

VIX Logística S.A. and
VIX Logística S.A.
and subsidiary
companies

**Consolidated and individual interim
accounting information at March 31,
2018**

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Report on the review of quarterly information - ITR

To
The Board of Directors and Stockholders of
Vix Logística S.A.
Vitória - ES

Introduction

We have reviewed the individual and consolidated interim accounting information of Vix Logística S.A. ("the Company"), included in the quarterly information form - ITR for the quarter ended March 31, 2018, which comprises the balance sheet as of March 31, 2018 and the respective statements of income, comprehensive income, changes in stockholders' equity and cash flows for the three month period ended on the date, including the explanatory notes.

The Company's Management is responsible for the preparation of the interim accounting information in accordance with the CPC 21(R1) and the IAS 34 - Interim Financial Reporting, issued by the IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this interim accounting information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (*NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and *ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectively). A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

**Conclusion on the interim accounting information**

Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters**Statements of added value**

The individual company and consolidated statements of value added for the quarter ended March 31, 2018, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our opinion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, May 11, 2018

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ
(Original report in Portuguese signed by)
Marcelo Luiz Ferreira
Accountant CRC RJ-087095/O-7



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Vix Logística S.A.

Balance sheets at March 31, 2018 and December 31, 2017

(In thousands of Reais)

		Parent company		Consolidated	
Assets	Notes	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current assets					
Cash and cash equivalents	7	11,182	10,802	14,037	13,850
Securities	8	77,201	121,018	167,999	214,129
Accounts receivable	9	110,710	114,530	168,391	172,015
Accounts receivable from related parties	19	726	926	698	1,042
Inventories	10	12,043	11,433	14,497	14,128
Recoverable taxes	11	10,378	10,958	13,336	13,106
Recoverable income tax and social contribution		12,465	8,529	17,172	10,373
Other financial assets		332	546	1,737	2,503
Other Assets		6,509	2,617	8,419	3,481
Dividends receivable					
Operating assets held for sale	12	22,891	26,022	25,067	27,662
Financial assets held to maturity		594	585	594	585
		<u>265,031</u>	<u>307,966</u>	<u>431,947</u>	<u>472,874</u>
Non-current assets					
Receivables from related parties	18	10,915	10,465	10,029	9,745
Recoverable taxes	11	7,484	7,001	9,389	8,409
Other financial assets		7,308	5,683	7,804	6,122
Prepaid expenses		151	166	555	355
Deposits in court and others	19	14,706	14,680	19,596	19,556
		<u>40,564</u>	<u>37,995</u>	<u>47,373</u>	<u>44,187</u>
Investments	13	204,742	198,058	344	344
Property, plant and equipment	14	496,791	470,502	655,705	621,522
Intangible Assets	15	33,265	33,657	35,355	35,780
		<u>734,798</u>	<u>702,217</u>	<u>691,404</u>	<u>657,646</u>
		<u>775,362</u>	<u>740,212</u>	<u>738,777</u>	<u>701,833</u>
Total assets		<u>1,040,393</u>	<u>1,048,178</u>	<u>1,170,724</u>	<u>1,174,707</u>

		Parent company		Consolidated	
Liabilities	Notes	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current liabilities					
Loans and financing	16	149,529	153,689	178,504	181,315
Suppliers		30,234	30,178	34,254	34,475
Accounts payable to related party suppliers	19	2,727	5,093	3,807	7,575
Labor obligations payable	17	27,007	24,088	36,257	32,602
Labor obligations payable	18	7,735	6,721	11,769	10,428
Income tax and social contribution payable		457	-	3,857	537
Accounts payable		1,195	1,153	5,584	4,825
Advances from clients		419	693	695	813
Operations with derivatives	6.iii 1	2,781	2,614	2,781	2,614
Dividends payable		1,329	1,329	1,329	1,329
		<u>223,413</u>	<u>225,558</u>	<u>278,837</u>	<u>276,513</u>
Non-current liabilities					
Loans and financing	16	128,922	140,615	181,875	194,473
Amounts owed to related parties	19	157	129	0	0
Deferred income tax and social contribution	22	69,530	69,815	84,726	84,781
Tax obligations	18	4,455	4,627	4,455	4,627
Provision for contingencies	20	14,652	14,821	21,567	21,700
		<u>217,716</u>	<u>230,007</u>	<u>292,623</u>	<u>305,581</u>
		<u>441,129</u>	<u>455,565</u>	<u>571,460</u>	<u>582,094</u>
Shareholders' equity					
Share capital	21	332,000	332,000	332,000	332,000
Capital reserves	21	9,338	9,338	9,338	9,338
Profit reserves	21	249,672	242,752	249,672	242,752
Equity valuation adjustments	21	8,254	8,523	8,254	8,523
		<u>599,264</u>	<u>592,613</u>	<u>599,264</u>	<u>592,613</u>
Total liabilities and shareholders' equity		<u>1,040,393</u>	<u>1,048,178</u>	<u>1,170,724</u>	<u>1,174,707</u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of income

Quarters ended March 31, 2018 and 2017

(In thousands of Reais)

		Parent company		Consolidated	
	Notes	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Net earnings from sales and services	24	157,684	165,593	247,654	241,298
Costs of Sales and Services	25	(138,943)	(135,869)	(215,390)	(203,061)
Gross profit		18,741	29,724	32,264	38,237
Operating expenses and income					
General administrative expenses	25	(14,989)	(8,524)	(17,884)	(16,986)
Other net income		114	315	145	367
Equity accounting results	14	6,945	604	-	-
		(7,930)	(7,605)	(17,739)	(16,619)
Operating income before financial result		10,811	22,119	14,525	21,618
Financial expenses	26	(7,663)	(14,026)	(9,325)	(15,862)
Financial income	26	3,937	8,233	5,516	10,963
Net income before income tax and social contribution		7,085	16,326	10,716	16,719
Current income tax and social contribution	22	(457)	(3,778)	(3,858)	(5,519)
Deferred income tax and social contribution	22	281	(1,563)	51	(215)
Net income for the year		6,909	10,985	6,909	10,985
Basic and diluted earnings per share in R\$				0.08156	0.12968

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of comprehensive income

Quarters ended March 31, 2018 and 2017

In thousands of Reais)

	<u>Parent company</u>		<u>Consolidated</u>	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Net income for the year	<u>6,909</u>	<u>10,985</u>	<u>6,909</u>	<u>10,985</u>
Other comprehensive income				
Items that may subsequently be reclassified to the income statement				
Exchange variation on investments abroad	<u>(261)</u>	<u>(84)</u>	<u>(261)</u>	<u>(84)</u>
	<u>(261)</u>	<u>(84)</u>	<u>(261)</u>	<u>(84)</u>
Comprehensive income for the year	<u><u>6,648</u></u>	<u><u>10,901</u></u>	<u><u>6,648</u></u>	<u><u>10,901</u></u>

See the accompanying notes to the financial statements.



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Vix Logística S.A.

Statements of changes in shareholders' equity at March 31, 2018 and 2017 (parent company and consolidated)

(In thousands of Reais)

	Social capital paid in	Capital reserve	Profit reserves		Proposed additional dividend	Equity valuation adjustments	Retained earnings	Total
			Legal	Investments				
Balances at January 1, 2016	<u>332,000</u>	<u>9,338</u>	<u>21,271</u>	<u>191,149</u>	<u>2,279</u>	<u>8,495</u>	<u>-</u>	<u>564,532</u>
Net income for the year	-	-	-	-	-	-	10,985	10,985
Exchange variation on investments abroad	-	-	-	-	-	84	-	84
Total comprehensive income for the year	-	-	-	-	-	84	10,985	11,069
Realization of revaluation reserve	-	-	-	-	-	(8)	12	4
Proposed dividends	-	-	-	-	3,296	-	(3,296)	-
Profit retention	-	-	-	7,701	-	-	(7,701)	-
Total contributions and distributions to shareholders	-	-	-	7,701	3,296	(8)	(10,985)	4
Balances at March 31, 2017	<u>332,000</u>	<u>9,338</u>	<u>21,271</u>	<u>198,850</u>	<u>5,575</u>	<u>8,571</u>	<u>-</u>	<u>575,605</u>

	Social capital paid in	Capital reserve	Profit reserves		Proposed additional dividend	Equity valuation adjustments	Retained earnings	Total
			Legal	Investments				
Balances at December 31, 2017	<u>332,000</u>	<u>9,338</u>	<u>23,257</u>	<u>217,613</u>	<u>1,882</u>	<u>8,523</u>	<u>-</u>	<u>592,613</u>
Net income for the year	-	-	-	-	-	-	6,909	6,909
Exchange variation on investments abroad	-	-	-	-	-	(261)	-	(261)
Total comprehensive income for the year	-	-	-	-	-	(261)	6,909	6,648
Realization of revaluation reserve	-	-	-	-	-	(8)	11	3
Proposed dividends	-	-	-	-	2,072	-	(2,072)	-
Profit retention	-	-	-	4,848	-	-	(4,848)	-
Total contributions and distributions to shareholders	-	-	-	4,848	2,072	(8)	(6,909)	3
Balances at March 31, 2018	<u>332,000</u>	<u>9,338</u>	<u>23,257</u>	<u>222,461</u>	<u>3,954</u>	<u>8,254</u>	<u>-</u>	<u>599,264</u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of cash flows

Quarters ended March 31, 2018 and 2017

(In thousands of Reais)

	Parent company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash flows from operating activities				
Income before income tax and social contribution	6,909	10,985	6,909	10,985
Adjustment of items with no cash outlay for conciliation of the profit with the generation of cash by operating activities				
Depreciation and amortization (Note 15 and 16)	21,288	19,981	27,074	25,926
Residual value of property, plant and equipment and intangible assets written off (note 13, 15 and 16)	7,645	12,915	8,233	13,062
Equity in subsidiaries (Note 14)	(6,945)	(604)	-	-
Interest, monetary and exchange variations on unrealized loans	6,544	11,404	8,452	13,109
Changes in unrealized result of derivatives at fair value through profit or loss	167	1,926	167	1,926
Provision for contingencies	(1,189)	(5,070)	(1,391)	1,127
Provision (reversal) expected losses	330	(18)	507	(39)
Income tax and social contribution expense	176	5,341	3,807	5,734
Interest on financial assets held to maturity	(9)	(11)	(9)	(11)
	34,916	56,849	53,749	71,819
Change in operating assets and liabilities				
Bills to receive	3,500	6,326	3,137	2,947
Accounts receivable - related parties	200	(175)	344	(171)
Stocks	(610)	(171)	(369)	(302)
Taxes to be recovered (CP and LP)	97	2,117	(1,210)	1,457
Income and social contribution taxes recoverable	(3,936)	367	(6,799)	(876)
Other financial assets (CP and LP)	(1,423)	1,088	(935)	(546)
Prepaid expenses (CP and LP)	(3,877)	(3,974)	(5,138)	(4,609)
Credits with related parties	(450)	(369)	(284)	(390)
Judicial deposits	10	(84)	(138)	203
Providers	56	(2,873)	(221)	(2,799)
Suppliers with related parties	(2,366)	(42)	(3,768)	(183)
Labor obligations	2,919	1,311	3,655	1,744
Tax liabilities (CP and LP)	842	(844)	1,169	(932)
Income and social contribution taxes payable	457	3,568	3,320	4,366
Bills to pay	42	136	759	450
Customer advances	(274)	875	(118)	866
Debts with related parties	28	(36)	-	-
	30,131	64,069	47,153	73,044
Cash provided by operations				
Income tax and social contribution paid	(457)	(3,778)	(3,857)	(5,519)
Interest paid	(5,256)	(9,856)	(6,478)	(11,355)
Investments in marketable securities	(83,306)	(119,220)	(145,244)	(184,490)
Redemptions on marketable securities	127,123	113,410	191,374	178,501
Acquisition and renewal of fleet of vehicles	(40,000)	(9,062)	(47,679)	(14,865)
	28,235	35,563	35,269	35,316
Net cash flows from operating activities	28,235	35,563	35,269	35,316
Cash flows from investment activities				
Acquisition of other fixed and intangible assets	(1,595)	(3,391)	(1,995)	(4,012)
	(1,595)	(3,391)	(1,995)	(4,012)
Net cash flows used in investment activities	(1,595)	(3,391)	(1,995)	(4,012)
Cash flows from financing activities				
Raising of loans	-	2,481	-	2,481
Payments of loans	(26,260)	(27,091)	(32,826)	(33,703)
	(26,260)	(24,610)	(32,826)	(31,222)
Net cash flows used in financing activities	(26,260)	(24,610)	(32,826)	(31,222)
Exchange variation on foreign investment			(261)	84
Increase in cash and cash equivalents	380	7,562	187	166
Cash and cash equivalents at January 1	10,802	2,998	13,850	12,637
Cash and cash equivalents at March 31	11,182	10,560	14,037	12,803
	380	7,562	187	166

See the accompanying notes to the interim financial information.



Vix Logística S.A.

Statements of added value

Quarters ended March 31, 2018 and 2017

(In thousands of Reais)

	Parent company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Earnings				
Sales of goods, products and services	178,203	185,972	283,094	274,601
Other earnings	114	315	145	367
Allowance for losses on doubtful receivables	(17)	(7)	(31)	(7)
	<u>178,300</u>	<u>186,280</u>	<u>283,208</u>	<u>274,961</u>
Inputs acquired from third parties				
Cost of goods and services sold	(28,403)	(29,919)	(34,611)	(34,921)
Material, power, third-party services and others	(23,010)	(14,495)	(64,693)	(57,833)
	<u>(51,413)</u>	<u>(44,414)</u>	<u>(99,304)</u>	<u>(92,754)</u>
Gross added value	126,887	141,866	183,904	182,207
Depreciation and amortization	(21,288)	(19,981)	(27,074)	(25,926)
Net added value produced by the Company	<u>105,599</u>	<u>121,885</u>	<u>156,830</u>	<u>156,281</u>
Transferred added value received				
Equity accounting results	6,945	604	-	-
Financial income	3,937	8,233	5,516	10,963
	<u>10,882</u>	<u>8,837</u>	<u>5,516</u>	<u>10,963</u>
Total added value to be distributed	<u>116,481</u>	<u>130,722</u>	<u>162,346</u>	<u>167,244</u>
Distribution of added value				
Personnel				
Salaries and payroll charges	63,326	62,335	86,075	81,028
Board of directors' fees	3,141	2,980	3,141	2,980
Retirement and pension plans	81	184	89	213
Taxes, fees and contributions				
Federal	23,512	29,430	38,839	39,870
State	3,903	3,946	8,039	7,668
Municipal	4,865	4,504	5,904	5,488
Remuneration of third-party capital				
Interest	7,442	13,850	8,994	15,527
Rents	3,120	2,390	4,064	3,207
Other	182	117	292	277
Remuneration of shareholders' equity				
Dividends	2,072	3,296	2,072	3,296
Retained earnings	4,837	7,690	4,837	7,690
	<u>116,481</u>	<u>130,722</u>	<u>162,346</u>	<u>167,244</u>

See the accompanying notes to the financial statements.



Management's notes to the individual and consolidated financial statements

(In thousands of Reais, except when indicated otherwise)

1 Information on the Company

VIX Logística S.A. ("Company" or "VIX"), is a logistics service provider established in the form of a publicly traded corporation registered with the Brazilian Securities Commission (CVM) under number 21202 since November 27, 2007. Its Head Office is located at Avenida Jerônimo Vervloet, 345 - 1st floor - Goiabeiras - Vitória/ES. Its main corporate purpose is to provide logistics services, including the road transport of intercity, interstate and international cargoes, chartered passenger transport services, leasing of equipment, vehicles and labor, among others, and it may also hold interests as a partner or shareholder in other companies.

2 List of subsidiary entities

(a) See accounting policy in Note 14.

At March 31, 2018 and 2017 the Company has the following fully controlled subsidiary companies:

Company	Name	Activity performed
Águia Branca Logística Ltda.	ABL	Road transport of cargoes and logistics
VIX Transportes Dedicados Ltda.	VIXTD	Road transport of cargoes and logistics
Águia Branca SRL (Argentina)	AB SRL	Road transport of cargoes and logistics
VIX Transportes Mercosur (Argentina) ¹	VixMercosur	Road transport of cargoes and logistics
Autoport Transportes e Logística Ltda.	ATL	Road transport of vehicles
Vixlog Transporte e Logística Ltda. ¹	VIXLOG	Road transport of cargoes

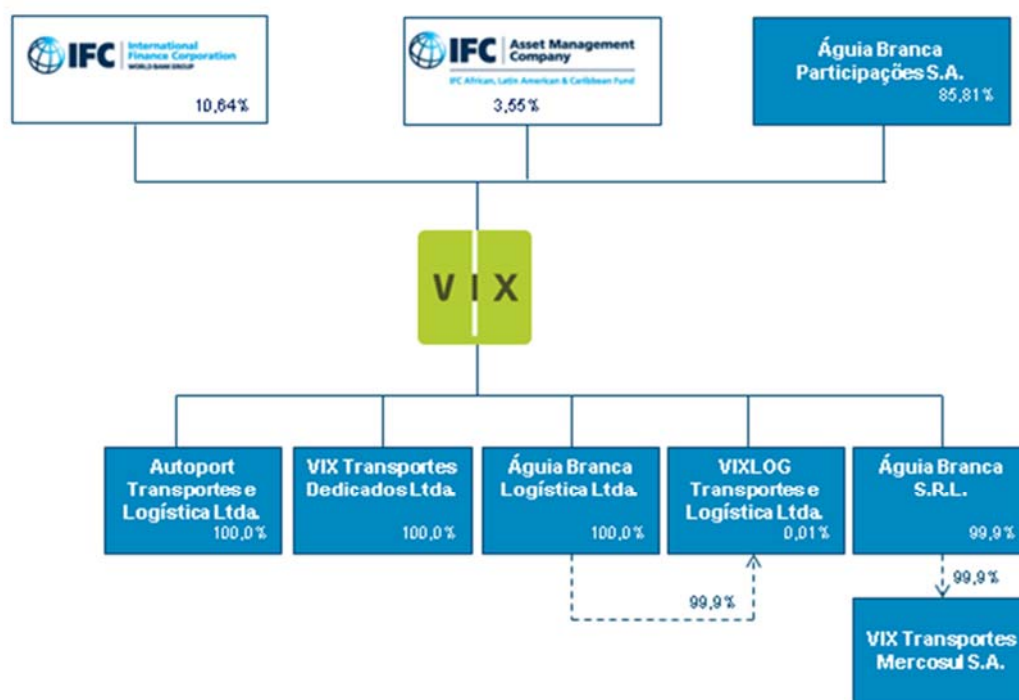
(1) An indirectly controlled company without commercial transactions.

The company and its subsidiaries are controlled by Águia Branca Participações S.A. and are part of the Águia Branca Group ("group"), which conducts business in the areas of logistics, road transport, air transport and trading of vehicles and parts.





Corporate and operational structure of Vix



3 Preparation basis

The individual and consolidated quarterly information have been prepared considering historical cost as a value base, which, in the case of available-for-sale financial assets and other financial assets and liabilities (including derivative instruments), is adjusted to reflect the measurement at fair value.

3.1 Declaration of conformity (with respect to IFRS and CPC standards)

The individual and consolidated quarterly information have been prepared considering historical cost as a value base, which, in the case of available-for-sale financial assets and other financial assets and liabilities (including derivative instruments), is adjusted to reflect the measurement at fair value.

The issuing of the financial statements for the end of the financial period at March 31, 2018 was authorized by the Company's Board of Directors on April 26, 2018, and they take into consideration the subsequent events occurring up till this date.

3.2 Functional currency and presentation currency

The functional currency of the Parent Company VIX Logística and of the subsidiaries ABL, VIXTD, ATL and VIXLOG is the Brazilian Real (R\$) and of the Subsidiaries ABSRL and VIX Mercosul it is the Argentine Peso. Each subsidiary of the Company determines its own functional currency and for those whose functional currencies are different from the Real, the interim accounting information is translated into Reais on the closing date.

Transactions in foreign currencies are translated into the functional currency using the exchange rates



prevailing on the transaction or evaluation dates, on which the items are remeasured.

3.3 Use of estimates and judgments

In the preparation of these financial statements, management has used judgments, estimates and assumptions that affect the application of the Group's accounting policies and the amounts reported for assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions of the estimates are recognized prospectively.

(a) Judgments

Information on judgments made on applying accounting policies that have a material effect on the amounts recognized in the financial statements are included in the following notes:

- Income tax and social contribution - Note 22
- Provision for lawsuits - Note 20
- Useful life and residual value of operating assets held for sale - Note 13 and 15
- Financial risk management - Note 6
- Revenue recognition - Note 24

4 Significant accounting policies

The accounting principles and practices adopted in the preparation of these interim financial statements, except for the changes described in item 4.1, are consistent with those adopted in the preparation of the financial statements as of December 31, 2017, published in the official press on March 14, 2018, and the quarterly financial information for the three month period ended March 31, 2017 published on May 10, 2017 and, therefore, they should be assessed together.

4.1 Main changes in accounting policies

4.1.1 Technical Pronouncement CPC 47 - Receita de contrato com clientes (IFRS 15 - Revenue from Contracts with Clients)

The company adopted CPC 47/IFRS 15 using the cumulative effect method, with initial application on January 1, 2018.

The basic principle of the standard is that the company should recognize revenue to describe the transfer of goods or services promised to clients in the amount that reflects the consideration to which the company expects to have right in exchange for those goods or services.

The standard determines that the revenue should be recognized net of a variable consideration. Any discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items are classified by the standard as a variable consideration.



The standard determines that the company can only post the effects of a contract with a client in the accounting when it is likely that it will receive the consideration to which it is entitled in exchange for goods or services that will be transferred.

The adoption of the standard has not resulted in material impacts on the individual and consolidated financial statements for the period ended March 31, 2018.

4.1.2 Technical Pronouncement CPC 48 – Instrumentos financeiros (IFRS 9 – Financial Instruments)

The company adopted CPC 48/IFRS 9 with initial application on January 1, 2018, taking advantage of the exemption that permits it not to re-present comparative information of prior periods arising from changes in the classification and measurement of financial instruments, including expected credit losses. Any differences in the accounting balances of financial assets and liabilities arising from the initial adoption of CPC 48/IFRS 9 were recognized in the income statement.

a) Classification – Financial Assets and Liabilities

The standard introduces a new approach for classification and measurement of financial assets which reflects the business model in which the assets are managed and their cash flow characteristics.

CPC 48/IFRS 9 contains three main categories for classifying financial assets: measured at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss). The standard eliminates the existing categories in CPC 38/IAS 39 of held to maturity, loans and receivables and available for sale. The new classification requirements have not produced impacts on the accounting of the company's financial assets and liabilities, as shown below:

	Classification CPC 38/IAS 39	Classification CPC 48/IFRS 9	Balance in 01/01/2018
Assets as per the balance sheet			
Cash and cash equivalents	Fair value through profit or loss	Fair value through profit or loss	13,850
Marketable securities	Fair value through profit or loss	Fair value through profit or loss	214,129
Trade accounts receivable, net	Loans and receivables	Measured at amortized cost	172,015
Trade accounts receivable from related parties, net	Loans and receivables	Measured at amortized cost	1,042
Receivables from related parties	Loans and receivables	Measured at amortized cost	9,745
Financial assets held to maturity	Held to maturity	Measured at amortized cost	585
Other financial assets	Loans and receivables	Measured at amortized cost	8,625
Financial liabilities			
Loans and financing	Loans and receivables	Measured at amortized cost	375,788
Suppliers	Loans and receivables	Measured at amortized cost	34,475
Suppliers - related parties	Loans and receivables	Measured at amortized cost	7,575
Operations with derivatives	Held to maturity	Fair value through profit or loss	2,614
Other accounts payable	Loans and receivables	Measured at amortized cost	5,638

b) Decrease to recoverable value (Impairment) – Financial assets

CPC 48/IFRS 9 replaces the model of "loss incurred" of CPC 38 / IAS 39 by a model of "expected credit losses". The new model for expected losses applies to financial assets measured at amortized cost or at fair value through other comprehensive income, except for investments in equity instruments



and contractual assets. The provisions for expected losses were measured based on the expected credit losses for life, i.e. credit losses that result from all possible events of default over the expected life of a financial instrument.

The estimated losses were calculated based on the actual experience of credit loss in recent years. The company calculated the loss rates separately for each segment of logistics. In addition, where applicable, the changes in the credit risk following published external credit assessments were considered.

- (i) Initial adoption of CPC 48/IFRS 9 on January 1, 2018 - differences recognized in the income statement.

	Provision for loss
Trade accounts receivable, net	649
Trade accounts receivable from related parties, net	1
Other financial assets	5
Receivables from related parties	27
Deferred itaxes	(232)
	<u>450</u>

Rating	Historic % Losses 2016-2017	% Losses Rating 2018	% Losses Future Projection	% Adjusted Losses	Gross accounting balance	Provision for loss	Credit recovery problems
AAA	0,00%	0,00%	0,00%	0,05%	14,833	(7)	No
AA	0,71%	0,01%	0,01%	0,57%	72,911	(415)	No
A	0,61%	0,05%	0,05%	0,50%	28,605	(143)	No
B	0,00%	0,74%	0,74%	0,15%	56,293	(84)	No
C	0,00%	10,99%	10,99%	2,20%	12	-	No
					<u>172,654</u>	<u>(649)</u>	

	Weighted average rate of loss	Gross accounting balance	Provision for loss	Credit recovery problems
Unbilled	0,32%	74,946	(261)	No
To fall due	0,37%	82,188	(329)	No
Overdue up to 30 days	0,44%	1,311	(46)	No
Overdue from 31 to 90 days	0,47%	1,976	(8)	No
Overdue from 91 to 180 days	1,01%	21	-	No
Overdue for more than 180 days	1,05%	412	(5)	No
		<u>160,854</u>	<u>(649)</u>	

4.2 Operating segment

The Group's activity consists of providing dedicated logistics solutions, through the management of fleets of vehicles, machinery and equipment for transport of goods and people. The main manager reviews the operating results and makes decisions considering all the services as Dedicated Logistics services in general and consolidated. In addition, the Group presents a business strategy focused on market sectors such as oil and gas, mining, steel, pulp and paper, among others. The information and



results are analyzed in a consolidated manner by a single decision maker.

The logistics services segment is administered locally and operates offices and sales support points mainly in Espírito Santo, Rio de Janeiro and São Paulo.

The income from the main clients of the logistics segment represents approximately 50% (50% in March 31, 2018) of the Group's total income.

5 Classification and fair values

The following table presents the book values and fair values of the financial assets and liabilities, including their levels in the fair value hierarchy. It does not include information on the fair value of financial assets and liabilities not measured at fair value, since the book value is a reasonable approximation of the fair value.

March 31, 2018

Parent company

	Book value			Fair Value	
	Fair value by means of result	Cost Amortized	Total	Level 1	Level 2
Assets as per the balance sheet					
Cash and cash equivalents	11,182	-	11,182	11,182	-
Marketable securities	77,201	-	77,201	-	77,201
Trade accounts receivable, net	-	110,710	110,710	-	-
Trade accounts receivable from related parties, net	-	726	726	-	-
Receivables from related parties	-	10,915	10,915	-	-
Financial assets held to maturity	594	-	594	594	-
Other financial assets	-	7,640	7,640	-	-
Financial liabilities					
Loans and financing	-	278,451	278,451	-	278,451
Suppliers	-	30,234	30,234	-	-
Suppliers - related parties	-	2,727	2,727	-	-
Amounts owed to related parties	-	157	157	-	-
Operations with derivatives	2,781	-	2,781	-	2,781
Other accounts payable	-	1,614	1,614	-	-

Consolidated

Assets as per the balance sheet					
Cash and cash equivalents	14,037	-	14,037	14,037	-
Marketable securities	167,999	-	167,999	-	167,999
Trade accounts receivable, net	-	168,391	168,391	-	-
Trade accounts receivable from related parties, net	-	698	698	-	-
Receivables from related parties	-	10,029	10,029	-	-
Financial assets held to maturity	594	-	594	594	-
Other financial assets	-	9,541	9,541	-	-
Financial liabilities					
Loans and financing	-	360,379	360,379	-	360,379
Suppliers	-	34,254	34,254	-	-
Suppliers - related parties	-	3,807	3,807	-	-
Operations with derivatives	2,781	-	2,781	-	2,781
Other accounts payable	-	6,279	6,279	-	-



December 31, 2017

Parent company

Parent company	Book value					Fair Value	
	Assets and liabilities at fair value through profit or loss	Loans and receivables	Other liabilities	Financial Assets Held to Maturity	Total	Level 1	Level 2
Assets as per the balance sheet							
Cash and cash equivalents	10,802	-	-	-	10,802	10,802	-
Marketable securities	121,018	-	-	-	121,018	-	121,018
Trade accounts receivable, net	-	114,530	-	-	114,530	-	-
Trade accounts receivable from related parties, net	-	926	-	-	926	-	-
Receivables from related parties	-	10,465	-	-	10,465	-	-
Financial assets held to maturity	-	-	-	585	585	585	-
Other financial assets	-	6,229	-	-	6,229	-	-
Financial liabilities							
Loans and financing	-	-	294,304	-	294,304	-	294,304
Suppliers	-	-	30,178	-	30,178	-	-
Suppliers - related parties	-	-	5,093	-	5,093	-	-
Amounts owed to related parties	-	-	129	-	129	-	-
Operations with derivatives	2,614	-	-	-	2,614	-	2,614
Other accounts payable	-	-	1,846	-	1,846	-	-

Consolidated

Assets as per the balance sheet							
Cash and cash equivalents	13,850	-	-	-	13,850	13,850	-
Marketable securities	214,129	-	-	-	214,129	-	214,129
Trade accounts receivable, net	-	172,015	-	-	172,015	-	-
Trade accounts receivable from related parties, net	-	1,042	-	-	1,042	-	-
Receivables from related parties	-	9,745	-	-	9,745	-	-
Financial assets held to maturity	-	-	-	585	585	585	-
Other financial assets	-	8,625	-	-	8,625	-	-
Financial liabilities							
Loans and financing	-	-	375	-	375	-	375,788
Suppliers	-	-	34,475	-	34,475	-	-
Suppliers - related parties	-	-	7,575	-	7,575	-	-
Operations with derivatives	2,614	-	-	-	2,614	-	-
Other accounts payable	-	-	7,381	-	7,381	-	2,614



Measurement of fair value

Below we present the valuation techniques used in the measurement of the fair values for financial instruments measured at fair value in the balance sheet, as well as the non-observable inputs used.

Securities – The fair value is estimated considering (i) current or recent prices quoted for similar securities on markets that are not active and (ii) the present net value calculated using discount rates derived from current returns quoted for securities traded on active markets with similar terms of maturity and credit classification, adjusted by a liquidity factor.

Operations with derivatives (Interest rate swap) - The fair value is calculated based on the present value of estimated future cash flows. The estimates of the future floating rate cash flows are based on quoted swap rates, future prices and interest rates of interbank loans. The estimated cash flows are discounted using a curve constructed from similar sources which reflect the relevant interbank reference rate used by the market participants used for this purpose when pricing interest rate swaps. The estimate of the fair value is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty, calculated based on the spreads derived from default credit swaps or current prices of securities traded.

Loans and financing – The fair value was calculated from the current price of each of the Company's debt instruments, so that its reposition permits the Company the same cash flow characteristics and remaining time frames as the original operation. Specifically the realization amounts of the contracts were calculated based on the mark to market of these contracts.

Other financial assets and liabilities – the valuation model of the financial assets and liabilities considers the present value of the expected payment, discounted using a discount rate adjusted to the risk.

Hierarchical fair value

There are three types of levels for classification of the fair value referring to financial instruments. The hierarchy provides priority for unadjusted quoted prices on an active market referring to financial assets or liabilities. The classification of the hierarchical levels may be presented as shown below:

- Level 1 - Data originating from an active market (unadjusted quoted price) where it is possible to access it daily, inclusively on the date of valuation of the fair value.
- Level 2 - Data extracted from a pricing model based on observable market data.
- Level 3 - Data extracted from a pricing model based on unobservable market data.

We point out that no financial instruments classified as Levels 1 and 3 were observed during the period under analysis and that there were no transfers of levels for the same period.

6 Management of financial risks

The Company is exposed to the following risks resulting from financial instruments:

- Credit risk
- Liquidity Risk
- Market risk



Risk management framework

The Company's Board of Directors is responsible for establishing and supervising the Group's risk management framework. The Board has set up the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports its activities regularly to the Board of Directors.

The Group's risk management policies are established to identify and analyze the risks to which the Group is exposed, to set limits on risks and appropriate controls and to monitor risks and adherence to the limits set. The risk management policies and the systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company, through its standards and training and management procedures seeks to develop an environment of discipline and control where all the employees are aware of their attributions and obligations.

The Group's audit committee supervises how management monitors adherence to the Group's risk management procedures and policies and reviews the adequateness of the risk management structure with respect to the risks to which the Group is exposed. The Audit Committee is supported by the internal audit team in the execution of its attributions. The internal audit conducts regular and sporadic reviews of the risk management procedures, and the results of these procedures are reported to the Audit Committee.

i. Credit risks

Credit risk is the risk of the Group incurring financial losses in the event a client or a counterparty in a financial instrument fails to comply with its contractual obligations. This risk arises primarily from trade accounts receivable and the Group's financial instruments.

The book value of the financial assets represents the maximum credit exposure.

Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. However, Management also considers the factors that may influence the credit risk of its client base, including the risk of nonpayment of the industry and of the country in which the client operates

The Risk Management Committee has established a credit policy where each new client is analyzed individually with respect to its financial situation before the group presents a proposal for credit limits and terms of payment. The review performed by the Group includes the evaluation of external ratings, when available, financial statements, information of credit agencies, information of the industry segment, and, in some cases, bank references. Credit limits are established for each client and are reviewed every six months. Sales that exceed these limits, require approval by the Risk Management Committee.

The Group limits its exposure to the credit risk of accounts receivable, by establishing a maximum period for payment of one and three months for individual and corporate clients, respectively.

The Company adopts specific selectivity procedures and an analysis of the client's portfolio, aiming at avoiding losses through failure to pay. The credit quality of the financial assets that are not overdue or impaired can be assessed through reference to the external credit ratings or past information on the



counterparties' default rates.

At March 31, 2018 and 2017, the maximum exposure to credit risk for accounts receivable and other receivables and the breakdown per class of maturity and the registration of a provision for losses incurred referring to 'Accounts Receivable and other receivables' are presented in Note 7.

Cash and cash equivalents, securities and derivatives

The credit quality of the financial assets that are not overdue or impaired can be assessed through reference to the external credit ratings or past information on the counterparties' default rates.

For the credit quality of the counterparties that are financial institutions, such as cash and short-term financial investments, the Company considers the counterparty's lowest rating published by the three main international rating agencies (S&P, Fitch, Moody's).

We present below a table with the ratings of the custodian financial institutions of the cash and cash equivalents, securities and derivatives.

Banks	Rating (*)	Parent company		Consolidated	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Banco do Brasil	AA	1,145	588	3,188	2,121
Bradesco	AA	77,432	121,679	168,576	215,825
Santander	AA	88	99	169	170
CEF	AA	9,107	8,980	9,160	9,049
HSBC	A1	-	-	-	73
BANESTES	A+	28	23	28	64
ALFA	AA	25	22	86	62
Safra	AA	61	41	128	86
Votorantim	AA	31	13	66	32
Itaú	AA	127	81	194	118
		<u>88,044</u>	<u>131,526</u>	<u>181,595</u>	<u>227,600</u>

(*) According to the rating agencies: Standard&P oors, Fitch Ratings, Moody's, LFR Rating (Banco do Estado).

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in complying with its obligations associated with its financial liabilities that are settled with payments in cash or with another financial asset. The Group's approach for managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations when due, under both normal conditions and stress conditions without causing unacceptable losses or risks of damaging the Group's reputation.

The risk management policy for liquidity implies maintaining a secure level of cash and cash equivalents on access to immediate funds. Accordingly, the Group has funds in current accounts available for immediate use.

The following table shows the maturity date of the financial liabilities and the obligations with suppliers contracted by the Company and its subsidiaries in the financial statements (Non-discounted contracted cash flows):



Parent company	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
At March 31, 2018				
Loans and financing	132,300	72,063	50,088	26,781
Suppliers	30,234	-	-	-
Suppliers - related parties	2,727	-	-	-
Accounts payable	1,195	-	-	-
Dividends	1,329	-	-	-
At December 31, 2017				
Loans and financing	156,212	128,668	23,464	-
Suppliers	30,178	-	-	-
Accounts payable to suppliers - related parties	5,093	-	-	-
Accounts payable	1,153	-	-	-
Dividends	1,329	-	-	-
Consolidated	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
At March 31, 2018				
Loans and financing	151,342	99,344	69,580	40,113
Suppliers	34,254	-	-	-
Suppliers - related parties	3,807	-	-	-
Accounts payable	5,584	-	-	-
Dividends	1,329	-	-	-
At December 31, 2017				
Loans and financing	185,901	172,321	32,371	-
Suppliers	34,475	-	-	-
Suppliers - related parties	74,575	-	-	-
Accounts payable	4,825	-	-	-
Dividends	1,329	-	-	-

Capital management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue to offer a return for its shareholders and benefits for the other interested parties and to maintain an optimal capital structure for reducing this cost.

In order to maintain or adjust the Company's capital structure, Management may review its dividend payment policy, return capital to shareholders, or even issue new shares in order to reduce, for example, the level of debt, or propose to carry out these actions when they have to be approved by the shareholders.

The Company, consistent with other companies in the sector, monitors its capital based on the financial leveraging ratio. This ratio is the net debt expressed as a percentage of the total capital. The net debt, in turn, is the sum total of loans (including short and long-term loans, as presented in the consolidated balance sheet), subtracted from the amount of cash and cash equivalents. Total capital is calculated based on the sum of shareholders' equity, as presented in the consolidated balance sheet, with the net debt.



	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Total loans and financing	278,451	294,304	360,379	375,788
Less: Cash and cash equivalents / Marketable securities	88,383	131,820	182,036	227,979
Net debt	190,068	162,484	178,343	147,809
Total shareholders' equity	599,264	592,613	599,264	592,613
Total capital	789,332	755,097	777,607	740,422
Financial leverage ratio - %	24%	22%	23%	20%

Currently the company is extremely unleveraged, a strategy adopted in order to carry out the growth plan established by the shareholders.

iii. Market risk

Market risk is the risk that changes in market prices, such as exchange rates and interest rates, may have on the Group's results or on the value of its financial instruments. The purpose of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group uses derivatives to manager market risks. All these transactions are conducted within the guidelines established by the Risk Management Committee.

Interest and exchange rate risk

Loans arranged through FINAME have floating rates and are updated by the long-term interest rate (TJLP) and the SELIC rate. In both cases fixed rates (spread) are added to these indexers.

Financing for working capital and "loans for investments" are contracted with floating interest rates pegged to the variation of the Interbank Deposit Certificate (CDI). Loans of the 4,131 type, in foreign currency and, thus, subject to foreign exchange variation. The risk of variation in the foreign exchange rate of these loans is mitigated by contracting swaps with the financial institutions that granted the loans, through defining as an index of definitive correction the variation of the CDI rate plus fixed interest, as described in Note 17. The gains and losses verified in this operation are presented as "Financial Expenses" and "Financial income".

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
(Long-term interest)	34,467	19,091	44,829	33,849
Selic Rate	182,033	206,008	217,725	233,179
Dollar	20,181	19,900	20,181	19,900
	236,681	244,999	282,735	286,928



The financing obtained through FINAME of the PSI type have their cost indexed to the long-term interest rate (TJLP) and in some cases to the SELIC rate. In both cases fixed rates (spread) are added to these indexers.

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Floating loans	236,681	244,999	282,735	286,928
Fix rate loans	41,770	49,305	77,644	88,860
	<u>278,451</u>	<u>294,304</u>	<u>360,379</u>	<u>375,788</u>

The risk of changes in the SELIC and CDI rates is partially mitigated by financial investments in cash, as described as follows:

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Loans indexed to Selic/CDI	182,033	206,008	217,725	233,179
Loan in Foreign currency + SWAP	22,962	22,514	22,962	22,514
Total debt indexed to CDI (a)	<u>204,995</u>	<u>228,522</u>	<u>240,687</u>	<u>255,693</u>
Short-term investments (b)	<u>88,383</u>	<u>131,820</u>	<u>182,036</u>	<u>227,979</u>
Balance indexed to CDI (a - b)	<u>116,612</u>	<u>96,702</u>	<u>58,651</u>	<u>27,714</u>

1. Sensitivity analysis

The Company's management estimates the following effects when the sensitivity tests are applied to the scenarios which range from 25% to 50%, in the terms defined by the CVM, through Instruction 475/08, in order to present the portion of increase in the deterioration considered in the risk variable on the amounts of loans and financing, separated by the debts pegged to the CDI, TJLP, SELIC and DOLLAR.

Transaction	Exposure	Risk	Potential Gain / (Loss)	Probable scenario	Scenario I+ Deterioration of 25%	Scenario I+ Deterioration of 50%
Debt pegged to CDI				8,27%	9,90%	11,52%
Position at 03/31/2018	195,003	R\$		211,130	214,308	217,467
Impact on Income / Shareholders' Equity			(loss)	(16,127)	(19,305)	(22,464)
Debt pegged to TJLP				10,02%	11,76%	13,49%
Position at 03/31/2018	44,829	R\$		49,321	50,101	50,876
Impact on Income / Shareholders' Equity			(loss)	(4,492)	(5,272)	(6,047)
Debt pegged to SELIC				9,55%	11,20%	12,84%
Position at 03/31/2018	22,722	R\$		24,892	25,267	25,640
Impact on Income / Shareholders' Equity			(loss)	(2,170)	(2,545)	(2,918)



The Company conducted the same variation of 25% and 50% for the debts pegged to the (R\$/US\$) exchange rate, considering for this risk mitigation the inverse exposure in relation to the debt. The company considered the projections of the exchange rate on the balance sheet date (foccus Bulletin) that the dollar likely for next period is \$3,30/US\$. Scenario I + 25% deterioration of the dollar to R\$ 3,63/US\$ and in scenario I + 50% deterioration the dollar to R\$ 3,96US\$, as below:

Transaction	Exposure	Risk	Potential Gain / (Loss)	Probable scenario	Scenario I+ Deterioration of 25%	Scenario I+ Deterioration of 50%
Instruments in foreign currency US\$						
Debt				3,00%	28,75%	54,50%
Liability position -	20,181	R\$		20,786	25,983	31,180
Impact on Income / Shareholders' Equity			(loss)	(605)	(5,802)	(10,999)
SWAP						
Asset position -	20,224			20,963	26,204	31,445
Liability position -	23,005	R\$		25,129	25,505	25,880
Impact on Income / Shareholders' Equity			(Loss) / gain	(4,166)	699	5,565

Derivative financial instruments

The swap operations recorded by the Company and its subsidiaries were contracted simultaneously with the loan operations in foreign currency, considering time frames, rates and equivalent amounts in order to eliminate the exposure to exchange variation and fixing its updating by the indices of the Interbank Deposit Certificate (CDI), plus a certain percentage of spread.

At March 31, 2018 and december 31, 2017, the gross debt of the Company (parent company) in US dollars was R\$ 22,962 (R\$ 22,514 in 2017) and a loss arising from the operation with derivatives of R\$ 2,781 (R\$ 2,614 in 2017). There are no operations in foreign currency contracted by its subsidiaries.

The Company contracts swap operations in order to convert into R\$ the debts and loans denominated in Dollars. In this swap, the company assumes a liability position in R\$ pegged to the CDI + 2.20% p.a. pegged to fixed or floating rates (linear 360) and an asset position in exchange variation + 4.40% p.a. pegged to fixed or floating rates (exponential 252). See the table below:

Transaction	Counterparty	Principal Value	Details of the transaction:	March 31, 2018	December 31, 2017	Result with derivatives
SWAP CDI + 3.74	Itaú S.A	20,224	Asset position	-	-	813
			Liability position	(2,781)	(2,614)	(980)
			Amount payable	(2,781)	(2,614)	(167)

Interest rate swap

The notional values of the swap and interest rate agreements, outstanding at March 31, 2018 and December 31, 2016, correspond to R\$ 45,000.



7 Cash and cash equivalents

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Cash	339	294	441	379
Banks	1,782	1,590	3,189	4,052
Short-term financial investment	9,061	8,918	10,407	9,419
	<u>11,182</u>	<u>10,802</u>	<u>14,037</u>	<u>13,850</u>

On March 31, 2018 and December 31, 2017, the Company and its subsidiaries maintained investments in certificates deposit bank (CDB) in the Caixa Econômica Federal and Debentures with Daily Liquidity being the issuer Banco do Brasil, available for redemption and there is no restriction on this balance, with yields equivalent to the certificate of interbank deposit (CDI) rates.

8 Marketable securities

Refer to the centralization of its short-term investments in the Private Credit Multi Market Investment Fund which has daily liquidity and no redemption restrictions. The daily residual amounts are sent for automatic short-term investments, available for redemption, where there is no restriction applied to this balance (daily liquidity), remunerated at floating rates and average annual profitability of 98,65% (101,02% in December 31, 2016) of the value of the variation of the Interbank Deposit Certificate (CDI).

The table below presents the breakdown of securities at March 31, 2018 and December 31, 2017

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Financial Treasury Bills	38,952	61,060	84,765	108,040
Certificate of Bank Deposit - CDB	2,868	4,496	6,241	7,955
Financial Letters	8,190	12,839	17,823	22,716
Quotas of Investment Funds	27,191	42,623	59,170	75,418
	<u>77,201</u>	<u>121,018</u>	<u>167,999</u>	<u>214,129</u>



9 Accounts receivable

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Trade accounts receivable	49,669	59,206	87,775	97,708
Unbilled services and other accounts receivable:	60,304	55,367	75,467	70,164
Unbilled bills of lading	1,444	327	6,286	4,782
(-) Allowance for doubtful accounts	(707)	(370)	(1,137)	(639)
	110,710	114,530	168,391	172,015

The company and its subsidiaries provide services to large companies and in different sectors, and does not present difficulty in the realization of its accounts receivable, nor does it present a history of material losses.

The breakdown of the balance of trade accounts receivable by age of maturity is as follows:

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
To fall due	45,913	48,319	78,474	82,188
Overdue				
Overdue up to 30 days	1,201	9,260	5,227	13,111
Overdue from 31 to 90 days	2,009	1,450	2,700	1,976
Overdue from 91 to 180 days	278	10	843	21
Overdue for more than 180 days	268	167	531	412
	49,669	59,206	87,775	97,708

In the parent company's accounts receivable, there is the amount of R\$ 484(R\$ 358 in December 31, 2017) and in consolidated R\$523 (R\$399 in december 31, 2017), which have already been received as deposits and whose invoices have not yet been written off in the system due to a difficulty in identifying receipts, however the amounts disclosed here are net of this effect.

Changes in the allowance for doubtful accounts

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Opening balance	(370)	(417)	(639)	(477)
Provisions	(439)	-	(606)	(401)
Reversals	102	47	108	239
Closing balance	(707)	(370)	(1,137)	(639)



10 Inventories

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Parts and Accessories (i)	7,035	6,790	8,562	8,387
Tires	2,437	2,468	2,898	2,986
Materials for bodies	959	890	1,249	1,191
Fuels and lubricants	1,345	1,081	1,470	1,308
Other items	267	204	318	256
	<u>12,043</u>	<u>11,433</u>	<u>14,497</u>	<u>14,128</u>

- (i) They are used for maintenance of the vehicles (batteries, screws, washers, filters, bearings, belts etc.).

11 Recoverable taxes

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Value added tax on sales and services (ICMS) (i)	10,263	9,762	11,139	10,339
Social Integration Program (PIS) and tax for Social Security Financing (COFINS) (ii)	-	1,080	-	1,080
National Institute of Social Security (INSS)	-	-	2,080	1,569
Others	<u>115</u>	<u>116</u>	<u>117</u>	<u>118</u>
	10,378	10,958	13,336	13,106
Non-current				
Value added tax on sales and services (ICMS)	<u>7,484</u>	<u>7,001</u>	<u>9,389</u>	<u>8,409</u>
	<u>7,484</u>	<u>7,001</u>	<u>9,389</u>	<u>8,409</u>
	<u>17,862</u>	<u>17,959</u>	<u>22,725</u>	<u>21,515</u>

- (i) Value-added tax on sales and services(ICMS) is represented mainly by the credit with respect to the acquisition of fixed assets, using the monthly ratio of 1:48, in conformity with the tax legislation in force. The company and its subsidiaries assess for each purchase the recoverable portion of taxes and incorporate the non-recoverable portion of the cost of the item of origin in fixed assets, since its use can only be realized in proportion to the taxed entries.
- (ii) PIS and COFINS credits address extemporaneous credits referring mainly to the recalculation of the proportionality of the cumulative and non-cumulative regimes. The company recognizes the legitimacy of this credit, given the existing legal grounds on the methodology of the calculations made for the drawdown of credits.



12 Other credits and contractual retentions

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Other financial assets				
Advance to suppliers	131	110	138	741
Advance to employees	192	404	542	459
Sundry debtors (i)	-	-	1,053	-
Contractual retentions (ii)	10	32	10	1,303
(-) Provision for Expected Loss	(1)	-	(6)	-
	<u>332</u>	<u>546</u>	<u>1,737</u>	<u>2,503</u>
Other Assets				
Employee agreement and other entitlements	1,154	1,941	1,810	2,699
Prepaid expenses	<u>5,355</u>	<u>676</u>	<u>6,609</u>	<u>782</u>
	<u>6,509</u>	<u>2,617</u>	<u>8,419</u>	<u>3,481</u>
Non-current				
Other financial assets				
Sundry debtors (i)	399	400	399	400
Contractual retentions (ii)	6,921	5,283	7,418	5,722
(-) Provision for Expected Loss	(12)	-	(13)	-
	<u>7,308</u>	<u>5,683</u>	<u>7,804</u>	<u>6,122</u>
Other Assets				
Prepaid expenses	<u>151</u>	<u>166</u>	<u>555</u>	<u>355</u>
	<u>151</u>	<u>166</u>	<u>555</u>	<u>355</u>

(i) The amounts receivable from clients for contractual reimbursements are classified under sundry debtors.

(ii) The amounts withheld by some clients and tenants of buildings are classified as contractual withholdings, in conformity with the contractual clause and measured at fair value. These amounts shall be reimbursed at the end of the contract.



13 Assets available for sale (fleet renewal)

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Trucks / Semi-trailers	3,157	3,661	5,333	5,301
Light trucks / Utilities / Buses	18,910	22,093	18,910	22,093
Others	824	268	824	268
Total liabilities held for sale	22,891	26,022	25,067	27,662

a) Changes in assets available for sale (fleet renewal)

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Opening balance	26,022	48,439	27,662	49,644
Devolution	29	348	26	391
Reincorporation	161	1,118	161	1,118
Transfer to operating assets held for sale	3,763	24,735	4,795	26,161
Write-offs through sale	(7,084)	(48,471)	(7,577)	(49,506)
Other write-offs		(147)		(146)
Closing balance	22,891	26,022	25,067	27,662



14 Investments

Parent company - March 31, 2018					
	Ownership %	Assets	Liabilities	Shareholders' equity	Net Income / Loss for the period
Direct investments					
Águia Branca Logística - ABL	99,99	37,867	16,046	21,821	(581)
Autoport Transportes e Logística - ATL	99,99	185,806	41,365	144,441	5,407
VIX Transportes Dedicados - VIXTD	99,99	116,475	78,250	38,225	2,121
Águia Branca S.R.L. - ABSRL	99,99	84	8	76	(3)
				204,563	6,944
Other investments (i)				179	-
				204,742	6,944
Parent company - December 31, 2017					
	Ownership %	Assets	Liabilities	Shareholders' equity	Net Income / Loss for the period
Direct investments					
Águia Branca Logística - ABL	99,99	39,509	17,107	22,402	(7,597)
Autoport Transportes e Logística - ATL	99,99	178,755	39,721	139,034	19,219
VIX Transportes Dedicados - VIXTD	99,99	110,512	74,408	36,104	9,054
Águia Branca S.R.L. - ABSRL	99,99	373	34	339	(45)
				197,879	20,631
Other investments (i)				179	-
				198,058	20,631

	Consolidated	
	March 31, 2018	December 31, 2017
Indirect investments		
Other investments (i)	344	344
	344	344

(i) Projects encouraged under the Audiovisual Law are addressed, using part of the funds of the Company's fiscal net income.

At March 31, 2018, the company recorded a loss in the amount of R\$ 261 (loss of R\$ 865 at December 31, 2017) with an exchange loss variation of overseas investments. This loss arises from the investment in the company Águia Branca S.R.L. and its subsidiary, located in Argentina.

	ABL	ATL	VIXTD	ABSRL	Total
Balances at January 1, 2016	24,999	119,815	27,050	319	172,183
(+) Equity accounting	(7,597)	19,219	9,054	(45)	20,631
(+) Capital increase	5,000				5,000
(-) Exchange variation on foreign investment	-	-	-	65	65
Balances at December 31, 2017	22,402	139,034	36,104	339	197,879
(+) Equity accounting	(581)	5,407	2,121	(2)	6,945
(+) Capital increase					-
(-) Exchange variation on foreign investment	-	-	-	(261)	(261)
Balances at March 31, 2018	21,821	144,441	38,225	76	204,563

15 Property, plant and equipment

	Vehicles	Machinery and equipment	Computer equipment	Buildings and constructions	Leasehold improvements	Furniture, fixtures and equipment	Land	Airplane (i)	Other - Fixed assets under construction	Total
Balances at January 1, 2017	287,511	102,000	1,225	19,711	3,202	1,823	23,725	4,564	19,419	463,180
Acquisitions	78,946	13,710	2,756	-	-	177	-	-	14,194	109,783
Write-offs through sale	(445)	-	-	-	-	-	-	-	-	(445)
Other write-offs	(1,275)	(655)	(8)	(2)	-	(33)	-	-	-	(1,973)
Reclassification to assets intended for sale	(28,514)	3,779	-	-	-	-	-	-	-	(24,735)
Reclassifications	3,002	1,036	(16)	2,866	3,540	6	-	-	(10,440)	(6)
Depreciation	(53,672)	(17,321)	(983)	(918)	(1,717)	(349)	-	(342)	-	(75,302)
Balances at December 31, 2017	285,553	102,549	2,974	21,657	5,025	1,624	23,725	4,222	23,173	470,502
Acquisitions	25,840	10,770	135	-	-	190	-	-	13,850	50,785
Write-offs through sale	(408)	-	-	-	-	-	-	-	-	(408)
Other write-offs	(127)	(15)	-	-	-	(11)	-	-	-	(153)
Reclassification to assets intended for sale	(3,206)	(557)	-	-	-	-	-	-	-	(3,763)
Reclassifications	18,811	22	(10)	116	-	8	-	-	(18,947)	-
Depreciation	(14,311)	(4,808)	(250)	(244)	(387)	(86)	-	(86)	-	(20,172)
Balances at March 31, 2018	312,152	107,961	2,849	21,529	4,638	1,725	23,725	4,136	18,076	496,791
Annual depreciation rates (%)										
Light trucks / Utilities / Buses	19,8	-	-	-	-	-	-	-	-	-
Trucks / Semi-trailer	17,0	-	-	-	-	-	-	-	-	-
Others	-	14,6	20,0	3,7	55,4	10,0	-	5,0	-	-

Consolidated

	Vehicles	Machinery and equipment	Computer equipment	Buildings and constructions	Leasehold improvements	Furniture, fixtures and equipment	Land	Airplane (i)	Other - Fixed assets under construction	Total
Balances at January 1, 2017	418,093	113,962	1,311	19,711	7,272	2,208	23,725	4,564	20,958	611,804
Acquisitions	104,074	13,943	2,764	-	-	285	-	-	16,273	137,339
Write-offs through sale	(686)	-	-	-	-	-	-	-	-	(686)
Other write-offs	(1,276)	(659)	(8)	(2)	-	(38)	-	-	-	(1,983)
Reclassification to assets intended for sale	(29,941)	3,779	-	-	-	-	-	-	-	(26,162)
Reclassifications	4,212	1,041	(18)	2,866	3,566	3	-	-	(11,676)	(6)
Depreciation	(73,428)	(19,397)	(1,006)	(918)	(3,276)	(417)	-	(342)	-	(98,784)
Balances at December 31, 2017	421,048	112,669	3,043	21,657	7,562	2,041	23,725	4,222	25,555	621,522
Acquisitions	37,587	13,297	136	-	-	305	-	-	14,213	65,538
Write-offs through sale	(408)	-	-	-	-	-	-	-	-	(408)
Other write-offs	(217)	(19)	-	-	-	(12)	-	-	-	(248)
Reclassification to assets intended for sale	(4,238)	(557)	-	-	-	-	-	-	-	(4,795)
Reclassifications	18,880	22	(10)	116	-	8	-	-	(19,016)	-
Depreciation	(19,158)	(5,342)	(256)	(244)	(714)	(104)	-	(86)	-	(25,904)
Balances at March 31, 2018	453,494	120,070	2,913	21,529	6,848	2,238	23,725	4,136	20,752	655,705
Annual depreciation rates (%)										
Light trucks / Utilities / Buses	19,8	-	-	-	-	-	-	-	-	
Trucks / Semi-trailer	17,0	-	-	-	-	-	-	-	-	
Others	-	14,6	20,0	3,7	55,4	10,0	-	5,0	-	

- (i) The airplane is used by the Company's executives to expedite the trips for customer attendance and, therefore, strictly for business purposes.
- (ii) Investments in fixed assets in progress are basically unfinished works and/or equipment requiring implements to start the operation.

The company assessed the existence of indicators of impairment on fixed assets and considered that it is not necessary to conduct impairment testing for these assets.



16 Intangible Assets

Parent company

	Computer System	Intangible assets in progress	Total
Balances at January 1, 2017	34,105	2,765	36,870
Acquisitions	2,654	(1,483)	1,171
Sales and write-offs	(73)	-	(73)
Reclassifications	569	(563)	6
Amortization	(4,317)	-	(4,317)
			-
Balances at December 31, 2017	32,938	719	33,657
Acquisitions	35	689	724
Sales and write-offs	-	-	-
Reclassifications	148	(148)	-
Amortization	(1,116)	-	(1,116)
			-
Balances at March 31, 2018	32,005	1,260	33,265
Annual depreciation rates (%)			
SAP System (%)	10,0	-	-
Others	20,0	-	-

Consolidated

	Computer System	Intangible assets in progress	Total
Balances at January 1, 2017	34,109	3,479	37,588
Acquisitions	2,682	(34)	2,648
Sales and write-offs	(90)	-	(90)
Reclassifications	2,721	(2,715)	6
Amortization	(4,372)	-	(4,372)
			-
Balances at December 31, 2017	35,050	730	35,780
Acquisitions	35	710	745
Sales and write-offs	-	-	-
Reclassifications	148	(148)	-
Amortization	(1,170)	-	(1,170)
			-
Balances at March 31, 2018	34,063	1,292	35,355
Average annual amortization rates (%)			
SAP System (%)	10,0	-	-
Others	20,0	-	-

The company assessed the existence of indicators of impairment on fixed assets and considered that it is not necessary to conduct impairment testing for these assets.

In 2016, the Company wrote off the contractual rights as it identified, after an assessment, that there are no expectations of future benefits from this investment.



17 Loans and financing

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Acquisition of fixed assets - FINAME (Note 17.b)	26,187	27,969	49,693	50,007
Bank loan for investments (Note 17.c)	121,168	123,160	126,254	128,255
Leasing (Note 17.d)	2,174	2,560	2,557	3,053
	<u>149,529</u>	<u>153,689</u>	<u>178,504</u>	<u>181,315</u>
Non-current				
Acquisition of fixed assets - FINAME (Note 17.b)	50,049	46,307	95,502	91,400
Bank loan for investments (Note 17.c)	75,113	90,243	82,613	98,994
Leasing (Note 17.d)	3,760	4,065	3,760	4,079
	<u>128,922</u>	<u>140,615</u>	<u>181,875</u>	<u>194,473</u>
	<u>278,451</u>	<u>294,304</u>	<u>360,379</u>	<u>375,788</u>

The Group classifies the dividends received as cash flows from financing activities.

a) Acquisition of Fixed Assets - FINAME

Financing obtained for investment in heavy vehicles and equipment that have annual rates of interest ranging from 2.20% to 7.0% with restatement by the unit of reference (UR), long-term interest rate (TJLP) or SELIC rate ranging from 2.20% to 3.90%, and some contracts entered into based on the Support Program for the Investment with annual interest rates from 2.5% to 10% without restatement, maturing from 01/15/2018 until 11/16/2023.

b) Bank loan for investment

Loans obtained for investment in operational vehicles and equipment that have: (i) annual interest rates from approximately 1.45% to 2.74% (R\$ 188,685) and restatement by the Interbank Deposit Certificate (CDI), and (ii) exchange rate variation of the U.S. dollar, plus annual interest rates of 3.74% (R\$ 20,181). These contracts subject to the exchange rate fluctuation of the U.S. dollar are linked to position swap operations of the portions subject to Exchange variation through fixed rates and restatement by the CDI (*swap*), maturing from 06/04/2018 until 12/03/ 2018, whose additional comments are described in Note 4.5.5.

We present in the table below the financial covenants at March 31:

Index	Limits	March 31, 2018	December 31, 2017
Net debt / EBITDA ¹	Equal to or Less than 3.0	1,03	0,83
EBITDA ¹ / Net Financial Expenses	Greater than or equal to 2.0	12,10	11,66

EBITDA¹ (Earnings Before Interest, Taxes, Depreciation and Amortization):



c) Leasing

Financial leasing contracts for acquisition of machinery, equipment and other assets and they have annual rates of interest of approximately 0.60% to 2.42% (R\$ 6,317) and a time frame between 48 and 60 months, and restatement by the Interbank Deposit Certificate (CDI), as presented below:

March 31, 2018						
Year	Parent company			Consolidated		
	Property, plant & equipment	Intangible Assets	Total	Property, plant & equipment	Intangible Assets	Total
up to one year	1,028	1,146	2,174	1,411	1,146	2,557
more than one year, not exceeding five years	2,548	1,212	3,760	2,548	1,212	3,760
	3,576	2,358	5,934	3,959	2,358	6,317

December 31, 2017						
Year	Parent company			Consolidated		
	Property, plant & equipment	Intangible Assets	Total	Property, plant & equipment	Intangible Assets	Total
up to one year	1,175	1,525	2,700	1,682	1,525	3,207
more than one year, not exceeding five years	2,713	1,212	3,925	2,713	1,212	3,925
	3,888	2,737	6,625	4,395	2,737	7,132

d) Guarantees

Lines of financing have as a guarantee their own assets, promissory notes and the endorsement of the controlling shareholders.

e) Breakdown of the payments

At March 31, 2018 and December 31, 2017, the consolidated long-term payment has the following maturities:

March 31, 2018				
Parent company			Loan bank - investment	Total
Year	FINAME	Leasing		
2019	19,229	1,381	51,454	72,064
2020	16,351	963	18,129	35,443
After 2021	14,469	1,416	5,530	21,415
	50,049	3,760	75,113	128,922

Consolidated			Loan bank - investment	Total
Year	FINAME	Leasing		
2019	41,509	1,381	56,453	99,343
2020	28,482	963	20,629	50,074
After 2021	25,511	1,416	5,531	32,458
	95,502	3,760	82,613	181,875



December 31, 2017

Parent company				
Year	FINAME	Leasing	Loan bank - investment	Total
2017	16,948	1,381	51,454	69,783
2018	14,071	963	33,265	48,299
After 2019	15,288	1,721	5,524	22,533
	<u>46,307</u>	<u>4,065</u>	<u>90,243</u>	<u>140,615</u>
Consolidated				
Year	FINAME	Leasing	Loan bank - investment	Total
2017	37,658	1,381	56,454	95,493
2018	28,246	963	36,545	65,754
After 2019	25,496	1,735	5,995	33,226
	<u>91,400</u>	<u>4,079</u>	<u>98,994</u>	<u>194,473</u>

f) Reconciliation of changes in equity with the cash flows arising from financing activities

	Parent company	Consolidated
<i>In thousands of reais</i>	Loans and financing	Loans and financing
Balance at January 1, 2018	294,304	375,788
Changes in financing cash flows		
Payment of loans	(26,260)	(32,826)
Raising of loans	10,103	16,799
Exchange variation	289	529
Total changes in financing cash flows	(15,868)	(15,498)
Other changes		
Expenses with interest	5,271	6,567
Interest paid	(5,256)	(6,478)
Total Other Changes	15	89
Balances as of March 31, 2018	278,451	360,379



18 Tax obligations

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Labor obligations				
Current				
PIS / COFINS to be collected	2,076	1,406	3,709	2,929
ICMS to be collected	1,740	1,407	3,467	2,848
ISS to collect	2,061	1,722	2,487	2,138
Payment of PAEX / REFIS taxes	976	1,107	976	1,107
Retained	829	1,064	1,062	1,391
Others	53	15	68	15
	<u>7,735</u>	<u>6,721</u>	<u>11,769</u>	<u>10,428</u>
Non-current				
Taxes paid in installments PAEX/REFIS	4,455	4,627	4,455	4,627
	<u>4,455</u>	<u>4,627</u>	<u>4,455</u>	<u>4,627</u>
	<u>12,190</u>	<u>11,348</u>	<u>16,224</u>	<u>15,055</u>





19 Balances and transactions with related parties

The company conducted operational transactions with companies of the Group which are priced based on market conditions as defined between the parties, considered by the Management as strictly commutative and appropriate so as to preserve the interests of both of the parties involved in the business of which it is part. The balances and the nature of the main transactions are presented below:

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current assets				
Accounts receivable - freights and advances				
AB Comércio de Veículos Ltda.	2	5	2	5
Águia Branca Logística Ltda	25			
ECO101 Concessionária de Rodovias		454		454
Kurumá Veículos Ltda.	22		22	
Savana Comércio de Veículos Ltda	445	289	445	289
Sigla Investimentos Ltda	1		1	
VD Comércio de Veículos Ltda.	108	177	108	177
Viação Águia Branca S.A	1	1	117	117
Vitoria Motors Ltda.	1		1	
VIX Transportes Dedicados Ltda	120			
Others	1		2	
	<u>726</u>	<u>926</u>	<u>698</u>	<u>1,042</u>
Receivables from related parties				
AB Comércio de Veículos Ltda		1		1
Águia Branca Logística Ltda	338	214		
Águia Branca Participações S.A.	2,113	2,164	2,113	2,164
Autoport Transportes e Logística Ltda	8	10		
VD Comércio de Veículos Ltda.	7,916	7,578	7,916	7,578
Viação Águia Branca S.A.		2		2
VIX Transportes Dedicados Ltda	540	496		
	<u>10,915</u>	<u>10,465</u>	<u>10,029</u>	<u>9,745</u>
Current liabilities				
Suppliers - parts, vehicles and services				
AB Comércio de Veículos Ltda.	94	85	94	85
Águia Branca Encomendas Ltda.	2	1	2	1
Águia Branca Logística Ltda	1		-	-
Águia Branca Participações S.A.		344		344
Autoport Transportes e Logística Ltda	42	82		
Kurumá Veículos Ltda.	9	4	9	4
VD Comércio de Veículos Ltda.(i)	2,579	4,577	3,702	7,141
	<u>2,727</u>	<u>5,093</u>	<u>3,807</u>	<u>7,575</u>
Amounts owed to related parties				
Águia Branca Logística Ltda	108	66	-	-
Autoport Transportes e Logística Ltda	37	25	-	-
VIX Transportes Dedicados Ltda	12	38	-	-
	<u>157</u>	<u>129</u>	<u>-</u>	<u>-</u>



Income	Parent company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Earnings from goods and services				
AB Comércio de Veículos	7	433	7	433
Águia Branca Logística Ltda	676	1,014		
Águia Branca Participações S.A.	88		88	
Autoport Transportes e Logística Ltda	58	41		
ECO101 Concessionária de Rodovias		1,517		1,517
Kurumá Veículos Ltda.	65	15	82	34
Savana Comércio de Veículos	906	444	906	444
Sigla Investimentos Ltda	1		1	
VD Comércio de Veículos Ltda.	298	235	298	235
Viação Águia Branca S.A.	7	2	7	2
Vitoria Motors Ltda.	6		6	
VIX Transportes Dedicados	2,205	485		
VM Comércio de Veículos Ltda.			4	8
Others		1	1	1
	<u>4,317</u>	<u>4,187</u>	<u>1,400</u>	<u>2,674</u>
Cost of services				
AB Comércio de Veículos Ltda.	394	71	394	71
Águia Branca Encomendas Ltda.	9	11	9	11
Águia Branca Logística Ltda	261	74		
Águia Branca Participações S.A.(i)	726	711	727	732
Autoport Transportes e Logística Ltda	249	247		
AZUL Linhas Areas Brasileiras S/A	5	3	5	3
Kurumá Veículos Ltda.(ii)	48	96	48	96
Rio Novo Locações Ltda.(iii)	290	290	456	456
VD Comércio de Veículos Ltda.(ii)	1,172	845	1,473	1,198
VD Pneus Ltda			1	1
Viação Águia Branca S.A.(iv)	1	16	1	16
Viação Salutaris e Turismo S.A.	6	6	6	6
VIX Transportes Dedicados	150	248		
	<u>3,311</u>	<u>2,618</u>	<u>3,120</u>	<u>2,590</u>
Acquisition of fixed assets				
Kurumá Veículos Ltda.		130		130
VD Comércio de Veículos Ltda.	5,175	1,320	16,535	6,792
	<u>5,175</u>	<u>1,450</u>	<u>16,535</u>	<u>6,922</u>



- (i) Acquisition of parts and services for maintenance of the company's fleet.
- (ii) Payments with respect to the operations related to the leasing of real estate properties.
- (iii) Payments with respect to the services of sharing of computer resources - Information Technology and business consulting, where the costs are calculated according to the use of the services.
- (iv) Acquisition of vehicles for use in the Company's operational activities. Transactions between companies are conducted under normal market conditions and values.
- (v) Payments with respect to the operations related to the leasing of real estate properties and vehicles for tourism.

a. Remuneration of the key management personnel

The key management personnel comprises the board members, the directors and the officers. The annual remuneration for 2018 was fixed at R\$ 14,298 (R\$ 14,485 in 2017), in conformity with the resolution approved through the minutes of the Board meeting held on November 11, 2017. The remuneration paid to the directors, the officers and the board members for their services in the periods ended March 31, 2018 and 2017 is presented as follows:

	March 31, 2018	March 31, 2017
Remuneration	3,141	2,980
Other short-term Benefits	38	43
Other long-term benefits (i)	568	699
	<u>3,747</u>	<u>3,722</u>

- (i) These amounts refer to the social security tax (INSS), pension fund and life insurance.

b. Guarantees and guarantees to third parties

The Company is the guarantor of loans taken out with the financial institutions by its subsidiaries, namely:

	March 31, 2018	March 31, 2017
Autoport Transportes e Logística Ltda	1,417	3,176
Águia Branca Logística Ltda	4,649	6,350
VIX Transportes Dedicados Ltda	18,772	24,145
	<u>24,838</u>	<u>33,671</u>



20 Provision for legal proceedings

The movement of provisions for contingencies to the static risk is essential as follows:

Parent company

Provisions	Tax	Labor	Civil	Total
Balances at January 1, 2017	1,515	16,016	237	17,768
Provision	-	1,911	-	1,911
Complement to provision	-	3,731	292	4,023
Write-off through payment	-	(2,819)	-	(2,819)
Reversal of provision	(1,515)	(4,428)	(119)	(6,062)
Balances at December 31, 2017	-	14,411	410	14,821
Provision	-	163	-	163
Complement to provision	-	1,030	(10)	1,020
Write-off through payment	-	(1,085)	(267)	(1,352)
Reversal of provision	-	-	-	-
Balances at March 31, 2018	-	14,519	133	14,652

Consolidated

Provisions	Tax	Labor	Civil	Total
Balances at January 1, 2017	1,515	16,016	237	17,768
Provision	-	3,280	-	3,280
Complement to provision	1,614	4,525	424	6,563
Write-off through payment	-	(3,368)	-	(3,368)
Reversal of provision	(1,515)	(909)	(119)	(2,543)
Balances at December 31, 2017	1,614	19,544	542	21,700
Provision	-	182	-	182
Complement to provision	16	1,249	(8)	1,257
Write-off through payment	-	(1,305)	(267)	(1,572)
Reversal of provision	-	-	-	0
Balances at March 31, 2018	1,630	19,670	267	21,567



20.1 Tax contingencies

The Company and its subsidiaries figure as parties in various administrative and legal proceedings of a tax nature represented by notices of tax deficiencies related to the questioning of certain procedures adopted by the Management. Of the amount of processes, there is an amount of R\$ 178,616 (R\$ 178,244 at December 31, 17) referring to processes classified as a risk of possible loss, where the amount of R\$ 141,522 (R\$ 140,340 at December 31, 17) refers to processes within the State scope (ES and RJ), R\$ 36,911 (R\$ 37,677 at December 31, 17) within the Federal scope and R\$ 183 (R\$ 226 at December 31, 17) within the Municipal scope. There are also processes in the amount of R\$ 1,630 (R\$ 1,614 at December 31, 17), classified with a risk of likely loss (consolidated), where a provision has been recorded for the total of this amount.

The main tax litigation, classified as a risk of possible loss, according to the opinion of our legal counsel, is shown as follows:

- (1) In December 2011, the State Secretariat of Finance of Rio de Janeiro (SEFAZ-RJ) filed a tax claim against the parent company Vix Logística S.A. in the amount of R\$ 56,723 (R\$ 101,555, updated amount at March 31, 2018) on not issuing an electronic bill of lading (CT-e) on vehicle rental operations. The Company has presented its defense and currently the process is at the lower administrative court.
- (2) In November 2014, the parent company Vix Logística S.A. was issued a tax claim by the Brazilian Federal Revenue Department (RFB) in the amount of R\$ 28,838 (R\$ 32,681 updated amount at March 31, 2018), calling into question the topics: taking of PIS and COFINS credits on import operations and suspension of PIS and COFINS for freights to the commercial exporting company, in addition to mischaracterizing items that the Company defined as inputs for taking PIS and COFINS credits. The Company has presented its defense and currently the process is at the Administrative Tax Appeals Council.
- (3) In June 2016, the State Secretariat of Finance of Espírito Santo (SEFAZ-ES) filed a tax claim against the parent company Vix Logística S.A. in the amount of R\$ 31,008 (R\$ 34,353, updated amount at March 31, 2018) on not paying value-added tax on sales and services (ICMS) on outflows of fixed assets. The Company has presented its defense and currently the process is at the lower administrative court.

20.2 Labor contingencies

At March 31, 2018, the company and its subsidiaries were parties in 1,258 (1,302 at December 31, 2017) labor suits, of which R\$ 58,863 (R\$ 56,435 on 31 December 2017) are classified as a risk of possible loss and R\$ 19,670 (R\$ 19,544 at December 31, 2017) classified as risk of likely loss (consolidated), fully provisioned for, since it corresponds to the expected probable disbursement of cash according to the evaluation of the Company's legal advisors. The company still holds deposits in courts in the amount of R\$ 19,596 (R\$ 19,556 at December 31, 2017) recorded in non-current assets (consolidated).

The labor contingencies in which the company is a party were typically initiated by former employees after their dismissal, usually claiming overtime. Additionally, the Company is party to certain collective actions questioning working hours and the outsourcing of activities (joint liability) by certain clients.



20.3 Civil contingencies

At March 31, 2017, the Company and its subsidiaries were party to 198 (195 at December 31, 2017) civil actions, of which 96 (98 at December 31, 2017) are actions where the Company is defendant and 102 (97 at December 31, 2017) where it is plaintiff. Of the actions where the company is defendant, R\$ 17,854 (R\$ 17,855 at December 31, 2017) are classified as a risk of possible loss and R\$ 267 (R\$ 542 at December 31, 2017) are classified as a risk of likely loss (consolidated), according to the lawyers who are defending the processes, and a provision has been recorded in this amount.

The civil contingencies do not involve material amounts and they address mainly indemnity claims concerning traffic accidents.

21 Shareholders' equity

(a) Share capital

At March 31, 2018, the subscribed and paid-in capital is R\$ 332,000, represented by 84,705,666 registered common shares with no par value. The authorized capital is represented by 750,000,000 registered common shares with no par value.

Shareholders	March 31, 2018		December 31, 2017	
	Qty. Common shares	Ownership (%)	Qty. Common shares	Ownership (%)
Águia Branca FIP			69,056,132	81,52
International Finance Corporation (IFC)	9,011,241	10,64	9,011,241	10,64
Águia Branca Participações S.A.	72,690,672	85,81	3,634,540	4,29
IFC ALAC Brasil FIP	3,003,747	3,55	3,003,747	3,55
Kaumer Chieppe	6	<0.01	6	<0.01
Total	84,705,666	100	84,705,666	100

(b) Capital reserves

They refer to a goodwill reserve on the subscription of share capital in 2009.

(c) Profit reserve

The company, in accordance with its by-laws, maintains a profit reserve whose purpose is to assure resources for funding additional investments of fixed and current capital and are formed with the remaining balance of the net income for the period after the legal and statutory deductions, where these reserves may not exceed the value of the share capital.

(d) Legal reserve

Formed at the rate of 5% of the net income for the period up to the amount of 20% of the share capital, in accordance with the Brazilian corporation law.

(e) Equity valuation adjustment

It refers primarily to the revaluation of the company's fixed assets which is net of deferred income tax and social contribution on the total balance of the revaluation reserve.



22 Income tax and social contribution

22.1 Current balances

Constituted in conformity with the prevailing current rates, based on the adjusted profit (taxable income) or on service revenue (presumed profits) for tax purposes:

Reconciliation of the provision for income tax and social contribution

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Net income before income tax and social contribution	7,085	16,326	10,716	16,719
Combined nominal rate - %	34	34	34	34
Income tax and social contribution at the prevailing rates	(2,409)	(5,551)	(3,643)	(5,684)
Adjustments to the calculation by the effective rate				
(+) Additions - permanent items				
Other nondeductible costs and expenses	(128)	(54)	(162)	(129)
(-) Exclusions - permanent items				
Equity accounting results	2,361	205		
Tax loss for the period				
Others	-	59	(1)	81
Tax calculation effects through presumed profit in invested companies			(1)	(2)
(=) Income tax and social contribution expenses on the results	(176)	(5,341)	(3,807)	(5,734)
Current	(457)	(3,778)	(3,858)	(5,519)
Deferred	281	(1,563)	51	(215)
Actual rate	2%	33%	36%	34%

22.2 Deferred balances

Assets

Deferred income tax and social contribution, in the amount of R\$ 7,384 (R\$ 7,087 at December 31, 2017) and R\$ 15,835 (R\$ 15,292 at December 31, 2017), in the parent company and in consolidated, respectively, refer mainly to the provision made on temporary differences. In consolidated there are deferred tax credits constituted on tax losses in the subsidiaries VIXTD and ABL, in the amount of R\$ 5,951 (R\$ 5,777 at December 31, 2017), whose values are reviewed at each balance sheet date and, where applicable, to the extent that it is no longer likely that there will be sufficient taxable future profits for their realization.



	Provision for contingencies	ICMS credits incorporated in fixed assets	Provision Swap	Provision for income tax on remittance abroad	Expected Loss	Loss Supervisor	Total
Parent company							
Balances at January 1, 2017	6,042	1,418	1,786	3	-	-	9,249
Constitution of income tax and social contribution	-	-	(896)	-	-	-	(896)
Use of income tax and social contribution	(1,002)	(264)	-	-	-	-	(1,266)
Balances at December 31, 2017	5,040	1,418	890	3	-	-	7,087
Constitution of income tax and social contribution	-	134	57	11	153	-	355
Use of income tax and social contribution	(58)	-	-	-	-	-	(58)
Balances at March 31, 2018	4,982	1,552	947	14	-	-	7,384
Consolidated							
Balances at January 1, 2017	6,042	1,418	1,786	3		5,629	14,878
Constitution of income tax and social contribution	1,337		(893)	(3)	89		530
Use of income tax and social contribution		(264)				148	(116)
Balances at December 31, 2017	7,379	(264)	893	-		5,777	15,292
Constitution of income tax and social contribution	-	134	57	11	213	173	588
Use of income tax and social contribution	(45)	-					(45)
Balances at March 31, 2018	7,334	(130)	950	11	213	5,950	15,835



Liabilities

Deferred income tax and social contribution liabilities in the amount of R\$ 76,914 (R\$ 76,914 at December 31, 2017) and R\$ 100,561 (R\$100,073 at December 31, 2017), in the parent company and in consolidated, respectively, refer to differences arising from the adjustments of Law 11,638, related mainly to the review of the economic useful life of the fixed assets, to the revaluation reserve, among others, as presented below:

	Review of the useful life the fixed	Revaluation reserve	Exchange variation	Leasing	Updating of appeal deposits	Total
Parent company						
Balances at January 1, 2017	66,061	4,523	2,301	3,271	900	77,056
Constitution of income tax and social contribution	178	-	-	380	-	558
Use of income tax and social contribution	-	(12) *	(768)	-	68	(712)
Balances at December 31, 2017	66,239	4,511	1,533	3,651	968	76,902
Constitution of income tax and social contribution	-	-	-	61	85	146
Use of income tax and social contribution	(96)	(4)	(34)	-	-	(134)
Balances at March 31, 2018	66,143	4,507	1,499	3,712	1,053	76,914
Consolidated						
Balances at January 1, 2017	87,339	4,523	2,301	3,308	1,029	98,500
Constitution of income tax and social contribution	1,762	-	-	459	-	2,221
Use of income tax and social contribution	-	(12) *	(768)	-	132	(648)
Balances at December 31, 2017	89,101	4,511	1,533	3,767	1,161	100,073
Constitution of income tax and social contribution	346	-	-	88	92	526
Use of income tax and social contribution	-	(4)	(34)	-	-	(38)
Balances at March 31, 2018	89,447	4,507	1,499	3,855	1,253	100,561

(*) Without considering taxes on the revaluation reserve, recorded directly in shareholders' equity.

Presentation at net value in the balance sheet

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Asset Balance (-)	7,384	7,087	15,835	15,292
Liability balance (+)	76,914	76,902	100,561	100,073
	<u>69,530</u>	<u>69,815</u>	<u>84,726</u>	<u>84,781</u>

Effect on the results for the period

	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Assets - increase (decrease) in the balance of deferred taxes	297	(673)	543	1,556
Liabilities - increase in the balance of deferred taxes (*)	<u>(16)</u>	<u>(890)</u>	<u>(492)</u>	<u>(1,771)</u>
	<u>281</u>	<u>(1,563)</u>	<u>51</u>	<u>(215)</u>

23 Insurance coverage

The Company and its subsidiaries maintain insurance with coverage and indemnity limits considered sufficient by management to cover possible risks to its assets.

The main responsibilities of the operations performed by the parent company and its subsidiaries for any damage caused to third parties arising from their activities and also the main risks of damage to the assets are transferred to the insurance market, thus protecting their assets from massive and/or unexpected disbursements.

Considering the financial costs of taking out insurance for the entire fleet of vehicles, the company adopts risk management practices to minimize the frequency and severity of losses.

Additionally, the Company has specific policies for optional civil liability (RCF) for vehicles and obligatory civil liability (RCO) for road transport of passengers.

At March 31, 2018 and 2017, the Company held the following main insurance policies taken out with third parties:

Assets insured	Risks covered	Amount of the coverage
Property	Fire/lightening/explosion/electrical damages, gales, hurricanes, hail, theft, burglary.	3,500
Property and inventory	Basic coverage, Electrical damages and Risk site	60,000
Finished products	Cargo road transport (Civil liability of the road transporter of cargos (F	3,500
Goods and products	Cargo road transport (RCTR-C e RCF-DC)	3,000
Finished products	Road transport in international travel (RCTR-C, RCTR-VI and RCF-DC)	US\$ 1,050
Goods and products	Road transport in international travel (RCTR-C, RCTR-VI and RCF-DC)	US\$ 1,050
Life insurance	Death. Accidental death, accidental disability, permanent functional disability for illness.	12 times salary/wage of the insured party
Insurance of Officers	Civil Liability of Officers	15,000

24 Net earnings from sales and services

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Earnings from sales and providing of services	178,203	185,972	283,094	274,601
Taxes and/or deductions				
ICMS (Value-added tax)	(2,533)	(2,493)	(6,471)	(6,085)
ISS (Service tax)	(4,766)	(4,350)	(5,774)	(5,236)
PIS (Social integration program)	(2,351)	(2,414)	(4,033)	(3,837)
COFINS (Tax for social security financing)	(10,869)	(11,122)	(18,614)	(17,675)
INSS (Social security tax)	-	-	(548)	(470)
Canceled sales	-	-	-	-
	(20,519)	(20,379)	(35,440)	(33,303)
Net operating income	<u>157,684</u>	<u>165,593</u>	<u>247,654</u>	<u>241,298</u>

25 Cost of services rendered and expenses per nature

Represented by:

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Costs of the services provided				
Labor and charges	(68,553)	(68,208)	(91,047)	(86,909)
Inputs	(20,847)	(17,625)	(26,558)	(22,479)
Depreciation	(20,737)	(19,554)	(26,509)	(25,484)
Leasing of real estate properties and equipment	(2,973)	(2,236)	(3,765)	(2,898)
Third-party services	(5,794)	(4,619)	(8,323)	(6,809)
Freight	(3,829)	(3,011)	(40,732)	(36,028)
Renewal of fleets	(7,491)	(12,245)	(7,986)	(12,391)
Other costs	(8,719)	(8,371)	(10,470)	(10,063)
	<u>(138,943)</u>	<u>(135,869)</u>	<u>(215,390)</u>	<u>(203,061)</u>

	Parent company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Administrative, commercial and general expenses				
Labor and charges	(7,921)	(7,422)	(9,766)	(8,852)
Third-party services	(2,029)	(1,623)	(2,048)	(1,636)
Depreciation	(551)	(427)	(565)	(442)
Taxes, fees and contributions	(750)	(1,098)	(963)	(1,525)
Other Expenses (ii)	(3,738)	2,046	(4,542)	(4,531)
	<u>(14,989)</u>	<u>(8,524)</u>	<u>(17,884)</u>	<u>(16,986)</u>

(i) These amounts refer to the Company's other general expenses, such as: insurance, vehicle tax (IPVA), licensing, telephone, water, electricity, canteen, travel costs, conservation of assets, fleet tracking etc.

(ii) These amounts refer to the Company's other general expenses, such as: telephone, water, electricity, canteen, office material, computer expenses etc.

26 Financial income and expenses

Represented by:

	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Financial expenses				
Interest on loans and financing	(5,271)	(10,571)	(6,567)	(11,970)
Foreign exchange variation losses	(975)	(739)	(975)	(739)
Other interest incurred	(69)	(99)	(81)	(101)
Swaps	(980)	(2,341)	(980)	(2,341)
Other financial expenses	(368)	(276)	(722)	(711)
	<u>(7,663)</u>	<u>(14,026)</u>	<u>(9,325)</u>	<u>(15,862)</u>
Financial income				
Foreign Exchange gains	876	1,604	876	1,604
Yields on financial investments	1,689	5,785	3,183	8,356
Discounts and interest received	7	301	10	307
Yields on financial instruments	9	11	9	11
Swaps	813	415	813	415
Other financial income	543	117	625	270
	<u>3,937</u>	<u>8,233</u>	<u>5,516</u>	<u>10,963</u>
Net financial result	<u>(3,726)</u>	<u>(5,793)</u>	<u>(3,809)</u>	<u>(4,899)</u>

The Group classifies the dividends received as cash flows from investment activities.

27 Basic and diluted income per share

The company does not have potential shares, i.e. any instruments or contracts that may result in the issuing of shares, and, accordingly, it has not been presented in the diluted earnings per share.

	March 31, 2018	March 31, 2017
Net income for the year	6,909	10,985
Weighted average of common shares outstanding	84,706	84,706
Basic and diluted earnings per share (in Reais)	0,08156	0,12968

28 Other disclosures on the cash flows

In the statements of cash flows, the result from the sale of fixed assets and goods available for sale comprises:

	Parent company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sale of property, plant and equipment				
Net book value	408	881	408	882
Profit / loss on disposal of property, plant and equipment	-	(674)	-	(676)
Amounts received on the disposal of property, plant and equipment	408	207	408	206
	Parent company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sale of non-current assets held for sale				
Net book value	7,084	12,034	7,577	12,180
Profit / loss on the sale	2,782	2,536	2,819	2,654
Amounts received on the sale	9,866	14,570	10,396	14,834

28.1 Non-monetary transactions

The principal non-monetary transaction is the acquisition of a fleet by financing. The value of these transactions in the period ended March 31, 2018, was R\$10,103 (R\$1,137 in March 31, 2017) in the parent company, and a consolidated total of R\$16,799 (R\$1,904 in March 31, 2017).

29 Employee benefits

GAB provides a complementary pension plan through an open complementary pension entity in a pure defined contribution model. The contributions are fixed based on a percentage of the employee's salary/wages. The management of the funds is conducted by an open complementary pension entity and the assets are invested in investment funds.

The contributions are recognized as employee benefit expenses.

The amounts recognized in the statement of income for the period were determined as follows:

	Parent company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Expenses recognized in the income statement with:				
Pension plan benefits	81	184	89	213

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