

# **Consolidated Financial Statements**

## **Camargo Corrêa Infra Participações S.A. and Subsidiaries**

December 31, 2018  
with Independent Auditor's Report

# Camargo Corrêa Infra Participações S.A. and Subsidiaries

## Consolidated financial statements

December 31, 2018

## Contents

Independent auditor's report on consolidated financial statements .....	1
Audited financial statements	
Consolidated statement of financial position .....	5
Consolidated statement of profit and loss .....	6
Consolidated statement of comprehensive income .....	7
Consolidated statement of changes in equity .....	8
Consolidated statement of cash flows .....	9
Notes to consolidated financial statements .....	10

## **Independent auditor's report on consolidated financial statements**

The Shareholders, Board of Directors and Officers  
**Camargo Corrêa Infra Participações S.A.**  
São Paulo - SP

### **Opinion**

We have audited the accompanying consolidated financial statements of Camargo Corrêa Infra Participações S.A. ("Company"), which comprise the statement of financial position as at December 31, 2018 and the statements of profit and loss, of comprehensive income, of changes in equity and of 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 consolidated financial position of Camargo Corrêa Infra Participações S.A. as at December 31, 2018, and its consolidated financial performance and 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 consolidated 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 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 a matter**

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which indicates that the Company, through its indirect Colombian subsidiary Camargo Corrêa Infra Projetos S.A. has a 55% indirect interest in CCC Ituango Consortium (the "Consortium") located in Colombia, which is engaged in construction in the Ituango Hydroelectric Project. The contractual term of this project ended 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.



As mentioned in Notes 2 and 3.16, which describes accounting practices for the preparation of consolidated financial statements, the consolidated financial statements were prepared in Brazilian Reais. For the convenience of foreign users, the financial statements of December 31, 2018 were translated to US dollars (US\$) and Colombian pesos (COP). Such translation is performed only for the convenience of the users and should not be read as a declaration that the values in Brazilian Reais could be translated to US dollars and Colombian pesos or in any other currency. Accordingly, the consolidated financial statements may not serve other purposes. Our report is intended exclusively for the convenience of foreign users and should not be used for other purposes. Our opinion is not modified related to that subject.

## **Other matters**

### **Individual financial statements**

The Company prepared and presented separately a complete set of individual financial statements for the year ended December 31, 2018 in accordance with accounting practices adopted in Brazil, on which we issued a separate audit report on March 29, 2019, including the emphasis described in this report in the Emphasis of a matter paragraph.

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

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

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

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

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

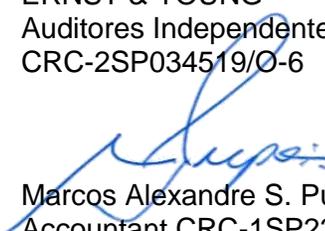


Building a better  
working world

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, August 14, 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. and Subsidiaries

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

Note	12/31/2018	12/31/2018	12/31/2018	12/31/2017	
	US\$	COP	R\$	R\$	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	23,114	75,009,213	89,561	5,588
Marketable securities	4	18	57,789	69	75,315
Trade accounts receivable	5	33,557	108,901,173	130,028	27,510
Inventories		3,981	12,919,598	15,426	215
Taxes recoverable		2,898	9,404,523	11,229	2,216
Related parties	6	1,755	5,694,305	6,799	13
Assets held for sale		1,198	3,887,772	4,642	753
Other receivables	7	5,830	18,919,598	22,590	10,434
<b>Total current assets</b>		<b>72,351</b>	<b>234,793,971</b>	<b>280,344</b>	<b>122,044</b>
<b>Noncurrent assets</b>					
Judicial deposits		-	-	-	136
Deferred income and social contribution taxes	12.b	612	1,984,925	2,370	-
Related parties	6	16,934	54,955,611	65,617	92,360
Other receivables	7	1,836	5,957,286	7,113	10,351
Property, plant and equipment	8	85,425	277,224,456	331,006	166,871
Intangible assets		11	36,851	44	61
<b>Total noncurrent assets</b>		<b>104,818</b>	<b>340,159,129</b>	<b>406,150</b>	<b>269,779</b>
<b>Total assets</b>		<b>177,169</b>	<b>574,953,100</b>	<b>686,494</b>	<b>391,823</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other accounts payable		15,162	49,204,355	58,750	22,041
Loans and financing	10	16,936	54,962,312	65,625	3
Payroll, vacation and charges payable	9	6,575	21,336,683	25,476	10,597
Taxes and contributions payable		2,107	6,836,683	8,163	2,624
Related parties	6	372	1,207,705	1,442	5,887
Advances from customers	11	13,859	44,974,037	53,699	-
Other obligations		571	1,854,271	2,214	19,958
<b>Total current liabilities</b>		<b>55,582</b>	<b>180,376,046</b>	<b>215,369</b>	<b>61,110</b>
<b>Noncurrent liabilities</b>					
Loans and financing	10	9,006	29,226,131	34,896	-
Deferred income and social contribution taxes	12.b	5,728	18,589,615	22,196	20,321
Provision for civil and labor contingencies		25	82,077	98	6
<b>Total noncurrent liabilities</b>		<b>14,759</b>	<b>47,897,823</b>	<b>57,190</b>	<b>20,327</b>
<b>Equity</b>					
Capital	13	122,243	396,705,194	473,666	323,786
Other comprehensive income		1,459	4,735,344	5,654	-
Accumulated losses		(16,874)	(54,761,307)	(65,385)	(13,400)
<b>Total equity</b>		<b>106,828</b>	<b>346,679,231</b>	<b>413,935</b>	<b>310,386</b>
<b>Total liabilities and equity</b>		<b>177,169</b>	<b>574,953,100</b>	<b>686,494</b>	<b>391,823</b>

See accompanying notes.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Consolidated statement of profit and loss

Year ended December 31, 2018 and period from July 27 to December 31, 2017

(In thousands of reais - R\$, except basic and diluted earnings per share)

		12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	Note	US\$	COP	R\$	R\$
Net service revenue	14	152,848	496,027,638	592,257	45,815
Cost of services	15	(146,326)	(474,860,134)	(566,983)	(47,211)
Gross profit (loss)		6,522	21,167,504	25,274	(1,396)
Operating income (expenses)					
General and administrative expenses	15	(21,298)	(69,118,090)	(82,527)	(19,263)
Other operating income (expenses), net	15	(2,712)	(8,801,508)	(10,509)	139
		(24,010)	(77,919,598)	(93,036)	(19,124)
Operating loss before finance income (costs)		(17,488)	(56,752,094)	(67,762)	(20,520)
Finance income (costs)	16				
Finance income		2,009	6,520,101	7,785	1,074
Finance costs		(2,535)	(8,226,131)	(9,822)	(396)
		(526)	(1,706,030)	(2,037)	678
Operating loss before income and social contribution taxes		(18,014)	(58,458,124)	(69,799)	(19,842)
Income and social contribution taxes					
Current	12	(2,829)	(9,180,905)	(10,962)	-
Deferred	12	7,426	24,100,503	28,776	6,442
Loss for the year		(13,417)	(43,538,526)	(51,985)	(13,400)
Basic/diluted loss per share	13	(0.06)	(182.33)	(0.22)	(0.14)

See accompanying notes.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Consolidated statement of comprehensive income

Year ended December 31, 2018 and period from July 27 to December 31, 2017

(In thousands of reais - R\$)

	<b>12/31/2018</b>	<b>12/31/2018</b>	<b>12/31/2018</b>	<b>07/27/2017 to</b>
	<b>US\$</b>	<b>COP</b>	<b>R\$</b>	<b>12/31/2017</b>
				<b>R\$</b>
Loss for the year	<b>(13,417)</b>	<b>(43,538,526)</b>	<b>(51,985)</b>	(13,400)
Other comprehensive income (loss)	<b>761</b>	<b>2,470,687</b>	<b>2,950</b>	-
Total comprehensive income (loss) for the year	<b>(12,656)</b>	<b>(41,067,839)</b>	<b>(49,035)</b>	(13,400)

See accompanying notes.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Consolidated 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 equity
Balance upon Company's incorporation (August 27, 2017)		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 at December 31, 2017		323,786	-	(13,400)	310,386
Capital contribution - in investments	13	149,880	-	-	149,880
Transaction between the partners (reserve allocated)	1	-	2,704	-	2,704
Loss for the year		-	2,950	(51,985)	(49,035)
Balances at December 31, 2018 - R\$		<b>473,666</b>	<b>5,654</b>	<b>(65,385)</b>	<b>413,935</b>
Balances at December 31, 2018 - COP		<b>396,705,194</b>	<b>4,735,344</b>	<b>(54,761,307)</b>	<b>346,679,231</b>
Balances at December 31, 2018 - US\$		<b>122,243</b>	<b>1,459</b>	<b>(16,874)</b>	<b>106,828</b>

See accompanying notes.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

### Consolidated 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	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Cash flow from operating activities				
Loss before income and social contribution taxes	(18,014)	(58,458,124)	(69,799)	(19,842)
Adjustments to reconcile loss before income and social contribution taxes with net cash from (used in) operating activities				
Depreciation and amortization (Note 15)	5,301	17,203,518	20,541	282
Reversal (set up) of provision for impairment - property, plant and equipment (Note 15)	(230)	(745,394)	(890)	7,615
Interest on marketable securities	(754)	(2,445,561)	(2,920)	(392)
Interest, monetary adjustments and exchange differences	2,624	8,516,750	10,169	(672)
Recognition of provision for losses, if any, net (Note 15)	1,084	3,516,750	4,199	-
Recognition of provision for labor contingencies	24	77,052	92	-
Loss on disposal of property, plant and equipment (Note 15)	3,356	10,891,122	13,004	19
Increase (decrease) in operating assets				
Trade accounts receivable	7,055	22,895,310	27,337	(1,278)
Inventories	74	238,693	285	(215)
Taxes recoverable	(999)	(3,241,206)	(3,870)	(2,216)
Transactions with related parties	2,889	9,376,047	11,195	(13)
Judicial deposits	35	113,903	136	(136)
Other receivables	(1,440)	(4,671,692)	(5,578)	(16,018)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	1,291	4,190,117	5,003	(5,384)
Payroll and vacation payable	(259)	(840,034)	(1,003)	3,791
Taxes and contributions payable	(647)	(2,100,503)	(2,508)	2,588
Transactions with related parties	(1,057)	(3,430,486)	(4,096)	1,479
Advances from customers	13,859	44,974,037	53,699	-
Other obligations	(3,706)	(12,027,638)	(14,361)	17,083
Cash from (used in) operating activities	10,486	34,032,661	40,635	(13,309)
Income and social contribution taxes paid	(3,266)	(10,598,827)	(12,655)	-
Interest paid on loans and financing	(2,030)	(6,588,777)	(7,867)	-
Net cash from (used in) operating activities	5,190	16,845,057	20,113	(13,309)
Cash flow from investing activities				
Cash from net assets received (Note 1)	3,704	12,019,263	14,351	9,262
Intercompany loans	1,498	4,860,972	5,804	-
Redemption of (investment in) marketable securities	20,173	65,465,662	78,166	(74,923)
Acquisition of property, plant and equipment and intangible assets	(1,769)	(5,740,369)	(6,854)	(683)
Cash from disposal of property, plant and equipment	3,353	10,881,072	12,992	582
Net cash from (used in) investing activities	26,959	87,486,600	104,459	(65,762)
Cash flow from financing activities				
Future capital contributions	-	-	-	85,000
Intercompany loans	-	-	-	(345)
Loans and financing obtained	5,272	17,108,878	20,428	21
Repayment of loans and financing	(16,170)	(52,476,548)	(62,657)	(18)
Net cash used in (generated from) financing activities	(10,898)	(35,367,670)	(42,229)	84,658
Effects of changes in currency rates on cash and cash equivalents	421	1,365,159	1,630	-
Increase in cash and cash equivalents for the year	21,672	70,329,146	83,973	5,587
Cash and cash equivalents at beginning of year	1,442	4,680,067	5,588	1
Cash and cash equivalents at end of year	23,114	75,009,213	89,561	5,588

See accompanying notes.

# Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements

December 31, 2018

(In thousands of Brazilian reais, unless otherwise stated)

## 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, comprising 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.

The corporate structure of CCInfra Group's businesses comprises the following wholly-owned subsidiaries:

- (a) Camargo Corrêa Infra Construções S.A. (“CCIC”), previously Camargo Corrêa Infraestrutura S.A., is mainly engaged in exploration of services in planning and performing civil construction and civil engineering projects, including earthworks, in the capacity as a contractor, carrying out management and other allowed services; construction, operation, maintenance and assembly of Power Lines, hydroelectric, thermal and wind power plants and photovoltaic solar panels; construction, operation, maintenance and assembly of gas and oil pipelines; provision of public utility services by concession; provision of public cleaning, environmental and urbanization services; provision of real estate management services; mining in general, by the company itself and/or through third parties, including the exploration and use of mines and trading of ore, including hydrocarbons; provision of services in waterway transportation and support and port operation services; provision of services in the industrial assembly of modules and maritime rigs for prospecting, producing and storing oil and gas and similar equipment; execution of technical civil engineering installations, industrial assembly; provision of services in consulting, planning, support and technical surveys and studies; representation, import, export, lease, sale and purchase of transportation equipment; exploration of activities in the naval industry, seeking to prepare projects, construction and execution of repairs, maintenance and modernization of vessels, including maritime rigs for prospecting, production and storage of oil and gas; planning and execution of any related and/or derived activities in connection with those described above; and direct or indirect interest in the capital of other entities whose business purpose is similar to that of the Company, as well as the organization of consortiums.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 1. Operations (Continued)

- (b) Camargo Corrêa Infra Projetos S.A. (“CCIP”) is mainly engaged in exploration of services in planning and performing civil construction and civil engineering projects, including earthworks, as a contractor, carrying out management and other allowed services; operation, maintenance and assembly of hydroelectric, thermal and wind power plants; operation, maintenance and assembly of gas and oil pipelines; provision of public utility services by concession; provision of public cleaning, environmental and urbanization services; provision of real estate management services; mining in general, by the company itself and/or through third parties, including the exploration and use of mines and trading of ore, including hydrocarbons; provision of services in waterway transportation and support; provision of port operation services; provision of services in the industrial assembly of modules and maritime rigs for prospecting, producing and storing oil and gas and similar equipment; execution of technical civil engineering installations, industrial assembly, consulting, planning and technical surveys and studies; representation; import; export; lease; sale and purchase of transportation equipment. The Company is also engaged in the exploration of activities in the naval industry, seeking to prepare projects, construction and execution of repairs, maintenance and modernization of vessels, including maritime rigs for prospecting, production and storage of oil and gas; and any related and derived activities in connection with those described in this Article. CCIP may also hold interests in other companies, incorporate, organize and acquire them, subject to legal provisions.

#### Reorganization

On March 30, 2018, holding company Camargo Corrêa Construções e Participações S.A. spun off the assets, rights and obligations of subsidiary Construções e Comércio Camargo Corrêa S.A. at book value based on the statement of financial position as at February 28, 2018, with the transfer of spun off assets totaling R\$149,880 - US\$38,681 - COP125,527,638 to indirect subsidiaries Camargo Corrêa Infra Construções S.A. and Camargo Corrêa Infra Projetos S.A. Immediately thereafter, holding company Camargo Corrêa Construções e Participações S.A. increased the capital of Construções e Comércio Camargo Corrêa S.A. with interests acquired by the subsidiaries after the spin-off, thus increasing the Company’s capital by R\$149,880 - US\$38,681 - COP125,527,638 without issuing new shares. The net spun-off assets substantially refer to:

	<u>02/28/2018</u>	<u>02/28/2018</u>	<u>02/28/2018</u>
	US\$	COP	R\$
Assets			
Equipment (Note 8)	38,996	126,552,764	151,104
Investment	23,652	76,757,119	91,648
Liabilities			
Loans and financing	(16,249)	(52,737,019)	(62,968)
Deferred income and social contribution taxes	(7,718)	(25,045,226)	(29,904)
Net spun-off assets	<u>38,681</u>	<u>125,527,638</u>	<u>149,880</u>

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 1. Operations (Continued)

#### Reorganization (Continued)

Subsidiary Camargo Corrêa Infra Projetos S.A. acquired a 100% interest in Colombian subsidiary Camargo Corrêa Infra Projetos S.A., by means of the spin-off of Construções e Comércio Camargo Corrêa S.A., as follows:

	02/28/2018	02/28/2018	02/28/2018
	US\$	COP	R\$
Current assets			
Cash and cash equivalents	3,704	12,019,263	14,351
Accounts receivable	33,804	109,703,519	130,986
Inventories	3,999	12,978,224	15,496
Other receivables	1,346	4,366,834	5,214
Noncurrent assets			
Deferred income and social contribution taxes	478	1,552,764	1,854
Other receivables	260	842,546	1,006
Property, plant and equipment (Note 8)	13,092	42,486,600	50,729
Intangible assets	2	5,025	6
Current liabilities			
Trade accounts payable	8,183	26,554,439	31,706
Loans and financing	10,100	32,776,382	39,135
Payroll, vacation and charges payable	4,099	13,301,508	15,882
Taxes and contributions payable	1,247	4,046,064	4,831
Other obligations	779	2,529,313	3,020
Noncurrent liabilities			
Loans and financing	7,927	25,725,293	30,716
Net assets - Colombia	24,350	79,021,776	94,352
Other comprehensive income	698	2,264,657	2,704
Net spun-off assets	<u>23,652</u>	<u>76,757,119</u>	<u>91,648</u>

Colombian subsidiary Camargo Corrêa Infra Projetos S.A. has an indirect interest of 55% in CCC Ituango Consortium (the "Consortium") located in Colombia, which is engaged in the construction of the Ituango Hydroelectric Power Plant. 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.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 1. Operations (Continued)

#### Reorganization (Continued)

The Company reported losses for the years ended 2018 and 2017, mainly due to reorganization efforts to establish the CCIInfra Group companies, comprising the Company and its subsidiaries. The operations for the year correspond to the legacy projects received through the aforementioned spin-off, 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. Basis of preparation of the consolidated financial statements

The consolidated financial statements were prepared in accordance with 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), except for conversion of financial statements to Colombian pesos (COP) and US dollars (US\$), as described in Note 3.16. 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 and its subsidiaries adopted all standards, revised standards and interpretations issued by CPC effective at December 31, 2018.

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

The Company's individual financial statements for the year ended December 31, 2018, prepared in accordance with the accounting practices adopted in Brazil, were presented separately and approved by management on March 29, 2019.

#### Estimates

The consolidated 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. The 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 estimation process. The Company and its subsidiaries review their estimates and assumptions at least once a year.

Management approved these consolidated financial statements for disclosure on August 14, 2019.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 2. Basis of preparation of the consolidated financial statements (Continued)

#### 2.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

The results of operations of the subsidiaries acquired during the year are included in the consolidated statements of profit or loss and of comprehensive income from the date of actual acquisition until the date of disposal, as applicable.

Whenever necessary, the subsidiaries' financial statements are adjusted to conform their accounting policies to those of the Company. All intra-group transactions, balances, revenue and expenses are fully eliminated in consolidated financial statements.

Subsidiaries included in the consolidated financial statements:

	12/31/2018		12/31/2017	
	Ownership interest %		Ownership interest %	
	Direct	Indirect	Direct	Indirect
	%	%	%	%
Camargo Corrêa Infra Construções S.A.	100.00	-	100.00	-
Camargo Corrêa Infra Projetos S.A.	100.00	-	100.00	-
Camargo Corrêa Infra Projetos - Colombian subsidiary	-	100.00	-	-

### 3. Summary of significant accounting policies

#### 3.1. Cash and cash equivalents and marketable securities

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

Marketable securities are represented by fixed income funds, exclusive funds and debentures, classified at: (a) fair value through profit or loss or (b) amortized cost. Securities classified at fair value have their effects recognized in profit or loss.

## **Camargo Corrêa Infra Participações S.A. and Subsidiaries**

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### **3. Summary of significant accounting policies (Continued)**

#### **3.2. Trade accounts receivable and allowance for doubtful accounts**

These are stated at realizable values. These also include amounts not billed through the statement of financial position date based on construction contracts, whose amounts are determined by the percentage-of-completion method.

They are recorded and held in the statement of financial position at the nominal value of securities, adjusted to present value, when applicable. The allowance for doubtful accounts is recorded based on the evaluation of the impact on estimated future credit losses. The Company deemed the effects of the first-time adoption of CPC 48 - Financial Instruments as immaterial.

#### **3.3. Inventories**

These comprise construction materials measured at average acquisition costs, which are lower than realizable values.

#### **3.4. Property, plant and equipment**

Property, plant and equipment are stated at cost, less depreciation and impairment, if applicable. Depreciation is recognized based on the useful life of each asset using the straight-line method or other systematic basis representing the time when economic benefits are used. Assets based on straight-line useful life have the following annual rates: real estate - 4%; machinery and equipment, vehicles, IT equipment and other - 10% to 30%; furniture and fixtures - 10%; and leasehold improvements, according to contractual terms. The useful lives of property, plant and equipment are annually valued. The Company depreciates machinery and equipment based on the number of hours the assets are actually used. This procedure reflects the pattern of use of expected economic benefits. At December 31, 2018, the Company, through a specialized company, reviewed the recoverable amount of assets and concluded that the effects were not material. No evidence was identified for changes in the useful lives of PP&E.

#### **3.5. Employee benefits**

Benefits granted to Company's employees and managing officers include, in addition to fixed compensation (salaries, social security contributions (INSS), vacation pay and 13th monthly salary), variable compensation, such as profit sharing and bonus payments. These benefits are posted to profit or loss for the year when the Company has a liability accounted for on an accrual basis, as incurred.

## **Camargo Corrêa Infra Participações S.A. and Subsidiaries**

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### **3. Summary of significant accounting policies (Continued)**

#### **3.6. Lease agreements**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company and its subsidiaries are capitalized at the commencement of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

When applicable, initial direct costs incurred in the transaction are added to the cost. Finance lease payments are apportioned between finance charges and a reduction of the finance lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company and its subsidiaries will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an expense in the statement of profit or loss on a straight-line basis over the lease term.

#### **3.7. Financial instruments**

Financial assets and liabilities are recognized when the Company and its subsidiaries become parties 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.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.7. Financial instruments (Continued)

##### Financial assets

The classification of assets is determined upon initial recognition in 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 and its subsidiaries jointly manage 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 profit or loss. They are mainly represented by cash and marketable securities.

- (ii) 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 its initial recognition, it is measured at amortized cost using the effective interest rate method. They are mainly represented by trade accounts receivable and transactions with related parties.

##### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when: a) the rights to receive cash flows from the asset have expired; b) the Company and its subsidiaries have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company and its subsidiaries have transferred substantially all the risks and rewards of the asset, or (b) the Company and its subsidiaries have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.7. Financial instruments (Continued)

##### Derecognition of financial assets (Continued)

When the Company and its subsidiaries have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, and they have neither transferred nor retained substantially all of the risks and rewards of the asset, the Company and its subsidiaries continue to recognize the transferred asset to the extent of their continuing involvement. In that case, the Company and its subsidiaries also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and its subsidiaries have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

##### Impairment test of financial assets

CPC 48 replaces the "incurred loss" approach of CPC 38 with a forward-looking "expected credit loss" approach. This new model applies to financial assets measured at amortized cost, except for investments in equity instruments and contractual assets.

The Company and its subsidiaries 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 "Amortized cost."

- (i) *Financial liabilities at fair value through profit or loss*: are those 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*: it 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.

## **Camargo Corrêa Infra Participações S.A. and Subsidiaries**

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### **3. Summary of significant accounting policies (Continued)**

#### **3.7. Financial instruments (Continued)**

##### Financial liabilities (Continued)

The effective interest rate method is used to calculate the amortized cost of a financial liability and allocate its interest expense over the applicable period. The effective interest rate is the rate that 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.

##### Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

##### Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into 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 and its subsidiaries had no derivative financial instruments at December 31, 2018 and 2017.

#### **3.8. Transactions in foreign currencies and functional currency**

Transactions in foreign currencies, i.e., in any currency other than the functional currency of each entity, are recorded at their respective currency spot rates at the date of each transaction. Monetary items denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at each reporting date.

## **Camargo Corrêa Infra Participações S.A. and Subsidiaries**

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### **3. Summary of significant accounting policies (Continued)**

#### **3.8. Transactions in foreign currencies and functional currency (Continued)**

Foreign exchange differences on monetary items are recognized in profit or loss for the year in which they arise, except for:

- Exchange differences on foreign currency loans and financing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency-denominated loans and financing.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized in “Other comprehensive income.”

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group’s foreign operations are translated into Brazilian reais using exchange rates prevailing at the end of the reporting period.

Income and expenses and other transactions affecting the equity of these operations abroad are translated at the average exchange rates for the period. Exchange differences arising from these translations, if any, are recognized in other comprehensive income and accumulated in equity.

#### **3.9. Construction contracts and onerous contracts**

Service revenue is recognized in accordance with the stage of completion method. Revenue comprises the initial amount agreed in the contract plus variations resulting from additional requests, complaints and contractual incentive payments, provided that it is virtually certain that they will result in revenue and can be reliably measured.

Contract revenue is recognized in the statement of profit or loss by reference to the stage of completion of the contract and the percentage of completion of each project (“POC”) in accordance with CPC 47. The costs of each contract are recognized in the statement of profit or loss for the period in which they are incurred, unless they determine an asset related to a future contract activity.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.9. Construction contracts and onerous contracts (Continued)

When the outcome of a construction contract may not be reliably estimated, the related revenue is recognized to the extent of the amount of costs incurred and expected to be recovered. When it is likely that total costs will exceed total contract revenue (characterizing an onerous contract), the loss relating to the excess between contracted revenue and estimated total cost is recognized immediately in profit or loss for the year in "Cost of services", matched against "Other obligations".

The amounts received prior to the completion of the related services are recorded in the statement of financial position in liabilities as "Advances from customers." The amounts billed or unbilled recorded based on the service performed per construction, but not yet paid by the customer, are recorded in the statement of financial position as "Trade accounts receivable" under assets.

In assessing the impacts of adopting CPC 47 on January 1, 2018, management concluded that the Company and its subsidiaries already keep their accounts in accordance with this technical standard, since the performance obligations are recognized according to each contract and related amendments. Management believes that there were no significant changes in determining the impacts of contractual amendments when they are considered a separate contract, a part of the original contract or a termination of the original contract and the creation of a new one.

According to management, the Company and its subsidiaries continue to meet at least one of the criteria necessary for the continued recognition of revenue over time.

For CCC Ituango Consortium located in Colombia, mainly engaged in the performance of civil works at the Ituango Hydroelectric Power Plant, revenue was recognized until April 2018 using the physical progress of the works, as approved by the client. With the incident mentioned in Note 1, the conditions for contract performance have changed and revenue has now been recognized according to the materials used.

#### 3.10. Impairment of tangible assets

At the end of each year, the Company and its subsidiaries review their tangible assets with a finite useful life to determine if there is any indication that such assets have been impaired. If there is any indication, the asset's recoverable amount is estimated for the purpose of identifying the need to record a provision for loss. When it is not possible to estimate the recoverable amount of an asset individually, the Company and its subsidiaries calculate the recoverable amount of the cash-generating unit to which the asset belongs.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.10. Impairment of tangible assets (Continued)

If the recoverable amount of a calculated asset is lower than its book value, the book value of the asset is reduced to its recoverable amount. Impairment loss is recognized immediately in the statement of profit or loss.

#### 3.11. Income and social contribution taxes

##### 3.11.1. Current taxes

Income taxes comprise both income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a surtax of 10% 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; thus, for purposes of deriving taxable profit, temporarily nondeductible expenses added to accounting profit or temporarily nontaxable revenues excluded therefrom generate deferred tax assets or liabilities.

##### 3.11.2. Deferred taxes

Deferred taxes arise from temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their book values. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.11. Income and social contribution taxes (Continued)

##### 3.11.2. Deferred taxes (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### 3.12. Basic/diluted loss per share

This is calculated by dividing the profit (loss) for the year by the weighted average number of shares outstanding during the year, in accordance with CPC 41 - Earnings per Share.

#### 3.13. Significant accounting judgments, estimates and assumptions

##### Judgments

The preparation of the financial statements of the Company and its subsidiaries requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### *Impairment of nonfinancial assets*

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of fair value less costs to sell is based on information available on sales transactions of similar assets or market prices less additional costs for the disposal of the asset.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.13. Significant accounting judgments, estimates and assumptions (Continued)

##### Estimates and assumptions (Continued)

##### *Impairment of nonfinancial assets* (Continued)

The Company and its subsidiaries engaged a specialized company for the purpose of measuring the recoverable amount of significant PP&E at the end of the year ended December 31, 2018. The study considered a fair value analysis based on asset replacement costs and market value less costs to sell the asset.

##### *Revenue recognition, margin of construction contracts and provisions for contracts*

Construction contracts correspond to construction carried out, and gross revenue is recognized in profit or loss based on the percentage of work performed through to the reporting date and calculated using the proportion of costs incurred, as opposed to total estimated costs of the contract (POC), as set forth in CPC 47 - Revenue from Contracts with Customers.

When a review of the estimated outcome of the contracts indicates that total contract costs exceed total contract revenue, the estimated loss is immediately recognized as an expense in profit or loss for the year.

The estimated outcome of contracts is reviewed monthly over the contract period and represents the best estimate of future economic contract benefits, in addition to associated risks and obligations.

##### *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given 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.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.13. Significant accounting judgments, estimates and assumptions (Continued)

##### Estimates and assumptions (Continued)

##### *Provisions for tax, civil and labor contingencies*

The Company and its subsidiaries recognize a provision for civil and labor proceedings. The likelihood of loss is assessed based on available evidence, the hierarchy of laws, available case law, recent court rulings and their relevance in the legal system, as well as the evaluation of outside legal advisors. Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

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 estimation process. The Company and its subsidiaries review their estimates and assumptions once a month.

#### 3.14. Consortia

According to CPC 19 (R2) - Joint Arrangements, interests in consortia are classified as joint arrangements with their assets, liabilities, revenues and expenses recognized line by line in asset and liability and profit or loss accounts, proportionally to the percentage of interest in each consortium.

#### 3.15. New, revised standards and interpretations issued

The Company and its subsidiaries decided not to early adopt any other standard, interpretation or amendment issued but not yet in force. The nature and effectiveness of each of the new standards and amendments are described below:

<b>Pronouncement</b>	<b>Description</b>	<b>Effectiveness</b>
CPC 06 (R2) - Leases	Correlation to international financial reporting standards - IFRS 16. It refers to the definition and guidance regarding lease contracts under IAS 17.	Annual periods beginning on or after January 1, 2019.
ICPC 22 - Uncertainty Over Income Tax Treatments	Correlation to international financial reporting standards - IFRIC 16. It 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.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 3. Summary of significant accounting policies (Continued)

#### 3.15. New, revised standards and interpretations issued (Continued)

The Company and its subsidiaries intend 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. The Company and its subsidiaries do not initially expect these amendments to have a significant impact on their financial statements.

#### 3.16. Convenience Conversion to US Dollars (US\$) and Colombian Pesos (COP)

The consolidated financial statements were prepared originally in Brazilian Reais. For convenience of the users, the consolidated financial statements of December 31, 2018 were translated to US dollars (US\$) and Colombian pesos (COP), at the exchange rate of R\$3,8748 for US\$1.00 and R\$0.001194 for COP1.00, as of December 31, 2018. The purpose of translation is only for convenience of the users and should not be read as a declaration that the values in Brazilian Reais could be translated to US dollars and Colombian pesos or in any other currency.

### 4. Cash and cash equivalents

	Cash and cash equivalents				Marketable securities			
	12/31/2018	12/31/2018	12/31/2018	12/31/2017	12/31/2018	12/31/2018	12/31/2017	12/31/2017
	US\$	COP	R\$	R\$	US\$	COP	R\$	R\$
Cash and banks	845	2,742,881	3,275	50	-	-	-	-
Repurchase agreements	4,636	15,043,551	17,962	-	-	-	-	71,809
Exclusive funds	119	385,260	460	2,496	-	-	-	3,506
Bank Deposit Certificate (CDB)	1,067	3,461,474	4,133	3,042	18	57,789	69	-
Investments abroad:								
Fiduciary rights	16,447	53,376,047	63,731	-	-	-	-	-
Total	23,114	75,009,213	89,561	5,588	18	57,789	69	75,315

Short-term investments correspond to transactions held with first-tier national financial institutions in CDBs. These transactions mostly yield based on the CDI variation, under normal market conditions and rates.

At December 31, 2018, the repurchase agreements and exclusive funds yield interest between 50% and 99.65% (50% and 115% at December 31, 2017) of the Interbank Deposit Certificate (CDI), mainly comprising fixed income investments, National Treasury Bills and Financial Treasury Bills.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 4. Cash and cash equivalents (Continued)

Investments in foreign currency are made by Colombian subsidiary Camargo Corrêa Infra Projetos S.A. These are denominated in Colombian pesos (COP) and yield interest at an average 0.28% per month (1.21% per month at December 31, 2017).

The exclusive fund is administered by Banco Itaú, which invests in fixed income, government bonds (SELIC Treasury (LFT) and Fixed Treasury (LTN)), debentures and financial bills of first-tier banks.

### 5. Trade accounts receivable

#### Breakdown of accounts receivable

	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
National service provision - unbilled	7,807	25,335,846	30,251	15,525
National service provision - billed balances	2,191	7,111,390	8,491	11,985
Service provision abroad - billed balances	23,851	77,401,173	92,417	-
Subtotal	33,849	109,848,409	131,159	27,510
	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
Allowance for doubtful accounts	(292)	(947,236)	(1,131)	-
Total	33,557	108,901,173	130,028	27,510

#### Aging list of accounts receivable

	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
Unbilled	7,807	25,335,846	30,251	15,525
Falling due	25,471	82,659,966	98,696	10,189
Overdue - 0 to 30 days	21	67,002	80	-
Overdue - 31 to 60 days	14	46,064	55	595
Overdue - 61 to 90 days	161	523,451	625	1,069
Overdue - 91 to 180 days	232	752,931	899	132
Overdue - Above 181 days	143	463,149	553	-
Total	33,849	109,848,409	131,159	27,510

#### Changes in allowance for doubtful accounts

	2018	2018	2018	2017
	US\$	COP	R\$	R\$
Balances at beginning of year	-	-	-	-
Set up (Note 15)	(292)	(947,236)	(1,131)	-
Balances at end of year	(292)	(947,236)	(1,131)	-

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 6. Related parties

	Current assets		Noncurrent assets		Current liabilities	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Services provided abroad						
CCC Ituango Consortium	110	-	-	-	-	-
Reimbursement of costs						
Construções e Comércio Camargo Corrêa S.A.	6,677	-	-	-	-	1,028
Camargo Corrêa Naval Participações S.A.	12	13	-	-	-	-
Intercompany loan						
Construções e Comércio Camargo Corrêa S.A. (a)	-	-	65,617	92,360	-	-
Camargo Corrêa Construções e Participações S.A.	-	-	-	-	-	1
Accounts payable						
Camargo Corrêa Construções e Participações S.A.	-	-	-	-	234	4,752
São Lourenço Construction Consortium	-	-	-	-	186	25
Vexia Administradora Ltda	-	-	-	-	757	-
Mover Participações S.A.	-	-	-	-	233	-
Intercement Brasil S.A.	-	-	-	-	32	9
Camargo Corrêa Energia e Indústria S.A.	-	-	-	-	-	72
Total - R\$	6,799	13	65,617	92,360	1,442	5,887
Total - COP	5,694,305		54,955,611		1,207,705	
Total - US\$	1,755		16,934		372	

(a) These represent intercompany loan agreements with no fixed maturity, with interest of 3% per annum (p.a.).

	Revenue		Expense	
	12/31/2018	07/27/2017 to 12/31/2017	12/31/2018	07/27/2017 to 12/31/2017
Administrative services				
CCC Ituango Consortium	253	-	-	-
Construction services				
São Lourenço Construction Consortium	16,325	41,001	-	-
Intercement Brasil S.A.	-	-	(36)	(282)
CCR - Conces. Sist. Anhanguera-Bandeirantes	15,967	-	-	-
Administrative services				
Construções e Comércio Camargo Corrêa S.A.	5,047	374	(111)	(5,753)
Camargo Corrêa Construções e Participações S.A.	-	-	(155)	-
Camargo Corrêa Naval Participações S.A.	76	-	-	-
Camargo Corrêa Energia e Indústria S.A.	-	-	(20)	-
Mover Participações S.A.	-	-	(312)	-
Vexia Administradora Ltda.	-	-	(1,513)	-
Instituto Camargo Corrêa	4	-	-	-
Sistema Produtor São Lourenço S.A.	22	-	-	-
São Lourenço Construction Consortium	-	-	(6)	-
Interest on intercompany loan				
Camargo Corrêa Construções e Participações S.A.	2,433	672	-	-
Construções e Comércio Camargo Corrêa S.A.	189	-	-	-
Total - R\$	40,316	42,047	(2,153)	(6,035)
Total - COP	33,765,494		(1,803,183)	
Total - US\$	10,405		(556)	

Management compensation is disclosed in Note 15.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 7. Other receivables

	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
Advances to suppliers	1,843	5,979,899	7,140	2,074
Accounts receivable from consortia (a)	1,691	5,489,112	6,554	1,482
Accounts receivable from third parties	878	2,848,409	3,401	368
Prepaid expenses (b)	3,409	11,060,302	13,206	15,789
Contractual withholdings with customers	336	1,090,452	1,302	1,072
Other	301	978,224	1,168	-
Subtotal	8,458	27,446,398	32,771	20,785
Allowance for doubtful accounts (a) (Note 15)	(792)	(2,569,514)	(3,068)	-
Total	7,666	24,876,884	29,703	20,785
Classified in current assets	5,830	18,919,598	22,590	10,434
Classified in noncurrent assets	1,836	5,957,286	7,113	10,351
	7,666	24,876,884	29,703	20,785

(a) At December 31, 2018, it refers to prepayments to consortia above the percentage interest held by the parent company Camargo Corrêa Infra Construções S.A., particularly to consortia Ituango Hydroelectric Power Plant R\$1,704 - US\$440 - COP1,427,136, Corredor Bileo Soares R\$918 - US\$237 - COP768,844 (R\$486 in 2017), BRT Salvador R\$541 - US\$140 - COP453,099 and Terminal de Itaquera R\$3,067 - US\$792 - COP2,568,677 (R\$993 in 2017), and for this an allowance for doubtful accounts was set up.

(b) This refers to the premium paid for the surety bond insurance obtained by subsidiary Camargo Corrêa Infra Projetos S.A. for the period from August 11, 2017 to June 4, 2022, for the Transmission Line projects.

### 8. Property, plant and equipment

	12/31/2018		12/31/2017	
	Cost	Accumulated depreciation	Residual	Residual
Properties	592	-	592	-
Machinery and equipment	504,743	(273,609)	231,134	145,475
Vehicles	193,559	(97,588)	95,971	19,972
IT equipment and other	937	(54)	883	67
Tooling	-	-	-	9
Furniture and fixtures	6,937	(5,535)	1,402	121
Construction in progress	1,024	-	1,024	1,227
Total - R\$	707,791	(376,785)	331,006	166,871
Total - COP	592,790,620	(315,566,164)	277,224,456	
Total - US\$	182,665	(97,240)	85,425	

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 8. Property, plant and equipment (Continued)

Changes in PP&E are as follows:

	US\$	COP	R\$
Balance at July 27, 2017	-	-	-
Additions	176	572,027	683
Write-offs	(155)	(503,350)	(601)
Depreciation	(73)	(236,181)	(282)
Increase through capital contribution	45,276	146,929,648	175,434
Provision for impairment (Note 15)	(1,965)	(6,377,722)	(7,615)
Transfer to "assets held for sale"	(193)	(626,466)	(748)
Balance at December 31, 2017	43,066	139,757,956	166,871
Additions	1,768	5,737,856	6,851
Write-offs	(6,709)	(21,771,357)	(25,995)
Depreciation	(5,294)	(17,180,067)	(20,513)
Foreign exchange differences	1,280	4,154,104	4,960
Increase through capital contribution (Notes 1 and 20)	38,996	126,552,764	151,104
Increase through investment (Notes 1 and 20)	13,092	42,486,600	50,729
Provision for impairment (Note 15)	230	745,394	890
Transfer to "assets held for sale"	(1,004)	(3,258,794)	(3,891)
Balance at December 31, 2018	85,425	277,224,456	331,006

### 9. Payroll, vacation and charges payable

	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
Accrued vacation pay and charges	3,184	10,330,820	12,335	6,638
Provision for profit sharing	795	2,581,240	3,082	-
Salaries payable	1,388	4,505,025	5,379	-
Social Security Tax (INSS)	293	950,586	1,135	1,411
Withholding Tax on salaries	602	1,954,774	2,334	1,175
Unemployment Compensation Fund (FGTS)	151	489,112	584	469
Other	162	525,126	627	904
Total	6,575	21,336,683	25,476	10,597

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 10. Loans and financing

Type	Maturity	Interest rate	12/31/2018	12/31/2018	12/31/2018	12/31/2017
			US\$	COP	R\$	R\$
<b>Local currency</b>						
FINAME	2024	3% to 10% p.a./TJLP	12,101	39,271,358	46,890	3
			12,101	39,271,358	46,890	3
<b>Foreign currency</b>						
Working capital	2019	3% p.a./IBR/DTF	7,202	23,371,022	27,905	-
Lease	2021	5% to 6% p.a./IPC	6,353	20,618,090	24,618	-
Other	2021	Fixed rates	286	927,973	1,108	-
			13,841	44,917,085	53,631	-
<b>Total</b>			<b>25,942</b>	<b>84,188,443</b>	<b>100,521</b>	<b>3</b>
Current			16,936	54,962,312	65,625	3
Noncurrent			9,006	29,226,131	34,896	-

At December 31, 2018, the aging list of noncurrent portions is as follows:

	US\$	COP	R\$
2020	3,063	9,937,186	11,865
2021	2,387	7,747,069	9,250
2022	2,215	7,189,280	8,584
2023 - 2024	1,341	4,352,596	5,197
<b>Total</b>	<b>9,006</b>	<b>29,226,131</b>	<b>34,896</b>

FINAME - Machinery and Equipment Financing.

TJLP - Long-term Interest Rate. Rate applicable for 2018 is 6.98% (7% in 2017).

IPC - Consumer Price Index - Colombia.

IBR - Benchmark Bank Index - Colombia.

DTF - Fixed Term Deposit Rate - Colombia.

#### Guarantees

In guarantee of FINAME BNDES financing arrangements, assignments in trust of the acquired equipment were granted.

For loans in foreign currency, the Consortium has a credit agreement that includes the following covenants during the term of the contract:

- Keep a financial indebtedness for working capital equal to or less than 200 billion Colombian pesos (\$201,000,000), including short-term financial debt. Financial indebtedness refers to credit transactions carried out with financial entities, obligations to shareholders or related parties, and obligations to third parties that have a financial cost.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 10. Loans and financing (Continued)

#### Guarantees (Continued)

- Keep a financial indebtedness on property, plant and equipment equal to or less than 221 billion Colombian pesos (\$221,000,000).

The covenants were fulfilled as at December 31, 2018.

### 11. Advances from customers

The Company, through its subsidiary Camargo Corrêa Infra Projetos S.A., had advances from customers related to the construction of Transmission Lines of Lots 13, 18, 21 and Piratininga Bandeirantes amounting to R\$53,699 - US\$13,859 - COP44,974,037 at December 31, 2018.

### 12. Deferred income and social contribution taxes

- a) Reconciliation of income and social contribution taxes as shown in the statement of profit or loss for the year:

	12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Loss before income and social contribution taxes	(18,014)	(58,458,124)	(69,799)	(19,842)
Rates (15% for income tax, plus 10% surtax, and 9% for social contribution tax)	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	6,125	19,876,047	23,732	6,746
Adjustments to derive effective income and social contributions taxes				
Nondeductible donations	(56)	(182,580)	(218)	-
Rate difference for foreign profit (loss)	(485)	(1,572,864)	(1,878)	-
Bonuses to managing officers	(614)	(1,990,787)	(2,377)	-
Other permanent additions and exclusions, net	(373)	(1,210,218)	(1,445)	(304)
P&L from deferred income and social contribution taxes	4,597	14,919,598	17,814	6,442
Income from current income and social contribution taxes	(2,829)	(9,180,905)	(10,962)	-
Income from deferred income and social contribution taxes	7,426	24,100,503	28,776	6,442

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 12. Deferred income and social contribution taxes (Continued)

- b) Breakdown of deferred income and social contribution taxes shown in the statement of financial position is as follows:

	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
<b>Assets:</b>				
Income and social contribution tax losses	6,886	22,343,384	26,678	5,830
Provisions for third-party services	806	2,616,415	3,124	27
Provision for profit sharing	270	877,722	1,048	457
Allowance for doubtful accounts (Note 15)	369	1,195,980	1,428	-
Provision for impairment (property, plant and equipment)	582	1,890,285	2,257	2,589
Other	512	1,662,479	1,985	46
	<b>9,425</b>	<b>30,586,265</b>	<b>36,520</b>	<b>8,949</b>
<b>Liabilities:</b>				
Unrealized profits - government agencies	75	242,881	290	63
PP&E useful life difference	14,466	46,948,074	56,056	29,207
	<b>14,541</b>	<b>47,190,955</b>	<b>56,346</b>	<b>29,270</b>
Net balance in noncurrent assets	612	1,984,925	2,370	-
Net balance in noncurrent liabilities	5,728	18,589,615	22,196	20,321

The temporary differences are expected to be realized within than ten years, according to economic or financial realization.

### 13. Equity

#### Capital

At December 31, 2018, capital amounts to R\$473,667 - US\$122,243 - COP396,705,194 (R\$323,786 at December 31, 2017), represented by 238,786,423 (238,786,423 at December 31, 2017) registered common shares with no par value.

On March 30, 2018, the shareholders approved a capital increase in the Company amounting to R\$149,880 - US\$38,681 - COP125,527,638, with no issue of new shares, by assigning interests, at the book value on February 28, 2018, held in wholly-owned subsidiaries Camargo Corrêa Infra Projetos S.A. and Camargo Corrêa Infra Construções S.A. (Note 1).

#### Income reserves

It represents 5% of net income for the year, complying with the limit established by law.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 13. Equity (Continued)

#### Equipment renewal reserve

A portion of 5% is allocated to the equipment renewal reserve, subject to a maximum limit of 30% of capital.

#### Dividends

Shareholders are entitled to minimum dividends of 25% of adjusted net income for each fiscal year, as defined in the Bylaws and the Brazilian Corporation Law.

#### Earnings per share

The reconciliation of net loss with amounts used to calculate basic and diluted earnings (loss) per share is as follows:

	12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Basic and diluted numerator				
Allocation of net loss for the period to shareholders	(13,417)	(43,538,526)	(51,985)	(13,400)
Basic and diluted denominator				
Weighted average number of shares	238,786,423	238,786,423	238,786,423	95,515,169
Basic/diluted loss per common registered share (in reais)	(0.06)	(182.33)	(0.22)	(0.14)

### 14. Revenue

	12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Gross service revenue - national	44,780	145,322,446	173,515	49,038
Gross service revenue - abroad	111,680	362,427,135	432,738	-
	156,460	507,749,581	606,253	49,038
Revenue deductions				
PIS and COFINS (*)	(1,229)	(3,987,437)	(4,761)	(1,517)
ISS (*)	(1,622)	(5,263,819)	(6,285)	(1,420)
Social Security Contribution (*)	(761)	(2,470,687)	(2,950)	(286)
	(3,612)	(11,721,943)	(13,996)	(3,223)
Total	152,848	496,027,638	592,257	45,815

(\*) The Company recognizes taxes levied on revenues based on prevailing tax rates and on an accrual basis, including PIS/COFINS, CPRB and ISS.

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
 December 31, 2018  
 (In thousands of Brazilian reais, unless otherwise stated)

### 15. Information on the nature of costs and expenses recognized in the statement of profit or loss

The Company presents its consolidated statement of profit or loss disclosing expenses by function. Information on the nature of expenses recognized in the statement of profit or loss is as follows:

	12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Depreciation and amortization	(5,301)	(17,203,518)	(20,541)	(282)
Consumables	(12,458)	(40,427,973)	(48,271)	(2,532)
Rental expenses and condominium fees	(6,076)	(19,717,755)	(23,543)	(3,553)
Transportation, travel and meal expenses	(1,374)	(4,458,961)	(5,324)	(615)
Insurance and guarantees	(864)	(2,803,183)	(3,347)	-
Tax expenses	(6,695)	(21,725,293)	(25,940)	-
Raw material and store and supplies	(38,543)	(125,083,752)	(149,350)	(17,407)
Other income (expenses), net	(458)	(1,485,762)	(1,774)	143
Reversal (set up) of provision for impairment (Note 8)	230	745,394	890	(7,615)
Allowances for doubtful accounts on other receivables (Note 7)	(792)	(2,569,514)	(3,068)	-
Allowances for doubtful accounts on accounts receivable (Note 5)	(292)	(947,236)	(1,131)	-
Management compensation	(3,342)	(10,846,734)	(12,951)	(787)
Salaries and employee benefits	(50,689)	(164,497,488)	(196,410)	(20,604)
Third-party services	(40,326)	(130,866,835)	(156,255)	(13,083)
Sale of property, plant and equipment	(3,356)	(10,891,122)	(13,004)	-
<b>Total</b>	<b>(170,336)</b>	<b>(552,779,732)</b>	<b>(660,019)</b>	<b>(66,335)</b>
Cost of services	(146,326)	(474,860,134)	(566,983)	(47,211)
General and administrative expenses	(21,298)	(69,118,090)	(82,527)	(19,263)
Other operating income (expenses), net	(2,712)	(8,801,508)	(10,509)	139
<b>Total</b>	<b>(170,336)</b>	<b>(552,779,732)</b>	<b>(660,019)</b>	<b>(66,335)</b>

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 16. Finance income (costs)

Finance income and costs are broken down as follows:

	12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Finance income				
Finance yield	987	3,204,355	3,826	392
Interest on intercompany loan (Note 6)	677	2,195,980	2,622	672
Foreign exchange gains	315	1,023,451	1,222	-
Other finance income	30	96,315	115	10
Total finance income	2,009	6,520,101	7,785	1,074
Finance costs				
Interest on loans	(1,602)	(5,199,330)	(6,208)	-
Bank fees	(541)	(1,754,606)	(2,095)	(36)
Tax on Financial Transactions (IOF)	(56)	(180,905)	(216)	(357)
Foreign exchange losses	(323)	(1,047,739)	(1,251)	-
Other finance costs	(13)	(43,551)	(52)	(3)
Total finance costs	(2,535)	(8,226,131)	(9,822)	(396)
Finance income (costs), net	(526)	(1,706,030)	(2,037)	678

### 17. Insurance

At December 31, 2018, the insurance policies cover several risks, such as engineering risks, construction, installation and assembly, civil liability and property damage, among others.

	2018	2018	2018	2017
	US\$	COP	R\$	R\$
Property damage	73,249	237,709,380	283,825	281,129
Engineering risk	299,772	972,829,146	1,161,558	652,247
Civil liability	29,591	96,030,151	114,660	69,400

The scope of our auditor's work does not include expressing an opinion on the sufficiency of the insurance coverage, which was determined by Company management and considered sufficient to cover any losses.

### 18. Employee benefits

The subsidiaries have a private pension plan in the form of defined contributions and, for the year ended December 31, 2018, the contribution was R\$901 - US\$233 - COP754,606 (R\$155 at December 31, 2017), recorded in "Payroll and vacation payable".

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 19. Financial instruments

#### 19.1. Capital risk management

Due to the financial obligations assumed by the Company and its subsidiaries, 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 3.7, at December 31, 2018, the Company and its subsidiaries did not have derivative financial instruments.

#### 19.2. Financial instruments by category

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

	Fair value hierarchy	Category of financial instruments	2018	2018	2018	2017
			US\$	COP	R\$	R\$
Financial assets						
Cash equivalents (Note 4)	2	Fair value through profit or loss	23,114	75,009,213	89,561	5,588
Marketable securities (Note 4)	2	Fair value through profit or loss	18	57,789	69	75,315
Accounts receivable - billed (Note 5)	2	Amortized cost	33,557	108,901,173	130,028	11,985
Transactions with related parties (Note 6)	2	Amortized cost	18,689	60,649,916	72,416	92,373
Financial liabilities						
Trade accounts payable	2	Amortized cost	15,162	49,204,355	58,750	22,041
Loans and financing	2	Amortized cost	25,898	84,046,064	100,351	3
Transactions with related parties (Note 6)	2	Amortized cost	372	1,207,705	1,442	5,887

For the determination of market values of financial instruments and investments measured at fair value through profit or loss, at the end of each period, 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.

#### Fair value hierarchy

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

*Level 1:* quoted (unadjusted) market prices in active markets for identical assets or liabilities;

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

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 19. Financial instruments (Continued)

#### 19.2. Financial instruments by category (Continued)

##### Fair value hierarchy (Continued)

*Level 3:* techniques using inputs that is significant to the recorded fair value 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 and its subsidiaries use Level 2 of the fair value hierarchy, as defined by CPC 39.

#### 19.3. Exposure to interest rate risks

The Company and its subsidiaries are exposed to floating interest rates and inflation indexes. Interest rates on short-term investments are mostly related to CDI fluctuation. These positions are shown below:

	12/31/2018	12/31/2018	12/31/2018	12/31/2017
	US\$	COP	R\$	R\$
Assets				
Cash equivalents and marketable securities				
CDI	6,594	21,399,497	25,551	76,509
SELIC	-	-	-	4,236
Liabilities				
Loans and financing				
TJLP	133	432,161	516	-
IBR	2,117	6,871,022	8,204	-
DTF	5,084	16,500,000	19,701	-
IPC	6,353	20,618,090	24,618	-

#### 19.4. Sensitivity analysis

The sensitivity analysis of financial instruments, of changes in significant assets and liabilities of the Company and its subsidiaries and of those exposed to CDI fluctuations is as follows:

Transaction	Scenario 1	Scenario 2	Scenario 3
Exposure to variable rates			
Cash equivalents and marketable securities - CDI	1,658	1,244	829
Finame - TJLP	36	45	54
Loans and financing - IBR	349	436	523
Loans and financing - DTF	926	1,157	1,389
Loans and financing - IPC	812	1,015	1,218

## Camargo Corrêa Infra Participações S.A. and Subsidiaries

Notes to consolidated financial statements (Continued)  
December 31, 2018  
(In thousands of Brazilian reais, unless otherwise stated)

### 19. Financial instruments (Continued)

#### 19.4. Sensitivity analysis (Continued)

Given the Company's position, the following scenarios were considered:

	Scenario 1	Scenario 2	Scenario 3
Cash equivalents and marketable securities	12-month market projection (best estimate)	25% decrease in rates	50% decrease in rates
Loans and financing	12-month market projection (best estimate)	25% increase in rates	50% increase in rates

### 20. Additional information on cash flows

	12/31/2018	12/31/2018	12/31/2018	07/27/2017 to 12/31/2017
	US\$	COP	R\$	R\$
Noncash financing and investment transactions				
Capital increase - full subscription of subsidiaries' shares (Note 1)	38,996	126,552,764	151,104	238,785
Capital increase through investment spin-off (Note 1)	23,652	76,757,119	91,648	-
Increase in property, plant and equipment through investment spin-off (Note 8)	13,092	42,486,600	50,729	-
Transfer of deferred income and social contribution taxes - property, plant and equipment spin-off	(7,718)	(25,045,226)	(29,904)	-
Loan transfer due to property, plant and equipment spin-off	(16,251)	(52,737,018)	(62,968)	-
Income tax recoverable - income tax paid abroad - Camargo Corrêa Infra Projetos - Colombia	(2,781)	(9,025,963)	(10,777)	-
Income tax recovered - income tax paid abroad - Camargo Corrêa Infra Projetos - Colombia	1,454	4,718,593	5,634	-