

VIX Logística S.A. e
VIX Logística S.A. and
Subsidiaries

**Individual and consolidated interim
financial information as of
June 30, 2019**

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Report on the review of quarterly financial information – ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

To the Directors and Shareholders of
Vix Logística S.A.
Vitória/ES

Introduction

We have reviewed the interim, individual and consolidated accounting information of Vix Logística S.A. ("Company"), contained in the Quarterly Information - ITR Form for the quarter ended June 30, 2019, which comprise the balance sheet on June 30, 2019 and related statements of income and comprehensive income for the three and six-month periods then ended and changes in shareholders' equity and of cash flows for the six month then ended, including explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual interim information

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 issued by IASB and applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters - Statements of added value

The individual and consolidated interim financial information related to statements of added value (DVA) for the quarter ended June 30, 2019, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes, was submitted to review procedures carried out jointly with the audit of Company's quarterly information. To form a conclusion, we evaluated whether these statements are reconciled with interim financial information and accounting records, as applicable, and whether their forms and contents are in accordance with criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any other event that make us believe that these statements of added value were not prepared, in all material respects, in accordance with individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, August 2, 2019.

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



Vix Logística S.A.

Balance sheets at June 30, 2019 and December 31, 2018

(In thousands of Reais)

	Notes	Parent company		Consolidated			Notes	Parent company		Consolidated	
		June 30, 2019	2018	June 30, 2019	2018			June 30, 2019	2018		
Assets						Liabilities					
Current assets						Current liabilities					
Cash and cash equivalents	7	117,456	29,131	175,507	42,852	Loans and financing	16	155,662	95,438	224,116	168,149
Securities	8	10,719	72,676	69,681	147,966	Suppliers		56,198	49,905	75,100	74,389
Accounts receivable	9	209,104	170,213	344,278	280,090	Suppliers with related parties	19	1,746	2,306	8,470	2,189
Accounts receivable with related parties	19	1,276	1,234	1,210	1,231	Labor obligations payable	17	40,443	26,103	64,075	40,402
Inventories	10	19,854	16,186	25,611	19,537	Taxes payable	18	11,784	11,394	18,137	16,586
Recoverable taxes	11	10,754	11,258	18,182	15,589	Income tax and social contribution payable		1,014	-	9,219	1,038
Recoverable income tax and social contribution		24,405	13,704	39,780	16,868	Accounts payable		21,164	25,231	34,258	45,109
Prepaid expenses		10,251	6,863	15,566	9,208	Advances from clients		1,498	3,081	3,717	3,207
Other financial assets		3,156	789	5,157	3,296	Dividends payable		-	3,480	-	3,480
Operations with derivatives	6.iii 1	7,252	6,409	7,058	6,409						
Assets available for sale (fleet renewal)	12	17,734	28,679	29,739	29,457			289,509	216,938	437,092	354,549
Dividends receivable		769	769	-	-						
		<u>432,730</u>	<u>357,911</u>	<u>731,769</u>	<u>572,503</u>						
Non-current assets						Non-current liabilities					
Related party credits	19	57,420	11,706	11,543	10,927	Loans and financing	16	666,996	592,703	936,702	689,492
Recoverable taxes	11	9,444	10,795	11,562	20,110	Debits with related parties	19	89	101	-	-
Other financial assets		16,220	12,145	18,199	12,910	Deferred income tax and social contribution	22	93,395	91,650	114,911	112,668
Prepaid expenses		80	121	352	437	Accounts payable		39,630	47,537	44,108	50,369
Operations with derivatives	6.iii 1	1,953	2,621	1,001	2,621	Tax liabilities	16	3,411	3,931	3,411	3,931
Judicial deposits	20	15,466	15,264	21,838	21,528	Provision for lawsuits and contingencies	20	16,992	15,260	24,518	22,011
		<u>100,583</u>	<u>52,652</u>	<u>64,495</u>	<u>68,533</u>			<u>820,513</u>	<u>751,182</u>	<u>1,123,650</u>	<u>878,471</u>
								<u>1,110,022</u>	<u>968,120</u>	<u>1,560,742</u>	<u>1,233,020</u>
Investments	13	469,897	475,955	344	352	Shareholders' equity					
Property, plant and equipment	14	706,071	663,224	1,268,701	1,079,310	Capital	21	332,000	332,000	332,000	332,000
Intangible assets	15	34,068	32,846	128,760	126,790	Capital reserves	21	9,338	9,338	9,338	9,338
		<u>1,210,036</u>	<u>1,172,025</u>	<u>1,397,805</u>	<u>1,206,452</u>	Profit reserve	21	284,377	265,903	284,377	265,903
						Equity valuation adjustments	21	7,612	7,227	7,612	7,227
		<u>1,310,619</u>	<u>1,224,677</u>	<u>1,462,300</u>	<u>1,274,985</u>			<u>633,327</u>	<u>614,468</u>	<u>633,327</u>	<u>614,468</u>
Total assets		<u>1,743,349</u>	<u>1,582,588</u>	<u>2,194,069</u>	<u>1,847,488</u>	Total liabilities and shareholders' equity		<u>1,743,349</u>	<u>1,582,588</u>	<u>2,194,069</u>	<u>1,847,488</u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of income

(In thousands of Reais)

		<u>Parent company</u>		<u>Consolidated</u>	
	Notes	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net income from sales and services	24	457,491	334,286	793,454	532,255
Costs with sales and rendering of services	25	(388,137)	(300,188)	(679,894)	(468,997)
Gross income		69,354	34,098	113,560	63,258
Administrative/general/commercial expenses	25	(35,501)	(30,380)	(46,028)	(35,549)
Other income, net		561	236	1,426	310
Equity in net income of subsidiaries	13	16,987	15,519	-	-
		<u>(17,953)</u>	<u>(14,625)</u>	<u>(44,602)</u>	<u>(35,239)</u>
Operating income before financial income		51,401	19,473	68,958	28,019
Financial expenses	26	(53,215)	(19,349)	(68,041)	(22,773)
Financial income	26	27,186	10,953	33,238	13,850
Income before income tax and social contribution		25,372	11,077	34,155	19,096
Current income tax and social contribution	22	(1,014)	-	(9,279)	(7,227)
Deferred income tax and social contribution	22	(2,025)	1,269	(2,543)	477
Net income for the year		<u>22,333</u>	<u>12,346</u>	<u>22,333</u>	<u>12,346</u>
Net earnings per common share - basic and diluted (in Reais)				0.26365	0.14575

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of income

Three-month period ended June 30, 2019 and 2018

(In thousands of Reais)

		<u>Parent company</u>		<u>Consolidated</u>	
	Notes	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net income from sales and services	24	238,526	176,602	418,912	284,601
Costs with sales and rendering of services	25	<u>(199,164)</u>	<u>(161,245)</u>	<u>(360,551)</u>	<u>(253,607)</u>
Gross income		39,362	15,357	58,361	30,994
Administrative/general/commercial expenses	25	(19,043)	(15,391)	(24,232)	(17,665)
Other income, net		347	122	954	165
Equity in net income of subsidiaries	13	<u>5,651</u>	<u>8,574</u>	<u>-</u>	<u>-</u>
		<u>(13,045)</u>	<u>(6,695)</u>	<u>(23,278)</u>	<u>(17,500)</u>
Operating income before financial income		26,317	8,662	35,083	13,494
Financial expenses	26	(27,039)	(11,686)	(36,296)	(13,448)
Financial income	26	<u>12,166</u>	<u>7,016</u>	<u>16,230</u>	<u>8,334</u>
Income before income tax and social contribution		11,444	3,992	15,017	8,380
Current income tax and social contribution	22	(1,014)	457	(4,386)	(3,369)
Deferred income tax and social contribution	22	<u>(1,038)</u>	<u>988</u>	<u>(1,239)</u>	<u>426</u>
Net income for the year		<u>9,392</u>	<u>5,437</u>	<u>9,392</u>	<u>5,437</u>
Net earnings per common share - basic and diluted (in Reais)				0.11088	0.06419

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of comprehensive income

Six-month period ended June 30, 2019 and 2018

(In thousands of Reais)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Net income for the year	<u>22,333</u>	<u>12,346</u>	<u>22,333</u>	<u>12,346</u>
Other comprehensive income				
Items that can be subsequently reclassified to income (loss)				
<i>Cash flow hedge</i>	447	-	408	-
Effect of equity accounting- Subsidiaries	(39)	-	-	-
Exchange-rate change in foreign investee	(6)	(275)	(6)	(275)
	<u>402</u>	<u>(275)</u>	<u>402</u>	<u>(275)</u>
Comprehensive income for the year	<u>22,735</u>	<u>12,071</u>	<u>22,735</u>	<u>12,071</u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of comprehensive income

Three-month period ended June 30, 2019 and 2018

(In thousands of Reais)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Net income for the year	<u>9,392</u>	<u>5,437</u>	<u>9,392</u>	<u>5,437</u>
Other comprehensive income				
Items that can be subsequently reclassified to income (loss)				
<i>Cash flow hedge</i>	2,821	-	2,782	-
Effect of equity accounting- Subsidiaries	(39)	-	-	-
Exchange-rate change in foreign investee	-	(14)	-	(14)
	<u>2,782</u>	<u>(14)</u>	<u>2,782</u>	<u>(14)</u>
Comprehensive income for the year	<u>12,174</u>	<u>5,423</u>	<u>12,174</u>	<u>5,423</u>

See the accompanying notes to the financial statements.

Vix Logística S.A.
Statements of changes in shareholders' equity as of June 30, 2019 and 2018 (parent company and consolidated)
(In thousands of Reais)

	Paid-up capital	Capital reserve	Profit reserve		Equity valuation adjustments	Retained earnings	Total
			Legal	Investments			
Balances at January 1, 2018	332,000	9,338	23,257	219,495	8,523	-	592,613
Net income for the year	-	-	-	-	-	12,346	12,346
Exchange-rate change in foreign investee	-	-	-	-	(275)	-	(275)
Total comprehensive income for the year	-	-	-	-	(275)	12,346	12,071
Realization of revaluation reserve	-	-	-	-	(17)	24	7
Dividends paid	-	-	-	(1,882)	-	(2,076)	(3,958)
Profit retention	-	-	-	10,294	-	(10,294)	-
Total contributions and distributions to shareholders	-	-	-	8,412	(17)	(12,346)	(3,951)
Balances at June 30, 2018	332,000	9,338	23,257	227,907	8,231	-	600,733

	Paid-up capital	Capital reserve	Profit reserve		Equity valuation adjustments	Retained earnings	Total
			Legal	Investments			
Balances at January 1, 2019	332,000	9,338	25,042	240,861	7,227	-	614,468
Net income for the year	-	-	-	-	-	22,333	22,333
Cash flow hedge	-	-	-	-	447	-	447
Income tax na social contribution - Hedge accounting	-	-	-	-	(39)	-	(39)
Exchange-rate change in foreign investee	-	-	-	-	(6)	-	-
Total comprehensive income for the year	-	-	-	-	402	22,333	22,741
Realization of revaluation reserve	-	-	-	-	(17)	23	6
Prior-year adjustments	-	-	-	-	-	(3,882)	(3,882)
Dividends paid	-	-	-	18,474	-	(18,474)	-
Profit retention	-	-	-	-	-	-	-
Total contributions and distributions to shareholders	-	-	-	18,474	(17)	(22,333)	(3,876)
Balances at June 30, 2019	332,000	9,338	25,042	259,335	7,612	-	633,333

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of cash flows

Six-month period ended June 30, 2019 and 2018

(In thousands of Reais)

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Cash flows from operating activities				
Net income for the period	22,333	12,346	22,333	12,346
Adjustment of items without cash disbursement for reconciliation of income from cash generated by operating activities				
Depreciation and amortization (Notes 14 and 15)	56,189	44,038	88,406	55,857
Residual value of fixed and intangible assets written off (Note 14 and 15)	28,374	16,497	45,222	17,982
Equity in net income of subsidiaries (Note 13)	(16,987)	(15,519)	-	-
Unrealized interest, inflation adjustment and exchange-rate change on loans	29,263	16,301	42,757	19,740
Changes in unrealized income (loss) from derivatives at fair value through profit or loss	(2)	(5,268)	(954)	(5,268)
Provision for contingencies (reversal)	(30)	(1,562)	631	(1,831)
Provision (reversal) for expected losses	(221)	119	(312)	646
Income tax and social contribution expense	3,039	(1,269)	11,822	6,750
Interest on financial asset held-to-maturity	-	(18)	-	(18)
	121,958	65,665	209,905	106,204
Changes in operational assets and liabilities				
Accounts receivable	(38,670)	(14,403)	(63,876)	(22,432)
Accounts receivable – related parties	(42)	539	21	655
Inventories	(3,668)	(2,096)	(6,074)	(1,917)
Recoverable taxes	1,855	(3,963)	5,955	(5,742)
Recoverable income tax and social contribution	(10,701)	(7,888)	(22,912)	(14,764)
Other financial assets	(6,442)	(3,062)	(7,150)	(2,260)
Prepaid expenses	(3,347)	(2,894)	(6,273)	(3,746)
Related party credits	(45,714)	(545)	(616)	(578)
Judicial deposits	(202)	(383)	(310)	(427)
Suppliers	6,293	(5,702)	711	(4,054)
Suppliers with related parties	(560)	(3,355)	6,281	(5,808)
Labor obligations	14,340	11,305	23,673	15,222
Tax liabilities	(130)	1,502	1,031	2,261
Income tax and social contribution payable	1,014	-	8,181	6,690
Accounts payable	(11,974)	(126)	(17,112)	403
Advances from clients	(1,583)	(442)	510	(298)
Debits with related parties	(12)	(10)	-	-
	22,415	34,142	131,945	69,409
Cash generated by operating activities				
Income tax and social contribution paid	-	-	(1,098)	(7,227)
Interest paid	(25,542)	(12,188)	(36,885)	(14,781)
Investments in securities	(38,657)	(345,450)	(159,371)	(486,393)
Redemptions in securities	100,614	257,354	226,637	403,744
Acquisition and renovation of vehicle fleet	(51,523)	(105,676)	(221,550)	(116,025)
	7,307	(171,818)	(60,322)	(151,273)
Net cash flow from operating activities				
Cash flows from investment activities				
Acquisitions of other fixed and intangible assets	(12,173)	(3,494)	(19,828)	(5,594)
Other investments	-	-	8	-
Dividends received	23,000	30,000	-	-
Capital increase in investees	-	-	-	-
	10,827	26,506	(19,820)	(5,594)
Net cash flow used in investment activities				
Cash flows from financing activities				
Funding of loans and financing	120,000	242,284	300,000	267,284
Payments of loans and financing	(42,447)	(60,601)	(79,835)	(74,682)
Dividends paid	(7,362)	(5,288)	(7,362)	(5,288)
	70,191	176,395	212,803	187,314
Net cash flow used in financing activities				
Exchange-rate change on foreign investments	-	-	(6)	(275)
	88,325	31,083	132,655	30,172
Increase in cash and cash equivalents				
Cash and cash equivalents at January 1	29,131	10,802	42,852	13,850
Cash and cash equivalents at June 30	117,456	41,885	175,507	44,022
	88,325	31,083	132,655	30,172

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of added value

Six-month period ended June 30, 2019 and 2018

(In thousands of Reais)

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenues				
Sale of goods, products and services	514,455	377,230	900,716	607,597
Other income	644	238	1,509	313
Allowance for doubtful accounts	(430)	(571)	(613)	(848)
	<u>514,669</u>	<u>376,897</u>	<u>901,612</u>	<u>607,062</u>
Inputs acquired from third parties				
Cost of goods and services sold	(94,898)	(62,460)	(222,384)	(76,847)
Materials, energy, outsourced services and other	(63,757)	(49,689)	(89,317)	(139,781)
	<u>(158,655)</u>	<u>(112,149)</u>	<u>(311,701)</u>	<u>(216,628)</u>
Gross added value	356,014	264,748	589,911	390,434
Depreciation and amortization	(56,189)	(44,038)	(88,406)	(55,857)
Net value added produced by the Company	<u>299,825</u>	<u>220,710</u>	<u>501,505</u>	<u>334,577</u>
Added value received as transfer				
Equity in net income of subsidiaries	16,987	15,519	-	-
Financial income	27,186	10,953	33,238	13,850
	<u>44,173</u>	<u>26,472</u>	<u>33,238</u>	<u>13,850</u>
Total added value payable	<u>343,998</u>	<u>247,182</u>	<u>534,743</u>	<u>348,427</u>
Distribution of added value				
Personnel				
Salaries and charges	162,948	136,376	263,416	187,425
Management fees	6,019	5,589	6,019	5,589
Retirement and pension plans	427	281	486	314
Taxes, duties and contributions				
Federal	67,044	48,271	119,120	82,042
State	10,954	8,413	23,443	17,017
Municipal	13,839	10,258	18,461	12,658
Third-party capital remuneration				
Interest	50,992	18,764	64,807	21,959
Rentals	7,982	6,386	14,324	8,350
Other	1,460	498	2,334	727
Remuneration of own capital				
Dividends	6,700	3,704	6,700	3,704
Retained earnings	15,633	8,642	15,633	8,642
	<u>343,998</u>	<u>247,182</u>	<u>534,743</u>	<u>348,427</u>

See the accompanying notes to the financial statements.



Notes to the individual and consolidated financial statements

(Amounts expressed in thousands of Reais, unless otherwise indicated)

1 Company's General information

VIX Logística S.A. ("Company" or "VIX") is a logistics services provider organized as a publicly-held corporation, registered with the Brazilian Securities Commission (CVM) under No. 21202 since November 27, 2007. It is headquartered at Avenida Jerônimo Vervloet, nº 345 - 1º Pavimento - Goiabeiras – city of Vitória, State of Espírito Santo (ES). It is mainly engaged in the provision of logistics services, including cargo road transportation of intercity, interstate and international cargo, collective road transportation in the charter modality, lease of equipment, vehicles and labor, among others, and they may also act as partner or shareholder in other companies.

2 List of subsidiaries

On June 30, 2019 and 2018, the Company had the following subsidiaries (full control):

Company	Denomination	Activity developed	Ownership interest %	
			2019	2018
Águia Branca Logística Ltda.	ABL	Cargo Road Transportation and logistics	100	100
VIX Transportes Dedicados Ltda.	VIXTD	Cargo Road Transportation and logistics	100	100
Águia Branca SRL (Argentina) ¹	AB SRL	Cargo Road Transportation and logistics	99	99
VIX Transportes Mercosur (Argentina) ²	VIXMERCOSUR	Cargo Road Transportation and logistics	-	99
Autoport Transportes e Logística Ltda.	ATL	Road transportation of vehicles	100	100
VIXLOG Tecnologia e Serviços Ltda ¹	VIXLOG	Technology company	100	100
LS Rentals Participações S/A ³	LS	Holding	100	-
Let's Rent a Car S/A ³	LET'S	Vehicle leasing	100	-
Salute Locação e Empreendimentos Ltda. ³	SALUTE	Vehicle leasing	100	-
Valoriza Locadora de Veículos Ltda ³	VALORIZA	Vehicle leasing	100	-

¹ Indirectly controlled company with no trade transactions.

² Company closed down in 2018.

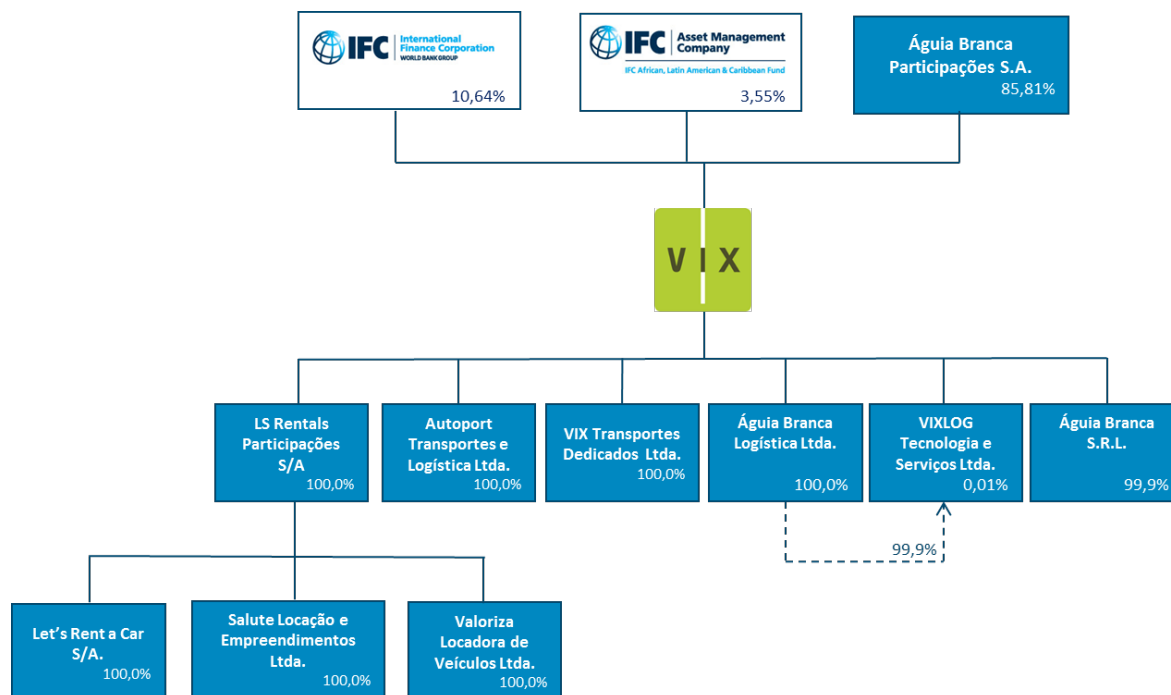
³ Subsidiaries acquired in business combinations as Note 2.

The Company and its subsidiaries are controlled by Águia Branca Participações S.A. and are part of Company Águia Branca ("Group"), which has business in the logistics, road transportation, air transportation and trade of vehicles and parts.





2.1 Vix's Corporate and operational structure



2.2 Acquisition of subsidiaries

On November 9, 2018, the Company obtained total control over L'S Rentals Participações S/A (holding company) and its subsidiaries Let's Rent a Car S/A, Salute Locação e Empreendimentos Ltda. and Valoriza Locadora de Veículos Ltda., named Grupo L'S. Grupo L'S is specialized in fleet outsourcing for small, medium-sized and large corporate clients, of several economic sectors, all over the country, with offices in the cities of Araraquara, São Paulo, Belo Horizonte, Vitória and Londrina.

The acquisition of control over Grupo L'S will enable the Company to update and extend its market share, which is understood as having significant potential for growth/consolidation, and supplementary to the Company's current operations, by providing: (i) possibility of cross selling resulting from the customer portfolio; (ii) synergy gains, be them administrative or reduction of bank spread; (iii) percentage increase of discounts in the acquisition of assets due to the Vix and L'S combined volume.

a) Consideration transferred

The Company will pay for the ownership the amount of R\$ 119,405 plus Grupo L'S net debt, corresponding to R\$ 5.30 reais per acquired share (51,912,677 shares), amount recorded under "Accounts payable" caption. For purposes of recording the business combination, an appraisal report was used by independent appraisers on October 31, 2018. The total acquisition amount was determined based on Grupo L'S economic value on the acquisition date, since it was a verifiable, available and representative datum in the business value.

<u>Name of indirect controlled company</u>	<u>Main activity</u>	<u>Acquisition date</u>	<u>% interest</u>
LS Rental Participações S.A	Rental and outsourcing of commercial fleets	09/11/2018	100%



b) Costs of purchase

The Company incurred acquisition-related costs of R\$ 648 on attorney’s fees and due diligence costs. Attorney’s fees and costs of due diligence were recorded as “Administrative expenses” in the statement of income.

c) Identifiable assets acquired and liabilities assumed

Acquisition assets and liabilities may be represented as follows:

	Book balance at 10/31/2018	Surplus	Fair value
Current assets			
Cash and cash equivalents	3,581	-	3,581
Securities	4,651	-	4,651
Accounts receivable	11,971	-	11,971
Recoverable taxes	3,948	-	3,948
Other assets	1,840	-	1,840
	25,991	-	25,991
Non-current assets			
Deferred taxes	3,457	-	3,457
Judicial deposits	1,203	-	1,203
Other assets	9	-	9
Property, plant and equipment	203,330	-	203,330
Intangible assets	393	62,770	63,163
	208,392	62,770	271,162
TOTAL ASSETS	234,383	62,770	297,153
Liabilities			
Current liabilities			
Loans and financing	92,920	-	92,920
Debentures payable	12,543	-	12,543
Suppliers	10,707	-	10,707
Salaries and charges	2,386	-	2,386
Taxes and contributions payable	246	-	246
Advances from clients	562	-	562
Other liabilities	204	-	204
	119,568	-	119,568
Non-current liabilities			
Loans and financing	53,635	-	53,635
Suppliers	1,911	-	1,911
Provision for civil and labor risks	788	-	788
Deferred tax liabilities	6,568	21,342	27,910
	62,902	21,342	84,244
Shareholders' equity			
Capital	36,522	-	36,522
Equity valuation adjustment	-	41,428	41,428
Capital reserve	6,800	-	6,800
Profit reserve	8,591	-	8,591
	51,913	41,428	93,341
TOTAL LIABILITIES	234,383	62,770	297,153



d) Measurement at fair value

The fair value of intangible assets of Grupo L'S (brand, client portfolio) was determined by the approach of:

- **Market:** the market approach estimates the fair value by comparing recent sale transactions of similar assets.
- **Income:** the income approach estimates the fair value as future cash flows that the intangible asset may generate throughout the useful life.
- **Cost:** cost approach estimates the value of an asset based on current cost to purchase or replace such asset.

The fair value of tangible assets (fixed assets) did not have significant changes between accounting records of fixed assets and market fair values. Therefore, possible adjustments to fair value of these assets were not considered in this report.

e) Goodwill

Goodwill is mainly attributed to Grupo L'S future and synergies expected in the merger of entity into the existing business. The goodwill recognized will be deductible for income tax and social contribution purposes during the disposal or merger.

In said combination, goodwill was computed as follows:

<u>Description</u>	<u>Amount</u>
Equity value of the investment	51,913
Surplus of net identifiable assets	41,428
Fair value of net assets acquired	93,341
Goodwill for future profitability	26,064
Net present value of investment	119,405

Currently, the Management is carrying out a detailed evaluation of the business combination measurement, and acquisition date will not be exceeded by one year, as CPC 15, item 45.

3Preparation basis

The individual and consolidated financial information was prepared considering the historical cost as value basis and in case of financial assets available for sale and other financial assets and liabilities (including derivative instruments) is adjusted to reflect the measurement at fair value.

3.1Statement of compliance (in relation to IFRS standards and CPC standards)

The quarterly information was prepared and is presented according to Accounting Pronouncement Committee - ("CPC"), CPC 21 (R1) – Interim Statement and with international standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), and standards applicable to Quarterly information of the Securities Commission.

The individual and consolidated interim financial information of VIX Logística S.A. for the quarter ended June 30, 2019 were authorized for issue by the Company's Executive Board on August 02, 2019, considering subsequent events occurring until such date.



3.2 Functional and presentation currency

The functional currency of VIX Logística parent company and its subsidiaries ABL, VIXTD, ATL, LS, LET'S, SALUTE, VALORIZA and VIXLOG is the Real (R\$) and of the parent company ABSRL is the Argentinean peso. Each subsidiary of the Company determines its own functional currency, and those whose functional currencies are different from the Brazilian real (BRL), the interim financial information is translated into Reais on the financial closing date.

Transactions with foreign currencies are converted into functional currency by using foreign exchange rates prevailing on the transaction or valuation dates, when the items are remeasured.

3.3 Use of estimates and judgments

The preparation of these financial statements, Management used judgments, estimates and assumptions that affect the application of accounting policies of the Company, and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

(a) Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the financial statements are included in the following notes:

- Income tax and social contribution - Note 22
- Provision for lawsuits - Note 20
- Useful life and residual value of operating assets held for sale – Notes 12 and 14
- Management of financial risks - Note 6

4 - Significant accounting policies

The accounting practices and criteria adopted in the preparation of these interim financial statements, except for the changes described in item 4.1, are consistent with those adopted in the preparation of the financial statements for the year ended December 31, 2018, published in the Official Press on March 28, 2019 and quarterly information for the 3-month period ended June 30, 2018 and disclosed on May 11, 2018. Therefore, such information must be analyzed together.

4.1 - Significant changes in accounting policies

4.1.1 Technical Pronouncement CPC 06 (R2) - Lease Operations (IFRS 16 - Leases)

CPC 06 (R2)/IFRS 16 introduced a single model of accounting of leases in the balance sheet to lessees. As a result, the Company, as lessee, recognizes the right-of-use assets that represent its right to use the underlying assets and the lease liabilities that represent its obligation to make lease payments.

a) Definition of lease

The Company previously determined, at the inception of the agreement, whether it was or contained a lease under ICPC 03/IFRIC 4 – Complementary Aspects of Lease Operations. The Company now evaluates it based on the new lease definition. According to CPC 06(R2)/IFRS 16, a contract is or contains a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration.



b) As a lessee

As a lessee, the Company previously classified operating or financial leases based on its assessment as to whether the lease substantially transferred all the risks and rewards of the property. In accordance with CPC 06 (R2)/IFRS 16, the Company recognizes the right-of-use assets and the lease liabilities for most leases – that is, these leases are recorded in the balance sheet.

However, the Company chose not to recognize the right-of-use assets and the lease liabilities for some leases of low value assets. The Company recognizes the payments associated with these leases as an expense under the straight-line method over the lease term.

(i) Significant accounting policies

The Company recognizes a right-of-use asset and a lease liability on the lease inception date. The right-of-use asset is initially measured at cost and subsequently at cost net of any accumulated depreciation and impairment, and adjusted for certain rerevaluations of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in the investment property caption and is initially measured at cost and subsequently measured at fair value, according to the Company's accounting policies.

The lease liability is initially measured at the present value of the lease payments that were not paid at the inception date, and discounted using the interest rate implied in the lease or, if that rate cannot be immediately determined, the incremental loan rate of the Company. Generally, the Company uses its incremental loan rate as the discount rate.

The Company applied its judgment to determine the lease term of some agreements in which renewal options are included. The assessment whether the Company is reasonably certain to exercise these options has an impact on the lease term, which significantly impacts the value of the lease liabilities and the recognized right-of-use assets.

(ii) Transition

Previously, the Company classified real estate lease payments as operating costs. These lease agreements have a term of 12 months. Moreover, they include an option of automatic renewal for an indefinite period with option of cancellation. Some leases are monetarily updated by inflation indexes, such as IGP-M or IPCA. In the transition to the rent agreements, the lease liabilities were measured at the present value of the remaining payments, discounted by the Company's incremental loan rate as of January 1, 2019. Right-of-use assets are measured as follows:

- at its book value as if CPC 06(R2)/IFRS 16 had been adopted since the inception date, discounted by the incremental loan rate or lessee at the date of first-time adoption – the Company used this approach to its largest real estate lease.

or

– to the amount equivalent to the lease liability, adjusted for the amount of any lease prepayment or accumulated payment - the Company adopted this approach to all other leases.

The Company used the following practical expedients when adopting CPC 06(R2)/IFRS 16 to the leases previously classified as operating leases in accordance with CPC 06(R1)/IAS 17.

- It used the exemption for not recognizing rights-of-use assets and liabilities for leases with terms lower than 12 months.



- It excluded the initial direct costs of measuring the right-of-use asset at the date of first-time adoption.
- It used the late perception when determining the lease term if the contract contained options to extend or terminate the lease.

Management reviewed all the Company's lease agreements and concluded that the vast majority are within the scope of the standard's exemption rules, whether an agreement with indeterminate term, low value, or leases without control of the asset. These leases will continue to be recognized on a straight-line basis as expenses in the statement of income for the period.

As a result of the first-time adoption of CPC 06 (R2)/IFRS 16 in relation to leases that were previously classified as operating costs, the Company identified the amount of R\$ 2,088 regarding right-of-use assets (real estate) and lease liabilities as of June 30, 2019.

4.2-Operating segment

The Company's activities consist in the provision of dedicated logistics solutions, through the management of vehicle fleets, handling of machine and equipment for movement of goods and transportation of people. The main manager reviews the operating results and makes decisions considering all services such as Dedicated Logistics on a general and consolidated basis. In addition, the Company presents a business strategy focused on market sectors such as oil and gas, mining, steel industry, paper and pulps, among other information and results are analyzed on a consolidated basis by only one decision maker.

The logistics services segment is locally managed and operates offices and points of sales substantially in Espírito Santo, Rio de Janeiro and São Paulo.

In the quarters ended June 30, 2019 and 2018, the revenues of the three main clients in the logistics segment represent approximately 50% of the Company's total revenues.

5 - Classification and fair values

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications. It does not include information on the fair value of financial assets and liabilities not measured at fair value if the book value is a reasonable approximation of fair value.



June 30, 2019

Parent company

	Book value		Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2
Assets according to the balance sheet					
Cash and cash equivalents	117,456	-	-	-	-
Securities	10,719	-	-	-	-
Trade accounts receivable, net	-	209,104	-	-	-
Trade accounts receivable – Related parties, net	-	1,276	-	-	-
Related party credits	-	57,420	-	-	-
Financial asset held to maturity	769	-	-	-	-
Operations with derivatives	9,205	-	-	-	-
Other financial assets	-	19,376	-	-	-
Financial liabilities					
Loans and financing	-	822,658	-	-	-
Suppliers	-	56,198	-	-	-
Suppliers related parties	-	1,746	-	-	-
Debits with related parties	-	89	-	-	-
Operations with derivatives	-	62,292	-	-	-
Other accounts payable	-	-	-	-	-
Consolidated					
Assets according to the balance sheet					
Cash and cash equivalents	69,681	-	-	-	-
Securities	-	344,278	-	-	-
Trade accounts receivable, net	-	1,210	-	-	-
Trade accounts receivable – Related parties, net	-	11,543	-	-	-
Related party credits	-	-	-	-	-
Financial asset held to maturity	8,059	-	-	-	-
Operations with derivatives	-	23,356	-	-	-
Other financial assets	-	-	-	-	-
Financial liabilities					
Loans and financing	-	75,100	-	-	-
Suppliers	-	8,470	-	-	-
Suppliers related parties	-	82,083	-	-	-
Operations with derivatives	-	-	-	-	-
Other accounts payable	-	-	-	-	-



December 31, 2018

Parent company

	Book value			Fair value	
	Fair value through profit or loss	Amortized cost		Level 1	Level 2
			Total		
Assets according to the balance sheet					
Cash and cash equivalents	29.131	-	29.131	29.131	-
Securities	72.676	-	72.676	-	72.676
Trade accounts receivable, net	-	170.213	170.213	-	-
Trade accounts receivable – Related parties, net	-	1.234	1.234	-	-
Related party credits	-	11.706	11.706	-	-
Financial asset held to maturity	769	-	769	769	-
Operations with derivatives	9.030	-	9.030	-	9.030
Other financial assets	-	12.934	12.934	-	-
Financial liabilities					
Loans and financing	89.799	598.342	688.141	-	688.141
Suppliers	-	49.905	49.905	-	-
Suppliers related parties	-	2.306	2.306	-	-
Debits with related parties	-	101	101	-	-
Operations with derivatives	-	-	-	-	-
Other accounts payable	-	75.849	75.849	-	-
Consolidated					
Assets according to the balance sheet					
Cash and cash equivalents	42.852	-	42.852	42.852	-
Securities	147.966	-	147.966	-	147.966
Trade accounts receivable, net	-	280.090	280.090	-	-
Trade accounts receivable – Related parties, net	-	1.231	1.231	-	-
Related party credits	-	10.927	10.927	-	-
Financial asset held to maturity	-	-	-	-	-
Operations with derivatives	9.030	-	9.030	-	9.030
Other financial assets	-	16.206	16.206	-	-
Financial liabilities					
Loans and financing	89.799	767.842	857.641	-	857.641
Suppliers	-	74.389	74.389	-	-
Suppliers related parties	-	2.189	2.189	-	-
Operations with derivatives	-	-	-	-	-
Other accounts payable	-	98.684	98.684	-	-

Measurement of fair value

We present the valuation techniques used to measure fair values for financial instruments measured at fair value in the balance sheet, as well as significant non-observable inputs used.

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



Operations with derivatives - (interest rate swap) - The fair value is calculated based on present value of estimated future cash flows. Estimates of future cash flows of post-fixed rates are based on swap quoted rates, future prices and interbank loan interest rates. Estimated cash flows are discounted using a curve built from similar sources and that reflects a relevant interbank reference rate used by market players for this purpose to price interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Company and counterparty, calculated based on credit spreads resulting from credit default swaps or current prices of traded securities.

Loans and financing – The fair value was calculated based on the current price of each debt instrument of the Company classified, so that its reposition permits to the Company the same cash flow characteristics and remaining terms of the original transaction. Realization amounts of marked-to-market contracts were specifically calculated.

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

Hierarchical fair value

The classification of financial instruments' fair value is based on three levels; their hierarchy provides priority for quoted prices not adjusted in an active market for financial assets or liabilities. The classification of hierarchical levels can be presented as described below:

- Level 1 - Data originating from an active market (unadjusted quoted price) so that it is possible to have daily access including on the date of measurement of the fair value.
- Level 2 - Data extracted from a pricing model based on non-observable market data.
- Level 3 - Data extracted from a pricing model based on unobservable market data.

It should be emphasized that in the period under analysis no financial instruments classified as Level 3 were observed and that no level transfers were made in the same year.

6 - Financial risk management

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 has full responsibility for the establishment and supervision of Company's risk management structure. The Board of Directors established the Risk Management Committee, which is in charge of developing and monitoring the Company's risk management policies. The Committee reports its activities to the Board of Directors on a regular basis.

The risk management policies of the Company were established to identify and analyze risks to which Company is exposed, to set risk limits and appropriate controls, and to monitor risks and compliance with limits established. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and in the Company's activities. The Company seeks to develop, upon its training and management standards and procedures, aims at maintaining a discipline and control environment in which all employees are aware of their assignments and obligations.



Company's Audit Committee oversees the manner that the Management monitors compliance to the Company's risk management policies and procedures, and reviews the adequacy of the risk management structure in relation to the risks to which it is exposed. The Audit Committee is supported by the Internal Audit Team in the execution of its functions. Internal audit carries out regular and specific reviews of the risk policies and procedures, and the outcome of these procedures is reported to the Audit Committee.

i. Credit risks

Credit risk is the risk of the Company incurring financial losses if a customer or a counterparty in a financial instrument fails to comply with contract obligations. Such risk is mainly due to Company's trade accounts receivable, and financial instruments.

The book values of financial assets classified as loans and receivables represent 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 non-payment of the industry and of the country in which the client operates.

The Risk Management Committee established a credit policy in which new client is analyzed individually to verify their financial status before the Company submits its credit limit proposal and payment terms. The review carried out by the Company includes external ratings, when available, financial statements, credit agency information, industry information and in some cases, bank references. Credit limits are established for each client and are reviewed on a semi-annual basis. Sales that eventually exceed these limits require approval from the Risk Management Committee. The Company limits exposure to credit risk of accounts receivable, establishing a maximum payment period of one and three months for individual and corporate clients, respectively.

The Company adopts specific selectiveness and client portfolio analysis procedures in order to prevent losses due to non-compliance. The credit quality of financial assets can be evaluated by reference to internal and external credit ratings (if any) or to historical information about counterparty default indexes:

As of June 30, 2019 and December 31, 2018, the maximum exposure to credit risk for 'Accounts receivable and other receivables' as well as the breakdown per maturity class and recording of provision for expected losses for accounts receivable and other receivables are presented in Note 9.

Evaluation of expected credit loss to clients

The Company classifies internally the whole portfolio according to the credit risk that is understood for each potential client/creditor. The assessment and rating are established by the payment behavior of each customer and their potential within the company's business, in addition to a commercial assessment conducted by operating executive boards and default history.

The table below shows the exposure to expected credit loss for trade accounts receivable as of June 30, 2019 and December 31, 2018.



June 30, 2019		Parent company			Consolidated		
Rating	% losses	Gross book balance	Provision for loss	Credit recovery problems	Gross book balance	Provision for loss	Credit recovery problems
AAA	0,05%	3,163	(2)	No	17,607	(9)	No
AA	0,17%	49,133	(86)	No	103,623	(180)	No
A	0,35%	8,342	(30)	No	40,131	(142)	No
B	0,39%	149,428	(844)	No	186,562	(3,408)	No
		<u>210,066</u>	<u>(962)</u>		<u>347,923</u>	<u>(3,739)</u>	

December 31, 2018		Parent company			Consolidated		
Rating	% losses	Gross book balance	Provision for loss	Credit recovery problems	Gross book balance	Provision for loss	Credit recovery problems
AAA	0,05%	4,805	(2)	No	18,504	(10)	No
AA	0,17%	53,150	(306)	No	104,653	(182)	No
A	0,35%	5,479	(19)	No	23,681	(84)	No
B	0,39%	107,520	(414)	No	136,684	(3,156)	No
		<u>170,954</u>	<u>(741)</u>		<u>283,522</u>	<u>(3,432)</u>	

June 30, 2019		Parent company		
	Weighted average rate of loss	Gross book balance	Provision for loss	Credit recovery problems
To be billed		Saldo contábil	Provisão para perda	No
Falling due	0,35%	135,365	(475)	No
Overdue up to 30 days	0,29%	67,656	(190)	No
Overdue, 31–90 days	0,33%	3,803	(140)	No
Overdue, 91–180 days	0,36%	845	(3)	No
Overdue for more than 180 days	0,37%	140	(1)	No
		<u>207,809</u>	<u>(809)</u>	

June 30, 2019		Consolidated		
	Weighted average rate of loss	Gross book balance	Provision for loss	Credit recovery problems
To be billed	0,35%	202,505	(681)	No
Falling due	0,30%	120,725	(292)	No
Overdue up to 30 days	0,36%	13,797	(451)	No
Overdue, 31–90 days	0,34%	4,342	(13)	No
Overdue, 91–180 days	0,37%	1,508	(4)	No
Overdue for more than 180 days	0,30%	5,145	(2,303)	No
		<u>348,022</u>	<u>(3,744)</u>	



Cash and cash equivalents, securities and derivatives

The credit quality of financial assets that are not past due or subject to provision for impairment can be assessed by reference to external credit ratings (if any) or to historical information about counterparty default indexes:

For credit quality of counterparties that are financial institutions, such as cash and financial investments, the Company consider the counterparty’s lowest rating disclosed by the three main international credit agencies (S&P, Fitch, Moody’s).

Following is a table with rating of financial institutions that are custodians of assets of cash and cash equivalents, securities and derivatives.

Banks	Rating (*)	Parent company		Consolidated	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Banco ABC	AA	-	-	40	41
Banco Alfa S.A	AA	15	2	153	98
Banco Bradesco S.A	AA	11,661	74,942	72,457	141,025
Banco Brickel	A-	-	-	-	1
Banco Citibank S/A	AA	194	1	194	1
Banco Daycoval	A	-	-	35	27
Banco do Brasil S.A	AA	1,475	1,616	7,228	2,537
Banco do Nordeste	AA	632	111	632	111
Banco Fibra	BBB-	-	-	9	3
Banco Guanabara	BBB-	-	-	73	77
Banco Panamericano	A	-	-	147	15
Banco Paulista	BRAA-	-	-	51	2,284
Banco Pine	BBB-	-	-	644	654
Banco Safra S.A	AA	146	125	2,588	994
Banco Santander Brasil S.A	AA	50,117	59	50,506	3,066
Banco Votorantim S.A	AA	3,205	14,699	6,725	21,507
Banestes S.A. □	A+	197	50	219	197
Banrisul	A	-	-	66	15
Caixa Econômica Federal	AA	9,907	9,680	10,131	9,846
HSBC	A1	-	-	-	-
Itaú Unibanco S.A.	AA	50,207	133	92,714	7,800
SICOOB	AAA	-	-	-	1
		<u>127,756</u>	<u>101,418</u>	<u>244,612</u>	<u>190,300</u>

(*) In accordance with rating agencies: Standard&Poors, Fitch Ratings, Moody's, LFR Rating.

ii. Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The approach of the Company’s Management for liquidity management is to guarantee that it will have sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullyng the Company's reputation.



The risk management policy implies keeping a safe level of cash and cash equivalents or accesses to immediate funds. Therefore, the Company has funds in checking accounts available for immediate use.

The table below shows the maturity of financial liabilities and obligations with suppliers contracted by the Company and its subsidiaries in the financial statements (undiscounted cash flows contracted):

	<1 year	1-3 years	3-5 years	>5 years
Parent company				
June 30, 2019				
Loans and financing	63,706	377,800	351,979	29,173
Suppliers	56,198	-	-	-
Suppliers – related parties	1,746	-	-	-
Accounts payable	21,164	-	-	-
Dividends	-	-	-	-
December 31, 2018				
Loans and financing	95,438	142,137	211,524	239,043
Suppliers	49,905	-	-	-
Suppliers – related parties	2,306	-	-	-
Accounts payable	25,231	-	-	-
Dividends	3,480	-	-	-
Consolidated				
June 30, 2019				
Loans and financing	105,571	577,925	433,786	43,536
Suppliers	75,100	-	-	-
Suppliers – related parties	8,470	-	-	-
Accounts payable	34,258	-	-	-
Dividends	-	-	-	-

Capital management

The Company's objectives in managing its capital are to safeguard its business continuity capacity to offer return to shareholders and benefits to the other stakeholders besides maintaining an optimal capital structure to reduce this cost.

To maintain or adjust the Company's capital structure, Management may - or propose to, in cases that must be approved by shareholders - review dividend payment policy, return capital to shareholders, issue new shares to reduce, for example, indebtedness level.

Similarly to other companies of the industry, the Company monitors capital based on financial leverage index. This ratio corresponds to the net debt as a percentage of total capital. Net debt, in turn, corresponds to total loans (including short-term and long-term loans, as shown in the consolidated balance sheet), less the amount of cash and cash equivalents. The total capital is calculated through the sum of shareholders' equity, as shown in the consolidated balance sheet, with net debt.



	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Total loans and financing	813,453	688,141	1,152,759	857,641
Less: Cash and cash equivalents/Securities	128,175	101,807	245,188	190,818
Net debt	685,278	586,334	907,571	666,823
Total shareholders' equity	633,327	614,468	633,327	614,468
Total capital	1,318,605	1,200,802	1,540,898	1,281,291
Leverage ratio – %	52%	49%	59%	52%

Currently the Company is extremely unleveraged, a strategy adopted to implement the growth plan established by the shareholders.

iii. Market risks

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates will impact the gains of the Company or the value of its financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time to optimize the return.

The Company uses derivatives to manage market risks. All of these operations take place under guidance established by Risk Management Department.

Interest and foreign exchange rate risk

Loans in the FINAME modalities have post-fixed rates with adjustment by TJLP and Selic rates. In both cases, prefixed rates (spread) are added to these indexing units.

Working capital financing and “loans to investments” are hired with interest rates Bank loans for investments are contracted with post-fixed interest rates at CDI change. In the modality 4.131, in foreign currency and, thus, subject to exchange-rate change. The foreign exchange risk of these loans which is mitigated with swap operations carried out with the same financial institutions that granted the loans, and the ratio is defined as a definitive restatement index at the change of CDI rate plus prefixed interest. Gains and losses computed in this operation are under the heading “Financial expenses” and “Financial revenues”.

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
TJLP/TLP	87,369	45,093	140,083	79,771
SELIC/CDI	503,828	467,925	725,418	564,188
Dollar/USD Libor	120,931	69,785	170,038	69,785
	712,128	582,803	1,035,539	713,744

Financing obtained with FINAME in the PSI modality have their cost indexed to TJLP and, in certain cases, to Selic. In both cases, prefixed rates (spread) are added to these indexing units.



	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Loans - Postfixed	712,128	582,803	1,035,539	713,744
Loans - Fixed	110,530	105,338	125,279	143,897
	<u>822,658</u>	<u>688,141</u>	<u>1,160,818</u>	<u>857,641</u>

The change risk of Selic and CDI rates is partially mitigated by financial investments made in cash, as described below:

	Parent company		Consolidated	
	June 30, 2019	2018	June 30, 2019	December 31, 2018
Loans at Selic/CDI	503,828	467,925	725,418	564,188
Loans in foreign currency + SWAP	111,726	68,300	161,979	68,300
Total debt in CDI (a)	<u>615,554</u>	<u>536,225</u>	<u>887,397</u>	<u>632,488</u>
Interest earning bank deposits (b)	125,481	96,725	235,851	178,774
CDI balance (a - b)	<u>490,073</u>	<u>439,500</u>	<u>651,546</u>	<u>453,714</u>

1. Sensitivity analysis

The Company's Management estimates the following effects when sensitivity tests for scenarios varying between 25% and 50% are applied, under the terms as determined by CVM through Instruction 475/08, to present a portion of the increase in the risk variable considered on the amounts of loans and financing broken down by debts backed up by CDI, TJLP, SELIC and Dollar.

Operation	Exposure	Risk	Gain/ (loss) Potential	Probable scenario	Consolidated	
					Scenario I+ impairment of 25%	Scenario I+ impairment of 50%
Debt pegged to CDI				5,25%	6,29%	7,33%
Position as of 06/30/2019	701,300	CDI		738,118	745,412	752,705
Impact in income (loss)/shareholders' equity			(loss)	(36,818)	(44,112)	(51,405)
Debt pegged to TJLP				9,14%	10,67%	12,20%
Position as of 06/30/2019	32,328	TJLP		35,283	35,777	36,272
Impact in income (loss)/shareholders' equity			(loss)	(2,955)	(3,449)	(3,944)
Debt pegged to TLP				12,52%	2,55%	2,93%
Position as of 06/30/2019	107,755	TLP		121,246	110,503	110,912
Impact in income (loss)/shareholders' equity			(loss)	(13,491)	(2,748)	(3,157)
Debt pegged to SELIC				9,73%	11,40%	13,08%
Position as of 06/30/2019	24,118	SELIC		26,465	26,867	27,273
Impact in income (loss)/shareholders' equity			(loss)	(2,347)	(2,749)	(3,155)



The Company realized, for the debts pegged to the exchange rate (R\$/US\$ and R\$/ US€) the same change of 25% and 50%, considering for this risk the mitigation by reverse exposure in relation to the debt. The Company considered the forecasts of exchange rate on the balance sheet date (boletim foccus) that the probable dollar and EURO rate for next year will be R\$ 3.80/US\$ and 4.31/ US€ In scenario I + 25% impairment, dollar and EURO at R\$ 4.75/US\$ and 5.39/US€ and in scenario I + 50% impairment, dollar and EURO at R\$ 5.70/US\$ and 6.47/US€ as follows:

Operation	Exposure	Risk	Gain/ (loss) Potential	Probable scenario	Parent company	
					Scenario I + impairment of 25%	Scenario I + impairment of 50%
Instruments in foreign currency US\$ Libor						
Debt				0,87%	16,43%	32,10%
Liability position -	70,689	US\$		71,304	82,303	93,380
Impact in income (loss)/shareholders' equity			(loss)	(615)	(11,614)	(22,691)
SWAP						
Asset position in US Dollars	70,689	R\$		71,302	82,304	93,381
Liability position - at CDI	70,805	CDI		75,152	76,297	77,442
Impact in income (loss)/shareholders' equity			(loss) / gain	(3,850)	6,007	15,939
Instruments in foreign currency Euro						
Debt				-9,56%	13,05%	35,66%
Liability position -	50,242	US€		45,439	56,799	68,158
Impact in income (loss)/shareholders' equity			(loss)	4,803	(6,557)	(17,916)
SWAP						
Asset position in US Dollars	50,242	R\$		45,439	56,799	68,158
Liability position - at CDI	50,108	CDI		53,360	54,173	54,986
Impact in income (loss)/shareholders' equity			(loss) / gain	(7,921)	2,626	13,172
					Consolidated	
Operation	Exposure	Risk	Gain/ (loss) Potential	Probable scenario	Scenario I + impairment of 25%	Scenario I + impairment of 50%
Instruments in foreign currency US\$ Libor						
Debt				0,87%	16,43%	32,10%
Liability position -	70,689	US\$		71,304	82,303	93,380
Impact in income (loss)/shareholders' equity			(loss)	(615)	(11,614)	(22,691)
SWAP						
Asset position in US Dollars	70,689	R\$		71,302	82,304	93,381
Liability position - at CDI	70,805	CDI		75,152	76,297	77,442
Impact in income (loss)/shareholders' equity			(loss) / gain	(3,850)	6,007	15,939
Instruments in foreign currency Euro						
Debt				-1,12%	23,60%	48,32%
Liability position -	99,349	US€		98,236	122,795	147,354
Impact in income (loss)/shareholders' equity			gain / (loss)	1,113	(23,446)	(48,005)
SWAP						
Asset position in US Dollars	99,349	R\$		98,236	122,795	147,354
Liability position - at CDI	100,361	CDI		106,874	108,503	110,131
Impact in income (loss)/shareholders' equity			(loss) / gain	(8,638)	14,292	37,223



Derivative financial instruments and hedge accounting

The Company opted to adopt the new hedge accounting model of CPC 48/IFRS 9. It requires the Company to assure that hedge relationships are aligned with its risk management objectives and strategies, and that the Company and its subsidiaries apply a more qualitative and forward-looking approach to assessing the effectiveness of the hedge.

The Company uses foreign currency swap agreements to hedge the variability of cash flows arising from changes in foreign exchange rates related to loans in foreign currency. The Company designates only changes in the fair value of the spot element of forward foreign exchange contract as a hedge instrument, in cash flow hedge relationships. The effective portion of the changes in the fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component in the shareholders' equity.

The Company uses forward contracts to hedge exposures in changes in fair value resulting of changes in interest rates related to loans in domestic currency. 'designates only the change in fair value of the spot element of the forward contract as a hedge instrument in fair value hedge relations. Changes in fair value of hedge instruments are directly recognized in income (loss) for the year.

Foreign exchange rate swap

Swap operations of exchange-rate rate were contracted concurrently with the loan transactions in foreign currency, comprising equivalent terms, rates and amounts to eliminate exposure to exchange-rate change.

Swap operations are contracted to convert debts and loans denominated in Dollars or EURO into Reais. See the table below:

								Parent company		
June 30, 2019										
			Rate		Fair Value					
Operation	Period	Interest	Assets	Liabilities	Assets	Liabilities	Liquid			
CDI x Taxa Pré	48 monthly	Quarterly	Libor USD 03 + 1,44%	100% CDI + 2,00%	70,689	70,805	(116)			
CDI x Taxa Pré	60 monthly	Quarterly	1,34%	100% CDI + 1,80%	50,242	50,108	134			
					120,931	120,913	18			

								Parent company		
December 31, 2018										
			Rate		Fair Value					
Operation	Period	Interest	Assets	Liabilities	Assets	Liabilities	Liquid			
CDI x Taxa Pré	48 monthly	Quarterly	Libor USD 03 + 1,44%	100% CDI + 2,00%	69,785	67,315	2,470			
					69,785	67,315	2,470			

								Consolidated		
June 30, 2019										
			Rate		Fair Value					
Operation	Period	Interest	Assets	Liabilities	Assets	Liabilities	Liquid			
CDI x Taxa Pré	48 monthly	Quarterly	Libor USD 03 + 1,44%	100% CDI + 2,00%	70,689	70,805	(116)			
CDI x Taxa Pré	60 monthly	Quarterly	1,34%	100% CDI + 1,80%	50,242	50,108	134			
CDI x Taxa Pré	60 monthly	Quarterly	1,51%	100% CDI + 1,85%	49,107	50,253	(1,146)			
					170,038	171,166	(1,128)			

								Consolidated		
December 31, 2018										
			Rate		Fair Value					
Operation	Período	Interest	Assets	Liabilities	Assets	Liabilities	Liquid			
CDI x Taxa Pré	48 monthly	Quarterly	Libor USD 03 + 1,44%	100% CDI + 2,00%	69,785	67,315	2,470			
					69,785	67,315	2,470			



Interest rate swap

Interest rate swap operations were contracted concurrently with the pre-fixed loan operations, comprising equivalent terms, rates and amounts.

Interest rate swap operations are contracted to convert pre-fixed debts and loans into post-fixed pegged to CDI. See the table below:

Parent company and Consolidated							
June 30, 2019							
Operation	Period	Interest	Rate		Fair Value		
			Assets	Liabilities	Assets	Liabilities	Liquid
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	12,06%	127% CDI / 100% CDI + 1,75%	60,356	55,146	5,210
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	11,56%	127% CDI / 100% CDI + 1,68%	30,525	26,548	3,977
					90,881	81,694	9,187

Parent company and Consolidated							
December 31, 2018							
Operation	Period	Interest	Rate		Fair Value		
			Assets	Liabilities	Assets	Liabilities	Liquid
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	12,06%	127% CDI / 100% CDI + 1,75%	55,603	51,124	4,479
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	11,56%	127% CDI / 100% CDI + 1,68%	34,196	32,115	2,081
					89,799	83,239	6,560

7 - Cash and cash equivalents

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Cash	419	389	576	518
Banks	2,275	4,693	8,761	11,526
Interest earnings bank deposits	114,762	24,049	166,170	30,808
	117,456	29,131	175,507	42,852

8 - Securities

Refer to centralization of its investments in Fundo de Investimento Multimercado Crédito [Private] which has daily liquidity and no redemption restrictions. Daily residual amounts are allocated for automatic investments, available for redemption, and there is no restriction to be applied on this balance (daily liquidity), remunerated at pre-fixed rate and with annual average yield of 98.75% as of June 30, 2019 (98.1% as of December 31, 2018) of exchange amount of the Interbank Deposit Certificate (CDI).

The chart below shows the breakdown of securities, as of June 30, 2019 and December 31, 2018:

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current				
Financial Treasury Bills (LFT)	6,038	32,315	40,116	60,889
Bank deposit certificate - CDB	367	3,614	2,741	6,817
Debentures	-	-	-	11,018
Financial Bills	1,772	13,869	11,012	26,133
Investment fund quotas	2,542	22,878	15,812	43,109
	10,719	72,676	69,681	147,966



9 - Accounts receivable

They are initially recognized at fair value through profit or loss less estimated credit. The analysis of the realizable net amount is conducted on an individual basis by client, and a provision is recognized in an amount considered sufficient by the Company's management, as mentioned in Note 6.i.

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Trade notes receivable	74,701	85,242	145,517	156,862
Unbilled services and other accounts receivable	133,492	84,669	192,110	118,938
Transportation bill of lading to be invoiced	1,873	1,043	10,395	7,722
(-) Expected credit loss	(962)	(741)	(3,744)	(3,432)
	<u>209,104</u>	<u>170,213</u>	<u>344,278</u>	<u>280,090</u>

10 - Inventories

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Parts and accessories (i)	12,206	9,531	14,877	11,460
Tires	2,905	2,860	4,946	3,589
Materials for bodies	1,503	1,067	2,014	1,425
Fuels and lubricants	1,875	1,950	2,249	2,210
Other items	1,365	778	1,525	853
	<u>19,854</u>	<u>16,186</u>	<u>25,611</u>	<u>19,537</u>

(i)Used for maintenance of vehicles (batteries, bolts, washers, filters, bearings, belts, etc.).

11 - Recoverable taxes

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current				
Value-Added Tax on Sales and Services - ICMS(i)	10,343	11,137	11,816	12,618
Social Integration Program - PIS and Contribution for the Financing of Social Security - COFINS	-	-	3,066	130
National Social Security Institute - INSS	290	-	3,176	2,717
Other	121	121	124	124
	<u>10,754</u>	<u>11,258</u>	<u>18,182</u>	<u>15,589</u>
Non-current				
Value added tax on sales and services - ICMS	9,444	10,795	11,562	20,110
	<u>9,444</u>	<u>10,795</u>	<u>11,562</u>	<u>20,110</u>
	<u>20,198</u>	<u>22,053</u>	<u>29,744</u>	<u>35,699</u>

(i)ICMS is mainly represented by the credit related to acquisitions of fixed assets, using the rate of 1/48th, pursuant to the prevailing tax legislation. The Company and its subsidiaries assess, for each acquisition, the recoverable portion of taxes and incorporate the non-recoverable portion into cost of origin item in fixed assets, since its usage can only be made proportionally to taxed inflows.



12 - Assets available for sale (fleet renewal)

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Trucks / Semi-towing	2,211	4,346	2,914	5,049
Light / Utility / Bus	12,776	22,987	23,478	22,987
Other	2,747	1,346	3,347	1,421
Total assets held for sale	17,734	28,679	29,739	29,457

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

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Opening balance	28,679	26,022	29,457	27,662
Return	108	178	108	178
Reincorporation	954	1,299	954	1,299
Changes to operating assets held for sale	14,801	36,987	31,692	41,651
Write-offs by disposal	(26,774)	(35,807)	(32,438)	(41,333)
Other write-offs	(34)	-	(34)	-
Closing balance	17,734	28,679	29,739	29,457



13- Investments

Parent company – June 30, 2019					
	% interest	Assets	Liabilities	Shareholders' equity	Net income/Loss for the period
Direct investments					
Águia Branca Logística - ABL	100	34,684	11,953	22,731	(213)
Autoport Transportes e Logística - ATL	100	164,036	40,271	123,765	12,641
VIX Transportes Dedicados - VIXTD	100	335,969	276,084	59,885	(6,336)
Águia Branca S.R.L. - ABSRL	100	31	3	28	-
L/S Rental	100	351,157	176,682	174,475	10,825
				<u>380,884</u>	<u>16,917</u>
Other investments					
Goodwill and surplus in acquisition of subsidiaries				88,834	-
Other (i)				179	-
				<u>89,013</u>	<u>-</u>
				<u>469,897</u>	<u>16,917</u>

Parent company – December 31, 2018					
	% interest	Assets	Liabilities	Shareholders' equity	Net income/Loss for the period
Direct investments					
Águia Branca Logística - ABL	100	36,212	13,268	22,944	542
Autoport Transportes e Logística - ATL	100	169,987	35,863	134,124	25,090
VIX Transportes Dedicados - VIXTD	100	185,870	119,610	66,260	6,156
Águia Branca S.R.L. - ABSRL	100	35	1	34	(15)
L/S Rental	100	265,123	101,543	163,580	2,436
				<u>386,942</u>	<u>34,209</u>
Other investments					
Goodwill and surplus in acquisition of subsidiaries				88,834	-
Other (i)				179	-
				<u>89,013</u>	<u>-</u>
				<u>475,955</u>	<u>34,209</u>

(i) These are projects incentivized in compliance with the Audiovisual Law, using part of the funds from the Company's tax net income.

As of June 30, 2019, the Company recorded a loss in the amount of R\$ 6 (loss of R\$ 290 as of December 31, 2018) with exchange-rate change for foreign investments. This changes results from investment in the company Águia Branca S.R.L. and its subsidiary, located in Argentina.



	ABL	ATL	VIXTD	ABSRL	L/S	Total
Balances at January 1, 2018	<u>22,402</u>	<u>139,034</u>	<u>36,104</u>	<u>339</u>	<u>-</u>	<u>197,879</u>
(+) Equity in net income of subsidiaries	542	25,090	6,156	(15)	2,436	34,209
(+) Acquisition of subsidiary	-	-	-	-	51,913	51,913
(+) Investment	-	-	24,000	-	110,000	134,000
(-) Distribution of dividends	-	(30,000)	-	-	(769)	(30,769)
(-) Exchange-rate change on foreign investments	-	-	-	(290)	-	(290)
Balances at December 31, 2018	<u>22,944</u>	<u>134,124</u>	<u>66,260</u>	<u>34</u>	<u>163,580</u>	<u>386,942</u>
(+) Equity in net income of subsidiaries	(213)	12,641	(6,336)	-	10,825	16,917
(+/-) Adjustments from previous years	-	-	-	-	70	70
(+/-) Hedge accounting	-	-	(39)	-	-	(39)
(-) Distribution of dividends	-	(23,000)	-	-	-	(23,000)
(-) Exchange-rate change on foreign investments	-	-	-	(6)	-	(6)
Balances at June 30, 2019	<u>22,731</u>	<u>123,765</u>	<u>59,885</u>	<u>28</u>	<u>174,475</u>	<u>380,884</u>





14- Property, plant and equipment

Parent company					Total
	Vehicles	Machinery and equipment	Other Property, plant and equipment	Assets of right of use	
Balances at January 1, 2018	285,553	102,549	82,400	-	470,502
Acquisitions	178,333	84,464	58,499	-	321,296
Write-offs by disposal	(744)	(701)	-	-	(1,445)
Other write-offs	(1,037)	(213)	(53)	-	(1,303)
Reclassification - assets for sale	(34,197)	(2,790)	-	-	(36,987)
Other reclassifications	34,453	591	(35,044)	-	-
Depreciation	(61,823)	(22,683)	(4,333)	-	(88,839)
Balances at December 31, 2018	400,538	161,217	101,469	-	663,224
Acquisitions	85,121	7,810	14,653	5,408	112,992
Write-offs by disposal	(367)	(34)	-	-	(401)
Reclassification - assets for sale	(934)	(147)	(75)	-	(1,156)
Reclassifications - right of use	(12,597)	(2,204)	-	-	(14,801)
Other reclassifications	-	(2,456)	(1,571)	4,027	-
Reclassifications	27,340	1,183	(28,523)	-	-
Depreciation	(36,614)	(14,534)	(2,050)	(589)	(53,787)
Balances at June 30, 2019	462,487	150,835	83,903	8,846	706,071
Annual average depreciation rates (%)					
Light / Utility/ Bus	19,8	-	-	-	
Trucks / Semi-towing	17,0	-	-	-	
Other	-	14,6	20,0	3,7	
Consolidated					Total
	Vehicles	Machinery and equipment	Other Property, plant and equipment	Assets of right of use	Total
Balances at January 1, 2018	421,048	112,669	87,805	-	621,522
Acquisitions	219,360	109,366	89,980	-	418,706
Write-offs by disposal	(744)	(701)	-	-	(1,445)
Other write-offs	(1,157)	(332)	(633)	-	(2,122)
Reclassification - assets for sale	(38,785)	(2,866)	-	-	(41,651)
Other Entries	196,773	13	6,558	0	203,344
Other reclassifications	34,386	747	(35,133)	-	-
Depreciation	(86,986)	(26,599)	(5,459)	-	(119,044)
Balances at December 31, 2018	743,895	192,297	143,118	-	1,079,310
Acquisitions	195,428	26,305	87,523	10,108	319,364
Write-offs by disposal	(5,601)	(34)	-	(5,838)	(11,473)
Other write-offs	(1,011)	(172)	(85)	-	(1,268)
Reclassification - assets for sale	(28,963)	(2,729)	-	-	(31,692)
Reclassifications - right of use	(106,038)	(2,997)	(1,571)	110,606	-
Other reclassifications	66,399	2,861	(68,748)	(512)	-
Depreciation	(56,345)	(19,673)	(2,556)	(6,966)	(85,540)
Balances at June 30, 2019	807,764	195,858	157,681	107,398	1,268,701
Annual average depreciation rates (%)					
Light / Utility/ Bus	19,8	-	-	-	
Trucks / Semi-towing	17,0	-	-	-	
Other	-	14,6	20,0	3,7	



The items that make up the “Other fixed assets” subgroup have the nature of the following assets:

- IT e equipment
- Buildings and constructions
- Improvements to third-party property
- Furniture, fixtures and tools
- Land
- Aircraft(i)
- Other – constructions in progress(ii)

(i)The aircraft is used by the Company’s executives to expedite transfers to serve clients, therefore being used solely for business purposes.

(ii)Construction in progress are basically not completed works and/or equipment that need implements to start operation.

The Company assessed the existence the impairment indicators on fixed assets and considered unnecessary the conduction of impairment test of these assets.



15 - Intangible

Parent company	Intangible			Consolidated	Intangible					
	Computer System	asset in progress	Total		Computer System	asset in progress	Goodwill LS Rentals	Surplus of LS rentals	Goodwill	Total
Balances at January 1, 2018	32,938	719	33,657	Balances at January 1, 2018	35,050	730	-	-	-	35,780
Acquisitions	443	3,281	3,724	Acquisitions	469	3,410	47,406	41,428	2,723	95,436
Disposals and write-offs	(3)	-	(3)	Disposals and write-offs	(3)	-	-	-	-	(3)
Other inflows				Other inflows	393					393
Reclassifications	1,402	(1,402)	-	Reclassifications	1,402	(1,402)	-	-	-	-
Amortization	(4,532)	-	(4,532)	Amortization	(4,771)	-	-	-	(45)	(4,816)
Balances at December 31, 2018	30,248	2,598	32,846	Balances at December 31, 2018	32,540	2,738	47,406	41,428	2,678	126,790
Acquisitions	116	3,510	3,626	Acquisitions	149	4,696	-	-	-	4,845
Disposals and write-offs	(2)	-	(2)	Disposals and write-offs	(2)	(7)	-	-	-	(9)
Reclassifications	814	(814)	-	Reclassifications	1,752	(1,752)	-	-	-	(2,866)
Amortization	(2,402)	-	(2,402)	Amortization	(2,594)	-	-	-	(272)	-
Balances at June 30, 2019	28,774	5,294	34,068	Balances at June 30, 2019	31,845	5,675	47,406	41,428	2,406	128,760
Annual average amortization rates (%)				Annual average amortization rates (%)						
SAP system (%)	10,0	-	-	SAP system (%)	10,0	-	-	-	-	-
Other	20,0	-	-	Other	20,0	-	-	-	-	-

Considering that the Company recognized goodwill, plus value, after the acquisition of subsidiary L'S Rentals Participações S.A. on November 9, 2018, the respective record reflected the fair value of this transaction at the time.

In 2019, the Company will perform the evaluation of the goodwill impairment indicators and testing of impairment on goodwill recorded as required annually.



16 - Loans and financing

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current				
Acquisition of fixed assets - FINAME (Note 16.a)	38,523	25,432	66,150	51,281
Bank loan for investment (Note 16.b)	114,287	68,173	137,420	95,918
Assets of right of use (Note 16.c)	2,275	1,536	19,818	20,653
Debentures (Note 16.f)	577	297	728	297
	<u>155,662</u>	<u>95,438</u>	<u>224,116</u>	<u>168,149</u>
Non-current				
Acquisition of fixed assets - FINAME (Note 17.a)	77,367	56,612	132,449	100,670
Bank loan for investment (Note 17.b)	403,937	354,588	517,758	381,543
Assets of right of use (Note 16.c)	6,797	2,766	28,305	28,542
Debentures (Note 16.g)	178,895	178,737	258,190	178,737
	<u>666,996</u>	<u>592,703</u>	<u>936,702</u>	<u>689,492</u>
	<u>822,658</u>	<u>688,141</u>	<u>1,160,818</u>	<u>857,641</u>

a) Acquisition of fixed assets - FINAME

Financing obtained for investment in heavy vehicles and equipment which annual interest rates range from 2.65% to 3.50% with inflation adjustment at UR TJLP at TLP, ranging from 2.20% to 6.40% or SELIC ranging from 2.20% to 4.25%, in addition to certain agreements entered into based on the Investment Support Program, with annual interest rates from 2.20% to 10% without restatement, with maturity from 07/15/2019 to 12/15/2026.

b) Bank loan for investment

Loans obtained for investment in vehicles and operating equipment that have: (i) annual interest rate of approximately 1.45% to 3.73% (R\$ 394,258) and adjustment at the Interbank Deposit Certificate (CDI), (ii) exchange-rate change of U.S. dollar, plus annual interest rate of 3.74% (R\$ 70,689), (iii) exchange-rate change of U.S. EURO, plus annual interest rate of 1,42% (R\$ 99,349), (iv) Prefixed annual interest rates from 11.56% to 12.06% (R\$ 90,881). Those contracts subject to exchange-rate change of U.S. dollar are linked to operations of position exchange of installments subject to exchange-rate change for fixed rates and adjustment at CDI and Libor (swap), with maturity from 06/26/2019 to 06/27/2022, which additional comments are described in Note 6.iii.1. The chart below shows the financial covenants as of:

Index	Limits	June 30, 2019	December 31, 2018	December 31, 2018 (proforma)
Net debt/EBITDA ²	Equal or less than 3.25	3,23	3,18	2,58
EBITDA ² / Net financial expenses	≥3.5	5,46	13,43	16,54

Net debt¹: including income (loss) from derivative

EBITDA² (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operating performance provided by Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

* Considering the amount of R \$ 47,838 of the EBITDA of the acquired L's Rental S.A., considering January to October 2018 with the pro forma result



The Company understands that EBITDA-A (operating performance measure given by Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) - added by the cost of sale of the assets used to provide the services) is the best indicator to evaluate the total cash generation to demonstrate their real ability to meet their financial commitments. At June 30, 2019 the leverage measured by the Net Debt / EBITDA-A ratio was 2.19.

c) Right-of-use assets

Financial lease agreements for acquisition of machinery, equipment and other asset have annual interest rates of approximately 1.59% to 3.44% (R\$ 48.125), and term between 48 and 60 months, and adjustment at the Interbank Deposit Certificate (CDI), as shown below:

June 30, 2019						
Year	Parent company			Consolidated		
	Property, plant and equipment	Intangible	Total	Property, plant and equipment	Intangible	Total
up to 1 year	2,275	-	2,275	19,819	-	19,819
1-5 years	6,797	-	6,797	28,304	-	28,304
	<u>9,072</u>	<u>-</u>	<u>9,072</u>	<u>48,123</u>	<u>-</u>	<u>48,123</u>
December 31, 2018						
Year	Parent company			Consolidated		
	Property, plant and equipment	Intangible	Total	Property, plant and equipment	Intangible	Total
up to 1 year	653	883	1,536	19,769	883	20,652
1-5 years	2,263	503	2,766	28,040	503	28,543
	<u>2,916</u>	<u>1,386</u>	<u>4,302</u>	<u>47,809</u>	<u>1,386</u>	<u>49,195</u>

d) Guarantees

Financing facilities are guaranteed by the assets themselves, promissory notes and collateral of controlling shareholders.

e) Breakdown of installments

As of June 30, 2019 and December 31, 2018, the consolidated long-term installment had the following maturity dates:

30 de junho de 2019					
Controladora	Bens de			Empréstimo	Total
Ano	FINAME	direito de uso	Debênture	bancário - investimento	
2020	37.799	2.367	(316)	63.540	103.390
2021	24.154	2.331	59.684	163.113	249.282
Após 2022	15.414	2.099	119.527	177.284	314.324
	<u>77.367</u>	<u>6.797</u>	<u>178.895</u>	<u>403.937</u>	<u>666.996</u>



Ano	Consolidado			Empréstimo	Total
	FINAME	Bens de direito de uso	Debênture	bancário - investimento	
2020	63.395	18.327	(527)	160.664	241.859
2021	43.748	4.766	94.673	191.617	334.804
Após 2022	25.306	5.212	164.044	165.477	360.039
	<u>132.449</u>	<u>28.305</u>	<u>258.190</u>	<u>517.758</u>	<u>936.702</u>

December 31, 2018					
Parent company					
Year	FINAME	Lease	Debenture	Bank loan - Investment	Total
2017	22.698	1.185	59.579	33.313	116.775
2018	17.886	893	59.579	133.165	211.523
After 2019	16.028	688	59.579	188.110	264.405
	<u>56.612</u>	<u>2.766</u>	<u>178.737</u>	<u>354.588</u>	<u>592.703</u>

Consolidated					
Year	FINAME	Lease	Debenture	Bank loan - Investment	Total
2017	42.243	10.685	59.579	44.441	156.948
2018	31.052	9.031	59.579	139.414	239.076
After 2019	27.375	8.826	59.579	197.688	293.468
	<u>100.670</u>	<u>28.542</u>	<u>178.737</u>	<u>381.543</u>	<u>689.492</u>

f) Debentures

The main features of private non-convertible debentures are as follows:

Classification of issue	2nd issue of simple debentures - VIX Logística S.A
Issuing date	December 05, 2018
Final settlement date	December 05, 2023
Quantity	180,000
Total value of the issuance	R\$ 180 million
Type	Debentures are unsecured, pursuant to the terms of Article 58, head provision of the Corporation Law.
Method:	They will be issued as nominative and registered, without the issue of sureties or certificates.
Semi-annual remuneration:	Average rates of interbank deposits (DI) + 1.60% p.a.
Payment of semi-annual remuneration	On a semi-annual basis as of June 5, 2019.
Payment of principal	R\$ 180.0 million will be paid in 3 equal annual installments as from December 5, 2021 to the maturity date.
Guarantees	They will not have guarantees.



Additional obligations – Financial ratios
(tested every year end):

Net debt/EBITDA equal or lower than 3.25 in 2019
Net debt/EBITDA equal or lower than 3.0 from 2020 on
EBITDA/Net financial expense equal or higher than 3.50
from 2019 on

Classification of issue

4th issuance of single debentures - LET's Rent a Car S.A.

Issuing date

February 08, 2019

Final settlement date

February 15, 2023

Quantity

80,000

Total value of the issuance

R\$ 80 million

Type

Debentures are unsecured with additional personal guarantees, pursuant to the terms of Article 58, head provision of the Corporation Law.

Method:

They will be issued as nominative and registered, without the issue of sureties or certificates.

Monthly remuneration:

Average rates of interbank deposits (DI) + 1.55% p.a.

Payment of monthly remuneration

Monthly, as of March 15, 2019.

Payment of principal

R\$ 80.0 million will be paid in 25 equal monthly installments as from February 15, 2021 to the maturity date.

Guarantees

Parent company's surety (VIX Logística S.A)

Additional obligations – Financial ratios
(tested every year end):

Net debt/EBITDA equal or lower than 3.25 in 2019
Net debt/EBITDA equal or lower than 3.0 from 2020 on

Debentures are subject to advance maturity upon breach of any non-financial obligation and incapacity to comply with structure clauses for issue of the Company's deed. As of June 30, 2019, none of the items listed in the agreement, that could give rise to early maturity, were noted. The chart below shows the financial covenants as of:

Index	Limits	June 30, 2019	December 31, 2018	December 31, 2018 (proforma)
Net debt/EBITDA ²	Equal or less than 3.25	3,23	3,18	2,58
EBITDA ² / Net financial expenses	≥3.5	5,46	13,43	16,54
Net debt ¹ : including income (loss) from derivative				
EBITDA ² (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operating performance provided by Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)				

* Considering the amount of R \$ 47,838 of the EBITDA of the acquired L's Rental S.A, considering January to October 2018 with the pro forma result

The Company understands that EBITDA-A (operating performance measure given by Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) - added by the cost of sale of the assets used to provide the services) is the best indicator to evaluate the total cash generation to demonstrate their real ability to meet their financial commitments. At June 30, 2019 the leverage measured by the Net Debt / EBITDA-A ratio was 2.19.



Debenture funding cost

Transaction costs incurred in the issuance of debentures, not yet recognized in the Company's income, are presented reducing the liability balance and allocated to income by the effective interest rate method.

Amounts issued net of transaction cost, by nature of loans, are as follows:

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current portion	3,736	297	3,830	297
Noncurrent portion	178,816	178,737	258,163	178,737
	<u>182,552</u>	<u>179,034</u>	<u>261,993</u>	<u>179,034</u>

g) Reconciliation of equity changes with cash flows from financing activities

<i>In thousands of reais</i>	Parent company	Consolidated
	Loans and financing	Loans and financing
Balance at January 1, 2019	688,141	857,641
Changes in cash flows from financing		
Payment of loans	(42,447)	(79,835)
Funding of loans	173,983	383,892
Exchange-rate change	(2)	(954)
Total changes in financing cash flows	131,534	303,103
Other changes		
Interest expenses	28,525	36,959
Interest paid	(25,542)	(36,885)
Other change total	2,983	74
Balance at June 30, 2019	822,658	1,160,818



<i>In thousands of reais</i>	<u>Parent company</u>	<u>Consolidated</u>
	Loans and financing	Loans and financing
Balance at January 1, 2018	294,304	375,788
Changes in cash flows from financing		
Other entries by acquisition of subsidiaries	-	159,454
Payment of loans	(154,380)	(269,341)
Funding of loans	538,885	590,007
Exchange-rate change	10,727	10,727
Total changes in financing cash flows	395,232	490,847
Other changes		
Interest expenses	28,833	39,209
Interest paid	(30,228)	(48,203)
Other change total	(1,395)	(8,994)
Balance at December 31, 2018	688,141	857,641

17 - Labor obligations payable

	<u>Parent company</u>		<u>Consolidated</u>	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current				
Social security - FGTS/INSS	3,909	3,078	6,801	5,692
With personnel – Salaries/other	2,340	1,353	3,739	2,420
Provision - vacation, 13th salary and charges	34,194	21,672	53,535	32,290
	<u>40,443</u>	<u>26,103</u>	<u>64,075</u>	<u>40,402</u>

18 - Taxes payable

	<u>Parent company</u>		<u>Consolidated</u>	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current				
PIS/COFINS payable	3,258	4,216	5,681	6,390
ICMS payable	2,367	2,073	4,239	3,757
Service tax payable	4,438	2,809	6,090	3,643
Installment payment of taxes - REFIS	906	944	906	944
Retained	792	1,331	1,183	1,752
Other	23	21	38	100
	<u>11,784</u>	<u>11,394</u>	<u>18,137</u>	<u>16,586</u>
Non-current				
Installment payment of taxes - REFIS	3,411	3,931	3,411	3,931
	<u>3,411</u>	<u>3,931</u>	<u>3,411</u>	<u>3,931</u>
	<u>15,195</u>	<u>15,325</u>	<u>21,548</u>	<u>20,517</u>



19 - Balances and transactions with related parties

The Company carries out operating transactions with Company's Companies that are priced based on market conditions, as agreed upon between the parties, considered by Management as on arm's length conditions and adequate to preserve the interests of both parties involved in the business in which it takes part. The balances and types of the main transactions are presented below:

	Parent company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current assets				
Accounts receivable				
Águia Branca Participações S.A	1	17	6	17
Kurumá Veículos Ltda.	9	31	38	31
Land Vitoria Comércio de Veículos Ltda	2	22	25	22
Savana Comércio de Veículos Ltda	616	777	616	777
Salute Locação e Empreendimentos Ltda	-	-	-	-
VD Comércio de Veículos Ltda.	484	367	492	367
VIX Transportes Dedicados Ltda	156	4	-	-
Other	8	16	33	17
	<u>1,276</u>	<u>1,234</u>	<u>1,210</u>	<u>1,231</u>
Related party credits				
Águia Branca Logística Ltda	214	132	-	-
Águia Branca Participações S.A.	1851	1964	1,851	1,964
Autoport Transportes e Logística Ltda	12	13	-	-
LS Rentals Participações S/A	20,000	-	-	-
VD Comércio de Veículos Ltda.	9,692	8,963	9,692	8,963
VIX Transportes Dedicados Ltda	25,651	634	-	-
	<u>57,420</u>	<u>11,706</u>	<u>11,543</u>	<u>10,927</u>
Current liabilities				
Suppliers - parts, vehicles and services				
AB Comércio de Veículos Ltda.	117	932	117	932
Águia Branca Participações S.A.	329	23	329	-
Autoport Transportes e Logística Ltda	24	4	-	4
Kurumá Veículos Ltda.	14	-	16	-
Salute Locação e Empreendimentos Ltda	-	1,154	-	1,250
VD Comércio de Veículos Ltda.(i)	1,166	2	8,004	2
Viação Águia Branca S.A.	-	190	2	-
VIX Transportes Dedicados Ltda	90	1	-	1
Other	6	-	2	-
	<u>1,746</u>	<u>2,306</u>	<u>8,470</u>	<u>2,189</u>
Debit with related parties				
Águia Branca Logística Ltda.	42	69	-	-
Autoport Transportes e Logística Ltda.	34	31	-	-
Other	13	1	-	-
	<u>89</u>	<u>101</u>	<u>-</u>	<u>-</u>



Income (loss)	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Income from goods and services				
Águia Branca Logística Ltda	953	1,365	-	-
Águia Branca Participações S.A.	201	297	227	298
Autoport Transportes e Logística Ltda	209	91	-	-
Kurumá Veículos Ltda.	93	127	127	144
Land Vitoria Comércio de Veículos Ltda	50	-	73	-
Salute Locação e Empreendimentos Ltda	71	-	-	-
Savana Comércio de Veículos	2,800	2,023	2,800	2,023
VD Comércio de Veículos Ltda.	1,970	634	1,979	634
Viação Águia Branca S.A.	31	-	48	-
VIX Transportes Dedicados	5,940	3,968	-	-
Other	55	71	73	77
	<u>12,373</u>	<u>8,576</u>	<u>5,327</u>	<u>3,176</u>
Cost of services				
AB Comércio de Veículos Ltda.	1,410	622	1,415	622
Águia Branca Logística Ltda	541	596	-	-
Águia Branca Participações S.A.(i)	2,208	1,905	2,208	1,907
Autoport Transportes e Logística Ltda	995	682	-	-
Kurumá Veículos Ltda.(ii)	223	127	236	127
Rio Novo Locações Ltda.(iii)	616	579	963	912
Salute Locação e Empreendimentos Ltda	366	-	-	-
VD Comércio de Veículos Ltda.(ii)	3,250	2,705	4,086	3,382
Viação Águia Branca S.A.(iv)	284	37	284	37
VIX Transportes Dedicados	1,439	186	-	-
Other	70	34	72	41
	<u>11,402</u>	<u>7,473</u>	<u>9,264</u>	<u>7,028</u>
Acquisition of fixed assets				
Autoport Transportes e Logística Ltda	140	0	-	-
Kurumá Veículos Ltda	190	0	193	130
VD Comércio de Veículos Ltda	15,691	10,634	80,708	15,621
	<u>16,021</u>	<u>10,634</u>	<u>80,901</u>	<u>15,751</u>

(i) Acquisition of parts and services for maintenance of the Company's fleet.

(ii) Payments related to transactions related to lease of properties.

(iii) Payments related to sharing of Information Technology – IT resources and business consultancy, which costs are calculated according to the services used.

(iv) Acquisition of vehicles to be used in the Company's operating activity. Transactions among companies are conducted in usual market conditions and amounts.

(v) Payments related to transactions related to lease of properties and vehicles for tourism.



a. Remuneration of key management personnel

Key management personnel include board members, directors and administrators. Annual remuneration for 2019 was established at R\$ 15,550 (R\$ 14,485 in 2018), pursuant to the resolution approved through minutes of the Board of Directors' Meeting held on November 30, 2018. Remuneration paid to directors, administrator and board members for their services in the years ended June 30, 2019 and 2018 is as follows:

	June 30, 2019	June 30, 2018
Remuneration	6,019	5,589
Other short-term benefits	91	76
Other long-term benefits (i)	1,310	1,167
	7,420	6,832

(i) Such amounts refer to INSS, private pension plan and life insurance.

b. Guarantees and sureties to third parties

The Company guarantees loans contracted with financial institutions by its subsidiaries, to wit:

	June 30, 2019	June 30, 2018
Autoport Transporte e Logística Ltda.	235	1,111
Águia Branca Logística Ltda.	2,317	3,781
VIX Transportes Dedicados Ltda.	188,233	16,787
	190,785	21,679

20 - Provision for lawsuits

The changes in accounts of provision for contingencies to cover probable risks is comprised as follows:

	Parent company			
	Judicial deposits		Provisions	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Tax	45	-	-	-
Labor	15,370	15,215	16,443	15,117
Civil	51	49	549	143
	15,466	15,264	16,992	15,260

	Consolidated			
	Judicial deposits		Provisions	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Tax	45	-	-	-
Labor	21,651	21,479	23,515	21,608
Civil	142	49	1,003	403
	21,838	21,528	24,518	22,011



a) Deposits and court-ordered freezing

Judicial deposits and blocks refer to amounts deposited in account or blocks of bank balances determined in court, to guarantee possible executions required, or amounts deposited in judicial settlement to replace payments of accounts payable that are being challenged in court.

b) Tax contingencies

The Company and its subsidiaries are parties to several tax lawsuits represented by tax assessment notices related to the questioning of certain procedures adopted by the Management. Of the total lawsuits, the amount of R\$ 65,737 (R\$ 82,045 as of December 31, 2018) refers to claims classified with possible risk of loss, in which the amount of R\$ 23,872 (R\$ 41,263 as of December 31, 2018) refers to State-level claims (ES and MA), R\$ 41,671 (R\$ 40,592 as of December 31, 2018) in the Federal level and R\$ 195 (R\$ 191 as of December 31, 2018) in the Local level. As of June 30, 2019, there are no lawsuits classified as probable loss.

The main tax claims, classified as possible risk of loss, according to the opinion of our legal consultants, are shown below:

(1) In November 2014, the parent company Vix Logística S.A. was assessed by tax authorities (RFB) in the amount of R\$ 28,838 (R\$ 39,498 amount adjusted in March 2019), in which it challenges the themes: PIS and COFINS credits in import transactions and suspension of PIS and COFINS recorded for freights to the export trade company, in addition to disallowing items that the Company classified as input to record PIS and COFINS credits. The Company presented defense and currently the claim is in Administrative Tax Appeal Council.

(2) In February 2019, the Finance Department (SEFAZ-ES) assessed the parent company Vix Logística S.A. in the amount of R\$ 15,738 (R\$ 18,230 amount adjusted in March 2019) for the non-payment of rates in downpayments to fixed assets and use and consumption. The Company presented defense and currently the claim is in the 1st administrative level.

c) Labor contingencies

As of June 30, 2019, the Company and its subsidiaries were parties in 1,155 (1,138 as of December 31, 2018) labor claims, of which R\$ 50,343 (R\$ 49,587 as of December 31, 2018) is classified as possible risk of loss and R\$ 23,515 (R\$ 21,608 as of December 31, 2018) is classified as probable risk of loss (consolidated), fully provided for, since it corresponds to the probable cash outflow expected according to the legal evaluation of the Company's legal advisors.

Labor contingencies to which the Company is a party were typically initiated by former employees after their dismissal, usually claiming the payment of overtime. Additionally, the Company is a party to certain class actions challenging working hours and outsourcing of activities (joint liability) by certain clients.

d) Civil liability contingencies

As of June 30, 2019, the Company and its subsidiaries were parties to 177 (192 as of December 2018) civil lawsuits, of which 82 (93 as of December 31, 2018) were comprised by lawsuits where the Company is the defendant and 95 (99 as of December 31, 2018) as plaintiff. Of the lawsuits in which the company is the defendant, R\$ 17,967 (R\$ 18,797 as of December 31, 2018) is classified as possible risk of loss and R\$ 1,003 (R\$ 403 as of December 31, 2018) is classified as probable risk of loss (consolidated), according to the lawyers who handle the lawsuits, and a provision was recognized in that amount.



Civil contingencies do not involve significant amounts and refer mainly to indemnity claims referring to traffic accidents.

21 - Shareholders' equity

(a) Capital

As of December 31, 2018, subscribed and paid-up capital is R\$332,000, represented by 84,705,666 nominative common shares with no par value. Authorized capital is represented by 750,000,000 common shares, with no par value.

Shareholders	June 30, 2019		December 31, 2018	
	Qty. Common shares	Interest (%)	Qty. Common shares	Interest (%)
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

Refer to goodwill reserve in capital subscription occurred in 2009.

(c) Profit reserve

The Company, in compliance with its bylaws, maintains a statutory profit reserve named "Investment Reserve", which purpose is to ensure funds to finance the expansion of the Company's activities and/or its subsidiaries and associated companies, including through subscription of capital increases or creation of new undertakings, which may be organized with the remaining balance of net income after legal and statutory deductions, and these reserves should not exceed the capital amount subtracted from balances of the Company's other profit reserves.

(d) Legal reserve

With the formation of rate of 5% on net income up to the amount of 20% of the capital, pursuant to the Corporation Law.

(e) Equity valuation adjustment

It refers to: (i) the effective installment of the cumulative net change in fair value of hedge instruments used in the cash flow hedge for the recognition of cash flows that were hedged. (ii) revaluations of the Company's fixed assets, net of income tax and deferred income tax and social contribution on the revaluation reserve total balance; (iii) Accumulated translation adjustments with foreign currency differences deriving from the translation of financial statements of foreign operations.



(f) Equity valuation adjustment

Dividends paid	June 30, 2019	June 30, 2018
Águia Branca Participações S.A.	6,318	4,538
IFC Alac Brasil	536	334
International Finance Corp. - IFC	508	416
	<u>7,362</u>	<u>5,288</u>

22 - Income tax and social contribution

(a) Current balances

Recognized according the tax rates in force, based on adjusted income (taxable income) or on revenues from services rendered (presumed income) for tax purposes:

Reconciliation of provisions for income tax and social contribution:

	Six-month period ended			
	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Income before income tax and social contribution	25,372	11,077	34,155	19,096
Combined nominal rate - %	34	34	34	34
	(8,626)	(3,766)	(11,613)	(6,493)
Adjustment to the calculation of effective rate				
(+) Additions - permanent items				
Other non-deductible costs and expenses	(188)	(241)	(243)	(249)
(-) Exclusions - permanent items				
Equity in net income of subsidiaries	5,775	5,276	-	-
Tax loss for the period	-	-	-	-
Other	-	-	34	(2)
Effects of the tax calculation through presumed profit – investees	-	-	-	(6)
(=) IR and CSLL expenses on income (loss)	<u>(3,039)</u>	<u>1,269</u>	<u>(11,822)</u>	<u>(6,750)</u>
Current	(1,014)	-	(9,279)	(7,227)
Deferred assets	(2,025)	1,269	(2,543)	477
Effective rate	12%	-11%	35%	35%



	Three-month period ended			
	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Income before income tax and social contribution	11,444	3,992	15,017	8,380
Combined nominal rate - %	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>
	(3,891)	(1,357)	(5,106)	(2,850)
Adjustment to the calculation of effective rate				
(+) Additions - permanent items				
Other non-deductible costs and expenses	(82)	(113)	(80)	(87)
(-) Exclusions - permanent items				
Equity in net income of subsidiaries	1,921	2,915	(462)	-
Tax loss for the period	-	-	(11)	-
Other	-	-	34	(1)
Effects of the tax calculation through presumed profit – investees	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
(=) IR and CSLL expenses on income (loss)	<u>(2,052)</u>	<u>1,445</u>	<u>(5,625)</u>	<u>(2,943)</u>
Current	(1,014)	457	(4,386)	(3,369)
Deferred assets	(1,038)	988	(1,239)	426
Effective rate	18%	-36%	37%	35%

(b) Deferred balances

Assets

The deferred income tax and social contribution amounts to R\$ 7,745 (R\$ 6,246 as of December 31, 2018) in and R\$ 21,347 (R\$ 16,226 as of December 31, 2018) in the parent company and consolidated, respectively, mainly refer to the provision made on temporary differences. In consolidated, there are deferred tax credits recognized on tax losses in subsidiaries ABL, VIXTD ATL and L'S, which amount to R\$ 8,773 (R\$ 5,011 as of December 31, 2018), which amounts are reviewed on the date of each balance sheet and reduced, if applicable, to the extent it is no longer probable that there will be future taxable income sufficient for its realization.



Parent company	Provision for contingencies	ICMS credit merged into fixed assets	Swap provision	Exchange-rate change	Other provisions*	Hedge accounting	Expected loss	Tax loss	Total
Balances at January 1, 2018	5,040	1,154	890	-	3	-	-	-	7,087
Formation of IRPJ and CSLL	149	-	-	278	-	-	180	-	607
Use of IRPJ and CSLL	-	(557)	(890)	-	(1)	-	-	-	(1,448)
Balances at December 31, 2018	5,189	597	-	278	3	-	-	-	6,246
Formation of IRPJ and CSLL	1,040	15	-	-	360	272	89	-	1,776
Use of IRPJ and CSLL	-	-	-	(277)	-	-	-	-	(277)
Balances at June 30, 2019	6,229	612	-	1	363	-	-	-	7,745
Consolidated									
Balances at January 1, 2018	7,379	1,154	893	-	-	-	89	5,777	15,292
Formation of IRPJ and CSLL	-	-	-	278	2,768	-	267	-	3,313
Use of IRPJ and CSLL	(162)	(557)	(893)	-	(1)	-	-	(766)	(2,379)
Balances at December 31, 2018	7,217	597	-	278	2,767	-	356	5,011	16,226
Formation of IRPJ and CSLL	853	15	-	-	360	300	108	3,762	5,398
Use of IRPJ and CSLL	-	-	-	(277)	-	-	-	-	(277)
Balances at June 30, 2019	8,070	612	-	1	3,127	300	464	8,773	21,347



Liabilities

Deferred income tax and social contribution liabilities, in the amount of R\$ 101,140 (R\$ 97,896 as of December 31, 2018) and R\$ 136,258 (R\$ 128,894 as of December 31, 2018), in the parent company and consolidated, respectively, refer to differences originated from adjustments of Law 11.638, mainly related to the review of the economic useful live of fixed asset items, revaluation reserve, among others, as described below:

Parent company	Review of the useful life of fixed asset	Revaluation reserve	Exchange- rate change	Swap provision	Lease	Worth	Restatement of appeal-related	Total
Balances at January 1, 2018	66,239	4,511	1,533	-	3,651	-	968	76,902
Formation of IRPJ and CSLL				1,228	169	21,342 [*]	157	22,896
Use of IRPJ and CSLL	(352)	(17) [*]	(1,533)					(1,902)
Balances at December 31, 2018	65,887	4,494	-	1,228	3,820	21,342	1,125	97,896
Formation of IRPJ and CSLL	1,783	-	-	1,372	9	-	87	2,650
Use of IRPJ and CSLL	-	(8) [*]	1	-	-	-	-	(4)
Balances at June 30, 2019	67,670	4,486	1	2,600	3,829	21,342	1,212	100,542
Consolidated								
Balances at January 1, 2018	89,101	4,511	1,533	-	3,767	-	1,161	100,073
Formation of IRPJ and CSLL	7,317			1,228	276	21,342 [*]	208	30,371
Use of IRPJ and CSLL		(17) [*]	(1,533)					(1,550)
Balances at December 31, 2018	96,418	4,494	-	1,228	4,043	21,342	1,369	128,894
Formation of IRPJ and CSLL	5,902	-	324	1,372	-	-	130	7,728
Use of IRPJ and CSLL	-	(8) [*]	-	-	(356)	-	-	(364)
Balances at June 30, 2019	102,320	4,486	324	2,600	3,687	21,342	1,499	136,258

(*) Amounts that did not impact the result for the period.



Presentation by net value in balance sheet

	<u>Parent company</u>		<u>Consolidated</u>	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Asset balance (-)	7,745	6,246	21,347	16,226
Liability balance (+)	<u>101,140</u>	<u>97,896</u>	<u>136,258</u>	<u>128,894</u>
	<u>93,395</u>	<u>91,650</u>	<u>114,911</u>	<u>112,668</u>

Effects in the income (loss) for the period

	Six-month period ended			
	<u>Parent company</u>		<u>Consolidated</u>	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Assets - increase (decrease) in balance of deferred taxes	1,227	8	4,821	53
Liabilities - increase in balance of deferred taxes	<u>(3,252)</u>	<u>1,261</u>	<u>(7,364)</u>	<u>424</u>
	<u>(2,025)</u>	<u>1,269</u>	<u>(2,543)</u>	<u>477</u>

	<u>Parent company</u>		<u>Consolidated</u>	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Assets - increase (decrease) in balance of deferred taxes	(436)	(289)	1,464
Liabilities - increase in balance of deferred taxes	<u>(602)</u>	<u>1,277</u>	<u>(2,703)</u>	<u>916</u>
	<u>(1,038)</u>	<u>988</u>	<u>(1,239)</u>	<u>426</u>

23 - Insurance coverage

The Company and its subsidiaries maintain insurance with coverage and indemnity limits considered sufficient by Management to cover main risks on its assets.

The main liabilities for transactions carried out by the parent company and its subsidiaries for possible damages causes to third parties resulting from its activities and also the main risks of damage to physical equity, thus protecting its assets from substantial and/or unexpected disbursements are transferred to the insurance market.

Considering financial costs in the purchase of insurance for the entire fleet of vehicles, the Company adopts risk management practices to minimize the frequency and severity of losses.

Additionally, the Company maintains specific policies for civil liability for vehicles (RCF – Optional Vehicle Liability Insurance) and Road Transportation of passengers (RCO – Mandatory Civil Liability).



As of June 30, 2019 and 2018, the Company presented the following main insurance policies contracted from third parties:

Insured property	Insured risks	Amount of coverage
Shareholders' equity	Fire/lightning/explosion/ electrical damage, windstorm, Hurricane, hail, theft, robbery.	3.500
Shareholders' equity and inventories	Basic Coverage, Electric Damage and Risk Place	60.000
Finished goods	Cargo Road Transportation (RCTR-C and RCF-DC)	18.000
Property and goods	Cargo Road Transportation (RCTR-C and RCF-DC)	18.000
Finished goods	Road Transportation in International Travel (RCTR-C, RCTR-VI and RCF-DC)	US\$ 1,050
Property and goods	Road Transportation in International Travel (RCTR-C, RCTR-VI and RCF-DC)	US\$ 1,050
Life insurance	Death. Accidental death, accidental disability, disability Functional Disability due to Illness (IFPD).	12 x insured party salary
Administrators' insurance	Directors' civil liability	15.000

24 - Net revenue from sales and services

	Six-month period ended			
	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Income from sales and rendering of services	514,455	377,230	900,716	607,597
Taxes and/or deductions				
ICMS	(5,484)	(5,100)	(15,561)	(13,217)
ISS	(13,509)	(10,039)	(17,988)	(12,351)
PIS	(6,772)	(4,952)	(12,770)	(8,643)
COFINS	(31,199)	(22,853)	(58,826)	(39,854)
INSS (Social security)	-	-	(2,116)	(1,277)
Canceled sales			(1)	-
	<u>(56,964)</u>	<u>(42,944)</u>	<u>(107,262)</u>	<u>(75,342)</u>
Net income	<u>457,491</u>	<u>334,286</u>	<u>793,454</u>	<u>532,255</u>

	Six-month period ended			
	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Time for income recognition				
Services transferred at a specific time	-	-	-	-
Services transferred over time	514,455	377,230	900,716	607,597
Income from contracts with clients	<u>514,455</u>	<u>377,230</u>	<u>900,716</u>	<u>607,597</u>



Three-month period ended

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Income from sales and rendering of services	268,388	199,027	475,732	324,503
Taxes and/or deductions				
ICMS	(2,815)	(2,567)	(7,883)	(6,746)
ISS	(7,157)	(5,273)	(9,810)	(6,577)
PIS	(3,547)	(2,601)	(6,753)	(4,610)
COFINS	(16,343)	(11,984)	(31,110)	(21,240)
INSS (Social security)	-	-	(1,263)	(729)
Canceled sales			(1)	
	<u>(29,862)</u>	<u>(22,425)</u>	<u>(56,820)</u>	<u>(39,902)</u>
Net income	<u>238,526</u>	<u>176,602</u>	<u>418,912</u>	<u>284,601</u>

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Time for income recognition				
Services transferred at a specific time	-	-	-	-
Services transferred over time	<u>268,388</u>	<u>199,027</u>	<u>475,732</u>	<u>324,503</u>
Income from contracts with clients	<u>268,388</u>	<u>199,027</u>	<u>475,732</u>	<u>324,503</u>

25 - Cost of services rendered and expenses per type

Represented by:

Six-month period ended

Cost of services rendered	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Manpower and charges	(176,420)	(147,673)	(277,680)	(198,643)
Inputs	(59,940)	(46,155)	(84,063)	(59,152)
Depreciation	(54,997)	(42,928)	(87,212)	(54,719)
Rental of real estate and equipment	(7,711)	(6,114)	(13,655)	(7,774)
Outsourced services	(19,932)	(12,166)	(31,050)	(17,618)
Freight	(7,615)	(8,513)	(94,275)	(88,452)
Fleet renewal	(27,174)	(16,129)	(43,912)	(17,515)
Other costs (i)	(34,348)	(20,510)	(48,047)	(25,124)
	<u>(388,137)</u>	<u>(300,188)</u>	<u>(679,894)</u>	<u>(468,997)</u>



Six-month period ended

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Administrative, commercial and general expenses				
Manpower and charges	(17,846)	(15,816)	(24,244)	(19,417)
Outsourced services	(4,493)	(4,253)	(5,418)	(4,303)
Depreciation	(1,192)	(1,110)	(1,194)	(1,138)
Taxes, fees and other contributions	(2,112)	(1,751)	(2,735)	(2,241)
Other expenses (ii)	(9,858)	(7,450)	(12,437)	(8,450)
	<u>(35,501)</u>	<u>(30,380)</u>	<u>(46,028)</u>	<u>(35,549)</u>

Three-month period ended

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Cost of services rendered				
Manpower and charges	(88,995)	(79,120)	(147,846)	(107,596)
Inputs	(31,878)	(25,308)	(45,521)	(32,594)
Depreciation	(27,313)	(22,191)	(44,212)	(28,210)
Rental of real estate and equipment	(4,818)	(3,141)	(8,830)	(4,009)
Outsourced services	(10,937)	(6,372)	(16,992)	(9,295)
Freight	(4,252)	(4,684)	(47,767)	(47,720)
Fleet renewal	(13,203)	(8,638)	(23,242)	(9,529)
Other costs (i)	(17,768)	(11,791)	(26,141)	(14,654)
	<u>(199,164)</u>	<u>(161,245)</u>	<u>(360,551)</u>	<u>(253,607)</u>

Three-month period ended

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Administrative, commercial and general expenses				
Manpower and charges	(9,393)	(7,895)	(12,231)	(9,651)
Outsourced services	(2,819)	(2,224)	(3,445)	(2,255)
Depreciation	(606)	(559)	(607)	(573)
Taxes, fees and other contributions	(1,098)	(1,001)	(1,487)	(1,278)
Other expenses (ii)	(5,127)	(3,712)	(6,462)	(3,908)
	<u>(19,043)</u>	<u>(15,391)</u>	<u>(24,232)</u>	<u>(17,665)</u>

(i) Such amounts refer to the other Company's general expenses, such as: insurance, Tax on Ownership of Automotive Vehicles (IPVA), licensing, telephone, water, electric power, cafeteria, travel expenses, conservation of assets, fleet tracking, etc.

(ii) Such amounts refer to the other Company's general expenses, such as: telephone, water, electric power, cafeteria, supplies, IT expenses, etc.



26 - Financial revenues and expenses

Represented by:

	Six-month period ended			
	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Financial expenses				
Interest on loans and financing	(27,561)	(11,305)	(39,205)	(13,970)
Foreign exchange loss	(7,531)	(6,027)	(7,730)	(6,027)
Other interest determined	(320)	(98)	(475)	(126)
Swap operations	(15,212)	(1,016)	(16,564)	(1,016)
Other financial expenses	(2,591)	(903)	(4,067)	(1,634)
	<u>(53,215)</u>	<u>(19,349)</u>	<u>(68,041)</u>	<u>(22,773)</u>
Financial income				
Foreign exchange gain	6,334	898	7,486	898
Yield on interest earning bank deposits	1,547	3,327	5,307	6,040
Discounts and interest received	1,082	18	1,645	30
Yield on financial instrument	-	18	-	18
Swap operations	17,324	5,800	17,590	5,800
Other financial income	899	892	1,210	1,064
	<u>27,186</u>	<u>10,953</u>	<u>33,238</u>	<u>13,850</u>
Net financial income (loss)	<u>(26,029)</u>	<u>(8,396)</u>	<u>(34,803)</u>	<u>(8,923)</u>

	Three-month period ended			
	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Financial expenses				
Interest on loans and financing	(13,583)	(6,034)	(20,425)	(7,403)
Foreign exchange loss	(2,948)	(5,052)	(3,147)	(5,052)
Other interest determined	(237)	(29)	(258)	(45)
Swap operations	(8,909)	(36)	(10,261)	(36)
Other financial expenses	(1,362)	(535)	(2,205)	(912)
	<u>(27,039)</u>	<u>(11,686)</u>	<u>(36,296)</u>	<u>(13,448)</u>
Financial income				
Foreign exchange gain	3,437	22	4,589	22
Yield on interest earning bank deposits	632	1,638	2,649	2,857
Discounts and interest received	1,025	11	1,461	20
Yield on financial instrument	-	9	-	9
Swap operations	6,660	4,987	6,926	4,987
Other financial income	412	349	605	439
	<u>12,166</u>	<u>7,016</u>	<u>16,230</u>	<u>8,334</u>
Net financial income (loss)	<u>(14,873)</u>	<u>(4,670)</u>	<u>(20,066)</u>	<u>(5,114)</u>



27 - Basic and diluted earnings per share

The Company does not have potential shares, i.e., no instrument or agreement that may result in the issue of shares, reason why the result per diluted share has not been presented.

	Six-month period ended	
	June 30, 2019	June 30, 2018
Net income for the year	22,333	12,346
Outstanding average weighted common shares	84,706	84,706
Basic and diluted earnings per share (In reais)	0,26365	0,14575

	Three-month period ended	
	June 30, 2019	June 30, 2018
Net income for the year	9,392	5,437
Outstanding average weighted common shares	84,706	84,706
Basic and diluted earnings per share (In reais)	0,11088	0,06419

28- Other disclosures on cash flows

In the statements of cash flows, the result of sale of property, plant and equipment and goods available for sale comprises:

	Parent company		Consolidated	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Sale of property, plant and equipment				
Net book value	401	413	11,473	413
Income/loss in disposal of property, plant and equipment	4,915	(4)	72	(4)
Amounts received in disposal of property, plant and equipment	<u>5,316</u>	<u>409</u>	<u>11,545</u>	<u>409</u>

	Parent company		Consolidated	
	June 30, 2019	2018	June 30, 2019	2018
Sale of non-current assets held for sale				
Net book value	26,774	15,717	32,438	17,105
Income/loss from disposal	2,278	5,083	7,093	5,046
Amounts received in disposal	<u>29,052</u>	<u>20,800</u>	<u>39,531</u>	<u>22,151</u>



(a) Non-monetary transactions

The main non-monetary transaction is the acquisition of fleet through financing. In the periods ended June 30, 2019, the amount of these transactions was R\$ 53,983 (R\$ 20,734 as of June 30, 2018) in parent company and R\$ 83,892 (R\$ 30,062 as of June 30, 2018) in consolidated.

Patrícia Poubel Chieppe
Executive and Investor Relations Officer

André Luiz Chieppe
Controllership General Manager
and Finance

Ana Silvia Calegari Gava
Controllership Manager

Nubia Carla Freitas Santos Souza
Accountant – CRC 9485/ES