties - AFAC (Advances for future capital increases)	-	-	1,057	-	-	-	888	-
Trade receivables - operations with derivatives	1,025	90,873	-	-	4,746	259,673	-	-
Liabilities								
Financing in domestic currency (a)	-	-	-	(5,503,573)	-	-	-	(4,290,609)
Loans and financing in foreign currency (a)	-	-	-	(1,223,862)	-	-	-	(1,253,514)
Debentures and promissory notes (a)	-	(424,642)	-	(11,878,761)	-	(1,271,650)	-	(10,209,969)
Suppliers and other account payable	-	-	-	(740,270)	-	-	-	(749,085)
Lease	-	-	-	(145,993)	-	-	-	-
Self-Composition agreement and lenience agreement	-	-	-	(414,284)	-	-	-	(481,530)
Loans granted to third parties	-	-	-	(102,135)	-	-	-	(96,486)
Loans - related parties	-	-	-	(384,065)	-	-	-	(3,607)
Suppliers and account payable - related parties	-	-	-	(123,996)	-	-	-	(155,269)
Related parties - AFAC (Advances for future capital increases)	-	-	-	(56,357)	-	-	-	(45,607)
Dividends and interest on capital	-	-	-	(804)	-	-	-	(1,511)
Accounts payable - operations with derivatives	-	-	-	-	(832)	-	-	-
Obligation with the Concession Grantor	-	-	-	(1,741,505)	-	-	-	(1,702,377)
	<u>1,025</u>	<u>4,702,878</u>	<u>4,397,548</u>	<u>(22,315,605)</u>	<u>3,914</u>	<u>2,011,748</u>	<u>3,175,133</u>	<u>(18,989,564)</u>

(a) Transaction costs net values.

(b) These advances to suppliers must be converted into financial assets.

The following methods and assumptions were adopted in determination of the fair value:

- **Cash and banks, financial investments and restricted investments - reserve account -** Balances in cash and banks have their fair value identical to the accounting balances. Financial investments in investment funds are valued by the value of the fund's share on the date of financial statements, corresponding to their fair value. Financial investments in Bank Deposit Certificates (CDBs) and similar instruments have daily liquidity with repurchase at

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

"yield curve" and therefore the Company understands that its fair value corresponds to its book value.

- **Accounts receivable, accounts receivable - related parties, suppliers and other accounts payable, suppliers and accounts payable - related parties, related parties - AFAC, advances to suppliers, mutual loans and onerous assignment - related parties, loans to third parties, dividends and interest on own capital, voluntary disclosure and settlement and leniency agreement** - Fair values are close to accounting balances, considering the short term provided to settle transactions, except financial assets receivable from Concession Grantor, which book values are considered equivalent to the fair values, since they are financial instruments with exclusive characteristics, present in the concession agreement such as a sound structure of guarantees and legal determinations related to the industry. Voluntary Disclosure and Settlement and Leniency Agreement are penalties imposed and are already at their fair value.
- **Accounts receivables and payable with derivatives** - Fair values were calculated by projecting cash flows up to transactions' maturities using future rates obtained from public sources (for example: B3 and Bloomberg) plus spread defined in contract and brought to present value at risk-free rate (pre DI).
- **Financing in domestic and foreign currencies, leases, and obligations with concession grantor** - Book values of these financial instruments equivalent to fair values, as they are financial instruments with exclusive characteristics deriving from specific financing sources.
- **Debentures and promissory notes measured at amortized cost** - In case a criterion for recognition of these liabilities at fair value were adopted, balances would be as follows:

	Parent company				Consolidated			
	2019		2018		2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Debentures and promissory notes (a) (b)	2,826,909	2,959,707	2,022,116	2,087,837	11,936,148	12,487,376	10,262,091	10,545,329

(a) Book values are gross of transaction costs.

(b) Fair values are classified in level 2, according to detailed definition in item "fair value hierarchy", below.

Fair values were calculated by projecting cash flows up to transactions' maturities using future rates obtained from public sources (form example: B3 and Bloomberg) plus spread defined in contract and brought to present value at risk-free rate (pre DI).

- **Debentures measured at fair value through profit or loss (fair value option and hedge accounting)** - Some of the Company's subsidiaries raised funds through issuance of debentures and entered into swap contracts, changing the contractual remuneration for a percentage of CDI rate. The Company's management understands that measurement of these debts at fair value (fair value option/hedge accounting), would result in more relevant information and would reduce accounting mismatch in result, caused by measurement of derivative at fair value and debt at amortized cost. Had these debentures been measured at

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

amortized cost, the accounting balance would be R\$ 412,411 as of December 31, 2019 (R\$ 1,240,366 as of December 31, 2018), as detailed below:

Company	Series	Contractual rate	Contractual rate - Swap	Amortized cost (a)
NovaDutra	4th issuance - single series	IPCA+ 6.4035% p.a.	100.1–101.2% CDI	172,126
SPVias	4th issuance - single series	IPCA + 6.38% p.a.	101% CDI	240,285
				412,411

(a) Gross values from transaction costs.

See note 18 for further details on the transactions.

Fair value hierarchy

The Company and its subsidiaries have the following balances of financial instruments measured at fair value, which are qualified as follows:

	Parent company		Consolidated	
	2019	2018	2019	2018
Level 2:				
Interest earning bank deposits and reserve account	1,321,918	1,365,325	4,231,165	2,699,079
Derivatives receivable	-	-	91,898	263,587
Debentures	-	-	(424,642)	(1,271,650)

Different levels are defined as follows:

- Level 1: prices charged (unadjusted) in active markets for identical assets and liabilities;
- Level 2: different inputs of the prices traded in active markets included at Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: assumptions, for assets or liabilities, which are not based on observable market data (non-observable inputs).

Derivative financial instruments

The main purpose of operations with derivatives contracted is to hedge funding and future payment flows in foreign currency against foreign exchange variations, as well as to hedge against fluctuations in other indexes and interest rates, and has no speculative purpose. Accordingly, they are characterized as hedging instruments and recorded at fair value through result.

ViaQuatro, aiming to comply with the requirements of its former financing agreement with the IDB, as described in note 16 of financial statements of December 31, 2018, and to mitigate interest rate risks, contracted call options at Libor with a 4.5% cap p.a. for all the flow of interest from its financing. Given that the financing with the IDB was settled in April 2018, the subsidiary settled Libor's call option contracts between June 27 and July 1, 2019. In addition, Non-Deliverable Forwards (NDF) were contracted to hedge cash flows for the acquisition of equipment in foreign currency for the next 2 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

AutoBAN contracted swap transactions to hedge against inflation risks of the entire 5th issuance of debentures, and partially for 6th issuance of debentures, and on October 15, 2019 the contracts were settled.

ViaOeste contracted swap transactions to hedge against inflation risks of the entire 2nd series of 5th issuance of debentures and on September 16, 2019 the contracts were settled.

Metrô Bahia contracted NDF to hedge from exchange-rate variation in future equipment acquisitions, and on November 1, 2019 the contracts were settled.

NovaDutra contracted swap transactions to hedge the entire 4th issuance of debentures against inflation risks.

SPVias contracted swap transactions to hedge the entire 4th issuance of debentures against inflation risks.

All derivative financial instruments were traded over-the-counter (OTC).

A detailed chart on derivative instruments contracted for the Company and its subsidiaries is shown below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***Breakdown of balances of derivative financial instruments for hedge**

					Reference value (Notional) (1)				Fair value		Gross values contracted and settled	
Counterparty	Contract start date	Maturity date	Position (Reference values)		Foreign currency		Local currency		Local currency		Received/(Paid) local currency	
					2019	2018	2019	2018	2019	2018	2019	2018
Swap												
NovaDutra												
Asset position	Bradesco	06/12/2015	08/17/2020 (2)	IPCA + 6.4035% p.a.	-	-	310,019	310,019	89,073	171,147	16,610	13,248
Liability position				101.20% CDI					(69,614)	(139,688)		
Asset position	Votorantim	06/16/2015	08/17/2020 (2)	IPCA + 6.4035% p.a.	-	-	310,019	310,019	88,789	170,871	16,693	13,384
Liability position				100.10% CDI					(69,592)	(139,572)		
SPVias												
Asset position	Votorantim	06/15/2015	04/15/2020 (2)	IPCA + 6.38% p.a.	-	-	192,356	192,356	246,561	240,888	2,724	1,400
Liability position				101.00% CDI					(194,344)	(195,016)		
NDFs												
ViaQuatro												
Asset position	Bradesco	01/31/2019	02/03/2020	USD	3,000	-	12,092	-	835	-	-	-
Liability position				Taxa forward de USD de R\$ 3.743								
Asset position	Merrill Lynch	01/31/2019	02/03/2020	USD	2,000	-	9,061	-	190	-	-	-
Liability position				Taxa forward de USD de R\$ 4.4205								
TOTAL OUTSTANDING OPERATIONS AS OF DECEMBER 31, 2019							833,547	812,394	91,898	108,630	36,027	28,032
TOTAL OPERATIONS SETTLED DURING THE YEAR ENDED DECEMBER 31, 2019 AND 2018									-	154,957	165,427	39,929
TOTAL OPERATION									91,898	263,587	201,454	67,961

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

					Accumulated effect				Income (loss)			
	Counterparty	Contract start date	Maturity date	Position (Reference values)	Amounts receivable /(received)		Amounts payable / (paid)		Gain/(Loss) in income (loss)		Gain/(loss) in comprehensive income	
					2019	2018	2019	2018	2019	2018	2019	2018
Swap												
NovaDutra												
Asset position	Bradesco	06/12/2015	08/17/2020 (2)	IPCA + 6.4035% p.a.	19,459	31,459	-	-	4,610	4,576	-	-
Liability position				101.20% CDI								
Asset position	Votorantim	06/16/2015	08/17/2020 (2)	IPCA + 6.4035% p.a.	19,197	31,299	-	-	4,591	4,538	-	-
Liability position				100.10% CDI								
SPVias												
Asset position	Votorantim	06/15/2015	04/15/2020 (2)	IPCA + 6.38% p.a.	52,217	45,872	-	-	9,069	6,714	-	-
Liability position				101.00% CDI								
NDFs												
ViaQuatro												
Asset position	Bradesco	01/31/2019	02/03/2020	USD	835	-	-	-	-	-	835	-
Liability position				Taxa forward de USD de R\$ 3.743								
Asset position	Merrill Lynch	01/31/2019	02/03/2020	USD	190	-	-	-	-	-	190	-
Liability position				Taxa forward de USD de R\$ 4.4205								
TOTAL OUTSTANDING OPERATIONS AS OF DECEMBER 31, 2019					91,898	108,630	-	-	18,270	15,828	1,025	-
TOTAL OPERATIONS SETTLED DURING THE YEAR ENDED DECEMBER 31, 2019 AND 2018					-	155,789	-	(832)	11,415	11,460	(945)	20,158
TOTAL OPERATION					91,898	264,419	-	(832)	29,685	27,288	80	20,158
TOTAL CURRENT TRANSACTIONS					91,898	188,656	-	(832)				
TOTAL NON-CURRENT TRANSACTIONS					-	75,763	-	-				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (1) When derivative has intermediate maturities, the referred to notional value is the prevailing tranche; and
- (2) The agreements have semiannual maturities in April and October of each year, up to final maturity.

Result from derivative financial instruments for hedge

	Consolidated	
	2019	2018
Exchange risks	271	(17,398)
Interest rate risks	29,414	44,686
Total	29,685	27,288

Sensitivity analysis

Sensitivity analyses are established based on assumptions and premises related to future events. Company's Management and its subsidiaries regularly review these estimates and assumptions used in calculations. However, settlement of transactions involving these estimates may result in amounts different from estimated amounts, as a result of subjectivity inherent in the process used to prepare analyses.

In compliance with CVM Ruling No. 475, we present below the sensitivity analyses as to variations in foreign currencies and interest rates.

In sensitivity analyses, calculations did not consider new contracting of operations with derivatives, other than the current ones.

Sensitivity analysis of exchange-rate variation on foreign currency

We present in the table below the nominal values related to the exchange-rate variation on loans and financing contracts subject to such risk. The amounts refer to the effects on profit (loss) for the year and shareholders' equity and were calculated based on the foreign currency exposures on the date of the financial statements, and the exchange rates used for the probable scenario were stressed by deterioration percentages of 25% and 50% for scenarios A and B.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

Operation	Maturity dates up to	Exposure in R\$ (1)	Risk	Consolidated - Effect in R\$ on the income (loss)		
				Probable scenario	Scenario A 25%	Scenario B 50%
ViaQuatro						
Commitments in Dollar	February 2020	12,092	USD price increase	-	3,886	6,909
<i>NDF Hedge from future cash flow</i>	February 2020	(12,092)	USD price decrease	-	(3,886)	(6,909)
Commitments in Euro	February 2020	9,061	Euro price increase	-	2,485	4,751
<i>NDF Hedge from future cash flow</i>	February 2020	(9,061)	Euro price decrease	-	(2,485)	(4,751)
			Effect from gain or (loss)	-	-	-
Total effects from gain or (loss)				-	-	-
Currencies on December 31, 2019:						
	Dollar ⁽²⁾			4.0307	5.0384	6.0461
	Euro ⁽²⁾			4.5305	5.6631	6.7958

(1) The exposure values do not cover adjustments to fair value and are not deducted from transaction costs.

(2) It refers to the currency sales rate on 12/31/2019, disclosed by the Central Bank of Brazil.

Sensitivity analysis of variations in interest rates

Below we state amounts resulting from inflation variations and interest on loan agreements, financing, debentures and promissory notes with post-fixed rates, in a 12-month period, that is, up to December 31, 2020, or up to the final maturity date of each transaction, whichever occurs first.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Operation	Risk	Maturity dates up to	Companies	Exposure in R\$ (7) (8)	Consolidated - Effect in R\$ on the income (loss)		
					Probable scenario	Scenario A 25%	Scenario B 50%
Debentures - 10th issuance	CDI ⁽²⁾	June 2020	CCR	300,552	(6,247)	(7,787)	(9,319)
Debentures - 11th issuance - 1st series	CDI ⁽²⁾	November 2020	CCR	472,943	(20,592)	(25,108)	(29,618)
Debentures - 11th issuance - 2nd series	CDI ⁽²⁾	November 2022	CCR	667,621	(35,850)	(43,233)	(50,615)
Debentures - 11th issuance - 3rd series	CDI ⁽²⁾	November 2024	CCR	392,773	(23,337)	(27,704)	(32,071)
Debentures - 11th issuance - 4th series	IPCA ⁽³⁾	November 2024	CCR	191,859	(20,196)	(22,377)	(24,558)
Debentures - 12th issuance	CDI ⁽²⁾	December 2025	CCR	801,161	(50,101)	(59,034)	(67,967)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		CCR	270,363	11,702	14,626	17,550
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		CCR	1,051,555	43,052	53,798	64,538
Net effect					(101,569)	(116,819)	(132,060)
Debentures – 8th issuance	IPCA ⁽³⁾	July 2022	AutoBAn	800,978	(78,463)	(87,361)	(96,259)
Debentures – 9th issuance	CDI ⁽²⁾	August 2021	AutoBAn	327,329	(15,739)	(19,683)	(23,631)
Debentures – 10th issuance	CDI ⁽²⁾	October 2026	AutoBAn	778,741	(43,841)	(52,474)	(61,106)
Promissory notes - 5th issuance	CDI ⁽²⁾	October 2020	AutoBAn	798,992	(28,025)	(34,994)	(41,949)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		AutoBAn	368,837	15,964	19,953	23,942
Net effect					(150,104)	(174,559)	(199,003)
Debentures - 6th issuance	IPCA ⁽³⁾	November 2021	ViaOeste	301,406	(32,643)	(36,078)	(39,514)
Debentures - 7th issuance	CDI ⁽²⁾	November 2020	ViaOeste	331,253	(14,062)	(17,574)	(21,085)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		ViaOeste	164,312	7,112	8,889	10,666
Net effect					(39,593)	(44,763)	(49,933)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Operation	Risk	Maturity dates up to	Companies	Exposure in R\$ (7) (8)	Consolidated - Effect in R\$ on the income (loss)		
					Probable scenario	Scenario A 25%	Scenario B 50%
Debentures: 5rd issuance - 1st series	CDI ⁽²⁾	March 2028	ViaQuatro	808,684	(54,775)	(63,836)	(72,897)
Debentures: 5rd issuance - 2nd series	IPCA ⁽³⁾	March 2028	ViaQuatro	546,845	(62,460)	(68,622)	(74,783)
Interest earning bank deposit (Itaú Soberano)	CDI ⁽²⁾		ViaQuatro	63,754	2,719	3,398	4,077
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		ViaQuatro	185,712	2,796	3,486	4,173
Net effect					<u>(111,720)</u>	<u>(125,574)</u>	<u>(139,430)</u>
Debentures – 6th issuance	CDI ⁽²⁾	April 2024	RodoAnel Oeste	807,893	(42,667)	(53,389)	(64,133)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		RodoAnel Oeste	79,054	3,422	4,277	5,132
Loan - RodoAnel x third	CDI ⁽²⁾	November 2024	RodoAnel Oeste	112,543	5,184	6,482	7,778
Net effect					<u>(34,061)</u>	<u>(42,630)</u>	<u>(51,223)</u>
Debentures – 5th issuance	IPCA ⁽³⁾	November 2021	RodoNorte	111,726	(11,830)	(13,100)	(14,371)
Debentures - 6th issuance - 1st series	CDI ⁽²⁾	November 2020	RodoNorte	221,285	(8,997)	(11,242)	(13,485)
Debentures - 6th issuance - 2nd series	IPCA ⁽³⁾	November 2021	RodoNorte	202,611	(16,622)	(18,701)	(20,779)
Debentures - 7th issuance	CDI ⁽²⁾	July 2021	RodoNorte	153,933	(7,609)	(9,518)	(11,428)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		RodoNorte	73,500	3,181	3,976	4,771
Net effect					<u>(41,877)</u>	<u>(48,585)</u>	<u>(55,292)</u>
Debentures – 4th issuance	IPCA ⁽³⁾	August 2020	NovaDutra	172,126	(11,361)	(12,520)	(13,675)
Swap IPC-A x CDI (asset position)	IPCA ⁽³⁾	August 2020	NovaDutra	(171,918)	11,422	12,588	13,750
Swap IPC-A x CDI (liability position)	CDI ⁽²⁾	August 2020	NovaDutra	139,189	(3,809)	(4,753)	(5,692)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		NovaDutra	61,136	2,646	3,307	3,968
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		NovaDutra	18,075	768	960	1,151
Net effect					<u>(334)</u>	<u>(418)</u>	<u>(498)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Operation	Risk	Maturity dates up to	Companies	Exposure in R\$ (7) (8)	Consolidated - Effect in R\$ on the income (loss)		
					Probable scenario	Scenario A 25%	Scenario B 50%
Debentures – 6th issuance	CDI ⁽²⁾	August 2022	SPVias	240,285	(7,178)	(7,898)	(8,613)
Debentures – 4th issuance	IPCA ⁽³⁾	April 2020	SPVias	944,958	(47,775)	(59,765)	(71,773)
Debentures – 7th issuance	CDI ⁽²⁾	April 2020	SPVias	158,621	(8,287)	(10,038)	(11,790)
Swap IPC-A x CDI (asset position)	IPCA ⁽³⁾	April 2020	SPVias	(240,285)	7,178	7,898	8,613
Swap IPC-A x CDI (liability position)	CDI ⁽²⁾	April 2020	SPVias	194,321	(2,430)	(3,026)	(3,617)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		SPVias	145,147	6,282	7,852	9,422
Net effect					<u>(52,210)</u>	<u>(64,977)</u>	<u>(77,758)</u>
 BNDES	TJLP ⁽⁵⁾	October 2042	Metrô Bahia	3,457,360	(297,190)	(341,983)	(386,785)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		Metrô Bahia	35,683	1,544	1,930	2,316
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		Metrô Bahia	31,691	1,364	1,705	2,046
Efeito líquido					<u>(294,282)</u>	<u>(338,348)</u>	<u>(382,423)</u>
 Debentures – 2nd issuance	IPCA ⁽³⁾	July 2020	ViaLagos	188,728	(11,340)	(12,405)	(13,464)
Debentures – 4th issuance	CDI ⁽²⁾	July 2020	ViaLagos	42,174	(1,105)	(1,379)	(1,651)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		ViaLagos	31,790	1,376	1,720	2,064
Promissory notes - 11th issuance	CDI ⁽²⁾	April 2020	Samm	41,805	(541)	(673)	(805)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		Samm	14,979	648	810	972
ICMS Installment	Selic ⁽⁶⁾		Samm	223	10	12	15
ISS in installments	Selic ⁽⁶⁾		Samm	92	4	5	6
BNDES	TJLP ⁽⁵⁾	March 2039	MSVia	683,813	(49,318)	(58,176)	(67,036)
CEF (BNDES ONLENDINGS)	TJLP ⁽⁵⁾	March 2039	MSVia	54,164	(3,907)	(4,608)	(5,310)
CEF (BNDES ONLENDINGS)	TJLP ⁽⁵⁾	March 2039	MSVia	130,041	(9,379)	(11,063)	(12,748)
Infraction Notice - Concession Grantor	Selic ⁽⁶⁾		MSVia	1,379	61	76	91
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		MSVia	18,988	822	1,027	1,233
Interest earning bank deposit (Itaú Soberano)	CDI ⁽²⁾		MSVia	29,287	1,249	1,561	1,873
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		MSVia	5,647	253	316	379
					<u>(71,167)</u>	<u>(82,777)</u>	<u>(94,381)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Operation	Risk	Maturity dates up to	Companies	Exposure in R\$ (7) (8)	Consolidated - Effect in R\$ on the income (loss)		
					Probable scenario	Scenario A 25%	Scenario B 50%
BNDES	TJLP ⁽⁵⁾	December 2035	BH Airport	416,792	(31,375)	(36,774)	(42,175)
Interest earning bank deposit (Itaú Soberano)	CDI ⁽²⁾		BH Airport	64,104	2,165	2,703	3,241
Loan Facility Agreement	Libor6-month ⁽⁴⁾	October 2022	CCR España Emprendimientos	285,123	(16,413)	(17,799)	(19,185)
Loan Facility Agreement	Libor6-month ⁽⁴⁾	September 2020	CCR España	158,786	(5,065)	(5,590)	(6,115)
Loan Facility Agreement	Libor6-month ⁽⁴⁾	July 2021	TAS	32,929	(1,410)	(1,570)	(1,730)
Loan Facility Agreement	Libor6-month ⁽⁴⁾	October 2020	TAS	49,651	(2,066)	(2,259)	(2,452)
Loan Facility Agreement	Libor6-month ⁽⁴⁾	January 2021	TAS	14,109	(689)	(756)	(823)
Debentures - 1st issuance	CDI ⁽²⁾	April 2021	Via Mobilidade	634,066	(39,322)	(46,389)	(53,455)
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		Via Mobilidade	90,504	2,669	3,337	4,002
Promissory notes - 1th issuance	CDI ⁽²⁾	July 2022	Linha 15	206,245	(10,441)	(13,062)	(15,686)
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		Linha 15	207,652	4,513	5,625	6,732
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		ViaSul	14,716	637	796	955
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		ViaSul	928,652	39,936	49,914	59,890
Interest earning bank deposit (Itaú Aplicaut)	CDI ⁽²⁾		CIP	29	1	2	2
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		Barcas	13,521	585	731	878
Consolidated Debt - Installment Law No. 11,941 / 09	Selic ⁽⁶⁾		Barcas	898	39	49	59
Loan Facility Agreement - Barcas x JCA Holding	CDI ⁽²⁾	January 2020	Barcas	2,262	11	13	16
Loan Facility Agreement - Barcas x Riopar	CDI ⁽²⁾	January 2020	Barcas	1,733	9	10	13
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		CIIS	3,315	143	179	215
Debentures - 5st issuance	CDI ⁽²⁾		CPC	700,966	(41,649)	(49,442)	(57,235)
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		CPC	91,527	3,962	4,951	5,941
BNDES	TJLP ⁽⁵⁾		VLT Carioca	809,532	(70,252)	(80,740)	(91,232)
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		VLT Carioca	27,657	1,078	1,346	1,615
Interest earning bank deposit (Itaú Soberano) ⁽⁶⁾	CDI ⁽²⁾		VLT Carioca	21	1	1	1
INSS Installments	Selic ⁽⁶⁾		VLT Carioca	256	11	14	17
Loan Facility Agreement - VLT x Invepar	CDI ⁽²⁾	December 2024	VLT Carioca	131,684	12,615	14,129	15,644
Loan Facility Agreement - VLT x Odebrecht	CDI ⁽²⁾	December 2024	VLT Carioca	131,684	12,615	14,129	15,644
Loan Facility Agreement - VLT x Riopar	CDI ⁽²⁾	December 2024	VLT Carioca	131,670	12,614	14,128	15,642
					(125,078)	(142,324)	(159,581)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Operation	Risk	Maturity dates up to	Companies	Exposure in R\$ (7) (8)	Consolidated - Effect in R\$ on the income (loss)		
					Probable scenario	Scenario A 25%	Scenario B 50%
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		SPCP	29,422	1,273	1,592	1,910
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		Inovap5	683	30	37	44
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		ATP	1,806	78	98	117
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		Ponte	4,764	206	258	309
Interest earning bank deposit (CDB) ⁽⁶⁾	CDI ⁽²⁾		CPA	462	6	8	9
Interest earning bank deposit (Itaú Soberano)	CDI ⁽²⁾		SPAC	329	14	18	21
Interest earning bank deposit (Itaú Soberano)	CDI ⁽²⁾		Five Trilhos	1,944	83	104	124
Interest earning bank deposit (Itaú Soberano)	CDI ⁽²⁾		Toronto	5,153	220	275	329
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		Infra SP	22,434	971	1,214	1,456
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		ILA	5,761	249	312	374
Interest earning bank deposit (Menkar II) ⁽⁶⁾	CDI ⁽²⁾		CIM	8,155	353	441	529
					<u>3,483</u>	<u>4,357</u>	<u>5,222</u>
Total effect of gain or (loss)					<u>(1,018,513)</u>	<u>(1,177,418)</u>	<u>(1,336,361)</u>
Effects on loans, financing, debentures, promissory notes, and derivatives					(1,227,759)	(1,433,998)	(1,640,253)
Effect on financial investments					43,048	48,891	54,737
Effect on installment obligations					125	156	188
Effect on financial investments					<u>166,073</u>	<u>207,533</u>	<u>248,967</u>
Total effect of gain or (loss)					<u>(1,018,513)</u>	<u>(1,177,418)</u>	<u>(1,336,361)</u>
Considered interest rates were as follow ⁽¹⁾ :							
	CDI ⁽²⁾				4.40%	5.50%	6.60%
	IPC-A ⁽³⁾				4.31%	5.39%	6.47%
	LIBOR6months ⁽⁴⁾				1.91%	2.39%	2.87%
	TJLP ⁽⁵⁾				5.09%	6.36%	7.64%
	Selic ⁽⁶⁾				4.40%	5.50%	6.60%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- (1) The rates presented above were used as a calculation basis. They were used for calculation over 12 months:

Items (2) to (5) below detail the assumptions used in obtaining the rates of the probable scenario:

- (2) It refers to the rate as of 12/31/2019, disclosed by B3;
- (3) It refers to the accumulated annual variation in the past 12 months, disclosed by IBGE;
- (4) It refers to 6-month Libor rates on 12/31/2019, disclosed by Intercontinental Exchange (ICE);
- (5) It refers to the rate on 12/31/2019, disclosed by BNDES;
- (6) As the concept is the net debt, the scenario to measure the impact on cash over financial investments is the same for the indebtedness; that is, raising interest rates. In this scenario, financial investments have an advantage because they are post-fixed.
- (7) The exposure values do not include adjustments to fair value, are not deducted from transaction costs, income tax, and do not consider the balances of interest on 12/31/2019, when they do not affect the calculations of subsequent effects; and
- (8) The stress scenarios consider depreciation of the risk factors (CDI rate, TJLP, IPCA and 6-month Libor);

26. Commitments subject to concession agreements***a. Commitments with the Concession Grantor*****Variable concession fee - AutoBAN, ViaOeste, RodoAnel Oeste, and SPVias**

It refers to the part of the public services price, represented by the variable amount, with maturity up to the last business day of the subsequent month, equivalent to 3% of the monthly gross revenue. In July 2013 (except October 2013), the rate was changed to 1.5% of the monthly gross revenue, as authorized by the Concession Grantor (see further details in note 13c).

In 2019, the Concession Grantor was paid R\$ 65,228, relating to the variable concession fee right (R\$ 62,497 in 2018).

Variable concession fee - Curaçao Airport (CAP)

It refers to the amount payable to the Concession Grantor as a variable concession fee arising from the application of the 16% rate to the air force and non-air force revenue.

In the year ended on December 31, 2019, the Concession Grantor was paid R\$ 25,112 (R\$ 20,178 in 2018).

Variable concession fee - BH Airport

It refers to the amount payable to the Concession Grantor as a variable concession fee resulting from the adoption of the 5% rate of gross revenue of the concessionaire, minus 26.4165% on tariff revenues related to merger of ATAERO to regulated income, net of PIS and COFINS.

The variable contribution is paid on an annual basis in May. On May 10, 2019, the amount of R\$ 12,554 was paid (R\$ 11,260 in the year ended on December 31, 2018).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***Variable concession fee - ViaMobilidade**

It refers to the amount payable to the Concession Grantor as a variable concession fee arising from the application of the 1% rate to the gross operational revenue.

During the year ended on December 31, 2019, the amount of R\$ 3,531 (R\$ 666 in the year ended on December 31, 2018) was paid to the Concession Grantor.

b. Commitments related to concessions

The concessionaires assumed commitments in its concession agreements that include investments (improvements and maintenances) to be made over the concession period. The values shown below reflect the value of investments established at the beginning of each concession agreement, adjusted by rebalances agreed upon with the Concession Grantors and restated on an annual basis at the toll rate adjustment indexes of each concessionaire:

	<u>2019</u>	<u>2018</u>
AutoBAn	20,409	25,902
NovaDutra	177,841	225,667
RodoAnel Oeste (a)	442,649	470,498
RodoNorte (a)	459,943	637,162
SPVias	17,151	145,722
ViaLagos	50,245	49,319
ViaOeste	337,566	314,650
MSVia	4,407,938	4,535,658
BH Airport (a) (b) (c)	287,896	929,216
ViaQuatro (a)	106,108	129,313
ViaMobilidade (a) (b)	69,469	71,455
ViaSul	4,291,116	-
	<u>10,668,331</u>	<u>7,534,562</u>

- (a) The amounts represent 100% of the concessionaire.
- (b) They refer to the best estimate of mandatory investments to be made by the concessionaires, not considering additional triggers. The values are restated by the IPCA and IPC-Fipe, respectively, to BH Airport and ViaMobilidade up to the date of the last toll rate restatement.
- (c) The reduction in the concessionaire's future investment commitments is basically related to the exclusion of the construction value of the airport's 2nd runway, given that, according to Addendum No. 3/2019, this investment will only become mandatory when the number of 198 thousand aircraft movements per year (landings and takeoffs) is reached and, according to the assumptions in the table above, trigger-dependent investments are not counted.

The values above do not include contingent or service-level investments nor cases under discussion for rebalance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)***c. Variable concession fee**

	2019	2018
Current		
AutoBAn	2,974	2,813
ViaOeste	1,358	1,295
RodoAnel Oeste	358	364
SPVias	972	957
CAP	416	-
BH Airport	13,432	12,557
ViaMobilidade	414	216
	<u>19,924</u>	<u>18,202</u>

d. Fixed contribution - BH Airport

It refers to the annual amount payable to the Concession Grantor as a result of the offering made in the auction subject to the concession.

	2019		2018	
	Nominal value	Present value (Book)	Nominal value	Present value (Book)
Current	84,402	83,283	81,726	80,614
Non-current	<u>2,209,516</u>	<u>1,602,021</u>	<u>2,218,227</u>	<u>1,568,688</u>
	<u>2,293,918</u>	<u>1,685,304</u>	<u>2,299,953</u>	<u>1,649,302</u>
	Nominal value	Present value (Book)	Nominal value	Present value (Book)
2019	-	-	81,726	80,614
2020	84,402	83,283	81,726	77,999
2021	84,402	80,676	81,726	75,501
2022	84,402	78,177	81,726	73,106
2023	84,402	75,783	81,726	70,812
>2024 (a)	<u>1,956,310</u>	<u>1,367,385</u>	<u>1,891,323</u>	<u>1,271,270</u>
	<u>2,293,918</u>	<u>1,685,304</u>	<u>2,299,953</u>	<u>1,649,302</u>

- (a) It is made up of installments overdue in May 2016 and 2017, paid through judicial deposit on May 9, 2016, and May 12, 2017, respectively. The deposits were made as a result of claims for contractual rebalances in favor of the concessionaire in the amount of R\$ 148,585, the updated balance of which on December 31, 2019, is R\$ 184,121 (restated balance of R\$ 175,407 as of December 31, 2018).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

The calculation of present value was made considering an effective interest rate of 4.3% p.a., compatible to the rate estimated for issuance of debt with a term similar to the concession fee, not related to the expected return of the project.

The concession fee amount is settled in 30 annual, consecutive installments, which is annually adjusted by the IPCA.

On May 10, 2019, an amount of R\$ 83,555 regarding the annual fixed installment was paid, R\$ 79,945 of which in cash and R\$ 3,610 through matching of financial accounts, related to contractual rebalancing (increase in the rate of Tax on Services of any Nature (ISSQN) for airport services in the cities of Lagoa Santa and Confins).

e. Works to be performed - Aeris

The amount of R\$ 34,873 in Obligations with the Concession Grantor refers to advances made by the Concession Grantor to Aeris for the execution of works at the airport terminal.

27. Cash flows statements

- a.** Effects in these statements that did not affect the cash in the year ended on December 31, 2019 and 2018. If these transactions had affected cash, they would have been recorded under the cash flow line items below:

	Parent company	
	2019	2018
Suppliers – related parties	(135,494)	-
Dividends and interest on own capital received	39,024	-
Effect in net cash from operating activities	(96,470)	-
Other investment movements	250	-
Additions to intangible assets	135,244	-
Capital increase in investees and other investment movements	(39,024)	-
Effect in net cash from investment activities	96,470	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

	Consolidated	
	2019	2018
Advances to suppliers	51,117	-
Recoverable taxes	2,759	27,130
Financial asset	(214,188)	-
Other accounts payable	-	65,427
Suppliers - Related parties	(22,163)	(158)
Suppliers	-	(16,645)
Effect in net cash from operating activities	(182,475)	75,754
Additions to property, plant and equipment	4,398	(65,427)
Additions to intangible assets	209,790	16,803
Other property, plant and equipment and intangible assets	(53,876)	(27,130)
Effect in net cash from investment activities	160,312	(75,754)
Dividends paid to non-controlling shareholders	22,163	-
Effect in net cash from financing activities	22,163	-

- b.* The Company classifies the interest paid as a financing activity because it understands that this is the classification that best represents the funding flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***c. Reconciliation of financing activities****Parent company**

	Debentures	Dividends payable	Interest earning bank deposits - reserve account	Capital	Total
Opening balance	(2,015,108)	(352)	2,138	(6,022,942)	(8,036,264)
Changes in cash flows from financing					
Funding (net of transaction costs)	(793,722)	-	-	-	(793,722)
Payment of principal and interest	138,394	-	-	-	138,394
Dividends paid	-	1,539,957	-	-	1,539,957
Redemptions/Investments (reserve account)	-	-	(23)	-	(23)
Total changes in financing cash flows	(655,328)	1,539,957	(23)	-	884,606
Other changes					
Interest, inflation adjustment and exchange-rate change expenses	(145,509)	-	-	-	(145,509)
Other changes that do not affect cash	-	(1,540,000)	-	-	(1,540,000)
Other change total	(145,509)	(1,540,000)	-	-	(1,685,509)
Closing balance	<u>(2,815,945)</u>	<u>(395)</u>	<u>2,115</u>	<u>(6,022,942)</u>	<u>(8,837,167)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

*(amounts expressed in thousands of reais, unless otherwise indicated)***Consolidated**

	Loans and financing	Debentures	Loans with related parties	Dividends payable	Interest of non- controlling shareholders	Operations with derivatives	Operations with derivatives	Interest earning bank deposits - reserve account	Capital	Capital	Total
Opening balance	(5,544,123)	(11,481,619)	(3,607)	(1,511)	(201,240)	263,587	-	10,396	(45,607)	(6,022,942)	(23,026,666)
Changes in cash flows from financing											-
Funding (net of transaction costs)	(446,437)	(2,727,842)	(705)	-	-	-	-	-	-	-	(3,174,984)
Payment of principal and interest	674,397	2,753,649	-	-	-	-	37,464	-	-	-	3,465,510
Settlement of operations with derivatives	-	-	-	-	-	(201,454)	-	-	-	-	(201,454)
Dividends paid	-	-	-	1,540,727	52,365	-	-	-	-	-	1,593,092
Paid-up capital	-	-	-	-	-	-	-	-	21,278	-	21,278
Interest of controlling shareholders	-	-	-	-	(45,040)	-	-	-	-	-	(45,040)
Redemptions/Investments (reserve account)	-	-	-	-	-	-	-	26,301	-	-	26,301
Total changes in financing cash flows	227,960	25,807	(705)	1,540,727	7,325	(201,454)	37,464	26,301	21,278	-	1,684,703
Other changes											
Interest, inflation adjustment and exchange-rate change expenses	(519,854)	(866,645)	(9,931)	-	-	(33,954)	-	-	-	-	(1,430,384)
Profit (loss) from derivative transactions and fair value	-	19,054	-	-	-	63,639	-	-	-	-	82,693
Acquisition of subsidiary	-	-	(371,078)	-	(132,090)	-	(25)	26,345	(32,858)	-	(509,706)
IFRS 16 / CPC 06 Initial Adoption	-	-	-	-	-	-	(141,048)	-	-	-	(141,048)
Reversal of adjustment to present value	-	-	-	-	-	-	(9,073)	-	-	-	(9,073)
Other changes that do not affect cash	(891,418)	-	1,256	(1,540,020)	25,099	80	(33,311)	-	830	-	(2,437,484)
Other change total	(1,411,272)	(847,591)	(379,753)	(1,540,020)	(106,991)	29,765	(183,457)	26,345	(32,028)	-	(4,445,002)
Closing balance	(6,727,435)	(12,303,403)	(384,065)	(804)	(300,906)	91,898	(145,993)	63,042	(56,357)	(6,022,942)	(25,786,965)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

28. Voluntary Disclosure and Settlement, Collaboration Incentive Program, and Leniency Agreement**Voluntary Disclosure and Settlement**

On November 29, 2018, the Company signed a Voluntary Disclosure and Settlement with the Public Prosecution Office of the State of São Paulo, which will undergo court recognition, whereby the Company undertook to pay R\$ 81,530, R\$ 64,530 of which to the State of São Paulo and R\$ 17,000 to the Law School of University of São Paulo (USP) as a donation. These amounts were fully provisioned in the year 2018 and mature in two installments, the first in the amount of R\$ 49,265, paid on March 11, 2019, and the remaining balance will be paid on March 01, 2020. These amounts are adjusted by the Selic rate as of the date of execution of the Agreement.

On July 15, 2019, the State of São Paulo filed an appeal against the approval of the Voluntary Disclosure and Settlement, which took place on May 9, 2019, arguing that it was impossible to execute an agreement regarding improbity and with the purpose that any compensation imposed to the Company by virtue of the Settlement revert exclusively to the State of São Paulo. The Company reiterates that the Voluntary Disclosure and Settlement was signed following the parameters stipulated with the Public Prosecution Office of the State of São Paulo. On February 4, 2020, the São Paulo State Court of Justice denied the appeal filed by the State of São Paulo, fully upholding the lower court decision.

Leniency Agreement

On March 6, 2019, the Company issued a Material Fact informing that its subsidiary RodoNorte entered into a Leniency Agreement with the Federal Public Prosecutor Office - Federal Prosecutor Office in the State of Paraná, whereby the subsidiary undertakes to (i) pay the amount of R\$ 35,000 as a fine provided for in the Misconduct Law; (ii) pay R\$ 350,000, restated semiannually by Selic, as a 30% reduction in the toll fee in favor of users in all toll fee plazas operated by it for at least 12 months; (iii) execute works on the highways operated by it in the total amount of R\$ 365,000, restated semiannually by Selic. The total amount of R\$ 750,000 was fully provisioned in the year 2018. On March 28, 2019, the 5th Coordination and Review Chamber of the Federal Public Prosecutor Office approved the Leniency Agreement. The fine, in the amount of R\$ 35,000, was paid on April 26, 2019, and the tariff discount started on April 27, 2019.

Collaboration Incentive Program

In a meeting held on November 1, 2018, the Board of Directors of the Company (a) verified the limit of action of the Independent Committee, established by the Board of Directors and responsible for the investigations of the facts disclosed in the press and related matters involving CCR and its subsidiaries; (b) based on the recommendation of its external lawyers that without the full clarification of the facts it was impossible to accept the leniency agreements by the competent authorities; and (c) in view of the possible consequences for those involved who were willing to cooperate with the competent authorities, approved the creation of a Collaboration Incentive Program (PIC), which assured those employees certain rights and also preserved the interests of the CCR Group, preventing exposure to serious risks, including the going concern risk. In the EGM held on April 22, 2019, the PIC was ratified.

In the context of the PIC, the Company entered into agreements with employees, whose balance payable on December 31, 2019, is R\$ 58,705, which results from the balance on December 31, 2018,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

in the amount of R\$ 71,231 updated by the IPCA, plus provisioning for the cost of pecuniary penalties applied to those contemplated in the amount of R\$ 16,231, minus any amounts already paid.

The balance of R\$ 58,705 will be paid as follows: i) R\$ 53,441, referring to the PIC, over the next four years, until November 2023; and ii) R\$ 5,264, referring to the balance of financial penalties, in 3 semiannual installments, the first on the date of approval of each individual agreement of each employee.

The investigations by the public authorities were not completed and, therefore, new information may be revealed in the future, and it is certain that these investigations will run in secret, which means that the Company will not have access to related documentation and information. At the moment, it is not practicable to determine if there is a probable loss arising from a present obligation in view of a past event, nor to make a reasonable measurement as to any new liability provisions on this matter in these financial statements.

Furthermore, the Company will continue to assist the public authorities and will keep its shareholders and the market in general duly informed.

29. Subsequent events

- **Promissory Note - Line 15**

On January 31, 2020, total early settlement occurred.

- **Toll tariff reduction - NovaDutra**

On February 7, 2020, a preliminary injunction request was made by the subsidiary to suspend the effectiveness of ANTT's resolutions 1093/19 and 74/20, which determined the reduction of the concessionaire's basic tariffs as of midnight on February 8, 2020.

- **Financing - ViaSul**

On December 27, 2019, a financing agreement with BNDES was signed, in the total amount of R\$ 1,235,198, subdivided into four sub-loans with final maturity on December 15, 2043.

The debt includes the compound rate of the accumulated variation of the Extended Consumer Price Index published by IBGE ("IPCA"), the Long-Term Rate ("TLP"), and the spread of 2.87% per year. Interest will be paid quarterly, for each sub-loan, in its respective grace period and monthly, after the grace period. The principal will be paid as outlined in the table below with the deadlines for disbursement of the sub-loan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2019 AND 2018

(amounts expressed in thousands of reais, unless otherwise indicated)

Sub-loans	Amount	Availability of the sub-loan	Grace period of the principal	Amortization
A	75,347	by 6/30/2023	7/15/2023	246 installments
B	373,677	by 6/30/2026	7/15/2026	210 installments
C	305,191	by 6/30/2029	7/15/2029	174 installments
D	480,983	by 6/30/2032	7/15/2032	138 installments

The guarantees will be divided into three phases: (i) pre-completion, (ii) partial completions, and (iii) total completion: In all phases of the project, there will be guarantees of (a) pledge of 100% of ViaSul's shares held by CPC; and (b) fiduciary assignment of all credit rights, both existing and future, arising from the operation of the highway, pursuant to Concession Agreement No. 01/2019, executed on January 11, 2019, between ViaSul and the National Agency of Land Transportation ("ANTT"), as well as the rights arising from the concession. The distinctions will occur in the additional guarantee, in the CCR Corporate Bond, which will be released, as detailed below.

(i) Pre-Completion: 100% CCR corporate bond.

(ii) Partial Completions: For CCR corporate bond, consider its partial release, after the cumulative fulfillment of some investment obligations, specific to each sub-loan, and financial obligations, such as the achievement of the Debt Service Coverage Index (DSCR), according to the highlighted line item in the Financing Agreement, greater than or equal to 1.30, the PL/AT financial ratio greater than or equal to 20%, and reserve accounts duly completed. The completion of each sub-loan will result in the partial release of CCR's Corporate Bond with respect to the debt resulting from the sub-loan that reached its completion, regardless of any amendment to the Financing Agreement, and CCR's Corporate Bond will remain in relation to debts arising from sub-loans that have not yet been the subject of a completion statement. The other guarantees (b) and (c) for pre-completion remain unchanged.

(iii) Total Completion: CCR's bond will be released in its entirety when the partial completion of each sub-loan is fulfilled and cumulatively, the following conditions are met: (i) twelve (12) months after the total use of the credit or the cancellation of the balance to be released from the Agreement; (ii) twelve (12) months after the end of the grace period for all sub-loans; and (iii) financial statements for the year in which the DSCR is determined are audited and include the periods set out in (i) and (ii).

CCR, until total completion, commits to maintain a Net Debt/ADJUSTED EBITDA ratio less than or equal to 4.0, calculated annually, with base date on December 31, based on the audited consolidated financial statements. In relation to ViaSul, it must have a DSCR equal to or greater than 1.3 and a PL/Asset ratio greater than or equal to 0.2. The anticipated redemption is permitted upon approval of BNDES.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON
DECEMBER 31, 2019 AND 2018*(amounts expressed in thousands of reais, unless otherwise indicated)*

- **Promissory Note - Metrô Bahia**

On January 17, 2020, the 2nd issuance of commercial promissory notes occurred, the proceeds of which were used to reinforce cash. The issuance amount was R\$ 58,000, with a cost of CDI rate + 0.76% p.a. and maturity on January 16, 2021. The Issuance is guaranteed by CCR S/A.

- **Auction BR101/SC**

On February 21, 2020, CCR was the winner of the auction for the concession of BR101/SC, a highway that has more than 220 kilometers and crosses 14 cities, offering the amount of R\$ 1.97012 for the toll fee. The concession period will be 30 years from the award date.