



**Conference Call Transcript
2Q24 Results
CCR S.A. (CCRO3 BZ)
August 1, 2024**

Operator:

Good morning, ladies and gentlemen, and thank you for holding. Welcome to CCR S.A.'s conference call where we will discuss our 2Q24 earnings.

We would like to inform you that this presentation is being recorded and translated. The translation can be heard by clicking on the interpretation button. If you would like, you can also mute the original Portuguese language audio by clicking on 'mute original audio'.

Before we continue, we would like to clarify that any statements made during this conference call about the Company's business perspectives, any projections, operational and financial goals are simply beliefs and assumptions by the Board of Directors at CCR. They are based on currently available information. Remarks about the future are not a guarantee of performance. They involve risks, uncertainties and assumptions as they refer to future events and therefore, depend on circumstances that may or may not occur. Investors should understand that the general economy, industry conditions and other operational factors may affect the Company's future results and lead to results that differ materially from those expressed in these forward-looking statements.

We will now hand it over to Mr. Miguel Setas, the CEO of CCR Group. Go ahead, sir.

Miguel Setas:

Hello, everyone, and welcome to our conference call where we will discuss the earnings for the 2Q24. I am Miguel Setas, the CEO for the Group, and I am here with Waldo Perez, our CFO; and our Investor Relationship Director, Flavia Godoy.

We would like to give you a summarized view of the main highlights for the 2Q. It was a solid quarter. We received record demands for many of our assets. It was the best 2Q in the Company's history, and especially for our most important assets, AutoBAn and the Belo Horizonte Airport. We had the highest month historically for them.

We also controlled costs by continuing to implement our cost reduction plan, which increased by 14% our adjusted EBITDA comparing the 2Q24 with the 2Q23. Our EBITDA margin went up 0.9 p.p., and this has translated into 102% growth in our adjusted consolidated net income.

Of course, we also have to highlight revenues, not only our score, but complementary revenue. As you know, our goal is to increase our mix and we had an increase of 18.6% quarter-to-quarter, which shows the potential growth in this revenue line.

When it comes to costs, we are continuing our cost control program. OPEX to cash was down 2 p.p. to 40.5%, and our efficiency program continues.

Finally, we have two other highlights related to financing. First, the issuance of the best incentivized debenture in the Brazilian market, a value of R\$9.4 billion, which comes to return a total of R\$10.75 billion in long-term financing for Rio San Paulo. And this was performed for an investment of over R\$15 billion into our structuring assets in our portfolio.



And finally, a highlight for liability management. We had a 17th bond issue of R\$2.2 billion. This is more competitive than the previous financing plan to optimize our financing costs.

One final highlight, which is not here on the slide is that as a reminder, we concluded our optic fiber operation with Samm, a transaction that led to a value of R\$100 million. And it continues to optimize and reduce our portfolio and also our capital recycling plan, which, of course, is a part of our strategic plan. So this is a brief summary. I will pass it over to Waldo Perez, who will go into details and I will return at the end for the Q&A.

Waldo Perez Leskovar:

Thank you, Miguel. Good morning, ladies and gentlemen. We will now discuss the main highlights for the 2Q24. As Miguel said, this was a solid quarter when it comes to demand. We had 13.8% growth in toll roads, 8% growth in urban mobility, and airports grew by 9%.

In toll roads, commercial vehicles were 7.6% of the growth, mostly due to the sugar industry that posted record exports. We also had cotton, coffee and some other products that had a huge impact to our demand and there was a representation of 3% for suspended axles, which also led to higher revenues. So it was a strong quarter for toll roads.

For light vehicles, it was a bit weaker. So there was a reduction of 0.3%. In RioSP, we had a reduction of 4.5%, mostly due to the construction work and the investments that we have been making to RioSP. And as you know, there was also a natural disaster in Rio Grande do Sul, which impacted ViaSul and ViaCosteira and led to a reduction in vehicles. But it was still a very strong quarter.

Urban mobility grew 18% in Metro Bahia. We included two new stations with Tramo 3 and a 24-hour operation for some events, which also led to a higher demand.

For ViaMobilidade lines 4 and 5, we had a growth of 11.8% and 5.3%. This was due to the increase in commercial activities and trade. VLT grew 29% due to the operation of the Gentileza Intermodal station, which was not in operation yet in the 2Q23.

Airports. The main highlights were international airports, AERIS 14%; Curacao, 30% increases. This is mostly due to the consolidation of international routes. In Brazil, BH Airport grew 15.3% in domestic traffic due to a higher number of flights from Azul and LATAM, and BH Airport also have its best June in history with over 1 million passengers. So it was a very strong quarter across all of our modals.

Looking at costs, as Miguel said, we had a reduction in 2 p.p. to our OPEX cash to adjusted net revenue index, down to 40.5%. When we compare costs between the 2Q23 and the 2Q24, we can see the main factors.

Personnel costs, we had we had a number of contract cancellations and a higher provision for PLR. Third-party services also had an increase, especially due to MSVia, where we had to recover a part of the payment according to the concession contract. So that was the increase we saw in comparison to the 2Q23.



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We also had more cleaning and maintenance services in Curacao and AERIS, mostly due to the additional traffic and the higher number of passengers, and also Metro Bahia. When we look at nonrecurring costs, we had R\$217 million, which is basically the investments made to ViaOeste this quarter, which are accounted for as an expense instead of a CAPEX. So again, in this quarter, we had solid cost control.

And as a result, we saw consolidated adjusted EBITDA growth, reaching R\$2 billion, up by 14.4% this quarter. toll roads represented 10% of this growth. urban mobility, 33% and airports grew by 28%. So it was very robust.

And here we can see, especially in urban mobility, the increase from the number of passengers and the increase in EBITDA, which grew but also was affected by inflation. Nonetheless, it was a strong result. As a consequence, we have our adjusted net income that more than doubled 102% growth, reaching R\$411 million.

If we look at our net financial results, there was a reduction, 9.8% lower, mostly due to the reduction of the CDI by 13.4 p.p.. And this calculation includes R\$81 million from the lines 5 and 17 of financing plans. So there was a strong quarter. We had very good results, and this all shows that our efficiency program is on the right track. Investments.

We are focusing on investing well. We reached R\$1.6 billion invested, out of which R\$217 million are in ViaOeste alone. As you know, these are accounted for as an expense. The biggest investments in toll roads were in RioSP with expansion expropriations, pavement and system recoveries, R\$45 million were invested in ViaCosteira, implementing marginal roads, walkways and pavement restoration. We also invested in ViaSul despite the arain with payment recovery, duplications and several improvements in different sections of this road.

urban mobility received investments in lines 8 and 9, where we spent most of this CAPEX and airports in the South and Central blocks, we are focused on delivering Phase 1B, which will conclude in November. So all the investments here are on improving terminals and in general improvements. So we are performing according to our plan for the year, and we are continuing to look into this.

Leverage has been controlled. Our net debt to EBITDA rate for this quarter was 3.1x. You can see that our debt for the holding was R\$4 billion, which is a reduction in comparison to the 2Q23. Our debt has been extended. 43% of it will be due after 2032.

And here, you can see RioSP's bridge loan. As was said in the beginning, we contracted R\$10.7 billion with BNDES through market debentures and Finame. So that removes risk from this project. It has been financed to implement these R\$15 billion in CAPEX. And this R\$1.1 billion has already been refinanced with the first and second series of the debentures. It will be a total of eight series by July. So the cash impact will take place in the 3Q.

So that makes our 2Q very confident when it comes to financing, and you can see that our debt profile has been extended with all of the disbursements that took place during the quarter.

So that concludes my presentation. We had a strong demand, strong EBITDA growth, 102% in our net adjusted income. Net debt-to-EBITDA was 3.1x. So we now have had



six quarters in a row with consistent indexes, and we have been performing very well. And with that, I will hand it back to the operator for the Q&A. Thank you.

Pedro Bruno, XP:

Good morning. Thank you for taking my question. I actually have two questions. First, I would like to get an update about the strategic use of your airport assets. You have been vocal about reducing priorities set on this business unit on the middle term. If you can tell us what your focus has been in executing this CAPEX, that would be great.

I think despite this unit's CAPEX representing about 5% of the total CAPEX, there's still questions about the overall CAPEX. We have seen that airport CAPEX has been changing, and this drew our attention. When we look at the Central and South blocks and Pampulha, the exception here is Belo Horizonte due to the investment commitments you have there. We have seen that this number of commitments has been going up 20% above your CAPEX execution plus inflation quarter-on-quarter.

So I would just like to get your perspective on that. There might be a readjustment that was accumulated there. So we just like to understand if there's anything noteworthy in your CAPEX execution in airports. So those are my two questions. Thank you.

Miguel Setas:

Thank you, Pedro. Let me make a comment on the first part of your question, and then I will let Waldo and Flavia answer as well, specifically on the evolution of CAPEX for this quarter. So to tell you about our strategy, I think your question has already answered what our intentions are. 2024 is a year in which we are focused on executing our CAPEX.

As you know, we have until November 2024 to conclude the works in the 15 airports we have in the Central and South blocks. This is what we are focusing on, derisking this portfolio. You have probably heard this in our results and our previous conversations, but we are focused on continuing our efficiency program. So optimizing costs is a relevant priority for airports and also reducing our top line.

As Waldo said, this means our international routes, new services that we are providing in our terminals. You have probably seen that we are opening six additional VIP lounges for complementary revenue.

So we are working on the top line and bottom line so that these assets become more mature so that they get ready for what we believe will be our next agenda and we have been very explicit on this. Our agenda is to combine assets possibly. And if that happens, if it is possible, we will be able to have more value from this portfolio.

So this agenda remains. We are preparing this agenda right now as we are also doing for the mobility platform. We are working on governance, organizing our platforms, simplifying our social structures, so it can be an enabler and also to identify potential partners that may be with us in urban mobility and airports. So this is our agenda. Waldo if you have anything else to say.

Waldo Perez Leskovar:



To answer your question on CAPEX. First of all, you made a comment and for us to be assertive in CAPEX and to control our business plan and costs. It's critical to manage our CAPEX, whatever the value is.

So yes, CAPEX is lower in airports than toll roads because complexity is different. In toll roads, you might have more concentrated CAPEX and higher volumes. But in airports, we are talking about 15 airports where you have distributed CAPEX. So managing and implementing these investments in the right way to meet the contract requirements needs special attention and precise delivery week after week. So that's why we have been focusing so much on executing Phase 1B.

Balances, I think that was your other question. They vary according to a couple of things. First, there are readjustments according to accounting rules. So this is a regulatory investment balance that is specified in the beginning of the concession contract, but we also try to improve it. We have seen investments in Navegantes and Londrina, and I will let Flavia talk about that, where, besides the business plan, we have improved efficiency or revenue for our clients. So that's why you see this variation quarter-on-quarter.

I think Flavia can give us some more detail on that.

Flávia Godoy:

Good morning. Pedro, thank you for the question. So looking at the three airport assets, I think we have to highlight that the Company is in a significant derisking phase for this platform as we have been saying, especially in the latest Investor Day.

The estimated investment for 2024 has already communicated some improvements that we have communicated to make these projects more profitable. So this was a potential revenue that we found, and we have been investing in some additional projects, especially Navegantes, the terminal to receive cargo ships, and we have also made some investments to the Londrina Airport to expand the runway.

So these were some opportunities we found. They were not based on the contract and it's all aimed to improve how much we can extract from these projects. So this account is not necessarily a sum of 0. This is a CAPEX that we have been investing without any additional cost. So this year, we will conclude a significant part of this investment.

Filipe Nielsen, Citi:

Good morning. Thank you for taking my questions, and congratulations for your results. I have a couple of questions. First, do you have any updates on MSVia? How has that process been going? We have discussed this contract and I would just like to understand how that has been going.

Secondly, on margins, we have been seeing significant growth in margins year-on-year. I think this is within your expectations, but I would just like to understand what has already been performed from the initial plan you showed. What are the next steps in this cost reduction process, if you can tell us a bit more? Thank you.

Miguel Setas:



Thank you. I will answer your first question about MSVia. This is a process that is going according to plan. As you know, our contract in this concession runs until March 2025, and the negotiation that was ongoing has been concluded.

So now we are following the internal rights to get it approved, and it's all going according to plan. So we just have to wait for some more news, but according to the information we have the initial term continues the same. By March 2025, we hope to conclude this process.

I will let Waldo answer your second question.

Waldo Perez Leskovar:

About our efficiency plan, that's included in our value acceleration plan as we heard. As we mentioned in our CCR Day, there's no magical solution. There's no silver bullet. It's a number of initiatives, so we have to manage this week by week and look at how costs evolve and looking at other solutions to see where we can optimize, where technology can help.

In CSC, from the beginning of the year, we have been looking at our entire structure, process by process so that we can do this faster with fewer people in each one. This is an area that has been advancing. We have been looking at outsourcing, and that may lead to some actions next year. And supply as well.

We have been seeing some significant improvements in efficiency gains in contracting through some changes in contracts and how we relate to our suppliers. So there's a number of initiatives, something that has been helpful as well in this new organization we designed is to manage each platform.

So we have CFOs in each platform, which help us look at how we are controlling costs at a closer range, something that we did not do before. In a company of this size, it's important to look at it closely so that we can be efficient. So we are starting to see some efficiency increases. So we are getting close to the ambitions that we have set for the Organization.

Victor Mizusaki, Bradesco BBI:

Good morning. Congratulations for your results. I have a couple of questions. The first is, in your release, you discussed mobilization for Serra das Araras. So if you can tell us a bit more about this process. I know that this is an old project in the series in NovaDutra. So, were you positively or negatively surprised by anything in this?

And the second question is, the São Paulo state government has already published bid tenders for Sorocabana and other projects. How have you been getting ready to participate in these bid tenders? Thank you.

Miguel Setas:

Thank you for your questions, Victor. I will pass it over to Waldo soon, but for Serra das Araras, as you know, we have received environmental licenses, and we have started construction. It's a structural construction, so it will change the experience for the users in the region.



So far, we have had no surprises. I think we are still following the same initial expectation, a significant investment of R\$5 billion and the execution term is long. So I think it will conclude by 2028. So that is our plan. We have been seeing images every day and it has been progressing normally.

I do not know if you have anything to say about Serra das Araras.

Waldo Perez Leskovar:

I think that was it. If there has been any challenge, it was probably environmental approvals. Ibama had a strike. So in our CAPEX management program, it was seen as critical. That was an attention point. We had some teams that were focused on obtaining environmental licenses at the right time, and it worked. So we started very well with Serra das Araras, and we expect the project to go according to plan.

Miguel Setas:

Your second question was about Nova Raposo and Sorocabana. These are two very relevant projects for CCR, as you may imagine. The bid tenders were published recently, especially the one for Nova Raposo. So we are looking at the projects and getting ready to make a decision on whether we will participate in them. But obviously, these are projects that are a part of our list of priorities.

They are 2 very different projects. As we know, Nova Raposo has 93 kilometers. Arriving in São Paulo is complex because of all of the different functions we need to do to implement it. Sorocabana is a bit longer. So it's something that we know very well, looking at the roads included in this concession. So naturally, we are going to use what we already know in the CCR Group to get ready for this.

Alberto Valerio, UBS:

Thank you. I have a follow-up question to Victor's question about new bid tenders. The government announced eight new ones for this year, five federal and three at the state level, and four additional bid tenders for next year. What is your take on them when it comes to CAPEX and cash generation? Does CCR need to leverage itself, or would these be assets that would generate cash from the beginning? You mentioned that your TRR would reach double digits. So I would like to ask about that.

And finally, what is your perspective on the competition for these bid tenders? We saw that there are some regional players. So what do you expect for the next 14 projects that are opening up in the next 12 months?

Miguel Setas:

Thank you for your questions, Alberto. There were many of them. So first of all, we have been selective in our strategy. You mentioned five federal to bid tenders for the next year. So it's a vast pipeline, and we have to select, as you saw last year, we were very selective in what we decided to get involved with. And that's how it will be for the next auctions.



Of course, assets where we are already present like ViaOeste are a priority for the Group. Assets that we know historically like the state of Paraná. This is a market that we have a lot of interest in. So we have been selective in the assets that are being prepared for the next tenders.

Concerning profitability, I think 381 is a great example of that. The projected profitability for the next tender is double digit. So that's very relevant for us. We have been interacting with the conceding powers in the market, and this has allowed us to adjust our expectations. We have been very dynamic, and we have been continuously improving it. And that's what we expect to happen.

I think conceding powers are actively listening to the market needs, especially the operators that are competing right now for the assets, for the competition, and I will let Waldo answer.

We have several types of competitors. We have traditional companies in the industry. We have international companies that are also betting on the Brazilian market. We have companies that have a more financial history. We have other operators. So at CCR, we are valuing a healthy competition.

So I think especially the toll roads market is a countrywide market. It requires a number of competitors prepared for all the opportunities that can come. So we welcome these competitors and we will be participating in the bid tenders where we have the most potential.

Waldo Perez Leskovar:

I think Miguel said it all, but to state it clearly, we have been analyzing a number of opportunities. We are looking at them on a case-by-case basis. And at the end of the day, it will depend on the contract, how it is structured and its risk and potential returns.

So we have Rota dos Cristais, Rota do Zebu, Nova Raposo, Sorocabana, 3 in Paraná and a number of new ones for next year. And here, I am only talking about urban mobility. So we have a selective process. We are going to decide which ones we will create proposals for, and it's always a matter of market intelligence. With that being said, it's always about risk returns and how much value it can add to CCR's portfolio.

Miguel Setas:

Just adding to that, Alberto, you have mentioned CAPEX, cash generation. I do not want to go into technical details, but the SICRO table, which is a price reference table that we use has been outdated with comparison to the market. So we have some CAPEX estimates, which are different from what we see on these official tables. I think this table requires an update. In our business case, we included a more assertive and precise vision of what we believe that the CAPEX should be for our projects.

Concerning cash generation, you are right, some projects are accretive because we have demands for the ongoing projects. And some of these projects might be more back loaded. They might be further along. So some of these projects can have a positive impact to the Group's leverage in the first years. So this is also a factor that we take into consideration when we determine our time to cash, or the long-term cash flow for several years of projects.



Rogério Araújo, Bank of America:

Good morning. Thank you for this opportunity. I have a couple of questions. The first one is a follow-up on the efficiency program. In CCR Day, you gave us your vision for 2025. Your goal is to reduce 3 p.p. in OPEX to revenue by 2025. So when we calculate the margin gains that the Company would have, we are already close to these 3 p.p. So my question is, is the Company being conservative in its ambition, and is there space to have a higher delivery? Are you more limited in reducing costs incrementally, considering that the short-term plan will be for the end of 2026?

Miguel Setas:

So in your question, you have basically answered what our vision is on costs. You probably remember, Rogério, we set 2026 below 38%. And by 2035, under 35%. So our expectation is to have a higher efficiency than these limiting factors. This is the maximum for 2026 and 2035.

As you might imagine, we hope to surpass these goals and have a higher efficiency throughout this time. We want to communicate this to the market in a way that is credible, conservative, and we want to receive consistent results and our commitments. The 38% that we hope to deliver by 2026 will be our first delivery.

So we are looking at it closely and obviously, depending on where we are by 2026, we might have some adjustments to that expectation. But initially, we want to deliver to the market and efficiency that is below this amount. This is our focus for now.

Waldo Perez Leskovar:

Yes, it was a conservative ambition, so as to give the Company some direction. But at the end of the day, we are focused on this 38% on the short term and it will be reviewed as we do with any other strategical plan. So we might be more aggressive later on.

Miguel Setas:

Rogério, if I can give you some more color on this plan, we have already identified line by line what the plan was to reach the indicator that we had been proposing for 2027, this 38%. Since then, we have continued to work with external international consultants to complement this first batch of measures with an additional figure. So this is what we have been doing.

Waldo Perez Leskovar:

Just to conclude Rogério, where did these goals come from? The 38% will place us among the 800 companies that we benchmarked with in the first quartile. So 35% would put us in the first 10 of these companies. So these ambitions are due to these benchmarks. But of course, we will always try to overcome these marks, and we hope to deliver even better results.

Rogério Araújo:



Great. That was very clear, Miguel and Waldo. If you will allow me to ask you a second question on your financial revenue. It's nearly 7% above your cash position. And before, it was about 5.5%. So did that happen due to anything specific? Should we pay attention to anything here? Is there anything noteworthy here?

Flávia Godoy:

The Company has been in a significant investment cycle. So we have been able to capitalize more. We have a financial revenue, which reduces our financial expenses because of these investments being captured. We found significant improvements in RioSP, and there are also projects for lines 8 and 9, among others. So it's basically due to increases in capitalization.

Guilherme Mendes, JPMorgan:

Thank you for taking my question. I have a question on complementary revenue. You mentioned this in your release and your presentation. So if you could give us some more details about what are the main levers there, for supplementary growth, what are the main segments? And do you have any goals on how much contribution will come from that?

Miguel Setas:

In our CCR Day, we mentioned that we do have the goal to increase the participation of this line in our revenue. In the latest CCR Day in May, we communicated our ambition, which was to have higher than 10% contributions from complementary expenses. We believe that this can basically double.

Why is it so relevant for our work? So while in the main business, we have our EBITDA margin around 59% to 60%, as you were able to see in our results, in complementary results, our EBITDA margin is above 90%. So in this 10%, we have a higher weight. And of course, this can also lead to more value being generated for the Company.

There are some areas that we have been looking that have some potential. One of them is retail. You have probably seen that in our urban mobility activities, we have been using this space in our airports and in our train and metro stations to explore commercial spaces. So as a reference, we have five malls. Three are already operating in Rio de Janeiro, in Vila Sônia and the Acesso Norte Mall in Salvador, Bahia. So those are the three, and we have two that are being prepared in Metro Bahia, in Salvador.

As you also heard, we have an increase in our gross leasable area. This is just an example in retail. Another example is real estate. The possibility that we have in exploring real estate assets in airports and urban mobility, especially toll roads. So using rest areas to create more commercial areas.

And the third element is advertising. You can see that in our stations, in our commercial areas, we have been using a lot of advertising. In airports, we have cargo carrying, which is complementary to our passenger business.

So these four things, cargo, real estate, retail and commercial will create a lot of potential for the future. If the EBITDA in our main business has been growing by high



single digits, which is what we communicated to the market, we believe that complementary revenue can grow in double digits in the next few years.

You can see this in this quarter. We had a growth of 20% in complementary revenue quarter-to-quarter, and this will continue to be our focus. We have been bringing people who are very trained in this area so that we can extract more value from these lines.

Guilherme Mendes:

Thank you, Miguel. And a quick follow-up on ViaSul. We have seen relevant recovery in June. So has July normalized this level? Or are you still suffering impacts from the floods?

Waldo Perez Leskovar:

We were very active during the crisis with our crisis management teams. We were able to mitigate the situation there in around 12 days. So it shows how the Company was able to execute its plan quickly, and we were able to recover our flow, and I think July was even better than last year. So we are performing well given the situation that we had to go through recently in Rio Grande do Sul.

Lucas Marquiori, BTG:

Good morning. I have a couple of questions. First on traffic. If you can tell us what areas have been leading in traffic increases this year. Is it import, expectation, agriculture? So if you can help us understand that.

And secondly, we have talked about MSVia, but what other rebalances are being negotiated? I imagine that urban mobility has some ongoing negotiations. So if you can tell us a bit about that, it would be great. Thank you.

Miguel Setas:

Thank you, Lucas. To talk about traffic, I think we were positively surprised with this quarter's traffic. You saw in our initial references that we reached record levels in June in AutoBA, our super toll road here in São Paulo, which is the main asset in our portfolio. It is 14% above pre-Covid levels.

So when you look at the traffic in June 2024 to 2019, we are 74% higher. So we are benefiting, of course, from exports. We have seen cotton multiply from January to May 2024 versus January to May 2023 to multiply it by four. So it increased fourfold.

Cotton was one of the commodities that was most surprising to us. And Waldo also mentioned some things before: sugar, coffee, paper. It's a number of commodities that increased significantly in the last few months, especially led by the exporting market.

In agriculture, we know that harvests have been lower. But in this case, this was offset by a positive surprise in sugar. This year, we had a very favorable sugar harvest. At some point, it had a difference of 20% in comparison to last year. So that led to a positive impact, reducing and offsetting the demand for grains, corn and soybeans.



In Mato Grosso do Sul, we had MS163 and two ethanol plants were built in the south of the state, allowing this road BR163 to have more traffic from the corn produced in the north of the state to these two plants built in the South.

So market dynamics are dynamic. I am being redundant here, but in commercial terms, we have been seeing vehicles with one to three axles, vehicles with six to eight. So we have been very detailed in our analysis, and we have been seeing a surprising dynamic in the commercial area.

So even in this quarter where we had an accumulation of the volumes in ViaCosteira and ViaSul because of the climate event in Rio Grande do Sul, we still saw an increase for the global demand, even with this negative effect.

Waldo Perez Leskovar:

And now let's talk about rebalancing. The regulatory agenda is one of our focuses in the Company. We have presented some of the results of our regulatory teams during the CCR Day. There's a number of rebalances that we are still pursuing.

First of all, Renovias, which is not under our control anymore, is a road that will come to term in October. So there might be a rebalancing discussion by then if there is an extension. So that might be something that happens on the short term.

In Barcas, we are still discussing the fifth 5-year plan. Discussions are still ongoing, and we hope to resolve the situation by the 1Q25. In Metro Bahia, we have some very relevant claims where we are not only looking at the demand, but other rebalances that might take place in Bahia.

In Quito, we have a very promising situation. The situation in Ecuador has made this take longer than what we expected, but we expect to extend the concession contract there very soon.

So this is a proactive agenda that we have in the Company to ensure that we are capturing all the value from our concessions.

João Frizzo, Goldman Sachs:

Good morning. Thank you for taking my question. It's just a quick follow-up about this year's CAPEX. If we look at the guidance that you published in the 4Q23, you were estimating R\$8 billion in investments this year, and if we look at the first 6 months of the year, we have executed about R\$2.9 billion. So that would require an acceleration in the 2H24. Will this actually happen in the 2H, or is there a risk of it being below expectations? Thank you.

Miguel Setas:

We are focusing on delivering this CAPEX and being assertive as we mentioned in CCR Day. And we are looking at the physical execution. This is what we are referring to in our contract obligations.

We concluded it at 48% of what was foreseen in our physical deliveries delivered. So we are going according to plan. There's a delay between the physical and financial



disbursement. There's a situation in the South of Brazil that will probably be slipped to next year given the rains and how it is impossible to do any construction work in the South of Brazil as of yet. So that is expected.

In airports, we have an atypical situation considering the contract that we have. Despite the physical execution being delivered by a certain date, we will still need to approve this construction with the conceding power. So this disbursement will only happen later on. So there will be a mismatch there when we see the curves for physical execution and the financial disbursement, which is what you see when we mentioned the predicted CAPEX for the year.

This is all to say that we are in line with what we had forecasted. We might see some disbursements in airports at the end of the year, and in Southern Brazil some of it might slip into next year.

Luiz Peçanha, Banco Safra:

A couple of questions on CAPEX. You mentioned that you have until November to account for this CAPEX. So it really is a tight schedule. You have five minutes to execute financially 70% of your CAPEX for the year. But in addition to that, I would like to understand your total CAPEX balance. We have seen that the BRL exchange rate has gone down. Do you have an understanding of the impact of that to the Company's CAPEX?

Waldo Perez Leskovar:

Considering CAPEX management, I just want to be precise. This date in November was for the Phase 1 of airports where we will deliver the investments made. And what I answered is that the difference between the physical execution and the disbursement will happen because these are two different dates.

The physical execution will advance until November, but its disbursement will probably come in by the end of the year or maybe even early January. But the relevant part is the physical delivery, which we have been doing according to plan.

Considering CAPEX, I will let Flavia answer.

Flávia Godoy:

Good morning, Luiz. To tell you about our investment balance, which is published in our quarterly results, our current balance is about R\$29 billion, mostly in the toll road platform, as I mentioned in some of the answers to the questions made here. The Company has been working on being assertive.

So when we talk about since activity to the devaluation of the BRL, we are talking about a CAPEX that has already been contracted mostly. So when we look at our investment balance, toll road platform has about 90% contracted. In airports, where we are doing a lot of derisking, R\$2 billion has been contracted. So it's an execution within the Company's budget, and we are not seeing any excess cost due to this reduction in the exchange rate.

Operator:



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That concludes the questions-and-answer session. We will now pass it over to Mr. Miguel Setas for his closing remarks, and we will conclude the call.

Miguel Setas:

Thank you for your time. This was a very comprehensive Q&A. We have been with you for over an hour. So for the next quarter, you can count on our commitment in executing our plan and our commitments. We have been committed to the transformation and value generation plan. It has been ambitious, but we are excited with the future results.

Thank you.

Operator:

This concludes CCR's conference call. If you have any questions, you can send them to the Investor Relations team through our email, ri.ccr@grupoccr.com.br. Thank you.

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