Financial Statements

Camargo Corrêa Infra Participações S.A.

December 31, 2018
with Independent Auditor's Report

Camargo Corrêa Infra Participações S.A.

Financial statements

December 31, 2018

Contents

São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1,909
Vila Nova Conceição
04543-011 - São Paulo - SP - Brasil

Tel: +55 11 2573-3000
ey.com.br

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil

Independent auditor's report on financial statements

To the Shareholders, Board of Directors and Officers of
Camargo Corrêa Infra Participações S.A.
São Paulo – SP

Opinion

We have audited the financial statements of Camargo Corrêa Infra Participações S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2018 and the statements of profit or loss, of comprehensive income (loss), of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Camargo Corrêa Infra Participações S.A. as at December 31, 2018, its financial performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 6.b to the financial statements, which indicates that the Company, through its indirect subsidiary Camargo Corrêa Infra Projetos S.A. Colombian unit, has an indirect interest of 55% in Consórcio CCC Ituango (the "Consortium") located in Colombia, which is engaged in construction in the Ituango Hydroelectric Project. The contractual term of this project was terminated without completion of such work due to the incidents between April and May 2018. The Consortium has been negotiating with the counterparty and has signed contractual amendments to mitigate the effects of this claim, and service continuity for work completion will depend on damage evaluation and approval by the counterparty.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

São Paulo, March 29, 2019.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

Camargo Corrêa Infra Participações S.A.

Statement of financial position
December 31, 2018 and 2017
(In thousands of reais - R$)

	Note	12/31/2018	12/31/2017
Assets			
Current assets			
Cash and cash equivalents	4	**3**	1
Marketable securities	4	**69**	5,116
Other receivables		**42**	5
Total current assets		**114**	5,122
Noncurrent assets			
Investments	6	**414,237**	305,286
Total noncurrent assets		**414,237**	305,286
Total assets		**414,351**	310,408
Liabilities and equity			
Current liabilities			
Trade accounts payable		**258**	-
Payroll, provisions and related charges	7	**121**	-
Related parties	5	**19**	2
Taxes payable		**18**	8
Income and social contribution taxes payable		**-**	12
Total current liabilities		**416**	22
Equity			
Capital	8	**473,666**	323,786
Other comprehensive income		**5,654**	-
Accumulated losses		**(65,385)**	(13,400)
Total equity		**413,935**	310,386
Total liabilities and equity		**414,351**	310,408

See accompanying notes.

Camargo Corrêa Infra Participações S.A.

Statement of profit or loss
Year ended December 31, 2018 and period from July 27 to December 31, 2017
(In thousands of reais - R$, except for loss per share)

	Note	12/31/2018	07/27/2017 to 12/31/2017
Operating expenses			
General and administrative expenses	9	**(2,524)**	(1)
Equity pickup	6	**(49,583)**	(13,501)
Loss before finance income (costs)		**(52,107)**	(13,502)
Finance income	10	**123**	147
Finance costs	10	**(1)**	(8)
Loss before income and social contribution taxes		**(51,985)**	(13,363)
Income and social contribution taxes			
Current	11	**-**	(37)
Loss for the year		**(51,985)**	(13,400)
Loss per share	8	**(0.22)**	(0.14)

See accompanying notes.

Camargo Corrêa Infra Participações S.A.

Statement of comprehensive income (loss)
Year ended December 31, 2018 and period from July 27 to December 31, 2017
(In thousands of reais - R$)

	Note	12/31/2018	07/27/2017 to 12/31/2017
Loss for the year		**(51,985)**	(13,400)
Other comprehensive income	6	**2,950**	-
Total comprehensive income (loss) for the year		**(49,035)**	(13,400)

See accompanying notes.

Camargo Corrêa Infra Participações S.A.

Statement of changes in equity
Year ended December 31, 2018 and period from July 27 to December 31, 2017
(In thousands of reais - R$)

	Note	Capital	Other comprehensive income	Accumulated losses	Total
Balances upon Company's incorporation (July 27, 2017)	1	1	-	-	1
Capital contribution – in investments		238,785	-	-	238,785
Capital increase with funds		85,000	-	-	85,000
Loss for the year		-	-	(13,400)	(13,400)
Balances as of December 31, 2017		323,786	-	(13,400)	310,386
Capital contribution – in investments	1 and 8	**149,880**	**-**		**149,880**
Transaction between the partners (reserve allocated)	6	**-**	**2,704**	**-**	**2,704**
Loss for the year		**-**	**2,950**	**(51,985)**	**(49,035)**
Balances as of December 31, 2018		**473,666**	**5,654**	**(65,385)**	**413,935**

See accompanying notes.

Camargo Corrêa Infra Participações S.A.

Statement of cash flows
Year ended December 31, 2018 and period from July 27 to December 31, 2017
(In thousands of reais - R$)

	12/31/2018	07/27/2017 to 12/31/2017
Cash flows from operating activities		
Loss before income and social contribution taxes	**(51,985)**	(13,363)
Adjustments to reconcile loss for the year with net cash from (used in) operating activities		
Equity pickup (Note 6)	**49,583**	13,501
Interest on marketable securities (Note 10)	**(128)**	(147)
(Increase) in operating assets		
Other receivables	**(37)**	(5)
Increase (decrease) in operating liabilities		
Trade accounts payable	**258**	-
Payroll, vacation and charges payable	**121**	-
Transactions with related parties	**17**	-
Taxes payable	**10**	8
Income and social contribution taxes payable	**-**	(26)
Cash used in operating activities	**(2,161)**	(32)
Income and social contribution taxes paid	**(12)**	-
Net cash used in operating activities	**(2,173)**	(32)
Cash flows from investing activities		
Marketable securities	**5,175**	(4,969)
Transactions with related parties	**(4,000)**	2
Contributions in investments	**-**	(80,001)
Dividends received	**1,000**	-
Net cash from (used in) investing activities	**2,175**	(84,968)
Cash flows from financing activities		
Capital increase	**-**	85,000
Net cash from financing activities	**-**	85,000
Increase in cash and cash equivalents	**2**	-
Cash and cash equivalents at beginning of year	**1**	1
Cash and cash equivalents at end of year	**3**	1

See accompanying notes.

1. Operations

Camargo Corrêa Infra Participações S.A. (the “Company”), formerly named E&C Engenharia, Construções e Participações S.A. was incorporated on July 27, 2017, with initial capital of R$1 thousand, divided into 1,000 (one thousand) registered common shares with no par value. The Company is engaged in holding interests in other companies as a partner, shareholder or member, being able to incorporate, organize and acquire these entities; and managing own assets or providing services relating to advisory and management of third-party assets and businesses, and other related activities.

On March 30, 2018, holding company Camargo Corrêa Construções e Participações S.A. (“CCCP”) partially split-off the assets, rights and obligations of subsidiary Construções e Comércio Camargo Corrêa S.A. (“CCCC”) at book value based on the statement of financial position of February 28, 2018, with transfer of the split-off portion of the net assets of CCCC to indirect subsidiaries Camargo Corrêa Infra Construções S.A. (“CCIC”) and Camargo Corrêa Infra Projetos S.A. (“CCIP”) in the total amount of R$149,880.

Subsequently, CCCP paid R$149,880 referring to the investments in CCIP and CCIC as capital increase in CCCC, at book value. CCCC paid R$149,880, with the transfer of interest in the Company, as capital increase in the Company (“Note 8”).

The Company presented loss for the years ended 2018 and 2017, mainly due to restructuring actions to establish the companies of the CCInfra Group set up by the Company, and by its subsidiaries Camargo Corrêa Infra Projetos S.A. and Camargo Corrêa Infra Construções S.A. The operations for the year correspond to legacy projects, received through the spin-off mentioned above, which are in the closing phase. The new agreements of the Group set forth improvements in the profitability of its operations for the coming years.

2. Presentation of the financial statements

The financial statements were prepared in accordance with the accounting policies adopted in Brazil, which encompass corporate legislation and the standards, guidance and interpretations issued by the Brazilian FASB (CPC) and approved by Brazil’s National Association of State Boards of Accountancy (CFC). Company management presents all relevant information of the financial statements and this information corresponds to what is used by the Company in its management, in line with OCPC 07, issued by the CPC.

The Company adopted all standards, revised standards and interpretations issued by CPC effective at December 31, 2018.

2. Presentation of the financial statements (Continued)

The financial statements were prepared under the historical cost convention, except for certain financial instruments, measured at fair value, as described below. Historical cost is generally based on the fair value of the consideration paid in exchange for assets.

Company consolidated financial statements for the year ended December 31, 2018, prepared in accordance with the accounting practices adopted in Brazil, were presented separately (Note 3.7).

Estimates

The financial statements were prepared under various measurement bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors and on management's judgment to determine the appropriate amount to be recorded in the financial statements.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimate process. The Company reviews its estimates and assumptions at least once a year.

Management approved these financial statements for disclosure on March 29, 2019.

3. Summary of significant accounting practices

Significant practices adopted were as follows:

3.1. Cash and cash equivalents and marketable securities

Cash equivalents consist of short-term investments maturing within 90 days, or subject to repurchase commitments, promptly convertible into cash and with insignificant risks of change in value.

Marketable securities are represented by investments in repurchase agreements, classified as at fair value through profit or loss.

3. Summary of significant accounting practices (Continued)

3.2. Investments in subsidiaries

Investments in subsidiaries are accounted for under the equity method. In accordance with this method, investments are initially recorded at acquisition or buildup cost, and then adjusted for recognition of the Company's interest in profit or loss and other comprehensive income of the investees.

Gains and losses on equity interest in investees' profit or loss are presented in the Company's statement of profit or loss as equity pickup.

After the equity method is applied, management determines whether recognizing additional impairment of the Company's investment is required. At each statement of financial position date, the Company determines whether there is objective evidence of impairment of the investment in the subsidiary. If so, the Company calculates the impairment loss as the difference between the recoverable amount of the subsidiary and its book value, and recognizes such amount in the statement of profit or loss.

When there is loss of control over a subsidiary, the Company evaluates and recognizes the investment at this time at fair value, and the difference is recognized in profit or loss for the year.

3.3. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to their contractual provisions and are initially measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties on an arm's length basis. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities are accrued or deducted from the fair value of financial assets or liabilities, if applicable, after initial recognition, except for financial assets and liabilities recognized at fair value in the statement of profit or loss for the year.

3. Summary of significant accounting practices (Continued)

3.3. Financial instruments (Continued)

Financial assets

The classification of assets is determined upon initial recognition into the following categories:

(i) Financial assets at fair value through profit or loss correspond to assets held for trading. A financial asset is classified as held for trading if:

(a) Acquired primarily to be sold in the short term; or

(b) Upon initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and has a recent actual pattern of short-term profits; or

(c) It is a derivative that is not designated as an effective hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, and any resulting gains or losses are recognized in P&L. They are mainly represented by cash and cash equivalents and short-term investments.

Amortized cost is mainly represented by the financial asset receivable with fixed or determinable payments not quoted in an active market classified as "Amortized cost". Amortized cost is initially measured at fair value plus any directly attributable transaction costs. After initial recognition, this financial asset is measured at amortized cost using the effective interest rate method.

Derecognition (write-off) of financial assets

A financial asset (or, whenever the case, a portion of a financial asset or a portion of a group of similar financial assets) is written off when: a) the rights to receive cash flows from the asset have expired; b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to fully pay the cash flows received, without significant delay to a third party under an onlending agreement; and (i) the Company has transferred substantially all risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control over the asset.

3. Summary of significant accounting practices (Continued)

3.3. Financial instruments (Continued)

Derecognition (write-off) of financial assets (Continued)

When the Company has transferred its rights to receive cash flows from the asset or has executed an onlending agreement, and has neither transferred nor retained substantially all risks and rewards of the asset, an asset is recognized to the extent of the Company's continued involvement with the asset. In this case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations of the Company.

The continuous involvement as a guarantee over the transferred asset is measured at the original book value of the asset or by the maximum consideration required by the Company, whichever is lower.

Impairment test of financial assets

CPC 48 replaces the "incurred losses" model set out in CPC 38 for a prospective "expected losses" model. This new model applies to financial assets measured at amortized cost, except for investments in equity instruments and contractual assets.

The Company had no material effects on credit losses, given the favorable conditions of its counterparties.

Financial liabilities

These are classified as "Financial liabilities at fair value through profit or loss" or "Other financial liabilities".

(i) *Financial liabilities at fair value through profit or loss:* these are held for trading or designated at fair value through profit or loss. Changes in fair value are recognized in profit or loss for the year.

(ii) *Amortized cost:* this includes loans and financing initially measured at fair value, net of transaction costs. Subsequently, they are measured at amortized cost using the effective interest rate method, and finance cost is recognized based on the actual yield.

3. Summary of significant accounting practices (Continued)

3.3. Financial instruments (Continued)

Financial liabilities (Continued)

The effective interest rate method is used to calculate amortized cost of a financial liability and to allocate interest expenses for the respective period. The effective interest rate exactly discounts the estimated future cash flows over the estimated life of the financial liability.

Revenue is recognized based on effective interest for debt instruments not characterized as financial assets at fair value through profit or loss.

Net presentation of financial assets and liabilities

Financial assets and liabilities are presented net in the statement of financial position when, and only when, the entity currently has a legally enforceable right to offset the amounts recognized and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivatives are initially recognized at fair value on the contracting date and are subsequently remeasured at fair value at the end of each year. Any gains or losses are recognized in profit or loss immediately, unless the derivative is designated and effective as a "cash flow hedge"; in this case, recognition in profit or loss depends on the nature of the hedge relationship. The Company had no derivative financial instruments at December 31, 2018 and 2017.

3.4. Basic/diluted earnings (loss) per share

These are calculated by dividing net income (loss) for the year by the average number of outstanding shares during each fiscal year, in accordance with CPC 41 - Earnings per Share.

3. Summary of significant accounting practices (Continued)

3.5. Income and social contribution taxes

Current and deferred taxes

Income taxes include both income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a 10% surtax on taxable profit exceeding R$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore, additions to book income deriving from temporarily nondeductible expenses or exclusions from temporarily nontaxable income upon determination of current taxable profit generate deferred tax assets or liabilities. The Company does not record deferred tax assets, since there is no realization perspective, or deferred tax liabilities.

3.6. Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the Company's financial statements requires management to make judgments and estimates and to adopt assumptions that affect the amounts disclosed referring to revenues, expenses, assets and liabilities, as well as disclosures of contingent liabilities, at the statement of financial position date. However, uncertainty about these assumptions and estimates could lead to results that would require a material adjustment to the book value of assets or liabilities affected in future periods.

Estimates and assumptions

There are no key assumptions about sources of uncertainty in future estimates and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the book value of assets and liabilities in the next financial year.

Impairment of nonfinancial assets

An impairment loss exists when the book value of an asset of cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. Fair value less cost to sell is calculated based on information available about similar assets sold or market prices less additional costs to dispose of the asset item.

3. Summary of significant accounting practices (Continued)

3.6. Significant accounting judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

Taxes

There are uncertainties related to the interpretation of complex tax regulations and to the amount and timing of future taxable profits. Given the broad aspect of international business relationships and the long-term nature and complexity of existing contractual agreements, differences between the actual results and the assumptions made, or future changes in such assumptions, could require future adjustments to tax income and expenses already recorded.

Provisions for tax, civil and labor contingencies

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainties underlying their estimation process. The Company reviews its estimates and assumptions on a monthly basis.

3.7. Consolidated financial statements

The Company opted not to prepare the consolidated financial statements, as permitted by CPC 36 (R3) - Consolidated Financial Statements, since (a) the Company is a wholly-owned subsidiary, and the parent company has no objection; (b) there are no equity or debt instruments traded on the open market, nor is there an IPO process; and (c) the parent company will prepare and publish the consolidated financial statements in accordance with the CPC's accounting pronouncements.

3.8. New, revised standards and interpretations issued (IFRS)

The Company decided not to early adopt any other standards, interpretations or amendments that were issued but are not yet effective. The nature and impact of each of the new standards and amendments are described as follows:

(In thousands of reais - R$)

3. Summary of significant accounting practices (Continued)

3.8. New, revised standards and interpretations issued (IFRS) (Continued)

Standard	Description	Effective period
CPC 06 (R2) - Leases	CPC 06 (R2) Leases is related to international standard IFRS 9 and refers to the definition and guidance for lease agreements provided for in IAS 17.	Annual periods beginning on or after January 1, 2019.
ICPC 22 - Uncertainty Over Income Tax Treatments	ICPC 22 is related to international standards – IFRIC 23 and addresses the recognition of income taxes in cases where tax treatment involves uncertainty that affects the application of IAS 12 (CPC 32) and does not apply to taxes outside the scope of IAS 12, nor does it specifically include the requirements relating to interest and fines associated with uncertain tax treatment.	Annual periods beginning on or after January 1, 2019.

The Company intends to adopt the new standards and/or amendments on the required effective date based on the method applicable to each pronouncement, which may be presented retrospectively or prospectively. In the Company's preliminary assessment, these amendments are not expected to have a significant impact on its financial statements.

4. Cash and cash equivalents and marketable securities

	Cash and cash equivalents		Marketable securities	
	12/31/2018	**12/31/2017**	**12/31/2018**	**12/31/2017**
Cash and banks	**1**	1	**-**	-
Repurchase agreements	**2**	-	**69**	5,116
Total	**3**	1	**69**	5,116

At December 31, 2018, investments in Repurchase Agreements yielded 97.5% (50% at December 31, 2017) of the Interbank Deposit Certificate (CDI).

5. Related parties

Transactions with related parties amounting to R$19 refer to expenses with administrative services relating to the shared service center.

Management compensation is disclosed in Note 9.

(In thousands of reais - R$)

6. Investments

	Total interest held in capital (%)		Investees' data – Equity		Investees' data – Net income (loss)		Other comprehensive income		Equity pickup		Investment balance	
	12/31/2018	**12/31/2017**	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017 (a)**	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
Subsidiaries:												
Camargo Corrêa Infra Projetos S.A. (b)	**100.00**	100.00	**190,202**	69,220	**571**	(2,325)	**2,950**	-	**571**	(2,325)	**190,202**	69,220
Camargo Corrêa Infra Construções S.A.	**100.00**	100.00	**224,035**	236,066	**(50,154)**	(11,176)	**-**	-	**(50,154)**	(11,176)	**224,035**	236,066
							2,950	-	**(49,583)**	(13,501)	**414,237**	305,286

(a) Equity pickup beginning on October 1, 2017.

(In thousands of reais - R$)

6. **Investments** (Continued)

Changes in investments accounted for under the equity method:

Balance at December 31, 2016	-
Investment subscription Camargo Corrêa Infra e Construções S.A.	197,242
Investment subscription Camargo Corrêa Infra e Projetos S.A.	41,544
Capital contribution in cash - Camargo Corrêa Infra e Construções S.A.	50,000
Capital contribution in cash - Camargo Corrêa Infra e Projetos S.A.	30,001
Equity pickup (c)	(13,501)
Balance at December 31, 2017	305,286
Capital increase – spin-off (Note 8)	**149,880**
Capital increase in cash (FCC)	**4,000**
Other comprehensive income	**2,950**
Other comprehensive income - investment split-off	**2,704**
Equity pickup	**(49,583)**
Dividends received (a)	**(1,000)**
Closing balance at December 31, 2018	**414,237**

(a) On October 14, 2018, the Board of Directors approved payment of dividends amounting to R$1,000 by subsidiary CCIN.

(b) Camargo Corrêa Infra Projetos S.A. - Colombian unit has an indirect interest of 55% in Consórcio CCC Ituango (the "Consortium") located in Colombia, which is engaged in construction in the Ituango Hydroelectric Project. The deadline for work completion was December 28, 2018. Between April and May 2018, there were serious incidents, which resulted in obstruction of the Cauca river diversion tunnel and water impoundment, suspending the work originally contracted. The contractual term of this project was terminated without completion of such work, but the Consortium has been carrying out contingency work to mitigate the effects of this incident, duly formalized through contractual amendments (AMBs) with the contracting party (currently AMB34 is in force with deadline for June 2019). In addition, the Consortium has been devoting every effort with the contracting party to evaluate the damage caused and any services to be rendered for work completion.

7. Payroll, provisions and social contributions

	2018	**2017**
Social Security Tax (INSS)	**40**	-
Withholding Tax on salaries	**81**	-
	121	-

8. Equity

Capital

As at December 31, 2018, capital amounts to R$473,666 (R$323,786 at December 31, 2017), represented by 238,786,423 registered common shares with no par value at December 31, 2018 and 2017.

On March 30, 2018, the shareholders approved a capital increase in the Company amounting to R$149,880, with no issue of new shares, by crosschecking interests held to book value on February 28, 2018, in wholly-owned subsidiaries Camargo Corrêa Infra Projetos S.A. and Camargo Corrêa Infra Construções S.A. (Note 1).

Earnings (loss) per share

Reconciliation of net loss with amounts used to calculate basic loss per share is as follows:

	12/31/2018	**07/27/2017 to 12/31/2017**
Numerator		
Allocation of loss for the year to shareholders	**(51,985)**	(13,400)
Denominator		
Weighted average number of shares (in thousands)	**238,786,423**	95,515,169
Basic and diluted loss per share (in reais)	**(0.22)**	(0.14)

The Company has no convertible debt or stock options granted that could dilute earnings (loss) per share.

9. Information on the nature of expenses recognized in the statement of profit or loss

The Company presented its statement of profit or loss classifying expenses based on their function. Information on the nature of these expenses recognized in the statement of profit or loss is as follows:

	12/31/2018	**07/27/2017 to 12/31/2017**
Transportation, travel and meal expenses	**(23)**	-
Tax expenses	**(2)**	-
Management compensation (Note 5)	**(1,478)**	-
Third-party services	**(1,021)**	(1)
Total	**(2,524)**	(1)
General and administrative expenses	**(2,524)**	(1)

(In thousands of reais - R$)

10. Finance income/(costs)

	12/31/2018	07/27/2017 to 12/31/2017
Finance income		
Financial yield	**128**	147
Other finance income (*)	**(5)**	-
	123	147
Finance costs		
Bank charges	**(1)**	(8)
Finance income/(costs)	**122**	139

(*) Federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) on finance income.

11. Current income and social contribution taxes

Reconciliation of income and social contribution taxes

	12/31/2018	07/27/2017 to 12/31/2017
Loss before income and social contribution taxes	**(51,987)**	(13,363)
Rates (15% income tax, plus 10% surtax, and 9% social contribution tax)	**34%**	34%
Income and social contribution taxes at statutory rates	**17,676**	4,543
Adjustments to determine effective income and social contributions taxes:		
Permanent additions - equity pickup	**(16,859)**	(4,590)
Deferred tax assets not recorded on current income and social contribution tax losses	**(817)**	-
Portion exempted from surtax	**-**	10
Current income and social contribution tax expense	**-**	(37)

12. Financial instruments

12.1. Policy for taking out derivative financial instruments

Due to the financial obligations assumed by the Company, following guidelines established by the Board of Directors, derivative financial instruments may be taken out to minimize exchange and interest rate risks assumed from the operations, complying with exposure levels associated with those risks. As mentioned in Note 3.3, at December 31, 2018, the Company did not have derivative financial instruments.

(In thousands of reais - R$)

12. Financial instruments (Continued)

12.2. Financial instruments by category

Significant financial instruments and their amounts stated in the financial statements, by category, are as follows: Book value of these financial instruments are shown below:

	Fair value hierarchy	Category	12/31/2018	12/31/2017
Financial assets				
Cash equivalents and marketable securities (Note 4)	2	Fair value through profit or loss	**69**	5,116
Financial liabilities				
Transactions with related parties	2	Amortized cost	**19**	2

For the determination of fair values of financial instruments and investments measured at fair value through profit or loss, at the end of each year, the Company calculates these amounts based on information available in the futures market, in addition to consulting financial institutions with which the transactions were conducted. There are no significant differences between book value and fair value of the financial instruments.

Fair value hierarchy

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

Level 1: prices quoted (without adjustments) in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs that have a significant effect on the fair value recorded are observable, whether directly or indirectly;

Level 3: techniques using inputs that have a significant effect on the fair value recorded that are not based on observable market data.

For the year ended December 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements or transfers between Level 3 and Level 2 fair value measurements. The Company uses Level 2 of the fair value hierarchy, as defined by CPC 39.

(In thousands of reais - R$)

12. Financial instruments (Continued)

12.3. Exposure to interest rate risk

Interest rates on short-term investments are mostly related to CDI variation. This position is shown below:

	12/31/2018	12/31/2017
Assets		
CDI	**71**	5,107

The Company is exposed to floating interest rates and inflation indexes mainly related to CDI variations. Sensitivity analysis of these variations exposed to CDI variations is as follows:

Operation	Scenario 1	Scenario 2	Scenario 3
Exposure to floating rates (CDI increase)	5	3	2

Scenario 1 is considered by management to best reflect its expectations, calculated based on financial market projections for the calculation of future amounts of the transactions above, taking into account a 12-month maturity. Scenario 2 considers and increase in rates of 25% and in scenario 3 of 50% as compared with scenario 1.

12.4. Liquidity risk exposure

The Company's liquidity depends mainly on cash from operating activities, notably flow of dividends from subsidiaries and wholly-owned subsidiaries, shareholder contributions, and loans and financing from financial institutions. Liquidity risk management considers the assessment of liquidity requirements to ensure that the Company has sufficient cash to meet its capital and operating expenses, as well as for the payment of debts.

13. Additional information on cash flows

	12/31/2018	07/27/2017 to 12/31/2017
Noncash financing and investment transactions		
Capital increase – full subscription of subsidiaries' shares	**149,880**	238,786