

## Y 2021 Earnings Call

### Company Participants

- Flavia Godoy, Investor Relations Superintendent
- Marco Antonio Souza Cauduro, Chief Executive Officer
- Unidentified Speaker
- Waldo Edwin Perez Leskovar, Chief Financial Officer and Investor Relations Officer

### Other Participants

- Analyst
- Fernanda Recchia
- Luiz Capistrano
- Regis Cardoso
- Victor Mizusaki

### Presentation

#### Operator

Good afternoon, ladies and gentlemen, and thank you for holding. At this time, we would like to welcome you to the CCR SA Conference Call to discuss the results referring to the Fourth Quarter 2021. We would like to inform you that all participants will be in listen-only mode during the company presentation. Ensuing this, we will go on to the Q&A session and further instructions will be given. (Operator Instructions).

Please bear in mind that the forward-looking statements made during this conference call referring to the company's business outlook, protections and operational and financial goals, are based on the beliefs and assumptions of the CCR management, as well as on information currently available to the company. These forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions as they refer to future events, and therefore, depend on circumstances which may or may not occur.

Investors should understand that general economic conditions, industry conditions, and other operating factors could impact the future results of the company and lead to results that differ materially from those expressed in the forward-looking statement. I would like to give the floor to Mr.Marco Antonio Cauduro, the CEO of CCR. You may proceed, sir.

#### Marco Antonio Souza Cauduro {BIO 15412000 <GO>}

A good day to all of you and thank you for your participation in this conference call where we will present the results for the year 2021 and the fourth quarter. This year, CCR has

represented achievement. This is a very strong word and perhaps we should say achievements in the plural in the three models where we had defined would be strategic for the company.

We had significant growth in urban mobility, in airports, as well as in highways. Another very appropriate word that I would like to bring here to describe our trajectory in 2021 was consistency. All of the movements that we did complied with our ambition to get to 2025 through an interaction of valuing people, a constant attention to our risk metrics, and of course, discipline in our capital.

We understand that the path towards creating value, of course, is geared by our shareholders, but depends on all of our stakeholders, and not differently from this. We have to focus on the social part, sustainability as well as in governance. Our strides have been broadly disseminated, but I would like to remind you of some of our achievements.

We gained the federal concessions of 15 airports in the sixth round, as well as achieving the state concession for Pampulha and Belo Horizonte. This is put together with that are considered the best airports in Brazil. We were able to gain a new concession for NovaDutra with a very innovative proposal based on state-of-the-art technology, strengthened by our experience of more than 20 years with this asset.

In Sao Paulo, we won the dispute for lines 8 and 9 of the CPTM, guaranteeing a very strong position in the metropolitan railroad system. Still in Sao Paulo, we had a very important achievement after more than a decade of negotiations, we concluded an agreement with a state government leading to the rebalancing of the concessionaire of ViaQuatro subway, equating Phase 1 of the project.

Still in S?o Paulo, we celebrated a preliminary agreement different from the concession contracts of AutoBAAn, BOS and SPVias, and in Parana, we returned to the government of the state RodoNorte after managing it for 24 years. We're convinced that we have returned a more enhanced highway compared to when we took it on.

At the same time in which we strove for achievements. We were also very attentive to the consequences of the COVID-19 pandemic, and in 2020, we sought the best measures to strengthen our positioning in this sanitation crisis. Thanks to the advance of vaccination, we had an increase of circulation of our customers and cargo on highways, subways and airports.

Still in the year 2021, we sought to strengthen the agenda and give greater robustness to a cross-cutting topic. We build the ESG master plan approved by our board. We have strategic goals, action plans, the definition of KPIs, and goals that are linked to variable remuneration. These will be disseminated in the ESG quarterly panel strengthening the transparency of the company with its stakeholders in terms of the material issues in environmental, social and government areas.

We worked with the materiality matrix engaging all of the leaders and integrating ESG practices in our decision-making process bolstering a connection with activities in an

integrated way, for example, the inclusion of ESG in the management and people committee, a decarbonization project.

We carried out a diagnosis of the management of emissions of the CCR Group, to identify the opportunities to reduce greenhouse gases, and we identified the economic alternatives, the ones that would be best for the CCR group. We also generated 2,449 megawatts hour of renewable energy in 2021, implementing a solar panel plant.

We created an environmental commission to enhance corporate governance when it comes to environmental management to standardized processes, controls and reports, and expand communication between units to faster greater alignment, and disseminate environmental initiatives among the units of the Group. We held the CCR Day with a special highlight for ESG. We build on ESG dashboard with material issues of ESG and KPIs.

We implemented the route cycle project. We also have a modality for diversity, the senses of diversity and inclusion. And finally, sustainability in provisions (inaudible) with a focus on the supplier chain.

Before giving the floor to Waldo, I would like to underscore that in 2022, we focus on the challenge of taking on the projects that we had begun. On executing these projects, we constantly seek to enhance our portfolio, and of course, we want to strengthen our organizational culture. CCR will continue as the platform for investments in infrastructure and Brazil, and we will continue to be attentive to all opportunities that arise in the fields of infrastructure and urban mobility.

We have found a pipeline of more than BRL150 billion of investments, however, we will carry out our due diligence, assumptions, with capital discipline, generation of value for our shareholders and always assessing the environmental sustainability of these projects. I would now like to give the floor to Waldo, who will speak about the main highlights of the quarter. You have the floor, Waldo.

### **Waldo Edwin Perez Leskovar** {BIO 21427688 <GO>}

Thank you, Marco and a good day to all of you. I would like to inform you that here with us, we have Flavia Godoy from the IR Superintendent; Douglas Ribeiro; Caue Esteves; and Caique Moraes from the IR team.

As Marco has mentioned, the year 2021 was full of achievements, achievements that have generated significant value for the company, and that also enable us to move forward consolidating our long-term strategy. We were victorious in several projects. We concluded important rebalancing that demanded long periods of discussion, and have brought about greater legal security, so that we can continue on to implement our growth strategy.

Projects that follow our criteria for capital allocation. I would like to speak a bit about the recovery that we have observed in the movements of the models, in which, we act, and the recovery and growth that we observed during 2021, a trajectory that remains for the

most recent data. There's a highlight for the Airport segment with the growth of 86.3% in number of passengers in the fourth quarter 2021 vis-a-vis the same period the previous year.

For the same period, the volume of passengers transported in our urban mobility projects had a growth of 24.9%. Now, traffic of vehicles on our highways had a growth of 7%. If we exclude ViaCosteira and RodoNorte, the growth was 2.5% for the period. On February 9, we reported our monthly performance of January 2022, where we had a growth of 4.8%, 27.2% and 57.6%, for highways, for urban mobility, and airports respectively. And all of this data corroborates the trajectory of recovery and growth of our portfolio.

In the fourth quarter 2021, we signed the contracts for the Central and South blocks of airports on October 18th and 20th respectively, a stage that represents the strategic planning of CCR, materializing as it solidifies our strategy to create a robust and sustainable platform for the airport sector.

Still, in the fourth quarter 2021, we disbursed the values of the grants BRL2.9 billion for the Southern and Central blocks, BRL2 billion for the concession of Rio Sao Paulo highway. After the close of the quarter, we also signed contracts for the Pampulha airport and Rio Sao Paulo on January 21st and January 28th, 2022. These are strategic achievements that are in accordance with our qualified growth strategy.

Our financial position continues to be very sound with room to leverage the capture of new opportunities, the core of our strategy. We ended the quarter with a robust cash position, and we presented a leverage of net debt EBITDA of 3 times, a level above the 2.4 times observed in the third quarter 2021, an increase due to the new funding to be able to face the disbursements of the granting, and the commitment of investments in the projects that we achieved.

We would like to highlight that the EBITDA takes into account the cause of lines 8 and 9 and the airport's block South and Central projects that so far have not been contributed with cash generation in the fourth quarter 2021. Lines 8 and 9 began their operation in February of 2022. And for airports, we should begin between March and April of 2022.

We continue with a very active management of our indebtedness for some time, the company has been working to lengthen the debt. In 2021, we anticipate some refinancing for 2022, and we have been very successful in bringing the duration of our debt. When it comes to dividends, our policy continues and we will act very diligently in managing our cash.

We distributed BRL153.8 million in dividends in the fourth quarter 2021, a payment aligned with the investment cycle and the present day macroeconomic scenario. We continue quite optimistic with the opportunities that lie before, as we have an extensive pipeline in all of the models in which we act.

In highways, we have a bidding or rebidding process of 14 federal highways until 2023, besides the BNDES package with 6,000 kilometers of extension and other state

programs, CRT and integrated highways of Parana. When it comes to projects with state governments in Minas Gerais, we have the (inaudible) ring road and two lots for highway concession.

In the Rio Grande do Sul State highways, there are 1,131 kilometers that are being divided in three lots now, in the state highways of Sao Paulo, the bid for the concession of the North Ring Road has been approved besides the Northeast Paulista lot.

In the airport sector for 2022, we foresee several processes of destatization. What is underway is a 7th round of concession of federal airports, and we hope the auction will take place in the second quarter of this year. ANAC is also planning to rebuild the airports of Sao Goncalo do Amarante and Viracopos in 2022, and conclude the alienation of participation of Infraero and Guarulhos, Galeao, Confins and Brasilia.

In terms of urban mobility, we have a revision of the bidding documents for the concession of line 7 along with the tick the intercity train in Campinas. We also have the concession of CBTU, Minas Gerais, and other projects are under analysis such as the subway and the federal district, and BRTW3 both in Brasilia.

Finally, I would like to inform all of you that in our Investor Relations site, we have made available our integrated Annual Report as well as a panel with ESG indicators. As Marco has mentioned, we have made significant strides in our ESG agenda, and we are now working towards defining quantitative goals for the middle-term for these KPIs.

Now this work is being carried out in a very judicious way with a very good foundation. ESG is a fundamental pillar for CCR and it is intrinsic for our sustainable growth strategy. I would now like to give the floor to Flavia Godoy, who will present in greater detail, the results of the fourth quarter 2021. Flavia Godoy, you may proceed, ma'am. Your audio is open.

## Flavia Godoy

Good day to all of you. I would like to highlight the main figures IFRS for the fourth quarter 2021. We would like to remind you for the same base numbers, we have excluded new products and non-recurrent effects as we have explained in the release.

To begin with the highlights for the quarter, we highlight the vehicle traffic that had a growth of 7% vis-a-vis the fourth quarter 2020. We have not considered the traffic of ViaCosteira and RodoNorte. And because of this, the growth was 2.5%. This traffic performance is the result of a growth of 4% in light vehicles, compared to the same period the previous year, and the growth of 1.3% in the traffic of heavy vehicles, once again, compared to the same period the previous year.

At the end of our release, we have included a graph where you will be able to observe that despite the impact caused by the pandemic, we have a clear trajectory for recovery when it comes -- when we think about the beginning of the pandemic in highlight, -- in highways and in the other businesses of the company.

Net revenues reached BRL2.8 billion in the fourth quarter 2021, representing an increase of 10.9% vis-a-vis the same period the previous year. Adjusted EBITDA had an increase of 37.9%, reaching BRL1.5 billion. Adjusted EBITDA margin reached 51.7%, an expansion of 10.1 percentage points when compared to the fourth quarter 2020.

Now, although the quarter was still impacted by the effects of the pandemic, the robust result shows the efforts of CCR to control expenses and to maintain the operational efficiency in a business where costs are mainly fixed costs in an environment of pandemic that impacted several of our business units.

To speak in more detail about the cost, we see that the total cost had a slight increase of 2.6% in the fourth quarter 2021, when compared to the fourth quarter 2020, reaching BRL2.5 billion. This increase is due mainly to a higher level of depreciation and amortization in the RodoNorte concession and the cost of personnel, because of the impact of a reversion of PLR that took place the last year, amounting to BRL93.5 million.

The cash costs on the same basis had a reduction of 12.6%, considering the Brazilian company's reduction was 14.7%, once again, showing our efforts and discipline in terms of containing costs. For greater details, please consult the cost section in our results release.

Net income same basis was a BRL182.6 million in the fourth quarter 2021 compared to the losses of BRL12.3 million in the fourth quarter 2020. When it comes to the net indebtedness, we reached BRL29.9 billion in the fourth quarter 2021, representing increases of 30.6% and 53.2% in the comparisons with the third quarter 2021 and the fourth quarter 2020 respectively. Now, the company leverage measured by the net debt adjusted EBITDA ratio reached 3 times in the fourth quarter 2021.

With this, we would like to conclude saying that despite the impact of the pandemic during this period, and this directly impacts our business. Despite this, the company has delivered sound operational results as you can see through a complete analysis of our results release. We would now like to open the floor for questions and answers. Operator, please you may proceed. Thank you.

## Questions And Answers

### Operator

(Question And Answer)

Ladies and gentlemen, we will now go on to the question-and-answer session. (Operator Instructions) Our first question comes from Victor Mizusaki from Bradesco BBI. You may proceed, sir.

### Q - Victor Mizusaki {BIO 4087162 <GO>}

Hey, good morning. Congratulations for the results. And I have two questions. The first about your CapEx for 2022, BRL4.2 billion. If this figure already includes the rebalancing

processes in Sao Paulo, and if it does not, if you could explain to us, if there will be any changes and which would be the changes? The second question. You mentioned some projects that will be put in place here without a specific date from this volume or from this set of projects, which would be a priority for CCR? Thank you.

## A - Unidentified Speaker

Hello, Victor. Good morning. When it comes to the investments for 2022, these values were agreed upon in a preliminary agreement and any new investment still has not been included in these figures. I'm sorry, I would like to highlight that the figures that were disseminated for 2022 include contingent investments, service levels, and also cases that are under discussion for rebalancing, but they're minor investments, we're not speaking about major investments here.

## A - Waldo Edwin Perez Leskovar {BIO 21427688 <GO>}

Victor, good morning. This is Waldo. Regarding your second question, as we have mentioned in our strategic plan and all the priority projects, a focus and the focus our Brazil and three segments where we work: airports, highways and urban mobility. All of the projects that are set for bidding this year are being analyzed. We always analyze project for project to see the risk return of each project and we go after those projects that will generate more value for CCR as a whole.

Now, the conclusion has only reached once we have all the final rules clearly defined, so that we can make this decision in CCR. For the time being, we're pursuing all of these projects to be able to define, which will be of greater interest and we will do this once we are fully aware of all of the bidding conditions on paper. Thank you. Thank you very much.

## Operator

Our next question is from Felipe Nelson from Citibank. You may proceed sir.

## Q - Analyst

A good afternoon and thank you for taking my question. I have a single question referring to the new airport concessions. I would like to gain a better understanding we have heard that foreign airport, operators, don't seem to be very interested in the Airport segment in Brazil. And I would like to understand which is the CCRs differential that makes these airport concessions attractive for the company? And I would like to add a second question afterwards, if you allow for this?

## A - Marco Antonio Souza Cauduro {BIO 15412000 <GO>}

Good morning, and thank you for the question. This is Marco Cauduro. Let's take one step back in the strategic planning that we are preferred 2021. The airport model was included as being chord is a strategic segment for the company. We operate three airports outside of Brazil, an airport in Brazil, [ph] Confins, but airports that are not truly integrated and don't attain the proper scale to be able to work with a platform that will be sufficiently profitable to build that airport of the future to attract more talents and to make greater investments, the six-round achieved 15 new contracts. It was a very relevant step to be

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able to build our platform, and we now not only operate the 15 airports, but the 16 airports, which is Pampulha. We have another four airports. And this means, we have 20 airports with 42 million passengers a year before COVID.

And presently we now have a minimum sufficient scale to be able to create a dominant position in the sector to use the design of the network to capture value in the chain to work with the best suppliers to develop logistic multimodal projects, real estate to negotiate further with retailers, and of course, attract better talent as we have done recently. So, there is an enormous strategic motivation here. As you know, that company allocates capital with stringent discipline. We have already disseminated, that is commitment of capital that we have devoted to the airport model complies with the required levels of return that are required by our shareholders. So, besides this strategic motivation in our business plan, we are, yes, committing capital that will bring the satisfactory returns in the project specifically we have several CapEx innovations. This is a very strong competency that we have in the company of contributing not only value engineering, but more encompassing solutions that will enable us to be more competitive in these stations.

I spoke about this in the process of the new contract for Dutra where we had a very innovative approach, and in airports we continue to do this. And we have a very enterprising stance when we think about the pipeline and revenues that come from logistic projects, real estate projects, media, potential among others.

### **Q - Analyst**

So, I can understand that the optimization of these projects arises from an integration between the different airports and CapEx innovations in the style of the NovaDutra?

### **A - Marco Antonio Souza Cauduro {BIO 15412000 <GO>}**

Yes. Absolutely.

### **Q - Analyst**

Very good. Thank you. And I do have a last question, if you allow me. In this long list of concessions that you have ahead of you, I would like to know how many concessions you would have the ability to incorporate, if there is a limit that you foresee to get new concessions going forward?

### **A - Unidentified Speaker**

Thank you, Felipe. As I mentioned in the initial presentation, we do have a variety of very interesting opportunities that are about to come. We have a great deal of enthusiasm; our leverage is still at a robust level, given that we have anticipated the leverage. And of course, more will come in a growing fashion in the next few years.

So, we are going to look upon these new projects one-by-one, and the answer to your question and truth will depend on the order of the factors, and the speed with which these concessions arise. Notwithstanding this, we're looking at different alternatives for a



portfolio review to reallocate capital. We're also analyzing some of the concessions with partnerships. So, everything will depend on the final rules of the bidding, when the concessions come, how they come, and whether we will be winners or not. The main message is that, we still have very interesting space to grow more.

## Q - Analyst

Very good. Thank you. Thank you very much.

## Operator

Our next question is from Regis Cardoso from Credit Suisse. You may proceed, sir.

## Q - Regis Cardoso {BIO 20098524 <GO>}

Marco, Waldo, Flavia, thank you for taking my questions. I have two questions at my end. I would like to insist on the issue of the CapEx and understand if the variation for 2022, can be explained by these one-off investments or if I should have a reading that the curve structurally will be greater going forward? I would expect to see a greater CapEx going forward, because of the inflation in steel, in paving, and cars and people personnel. So, how much of this effect that we saw in 2022 could become a recurring part of your CapEx?

Another question regarding new auctions, new bids, the 381 more specifically was delayed once again. And I would like to understand, which is your reading of this, is a due to a specific economic issue or would it be fair to make a diagnosis that there aren't that many people interested. And that they coming auctions will be less competitive and that eventually you will have the opportunity of having concessions with higher returns. Not restricted to 381, but the entire highway pipeline. If you allow me a last question on airports, which is your reading of the final design of the blocks as they're being proposed after Santos Des Moines and the grouping of ports and airports? Thank you.

## A - Marco Antonio Souza Cauduro {BIO 15412000 <GO>}

Thank you for the question. This is Marcos. I'm going to give the floor to Flavia to speak to you about the CapEx. But you do know the level of contracting and hiring of the company throughout 2021, we had BRL2 billion in CapEx long tail only for Dutra, its BRL50 billion in CapEx with a relevant concentration in the first seven years with a count of this sort you can understand the delta that we expect in terms of CapEx execution for 2022, because of the projects that we have contracted.

Now, the level of CapEx of the company that change in the level will remit us to new contracts. We have been suffering, because of the cost inflation in terms of raw material, but Flavia can give you more detail on this.

Let's speak about the auction 381. 381 is a very complex project from any viewpoint. It is Greenfield, a risk matrix, that has been enhanced through time, through the modeling of this project. However, in the risk metrics, there was a lack of risk sharing in terms of the raw material price. And in moments of volatility, of course, this brought about a great deal

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of uncertainty and the complexity of the engineering solutions for that part of the 381 tends to be very complex. The geological evaluation was not carried out exhaustively at the beginning. So, the problem is structural, not only pertains to 381, but to all of the recent concessions that are being modeled. And of course, the problem is the unit price of several inputs that will make a difference in terms of the tables that we have and that we use in the modeling process. And these tables are obsolete out of date. They have not kept up with the price impact of raw material. So, this leads to a mismatch in terms of CapEx.

Another structural problem is that, contracts are modeled with a contractual obligation of service levels that does not correspond to the necessary amount of CapEx that you would require. It uses references of an extremely efficient highway located in another other region, which is not necessarily comparable to the project per se. So, structural problems in the modeling and this is valid for all of the highways or concessions that are about to come, and in the case of 381 more specifically relevant issues, in the risk metrics linked to a project that is Greenfield and has geological and CapEx complexity.

It's a very large and relevant project with huge social impact. It will make it possible to build very good stance in the state of Minas Gerais there will be some state highways, so of course it is a strategic project and private players are interested in this. But it needs to be enhanced in terms of its risk metrics. Flavia, if you could speak about our CapEx in greater detail, please?

### A - Flavia Godoy

Yes. Of course. Hello, Regis. Good morning, and thank you for the question. To add to what Marco has said, the company is entering in investment cycle, because of the projects that we won in 2021. And when we analyze the estimated values for CapEx in 2022, BRL4.2 billion as reported by the company, a little above BRL2.2 billion refers to new business, or to the preliminary agreement signed with a state of Sao Paulo.

Now, some of these concessions that were gained in 2021 have differentiated cycles. Dutra has relevant CapEx, as Marco has mentioned, diluted between 7 years and 10 years, but on the other hand, we have lines 8 and 9 with a more concentrated investment cycle. So, in 2022, only the lines 8 and 9 will take up more than BRL1 billion. And this increase is due to the new projects and this new investment cycle we are entering, because we have received these two lines.

### Q - Regis Cardoso {BIO 20098524 <GO>}

Thank you, Flavia, Marcos. If you allow me, I'll follow up in terms of airports. You spoke about the new blocks after the removal of Santos-Dumont.

### A - Marco Antonio Souza Cauduro {BIO 15412000 <GO>}

I'm going to remark on this in a very broad way, the removal of Santos, Dumont has not changed our interest in the 7th round for airports with the anchor asset that is Congonhas in our strategy. We want to have a position that will consolidate terminals in Sao Paulo and I don't doubt that Congonhas is a very strategic asset and regional airports that have

been included in this block. Our airports that would also potentially be able to integrate our very encompassing network in Brazil.

**Q - Regis Cardoso** {BIO 20098524 <GO>}

Thank you, Marco, and thank you once again for taking my questions. Have a good day.

**Operator**

Our next question is from Luiz Capistrano from ItauBBA.

**Q - Luiz Capistrano**

Good morning to all of you. Congratulations for the results and thank you for taking my questions. My first doubt refers to the question that Regis has just brought up. What can we expect this year in terms of the competitive environment in the coming auctions? You have robust investments and you are well advanced for the first quarter of 2022. But we see that everything will have a higher cost of capital, because of the economic situation and most of the assets will have greater complexity in these auctions.

Now, because of the difficulties that you mentioned, Marco. So, because of this -- will the interest of the private sector concentrate on few and chosen assets, more Brownfield projects with simpler investments? And as a consequence, would this mean that you will have a concentration of interest in very few assets? This will, of course, completely alter the composition and you will have several projects that will be left aside, because of the market situation. This is my first question.

My second question is somewhat more objective. It refers specifically to the Parana program, where we have six lots. If you could give us more color on these lots, if they all have good terms, if the investment complexity is similar and what type of operation will they require? So, if we could have more color in terms of the six lots in Parana.

**A - Marco Antonio Souza Cauduro** {BIO 15412000 <GO>}

Thank you for the question, Luiz. Well, we should reflect on the competitive environment and I do not doubt that we have a very large pipeline. We need to invest in the enhancement of federal and state highways is enormous, the private sector simultaneously does have that responsibility but also an enormous opportunity. This is one of the conditions.

I see that the business environment nowadays compared to some years ago is much better. We have a metrics, our regulatory framework that already exists and is mature. We have a technical body in the Sao Paulo agencies, a Ministry of Infrastructure, the Secretary of Infrastructure of Logistic Transportation in Sao Paulo, all of which are very well prepared. They have sophisticated techniques and they have a good dialogue with the private sector. So, the contracts potentially can come to market with a well sized risk.

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And the last point is the long-term funding. Players at present have access to a variety of funding alternatives, which is very different from 10 to 15 years ago. So, the business environment is highly favorable. But we do have some idiosyncrasies of doing business in Brazil. Foreign players interested in allocating capital, now, this duration for this level of return is difficult. And the execution can be very complex, the operational execution, the supply chain, the local relationship with communities, dis-appropriation, regulatory issues in terms of construction, and articulation, because of the enormous amount of administrative standards, policies that change when a certain program is being implemented, and others, as we saw with the construction of the yellow line.

For those who are not part of this process, the cost of entry will be quite steep, although, the opportunity is enormous. And in this context, CCR has a certain protagonism, we have been here for many years. Our competencies are very mature. We understand the mindset of regulators. We have a good relationship where their communities where we are active, we have a strong relationship with the supply chain. And of course, all of this gives us a very high capacity of execution and high levels of quality.

Simultaneously, when we look at the pipeline going forward giving the size of CCR, we're going to focus on projects that will tip the needle, projects with a risk metrics that will be adequate, because our competency of contributing value engineering with innovative and technological solutions could give us a competitive edge. Well, this is my viewpoint. We're interested in many things.

In international places now, the problem perhaps is the idiosyncrasy of doing business in Brazil, and this could represent an entry barrier. And in auctions, you have a single asset, where we had two very competent players competing for this asset only.

Your second question, that was more objective. If you could remind me of that question, please?

### **Q - Luiz Capistrano**

Yes. Of course. The second question is about the lots in Parana. Are they similar? Is there any law that is more similar with another? And the CapEx involved there?

### **A - Marco Antonio Souza Cauduro {BIO 15412000 <GO>}**

Yes. Thank you, and I'm sorry. Without a doubt, the Parana program is gigantic with BRL40 billion in investment, we're looking at all of the lots, but of course, we're interested in all of the lots. But we do have a competitive edge in the lots that are more similar to the concession that we were operating until recently RodoNorte. So, there are some cargo and traffic flows that we would like to have in regions, where once again, we have a good relationship. We understand the difficulties of implementing and executing CapEx for the operation. And the consequence of this is that, perhaps we will be more competitive in those regions, where we are already active or were active in the recent past.

### **Q - Luiz Capistrano**

Very good. Thank you very much for your replies. Have a good day.

## Operator

Our next question is from Fernanda Recchia from BTG Pactual.

### Q - Fernanda Recchia

Hi, good morning to all of you. Thank you for taking my question. I have two quick questions. The first, when we look at airports and urban mobility, the levels are still quite low. If you could give us some color in terms of the expectation of return of these two segments vis-a-vis to '19. And secondly, a question about COVID. Will we expect a result of rebalancing and the short-term regarding COVID-19? Thank you.

### A - Marco Antonio Souza Cauduro {BIO 15412000 <GO>}

Thank you, Fernanda. Regarding traffic, we have observed that airports and urban mobility both of these models have had a significant resumption in the last few months and their trend continues in January and February were quite satisfied with that. You are right. Nonetheless saying that, there's still room to return to the previous levels, but as restrictions due to the pandemic are lifted and as vaccinations expense more, we have almost 80% of the population with a two doses of their jabs. And because of this, we think that, we could have a strong return until the end of the year. And of course, this allows us to feel very satisfied with a scenario in which we work.

In terms of the COVID balance, this is a force majeure event. All of the granting powers are aware of this. So, we do have a balanced NTT has manifested itself. And the federal highways will be able to readjust their tariffs on behalf of our balance, this will begin in March of 2022, but will only be done when it's time to readjust tariffs in each highway. So, each highway will have a different moment for readjustment. And all of the fines and calculations have already been given to us and we're completing our accounts for each concession with balance to see which is the format that we're going to use. And we want to work with the higher balances and as do other concessionaires, but everything is proceeding in a satisfactory fashion.

### Q - Fernanda Recchia

Thank you. Thank you very much for your answers. Have a good day.

## Operator

(Operator Instructions) At this point, we would like to end the question-and-answer session. I will return the floor to Waldo Perez for closing remarks, and the closing of this conference call.

### A - Waldo Edwin Perez Leskovar {BIO 21427688 <GO>}

Thank you. I would like to conclude by thanking all of you for your presence in our conference call for your interest in the company. Our IR team is at your entire disposal. We hope to see you soon. Thank you very much.

## Operator

The CCR SA conference ends here. We would like to thank all of you for your participation. Have a good day.

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