Tegma Gestão Logística S.A.

Financial statements
December 31, 2017

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil)

KPDS 207784

Contents

Independent auditors' report in the individual and consolidated financial statements

To the Shareholders, Board Members and Management of

Tegma Gestão Logística S.A.

São Bernardo do Campo - SP

Opinion

We have audited the individual and consolidated financial statements of Tegma Gestão Logística S.A. ("Company"), respectively referred to as Company and Consolidated, which comprise the statement of financial position as of December 31, 2017 and the statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Tegma Gestão Logística S.A. as of December 31, 2017, and of its individual and consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and International Financial Reporting Standards – (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Revenue recognition</th></tr>
<tr><td colspan="2">According to Note 19 “Net income from services rendered” of the individual and consolidated financial statements</td></tr>
<tr><td>Key Audit Matters</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Company and its subsidiaries recognize the income from the logistics, transportation and warehousing management service in the period when services are rendered. Accordingly, the revenue recognition process at the end of each period contemplates the preparation of an accounting estimate for determining the revenue earned but not yet billed.

Due to the fact that such operations involve significant amounts, are diluted, decentralized (transportations are provided to different localities), are carried out at large volume, and the determination of the period when the service is rendered is based on estimates of average delivery dates, the revenue recognition process involves judgment by the Company, particularly for determining the average delivery dates by geographical region of the rendered service, and is a complex process that requires the adoption of appropriate internal routines and controls to identify and measure revenue not billed. In view of the above, and the fact that possible failures in such controls may impact the appropriate revenue recognition, and, consequently, the amount recognized in the individual and consolidated financial statements the investment amount recorded under the equity method in the financial statements of the parent company, we consider it to be a key audit matter</td><td>We evaluated the design and operating effectiveness of the significant internal controls used by the Company and its Subsidiaries related to the gathering of information required for determining the effective service provision date and the criteria for determining the average delivery dates by geographical region of the provided service. By adopting sampling procedures, we selected the revenue and the period of its recognition through daily analytical reports, we analyzed the supporting revenue documentation, as well as the subsequent financial settlement to confirm whether the amounts were recorded in the correct period. We also evaluated adequacy of disclosures in financial statements.
Our tests identified the need for improvement in the internal controls related to the gathering of information required to determine the effective service date and the average delivery dates by geographical region of provided services. In view of this fact, we expanded the extent of our substantive tests, beyond the originally planned, to obtain sufficient and appropriate audit evidence for income recognition.

During our audit procedures we identified audit misstatement related to revenue recognition that were not recognized in view of their immateriality. As a result of evidence from the procedures summarized above, we consider that the revenue recognition as acceptable in the context with the overall of individual and consolidated financial statements as of December 31, 2017.</td></tr>
<tr><th colspan="2">Recoverable value of fixed and intangible assets, including goodwill</th></tr>
<tr><td colspan="2">According to Notes 3.1 (d.ii) “Impairment”, 9 “Investments”, 10 “Property, plant and equipment” and 11 “Intangible assets” of the individual and consolidated financial statements.</td></tr>
</table>

Key audit matters	How the matter was addressed in our audit
Individual and consolidated financial statements include amounts of property, plant and equipment and intangible assets, including goodwill, whose realization is supported by estimated future earnings based on business plan prepared by the Company. Due to uncertainties inherent to the process of determining estimates of future earnings of cash generating units for evaluation of these assets' impairment, which involve assumptions as discount rate, inflation rate, growth of certain segments, among others, and to complexity of process, which required significant judgment by the Company, we consider this a significant matter in our audit work.	We understood the process for preparation and review of business plan, budgets and analysis of impairment of cash generating units where investments, property, plant and equipment, including goodwill, were allocated by the Company. We evaluated reasonability of estimated values in use prepared by the Company, determination of Cash Generating Units (CGU), and methodology used for impairment test. With the help of our specialists in corporate finance, we evaluated assumptions and methodologies used by the Company and compared it with data obtained from external sources, such as projected economic growth, cost inflation and discount rates. Additionally, we compared the recoverable value determined based on the discounted cash flows, by Cash-generating Unit, with the book value of the respective Cash-generating Units, and evaluated the adequacy of the disclosures made in the financial statements. Based on evidence from the procedures summarized above, we consider the balances of fixed and intangible assets as acceptable including goodwill in the context with the overall of individual and consolidated financial statements as of December 31, 2017.

Realization of deferred tax assets

As shown in Note 15 "Income and social contribution taxes" of the individual and consolidated financial statements.

Key audit matters	How the matter was addressed in our audit
The consolidated individual financial statements include significant amounts of deferred tax assets, related to temporary differences and tax losses, considered recoverable based on the generation of future taxable profit Estimate of future taxable income generation requires judgment and interpretation of tax laws. The recoverable value of recognized deferred tax assets may significantly change if the assumptions about the projection of future taxable profits and the capacity of using tax losses are adopted, which	With the help of our specialists in corporate finance, we evaluated assumptions and methodologies used by the Company for preparation of the survey on future yield and compared it with data obtained from external sources, such as projected economic growth. We also compared the approved budgets for the prior year with the actual amounts to verify the Company's ability to project sufficient future results to support that unused tax losses and deductible temporary differences can be used by

may impact the amount of deferred tax assets recognized in the consolidated financial statements, and the amount of the investment recorded using the equity method in the financial statements of the parent company and in the effective rate for the year. For these reasons this subject was considered a key audit matter.	the Company. We also evaluated adequacy of disclosures in consolidated financial statements. Based on the adopted audit procedures and the obtained audit evidences, we considered the deferred tax assets acceptable, in the context with the overall of individual and consolidated financial statements as of December 31, 2017.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2017, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Financial statements for prior periods audited by other independent auditors

The individual and consolidated balances sheets as of December 31, 2016 and the individual and consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows and the related notes for the year then ended, presented as corresponding figures in the individual and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued an unqualified opinion dated March 17, 2017. The related amounts for the individual and consolidated statements of value added for the year ended December 31, 2016 were submitted to the same audit procedures by those independent auditors and, based on their audit, they issued an unqualified opinion.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and subsidiaries financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards auditing on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 16, 2018

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by

Wagner Petelin
Accountant CRC 1SP142133/O-7

Tegma Gestão Logística S.A.

Balance sheets

December 31, 2017 and 2016

In thousands of reais

	Note	Parent company		Consolidated	
Assets		**2017**	**2016**	**2017**	**2016**
Cash and cash equivalents	5	46,534	93,402	148,732	192,858
Trade receivable	6	146,052	128,601	171,180	154,255
Inventories (warehouse)		-	-	227	209
Income tax and social contribution		-	-	5,208	2,837
Recoverable taxes and contributions	8	36,234	6,660	42,770	13,032
Other receivable	7	3,608	3,187	4,528	11,048
Other receivable - Related parties	24	589	324	768	770
Dividends receivable	24	6,035	-	-	-
Prepaid expenses		480	555	1,267	968
Total current assets		**239,532**	**232,729**	**374,680**	**375,977**
Recoverable taxes	8	5,908	-	23,928	-
Other receivable	7	-	-	1,907	13,371
Deferred tax assets	15	-	-	36,560	23,287
Judicial deposits	14	8,703	9,473	13,571	21,527
Total long-term assets		**14,611**	**9,473**	**75,966**	**58,185**
Investments	9	280,843	276,687	1,978	2,999
Property, plant and equipment	10	109,607	118,618	210,100	214,140
Intangible assets	11	164,027	163,603	175,127	176,821
Total non-current assets		**569,088**	**568,381**	**463,171**	**452,145**
Total assets		**808,620**	**801,110**	**837,851**	**828,122**

The notes are an integral part of the financial statements.

Tegma Gestão Logística S.A.

Balance sheets

December 31, 2017 and 2016

In thousands of reais

Liabilities and shareholders' equity	Note	Parent company 2017	Parent company 2016	Consolidated 2017	Consolidated 2016
Loans and financing	12	151	1,048	1,112	1,048
Debentures	12	71,441	127,043	71,441	127,043
Suppliers		3,744	8,798	5,211	12,376
Freight payable		25,662	29,192	27,026	30,788
Taxes liabilities		12,611	9,426	15,453	13,120
Installment payment of taxes		5,307	-	6,034	19
Salaries and social security charges	13	20,277	22,834	24,644	27,489
Other liabilities	16	20,320	13,833	26,067	18,011
Other liabilities - Related parties	24	1,297	20,262	826	1,128
Trade payable related to acquisition of subsidiary	9	-	-	-	12,541
Income and social contribution taxes		11,635	3,901	12,170	4,001
Dividends payable	17	3,128	3,284	3,128	3,284
Total current liabilities		**175,573**	**239,621**	**193,112**	**250,848**
Provision for shareholders' deficit	9	-	196	-	196
Loans and financing	12	50,000	134	53,635	134
Debentures	12	96,686	163,352	96,686	163,352
Deferred tax liabilities	15	6,629	17,784	6,629	23,577
Provisions for tax, civil and labor risks	14	30,926	4,946	38,983	14,938
Total non-current liabilities		**184,241**	**186,412**	**195,933**	**202,197**
Capital		144,469	144,469	144,469	144,469
Capital reserves		174,055	174,055	174,055	174,055
Profit reserves		94,896	52,382	94,896	52,382
Treasury shares		(342)	(342)	(342)	(342)
Equity valuation adjustments		-	(203)	-	(203)
Additional proposed dividends		35,728	4,716	35,728	4,716
Total shareholders' equity	17	**448,806**	**375,077**	**448,806**	**375,077**
Total liabilities and shareholders' equity		**808,620**	**801,110**	**837,851**	**828,122**

The notes are an integral part of the financial statements

Tegma Gestão Logística S.A.

Statements of income

December 31, 2017 and 2016

In thousands of reais

		Parent company		Consolidated	
	Note	**2017**	**2016**	**2017**	**2016**
Net revenue from services rendered	19	943,182	791,501	1,083,975	923,891
Cost of services rendered	20	(727,068)	(646,247)	(850,043)	(781,340)
Gross profit		**216,114**	**145,254**	**233,932**	**142,551**
Administrative and general expenses	20	(59,733)	(61,228)	(63,822)	(64,839)
Management remuneration	20 / 24	(10,443)	(10,296)	(10,443)	(10,296)
Commercial expenses	20	(543)	(528)	(12,007)	(528)
Other operating income (expenses), net	21	(31,643)	(3,516)	(38,188)	(8,022)
Equity in subsidiaries	9	13,235	(2,893)	(763)	(2,190)
Operating profit before net financial income (expenses) and taxes		**126,987**	**66,793**	**108,709**	**56,676**
Financial income	22	24,380	18,777	40,596	32,480
Financial expenses	22	(29,924)	(59,822)	(31,812)	(62,357)
Net financial income (expenses)		**(5,544)**	**(41,045)**	**8,784**	**(29,877)**
Profit before income tax and social contribution		**121,443**	**25,748**	**117,493**	**26,799**
Income tax and social contribution					
Current	15	(28,835)	(13,465)	(33,988)	(16,316)
Deferred assets	15	11,155	1,543	20,258	3,343
Net income for the year		**103,763**	**13,826**	**103,763**	**13,826**
Controlling shareholders of the Company				**103,763**	**13,826**
Non-controlling shareholders				**-**	**-**
				103,763	**13,826**
Earnings per share:					
Basic earnings per share (in R$)				1.57	0.21
Diluted earnings per share (in R$)				1.57	0.21

The notes are an integral part of the financial statements.

Tegma Gestão Logística S.A.

Statements of comprehensive income

December 31, 2017 and 2016

In thousands of reais

	Note	Parent company		Consolidated	
		2017	**2016**	**2017**	**2016**
Net income for the year		103,763	13,826	103,763	13,826
Gain (loss) from currency translation adjustments of foreign subsidiaries	9	203	(784)	203	(784)
Total comprehensive income		**103,966**	**13,042**	**103,966**	**13,042**

The notes are an integral part of the financial statements.

Tegma Gestão Logística S.A.

Statements of changes in shareholders’ equity

December 31, 2017 and 2016

In thousands of reais

		Capital reserves		Profit reserves						
	Capital	**Capital reserves**	**Stock options granted**	**Legal reserve**	**Profit retention**	**Additional dividends proposed**	**Treasury shares**	**Equity valuation adjustments**	**Retained earnings**	**Total shareholders' equity**
Balances at January 01, 2016	**144,469**	**174,055**	**44**	**26,522**	**20,034**	**-**	**(342)**	**581**	**-**	**365,363**
Net income for the year	-	-	-	-	-	-	-	-	13,826	**13,826**
Gain (loss) from currency translation adjustments of foreign subsidiaries	-	-	-	-	-	-	-	(784)	-	**(784)**
Stock option plan	-	-	(44)	-	-	-	-	-	-	**(44)**
Destination:										-
Formation of reserves	-	-	-	-	13,135	-	-	-	(13,135)	-
Formation of legal reserve				691					(691)	-
Dividends	-	-	-	-	(8,000)	4,716	-	-	-	**(3,284)**
Balances at December 31, 2016	**144,469**	**174,055**	**-**	**27,213**	**25,169**	**4,716**	**(342)**	**(203)**	**-**	**375,077**
Balances at January 01, 2017	**144,469**	**174,055**	**-**	**27,213**	**25,169**	**4,716**	**(342)**	**(203)**	**-**	**375,077**
Net income for the year	-	-	-	-	-	-	-	-	103,763	**103,763**
Gain (loss) from currency translation adjustments of foreign subsidiaries	-	-	-	-	-	-	-	203	-	**203**
Destination:										
Formation of reserves	-	-	-		102,082		-	-	(102,082)	-
Formation of legal reserve	-	-	-	1,681			-	-	(1,681)	-
Dividends and interest on own capital	-	-	-	-	(61,249)	31,012	-	-		**(30,237)**
Balances at December 31, 2017	**144,469**	**174,055**	**-**	**28,894**	**66,002**	**35,728**	**(342)**	**-**	**-**	**448,806**

The notes are an integral part of the financial statements.

Tegma Gestão Logística S.A.

Statements of cash flows – Indirect method

December 31, 2017 and 2016

In thousands of reais

	Note	Parent company		Consolidated	
		2017	**2016**	**2017**	**2016**
Income before taxes		121,443	25,748	117,493	26,799
Adjustments for:					
Depreciation and amortization	10 and 11	18,478	19,030	28,144	30,100
Loss on sale of assets	21	857	1,912	816	2,942
Provision for legal disputes	14	31,208	1,507	38,440	3,036
Provision for losses on investments	21	1,365	-	1,365	-
Gain in the sale of investments		(471)	-	(471)	-
(Reversal) of estimated loss for allowance for doubtful accounts	6	(23)	(78)	93	867
Provision for impairment from sales of subsidiaries	20	-	-	11,464	-
Equity in net income of subsidiaries	9	(13,235)	2,893	763	2,190
Financial charges of installments of taxes and securities payable		(3,905)	6,902	(3,719)	6,902
Interest on loans and debentures	12	26,356	49,350	26,713	49,350
Interest from purchase / call option		-	-	137	1,533
Extempore tax credits	8	(33,096)	-	(50,498)	-
Options granted	17.f	-	(44)	-	(44)
		148,977	**107,220**	**170,740**	**123,675**
(Increase) Decrease in assets and liabilities					
Accounts receivable		(17,428)	15,148	(17,018)	32,478
Recoverable taxes		(4,092)	1,250	(8,827)	2,836
Judicial deposits		(437)	(2,406)	(675)	342
Other assets		(323)	6,165	6,226	10,965
Suppliers and freight payable		(9,734)	(1,627)	(12,305)	(2,240)
Salaries and social security charges		2,018	(1,410)	2,619	(2,419)
Related parties		(447)	1,129	(300)	(3,806)
Other liabilities and taxes payable		8,686	1,071	10,189	(6,535)
Cash generated by operating activities		**127,220**	**126,540**	**150,649**	**155,296**
Interest paid on loans and financing	12	(2,541)	(52)	(2,776)	(52)
Interest paid on debentures	12	(29,412)	(50,733)	(29,412)	(50,733)
Interests paid on securities payable and tax installments		-	-	(39)	-
Lawsuits paid	14	(7,684)	(1,551)	(10,133)	(10,849)
Payments of securities payable and taxes in installments		(678)	-	(756)	-
Income and social contribution taxes paid		(19,395)	(7,779)	(22,531)	(9,303)
Net cash flow from operating activities		**67,510**	**66,425**	**85,002**	**84,359**

The notes are an integral part of the financial statements.

Tegma Gestão Logística S.A.

Statements of cash flows – Indirect method

December 31, 2017 and 2016

In thousands of reais

		Parent company		Consolidated	
	Note	**2017**	**2016**	**2017**	**2016**
Cash flows from investment activities					
Investments in subsidiaries – capital increase	9	(500)	(15,085)	-	-
Dividends received	9	2,657	-	736	-
Acquisition of intangible assets		(3,958)	(1,654)	(4,168)	(1,860)
Acquisitions of property, plant and equipment		(6,137)	(11,415)	(20,013)	(31,136)
Income from sale of assets		474	1,619	616	2,332
Payment for the acquisition of investments	9	-	-	(12,678)	-
Net cash used in investment activities		**(7,464)**	**(26,535)**	**(35,507)**	**(30,664)**
Cash flows from financing activities					
Dividends and interest on own capital paid	17.e	(30,393)	-	(30,393)	-
Funding of loans and financing	12	50,000	-	54,474	-
Payment of debentures	12	(116,655)	(69,993)	(116,655)	(69,993)
Payment of loans and financing	12	(1,047)	(1,292)	(1,047)	(1,292)
Payments made to related parties	24	(8,819)	-	-	-
Payments of securities payable and taxes in installments		-	(3,782)	-	(3,811)
Net cash used in financing activities		**(106,914)**	**(75,067)**	**(93,621)**	**(75,096)**
Net decrease in cash and cash equivalents		**(46,868)**	**(35,177)**	**(44,126)**	**(21,401)**
Cash and cash equivalents at January 1		93,402	128,579	192,858	214,259
Cash and cash equivalents at December 31		46,534	93,402	148,732	192,858

The notes are an integral part of the financial statements.

Tegma Gestão Logística S.A.

Statements of value added

December 31, 2017 and 2016

In thousands of reais

	Note	Parent company 2017	Parent company 2016	Consolidated 2017	Consolidated 2016
Income					
Gross sales of services, net of discounts		1,098,952	921,975	1,254,305	1,079,178
Other income		1,995	2,282	4,975	5,766
(Reversal) of estimated loss for allowance for doubtful accounts	6	23	78	(93)	(867)
		1,100,970	**924,335**	**1,259,187**	**1,084,077**
Inputs acquired from third parties					
Cost of services rendered		(646,383)	(544,204)	(674,042)	(573,779)
Material, energy, outsourced services and other operating items		(111,793)	(75,172)	(175,907)	(128,987)
Provision for losses on investments	11	(1,365)	-	(1,365)	-
		(759,541)	**(619,376)**	**(851,314)**	**(702,766)**
Gross value added		**341,429**	**304,959**	**407,873**	**381,311**
Depreciation and amortization	10 and 11	(18,478)	(19,030)	(28,144)	(30,100)
Net value added produced by the Company		**322,951**	**285,929**	**379,729**	**351,211**
Value added received as transfer					
Equity in net income of subsidiaries	9	13,235	(2,893)	(763)	(2,190)
Financial income	22	24,380	18,777	40,596	32,480
Total value added payable		**360,566**	**301,813**	**419,562**	**381,501**
Distribution of value added					
Personnel and charges					
Direct remuneration		82,486	86,712	105,054	110,143
Benefits		17,295	10,108	25,234	14,904
FGTS		6,647	7,003	8,383	8,999
Taxes, duties and contributions					
Federal		44,804	59,755	49,506	71,987
State		52,278	42,783	48,426	48,516
Municipal		1,836	1,502	6,281	5,959
Third-party capital remuneration / Lenders					
Interest and inflation adjustment		29,924	59,822	31,812	62,357
Rentals		21,533	20,302	41,103	44,810
Remuneration of own capital					
Dividends		61,249	8,000	61,249	8,000
Retained earnings		42,514	5,826	42,514	5,826
Distributed value added		**360,566**	**301,813**	**419,562**	**381,501**

The notes are an integral part of the financial statements.

Notes to the financial statements

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 various segments of the economy, such as the automotive, consumer goods, chemical and appliance industries.

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.

Controlling shareholders are: Sinimbu Participações Societárias e Empreendimentos S.A. and COIMEX Empreendimentos e Participações Ltda.

2 List of subsidiaries

The Group is comprised as follows:

Direct and indirect subsidiaries	**Interest (%) 2017**	**Interest (%) 2016**	**Relationship**
Tegma Cargas Especiais Ltda. (“TCE”)	100.00	100.00	Subsidiary
Tegma Logística Integrada S.A. (“TLI”)	100.00	100.00	Subsidiary
Tegma Logística de Armazéns Ltda. (“TLA”) (ii)	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
Catlog Logística de Transportes S.A. (“Catlog”)	49.00	49.00	Jointly-controlled subsidiary
Tegma Venezuela S.A. (“TV”) (i)	-	25.00	Jointly-controlled subsidiary

As described in Note 18, the Company and its Subsidiaries are divided into two reportable operating segments: (1) Logística Automotiva, engaged in transporting vehicles and parts for auto makers; and (2) Logística Integrada, engaged in providing transportation, storage, inventory management and similar services to a number of market segments.

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.

In December 2016, the Board of Directors approved the action plan comprising the transfer of the Company’s yard management and vehicle transportation from the Company to the subsidiary Tegma Logística de Veículos Ltda. (“TLV”). In relation to the plan for merging the chemicals logistics operations of Subsidiary Tegma Cargas Especiais Ltda. (“TCE”) by Subsidiary Tegma Logística Integrada S.A. (“TLI”), the same was substituted in view of the corporate restructuring described in item (ii) below and Note 27.

(i) Disposal of investment

In May 2017, management approved the disposal of the 25%-interest in the jointly-controlled subsidiary Tegma Venezuela S.A, and since this was not a material fact for the Company, it has not early disclosed this shareholding change.

(ii) Corporate restructuring

On August 31, 2017, the Subsidiary Tegma Logística Integrada S.A. increased the capital of Tegma Logística de Armazéns Ltda. by granting a portion of the net assets it owned. The capital contribution amounted to R$ 20,639 by issuing 20,639 new quotas with par value of R$1.00 each.

The net asset granted based on carrying amounts on August 31, 2017 were reviewed by an independent advisory firm, as shown below:

Assets		**Liabilities**	
Current assets		**Current liabilities**	
Cash and cash equivalents	1,266	Loans and financing	599
Accounts receivable	6,809	Suppliers	1,142
Related parties	416	Related parties	827
Other accounts receivable	83	Salaries and social security charges	1,571
Prepaid expenses	366	Other accounts payable	1,067
Non-current assets			
		Non-current liabilities	
Judicial deposits	2,120	Loans and financing	4,008
Property, plant and equipment	17,734		
Intangible assets	1,059	**Total liabilities**	**9,214**
Total assets	**29,853**	**Net assets**	**20,639**

The remaining net assets of Tegma Logística Integrada S.A., that is, excluding the interest held by the latter in Tegma Logística Armazéns Ltda, is subject of the Association agreement between the Company, BCDF and JR Participações S.A. (“Holding Silotec”) and GDL Gestão de Desenvolvimento em Logística S.A. (“GDL”) for creating a joint venture that will unite the operations of warehousing and moving of goods developed in Cariacica-ES by Tegma Logística Integrada S.A. (“TLI”), a wholly-owned subsidiary of Tegma Gestão Logística S.A., and by Companhia de Transportes e Armazéns Gerais (“Silotec”), a wholly-owned subsidiary of Holding Silotec.

Accordingly, GDL will hold 100% shareholding interest in TLI and Silotec, and its capital will be equally divided between Tegma Gestão Logística S.A. and Holding Silotec.

Meanwhile, the operations carried out in São Paulo and Rio de Janeiro will be concentrated in Tegma Logística de Armazéns Ltda.

On December 22, 2017, Tegma Logística Integrada S.A transferred the quotas of the company Tegma Logística de Armazéns Ltda. to its Parent Company, TLA thus became a direct subsidiary of Tegma Gestão Logística S.A.

3 Basis for preparation

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

The individual and consolidated financial statements were prepared in accordance with the International Financial Reporting System (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil (BR GAAP).

The issue of the financial statements was authorized by the Board of Directors on March 16, 2018.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by company Management.

b. Functional and presentation currency

These financial statements are being presented in Brazilian Real, functional currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

c. Use of estimates and judgments

The preparation of these financial statements, Management used judgments, estimates and assumptions that affect the Group’s application of accounting policies and the reported amounts of assets, liabilities, income and expenses.
Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

The estimates and assumptions which present a significant risk, likelihood of causing an important adjustment to the book value of assets and liabilities for the coming fiscal year are shown below.

Note 6 – recognition and measurement of allowances for doubtful accounts;

Note 9 and 11 - Intangible asset and goodwill impairment test;

Note 10 and 11 – definition of useful life of property, plant and equipment and intangible assets;

Note 15 – Recognition of deferred tax assets;

Note 14 – recognition and measurement of provisions for lawsuits;

d. Measuring basis

The financial statements were prepared based on the historical cost, except for those items measured at fair value.

3.1 Significant accounting policies

The significant accounting policies adopted by the Company and its subsidiaries are described in the specific notes related to the presented items. Meanwhile, those related to different aspects of the financial statements are described below. These policies have been consistently applied to all the years presented, unless otherwise stated. It is emphasized that accounting policies of immaterial transactions were not included in financial statements.

a Basis of consolidation

(i) Subsidiaries and investments in entities accounted under the equity method

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Control is achieved when the Company has the power to control financial and operating policies and appoint or remove most of the Executive Board and Board of Directors' members of an entity to gain benefits from its activities.

The Company's Management, based on the bylaws and shareholders' agreement, controls the companies listed in Note 2 – List of subsidiaries – and, therefore, carries out the full consolidation of these companies, except for Catlog Logística de Transportes S.A. ("Catlog") and Tegma Venezuela S.A. ("TV") considered joint ventures, whose results are considered in the consolidated financial statements under the equity method.

Results from subsidiaries acquired or disposed of during the year are included in the consolidated statements of income from the date of effective acquisition up to the effective disposal date, as applicable.

In the Company's individual financial statements, the financial statements of subsidiaries and jointly-controlled subsidiaries are recognized under the equity method. Investments in subsidiaries and jointly-controlled subsidiaries are presented in Note 9 - Investments.

(ii) Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized income or expenses derived from intragroup transactions, are eliminated. Unrealized gains originating from transactions with investee recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

b Translation to foreign currency

(i) Foreign exchange transactions

Transactions with foreign currencies are converted into functional currency (Reais) by using exchange rates prevailing on the transaction or valuation dates, in which the items are measured. Exchange gains and losses resulting from the settlement of those transactions and from the translation at year-end exchange rates referring to monetary assets and liabilities in foreign currencies, are recognized in the statement of income. Exchange gains and losses related to loans and cash and cash equivalents and other are presented in the statement of income as financial income or expense.

The financial statements of Tegma Venezuela, only entity of the Company whose functional currency (Bolívar) is different from the presentation currency, are translated into the presentation currency, as follows: (i) Assets and liabilities of each balance sheet presented are translated at the closing exchange rate on the balance sheet date; (ii) the income and expenses of each statement of income are converted at the average exchange rates; and (iii) all resulting foreign exchange differences are recognized as separate component in the shareholders' equity in "Equity valuation adjustments" account. Additionally, as presented in Note 2 (i), in May 2017 the Company carried out the disposal of the interest it held in the Jointly-controlled subsidiary Tegma Venezuela S.A.

c Financial instruments

The Company and its subsidiaries classify non-derivative financial assets in the following categories: financial instruments measured at fair value through profit or loss and loans and receivables.

The Company and its subsidiaries classify non-derivative financial liabilities in the following categories: financial liabilities measured at fair value through profit or loss and financial liabilities at amortized cost.

(i) Non-derivative financial assets and liabilities

The Company and its subsidiaries initially recognize the loans and receivables and debt instruments on the date that they are originated. All other financial assets and liabilities are recognized on the date of the negotiation under which the Entity becomes a party to the contractual provisions of the instrument.

The Company and its subsidiaries fail to recognize a financial asset when the contractual rights to the cash flows of the asset expire, or when the Company and its subsidiaries transfer the rights to reception of the contractual cash flows on a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company and its subsidiaries is recognized as a separate asset or liability.

The Company and its subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire.

Financial assets and liabilities are offset and the net value reported in the balance sheet only when the Company and its subsidiaries have a legally exercisable right to offset and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets - measurement

Financial assets measured at fair value through profit or loss

A financial asset is classified as measured at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. The transaction costs are recognized in income (loss) as incurred. These assets are measured at fair value and changes in the fair value, including gains with interest and dividends, are recognized in the income (loss) for the year.

Loans and receivables

Such assets are initially measured at fair value plus any transaction costs directly assignable. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Cash and cash equivalents

In cash flow statements, cash and cash equivalents include overdraft accounts' negative balances that are immediately receivable and an integral part of the Company's cash management.

(iii) Non-derivative financial liabilities - Measurement

A financial liability is classified as measured at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. The transaction costs are recognized in income (loss) as incurred. These financial liabilities are measured at fair value and changes in the fair value, including gains with interest and dividends, are recognized in the income (loss) for the year.

Other non-derivative financial liabilities are initially measured at fair value less any transaction costs directly assignable. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

d Impairment

(i) Non-derivative financial assets

Financial assets not classified as financial assets at fair value through profit or loss, including investments accounted for under the equity method, are evaluated at each balance sheet date to determine if there are objective impairment evidence.

Objective evidences of financial assets' impairment include:

Debtor's default or delays;

Restructuring of an amount owed to the Group under conditions that would not be accepted in normal conditions;

Indications that the debtor or issuer will face bankruptcy/court-ordered reorganization;

Negative changes in payment situation of debtors or issuers;

The disappearance of an active market for an instrument due to financial distress; or

Observable data indicating that expected cash flow measurement of a group of financial assets decreased.

Financial assets measured at amortized cost

The Company and its subsidiaries consider as evidence of impairment of assets measured by amortized cost both individually and on an aggregate basis. All individually significant assets are assessed for impairment. Those non-impaired on an individual basis are collectively assessed for any impairment loss not yet identified. Assets that are not individually significant are assessed on an aggregate basis in relation to impairment by grouping the assets with similar risk characteristics.

When assessing impairment on an aggregate basis the Company makes use of historical trends of the recovery term and the amounts of losses incurred, adjusted to reflect the management's judgment if the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

An impairment is calculated as the difference between the asset's book value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in income (loss) and reflected in a provision account. When the Company and its subsidiaries consider that there are no reasonable expectations of recovery, amounts are written-off. When a subsequent event indicates a reduction of the loss, the provision is reversed through profit or loss.

Investees accounted for at the equity method

An impairment loss referring to an investee recognized at the equity method is valued under the equity method and measured by comparing investment's recoverable value with its book value. An impairment loss is recognized in income (loss) and reversed if there was a favorable change in estimates used to determine recoverable value.

(ii) Non-financial assets

The book values of non-financial assets, except for deferred tax assets are reviewed at each balance sheet date for indication of impairment. If such indication exists, the asset's recoverable value is estimated. In case of goodwill, recoverable value is tested on an annual basis.

For impairment tests, assets are grouped into cash generating units (CGUs), that is, the smallest identifiable group of assets that can generate cash inflows by continuous use, which are highly independent from cash inflows referring to other assets or CGUs. Goodwill in a business combination is allocated to cash generating units or groups of cash generating units that are expected to benefit combination synergy.

Recoverable value of an asset or CGU is the higher of value in use or fair value less selling costs. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluations of times value of money and the specific risks of the assets or CGU.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value.

Impairment losses are recognized in profit or loss. Recognized losses referring to CGUs are initially allocated to reduce any goodwill allocated to that CGU (or CGU group) and then to reduce the book value of other assets of that CGU (or CGU group) on a pro rata basis.

An impairment loss related to goodwill is not reversed. Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

e Provisions

A provision is formed if the Company and its subsidiaries have a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation.

f Statements of value added

The Company and its subsidiaries prepared statements of added value in accordance with the rules of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements under BRGAAP applicable to publicly-held companies, whereas under IFRS they represent supplementary financial information.

g Measurement of fair value

A number of accounting policies and disclosures of the Company and its subsidiaries require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. When applicable, additional information about the assumptions made in determining fair values is disclosed in the notes of that asset or liability.

h New standards and interpretations and amendments to standards

The Company and its Subsidiaries have not early adopted the new and reviewed IFRSs below, already issued but not yet in effect:

Pronouncement	Description	Applicable for annual periods starting on or after
IFRS 9/CPC 48 - Financial Instruments	Several changes in classification and measurement, especially in impairment measurement and hedge accounting.	01/01/2018
IFRS 15/CPC 47 - Income from Contracts with Clients	Introduces a new accounting model to determine when the income is recognized. It also establishes new disclosure requirements.	01/01/2018
IFRS 16 / CPC 06 (R2) - Lease	It requires a new evaluation of leases by both lessors and lessees, replacing IAS 17. The definition of financial lease disappears, providing exceptions for short-term leases and low value items.	01/01/2019
IFRS 2/ CPC 10 – Classification and measurement of share-based payment	Among other changes, it describes the changes in choices of settlement using shares.	01/01/2018
Improvements to IFRS 10 (CPC 36) and IAS 28 (CPC 18) – Sale or contribution of assets between an investor and its associate or Joint Venture	In Case of sale or contribution of assets between an investor and its associate or Joint Venture, the transaction effect would only be recognized in profit or loss to the extent the transaction is made with an unrelated third party.	01/01/2018

a) IFRS 9 / CPC 48

In 2017, the Company and its Subsidiaries carried out a detailed assessment of the impacts of the main aspects of IFRS 9 / CPC 48. Such assessment is based on currently available information and may be subject to changes arising from reasonable and supportable information that are being provided to the Company in 2018, when it will start to adopt IFRS 9 / CPC 48. In general, the Company and its Subsidiaries do not expect any significant impact on the balance sheet and statement of changes in shareholders’ equity.

Hedge accounting

The Company and its Subsidiaries currently do not have any transaction with derivatives or any hedging strategy classified as hedge accounting. In this sense, there is no impact arising from the adoption of IFRS 9 / CPC 48.

Classification and measurement

The Company and its Subsidiaries do not expect any impact on its balance sheet or shareholders' equity from the application of the classification and measurement requirements of IFRS 9 / CPC 48. The assets and liabilities currently classified as "Loans and receivables" will be classified as "Amortized cost" according to the new standard. Meanwhile, those classified as "Fair value through profit or loss" will remain with the same classification. Similarly, all financial assets and liabilities held by the Company and its Subsidiaries will continue with the same measurement bases, as it can be noted in the chart below.

	Basis of Measurement - IAS 39	**Basis of Measurement - IFRS 9**
Financial assets		
Cash and cash equivalents	Fair value through profit or loss	Fair value through profit or loss
Interest earnings bank deposits	Fair value through profit or loss	Fair value through profit or loss
Trade accounts receivable	Amortized cost	Amortized cost
Other accounts receivable	Amortized cost	Amortized cost
Related parties	Amortized cost	Amortized cost
Dividends receivable	Amortized cost	Amortized cost
Financial liabilities		
Debentures	Amortized cost	Amortized cost
Loans and financing	Amortized cost	Amortized cost
Suppliers and freight payable	Amortized cost	Amortized cost
Other accounts payable	Amortized cost	Amortized cost
Related parties	Amortized cost	Amortized cost
Dividends payable	Amortized cost	Amortized cost

Impairment

IFRS 9 / CPC 48 requires that the Company and its Subsidiaries record the expected credit losses on all of its debt securities, loans and trade accounts receivable, on 12-month basis or over the lifetime. The Company and its Subsidiaries will apply the simplified approach and will record the lifetime expected losses in trade accounts receivable. In view of the losses with receivables are not material in the scope of the Company and its Subsidiaries, we do not expect material effects on the financial statements arising from such provisioning criteria.

b) IFRS 15 / CPC 47

IFRS 15 / CPC 47 establishes a five-step model for accounting income from contracts with clients. According to the new standard, income is recognized at the transaction price – amount that reflects the consideration that an entity expects to be entitled in exchange for the transfer of goods or services to a client.

Tegma, as a Group that provides logistics services, identified that its criteria for recognition and measurement of income from contracts with clients already follow the provisions of the new standard. Its income is already recognized to the extent the Company and its Subsidiaries fulfill their performance obligations. Similarly, the income from contracts with clients are already measured at transaction price. For this reason, the recognition and measurement of income from contracts with clients will not undergo significant changes. Therefore, based on the evaluations carried out, the profit or loss of the Company and its Subsidiaries will not present material impacts from the adoption of the standard beginning on January 1, 2018.

It is worth noting that, as the standard introduces new disclosure requirements, from the year 2018 the disclosure in the Note regarding the income of the Company and its Subsidiaries in line with the provisions established in IFRS 15 / CPC 47 will be presented with more details.

c) IFRS 16 / CPC 06 (R2)

IFRS 16 / CPC 06 (R2) – Leases, which application will be made beginning January 1, 2019, requires that the lessees recognize leases in their balance sheets, reflecting the right-of-use of an asset during a certain period and the associated liability to reflect the obligations. The rates on the lease liability will be recorded according to the effective rate and the asset amortization will be recognized in statement of profit or loss according to the consumption pattern of such right.

The Company and its Subsidiaries are still assessing the impacts of the adoption of this standard, but do not expect that they are significant. In the balance sheet, an increase in non-current assets is expected by the recording of the right-of-use and financial liabilities as a result of the obligations provided in the contracts. In statement of profit or loss, there will be a change in the classification of rent and lease expenses. These will start to be accounted for as interest expense and depreciation expense. This new accounting of leases tends to increase the EBITDA of the Company and its Subsidiaries. However, there will not be any impact on the cash flows of the Company and its Subsidiaries.

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

The Company and its Subsidiaries were exposed to foreign exchange due to transactions in foreign currency, consisting of operations abroad (Venezuela). As of December 31, 2017, there are no transactions with derivative financial instruments.

b Market risk - Basic interest rate

The interest rate risk of the Company and its subsidiaries derives from 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 with the interest rate.

On December 31, 2017, the Company and its subsidiaries had no loans and financing in foreign currency. The interest rate risk of the Company and its Subsidiaries is represented by the exposure to CDI, TJLP (Long-term int. rate) and SELIC change. The following shows the exposure to interest rate risk of the operations related to these changes:

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated

Loans and financing in domestic currency (Note 12)	(50,151)	(54,747)	(1,182)	(1,182)
Debentures (Note 12)	(168,127)	(168,127)	(290,395)	(290,395)
Cash equivalents (Note 5)	46,128	148,306	92,977	191,871
Net exposure	**(172,150)**	**(74,568)**	**(198,600)**	**(99,706)**

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". 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 estanlished based on internal ratings. The use of credit limits is regularly monitored.

d Liquidity risk

The cash flow forecast is performed at the Company's and its subsidiaries' operating entities and aggregated by the Finance department, which monitors the continuous forecasts of the liquidity requirements to ensure it has enough cash to satisfy operating needs. It also maintains credit facilities available at any time, so that the Company and its Subsidiaries do not fail to comply with the limits or loan clauses (when applicable) in any of the credit lines. Surplus cash is usually invested in short-term, fixed-income funds with appropriate maturities or liquidity to provide sufficient headroom, as determined by the aforementioned forecasts.

The table below shows the non-derivative financial liabilities 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:

					Parent company
	Book value	**Financial flow**	**< 1 year**	**1–2 years**	**2–6 years**
Loans and financing	50,151	57,154	4,513	49,155	3,486
Debentures	168,127	186,448	78,591	52,908	54,949
Suppliers and freight payable	29,406	29,406	29,406	-	-
Other accounts payable - Note 16	20,320	20,320	20,320	-	-
Dividends payable	3,128	3,128	3,128	-	-
Related parties - Note 24	1,297	1,297	1,297	-	-
December 31, 2017	**272,429**	**297,753**	**137,255**	**102,063**	**58,435**

					Consolidated
	Book value	**Financial flow**	**< 1 year**	**1–2 years**	**2–6 years**
Loans and financing	54,747	62,071	5,552	50,401	6,118

Debentures	168,127	186,448	78,591	52,908	54,949
Suppliers and freight payable	32,237	32,237	32,237	-	-
Other accounts payable - Note 16	26,067	26,067	26,067	-	-
Dividends payable	3,128	3,128	3,128	-	-
Related parties - Note 24	826	826	826	-	-
December 31, 2017	**285,132**	**310,777**	**146,401**	**103,309**	**61,067**

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, with the most probable scenario (Scenario I) in accordance with the assessment of Management, considering a three-month period, at the rate of 10% on current taxes on the base date, which is when the next financial information containing such analysis shall be disclosed.

In addition, two other scenarios are presented, as determined by CVM through Instruction 475/08, to reflect a deterioration of 25% and 50%, respectively, 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:

		Parent company			**Consolidated**	
Operation	**Probable scenario (I)**	**Possible scenario (II) - 25%**	**Remote scenario (III) - 50%**	**Probable scenario (I)**	**Possible scenario (II) - 25%**	**Remote scenario (III) - 50%**
Interest earnings bank deposits - CDI - Income	7,239	8,226	9,872	17,278	19,634	23,560
Income	**7,239**	**8,226**	**9,872**	**17,278**	**19,634**	**23,560**
Finame (TJLP)	(19)	(22)	(26)	(413)	(469)	(563)
NCE - Export credit note	(2,793)	(3,174)	(3,808)	(2,793)	(3,174)	(3,808)
Interest on loans (Debentures)	(26,179)	(29,749)	(35,698)	(26,179)	(29,749)	(35,698)
Expense	**(28,991)**	**(32,945)**	**(39,532)**	**(29,385)**	**(33,392)**	**(40,069)**
Net effect on income (loss) Shareholders' equity	**(21,752)**	**(24,719)**	**(29,660)**	**(12,107)**	**(13,758)**	**(16,509)**

f Capital management

The Company and its subsidiaries monitor the capital based on financial leveraging ratio, 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 financial investments. The total capital is calculated as shareholders' equity, as shown in the balance sheet, plus net debt.

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Loans and financing - Note 12	50,151	1,182	54,747	1,182
Debentures - Note 12	168,127	290,395	168,127	290,395
Cash and cash equivalents - Note 5	(46,534)	(93,402)	(148,732)	(192,858)
Net debt	171,744	198,175	74,142	98,719
Total shareholders' equity	448,806	375,077	448,806	375,077
Total capital	620,550	573,252	522,948	473,796
Leverage ratio	28%	35%	14%	21%

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**
At December 31, 2017						
Assets						
Fair value through profit or loss						
Interest earnings bank deposits - Note 5	46,128	46,128	Level 2	148,306	148,306	Level 2
Loans and receivables						
Cash and cash equivalents - Note 5	406	406	Level 1	426	426	Level 1
Trade accounts receivable - note 6	146,052	146,052	Level 2	171,180	171,180	Level 2
Related parties - note 24	589	589	Level 2	768	768	Level 2
Dividends receivable – Note 24	6,035	6,035	Level 2	-	-	Level 2
Other accounts receivable - Note 7 (i)	55	55	Level 2	2,268	2,268	Level 2
	199,265	**199,265**		**322,948**	**322,948**	
Liabilities						
Liabilities at amortized cost						
Debentures - Note 12	168,127	151,730	Level 1	168,127	151,730	Level 1
Loans and financing - Note 12	50,151	43,688	Level 2	54,747	47,291	Level 2
Suppliers and freight payable	29,406	29,406	Level 2	32,237	32,237	Level 2
Other accounts payable - Note 16	20,320	20,320	Level 2	26,067	26,067	Level 2
Related parties - note 24	1,297	1,297	Level 2	826	826	Level 2
Dividends payable	3,128	3,128	Level 2	3,128	3,128	Level 2
	272,429	**249,569**		**285,132**	**261,279**	

(i) 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**
At December 31, 2016						
Assets						
Fair value through profit or loss						
Interest earnings bank deposits - Note 5	92,977	92,977	Level 2	191,871	191,871	Level 2
Loans and receivables						
Cash and cash equivalents - Note 5	425	425	Level 1	987	987	Level 1
Trade accounts receivable - note 6	128,601	128,601	Level 2	154,255	154,255	Level 2
Related parties - note 24	324	324	Level 2	770	770	Level 2
Other accounts receivable - Note 7 (i)	148	148	Level 2	20,755	20,755	Level 2
	222,475	**222,475**		**368,638**	**368,638**	
Liabilities						
Liabilities at amortized cost						
Debentures - Note 12	290,395	258,761	Level 1	290,395	258,761	Level 1
Loans and financing - Note 12	1,182	1,097	Level 2	1,182	1,097	Level 2
Suppliers and freight payable	37,990	37,990	Level 2	43,164	43,164	Level 2
Other accounts payable - Note 16	13,833	13,833	Level 2	18,011	18,011	Level 2
Related parties - note 24	20,262	20,262	Level 2	1,128	1,128	Level 2
Dividends payable	3,284	3,284	Level 2	3,284	3,284	Level 2
	366,946	**335,227**		**357,164**	**325,445**	

(i) Amounts related to advances to employees and suppliers are not included.

5 Cash and cash equivalents

Accounting policy

Cash and cash equivalents are held for the purposes of meeting the Company and its Subsidiaries' commitments , rather than investments or any other purpose. They include cash, bank deposits and other high-liquidity short-term investments, maturing originally after three months and subject to an insignificant risk of changes in value.

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Funds in banks and in cash	406	425	426	987
Interest earnings bank deposits	46,128	92,977	148,306	191,871
	46,534	**93,402**	**148,732**	**192,858**

Financial investments are represented by repurchase and resale agreements backed by securities with immediate liquidity, earning interest between 96.5% and 102.5% (96% and 101.2% in December 2016) 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 receivable

Accounting policy

Trade accounts receivable correspond to amounts arising from provision of services in the normal course of activities of the Company and its subsidiaries. Trade accounts receivable are initially recognized at fair value of services, less estimated losses for allowance for doubtful accounts when required.

The Company and its Subsidiaries assess at the end of each period whether there is evidence that the credit quality of the financial asset is considered impaired.

The Company and its subsidiaries normally record estimated losses for allowance for doubtful debt for all credits overdue for more than 180 days. As to valuation of doubtful accounts of the amount overdue for more than 180 days, credits are not included, and clients have no history of losses. These clients substantially refer to the automotive sector.

In case the amount originally provisioned is received, the Company makes a reversal of the estimated loss for allowance for doubtful accounts. When there is no expectation of receiving the amounts, the Company recognizes the effective loss of securities, equally reversing the recognized allowance.

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Accounts receivable from sale of services:				
. In Brazil	146,163	140,973	173,148	172,327
Accounts receivable - Domestic	**146,163**	**140,973**	**173,148**	**172,327**
Estimated loss for allowance for doubtful accounts	(111)	(12,372)	(1,968)	(18,072)
	146,052	**128,601**	**171,180**	**154,255**

As of December 31, 2017, the average collection term is 37 days -Parent Company and 44 days - Consolidated (42 days - Parent Company and 44 days - Consolidated - in December 2016).

The ageing analysis of these accounts receivable is as follows:

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Securities falling due	127,318	98,645	151,858	123,619
Securities past due for 30 days or less	16,729	10,595	17,252	10,975
Securities overdue, 31–90 days	758	7,326	812	7,423
Securities overdue, 91–180 days	589	9,284	600	9,487
Securities overdue for more than 181 days	769	15,123	2,626	20,823
	146,163	**140,973**	**173,148**	**172,327**

Changes in the estimated loss for allowance for doubtful accounts of the Company and its subsidiaries are as follow:

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Opening balance	**(12,372)**	**(12,450)**	**(18,072)**	**(17,205)**
Write-off	12,238	-	16,197	-
Additions	(44)	(929)	(266)	(2,548)
Reversals	67	1,007	173	1,681
Closing balance	**(111)**	**(12,372)**	**(1,968)**	**(18,072)**

Changes in the estimated loss for allowance for doubtful accounts was recorded in income (loss) for the year under "Other net expenses" (Note 21).

The maximum credit risk exposure is the book value of each class of accounts receivable mentioned above. The Company and its subsidiaries do not hold any security as a collateral.

As at December 31, 2017, the write-offs of trade accounts receivable arising from the former Subsidiary, amounted to R$ 12,238 in the Parent company’s balance and R$ 16,197 in the Consolidated balance, having as contra-entry the allowance for doubtful accounts, both current assets accounts, not having effect on profit or loss for the year.

7 Other receivable

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Advances to suppliers	2,359	2,145	2,811	2,628
Advances to employees	1,194	894	1,356	1,036
Claims recoverable	55	112	61	1,932
Business combinations indemnities (i)	-	-	-	5,416
Recovery of expenses receivable	-	-	298	-
Amounts receivable (ii)	-	-	1,907	13,371
Other receivables	-	36	2	36
	3,608	**3,187**	**6,435**	**24,419**
Current	3,608	3,187	4,528	11,048
Non-current	-	-	1,907	13,371
	3,608	**3,187**	**6,435**	**24,419**

(i) Amounts receivable from the former shareholders of Tegma Cargas Especiais Ltda. (TCE).

(ii) Amounts arising from accounts receivable of subsidiary to be realized after 365 days, net of possible provisions.

8 Recoverable taxes

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
PIS and COFINS (i)	33,264	144	39,037	553
INSS recoverable	8,508	6,455	13,354	11,142
ICMS recoverable	-	-	4	912
Fundaf (ii)	-	-	12,162	-
Other	370	61	2,141	425
	42,142	**6,660**	**66,698**	**13,032**
Current	36,234	6,660	42,770	13,032
Non-current	5,908	-	23,928	-
	42,142	**6,660**	**66,698**	**13,032**

(i) The Company identified with the support of independent experts tax opportunities for PIS and COFINS contributions in the review of the past five years, related to credits on expenditures incurred in the outsourcing of transportation companies and property, plant and equipment items, which resulted in a credit of R$ 33,096 in the Parent company, of which R$ 25,624 of principal and R$ 7,472 of inflation adjustment (R$ 38,336 in Consolidated balance, of which R$ 29,757 of principal and R$ 8,579 of inflation adjustment).

(ii) Up to 2014, the subsidiary Tegma Logística Integrada S.A. was paying a contribution on customs service income in the city of Cariacica/Espírito Santo to FUNDAF (Special Fund for Development and Improvement of Inspection

Activities). In 2014, the Subsidiary filed a request for reimbursement of said amounts with the Federal Government since it was an unconstitutional charge. In June 2017, the Subsidiary was awarded a final and unappealable favorable decision. Therefore, this refund will be recorded as at December 31, 2017 in the amount of R$ 12,162 (of which R$ 7,677 of principal and R$ 4,485 of inflation adjustment). The full reimbursement of amounts will occur by future court-ordered debt payments issued by the Union.

Taxes recoverable 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
	2017			2016		
	Investment	Net goodwill	Total	Investment	Net goodwill	Total
Subsidiaries						
Tegma Cargas Especiais Ltda. (TCE)	108,886	6,364	**115,250**	93,364	6,364	**99,728**
Tegma Logística Integrada S.A. (TLI)	43,465	2,491	**45,956**	63,959	2,491	**66,450**
Tegma Logística se Armazéns Ltda. (TLA) (i)	22,236	-	**22,236**	-	-	-
Niyati Empreendimentos e Participações Ltda. (Niyati)	64,203	-	**64,203**	61,947	-	**61,947**
PDI Comércio, Indústria e Serviços Ltda. (PDI)	-	37	**37**	-	37	**37**
Tegmax Comércio e Serviços Automotivos Ltda. (Tegmax)	8,319	-	**8,319**	14,025	-	**14,025**
Tegma Logística de Veículos Ltda. (TLV)	22,864	-	**22,864**	30,136	-	**30,136**
	269,973	**8,892**	**278,865**	**263,431**	**8,892**	**272,323**
Jointly-controlled subsidiaries						
Catlog Logística de Transportes S.A. (Catlog)	1,978	-	**1,978**	2,999	1,365	**4,364**
	1,978	**-**	**1,978**	**2,999**	**1,365**	**4,364**
Total parent company's investments	**271,951**	**8,892**	**280,843**	**266,430**	**10,257**	**276,687**

	Consolidated	
	2017	**2016**
Catlog Logística de Transportes S.A. (Catlog)	1,978	2,999
	1,978	**2,999**

(i) Direct subsidiary, by means of transfer of the quotas originally held by TLI (see Note 1 - corporate restructuring).

Changes in investments

	TCE	TLI	TLA	Niyati	Tegmax	Guriel	TLV	Catlog (i)	TV	Total
January 01, 2016	**83,456**	**73,639**	**-**	**33,759**	**14,560**	**30,353**	**-**	**3,533**	**2,244**	**241,544**
Increase in investments	-	-	-	28,705	-	-	-	-	-	28,705
Transfer to shareholders' deficit	-	-	-	-	-	-		-	196	196
Equity in net income of subsidiaries	9,908	(9,657)	-	(517)	(220)	45	(262)	(534)	(1,656)	(2,893)
Exchange-rate change of investment	-	-	-	-	-	-	-	-	(784)	(784)
Merger	-	-	-	-	-	(30,398)	30,398	-	-	-
Other	-	(23)	-	-	(315)	-	-	-	-	(338)
December 31, 2016	**93,364**	**63,959**	**-**	**61,947**	**14,025**	**-**	**30,136**	**2,999**	**-**	**266,430**
Provision for shareholders' deficit	**-**	**-**		**-**		**-**	**-**	**-**	**(196)**	**(196)**
Equity in net income of subsidiaries	17,443	146	1,596	1,756	329	-	(7,272)	(285)	(478)	**13,235**
Increase in investments (ii)	-	-	20,640	500	-	-	-	-	-	**21,140**
Capital decrease (ii)	-	(20,640)	-	-	-	-	-	-	-	**(20,640)**
Write-off of shareholders' deficit (iii)	-	-	-	-	-	-	-	-	674	**674**
Dividends (iv)	(1,921)	-	-	-	(6,035)	-	-	(736)	-	**(8,692)**
December 31, 2017	**108,886**	**43,465**	**22,236**	**64,203**	**8,319**	**-**	**22,864**	**1,978**	**-**	**271,951**

(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) Transfer of the quotas of subsidiary Tegma Logística de Armazéns Ltda, originally held by subsidiary Tegma Logística Integrada S.A., to Parent Company (see Note 1 - corporate restructuring). And capital contribution in the amount of R$500 to Subsidiary Niyati.

(iii) Reversal of negative shareholders' equity of the jointly-controlled subsidiary Tegma Venezuela S.A. on account of the disposal made in May 2017.

(iv) The Subsidiary Tegmax Comércio e Serviços Automotivos Ltda allocated dividends in the amount of R$ 6,035 to be paid in 2018. The dividends distributed by the subsidiaries Tegma Cargas Especiais Ltda. and Catlog Logística de Transportes S.A were paid.

The Company classifies received dividends as investment activities' cash flows.

	Consolidated		
	Catlog	**TV**	**Total**
January 01, 2016	3,533	2,244	5,777
Equity in net income of subsidiaries	(534)	(1,656)	(2,190)
Exchange-rate change of investment	-	(784)	(784)
Transfer to shareholders' deficit	-	196	196
December 31, 2016	2,999	-	2,999
Provision for shareholders' deficit		(196)	(196)
Equity in net income of subsidiaries	(285)	(478)	(763)
Write-off of shareholders' deficit	-	674	674
Dividends received	(736)	-	(736)
December 31, 2017	**1,978**	**-**	**1,978**

Provision for shareholders' deficit

As a result of the disposal of the 25%-interest in the subsidiary Tegma Venezuela S.A., the provision for negative shareholders' deficit was reversed and recognized as the selling cost of shareholdings and shareholders' equity in net income of subsidiaries, the gain was determined in this transaction totaling R$ 471.

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

	TCE	TLI	TLA	Niyati	Tegmax	TLV	Guriel
Balances at December 31, 2017							
Assets	121,642	53,295	33,583	64,324	14,575	3,394	-
Liabilities	12,756	9,830	11,347	121	6,256	530	-
Shareholders' equity	108,886	43,465	22,236	64,203	8,319	22,864	-
Net income	77,060	51,090	11,585	3,296	1,317	-	-
Income /(loss)	17,443	146	1,596	1,756	329	(7,272)	-
Balances at December 31, 2016							
Assets	114,349	75,503	-	62,862	14,275	42,947	-
Liabilities	20,985	11,544	-	915	250	12,811	-
Shareholders' equity	93,364	63,959	-	61,947	14,025	30,136	-
Net income	78,902	52,041	-	1,300	1,497	-	-
Income /(loss)	9,908	(9,657)	-	(517)	(220)	(215)	45

Business combination in 2012

On January 31, 2012, the Company acquired the mixed cargo transportation business, to operate especially in the distribution of goods that weigh more than 30 kilograms (66 pounds) and/or have a large cubic footage for the B2C segment, with the intermediation of Subsidiary Tegma Logística de Veículos Ltda (formerly Trans Commerce Transporte de Cargas Ltda).

The total amount paid for the acquisition of this business, including the debts assumed, was R$24,800, of which R$7,300 was paid in cash, and the remaining balance in two installments, adjusted by the SELIC interest rate as from January 31, 2012, as follows: (a) The first installment, totaling R$10,000, would be paid in the event the targets set in the agreement were met, which did not occur, and, consequently, this amount was written off to profit or loss in November 2012; and (b) the second and last installment, totaling R$7,500 (R$12,541 - adjusted gross value at December 31, 2016), was paid on January 31, 2017, and amounted to R$12,678 (R$11,255, net of taxes).

Total balances of the balance sheet and income statement accounts of jointly-controlled subsidiaries:

	Catlog	
	2017	**2016**
Assets		
Current	5,508	7,704
Non-current	674	556
	6,182	**8,260**
Liabilities and shareholders' equity		
Current	68	33
Non-current	2,077	2,107
Shareholders' equity	4,037	6,120
	6,182	**8,260**
Income (loss) for the year		
Administrative and general expenses	(578)	(443)
Financial income, net	562	933
Other (expenses), net	(566)	(1,576)
Income and social contribution taxes	-	(5)
Loss for the year	(582)	(1,091)

10 Property, plant and equipment

Accounting policy

Property, plant and equipment items are stated at historical cost less accumulated depreciation. Historical cost includes expenses directly attributable to the acquisition of items. Historical cost also includes, when applicable, financing costs related to the construction of qualified assets. Subsequently incurred costs are added to the asset's book value or are recognized as a separate asset, as applicable, and only when it is likely that associated future economic benefits will flow and that the item's cost can be reliably measured. The book value of replaced items and parts is written off. All other maintenance and repair costs are recorded as a contra entry to income (loss) for the year, when incurred.

Depreciation of assets is calculated using the straight-line method, considering the residual values of PP&E items over the estimated useful life as follows:

	Years
Buildings	25
Computers and peripherals	5
Facilities	10
Vehicles	3 to 5
Machinery and equipment/tools	5 to 10
Leasehold improvements	4 to 10
Furniture and fixtures and packaging and other	5 to 10

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses from divestitures are determined by the comparison of results with the book value and are recognized in "Other net expenses" in the statement of income.

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 (ii)**	**Construction in progress (iii)**	**Total**
Net balances at December 31, 2015	15,402	16,790	2,968	1,755	41,276	3,775	6,379	14,118	38,112	140,575
Changes										
Acquisitions	-	506	413	264	-	257	1,350	3,869	4,756	11,415
Disposals	-	-	(3)	-	(3,489)	(15)	-	(15)	(9)	(3,531)
Transfers (i)	-	4,489	427	315	(5)	16	10,823	(117)	(16,940)	(992)
Write-off for paid-up capital in subsidiary (Note 9)	-	(246)	(111)	(36)	-	(25)	(9,236)	(68)	(3,898)	(13,620)
Depreciation	-	(1,041)	(1,125)	(255)	(4,390)	(823)	(2,769)	(4,826)	-	(15,229)
Net balances at December 31, 2016	15,402	20,498	2,569	2,043	33,392	3,185	6,547	12,961	22,021	118,618
Balances at December 31, 2016										
Cost	15,402	26,828	11,615	3,619	64,579	9,863	48,477	21,538	22,021	223,942
Accumulated depreciation	-	(6,330)	(9,046)	(1,576)	(31,187)	(6,678)	(41,930)	(8,577)	-	(105,324)
Net balances at December 31, 2016	15,402	20,498	2,569	2,043	33,392	3,185	6,547	12,961	22,021	118,618
Changes										
Acquisitions	946	137	229	268	-	294	1,674	3,214	378	7,140
Disposals	-	-	(3)	-	(1,016)	(8)	-	(327)		(1,354)
Transfers	-	22,235	-	6	-	-	-	(6)	(22,235)	-
Depreciation	-	(1,129)	(986)	(285)	(4,153)	(715)	(2,988)	(4,541)	-	(14,797)
Net balances at December 31, 2017	16,348	41,741	1,809	2,032	28,223	2,756	5,233	11,301	164	109,607
Balances at December 31, 2017										
Cost	16,348	49,200	11,834	3,924	62,058	10,014	50,151	23,597	164	227,290
Accumulated depreciation	-	(7,459)	(10,025)	(1,892)	(33,835)	(7,258)	(44,918)	(12,296)	-	(117,683)
Net balances at December 31, 2017	16,348	41,741	1,809	2,032	28,223	2,756	5,233	11,301	164	109,607

(i) It includes a transfer to intangible assets, totaling R$992, referring to software licenses.

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

(iii) Construction in progress refers mainly to construction works and improvements in progress in real estate properties.

Consolidated

	Land	Buildings	Computers and peripherals	Facilities	Vehicles	Machinery and equipment/ tools	Leasehold improvements	Furniture and fixtures and packaging and other (ii)	Construction in progress (iii)	Total
Net balances at December 31, 2015	56,403	16,812	6,035	10,925	47,504	6,930	15,152	16,353	44,998	221,112
Changes										
Acquisitions	690	2,808	748	1,855	137	2,412	4,104	3,972	14,410	31,136
Disposals	(7,432)	-	(3)	(389)	(3,616)	(47)	-	(178)	(9)	(11,674)
Transfers (i)	-	29,445	981	2,870	-	289	2,391	(117)	(37,177)	(1,318)
Depreciation	-	(1,416)	(2,260)	(2,950)	(5,104)	(1,831)	(6,334)	(5,221)	-	(25,116)
Net balances at December 31, 2016	49,661	47,649	5,501	12,311	38,921	7,753	15,313	14,809	22,222	214,140
Balances at December 31, 2016										
Cost	49,661	54,367	20,019	22,376	79,387	20,883	85,542	25,242	22,222	379,699
Accumulated depreciation	-	(6,718)	(14,518)	(10,065)	(40,466)	(13,130)	(70,229)	(10,433)	-	(165,559)
Net balances at December 31, 2016	49,661	47,649	5,501	12,311	38,921	7,753	15,313	14,809	22,222	214,140
Changes										
Acquisitions	946	137	338	742	7,408	808	6,555	3,302	623	20,859
Disposals	-	-	(58)	(42)	(1,016)	(11)	-	(328)		(1,455)
Transfers	-	22,235	9	65	60	-	-	(65)	(22,304)	-
Depreciation	-	(2,229)	(1,930)	(1,863)	(4,872)	(1,636)	(6,056)	(4,858)	-	(23,444)
Net balances at December 31, 2017	50,607	67,792	3,860	11,213	40,501	6,914	15,812	12,860	541	210,100
Cost	50,607	76,741	20,154	23,323	84,335	21,545	91,258	27,117	541	395,621
Accumulated depreciation	-	(8,949)	(16,294)	(12,110)	(43,834)	(14,631)	(75,446)	(14,257)	-	(185,521)
Net balances at December 31, 2017	50,607	67,792	3,860	11,213	40,501	6,914	15,812	12,860	541	210,100

(i) It includes a transfer to intangible assets, totaling R$1,318, referring to software licenses.

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

(iii) Construction in progress refers mainly to construction works and improvements in progress in real estate properties.

The depreciation and amortization amounts were recorded as follows:

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Depreciation	(14,797)	(15,229)	(23,444)	(25,116)
Amortization	(3,681)	(3,801)	(4,700)	(4,984)
Total	(18,478)	(19,030)	(28,144)	(30,100)

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

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Cost of services rendered	(15,635)	(15,267)	(24,939)	(25,932)
Administrative and general expenses	(2,843)	(3,763)	(3,205)	(4,168)
Total	(18,478)	(19,030)	(28,144)	(30,100)

11 Intangible assets

Accounting policy

(i) Recognition and measurement

Goodwill

Goodwill is represented by the positive difference between the amount paid or payable amount and the net fair value of assets and liabilities of the acquired entity and recorded as “Intangible Assets” in consolidated financial statements. The goodwill is annually tested for probable losses (impairment) and is recorded at cost value less accumulated impairment losses, which are not reversed. Gain and losses for the disposal of an entity include the book value of the goodwill related to the sold entity. For impairment test purposes, goodwill is allocated to Cash Generating Units or to groups of Cash Generating Units that should benefit from the business combination from which the goodwill was generated, duly segregated, in accordance with the operating segment.

Goodwill is measured at cost, less accumulated impairment losses.

Software licenses

Acquired software licenses are recorded as capital expenditures at the costs incurred to acquire the software and prepare them for use. These costs are amortized
incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company and i
costs recognized as assets are amortized over the estimated useful life of the software.

Software

Goodwill paid in the acquisition of investments

Nortev

Boni Amazon

Software

Goodwill paid in the acquisition of investments

Nortev

Boni Amazon

Tegma Logística Integrada S.A.

Tegma Cargas Especiais Ltda.

Catlog Logística de Transportes S.A.

PDI comércio, Indústria e Serviços Ltda.

Net

(i) It includes a transfer to property, plant and equipment, in the amount of R$ 992 in parent company and R$ 1,318 in the Consolidated, referring to software licenses.

(ii) Due to the inactivity of Catlog Logística de Transportes S.A., management made a provision for loss on goodwill in the amount of R$ 1,365.

Goodwill testing for impairment verification

Goodwill is allocated to the Cash-generating Units (CGUs) identified according to the operating segment. Impairment tests for goodwill were performed for the investments considered material as follows:

	2017	**2016**
Nortev (automotive)	**120,877**	**120,877**
TCE and Boni Amazon (integrated logistics)	**39,155**	**39,155**

The recoverable value of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by Management. The main assumptions used to calculate value in use as of December 31, 2017 are as follows:

	Average of the projected periods
GDP (i)	**2.5%**
Annual inflation (ii)	**4.0%**
Perpetuity growth (iii)	**2.5%**
Discount rate (iv)	**9.4%**

(i) Average growth of the Gross Domestic Product (GDP), in accordance with projections disclosed by the Brazilian Central Bank;

(ii) Average growth of the Amplified Consumer Price Index (IPCA), in accordance with projections disclosed by the Brazilian Central Bank;

(iii) Growth rate based on the GDP growth projections;

(iv) Discount rate calculated in accordance with the Company's capital cost assessment.

The recoverable value calculated based on the value in use of the two CGUs was higher than the book value, even in a scenario with a discount rate of 11.4% (increase of 2 p.p.) and a perpetuity rate of 1.5% (decrease of 1 p.p.). Accordingly, there was no need to recognize an impairment loss in 2017.

The Company reviews the impairment tests on an annual basis.

12 Loans and financing

Accounting policy

Loans and financings are initially recognized at fair value, net of transaction costs and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the redemption amount is recognized in the income statement during the period that the loans are in progress, under the effective interest rate method.

Loans are classified as current liabilities unless the Company and its Subsidiaries have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Loans and financing - domestic currency				
Finame (a.i)	134	1,182	4,730	1,182
NCE – Export Credit Note (a.ii)	50,017	-	50,017	-
Total	**50,151**	**1,182**	**54,747**	**1,182**
(-) Current	151	1,048	1,112	1,048
Non-current	50,000	134	53,635	134
Total	**50,151**	**1,182**	**54,747**	**1,182**
Debentures (b)	168,127	290,395	168,127	290,395
(-) Current	71,441	127,043	71,441	127,043
Non-current	96,686	163,352	96,686	163,352
Total	**168,127**	**290,395**	**168,127**	**290,395**

a. Bank loans

(i) Finame

Bank loans of the FINAME (Government Agency for Machinery and Equipment Financing) modality mature up to 2022, are subject to an average interest rate of 10.64% per annum (2.65% per annum in 2016), and are collateralized by the assets financed. On December 31, 2017, the amount of the financing is R$ 4,730 - Consolidated (R$ 1,182 on December 31, 2016).

In March 2017, the subsidiary Tegma Logística Integrada S.A., entered into a loan agreement with the National Bank for Economic and Social Development (BNDES) in the amount of R$ 4,474 and interest rate of 10.87% p.a. (in December 2017), by means of financial agent Banco Safra S.A. whose funds will be used for acquisitions of semi-trailers. The release of the amount occurred during the year 2017.

(ii) NCE – Export credit note

In June 2017, the Company entered into two NCE loan agreements without collateralized guarantees. 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).

And other with Banco Safra S.A., in the amount of R$ 10,000, with the principal maturing in 3 equal installments (June 2019, December 2019 and June 2020), with semi-annual interest payments 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).

Considering two NCE agreements, the average interest rate is 9.03% per annum (base as of December 2017).

The Company and its Subsidiary do not have any restrictive covenant on such loans.

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. Under the first issue, interest is paid on February 15 and August 15 of each year. Under the second issue, interest is paid on December 15 and June 15 of each year.

The nominal value of the debentures of the two issues will be amortized as follows:
As regards the first series of the first issue, 33.33% was paid on February 15, 2016, and 33.33% on February 15, 2017, and the next amortization date will be: February 15, 2018 (33.34%); as regards the second series, 33.33% was paid on February 15, 2017; and the next amortization dates are: February 15, 2018 (33.33%) and February 15, 2019 (33.34%).

Regarding both series of the second issue, 33.33% was paid on December 15, 2016 and the installment of 33.33% was settled in advance on September 28, 2017, which was previously estimated for December 15, 2017. In relation to the latest installments, both 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 Debenture holders' Meeting held on September 25, 2017.

Series	Type	Issuance amount	Outstanding debentures	Date		Annual financial charges	Unit price	Parent company and Consolidated	
				Issuance	Maturity			**2017**	**2016**
1st issuance - 1st series	Simple	60,000	6,000	02/15/2013	02/15/2018	DI + 0.84%	10	**20,636**	42,153
1st issuance - 2nd series	Simple	140,000	14,000	02/15/2013	02/15/2019	DI + 0.97%	10	**96,334**	147,598
2nd issuance - 1st series	Simple	80,000	8,000	12/15/2013	07/31/2021	DI + 2.00%	10	**27,283**	53,677
2nd issuance - 2nd series	Simple	70,000	7,000	12/15/2013	07/31/2021	DI + 2.00%	10	**23,874**	46,967
							Current	**71,441**	127,043
							Non-current	**96,686**	163,352

The issues of debentures are subject to accelerated maturity in the event the following indebtedness and interest coverage ratios are not complied with: (i) adjusted(2) net debt/EBITDA(1) ratio equal to or lower than 2.50, and adjusted EBITDA/net finance cost equal to or higher than 1.50. As of December 31, 2017, the Company was compliant to all of these clauses.

1. EBITDA - net income for the period, plus taxes on profit, financial costs net of financial income, and depreciation, amortization and depletion.

2. Adjusted EBITDA - excludes the net results from discontinued operations and other items that contribute to the information on the gross cash generation potential - CVM Regulatory Instruction (INCVM) No. 527/2012.

The installments due in the long term are payable according to the following schedule for loans and financing:

Parent company		Consolidated	
2017	**2016**	**2017**	**2016**

months:				
13–24	93,343	113,476	94,462	113,476
25–36	28,338	50,010	29,457	50,010
37–48	25,005	-	26,124	-
49–60			278	
Total	**146,686**	**163,486**	**150,321**	**163,486**

Changes in 2017 is as follows:

	Parent company	Consolidated
Loans and financing		
Balance at December 31, 2016	**1,182**	**1,182**
Funding	50,000	54,474
Recognized interest	2,557	2,914
Payment of principal	(1,047)	(1,047)
Interest paid	(2,541)	(2,776)
Balance at December 31, 2017	**50,151**	**54,747**
Debentures		
Balance at December 31, 2016	**290,395**	**290,395**
Recognized interest	23,799	23,799
Payment of principal	(116,655)	(116,655)
Interest paid	(29,412)	(29,412)
Balance at December 31, 2017	**168,127**	**168,127**
Total	**218,278**	**222,874**

13 Salaries and social security charges

Accounting policy

(i) Short-term employee benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is rendered. The liability is recognized at the amount expected to be paid, if the Group has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated. The Company and its subsidiaries have benefit plans for management and employees in the form of profit sharing and bonus plans.

(ii) Post-employment benefits

The Company and its subsidiaries do not hold private pension plans or any pension plan for its employees and management, or any post-employment benefit.

Profit sharing and bonus plans are expected to be settled in up to 12 months and are presented at expected settlement value.

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Vacations payable	9,632	8,912	12,220	11,227
Bonuses and profit sharing payable	7,014	6,014	7,783	6,627
INSS (i)	2,020	6,612	2,645	8,070
FGTS	598	553	780	702
Other	1,013	743	1,216	863
Total	**20,277**	**22,834**	**24,644**	**27,489**

(i) Tax liabilities related to the INSS FAP proceeding were reclassified to Provisions for labor and social security lawsuits, in the amount of R$ 4,575, Parent Company and R$ 5,464, Consolidated as of June 30, 2017.

14 Judicial deposits and provision for tax, civil and labor risks

Accounting policy

Provisions are recognized when the Company and its subsidiaries have a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. The assessment of likelihood of loss includes assessing the available evidence, the hierarchy of laws, the jurisprudence available, the most recent court decisions and their relevance in the legal system, as well as the evaluation of external attorneys. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court rulings. The expense referring to any provision is presented in the statement of income, net of any reimbursement.

When the Company and its subsidiaries expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Judicial deposits are classified into non-current assets and are not offset against such provisions.

The Company is a party to ongoing labor, civil,tax and other lawsuits, that totaled, as of December 31, 2017, R$ 198,857 (R$114,888 as of December 31, 2016) Parent Company, and R$244,248 (R$187,250 as of December 31, 2016) Consolidated and 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 provisions recorded and related judicial deposits, when applicable, are as follows:

	Parent company

	Judicial deposits		Provisions for lawsuits	
	2017	**2016**	**2017**	**2016**
Labor and social security (i) and (ii)	7,002	7,392	14,903	4,795
Tax	1,608	1,608	-	-
Civil (c)	93	473	16,023	151
Total	**8,703**	**9,473**	**30,926**	**4,946**

				Consolidated
	Judicial deposits		**Provisions for lawsuits**	
	2017	**2016**	**2017**	**2016**
Labor and social security (i) and (ii)	11,750	17,425	22,889	14,720
Tax (iii)	1,631	3,461	-	-
Civil (c)	190	641	16,094	218
Total	**13,571**	**21,527**	**38,983**	**14,938**

(i) The Company and its Subsidiaries have made judicial deposits related to the dispute related to the application of the social security factor (INSS FAP), in the amount of 4,225 in the Parent Company (R$ 5,113 Consolidated) is included in this caption. The corresponding liabilities, are recorded from 2017 in provisions for legal and social security claims, and were previously recorded in salaries and payroll charges, in the caption INSS, according to Note 13.

(ii) During the year, the Company and its Subsidiaries conducted an extensive review of their lawsuits and provisions for contingencies, mainly those arising from labor and social security issues. Such procedure resulted in the alignment of assumptions and judgments of provisions, giving rise to an increase of R$ 5,949 in the Parent Company and R$ 6,644 in the Consolidated

(iii) Due to the lawsuit mentioned in Note 8, item ii as of January 2015, the subsidiary Tegma Logística Integrada S.A. started depositing the amounts corresponding to FUNDAF, totaling R$ 2,120, before the calculation. This amount was withdrew in October 2017, added by inflation adjustment of R$ 429.

(iv) Contains provision arising from business combination, as detailed below :

The agreement for purchase and sale of Direct Express, 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$40,000. On the other hand, 8M Participações is required to indemnify the Company for any lawsuits referring to facts that took place after the date of the acquisition. In the year 2017, the amount of obligations paid by 8M Participações to be indemnified by the Company is above the aggregated amount. In view of this fact, Management decided to recognize an extraordinary provision in the amount of R$ 15,000 as at June 30, 2017. Besides, an additional amount of R$ 1,967 was recorded in current provisions over the year, to fulfill the contractual clause. In December 2017, the balance of such provisions totaled R$ 15,993.

The changes in the provision during for 2017 and 2016 were as follows:

	Parent company	Consolidated
Balance at December 31, 2016	**4,946**	**14,938**
Formation	31,208	38,440
Transfer to tax liability	4,575	5,464
Other lawsuits payable	(912)	(1,095)
Write-off by judicial deposit	(1,207)	(8,631)
Payment	(7,684)	(10,133)
Balance at December 31, 2017	**30,926**	**38,983**

	Parent company	Consolidated
Balance at December 31, 2015	**4,990**	**22,751**
Formation	2,218	7,897
Write-off by judicial deposit	(711)	(4,861)
Payment	(1,551)	(10,849)
Balance at December 31, 2016	**4,946**	**14,938**

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:

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Labor and social security (i)	65,083	35,048	76,550	39,369
Tax	14,767	12,140	20,086	56,874
Civil	29,276	25,126	36,188	32,959
Total	**109,126**	**72,314**	**132,824**	**129,202**

(i) The same review procedure mentioned in item ii above contributed to increment the possible losses of this caption

Labor and social security contingencies 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.

The Company's main civil lawsuit is assessed as a possible loss according to the opinion of its legal advisors, and, therefore, no provision was recognized in financial statements regarding the claim for material damages, pain and suffering and death pension due to a traffic accident occurred in December 2011, involving a carrier subcontracted by Tegma, and that has a contingency amount of R$ 12,996 as of December 31, 2017 (R$ 11,870 as of December 31, 2016).

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 December 31, 2017 totaled R$ 58,806 (Consolidated - R$ 72,441).

In September 2017, the main tax lawsuit subsidiary of the Company, regarding a tax assessment notice of the subsidiary Tegma Logística Integrada S.A. ("TLI") received from the Brazilian Federal Revenue Service ("RFB"), totaling R$42,916 (R$40,462 as of December 31, 2016), due to alleged noncompliance with ancillary obligations related to the customs control of assets stored in Cariacica/ES, was judged favorable to the company in a definitive manner. Thus, such amount was excluded from loss amounts with remote likelihood.

15 Income tax and social contribution

Accounting policy

a) Current income tax and social contribution

Current income tax and social contribution assets or liabilities are measured at the estimated amount to be offset or paid to the tax authorities. The rates and tax laws adopted for calculating tax are those in effect at the reporting dates of balance sheets. Offset of tax loss carryforwards is considered, limited to 30% of annual taxable income.

b) Deferred income tax and social contribution

Deferred income and social contribution taxes are calculated on income tax losses and the negative basis of social contribution and the corresponding temporary differences between the calculation basis of tax on assets and liabilities, and book values of financial statements. Such tax rates, currently defined to find the deferred taxes, are of 25% for income tax and 9% for social contribution.

Deferred tax assets are recognized inasmuch as it is likely that the future taxable income is available for use to offset temporary differences, based on future income projection, on internal assumptions and on future economic scenarios that may, however, be subject to change. Deferred income tax assets are recognized for tax losses in proportion to the likelihood of realization of the respective tax benefit by means of future taxable profit.

The book value of deferred income tax and social contribution assets is reviewed at the reporting date of each balance sheet, and reduced, when applicable by a provision, to the extent it is no longer probable that there will be future taxable profit sufficient to allow its realization.

Income tax and social contribution expense comprises both current and deferred income and social contribution taxes. Current taxes and deferred taxes are recognized in income (loss) unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

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

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Income before income and social contribution taxes	**121,443**	**25,748**	**117,493**	**26,799**
Combined nominal rate of income and social contribution taxes	34%	34%	34%	34%
Income and social contribution taxes at nominal rate	**(41,291)**	**(8,754)**	**(39,948)**	**(9,112)**
Effect of Corporate income and social contribution taxes on permanent differences				
Equity in net income of subsidiaries	4,500	(984)	(259)	(745)
Permanent differences	(2,586)	(2,361)	(2,917)	(2,705)
Correction of the LALUR 2014 (i)	12,206	-	12,206	-
Investment grants	4,100	-	4,502	-
Interest on own capital	1,299	-	1,299	-
Deferred - Prior periods (ii)	2,605	-	9,690	-
Other	1,487	177	1,697	(411)
Income and social contribution taxes in income (loss)	**(17,680)**	**(11,922)**	**(13,730)**	**(12,973)**
Current	(28,835)	(13,465)	(33,988)	(16,316)
Deferred assets	11,155	1,543	20,258	3,343
Effective rate	**14.6%**	**46.3%**	**11.7%**	**48.4%**

(i) Refers to the difference between the actual value and the estimated value of the loss on the disposal of ownership interest in Direct Express Logística Integrada S.A. considered as basis for determining income and social contribution taxes.

(ii) Substantially refers to the confirmation of the balances arising from Tax Losses and CSLL Loss Carryforwards with the Federal Revenue Service of Brazil, we recognize the deferred tax asset in the amount of R$ 6,354 in the Subsidiary Tegma Cargas Especiais Ltda. We also recorded deferred tax asset on the difference between the accounting goodwill and tax goodwill in the parent company in the amount of R$ 2,605.

The effective rate was mainly affected by extempore deferred tax assets withdrawn during the year 2017.

Breakdown of deferred income and social contribution taxes as of December 31, 2017 and December 31, 2016 is as follows:

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Tax loss from income tax recoverable	-	-	27,398	15,313
Negative basis of social contribution	-	-	9,809	5,459
Temporary differences				
Provisions for profit sharing and bonuses	2,385	2,045	2,646	2,330
Estimated loss for allowance for doubtful accounts	38	3,703	165	5,060
Provisions for lawsuits	10,515	1,682	13,254	5,083
Provisions for freight payable	853	592	867	592
Other	9,062	4,678	14,751	5,622
Subtotal	**22,853**	**12,700**	**68,890**	**39,459**
Amortization of tax goodwill (i)	(20,459)	(20,459)	(20,459)	(20,459)
Difference for depreciation rate (ii)	(9,023)	(10,025)	(16,751)	(17,541)
Other	-	-	(1,749)	(1,749)
Subtotal	**(29,482)**	**(30,484)**	**(38,959)**	**(39,749)**
Total	**(6,629)**	**(17,784)**	**29,931**	**(290)**

(i) Refers to deferred income and social contribution taxes calculated on the amortization, for tax purposes, of the goodwill arising from the acquisition of subsidiaries.

(ii) Refers to deferred income and social contribution taxes on the difference between the depreciation of property, plant and equipment items calculated for tax and accounting purposes.

Changes in deferred income and social contribution taxes, net:

	Parent company	Consolidated
Opening balance	**(17,784)**	**(290)**
Formation – effect on profit or loss	11,155	20,258
Formation (iii)	-	9,963
Closing balance	**(6,629)**	**29,931**

(iii) As shown in Note 24, the amount refers to the deferred tax assets arising from tax loss and social contribution loss carryforwards that were fully transferred to the Subsidiaries Tegma Logística de Veículos Ltda. in the amount of R$ 2,984 and Tegma Cargas Especiais Ltda. in the amount of R$ 6,979.

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

	2017			
	Assets	**Liabilities**	**Net assets**	**Net liabilities**
Tegma Gestão Logística S.A.	22,853	(29,482)	-	(6,629)
Tegma Logística Integrada S.A	17,409	-	17,409	-
Tegma Logistica de Armazéns Ltda.	1,502	-	1,502	-
Tegmax Comércio e Serviços Automotivos Ltda.	49	-	49	-
Tegma Logística de Veículos Ltda.	12,673	-	12,673	-
Tegma Cargas Especiais Ltda.	14,404	(9,477)	4,927	-
Total	**68,890**	**(38,959)**	**36,560**	**(6,629)**

	2016			
	Assets	**Liabilities**	**Net assets**	**Net liabilities**
Tegma Gestão Logística S.A.	12,700	(30,484)	-	(17,784)
Tegma Logística Integrada S.A.	17,609	-	17,609	-
Tegmax Comércio e Serviços Automotivos Ltda.	47	-	47	-
Tegma Logística de Veículos Ltda.	5,631	-	5,631	-
Tegma Cargas Especiais Ltda.	3,472	(9,265)	-	(5,793)
Total	**39,459**	**(39,749)**	**23,287**	**(23,577)**

As of December 31, 2017, the assets are expected to be realized as follows:

Year	**Parent company**	**Consolidated**
2018	4,571	15,341
2019	4,571	9,725
2020	4,571	9,331
2021	4,571	8,691
2022	4,569	8,978
>2023	-	16,824
	22,853	**68,890**

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

16 Other payable

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Insurance	5,931	3,903	6,028	4,002
Toll fees	4,026	3,454	4,209	3,700
Benefits (i)	3,524	1,397	3,927	1,666
Changes in vehicles and cargo	1,565	1,256	2,095	1,536
Rent	1,307	1,022	3,133	2,649
Consultancy services	1,184	630	1,306	672
Surveillance	788	638	1,069	977
Sundry maintenance	563	363	1,024	1,339
Other	1,432	1,170	3,276	1,470
	20,320	13,833	26,067	18,011

(i) Transportation voucher, meal ticket, basic basket, severance costs, and others.

17 Shareholders' equity

Accounting policy

Common shares are classified as equity. Incremental costs directly attributable to issuance of new shares or options are shown in shareholders' equity as a deduction of funds obtained, net of taxes.

Distribution of dividends and interest on own capital regarding the minimum mandatory amount, as per Company's bylaws, is recognized as a liability in the financial statements at the end of the year. Any amount above the minimum mandatory is only recognized in liabilities on the date it is approved by shareholders, in the Shareholders' Meeting, being separated in a specific account in equity called "Proposed additional dividend". The fiscal benefit of interest on own capital is recognized in the statement of income. When deliberated by the Board of Directors, interest on own capital are computed to dividends for the period.

The Company offers to its executives a share-based remuneration plan according to which the entity receives employees' services as consideration for equity instruments (stock options) of the Company. Fair value of stock options granted to the Company's executives is measured on grant date and the expense is recognized in income for the period in which the right is acquired, after meeting certain specific conditions. On balance sheet date, the Company reviews estimated regarding the number of stock options whose rights should be acquired based on such conditions, and, when applicable, recognized in income for the year, as a contra-entry to shareholders' equity, effect from review of these initial estimates.

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 set up 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 line item, and R$204,616 to the Capital reserve, as provided for in the sole paragraph of Article 14 of the Brazilian Corporate 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 December 31, 2017 and December 31, 2016 is R$174,055.

c. Legal and profit retention reserve

The legal reserve is set up annually by the allocation of 5% of net income for the year, and must not exceed 20% of the Company's capital. The purpose of the legal reserve is to guarantee that the capital stock is paid up and it is used solely to offset losses and/or increase capital. Profit retention reserve refers to retained income 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 December 31, 2017 and December 31, 2016, the balance of treasury shares corresponds to 65,200 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 carried out at least in an amount 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 dividend calculation is as follows:

	2017	2016
Net income for the year	103,763	13,826
Legal reserve	(1,681)	(691)
Calculation basis	102,082	13,135
Minimum compulsory dividend 25 %	25,521	3,284
Interim dividends paid	18,572	-
Interest on own capital paid	3,821	-
Interest on own capital proposed	11,491	-
Proposed dividends	27,365	8,000
% on calculation basis	60%	61%

In a meeting held on March 16, 2017, members of the Company's Board of Directors expressed their favorable opinion on the proposal for destination of results for year ended December 31, 2016, and recommended their approval to the Company's Annual Shareholders' Meeting. In May 2017, the amount of R$ 8,000 was paid referring to proposed dividends in 2016.

In a Board of Directors' meeting held on August 4, 2017, the dividend distribution in 2017 in the amount of R$ 14,750 was approved.

In the meeting of the Board of Directors held on November 6, 2017, the distributions of interim dividends in the amount of R$ 3,821 and interim interest on own capital in the amount of R$ 3,822 were approved, paid on November 23, 2017.

In a meeting held on March 16, 2018, members of the Company's Board of Directors expressed their favorable opinion on the proposal for destination of results for year ended December 31, 2017, and recommended their approval to the Company's Annual Shareholders' Meeting.

f. Stock option plan

The Special Shareholders' Meeting, held on December 15, 2011, approved the Company's Stock option Plan to Company's executives. The shares 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.
At a meeting of the Board of Directors held on December 22, 2011 the issuance of the first Stock Option Program was approved for Company's executives. There was a grant of 115,000 stock options maturing in three years. At a meeting of the Board of Directors held on November 21, 2012 the issuance of the Second Stock Option Program was approved and 135,000 stock options were granted and maturing in three years. While in 2014, 15,000 stock options of Second Program for the Granting of Options were granted to a member of the Company's Statutory Executive Board. A total of 265,000 shares granted in these three series have already been cancelled, as they were not exercised by beneficiaries. In 2016, all 15,000 stock options granted were cancelled.

18 Segment information

Accounting policy

The Company classifies its business operating segment into: (i) automotive logistics, division engaged in transporting vehicles and parts for assembling plants, comprised by the Parent Company and its Subsidiary Tegmax Comércio e Serviços Automotivos Ltda and Niyati Empreendimentos e Participações Ltda., and into (ii) integrated logistics, division that is engaged in transporting, storing and providing related services and inventory management, among others, to several market segments, comprised by its Subsidiaries Tegma Cargas Especiais Ltda., Tegma Logística Integrada S.A., Tegma Logística de Armazéns Ltda. and Tegma Logística de Veículos Ltda.

						Consolidated
	Automotive logistics		Integrated Logistics		Total	
	2017	2016	2017	2016	2017	2016
Net income from services	908,082	758,876	175,893	165,015	1,083,975	923,891
Costs	(687,234)	(607,332)	(137,870)	(148,077)	(825,104)	(755,409)
Operating (expenses) income	(99,915)	(73,909)	(21,340)	(5,607)	(121,255)	(79,516)
Expenses with depreciation and amortization	(14,415)	(14,087)	(13,729)	(16,013)	(28,144)	(30,100)
Financial expenses	(30,057)	(59,907)	(1,755)	(2,450)	(31,812)	(62,357)
Financial income	25,737	20,515	14,859	11,965	40,596	32,480
Equity in net income of subsidiaries	(1,869)	(2,452)	1,106	262	(763)	(2,190)
Income and social contribution taxes	(18,246)	(12,319)	4,516	(654)	(13,730)	(12,973)
Net income (loss) for the year	82,083	9,385	21,680	4,441	103,763	13,826

	Automotive logistics		Integrated Logistics		Total	
	2017	2016	2017	2016	2017	2016
Current assets	250,266	247,317	124,414	128,660	374,680	375,977
Non-current assets	360,891	367,705	102,280	84,440	463,171	452,145
Total assets	611,157	615,022	226,694	213,100	837,851	828,122
Current liabilities	175,432	221,344	17,680	29,504	193,112	250,848
Non-current liabilities	184,374	186,486	11,559	15,711	195,933	202,197
Total liabilities	359,806	407,830	29,239	45,215	389,045	453,045

The income from four clients of the automotive logistics segment represented approximately 77% of total income.

The services to the automotive and integrated logistics segments are rendered throughout the Brazilian territory.

19 Net revenue from services rendered

Accounting policy

The Company and its subsidiaries provide logistics, transportation and storage services within several segments of the economy, such as the automotive, consumer goods, chemical and appliance industries. Revenue from services is recognized in the period in which they are rendered. The Company bases its estimateson historical results, taking into account the type of client, type of transaction and the specifications of each sale. Income is presented net of taxes, goods returned, rebates and discounts, and after eliminating intercompany sales.

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

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Gross income from services	1,173,778	982,068	1,330,190	1,140,228
Discounts, insurance and toll fees	(74,826)	(60,093)	(75,885)	(61,050)
	1,098,952	**921,975**	**1,254,305**	**1,079,178**
Taxes levied (i)	(155,770)	(130,474)	(170,330)	(155,287)
Net income from services	**943,182**	**791,501**	**1,083,975**	**923,891**

(i) Includes amounts referring to the recognition of the reimbursement of FUNDAF contribution in the amount of R$ 9,797.

20 Expenses per type

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Cost of services rendered	(727,068)	(646,247)	(850,043)	(781,340)
Administrative and general expenses	(59,733)	(61,228)	(63,822)	(64,839)
Management remuneration	(10,443)	(10,296)	(10,443)	(10,296)
Commercial expenses	(543)	(528)	(12,007)	(528)
Total	**(797,787)**	**(718,299)**	**(936,315)**	**(857,003)**

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Freight services – aggregated	(646,383)	(544,205)	(674,042)	(573,778)
Salaries	(61,403)	(59,117)	(77,868)	(74,053)
Social charges	(32,036)	(31,814)	(41,406)	(39,987)
Outsourced Services	(34,579)	(31,528)	(44,079)	(41,300)
Rentals and lease	(21,533)	(20,302)	(41,103)	(44,811)
Depreciation and amortization	(18,478)	(19,030)	(28,144)	(30,100)
Employee benefits	(17,215)	(17,550)	(25,087)	(24,629)
Variable costs	(11,010)	(7,883)	(25,326)	(24,515)
Other general expenses	(8,546)	(9,272)	(15,460)	(16,069)
Maintenance	(8,725)	(6,373)	(15,496)	(12,726)
Fuels and lubricants	(7,631)	(5,268)	(8,774)	(6,305)
Utilities	(3,107)	(2,877)	(6,164)	(6,698)
Communication	(2,438)	(3,361)	(3,190)	(4,599)
Other personnel expenses	(5,019)	(2,887)	(6,252)	(4,122)
Termination costs	(3,189)	(4,979)	(4,029)	(6,475)
Material	(1,993)	(2,791)	(4,050)	(4,311)
Expenses with travel	(1,889)	(783)	(1,962)	(801)
Misplacement indemnity	(596)	(772)	(815)	(996)
Contributions and donations	(581)	(541)	(598)	(546)
Contractual fines	-	(16)	(5)	(266)
Provision for impairment with sales of subsidiaries (i)	-	-	(11,464)	-
PIS/Cofins credits (ii)	88,564	53,050	98,999	60,084
Total	**(797,787)**	**(718,299)**	**(936,315)**	**(857,003)**

(i) Provision for losses of amounts arising from the accounts receivable of the Subsidiary, according to Note 7.

(ii) Non-cumulative PIS and COFINS credits substantially represented by freights and that are supported by the effective tax legislation. The adopted rates are 1.65% and 7.6% respectively. Includes amounts related to extempore credits (tax opportunities), according to Note 8

21 Other expenses, net

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Recovery of expenses (i)	1,301	998	3,733	5,051
Inventory adjustments	-	32	(34)	(737)
Gain (loss) on sale of fixed assets, net	(855)	(1,912)	(814)	(2,942)
Bad debt losses	23	(1,370)	(93)	(2,731)
Loss in the disposal of investments	(223)	-	(223)	-
Formation of provisions for lawsuits and indemnities paid	(31,208)	(2,218)	(38,440)	(7,896)
Provision for losses on investments	(1,365)		(1,365)	
Other	684	954	(952)	1,233
Other income (expenses), net	**(31,643)**	**(3,516)**	**(38,188)**	**(8,022)**

(i) Refers to onlendings of fixed operating costs of areas sub-rented to clients.

22 Net financial income (expenses)

	Parent company		Consolidated	
	2017	**2016**	**2017**	**2016**
Financial income				
Asset interest	13,796	1,429	20,669	2,133
Income from interest earnings bank deposits	6,581	17,173	15,707	30,145
Exchange gains	98	152	315	166
Reversal of interest paid in installments (REFIS)	3,905	-	3,905	-
Discounts obtained	-	23	-	36
Total	**24,380**	**18,777**	**40,596**	**32,480**
Financial expenses				
Interest on bank financings	(26,356)	(49,350)	(26,713)	(49,350)
Bank expenses	(1,566)	(1,216)	(1,622)	(1,267)
Exchange losses	(147)	(661)	(147)	(788)
Interest paid in installments (REFIS)	-	(6,902)	(186)	(6,902)
Liability interest	(589)	(815)	(955)	(2,524)
Other financial expenses	(1,266)	(878)	(2,189)	(1,526)
Total	**(29,924)**	**(59,822)**	**(31,812)**	**(62,357)**
Net financial income (expenses)	**(5,544)**	**(41,045)**	**8,784**	**(29,877)**

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:

	2017	2016
Income attributable to Company's shareholders	103,763	13,826
Weighted average number of outstanding common shares (thousands)	65,937	65,937
Basic earnings per share - R$	**1.57**	**0.21**

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 December 31, 2017, the Company did not have any dilution factor in relation to the basic. Accordingly, diluted earnings per share as of December 31, 2017 and 2016 is equal to basic earnings per share of R$1.57 and R$0.21, 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 Grupo Itavema that are directly and/or indirectly related to the company that is part of the Company's control group, Sinimbu Participações Societárias e Empreendimentos S.A. ("Sinimbu");

(ii) The Company maintains with its parent company Sinimbu a contract for rent of commercial properties located in Betim, MG and São José dos Campos, SP;

(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;

(iv) Tegma Logística Integrada S.A., entity controlled by the Company, maintains a contract for rent of property located in Cariacica, ES, with Coimex Empreendimentos e Participações Ltda. – "Coimex" (controlling shareholder of the Company);

(v) The Company and Tegma Logística Integrada S.A., subsidiary of the Company, maintain a contract for provision of storage, movement and logistics services with Cisa Trading S.A., company directly and/or indirectly related to a company that is part of the Company's controlling group, Coimex Empreendimentos e Participações Ltda. ("Coimex");

(vi) Due to adhesion to Refis in November 2014, and aiming at settling its debts, 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$311). Due to adhesion to Program for Reduction of Tax Disputes (PRORELIT) in October 2015, the Company used part of credits deriving from tax losses and Social Contribution on Net Income negative basis (CSLL) (R$3,016). In October 2017, the Company was excluded from PRORELIT, so that the amounts paid in cash on the program were allocated to the respective debits. The amounts of tax loss and loss carryforwards used within PRORELIT were transferred to Tegma Logística de Veículos Ltda. in the amount of R$ 2,985.

(vii) Due to adhesion to Refis in November 2014, and aiming a settling its debts, the Company used part of credits deriving from tax losses and Social Contribution on Net Income negative basis (CSLL) of its subsidiary Tegma Logística Integrada S.A. (R$8,819). In the year 2017 the same was settled.

(viii) Due to adhesion to Program for Reduction of Tax Disputes (PRORELIT) in October 2015, 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$6,979. In October 2017, the Company was excluded from PRORELIT, so that the amounts paid in cash on the program were allocated to the respective debits. The amounts of tax loss and loss carryforwards used within PRORELIT were fully transferred to Tegma Cargas Especiais.

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, Sinimbu Participações Societárias e Empreendimentos S.A. ("Sinimbu"), insurance administrative services; these services are not remunerated by Tegma.

	Parent company		**Consolidated**	
	2017	**2016**	**2017**	**2016**
Current assets				
Itavema group (i)	294	134	294	134
Tegma Logística Integrada S.A.	35	57	-	-
Cisa Trading S.A. (v)	233	127	440	636
Tegma Cargas Especiais Ltda.	9	6	-	-
Coimex Empreendimentos e Participações Ltda. (iv)	-	-	34	-
Tegma Logística de Armazéns Ltda.	18	-	-	-
Total	**589**	**324**	**768**	**770**
Dividends receivable				
Tegmax Comércio e Serviços Automotivos Ltda.	6,035	-	-	-
Total assets	**6,624**	**324**	**768**	**770**
Current liabilities				
Tegma Logística de Armazéns Ltda	49	-	-	-
Tegma Logística Integrada S.A. (vii)	1	8,892	-	-
Tegma Logística de Veículos Ltda (vi)	342	3,327	-	-
Tegma Cargas Especiais Ltda. (viii)	-	6,979	-	-
Niyati Empreendimentos e Participações Ltda	310	168	-	-
Coimex Empreendimentos e Participações Ltda. (iv)	-	-	231	232
Pactus Empreendimentos e Participações Ltda. (iii)	360	661	360	661
Sinimbu Participações Societarias e Empreendimentos S.A. (ii)	235	235	235	235
Total liabilities	**1,297**	**20,262**	**826**	**1,128**

	Parent company		Consolidated	
Income (loss)	**2017**	**2016**	**2017**	**2016**
Income from services rendered				
Itavema group (i)	1,804	1,938	1,804	1,938
Cisa Trading S.A. (v)	3,345	2,527	12,267	11,009
Tegma Logística Integrada S/A	215	16	-	-
Other operating income				
Itavema group (i)	111	101	111	101
Catlog Logística de Transportes S.A.	-	1	-	2
Cisa Trading S.A. (v)	-	-	139	161
Tegma Logística Integrada S/A	501	665	-	-
Tegma Cargas Especiais Ltda.	133	281	-	-
Tegma Logística de Armazéns Ltda.	11	-	-	-
Tegmax Comércio e Serviços Automotivos Ltda.	1	5	-	-
	6,121	**5,534**	**14,321**	**13,211**
Administrative and general expenses				
Niyati Empreendimentos e Participações Ltda	(3,421)	(1,303)	-	-
Tegma Logística Integrada S/A	(347)	(209)	-	-
Tegma Cargas Especiais Ltda.	(3)	(4)	-	-
Tegmax Comércio e Serviços Automotivos Ltda.	-	(1)	-	-
Tegma Logística de Armazéns Ltda	(71)	-	-	-
Pactus Empreendimentos e Participações Ltda. (iii)	(4,314)	(3,437)	(4,314)	(3,437)
Sinimbu Participações Societarias e Empreendimentos S.A. (ii)	(2,825)	(2,863)	(2,825)	(2,863)
Coimex Empreendimentos e Participações Ltda. (iv)	-	-	(2,773)	(2,695)
	(10,981)	**(7,817)**	**(9,912)**	**(8,995)**

The change in current liabilities, which contains the assignment of deferred tax assets entered into between the Company and its Subsidiaries, is as follows:

	Parent company
Balance at January 01, 2017	**20,262**
Transfer of deferred tax asset	(9,964)
Payment	(8,819)
Other	(182)
Balance at December 31, 2017	**1,297**

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	
	2017	**2016**
Salaries and payroll charges	(5,832)	(6,552)
Directors' fees (Board members)	(2,513)	(2,030)
Stock options	-	44
Profit sharing	(2,098)	(1,758)
	(10,443)	**(10,296)**

At the Annual Shareholders' Meeting held on April 27, 2017, the annual remuneration of the members of the Company's Board of Directors, Tax Council and Executive Board was set at R$10,499, including salary, benefits, variable remuneration and Contribution for Social Security Funding – COFINS.

25 Insurance

The Company and its subsidiaries maintain insurance and contracted coverage, as indicated below, that 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) Storage of goods – variable coverage according to goods' location and type, coverage amounts to US$80,000.

(c) Civil liabilities against third parties, material damage, personal injuries, pain and suffering, and personal accidents – coverage of up to R$1,000; in case of third parties' fleet, coverage is the same.

(d) Supporting fleet – hull, collision, theft and fire - 105% of market value, FIPE table.

(e) Other property, plant and equipment assets, fire, lightning, explosion, aggravated theft, electric damages and other – corporate coverage of R$56,925.

(f) Management civil liability - coverage of R$ 60,000.

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 Commitments assumed

Accounting policy

Leases made by the Company as lessee in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments for operating leases are charged to income on the straight-line basis over the lease period. The incentives received are recognized as integral part of total lease expenses, over the lease period.

As of December 31, 2017 and 2016, the Company and its subsidiaries had no lease contracts.

On December 31, 2017, total minimum lease payments according to operating leases are summarized as follows:

	Parent company	**Consolidated**
Gross operating lease obligations - Minimum lease payments		
Up to 12 months	17,964	35,826
13–60 months	23,207	48,369
> 60 months	6,907	6,907
	48,078	**91,102**

27 Events after the reporting period

Corporate restructuring

On February 8, 2018 the Parent Company entered into the shareholders' agreement (and other definite documents) related to the incorporation of the joint venture with GDL Gestão de Desenvolvimento em Logística S.A. ("GDL"), BCDF E JR Participações S.A. ("Holding Silotec"), which will congregate the activities of goods warehousing and moving general operations performed in Cariacica-ES by Tegma Logística Integrada ("TLI") and Companhia de Transportes e Armazéns Gerais ("Silotec").

Payment of principal and interest of debentures

As mentioned in Note 12, on February 15, 2018, the Company paid the principal and interests of debentures (1st series) in the amounts of R$ 66,666 and R$ 4,725, respectively.

Other

On March 1, 2018 a prior notice regarding the mutual dissolution of the real estate lease contract entered into with Sinimbu, located in Betim, state of Minas Gerais, was sent.

Tegma Gestão Logística SA

Earnings release

2017 fourth quarter and full year

São Bernardo do Campo, March 20th, 2018

Highlights — Page

Highlights	Page
♦ The **number of vehicles transported** in 2017 has improved 11% [7% in 4Q17] compared to the previous year due to an improvement of domestic and export sales.	3
♦ 2017 and 4Q17 **gross revenue** growth reflected mainly the improvement in the number of vehicles transported in the period.	4
♦ **2017 adjusted EBITDA** was R$ 134.8 million [R$ 44.7 million in 4Q17], higher than previous year, driven by better operating results of both divisions.	6
♦ **Net income** in 2017 was R$ 103.8 million [R$ 59.0 million in 4Q17], higher than 2016, positively driven by revenue growth, cost and expense control, and positive non-recurring events that totaled R$ 40.8 million in the year and R$ 31.0 million in the quarter.	7
♦ **Free cash flow** in 2017 was R$ 61.6 million [R$ 11.9 million in 4Q17] higher than 2016 FCF due to better operating results.	10
♦ Tegma's **return on invested capital (ROIC)** in 2017 was 23.0%, vs an after-tax cost of debt of 6%.	12
♦ The management has proposed the payment of **additional dividends** related to the 2017 financial year in the amount of R$ 38.9 million [R$ 0.59 per share]	14

			Chg % vs		
Operational and financial highlights	**4Q17**	**2017**	**4Q16**	**3Q17**	**2016**
Net revenue (R$ million)	319.5	1,084.0	25.5%	11.8%	17.3%
Operating income (R$ million)	54.1	109.5	111.1%	93.6%	86.0%
EBITDA (R$ million)	61.5	137.6	89.4%	74.5%	54.7%
Adjusted EBITDA	44.7	134.8	37.5%	9.0%	51.5%
Adjusted EBITDA Margin %	*14.0%*	*12.4%*	*1.2 p.p.*	*-0.4 p.p.*	*2.8 p.p.*
Net income (R$ million)	59.0	103.8	3.7 p.p.	285.7%	6.5 p.p.
Net margin %	*18.5%*	*9.6%*	*13.5 p.p.*	*13.1 p.p.*	*8.1 p.p.*
Earnings per share (R$)	0.89	1.57	368.9%	285.7%	650.4%
Free cash flow (R$ million)	11.2	60.8	1,265.7%	-2.3%	18%
CAPEX (R$ million)	(4.1)	(25.2)	-34.7%	-29.8%	-19.0%
Vehicles transported (in thousand)	211.4	754.3	7.1%	8.2%	10.8%
Market Share %	*27.4%*	*26.7%*	*-3.1 p.p.*	*1.5 p.p.*	*-2.4 p.p.*
Average Km per vehicle transported	966.1	946.4	9.0%	-1.2%	-0.2%

Result presentation *Presentation audio*

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Board comments

The economic crisis in Brazil was profound and markedly affected our main market, the automotive segment, which shrank 45%. During this period the company has rethought its processes and its costs, becoming leaner and more competitive. The year 2017, was, finally, the first one that allowed us to reap some fruits of all efforts undertaken in that period. We went through the crisis with our business divisions well positioned in their niche markets and with increasing levels of profitability. From the standpoint of capital structure, we have a comfortable level of leverage and the remaining gross debt is adequately stretched. Finally, we have implemented in 2017 an unprecedented initiative in the logistics of Brazil through a start-up accelerator, TegUp.

The production of brand new vehicles in 2017 has showed its **first growth after three years of decline** driven by better entrepreneur and consumer confidence and better credit conditions, as well as more conditions that are favorable for exports. At Tegma, we believe that in 2017 we have **achieved an important goal of controlling costs and expenses**. However, we still have continuous challenges given the forecast of continued growth in vehicle production in 2018 and beyond. The increased productivity of the vehicle logistics division, through new budgetary controls that is going to be implemented throughout 2018, will continue to be a priority so that the company can continue to capture the recovery of the economy with high quality services and profitability.

In integrated logistics we also have reasons to celebrate. The year of 2017 was the fourth consecutive year we have reported positive adjusted EBITDA and the **first one to report a positive operating profit in five years**! These results are a consequence of the selection of contracts that have occurred in the last three years, the restructuring of warehouses and the costs control. We announced the **creation of a JV for our Cariacica bonded warehouse operation**, which will reap synergies to positively contribute to the results and return of the division.

In 2017, we also had the initiative of **lengthening our debts** so we would not need cash in an election year, despite the confidence that our cash flow will remain consistent with all cost cutting work done.

We believe in the solidity of the Brazilian economy and that the necessary adjustments are being implemented within the possible pace, which will give confidence to Brazilians, allowing us to finally have sustainable growth in the future.

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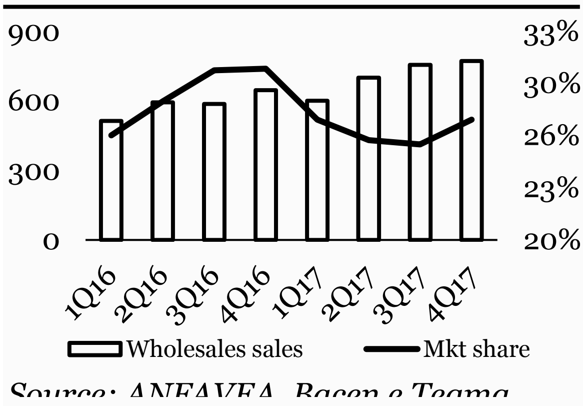
Operational highlights– Automotive division (DLV)

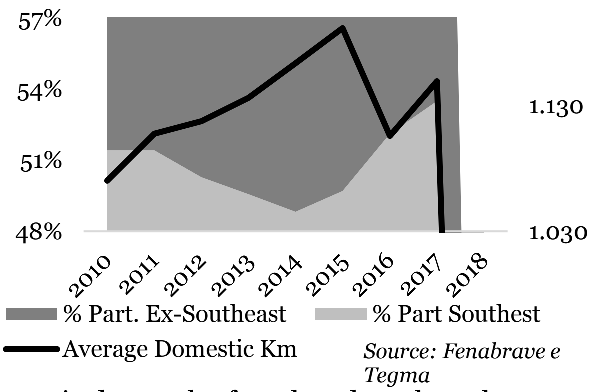
Chart 1 - Wholesale sales and Tegma market share



2017 was a year marked by the consistent recovery of sales and production of vehicles in Brazil. After three years of downturn as a result of the severe economic crisis, the recovery of consumer confidence, improvement of financing for the auto sector and **corporate sales** boost contributed to a 9.4% increase in **domestic sales** in 2017 vs. 2016 [13.6 % in 4Q17 YoY]. In addition to the domestic sales recovery, the 50% **export** growth [26% in 4Q17 YoY] in 2017 compared to 2016 due to Brazil's multilateral agreements with Latin American neighbors and the exchange rate, explain the 25% growth of **production** in 2017 [19.3% in 4Q17] in the annual comparison.

The number of **vehicles transported** by Tegma increased by 10.8% in 2017 [7.1% in 4Q17] in the year-over-year comparison, a growth 2.4 p.p. lower than wholesale sales, therefore, resulting in a loss of market share vs. the same period of previous year [-3.1 p.p. in 4Q17]. The main reasons for this market share reduction in the quarter continue to be the mix of costumers and the lower sales performance of the southern region, in which we have a relevant volume share.

Chart 2 – National regional share vehicle sales and Tegma domestic average distance (in km)



After two years of decrease in **the average domestic distance**, in 2017 there was an increase, despite the continuous concentration of vehicle sales in the country's southeast region (chart 2). The growth in the average distance from exports is due to the fact that there have been more direct deliveries to Mercosur countries than compared to ports.

			Chg % vs		
	4Q17	**2017**	**4Q16**	**3Q17**	**2016**
Vehicles and light commercial sales	**786.5**	**2,900.6**	**16.4%**	**2.8%**	**17.1%**
Domestic	599.9	2,176.0	13.6%	2.9%	9.4%
Exportations	186.6	724.6	26.4%	2.6%	48.2%
A - Estimated wholesale sales	**772.2**	**2,828.8**	**19.4%**	**2.2%**	**20.8%**
(+) Production of vehicles and light commercial	684.4	2,596.1	19.3%	-1.5%	25.0%
(+) Importation of vehicles	77.9	253.1	23.5%	30.5%	6.7%
(-) OEM's inventories change	(9.9)	20.4	-	-	-
B - Vehicles transported	**211.4**	**754.3**	**7.1%**	**8.2%**	**10.8%**
Domestic	168.9	593.7	5.4%	5.4%	4.0%
Exportations	42.5	160.6	14.7%	21.2%	45.8%
Market share (B / A) %	*27.4%*	*26.7%*	-3.1 p.p.	1.5 p.p.	-2.4 p.p.
Average km per vehicle transported	**966.1**	**946.4**	**9.0%**	**-1.2%**	**-0.2%**
Domestic	1,159.4	1,149.5	9.3%	1.4%	3.9%
Exportations	198.7	195.8	47.5%	-10.5%	47.9%

Source: ANFAVEA e BACEN *(in thousands, except average Km)*

4Q17 Non-recurring events

Troughout 2017, we have made several balance sheet adjustments that have impacted our income statement in a comprehensive manner, resulting in a **net positive impact on EBITDA** of R$ 2.8 million in 2017 [positive R$ 16.9 million in 4Q17] and a **positive effect on net income** of R$ 40.8 million in the year [R$ 31.0 million in 4Q17]. Below are described the events that have impacted the 4Q17 results, wich, to compose those of 2017, are added to the 9M17 non recurring events in **Annex I** (following on from the numbering of previous adjustments).

6. In 4Q17 we recorded another provision for loss on receivables in the same amount as that recorded in 3Q17, of R$ 5.7 million, arising from the spin-off of the former subsidiary Direct Express, wich was sold in 2014, affecting the **general and administrative expenses.** With this entry, there is no remaining balance for this subject.

7. In December 2017, we reviewed the legislation governing the **non-cumulative basis of PIS and COFINS tax**. In addition, we also reviewed the credits on taxes on investments made.

These initiatives have resulted in the recognition of **tax credits in the costs of service provided in 4Q17 in the amount of R$ 29.2 million** and the respective monetary update of R$ 8.2 million, positive in the financial results.

Both tax credits will be used to compensate federal taxes payments.

8. In December 2017, we concluded the revaluation work over the methodology used to calculate provisions for labor claims, resulting in an increase of R$ 6.6 million in provisions.

Non-recurring events	4Q17		
	Auto Log.	**Int. Log**	**Consol.**
Gross Revenue	-	-	-
Deductions from Gross Revenue	-	-	-
Net Revenue	-	-	-
(-) Cost of services provided	24.1	5.1	29.2
(7) PIS/COFINS tax credit adjustments	24.1	5.1	29.2
Gross profit	**24.1**	**5.1**	**29.2**
General and Administrative Expenses	-	(5.7)	(5.7)
(6) Direct account receivable provision	-	(5.7)	(5.7)
Other net income (expenses)	(5.0)	(1.7)	(6.6)
(8) Change in contingencies criteria	(5.0)	(1.7)	(6.6)
Operating profit / EBITDA	**19.1**	**(2.3)**	**16.9**
Financial result	11.6	1.4	13.0
(7) Monetary update PIS/COFINS tax credit adjustments	7.2	1.1	8.2
(9) PERT	4.4	0.4	4.8
Profit before IR and CS	**30.7**	**(0.8)**	**29.9**
Income tax and social contribution	(5.4)	6.5	1.1
(6) Income tax under Direct's account receivables provision	-	1.9	1.9
(7) Income tax under PIS/COFINS tax credit adjustments	(10.8)	(2.1)	(12.9)
(8) Income tax under change in contingencies criteria	1.4	0.3	1.8
(9) Income tax under PERT	(0.4)	(0.4)	(0.8)
(10) Recognition of deferred tax losses - TCE	-	6.4	6.4
(11) Deferred amortization of goodwill	2.6	-	2.6
(12) Presumed ICMS tax credit - investments	4.1	0.4	4.5
(13) Income tax under discontinued operations account receivables write-off	(2.3)	-	(2.3)
Net profit/loss	**25.3**	**5.7**	**31.0**

9. In 2015 and 2016, we recognized a provision for tax installment that would be paid through the PRORELIT program (Program for the reduction of tax litigations). In October 2017, the PRORELIT rejected it, because of variances in calculating the debit value. In the same period, the government provided the Special Tax Regularization Program (PERT) to settle debts recognized, referring to the processes under administrative discussion, which provided a 90% reduction in interest and 70% reduction in fines. Since PRORELIT did not **reduce interest and fines**, the adhesion to PERT has **reduced the 2014 and 2015 liabilities** in the amount of R$ 4.8 million.

10. After reviewing the company's deferred income tax, an unrecorded balance was indentified for the amount of R$ 6.4 million in the subsidiary Tegma Cargas Especiais (chemical operations). As a result, a deferred tax asset was recognized, which positively impacted the **income tax** for the same amount.

11. After a review work, it was found that there **was impairment without the due recognition of the deferred tax asse**t for the amount of R$ 2.6 million on the income tax line.

12. The presumed credit or ICMS tax credit is a tax benefit granted by the states that positively impacts net income, increasing taxable income. Corporate income tax legislation already provided for the non-taxation of income related to investment subsidies. With the publication of supplementary law 160/17, there was a change in the understanding, in which ICMS tax benefits granted by the states would now be considered investment subsidies. With support in the legal provision, in Dec/17 we excluded the total credit amount of ICMS granted from the income tax calculation base, generating a positive impact in the **income tax** of R$ 4.5 million.

13. In 4Q17 we made an account receivables write-off (already provisioned) arising from the disposal of the former subsidiary Direct Express in the amount of R$ 16.2 million, of which the non-deductible amount of income tax based on legislation is only R$ 6.6 million. With this, the income tax position recorded in our Income Statement is down R$ 2.3 million. On the other hand, this decrease has meant a reduction in the current income tax (cash) of R$ 3.2 million.

** At the end of the earnings release we show an income statement disregarding the non-recurring events of 4Q17 and 9M17*

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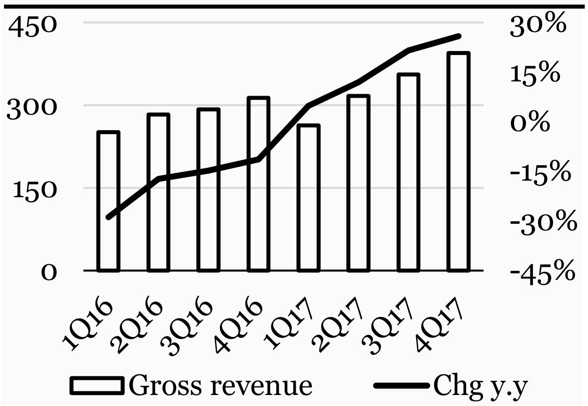
Revenue

After three successive years of revenue decline, 2017 was the first to show growth in the annual comparison mainly due to the recovery of the Brazilian automotive market.

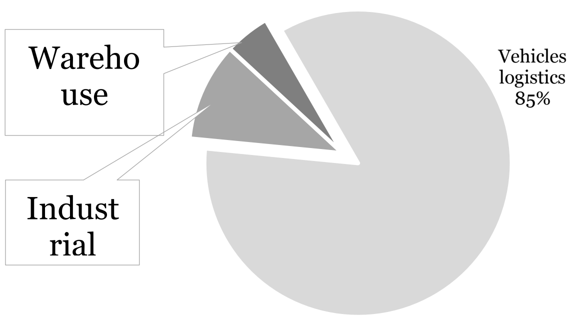
Chart 3 – Gross revenue consolidated (in R$ mi)



Automotive logistics' gross revenue grew by 20.5% in 2017 [28.6% in 4Q17] in the annual comparison, a variation that is explained by: i) 10.8% growth in 2017 [7.1% in 4Q17] of the number of vehicles transported, ii) positively by the 9.0% increase in the average km per vehicle in 4Q17 vs. the previous year, and iii) by the 2017 price adjustment. In addition, there was a growth on other revenues not tied to final deliveries, such as transfers to yards, inventory managment and PDI (pre-delivery inspection).

In the Integrated logistics division, revenue from **warehousing** operation in 4Q17 grew by 16.4%, in year-over-year comparison, due to volume increases at Cariacica and Rio de Janeiro warehouses. However, due to a very week first semester, the full year of 2017 revenue grew only 1.1% vs. 2016.

Chart 4 - Revenue share in the year 2017



Industrial logistics' revenue showed stability in 2017 compared to 2016. The 4Q17 growth in the y0y comparison is mainly due to the recovery of operations for customers in the home appliance sector, who is already showing signs of growth.

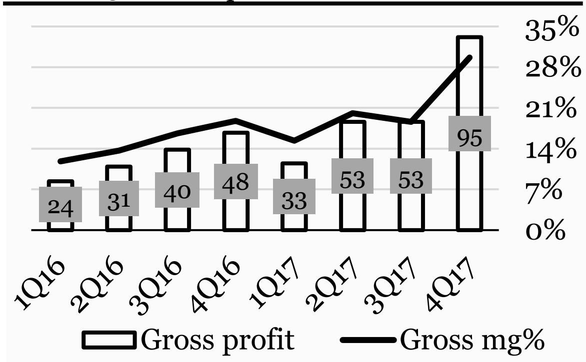
The gross revenue and its deductions evolution was mismatched in 2017, in the annual comparison, due to the mix of clients and different comercial practices, besides the lawsuit success described in item 1 of the 9M17 non-recuring events in **Annex I**.

			Chg % vs		
	4Q17	**2017**	**4Q16**	**3Q17**	**2016**
Automotive division	**340.6**	**1,128.9**	**28.6%**	**11.6%**	**20.1%**
Vehicle logistics	340.6	1,128.9	28.6%	11.6%	20.5%
Autoparts logistics	-	-	-	-	-100.0%
Integrated logistics	**54.1**	**201.3**	**10.9%**	**7.2%**	**0.6%**
Warehouse	18.3	63.5	16.4%	20.3%	1.1%
Industrial logistics	35.7	137.8	8.2%	1.5%	0.4%
Gross revenue	**394.7**	**1,330.2**	**25.9%**	**11.0%**	**16.7%**
Taxes and deductions	(75.2)	(246.2)	27.3%	7.8%	13.8%
Net revenue	**319.5**	**1,084.0**	**25.5%**	**11.8%**	**17.3%**

Gross Profit

The company's **gross profit** in 2017 has showed a margin expansion vs. 2016 arising from revenue recovery in both divisions and fixed cost control. In addition, it was positively impacted by item 1 and 7 of non-recuring events in **Annex I** and in the **4Q17 non-recuring events**.

Chart 5 – Gross profit consolidated (in R$ mi)



Personnel costs has increased by 20.9% in 4Q17 in the year-on-year comparison, mainly due to the increase of headcount in the vehicle operation, stemming from the increase in the number of vehicles handled and the deployment of new customers in the integrated logistics-warehousing. The 5.2% personnel cost growth in 2017 vs 2016, which was lower than the revenue growth, still reflects the productivity gains of vehicles handled by headcount captured throughout the year. The increase of 11.3% in **other costs** in 4Q17 in the year-on-year comparison is due to: i) the cost increase of own fleet, which are responsible for export deliveries; and ii) the increase in depreciation of the vehicle division due to the revision of estimates of the useful life of some equipment. The **PIS and COFINS tax credit** was affected in 4Q17 by item 7 of **4Q17 non-recurring events**.

Automotive logistics division's gross margin improvment in 2017 and in 4Q17 in the annual comparison is driven by the revenue increase in the period, together with the fixed costs control, as explained above, and from the positive effect of item 7 of the **4Q17 non-recurring events** [without this event, the increase would be +1.8 p.p. in 4Q17 and 2017].

Integrated logistics division's gross margin improvement in 2017 and in 4Q17, in the annual comparison, partly stems from the same non-recuring event mentioned above in the automotive logistics. Without considering this effect, the margin would have fallen by 0.5 p.p. In 2017, disregarding all non-recurring items, the gross margin of the division would have grown by 4.7 p.p. due to the reduction of rent and personnel costs.

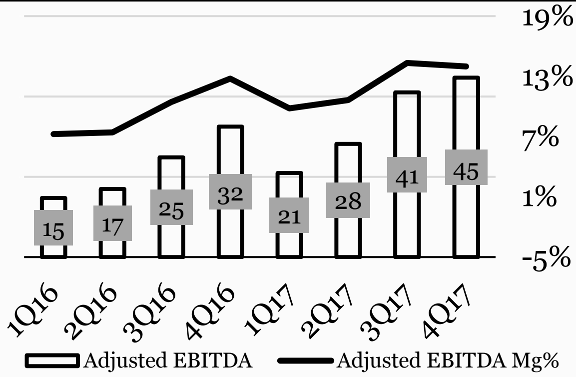
				Chg % vs 4Q16		
4Q17	**Automotive logistics**	**Integrated logistics**	**Consolidated**	**Automotive logistics**	**Integrated logistics**	**Consolidated**
Net revenue	**274.8**	**44.6**	**319.5**	**28.3%**	**10.6%**	**25.5%**
Cost of services	(187.3)	(37.4)	(224.7)	11.2%	-2.2%	8.7%
Personnel	-	-	(29.3)	-	-	20.9%
Freight	-	-	(200.7)	-	-	27.0%
Others	-	-	(44.4)	-	-	11.3%
Tax credit (PIS and COFINS)	-	-	49.7	-	-	222.1%
Gross profit	**87.5**	**7.2**	**94.8**	**91.3%**	**246%**	**98.1%**
Gross margin%	*31.8%*	*16.2%*	*29.7%*	**10.5 p.p.**	**11.0 p.p.**	**10.9 p.p.**

				Chg % vs 2016		
2017	**Automotive logistics**	**Integrated logistics**	**Consolidated**	**Automotive logistics**	**Integrated logistics**	**Consolidated**
Net revenue	**908.1**	**175.9**	**1,084.0**	**19.7%**	**6.6%**	**17.3%**
Cost of services	(698.8)	(151.2)	(850.0)	13.2%	-7.6%	8.8%
Personnel	-	-	(110.8)	-	-	5.2%
Freight	-	-	(674.0)	-	-	17.5%
Others	-	-	(163.7)	-	-	1.0%
Tax credit (PIS and COFINS)	-	-	98.5	-	-	64.1%
Gross profit	**209.3**	**24.7**	**233.9**	**48.1%**	**1.753%**	**64.0%**
Gross margin%	*23.0%*	*14.0%*	*21.6%*	**4.4 p.p.**	**13.2 p.p.**	**6.1 p.p.**

Operational income and EBITDA

The recovery trend in the Company's adjusted EBITDA margin**, as shown in chart 6, reflects the growth in revenues since 1Q16 and the costs and expenses control / reduction in the period.**

Chart 6 - Consolidated adjusted EBITDA (in R$ mi)



General and administrative expenses in 2017 were influenced by item 6 of **4Q17 non-recurring events.** Disconsidering it, there was a 1.2% reduction in the annual comparison mainly due to the decrease in general expenses and depreciation. In 4Q17, disconsidering the same item 6, the 42.7% increase vs 4Q16 was due to higher legal fee expenses related to the joint venture process of the Cariacica operation, increases in severances costs and other consultancies.

The increase in **other expenses and revenue** in 4Q17 was mainly due to item 8 of **4Q17 non-recurring events**. In 2017, this line was also impacted by items 2, 3 and 4 of the 9M17 non-recurring events in **Annex I**. Notwithstanding all these items, the 67.2% or R$ 5.4 million increase in 2017 vs. 2016 is mainly due to the increase in the constitution of provisions for Tegma's legal claims. The increase in the **depreciation** of the automotive division is due to the revision of estimates of useful life of some equipment.

The automotive logistics' adjusted EBITDA margin improvement in 2017 and 4Q17 in the annual comparison is explained by the revenue increase steaming from the recovery of the number of vehicles transported and the fixed costs and expenses control.

The **integrated logistics' adjusted EBITDA** margin stability in the 4Q17 vs. the previous year was due to the aforementioned extraordinary general and administrative expenses.

4Q17	Automotive logistics	Integrated logistics	Consolidated	Chg % vs 4Q16 Automotive logistics	Chg % vs 4Q16 Integrated logistics	Chg % vs 4Q16 Consolidated
Gross profit	**87.5**	**7.2**	**94.8**	**91.3%**	**246.2%**	**98.1%**
Expenses	(31.4)	(9.3)	(40.7)	60.7%	245.9%	83.1%
General and administrative expenses	-	-	(25.7)	-	-	42.7%
Other expenses and revenues	-	-	(15.0)	-	-	256.3%
Operating income	**56.1**	**(2.1)**	**54.1**	**114.1%**	**244.8%**	**111.1%**
(+) Depreciation	3.8	3.6	7.4	20.4%	-1.8%	8.4%
EBITDA	**59.9**	**1.6**	**61.5**	**104.0%**	**-49.1%**	**89.4%**
(+) Non recurring events*	(19.1)	2,3	(16,9)	-	-100%	-100%
Adjusted EBITDA	**40.8**	**3.8**	**44.7**	**77.1%**	**-**	**37.5%**
EBITDA margin	*14.9%*	*8.6%*	*14.0%*	**1.1 p.p.**	**0.9 p.p.**	**1.2 p.p.**

2017	Automotive logistics	Integrated logistics	Consolidated	Chg % vs 2016 Automotive logistics	Chg % vs 2016 Integrated logistics	Chg % vs 2016 Consolidated
Gross profit	**209.3**	**24.7**	**233.9**	**48.1%**	**1,753.0%**	**64.0%**
Expenses	(102.8)	(21.7)	(124.5)	32.1%	261.0%	48.5%
General and administrative expenses	-	-	(74.8)	-	-	-1.2%
Other expenses and revenues	-	-	(49.7)	-	-	519.0%
Operating income	**106.5**	**3.0**	**109.5**	**67.6%**	**-**	**86.0%**
(+) Depreciation	(14.4)	(13.7)	(28.1)	2.3%	-14.3%	-6.5%
EBITDA	**120.9**	**16.7**	**137.6**	**55.8%**	**47.2%**	**54.7%**
(+) Non recurring events*	(2.8)	(0.1)	(2.8)	-	-100%	-100%
Adjusted EBITDA	**118.2**	**16.6**	**134.8**	**52.2%**	**46.5%**	**51.5%**
EBITDA margin	*13.0%*	*9.4%*	*12.4%*	**2.8 p.p.**	**2.6 p.p.**	**2.8 p.p.**

* Futher details on the Income statement attached at the end of the document.

Income before tax and net income

4Q17 **financial result** was positive R$ 12.6 million and in 2017 full year was positive R$ 8.8 million, as shown in the chart below:

	4Q17	2017	Chg % vs 4Q16	Chg % vs 3Q17	Chg % vs 2016
Financial revenue	2.8	15.7	-64.6%	-35.8%	-47.9%
Interest expenses	(4.7)	(26.7)	-60.2%	-34.4%	-45.9%
Interest expenses, net of revenue from financial investments	**(1.9)**	**(11.0)**	**-51.0%**	**-32.1%**	**-42.7%**
Complemetary expenses (tax refinancing programs)	-	-	-	-	-100.0%
Items 1, 5, 7 e 9 non recurring	13.0	20.7	-	-	-
Other financial revenues (expenses)	1.5	(0.9)	12,316.4%	-	-75.0%
Financial result	**12.6**	**8.8**	-	-	-

(Consolidated)

Interest expenses, net of financial investments in 2017, were R$ 11.0 million [R$ 1.9 million in 4Q17]. The decrease compared to 2016 as shown in the table above is explained by the reduction in the average balance of net debt in 2017 [which contributed to half of the 42.7% decrease in the comparison vs 2016] and the remainder is explained by the reduction in the interest rate, net of the spread increase of our debt. The financial result was additionally influenced by items 1, 5, 7 and 9 of **Annex I** and **non-recurring events of 4Q17.**

Income and social contribution taxes for 2017 presented a real tax rate of 12% [12% in 4Q17] due to the items 5, 10, 11 and 12 explained in **Annex I** and in **non-recurring events in 4Q17**. Interest on own capital distribution, as seen on the table below, also influenced the income tax.

	4Q17	2017	Chg % vs 4Q16	Chg % vs 3Q17	Chg % vs 2016
Income before tax	**67.3**	**117.5**	**215.2%**	**178.4%**	**338.4%**
Real tax rate	34%	34%	-	-	-
income tax and social contribution at the nominal rates	**(22.9)**	**(39.9)**	-	-	-
Non-recurring item 5	-	12.2	-	-	-
Non-recurring items 10 and 11	9.7	9.7	-	-	-
Non-recurring item 12	4.5	4.5	-	-	-
Interest on own capital	1.3	1.3	-	-	-
Permanent differences, equity equivalence and others	(0.9)	(1.5)	-38.4%	40.6%	-61.7%
Income tax	**(8.3)**	**(13.7)**	**-5.1%**	**-6.3%**	**5.8%**
Effective tax Rate	*-12%*	*-12%*	-	-	-

(Consolidated)

2017 net income was R$ 103.8 million (R$ 59.0 million in 4Q17) due to the effects mentioned in previous sections. Disregarding all non-recuring events, net income for 2017 would be R$ 63.0 million [+4.4 p.p.] and R$ 28.1 million [+3.8 p.p.], as shown in the attached income statement.

	4Q17	2017	Chg % vs 4Q16	Chg % vs 3Q17	Chg % vs 2016
Operating income	**54.1**	**109.5**	**111.1%**	**93.6%**	**86.0%**
Financial result	12.6	8.8	-	-	-
Equity	0.6	(0.8)	-	-	-65.2%
Income before tax	**67.3**	**117.5**	**215.2%**	**178.4%**	**338.4%**
Income tax	(8.3)	(13.7)	-5.1%	-6.3%	5.8%
Net income	**59.0**	**103.8**	**368.9%**	**285.7%**	**650.5%**
Net margin %	*18.5%*	*9.6%*	*13.5 p.p.*	*13.1 p.p.*	*8.1 p.p.*

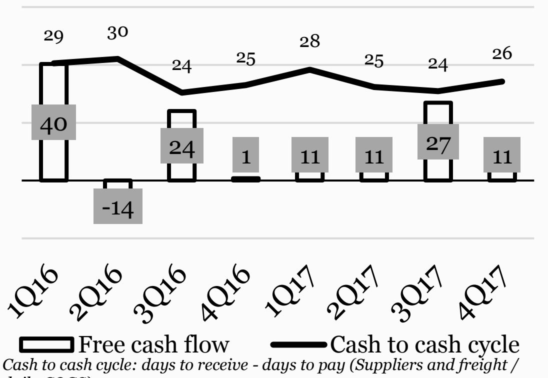
(Consolidated)

Cash flow

2017 cash flow was benefited by the efforts in cost and expenses control and the cash cycle, but also by the recovery of revenues.

The 2017 **CAPEX** was R$ 25.2 million [R$ 4.1 million in 4Q17], as demonstrated below. In 2017, the most significant investment was R$ 7.8 million in the industrial logistics operation for the acquisition and revitalization of semi-trailers, due to the contract renewal of the largest customer of the operation. In addition, operational maintenance played a significant role in CAPEX.

Chart 7 – Free cash flow (in R$ mi) and cash to cash cycle (in days) consolidated



Cash to cash cycle: days to receive - days to pay (Suppliers and freight / daily COGS)

Net cash generated by investing activities (excluded CAPEX "cash") was negative R$ 11.3 million in 2017 mainly due to the payment of the last installment of the acquisition of the business operated by LTD Transportes Ltda in 2012, in the amount of R$ 12.7 million.

Net cash from financing activities was negative by R$ 8.7 million in 4Q17, mainly due to the anticipation of R$ 7.7 million in dividends and interest on own capital in November 2017. In full year 2017, the line was negative in R$ 94.4 million because of: i) amortization of debt, net of funding, of R$ 63.1 million and ii) payment of dividends and interest on capital amounting R$ 30.4 million.

CAPEX	2016	2017	4Q16	4Q17
Land improvements	18.2	-	3.4	-
New operations	5.3	-	1.2	-
Maintenance	5.9	9.5	1.7	2.8
General improvements	-	2.9	-	-
IT	-	5.0	-	1.3
Contract renewal	-	7.8	-	-
Total	**29.4**	**25.2**	**6.3**	**4.1**

	2016	2017	4Q16	4Q17
A - Cash at beginning of period	**214.3**	**192.9**	**241.9**	**145.3**
Operating cash flow (1)	84.4	85.0	7.4	16.5
(-) Capital expenditures "cash" (2)	(31.1)	(24.2)	(6.3)	(5.4)
B - Free cash flow (1 + 2)	53.3	60.8	1.1	11.2
C - Net cash generated by investing activities (ex CAPEX)	0.5	(11.3)	0.1	0.2
D - Net cash from financing activities	(75.1)	(93.6)	(50.3)	(7.9)
(=) Cash at end of period (A + B + C + D)	**192.9**	**148.7**	**192.9**	**148.7**

(consolidated)

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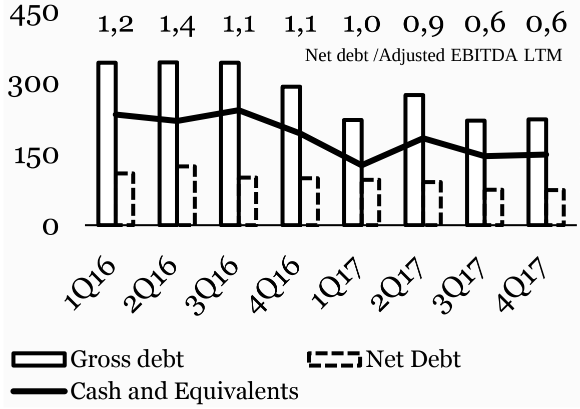
Debt and cash

The downward trend in the company's leverage, both nominal and relative in the last two years, according to Chart 8, reflects the cash generation for the period and the increase in EBITDA in recent quarters.

The **net debt / adjusted EBITDA TTM ratio** of 4Q17 was 0.6x vs. 0.6x in 3Q17. The calculation of the coverage ratio (which is equivalent to adjusted EBITDA / financial result) is not applicable given that the recognition of financial income from several extemporaneous tax credits made the financial result of the company become positive. The company's covenants are <2,5x e >1,5x, respectively.

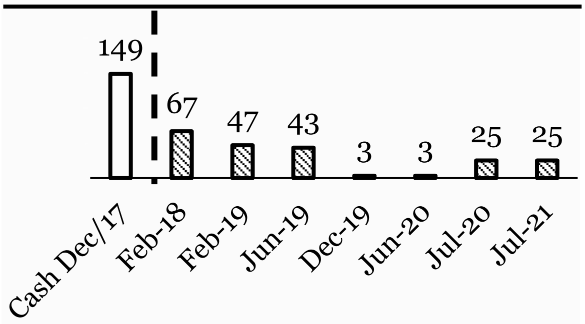
Chart 8 – Debt and cash consolidated (in R$ mi)



The company's **total average cost of gross debt** at December 31, 2017 was CDI + 1.56% p.a.

Net debt on December 31, 2017 was R$ 74.1 million, versus R$ 74.7 million on September 30, 2017. This reduction is mainly due to the positive cash flow of R$ 11.9 million in 4Q17 and payment of 2017 interim dividends in the amount of R$ 7.7 million in November. The variation vs. net debt of December 2016 (which was R$ 98.7 million) is mainly explained by the payment of R$ 30.5 million in dividends and by the free cash flow of R$ 61.6 million in the year.

Chart 9 – Principal debt schedule amortization (R$ mi)



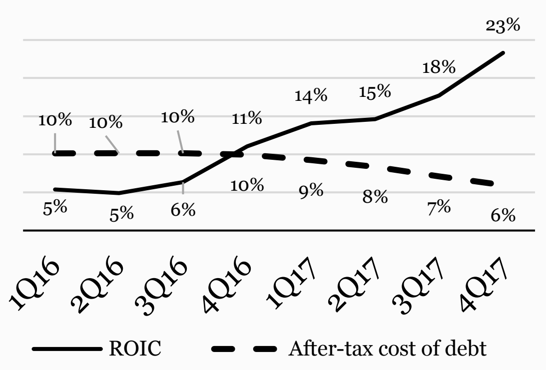
	1Q17	2Q17	3Q17	4Q17
Current debt	123.4	123.0	69.4	72.6
Non-current debt	98.0	150.9	150.6	150.3
Gross debt	**221.5**	**273.9**	**220.0**	**222.9**
(-) Cash	0.3	0.4	0.3	0.4
(-) Banking investments	125.8	182.7	145.0	148.3
Net debt	**95.4**	**90.8**	**74.7**	**74.1**
Adjusted EBITDA TTM	**95.2**	**106.5**	**122.6**	**134.8**
Net debt / Adjusted EBITDA TTM	*1.0 X*	*0.9 X*	*0.6 X*	*0.6X*
Financial result TTM	**(25.4)**	**(15.6)**	**(7.6)**	**8.8**
Adjusted EBITDA TTM / Financial result TTM	*3.8 X*	*6.8 X*	*16.1 X*	*15.3X*

(consolidated)

Return on invested capital

Given that the company believes that **return on investment** (ROIC) is significant for investors, since it reflects the company's value creation, we begin to disclose the criteria that we consider the most appropriate for the company. ROIC should not be considered as a substitute for other accounting measures in accordance with IFRS and may not be comparable to similar measures used by other companies. The Company defines ROIC as operating profit (after-tax of 34%), divided by the capital invested (shareholders' equity plus net debt minus merger and acquisition goodwill) of the previous 12 months.

Chart 10 – Return over investments (ROIC) and after-tax cost of debt



ROIC: NOPAT / (Net debt + Equity – goodwill)
Reconciling the indicator in the file Historical Financials.xlm (figures)

The company's **ROIC**, as shown in Chart 10 and at the table below, had a significant recovery in the last two years, resulting in a 170 bps spread over the company's after-tax cost of debt.

The recovery since the middle of 2016 has been driven by the improved revenue from the automotive logistics division, by the improvement of integrated logistics division and by the cost control that we have undertaken throughout the company since 2015. In addition, positive free cash flow in recent years has resulted in a reduction in the net debt of the company and consequently the reduction of the capital employed.

	1Q16	2Q16	3Q16	2016	1Q17	2Q17	3Q17	2017
ROIC (A / B)	**5%**	**5%**	**6%**	**11%**	**14%**	**15%**	**18%**	**23%**
NOPAT (Oper inc *(1-34%) (A)	**20.9**	**21.6**	**23.1**	**38.9**	**43.4**	**47.0**	**53.5**	**72.3**
Operating income (TTM)	31.7	32.7	35.0	58.9	65.7	71.2	81.0	109.5
Capital employed (B) (previous 12 months)	**389.6**	**440.1**	**363.9**	**351.5**	**308.0**	**321.5**	**301.8**	**309.9**
(+) Net debt	183.7	233.0	156.8	150.0	109.2	123.4	99.8	98.7
(+) Equity	369.8	371.1	371.0	365.4	362.8	362.1	365.9	375.1
(-) Aquisitions goodwill	163.9	163.9	163.9	163.9	163.9	163.9	163.9	163.9

(consolidated)

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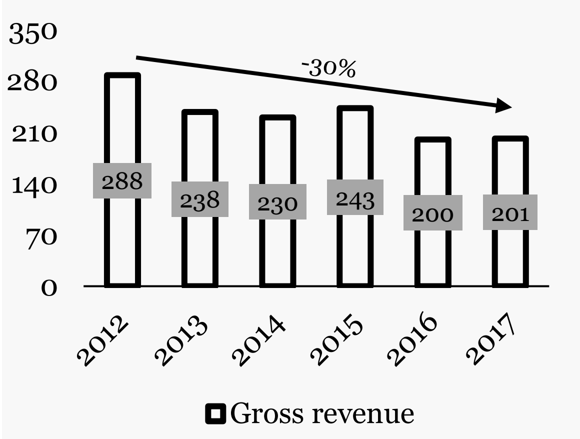
Integrated Logistics – Summary of the last six years

Since Tegma's IPO in 2007, the company's integrated logistics division has been part of our effort to become a more **diversified logistics operator**. In this period we had many achievements as well as learnings. The achievements were the mature, profitable contracts that added expertise to the company that remain with us to this day. We became suppliers of companies with high quality standards, without losing our minimum profitability criteria on the investments necessary for these operations. On the other hand, we reassessed, discontinued or sold other operations that, in our opinion, did not fit our profitability criteria and our strategic positioning.

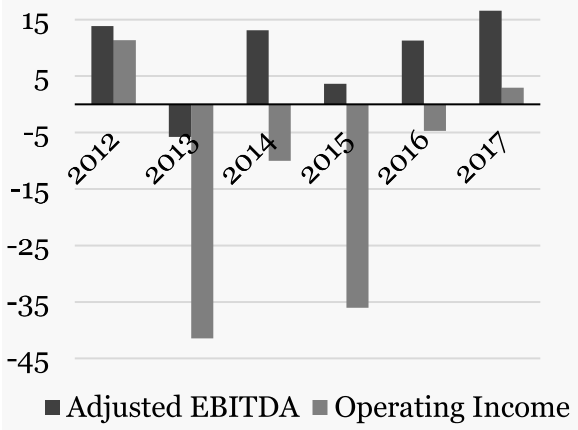
Chart 12 – Integrated Logistics Gross revenue (R$ mi)



Over the course of five years, we have improved our **customer selection criteria**, choosing long-term contract profile, with a logistical complexity that does not reduce our competitiveness or profitability. As a result, revenue from the division fell 30% in this period, as shown in **Chart 12**.

However, as can be seen in **Chart 13**, the recovery of the division's profitability reflected the cost control and selectiveness of investments undertaken during this period, which more than compensated for the revenue decrease, allowing the division to positively contribute, in 2017, to our consolidated **return on invested capital** with a positive operating income in 2017 and also enabled the fourth consecutive years of positive adjusted EBITDA. Between 2013 and 2015 we had, in addition, many non-recurring events related to discontinued operations that markedly affected our operating income.

Chart 13 – Integraded Logistics adjusted EBITDA and operational income (R$ mi)



Currently, we have the priority to replicate successful business in the company to other customers. Longer-term contracts and operations that can be perceived by our clients as differentiated and that contribute to value creation for both parties are our strategic focus.

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Dividend and interest on own capital

In a management proposal of March 20th, 2018, the management proposed for approval at the Shareholders' Meeting to be held on April 20, 2018, the distribution of **complementary dividends and interest on own capital** of R$ 38.9 million (R$ 0.4150153971 p/s in dividends and R$ 0.1742641627 p/s in interest on capital / R$ 0.1481245383 p/s net of tax). Combined with the two anticipations made in August and November, 2017 distributions totaled R$ 61.2 million (R$ 0.9288939881 per share, 60% payout on 2017 earnings and 4.9% of dividend yield) vs R$ 8.0 million distributed in 2016 (R$ 0.12 per share, 61% payout on 2016 earnings and 0.9% of dividend yield).

Services provided by the external Company Accounts Auditor

The financial statements of the company and its subsidiary for the fiscal year ended December 31, 2016 were audited by KPMG Auditores Independentes S.S. Pursuant to article 2 of CVM Instruction 381/03 and Circular OFÍCIO-CIRCULAR/CVM/SEP/Nº 02/2018, Tegma hereby declares that it did not hire the independent auditors or any related parties thereof to perform any services beyond those related to the external audit.

The Company´s hiring procedures of services from its independent auditors not relating to an external audit is based on principles that preserve the independence of these professionals. These principles, which follow internationally accepted guidelines, consist of the following: (a) the auditor must not audit his/her own work; (b) the auditor must not perform managerial functions for his/her client; and (c) the auditor must not promote the interests of his/her clients.

ANNEX I - 9M17 and 4Q17 non-recurring events

Non-recurring events	9M17			4Q17			2017		
	Auto Log.	Int. Log	Consol.	Auto Log.	Int. Log	Consol.	Log. Auto	Log Int.	Consol.
Gross revenue	-	-	-	-	-	-	-	-	-
Deductions from gross revenue	-	9.8	9.8	-	-	-	-	9.8	9.8
(1) Fundaf lawsuit success	-	9.8	9.8	-	-	-	-	9.8	9.8
Net Revenue	-	9.8	9.8	-	-	-	-	9.8	9.8
(-) Cost of services provided	-	-	-	24.1	5.1	29.2	24.1	5.1	29.2
(7) PIS/COFINS tax credit adjustments				24.1	5.1	29.2	24.1	5.1	29.2
Gross profit	**-**	**9.8**	**9.8**	**24.1**	**5.1**	**29.2**	**24.1**	**15.0**	**39.1**
General and administrative expenses	-	(5.7)	(5.7)	-	(5.7)	(5.7)	-	(11.5)	(11.5)
(6) Direct account receivable provision	-	(5.7)	(5.7)	-	(5.7)	(5.7)	-	(11.5)	(11.5)
Other net income (expenses)	(16.4)	(1.8)	(18.1)	(5.0)	(1.7)	(6.6)	(21.3)	(3.4)	(24.8)
(2) Escrow account withdraw	-	(1.8)	(1.8)	-	-	-	-	(1.8)	(1.8)
(3) Catlog goodwill withdraw	(1.4)	-	(1.4)	-	-	-	(1.4)	-	(1.4)
(4) Direct civil contingency	(15.0)	-	(15.0)	-	-	-	(15.0)	-	(15.0)
(8) Change in contingencies criteria				(5.0)	(1.7)	(6.6)	(5.0)	(1.7)	(6.6)
Operating profit / EBITDA	**(16.4)**	**2.3**	**(14.0)**	**19.1**	**(2.3)**	**16.9**	**2.8**	**0.1**	**2.8**
Financial result	3.8	3.9	7.7	11.6	1.4	13.0	15.4	5.3	20.7

(1) Mon. Update Fundaf lawsuit success (under collected values)	-	3.9	3.9	-	-	-	-	3.9	3.9
(5) Mon. update 2014 yr LALUR correction	3.8	-	3.8	-	-	-	3.8	-	3.8
(7) Monetary update PIS/COFINS tax credit adjustments				7.2	1.1	8.2	7.2	1.1	8.2
(9) PERT				4.4	0.4	4.8	4.4	0.4	4.8
Profit before IR and CS	**(12.5)**	**6.2**	**(6.3)**	**30.7**	**(0.8)**	**29.9**	**18.1**	**5.4**	**23.6**
Income tax and social contribution	16.0	0.1	16.1	(5.4)	6.5	1.1	10.6	6.6	17.2
(1) Income tax under Fundaf lawsuit success	-	(1.9)	(1.9)	-	-	-	-	(1.9)	(1.9)
(4) Deferred tax under Direct civil contingency	5.1	-	5.1	-	-	-	5.1	-	5.1
(5) 2014 yr LALUR correction	10.9	-	10.9	-	-	-	10.9	-	10.9
(6) Income tax under Direct's account receivables provision	-			-	1.9	1.9	-	3.9	3.9
(7) Income tax under PIS/COFINS tax credit adjustments				(10.8)	(2.1)	(12.9)	(10.8)	(2.1)	(12.9)
(8) Income tax under change in contingencies criteria				1.4	0.3	1.8	1.4	0.3	1.8
(9) Income tax under PERT				(0.4)	(0.4)	(0.8)	(0.4)	(0.4)	(0.8)
(10) Recognition of deferred tax losses - TCE				-	6.4	6.4	-	6.4	6.4
(11) Deferred amortization of goodwill				2.6	-	2.6	2.6	-	2.6
(12) Presumed ICMS tax credit - investments				4.1	0.4	4.5	4.1	0.4	4.5
(13) Income tax under discontinued operations account receivables write-off				(2.3)	-	(2.3)	(2.3)	-	(2.3)
Net profit/loss	**3.5**	**6.3**	**9.8**	**25.3**	**5.7**	**31.0**	**28.8**	**12.0**	**40.8**

1. In 2014, Tegma filed a lawsuit against the Federal Government through its subsidiary Tegma Logística Integrada S.A. (TLI) seeking to show they are eligible to be exempt from contributing to FUNDAF[1] regarding a tax on revenue from customs bonded services at its operation in Cariacica-ES. From that moment on, TLI chose to deposit monthly amounts for the contribution in a judicial deposit. In 2015, a favorable ruling was given to TLI, granting the claim, and in June 2017, the appellate court returned a favorable decision. The eligibility to be exempt from contributing to FUNDAF gave us the right of a tax refund for amounts unduly levied over the five years prior to filing the lawsuit. The amounts collected before the action totaled R$ 7.7 million and the amounts deposited in court totaled R$ 2.1 million, both of which are subject to correction by the SELIC. The recovery of the judicial deposit has already been filed in the Federal Court of the ES and we have a deadline of up to 60 days for receipt. The recovery of the amounts collected may be made through (i) request for restitution or (ii) authorization of credits for future compensation. The company has not yet decided how to recover the amounts collected, but we have already recorded in our results the total net gain of R$ 11.9 million, as detailed in the table above. ** Dec / 17 update: The amounts related to the judicial deposit were already received by Tegma in October 2017. The recovery of the amounts collected was made through a request for restitution, the release of which will*

[1] The Special Fund for Development and Improvement of Inspection Activities (FUNDAF), created by Decree-Law 1,737 / 1975, has the purpose of reimbursing administrative expenses related to customs inspection services arising from authorizations and permissions granted by the Federal Revenue Service of Brazil. The calculation of the FUNDAF is based on the application of a rate, which varies according to the customs activity developed, on the value of the revenues earned by the companies. The judiciary considered the collection unlawful and unconstitutional to the understanding that the FUNDAF has tax legal nature and, therefore, could only have been instituted in tax matters, as determined by the Federal Constitution

depend on the inclusion of the amount in the budget of the Union, for payment in the following year.

2. As shown in our March 2017 balance sheet, we had recognized an amount of R$ 5.4 million in the other accounts receivable / **business combination indemnity account**, which related to amounts receivable from the former shareholders of the subsidiary Tegma Cargas Especiais Ltda (TCE). This asset was guaranteed by a escrow account in the amount of R$ 3.7 million. An agreement was signed between Tegma and the former shareholders of the subsidiary. The difference of R $ 1.8 million was recorded in the line of **other net revenues (expenses)** of the integrated logistics division. <u>** December / 17 update: the amount of R$ 3.7 million was received in September 2017.*</u>

3. In 2015, Catlog, a logistics company that was jointly controlled by Tegma for the automaker Renault-Nissan, discontinued its operations. We had in our balance sheet a **goodwill related to Catlog** in the amount of R$ 1.4 million. Since there is no prospect of resuming operations or recovering this goodwill, we opted for a write-off, which negatively impacted the **other expenses and revenues** of the automotive division.

4. The sale agreement of the former subsidiary Direct Express, signed between Tegma and 8M Participações, provided that Tegma would be liable to indemnify 8M Participações for any lawsuits corresponding to events prior to the date of purchase that exceeded R$ 40 million. Considering that the analysis of potential future demands, based on the best estimates, shows that the amount has exceeded it, Tegma decided to make an extraordinary provision for possible future liabilities relating to Direct in the amount of R$ 15 million, which impacted **other expenses and revenues** of the automotive division, as well as the corresponding impact on **deferred income tax**.

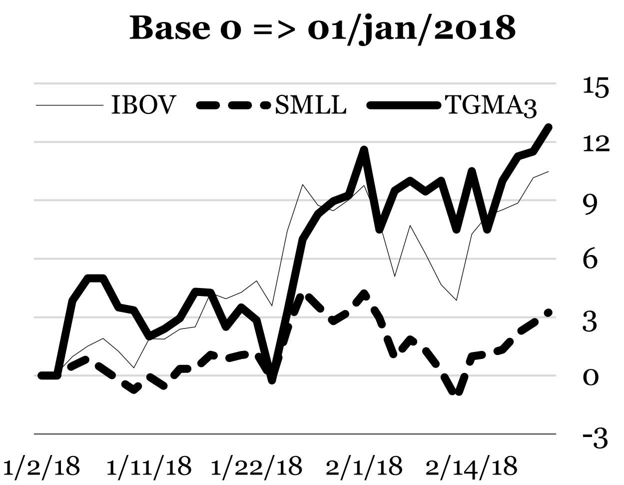
5. In August 2014, the former subsidiary Direct Express was sold, when an important loss was recognized. Bu this reason, the company reviewed the taxes levied in 2014 and identified errors, which the main of them is explained below. Since June of that year, the company has recognized an estimated amount for the loss on the Direct sale in its income statement, with no tax impact. When Direct was definitely sold, the loss was greater than estimated, and on that date, it became a tax deductible. At that time, by mistake, the company only used the <u>difference between the actual amount of the loss and the estimated amount</u> as a deductible loss. When this situation was corrected, it resulted in a credit in the **income tax** in the amount of R$ 10.9 million (net of the income tax of the monetary correction, following) and a monetary correction on this amount, resulting in a credit in the **financial result** of R$ 3.8 million. <u>** December / 17 update: the credit recognized has already been used to offset federal taxes.*</u>

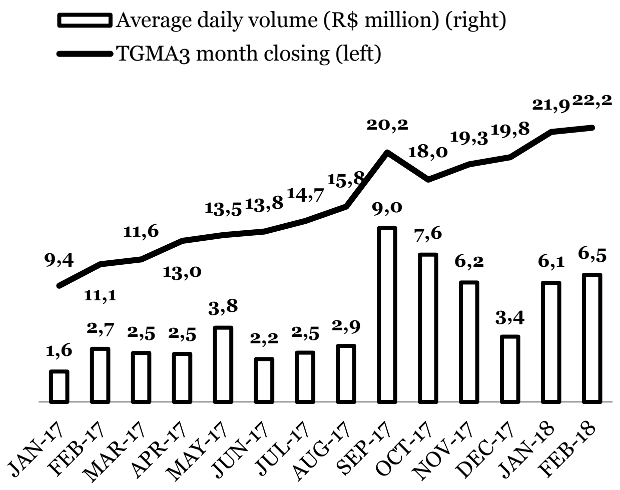
6. In 3Q17, we recorded a provision for loss of receivables in the amount of R$ 5.7 million, arising from the spin-off of the former subsidiary Direct Express, which was sold in 2014, which negatively impacted **general and administrative expenses** *(until 9M17 it was classified in t other expenses and revenues).*

It continues in the **<u>4Q17 non recurring events</u>** section.

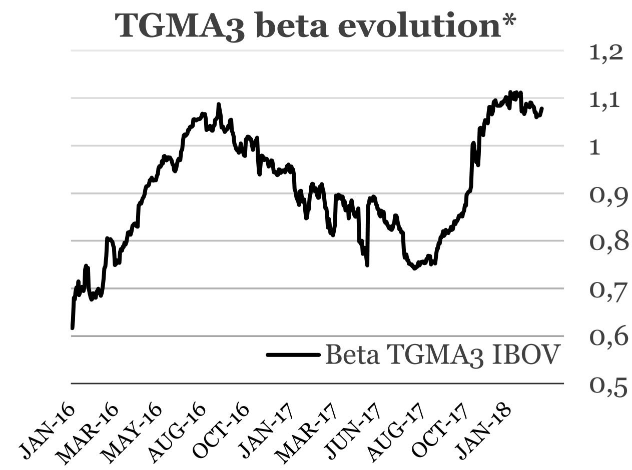
At the end of the document it can be found an income statement disregarding those events.

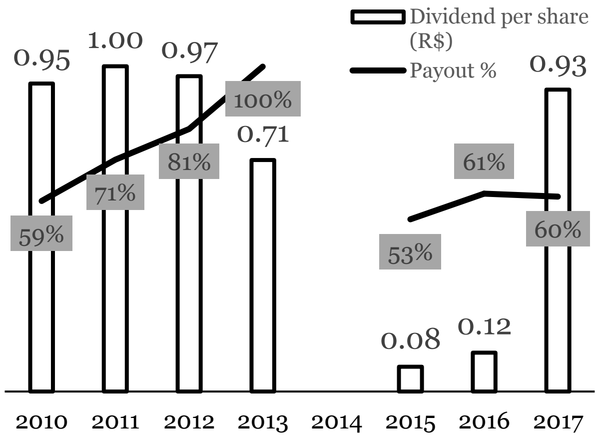
Performance TGMA3





September 2017: without the auction realized on day 5





* Tegma and Ibovespa Covariance / Ibovespa variance (252 trading sections)

Results conference call

|PORTUGUESE with simultaneous translation to ENGLISH|
Wednesday, March 21st, 2018
15:00 (Brasília)
2 pm (US-ET)
Tel.: +55 11 3193-1001 or +55 11 2820-4001
Phone: +1 646 828-8246
Port Webcast: **click here** English Webcast **click here**

Shareholder strucutre

Shareholder	# stocks TGMA3 ON	% Total
Mopia Participações e Empreendimentos Ltda.	15,904,828	24%
Cabana Empreendimentos e Participações Ltda.	4,817,704	7%
Coimex Empreendimentos e Participações Ltda.	16,778,667	25%
Other controlling shareholders (physical person)	670,726	1%
Directors and administration board	92,301	0%
Treasury	65,200	0%
Controllers, administrators e treasury	**38,329,426**	**58%**
Free float	**27,673,489**	**42%**
Total stocks	**66,002,915**	**100%**

Tegma Gestão Logística SA and subsidiaries
Income statement
(in R$ million, except percentages)

Income statement	2016	2017	Chg % vs 2016	4Q16	4Q17	Chg % vs 4Q16
Gross revenue	**1,140.2**	**1,330.2**	**16.7%**	**313.6**	**394.7**	**25.9%**
Taxes and deductions	(216.3)	(246.2)	13.8%	(59.0)	(75.2)	27.3%
Net revenue	**923.9**	**1,084.0**	**17.3%**	**254.5**	**319.5**	**25.5%**
Cost of services	(781.3)	(850.0)	8.8%	(206.7)	(224.7)	8.7%
Personnel	(105.4)	(110.8)	5.2%	(24.2)	(29.3)	20.9%
Freight	(573.9)	(674.0)	17.5%	(158.0)	(200.7)	27.0%
Others	(162.1)	(163.7)	1.0%	(39.9)	(44.4)	11.3%
Taxes credit (PIS and COFINS)	60.0	98.5	64.1%	15.4	49.7	222.1%
Gross profit	**142.6**	**233.9**	**64.1%**	**47.8**	**94.8**	**98.1%**
General and administrative expenses	(75.7)	(86.3)	14.0%	(18.0)	(31.4)	74.5%
Other expenses and revenues	(8.0)	(38.2)	376.0%	(4.2)	(9.2)	119.9%
Operating income	**58.9**	**109.5**	**86.0%**	**25.6**	**54.1**	**111.1%**
(+) Depreciation	30.1	28.1	-6.5%	6.9	7.4	8.4%
(+) Non-recurring events	-	(2.8)	-	-	(16.9)	-
= Adjusted EBITDA	**89.0**	**134.8**	**51.5%**	**32.5**	**44.7**	**37.5%**
Financial result	(29.9)	8.8	-	(3.8)	12.6	-
Equity	(2.2)	(0.8)	-65.2%	(0.5)	0.6	-
Income before tax	**26.8**	**117.5**	**338.4%**	**21.3**	**67.3**	**215%**
Income tax	(13.0)	(13.7)	5.8%	(8.8)	(8.3)	-5.1%
Net income	**13.8**	**103.8**	**650.5%**	**12.6**	**59.0**	**368.9%**
Net margin %	*1.5%*	*9.6%*	*8.1 p.p.*	*4.9%*	*18.5%*	*13.5 p.p.*

Income statement ex non recurring events ('*' altered numbers)	2016	2017	Chg % vs 2016	4Q16	4Q17	Chg % vs 4Q16
Gross revenue	**1,140.2**	**1,330.2**	**16.7%**	**313.6**	**394.7**	**25.9%**
Taxes and deductions	(216.3)	(256.1)	18.4%	(59.0)	(75.2)	27.3%
Net revenue	**923.9**	**1,074.1**	**16.3%**	**254.5**	**319.5**	**25.5%**
Cost of services	(781.3)	(879.3)	12.5%	(206.7)	(254.0)	22.9%
Personnel	(105.4)	(110.8)	5.2%	(24.2)	(29.3)	20.9%
Freight	(573.9)	(674.0)	17.5%	(158.0)	(200.7)	27.0%
Others	(162.1)	(163.7)	1.0%	(39.9)	(44.4)	11.3%
Taxes credit (PIS and COFINS)	60.0	69.3	15.4%	15.4	20.5	32.7%
Gross profit	**142.6**	**194.9**	**36.6%**	**47.8**	**65.5**	**37.0%**
General and administrative expenses	(75.7)	(74.8)*	-1.2%	(18.0)	(25.7)*	42.7%
Other expenses and revenues	(8.0)	(13.4)*	67.2%	(4.2)	(2.6)*	-38.1%
Operating income	**58.9**	**106.6**	**81.1%**	**25.6**	**37.2**	**45.3%**
(+) Depreciation	30.1	28.1	-6.5%	6.9	7.4	8.4%
=Adjusted EBITDA	**89.0**	**134.8**	**51.5%**	**32.5**	**44.7**	**37.6%**
Financial result	(29.9)	(12.0)	-60.0%	(3.8)	(0.4)	-90.0%
Equity	(2.2)	(0.8)	-65.2%	(0.5)	0.6	-
Income before tax	**26.8**	**93.9**	**250.5%**	**21.3**	**37.4**	**75%**
Income tax	(13.0)	(31.0)*	138.7%	(8.8)	(9.5)	7.9%
Net income	**13.8**	**63.0**	**355.3%**	**12.6**	**28.0**	**122.4%**
Net margin %	*1.5%*	*5.9%*	*4.4 p.p.*	*4.9%*	*8.8%*	*3.8 p.p.*

Explanatory notes:
(1) Mention of credit in note 20 – Net revenue from services rendered (2Q17)
(2) Note 14 - Judicial deposits and provision for lawsuits / Contingent liabilities arising from business combination (2Q17)
(3) Difference between the net goodwill balance of Catlog Logística de Transportes S.A. (Catlog) between June 17 and Dec. 16 of Note 9 - investments (2Q17)
(4) Difference between the balances of business combination indemnities between June 17 and March 17 of Note 7 - Other accounts receivable
(5) Amount in the note IR / CSLL expense
(6) Difference between the balance of the line Amounts receivable in the note other accounts receivable for September and June 2017 and December and September 2017
(7) Mention in the note 8 of Taxes to recover
(8) Mention in the note 14 of Judicial deposits and provisions for lawsuits

Tegma Gestão Logística SA and subsidiaries
Balance sheet
(in R$ million)

	Dec-16	Sep-17	Dec-17
Current assets	**376.0**	**301.6**	**374.7**
Cash	1.0	0.3	0.4
Banking investments	191.9	145.0	148.3
Accounts receivable, net	154.3	137.4	171.2
Related parties	0.8	0.6	0.8
Inventories	0.2	0.2	0.2
Income tax and social contribution	2.8	2.8	5.2
Taxes to recover	13.0	6.6	42.8
Other receivables	11.0	5.1	4.5
Prepaid expenses	1.0	3.4	1.3
Non-current assets	**452.1**	**462.6**	**463.2**
Taxes to recover	-	18.9	23.9
Other receivables	13.4	9.3	1.9
Deferred taxes	23.3	26.1	36.6
Judicial deposits	21.5	17.6	13.6
Investments	3.0	1.4	2.0
Property, plant and equipment, net	214.1	214.3	210.1
Intangible assets	176.8	175.0	175.1
Total assets	**828.1**	**764.2**	**837.9**

	Dec-16	Sep-17	Dec-17
Current liabilities	**250.8**	**161.8**	**193.1**
Loans and financing	1.0	1.3	1.1
Bonds	127.0	68.0	71.4
Suppliers and freights payable	43.2	26.7	32.2
Taxes payable	13.1	12.1	15.5
Refinanced taxes	0.0	0.4	6.0
Salaries and social charges	27.5	26.6	24.6
Other accounts payable	18.0	20.8	26.1
Related parties	1.1	0.8	0.8
Acquisition of subsidiary	12.5	-	-
Income tax and social contribution	4.0	5.1	12.2
Dividends payable	3.3	-	3.1
Non-current liabilities	**202.2**	**201.8**	**195.9**
Provision for capital deficiency	0.2	-	-
Loans and financing	0.1	53.9	53.6
Bonds	163.4	96.7	96.7
Deferred taxes	23.6	16.2	6.6
Provision for contingencies and other liabilities	14.9	35.0	39.0
Shareholders equity	**375.1**	**400.6**	**448.8**
Capital stock	144.5	144.5	144.5
Capital reserve	174.1	174.1	174.1
Profit reserve	52.4	52.4	94.9
Retained earnings	-	30.0	-
Treasury shares	(0.3)	(0.3)	(0.3)
Assets valuation adjustment	(0.2)	-	-
Additional proposed dividend	4.7	-	35.7
Total liabilities and shareholders' equity	**828.1**	**764.2**	**837.9**

Tegma Gestão Logística SA and subsidiaries
Cash flow statement
(in R$ million)

	2016	2017	4Q16	4Q17
Income before income and social contribution taxes	**26.8**	**117.5**	**21.3**	**67.3**
Depreciation and amortization	30.1	28.1	6.9	7.4
Loss (gains) on disposal of assets	2.9	0.8	1.9	0.5
(Reversal of) provision for contingencies	1.7	38.4	0.4	11.0
Provision for loss in investments	-	1.4	-	-
Loss in investment sale	-	(0.5)	-	-
Allowance for doubtful accounts	0.9	0.1	0.8	0.0
Provision for monetary loss in sale of Controlled Co	-	11.5	-	5.7
Equity pickup	2.2	0.8	0.5	(0.6)
Interest on installment of taxes and payable notes	6.9	(3.7)	-	(3.7)
Interest and exchange variation on unpaid loans, debentures	49.4	26.7	11.8	4.4
Extemporaneous tax credits	-	(50.5)	-	(50.5)
Interest on acquisition/stock option	1.5	0.1	0.4	0.1
Expenses (revenues) not affecting cash flows	**95.6**	**53.2**	**22.6**	**(25.5)**
Accounts receivable	32.5	(17.0)	(28.6)	(33.8)
Taxes recoverable	2.8	(8.8)	(4.0)	4.1
Judicial deposits	0.3	(0.7)	0.1	2.1
Other assets	11.0	6.2	3.9	4.3
Trade accounts and freight payable	(2.2)	(12.3)	10.8	6.5
Salaries and related charges	(2.4)	2.6	(4.3)	(2.0)
Increase (decrease) in related parties	(3.8)	(0.3)	0.3	(0.2)
Other liabilities	(6.5)	10.2	3.4	8.1
Changes in assets and liabilities	**31.6**	**(20.1)**	**(18.4)**	**(10.8)**
Interest paid on loans, financing and swap	(0.1)	(2.8)	(0.0)	(1.5)
Interest paid on debentures	(50.7)	(29.4)	(11.7)	0.3
Interest paid on notes payable and tax installments	-	(0.0)	-	(0.0)
Indemnities payed	(9.5)	(10.1)	(1.1)	(3.8)
Income and social contribution taxes paid	(9.3)	(22.5)	(5.3)	(8.5)
(A) Net cash generated by (used in) operating activities	**84.4**	**85.8**	**7.4**	**17.3**
Acquisition of intangible assets	-	0.7	-	0.0
Acquisition of property and equipment and intangible assets	(1.9)	(4.2)	(0.3)	(1.3)
Sale value of investment	(31.1)	(20.0)	(6.3)	(4.1)
Proceeds from sale of assets	2.3	0.6	0.4	0.3
Payment of acquisition of investments	-	(12.7)	-	(0.1)
(B) Net cash generated by (used in) investing activities	**(30.7)**	**(35.5)**	**(6.2)**	**(5.2)**
Dividend paid	-	(30.4)	-	(7.6)
New loans	-	54.5	-	-
Payment of debentures	(71.3)	(117.7)	(50.3)	(0.3)
Payment of notes payable and tax installments	(3.8)	(0.8)	(0.0)	(0.8)
(C) Net cash generated by (used in) financial activities	**(75.1)**	**(94.4)**	**(50.3)**	**(8.7)**
Changes in cash (A + B + C)	**(21.4)**	**(44.1)**	**(49.1)**	**3.4**
Cash at beginning of period	214.3	192.9	241.9	145.3
Cash at end of year	192.9	148.7	192.9	148.7

Tegma Gestão Logística SA and subsidiaries
Statements of change in equity
(in R$ million)

		Capital reserve		Income reserve								
	Capital	Capital reserve	Stock option granted	Legal reserve	Retained profit	Addicional dividend proposed	Treasury stock	Equity adjustment	Retained earnings (accumulated losses)	Total	Non-controlling interest	Total equity
Balance at January 1, 2016	**144.5**	**174.1**	**0.0**	**26.5**	**20.0**	**-**	**(0.3)**	**0.6**	**-**	**365.4**	**-**	**365.4**
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Exchange variation of investee located abroad	-	-	-	-	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Stock option plan	-	-	(0.0)	-	-	-	-	-	-	(0.0)	-	(0.0)
Allocation	-	-	-	-	-	-	-	-	-	-	-	-
Set up of reserves	-	-	-	-	13.1	-	-	-	(13.1)	-	-	-
Set up of legal reserves	-	-	-	0.7	-	-	-	-	(0.7)	-	-	-
Dividends	-	-	-	-	(8.0)	4.7	-	-	-	(3.3)	-	(3.3)
	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 30, 2016	**144.5**	**174.1**	**-**	**27.2**	**25.2**	**4.7**	**(0.3)**	**(0.2)**	**-**	**375.1**	**-**	**375.1**
Balance at January 1, 2017	**144.5**	**174.1**	**-**	**27.2**	**25.2**	**4.7**	**(0.3)**	**(0.2)**	**-**	**375.1**	**-**	**375.1**
	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	103.8	103.8	-	103.8
Exchange variation of investee located abroad	-	-	-	-	-	-	-	0.2	-	0.2	-	0.2
Stock option plan												
Allocation:	-	-	-	-	-	-	-	-	-	-	-	-
Set up of reserves	-	-	-	-	102.1	-	-	-	(102.1)	-	-	-
Set up of legal reserves	-	-	-	1.7	-	-	-	-	(1.7)	-	-	-
Dividends	-	-	-	-	(61.2)	31.0	-	-	-	(30.2)	-	(30.2)
Balance at December 30, 2017	**144.5**	**174.1**	**-**	**28.9**	**66.0**	**35.7**	**(0.3)**	**-**	**-**	**448.8**	**-**	**448.8**

Tegma Gestão Logística SA and subsidiaries
Statements of value added
(in R$ million, except percentages)

	2016	2017	Chg % vs 2016	4Q16	4Q17	Chg % vs 4Q16
Gross sale of services, net	1,079.2	1,254.3	16.2%	297.1	373.1	25.6%
Other income	5.8	5.0	-13.7%	0.7	1.7	136.3%
(Reversal of) allowance for doubtful accounts	(0.9)	(0.1)	-89.3%	(0.8)	(0.0)	-96.7%
Income	**1,084.1**	**1,259.2**	**16.2%**	**297.0**	**374.8**	**26.2%**
Cost of services provided	(573.8)	(674.0)	17.5%	(158.0)	(200.7)	27.0%
Materials, energy, third-party services and other operating expenses	(129.0)	(175.9)	36.4%	(34.9)	(54.4)	56.0%
Asset loss and recovery	-	(1.4)	-	-	(0.0)	-
Input products acquired from third parties	**(702.8)**	**(851.3)**	**21.1%**	**(192.9)**	**(255.1)**	**32.3%**
Net value added produced by the Company	381.3	407.9	7.0%	104.1	119.7	14.9%
Depreciation and amortization	(30.1)	(28.1)	-6.5%	(6.9)	(7.4)	8.4%
Gross value added	**351.2**	**379.7**	**8.1%**	**97.3**	**112.2**	**15.4%**
Equity pickup	(2.2)	(0.8)	-65.2%	(0.5)	0.6	-
Financial income	32.5	40.6	25.0%	9.4	18.1	93.0%
Total value added to be distributed	**381.5**	**419.6**	**10.0%**	**106.2**	**130.9**	**23.3%**
Personnel and related charges	**134.0**	**138.7**	**3.5%**	**32.2**	**39.2**	**21.6%**
Direct compensation	110.1	114.3	3.8%	26.3	31.0	18.0%
Benefits and allowances	14.9	16.0	7.2%	3.7	4.4	19.2%
FGTS	9.0	8.4	-6.8%	2.3	3.8	65.2%
Taxes, charges and contributions	**126.5**	**104.2**	**-17.6%**	**38.0**	**16.5**	**-56.7%**
Federal	72.0	49.5	-31.2%	24.7	(2.6)	-
State	48.5	48.4	-0.2%	11.7	17.3	47.5%
Local	6.0	6.3	5.4%	1.5	1.7	11.1%
Financing agents	**121.0**	**176.7**	**46.0%**	**35.9**	**75.3**	**109.3%**
Interest and exchange variations	62.4	31.8	-49.0%	13.2	5.4	-58.7%
Rent	44.8	41.1	-8.3%	10.2	10.9	6.2%
Dividends	8.0	61.2	665.6%	8.0	46.5	481.2%
Retained profits (losses)	5.8	42.5	629.7%	4.6	12.5	172.5%
Value added distributed	**381.5**	**419.6**	**10.0%**	**106.2**	**130.9**	**23.3%**

Capital budget proposed by the administration

The Company deems it necessary to create a capital budget in the amount of R$ 41,000,000 that will last for the 2018 fiscal year to maintain its operations, as shown in the table below:

Capital budget (in R$ thousand)	2017R	2018E
Land improvements	-	22,000
New operations	-	1,500
Maintenance	5,045	7,200
General improvements	7,832	-
IT	2,897	1,300
Contract renewal	9,456	9,000
TOTAL	**25,230**	**41,000**

The funds for the realization of the investments described above will be financed by the retention of the balance of net income for the year ended December 31, 2017, in the amount of R $ 40,833 thousand, of operating cash generation and, when necessary, bank loans.

Changes in the macroeconomic scenario, market conditions, operating factors, new business opportunities, among others, involve risks and uncertainties and may materially alter the amounts provided in this capital budget.

FISCAL COUNCIL REPORT

TEGMA GESTÃO LOGÍSTICA S.A

The Fiscal Council of Tegma Gestão Logística S.A., in compliance with legal and statutory provisions, reviewed the Management Report and the Financial Statements of the Company (parent and consolidated), for the year ended in December 31, 2017. comprising the Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity, Statement of Cash Flow, Statement of Added Value and Explanatory Notes. based on examinations performed and considering the Independent Auditor's Report on Financial Statements, without qualification, issued by KPMG Auditores Independentes S/S on March 16th, 2018, opines that these documents as well as the proposed allocation of net income for the year, including the early distribution of dividends, and the capital budget in all material aspects are able to be appreciated and voted on by the Shareholders annual meeting.

São Bernardo do Campo, March 16th, 2018

COUNSELORS:

Marcello Joaquim Pacheco

Mauro Stacchini Jr

Rubens Barletta

STATEMENT BY THE BOARD ON THE REPORT OF INDEPENDENT AUDITING COMPANY

In compliance with the provisions contained in Article 25 of CVM Instruction nº 480/09 of 07 December 2009, the directors of the Company declare that reviewed, discussed and agreed with the opinions expressed in the Independent Auditors' Report on the Financial Statements issued by KPMG Auditores Independentes S.S for the period ended December 31, 2017.

São Bernardo do Campo, March 16th, 2018

DIRECTORS:

Gennaro Oddone
Chief Executive Officer and Investor Relations

Ramón Pérez Arias Filho
Chief Financial Executive

Tarcisio Francisco Felisardo
Director

STATEMENT BY

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, March 16th, 2018

DIRECTORS:

Gennaro Oddone
Chief Executive Officer and Investor Relations

Ramón Pérez Arias Filho
Chief Financial Executive

Tarcisio Francisco Felisardo
Director