

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

**Consolidated and individual interim
accounting information at September
30, 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.
Rio de Janeiro - RJ

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 September 30, 2018, which comprises the balance sheet as of September 30, 2018 and the respective statements of income and comprehensive income for the three and nine-month periods then ended and changes in stockholders' equity and cash flows for the nine-month period then ended, 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 September 30, 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, November 5, 2018

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



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Vix Logística S.A.

Balance sheets at September 30, 2018 and December 31, 2017

(In thousands of Reals)

		Parent company		Consolidated	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Assets	Notes				
Current assets					
Cash and cash equivalents	6	12,401	10,802	19,037	13,850
Securities	7	224,400	121,018	299,763	214,129
Accounts receivable	8	137,624	114,530	207,741	172,015
Accounts receivable from related parties	18	902	926	787	1,042
Inventories	9	14,095	11,433	16,563	14,128
Recoverable taxes	10	9,646	10,958	14,260	13,106
Recoverable income tax and social contribution		16,394	8,529	29,998	10,373
Other financial assets		851	546	958	2,503
Prepaid expenses		4,940	2,617	6,313	3,481
Operations with derivatives	5.iii 1	973	0	973	0
Operating assets held for sale	11	29,887	26,022	30,983	27,662
Financial assets held to maturity		0	585	0	585
		<u>452,113</u>	<u>307,966</u>	<u>627,376</u>	<u>472,874</u>
Non-current assets					
Receivables from related parties	18	11,151	10,465	10,622	9,745
Recoverable taxes	10	6,260	7,001	8,553	8,409
Other financial assets		10,544	5,683	11,167	6,122
Prepaid expenses		146	166	491	355
Operations with derivatives	5.iii 1	5,501	-	5,501	-
Deposits in court and others	19	15,088	14,680	20,302	19,556
		<u>48,690</u>	<u>37,995</u>	<u>56,636</u>	<u>44,187</u>
Investments	12	195,975	198,058	344	344
Property, plant and equipment	13	580,149	470,502	761,179	621,522
Intangible Assets	14	32,321	33,657	34,353	35,780
		<u>808,445</u>	<u>702,217</u>	<u>795,876</u>	<u>657,646</u>
		<u>857,135</u>	<u>740,212</u>	<u>852,512</u>	<u>701,833</u>
Total assets		1,309,248	1,048,178	1,479,888	1,174,707

		Parent company		Consolidated	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Liabilities	Notes				
Current liabilities					
Loans and financing	15	132,865	153,689	163,568	181,315
Suppliers		16,546	30,178	22,912	34,475
Accounts payable to related party suppliers	18	765	5,093	765	7,575
Labor obligations payable	16	39,129	24,088	54,428	32,602
Labor obligations payable	17	8,042	6,721	12,211	10,428
Income tax and social contribution payable		102	-	12,740	537
Accounts payable		3,166	1,153	6,735	4,825
Advances from clients		1,707	693	1,889	813
Operations with derivatives	5.iii 1	-	2,614	-	2,614
Dividends payable		-	1,329	-	1,329
		202,322	225,558	275,248	276,513
Non-current liabilities					
Loans and financing	15	406,336	140,615	479,999	194,473
Amounts owed to related parties	18	119	129	-	-
Deferred income tax and social contribution	21	69,923	69,815	86,784	84,781
Tax obligations	17	4,107	4,627	4,107	4,627
Provision for contingencies	19	15,597	14,821	22,906	21,700
		496,082	230,007	593,796	305,581
		698,404	455,565	869,044	582,094
Shareholders' equity					
Share capital	20	332,000	332,000	332,000	332,000
Capital reserves	20	9,338	9,338	9,338	9,338
Profit reserves	20	261,297	242,752	261,297	242,752
Equity valuation adjustments	20	8,209	8,523	8,209	8,523
		610,844	592,613	610,844	592,613
Total liabilities and shareholders' equity		1,309,248	1,048,178	1,479,888	1,174,707



Vix Logística S.A.

Statements of income

Nine-month period September 30, 2018 and 2017

(In thousands of Reais)

		Parent company		Consolidated	
	Notes	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net earnings from sales and services	24	530,047	483,743	845,262	732,537
Costs of Sales and Services	25	(470,504)	(407,641)	(733,956)	(626,408)
Gross profit		59,543	76,102	111,306	106,129
Operating expenses and income					
General administrative expenses	25	(52,700)	(40,176)	(60,732)	(53,078)
Other net income		399	624	592	903
Equity accounting results	14	28,205	12,815	-	-
		(24,096)	(26,737)	(60,140)	(52,175)
Operating income before financial result		35,447	49,365	51,166	53,954
Financial expenses	26	(47,980)	(35,506)	(53,495)	(40,666)
Financial income	26	36,853	21,162	41,182	28,446
Net income before income tax and social contribution		24,320	35,021	38,853	41,734
Current income tax and social contribution	22	(102)	(6,016)	(12,740)	(13,670)
Deferred income tax and social contribution	22	(120)	(1,991)	(2,015)	(1,050)
Net income for the period		24,098	27,014	24,098	27,014
Basic and diluted earnings per share in R\$				0.28449	0.31891

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of income

Three-month period September 30, 2018 and 2017

(In thousands of Reais)

		Parent company		Consolidated	
	Notes	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net earnings from sales and services	24	195,761	159,828	313,007	248,779
Costs of Sales and Services	25	(170,316)	(136,933)	(264,959)	(214,221)
Gross profit		25,445	22,895	48,048	34,558
Operating expenses and income					
General administrative expenses	25	(22,320)	(15,294)	(25,183)	(17,149)
Other net income		163	144	282	187
Equity accounting results	14	12,686	6,941	-	-
		(9,471)	(8,209)	(24,901)	(16,962)
Operating income before financial result		15,974	14,686	23,147	17,596
Financial expenses	26	(28,631)	(10,257)	(30,722)	(11,842)
Financial income	26	25,900	6,422	27,332	8,665
Net income before income tax and social contribution		13,243	10,851	19,757	14,419
Current income tax and social contribution	22	(102)	(632)	(5,513)	(4,162)
Deferred income tax and social contribution	22	(1,389)	(61)	(2,492)	(99)
Net income for the period		11,752	10,158	11,752	10,158
Basic and diluted earnings per share in R\$				0.13874	0.11992

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of comprehensive income

Nine-month period September 30, 2018 and 2017

(In thousands of Reais)

	Parent company		Consolidated	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net income for the period	24,098	27,014	24,098	27,014
Other comprehensive income				
Items that may subsequently be reclassified to the income statement				
Exchange variation on investments abroad	(288)	67	(288)	67
	(288)	67	(288)	67
Comprehensive income for the period	23,810	27,081	23,810	27,081

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of comprehensive income

Three-month period September 30, 2018 and 2017

(In thousands of Reais)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Net income for the period	<u>24,098</u>	<u>10,985</u>	<u>24,098</u>	<u>10,985</u>
Other comprehensive income				
Items that may subsequently be reclassified to the income statement				
Exchange variation on investments abroad	<u>(13)</u>	<u>(14)</u>	<u>(13)</u>	<u>(14)</u>
	<u>(13)</u>	<u>(14)</u>	<u>(13)</u>	<u>(14)</u>
Comprehensive income for the period	<u><u>24,085</u></u>	<u><u>10,971</u></u>	<u><u>24,085</u></u>	<u><u>10,971</u></u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of changes in shareholders' equity at September 30, 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	-	-	-	-	-	-	27,014	27,014
Exchange variation on investments abroad	-	-	-	-	-	67	-	67
Total comprehensive income for the year	-	-	-	-	-	67	27,014	27,081
Realization of revaluation reserve	-	-	-	-	-	(29)	36	7
Proposed dividends	-	-	-	-	(2,279)	-	(5,058)	(7,337)
Dividends paid	-	-	-	-	3,047	-	(3,047)	-
Profit retention	-	-	-	18,945	-	-	(18,945)	-
Total contributions and distributions to shareholders	-	-	-	18,945	768	(29)	(27,014)	(7,330)
Balances at September 30, 2017	<u>332,000</u>	<u>9,338</u>	<u>21,271</u>	<u>210,094</u>	<u>3,047</u>	<u>8,533</u>	<u>-</u>	<u>584,283</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	-	-	-	-	-	-	24,098	24,098
Exchange variation on investments abroad	-	-	-	-	-	(288)	-	(288)
Total comprehensive income for the year	-	-	-	-	-	(288)	24,098	23,810
Realization of revaluation reserve	-	-	-	-	-	(26)	37	11
Proposed dividends	-	-	-	-	3,521	-	(3,521)	-
Dividends paid	-	-	-	-	(1,882)	-	(3,708)	(5,590)
Profit retention	-	-	-	16,906	-	-	(16,906)	-
Total contributions and distributions to shareholders	-	-	-	16,906	1,639	(26)	(24,098)	(5,579)
Balances at September 30, 2018	<u>332,000</u>	<u>9,338</u>	<u>23,257</u>	<u>234,519</u>	<u>3,521</u>	<u>8,209</u>	<u>-</u>	<u>610,844</u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of cash flows

Nine-month period September 30, 2018 and 2017

(In thousands of Reais)

	Parent company		Consolidated	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Cash flows from operating activities				
Net income for the period	24,098	27,014	24,098	27,014
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)	67,195	59,947	85,450	77,667
Residual value of property, plant and equipment and intangible assets written off (note 13, 15 and 16)	28,159	36,029	30,793	36,675
Equity in subsidiaries (Note 14)	(28,205)	(12,815)	-	-
Interest, monetary and exchange variations on unrealized loans	31,361	29,300	37,689	34,098
Changes in unrealized result of derivatives at fair value through profit or loss	(9,087)	167	(9,087)	167
Provision for contingencies	(1,983)	(5,581)	(2,312)	1,138
Provision (reversal) expected losses	418	18	642	18
Income tax and social contribution expense	222	8,007	14,755	14,720
Interest on financial assets held to maturity	(21)	(28)	(21)	(28)
	112,157	142,058	182,007	191,469
Change in operating assets and liabilities				
Bills to receive	(23,512)	5,687	(36,368)	(1,788)
Accounts receivable - related parties	24	(109)	255	(106)
Stocks	(2,662)	(1,717)	(2,435)	(1,741)
Taxes to be recovered (CP and LP)	2,053	4,484	(1,298)	3,172
Income and social contribution taxes recoverable	(7,865)	(3,928)	(19,625)	(9,268)
Other financial assets (CP and LP)	(5,166)	1,714	(3,500)	2,163
Prepaid expenses (CP and LP)	(2,303)	(1,513)	(2,968)	(1,691)
Credits with related parties	(686)	(3,073)	(877)	(1,166)
Judicial deposits	(408)	1,146	(746)	376
Providers	(13,632)	4,054	(11,563)	3,728
Suppliers with related parties	(4,328)	1,309	(6,810)	3,225
Labor obligations	15,041	7,728	21,826	10,448
Tax liabilities (CP and LP)	801	(1,365)	1,263	(1,849)
Income and social contribution taxes payable	102	5,112	12,203	12,517
Bills to pay	2,013	(2,821)	1,910	(2,370)
Customer advances	1,014	1,512	1,076	1,503
Debts with related parties	(10)	12	-	-
	72,633	160,290	134,350	208,622
Cash provided by operations				
Income tax and social contribution paid	(102)	(6,016)	(12,740)	(13,670)
Interest paid	(20,857)	(27,977)	(24,783)	(32,211)
Investments in marketable securities	(497,455)	(326,949)	(703,921)	(524,063)
Redemptions on marketable securities	394,062	340,837	618,293	529,157
Acquisition and renewal of fleet of vehicles	(171,333)	(43,666)	(200,708)	(51,537)
Net cash flows from operating activities	(223,052)	96,519	(189,509)	116,298
Cash flows from investment activities				
Acquisition of other fixed and intangible assets	(5,989)	(5,906)	(8,827)	(8,088)
Dividends received	30,000			
Write-off of other investments	(7)	24	(7)	70
Net cash flows used in investment activities	24,004	(5,882)	(8,834)	(8,018)
Cash flows from financing activities				
Raising of loans	292,284	3,494	317,284	3,494
Payments of loans	(84,718)	(83,625)	(106,547)	(102,151)
Dividends paid	(6,919)	(9,791)	(6,919)	(9,791)
Net cash flows used in financing activities	200,647	(89,922)	203,818	(108,448)
Exchange variation on foreign investment			(288)	67
Increase in cash and cash equivalents	1,599	715	5,187	(101)
Cash and cash equivalents at January 1	10,802	10,272	13,850	12,637
Cash and cash equivalents at September 30	12,401	10,987	19,037	12,536
	1,599	715	5,187	(101)

See the accompanying notes to the interim financial information.



Vix Logística S.A.

Statements of added value

Nine-month period September 30, 2018 and 2017

(In thousands of Reais)

	Parent company		Consolidated	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Earnings				
Sales of goods, products and services	597,177	543,614	963,825	834,319
Other earnings	401	626	594	905
Allowance for losses on doubtful receivables	(36)	(11)	(91)	(53)
	<u>597,542</u>	<u>544,229</u>	<u>964,328</u>	<u>835,171</u>
Inputs acquired from third parties				
Cost of goods and services sold	(100,199)	(91,761)	(124,310)	(108,320)
Material, power, third-party services and others	(83,393)	(59,753)	(222,419)	(189,072)
	<u>(183,592)</u>	<u>(151,514)</u>	<u>(346,729)</u>	<u>(297,392)</u>
Gross added value	413,950	392,715	617,599	537,779
Depreciation and amortization	(67,195)	(59,947)	(85,450)	(77,667)
Net added value produced by the Company	<u>346,755</u>	<u>332,768</u>	<u>532,149</u>	<u>460,112</u>
Transferred added value received				
Equity accounting results	28,205	12,815	-	-
Financial income	36,853	21,162	41,182	28,446
	<u>65,058</u>	<u>33,977</u>	<u>41,182</u>	<u>28,446</u>
Total added value to be distributed	<u>411,813</u>	<u>366,745</u>	<u>573,331</u>	<u>488,558</u>
Distribution of added value				
Personnel				
Salaries and payroll charges	212,085	186,495	292,304	246,473
Board of directors' fees	8,269	7,912	8,269	7,912
Retirement and pension plans	483	562	542	651
Taxes, fees and contributions				
Federal	78,098	77,172	133,518	116,271
State	15,686	12,843	29,252	24,999
Municipal	15,951	12,789	19,773	15,721
Remuneration of third-party capital				
Interest	46,893	34,732	52,064	39,500
Rents	9,404	6,614	12,321	9,012
Other	846	612	1,190	1,005
Remuneration of shareholders' equity				
Dividends	7,229	8,104	7,229	8,104
Retained earnings	16,869	18,910	16,869	18,910
	<u>411,813</u>	<u>366,745</u>	<u>573,331</u>	<u>488,558</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 September 30, 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
Autoport Transportes e Logística Ltda.	ATL	Road transport of vehicles
Vixlog Transporte e Logística Ltda. ¹	VIXLOG	Road transport of cargoes

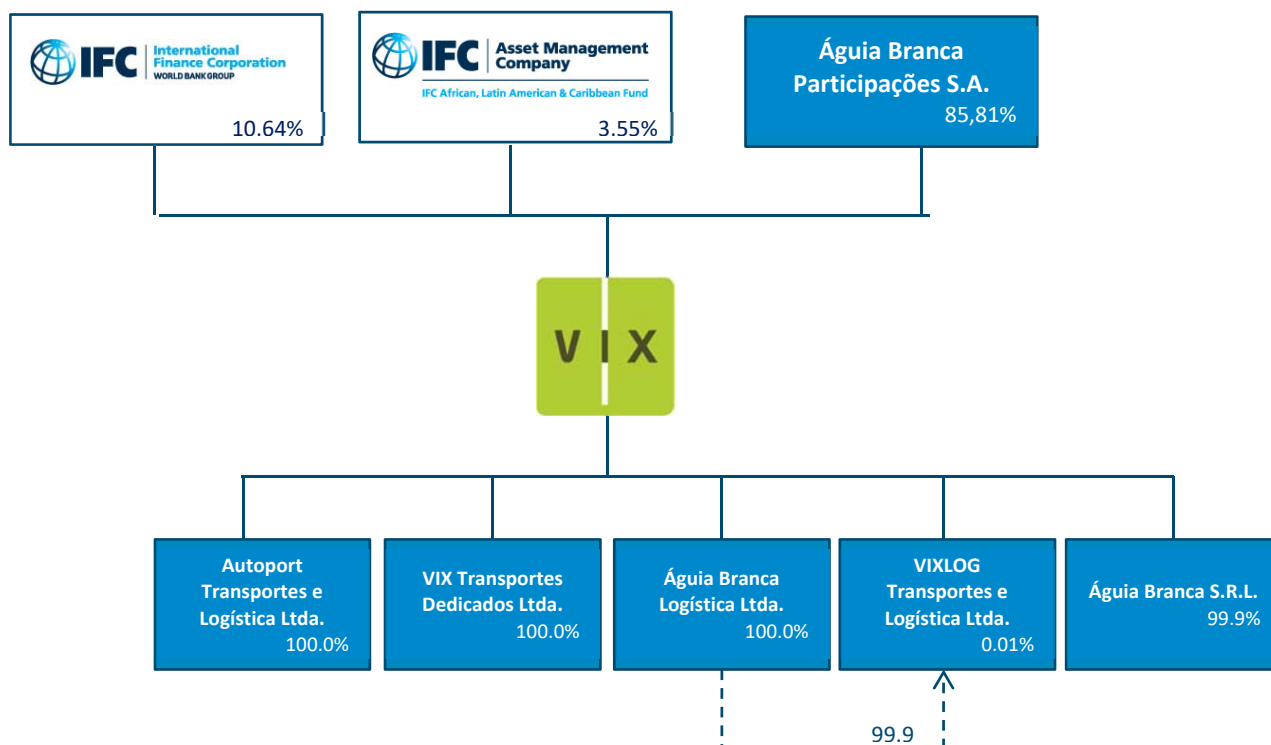
(1) An indirectly controlled company without commercial transactions.

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 Basis of preparation, presentation of the interim individual and consolidated accounting information

3.1 Declaration of conformity (with respect to International Financial Reporting Standards -IFRS and the standards of the Accounting Pronouncement Committee -CPC)

The individual and consolidated interim accounting information was prepared in accordance with IAS 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and CPC 21 (R1) - "Interim Statement" and presented in accordance with the standards approved and issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information Report (ITR).

All the material proprietary information in the financial statements, and only this information, is being disclosed and it is the same as that used by the directors in their management.

The purpose of the interim financial information, in this case, interim accounting information, is to provide an update based on the latest complete annual financial statements. Therefore, they focus on new activities, events and circumstances and do not duplicate information previously disclosed, except when the Management deems it is relevant to maintain certain information.

The issuing of these individual and consolidated interim financial statements was authorized by the Board of Directors on november 1, 2018.



3.2 Changes in significant accounting policies

Except for the adoption of CPC 47 /IFRS 15 Income from Client Contracts and CPC 48/IFRS 9 Financial Instruments, there has been no change of any kind in relation to these policies and methods for calculation of estimates, and as permitted by CVM Resolution 673/11 which addresses interim accounting information, Management opted not to disclose again in detail the accounting policies adopted by the Company. Thus, it is necessary to read this interim individual and consolidated accounting information in conjunction with the individual and consolidated annual financial statements for the year ended December 31, 2017, in order to permit the users to extend their understanding of the Company's financial situation and liquidity and its ability to generate profits and cash flows.

The Group adopted CPC 47/15 Income from Client Contracts and CPC 48/IFRS 9 Financial Instruments as from January 1, 2018. A number of other new standards are effective as from January 1, 2018, however, they have no material effect on the Company's financial statements. Accordingly, the balances for the period ended March 31, 2018 are being presented with the respective effects of their adoption in the accounting, as described in notes 3.2.1 and 3.2.2. The changes in the accounting policies shall also be reflected in the Group's individual and consolidated financial statements for the year ended December 31, 2018.

The new standard allows for two methods of transition:

- full retrospective transition (for all periods presented); and
- modified retrospective transition with the cumulative effect of the initial application recognized as an adjustment to the opening balance of retained earnings at the date of initial adoption.

The Company opted to adopt the modified retrospective method, and thus will not be required to re-present comparative balances prior to the period and/or year presented.

3.2.1 Technical Pronouncement CPC 47 / IFRS 15 - Income from Client Contracts

CPC 47 / IFRS 15 establishes a comprehensive framework for determining whether, how and when the income is recognized. It replaces CPC 30 / IAS 18 Revenues, CPC 17 / IAS 11 Building Contracts and related interpretations.

The Group adopted CPC 47/IFRS 15 using the cumulative effect for purposes of initial adoption of the standard recognized on the date of the initial application (i.e. January 1, 2018). Consequently, the information presented for 2017 was not re-presented and was presented as reported previously in accordance with CPC 30/IAS 18, CPC 17/IAS 11 and related interpretations.

In accordance with CPC 47/IFRS 15 Income is recognized when a client obtains control of the goods or services. Determining the time of transfer of control - at a specific moment in time or over time - requires judgment. Adoption of the standard has not resulted in material impacts on the individual and consolidated financial statements for the period ended September 30, 2018.

3.2.2 Technical Pronouncement CPC 48 /IFRS 9 – Financial Instruments

On January 1, 2018, the Group adopted the initial application of the new accounting standards CPC 48/IFRS 9 Financial Instruments. The changes in the accounting policies and the adjustments arising



from initial adoption were made prospectively (effects presented in shareholders' equity). The adoption of this pronouncement resulted in the following main changes in the accounting policies.

a) Classification – Financial Assets and Liabilities

The new standard introduces a new approach for classifying and measuring 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 any impacts on the company's accounting for 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 "losses incurred" of CPC 38 / IAS 39 by a prospective 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 entire 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 logistics segment. 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)
	450



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%	13,111	(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>172,654</u>	<u>(649)</u>	

3.3 Statement of added value

The presentation of the individual and consolidated Statement of Added Value is required by Brazilian corporate law and accounting practices adopted in Brazil applicable to publicly held companies.

International reporting standards (IRFS) do not require this statement to be presented. Consequently, by IFRS, this statement is reported as supplementary information, without affecting the interim financial information.

3.4 Measurement basis

The individual and consolidated interim accounting information was prepared based on historical cost as a basis for value, except for financial instruments measured at fair value through profit or loss, where applicable.

3.5 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 Mercosur 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 valuation dates, when the items are remeasured.

3.6 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 21
- Provision for legal proceedings - Note 20
- Useful life and residual value of operating assets held for sale - Note 12 and 14
- Financial risk management - Note 5
- Revenue recognition - Note 23

3.7

Operating segment

The Group's activity consists of providing dedicated logistics solutions, through the management of fleets of vehicles, machinery and equipment for handling goods and transport of people. The main manager reviews the operating results and makes decisions considering all the services as Dedicated Logistics services generally and in a consolidated manner. 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.

In the quarter ended September 30, 2018 and 2017, revenues from the three main clients of the logistics segment represent approximately 50% of the Group's total revenues.

4

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.



September 30, 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	12,401	-	12,401	12,401	-
Marketable securities	224,400	-	224,400	-	224,400
Trade accounts receivable, net	-	137,624	137,624	-	-
Trade accounts receivable from related parties, net	-	902	902	-	-
Receivables from related parties	-	11,151	11,151	-	-
Financial assets held to maturity	-	-	-	-	-
Operations with derivatives	6,474	-	6,474	-	6,474
Other financial assets	-	11,395	11,395	-	-
Financial liabilities					
Loans and financing	-	539,201	539,201	-	539,201
Suppliers	-	16,546	16,546	-	-
Suppliers - related parties	-	765	765	-	-
Amounts owed to related parties	-	119	119	-	-
Operations with derivatives	-	-	-	-	-
Other accounts payable	-	4,873	4,873	-	-

Consolidated

Assets as per the balance sheet					
Cash and cash equivalents	19,037	-	19,037	19,037	-
Marketable securities	299,763	-	299,763	-	299,763
Trade accounts receivable, net	-	207,741	207,741	-	-
Trade accounts receivable from related parties, net	-	787	787	-	-
Receivables from related parties	-	10,622	10,622	-	-
Financial assets held to maturity	-	-	-	-	-
Operations with derivatives	6,474	-	6,474	-	6,474
Other financial assets	-	12,125	12,125	-	-
Financial liabilities					
Loans and financing	-	643,567	643,567	-	643,567
Suppliers	-	22,912	22,912	-	-
Suppliers - related parties	-	765	765	-	-
Operations with derivatives	-	-	-	-	-
Other accounts payable	-	8,624	8,624	-	-



December 31, 2017

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.

5 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 September 30, 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	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Banco do Brasil	AAA	422	588	5,631	2,121
Bradesco	AAA	225,670	121,679	301,759	215,825
Santander	AA	106	99	288	170
CEF	AA	9,400	8,980	9,547	9,049
HSBC	A1	-	-	-	73
BANESTES	A+	327	23	327	64
ALFA	AA	34	22	116	62
Safra	AA	74	41	149	86
Votorantim	AA	55	13	104	32
Citibank	AAA	166		167	
Itaú	AAA	161	81	219	118
		<u>236,415</u>	<u>131,526</u>	<u>318,307</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 September 30, 2018				
Loans and financing	74,259	226,992	207,526	30,155
Suppliers	16,546	-	-	-
Suppliers - related parties	765	-	-	-
Accounts payable	3,166	-	-	-
Dividends	-	-	-	-
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 September 30, 2018				
Loans and financing	96,274	278,632	243,527	25,134
Suppliers	22,912	-	-	-
Suppliers - related parties	765	-	-	-
Accounts payable	6,735	-	-	-
Dividends	-	-	-	-
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	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Total loans and financing	539,201	294,304	643,567	375,788
Less: Cash and cash equivalents / Marketable securities	236,801	131,820	318,800	227,979
Net debt	302,400	162,484	324,767	147,809
Total shareholders' equity	610,844	592,613	610,844	592,613
Total capital	913,244	755,097	935,611	740,422
Financial leverage ratio - %	33%	22%	35%	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 indexes.

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 15. The gains and losses verified in this operation are presented as "Financial Expenses" and "Financial income".

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
(Long-term interest rate) TJLP	41,605	19,091	69,701	33,849
Selic Rate	296,142	206,008	346,328	233,179
Dollar	88,407	19,900	88,407	19,900
	426,154	244,999	504,436	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 indexes.

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Floating loans	426,154	244,999	504,436	286,928
Fix rate loans	113,047	49,305	139,131	88,860
	<u>539,201</u>	<u>294,304</u>	<u>643,567</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	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Loans indexed to Selic/CDI	296,142	206,008	346,328	233,179
Loan in Foreign currency + SWAP	81,933	22,514	81,933	22,514
Total debt indexed to CDI (a)	<u>378,075</u>	<u>228,522</u>	<u>428,261</u>	<u>255,693</u>
Short-term investments (b)	<u>233,750</u>	<u>129,936</u>	<u>313,428</u>	<u>223,548</u>
Balance indexed to CDI (a - b)	<u>144,325</u>	<u>98,586</u>	<u>114,833</u>	<u>32,145</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/TLP, 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				8,21%	9,84%	11,46%
Position at 09/30/2018	322,714	R\$		349,209	354,469	359,697
Impact on Income / Shareholders' Equity			(loss)	(26,495)	(31,755)	(36,983)
Debt pegged to TJLP				9,81%	11,51%	13,21%
Position at 09/30/2018	40,039	R\$		43,967	44,647	45,328
Impact on Income / Shareholders' Equity			(loss)	(3,928)	(4,608)	(5,289)
Debt pegged to TLP				13,66%	8,97%	10,29%
Position at 09/30/2018	29,662	R\$		33,714	32,323	32,714
Impact on Income / Shareholders' Equity			(loss)	(4,052)	(2,661)	(3,052)
Debt pegged to SELIC				9,62%	11,27%	12,92%
Position at 09/30/2018	23,614	R\$		25,886	26,275	26,665
Impact on Income / Shareholders' Equity			(loss)	(2,272)	(2,661)	(3,051)



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 \$3,89/US\$. Scenario I + 25% deterioration of the dollar to R\$ 4,86/US\$ and in scenario I + 50% deterioration the dollar to R\$ 5,84/US\$, 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				-2,84%	21,45%	45,74%
Liability position -	16,205	R\$		15,745	19,681	23,617
Impact on Income / Shareholders' Equity			gain / (loss)	460	(3,476)	(7,412)
SWAP						
Asset position -	16,240			15,879	19,849	23,819
Liability position -	15,413	R\$		16,759	17,010	17,262
Impact on Income / Shareholders' Equity			(loss) / gain	(880)	2,839	6,557
Instruments in foreign currency US\$ Libor 3 months						
Debt				0,84%	15,84%	30,94%
Liability position -	72,202	R\$		72,808	83,639	94,541
Impact on Income / Shareholders' Equity			(loss)	(606)	(11,437)	(22,339)
SWAP						
Asset position -	72,202			72,806	83,447	94,088
Liability position -	67,328	R\$		73,062	74,159	75,257
Impact on Income / Shareholders' Equity			(loss) / gain	(256)	9,288	18,831
Instruments in local currency						
SWAP						
Asset position - at BRL	81,829			91,542	103,684	106,113
Liability position - at CDI	81,258	R\$		88,214	89,538	90,863
Impact on Income / Shareholders' Equity			gain	3,328	14,146	15,250

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 September 30, 2018 and December 31, 2017, the gross debt of the Company (parent company) in US dollars was R\$ 84,407 (R\$ 22,514 at December 31, 2017) and a gain arising from the operation with derivatives of R\$ 6,474 (R\$ 2,614 at December 31, 2017). There are no transactions in foreign currency contracted by its subsidiaries.



The Company contracts swap operations in order to convert the debts and loans denominated in US Dollars into Brazilian Reais. In these swaps the Company assumes an asset position in R\$ pegged to CDI + 2.20% and Libor + 1.44% p.a. pegged to fixed or floating rates (linear 360) and a liability position in exchange variation + 4.40% p.a. and exchange variation + 2.00% p.a. pegged to fixed or floating rates (exponential 252), (ii) the Company contracts swap operations to ensure the fluctuation of the index for the contracts entered into with Banco Bradesco S.A. in CDI. In these swaps the Company assumes an asset position in R\$ pegged to fixed rates of 12.0623% p.a. and 11.56% p.a. respectively, and a liability position at fixed or floating rates in CDI + 1.75% p.a. and CDI + 1.68% respectively (exponential 252) See the following table:

Transaction	Counterparty	Principal Value	Date of issue	Maturity date	September 30, 2018			December 31, 2017	
					Assests	Liabilities	Result with derivatives	Assests	Liabilities
SWAP CDI + 3,74	Itaú S.A	16,240	03/12/2015	03/12/2018	943	-	943	-	2,614
SWAP Libor + 1,44	Citibank	72,202	26/06/2018	27/06/2022	4,874	-	6,351	-	-
SWAP CDI + 1,75	Bradesco S.A	50,349	08/06/2018	09/06/2023	567	-	567	-	-
SWAP CDI + 1,68	Bradesco S.A	30,009	29/06/2018	19/06/2023	90	-	342	-	-
					6,474	-	8,203	-	2,614

Interest rate swap

The notional values of (i) swaps (for conversion into R\$) and interest rate, outstanding at September 30, 2018 and December 31, 2017, correspond to R\$84,407 and R \$19,900, (ii) the notional values of swap contracts (fluctuation in the CD I) and interest rate, outstanding at September 30, 2018 correspond to R \$81,829.

6 Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Cash	386	294	493	379
Banks	2,665	1,590	4,879	4,052
Short-term financial investments	9,350	8,918	13,665	9,419
	12,401	10,802	19,037	13,850

On September 30, 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.

7 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 99.04% at September 30, 2018 (101.02% in December 31, 2017) of the value of the variation of the Interbank Deposit Certificate (CDI).

The table below presents the breakdown of securities at September 30, 2018 and December 31, 2017

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Current				
Financial Treasury Bills	125,796	61,060	168,044	108,040
Certificate of Bank Deposit - CDB	6,709	4,496	8,962	7,955
Financial Letters	37,882	12,839	50,604	22,716
Quotas of Investment Funds	54,013	42,623	72,153	75,418
	<u>224,400</u>	<u>121,018</u>	<u>299,763</u>	<u>214,129</u>

8 Accounts receivable

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Trade accounts receivable	69,150	59,206	112,706	97,708
Unbilled services and other accounts receivable:	67,823	55,367	91,201	70,164
Unbilled bills of lading	1,439	327	5,115	4,782
(-) Expected credit loss	(788)	(370)	(1,281)	(639)
	<u>137,624</u>	<u>114,530</u>	<u>207,741</u>	<u>172,015</u>

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

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
To fall due	59,291	48,319	98,309	82,188
Overdue				
Overdue up to 30 days	5,584	9,260	9,310	13,111
Overdue from 31 to 90 days	1,271	1,450	2,351	1,976
Overdue from 91 to 180 days	1,028	10	1,034	21
Overdue for more than 180 days	1,456	167	1,702	412
	<u>69,150</u>	<u>59,206</u>	<u>112,706</u>	<u>97,708</u>



In the parent company's accounts receivable, there is the amount of R\$ 300(R\$ 358 in December 31, 2017) and in consolidated R\$347 (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	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Opening balance	(370)	(417)	(639)	(477)
Provisions	(520)	-	(905)	(27)
Reversals	102	47	263	86
Closing balance	<u>(788)</u>	<u>(370)</u>	<u>(1,281)</u>	<u>(418)</u>

9 Inventories

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Parts and Accessories (i)	8,342	6,790	9,935	8,387
Tires	2,635	2,468	3,004	2,986
Materials for bodies	968	890	1,252	1,191
Fuels and lubricants	1,688	1,081	1,857	1,308
Other items	462	204	515	256
	<u>14,095</u>	<u>11,433</u>	<u>16,563</u>	<u>14,128</u>

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



10 Recoverable taxes

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Current				
Value added tax on sales and services (ICMS) (i)	9,526	9,762	10,717	10,339
Social Integration Program (PIS) and tax for Social Security Financing (COFINS) (ii)	-	1,080	-	1,080
National Institute of Social Security (INSS)	-	-	3,421	1,569
Others	120	116	122	118
	9,646	10,958	14,260	13,106
Non-current				
Value added tax on sales and services (ICMS)	6,260	7,001	8,553	8,409
	6,260	7,001	8,553	8,409
	15,906	17,959	22,813	21,515

- (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.





11 Operating assets held for sale

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Trucks / Semi-trailers	4,555	3,661	5,652	5,301
Light trucks / Utilities / Buses	23,164	22,093	23,164	22,093
Others	2,168	268	2,167	268
Total liabilities held for sale	29,887	26,022	30,983	27,662

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

	Parent company		Consolidated	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Opening balance	26,022	48,439	27,662	49,644
Devolution	29	148	29	191
Reincorporation	812	733	812	733
Transfer to operating assets held for sale	28,795	16,774	31,053	17,892
Write-offs through sale	(25,771)	(34,205)	(28,573)	(34,586)
Other write-offs	-	(147)	-	(147)
Closing balance	29,887	31,742	30,983	33,727

12 Investments

	Ownership %	Assets	Liabilities	Parent company - September 30, 2018	
				Shareholders' equity	Net Income / Loss for the period
Direct investments					
Água Branca Logística - ABL	99,99	35,895	14,658	21,236	(1,166)
Autoport Transportes e Logística - ATL	99,99	171,941	44,834	127,106	18,072
VIX Transportes Dedicados - VIXTD	99,99	163,776	116,353	47,423	11,319
Água Branca S.R.L. - ABSRL	99,99	34	3	31	(20)
				195,796	28,205
Other investments (i)				179	-
				195,975	28,205



					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
Indirect investments	September 30, 2018	December 31, 2017			
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 September 30, 2018, the company recorded a loss in the amount of R\$ 288 (gain of R\$ 67 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
(-) Exchange variation on foreign investment	-	-	-	65	65
Balances at December 31, 2017	22,402	139,034	36,104	339	197,879
(+) Equity accounting	(1,166)	18,072	11,319	(20)	28,205
(+) Capital increase	-	(30,000)	-	-	(30,000)
(-) Exchange variation on foreign investment	-	-	-	(288)	(288)
Balances at September 30, 2018	21,236	127,106	47,423	31	195,796

13 Property, plant and equipment

Parent company

	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	138,594	42,301	700	-	-	514	-	-	22,127	204,236
Write-offs through sale	(640)	(701)	-	-	-	-	-	-	-	(1,341)
Other write-offs	(476)	(138)	(3)	-	-	(21)	-	-	-	(638)
Reclassification to assets intended for sale	(25,869)	(2,926)	-	-	-	-	-	-	-	(28,795)
Reclassifications	26,678	128	-	316	565	139	-	-	(27,816)	10
Depreciation	(44,846)	(15,755)	(728)	(735)	(1,235)	(269)	-	(257)	-	(63,825)
Balances at September 30, 2018	378,994	125,458	2,943	21,238	4,355	1,987	23,725	3,965	17,484	580,149
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	172,735	55,627	804	-	-	899	-	-	24,769	254,834
Write-offs through sale	(640)	(701)	-	-	-	-	-	-	-	(1,341)
Other write-offs	(586)	(256)	(3)	-	(8)	(24)	-	-	-	(877)
Reclassification to assets intended for sale	(28,127)	(2,926)	-	-	-	-	-	-	-	(31,053)
Reclassifications	26,657	238	-	316	574	139	-	-	(27,914)	10
Depreciation	(60,004)	(17,848)	(745)	(735)	(1,990)	(337)	-	(257)	-	(81,916)
Balances at September 30, 2018	531,083	146,803	3,099	21,238	6,138	2,718	23,725	3,965	22,410	761,179
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.



14 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	274	1,772	2,046
Sales and write-offs	(2)	-	(2)
Reclassifications	1,392	(1,402)	(10)
Amortization	(3,370)	-	(3,370)
			-
Balances at September 30, 2018	31,232	1,089	32,321
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	274	1,845	2,119
Sales and write-offs	(2)	-	(2)
Reclassifications	1,392	(1,402)	(10)
Amortization	(3,534)	-	(3,534)
			-
Balances at September 30, 2018	33,180	1,173	34,353
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



15 Loans and financing

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Current				
Acquisition of fixed assets - FINAME (Note 15.b)	26,177	27,969	50,984	50,007
Bank loan for investments (Note 15.c)	105,178	123,160	110,957	128,255
Leasing (Note 15.d)	1,510	2,560	1,627	3,053
	<u>132,865</u>	<u>153,689</u>	<u>163,568</u>	<u>181,315</u>
Non-current				
Acquisition of fixed assets - FINAME (Note 15.b)	55,970	46,307	99,634	91,400
Bank loan for investments (Note 15.c)	347,269	90,243	377,268	98,994
Leasing (Note 15.d)	3,097	4,065	3,097	4,079
	<u>406,336</u>	<u>140,615</u>	<u>479,999</u>	<u>194,473</u>
	<u>539,201</u>	<u>294,304</u>	<u>643,567</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) from 2.65% to 6.23% 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 2.20% 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\$ 322,714) and restatement by the Interbank Deposit Certificate (CDI), and (ii) exchange rate variation of the U.S. dollar, plus annual interest rates of 1.44% to 3.74% (R\$ 88,407) and (iii) annual interest rates fixed term of 11.56% to 12.06% (R\$ 16,205). 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 and Libor (*swap*), maturing from 09/26/2018 until 06/27/2022, whose additional comments are described in Note 5.iii 1.

We present in the table below the financial covenants at September 30:

Index	Limits	September 30, 2018	December 31, 2017
Net debt / EBITDA ¹	Equal to or Less than 3.0	1,77	0,83
EBITDA ¹ / Net Financial Expenses	Greater than or equal to 2.0	11,92	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\$ 4,724) and a time frame between 48 and 60 months, and restatement by the Interbank Deposit Certificate (CDI), as presented below:

September 30, 2018						
Year	Parent company			Consolidated		
	Property, plant & equipment	Intangible Assets	Total	Property, plant & equipment	Intangible Assets	Total
up to one year	737	773	1,510	854	773	1,627
more than one year, not exceeding five years	2,415	682	3,097	2,415	682	3,097
	3,152	1,455	4,607	3,269	1,455	4,724

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 September 30, 2018 and December 31, 2017, the consolidated long-term payment has the following maturities:

September 30, 2018				
Parent company				
Year	FINAME	Leasing	Loan bank - investment	Total
2019	21,383	1,090	91,816	114,289
2020	18,735	1,103	104,879	124,717
After 2021	15,852	904	150,574	167,330
	55,970	3,097	347,269	406,336

Consolidated				
Year	FINAME	Leasing	Loan bank - investment	Total
2019	39,537	1,090	102,904	143,531
2020	33,016	1,103	111,072	145,191
After 2021	27,081	904	163,292	191,277
	99,634	3,097	377,268	479,999



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>		
Balance at January 1, 2018	294,304	375,788
Changes in financing cash flows		
Payment of loans	(84,718)	(106,547)
Raising of loans	322,085	365,542
Exchange variation	8,711	8,711
Total changes in financing cash flows	246,078	267,706
Other changes		
Expenses with interest	19,676	24,856
Interest paid	(20,857)	(24,783)
Total Other Changes	(1,181)	73
Balances as of September 30, 2018	539,201	643,567



16 Labor and tax obligations

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Labor obligations				
Current				
Social Security - FGTS / INSS	4,152	3,766	6,201	5,049
With staff - wages / other	1,872	1,199	2,365	1,588
Provision - holidays, 13th and charges	33,105	19,123	45,862	25,965
	<u>39,129</u>	<u>24,088</u>	<u>54,428</u>	<u>32,602</u>

17 Tax obligations

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Labor obligations				
Current				
PIS / COFINS to be collected	3,096	1,406	5,012	2,929
ICMS to be collected	1,007	1,407	2,489	2,848
ISS to collect	2,245	1,722	2,787	2,138
Payment of PAEX / REFIS taxes	953	1,107	953	1,107
Retained	695	1,064	924	1,391
Others	46	15	46	15
	<u>8,042</u>	<u>6,721</u>	<u>12,211</u>	<u>10,428</u>
Non-current				
Taxes paid in installments PAEX/REFIS	4,107	4,627	4,107	4,627
	<u>4,107</u>	<u>4,627</u>	<u>4,107</u>	<u>4,627</u>
	<u>12,149</u>	<u>11,348</u>	<u>16,318</u>	<u>15,055</u>





18 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	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Current assets				
Accounts receivable - freights and advances				
AB Comércio de Veículos Ltda.	-	5	-	5
Águia Branca Participações S.A	18	-	18	-
ECO101 Concessionária de Rodovias	-	454	-	454
Kurumá Veículos Ltda.	11	-	11	-
Savana Comércio de Veículos Ltda	482	289	482	289
VD Comércio de Veículos Ltda.	237	177	237	177
Viação Águia Branca S.A	17	1	18	117
VM Comércio de Veículos Ltda.	11	-	11	-
VIX Transportes Dedicados Ltda	116	-	-	-
Orthers	10	-	10	-
	<u>902</u>	<u>926</u>	<u>787</u>	<u>1,042</u>
Receivables from related parties				
AB Comércio de Veículos Ltda	-	1	-	1
Águia Branca Logística Ltda	140	214	-	-
Águia Branca Participações S.A.	2,014	2,164	2,014	2,164
Autoport Transportes e Logística Ltda	18	10	-	-
VD Comércio de Veículos Ltda.	8,608	7,578	8,608	7,578
Viação Águia Branca S.A.	-	2	-	2
VIX Transportes Dedicados Ltda	371	496	-	-
	<u>11,151</u>	<u>10,465</u>	<u>10,622</u>	<u>9,745</u>
Current liabilities				
Suppliers - parts, vehicles and services				
AB Comércio de Veículos Ltda.	144	85	145	85
Águia Branca Encomendas Ltda.	2	1	2	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)	295	4,577	336	7,141
VD Pneus	265	-	265	-
Viação Águia Branca S.A.	8	-	8	-
	<u>765</u>	<u>5,093</u>	<u>765</u>	<u>7,575</u>
Amounts owed to related parties				
Águia Branca Logística Ltda	61	66	-	-
Autoport Transportes e Logística Ltda	57	25	-	-
VIX Transportes Dedicados Ltda	1	38	-	-
	<u>119</u>	<u>129</u>	<u>-</u>	<u>-</u>



Income	Parent company		Consolidated	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Earnings from goods and services				
AB Comércio de Veículos	18	478	18	478
Águia Branca Logística Ltda	1,919	2,430	-	-
Águia Branca Participações S.A.	325	97	326	97
Autoport Transportes e Logística Ltda	154	104	-	-
ECO101 Concessionária de Rodovias	-	4,222	-	4,222
Kurumá Veículos Ltda.	168	16	185	36
Savana Comércio de Veículos	3,278	1,595	3,278	1,595
Sigla Investimentos Ltda	12	-	12	-
VD Comércio de Veículos Ltda.	1,241	830	1,262	830
Viação Águia Branca S.A.	59	5	60	5
Vitoria Motors Ltda.	20	4	20	4
VIX Transportes Dedicados	6,795	2,018	48	-
VM Comércio de Veículos Ltda.	44	7	-	31
Outros	11	1	11	1
	<u>14,044</u>	<u>11,807</u>	<u>5,220</u>	<u>7,299</u>
Cost of services				
AB Comércio de Veículos Ltda.	1,195	226	1,196	226
Águia Branca Encomendas Ltda.	27	28	27	28
Águia Branca Logística Ltda	990	409	-	-
Águia Branca Participações S.A.(i)	2,776	3,035	2,778	3,060
Autoport Transportes e Logística Ltda	1,452	588	-	-
AZUL Linhas Areas Brasileiras S/A	9	4	9	4
Kurumá Veículos Ltda.(ii)	279	154	279	154
Rio Novo Locações Ltda.(iii)	871	869	1,379	1,369
VD Comércio de Veículos Ltda.(ii)	4,141	3,525	5,127	4,487
VD Pneus Ltda	-	1	8	2
Viação Águia Branca S.A.(iv)	93	82	93	82
Viação Salutaris e Turismo S.A.	22	18	22	18
VIX Transportes Dedicados	211	602	-	-
	<u>12,066</u>	<u>9,541</u>	<u>10,918</u>	<u>9,430</u>
Acquisition of fixed assets				
Águia Branca Logística Ltda	-	224	-	-
Autoport Transportes e Logística Ltda	-	16	-	-
Kurumá Veículos Ltda	-	130	-	130
VM Comércio de Veículos Ltda.	265	0	265	-
VD Comércio de Veículos Ltda	16,129	10,130	34,380	21,773
	<u>16,394</u>	<u>10,500</u>	<u>34,645</u>	<u>21,903</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 September 30, 2018 and 2017 is presented as follows:

	September 30, 2018	September 30, 2017
Remuneration	8,269	7,912
Other short-term Benefits	116	127
Other long-term benefits (i)	1,711	1,901
	<u>10,096</u>	<u>9,940</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:

	September 30, 2018	September 30, 2017
Autoport Transportes e Logística Ltda	893	2,392
Águia Branca Logística Ltda	3,415	5,435
VIX Transportes Dedicados Ltda	14,801	22,875
	<u>19,109</u>	<u>30,702</u>

19 Provision for legal proceedings

Parent company

Provisions	Tax	Labor	Civil	Total
Balances at January 1, 2017	<u>1,515</u>	<u>16,016</u>	<u>237</u>	<u>17,768</u>
Provision	-	1,911	-	1,911
Complement to provision	-	3,731	292	4,023
Write-off through payment	-	(2,819)	-	(2,819)
Reversal of provision	<u>(1,515)</u>	<u>(4,428)</u>	<u>(119)</u>	<u>(6,062)</u>
Balances at December 31, 2017	<u>-</u>	<u>14,411</u>	<u>410</u>	<u>14,821</u>
Provision	-	737	78	815
Complement to provision	-	2,769	(10)	2,759
Write-off through payment	-	(2,445)	(334)	(2,779)
Reversal of provision	<u>-</u>	<u>(19)</u>		<u>(19)</u>
Balances at September 30, 2018	<u>-</u>	<u>15,453</u>	<u>144</u>	<u>15,597</u>

**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	-	895	227	1,122
Complement to provision	73	3,343	103	3,519
Write-off through payment	-	(2,940)	-	(2,940)
Reversal of provision	-	(19)	(476)	-495
Balances at September 30, 2018	1,687	20,823	396	22,906

19.1 Tax contingencies

At September 30, 2018, the company and its subsidiaries were parties in 38 (46 at December 31, 2017) tax actions, 33 (41 at December 31, 2017) administrative proceedings and 5 (5 at December 31, 2017) legal proceedings, 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\$ 82,179 (R\$ 178,244 at December 31, 17) referring to processes classified as a risk of possible loss, where the amount of R\$ 39,467 (R\$ 140,340 at December 31, 17) refers to processes within the State scope (ES and RJ), R\$ 42,523 (R\$ 37,677 at December 31, 17) within the Federal scope and R\$ 189 (R\$ 226 at December 31, 17) within the Municipal scope. There are also processes in the amount of R\$ 1,687 (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 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\$ 32,923 updated amount at September 30, 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.
- (2) In September 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 September 30, 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.

In July 25, 2018 the SEFAZ-RJ notified parent company Vix Logística S.A. the cancellation of the Tax assessment occurred in December, 2011 in the amount of R\$ 56,723 (R\$ 102,690, updated amount at September 30, 2018) on not issuing an electronic bill of lading (CT-e) on vehicle rental operations.

20.2 Labor contingencies

At September 30, 2018, the company and its subsidiaries were parties in 1,178 (1,302 at December 31,



2017) labor suits, of which R \$54,565 (R\$ 56,435 on 31 December 2017) are classified as a risk of possible loss and R\$ 20,823 (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\$ 20,254 (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 September 30, 2017, the Company and its subsidiaries were party to 196 (195 at December 31, 2017) civil actions, of which 97 (98 at December 31, 2017) are actions where the Company is defendant and 99 (97 at December 31, 2017) where it is plaintiff. Of the actions where the company is defendant, R\$ 18,426 (R\$ 17,855 at December 31, 2017) are classified as a risk of possible loss and R\$396 (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.

20 Shareholders' equity

(a) Share capital

At September 30, 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.

	September 30, 2018		September 30, 2017	
	Qty. Common shares	Ownership (%)	Qty. Common shares	Ownership (%)
Shareholders				
International Finance Corporation (IFC)	9,011,241	10,64	9,011,241	10,64
Águia Branca Participações S.A.	72,690,672	85,81	72,690,672	85,81
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.

(f) Distribution of dividends

In September 30, 2018, the amount R\$6,919 was paid to its shareholders, an in the period of 2017, an amount of R\$ 9,791 was paid. In the shareholders' agreement determines the distribution of a dividend of at least 30% of net income for the year.

Dividends paid	September 30, 2018	September 30, 2017
Água Branca Participações S.A.	5,938	8,402
IFC Alac Brasil	392	347
International Finance Corp. - IFC	589	1,042
	<u>6,919</u>	<u>9,791</u>

21 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	
	9M18	9M17	9M18	9M17
Net income before income tax and social contribution	24,320	35,021	38,853	41,734
Combined nominal rate - %	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>
Income tax and social contribution at the prevailing rates	(8,269)	(11,907)	(13,210)	(14,190)
Adjustments to the calculation by the effective rate				
(+) Additions - permanent items				
Other nondeductible costs and expenses	(1,543)	(379)	(1,536)	(453)
(-) Exclusions - permanent items				
Equity accounting results	9,590	4,357	-	-
Tax loss for the period	-	-	-	-
Others	-	(78)	(2)	(76)
Tax calculation effects through presumed profit in invested companies	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(1)</u>
(=) Income tax and social contribution expenses on the results	<u>(222)</u>	<u>(8,007)</u>	<u>(14,755)</u>	<u>(14,720)</u>
Current	(102)	(6,016)	(12,740)	(13,670)
Deferred	(120)	(1,991)	(2,015)	(1,050)
Actual rate	1%	23%	38%	35%



	Parent company		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Net income before income tax and social contribution	13,243	10,851	19,757	14,419
Combined nominal rate - %	34	34	34	34
Income tax and social contribution at the prevailing rates	(4,503)	(3,689)	(6,717)	(4,903)
Adjustments to the calculation by the effective rate				
(+) Additions - permanent items				
Other nondeductible costs and expenses	(1,302)	(85)	(1,287)	(73)
(-) Exclusions - permanent items				
Equity accounting results	4,314	2,360	-	-
Tax loss for the period	-	-	-	-
Others	-	721	-	715
Tax calculation effects through presumed profit in invested companies	-	-	(1)	-
(=) Income tax and social contribution expenses on the results	(1,491)	(693)	(8,005)	(4,261)
Current	(102)	(632)	(5,513)	(4,162)
Deferred	(1,389)	(61)	(2,492)	(99)
Actual rate	11%	6%	41%	30%

22.2 Deferred balances

Assets

Deferred income tax and social contribution, in the amount of R\$ 7,443 (R\$ 7,087 at December 31, 2017) and R\$ 15,844 (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\$5,766 (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	Exchange variation	Other Provision*	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	1,154	890	-	3	-	-	7,087
Constitution of income tax and social contribution	264	-	-	1,182	169	185	18	1,818
Use of income tax and social contribution	-	(572)	(890)	-	-	-	-	(1,462)
Balances at September 30, 2018	5,304	846	-	1,182	172	-	18	7,443
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	-	(896)	-	-	89	-	530
Use of income tax and social contribution	-	(264)	-	-	-	-	148	(116)
Balances at December 31, 2017	7,379	1,154	890	-	3	-	5,777	15,292
Constitution of income tax and social contribution	410	-	-	1,182	169	264	-	2,025
Use of income tax and social contribution	-	(572)	(890)	-	-	-	(11)	(1,473)
Balances at September 30, 2018	7,789	(836)	-	1,182	172	264	5,766	15,844



Liabilities

Deferred income tax and social contribution liabilities in the amount of R\$ 77,366 (R\$ 76,914 at December 31, 2017) and R\$ 99,641 (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	Provision Swap	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				2,200	188		2,388
Use of income tax and social contribution	(451)	(12) *	(1,533)			72	(1,924)
Balances at September 30, 2018	65,788	4,499	-	2,200	3,839	1,040	77,366
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	1,504			2,200	272	124	4,100
Use of income tax and social contribution		(12) *	(1,533)				(1,545)
Balances at September 30, 2018	90,605	4,499	-	2,200	4,039	1,285	102,628

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

Presentation at net value in the balance sheet

	Parent company		Consolidated	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Asset Balance (-)	7,443	7,087	15,844	15,292
Liability balance (+)	77,366	76,902	102,628	100,073
	<u>69,923</u>	<u>69,815</u>	<u>86,784</u>	<u>84,781</u>

Effect on the results for the period

	Parent company		Consolidated	
	9M18	9M17	9M18	9M17
Assets - increase (decrease) in the balance of deferred taxes	356	(1,159)	552	1,263
Liabilities - increase in the balance of deferred taxes (*)	<u>(476)</u>	<u>(832)</u>	<u>(2,567)</u>	<u>(2,313)</u>
	<u>(120)</u>	<u>(1,991)</u>	<u>(2,015)</u>	<u>(1,050)</u>

	Parent company		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Assets - increase (decrease) in the balance of deferred taxes	348	400	499	558
Liabilities - increase in the balance of deferred taxes (*)	<u>(1,737)</u>	<u>(461)</u>	<u>(2,991)</u>	<u>(657)</u>
	<u>(1,389)</u>	<u>(61)</u>	<u>(2,492)</u>	<u>(99)</u>

22 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 September 30, 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

23 Net earnings from sales and services

	Parent company		Consolidated	
	9M18	9M17	9M18	9M17
Earnings from sales and providing of services	597,177	543,614	963,825	834,319
Taxes and/or deductions				
ICMS (Value-added tax)	(7,585)	(7,481)	(20,353)	(19,099)
ISS (Service tax)	(15,657)	(12,497)	(19,339)	(15,286)
PIS (Social integration program)	(7,821)	(7,015)	(13,686)	(11,663)
COFINS (Tax for social security financing)	(36,067)	(32,316)	(63,084)	(53,730)
INSS (Social security tax)	-	-	(2,101)	(1,442)
Canceled sales	-	(562)	-	(562)
	<u>(67,130)</u>	<u>(59,871)</u>	<u>(118,563)</u>	<u>(101,782)</u>
Net operating income	<u>530,047</u>	<u>483,743</u>	<u>845,262</u>	<u>732,537</u>
	Parent company		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Earnings from sales and providing of services	219.947	179.204	356.228	282.996
Taxes and/or deductions				
ICMS (Value-added tax)	(2.485)	(2.469)	(7.136)	(6.525)
ISS (Service tax)	(5.618)	(4.114)	(6.988)	(5.098)
PIS (Social integration program)	(2.869)	(2.282)	(5.043)	(3.939)
COFINS (Tax for social security financing)	(13.214)	(10.511)	(23.230)	(18.148)
INSS (Social security tax)	-	-	(824)	(507)
Canceled sales	-	-	-	-
	<u>(24.186)</u>	<u>(19.376)</u>	<u>(43.221)</u>	<u>(34.217)</u>
Net operating income	<u>195.761</u>	<u>159.828</u>	<u>313.007</u>	<u>248.779</u>

24 Cost of services rendered and expenses per nature

Represented by:

	Parent company		Consolidated	
	9M18	9M17	9M18	9M17
Costs of the services provided				
Labor and charges	(229,776)	(199,412)	(310,170)	(259,326)
Inputs	(72,850)	(56,196)	(94,155)	(72,122)
Depreciation	(65,522)	(58,482)	(83,734)	(76,158)
Leasing of real estate properties and equipment	(9,009)	(6,153)	(11,465)	(8,088)
Third-party services	(18,869)	(14,267)	(27,416)	(20,770)
Freight	(13,506)	(10,964)	(136,261)	(120,147)
Renewal of fleets	(27,111)	(34,735)	(29,912)	(35,357)
Other costs	(33,861)	(27,432)	(40,843)	(34,440)
	<u>(470,504)</u>	<u>(407,641)</u>	<u>(733,956)</u>	<u>(626,408)</u>

	Parent company		Consolidated	
	9M18	9M17	9M18	9M17
Administrative, commercial and general expenses				
Labor and charges	(23,782)	(24,127)	(29,129)	(28,597)
Third-party services	(6,309)	(5,332)	(6,415)	(5,411)
Depreciation	(1,673)	(1,465)	(1,716)	(1,509)
Taxes, fees and contributions	(5,824)	(3,315)	(6,581)	(4,210)
Other Expenses (ii)	(15,112)	(5,937)	(16,891)	(13,351)
	<u>(52,700)</u>	<u>(40,176)</u>	<u>(60,732)</u>	<u>(53,078)</u>

	Parent company		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Costs of the services provided				
Labor and charges	(82,103)	(64,551)	(111,527)	(85,640)
Inputs	(26,695)	(19,682)	(35,003)	(25,394)
Depreciation	(22,594)	(19,481)	(29,015)	(25,281)
Leasing of real estate properties and equipment	(2,895)	(2,029)	(3,691)	(2,717)
Third-party services	(6,703)	(5,027)	(9,798)	(7,242)
Freight	(4,993)	(3,945)	(47,809)	(42,744)
Renewal of fleets	(10,982)	(12,990)	(12,397)	(13,328)
Other costs	(13,351)	(9,228)	(15,719)	(11,875)
	<u>(170,316)</u>	<u>(136,933)</u>	<u>(264,959)</u>	<u>(214,221)</u>

	Parent company		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Administrative, commercial and general expenses				
Labor and charges	(7,966)	(8,736)	(9,712)	(10,365)
Third-party services	(2,056)	(1,882)	(2,112)	(1,925)
Depreciation	(563)	(523)	(578)	(539)
Taxes, fees and contributions	(4,073)	(1,067)	(4,340)	(1,266)
Other Expenses (ii)	(7,662)	(3,086)	(8,441)	(3,054)
	<u>(22,320)</u>	<u>(15,294)</u>	<u>(25,183)</u>	<u>(17,149)</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.

25 Financial income and expenses

Represented by:

	Parent company		Consolidated	
	9M18	9M17	9M18	9M17
Financial expenses				
Interest on loans and financing	(22,073)	(26,905)	(26,454)	(30,911)
Foreign exchange variation losses	(16,066)	(2,442)	(16,066)	(2,442)
Other interest incurred	(117)	(247)	(148)	(253)
Swaps	(8,153)	(4,832)	(8,153)	(4,832)
Other financial expenses	(1,571)	(1,080)	(2,674)	(2,228)
	<u>(47,980)</u>	<u>(35,506)</u>	<u>(53,495)</u>	<u>(40,666)</u>
Financial income				
Foreign Exchange gains	7,845	3,182	7,845	3,182
Yields on financial investments	7,551	14,871	11,564	21,847
Discounts and interest received	28	490	44	504
Yields on financial instruments	22	30	22	30
Swaps	16,356	1,678	16,356	1,678
Other financial income	5,051	911	5,351	1,205
	<u>36,853</u>	<u>21,162</u>	<u>41,182</u>	<u>28,446</u>
Net financial result	<u>(11,127)</u>	<u>(14,344)</u>	<u>(12,313)</u>	<u>(12,220)</u>
	Parent company		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Financial expenses				
Interest on loans and financing	(10,768)	(7,590)	(12,484)	(8,870)
Foreign exchange variation losses	(10,039)	(304)	(10,039)	(304)
Other interest incurred	(19)	(67)	(22)	(70)
Swaps	(7,137)	(1,845)	(7,137)	(1,845)
Other financial expenses	(668)	(451)	(1,040)	(753)
	<u>(28,631)</u>	<u>(10,257)</u>	<u>(30,722)</u>	<u>(11,842)</u>
Financial income				
Foreign Exchange gains	6,947	1,521	6,947	1,521
Yields on financial investments	4,224	4,076	5,524	6,253
Discounts and interest received	10	52	14	55
Yields on financial instruments	4	9	4	9
Swaps	10,556	149	10,556	149
Other financial income	4,159	615	4,287	678
	<u>25,900</u>	<u>6,422</u>	<u>27,332</u>	<u>8,665</u>
Net financial result	<u>(2,731)</u>	<u>(3,835)</u>	<u>(3,390)</u>	<u>(3,177)</u>

26 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.

	September 30, 2018	September 30, 2017
Net income for the year	24,098	27,014
Weighted average of common shares outstanding	84,706	84,706
Basic and diluted earnings per share (in Reais)	0,28449	0,31891

27 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	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sale of property, plant and equipment				
Net book value	1,341	445	1,341	686
Profit / loss on disposal of property, plant and equipment	6	115	6	116
Amounts received on the disposal of property, plant and equipment	1,347	560	1,347	802
	Parent company		Consolidated	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sale of non-current assets held for sale				
Net book value	25,771	34,205	28,573	34,586
Profit / loss on the sale	8,601	7,550	8,732	7,778
Amounts received on the sale	34,372	41,755	37,305	42,364

27.1 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 September 30, 2018, was R\$29,801 (R\$7,892 in September 30, 2017) in the parent company, and a consolidated total of R\$48,258 (R\$14,282 in September 30, 2017).

28 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	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Expenses recognized in the income statement with:				
Pension plan benefits	483	562	542	651

29 Subsequent event

On October 17, 2018, it was announced to the market after the Extraordinary General Meeting the acquisition of all the shares representing the capital stock of L'S Rentals Participações SA, for a total amount of R \$ 275,000,000.00 (two hundred and seventy five million reais), to be adjusted on the closing date of the transaction in accordance with the respective purchase and sale agreement ("Purchase of L'S").

Kaumer Chieppe
General Director

Patrícia Poubel Chieppe
Top Management and Investor Relations Officer

Ana Silvia Calegari Gava
Controller's Department Manger

Nubia Carla Freitas Santos Souza
Accountant – CRC 9485/ES