

VIX Logística S.A. e  
VIX Logística S.A.  
and subsidiaries

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

*(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)*

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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 September 30, 2019, which comprise the balance sheet on September 30, 2019 and related statements of income and comprehensive income for the three and nine-month periods then ended and changes in shareholders' equity and of cash flows for the nine 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 September 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, October 30, 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-7



**Vix Logística S.A.**

**Balance sheets at September 30, 2019 and December 31, 2018**

(In thousands of Reais)

	Notes	Parent company		Consolidated		Liabilities	Notes	Parent company		Consolidated	
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018			September 30, 2019	December 31, 2018		
<b>Assets</b>											
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	7	76,356	29,131	107,598	42,852	Loans and financing	16	299,694	95,438	364,197	168,149
Securities	8	40,855	72,676	92,044	147,966	Suppliers		24,663	49,905	47,082	74,389
Accounts receivable	9	215,257	170,213	362,070	280,090	Suppliers with related parties	19	3,338	2,306	3,837	2,189
Accounts receivable with related parties	19	1,383	1,234	1,168	1,231	Labor obligations payable	17	43,279	26,103	71,293	40,402
Inventories	10	23,082	16,186	29,724	19,537	Taxes payable	18	10,585	11,394	18,128	16,586
Recoverable taxes	11	10,738	11,258	16,756	15,589	Income tax and social contribution payable		0	-	14,967	1,038
Recoverable income tax and social contribution		24,220	13,704	44,195	16,868	Accounts payable		21,169	25,231	30,526	45,109
Prepaid expenses		10,398	6,863	14,525	9,208	Advances from clients		10,902	3,081	13,218	3,207
Other financial assets		2,428	789	3,720	3,296	Dividends payable		-	3,480	-	3,480
Operations with derivatives	6.iii 1	7,617	6,409	4,978	6,409			413,630	216,938	563,248	354,549
Assets available for sale (fleet renewal)	12	29,155	28,679	44,575	29,457						
Dividends receivable		769	769	-	-						
		<u>442,258</u>	<u>357,911</u>	<u>721,353</u>	<u>572,503</u>						
<b>Non-current assets</b>						<b>Non-current liabilities</b>					
Related party credits	19	98,011	11,706	11,859	10,927	Loans and financing	16	638,009	592,703	900,416	689,492
Recoverable taxes	11	9,882	10,795	9,882	20,110	Debits with related parties	19	223	101	-	-
Other financial assets		18,219	12,145	20,744	12,910	Deferred income tax and social contribution	22	92,431	91,650	114,027	112,668
Prepaid expenses		68	121	309	437	Accounts payable		33,179	47,537	36,710	50,369
Operations with derivatives	6.iii 1	12,067	2,621	15,777	2,621	Tax liabilities	16	3,219	3,931	3,219	3,931
Judicial deposits	20	15,313	15,264	21,821	21,528	Provision for lawsuits and contingencies	20	18,224	15,260	25,463	22,011
		<u>153,560</u>	<u>52,652</u>	<u>80,392</u>	<u>68,533</u>			785,285	751,182	1,079,835	878,471
								<u>1,198,915</u>	<u>968,120</u>	<u>1,643,083</u>	<u>1,233,020</u>
Investments	13	467,317	475,955	343	352	<b>Shareholders' equity</b>					
Property, plant and equipment	14	741,035	663,224	1,351,026	1,079,310	Capital	21	332,000	332,000	332,000	332,000
Intangible assets	15	33,968	32,846	129,192	126,790	Capital reserves	21	9,338	9,338	9,338	9,338
		<u>1,242,320</u>	<u>1,172,025</u>	<u>1,480,561</u>	<u>1,206,452</u>	Profit reserve	21	290,563	265,903	290,563	265,903
						Equity valuation adjustments	21	7,322	7,227	7,322	7,227
		<u>1,395,880</u>	<u>1,224,677</u>	<u>1,560,953</u>	<u>1,274,985</u>			<u>639,223</u>	<u>614,468</u>	<u>639,223</u>	<u>614,468</u>
<b>Total assets</b>		<u>1,838,138</u>	<u>1,582,588</u>	<u>2,282,306</u>	<u>1,847,488</u>	<b>Total liabilities and shareholders' equity</b>		<u>1,838,138</u>	<u>1,582,588</u>	<u>2,282,306</u>	<u>1,847,488</u>

See the accompanying notes to the financial statements.



**Vix Logística S.A.**

**Statements of income**

**Nine-month period ended September 30, 2019 and 2018**

*(In thousands of Reais)*

	Notes	Parent company		Consolidated	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net income from sales and services	24	685,758	530,047	1,236,045	845,262
Costs with sales and rendering of services	25	(587,249)	(470,504)	(1,062,901)	(733,956)
<b>Gross income</b>		<b>98,509</b>	<b>59,543</b>	<b>173,144</b>	<b>111,306</b>
Administrative/general/commercial expenses	25	(55,872)	(52,700)	(70,844)	(60,732)
Other income, net		899	399	2,192	592
Equity in net income of subsidiaries	13	29,280	28,205	-	-
		<u>(25,693)</u>	<u>(24,096)</u>	<u>(68,652)</u>	<u>(60,140)</u>
<b>Operating income before financial income</b>		<b>72,816</b>	<b>35,447</b>	<b>104,492</b>	<b>51,166</b>
Financial expenses	26	(104,131)	(47,980)	(135,243)	(53,495)
Financial income	26	63,279	36,853	78,280	41,182
<b>Income before income tax and social contribution</b>		<b>31,964</b>	<b>24,320</b>	<b>47,529</b>	<b>38,853</b>
Current income tax and social contribution	22	614	(102)	(14,421)	(12,740)
Deferred income tax and social contribution	22	(1,275)	(120)	(1,805)	(2,015)
<b>Net income for the year</b>		<b><u>31,303</u></b>	<b><u>24,098</u></b>	<b><u>31,303</u></b>	<b><u>24,098</u></b>
Net earnings per common share - basic and diluted (in Reais)				0.36955	0.28449

See the accompanying notes to the financial statements.



**Vix Logística S.A.**

**Statements of income**

**Three-month period ended September 30, 2019 and 2018**

*(In thousands of Reais)*

	Notes	Parent company		Consolidated	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net income from sales and services	24	228,267	195,761	442,591	313,007
Costs with sales and rendering of services	25	<u>(199,112)</u>	<u>(170,316)</u>	<u>(383,007)</u>	<u>(264,959)</u>
<b>Gross income</b>		29,155	25,445	59,584	48,048
Administrative/general/commercial expenses	25	(20,371)	(22,320)	(24,816)	(25,183)
Other income, net		338	163	766	282
Equity in net income of subsidiaries	13	<u>12,293</u>	<u>12,686</u>	<u>-</u>	<u>-</u>
		<u>(7,740)</u>	<u>(9,471)</u>	<u>(24,050)</u>	<u>(24,901)</u>
<b>Operating income before financial income</b>		21,415	15,974	35,534	23,147
Financial expenses	26	(50,916)	(28,631)	(67,202)	(30,722)
Financial income	26	<u>36,093</u>	<u>25,900</u>	<u>45,042</u>	<u>27,332</u>
<b>Income before income tax and social contribution</b>		6,592	13,243	13,374	19,757
Current income tax and social contribution	22	1,628	(102)	(5,142)	(5,513)
Deferred income tax and social contribution	22	<u>750</u>	<u>(1,389)</u>	<u>738</u>	<u>(2,492)</u>
<b>Net income for the year</b>		<u>8,970</u>	<u>11,752</u>	<u>8,970</u>	<u>11,752</u>
Net earnings per common share - basic and diluted (in Reais)				0.10590	0.13874

See the accompanying notes to the financial statements.



**Vix Logística S.A.**

**Statements of comprehensive income**

**Nine-month period ended September 30, 2019 and 2018**

*(In thousands of Reais)*

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
<b>Net income for the year</b>	<u>31,303</u>	<u>24,098</u>	<u>31,303</u>	<u>24,098</u>
<b>Other comprehensive income</b>				
Items that can be subsequently reclassified to income (loss)				
<i>Cash flow hedge</i>	211	-	118	-
Effect of equity accounting- Subsidiaries	(93)	-	-	-
Exchange-rate change in foreign investee	(11)	(288)	(11)	(288)
	<u>107</u>	<u>(288)</u>	<u>107</u>	<u>(288)</u>
<b>Comprehensive income for the year</b>	<u><u>31,410</u></u>	<u><u>23,810</u></u>	<u><u>31,410</u></u>	<u><u>23,810</u></u>

See the accompanying notes to the financial statements.





**Vix Logística S.A.**

**Statements of comprehensive income**

**Three-month period ended September 30, 2019 and 2018**

*(In thousands of Reais)*

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
<b>Net income for the year</b>	<u>8,970</u>	<u>11,752</u>	<u>8,970</u>	<u>11,752</u>
<b>Other comprehensive income</b>				
Items that can be subsequently reclassified to income (loss)				
<i>Cash flow hedge</i>	(236)	-	(290)	-
Effect of equity accounting- Subsidiaries	(54)	-	-	-
Exchange-rate change in foreign investee	(5)	(13)	(5)	(13)
	<u>(295)</u>	<u>(13)</u>	<u>(295)</u>	<u>(13)</u>
<b>Comprehensive income for the year</b>	<u>8,675</u>	<u>11,739</u>	<u>8,675</u>	<u>11,739</u>

See the accompanying notes to the financial statements.



Vix Logística S.A.

Statements of changes in shareholders' equity as of September 30, 2019 and 2018 (parent company and consolidated)

(In thousands of Reais)

	Profit reserve						Total
	Paid-up capital	Capital reserve	Legal	Investments	Equity valuation adjustments	Retained earnings	
<b>Balances at January 1, 2018</b>	332,000	9,338	23,257	219,495	8,523	-	592,613
Net income for the year	-	-	-	-	-	24,098	24,098
Exchange-rate change in foreign investee	-	-	-	-	(288)	-	(288)
Total comprehensive income for the year	-	-	-	-	(288)	24,098	23,810
Realization of revaluation reserve	-	-	-	-	(26)	37	11
Dividends paid	-	-	-	(1,882)	-	(3,708)	(5,590)
Profit retention	-	-	-	20,427	-	(20,427)	-
Total contributions and distributions to shareholders	-	-	-	18,545	(26)	(24,098)	(5,579)
<b>Balances at September 30, 2018</b>	332,000	9,338	23,257	238,040	8,209	-	610,844

	Profit reserve						Total
	Paid-up capital	Capital reserve	Legal	Investments	Equity valuation adjustments	Retained earnings	
<b>Balances at January 1, 2019</b>	332,000	9,338	25,042	240,861	7,227	-	614,468
Net income for the year	-	-	-	-	-	31,303	31,303
Cash flow hedge	-	-	-	-	211	-	211
Income tax na social contribution - <i>Hedge accounting</i>	-	-	-	-	(93)	-	(93)
Exchange-rate change in foreign investee	-	-	-	-	(11)	-	-
Total comprehensive income for the year	-	-	-	-	107	31,303	31,421
Realization of revaluation reserve	-	-	-	-	(12)	36	24
Prior-year adjustments	-	-	-	-	-	(6,679)	(6,679)
Dividends paid	-	-	-	24,660	-	(24,660)	-
Profit retention	-	-	-	-	-	-	-
Total contributions and distributions to shareholders	-	-	-	24,660	(12)	(31,303)	(6,655)
<b>Balances at September 30, 2019</b>	332,000	9,338	25,042	265,521	7,322	-	639,234

See the accompanying notes to the financial statements.



**Vix Logística S.A.**

**Statements of cash flows**

Nine-month period ended September 30, 2019 and 2018

(In thousands of Reals)

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Cash flows from operating activities</b>				
<b>Net income for the period</b>	31,303	24,098	31,303	24,098
<b>Adjustment of items without cash disbursement for reconciliation of income from cash generated by operating activities</b>				
Depreciation and amortization (Notes 14 and 15)	86,642	67,195	139,766	85,450
Residual value of fixed and intangible assets written off (Note 14 and 15)	41,094	27,752	75,420	30,793
Equity in net income of subsidiaries (Note 13)	(29,280)	(28,205)	-	-
Unrealized interest, inflation adjustment and exchange-rate change on loans	49,261	31,768	64,852	37,689
Changes in unrealized income (loss) from derivatives at fair value through profit or loss	(10,653)	(9,087)	(11,724)	(9,087)
Provision for contingencies (reversal)	2,964	(1,983)	3,452	(2,312)
Provision (reversal) for expected losses	259	418	(1,814)	642
Income tax and social contribution expense	661	222	16,226	14,755
Interest on financial asset held-to-maturity	-	(21)	-	(21)
	<u>172,251</u>	<u>112,157</u>	<u>317,481</u>	<u>182,007</u>
<b>Changes in operational assets and liabilities</b>				
Accounts receivable	(45,303)	(23,512)	(80,166)	(36,368)
Accounts receivable – related parties	(149)	24	63	255
Inventories	(6,896)	(2,662)	(10,187)	(2,435)
Recoverable taxes	1,433	2,053	9,061	(1,298)
Recoverable income tax and social contribution	(10,516)	(7,865)	(27,327)	(19,625)
Other financial assets	(7,713)	(5,166)	(8,258)	(3,500)
Prepaid expenses	(3,482)	(2,303)	(5,189)	(2,968)
Related party credits	(86,305)	(686)	(932)	(877)
Judicial deposits	(49)	(408)	(293)	(746)
Suppliers	(25,242)	(13,632)	(27,307)	(11,563)
Suppliers with related parties	1,032	(4,328)	1,648	(6,810)
Labor obligations	17,176	15,041	30,891	21,826
Tax liabilities	(1,521)	801	830	1,263
Income tax and social contribution payable	-	102	13,929	12,203
Accounts payable	(18,420)	2,013	(28,242)	1,910
Advances from clients	7,821	1,014	10,011	1,076
Debits with related parties	122	(10)	-	-
	<u>(5,761)</u>	<u>72,633</u>	<u>196,013</u>	<u>134,350</u>
<b>Cash generated by operating activities</b>				
Income tax and social contribution paid	614	(102)	(14,421)	(12,740)
Interest paid	(32,303)	(20,857)	(48,513)	(24,783)
Investments in securities	(74,321)	(497,455)	(240,261)	(703,921)
Redemptions in securities	106,142	394,062	296,183	618,293
Acquisition and renovation of vehicle fleet	(134,547)	(171,333)	(389,110)	(200,708)
	<u>(140,176)</u>	<u>(223,052)</u>	<u>(200,109)</u>	<u>(189,509)</u>
<b>Net cash flow from operating activities</b>				
<b>Cash flows from investment activities</b>				
Acquisitions of other fixed and intangible assets	(18,188)	(5,989)	(29,309)	(8,827)
Other investments	-	(7)	8	(7)
Dividends received	38,000	30,000	-	-
Capital increase in investees	-	-	-	-
	<u>19,812</u>	<u>24,004</u>	<u>(29,301)</u>	<u>(8,834)</u>
<b>Net cash flow used in investment activities</b>				
<b>Cash flows from financing activities</b>				
Funding of loans and financing	240,000	292,284	420,000	317,284
Payments of loans and financing	(62,252)	(84,718)	(115,674)	(106,547)
Dividends paid	(10,159)	(6,919)	(10,159)	(6,919)
	<u>167,589</u>	<u>200,647</u>	<u>294,167</u>	<u>203,818</u>
<b>Net cash flow used in financing activities</b>				
Exchange-rate change on foreign investments	-	-	(11)	(288)
	<u>47,225</u>	<u>1,599</u>	<u>64,746</u>	<u>5,187</u>
<b>Increase in cash and cash equivalents</b>				
<b>Cash and cash equivalents at January 1</b>	29,131	10,802	42,852	13,850
<b>Cash and cash equivalents at June 30</b>	<u>76,356</u>	<u>12,401</u>	<u>107,598</u>	<u>19,037</u>
	<u>47,225</u>	<u>1,599</u>	<u>64,746</u>	<u>5,187</u>

See the accompanying notes to the financial statements.



**Vix Logística S.A.**

**Statements of added value**

**Nine-month period ended September 30, 2019 and 2018**

*(In thousands of Reais)*

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
<b>Revenues</b>				
Sale of goods, products and services	769,975	597,177	1,401,261	963,825
Other income	993	401	2,287	594
Allowance for doubtful accounts	(552)	(36)	(861)	(91)
	<u>770,416</u>	<u>597,542</u>	<u>1,402,687</u>	<u>964,328</u>
<b>Inputs acquired from third parties</b>				
Cost of goods and services sold	(143,609)	(100,199)	(353,295)	(124,310)
Materials, energy, outsourced services and other	(98,796)	(83,393)	(139,453)	(222,419)
	<u>(242,405)</u>	<u>(183,592)</u>	<u>(492,748)</u>	<u>(346,729)</u>
<b>Gross added value</b>	528,011	413,950	909,939	617,599
Depreciation and amortization	(86,642)	(67,195)	(139,766)	(85,450)
<b>Net value added produced by the Company</b>	<u>441,369</u>	<u>346,755</u>	<u>770,173</u>	<u>532,149</u>
<b>Added value received as transfer</b>				
Equity in net income of subsidiaries	29,280	28,205	-	-
Financial income	63,279	36,853	78,280	41,182
	<u>92,559</u>	<u>65,058</u>	<u>78,280</u>	<u>41,182</u>
<b>Total added value payable</b>	<u>533,928</u>	<u>411,813</u>	<u>848,453</u>	<u>573,331</u>
<b>Distribution of added value</b>				
<b>Personnel</b>				
Salaries and charges	244,842	212,085	404,720	292,304
Management fees	8,565	8,269	8,565	8,269
Retirement and pension plans	673	483	769	542
<b>Taxes, duties and contributions</b>				
Federal	97,048	78,098	181,913	133,518
State	16,457	15,686	36,694	29,252
Municipal	20,257	15,951	27,464	19,773
<b>Third-party capital remuneration</b>				
Interest	99,504	46,893	128,253	52,064
Rentals	11,909	9,404	23,267	12,321
Other	3,370	846	5,505	1,190
<b>Remuneration of own capital</b>				
Dividends	9,391	7,229	9,391	7,229
Retained earnings	21,912	16,869	21,912	16,869
	<u>533,928</u>	<u>411,813</u>	<u>848,453</u>	<u>573,331</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 September 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) <sup>1</sup>	AB SRL	Cargo Road Transportation and logistics	99	99
VIX Transportes Mercosur (Argentina) <sup>2</sup>	VIXMERCOSUR	Cargo Road Transportation and logistics	-	99
Autoport Transportes e Logística Ltda.	ATL	Road transportation of vehicles	100	100
VIXLOG Tecnologia e Serviços Ltda <sup>1</sup>	VIXLOG	Technology company	100	100
LS Rentals Participações S/A <sup>3</sup>	L'S	Holding	100	-
Let's Rent a Car S/A <sup>3</sup>	LET'S	Vehicle leasing	100	-
Salute Locação e Empreendimentos Ltda. <sup>3</sup>	SALUTE	Vehicle leasing	100	-
Valoriza Locadora de Veículos Ltda <sup>3</sup>	VALORIZA	Vehicle leasing	100	-

<sup>1</sup> Indirectly controlled company with no trade transactions.

<sup>2</sup> Company closed down in 2018.

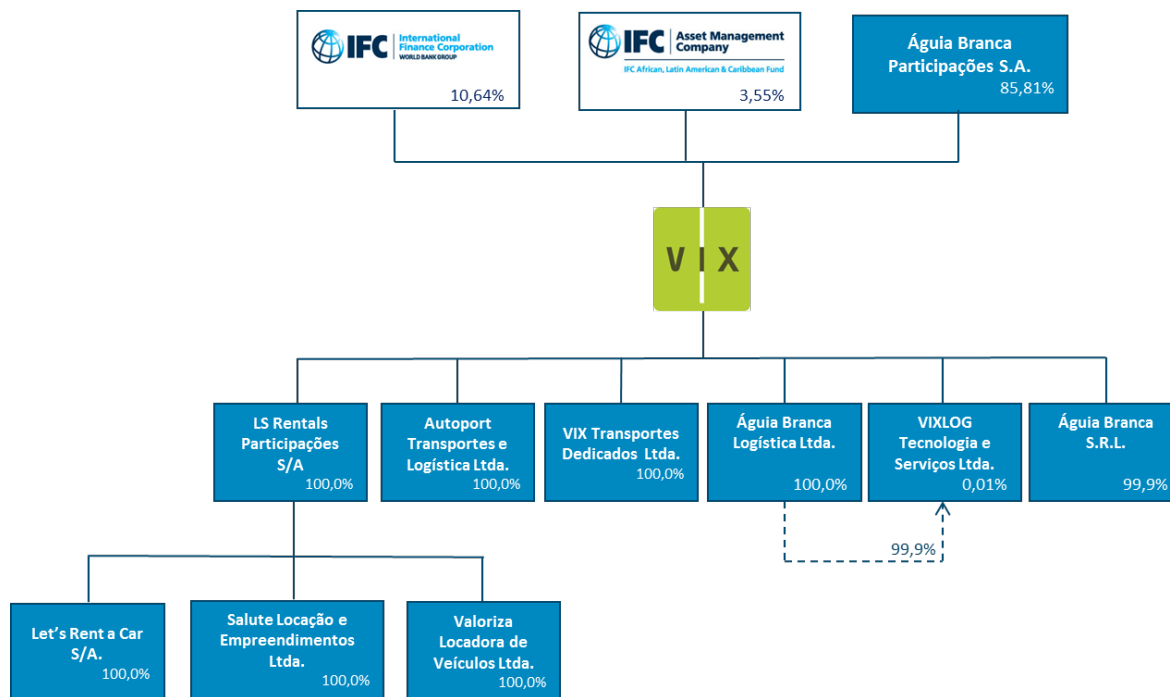
<sup>3</sup> Subsidiaries acquired in business combinations as Note 2.

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
<b>Current assets</b>			
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
	<b>25,991</b>	<b>-</b>	<b>25,991</b>
<b>Non-current assets</b>			
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
	<b>208,392</b>	<b>62,770</b>	<b>271,162</b>
<b>TOTAL ASSETS</b>	<b>234,383</b>	<b>62,770</b>	<b>297,153</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
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
	<b>119,568</b>	<b>-</b>	<b>119,568</b>
<b>Non-current liabilities</b>			
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
	<b>62,902</b>	<b>21,342</b>	<b>84,244</b>
<b>Shareholders' equity</b>			
Capital	36,522	-	36,522
Equity valuation adjustment	-	41,428	41,428
Capital reserve	6,800	-	6,800
Profit reserve	8,591	-	8,591
	<b>51,913</b>	<b>41,428</b>	<b>93,341</b>
<b>TOTAL LIABILITIES</b>	<b>234,383</b>	<b>62,770</b>	<b>297,153</b>



#### 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
<b>Fair value of net assets acquired</b>	<b>93,341</b>
Goodwill for future profitability	26,064
<b>Net present value of investment</b>	<b>119,405</b>

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.

### 3 - Preparation 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.

#### 3.1 Statement 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 September 30, 2019 were authorized for issue by the Company's Executive Board on October 30, 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 9-month period ended September 30, 2018 and disclosed on November 05, 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 remeasures 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 September 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 September 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.

September 30, 2019

Parent company

	Book value		Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2
<b>Assets according to the balance sheet</b>					
Cash and cash equivalents	76,356	-	76,356	76,356	-
Securities	40,855	-	40,855	-	40,855
Trade accounts receivable, net	-	215,257	215,257	-	-
Trade accounts receivable – Related parties, net	-	1,383	1,383	-	-
Related party credits	-	98,011	98,011	-	-
Financial asset held to maturity	769	-	769	769	-
Operations with derivatives	19,684	-	19,684	-	19,684
Other financial assets	-	20,647	20,647	-	-
<b>Financial liabilities</b>					
Loans and financing	-	937,703	937,703	-	937,703
Suppliers	-	24,663	24,663	-	-
Suppliers related parties	-	3,338	3,338	-	-
Debits with related parties	-	223	223	-	-
Other accounts payable	-	65,250	65,250	-	-
<b>Consolidated</b>					
<b>Assets according to the balance sheet</b>					
Cash and cash equivalents	107,598	-	107,598	107,598	-
Securities	92,044	-	92,044	-	92,044
Trade accounts receivable, net	-	362,070	362,070	-	-
Trade accounts receivable – Related parties, net	-	1,168	1,168	-	-
Related party credits	-	11,859	11,859	-	-
Financial asset held to maturity	-	-	-	-	-
Operations with derivatives	20,755	-	20,755	-	20,755
Other financial assets	-	24,464	24,464	-	-
<b>Financial liabilities</b>					
Loans and financing	-	1,264,613	1,264,613	-	1,264,613
Suppliers	-	47,082	47,082	-	-
Suppliers related parties	-	3,837	3,837	-	-
Operations with derivatives	-	80,454	80,454	-	-
Other accounts payable	-	-	-	-	-



December 31, 2018

Parent company	Book value		Fair value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2
<b>Assets according to the balance sheet</b>					
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	-	-
Operations with derivatives	9,030	-	9,030	-	9,030
Other financial assets	-	789	789	-	-
<b>Financial liabilities</b>					
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	-	-
Other accounts payable	-	75,849	75,849	-	-
<b>Consolidated</b>					
<b>Assets according to the balance sheet</b>					
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	-	-
Operations with derivatives	9,030	-	9,030	-	9,030
Other financial assets	-	3,296	3,296	-	-
<b>Financial liabilities</b>					
Loans and financing	89,799	767,842	857,641	-	857,641
Suppliers	-	74,389	74,389	-	-
Suppliers related parties	-	2,189	2,189	-	-
Other accounts payable	-	98,685	98,685	-	-

### 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 September 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 September 30, 2019 and December 31, 2018.

September 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%	1,821	(1)	No	17,608	(9)	No
AA	0.17%	44,831	(78)	No	110,689	(193)	No
A	0.35%	8,800	(31)	No	28,964	(103)	No
B	0.39%	160,805	(890)	No	205,593	(794)	No
C	5.50%	-	-		834	(519)	
		<u>216,257</u>	<u>(1,000)</u>		<u>363,688</u>	<u>(1,618)</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>	

September 30, 2019		Parent company		
	Weighted average rate of loss	Gross book balance	Provision for loss	Credit recovery problems
To be billed	0.31%	134,242	(478)	No
Falling due	0.3%	78,364	(234)	No
Overdue up to 30 days	0.26%	768	(1)	No
Overdue, 31–90 days	0.33%	1,679	(12)	No
Overdue, 91–180 days	0.36%	654	(3)	No
Overdue for more than 180 days	0.35%	550	(272)	No
		<u>216,257</u>	<u>(1,000)</u>	





	September 30, 2019	Consolidated		
	Weighted average rate of loss	Gross book balance	Provision for loss	Credit recovery problems
To be billed	0.37%	194,214	(659)	No
Falling due	0.31%	149,109	(374)	No
Overdue up to 30 days	0.37%	3,617	(9)	No
Overdue, 31–90 days	0.34%	8,009	(30)	No
Overdue, 91–180 days	0.35%	6,950	(26)	No
Overdue for more than 180 days	0.33%	1,789	(520)	No
		<u>363,688</u>	<u>(1,618)</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	
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Banco ABC	AA	19	-	59	41
Banco Alfa S.A	AA	17	2	129	98
Banco Bradesco S.A	AA	42,064	74,942	95,171	141,025
Banco Brickel	A-	-	-	-	1
Banco Citibank S/A	AA	217	1	217	1
Banco Daycoval	A	-	-	33	27
Banco do Brasil S.A	AA	587	1,616	2,996	2,537
Banco do Nordeste	AA	643	111	643	111
Banco Fibra	BBB-	-	-	3	3
Banco Guanabara	BBB-	-	-	77	77
Banco Panamericano	A	-	-	244	15
Banco Paulista	BRAA-	-	-	49	2,284
Banco Pine	BBB-	-	-	639	654
Banco Safra S.A	AA	531	125	1,533	994
Banco Santander Brasil S.A	AA	58	59	2,126	3,066
Banco Votorantim S.A	AA	62,227	14,699	83,179	21,507
Banestes S.A.	A+	333	50	506	197
Banrisul	A	-	-	69	15
Caixa Econômica Federal	AA	10,014	9,680	10,243	9,846
HSBC	A1	-	-	-	-
Itaú Unibanco S.A.	AA	65	133	1,128	7,800
SICOOB	AAA	-	-	-	1
		<u>116,775</u>	<u>101,418</u>	<u>199,044</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
<b>Parent company</b>				
<b>September 30, 2019</b>				
Loans and financing	38,835	642,869	218,430	37,569
Suppliers	24,663	-	-	-
Suppliers – related parties	3,338	-	-	-
Accounts payable	21,169	-	-	-
Dividends	-	-	-	-
<b>December 31, 2018</b>				
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	-	-	-
<b>Consolidated</b>				
<b>September 30, 2019</b>				
Loans and financing	61,266	813,055	337,629	52,663
Suppliers	47,082	-	-	-
Suppliers – related parties	3,837	-	-	-
Accounts payable	30,526	-	-	-
Dividends	-	-	-	-
<b>December 31, 2018</b>				
Loans and financing	168,149	197,842	245,050	246,600
Suppliers	74,389	-	-	-
Suppliers – related parties	2,189	-	-	-
Accounts payable	45,109	-	-	-
Dividends	3,480	-	-	-



### 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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Total loans and financing	918,019	688,141	1,243,858	857,641
Less: Cash and cash equivalents/Securities	117,211	101,807	199,642	190,818
Net debt	800,808	586,334	1,044,216	666,823
Total shareholders' equity	639,223	614,468	639,223	614,468
Total capital	1,440,031	1,200,802	1,683,439	1,281,291
Leverage ratio - %	56%	49%	62%	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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
TJLP/TLP	79,451	45,093	130,780	79,771
SELIC/CDI	498,361	467,925	711,257	564,188
Dollar/USD Libor	247,438	69,785	298,609	69,785
	<u>825,250</u>	<u>582,803</u>	<u>1,140,646</u>	<u>713,744</u>

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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Loans - Postfixed	825,250	582,803	1,140,646	713,744
Loans - Fixed	112,453	105,338	123,967	143,897
	<u>937,703</u>	<u>688,141</u>	<u>1,264,613</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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Loans at Selic/CDI	498,361	467,925	711,257	564,188
Loans in foreign currency + SWAP	227,754	68,300	277,854	68,300
Total debt in CDI (a)	<u>726,115</u>	<u>536,225</u>	<u>989,111</u>	<u>632,488</u>
Interest earning bank deposits (b)	113,527	96,725	188,341	178,774
CDI balance (a - b)	<u>612,588</u>	<u>439,500</u>	<u>800,770</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	Parent company	
					Scenario I + impairment of 25%	Scenario I + impairment of 50%
Debt pegged to CDI				4.05%	4.8%	5.54%
Position as of 06/30/2019	488,653	CDI		508,443	512,108	515,724
Impact in income (loss)/shareholders' equity			(loss)	(19,790)	(23,455)	(27,071)
Debt pegged to TJLP				9.14%	10.67%	12.2%
Position as of 06/30/2019	16,432	TJLP		17,934	18,185	18,437
Impact in income (loss)/shareholders' equity			(loss)	(1,502)	(1,753)	(2,005)
Debt pegged to TLP				9.5%	1.46%	1.65%
Position as of 06/30/2019	63,019	TLP		69,006	63,939	64,059
Impact in income (loss)/shareholders' equity			(loss)	(5,987)	(920)	(1,040)
Debt pegged to SELIC				8.25%	9.48%	10.7%
Position as of 06/30/2019	9,708	SELIC		10,509	10,628	10,747
Impact in income (loss)/shareholders' equity			(loss)	(801)	(920)	(1,039)
Operation	Exposure	Risk	Gain/ (loss) Potential	Probable scenario	Consolidated	
					Scenario I + impairment of 25%	Scenario I + impairment of 50%
Debt pegged to CDI				4.01%	4.75%	5.49%
Position as of 06/30/2019	686,849	CDI		714,392	719,474	724,557
Impact in income (loss)/shareholders' equity			(loss)	(27,543)	(32,625)	(37,708)
Debt pegged to TJLP				9.14%	10.67%	12.2%
Position as of 06/30/2019	29,837	TJLP		32,564	33,021	33,477
Impact in income (loss)/shareholders' equity			(loss)	(2,727)	(3,184)	(3,640)
Debt pegged to TLP				11.25%	2.21%	2.51%
Position as of 06/30/2019	100,943	TLP		112,299	103,174	103,477
Impact in income (loss)/shareholders' equity			(loss)	(11,356)	(2,231)	(2,534)
Debt pegged to SELIC				7.92%	9.15%	10.37%
Position as of 06/30/2019	24,408	SELIC		26,341	26,641	26,939
Impact in income (loss)/shareholders' equity			(loss)	(1,933)	(2,233)	(2,531)

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\$ 4.0/US\$ and 4.50/ US€ In scenario I + 25% impairment, dollar and EURO at R\$ 5.0/US\$ and 5.63/US€ and in scenario I + 50% impairment, dollar and EURO at R\$ 6.0/US\$ and 6.75/US€ as follows:



Operation	Exposure	Risk	Gain/ (loss) Potential	Probable scenario	Parent company	
					Scenario I + impairment of 25%	Scenario I + impairment of 50%
<b>Instruments in foreign currency US\$ Libor</b>						
Debt				1.32%	16.12%	31.1%
Liability position -	144,917	US\$		146,830	168,278	189,986
Impact in income (loss)/shareholders' equity			(loss)	(1,913)	(23,361)	(45,069)
<b>SWAP</b>						
Asset position in US Dollars	144,917	R\$		146,830	183,538	220,245
Liability position - at CDI	138,263	CDI		144,762	180,953	217,143
Impact in income (loss)/shareholders' equity			(loss) / gain	2,068	2,585	3,102
<b>Instruments in foreign currency Euro</b>						
Debt				7.85%	32.9%	0.25%
Liability position -	102,521	US€		110,569	136,250	102,777
Impact in income (loss)/shareholders' equity			(loss)	(8,048)	(33,729)	(256)
<b>SWAP</b>						
Asset position in US Dollars	102,521	R\$		110,569	138,211	165,854
Liability position - at CDI	101,089	CDI		105,841	132,301	158,762
Impact in income (loss)/shareholders' equity			(loss) / gain	4,728	5,910	7,092
					Consolidated	
Operation	Exposure	Risk	Gain/ (loss) Potential	Probable scenario	Scenario I + impairment of 25%	Scenario I + impairment of 50%
<b>Instruments in foreign currency US\$ Libor</b>						
Debt				0.81%	15.33%	29.96%
Liability position -	144,917	US\$		146,091	167,133	188,334
Impact in income (loss)/shareholders' equity			(loss)	(1,174)	(22,216)	(43,417)
<b>SWAP</b>						
Asset position in US Dollars	144,917	R\$		146,091	182,614	219,137
Liability position - at CDI	138,263	CDI		144,762	180,953	217,143
Impact in income (loss)/shareholders' equity			(loss) / gain	1,329	1,661	1,994
<b>Instruments in foreign currency Euro</b>						
Debt				2.77%	28.46%	54.15%
Liability position -	153,692	US€		157,949	197,433	236,916
Impact in income (loss)/shareholders' equity			gain / (loss)	(4,257)	(43,741)	(83,224)
<b>SWAP</b>						
Asset position in US Dollars	153,692	R\$		152,254	190,318	228,381
Liability position - at CDI	151,191	CDI		158,297	197,871	237,446
Impact in income (loss)/shareholders' equity			(loss) / gain	(6,043)	(7,553)	(9,065)



### 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:

September 30, 2019											Parent company		
Operation	Period	Interest	Rate		Interest (Accrual)			Mark-to-market					
			Assets	Liabilities	Assets	Liabilities	Result	Assets	Liabilities	Liquid			
CDI x Tax Pré	48 monthly	Quarterly	Libor USD + 1.44%	100% CDI + 2.00%	74,891	67,323	7,568	1,766	1,953	(187)			
CDI x Tax Pré	60 monthly	Quarterly	1.34%	100% CDI + 1.80%	52,360	50,114	2,246	1,726	1,800	(74)			
CDI x Tax Pré	6 monthly	Bullet	2.56%	100% CDI + 1.04%	70,084	70,406	(322)	38	444	(406)			
CDI x Tax Pré	6 monthly	Bullet	0.94%	100% CDI + 1.75%	50,169	50,160	9	(240)	509	(749)			
					247,504	238,003	9,501	3,290	4,706	(1,416)			

December 31, 2018											Parent company		
Operation	Period	Interest	Rate		Interest (Accrual)			Mark-to-market					
			Assets	Liabilities	Assets	Liabilities	Result	Assets	Liabilities	Liquid			
CDI x Taxa Pré	48 monthly	Quarterly	Libor USD + 1.44%	100% CDI + 2.00%	69,785	69,273	512	973	-	973			
					69,785	69,273	512	973	-	973			

September 30, 2019											Consolidated		
Operation	Period	Interest	Rate		Interest (Accrual)			Mark-to-market					
			Assets	Liabilities	Assets	Liabilities	Result	Assets	Liabilities	Liquid			
CDI x Tax Pré	48 monthly	Quarterly	Libor USD + 1.44%	100% CDI + 2.00%	74,886	67,318	7,568	1,766	1,953	(187)			
CDI x Tax Pré	60 monthly	Quarterly	1.34%	100% CDI + 1.80%	52,360	50,114	2,246	1,726	1,800	(74)			
CDI x Tax Pré	6 monthly	Bullet	1.34%	100% CDI + 1.04%	70,031	70,352	(321)	38	444	(406)			
CDI x Tax Pré	6 monthly	Bullet	2.56%	100% CDI + 1.75%	50,169	50,160	9	(240)	509	(749)			
CDI x Tax Pré	60 monthly	Quarterly	1.51%	100% CDI + 1.85%	51,179	50,251	928	2,014	1,872	142			
					298,625	288,195	10,430	5,304	6,578	(1,274)			

December 31, 2018											Consolidated		
Operation	Período	Interest	Rate		Interest (Accrual)			Mark-to-market					
			Assets	Liabilities	Assets	Liabilities	Result	Assets	Liabilities	Liquid			
CDI x Taxa Pré	48 monthly	Quarterly	Libor USD + 1.44%	100% CDI + 2.00%	69,785	69,273	512	973	-	973			
					69,785	69,273	512	973	-	973			



### 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:

September 30, 2019									Parent company and Consolidated		
Operation	Period	Interest	Rate		Interest (Accrual)			Mark-to-market			
			Assets	Liabilities	Assets	Liabilities	Result	Assets	Liabilities	Liquid	
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	12.06%	127% CDI / 100% CDI + 1.75%	58,181	55,367	2,814	5,378	(497)	5,875	
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	11.56%	127% CDI / 100% CDI + 1.68%	30,064	30,040	24	2,765	(121)	2,886	
					88,245	85,407	2,838	8,143	(618)	8,761	

December 31, 2018									Parent company and Consolidated		
Operation	Period	Interest	Rate		Interest (Accrual)			Mark-to-market			
			Assets	Liabilities	Assets	Liabilities	Result	Assets	Liabilities	Liquid	
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	12.06%	127% CDI / 100% CDI + 1.75%	53,367	50,154	3,213	2,053	-	2,053	
CDI x Taxa Pré	60 monthly	Quarterly / Monthly	11.56%	127% CDI / 100% CDI + 1.68%	30,046	30,018	28	2,251	-	2,251	
					83,413	80,172	3,241	4,304	-	4,304	

## 7 - Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Cash	436	389	598	518
Banks	3,248	4,693	10,703	11,526
Interest earnings bank deposits	72,672	24,049	96,297	30,808
	<u>76,356</u>	<u>29,131</u>	<u>107,598</u>	<u>42,852</u>

## 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 September 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 September 30, 2019 and December 31, 2018:

	Parent company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<b>Current</b>				
Financial Treasury Bills (LFT)	20,614	32,315	46,441	60,889
Bank deposit certificate - CDB	1,518	3,614	3,419	6,817
Debentures	-	-	-	11,018
Financial Bills	4,330	13,869	9,765	26,133
Investment fund quotas	14,393	22,878	32,419	43,109
	<u>40,855</u>	<u>72,676</u>	<u>92,044</u>	<u>147,966</u>





## 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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trade notes receivable	82,015	85,242	169,474	156,862
Unbilled services and other accounts receivable	132,979	84,669	186,291	118,938
Transportation bill of lading to be invoiced	1,263	1,043	7,923	7,722
(-) Expected credit loss	(1,000)	(741)	(1,618)	(3,432)
	<u>215,257</u>	<u>170,213</u>	<u>362,070</u>	<u>280,090</u>

## 10- Inventories

	Parent company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Parts and accessories (i)	14,076	9,531	17,526	11,460
Tires	3,301	2,860	5,217	3,589
Materials for bodies	1,684	1,067	2,227	1,425
Fuels and lubricants	2,552	1,950	3,082	2,210
Other items	1,469	778	1,672	853
	<u>23,082</u>	<u>16,186</u>	<u>29,724</u>	<u>19,537</u>

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

## 11 - Recoverable taxes

	Parent company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Current				
Value-Added Tax on Sales and Services - ICMS(i)	10,327	11,137	10,894	12,618
Social Integration Program - PIS and Contribution for the Financing of Social Security - COFINS	-	-	2,511	130
National Social Security Institute - INSS	290	-	3,227	2,717
Other	121	121	124	124
	<u>10,738</u>	<u>11,258</u>	<u>16,756</u>	<u>15,589</u>
Non-current				
Value added tax on sales and services - ICMS	9,882	10,795	9,882	20,110
	<u>9,882</u>	<u>10,795</u>	<u>9,882</u>	<u>20,110</u>
	<u>20,620</u>	<u>22,053</u>	<u>26,638</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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trucks / Semi-towing	5,680	4,346	7,512	5,049
Light / Utility/ Bus	14,854	22,987	27,532	22,987
Other	8,621	1,346	9,531	1,421
Total assets held for sale	<u>29,155</u>	<u>28,679</u>	<u>44,575</u>	<u>29,457</u>

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

	Parent company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Opening balance	28,679	26,022	29,457	27,662
Return	376	178	376	178
Reincorporation	1,460	1,299	1,460	1,299
Changes to operating assets held for sale	37,635	36,987	62,722	41,651
Write-offs by disposal	(38,933)	(35,807)	(49,378)	(41,333)
Other write-offs	(62)	-	(62)	-
Closing balance	<u>29,155</u>	<u>28,679</u>	<u>44,575</u>	<u>29,457</u>



### 13- Investments

	Parent company – September 30, 2019				
	% interest	Assets	Liabilities	Shareholders' equity	Net income/Loss for the period
<b>Direct investments</b>					
Águia Branca Logística - ABL	100	34,884	11,235	23,649	705
Autoport Transportes e Logística - ATL	100	165,596	46,923	118,673	22,549
VIX Transportes Dedicados - VIXTD	100	329,178	272,914	56,264	(10,089)
Águia Branca S.R.L. - ABSRL	100	24	2	22	(1)
L'S Rental	100	240,466	60,770	179,696	16,116
				378,304	29,280
<b>Other investments</b>					
Goodwill and surplus in acquisition of subsidiaries				88,834	-
Other (i)				179	-
				89,013	-
				467,317	29,280

	Parent company – December 31, 2018				
	% interest	Assets	Liabilities	Shareholders' equity	Net income/Loss for the period
<b>Direct investments</b>					
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
				386,942	34,209
<b>Other investments</b>					
Goodwill and surplus in acquisition of subsidiaries				88,834	-
Other (i)				179	-
				89,013	-
				475,955	34,209

#### Indirect investments

#### Consolidated

	September 30, 2019	December 31, 2018
Other (i)	343	344
	343	344

(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 September 30, 2019, the Company recorded a loss in the amount of R\$ 11 (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
<b>Balances at January 1, 2018</b>	<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)
<b>Balances at December 31, 2018</b>	<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	-	-	-	-	-	-
(+/-) Adjustments from previous years	705	22,549	(10,089)	(1)	16,116	29,280
(+/-) Hedge accounting			93			93
(-) Distribution of dividends	-	(38,000)	-	-	-	(38,000)
(-) Exchange-rate change on foreign investments	-	-	-	(11)	-	(11)
<b>Balances at September 30, 2019</b>	<u>23,649</u>	<u>118,673</u>	<u>56,264</u>	<u>22</u>	<u>179,696</u>	<u>378,304</u>





## 14- Property, plant and equipment

Parent company					Total
	Vehicles	Machinery and equipment	Other Property, plant and equipment	Assets of right of use	
<b>Balances at January 1, 2018</b>	<b>285,553</b>	<b>102,549</b>	<b>82,400</b>	-	<b>470,502</b>
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)
<b>Balances at December 31, 2018</b>	<b>400,538</b>	<b>161,217</b>	<b>101,469</b>	-	<b>663,224</b>
Acquisitions	135,640	16,176	43,305	5,409	200,530
Write-offs by disposal	(372)	(34)	-	-	(406)
Reclassification - assets for sale	(1,441)	(157)	(93)	-	(1,691)
Reclassifications - right of use	(29,110)	(8,525)	-	-	(37,635)
Other reclassifications	-	(2,456)	(1,571)	4,027	-
Reclassifications	29,093	3,126	(32,219)	-	-
Depreciation	(57,143)	(21,516)	(3,313)	(1,015)	(82,987)
<b>Balances at September 30, 2019</b>	<b>477,205</b>	<b>147,831</b>	<b>107,578</b>	<b>8,421</b>	<b>741,035</b>
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	
<b>Balances at January 1, 2018</b>	<b>421,048</b>	<b>112,669</b>	<b>87,805</b>	-	<b>621,522</b>
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)
<b>Balances at December 31, 2018</b>	<b>743,895</b>	<b>192,297</b>	<b>143,118</b>	-	<b>1,079,310</b>
Acquisitions	326,538	35,796	123,141	10,111	495,586
Write-offs by disposal	(10,823)	(34)	-	(12,964)	(23,821)
Other write-offs	(1,622)	(188)	(105)	-	(1,915)
Reclassification - assets for sale	(41,458)	(9,661)	-	(11,603)	(62,722)
Reclassifications - right of use	(106,038)	(2,997)	(1,571)	110,606	-
Other reclassifications	113,818	5,189	(118,492)	(515)	-
Depreciation	(91,705)	(29,221)	(4,153)	(10,333)	(135,412)
<b>Balances at September 30, 2019</b>	<b>932,605</b>	<b>191,181</b>	<b>141,938</b>	<b>85,302</b>	<b>1,351,026</b>
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	Computer System	Orther Intangible	Total	Consolidated	Computer System	Orther Intangible	Goodwill LS Rentals	Surplus of LS rentals	Goodwill	Total
<b>Balances at January 1, 2018</b>	<b>32,938</b>	<b>719</b>	<b>33,657</b>	<b>Balances at January 1, 2018</b>	<b>35,050</b>	<b>730</b>	-	-	-	<b>35,780</b>
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)
										-
<b>Balances at December 31, 2018</b>	<b>30,248</b>	<b>2,598</b>	<b>32,846</b>	<b>Balances at December 31, 2018</b>	<b>32,540</b>	<b>2,738</b>	<b>47,406</b>	<b>41,428</b>	<b>2,678</b>	<b>126,790</b>
Acquisitions	340	4,439	4,779	Acquisitions	430	6,570	-	-	-	7,000
Disposals and write-offs	(2)	-	(2)	Disposals and write-offs	(237)	(7)	-	-	-	(244)
Reclassifications	6,771	(6,771)	-	Reclassifications	7,156	(7,156)	-	-	-	-
Amortization	(3,655)	-	(3,655)	Amortization	(3,924)	(22)	-	-	(408)	(4,354)
										-
<b>Balances at September 30, 2019</b>	<b>33,702</b>	<b>266</b>	<b>33,968</b>	<b>Balances at September 30, 2019</b>	<b>35,965</b>	<b>2,123</b>	<b>47,406</b>	<b>41,428</b>	<b>2,270</b>	<b>129,192</b>
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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<b>Current</b>				
Acquisition of fixed assets - FINAME (Note 16.a)	38,033	25,432	65,271	51,281
Bank loan for investment (Note 16.b)	255,034	68,173	276,189	95,918
Assets of right of use (Note 16.c)	2,490	1,536	18,415	20,653
Debentures (Note 16.f)	4,137	297	4,322	297
	<u>299,694</u>	<u>95,438</u>	<u>364,197</u>	<u>168,149</u>
<b>Non-current</b>				
Acquisition of fixed assets - FINAME (Note 17.a)	68,307	56,612	118,611	100,670
Bank loan for investment (Note 17.b)	384,365	354,588	499,029	381,543
Assets of right of use (Note 16.c)	6,363	2,766	24,508	28,542
Debentures (Note 16.g)	178,974	178,737	258,268	178,737
	<u>638,009</u>	<u>592,703</u>	<u>900,416</u>	<u>689,492</u>
	<u>937,703</u>	<u>688,141</u>	<u>1,264,613</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 1.42% to 6.23% 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 2.50% 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\$ 381,336) and adjustment at the Interbank Deposit Certificate (CDI), (ii) exchange-rate change of U.S. dollar, plus annual interest rate of 2.34% (R\$ 114,917), (iii) exchange-rate change of U.S. EURO, plus annual interest rate of 1,44% (R\$ 153,692), (iv) Prefixed annual interest rates from 11.56% to 12.06% (R\$ 95,273). 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 12/05/2019 to 06/18/2024, which additional comments are described in Note 6.iii.1. The chart below shows the financial covenants as of:

Index	Limits	September 30, 2019	December 31, 2018	December 31, 2018 (proforma)
Net debt/EBITDA <sup>2</sup>	Equal or less than 4.0	3,32	3,18	2,58
EBITDA <sup>2</sup> / Net financial expenses	≥3.5	4,49	13,43	16,54

Net debt<sup>1</sup>: including income (loss) from derivative

EBITDA<sup>2</sup> (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operating performance provided by Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)





**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 2.51% (R\$ 13,781), and term between 48 and 60 months, and adjustment at the Interbank Deposit Certificate (CDI), (ii) annual interest from 4.97% to 23.97% without correction, as shown below:

September 30, 2019						
Year	Parent company			Consolidated		
	Property, plant and equipment	Intangible	Total	Property, plant and equipment	Intangible	Total
up to 1 year	646	-	646	5,400	-	5,400
1-5 years	8,207	-	8,207	37,523	-	37,523
	<u>8,853</u>	<u>-</u>	<u>8,853</u>	<u>42,923</u>	<u>-</u>	<u>42,923</u>

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

September 30, 2019					
Parent company					
Year	FINAME	Lease	Debenture	Bank loan - Investment	Total
2020	21,490	2,806	67,617	42,389	134,302
2021	7,848	2,818	43,427	92,248	146,341
After 2022	38,969	739	67,930	249,728	357,366
	<u>68,307</u>	<u>6,363</u>	<u>178,974</u>	<u>384,365</u>	<u>638,009</u>

Consolidated					
Year	FINAME	Lease	Debenture	Bank loan - Investment	Total
2020	22,030	5,954	67,642	68,523	164,149
2021	42,398	12,202	107,188	205,027	366,815
After 2022	54,183	6,352	83,438	225,479	369,452
	<u>118,611</u>	<u>24,508</u>	<u>258,268</u>	<u>499,029</u>	<u>900,416</u>



December 31, 2018

<b>Parent company</b>					
<b>Year</b>	<b>FINAME</b>	<b>Lease</b>	<b>Debenture</b>	<b>Bank loan - Investment</b>	<b>Total</b>
2019	22,698	1,185	59,579	33,313	116,775
2020	17,886	893	59,579	133,165	211,523
After 2021	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>
<b>Consolidated</b>					
<b>Year</b>	<b>FINAME</b>	<b>Lease</b>	<b>Debenture</b>	<b>Bank loan - Investment</b>	<b>Total</b>
2019	42,243	10,685	59,579	44,441	156,948
2020	31,052	9,031	59,579	139,414	239,076
After 2021	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 September 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	September 30, 2019	December 31, 2018	December 31, 2018 (proforma)
Net debt/EBITDA <sup>2</sup>	Equal or less than 3.25	3,32	3,18	2,58
EBITDA <sup>2</sup> / Net financial expenses	≥3.5	4,49	13,43	16,54

Net debt<sup>1</sup>: including income (loss) from derivative  
EBITDA<sup>2</sup> (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operating performance provided by Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

### 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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Current portion	4,137	297	4,322	297
Noncurrent portion	178,974	178,737	258,268	178,737
	<u>183,111</u>	<u>179,034</u>	<u>262,590</u>	<u>179,034</u>



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

	<u>Parent company</u>	<u>Consolidated</u>
<i>In thousands of reais</i>	<b>Loans and financing</b>	<b>Loans and financing</b>
<b>Balance at January 1, 2019</b>	<b>688,141</b>	<b>857,641</b>
<b>Changes in cash flows from financing</b>		
Payment of loans	(62,252)	(115,674)
Funding of loans	294,410	506,003
Exchange-rate change	6,253	7,370
<b>Total changes in financing cash flows</b>	<b>238,411</b>	<b>397,699</b>
<b>Other changes</b>		
Interest expenses	43,454	57,786
Interest paid	(32,303)	(48,513)
<b>Other change total</b>	<b>11,151</b>	<b>9,273</b>
<b>Balance at September 30, 2019</b>	<b>937,703</b>	<b>1,264,613</b>

	<u>Parent company</u>	<u>Consolidated</u>
<i>In thousands of reais</i>	<b>Loans and financing</b>	<b>Loans and financing</b>
<b>Balance at January 1, 2018</b>	<b>294,304</b>	<b>375,788</b>
<b>Changes in cash flows from financing</b>		
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
<b>Total changes in financing cash flows</b>	<b>395,232</b>	<b>490,847</b>
<b>Other changes</b>		
Interest expenses	28,833	39,209
Interest paid	(30,228)	(48,203)
<b>Other change total</b>	<b>(1,395)</b>	<b>(8,994)</b>
<b>Balance at December 31, 2018</b>	<b>688,141</b>	<b>857,641</b>

**17 - Labor obligations payable**

	<u>Parent company</u>		<u>Consolidated</u>	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<b>Current</b>				
Social security - FGTS/INSS	3,798	3,078	6,325	5,692
With personnel – Salaries/other	1,722	1,353	2,778	2,420
Provision - vacation, 13th salary and charges	37,759	21,672	62,190	32,290
	<u>43,279</u>	<u>26,103</u>	<u>71,293</u>	<u>40,402</u>



## 18 - Taxes payable

	Parent company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
<b>Current</b>				
PIS/COFINS payable	2,753	4,216	5,951	6,390
ICMS payable	1,567	2,073	4,076	3,757
Service tax payable	4,436	2,809	5,848	3,643
Installment payment of taxes - REFIS	894	944	894	944
Retained	856	1,331	1,256	1,752
Other	79	21	103	100
	<u>10,585</u>	<u>11,394</u>	<u>18,128</u>	<u>16,586</u>
<b>Non-current</b>				
Installment payment of taxes - REFIS	3,219	3,931	3,219	3,931
	<u>3,219</u>	<u>3,931</u>	<u>3,219</u>	<u>3,931</u>
	<u>13,804</u>	<u>15,325</u>	<u>21,347</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:



	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
<b>Current assets</b>				
<b>Accounts receivable</b>				
Águia Branca Participações S.A.	-	17	3	17
Kurumá Veículos Ltda.	4	31	37	31
Land Vitoria Comércio de Veículos Ltda	-	22	10	22
Savana Comércio de Veículos Ltda	721	777	721	777
Salute Locação e Empreendimentos Ltda	3	-	-	-
VD Comércio de Veículos Ltda.	344	367	367	367
VIX Transportes Dedicados Ltda	300	4	-	-
Other	11	16	30	17
	<u>1,383</u>	<u>1,234</u>	<u>1,168</u>	<u>1,231</u>
<b>Related party credits</b>				
Águia Branca Logística Ltda	181	132	-	-
Águia Branca Participações S.A.	1,790	1,964	1,790	1,964
Autoport Transportes e Logística Ltda	32	13	-	-
LS Rentals Participações S/A	60,000	-	-	-
VD Comércio de Veículos Ltda.	10,069	8,963	10,069	8,963
VIX Transportes Dedicados Ltda	25,939	634	-	-
	<u>98,011</u>	<u>11,706</u>	<u>11,859</u>	<u>10,927</u>
<b>Current liabilities</b>				
<b>Suppliers - parts, vehicles and services</b>				
AB Comércio de Veículos Ltda.	66	932	66	932
Águia Branca Participações S.A.	-	-	-	-
Autoport Transportes e Logística Ltda	31	23	-	-
Kurumá Veículos Ltda.	11	4	15	4
Salute Locação e Empreendimentos Ltda	-	-	-	-
VD Comércio de Veículos Ltda.(i)	3,128	1,154	3,732	1,250
Viação Águia Branca S.A.	3	2	3	2
VIX Transportes Dedicados Ltda	98	190	-	-
Other	1	1	21	1
	<u>3,338</u>	<u>2,306</u>	<u>3,837</u>	<u>2,189</u>
<b>Debit with related parties</b>				
Águia Branca Logística Ltda.	118	69	-	-
Autoport Transportes e Logística Ltda.	46	31	-	-
Other	59	1	-	-
	<u>223</u>	<u>101</u>	<u>-</u>	<u>-</u>



Income (loss)	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Income from goods and services</b>				
Águia Branca Logística Ltda	1,484	1,919	-	-
Águia Branca Participações S.A.	271	325	310	326
Autoport Transportes e Logística Ltda	247	154	-	-
Kurumá Veículos Ltda.	115	168	211	185
Land Vitoria Comércio de Veículos Ltda	50	-	115	-
Salute Locação e Empreendimentos Ltda	90	-	-	-
Savana Comércio de Veículos	4,627	3,278	4,627	3,278
VD Comércio de Veículos Ltda.	3,262	1,241	3,340	1,262
Viação Águia Branca S.A.	46	59	94	60
VIX Transportes Dedicados	9,404	6,795	-	-
Other	68	105	281	109
	<u>19,664</u>	<u>14,044</u>	<u>8,978</u>	<u>5,220</u>
<b>Cost of services</b>				
AB Comércio de Veículos Ltda.	1,750	1,195	1,755	1,196
Águia Branca Logística Ltda	847	990	-	-
Águia Branca Participações S.A.(i)	3,473	2,776	3,473	2,778
Autoport Transportes e Logística Ltda	1,473	1,452	-	-
Kurumá Veículos Ltda.(ii)	341	279	396	279
Rio Novo Locações Ltda.(iii)	927	871	1,448	1,379
Salute Locação e Empreendimentos Ltda	351	-	-	-
VD Comércio de Veículos Ltda.(ii)	4,853	4,141	6,193	5,127
Viação Águia Branca S.A.(iv)	397	93	397	93
VIX Transportes Dedicados	2,782	211	-	-
Other	132	58	152	66
	<u>17,326</u>	<u>12,066</u>	<u>13,814</u>	<u>10,918</u>
<b>Acquisition of fixed assets</b>				
Autoport Transportes e Logística Ltda	140	-	-	-
Kurumá Veículos Ltda	190	-	193	-
VM Comércio de Veículos Ltda	-	265	-	265
VD Comércio de Veículos Ltda	38,950	16,129	123,635	34,380
	<u>39,280</u>	<u>16,394</u>	<u>123,828</u>	<u>34,645</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 September 30, 2019 and 2018 is as follows:

	September 30, 2019	September 30, 2018
Remuneration	8,565	8,269
Other short-term benefits	140	116
Other long-term benefits (i)	1,945	1,711
	<u>10,650</u>	<u>10,096</u>

(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:

	September 30, 2019	September 30, 2018
Autoport Transporte e Logística Ltda.	25	893
Águia Branca Logística Ltda.	1,951	3,415
VIX Transportes Dedicados Ltda.	165,105	14,801
	<u>167,081</u>	<u>19,109</u>

## 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	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Tax	46	-	-	-
Labor	15,216	15,215	17,118	15,117
Civil	51	49	1,106	143
	<u>15,313</u>	<u>15,264</u>	<u>18,224</u>	<u>15,260</u>

	Consolidated			
	Judicial deposits		Provisions	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Tax	46	-	-	-
Labor	21,634	21,479	24,091	21,608
Civil	141	49	1,372	403
	<u>21,821</u>	<u>21,528</u>	<u>25,463</u>	<u>22,011</u>





**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\$ 66,507 (R\$ 82,045 as of December 31, 2018) refers to claims classified with possible risk of loss, in which the amount of R\$ 23,832 (R\$ 41,263 as of December 31, 2018) refers to State-level claims (ES and MA), R\$ 42,046 (R\$ 40,592 as of December 31, 2018) in the Federal level and R\$ 629 (R\$ 191 as of December 31, 2018) in the Local level. As of September 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\$ 39,856 amount adjusted in September 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 September 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 1<sup>st</sup> administrative level.

**c) Labor contingencies**

As of September 30, 2019, the Company and its subsidiaries were parties in 1,066 (1,138 as of December 31, 2018) labor claims, of which R\$ 48,529 (R\$ 49,587 as of December 31, 2018) is classified as possible risk of loss and R\$ 24,091 (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 September 30, 2019, the Company and its subsidiaries were parties to 173 (192 as of December 2018) civil lawsuits, of which 81 (93 as of December 31, 2018) were comprised by lawsuits where the Company is the defendant and 92 (99 as of December 31, 2018) as plaintiff. Of the lawsuits in which the company is the defendant, R\$ 18,907 (R\$ 18,797 as of December 31, 2018) is classified as possible risk of loss and R\$ 1,372 (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	September 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
<b>Total</b>	<b>84,705,666</b>	<b>100</b>	<b>84,705,666</b>	<b>100</b>

**(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**

<b>Dividends paid</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Águia Branca Participações S.A.	8,718	5,938
IFC Alac Brasil	607	392
International Finance Corp. - IFC	834	589
	<u>10,159</u>	<u>6,919</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:

	<b>Nine-month period ended</b>			
	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
Income before income tax and social contribution	31,964	24,320	47,529	38,853
Combined nominal rate - %	34	34	34	34
	(10,868)	(8,269)	(16,160)	(13,210)
Adjustment to the calculation of effective rate				
(+) Additions - permanent items				
Other non-deductible costs and expenses	(363)	(1,543)	(680)	(1,536)
(-) Exclusions - permanent items				
Equity in net income of subsidiaries	9,956	9,590	-	-
Tax loss for the period	-	-	-	-
Other	-	-	-	(2)
Effects of the tax calculation through presumed profit – investees	614	-	614	(7)
(=) IR and CSLL expenses on income (loss)	<u>(661)</u>	<u>(222)</u>	<u>(16,226)</u>	<u>(14,755)</u>
Current	614	(102)	(14,421)	(12,740)
Deferred assets	(1,275)	(120)	(1,805)	(2,015)
Effective rate	2%	1%	34%	38%



	Three-month period ended			
	Parent company		Consolidated	
	September	September	September	September
Income before income tax and social contribution	6,592	13,243	13,374	19,757
Combined nominal rate - %	34	34	34	34
	(2,241)	(4,503)	(4,547)	(6,717)
Adjustment to the calculation of effective rate				
(+) Additions - permanent items				
Other non-deductible costs and expenses	(176)	(1,302)	(437)	(1,287)
(-) Exclusions - permanent items				
Equity in net income of subsidiaries	4,181	4,314	-	-
Tax loss for the period	-	-	-	-
Other	-	-	(34)	-
Effects of the tax calculation through presumed profit – investees	614	-	614	(1)
(=) IR and CSLL expenses on income (loss)	<u>2,378</u>	<u>(1,491)</u>	<u>(4,404)</u>	<u>(8,005)</u>
Current	1,628	(102)	(5,142)	(5,513)
Deferred assets	750	(1,389)	738	(2,492)
Effective rate	-36%	11%	33%	41%

## (b) Deferred balances

### Assets

The deferred income tax and social contribution amounts to R\$ 6,853 (R\$ 6,246 as of December 31, 2018) in and R\$ 27,264 (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\$ 4,822 (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.



	Provisão para contingências	Créditos de ICMS incorporados ao ativo imobilizado	Provisão Swap	Variação Cambial	Outras Provisões	Hedge Accounting	Perda Esperada	Prejuízo fiscal	Total
<b>Controladora</b>									
<b>Saldos em 1º de janeiro de 2018</b>	5,040	1,154	890	-	3	-	-	-	7,087
Constituição de IRPJ e CSLL	149	-	-	278	-	-	180	-	607
Utilização de IRPJ e CSLL	-	(557)	(890)	-	(1)	-	-	-	(1,448)
<b>Saldos em 31 de dezembro de 2018</b>	5,189	597	-	278	2	-	180	-	6,246
Constituição de IRPJ e CSLL	1,688	30	-	-	4,684	482 *	110	2,237	9,231
Utilização de IRPJ e CSLL	-	-	(8,624)	-	-	-	-	-	(8,624)
<b>Saldos em 30 de setembro de 2019</b>	6,877	627	(8,624)	278	4,686	482	290	2,237	6,853
<b>Consolidado</b>									
<b>Saldos em 1º de janeiro de 2018</b>	7,379	1,154	893	-	-	-	89	5,777	15,292
Constituição de IRPJ e CSLL	-	-	-	278	2,768	-	267	-	3,313
Utilização de IRPJ e CSLL	(162)	(557)	(893)	-	(1)	-	-	(766)	(2,379)
<b>Saldos em 31 de dezembro de 2018</b>	7,217	597	-	278	2,767	-	356	5,011	16,226
Constituição de IRPJ e CSLL	1,174	30	-	-	6,709	434 *	152	4,822	13,321
Utilização de IRPJ e CSLL	-	-	(2,283)	-	-	-	-	-	(2,283)
<b>Saldos em 30 de setembro de 2019</b>	8,391	627	(2,283)	278	9,476	434	508	9,833	27,264



### Liabilities

Deferred income tax and social contribution liabilities, in the amount of R\$ 99,284 (R\$ 97,896 as of December 31, 2018) and R\$ 141,291 (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:

	Review of the useful life of fixed asset	Revaluation reserve	Exchange- rate change	Swap provision	Lease	Worth	Restatement of appeal-related	Total
<b>Parent company</b>								
<b>Balances at January 1, 2018</b>	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)
<b>Balances at December 31, 2018</b>	65,887	4,494	-	1,228	3,820	21,342	1,125	97,896
Formation of IRPJ and CSLL	3,527	-	-	-	(61)	-	60	3,526
Use of IRPJ and CSLL	-	(12) *	(2,126)	-	-	-	-	(2,138)
<b>Balances at September 30, 2019</b>	69,414	4,482	(2,126)	1,228	3,759	21,342	1,185	99,284
<b>Consolidated</b>								
<b>Balances at January 1, 2018</b>	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)
<b>Balances at December 31, 2018</b>	96,418	4,494	-	1,228	4,043	21,342	1,369	128,894
Formation of IRPJ and CSLL	9,730	-	992	-	1,566	-	121	12,409
Use of IRPJ and CSLL	-	(12) *	-	-	-	-	-	(12)
<b>Balances at September 30, 2019</b>	106,148	4,482	992	1,228	5,609	21,342	1,490	141,291

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



**Presentation by net value in balance sheet**

	<u>Parent company</u>		<u>Consolidated</u>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Asset balance (-)	6,853	6,246	27,264	16,226
Liability balance (+)	<u>99,284</u>	<u>97,896</u>	<u>141,291</u>	<u>128,894</u>
	<u>92,431</u>	<u>91,650</u>	<u>114,027</u>	<u>112,668</u>

**Effects in the income (loss) for the period**

	<b>Nine-month period ended</b>			
	<u>Parent company</u>		<u>Consolidated</u>	
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Assets - increase (decrease) in balance of deferred taxes	125	356	10,604	552
Liabilities - increase in balance of deferred taxes	<u>(1,400)</u>	<u>(476)</u>	<u>(12,409)</u>	<u>(2,567)</u>
	<u>(1,275)</u>	<u>(120)</u>	<u>(1,805)</u>	<u>(2,015)</u>

	<b>Three-month period ended</b>			
	<u>Parent company</u>		<u>Consolidated</u>	
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
Assets - increase (decrease) in balance of deferred taxes	(1,102)	348	5,783	499
Liabilities - increase in balance of deferred taxes	<u>1,852</u>	<u>(1,737)</u>	<u>(5,045)</u>	<u>(2,991)</u>
	<u>750</u>	<u>(1,389)</u>	<u>738</u>	<u>(2,492)</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 September 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

### Nine-month period ended

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Income from sales and rendering of services</b>	769,975	597,177	1,401,261	963,825
<b>Taxes and/or deductions</b>				
ICMS	(7,589)	(7,585)	(23,756)	(20,353)
ISS	(19,779)	(15,657)	(26,798)	(19,339)
PIS	(10,140)	(7,821)	(19,820)	(13,686)
COFINS	(46,709)	(36,067)	(91,303)	(63,084)
INSS (Social security)	-	-	(3,538)	(2,101)
Canceled sales			(1)	-
	<u>(84,217)</u>	<u>(67,130)</u>	<u>(165,216)</u>	<u>(118,563)</u>
<b>Net income</b>	<u>685,758</u>	<u>530,047</u>	<u>1,236,045</u>	<u>845,262</u>

### Nine-month period ended

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Time for income recognition</b>				
Services transferred over time	769,975	597,177	1,401,261	963,825
<b>Income from contracts with clients</b>	<u>769,975</u>	<u>597,177</u>	<u>1,401,261</u>	<u>963,825</u>





	Three-month period ended			
	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Income from sales and rendering of services</b>	255,520	219,947	500,545	356,228
<b>Taxes and/or deductions</b>				
ICMS	(2,105)	(2,485)	(8,195)	(7,136)
ISS	(6,270)	(5,618)	(8,810)	(6,988)
PIS	(3,368)	(2,869)	(7,050)	(5,043)
COFINS	(15,510)	(13,214)	(32,477)	(23,230)
INSS (Social security)	-	-	(1,422)	(824)
Canceled sales			-	
	<u>(27,253)</u>	<u>(24,186)</u>	<u>(57,954)</u>	<u>(43,221)</u>
<b>Net income</b>	<u>228,267</u>	<u>195,761</u>	<u>442,591</u>	<u>313,007</u>

	Three-month period ended			
	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Time for income recognition</b>				
Services transferred over time	255,520	219,947	500,545	356,228
<b>Income from contracts with clients</b>	<u>255,520</u>	<u>219,947</u>	<u>500,545</u>	<u>356,228</u>

## 25 - Cost of services rendered and expenses per type

Represented by:

	Nine-month period ended			
	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Cost of services rendered</b>				
Manpower and charges	(264,129)	(229,776)	(425,091)	(310,170)
Inputs	(92,257)	(72,850)	(133,159)	(94,155)
Depreciation	(85,032)	(65,522)	(138,126)	(83,734)
Rental of real estate and equipment	(11,498)	(9,009)	(22,277)	(11,465)
Outsourced services	(31,518)	(18,869)	(50,726)	(27,416)
Freight	(11,741)	(13,506)	(146,594)	(136,261)
Fleet renewal	(39,338)	(27,111)	(73,197)	(29,912)
Other costs (i)	(51,736)	(33,861)	(73,731)	(40,843)
	<u>(587,249)</u>	<u>(470,504)</u>	<u>(1,062,901)</u>	<u>(733,956)</u>



Nine-month period ended

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Administrative, commercial and general expenses</b>				
Manpower and charges	(27,378)	(23,782)	(37,224)	(29,129)
Outsourced services	(6,315)	(6,309)	(7,452)	(6,415)
Depreciation	(1,610)	(1,673)	(1,640)	(1,716)
Taxes, fees and other contributions	(3,330)	(5,824)	(4,213)	(6,581)
Other expenses (ii)	(17,239)	(15,112)	(20,315)	(16,891)
	<u>(55,872)</u>	<u>(52,700)</u>	<u>(70,844)</u>	<u>(60,732)</u>

Three-month period ended

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Cost of services rendered</b>				
Manpower and charges	(87,709)	(82,103)	(147,411)	(111,527)
Inputs	(32,317)	(26,695)	(49,096)	(35,003)
Depreciation	(30,035)	(22,594)	(50,914)	(29,015)
Rental of real estate and equipment	(3,787)	(2,895)	(8,622)	(3,691)
Outsourced services	(11,586)	(6,703)	(19,676)	(9,798)
Freight	(4,126)	(4,993)	(52,319)	(47,809)
Fleet renewal	(12,164)	(10,982)	(29,285)	(12,397)
Other costs (i)	(17,388)	(13,351)	(25,684)	(15,719)
	<u>(199,112)</u>	<u>(170,316)</u>	<u>(383,007)</u>	<u>(264,959)</u>

Three-month period ended

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Administrative, commercial and general expenses</b>				
Manpower and charges	(9,532)	(7,966)	(12,980)	(9,712)
Outsourced services	(1,822)	(2,056)	(2,034)	(2,112)
Depreciation	(418)	(563)	(446)	(578)
Taxes, fees and other contributions	(1,218)	(4,073)	(1,478)	(4,340)
Other expenses (ii)	(7,381)	(7,662)	(7,878)	(8,441)
	<u>(20,371)</u>	<u>(22,320)</u>	<u>(24,816)</u>	<u>(25,183)</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:

	Nine-month period ended			
	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Financial expenses</b>				
Interest on loans and financing	(41,887)	(22,073)	(59,987)	(26,454)
Foreign exchange loss	(22,070)	(16,066)	(27,425)	(16,066)
Other interest determined	(618)	(117)	(777)	(148)
Swap operations	(34,419)	(8,153)	(38,859)	(8,153)
Other financial expenses	(5,137)	(1,571)	(8,195)	(2,674)
	<u>(104,131)</u>	<u>(47,980)</u>	<u>(135,243)</u>	<u>(53,495)</u>
<b>Financial income</b>				
Foreign exchange gain	14,661	7,845	18,892	7,845
Yield on interest earning bank deposits	2,520	7,551	7,641	11,564
Discounts and interest received	2,114	28	2,709	44
Yield on financial instrument	-	22	-	22
Swap operations	42,770	16,356	47,349	16,356
Other financial income	1,214	5,051	1,689	5,351
	<u>63,279</u>	<u>36,853</u>	<u>78,280</u>	<u>41,182</u>
Net financial income (loss)	<u>(40,852)</u>	<u>(11,127)</u>	<u>(56,963)</u>	<u>(12,313)</u>
<b>Three-month period ended</b>				
	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	<b>Financial expenses</b>			
Interest on loans and financing	(14,326)	(10,768)	(20,782)	(12,484)
Foreign exchange loss	(14,539)	(10,039)	(19,695)	(10,039)
Other interest determined	(298)	(19)	(302)	(22)
Swap operations	(19,207)	(7,137)	(22,295)	(7,137)
Other financial expenses	(2,546)	(668)	(4,128)	(1,040)
	<u>(50,916)</u>	<u>(28,631)</u>	<u>(67,202)</u>	<u>(30,722)</u>
<b>Financial income</b>				
Foreign exchange gain	8,327	6,947	11,406	6,947
Yield on interest earning bank deposits	973	4,224	2,334	5,524
Discounts and interest received	1,032	10	1,064	14
Yield on financial instrument	-	4	-	4
Swap operations	25,446	10,556	29,759	10,556
Other financial income	315	4,159	479	4,287
	<u>36,093</u>	<u>25,900</u>	<u>45,042</u>	<u>27,332</u>
Net financial income (loss)	<u>(14,823)</u>	<u>(2,731)</u>	<u>(22,160)</u>	<u>(3,390)</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.

### Nine-month period ended

	September 30, 2019	September 30, 2018
Net income for the year	31,303	24,098
Outstanding average weighted common shares	84,706	84,706
Basic and diluted earnings per share (In reais)	0,36955	0,28449

### Three-month period ended

	September 30, 2019	September 30, 2018
Net income for the year	8,970	11,752
Outstanding average weighted common shares	84,706	84,706
Basic and diluted earnings per share (In reais)	0,10590	0,13874

## 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:

### Nine-month period ended

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Sale of property, plant and equipment</b>				
Net book value	406	1,341	23,821	1,341
Income/loss in disposal of property, plant and equipment	(11)	6	1,220	6
<b>Amounts received in disposal of property, plant and equipment</b>	<u>395</u>	<u>1,347</u>	<u>25,041</u>	<u>1,347</u>

	Parent company		Consolidated	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Sale of non-current assets held for sale</b>				
Net book value	38,933	25,771	49,378	28,573
Income/loss from disposal	11,152	8,601	10,964	8,732
<b>Amounts received in disposal</b>	<u>50,085</u>	<u>34,372</u>	<u>60,342</u>	<u>37,305</u>



**(a) Non-monetary transactions**

The main non-monetary transaction is the acquisition of fleet through financing. In the periods ended September 30, 2019, the amount of these transactions was R\$ 54,410 (R\$ 29,801 as of September 30, 2018) in parent company and R\$ 86,003 (R\$ 48,258 as of September 30, 2018) in consolidated.

**Patrícia Poubel Chieppe**

Executive and Investor Relations Officer

**André Luiz Chieppe**

Controllership General Manager

**Ana Silvia Calegari Gava**

Controllership Manager  
and Finance

**Nubia Carla Freitas Santos Souza**

Accountant – CRC 9485/ES