



Operator:

Good afternoon, ladies and gentlemen, and thank you for holding. Welcome to the CCR S.A. conference call to discuss results regarding 1Q22.

We would like to inform you that all participants will be in listen-only mode during the Company's presentation, and then we will have a Q&A session, when we will give you further instructions. If you need any assistance during this conference, please request the assistance of an operator by typing *0.

Before we proceed, we would like to clarify that any statements that may be made during this conference call regarding the Company's business perspectives, forecasts and operation and financial goals are based on beliefs and assumptions of CCR's management, as well as on information currently available to the Company. Forward-looking considerations are not performance guarantees. They involve risks, uncertainties and assumptions, as they refer to future events, and therefore they depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors could have an impact on the Company's future results and might lead to results that materially differ from those expressed in such forward looking statements.

I would now like to give the floor to Mr. Waldo Perez, CFO and Investor Relations Officer. Please, you may proceed.

Waldo Perez:

Thank you, operator. Good morning, everyone. Thank you for participating in this conference to present 1Q22 results.

I would like to inform you that we have today with us Flavia Godoy, our IR Superintendent, Douglas Ribeiro, Cauê Esteves and Caíque Morais, also from our Investor Relations team.

The year of 2021 was full of achievements that generated significant value for the Company and allowed us to move forward in consolidating our long term strategy. In 1Q22, we continued to create value for our shareholders.

We entered into a contractual instrument providing the acquisition by mass of all shares in Quicko. According to the announcement disclosed by the Company, this operation was concluded on April 11, 2022.

This week, we announced the sale of Total Airport Services, or TAS. It was sold to Alliance Ground International. This will represent the departure of the CCR Group from the North American market. This move is in line with the Company's strategic focus, as well to as our capital allocation strategy.

Another important achievement was the signing of the addendum terms number 5 and 6 between the VLT Carioca, or the light rail transit system, and the municipality of Rio de Janeiro. The purpose of addendum number 5 was to include, in the scope of the agreement, the implementation operation and maintenance of the integration terminal called Terminal Intermodal Gentileza, or TIG, that is the acronym, and also the extension of the VLT system, or the light rail transit system in Rio from Rua do Equador to the area



of the Gas Meter, where the TIG will be implemented. This enables the integration between BRT, Transbrasil, the light rail transit system in Rio de Janeiro, and the bus system.

Addendum number 6 implemented the economic financial rebalancing of this concession agreement.

On June 29, 2021, we also signed the final agreement aimed at establishing the final amounts calculated from the calculations performed by our tests to each of the economic financial imbalances of the contracts that are the subject of the final agreement. They were acknowledged irrevocably and irreversibly in the preliminary agreement.

It also disciplines the responsibility of the parties and Artesp regarding the necessary measures for the termination of the claims that are in the final agreement, recognizing the remaining balance of the imbalance in favor of AutoBAn, and also the goal of promoting economic financial rebalancing by extending the term of validity of the AutoBAn concession agreement by 3911 days, with a term that will end on December 31, 2037.

With the signing of the final agreement, the parties then granted reciprocal waiver in relation to any current or future claims or disputes, which have as their objectives the events of economic and financial imbalance effectively rebalanced by the preliminary and the final agreements.

On that same date, amendment number 25 was signed with ViaOeste, which established the addition of new investments referring to the new access to the municipality of Osasco, in the state of Sao Paulo, and also on the works of the marginals, of Highway SP-280 between kilometers 23 and 32. The economic-financial rebalancing will be implemented by means of an extension of 380 days in the term of the ViaOeste concession agreement.

We were victorious in several projects in 2021, and the results were partially consolidated in 1Q22. We concluded important rebalancing, which required a long period of discussions and brought us even more legal certainty to continue implementing our growth strategy.

Now, I would like to talk a little bit about the recovery movement. This is a path that remains, as demonstrated in most recent data. When we compare the data on the same basis, it is worth highlighting the airport sector, which presented strong growth of 81.8% in passenger numbers in 1Q22 when compared to the same period of last year. For that same period, the volume of passengers transported in our urban mobility projects showed a significant growth of 39.7%. Another positive news is that the vehicle traffic in our highways grew by 6.2% this quarter.

On May 10, we reported our monthly performance for April 2022. When compared to the same period of last year, this grew by 11.7%, 108.2%, and 141.8%, respectively, for highways, urban mobility and airports. This data corroborates the path of recovery and growth of our portfolio.

Our financial position remains solid, and there is plenty of room to leverage new opportunities, which is at the heart of our strategy. We finished this quarter with a sound cash position, and we presented a leverage measured by the net debt to EBITDA ratio



of 1.8x, a level which is below the 3x observed and 4Q21. This EBITDA already takes into account the costs of lines 8 and 9 and airports, the South and Central blocks. These projects contributed to partial cash generation and 1Q22.

We continue with an active management of our debt levels. We finished 1Q22 with R\$3.8 billion, in addition to an operation of US\$130 million, including funding and refinancing, the vast majority of which began in 4Q21.

In 2021, we started anticipating several refinancing processes for 2022, and we have been able to complete, with great success. The goal is to optimize our debt management, and also to increase the duration of our debt.

Regarding dividends, we remain, and will remain to act diligently in managing our cash. Dividends paid in December 2021 and April 2022 totaled R\$330.4 million, representing a payout of 47.5% of 2021 results.

We remain very optimistic regarding the opportunities ahead, and once again, I reinforce the extensive pipeline in all the models we operate. In highways alone, we have the bidding or rebidding processes for 14 federal highways by 2023, in addition to the National Development Bank, or BNDES package, which has more than 6000 kilometers in length, and other state programs including CRT and Rodovias Integradas do Paraná.

Regarding state government projects, in Minas Gerais we have the Belo Horizonte beltway and two lots, the Triângulo Mineiro and South of Minas. These are highway concession programs.

On state highways, in the state of Rio Grande do Sul, we have 850 kilometers of highway in the public bidding process, and they are divided into two lots. As for state highways in Sao Paulo, we expect the publication of the request for proposals for the Noroeste Paulista lot and the Rodoanel Norte lot.

In the airport sector, several public bidding processes are planned for 2022. The process of the seventh round of concession for federal airports is in progress. The auction is expected to take place in the 3Q22.

In addition, the Brazilian Aviation Agency, or Anac, intends to rebid this year the airports of São Gonçalo do Amarante and Viracopos. For 2023, we have the eighth round of concessions for federal airports comprised by the Santos Dumont and Galeão airports, in Rio de Janeiro.

As for urban mobility in Sao Paulo, we have the bidding documents for concession of line 7 of the Metropolitan Train, CPTM, together with the TIC of Campinas. We also have the concession of CBTU in Minas Gerais, which is the subway system for Belo Horizonte, and other projects are under analysis, such as the subway in the Federal District, or Brasilia, and the VLT, also in Brasilia.

Finally, I would like to point out that in March we had our first ESG forum where the main objectives and results for the CCR Group were presented. In addition to the strategic sustainability objectives, 11 ESG KPIs are part of the composition of the executives' variable compensation, and they were drilled down to the Company reinforcing our transparency and commitment to this agenda. Our ESG masterplan is structured across our whole business.



Finally, it is worth emphasizing that we continue to work in a structured manner to define clear medium term goals for these KPIs, as well as concrete action plans to achieve them.

I would now like to give the floor to Ms. Flavia Godoy, who will present more details of our 1Q22 results.

Flavia Godoy:

Thank you, Waldo. Good afternoon, everyone. I would like to highlight the main IFRS figures for 1Q22. For the same base numbers, we exclude new projects and nonrecurring effects, as detailed in our earnings release.

Let us start with the highlights for this quarter. We highlight the vehicle traffic, which grew by 5.6% versus 1Q21. If we exclude traffic from Via Costeira, from Rodonorte, Nova Dutra and Rio-SP, this growth was of 6.2%.

This traffic performance, on a same base, was the result of a 10.6% growth in light vehicles, compared to the same period of last year, and also to the 2.5% growth in heavy vehicle traffic versus the same period of last year.

As a result, net revenue reached R\$2.4 billion in 1Q22, which represents an increase of 29.8% versus the same period of last year. Adjusted EBITDA increased by 30.7%, reaching R\$1.4 billion. The adjusted EBITDA margin reached 60.4%, a growth of 0.5 p.p. when compared to 1Q22.

This sound result demonstrates CCR's efforts to control costs and to maintain the operational efficiency, in a business with mostly fixed costs, and also in this pandemic environment, which had an impact and several business units.

Now taking a deep dive in costs, total costs decreased by 3.9% in 1Q22 versus 1Q21, reaching R\$1.8 billion. With the same base of comparison, cash costs totaled R\$1.7 billion, an increase of 33%. This increase was mainly due to the impact of profit sharing in 1Q22, with R\$101 million, when compared to an impact of R\$20.4 million rise in 1Q21, and also to receiving R\$38 million in 1Q21 related to the TAS cares act, something that was not repeated in 1Q22.

Same base net income was negative by R\$89.3 million in 1Q22, versus a positive result of R\$204 million and 1Q21. This negative result was mainly due to the increase in interest rates for loans, financing and debentures, as a result of the higher average annual CDI rate. There was an increase of 8.25 p.p. between these two periods, and also due to the higher debt levels of the Company. This is also due to non-recurring effects of Aeris and MSVia. Excluding the nonrecurring effects of Aeris and MSVia, via the result on a same basis would be a positive R\$89 million.

Regarding net debt, we reached R\$20.9 million in 1Q22, which represents an increase of 0.4%, and also a 54.3% when compared to 4Q21 and 1Q21, respectively.

I would like to conclude by highlighting that, in spite of the impact of the pandemic, which has a direct impact on our business, the Company has been able to deliver sound operating results, as one can see from a full analysis of our earnings release.



We would now like to open for a Q&A session. Operator, please proceed.

Victor Mizusaki, Bradesco BBI:

Good afternoon. Congratulations on your results. I have two questions. First is regarding CCR's positioning regarding your asset portfolio. In recent months, we have seen CCR announcing the merger from Quicko, and also the selling of TAS. Does it make sense to monetize the investment?

And also, regarding leveraging, the second question, 1Q, we have some regulatory changes and the positive impact of new concessions, the ramp up of new concessions. Could you comment a bit of CCR's leverage, excluding this regulatory impact and looking at the full year for new concessions? Thank you very much.

Waldo Perez:

Thank you, Victor. Regarding your first question, the CCR Group and its managers constantly review the assets portfolio based on our capital allocation strategy. Regarding Sann and any other asset that we own, we are always looking at opportunities. We are constantly analyzing, bringing partners. We are constantly looking at assets' possibilities, or looking at opportunities for disinvestment as well, always focusing on reallocating our capital as to reach the highest possible returns for the Company and its shareholders.

Regarding leveraging, we had considerable deleveraging, based not just on results, but also based on the Sao Paulo agreement. If you exclude this impact, our leveraging levels would have finished in 3.3x, which is still a very comfortable figure, below the cap established in our policies.

As you know, we have a policy. We do not want to go over 3x, unless this is approved by the Board, and unless we have a very clear strategy to go back below this level in a timeframe of 24 months.

So we still have a very solid position, and as I mentioned in my early comments, the impact of new concessions in terms of cash generation, this impact was still partial in 1Q, because these concessions took place in February, March this year. So throughout the next few months, this impact will become more relevant as these concessions evolve through time.

Victor Mizusaki:

Thank you very much.

Guilherme Mendes, JPMorgan:

Good morning, I have two follow up questions. First regarding projects, Waldo mentioned of future pipeline. What are you looking at closely?

And also, my second question is regarding CAPEX. We are looking at inflationary pressures around the world. Do you see any risk of a CAPEX review moving forward?



Waldo Perez:

Good afternoon, Guilherme, and thank you for your questions. Regarding our pipeline, the Company is constantly looking at new opportunities, whether in the primary or secondary markets.

Our timeline for public bidding processes, whether that is in airports, urban mobility and highways, is of public knowledge. Next week, we will have the bidding process for CRT. So yes, we are looking carefully at all opportunities. We are currently focusing on Brazil in the three segments we operate, and for each project we always analyze a risk-return matrix, and we make our decisions based on this analysis and based on the discussions in our committees and work groups. That is how we decide whether to move forward in the public bidding processes and how aggressive we will be. So, yes, we are still looking carefully and always focusing on sustainable growth.

Regarding CAPEX, there is certainly a global inflation pressure going on, and the CAPEX volume for 2022 is preserved. The Company, since the 2H20, when we were already foreseeing this inflation pressure, designed several initiatives to control costs. So we had some mid-term contracts that ensured prices, and in different cases, we even acquired supplies directly from manufacturers, and now we have 25 concessions, we have a central supply area, which leads to gains of scale. This is really helpful for us, of course.

Regarding tarmac, we also internalized some services such as the mixing of materials for our asphalt and the melting process. We also have higher quantities of milled products to reduce costs, and we are constantly looking at engineering as to optimize our projects and therefore reduce costs or investments. It is a challenge, but we are facing this challenge in a very sound manner.

Guilherme Mendes:

Thank you, Waldo, for your answers. Have a nice day.

Operator:

We now finish our Q&A session. I would like to give the floor once again to Mr. Waldo Peres for his final remarks.

Waldo Perez:

Thank you, operator. I would like to finalize by thanking everyone for joining this call and for your interest in our Company. I once again highlight that our investor relations team is constantly available.

See you soon. Thank you very much.

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