

# **Tegma Gestão Logística S.A.**

**Report on the review of quarterly  
information - ITR  
September 30, 2019**

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**Tegma Gestão Logística S.A.**

**Balance sheets**

**September 30, 2019 and December 31, 2018**

**In thousands of reais**

Assets	Note	Parent company		Consolidated	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018
Cash and cash equivalents	5	93,877	75,713	112,108	83,542
Trade accounts receivable	6	183,965	195,543	222,773	226,227
Inventories (warehouse)		-	-	85	173
Income tax and social contribution		-	-	2,218	3,342
Recoverable taxes and contributions	8	102,596	10,477	104,567	12,007
Other accounts receivable	7	4,047	5,329	6,225	6,775
Related parties	24	311	4,182	201	4,126
Derivative financial instruments		5,899	-	5,899	-
Prepaid expenses		2,290	828	3,311	1,319
<b>Total current assets</b>		<b>392,985</b>	<b>292,072</b>	<b>457,387</b>	<b>337,511</b>
Other accounts receivable	7	510	465	1,814	5,970
Recoverable taxes and contributions	8	6,332	6,153	9,628	9,417
Related parties	24	3,676	15,626	3,676	15,626
Securities		-	-	2,350	700
Derivative financial instruments	12	-	1,614	-	1,614
Deferred tax assets	15	-	-	13,994	16,129
Judicial deposits	14	11,630	8,702	14,463	11,902
<b>Total non-current assets</b>		<b>22,148</b>	<b>32,560</b>	<b>45,925</b>	<b>61,358</b>
Investments	9	219,041	197,728	19,301	19,251
Property, plant and equipment	10	101,176	99,309	208,236	202,166
Intangible assets	11	164,449	165,022	188,282	189,147
Right-of-use	26	54,224	-	74,093	-
<b>Total non-current assets</b>		<b>561,038</b>	<b>494,619</b>	<b>535,837</b>	<b>471,922</b>
<b>Total assets</b>		<b>954,023</b>	<b>786,691</b>	<b>993,224</b>	<b>809,433</b>

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Balance sheets**

**September 30, 2019 and December 31, 2018**

**In thousands of reais**

Liabilities and shareholders' equity	Note	Parent company		Consolidated	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018
Loans and financing	12	64,820	6,703	64,820	6,703
Debentures	12	26,174	48,073	26,174	48,073
Lease	26	14,794	-	28,196	-
Suppliers		1,894	2,534	2,198	5,165
Freight payable		26,129	30,240	28,127	31,733
Taxes payable		14,486	12,945	16,497	15,095
Salaries and social charges	13	24,581	21,240	28,162	24,261
Other accounts payable	16	26,897	21,994	31,858	30,863
Related parties	24	185	7,869	32	2,311
Income tax and social contribution		40,984	6,327	41,186	6,438
<b>Total current liabilities</b>		<b>240,944</b>	<b>157,925</b>	<b>267,250</b>	<b>170,642</b>
Loans and financing	12	30,000	55,414	30,000	55,414
Debentures	12	25,005	50,010	25,005	50,010
Lease	26	42,794	-	51,126	-
Related parties	24	2,829	1,958	2,829	1,958
Deferred tax liabilities	15	2,668	2,593	2,668	2,593
Provisions for lawsuits	14	32,048	34,419	36,611	44,444
<b>Total non-current liabilities</b>		<b>135,344</b>	<b>144,394</b>	<b>148,239</b>	<b>154,419</b>
Capital		144,469	144,469	144,469	144,469
Capital reserves		174,055	174,055	174,055	174,055
Profit reserves		138,195	138,195	138,195	138,195
Treasury shares		(342)	(342)	(342)	(342)
Equity valuation adjustment		399	(311)	399	(311)
Additional dividends proposed		-	28,306	-	28,306
Retained earnings		120,959	-	120,959	-
<b>Total shareholders' equity</b>	17	<b>577,735</b>	<b>484,372</b>	<b>577,735</b>	<b>484,372</b>
<b>Total liabilities and shareholders' equity</b>		<b>954,023</b>	<b>786,691</b>	<b>993,224</b>	<b>809,433</b>

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of income**

**Three and nine-month periods ended September 30, 2019 and 2018**

**In thousands of reais**

		<b>Parent company</b>			
	<b>Note</b>	<b>Jul 2019–Sep 2019</b>	<b>Jan 2019– Sep 2019</b>	<b>Jul2018– Sep2018</b>	<b>Jan2018– Sep2018</b>
Net revenue from services rendered	19	296,293	852,154	305,656	800,622
Cost of services rendered	20	(234,402)	(667,649)	(238,068)	(636,326)
<b>Gross income</b>		<b>61,891</b>	<b>184,505</b>	<b>67,588</b>	<b>164,296</b>
General and administrative expenses	20	(19,835)	(57,966)	(17,579)	(52,976)
Commercial expenses	20	(120)	(366)	(125)	(380)
Other revenues (expenses), net	21	51,384	44,092	(2,874)	(11,251)
<b>Operating income (loss)</b>		<b>93,320</b>	<b>170,265</b>	<b>47,010</b>	<b>99,689</b>
<b>Equity in net income of subsidiaries</b>	<b>9</b>	<b>5,291</b>	<b>11,177</b>	<b>(1,019)</b>	<b>4,082</b>
Financial revenues	22	39,970	44,344	4,902	7,752
Financial expenses	22	(9,235)	(17,729)	(8,153)	(16,108)
<b>Net financial expenses</b>		<b>30,735</b>	<b>26,615</b>	<b>(3,251)</b>	<b>(8,356)</b>
<b>Income before taxes</b>		<b>129,346</b>	<b>208,057</b>	<b>42,740</b>	<b>95,415</b>
<b>Income tax and social contribution</b>					
Current	15	(41,456)	(57,822)	(11,023)	(21,882)
Deferred assets	15	3,502	292	(610)	(245)
<b>Net income for the period</b>		<b>91,392</b>	<b>150,527</b>	<b>31,107</b>	<b>73,288</b>

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of income**

**Three and nine-month periods ended September 30, 2019 and 2018**

**In thousands of reais**

	Note	Jul 2019–Sep 2019	Jan 2019– Sep 2019	Jul2018– Sep2018	Consolidated Jan2018– Sep2018
Net revenue from services rendered	19	340,723	968,992	331,205	886,553
Cost of services rendered	20	(271,446)	(767,852)	(264,364)	(715,633)
<b>Gross income</b>		<b>69,277</b>	<b>201,140</b>	<b>66,841</b>	<b>170,920</b>
General and administrative expenses	20	(20,388)	(59,265)	(17,776)	(54,320)
Commercial expenses	20	(120)	(366)	(125)	(380)
Other revenues (expenses), net	21	51,307	44,995	(3,254)	(11,753)
<b>Operating income (loss)</b>		<b>100,076</b>	<b>186,504</b>	<b>45,686</b>	<b>104,467</b>
<b>Equity in net income of subsidiaries</b>	<b>9</b>	<b>844</b>	<b>637</b>	<b>342</b>	<b>(309)</b>
Financial revenues	22	40,347	45,504	5,289	10,967
Financial expenses	22	(9,818)	(19,561)	(10,280)	(18,673)
<b>Net financial expenses</b>		<b>30,529</b>	<b>25,943</b>	<b>(4,991)</b>	<b>(7,706)</b>
<b>Income before taxes</b>		<b>131,449</b>	<b>213,084</b>	<b>41,037</b>	<b>96,452</b>
<b>Income tax and social contribution</b>					
Current	15	(41,841)	(60,714)	(10,176)	(24,101)
Deferred assets	15	1,784	(1,843)	246	937
<b>Net earnings for the period</b>		<b>91,392</b>	<b>150,527</b>	<b>31,107</b>	<b>73,288</b>
<b>Net income per share:</b>					
Basic income per share (in R\$)	23	1.38	2.28	0.47	1.11
Diluted income per share (in R\$)	23	1.38	2.28	0.47	1.11

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of comprehensive income**

**Three and nine-month periods ended September 30, 2019 and 2018**

**In thousands of reais**

	<b>Parent company</b>				<b>Consolidated</b>			
	<b>Jul 2019– Sep 2019</b>	<b>Jan 2019–Sep 2019</b>	<b>Jul2018– Sep2018</b>	<b>Jan2018– Sep2018</b>	<b>Jul 2019– Sep 2019</b>	<b>Jan 2019– Sep 2019</b>	<b>Jun 2018– Sep 2018</b>	<b>Jan2018– Sep2018</b>
Net income for the period	91,392	150,527	31,107	73,288	91,392	150,527	31,107	73,288
Income (loss) from financial instruments designated as <i>hedge accounting</i>	108	1,077	210	210	108	1,077	210	210
Deferred taxes on hedge accounting	(37)	(367)	(71)	(71)	(37)	(367)	(71)	(71)
Other components of the comprehensive income for the period	71	710	139	139	71	710	139	139
<b>Total comprehensive income</b>	<b>91,463</b>	<b>151,237</b>	<b>31,246</b>	<b>73,427</b>	<b>91,463</b>	<b>151,237</b>	<b>31,246</b>	<b>73,427</b>

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of changes in shareholders' equity**

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

**In thousands of reais**

	Capital	Capital reserves	Legal reserve	Profit retention	Additional dividends proposed	Treasury shares	Equity valuation adjustments	Retained earnings	Total shareholders' equity
Balances at January 01, 2018	144,469	174,055	28,894	66,002	35,728	(342)	-	-	448,806
Net income for the period	-	-	-	-	-	-	-	73,288	73,288
Net income (loss) from financial instruments designated as hedge accounting	-	-	-	-	-	-	139	-	139
Dividends and interest on own capital	-	-	-	-	(35,728)	-	-	(21,090)	(56,818)
<b>Balances at September 30, 2018</b>	<b>144,469</b>	<b>174,055</b>	<b>28,894</b>	<b>66,002</b>	<b>-</b>	<b>(342)</b>	<b>139</b>	<b>52,198</b>	<b>465,415</b>
Balances at January 01, 2019	144,469	174,055	28,894	109,301	28,306	(342)	(311)	-	484,372
Net income (loss) from financial instruments designated as hedge accounting	-	-	-	-	-	-	710	-	710
Net income for the period	-	-	-	-	-	-	-	150,527	150,527
Dividends and interest on own capital	-	-	-	-	(28,306)	-	-	(29,568)	(57,874)
<b>Balances at September 30, 2019</b>	<b>144,469</b>	<b>174,055</b>	<b>28,894</b>	<b>109,301</b>	<b>-</b>	<b>(342)</b>	<b>399</b>	<b>120,959</b>	<b>577,735</b>



See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of cash flows – Indirect method**

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

**In thousands of reais**

	Note	Parent company		Consolidated	
		09/30/2019	09/30/2018	09/30/2019	09/30/2018
<b>Income before taxes</b>		208,057	95,415	213,084	96,452
<b>Adjustments for:</b>					
Depreciation and amortization	10   11	14,052	17,372	19,526	22,674
Amortization - Right-of-use	26	14,981	-	24,348	-
(Gain) loss in sale of assets	21	(24)	356	36	407
Write-off of right-of-use / Lease	21	(10)	-	(10)	-
Provision for lawsuits	14	12,915	9,277	15,058	16,257
Loss in the write-off of goodwill	21	-	2,527	-	2,527
Fair value at transfer of investment	21	-	(1,842)	-	(1,842)
Impairment loss of accounts receivable	6	85	(47)	(1,284)	(655)
Equity in net income of subsidiaries	9	(11,177)	(4,082)	(637)	309
Income (loss) from swap operation	22	(3,208)	(3,735)	(3,208)	(3,735)
Interest, inflation adjustment and exchange-rate changes on loans and debentures	12	11,119	13,343	11,119	13,515
Interest on lease	26	3,115	-	4,641	-
Extempore tax credits	8	(91,391)	-	(91,391)	-
		<b>158,514</b>	<b>128,584</b>	<b>191,282</b>	<b>145,909</b>
<b>Changes in assets and liabilities</b>					
Accounts receivable		11,493	(17,152)	4,738	(21,876)
Recoverable taxes		(2,314)	16,838	(1,123)	17,995
Judicial deposits		(3,732)	(862)	(3,627)	(1,561)
Other assets		(225)	(2,242)	1,152	(7,992)
Suppliers and freight payable		(4,697)	(3,658)	(4,282)	(3,964)
Salaries and social charges		3,341	2,482	3,901	2,976
Related parties		9,008	877	14,467	(513)
Other liabilities and taxes payable		5,526	(2,768)	1,194	191
Net cash generated by operating activities		<b>176,914</b>	<b>122,099</b>	<b>207,702</b>	<b>131,165</b>
Interest paid on loans and financing	12	(1,553)	(2,411)	(1,553)	(2,559)
Interest paid on debentures	12	(3,758)	(9,552)	(3,758)	(9,552)
Interest paid on financial lease	26	(2,673)	-	(3,999)	-
Lawsuits paid	14	(13,564)	(14,146)	(20,622)	(15,658)
Income tax and social contribution paid		(21,758)	(11,104)	(25,099)	(11,166)
<b>Net cash flow from operating activities</b>		<b>133,608</b>	<b>84,886</b>	<b>152,671</b>	<b>92,230</b>

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of cash flows – Indirect method**

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

*In thousands of reais*

	Note	<b>Parent company</b>		<b>Consolidated</b>	
		<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
<b>Cash flows from investment activities</b>					
Capital decrease in subsidiaries	9	320	75,991	320	491
Acquisition/Capital increase in subsidiaries	9	(10,723)	(19,852)	-	-
Cash and cash equivalents – Tegma Logística Integrada S.A.	2	-	-	-	(655)
Dividends received	9	267	24,243	267	244
Acquisition of intangible asset		(3,178)	(3,014)	(3,317)	(3,247)
Acquisitions of fixed assets		(12,499)	(6,022)	(24,293)	(18,818)
Income from sale of assets		301	304	552	353
<b>Net cash used in (derived from) investment activities</b>		<b>(25,512)</b>	<b>71,650</b>	<b>(26,471)</b>	<b>(21,632)</b>
<b>Cash flows from financing activities</b>					
Dividends and interest on own capital paid	17.e	(57,874)	(59,946)	(57,874)	(59,946)
Funding of loans and financing	12	30,000	50,000	30,000	50,000
Payment of debentures	12	(46,676)	(66,666)	(46,676)	(66,666)
Payment of loans and financing	12	(3,333)	(40,134)	(3,333)	(44,754)
Lease payment	26	(12,049)	-	(19,751)	-
<b>Net cash used in financing activities</b>		<b>(89,932)</b>	<b>(116,746)</b>	<b>(97,634)</b>	<b>(121,366)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>18,164</b>	<b>39,790</b>	<b>28,566</b>	<b>(50,768)</b>
Cash and cash equivalents at January 1		75,713	46,534	83,542	148,732
Cash and cash equivalents at September 30		93,877	86,324	112,108	97,964

See the accompanying notes to the interim financial information.

**Tegma Gestão Logística S.A.**

**Statements of added value**

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

*In thousands of reais*

		Parent company		Consolidated	
	Note	Jan 2019– Sep 2019	Jan2018– Sep2018	Jan 2019– Sep 2019	Jan2018– Sep2018
Revenues					
Gross sales of services, net of discounts	19	994,924	931,878	1,130,263	1,039,828
Other revenues		57,953	2,259	59,456	6,730
Impairment loss of accounts receivable	6	(85)	47	1,284	655
		1,052,792	934,184	1,191,003	1,047,213
Inputs acquired from third parties					
Cost of services rendered		(565,672)	(550,841)	(611,525)	(572,404)
Material, energy, outsourced services and other operating items		(85,998)	(79,338)	(115,287)	(111,173)
		(651,670)	(630,179)	(726,812)	(683,577)
Gross added value					
Depreciation and amortization	10   11	(14,052)	(17,372)	(19,526)	(22,674)
Amortization - Right-of-use	26	(14,981)	-	(24,348)	-
Net added value produced by the Company		372,089	286,633	420,317	340,962
Added value received as transfer					
Equity in net income of subsidiaries	9	11,177	4,082	637	(309)
Financial revenues	22	44,344	7,752	45,504	10,967
Total added value payable		427,610	298,467	466,458	351,620
Distribution of added value					
Personnel and charges					
Direct remuneration		74,714	67,034	86,276	79,544
Benefits		17,792	14,657	21,410	18,687
FGTS		4,826	2,207	5,810	3,077
Taxes, duties and contributions					
Federal		101,619	64,041	114,566	73,515
State		53,174	43,423	57,985	53,060
Municipal		2,279	1,595	4,076	4,161
Third-party capital remuneration / Lenders					
Interest and exchange-rate changes		17,729	16,108	19,561	18,673
Rentals		4,950	16,114	6,247	27,615
Remuneration of own capital					
Dividends and interest on own capital		29,568	21,090	29,568	21,090
Retained earnings		120,959	52,198	120,959	52,198
Distributed added value		427,610	298,467	466,458	351,620

See the accompanying notes to the interim financial information.

## Notes to the interim financial information

### 1 Operations

Tegma Gestão Logística S.A. (the “Company”) and its Subsidiaries (“Company and its Subsidiaries”) are primarily engaged in the provision of logistics, transportation and storage services in a number of industries, such as the automotive, consumer goods, chemical and appliance industries.

The Company has two divisions: automotive logistics and integrated logistics.

Services provided by the Company’s automotive logistics division include:

**Road transportation** – transfer and distribution of zero-kilometer and used vehicles, port transfers and management of inventories and yards for car manufacturers and services to prepare vehicles for sale;

Services provided by the Company’s integrated logistics division include:

**Road transportation** – milk run (system to schedule collection of materials that uses a single transportation equipment of the logistics operator to carry out collections in one or more suppliers and deliver materials to final destination, always at pre-established times), full truck load (type of homogeneous load, usually with volume sufficient to fully load a truck dumpster or trunk), transfer of solid/ liquid bulk materials and parts between clients or suppliers’ plants;

**General and bonded storing** – encompasses storage and management of parts and components, cross docking (distribution system in which goods received in a warehouse or Distribution Center is not stored but immediately prepared for delivery load), picking or separation and preparation of orders (collection of certain products, which may belong to different categories and at different quantities, to meet a client’s order), handling and preparation, storage of liquid and solid chemicals in bulk, in-house storage (in client’s facilities), storage of vehicles, and bonded storage inside structures that are in conformity with customs warehouse law;

**Logistics management** – involves control over inventories, just-in-time supply to production line, management of returnable packaging, management of parts and components, management of vehicle yards, management of national and inventories of imported goods, and reverse logistics.

The Company is a publicly-held corporation headquartered in the city of São Bernardo, State of São Paulo, and its shares are traded on the *Novo Mercado* (New Market) listing segment of B3, under the ticker symbol TGMA3. The Company is subject to arbitration by the Market Arbitration Chamber, pursuant to a commitment clause in its Bylaws.

The ownership structure of the Company is formed as follows:

<b>Category</b>	<b>Number of shares</b>	<b>% Total</b>
Mopia Participações e Empreendimentos Ltda.	15,396,481	23%
Cabana Empreendimentos e Participações Ltda.	4,817,704	7%
Coimex Empreendimentos e Participações Ltda.	13,207,034	20%
Other controlling shareholders (individuals)	509,473	1%
Directors	201	0%
Treasury	65,143	0%
<b>Controlling shareholders, administrators and treasury</b>	<b>33,996,036</b>	<b>52%</b>
<b>Shares Outstanding</b>	<b>32,006,879</b>	<b>48%</b>
<b>Total shares</b>	<b>66,002,915</b>	<b>100%</b>

## 2 List of controlled entities

The Group is comprised as follows:

<b>Direct and indirect subsidiaries</b>	<b>Interest (%) 2019</b>	<b>Interest (%) 2018</b>	<b>Relationship</b>
Tegma Cargas Especiais Ltda. ("TCE")	100.00	100.00	Subsidiary
Tegma Logística de Armazéns Ltda. ("TLA")	100.00	100.00	Subsidiary
Tegmax Comércio e Serviços Automotivos Ltda. ("Tegmax")	100.00	100.00	Subsidiary
Tegma Logística de Veículos Ltda. ("TLV")	100.00	100.00	Subsidiary
Niyati Empreendimentos e Participações Ltda. ("Niyati")	100.00	100.00	Subsidiary
TegUp Inovação e Tecnologia Ltda. ("Tegup")	100.00	100.00	Subsidiary
Tech Cargo Plataforma de Transportes Ltda. ("Tech Cargo") (ii)	100.00	-	Subsidiary
Catlog Logística de Transportes S.A. ("Catlog")	49.00	49.00	Joint Venture
GDL Gestão de Desenvolvimento em Logística Participações S.A. ("GDL") (i)	50.00	50.00	Joint Venture

### (i) Corporate restructuring

As of February 08, 2018, Tegma Logística Integrada S.A., former Company's subsidiary, was subject of the Association agreement between the Company, BCDF and JR Participações S.A. ("Holding Silotec") for the establishment of the joint venture GDL Gestão de Desenvolvimento em Logística Participações S.A. ("GDL") that united the operations of warehousing and moving of the goods developed in Cariacica-ES by Tegma Logística Integrada S.A. ("TLI"), a wholly-owned subsidiary of the Company and by Companhia de Transportes e Armazéns Gerais ("Silotec"), a wholly-owned subsidiary of Holding Silotec.

Accordingly, GDL holds 100% shareholding interest in TLI and Silotec, and its capital is equally divided between Tegma Gestão Logística S.A. and Holding Silotec, becoming a joint venture.

The Company did not consider Tegma Logística Integrada S.A. in its consolidation and started to recognize income (loss) of GDL Gestão de Desenvolvimento em Logística Participações S.A. (GDL) under the equity method from February 2018.

Balances as of January 31, 2018, contributed by the Company to form the joint venture are as follows:

<b>Assets</b>		<b>Liabilities and shareholders' equity</b>	
Cash and cash equivalents	655	Suppliers	606
Trade accounts receivable	3,229	Taxes payable	790
Inventories (warehouse)	40	Salaries and social charges	1,280
Recoverable taxes and contributions	3,127	Other accounts payable	681
Other accounts receivable	96	Related parties	250
Related parties	967		
Prepaid expenses	335	<b>Total current liabilities</b>	<b>3,607</b>
<b>Total current assets</b>	<b>8,449</b>	Provisions for lawsuits	1,482
		<b>Total non-current liabilities</b>	<b>1,482</b>
Recoverable taxes and contributions	14,847		
Deferred tax assets	17,172	Capital	49,122
Judicial deposits	1,064	Profit reserves	143
		Accumulated losses	(338)
<b>Total non-current assets</b>	<b>33,083</b>	<b>Total shareholders' equity</b>	<b>48,927</b>
Property, plant and equipment	11,449		
Intangible assets	1,035		
<b>Total non-current assets</b>	<b>45,567</b>		
<b>Total assets</b>	<b>54,016</b>	<b>Total liabilities and shareholders' equity</b>	<b>54,016</b>

Shareholders' equity at fair value totaled R\$50,770, generating gains of R\$1,842 (see note 21). Exchange of 100% interest in Tegma Logística Integrada S.A. by 50% interest in GDL Gestão de Desenvolvimento em Logística Participações S.A. (GDL) gave rise to a goodwill in the amount of R\$ 16,693 determined at fair value, according to Note 9.

- (ii) Tech Cargo, the Company's direct subsidiary, was established to render services to the supply chain and developing and implementing facilities for auxiliary services, among other activities.

### 3 Basis for preparation and significant accounting policies

#### a. Statement of compliance and preparation basis

The individual and consolidated interim financial information is presented in conformity with Technical Pronouncement CPC 21 (R1) - Interim Statement and IAS - 34 - Interim Financial Reporting, in compliance with standards issued by the Securities Commission (CVM).

All relevant information in interim financial information, and only them, are being evidenced and correspond to that used by Management.

The accounting policies adopted in the preparation of the interim financial information, except for the adoption commented in item "b" below, as well as the measurement basis, the functional and the presentation currency, and the main judgments and uncertainties associated with the estimates used in the application of the accounting practices, are consistent with those presented in the financial statements for the year ended December 31, 2018, filed with the Securities Commission (CVM) on March 19, 2019, and disclosed on the Company's website ([www.tegma.com.br](http://www.tegma.com.br)). This interim financial information should be read together with financial statements for the year ended December 31, 2018.

The issue of this individual and consolidated interim financial information was authorized by the Board of Directors on November 07, 2019.

**b. New standards and interpretations adopted**

The Company and its Subsidiaries adopted pronouncements and interpretations that became effective beginning as of January 1, 2019, as follows:

*IFRS 16/CPC 6 (R2) – Lease operations*

The new rule brings new treatment to lessees, replacing former IAS 17 model.

Impacts from adoption of said rule are described in note 26 – Lease.

**4 Financial risk management**

Risk management is carried out by the central treasury department of the Company, which evaluates and defines strategies to hedge against potential financial risks, in cooperation with the operating units of the Company and its Subsidiaries. The Management establishes principles, for global risk management and for specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and cash surplus investment.

**a Market risk - foreign exchange rate**

In August 2018, the Company obtained credit facility granted according to the benefits of Law 4131 indexed to US dollars, as described in Note 12. With the purpose of hedging itself against exchange rate fluctuations, the Company purchased a derivative financial instrument (swap) with the same notional amount and maturities.

This financial instrument designated as cash flow swap, consists of swapping the exchange-rate change plus a fixed rate of 4.89% per annum, for percentages related to the change in the Interbank Deposit Certificate (CDI) plus a fixed rate of 0.89% per annum.

As of September 30, 2019, the Company has the following net exposure at exchange-rate change in USD (amounts in reais - R\$):

	<b>Parent Company and Consolidated</b>
Loans and financing in foreign currency (Note 12)	57,992
Derivative financial instruments – Long position swap (i)	(57,992)
Net foreign exchange exposure	<u>-</u>

(i) It does not include fair value of swap.

The Company and its Subsidiaries do not operate with Derivative financial instruments for speculation purposes.



## **b Market risk - Basic interest rate**

The interest rate risk of the Company and its subsidiaries derives from short and long-term loans. Loans issued at variable rates expose the Company and its Subsidiaries to cash flow interest rate risk. Loans issued at fixed rates expose the Company and its subsidiaries to fair value risk associated to interest rate.

The loans that were issued and indexed to US dollars, but which were the subject of the purchase of derivative instrument aiming at hedging against foreign exchange fluctuations, also became exposed to local interest rate.

The interest rate risk of the Company and its Subsidiaries arises from their exposure to the Interbank Deposit Certificate (CDI). We present below the exposure to interest rate risk of operations tied to these changes:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Loans and financing - foreign currency (Note 12)	(57,992)	(52,102)	(57,992)	(52,102)
Loans and financing - domestic currency (Note 12)	(36,828)	(10,015)	(36,828)	(10,015)
Derivative financial instruments	5,294	2,086	5,294	2,086
Derivative financial instruments - fair value	605	(472)	605	(472)
Debentures (Note 12)	(51,179)	(98,083)	(51,179)	(98,083)
Cash equivalents (Note 5)	93,363	74,400	111,177	82,206
Net exposure	<b>(46,737)</b>	<b>(84,186)</b>	<b>(28,923)</b>	<b>(76,380)</b>

## **c Credit risk**

The credit risk arises from cash and cash equivalents, deposits in banks and other financial institutions, and exposure to client credit, including outstanding accounts receivable. For banks and other financial institutions, the Company only accepts securities from entities that are independently classified as having a rating of at least "A" on *Standard & Poor's* scale or equivalent in other rating agencies. The Credit Analysis area evaluates the client's creditworthiness by taking into account their financial position, past experience and other factors. Clients' individual risk limits are determined with basis on internal classifications. Credit risk management practices, including methods and assumptions, are described in note 6. The use of credit limits is regularly monitored.

The Company's exposure is as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Cash and cash equivalents (Note 5)	93,877	75,713	112,108	83,542
Trade accounts receivable (Note 6)	183,965	195,543	222,773	226,227
	<b>277,842</b>	<b>271,256</b>	<b>334,881</b>	<b>309,769</b>

## **d Liquidity risk**

The forecast of cash flow is performed in the operating entities of the Company and its subsidiaries and consolidated by the Finance department.

Through this estimate the finance department monitors the cash and cash equivalents to meet the operating and financial needs of the Company and its Subsidiaries, maintaining and engaging available credit facilities at appropriate levels.

The cash surplus is invested in conservative financial transactions and with liquidity in very short term, to meet the above-mentioned estimates.

The table below shows the financial liabilities and derivative operations of the Company and its subsidiaries per maturity intervals, corresponding to balance sheet's remaining period until contract maturity date. These amounts are undiscounted cash flows, including contractual interest payments and excluding the impact of offsetting agreements:

	<b>Parent company</b>				
	<b>Book value</b>	<b>Financial flow</b>	<b>&lt;1 year</b>	<b>1–2 years</b>	<b>2–6 years</b>
Loans and financing (Note 12)	94,820	105,364	70,504	1,947	32,913
Debentures (Note 12)	51,179	56,094	29,267	26,827	-
Lease (Note 26)	57,588	72,692	20,104	16,897	35,691
Suppliers and freight payable	28,023	28,023	28,023	-	-
Other accounts payable (Note 16)	26,897	26,897	26,897	-	-
Derivative financial instruments	(5,899)	(5,899)	(5,899)	-	-
Related parties (Note 24)	3,014	3,014	185	2,829	-
<b>September 30, 2019</b>	<b>255,622</b>	<b>286,185</b>	<b>169,081</b>	<b>48,500</b>	<b>68,604</b>

  

	<b>Consolidated</b>				
	<b>Book value</b>	<b>Financial flow</b>	<b>&lt;1 year</b>	<b>1–2 years</b>	<b>2–6 years</b>
Loans and financing (Note 12)	94,820	105,364	70,504	1,947	32,913
Debentures (Note 12)	51,179	56,094	29,267	26,827	-
Lease (Note 26)	79,322	89,869	32,360	23,588	33,921
Suppliers and freight payable	30,325	30,325	30,325	-	-
Other accounts payable (Note 16)	31,858	31,858	31,858	-	-
Derivative financial instruments	(5,899)	(5,899)	(5,899)	-	-
Related parties (Note 24)	2,861	2,861	32	2,829	-
<b>September 30, 2019</b>	<b>284,466</b>	<b>310,472</b>	<b>188,447</b>	<b>55,191</b>	<b>66,834</b>

## e Sensitivity analysis

The table below analyzes the sensitivity of financial instruments, describing the risks that may cause significant losses to the Company and its subsidiaries. Considering that the amount invested and all debts of the Company (Loans and Financing and Debentures) are linked to the CDI (5.40% p.a. in September 2019), this index would be the only existing risk variable. According to the Management's evaluation, the most likely scenario (Scenario I) has impacts in one-year horizon considering the maintenance of the CDI.

In addition, under the terms set forth by Securities Commission (CVM), Instruction 475/08, two other scenarios are presented, to present the impacts of an increase of 25% and 50%, in the risk variable considered. Scenarios II and III, respectively.

The table below shows possible impacts in income (loss) and shareholders' equity for each of the scenarios:

<b>Parent company</b>			<b>Consolidated</b>		
<b>Probable scenario (I)</b>	<b>Possible scenario (II) 25%</b>	<b>Remote scenario (III) 50%</b>	<b>Probable scenario (I)</b>	<b>Possible scenario (II) 25%</b>	<b>Remote scenario (III) 50%</b>

Interest earning bank deposits	5,000	6,251	7,501	5,954	7,443	8,932
<b>Revenues</b>	<b>5,000</b>	<b>6,251</b>	<b>7,501</b>	<b>5,954</b>	<b>7,443</b>	<b>8,932</b>
NCE Safra	(550)	(642)	(734)	(550)	(642)	(734)
NCE Bradesco	(1,962)	(2,367)	(2,772)	(1,962)	(2,367)	(2,772)
4131 Itaú	(3,315)	(4,026)	(4,737)	(3,315)	(4,026)	(4,737)
Debentures II	(3,787)	(4,478)	(5,169)	(3,787)	(4,478)	(5,169)
<b>Expenses</b>	<b>(9,614)</b>	<b>(11,513)</b>	<b>(13,412)</b>	<b>(9,614)</b>	<b>(11,513)</b>	<b>(13,412)</b>
<b>Net effect on income (loss) / Shareholders' equity</b>	<b>(4,614)</b>	<b>(5,262)</b>	<b>(5,911)</b>	<b>(3,660)</b>	<b>(4,070)</b>	<b>(4,480)</b>

## f Capital management

The Company and its subsidiaries monitor the capital based on financial leveraging index which corresponds to the net debt divided by total capital. Net debt, corresponds to total loans (including short and long-term loans, as shown in balance sheet) less cash and cash equivalents and interest earning bank deposits, plus or less the balance of swap. The total capital is calculated through the sum of shareholders' equity, as shown in the balance sheet, with net debt.

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Loans and financing - Note 12	94,820	62,117	94,820	62,117
Debentures - Note 12	51,179	98,083	51,179	98,083
Derivative financial instruments	(5,899)	(1,614)	(5,899)	(1,614)
Cash and cash equivalents - Note 5	(93,877)	(75,713)	(112,108)	(83,542)
Net debt	46,223	82,873	27,992	75,044
Total shareholders' equity	577,735	484,372	577,735	484,372
Total capital	623,958	567,245	605,727	559,416
<b>Leverage ratio</b>	<b>7%</b>	<b>15%</b>	<b>5%</b>	<b>13%</b>

## g Classification of financial instruments

CPC 40 (R1) (IFRS 7) defines fair value as the exchange price that would be received for an asset or the price paid to transfer a liability (output price) in the main market, or in the most advantageous market for the asset or liability, in a normal transaction between market players on the date of measurement, also establishing a hierarchy of three levels to be used to measure the fair value, namely:

**Level 1** - Prices quoted (not adjusted) in active markets for identical assets and liabilities.

**Level 2** - Other information, except that included at level 1, whereby the quoted prices (not adjusted) are for the similar assets and liabilities, (directly as prices or indirectly as by-products of the prices) in non-active markets, or other information that is available or that can be corroborated by the information observed in the market for substantially all the terms of the assets and liabilities.

**Level 3** - Information unavailable due to reduced or non-existent market activity and that is significant for definition of the fair value of assets and liabilities (unobservable).

The classification of financial instruments is presented in the table below, and there are no instruments classified in other categories besides those informed.

	Parent company			Consolidated		
	Book value	Fair value	Fair value hierarchy	Book value	Fair value	Fair value hierarchy
<b>September 30, 2019</b>						
Assets						
<b>Fair value through profit or loss</b>						
Interest earning bank deposits - Note 5	93,363	93,363	Level 2	111,177	111,177	Level 2
Cash and cash equivalents - Note 5	514	514	Level 1	931	931	Level 1
<b>Financial instrument designated to hedge</b>						
Derivative financial instruments (i)	5,899	5,899	Level 2	5,899	5,899	Level 2
<b>Assets at amortized cost</b>						
Trade accounts receivable - note 6	183,965	183,965	Level 2	222,773	222,773	Level 2
Related parties - note 24	3,987	3,987	Level 2	3,877	3,877	Level 2
Other accounts receivable (ii) - Note 7	531	531	Level 2	4,185	4,185	Level 2
	<b>288,259</b>	<b>288,259</b>		<b>348,842</b>	<b>348,842</b>	
Liabilities						
<b>Liabilities at amortized cost</b>						
Debentures - Note 12	51,179	52,476	Level 2	51,179	52,476	Level 2
Loans and financing - Note 12	94,820	96,996	Level 2	94,820	96,996	Level 2
Lease - Note 26	57,588	59,916	Level 2	79,322	81,957	Level 2
Suppliers and freight payable	28,023	28,023	Level 2	30,325	30,325	Level 2
Other accounts payable - Note 16	26,897	26,897	Level 2	31,858	31,858	Level 2
Related parties - note 24	3,014	3,014	Level 2	2,861	2,861	Level 2
	<b>261,521</b>	<b>267,322</b>		<b>290,365</b>	<b>296,473</b>	

- (i) The Company maintains derivative financial instruments to hedge against exposure to foreign currency, arising from the modality 4131 loan contract.
- (ii) Amounts related to advances to employees and suppliers are not included.

	Parent company			Consolidated		
	Book value	Fair value	Fair value hierarchy	Book value	Fair value	Fair value hierarchy
<b>December 31, 2018</b>						
Assets						
<b>Fair value through profit or loss</b>						
Interest earning bank deposits - Note 5	74,400	74,400	Level 2	82,206	82,206	Level 2
Cash and cash equivalents - Note 5	1,313	1,313	Level 1	1,336	1,336	Level 1
<b>Financial instrument designated to hedge</b>						
Derivative financial instruments (i)	1,614	1,614	Level 2	1,614	1,614	Level 2
<b>Assets at amortized cost</b>						
Trade accounts receivable - note 6	195,543	195,543	Level 2	226,227	226,227	Level 2
Related parties - note 24	19,808	19,808	Level 2	19,752	19,752	Level 2
Other accounts receivable (ii) - Note 7	542	542	Level 2	6,747	6,747	Level 2
	<b>293,220</b>	<b>293,220</b>		<b>337,882</b>	<b>337,882</b>	
Liabilities						
<b>Liabilities at amortized cost</b>						
Debentures - Note 12	98,083	100,159	Level 2	98,083	100,159	Level 2
Loans and financing - Note 12	62,117	61,395	Level 2	62,117	61,395	Level 2
Suppliers and freight payable	32,774	32,774	Level 2	36,898	36,898	Level 2
Other accounts payable - Note 16	21,994	21,994	Level 2	30,863	30,863	Level 2
Related parties - note 24	9,827	9,827	Level 2	4,269	4,269	Level 2
	<b>224,795</b>	<b>226,149</b>		<b>232,230</b>	<b>233,584</b>	

- (i) The Company maintains derivative financial instruments to hedge against exposure to foreign currency, arising from the modality 4131 loan contract.
- (ii) Amounts related to advances to employees and suppliers are not included.

## **h Hedge accounting**

The Company's hedge transaction is aimed at hedging the cash flows indexed to US dollars arising from loan in foreign currency (as Note 12) once practically all transactions of the Company is indexed to the domestic currency.

Accordingly, the transaction meets the cash flow hedge classification and calculation pursuant to CPC 48 – Financial instruments is adopted:

The aim of hedge accounting (understood as hedge accounting policy adopted) is to affect the Company's income (loss) only by the local interest rates to which it is exposed, only considering the net effect of the engaged hedge.

The contract effective on September 30, 2019 is as follows:

<b>Instrument</b>	<b>Type of financial instrument</b>	<b>Operation</b>	<b>Notional value</b>	<b>Maturity</b>	<b>Hedge index</b>	<b>Contracted rate</b>
Swap contract	Cash flow hedge	Swap USD x CDI	USD 13,441	08/2020	Foreign exchange + 4.89% p.a.	CDI +0.89%

Outstanding balances are as follows:

<b>Description</b>	<b>Principal value (national)</b>	<b>Curve value</b>	<b>Fair value</b>	<b>Gain (loss) from adjustment to fair value</b>
Swap contract				
Asset				
USD Long position	50,000	57,992	58,973	981
Short position:				
Short position in CDI	(50,000)	(52,697)	(53,073)	(376)
<b>Total net financial instrument</b>	<b>-</b>	<b>5,295</b>	<b>5,899</b>	<b>605</b>

According to the applicable accounting practices, the adjustment to fair value determined for the financial instrument was R\$ 605 (R\$ 399, net of tax effect) and is recorded in other comprehensive income (shareholders' equity). It is worth emphasizing that the current hedge transaction is fully linked, including contractually, to the loan taken on according to the resolution 4131 modality, which cannot be separately terminated.

## **5 Cash and cash equivalents**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Funds in banks and in cash	514	1,313	931	1,336
Interest earnings bank deposits	93,363	74,400	111,177	82,206
	<b>93,877</b>	<b>75,713</b>	<b>112,108</b>	<b>83,542</b>

Interest earning bank deposits are highly liquid and short-term, promptly convertible into a known sum of cash and subject to an insignificant risk of change of value.

Financial investments are represented by operations with immediate liquidity, earning interest agreed between 96.5% and 103.5% for terms established in September 2019 (from 96.5% to 100.8% in December 2018) of the change in the index of Interbank Deposit Certificate (CDI).

The Company's cash management is centralized in the Parent Company, although consolidated cash is distributed among its subsidiaries.

The exposure of the Company and its subsidiaries to risk and the sensitivity analysis are disclosed in Note 4.

## 6 Trade accounts receivable

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
<b>Accounts receivable from sale of services:</b>				
In Brazil	184,129	195,622	223,820	229,165
<b>Accounts receivable - Domestic</b>	<b>184,129</b>	<b>195,622</b>	<b>223,820</b>	<b>229,165</b>
Estimated loss	(164)	(79)	(1,047)	(2,938)
	<b>183,965</b>	<b>195,543</b>	<b>222,773</b>	<b>226,227</b>

As of September 30, 2019, the average collection term is 46 days - Parent Company and 48 days - Consolidated (44 days - Parent Company and 46 days - Consolidated - in December 2018).

The ageing analysis of these accounts receivable is as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Securities falling due	175,213	175,971	211,851	205,673
Securities overdue (days):				
Up to 30	6,629	18,512	8,652	19,440
31–90	924	419	1,071	452
91–180	795	293	795	838
>181	568	427	1,451	2,762
	<b>184,129</b>	<b>195,622</b>	<b>223,820</b>	<b>229,165</b>

In evaluations, the Company and its Subsidiaries consider the expected losses over entire life approach to trade accounts receivable in order to establish estimated losses, based on history of incurred losses and expected continuity of their clients.

The expected losses are recognized based on accounts receivable past due (aging) considering Tegma's history of losses. As a general rule, securities overdue for more than 180 days are fully provisioned. In this evaluation the clients that do not have history of losses are excluded. These clients substantially refer to the automotive sector.

Changes in the estimated loss of the Company and its subsidiaries are as follows:



	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
<b>Opening balance</b>	<b>(79)</b>	<b>(111)</b>	<b>(2,938)</b>	<b>(1,968)</b>
Additions	(229)	(162)	(291)	(2,238)
Reversals	144	194	1,575	1,142
Corporate restructuring – formation effect JV (i)	-	-	-	126
Other (ii)	-	-	607	-
<b>Closing balance</b>	<b>(164)</b>	<b>(79)</b>	<b>(1,047)</b>	<b>(2,938)</b>

(i) Balance at January 31, 2018, belonging to Tegma Logística Integrada S.A., which was the object of joint venture formation in February 2018, as described in note 2 item i.

(ii) Refers to reclassification of accounts receivable according to negotiation with the client.

The maximum exposure to credit risk is the book value of each of the types of accounts receivable mentioned above. The Company and its subsidiaries do not maintain any security as a guarantee.

## 7 Other accounts receivable

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Indemnity assets (i)	510	465	1,814	5,970
Advances to suppliers	2,130	3,072	4,090	4,330
Advances to employees	1,896	2,180	2,114	2,368
Recoverable claims	18	77	18	77
Other receivables	3	-	3	-
	<b>4,557</b>	<b>5,794</b>	<b>8,039</b>	<b>12,745</b>
Current	4,047	5,329	6,225	6,775
Non-current	510	465	1,814	5,970
	<b>4,557</b>	<b>5,794</b>	<b>8,039</b>	<b>12,745</b>

(i) This refers to a provision for reimbursement of civil contingencies; in addition, we recorded a “provision for lawsuits” for the same amount, with no effect on income (loss). In August 2019, the amount of R\$ 5,074 was received due to reversal of provision.

## 8 Recoverable taxes and contributions

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
PIS and COFINS (i)	101,922	9,993	103,534	11,333
Recoverable INSS	6,588	6,413	9,974	9,826
IRRF (Withholding income tax) on interest earning bank deposits	161	51	262	91
Other	257	173	425	174
	<b>108,928</b>	<b>16,630</b>	<b>114,195</b>	<b>21,424</b>
Current	102,596	10,477	104,567	12,007
Non-current	6,332	6,153	9,628	9,417
	<b>108,928</b>	<b>16,630</b>	<b>114,195</b>	<b>21,424</b>

- (i) On July 15, 2019, the final and unappealable judgment of Tegma Gestão Logística's lawsuit recognized the right of the Company to exclude the ICMS from the PIS and COFINS calculation basis, retroactive to August 2003. Through a survey of documents and calculations occurred after final decision was known, the Parent Company determined a credit of R\$ 101,402 deriving from exclusion of ICMS in its PIS and COFINS calculations, already adjusted at SELIC rate. In September 2019, the Parent Company recorded credits referring to the period from August 2003 to February 2017 in the amount of R\$ 91,391, being R\$ 56,475 principal and R\$ 34,916 inflation adjustment. Credits for the period from March 2017 to November 2018 had already been recognized in 2018. The Parent Company will enable credits with the Federal Revenue Service in order to have the right to offset these amounts against federal taxes owed in the future.

Recoverable taxes have been generated by the own operation of the Company and its subsidiaries, and will be offset against future debts of the same nature, and, therefore, are stated at realizable value.

## 9 Investments

### Subsidiaries and jointly-controlled subsidiaries

	Parent company					
	09/30/2019			12/31/2018		
	Investment	Net goodwill	Total	Investment	Net goodwill	Total
<b>Subsidiaries</b>						
Tegma Cargas Especiais Ltda. (TCE)	43,275	6,364	<b>49,639</b>	33,533	6,364	<b>39,897</b>
Tegma Logística se Armazéns Ltda. (TLA)	24,526	-	<b>24,526</b>	26,099	-	<b>26,099</b>
Niyati Empreendimentos e Participações Ltda. (Niyati)	84,881	-	<b>84,881</b>	76,452	-	<b>76,452</b>
Tech Cargo Plataforma de Transportes Ltda (Tech Cargo)	1	-	<b>1</b>	-	-	<b>-</b>
Tegmax Comércio e Serviços Automotivos Ltda. (Tegmax)	2,646	-	<b>2,646</b>	2,640	-	<b>2,640</b>
Tegma Logística de Veículos Ltda. (TLV)	16,817	-	<b>16,817</b>	15,248	-	<b>15,248</b>
Tegup Inovação e Tecnologia Ltda. (“Tegup”)	4,537	-	<b>4,537</b>	1,448	-	<b>1,448</b>
	<b>176,683</b>	<b>6,364</b>	<b>183,047</b>	<b>155,420</b>	<b>6,364</b>	<b>161,784</b>
<b>Joint ventures</b>						
Catlog Logística de Transportes S.A. (Catlog)	524	-	<b>524</b>	1,413	-	<b>1,413</b>
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	18,777	16,693	<b>35,470</b>	17,838	16,693	<b>34,531</b>
	<b>19,301</b>	<b>16,693</b>	<b>35,994</b>	<b>19,251</b>	<b>16,693</b>	<b>35,944</b>
<b>Total parent company’s investments</b>	<b>195,984</b>	<b>23,057</b>	<b>219,041</b>	<b>174,671</b>	<b>23,057</b>	<b>197,728</b>

	Consolidated	
	09/30/2019	12/31/2018
<b>Joint ventures</b>		
Catlog Logística de Transportes S.A. (Catlog)	524	1,413
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	18,777	17,838
	<b>19,301</b>	<b>19,251</b>

## Changes in investments

	TCE	TLI	Tech Cargo	TLA	Niyati	Tegmax	TLV	Tegup	Catlog (i)	GDL	Total
January 01, 2018	<b>115,250</b>	<b>45,993</b>	-	<b>22,236</b>	<b>64,203</b>	<b>8,319</b>	<b>22,864</b>	-	<b>1,978</b>	-	<b>280,843</b>
Equity in net income of subsidiaries	5,219	(338)	-	(1,388)	1,979	134	(1,616)	47	170	201	<b>4,408</b>
Capital decrease	(64,000)	-	-	-	-	(5,500)	(6,000)	-	(491)	-	<b>(75,991)</b>
Capital increase	-	5,800	-	5,251	11,349	-	-	1,400	-	-	<b>23,800</b>
Formation of subsidiary	-	-	-	-	-	-	-	1	-	-	<b>1</b>
Corporate restructuring (ii)	-	(48,927)	-	-	-	-	-	-	-	17,637	<b>(31,290)</b>
Dividends	(16,572)	-	-	-	(1,079)	(313)	-	-	(244)	-	<b>(18,208)</b>
Formation/write-off goodwill (GDL-TLI) (ii)	-	(2,528)	-	-	-	-	-	-	-	16,693	<b>14,165</b>
December 31, 2018	<b>39,897</b>	-	-	<b>26,099</b>	<b>76,452</b>	<b>2,640</b>	<b>15,248</b>	<b>1,448</b>	<b>1,413</b>	<b>34,531</b>	<b>197,728</b>
Equity in net income of subsidiaries	8,722	-	-	(1,573)	1,929	6	1,569	(113)	(302)	939	<b>11,177</b>
Capital increase (decrease)	1,020	-	-	-	6,500	-	-	3,202	(320)	-	<b>10,402</b>
Formation of subsidiary	-	-	1	-	-	-	-	-	-	-	<b>1</b>
Dividends	-	-	-	-	-	-	-	-	(267)	-	<b>(267)</b>
<b>September 30, 2019</b>	<b>49,639</b>	-	<b>1</b>	<b>24,526</b>	<b>84,881</b>	<b>2,646</b>	<b>16,817</b>	<b>4,537</b>	<b>524</b>	<b>35,470</b>	<b>219,041</b>

- (i) The investee Catlog has not been operating since January 2015. Catlog's activities may be resumed in the event the Company finds it appropriate to do so.
- (ii) Recognition of shareholding interest and goodwill of GDL Gestão de Desenvolvimento em Logística Participações S.A. (GDL) and write-off of interest and goodwill in former subsidiary Tegma Logística Integrada S.A. (TLI), as described in Note 2, item (i).

	Consolidated		
	Catlog	GDL	Total
January 01, 2018	1,978	-	1,978
Equity in net income of subsidiaries	170	201	371
Ownership interest	-	17,637	17,637
Dividends	(244)	-	(244)
Capital decrease	(491)	-	(491)
December 31, 2018	<b>1,413</b>	<b>17,838</b>	<b>19,251</b>
January 01, 2019	1,413	17,838	19,251
Equity in net income of subsidiaries	(302)	939	637
Dividends	(267)	-	(267)
Capital decrease	(320)	-	(320)
<b>September 30, 2019</b>	<b>524</b>	<b>18,777</b>	<b>19,301</b>

The Company's share of the results of its direct Subsidiaries, all of which are privately-held corporations or limited partnerships, as well as of their total assets and liabilities, is as follows:

	TCE	TLI	TLA	Niyati	Tegmax	TLV	Tegup	Tech Cargo
<b>Balances at September 30, 2019</b>								
Assets	66,495	-	41,646	85,048	2,811	24,646	4,546	1
Liabilities	23,220	-	17,120	167	165	7,829	9	-
Shareholders' equity	43,275	-	24,526	84,881	2,646	16,817	4,537	1
Net revenue	63,548	-	22,828	3,562	-	30,576	21	-
Income /(loss)	8,722	-	(1,573)	1,929	6	1,569	(113)	-
<b>Balances at December 31, 2018</b>								
Assets	53,384	-	32,552	78,440	2,731	16,967	1451	-
Liabilities	19,851	-	6,453	1,988	91	1,719	3	-
Shareholders' equity	33,533	-	26,099	76,452	2,640	15,248	1448	-
Net revenue	75,975	2,333	39,318	3,606	77	-	47	-
Income /(loss)	5,219	(338)	(1,388)	1,979	134	(1,616)	47	-

Total balances of the balance sheet and income (loss) (100%) accounts of jointly-controlled companies:

**Tegma Gestão Logística S.A.**  
Quarterly information on September 30, 2019

	<b>Catlog</b>		<b>GDL</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Assets				
Current assets	1,488	3,282	24,570	19,439
Non-current assets	574	615	23,910	37,156
Property, plant and equipment	-	-	12,595	14,028
Intangible assets	-	-	1,578	1,939
Right-of-use	-	-	17,760	-
	<b>2,062</b>	<b>3,897</b>	<b>80,413</b>	<b>72,562</b>
Liabilities and shareholders' equity				
Current liabilities	19	236	18,428	16,339
Non-current liabilities	974	777	24,432	20,546
Shareholders' equity	1,069	2,884	37,553	35,677
	<b>2,062</b>	<b>3,897</b>	<b>80,413</b>	<b>72,562</b>
	<b>Catlog</b>		<b>GDL</b>	
	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
Income (loss) for the period				
Net revenue	-	-	51,385	34,753
Cost of services rendered	-	-	(45,513)	(31,192)
General and administrative expenses	(241)	(243)	(2,518)	(4,810)
Financial revenue, net	109	236	(1,891)	589
Other (expenses) revenues, net	(480)	407	1,426	(412)
Income tax and social contribution	(4)	-	(1,011)	62
Income (loss) for the period	<b>(616)</b>	<b>400</b>	<b>1,878</b>	<b>(1,010)</b>

## 10 Property, plant and equipment

### Changes in property, plant and equipment

	Parent company									
	Land	Buildings	Computers and peripherals	Facilities	Vehicles	Machinery and equipment/ tools	Leasehold improvements	Furniture, fixtures and packaging and other (i)	Property, plant and equipment in progress (ii)	Total
Net balances as of January 1, 2018	16,348	41,741	1,809	2,032	28,223	2,756	5,233	11,301	164	109,607
Changes										
Acquisitions	-	234	1,087	840	1,305	624	1,394	2,631	543	8,658
Disposals	-	-	-	-	(744)	-	-	(12)	-	(756)
Depreciation	-	(3,926)	(871)	(303)	(4,745)	(662)	(2,849)	(4,844)	-	(18,200)
Net balances at December 31, 2018	16,348	38,049	2,025	2,569	24,039	2,718	3,778	9,076	707	99,309
Balances at December 31, 2018										
Cost	16,348	49,434	12,920	4,765	61,488	10,634	51,545	25,923	707	233,764
Accumulated depreciation	-	(11,385)	(10,895)	(2,196)	(37,449)	(7,916)	(47,767)	(16,847)	-	(134,455)
Net balances at December 31, 2018	16,348	38,049	2,025	2,569	24,039	2,718	3,778	9,076	707	99,309
Changes										
Acquisitions	-	36	722	678	6,195	534	892	3,510	86	12,653
Disposals	-	-	-	(8)	(256)	-	-	(13)	-	(277)
Transfers	-	-	12	-	-	172	422	18	(624)	-
Depreciation	-	(1,483)	(660)	(304)	(3,160)	(515)	(1,424)	(2,963)	-	(10,509)
Net balances at September 30, 2019	16,348	36,602	2,099	2,935	26,818	2,909	3,668	9,628	169	101,176
Balances at September 30, 2019										
Cost	16,348	49,471	13,427	5,431	67,213	11,340	52,859	28,743	169	245,001
Accumulated depreciation	-	(12,869)	(11,328)	(2,496)	(40,395)	(8,431)	(49,191)	(19,115)	-	(143,825)
Net balances at September 30, 2019 (iii)	16,348	36,602	2,099	2,935	26,818	2,909	3,668	9,628	169	101,176

- (i) The additions to furniture, fixtures, packaging materials and others during the period are substantially represented by packaging materials (industrial logistics division).

- (ii) Construction in progress refers mainly to construction works and improvements in progress.
- (iii) It does not include amount of R\$ 54,223 referring to right-of-use asset, as explained in note 26. In case total property, plant and equipment were considered, it would be R\$ 155,399.

	Consolidated									
	Land	Buildings	Computers and peripherals	Facilities	Vehicles	Machinery and equipment/ tools	Leasehold improvements	Furniture and fixtures and packaging and other (i)	Property, plant and equipment in progress (ii)	Total
Net balances as of January 1, 2018	50,607	67,792	3,860	11,213	40,501	6,914	15,812	12,860	541	210,100
Changes										
Acquisitions	9,466	231	1,218	2,493	2,186	941	2,552	2,691	8,060	29,838
Disposals	-	-	-	(693)	(852)	(23)	(130)	(25)	-	(1,723)
Transfers	-	-	-	-	(2)	-	2	-	-	-
Depreciation	-	(5,026)	(1,543)	(1,403)	(5,610)	(1,211)	(4,738)	(5,069)	-	(24,600)
Other (iii)	-	-	(442)	(2,842)	(70)	(1,953)	(5,833)	(309)	-	(11,449)
Net balances at December 31, 2018	60,073	62,997	3,093	8,768	36,153	4,668	7,665	10,148	8,601	202,166
Balances at December 31, 2018										
Cost	60,073	76,937	18,952	17,715	84,294	17,290	72,455	28,271	8,601	384,588
Accumulated depreciation	-	(13,940)	(15,859)	(8,947)	(48,141)	(12,622)	(64,790)	(18,123)	-	(182,422)
Net balances at December 31, 2018	60,073	62,997	3,093	8,768	36,153	4,668	7,665	10,148	8,601	202,166
Changes										
Acquisitions	-	3,368	738	1,205	9,616	789	1,345	3,545	1,744	22,350
Disposals	-	-	(1)	(195)	(330)	(2)	-	(61)	-	(589)
Transfers	-	7,656	12	1,395	55	177	418	23	(9,736)	-
Depreciation	-	(2,553)	(1,056)	(1,151)	(4,071)	(916)	(2,821)	(3,123)	-	(15,691)
Net balances at September 30, 2019	60,073	71,468	2,786	10,022	41,423	4,716	6,607	10,532	609	208,236
Balances at September 30, 2019										
Cost	60,073	87,960	19,459	19,698	93,306	18,223	74,217	31,053	609	404,598
Accumulated depreciation	-	(16,492)	(16,673)	(9,676)	(51,883)	(13,507)	(67,610)	(20,521)	-	(196,362)
Net balances at September 30, 2019 (iv)	60,073	71,468	2,786	10,022	41,423	4,716	6,607	10,532	609	208,236



- (i) The additions to furniture, fixtures, packaging materials and others during the period are substantially represented by packaging materials (industrial logistics division).
- (ii) Construction in progress refers mainly to construction works and improvements in progress.
- (iii) Balances at January 31, 2018, belonging to Tegma Logística Integrada S.A., which was the object of joint venture formation in February 2018, as described in note 2 item (i).
- (iv) It does not include amount of R\$ 74,093 referring to right-of-use asset, as explained in note 26. In case total property, plant and equipment were considered, it would be R\$ 282,329.

The depreciation and amortization amounts were recorded as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>Jan 2019–Sep 2019</b>	<b>Jan2018– Sep2018</b>	<b>Jan 2019– Sep 2019</b>	<b>Jan2018– Sep2018</b>
Depreciation	(10,509)	(14,304)	(15,691)	(19,169)
Amortization	(3,543)	(3,068)	(3,835)	(3,505)
Total	(14,052)	(17,372)	(19,526)	(22,674)

The depreciation and amortization amounts segregated between costs and expenses were recorded as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>Jan 2019–Sep 2019</b>	<b>Jan2018– Sep2018</b>	<b>Jan 2019–Sep 2019</b>	<b>Jan2018– Sep2018</b>
Cost of services rendered	(11,389)	(15,037)	(16,702)	(20,130)
General and administrative expenses	(2,663)	(2,335)	(2,824)	(2,544)
Total	(14,052)	(17,372)	(19,526)	(22,674)

## 11 Intangible assets

	Parent company							
	12/31/2017	Addition	Amortization	Other	12/31/2018	Addition	Amortization	09/30/2019
Software	10,359	5,143	(4,148)	-	11,354	2,970	(3,543)	10,781
Goodwill paid in the acquisition of investments								
Nortev	120,877	-	-	-	120,877	-	-	120,877
Boni Amazon	32,791	-	-	-	32,791	-	-	32,791
	164,027	5,143	(4,148)	-	165,022	2,970	(3,543)	164,449
	Consolidated							
	12/31/2017	Addition	Amortization	Other (i)	12/31/2018	Addition	Amortization	09/30/2019
Software	12,568	5,601	(4,690)	(1,057)	12,422	2,970	(3,835)	11,557
Goodwill paid in the acquisition of investments								
Nortev	120,877	-	-	-	120,877	-	-	120,877
Boni Amazon	32,791	-	-	-	32,791	-	-	32,791
Tegma Logística Integrada S.A.	2,491	-	-	(2,491)	-	-	-	-
Tegma Cargas Especiais Ltda.	6,364	-	-	-	6,364	-	-	6,364
PDI Comércio, Indústria e Serviços Ltda.	36	-	-	(36)	-	-	-	-
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”) (ii)	-	16,693	-	-	16,693	-	-	16,693
	162,559	16,693	-	(2,527)	176,725	-	-	176,725
Net	175,127	22,294	(4,690)	(3,584)	189,147	2,970	(3,835)	188,282

- (i) The balance of R\$ 2,527 is included in the goodwill written-off due to the corporate restructuring of Tegma Logística Integrada S.A., and the balance of software contributed of R\$ 1,036 to form the joint venture in February 2018, as described in Note 2, item (i).
- (ii) Goodwill recorded when adding shareholding portion of GDL Gestão de Desenvolvimento em Logística Participações S.A. (GDL) to form the joint venture carried out in February 2018, as described in Note 2, item (i).

## 12 Loans and financing

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Loans and financing - domestic currency				
NCE - Export credit note (a.i)	36,828	10,015	36,828	10,015
Loans and financing - foreign currency				
Resolution 4131 (a.ii)	57,992	52,102	57,992	52,102
<b>Total loans and financing</b>	<b>94,820</b>	<b>62,117</b>	<b>94,820</b>	<b>62,117</b>
(-) Current	64,820	6,703	64,820	6,703
Non-current	30,000	55,414	30,000	55,414
Debentures (b)				
<b>Total debentures</b>	<b>51,179</b>	<b>98,083</b>	<b>51,179</b>	<b>98,083</b>
(-) Current	26,174	48,073	26,174	48,073
Non-current	25,005	50,010	25,005	50,010
<b>Loans and financing</b>	<b>145,999</b>	<b>160,200</b>	<b>145,999</b>	<b>160,200</b>
<b>Derivative financial instruments – SWAP (assets)</b>	<b>(5,899)</b>	<b>(1,614)</b>	<b>(5,899)</b>	<b>(1,614)</b>
(-) Current (i)	(5,899)	-	(5,899)	-
Non-current	-	(1,614)	-	(1,614)
<b>Loans and financing, net of swap</b>	<b>140,100</b>	<b>158,586</b>	<b>140,100</b>	<b>158,586</b>

(i) Includes the fair value on the swap in the amount of R\$ 605, according to Note 4 item h.

### a. Bank loans

#### (i) NCE – Export credit note

In June 2017, the Company entered into two NCE loan agreements without collateralized guarantees. The first agreement was signed with Banco do Brasil S.A. in the amount of R\$ 40,000, with the principal maturing in June 2019 and amortization of monthly interest. The negotiated interest rate was the Interbank Deposit certificate (CDI) rate for the period plus 2% per annum (with a flat fee of 1.15% paid when loan was contracted). In August 2018, this contract was early settled.

The second agreement signed on this date was with Banco Safra S.A. in the amount of R\$ 10,000, with principal maturing in three equal installments. The first maturity was in June 2019 and the other installments will mature in December 2019 and June 2020. Interest payments are made on a semi-annual basis as of December 2017. The negotiated interest rate was the Interbank Deposit certificate (CDI) rate for the period plus 2.65% per annum (without a flat fee). In September 2019, the interest rate of this contract is 8.05% per annum (9.05% in December 2018).

In March 2019, the Company entered into a contract with Banco Bradesco S.A., also without real guarantee, for the amount of R\$ 30,000, with principal maturing in the equal amount in three equal installments (March 2022, March 2023, April 2024) and half-annual interest payments beginning as of September 2019. The negotiated interest rate was the Interbank Deposit certificate (CDI) rate for the period plus 1.14% p.a. In September 2019, the interest rate of this contract is 6.54% per annum.

The Company does not have any covenants for the two NCEs still in force.

**(ii) Resolution 4131**

In August 2018, the Company signed a loan contract in US dollars in the amount of US\$ 13,441, equivalent to R\$ 50,000, on the transaction date, with the financing agent Itau BBA Internacional PLC, without actual pledged guarantees, with the payment of principal in the end of the contract, August 2020, and interest in December 2018, February 2020 and August 2020.

For exchange-rate hedge of loan, the Company purchased derivative financial instrument, cash flow swap, from Itaú Unibanco S.A. in the same amount and maturities, swapping the exposure of US\$ currency change plus fixed rate of 4.89% per annum, for the CDI change plus 0.89 % per annum, and with this, assigning the credit receivables from the swap transaction as guarantee to the creditor of the loan in US dollars.

In September 2019, the interest rate of this contract is 6.29% per annum (7.29% in December 2018). This operation is subject to accelerated maturity in the event the following debt and interest coverage ratios are not complied with: (i) net debt/EBITDA<sup>(1)</sup> equal to or lower than 2.50, and EBITDA/net financial expense higher or equal to 1.50. On September 30, 2019, the Company had addressed all these clauses.

<sup>(1)</sup> EBITDA - net income (loss) for the period, plus income taxes, financial expenses, net of financial revenues, and depreciation, amortization and depletion.

**b. Debentures**

In 2013, the Company issued simple, non-convertible, unsecured debentures. The net funds obtained are fully used to meet the Company's basic management requirements, such as the repayment of debts and the reinforcement of cash.

The debentures pay interest semi-annually. In the first issue, interest was expected to be paid on February 15 and August 15 of each year. Under the second issue, the forecast was to pay interest as of December 15 and June 15 of each year.

The nominal value of first issue debentures, issued in two series, has already been fully amortized. In 1<sup>st</sup> issue: first series, 33.33% was paid on February 15, 2016, 33.33% on February 15, 2017, 33.34% on February 15, 2018; while in the second series, 33.33% was paid on February 15, 2017, 33.33% on February 15, 2018, and 33.34% on February 15, 2019.

In the 2<sup>nd</sup> issue, also issued in two series, 33.33% was paid on December 15, 2016 (first payment), while the second payment of 33.33%, previously estimated for December 15, 2017, was settled in advance on September 28, 2017 (33.33%). In relation to the latest installment, originally set to be paid on December 15, 2018, there was a renegotiation, and the amount corresponding to 33.34 % of the issuance was extended in the proportion of 50% to July 31, 2020, and 50% to July 31, 2021, as approved in the Annual Debentureholders' Meeting held on September 25, 2017. Regarding this renegotiation, the negotiated interest rate was the Interbank Deposit certificate (CDI) rate for the period plus 2% p.a. In September 2019, the interest rate of this contract is 7.4% per annum (8.4% in December 2018).

Series	Type	Issuance amount	Outstanding debentures	Date		Annual financial charges	Unit price	Parent company and Consolidated	
				Issuance	Maturity			09/30/2019	12/31/2018
1st issue - 2nd series	Simple	140,000	14,000	02/15/2013	02/15/2019	DI + 0.97%	10	-	47,927
2nd issue - 1st series	Simple	80,000	8,000	12/15/2013	07/31/2021	DI + 2.00%	10	27,296	26,750
2nd issue - 2nd series	Simple	70,000	7,000	12/15/2013	07/31/2021	DI + 2.00%	10	23,883	23,406
								Current	
								26,174	48,073
								Non-current	
								25,005	50,010

The issues of debentures are also subject to accelerated maturity in the event the following debt and interest coverage ratios are not complied with: (i) net debt/EBITDA<sup>(1)</sup> equal to or lower than 2.50, and adjusted EBITDA/net financial expense higher or equal to 1.50. On September 30, 2019, the Company had addressed all these clauses.

The installments due in the non-current are payable according to the following schedule for loans and financing:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
<b>Months:</b>				
13–24	25,005	80,419	25,005	80,419
25–36	10,000	25,005	10,000	25,005
37–48	10,000	-	10,000	-
49–60	10,000	-	10,000	-
<b>Total</b>	<b>55,005</b>	<b>105,424</b>	<b>55,005</b>	<b>105,424</b>

Changes in 2019 is as follows:

	<b>Parent company</b>	<b>Consolidated</b>
<b>Loans and financing</b>		
<b>Balance at January 01, 2019</b>	<b>62,117</b>	<b>62,117</b>
Funding	30,000	30,000
Recognized interest	3,553	3,553
Payment of principal	(3,333)	(3,333)
Interest paid	(1,553)	(1,553)
Exchange-rate change	4,036	4,036
<b>Balance at September 30, 2019</b>	<b>94,820</b>	<b>94,820</b>
<b>Debentures</b>		
<b>Balance at January 01, 2019</b>	<b>98,083</b>	<b>98,083</b>
Recognized interest	3,530	3,530
Payment of principal	(46,676)	(46,676)
Interest paid	(3,758)	(3,758)
<b>Balance at September 30, 2019</b>	<b>51,179</b>	<b>51,179</b>
<b>Total</b>	<b>145,999</b>	<b>145,999</b>

### 13 Salaries and social security charges

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Vacations payable	9,876	10,138	11,730	12,004
INSS	2,343	2,224	2,737	2,695
Bonus and profit sharing payable	6,126	7,402	6,409	7,888
Provision for 13th salary	5,240	-	6,157	-
FGTS	461	645	541	765

Other	535	831	588	909
<b>Total</b>	<b>24,581</b>	<b>21,240</b>	<b>28,162</b>	<b>24,261</b>

## 14 Judicial deposits and provision for lawsuits

The Company and its subsidiaries are parties to ongoing labor, civil and tax lawsuits and other ongoing lawsuits, that totaled as of September 30, 2019, R\$ 634,397 (R\$ 573,739 as of December 31, 2018) Parent Company, and R\$ 655,214 (R\$ 598,870 as of December 31, 2018) Consolidated has been discussing these issues in both the administrative and judicial scopes and, when applicable, said lawsuits are backed by judicial deposits. These amounts contemplate all lawsuits classified as probable, possible and remote. Provisions for probable losses arising from these lawsuits are estimated and updated by Management as there is an estimate for future disbursement, backed by the opinion of the external legal advisors.

The above-mentioned amounts are broken down as indicated below:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Probable	32,048	34,419	36,611	44,444
Possible	87,765	92,363	97,388	99,760
Remote	514,584	446,957	521,215	454,666
<b>Total</b>	<b>634,397</b>	<b>573,739</b>	<b>655,214</b>	<b>598,870</b>

### Provisions recognized

The provisions recorded and related judicial deposits, when applicable, are as follows:

	<b>Parent company</b>			
	<b>Judicial deposits</b>		<b>Provisions for lawsuits</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Labor and social security	7,359	7,001	11,077	11,826
Tax	1,608	1,608	-	-
Civil (i) (ii)	2,663	93	20,971	22,593
<b>Total</b>	<b>11,630</b>	<b>8,702</b>	<b>32,048</b>	<b>34,419</b>

  

	<b>Consolidated</b>			
	<b>Judicial deposits</b>		<b>Provisions for lawsuits</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Labor and social security	10,086	10,104	14,737	16,335
Tax	1,608	1,608	1	-
Civil (i) (ii)	2,769	190	21,873	28,109
<b>Total</b>	<b>14,463</b>	<b>11,902</b>	<b>36,611</b>	<b>44,444</b>

- (i) It includes judicial deposit on civil contingency related to lawsuit filed against service provider. In addition, we recognized this obligation under caption "Benefits" in note 16 item (ii).
- (ii) Contains provision arising from business combination, as detailed below:

The agreement for purchase and sale of Direct Express, entered into between the Company and 8M Participações, establishes that the Company will only be required to indemnify 8M Participações for any lawsuits referring to facts that took place before the date of the acquisition with an aggregate amount exceeding R\$40,000. On the other hand, 8M Participações is required to indemnify the

Company for any lawsuits referring to facts that took place after the date of the acquisition. In the year 2017, the amount of obligations paid by 8M Participações by the Company is above the aggregated amount. In September 2019, the balance of such provisions totals R\$ 20,230 (R\$ 22,098 in December 2018).

The changes in the provision for the period of 2019 are as follows:

	<b>Parent company</b>	<b>Consolidated</b>
<b>Balance at January 01, 2019</b>	<b>34,419</b>	<b>44,444</b>
Formation	12,605	14,748
Recognition INSS FAP	310	310
Other lawsuits payable	(918)	(1,203)
Write-off by judicial deposit	(804)	(1,066)
Payment	(13,564)	(20,622)
<b>Balance at September 30, 2019</b>	<b>32,048</b>	<b>36,611</b>

#### **Possible losses, not provisioned in the balance**

The Company and its subsidiaries are parties to tax, civil and labor lawsuits for which no provision has been recorded due to the fact that these lawsuits have been classified by Management and its legal advisors as possible losses, as presented below:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Labor and social security	36,440	45,769	38,222	48,512
Tax	30,701	25,703	35,284	30,135
Civil	20,624	20,891	23,882	21,113
<b>Total</b>	<b>87,765</b>	<b>92,363</b>	<b>97,388</b>	<b>99,760</b>

#### **a Labor and social security**

Refer mainly to cases involving discontinued operations, as well as cases in which the Company is held jointly liable for lawsuits filed against outsourced service providers.

#### **b Tax**

Natures of tax discussions are mainly: (i) questionings related to possible lack of payment of ISS and ICMS; and (ii) questionings related to origin of IRPJ (corporate income tax), CSLL (social contribution on net income), PIS and COFINS credits used to offset tax debits.

The main lawsuit derives from part of a charge made by ISS inspection in the municipality of Mauá/SP through tax assessment notices issued between December 2017 and January 2018. As of September 30, 2019, the restated amount of the installment of such lawsuit is R\$ 6,844 (R\$ 6,460 on December 31, 2018). This amount is based only on revenue earned by the branch of Mauá, São Paulo State, SP and not on revenue mistakenly arbitrated by inspection authorities.

#### **c Civil**

The main indemnity lawsuits correspond to material damages, pain and suffering and pension due to traffic accidents involving carriers subcontracted by the Company.

#### **Remote losses, not provisioned in the balance sheet**

Tax, civil and labor lawsuits for which no provision has been recorded due to the fact that these



lawsuits have been classified by Management and its legal advisors as remote losses as of September 30, 2019 totaled R\$ 514,584 in parent company (R\$ 446,957 as of December 31, 2018) and R\$ 521,215 in Consolidated (R\$ 454,666 as of December 31, 2018).

a. The main tax lawsuit derives from collection made by ISS (tax on services) inspection authorities of the municipality of Mauá/SP, through a tax assessment notice of R\$ 434,203 (R\$ 402,958 in December 2018), in which the municipality erroneously considered total gross revenue earned by the Company and not only that of Mauá/SP branch, which should be the basis for said inspection. In this context, based on the opinion of the lawyers, the Company considers as remote loss the amount of R\$ 427,359 (R\$ 396,498 in December 2018, the change in balance is related to the restatement by applying the IPCA index plus 1% p.m.). In February 2018, the defense of the Company was made in the administrative level, and all additional supporting documentation was presented to the municipality. On July 4, 2019, the municipality's finance department requested additional information, which was made available on August 15, 2019. Since then the finance department of the municipal government of Mauá has not issued any opinion.

b. In December 2017, the Company identified, with the support of independent specialists, tax opportunities referring to PIS and COFINS credits on expenditures incurred for sub-contracting transportation companies and fixed assets' items in the last 5 years of operation. The Company rectified its Declarations of Federal Tax Debts and Credits (DCTF's) for the purpose of assigning these PIS and COFINS credit values. In 2019, the Company and its subsidiary Tegma Cargas Especiais (TCE) received decisions from the Federal Revenue Service referring to non-homologation of tax debits offset of respective credits. Note that there was no questioning of the merit of credit origin, but a discrepancy when crossing accessory obligations. The Company filed an appeal in the administrative sphere. The Company's advisors classified likelihood of loss as "remote". Value in parent company is R\$ 38,099, and R\$ 40,885 in consolidated.

## **15 Income tax and social contribution**

The reconciliation between the tax expense as calculated by the combined nominal rates and the income tax and social contribution expense charged to income (loss) is presented below:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
<b>Income before income tax and social contribution</b>	<b>208,057</b>	<b>95,415</b>	<b>213,084</b>	<b>96,452</b>
Combined nominal rate of income tax and social contribution	34%	34%	34%	34%
<b>Income tax and social contribution at nominal rate</b>	<b>(70,739)</b>	<b>(32,441)</b>	<b>(72,449)</b>	<b>(32,794)</b>
<b>Effect of Corporate income tax and social contribution on permanent differences</b>				
Equity in net income of subsidiaries	3,800	1,388	217	(105)
Permanent differences	(447)	(551)	(966)	(780)
ICMS credit granted	4,336	3,365	4,726	4,154
Interest on own capital	4,919	5,699	4,919	5,699
Other	601	413	996	662
<b>Income tax and social contribution on income (loss)</b>	<b>(57,530)</b>	<b>(22,127)</b>	<b>(62,557)</b>	<b>(23,164)</b>
Current	(57,822)	(21,882)	(60,714)	(24,101)
Deferred assets	292	(245)	(1,843)	937
<b>Effective rate</b>	<b>27.7%</b>	<b>23.2%</b>	<b>29.4%</b>	<b>24.0%</b>

Breakdown of balance of deferred income tax and social contribution as of September 30, 2019 and December 31, 2018 is as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Tax loss from recoverable income tax	-	-	10,631	10,286
Negative basis of social contribution	-	-	3,940	3,816
<i>Temporary differences</i>				
Provisions for profit sharing and bonus	2,083	2,517	2,179	2,682
Estimated loss for allowance for doubtful accounts	56	27	356	999
Provisions for lawsuits	10,896	11,702	12,448	15,111
Provisions for freight payable	875	882	875	882
Provision for toll fees payable	583	813	771	919
Cut-off provision	2,002	3,518	2,002	3,518
Provision for losses with former subsidiary	-	-	4,546	4,546
Other (iii)	8,390	6,078	10,089	7,910
<b>Subtotal</b>	<b>24,885</b>	<b>25,537</b>	<b>47,837</b>	<b>50,669</b>
Amortization of tax goodwill (i)	(20,459)	(20,459)	(20,459)	(20,459)
Difference for depreciation rate (ii)	(7,094)	(7,671)	(14,303)	(14,925)
Other	-	-	(1,749)	(1,749)
<b>Subtotal</b>	<b>(27,553)</b>	<b>(28,130)</b>	<b>(36,511)</b>	<b>(37,133)</b>
<b>Total</b>	<b>(2,668)</b>	<b>(2,593)</b>	<b>11,326</b>	<b>13,536</b>

- (i) Refers to deferred income tax and social contribution calculated on the amortization, for tax purposes, of the goodwill arising from the acquisition of Subsidiaries.
- (ii) Refers to deferred income tax and social contribution on the difference between the depreciation of property, plant and equipment items calculated for tax and accounting purposes.
- (iii) It includes the amount of R\$ 2,069 referring to deferred charges on attorney's fees for lawsuit related to PIS and COFINS credit deriving from exclusion of ICMS from PIS and COFINS calculations, as mentioned in note 8 item (i).

The breakdown of deferred income and social contribution tax between assets and liabilities by company is as follows:

	<b>Consolidated</b>		
	<b>09/30/2019</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net assets</b>
Tegma Gestão Logística S.A.	24,885	(27,553)	-
Tegma Logística de Armazéns Ltda.	2,491	-	2,491
Tegmax Comércio e Serviços Automotivos Ltda.	55	-	55
Tegma Logística de Veículos Ltda	8,381	-	8,381
Tegma Cargas Especiais Ltda.	12,025	(8,958)	3,067
<b>Total</b>	<b>47,837</b>	<b>(36,511)</b>	<b>13,994</b>

	<b>Consolidated</b>		
	<b>12/31/2018</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net assets</b>
Tegma Gestão Logística S.A.	25,537	(28,130)	-
Tegma Logística de Armazéns Ltda.	1,820	-	1,820
Tegmax Comércio e Serviços Automotivos Ltda.	26	-	26
Tegma Logística de Veículos Ltda.	8,699	-	8,699
Tegma Cargas Especiais Ltda.	14,587	(9,003)	5,584
<b>Total</b>	<b>50,669</b>	<b>(37,133)</b>	<b>16,129</b>

Changes in deferred income tax and social contribution, net as of September 30, 2019 are as follows:

	<b>Parent company</b>	<b>Consolidated</b>
<b>Balance at January 01, 2019</b>	<b>(2,593)</b>	<b>13,536</b>
Formation – effect on profit or loss	292	(1,843)
Deferred taxes on hedge accounting	(367)	(367)
<b>Balance at September 30, 2019</b>	<b>(2,668)</b>	<b>11,326</b>

As of September 30, 2019, the assets are expected to be realized as follows:

<b>Year</b>	<b>Parent company</b>	<b>Consolidated</b>
2019	4,977	9,439
2020	4,977	9,879
2021	4,977	8,511
2022	4,977	8,758
After 2023	4,977	11,250
	<b>24,885</b>	<b>47,837</b>

The Company and its Subsidiaries do not have deferred assets to be recognized.

## 16 Other accounts payable

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Insurance	5,538	5,391	6,014	5,700
Toll fees	1,716	2,395	2,268	2,736
Benefits (i) (ii)	5,614	3,193	6,472	3,729
Changes in vehicles and cargo	992	1,308	2,498	2,043
Rental	769	1,648	865	3,227
Consultancy services	6,786	1,393	6,877	1,470
Surveillance	959	2,040	1,251	2,341
Sundry maintenance	1,065	1,542	1,314	1,884
Other	3,458	3,084	4,299	7,733
<b>Total</b>	<b>26,897</b>	<b>21,994</b>	<b>31,858</b>	<b>30,863</b>

- (i) Transportation voucher, meal ticket, basic basket, severance costs, and others.
- (ii) It includes amount made available through judicial deposit, as mentioned in note 14 item (i).

## 17 Shareholders' equity

### a. Capital

The Company's capital is fully paid-in, totaling R\$ 144,469, divided into 66,002,915 common nominative shares with no par value.

### b. Capital reserve – goodwill upon subscription of shares

The Company's capital reserve is derived as follows: (i) on April 27, 2007, a Shareholders' Meeting approved the formation of a capital reserve - share premium, totaling R\$2,245, and (ii) on June 28, 2007, the Company's Board of Directors approved the issue of 9,706,639 registered common shares, with no par value, at an issue price of R\$26.00, in the public share offering, with the allocation of R\$47,757 to the Capital caption, and R\$204,616 to the "Capital reserve", as provided for in the sole paragraph of Article 14 of the Brazilian Corporation Law.

Due to cancellation, on December 16, 2008, of 2,547,145 common shares issued by the Company and held in treasury, in the amount of R\$32,806, balance on September 30, 2019 and December 31, 2018 is R\$174,055.

### c. Legal and profit retention reserve

The legal reserve is formed annually by the allocation of 5% of net income for the year, and may not exceed 20% of the Company's capital. The purpose of the legal reserve is to guarantee that the capital is paid up and it is used solely to offset losses and/or increase capital. Profit retention reserve refers to retained earnings remaining balance intended to aid business growth project established in the Company's investment plan, according to capital budget proposed by management and to be decided in the Annual Shareholders Meeting, in compliance with Article 196 of the Brazilian Corporate Law.

### d. Treasury shares

As of September 30, 2019 and December 31, 2018, the balance of treasury shares corresponds to 65,143 common shares totaling R\$ 342.

### e. Dividends and interest on own capital

After offsets and deductions set forth in law and bylaws, net income for each fiscal year shall be allocated as follows: (i) 5% for legal reserve, until reaches 20% of paid-up capital and (ii) 25% of

balance, after allocation of legal reserve, shall be allocated to pay mandatory minimum dividend to all shareholders.

The dividends above such limit are separated in a specific account in shareholders' equity called "Proposed additional dividend". When resolved by the Board of Directors, interest on own capital are computed to dividends for the period.

In the meeting of the Board of Directors held on February 11, 2010, the adoption of the dividend allocation policy of the Company was approved, so that future dividend distributions, including interest on own capital, are made at an amount at least equivalent to 50% (fifty percent) of net income for the year, calculated as provided in art. 193 to 203 of Law 6404/76, as amended, the Brazilian accounting practices and the rules of the Brazilian Securities Exchange Commission.

The calculation of dividends for 2018 is as follows:

	<b>2018</b>
Net income for the year	108,249
Legal reserve	-
Calculation basis	108,249
Minimum compulsory dividend 25 %	27,062
Interim dividends	27,483
Interest on own capital - interim	9,161
Interest on own capital - supplementary	7,077
Complementary dividends	21,229
% on calculation basis	60%

In the meeting of the Board of Directors held on August 7, 2018, the distributions of interim dividends in the amount of R\$ 15,818 and interim interest on own capital in the amount of R\$ 5,272 for the year 2018, both paid on August 22, 2018.

In the meeting of the Board of Directors held on November 8, 2018, the distributions of interim dividends and interest on own capital in the amount of R\$ 11,665 and interim interest on own capital in the amount of R\$ 3,889 were approved, both paid on November 26, 2018.

Annual Shareholders' Meeting held on April 24, 2019 approved Management proposal for destination of net income for the year ended December 31, 2018, which resulted in distribution of supplementary dividends and interest on own capital to the Company's shareholders in the amount of R\$ 28,306, being R\$ 21,229 dividends and R\$ 7,077 interest on capital, both paid on May 7, 2019.

In the meeting of the Board of Directors held on August 29, 2019, the distributions of interim dividends in the amount of R\$ 22,176 and interim interest on own capital in the amount of R\$ 7,392 for the year 2019, both paid on September 16, 2019.

**f. Stock option plan**

The Special Shareholders' Meeting, held on December 15, 2011, approved the Company's Stock option Plan to Company's executives. Actions that are the object of the Plan must derive from: (i)

issuance of new common shares, within capital limit authorized by the Company, according to decision of the Board of Directors; and/or (ii) common shares held in treasury.

Currently, there is no stock option plan in place.

## 18 Information per business segment

The Company classifies its business analyses into: (i) automotive logistics, division engaged in the transfer and distribution of zero-kilometer and used vehicles, port transfers and management of inventories and yards for car manufacturers and services to prepare vehicles for sale, comprised by the Parent Company and its Subsidiaries Tegmax Comércio e Serviços Automotivos Ltda., Tech Cargo Plataforma de Transportes Ltda., Tegma Logística de Veículos Ltda. and Niyati Empreendimentos e Participações Ltda., and into (ii) integrated logistics, division that is engaged in transporting, storing, managing inventory, to several market segments such as chemical, appliances and consumables comprised of its subsidiaries comprised by its Subsidiaries Tegma Cargas Especiais Ltda., Tegma Logística de Armazéns Ltda. and parent company. In 2018, the Company opened the startup accelerator called TegUP (TegUp Inovação e Tecnologia Ltda.). For disclosure purposes, we considered it in the integrated logistics division.

Starting as of February 2018, the Company no longer considers Tegma Logística Integrada S.A. as a direct investment due to creation of joint venture “GDL”, which is engaged in providing general and bonded warehouse services in Cariacica, Espírito Santo State, ES. Beginning as of that date, GDL became direct parent company of Tegma Logística Integrada S.A.; accordingly, GDL equity change started to be accounted for in the Company’s equity in investees.

	<b>Consolidated</b>					
	<b>Automotive logistics</b>		<b>Integrated Logistics</b>		<b>Total</b>	
	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
Net revenue from services	852,804	774,532	116,188	112,021	968,992	886,553
Costs	(649,157)	(601,963)	(78,257)	(93,540)	(727,414)	(695,503)
Operating expenses	(13,846)	(62,304)	2,646	(1,605)	(11,200)	(63,909)
Expenses with depreciation and amortization (i)	(11,478)	(14,082)	(8,048)	(8,592)	(19,526)	(22,674)
Amortization - Right to use (ii)	(12,679)	-	(11,669)	-	(24,348)	-
Financial expenses	(17,518)	(16,113)	(2,043)	(2,560)	(19,561)	(18,673)
Financial revenues	43,418	8,106	2,086	2,861	45,504	10,967
Equity in net income of subsidiaries	5,412	(276)	(4,775)	(33)	637	(309)
Income tax and social contribution	(57,939)	(22,506)	(4,618)	(658)	(62,557)	(23,164)
Net income for the period	139,017	65,394	11,510	7,894	150,527	73,288

	<b>Automotive logistics</b>		<b>Integrated Logistics</b>		<b>Total</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Current assets	409,843	295,821	47,544	41,690	457,387	337,511
Non-current assets	470,859	416,219	64,978	55,703	535,837	471,922
<b>Total assets</b>	<b>880,702</b>	<b>712,040</b>	<b>112,522</b>	<b>97,393</b>	<b>993,224</b>	<b>809,433</b>
Current liabilities	242,267	159,528	24,983	11,114	267,250	170,642
Non-current liabilities	132,920	144,471	15,319	9,948	148,239	154,419
<b>Total liabilities</b>	<b>375,187</b>	<b>303,999</b>	<b>40,302</b>	<b>21,062</b>	<b>415,489</b>	<b>325,061</b>

- (i) R\$ 16,702 refer to the portion of depreciation attributed to the cost of services and R\$ 2,824 attributed to general administrative expenses in September 2019 (R\$ 14,139 and R\$ 1,681, respectively, in September 2018), according to Note 10.
- (ii) R\$ 23,736 refer to the portion of depreciation attributed to the cost of services and R\$ 612 attributed to general administrative expenses in September 2019, according to Note 26.

Revenues from the four largest clients represented approximately 70% of total revenues.

The services rendered by the automotive and integrated logistics segments are rendered to clients based in national territory.

## 19 Net revenue from services rendered

The reconciliation of gross revenue to net revenue from services rendered is as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
Gross revenue from services	1,051,411	989,524	1,189,463	1,099,094
Discounts, insurance and toll fees	(56,487)	(57,646)	(59,200)	(59,266)
	<b>994,924</b>	<b>931,878</b>	<b>1,130,263</b>	<b>1,039,828</b>
Taxes levied	(142,770)	(131,256)	(161,271)	(153,275)
Net revenue from services	<b>852,154</b>	<b>800,622</b>	<b>968,992</b>	<b>886,553</b>

## 20 Expenses per type

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
Cost of services rendered	(667,649)	(636,326)	(767,852)	(715,633)
General and administrative expenses	(48,628)	(44,485)	(49,927)	(45,829)
Management remuneration	(9,338)	(8,491)	(9,338)	(8,491)
Commercial expenses	(366)	(380)	(366)	(380)
<b>Total</b>	<b>(725,981)</b>	<b>(689,682)</b>	<b>(827,483)</b>	<b>(770,333)</b>

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>09/30/2018</b>	<b>09/30/2019</b>	<b>09/30/2018</b>
Freight services – aggregated	(565,673)	(550,841)	(611,525)	(572,404)
Salaries	(55,792)	(50,364)	(63,822)	(59,459)
Social charges	(30,224)	(27,973)	(35,486)	(33,627)
Outsourced services (i)	(35,420)	(27,319)	(40,296)	(31,823)
Rentals and lease (ii)	(4,950)	(16,114)	(6,247)	(27,614)
Depreciation and amortization	(14,052)	(17,372)	(19,526)	(22,674)
Amortization - Right-of-use	(14,981)	-	(24,348)	-
Employee benefits	(17,691)	(14,560)	(21,309)	(18,585)
Variable costs	(5,932)	(9,670)	(19,703)	(21,902)
Other overhead expenditures	(6,890)	(6,019)	(9,149)	(8,913)
Maintenance	(9,955)	(8,862)	(13,664)	(12,373)
Fuels and lubricants	(6,452)	(6,307)	(6,900)	(6,788)
Utilities	(3,053)	(2,482)	(4,373)	(3,948)
Communication	(1,839)	(1,701)	(2,136)	(2,118)
Other personnel expenditures	(4,794)	(1,932)	(5,502)	(2,618)
Termination costs	(1,935)	(1,426)	(2,539)	(1,749)
Material	(1,884)	(1,472)	(2,841)	(2,473)
Expenses with travel	(1,401)	(1,348)	(1,410)	(1,352)
Misplacement indemnity	(332)	(556)	(333)	(673)
Contributions and donations	(396)	(661)	(456)	(664)
Contractual fines	(2)	(473)	(2)	(473)
PIS/Cofins tax credits	57,667	57,770	64,084	61,897
<b>Total</b>	<b>(725,981)</b>	<b>(689,682)</b>	<b>(827,483)</b>	<b>(770,333)</b>

- (i) It includes the amount of R\$ 6,084 referring to attorney's fees for lawsuit related to exclusion of ICMS from PIS and COFINS calculations, as mentioned in note 8 item (i).
- (ii) On September 30, 2019, indicated amounts refer only to contracts exempt from IFRS 16 application. Contracts subject to the new standard, as mentioned in note 26, would total additional expenses of R\$ 16,901 in the Parent Company and of R\$ 27,076 in Consolidated.



## 21 Other revenues (expenses), net

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Extemporaneous tax credits (i)	56,475	-	56,475	-
Recovery of expenses (ii)	1,444	417	2,971	2,294
Inventory adjustments	-	-	(124)	(62)
Gain (loss) on sale of fixed assets, net	24	(356)	(36)	(407)
Bad debt losses	(85)	47	1,284	655
Write-off of right-of-use / Lease	10	-	10	-
Formation of provisions for lawsuits and indemnities paid	(12,605)	(9,162)	(14,748)	(16,142)
Loss in the write-off of goodwill (iii)	-	(2,527)	-	(2,527)
Fair value at transfer of investment (iv)	-	1,842	-	1,842
Other	(1,171)	(1,512)	(837)	2,594
<b>Other revenues (expenses), net</b>	<b>44,092</b>	<b>(11,251)</b>	<b>44,995</b>	<b>(11,753)</b>

- (i) Credit referring to exclusion of ICMS from PIS and COFINS calculations, as mentioned in note 8 item (i).
- (ii) Refer to onlendings of fixed operating costs of areas sub-rented to clients.
- (iii) Goodwill balances recognized upon acquisition of former subsidiary Tegma Logística Integrada S.A., which were written-off due to joint venture formation, as described in note 2 item (i).
- (iv) Amount referring to evaluation made by independent advisors of Tegma Logística Integrada S.A. assets fair value, which was the object of joint venture formation, as described in note 2 item (i).

## 22 Net financial revenues (expenses)

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
<b>Financial revenues</b>				
Positive income (loss) from swap operation	3,208	3,735	3,208	3,735
Asset interest (i)	36,520	1,101	37,167	1,382
Revenue from interest earning bank deposits	4,616	2,916	5,129	5,850
<b>Total</b>	<b>44,344</b>	<b>7,752</b>	<b>45,504</b>	<b>10,967</b>
<b>Financial expenses</b>				
Interest on bank financings	(7,083)	(9,425)	(7,083)	(9,597)
Bank expenses	(1,250)	(1,270)	(1,280)	(1,291)
Exchange losses	(3,927)	(3,907)	(3,968)	(3,911)
Interest on financial lease	(3,115)	-	(4,641)	-
Liability interest	(360)	(424)	(477)	(2,619)
Other financial expenses	(1,994)	(1,082)	(2,112)	(1,255)
<b>Total</b>	<b>(17,729)</b>	<b>(16,108)</b>	<b>(19,561)</b>	<b>(18,673)</b>
<b>Net financial revenues (expenses)</b>	<b>26,615</b>	<b>(8,356)</b>	<b>25,943</b>	<b>(7,706)</b>

- (i) It includes the amount of R\$ 34,916 deriving from inflation adjustment of credit principal referring to exclusion of ICMS from PIS and COFINS calculations, as mentioned in note 8 item (i).

## 23 Earnings per share

### a. Basic earnings per share

Basic earnings per share is calculated by dividing net income attributable to Company's shareholders by the weighted average number of common shares issued during the period:

	<u>09/30/2019</u>	<u>09/30/2018</u>
Income attributable to Company's shareholders	150,527	73,288
Weighted average number of outstanding common shares (thousands)	65,938	65,938
Basic earnings per share - R\$	<u>2.28</u>	<u>1.11</u>

### b. Basic and diluted balance

Diluted earnings per share is calculated by adjusting the weighted average number of common shares, presuming the conversion of all the potential diluted common shares.

As of September 30, 2019 and 2018, the Company did not have any dilution factor in relation to the basic. Accordingly, diluted earnings per share as of September 30, 2019 and September 30, 2018 is equal to basic earnings per share of R\$2.28 and R\$1.11, respectively.

## 24 Related parties

During the normal course of its business, the Company carries out transportation operations, rental of properties, delivery and Pre-Delivery Inspection - PDI with related parties at prices, and with terms, financial charges and other conditions compatible with those of the market conditions. The Company also apportions costs and operating expenses.

Main related party transactions are:

- (i) The Company maintains a contract for the provision of services such as storage, transportation, review and delivery of vehicles, as well as review, delivery, and Pre-Delivery Inspection (PDI) with some companies of Itavema Group that are directly and/or indirectly related to the Company, by means of Parent Company Mopia Participações e Empreendimentos Ltda ("Mopia");
- (ii) The Company has with Sinimbu Participações Societárias e Empreendimentos S.A. ("Sinimbu") company related to the indirect majority shareholders of the Company, and indirectly to the companies of the Company's control group, Mopia Participações e Empreendimentos Ltda. ("Mopia") and Cabana Empreendimentos e Participações Ltda. ("Cabana"), a rental contract of the business property located in São José dos Campos/SP; thus, this contract is included in standard CPC 06 (R2) Lease
- (iii) The Company maintains with Pactus Empreendimentos e Participações Ltda., company jointly-controlled by the Company, a contract for rent of commercial properties located in São Bernardo do Campo, SP and Gravataí, RS; thus, this contract is included in the new standard CPC 06 (R2) Lease Operations;
- (iv) Due to adhesion to Special Program for Tax Regularization (PERT) in October 2017, and aiming at settling its debts, in January 2018, the Company used part of credits deriving from tax losses and Social Contribution on Net Income negative basis (CSLL) of its subsidiary Tegma Logística de Veículos Ltda. (R\$ 4,086), settled in 2019.

- (v) Due to adhesion to Special Program for Tax Regularization (PERT) in October 2017, and aiming at settling its debts, in January 2018, the Company used part of credits deriving from tax losses and Social Contribution on Net Income negative basis (CSLL) of its subsidiary Tegma Cargas Especiais Ltda. (R\$ 501) settled in 2019.
- (vi) According to negotiation between the Company and Holding Silotec to form the joint venture, part of former subsidiary Tegma Logística Integrada S.A. assets should be reimbursed to Tegma Gestão Logística S.A as they are realized. Likewise, Tegma Gestão Logística S.A. should pay part of the liabilities. Moreover, part of the amounts negotiated in the formation of the joint venture was received in May 2019.

The Company provides to Renove Corretora de Seguros Ltda., company related to the Company's indirect controlling shareholders, and indirectly to entity of the Company's control group, Mopia Participações e Empreendimentos Ltda. ("Mopia"), insurance administrative services; these services are not remunerated by Tegma.

**Tegma Gestão Logística S.A.**  
Quarterly information on September 30, 2019

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current assets				
Itavema group (i)	147	565	147	565
Cisa Trading S.A.	-	1	-	1
Coimex Empreendimentos e Participações Ltda.	-	-	34	34
Cia de Transportes e Armazéns Gerais	-	-	-	49
Tegma Logística Integrada S.A. (vi)	5	2,648	19	3,477
Tegma Cargas Especiais Ltda.	5	9	-	-
Tegma Logística de Armazéns Ltda.	33	7	-	-
Tegma Logística de Veículos Ltda	121	952	-	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	1	-
<b>Total Current</b>	<b>311</b>	<b>4,182</b>	<b>201</b>	<b>4,126</b>
Non-current assets				
Tegma Logística Integrada S.A. (vi)	3,676	15,626	3,676	15,626
<b>Total assets</b>	<b>3,987</b>	<b>19,808</b>	<b>3,877</b>	<b>19,752</b>
Current liabilities				
Tegma Logística de Armazéns Ltda	155	77	-	-
Tegma Logística Integrada S.A. (vi)	17	1,064	30	1,865
Tegma Logística de Veículos Ltda (iv)	-	5,461	-	-
Tegma Cargas Especiais Ltda (v)	-	508	-	-
Niyati Empreendimentos e Participações Ltda	13	313	-	-
Pactus Empreendimentos e Participações Ltda. (iii)	-	360	-	360
Sinimbu Participações Societárias e Empreendimentos S.A. (ii)	-	86	-	86
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	2	-
<b>Subtotal</b>	<b>185</b>	<b>7,869</b>	<b>32</b>	<b>2,311</b>
Lease				
Niyati Empreendimentos e Participações Ltda	1,476	-	-	-
Tegma Logística Integrada S.A.	300	-	300	-
Pactus Empreendimentos e Participações Ltda. (iii)	1,375	-	1,375	-
Sinimbu Participações Societárias e Empreendimentos S.A.)	1,107	-	1,107	-
<b>Subtotal</b>	<b>4,258</b>	<b>-</b>	<b>2,782</b>	<b>-</b>
<b>Total Current</b>	<b>4,443</b>	<b>7,869</b>	<b>2,814</b>	<b>2,311</b>
Non-current liabilities				
Tegma Logística Integrada S.A. (vi)	2,829	1,958	2,829	1,958
<b>Subtotal</b>	<b>2,829</b>	<b>1,958</b>	<b>2,829</b>	<b>1,958</b>
Lease				
Niyati Empreendimentos e Participações Ltda	2,585	-	-	-
Tegma Logística Integrada S.A.	1,021	-	1,021	-
Sinimbu Participações Societárias e Empreendimentos S.A.)	4,797	-	4,797	-
<b>Subtotal</b>	<b>8,403</b>	<b>-</b>	<b>5,818</b>	<b>-</b>
<b>Total liabilities</b>	<b>15,675</b>	<b>9,827</b>	<b>11,461</b>	<b>4,269</b>

Income (loss)	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Revenue from services rendered				
Itavema group	1,042	1,452	1,042	1,452
Cisa Trading S.A.	-	973	-	1,925
Tegma Logística Integrada S/A	-	2	-	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	35	-
Other operating revenues				
Itavema group	51	97	85	97
Tegma Logística Integrada S/A	55	352	364	327
Tegma Cargas Especiais Ltda.	49	71	-	-
Tegma Logística de Armazéns Ltda.	80	92	-	-
Tegma Logística de Veículos Ltda.	153	-	-	-
Tegmax Comércio e Serviços Automotivos Ltda.		1		
	<b>1,430</b>	<b>3,040</b>	<b>1,526</b>	<b>3,801</b>
General and administrative expenses				
Niyati Empreendimentos e Participações Ltda	(3,575)	(2,800)	-	-
Tegma Logística Integrada S/A	(701)	(2)	(1,442)	(820)
Tegma Cargas Especiais Ltda.	(27)	(3)	-	-
Tegma Logística de Armazéns Ltda	(193)	(458)	-	-
Tegma Logística de Veículos Ltda.	(105)	-	-	-
Pactus Empreendimentos e Participações Ltda. (iii)	(3,421)	(3,136)	(2,625)	(3,136)
Sinimbu Participações Societárias e Empreendimentos S.A.)	(1,208)	(1,584)	(896)	(1,584)
Coimex Empreendimentos e Participações Ltda.	(35)	-	(170)	(210)
Itavema group	(5)	-	(12)	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	(7)	-	(41)	-
	<b>(9,277)</b>	<b>(7,983)</b>	<b>(5,186)</b>	<b>(5,750)</b>

## Remuneration of key management personnel

Key management personnel includes the CEO, Board members, statutory officers, and, possibly, people related to indirect controlling shareholders. Remuneration paid or payable due to employee services is as follows:

	Parent Company and Consolidated	
	09/30/2019	09/30/2018
Salaries and charges	(5,423)	(4,783)
Directors' fees (Board members)	(2,114)	(2,091)
Profit sharing	(1,801)	(1,617)
	<b>(9,338)</b>	<b>(8,491)</b>

## 25 Insurance

The Company and its subsidiaries maintain insurance and contracted coverage, as indicated below, is considered sufficient by management to cover possible risks on its assets and/or responsibilities:

- (a) Cargo transportation – variable coverage up to R\$1,700, depending on transportation nature and type, for general cargo and for vehicles according to the model that is being transported.

- (b) With the creation of the joint venture, mentioned in Note 2 item i, it is necessary to change the commodity warehousing policy coverage. This coverage, in a variable way, according to location and type of goods, was stipulated in the amount of US\$ 50,000.
- (c) Civil liabilities against third parties, material damage, personal injuries, pain and suffering, and personal accidents – coverage of up to R\$1,000; and in case of third parties' fleet, coverage is the same.
- (d) Supporting fleet – hull, collision, theft and fire - 100% of market value, FIPE table.
- (e) Other property, plant and equipment assets, fire, lightning, explosion, aggravated theft, electric damages and other – corporate comprehensive coverage of R\$ 65,120.
- (f) Management civil liability - coverage of R\$ 63,000.

The Company's management - considering financial costs involved in contracting insurance for its truck and semi-trailers fleet, as well as the probability of claims and their possible financial impact on operations - adopts the policy of not contracting this protection, though maintaining insurance for civil liability against third parties, as previously mentioned.

## **26 Lease**

Beginning as of January 1, 2019, IFRS 16/ CPC 06 (R2) Lease Transactions became effective and established a new methodology for lease evaluation, replacing IAS 17. For lessors, bookkeeping remained similar to prior standard, but a new model was established for lessees.

A lease is identified if there is a transfer of the right to control the use of a particular asset for a period of time in return for a consideration.

Based on this finding, lessees shall measure and record the lease agreement on their balance sheet, while the lease liability is recognized at the present value of its payments at a discount rate and the right-of-use asset is recognized in an amount equivalent to such liability. The rate adopted by the Company is fixed and specific to each contract. The CDI (Interbank Deposit Certificate) curve is considered to form this rate, based on the term of each lease agreement (new or renewal) plus a spread based on the company's indebtedness spread on the renewal or closing date of each new agreement.

Accordingly, the right-of-use assets are now amortized on a straight-line basis following the guidelines of CPC 27 - Fixed assets, while lease liabilities bear interest expense, net of payment of the consideration.

The standard provides for exemptions in the applicability for short-term leases and low-value assets involved in the operation.

The main leases related to the new rule identified by the Management are real estate of third parties and equipment linked to the operation and the method adopted was the modified method on retrospective basis.

Changes in right-of-use asset are as follows:

	<b>Parent company</b>			
	<b>Real estate</b>	<b>Vehicles</b>	<b>Machinery and equipment</b>	<b>Total</b>
Net balances at December 31, 2018	-	-	-	-
Changes				
First-time adoption	42,207	2,158	689	45,054
Addition	23,794	449	-	24,243
Write-off	(75)	(17)	-	(92)
Amortization	(13,827)	(959)	(195)	(14,981)
Net balances at September 30, 2019	<b>52,099</b>	<b>1,631</b>	<b>494</b>	<b>54,224</b>

  

	<b>Consolidated</b>			
	<b>Real estate</b>	<b>Vehicles</b>	<b>Machinery and equipment</b>	<b>Total</b>
Net balances at December 31, 2018	-	-	-	-
Changes				
First-time adoption	61,358	2,275	4,454	68,087
Addition	30,197	462	66	30,725
Write-offs	(287)	(17)	(67)	(371)
Amortization	(21,180)	(1,003)	(2,165)	(24,348)
Net balances at September 30, 2019	<b>70,088</b>	<b>1,717</b>	<b>2,288</b>	<b>74,093</b>

Changes in lease liability for 2019 are as follows:

	<b>Parent company</b>	<b>Consolidated</b>
<b>Balance at December 31, 2018</b>	-	-
First-time adoption	45,054	68,087
Additions	24,243	30,725
Write-offs	(102)	(381)
Recognized interest	3,115	4,641
Payment of principal	(12,049)	(19,751)
Interest payment	(2,673)	(3,999)
<b>Balance at September 30, 2019</b>	<b>57,588</b>	<b>79,322</b>
Current	14,794	28,196
Non-current	42,794	51,126
	<u>57,588</u>	<u>79,322</u>
Balance with third parties	44,927	70,722
Balance with related parties	12,661	8,600
	<u>57,588</u>	<u>79,322</u>

## 27 Cash flow supplementary information

The preparation and presentation of statements of cash flows, based on indirect method, is carried out in accordance with the accounting pronouncement CPC 03 (R2) – Statements of Cash Flows.

Additional information is as follows:

	<b>Parent company</b>	<b>Consolidated</b>
Acquisition of PP&E 2019 - not paid	(1,469)	(1,662)
Paid prior years' acquisition of property, plant and equipment – in installments	-	210
Acquisition of property, plant and equipment in 2018 - paid	1,315	3,395
Acquisition of intangible assets 2019 - not paid	(88)	(88)
Acquisition of intangible assets in 2018 - paid	296	435
Offset of current income tax and social contribution	(1,407)	(867)
Deferred taxes on hedge accounting	367	367
Initial adoption of IFRS 16	45,054	68,087
Additions IFRS 16	24,243	30,725

## 28 Subsequent events

a. On October 17, 2019, the Company was subject to a search and seizure warrant authorized by the 1<sup>st</sup> Criminal Court of São Bernardo do Campo as a result of investigation that, until then, the Company was not aware of and that started due to a “Partial Leniency Agreement” signed by one of the companies competing with Tegma in the brand-new vehicles’ transportation market. This investigation is intended to determine alleged concerted action for transportation of brand-new vehicles imported for Kia client from Vitória Port to Inland Customs Station, which was ended by the Company in 2015, and that even at that time represented a negligible volume for the Company. Search and seizure action did not affect the Company’s operations.

As a result of events described and, (i) in spite of firm conviction that the Company operates within the most rigid Compliance standards and market rules, (ii) that the origin of allegations that based search and seizure warrant is commercial dispute, and (iii) that even in face of several successes in prior lawsuits that ascribed to the Company the same infractions to the economic order; the Board of Directors, following the best market practices and excelling in transparency and exemption, determined in a meeting held on November 1, 2019 the establishment of an Independent Committee comprised of three members and advised by a specialized office to conduct a deep and meticulous investigation of facts attributed to the Company, object of documentation included in the Leniency Agreement that originated said search and seizure warrant. This work will be conducted on an independent manner and by skilled, experienced and unbiased professionals that will directly report to the Board of Directors.

b. In the meeting of the Board of Directors held on November 7, 2019, the distributions of interim dividends and interest on own capital in the amount of R\$ 34,272 and interim interest on own capital in the amount of R\$ 11,424 were approved, paid on November 26, 2019.



## FISCAL COUNCIL REPORT

### TEGMA GESTÃO LOGÍSTICA S.A

The Board members, in compliance with the provisions of article 163, item VI of Law No. 6,404 / 76, analyzed the Company's quarterly information for the quarter ended September 30 and concluded that these documents are duly presented in all material respects. The councilors no longer commented on the letter "a" of the Subsequent Events, contained in the quarterly information - related to the Inquiry that gave rise to the procedure called Operação Pacto ("Operation"), as they were not aware of any Transaction, as well as the information contained in the Material Facts published on October 17 and 18.

São Bernardo do Campo, November 7, 2019

COUNSELORS:

Marco Tulio Clivati Padilha

Mauro Stacchini Jr

Rubens Barletta

## DECLARATION BY THE DIRECTORS ON THE FINANCIAL STATEMENTS

In compliance with article 25, section VI, of CVM Instruction 480 of December 7, 2009, the directors of Tegma Logistics Management SA, a publicly traded corporation, registered in the Ministry of Finance under CNPJ 02.351.144/0001-18 declare that they have reviewed, discussed and agreed with the financial statements presented.

São Bernardo do Campo, November 7, 2019

DIRECTORS:

Gennaro Oddone  
Chief Executive Officer and Investor Relations

Ramón Pérez Arias Filho  
Chief Financial Executive

## STATEMENT BY THE BOARD ON THE REPORT OF INDEPENDENT AUDITING COMPANY

Considering the Material Fact of November 7, 2019, since the quarterly information presented on this date does not contain the independent auditors' review report, the declaration of art. 29, §1, II and art. 25, §1, V, was harmed. As soon as the Company obtains the independent auditors' review report, such statement will be presented.

São Bernardo do Campo, November 7, 2019

### DIRECTORS:

Gennaro Oddone  
Chief Executive Officer and Investor Relations

Ramón Pérez Arias Filho  
Chief Financial Executive