Tegma Gestão Logística S.A.

Individual and Consolidated Financial Statements for the Year Ended on December 31, 2020

Contents

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders, Directors and Managers 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")**, identified as Parent company and Consolidated, respectively, which comprise the individual and consolidated statement of financial position as at December 31, 2020 and the respective individual and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of **Tegma Gestão Logística S.A.** as at December 31, 2020, the results of its individual and consolidated operations and its cash flows for the year then ended, in conformity with Brazilian accounting practices and with the 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 (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Individual and Consolidated Financial Statements" section of our report. We are independent of the Company and its controlled companies in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Association of Accountants (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. 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 (PAA) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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. We determined that the matters described below are the key audit matters to be communicated in our report:

Revenue recognition	Audit response
As mentioned in Note 19, with the amounts involved of net revenue in December 31, 2020 are R$ 1.181.902 Thousand (company) and R$ 1.347.320 thousand (consolidated), temos que, revenue recognition involves controls intended to guarantee the integrity of the records of transactions, conditioned to the proper timing in which services are rendered and are recognized by the client. Considering the Company's volume of transactions involved, portfolio of transport, management, logistics and storage, geographic situation of logistics and client services, revenue recognition involves high dependence on the proper operation of internal controls established by the Company and its controlled companies. Accordingly, based on the relevance of such dependence and operation of the mentioned controls, and on the impact that a possible failure of such controls would cause to the individual and consolidated financial statements, we considered this to be a key audit matter.	Our audit procedures included, among others: ▪ Evaluation of the internal controls of significant cycles related to the recognition of revenues, including: basis of contracts with customers in relation to the service to be provided and price negotiated; management of related freight and services provided; accounting records checks; ▪ Document testing, on a sample basis, of the checking of tax document for shipping and transportation and services rendered; ▪ Data integrity tests of revenue database with accounting records; ▪ Tests of manual entries made; ▪ Analytical procedures on revenue, considering: analysis of key business indicators, average term for receiving sales, alignment of expectations developed with what has been achieved; and ▪ Evaluation of the proper disclosure of information on the notes to the individual and consolidated financial statements. Based on the audit procedures followed regarding the processes of revenue recognition of the Company, and its controlled companies, and on the audit evidences obtained to support our tests, including our analyses and understanding, we consider that the revenue recognition of the Company, as well as the respective disclosures in Notes are acceptable, in the context of the individual and consolidated financial statements taken as a whole.

Impairment test of fixed and intangible assets, especially those with indefinite useful lives	Audit response
As disclosed in Notes 10 and 11 to the consolidated financial statements, the Company has fixed and intangible assets, in the amounts of R$ 81.722 thousand (company) and R$ 202.117 thousand (consolidated) and R$ 162.218 thousand (company) and R$ 170.769 thousand (consolidated), respectively, on December 31, 2020. Most of the assets and rights involved are related to their UGCs (cash-generating units) trading operations and include goodwill paid for expected future profitability, the recoverable amount of which must be evaluated annually, as required by Technical Pronouncement CPC 01 (R1) / IAS36 - Impairment of Assets. The other assets are tested only in the case of signs of impairment. As mentioned in the notes, the Company and its controlled companies conduct *impairment* tests, which involve a high level of judgment of estimates from Management, based on the discounted cash flow method, which considers several assumptions, such as: discount rate, inflation projections, economic growth, and others. Accordingly, the matter was considered by the audit as a risk area due to uncertainties inherent to the process of determining the estimates and judgments involved in the preparation of future cash flows discounted at present value, such as projections of market demand, operating margins and discount rates that may significantly change the expected realization of the mentioned assets.	Our audit procedures included, among others: ▪ Evaluation of internal or external indications of impairment of assets; ▪ Use of our internal experts to assist the review of the impairment testing of assets, evaluating the assumptions and methodology used by the Company's and its controlled companies along with its external experts hired to prepare the analysis reports; ▪ Continuous challenge to the assumptions used by Management, aiming to corroborate if there are assumptions that are not consistent and / or that should be revised, such as: growth in revenues, costs and expenses, and several other inflation and price indicators; and ▪ Analysis on the appropriateness of disclosures required in the individual and consolidated financial statements. Based on the procedures followed, we consider reasonable the assumptions and methodologies used by the Company to evaluate the recoverable value of the mentioned assets, being therefore appropriate the information presented in the individual and consolidated financial statements, in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added, prepared under the responsibility of the Company's Management for the year ended December 31, 2020, and presented as supplemental information for IFRS purposes, were submitted to the same audit procedures followed for the audit of the individual and consolidated financial statements. In order to form an opinion, we have checked whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether its form and contents meet the criteria established in Accounting Pronouncement CPC 09 - Statement of Value Added. In our opinion, the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in that Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

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

The Company's and its controlled companies' management is responsible for this other information that comprises the Management Report.
Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the report is materially inconsistent with the 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 Management Report, we are required to report that fact.

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 Brazilian accounting practices and with the IFRS, issued by 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 and its controlled companies' 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 its controlled companies 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 its controlled companies' financial reporting process.

Auditor's 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 auditor's 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 on Auditing (ISAs) 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 standards and ISAs, 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 controls;
- 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 controlled companies' internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and 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 a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled companies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the 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 sufficient and 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 charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 to 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 financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor’s 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 09, 2021.

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Jairo da Rocha Soares

Accountant CRC 1 SP 120458/O-6

Tegma Gestão Logística S.A.

Balance sheets

As of December 31 of 2020 and 2019

In thousands of reais

Assets	Note	Parent company		Consolidated	
		2020	2019	2020	2019
Cash and cash equivalents	5	211,363	36,764	260,387	67,332
Accounts receivable from customers	6	176,106	220,464	212,138	261,173
Inventory (warehouse)		-	-	82	75
Income tax and social contribution		-	-	829	1,130
Taxes and contributions recoverable	8	31,920	104,325	33,989	106,280
Other accounts receivable	7	5,101	4,613	8,266	6,687
Related parties	24	329	884	182	684
Derivative financial instruments	4	-	3,739	-	3,739
Prepaid expenses		1,113	1,491	1,834	1,972
Total current assets		**425,932**	**372,280**	**517,707**	**449,072**
Other accounts receivable	7	1,010	527	2,314	1,832
Taxes and contributions recoverable	8	6,270	6,384	9,544	9,689
Related parties	24	1,115	1,115	1,115	1,115
Marketable securities		-	-	3,956	2,600
Deferred tax assets	15	755	-	14,675	16,910
Court deposits	14	11,821	11,486	15,140	14,452
Total long-term assets		**20,971**	**19,512**	**46,744**	**46,598**
Investments	9	257,385	250,900	38,092	38,343
Fixed	10	81,722	85,403	202,117	209,033
Intangible	11	164,218	164,402	170,769	171,446
Right of use	26	54,858	53,758	51,503	70,929
Total non-current assets		**579,154**	**573,975**	**509,225**	**536,349**
Total assets		**1,005,086**	**946,255**	**1,026,932**	**985,421**

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Balance sheets

As of December 31 of 2020 and 2019

In thousands of reais

Liabilities and shareholders' equity	**Note**	**Parent company 2020**	**Parent company 2019**	**Consolidated 2020**	**Consolidated 2019**
Loans and financing	12	43,764	61,022	43,764	61,022
Debentures	12	25,047	25,130	25,047	25,130
Leasing	26	23,975	14,910	26,980	28,867
Suppliers		2,288	1,981	2,889	2,499
Freight payable		24,363	31,471	28,379	33,813
Taxes payable		13,974	16,946	16,433	19,414
Salaries and social charges	13	17,876	23,256	20,741	26,263
Other accounts payable	16	24,054	23,585	30,588	29,637
Related parties	24	150	148	73	72
Income tax and social contribution	15	8,062	41,006	10,951	41,998
Total current liabilities		**183,553**	**239,455**	**205,845**	**268,715**
Loans and financing	12	125,000	30,000	125,000	30,000
Debentures	12	-	25,005	-	25,005
Leasing	26	38,730	42,809	33,561	48,055
Related parties	24	539	542	559	542
Deferred tax liabilities	15	-	2,759	-	2,759
Provisions for lawsuits	14	30,151	30,606	33,878	35,266
Actuarial liabilities	13	2,450	-	2,450	-
Total non-current liabilities		**196,870**	**131,721**	**195,448**	**141,627**
Share capital		318,524	144,469	318,524	144,469
Capital reserves		-	174,055	-	174,055
Profit reserves		295,613	256,903	295,613	256,903
Treasury shares		(342)	(342)	(342)	(342)
Equity valuation adjustment		(1,617)	(6)	(1,617)	(6)
Proposed additional dividends		12,485	-	12,485	-
		624,663	**575,079**	**624,663**	**575,079**
Non-controlling interest		-	-	976	-
Total shareholders' equity	17	**624,663**	**575,079**	**625,639**	**575,079**
Total liabilities and shareholders' equity		**1,005,086**	**946,255**	**1,026,932**	**985,421**

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Income statements

Financial years ending on December 31 of 2020 and 2019

In thousands of reais

		Parent company		Consolidated	
	Note	**2020**	**2019**	**2020**	**2019**
Net revenue from services provided	19	828,437	1,181,902	1,012,035	1,347,320
Cost of services provided	20	(673,099)	(920,319)	(811,900)	(1,060,475)
Gross profit		**155,338**	**261,583**	**200,135**	**286,845**
General and Administrative Expenses	20	(81,697)	(83,190)	(83,274)	(84,959)
Business expenses	20	(435)	(478)	(866)	(478)
Loss on impairment of accounts receivable		(67)	(96)	(60)	2,109
Other net revenues (expenses)	21	(14,359)	38,903	(16,002)	36,098
Operating income		**58,780**	**216,722**	**99,933**	**239,615**
Equity accounting income	**9**	**34,962**	**21,005**	**6,276**	**2,986**
Financial revenues	22	22,365	44,982	24,082	46,530
Financial expenses	22	(32,313)	(21,365)	(33,239)	(23,833)
Net financial revenues (expenses)		**(9,948)**	**23,617**	**(9,157)**	**22,697**
Profit before tax		**83,794**	**261,344**	**97,052**	**265,298**
Income tax and social contribution					
Current	15	(12,852)	(67,364)	(23,237)	(72,099)
Deferred	15	2,684	(8)	(306)	773
Net income for the year		**73,626**	**193,972**	**73,509**	**193,972**
Attributable to the Company's shareholders				**73,626**	**193,972**
Non-controlling interest				**117**	**-**
				73,509	**193,972**
Net profit per share:					
Profit per share – basic (in R$)	23			1.12	2.94
Profit per share – diluted (in R$)	23			1.12	2.94

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Comprehensive income statements

Financial years ending on December 31 of 2020 and 2019

In thousands of reais

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Net income for the year	73,626	193,972	73,509	193,972
Income from financial instruments designated as hedge accounting	9	463	9	463
Deferred taxes on hedge accounting	(3)	(158)	(3)	(158)
Constitution of actuarial liabilities	2,450	-	2,450	-
Deferred taxes on actuarial liabilities	(833)		(833)	-
Other components of comprehensive income for the year	1,623	305	1.623	305
Total comprehensive income	**75,249**	**194,277**	**73,132**	**194,277**
Attributable to				
Company shareholders			73,249	-
Non-controlling interest			117	-
			75,132	-

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Statements of changes in equity

As of December 31 of 2020 and 2019

In thousands of reais

			Capital reserves	Profit reserves								
	Share capital	**Treasury shares**	**Goodwill on share subscription**	**Legal reserve**	**Tax incentive reserve**	**Profit retention**	**Accumulated profits**	**Other comprehensive income**	**Proposed additional dividends**	**Total**	**Non-controlling interest**	**Total shareholders' equity**
Balance on January 1, 2019	**144,469**	**(342)**	**174,055**	**28,894**	**25,966**	**83,335**	**-**	**(311)**	**28,306**	**484,372**	**-**	**484,372**
Net income for the year	-	-	-	-	-	-	193,972	-	-	**193,972**	-	**193,972**
Other comprehensive income:												
Income from financial instruments designated as hedge accounting	-	-	-	-	-	-	-	463	-	**463**	-	**463**
Deferred taxes on hedge accounting	-	-	-	-	-	-	-	(158)	-	**(158)**	-	**(158)**
Tax incentives	-	-	-	-	17,739	-	(17,739)	-	-	-	-	-
Destination:												
Establishment of reserves	-	-	-	-	-	176,233	(176,233)	-	-	-	-	-
Dividends and interest on equity	-	-	-	-	-	(75,264)	-	-	(28,306)	**(103,570)**	-	**(103,570)**
Balance on December 31, 2019	**144,469**	**(342)**	**174,055**	**28,894**	**43,705**	**184,304**	**-**	**(6)**	**-**	**575,079**	**-**	**575,079**
Net income for the year	-	-	-	-	-	-	73,626	-	-	**73,626**	-	**73,626**
Capital subscription	174,055	-	(174,055)	-	-	-	-	-	-	-	-	-
Other comprehensive income:												
Income from financial instruments designated as hedge accounting	-	-	-	-	-	-	-	9	-	**9**	-	**9**
Deferred taxes on hedge accounting	-	-	-	-	-	-	-	(3)	-	**(3)**	-	**(3)**
Constitution of actuarial liabilities	-	-	-	-	-	-	-	(2,450)	-	**(2,450)**	-	**(2,450)**
Deferred taxes on actuarial liabilities	-	-	-	-	-	-	-	833	-	**833**	-	**833**
Tax incentives	-	-	-	-	14,533	-	(14,533)	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	976	**976**
Destination:												
Establishment of reserves	-	-	-	3,681	-	55,412	(59,093)	-	-	-	-	-
Dividends and interest on equity	-	-	-	-	-	(34,916)	-	-	12,485	**(22,431)**	-	**(22,431)**
Balance on December 31, 2020	**318,524**	**(342)**	**-**	**32,575**	**58,238**	**204,800**	**-**	**(1,617)**	**12,485**	**626,280**	**976**	**627,256**

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Cash flow statements – indirect method

As of December 31 of 2020 and 2019

In thousands of reais

		Parent company		Consolidated	
	Note	**2020**	**2019**	**2020**	**2019**
Net income for the year		73,626	193,972	73,509	193,972
Adjustments for:					
Depreciation and amortization	10 and 11	16,348	18,507	23,425	25,810
Amortization of right of use	26	19,712	20,007	30,625	32,794
Loss on sale of goods	21	226	961	1,896	2,888
Write-off of right of use / leasing	21	(31)	(66)	(107)	(115)
Provision for lawsuits	14	15,148	18,574	15,295	21,100
(Gain) on impairment of accounts receivable	6	67	96	66	(2,109)
Equity	9	(34,962)	(21,005)	(6,276)	(2,986)
Income from the swap operation	22	(16,319)	(1,662)	(16,319)	(1,662)
Interest, monetary and exchange variations on loans and debentures	12	25,946	11,824	25,946	11,824
Interest on leasing	26	4,682	4,339	5,451	6,440
Extemporaneous tax credits	8	-	(92,136)	-	(92,136)
Deferred income and social contribution taxes		(2,684)	8	306	(773)
		101,759	**153,419**	**153,817**	**195,047**
Changes in assets and liabilities					
Accounts receivable		44,291	(25,017)	48,969	(32,837)
Taxes recoverable		31,391	(2,866)	32,125	(1,388)
Court deposits		(546)	(3,708)	(920)	(3,736)
Other assets		(593)	1,814	(2,561)	4,733
Suppliers and freight payable		(7,314)	1,129	(5,776)	2,317
Salaries and social charges		(5,380)	2,016	(5,522)	2,002
Related parties		554	8,672	520	14,298
Other obligations and taxes payable		10,230	70,834	20,986	73,070
Cash generated by operating activities		**174,392**	**206,293**	**241,638**	**253,506**
Interest paid on loans and financing	12	(6,526)	(1,829)	(6,526)	(1,829)
Interest paid on debentures	12	(2,062)	(5,695)	(2,062)	(5,695)
Interest paid on leasing	26	(4,362)	(4,225)	(5,060)	(6,094)
Lawsuits paid	14	(15,273)	(19,341)	(16,230)	(26,970)
Income tax and social contribution paid		-	(31,762)	(8,037)	(35,348)
Net cash flow from operating activities		**146,169**	**146,169**	**143,441**	**203,723**

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Cash flow statements – indirect method

As of December 31 of 2020 and 2019

In thousands of reais

		Parent company		Consolidated	
	Note	**2020**	**2019**	**2020**	**2019**
Cash flows from investment activities					
Capital reduction in subsidiaries	9	-	320	-	320
Capital acquisition/increase in subsidiaries	9	(2,210)	(18,680)	-	-
Dividends received	9	30,687	267	7,342	267
Acquisition of intangible assets		(3,920)	(4,209)	(4,025)	(4,385)
Acquisition of property, plant and equipment		(8,367)	(16,232)	(13,926)	(34,523)
Receipt for the sale of goods		91	974	548	1,448
Net cash (used on) from investment activities		**16,281**	**(37,560)**	**(10,061)**	**(36,873)**
Cash flows from financing activities					
Dividends and interest on equity paid	17.e	(22,431)	(103,570)	(22,431)	(103,570)
Borrowing and financing	12	135,000	30,000	135,000	30,000
Debenture payment	12	(25,005)	(46,676)	(25,005)	(46,676)
Payment of loans and financing	12	(74,699)	(6,667)	(74,699)	(6,667)
Leasing payments	26	(17,683)	(17,917)	(30,439)	(29,994)
Derivative financial instruments		16,967	-	16,967	-
Net cash (used on) from financing activities		**12,149**	**(144,830)**	**(607)**	**(156,907)**
Net increase (decrease) in cash and cash equivalents		**174,599**	**(38,949)**	**193,055**	**(16,210)**
Cash and cash equivalents on January 1st		36,764	75,713	67,332	83,542
Cash and cash equivalents on December 31		211,363	36,764	260,387	67,332

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Tegma Gestão Logística S.A.

Added value statements – supplementary information

As of December 31 of 2020 and 2019

In thousands of reais

		Parent company		Consolidated	
	Note	**2020**	**2019**	**2020**	**2019**
Revenues					
Gross sales of services, net of discounts	19	974,616	1,379,610	1,187,394	1,570,624
Other revenues		655	58,738	902	60,796
Gain (loss) on impairment of accounts receivable	6	(67)	(96)	(66)	2,109
		975,204	**1,438,252**	**1,188,230**	**1,633,529**
Inputs purchased from third parties					
Cost of services provided		(562,355)	(786,809)	(640,547)	(851,993)
Materials, energy, third party services and other operational expenses		(100,802)	(119,639)	(126,923)	(162,053)
		(663,157)	**(906,448)**	**(767,470)**	**(1,014,046)**
Gross added value		**312,047**	**531,804**	**420,760**	**619,483**
Depreciation and amortization	10 and 11	(16,348)	(18,507)	(23,425)	(25,810)
Amortization of right of use	26	(19,712)	(20,007)	(30,625)	(32,789)
Net added value produced by the Company		**275,987**	**493,290**	**366,710**	**560,884**
Added value received on transfer					
Equity accounting income	9	34,962	21,005	6,276	2,986
Financial revenues	22	22,365	44,982	24,082	46,530
Total added value to distribute		**333,314**	**559,277**	**397,068**	**610,400**
Distribution of added value					
<u>Personnel and charges</u>					
Direct remuneration		82,169	101,759	100,188	118,453
Benefits		19,253	23,950	24,225	29,091
FGTS		7,113	6,431	8,413	7,797
<u>Taxes, fees and contributions</u>					
Federal		52,404	127,306	79,192	142,445
State		59,194	74,112	66,029	80,454
Municipal		2,213	3,294	5,607	5,698
<u>Remuneration of third-party capital / Financiers</u>					
Interest and exchange variations		32,313	21,365	33,239	23,833
Rent		5,029	7,088	6,666	8,657
<u>Remuneration of equity</u>					
Dividends and interest on equity		34,916	75,264	34,916	75,264
Retained profits		38,710	118,708	38,710	118,708
Non-controlling interest in retained earnings		-	-	(117)	-
Distributed added value		**333,314**	**559,277**	**397,068**	**610,400**

Management's explanatory notes are an integral part of the individual and consolidated interim financial statements.

Management's notes to the individual and consolidated financial statements
Financial years ending on December 31 of 2020 and 2019
In thousands of Reais, unless otherwise stated

1 Operational context

Tegma Gestão Logística S.A. (“Company”) and its Subsidiaries (“The Company and its Subsidiaries”) have the main goals of providing services focusing on the areas of logistics management, transport and storage in various economic sectors, such as: automotive, consumer goods, chemicals, and household appliances.

The Company is a publicly held corporation, headquartered in São Bernardo do Campo, State of São Paulo, registered in the special segment of the B3 stock market named Novo Mercado, under the trading code TGMA3, and is bound by arbitration at the Market Arbitration Chamber, as per the arbitration clause in its Bylaws.

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

The Company's services in the automotive logistics division include:

Road transportation – transfer and distribution services for brand new and used vehicles, port transfers, inventory management, vehicle manufacturer yard management and vehicle preparation services for sale;

The Company's services in the integrated logistics division include:

Road transportation – “milk run” (system of scheduled collections of materials, using a single vehicle owned by the logistics operator to carry out the collections at one or more suppliers and deliver the materials at the final destination, always at pre-established times); “full truck load” (in which the truck packs a homogeneous load, usually with enough volume to completely fill a bucket or trunk of a truck), transfer of solid/liquid bulk and parts between customer and supplier plants;

General and bonded warehousing - including storage and management of parts and components, “cross docking” (distribution system in which the goods received, whether in a warehouse or a Distribution Center, are not stored but rather immediately prepared for delivery), “picking” or separation and preparation of orders (for the collection of certain products in storage, which may vary in terms of category and quantities, at the request of a customer, in order to satisfy said customer), handling and preparation, storage of liquid and solid chemical bulk, in-house storage (at the customer's structure), vehicle storage and bonded storage within structures suitable to the legislation of bonded warehouses (through the subsidiary GDL Gestão de Desenvolvimento em Logística Participações S.A.);

Logistics management - involving inventory control, “just-in-time” production line supplying, management of returnable packaging, management of parts and components, management of national and imported goods and reverse logistics.

Impacts of the Covid-19 pandemic

At the end of the first quarter 2020, the COVID-19 pandemic took hold in Brazil and affected different economic activities in the country in different ways.

The health and safety protocols in the operations comply with the recommendations provided by the authorities to reduce the risk of contagion among employees and third parties. All the company’s corporate areas are working from home and, for those employees who need to travel to its facilities, the Company is taking all necessary precautions to preserve their health (providing transportation in some operations, masks, and hand sanitizer, in addition to ensuring the minimum recommended distance). As of December 30, 2020, the Company had no employees with major complications caused by to COVID-19 that required hospitalization.

The brand-new vehicle market in Brazil, the main market for the Automotive Logistics Division, suffered a major impact from the closing of dealerships between April and July 2020 due to the social distancing measures imposed in several regions of the country. Consequently, the vast majority of vehicle manufacturers in the country interrupted their activities in April and gradually resumed production from the month of May onward. As a result, the Division's operations, revenue, and results were severely affected at the beginning of the crisis and recovered proportionately and gradually as the market recovered.

The Integrated Logistics Division's operation focused on the chemicals sector approached normal levels throughout the crisis, as it is a logistical operation of raw material for the production of essential products (home and personal care). In turn, the operations regarding the home appliance sector came to a halt at the start of the pandemic in April, but gradually resumed its activities due to the increase in e-commerce sales. On the other hand, the Company’s activities related to its warehousing operations in São Paulo and Rio de Janeiro did not stop, since they mostly involve the management of inventories of food products and e-commerce.

It is important to note that the Company has carried out some adjustment measures since the first half of April to adapt to the pandemic scenario:

a. Adherence to Law no. 14.020/20 (formerly known as Provisional Measure 936) and other measures related to the management of its workforce, which included: i) the temporary suspension of employment contracts, ii) the reduction of working hours and hourly wages for 30 days, extendable for up to 90 days (later extended to 120 days through a decree), depending on the return of each branch/operation and iii) the readjustment of the workforce as of mid-April.

b. Costs and fixed expenses of operations affected by the crisis and of corporate were adjusted and have been the focus of a continuous and thorough review by management in order to contain and/or postpone expenses. It is worth mentioning that a large portion of the costs of operations affected by the crisis is made up of variable costs and that there is no minimum payment commitment with suppliers.

c. The Company’s non-essential investments for improvement were postponed.

d. Throughout the expense review process at the height of the crisis, it was possible to postpone the rent payment for some properties used by the Company for a few months.

e. In early April, R$ 90 million were raised, as mentioned in explanatory note 12, and R$ 45 million were raised in early July, as mentioned in explanatory note 29, in order to reinforce the Company’s cash levels.

f. Tegma has adhered to government programs to help companies, which involve the postponement of payment of PIS and COFINS from March and April to July and September respectively, and this applies to the Employer's contribution. In addition, the company adhered to the program for the postponement of FGTS payment and the reduction of “Sistema S” rates by 50% for 3 months (April, May, and June). This reduction did not affect the employees’ contribution, but rather the contributions owed by the Company.

g. In accordance with our policy for the distribution of earnings, the complementary dividends for the year of 2019 should have been decided upon in the General Ordinary Meeting of April 2020 and the advance of the earnings of the first semester that should have been resolved in August 2020. However, management decided not to do so due to the uncertainties arising from the crisis and efforts to preserve cash levels. Fortunately, due to a clearer scenario in November 2020, we advanced earnings via dividends and interest on equity for the first nine months in November 2020.

Search and Seizure – “Operação Pacto”

On October 17, 2019, the Company was the subject of a warrant of search and seizure of data and documents authorized by the 1st Criminal Court of São Bernardo do Campo, due to an investigation that, until then, was not known by the Company, and that was initiated by a “Partial Leniency Agreement” entered by one of Tegma's competitors in the brand-new vehicle transportation market. The investigation seeks to assess the alleged concerted action in the transportation of imported brand-new vehicles for a Company customer, from the port of Vitória to the Inland Customs Station, an operation that was abandoned by the company in 2015, and which already, at that time, represented a very low volume in relation to the revenues for the Company. The search and seizure in no way affected the Company's operations.

Due to the events described and, (i) considering the steady conviction that the Company operates in accordance with the strictest Compliance rules and market rules, (ii) considering that the origin of the allegations that supported the search and seizure request is based on commercial disputes and (iii) even in view of the several successes in previous lawsuits that accused the Company of the same practices against the economic order; the Board of Directors, following the best market practices and striving for transparency and impartiality, determined in a meeting held on November 1, 2019 the establishment of an Independent Committee, comprising three members and advised by specialized law firms, to conduct a thorough and meticulous investigation of the facts attributed to the Company, which are the object of the documentation contained in the Leniency Agreement that gave rise to the aforementioned search and seizure.

The work of the independent Committee extended from its creation until the end of the first half of 2020.

Considering the completion of the investigative work of the Independent Committee and its advisors, on July 30, 2020, the Company's Board of Directors received the report and the final opinion on the investigation, which concluded that there is no evidence of anti-competitive practices, nor of any wrongdoing capable of supporting the accusations that gave rise to *Operação Pacto*.

As such, the Board of Directors decided that there is no additional measure to be adopted in view of *Operação Pacto* and that the Independent Committee should be dissolved on that date.

Regarding the investigation initiated by the “Partial Leniency Agreement”, until the issuance of this financial statements report, as mentioned in the last quarterly update, there was no manifestation by the 1st Criminal Court of São Bernardo do Campo regarding the order to suspend the case issued by the Appellate Court (STJ) in the records of the Conflict of Jurisdiction case on 09/16/2019. This conflict of jurisdiction is pending judgment on the merits by the STJ. At the Economic Defense Board (CADE), the case is at a standstill, with the extension of the investigation term being the sole event.

2 List of controlled entities and indirect affiliates

The Group is established as follows:

Direct and indirect subsidiaries	Interest (%) 2020	Interest (%) 2019	Relationship
Tegma Cargas Especiais Ltda. (“TCE”)	100.00	100.00	Subsidiary
Tegma Logística de Armazéns Ltda. (“TLA”)	100.00	100.00	Subsidiary
Tegmax Comércio e Serviços Automotivos Ltda. (“Tegmax”)	100.00	100.00	Subsidiary
Tegma Logística de Veículos Ltda. (“TLV”)	100.00	100.00	Subsidiary
Niyati Empreendimentos e Participações Ltda. (“Niyati”)	100.00	100.00	Subsidiary
TegUp Inovação e Tecnologia Ltda. (“Tegup”) (i)	100.00	100.00	Subsidiary
Tech Cargo Plataforma de Transportes Ltda. (“Tech Cargo”)	100.00	100.00	Subsidiary
Catlog Logística de Transportes S.A. (“Catlog”)	49.00	49.00	Joint venture
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	50.00	50.00	Joint venture
Fastline Logística Automotiva Ltda (“Fastline”) (ii)	87.00	-	Indirect subsidiary
Frete Rápido Desenvolvimento de Tecnologia Logística S.A. (i)	10.00	-	Indirect affiliate

(i) TegUp, a direct subsidiary of the Company, aims to bring innovation to logistics, acting as an accelerator for startups. An acceleration program cycle is carried out annually to find transformative companies that offer products, services and innovation related to the universe of digital logistics and transportation. The companies Frete Rápido Desenvolvimento de Tecnologia Logística S.A. and Rabbot Serviços de Tecnologia S.A. received investments from the subsidiary TegUp in order to accelerate and contribute to their growth.

a. On August 23, 2018, an investment was approved for the company Frete Rápido, a technology company in its initial stages of operation that develops a web-based solution for hiring freight. The investment authorized by the Board of Directors amounted to R$ 1,400, subject to the achievement of economic and financial goals. The entire investment has already been made.

   In November 2020, a part of the investments made for Frete Rápido was converted into shares, and as such Frete Rápido has become an indirect affiliate of the Company through TegUp.

b. On August 1, 2019, an investment was approved for the company Rabbot, a technology company in its initial stages of operation that develops a solution for mobility automation, organization, and fleet management process optimization. The authorized investment, which was already made, amounted to R$ 3,200, conditioned to the achievement of economic and financial goals.

(ii) Tegma Logística de Veículos Ltda., a direct subsidiary of the Company, created “Fastline” (formerly known as Stork Express), which performs road cargo transportation, though not for dangerous products.

3 Basis for preparation and significant accounting policies

a. Statement of compliance (with respect to IFRS and CPC standards)

The individual and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting

Standards Board (IASB), and also in accordance with accounting practices adopted in Brazil (BR GAAP).

The issuance of the financial statements was authorized by the Board of Directors on March 9, 2021.

The related changes in the main accounting policies are described in Explanatory Note 3.1 (a).

All relevant information specific to the financial statements, and only them, is being disclosed, and corresponds to the information used by Management in its activities.

b. Functional currency and presentation currency

These financial statements are presented in Reais, which is the Company's functional currency. All balances have been rounded to the nearest thousand, except where otherwise indicated.

c. Use of estimates and judgments

In preparing these financial statements, Management used judgments, estimates and assumptions that affect the application of the Company's accounting policies and those of its subsidiaries and the reported amounts of assets, liabilities, income, and expenses.

Estimates and assumptions are continuously reviewed. Revisions to estimates are acknowledged prospectively.

The estimates and assumptions that present a significant risk, with the likelihood of causing a relevant adjustment in the book values of assets and liabilities for the next fiscal year, are contemplated below:

Explanatory note no. 6 - acknowledgment and measurement of estimated credit losses;

Explanatory notes no. 9 and 11 - impairment test of intangible assets and goodwill;

Explanatory notes no. 10 and 11 – definition of the useful life of property, plant and equipment and intangible assets;

Explanatory note no. 14 – recognition and measurement of provisions for lawsuits;

Explanatory note no. 15 – recognition of deferred tax assets;

Explanatory note no. 26 – acknowledgment and measurement of trade leasing;

d. Measurement of fair value

Various accounting policies and disclosures of the Company and its Subsidiaries require the determination of fair value, both for financial and non-financial assets and liabilities.

The Company and its Subsidiaries have established a control structure related to the measurement of fair value. An assessment team has the responsibility of reviewing all significant fair value measurements, including Level 3 fair values. The assessment team regularly reviews significant unobservable data and assessment adjustments. If third party information, such as brokerage quotes or pricing services, is used to measure fair value, the assessment team shall analyze evidence obtained from third parties to support the conclusion that such assessments meet the requirements of the CPC/IFRS, including the level in the fair value hierarchy at which such assessments are to be classified.

The method of calculating the fair value used by the Company and its Subsidiaries consists of making the forecast at future value based on contractual conditions and subsequently calculating the present value discounting the curves established in each contract.

For more details on the fair value measurement levels, see Note no. 4 (g).

3.1 Main accounting policies

The significant accounting policies adopted by the Company and its Subsidiaries are described in the specific explanatory notes related to the items presented. Those related to different aspects of the financial statements are described below.

These policies have been applied consistently in all years presented, unless otherwise stated. It should be noted that accounting policies for immaterial transactions were not included in the financial statements.

Changes in the main accounting policies

Several new standards or changes to standards and interpretations were made effective in the 2020 financial year:

- Definition of a business transaction (changes to CPC 15/IFRS 3).
- Definition of materiality (amendments to CPC 26/IAS 1 and CPC 23/IAS 8).
- Changes in references to the conceptual framework in IFRS standards
- Covid-19 rental concession (amendment to IFRS 16)

The main accounting policies, as well as the measurement of estimates, did not change significantly.

To the detriment of the pandemic as of this date, some renegotiations of lease agreements have been carried out and their impacts have been considered in these financial statements, as determined by the CPC technical pronouncement 06 R2.

a New standards and interpretations that are not yet effective

Several new standards or changes to standards and interpretations will be made effective in the 2021 financial year and subsequent years.

The amended rules and interpretations mentioned below should not have a significant impact on the financial statements of the Company and its Subsidiaries.

- Reform of the interest rate reference index (changes to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Contracts for Consideration - Cost of executing a contract (Amendments to IAS 37)
- Annual improvements to IFRS 2018-2020 standards
- Property, plant and equipment: revenue before intended use (changes to IAS 16)
- Reference to the conceptual framework (changes to IFRS 3)
- Classification of current or non-current liabilities (changes to IAS 1)
- Changes to IFRS 17 Insurance Contracts

b Consolidation basis

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

The consolidated financial statements include the financial statements of the Company and its Subsidiaries. Control is obtained when the Company has the power to control financial and operating policies and to appoint or dismiss the majority of the members of the executive board or Board of Directors of an entity to obtain benefits from its activities.

The Company's Management, based on the bylaws and shareholders' agreements, controls the companies listed in explanatory note no. 2 – List of controlled entities – and therefore performs the full consolidation of these companies, with the exception of Catlog Logística de Transportes S.A. (“Catlog”) and GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”) considered as joint ventures, and Frete Rápido Desenvolvimento de Tecnologia Logística S.A, considered as an indirect affiliate, whose income is considered in the consolidated financial statements based on the equity method.

In the Company's individual financial statements, the financial statements of subsidiaries and jointly controlled subsidiaries are recognized using the equity method. Investments in subsidiaries and joint ventures are presented in explanatory note no. 9 – Investments.

(ii) Transactions eliminated from consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with investees recorded under the equity method are eliminated from the investment in proportion to the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

c Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are converted into the functional currency (Real), using the exchange rates prevailing on the dates of the transactions or valuation, in which the items are remeasured. Exchange gains and losses resulting from the settlement of these transactions and from the conversion at exchange rates at the end of the year, referring to monetary assets and liabilities in foreign currencies, are recognized in the income statement. Foreign exchange gains and losses related to loans, cash and cash equivalents and others are presented in the income statement as financial revenues or expenses.

d Financial instruments

(i) Initial recognition and measurement

Accounts receivable from customers and debt securities issued are initially recognized on the date they were originated. All other financial assets and liabilities are initially recognized when the Company and its subsidiaries became part of the contractual provisions of the instrument.

A financial asset (other than accounts receivable from customers without a significant financing component) or financial liability is initially measured at fair value, with the addition, for an item that is not measured at fair value through profit or loss (VJR), of costs transactions that are directly attributable to their acquisition or issuance. Accounts receivable from customers without a significant financing component are initially measured at the transaction price.

(ii) Subsequent classification and measurement

At the initial recognition, a financial asset is classified as measured: at the amortized cost; at fair value through other comprehensive income (VJORA) – debt instrument; VJORA – equity instrument; or at fair value through profit or loss (VJR).

Financial assets are not reclassified subsequent to initial recognition, unless the Company and its Subsidiaries change the business model for the management of financial assets, in which case all affected financial assets shall be reclassified on the first day of the subsequent reporting period after the change in the business model.

A financial asset is measured at its amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- is maintained within a business model with the goal of maintaining financial assets to receive contractual cash flows; and

- its contractual terms generate, on specific dates, cash flows that are only related to the payment of principal and interest on the principal amount outstanding.

A debt instrument is measured at VJORA if it meets both of the following conditions and is not designated as measured at VJR.

- it is maintained within a business model the objective of which is achieved both by receiving contractual cash flows and by selling financial assets; and

- its contractual terms generate, on specific dates, cash flows that are only payments of principal and interest on the principal amount outstanding.

Upon initial recognition of an investment in an equity instrument that is not held for trading, the Company may irrevocably choose to present subsequent changes in the fair value of the investment in Other comprehensive income. That choice shall be made investment by investment.

Upon initial recognition, the Company and its Subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or VJORA as well as VJR if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company and its Subsidiaries carry out an assessment of the goal of the business model in which a financial asset is held in the portfolio because it better reflects the way in which the business is managed, and the information is provided to Management. The information considered includes:

- the policies and goals set for the portfolio and the practical operation of those policies. They include the question of whether Management's strategy focuses on obtaining contractual interest income, maintaining a certain interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected outflows cash flow, or the realization of cash flows through the sale of assets;

– how the portfolio's performance is assessed and reported to the Company's Management;

– the risks that affect the performance of the business model (and the financial asset held in that business model) and the way those risks are managed;

- the frequency, volume, and timing of sales of financial assets in previous periods, the reasons for such sales and expectations on future sales.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales, in a manner consistent with the continuous recognition of the assets of the Company and its Subsidiaries.

Financial assets held for trading or managed with performance assessed based on fair value are measured at fair value through profit or loss.

Financial assets – assessment of whether contractual cash flows are only principal and interest payments

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. ‘Interest’ is defined as a consideration for the value of money over time and for the credit risk associated with the principal outstanding over a given period of time and for the other basic risks and costs of borrowing (for instance, liquidity risk and administrative costs), as well as a profit margin.

The Company and its Subsidiaries consider the contractual terms of the instrument to assess whether the contractual cash flows are only payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of contractual cash flows so that it would not meet this condition. In making this assessment, the Company and its Subsidiaries consider:

- contingent events that change the amount or timing of cash flows;
- terms that can adjust the contractual rate, including variable rates;
- prepayment and extension of terms; and
- terms that limit the Company's access to cash flows from specific assets (for example, based on the performance of an asset).

Prepayment is consistent with the principal and interest payment criteria if the prepayment amount mostly represents unpaid principal and interest on the outstanding principal amount - which may include reasonable additional compensation for the early termination of the contract. In addition, regarding a financial asset acquired for less than or more than the nominal value of the contract, the permission or requirement for prepayment for an amount representing the nominal value of the contract plus accumulated (but unpaid) contractual interest (which may include reasonable additional compensation for early termination of the contract) shall be treated as consistent with this criterion if the fair value of the prepayment is insignificant on initial recognition.

Financial assets - Subsequent measurement and profit and loss

Financial assets at fair value through profit or loss (VJR)	These assets are subsequently measured at fair value. The net income, including interest or dividend revenues, is recognized in the profit or loss. However, see the note for derivatives designated as hedge instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the profit or loss. Any gain or loss on de-recognition is recognized in the profit or loss.
Debt instruments at fair value through other	These assets are subsequently measured at fair value. Revenue from interest calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the

comprehensive income (VJORA)	profit or loss. Other net income is recognized in ORA. Upon de-recognition, the accumulated income in ORA is reclassified for the profit or loss statement.
Equity instruments at fair value through other comprehensive income (VJORA)	These assets are subsequently measured at fair value. Dividends are recognized as a gain in the profit or loss statement unless the dividend clearly represents a recovery of part of the investment cost. Other net income is recognized in ORA and is never reclassified in the profit or loss statement.

Financial assets - classification, subsequent measurement and profit and loss

Financial liabilities were classified as measured at amortized cost or at VJR. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading if it is a derivative or if it is designated as such at initial recognition. Financial liabilities measured at VJR are measured at fair value and the net income, including interest, is recognized in the profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses, foreign exchange gains and losses are recognized in the profit or loss. Any gain or loss on de-recognition is also recognized in the profit or loss.

(iii) De-recognition

Financial assets

The Company and its Subsidiaries de-recognize a financial asset when the contractual rights to the asset's cash flows expire, or when the Company and its Subsidiaries transfer the contractual receipt rights to the contractual cash flows on a financial asset in a transaction in which substantially all the risks and benefits of ownership of the financial asset are transferred or in which the Company neither transfers nor maintains substantially all the risks and benefits of the ownership of the financial asset and also does not retain control over the financial asset.

The Company and its Subsidiaries carry out transactions in which they transfer assets recognized in the balance sheet but maintain all, or substantially all, the risks and benefits of the transferred assets. In such cases, the financial assets are not de-recognized.

Financial liabilities

The Company and its Subsidiaries de-recognize a financial liability when their contractual obligation is withdrawn, canceled, or expired. The Company and its Subsidiaries also de-recognize a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

In the de-recognition of a financial liability, the difference between the extinguished book value and the consideration paid (including transferred assets that do not pass by cash or assumed liabilities) is recognized in the profit or loss.

(iv) Compensation

Financial assets or liabilities are offset, and the net amount presented in the balance sheet when the Company and its Subsidiaries currently have a legally enforceable right to offset the amounts and intend to settle them net or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company maintained a financial hedge derivative financial instrument to hedge the exchange rate risk exposure. This derivative financial instrument was initially recognized at fair value on the contracting date and, subsequently, remeasured at fair value periodically, with the hedge object and the derivative financial instrument being separately recorded. These contracts had the same terms.

At the beginning of the operation, the hedge object and the derivative financial instrument were documented as follows:

(a) purpose and description of the hedge;

(b) the identification of the hedge object and the nature of the protected risks;

(c) identification of the financial instrument;

(d) coverage ratio;

(e) demonstration of prospective effectiveness.

In this way, they were categorized and recorded according to the hedge accounting criteria. The Company had a single transaction with a derivative financial instrument and falls under the cash flow hedge classification, so its fair value was recorded under other comprehensive income (shareholders' equity).

e Provisions

A provision is recognized if, as a result of a past event, the Company and its Subsidiaries have a legal or constructive obligation that can be reliably estimated, and if it is probable that an economic resource will be required to settle the obligation.

f Demonstrations of added value

The Company and its Subsidiaries prepared statements of added value (DVA) under the terms of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements in accordance with BR GAAP applicable to publicly held companies, while for IFRS they represent supplementary financial information.

4 Financial risk management

Risk management is carried out by the Company's central treasury, and protection strategies against possible financial risks are evaluated and defined in cooperation with the operating units of the Company and its Subsidiaries. Management establishes principles for global risk management, as well as for specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of surplus cash.

a Market risk - Exchange rate

In August 2018, the Company obtained a credit line granted under the benefits of Law 4,131 referenced in US dollars, as described in explanatory note no. 12. In order to protect itself against currency fluctuations, the Company contracted a derivative financial instrument (swap) with the same notional amount and maturities.

This financial instrument, designated as a cash flow swap, consisted of exchanging the exchange variation plus a fixed rate of 4.89% per year, for percentages related to the variation of the Interbank Deposit Certificate - CDI plus a fixed rate of 0.89% per year. On August 3, 2020, this operation was settled.

Accordingly, as of December 31, 2020, the Company has no net exposure to exchange rate variations and there are no transactions with derivative financial instruments.

b Market risk - Basic interest rate

The interest rate risk of the Company and its subsidiaries arises from short- and long-term loans. Loans issued at variable rates expose the Company and its Subsidiaries to the risk of changes in interest rates and their impact on cash flow. Loans issued at fixed rates expose the Company and its Subsidiaries to the fair value risk associated with the interest rate.

Loans that were issued and referenced in US dollars, but were contracted with a derivative instrument to protect against exchange rate fluctuations, also became exposed to local interest rates.

The interest rate risk of the Company and its Subsidiaries is represented by exposure to the CDI variation. The exposure to interest risk of operations linked to these variations is shown below:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Loans and financing - foreign currency (explanatory note 12)	-	(57,220)	-	(57,220)
Loans and financing - local currency (explanatory note 12)	(168,764)	(33,802)	(168,764)	(33,802)
Derivative financial instruments	-	3,748	-	3,748
Derivative financial instruments - fair value	-	(9)	-	(9)
Debentures (explanatory note 12)	(25,047)	(50,135)	(25,047)	(50,135)
Debentures (explanatory note 5)	210,044	35,694	258,549	65,963
Net exposure	**16,233**	**(101,724)**	**64,738**	**(71,455)**

c Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures with customers, including outstanding accounts receivable. For banks and financial institutions, only securities of independent entities classified with a minimum rating of A in the *Standard & Poor's* scale, or the equivalent in other credit rating agencies, are accepted. The credit analysis area assesses the customer's credit quality, taking into account their financial position, past experience and other factors. The limits of individual customer risks are determined based on internal ratings. Credit risk management practices including methods and assumptions are described in explanatory note 6. The use of credit limits is monitored regularly.

The Company's exposure is shown below:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Cash and cash equivalents (explanatory note 5)	211,363	36,764	260,387	67,332
Accounts receivable from customers (explanatory note 6)	176,106	220,464	212,138	261,173
	387,469	257,228	472,525	328,505

d Liquidity risk

The cash flow forecast is made at the operating entities of the Company and its Subsidiaries and consolidated by the treasury.

Through this forecast, the treasury monitors the availability of cash to meet the operational and financial needs of the Company and its Subsidiaries, maintaining and contracting credit lines available at appropriate levels.

Cash is invested in conservative financial operations and with very short-term liquidity to meet the above-mentioned forecasts.

The following table illustrates the financial liabilities and derivative transactions of the Company and its Subsidiaries, by maturity, corresponding to the period remaining on the balance sheet until the contractual maturity date. These amounts are undiscounted cash flows and include contractual interest payments and exclude the impact of clearing agreements:

					Parent company
	Book value	**Financial flow**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 6 years**
Loans and financing (explanatory note 12)	168,764	180,291	48,366	64,262	67,663
Debentures (explanatory note 12)	25,047	25,608	25,608	-	-
Suppliers and freight payable	26,651	26,651	26,651	-	-
Other accounts payable (explanatory note 16)	24,054	24,054	24,054	-	-
Related parties (explanatory note 24)	689	689	150	539	-
On December 31, 2020	**245,205**	**257,293**	**124,829**	**64,801**	**67,663**

					Consolidated
	Book value	**Financial flow**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 6 years**
Loans and financing (explanatory note 12)	168,764	180,291	48,366	64,262	67,663
Debentures (explanatory note 12)	25,047	25,608	25,608	-	-
Suppliers and freight payable	31,268	31,268	31,268	-	-
Other accounts payable (explanatory note 16)	30,588	30,588	30,588	-	-
Related parties (explanatory note 24)	632	632	73	559	-
On December 31, 2020	**256,299**	**268,387**	**135,903**	**64,821**	**67,663**

e Sensitivity analysis

The table below shows the sensitivity analysis of financial instruments, which describes the risks that may generate material losses for the Company and its Subsidiaries. Considering that both the amount invested, and all the Company's debts (Loans and Financing and Debentures) are linked to the CDI (1.90% per annum in December 2020 and 4.4% per annum in December 2019), this index is the sole existing risk variable.

According to the assessment made by Management, the most probable scenario (Scenario I) presents the impacts over one year considering the maintenance of the CDI. In addition, two other scenarios are demonstrated in order to present the impacts of a 25% and 50% increase in the risk variable considered. They are Scenarios II and III, respectively. Thus, for this analysis, we considered an increase in liabilities for the calculation of the risk of net exposure, that is, the appreciation of the CDI.

The following table shows the possible impacts on income and equity based on the CDI of the scenarios presented:

			Parent company			**Consolidated**
	Probable Scenario (I)	**Possible Scenario (II) 25%**	**Remote Scenario (III) 50%**	**Probable Scenario (I)**	**Possible Scenario (II) 25%**	**Remote Scenario (III) 50%**
Financial investments	3,997	4,996	5,995	4,919	6,149	7,379
Revenues	**3,997**	**4,996**	**5,995**	**4,919**	**6,149**	**7,379**
NCE Bradesco	(919)	(1,063)	(1,206)	(919)	(1,063)	(1,206)
NCE Itaú	(2,890)	(3,131)	(3,372)	(2,890)	(3,131)	(3,372)
4131 Santander	(2,470)	(2,669)	(2,868)	(2,470)	(2,669)	(2,868)
4131 Santander	(1,863)	(2,057)	(2,251)	(1,863)	(2,057)	(2,251)
CCB Safra	(246)	(270)	(295)	(246)	(270)	(295)
Debentures II	(977)	(1,096)	(1,215)	(977)	(1,096)	(1,215)
Expenses	**(9,365)**	**(10,286)**	**(11,207)**	**(9,365)**	**(10,286)**	**(11,207)**
Net effect on income / Shareholders' equity	**(5,368)**	**(5,290)**	**(5,212)**	**(4,446)**	**(4,137)**	**(3,828)**

f Capital management

The Company and its Subsidiaries monitor capital based on the financial leverage ratio that corresponds to the net debt divided by the total capital. Net debt corresponds to total loans (including short and long-term loans, as shown in the balance sheet), minus the amount of cash and cash equivalents, short-term investments and added to or subtracted from the swap balance. Total capital, in turn, is calculated using the sum of shareholders' equity, as shown in the balance sheet, with net debt.

	Parent company		**Consolidated**	
	2020	**2019**	**2020**	**2019**
Loans and financing – explanatory note 12	168,764	91,022	168,764	91,022
Debentures– explanatory note 12	25,047	50,135	25,047	50,135
Derivative financial instruments	-	(3,739)	-	(3,739)
Cash and cash equivalents – explanatory note 5	(211,363)	(36,764)	(260,387)	(67,332)
Net debt	(17,552)	100,654	(66,576)	70,086
Total shareholders' equity	624,663	575,079	625,639	575,079
Total capital	607,111	675,733	559,063	645,165
Financial leverage ratio	(3%)	15%	(12%)	11%

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 (exit price) in the main market, or in the most advantageous market for the asset or liability, in a normal transaction between market participants on the measurement date, as well as establishing a three-level hierarchy to be used to measure fair value, namely:

Level 1 - Quoted prices (not adjusted) in active markets for identical assets and liabilities.

Level 2 - Other information, except for the information included in level 1, whereby quoted prices (unadjusted) are for similar assets and liabilities, (directly as prices or indirectly as derivatives of prices), in non-active markets, or other information that becomes available or that can be corroborated by the information observed in the market.

Level 3 - Information that is not available due to little or no market activity and which is significant for defining the fair value of assets and liabilities (unobservable).

The methodology applied for calculating the fair value is to take the future value using the CDI curve considering the percentage of the contracted index and then bring it to present value discounting by 100% of the CDI curve and, when there are foreign currency operations, taking the future value by pre-contracted rate and bringing it to present value discounting the exchange coupon curve (difference of the internal interest rate and the forecast exchange rate variation) based on the PTAX dollar sell rate of the business day prior to the calculation base date (known in the financial market as “Cupom Sujo” [Dirty Coupon]).

The classification of financial instruments is shown in the table below, and there are no instruments classified in categories other than those reported.

	Parent company			Consolidated		
	Book value	**Fair value**	**Hierarchy at fair value**	**Book value**	**Fair value**	**Hierarchy at fair value**
On December 31, 2020						
Assets						
Fair value through profit or loss						
Financial investments – explanatory note 5	210,044	210,044	Level 2	258,549	258,549	Level 2
Assets at amortized cost						
Cash and cash equivalents – explanatory note 5	1,319	1,319	Level 1	1,838	1,838	Level 1
Accounts receivable from customers – explanatory note 6	176,106	176,106	Level 2	212,138	212,138	Level 2
Related parties– explanatory note 24	1,444	1,444	Level 2	1,297	1,297	Level 2
Other accounts payable (i) – explanatory note 7	1,109	1,109	Level 2	2,420	2,420	Level 2
	390,022	**390,022**		**476,242**	**476,242**	
Liabilities						
Liabilities at amortized cost						
Debentures– explanatory note 12	25,047	25,335	Level 2	25,047	25,335	Level 2
Loans and financing – explanatory note 12	168,764	175,231	Level 2	168,764	175,231	Level 2
Suppliers and freight payable	26,651	26,651	Level 2	31,268	31,268	Level 2
Other accounts payable– explanatory note 16	24,054	24,054	Level 2	30,588	30,588	Level 2
Related parties– explanatory note 24	689	689	Level 2	632	632	Level 2
	245,205	**251,960**		**256,299**	**263,054**	

(i) This does not include amounts referring to advances to employees and suppliers.

	Parent company			Consolidated		
	Book value	**Fair value**	**Hierarchy at fair value**	**Book value**	**Fair value**	**Hierarchy at fair value**
On December 31, 2019						
Assets						
Fair value through profit or loss						
Financial investments – explanatory note 5	35,694	35,694	Level 2	65,963	65,963	Level 2
Financial instrument designated for hedging						
Derivative financial instruments(i)	3,739	3,739	Level 2	3,739	3,739	Level 2
Assets at amortized cost						
Cash and cash equivalents – explanatory note 5	1,070	1,070	Level 1	1,369	1,369	Level 1
Accounts receivable from customers – explanatory note 6	220,464	220,464	Level 2	261,173	261,173	Level 2
Related parties– explanatory note 24	1,999	1,999	Level 2	4,399	4,399	Level 2
Other accounts receivable (ii) – explanatory note 7	1,210	1,210	Level 2	2,769	2,769	Level 2
	264,176	**264,176**		**339,412**	**339,412**	
Liabilities						
Liabilities at amortized cost						
Debentures– explanatory note 12	50,135	51,190	Level 2	50,135	51,190	Level 2
Loans and financing – explanatory note 12	91,022	92,358	Level 2	91,022	92,358	Level 2
Suppliers and freight payable	33,452	33,452	Level 2	36,312	36,312	Level 2
Other accounts payable– explanatory note 16	23,585	23,585	Level 2	29,637	29,637	Level 2
Related parties– explanatory note 24	690	690	Level 2	614	614	Level 2
	198,884	**201,275**		**207,720**	**210,111**	

(i) The Company held derivative financial instruments to hedge its exposure to exchange rate variations, resulting from the 4131 loan contract modality in foreign currency.

(ii) This does not include amounts referring to advances to employees and suppliers.

h Hedge accounting

The hedge operation that the Company held was settled in August 2020, together with the settlement of the loan in foreign currency (according to note 12). This operation was intended to protect cash flows referenced in US dollars since nearly the entire operation of the Company is referenced in local currency.

Accordingly, the transaction was classified under the cash flow hedge classification, with accounting being in accordance with CPC 48 - Financial instruments.

The purpose of hedge accounting *(*understood as the hedge accounting policy adopted*)* was to affect the Company's results only by the local interest rates to which it is exposed, considering only the net effect of the hedge contracted.

The contract was settled on August 3, 2020.

Instrument	Type of financial instrument	Operation	Notional value	Due date	Protection index	Contracted rate
Swap contract	*Cash flow hedge*	USD X CDI swap	State Enrollment No. (USD) 13.441	08/2020	Exchange variation +4.89%	CDI + 0.89%

The settled balances are presented below:

	Principal value (notional)	Curve value	Fair value
Description			
Swap contract			
Active index edge:			
Long position dollar	50,000	71,666	71,666
Passive index edge:			
Short position in the CDI	(50,000)	(51,007)	(51,007)
Total net financial instrument	**-**	**20,659**	**20,659**

In accordance with applicable accounting practices, the adjustment to the fair value determined for the financial instrument was reversed in other comprehensive income in equity. It is worth mentioning that the hedge operation was totally bound, including contractually, to the loan contracted under the 4131 resolution modality, and cannot be undone individually.

5 Cash and cash equivalents

Accounting policy

Cash and cash equivalents are maintained for the purpose of meeting the commitments of the Company and its Subsidiaries, and are not an investment aimed at earning gains. They include cash, bank deposits and other highly liquid short-term investments.

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Bank and cash resources	1,319	1,070	1,838	1,369
Financial investments	210,044	35,694	258,549	65,963
	211,363	**36,764**	**260,387**	**67,332**

Financial investments are short-term, high liquidity, readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

Financial investments are represented by operations with immediate liquidity, with an average return of 100.14% for the terms established in December 2020 (99.65% in December 2019) of the variation of the Interbank Deposit Certificate (CDI) index.

The Company adopts centralized cash management at the Parent Company, despite the consolidated cash being distributed among its Subsidiaries.

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

6 Accounts receivable from customers

Accounting policy

Accounts receivable from customers correspond to amounts resulting from the provision of services in the normal course of the activities of the Company and its Subsidiaries. Accounts receivable from customers are initially recognized at the fair value of the services, minus estimated losses 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 consider in their assessments the approach of expected losses over a lifetime in accounts receivable from customers to constitute an estimated loss, based on the history of losses incurred and the expectation of continuity of their customers.

Expected losses are recognized based on accounts receivable in arrears (aging) taking into account the Company's loss history. As a general rule, securities overdue for more than 180 days are fully provisioned. This assessment excludes customers who have no history of losses. These customers refer mainly to the automotive sector.

If the amount originally provisioned is received, the Company shall reverse the estimated loss. When there is no expectation of receiving the amounts, the Company recognizes the effective loss of the securities, also reversing the provision made.

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Accounts receivable from the sale of services:				
In Brazil	176,348	220,639	212,426	261,395
Accounts receivable in Brazil	**176,348**	**220,639**	**212,426**	**261,395**
Estimated loss	(242)	(175)	(288)	(222)
	176,106	**220,464**	**212,138**	**261,173**

As of December 31, 2020, the average collection period is approximately 48 days for the Parent Company and 49 days for the Consolidated (49 days for the Parent Company and 51 days for the Consolidated in December 2019).

The maturity analysis of these accounts receivable is shown below:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Securities to become due	159,326	205,527	191,425	244,762
Securities due for up to 30 days	13,665	13,585	16,341	14,770
Securities due for 31 to 90 days	1,977	699	2,721	988
Securities due for 91 to 180 days	500	113	748	113
Securities due for over 181 days	880	715	1,191	762
	176,348	**220,639**	**212,426**	**261,395**

The change in the estimated loss of the Company and its Subsidiaries for the financial years ending on December 31 of 2020 and 2019 is shown as follows:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Opening balance	**(175)**	**(79)**	**(222)**	**(2,938)**
Additions	(824)	(340)	(831)	(402)
Reversals	757	244	765	2,511
Others (i)	-	-	-	607
Final balance	**(242)**	**(175)**	**(288)**	**(222)**

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

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

7 Other accounts receivable

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Indemnity assets	1,010	527	2,314	1,832
Advances to suppliers	4,491	2,099	7,690	3,719
Advances to employees	511	1,831	470	2,031
Recovery of expenses receivable	-	39	-	39
Claims recoverable	2	4	8	105
Other credits	97	640	98	793
	6,111	**5,140**	**10,580**	**8,519**
Current	5,101	4,613	8,266	6,687
Non-current	1,010	527	2,314	1,832
	6,111	**5,140**	**10,580**	**8,519**

8 Taxes and contributions recoverable

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
INSS recoverable	6,335	6,639	9,725	10,104
IRRF on financial investments	270	44	338	124
PIS and COFINS (i)	31,528	103,993	33,323	105,685
Other	57	33	147	56
	38,190	**110,709**	**43,533**	**115,969**
Current	31,920	104,325	33,989	106,280
Non-current	6,270	6,384	9,544	9,689
	38,190	**110,709**	**43,533**	**115,969**

(i) On July 15, 2019, the final and unappealable decision on a lawsuit filed by Tegma Gestão Logística was recognized; said decision recognized the Company's right to exclude ICMS from the PIS and COFINS calculation base, retroacting to August 2003. By means of a survey of documents and calculations that occurred from the confirmation of the unappealable decision, the Parent Company obtained a credit of R$ 103,406 (referring to the period from August 2003 to November 2018) due to the exclusion of ICMS in its calculations of PIS and COFINS, already updated by SELIC. Credits for the period from March 2017 to November 2018 had already been recognized in December 2018. In September 2019, the Parent Company recorded the remaining balance, that is, the credits for the period from August 2003 to February 2017. The amount of this credit on December 31, 2020 is R$ 30,926 (R$ 92,136 on December 31, 2019). The Parent Company authorized the credits with the Brazilian Federal Revenue Service for the purpose of having the right to offset these amounts with federal taxes owed; the order was granted in December 2019. It is worth mentioning that, since December 2018, the Company began to exclude ICMS from the PIS and COFINS calculation base regarding its taxes.

The recoverable tax amounts were generated by the operation of the Company and its Subsidiaries and will be offset against future debts of the same nature, therefore, the amounts are presented at realizable values.

9 Investments

Subsidiaries, Associated Affiliates and Joint Ventures

	Parent company					
	2020			2019		
	Investment	**Net goodwill**	**Total**	**Investment**	**Net goodwill**	**Total**
Subsidiaries						
Tegma Cargas Especiais Ltda. (TCE)	57,630	6,364	**63,994**	53,257	6,364	**59,621**
Tegma Logística de Armazéns Ltda. (TLA)	15,975	-	**15,975**	23,423	-	**23,423**
Niyati Empreendimentos e Participações Ltda. (Niyati)	108,528	-	**108,528**	107,579	-	**107,579**
Tech Cargo Plataforma de Transportes Ltda (Tech Cargo)	1	-	**1**	1	-	**1**
Tegmax Comércio e Serviços Automotivos Ltda. (Tegmax)	1,377	-	**1,377**	2,664	-	**2,664**
Tegma Logística de Veículos Ltda. (TLV)	25,326	-	**25,326**	14,752	-	**14,752**
Tegup Inovação e Tecnologia Ltda. (“Tegup”)	4,907	-	**4,907**	4,517	-	**4,517**
	213,744	**6,364**	**220,108**	**206,193**	**6,364**	**212,557**
Joint ventures						
Catlog Logística de Transportes S.A. (Catlog)	410	-	**410**	493	-	**493**
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	20,174	16,693	**36,867**	21,157	16,693	**37,850**
	20,584	**16,693**	**37,277**	**21,650**	**16,693**	**38,343**
Total parent company investment	**234,328**	**23,057**	**257,385**	**227,843**	**23,057**	**250,900**

						Consolidated
	2020			2019		
	Investment	**Net goodwill**	**Total**	**Investment**	**Net goodwill**	**Total**
Joint ventures						
Catlog Logística de Transportes S.A. (Catlog)	410	-	410	493	-	493
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	20,174	16,693	36,867	21,157	16,693	37,850
Indirect affiliate						
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	815	-	815	-	-	-
	20,584	**16,693**	**38,092**	**21,650**	**16,693**	**38,343**

Indirect subsidiary

	2020		2019	
	Investment	**Total**	**Investment**	**Total**
Indirect subsidiary				
Fastline Logística Automotiva Ltda (“Fastline”) (i)	(87)	(87)	-	-
	(87)	**(87)**	-	-

(i) As mentioned in explanatory note 2 item ii, “Fastline” is an indirect subsidiary of the Company through Tegma Logística de Veículos Ltda. The amount of R$ 3,213 is pending to be paid.

Investment transactions

										Parent company
	TCE	**Tech Cargo**	**TLA**	**Niyati**	**Tegmax**	**TLV**	**Tegup**	**Catlog (i)**	**GDL**	**Total**
On January 1, 2019	**39,897**	**-**	**26,099**	**76,452**	**2,640**	**15,248**	**1,448**	**1,413**	34,531	**197,728**
Equity	18,704	-	(2,676)	2,596	24	(496)	(133)	(333)	3,319	**21,005**
Capital increase (decrease) (ii)	1,020	-	-	28,531	-	-	3,202	(320)	-	**32,433**
Constitution of a subsidiary	-	1	**-**	-	-	-	-	-	-	**1**
Dividends (iv)	-	-	**-**	-	-	-	-	(267)	-	**(267)**
On January 1, 2020	**59,621**	**1**	**23,423**	**107,579**	**2,664**	**14,752**	**4,517**	**493**	**37,850**	**250,900**
Equity	16,963	-	(1,702)	2,827	33	10,574	(9)	(83)	6,359	**34,962**
Capital increase (decrease) (iii)	8,727	-	(5,746)	-	(1,170)	-	399	-	-	**2,210**
Dividends (iv)	(21,317)	-	-	(1,878)	(150)	-	-	-	(7,342)	**(30,687)**
On December 31, 2020	**63,994**	**1**	**15,975**	**108,528**	**1,377**	**25,326**	**4,907**	**410**	**36,867**	**257,385**

(i) Since January 2015, the investee Catlog has remained operationally inactive. The resumption of its activities may be reconsidered if deemed convenient by the Company.

(ii) This includes the amount of R$ 14,074 paid to the subsidiary Niyati Empreendimentos e Participações Ltda. through assets, according to explanatory note 10.

(iii) The amount of R$ 5,746 reduced in the subsidiary Tegma Logística de Armazéns Ltda., was paid up to the subsidiary Tegma Cargas Especiais Ltda. through assets, with the intermediation of the parent company Tegma Gestão Logística S.A.

(iv) Dividends received are being presented in the Cash Flow Statement in the investment activity

	Catlog	GDL	Frete Rápido	Consolidated Total
On January 1, 2019	1,413	34,531	-	35,944
Equity	(333)	3,319	-	2,986
Dividends	(267)	-	-	(267)
Capital reduction	(320)	-	-	(320)
On January 1, 2020	**493**	**37,850**	**-**	**38,343**
Equity	(83)	6,359	-	6,276
Corporate interest	-	-	815	815
Dividends	-	(7,342)	-	(7,342)
On December 31, 2020	**410**	**36,867**	**815**	**38,092**

Company interest in the income of direct subsidiaries, all private or limited companies, as well as in the total of its assets and liabilities:

	TCE	TLA	Niyati	Tegmax	TLV	Tegup	Tech cargo
Balance on December 31, 2020							
Assets	76,338	22,415	108,783	1,547	33,564	4,924	1
Liabilities	18,708	6,440	255	170	8,238	17	-
Shareholder's equity	57,630	15,975	108,528	1,377	25,326	4,907	1
Net Revenue	92,878	30,786	5,733	-	60,107	17	-
Profit/ (Loss)	16,963	(1,702)	2,827	33	10,574	(9)	-
Balance on December 31, 2019							
Assets	75,911	39,365	107,807	2,827	23,956	4,525	1
Liabilities	22,654	15,942	228	163	9,204	8	-
Shareholder's equity	53,257	23,423	107,579	2,664	14,752	4,517	1
Net Revenue	83,993	32,165	4,776	-	49,416	25	-
Profit/ (Loss)	18,704	(2,676)	2,596	24	(496)	(133)	-

The following are the total balances of the balance sheet and income accounts (100%) of the companies under common control and the indirect affiliate:

	Catlog		**GDL**		**Frete Rápido**
	2020	**2019**	**2020**	**2019**	**2020**
Assets					
Current	1,278	1,263	28,595	32,348	843
Non-current	254	654	18,859	20,290	217
Fixed	-	-	8,866	9,274	30
Intangible	-	-	902	1,154	-
Right of use	-	-	-	40	-
	1,532	**1,917**	**57,222**	**63,106**	**1,090**
Liabilities and shareholders' equity					
Current	37	18	15,102	10,626	186
Non-current	658	893	1,773	10,166	756
Shareholder’s equity	837	1,006	40,347	42,314	148
	1,532	**1,917**	**57,222**	**63,106**	**1,090**

	Catlog		**GDL**		**Frete Rápido (i)**
	2020	**2019**	**2020**	**2019**	**2020**
Income for the year					
Net Revenue	-	-	73,267	71,738	1,698
Cost of services provided	-	-	(51,886)	(57,260)	(2,168)
General and Administrative Expenses	(139)	(279)	(4,639)	(8,698)	(542)
Net financial revenues (expenses)	43	130	(171)	(1,692)	(165)
Other revenues (expenses), net	(73)	(527)	2,008	5,932	(1)
Income tax and social contribution	-	(4)	(5,861)	(3,382)	28
Profit (loss) for the year	(169)	(680)	12,718	6,638	(1,150)

(i) As mentioned in explanatory note 2 item (i) as of November 2020, Frete Rápido became an indirect affiliate of the Company, through “TegUp” as a result of converting debentures into shares, the income presented is equivalent to 12 months.

10 Property, plant and equipment

Accounting policy

Property, plant and equipment items are presented at historical cost minus accumulated depreciation. Historical cost includes expenses directly attributable to the acquisition of the items. The historical cost also includes, when applicable, financing costs related to the construction of qualified assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when there is a likelihood that future economic benefits associated with the item will flow and that the cost of the item can be measured reliably.

The book value of replaced items or parts is written off. All other repairs and maintenance are recorded against the income for the year, when incurred.

Depreciation of assets is calculated using the straight-line method, considering their costs and their residual values over their estimated useful lives, as follows:

	Annual %
Buildings	4.00%
Computers and peripherals	20.00%
installations	10.00%
Vehicles	10.22%
Machinery and equipment/tools	10.00%
Third-party property improvements	24.16%
Furniture, utensils, packaging, and others	21.75%

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

Gains and losses on disposals are determined by comparing the income with the book value and are recognized in “Other net expenses” in the income statement.

Property, Plant, and Equipment Transactions

	Land	Buildings	Computers and peripherals	Installations	Vehicles	Machinery and equipment/tools	Third-party property improvements	Furniture, utensils, packaging, and others (i)	Property, plant and equipment in progress (ii)	Total
										Parent company
Net balances as of January 1, 2019	16,348	38,049	2,025	2,569	24,039	2,718	3,778	9,076	707	99,309
Transactions										
Acquisitions	-	37	988	1,167	6,590	824	1,383	4,707	116	15,812
Disposals	-	-	-	(8)	(1,914)	-	-	(13)	-	(1,935)
Transfers	--		12	-	-	172	422	18	(624)	-
Depreciation	-	(1,928)	(886)	(416)	(3,931)	(684)	(1,879)	(3,985)	-	(13,709)
Write-off due to payment of capital to subsidiary	(4,919)	(9,155)	-	-	-	-	-	-	-	(14,074)
Net balances as of December 31, 2019	11,429	27,003	2,139	3,312	24,784	3,030	3,704	9,803	199	85,403
Balance on December 31, 2019										
Cost	11,429	34,567	13,693	5,920	62,374	11,630	53,350	29,941	199	223,103
Accumulated depreciation	-	(7,564)	(11,554)	(2,608)	(37,590)	(8,600)	(49,646)	(20,138)	-	(137,700)
Net balances as of January 1, 2020	11,429	27,003	2,139	3,312	24,784	3,030	3,704	9,803	199	85,403
Transactions										
Acquisitions	-	-	1,201	393	211	178	1,097	5,897	71	9,048
Disposals	-	-	(24)	(1)	(284)	-	-	(8)	-	(317)
Transfers (iii)	-	-	-	-	-	-	-	11	(78)	(67)
Depreciation	-	(1,383)	(771)	(500)	(2,707)	(624)	(1,725)	(4,635)	-	(12,345)
Net balances as of December 31, 2020	11,429	25,620	2,545	3,204	22,004	2,584	3,076	11,068	192	81,722
Balance on December 31, 2019										
Cost	11,429	34,566	14,820	6,311	61,435	11,805	54,327	35,079	192	229,964
Accumulated depreciation	-	(8,946)	(12,275)	(3,107)	(39,431)	(9,221)	(51,251)	(24,011)	-	(148,242)
Net balances as of December 31, 2020	11,429	25,620	2,545	3,204	22,004	2,584	3,076	11,068	192	81,722

(i) Additions in furniture, utensils, packaging and others in the year are substantially represented by packaging materials (industrial logistics division).

(ii) Property, plant and equipment in progress refers mainly to works and improvements in progress.

(iii) Transfer to intangible assets, in the amount of R$ 67 related to software license.

Consolidated

	Land	Buildings	Computers and peripherals	Installations	Vehicles	Machinery and equipment/tools	Third-party property improvements	Furniture, utensils, packaging, and others (i)	Property, plant and equipment in progress (ii)	Total
Net balances as of January 1, 2019	60,073	62,997	3,093	8,768	36,153	4,668	7,665	10,148	8,601	202,166
Transactions										
Acquisitions	4,932	4,482	1,020	1,697	10,237	1,080	1,844	4,743	1,773	31,808
Disposals	(656)	-	(27)	(1,417)	(1,988)	(92)	(24)	(111)	-	(4,315)
Transfers	-	7,656	12	1,395	55	177	418	23	(9,736)	-
Depreciation	-	(3,384)	(1,409)	(1,521)	(5,229)	(1,216)	(3,672)	(4,195)	-	(20,626)
Net balances as of December 31, 2019	64,349	71,751	2,689	8,922	39,228	4,617	6,231	10,608	638	209,033
Balance on December 31, 2019										
Cost	64,349	83,325	19,267	15,310	88,693	18,046	72,075	32,071	638	393,774
Accumulated depreciation	-	(11,574)	(16,578)	(6,388)	(49,465)	(13,429)	(65,844)	(21,463)	-	(184,741)
Net balances as of January 1, 2020	64,349	71,751	2,689	8,922	39,228	4,617	6,231	10,608	638	209,033
Transactions										
Acquisitions (iii)	288	3,665	1,208	1,137	1,738	201	1,637	5,904	146	15,924
Disposals (iv)	(1,500)	-	(24)	(1,753)	(284)	-	(90)	(11)	-	(3,662)
Transfers (v)	-	-	30	-	30	-	-	11	(138)	(67)
Depreciation	-	(3,440)	(1,173)	(1,382)	(4,013)	(1,109)	(3,176)	(4,813)	-	(19,106)
Other	-	(5)	-	-	-	-	-	-	-	(5)
Net balances as of December 31, 2020	63,137	71,971	2,730	6,924	36,699	3,709	4,602	11,699	646	202,117
Balance on December 31, 2019										
Cost	63,137	86,985	20,431	12,223	88,287	18,238	71,491	37,210	646	398,648
Accumulated depreciation	-	(15,014)	(17,701)	(5,299)	(51,588)	(14,529)	(66,889)	(25,511)	-	(196,531)
Net balances as of December 31, 2020	63,137	71,971	2,730	6,924	36,699	3,709	4,602	11,699	646	202,117

(i) Additions in furniture, utensils, packaging and others in the year are substantially represented by packaging materials (industrial logistics division).

(ii) Property, plant and equipment in progress refers mainly to works and improvements in progress.

(iii) Includes R$ 1,093, referring to the capital contribution made to the indirect subsidiary "Fastline".

(iv) Includes R$ 2,037 related to the demobilization of the warehouse caused by the change of location of the operation of the subsidiary Tegma Logística de Armazéns Ltda.

(v) Includes a transfer to intangible assets, in the amount of R$ 67 related to a software license.

The depreciation and amortization amounts were recorded as follows:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Depreciation	(12,345)	(13,709)	(19,106)	(20,626)
Amortization	(4,003)	(4,798)	(4,319)	(5,184)
Total	(16,348)	(18,507)	(23,425)	(25,810)

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

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Cost of services provided	(12,932)	(14,924)	(19,824)	(22,012)
General and Administrative Expenses	(3,416)	(3,583)	(3,601)	(3,798)
Total	(16,348)	(18,507)	(23,425)	(25,810)

11 Intangible

Accounting policy

Recognition and Measurement

Goodwill

Goodwill is represented by the positive difference between the amount paid or payable and the net fair value of assets and liabilities of the acquired entity and is recorded under "Intangible assets" in the consolidated financial statements. Goodwill is tested annually for probable losses ("impairment") and recorded at cost minus accumulated impairment losses, which are not reversed. Gains and losses on the disposal of an entity include the book value of goodwill related to the entity sold. For impairment testing purposes, goodwill is allocated to Cash-Generating Units (CGUs) or to groups of Cash-Generating Units that must benefit from the business combination from which the goodwill originated, duly segregated, in accordance with the operating segment.

Goodwill is measured at cost, minus accumulated losses due to impairment.

Software licenses

The acquired software licenses are capitalized based on the costs incurred to acquire the software and make it ready for use. These costs are amortized over their estimated useful life of three to five years. Costs associated with software maintenance are recognized as an expense, as incurred. Development costs that are directly attributable to the design and testing of identifiable and exclusive software products, controlled by the Company and its Subsidiaries, are recognized as intangible assets when the recognition criteria are met. Software development costs recognized as assets are amortized over their estimated useful lives.

								Parent company
	2018	**Addition**	**Amortization**	**2019**	**Addition**	**Transfer (i)**	**Amortization**	**2020**
Software	11,354	4,178	(4,798)	10,734	3,752	67	(4,003)	10,550
Goodwill paid on the acquisition of investments								
Nortev	120,877	-	-	120,877	-		-	120,877
Boni Amazon	32,791	-	-	32,791	-		-	32,791
	165,022	**4,178**	**(4,798)**	**164,402**	**3,752**	**67**	**(4,003)**	**164,218**

										Consolidated
	2018	**Addition**	**Amortization**	**Write-off**	**2019**	**Addition**	**Transfer (i)**	**Amortization**	**Write-off**	**2020**
Software	12,422	4,197	(5,184)	**(21)**	**11,414**	3,857	67	(4,319)	(282)	**10,737**
Goodwill paid on the acquisition of investments										
Nortev	120,877	-	-	-	120,877	-	-	-	-	120,877
Boni Amazon	32,791	-	-	-	32,791	-	-	-	-	32,791
Tegma Cargas Especiais Ltda.	6,364	-	-	-	6,364	-	-	-	-	6,364
	160,032	**-**	**-**	**-**	**160,032**	**-**	**-**	**-**	**-**	**160,032**
Net	**172,454**	**4,197**	**(5,184)**	**(21)**	**171,446**	**3,857**	**67**	**(4,319)**	**(282)**	**170,769**

(i) Transfer of fixed assets, in the amount of R$ 67, related to a software license.

Testing for impairment

Goodwill is allocated to Cash Generating Units (CGUs), identified according to the operating segment. Goodwill tests for impairment were performed for the following investments considered relevant:

	2020	2019
Nortev (automotive)	120,877	120,877
TCE/Boni Amazon (integrated logistics)	39,155	39,155
GDL Gestão de Desenvolvimento em Logística Participações S.A	16,693	16,693

The recoverable value of a CGU is determined based on calculations of the value in use. These calculations use cash flow projections, based on financial budgets approved by Management. The main assumptions used in calculating the value in use on December 31 of 2020 and 2019 are as follows:

	2020	2019
GDP (i)	2.50%	2.50%
Annual inflation (ii)	3.27%	3.80%
Perpetuity growth (iii)	2.40%	2.50%
Discount rate (iv)	9.74%	10.05%
Discount rate (v)	12.54%	10.95%

(i) Average forecast of the growth of the Gross Domestic Product (GDP) for the next 10 years, according to information released by the Brazilian Central Bank;

(ii) Average forecast of growth in the broad consumer price index (IPCA) for the next 10 years, according to forecasts released by the Brazilian Central Bank;

(iii) Growth rate based on the growth forecasts of the Gross Domestic Product (GDP);

(iv) Discount rate calculated according to the company's cost of capital assessment (Nortev and TCE/Boni).

(v) Discount rate calculated according to the company's cost of capital assessment (GDL).

The recoverable amount calculated based on the value in use, of the three CGUs, was higher than the book value, even considering in a scenario with the discount rate increasing by 1 pp and the growth rate in perpetuity reducing 1 pp for the three CGUs. Accordingly, there was no need to recognize an impairment loss in 2020.

The Company reviews its goodwill tests annually.

12 Loans and financing

Accounting policy

Loans and financing are initially recognized at fair value, net of transaction costs incurred and are subsequently stated at their amortized cost. Any difference between the amounts raised (net of transaction costs) and the redemption value is recognized in the income statement during the period in which the loans are in progress, using 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 and Consolidated	
	2020	**2019**
Loans and financing - local currency		
NCE - Export credit note (a.i.)	80,940	33,802
Resolution 4131 (a.iii)	82,708	-
CCB (a.iv)	5,116	-
Loans and financing - foreign currency		
Resolution 4131 (a.iii)	-	57,220
Total loans and financing	**168,764**	**91,022**
(-) Current	43,764	61,022
Non-current	125,000	30,000
Debentures (b)		
Total debentures	**25,047**	**50,135**
(-) Current	25,047	25,130
Non-current	-	25,005
Loans and financing	**193,811**	**141,157**
Derivative financial instruments - swap (assets)	**-**	**(3,739)**
(-) Current (i)	-	(3,739)
Loans and financing net of swap	**193,811**	**137,418**

a. Bank loans

(i) NCE– Export credit note

In June 2017, the Company entered a contract with Banco Safra S.A. in the amount of R$ 10,000, with the maturity of the principal in 3 equal installments, the first maturing in June 2019, the second in December 2019 and the last installment in June 2020. Interest payments have been made every six months since December 2017. The interest rate negotiated was CDI for the period plus 2.65% per year (without a flat fee). This contract was fully paid off in June 2020.

In March 2019, the Company entered a contract with Banco Bradesco SA, also without collateral, in the amount of R$ 30,000, with maturities of the principal in 3 equal installments (March 2022, March 2023 and April 2024) and interest rates payments starting in September 2019. The interest rate negotiated was CDI for the period plus 1.14 % per year. The interest rate for this contract in December 2020 is 3.04% per year (5.54% in December 2019).

In April 2020, the Company entered a contract with Banco Itaú S.A. in the amount of R$ 50,000 with maturity of the principal amount at the end of the contract in April 2022 and interest payments every six months from October 2020 onward, with no collateral attached. The interest rate negotiated was CDI for the period plus 3.8% per year. As of December 2020, the interest rate for this contract is 5.70% per year.

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

(ii) Resolution 4131

In August 2018, the Company entered into a loan agreement in US dollars in the amount of USD 13,441, equivalent to R$ 50,000, on the date of the transaction, with the financing agent Itaú BBA

Internacional PLC, with no collateral attached, with payment of the principal at end of contract in August 2020 and interest paid in December 2018, February 2020 and August 2020.

To hedge the exchange rate of the loan, the Company contracted a derivative financial instrument, a cash flow swap, with Itaú Unibanco S.A. for the same amount and maturities, exchanging the exposure of the USD currency variation plus a fixed rate of 4.89% per year, for the variation of the CDI plus 0.89% per year, and with this, assigning the credit rights of the swap operation as a collateral to the lender of the loan in US dollars. In August 2020, this contract was fully settled.

In April 2020, the Company entered into a loan agreement in reais with Banco Santander S.A. in the amount of R$ 40,000, with maturity of principal and interest at the end of the agreement in April 2021, without collateral attached and interest rate of CDI for the period plus 4.0% per year. The transaction implicitly includes the contracting of a derivative financial instrument (swap) in order to eliminate any foreign exchange exposure. The interest rate for this contract is 5.90% per year in December 2020. This transaction has no restrictive clause (covenants).

In July 2020, the Company signed a loan agreement in reais with Banco Santander S.A. in the amount of R$ 40,000, with semiannual interest payments starting in January 2021, payment of the principal at the end of the contract in July 2023, it does not have a real collateral attached and interest rate of CDI +2.66% per annum. The interest rate for this contract is 4.56% per year as of December 2020. The transaction implicitly includes the contracting of a derivative financial instrument (swap) in order to eliminate any foreign exchange exposure.

This operation is subject to early maturity if the following debt and interest coverage ratios are not maintained: (i) net debt/EBITDA [(1)] equal to or less than 2.50 and EBITDA/net financial expense greater than or equal to 1.50. As of December 31, 2020, the Company was compliant with these clauses.

[(1)] EBITDA - net income for the year, plus taxes on profit, financial expenses net of financial income and depreciation, amortization and depletion.

(iii) CCB – Bank credit note

In July 2020, the Company entered into a loan agreement in reais with Banco Safra S.A. in the amount of R$ 5,000, with semiannual interest payments starting in February 2021, payment of the principal at the end of the contract in August 2023, without a collateral attached and interest rate of CDI +2.91% per annum (the transaction is exempt from IOF according to Decree 10.414 of 07.02.2020). The interest rate for this contract is 4.81% per year as of December 2020.

This operation is subject to early maturity if the following debt and interest coverage ratios are not maintained: (i) net debt/EBITDA [(1)] equal to or less than 2.50 and EBITDA/net financial expense greater than or equal to 1.50. As of December 31, 2020, the Company was compliant with these clauses.

b. Debentures

In 2013, the Company issued simple debentures, not convertible into shares, and unsecured debentures (1st issuance R$ 200,000, and 2nd issuance R$ 150,000). The net proceeds obtained are fully allocated to the Company's ordinary business transactions, such as payment of debts already incurred by the Company and cash reinforcement.

The debentures include semi-annual interest payments. In the 1st issue, interest was expected to be paid on February 15 and August 15 of each year. In the 2nd issue, the forecast was to pay interest on December 15th and June 15th of each year.

The nominal value of the 1st issuance debentures, issued in two series, has already been fully amortized. In the first series, amortizations occurred on February 15, 2016 (33.33%), February 15, 2017 (33.33%) and February 15, 2018 (33.34%); in the second series, amortizations were made on February 15, 2017 (33.33%), February 15, 2018 (33.33%) and February 15, 2019 (33.34%).

In the 2nd issue, also issued in two series, for both series the first amortization occurred on December 15, 2016 (33.33%) and the second amortization, originally scheduled for December 15, 2017, occurred in advance on 28 September 2017 (33.33%). Regarding the last installment originally scheduled for December 15, 2018, there was a renegotiation, and the amount corresponding to 33.34% of the issue, was extended by 50% to July 31, 2020, already settled, and 50% for July 31, 2021, as approved at the general meeting of debenture holders held on September 25, 2017. The interest rate negotiated in this renegotiation was CDI for the period plus 2% per year. The interest rate for this contract in December 2020 is 3.90% per year (6.4% in December 2019).

Series	Type	Issuance value	Current debentures	Date		Annual financial charges	Unit price	Parent company and Consolidated	
				Issuance	Maturity			2020	2019
2nd issuance - 1st series	Simple	80,000	8,000	12/15/2013	7/31/2021	DI +2.00%	10	13,358	26,739
2nd issuance - 2nd series	Simple	70,000	7,000	12/15/2013	7/31/2021	DI +2.00%	10	11,689	23,396
							Current	25,047	25,130
							Non-current	-	25,005

The issuance of debentures is also subject to early maturity if the following debt and interest coverage ratios are not maintained: (i) net debt/EBITDA[(1)] equal to or less than 2.50 and EBITDA/net financial expense greater than or equal to 1.50. As of December 31, 2020, the Company was compliant with these clauses.

The non-current installments due have the following schedule of maturities of loans and financing:

	Parent Company and Consolidated	
	2020	**2019**
13 to 24 months	60,000	25,005
25 to 36 months	55,000	10,000
37 to 48 months	10,000	10,000
49 to 60 months	-	10,000
Total	**125,000**	**55,005**

What follows are the transactions for the 2020 and 2019 financial years:

	Parent Company and Consolidated
Loans and financing	
Balance on January 1, 2020	**91,022**
Acquisition	135,000
Applied interest	7,855
Principal payment	(74,699)
Interest paid	(6,526)
Exchange variation	16,112
Balance on December 31, 2020	**168,764**
Debentures	
Balance on January 1, 2020	**50,135**
Applied interest	1,979
Principal payment	(25,005)
Interest paid	(2,062)
Balance on December 31, 2020	**25,047**
Total	**193,811**

	Parent Company and Consolidated
Loans and financing	
Balance on January 1, 2019	**62,117**
Acquisition	30,000
Applied interest	4,762
Principal payment	(6,667)
Interest paid	(1,829)
Exchange variation	2,639
Balance on December 31, 2019	**91,022**
Debentures	
Balance on January 1, 2019	**98,083**
Applied interest	4,423
Principal payment	(46,676)
Interest paid	(5,695)
Balance on December 31, 2019	**50,135**
Total	**141,157**

13 Salaries and social charges

Accounting policy

(i) Short- term employee benefits

Short-term benefit obligations to employees are recognized as personnel expenses as the corresponding service is provided. The liability is recognized at the expected payment amount if the Group has a present legal or constructive obligation to pay this amount due to past services provided by the employee and if the obligation can be reliably estimated. The Company and its Subsidiaries have a benefit plan for officers and employees, in the form of profit sharing and bonus plans.

The expectation is that the profit sharing, and bonus plans will be settled in up to twelve months and are presented at the amount expected to be paid.

	Parent company		**Consolidated**	
	2020	**2019**	**2020**	**2019**
Vacation payable	8,819	10,778	10,597	12,672
INSS	1,912	2,457	2,333	2,925
Bonuses and profit sharing payable	5,718	8,386	6,150	8,814
FGTS	551	696	684	766
Other	876	939	977	1,086
Total	**17,876**	**23,256**	**20,741**	**26,263**

(ii) Post-employment benefits

The Company and its Subsidiaries do not maintain private pension plans or any retirement plan for their employees and officers.

Law 9,656/98 provides that dismissed and/or retired employees who contribute to the cost of their private health plan have the right to use the same conditions of assistance coverage granted by the Company and its Subsidiaries in accordance with legal provisions.

On December 31, 2020, the Company recorded a provision for actuarial liabilities in the amount of R$ 2,450.

The main hypotheses and demographic data used in preparing the actuarial calculations are summarized below:

	2020
Discount rate	7.43% p.a.
Medical Inflation (HCCTR)	6.61% p.a.
Long-term inflation	3.50% p.a.
Termination rate	25 % p.a
General mortality table	AT-2000 smoothed by 10%
Disability mortality table	IAPB-57
Disability entry table	Álvaro Vindas

The Company carried out quantitative sensitivity analyzes in relation to the significant assumptions for the following benefits as of December 31, 2020, as shown below:

	Tax Rate		HCCTR	
	0,50%	(0,50%)	0,50%	(0,50%)
Actuarial obligation	(890)	953	621	(518)
Interest cost	5	(5)	(100)	(38)

The Company recognizes actuarial losses arising from actuarial assumptions directly in equity, such as equity valuation adjustment, net of deferred income tax only at the end of the year, when the actuarial calculation by an independent consultant is obtained.

14 Judicial deposits and provision for lawsuits

Accounting policy

Provisions are recognized when the Company and its Subsidiaries have a current obligation as a result of a past event, when it is likely that economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, existing case law, the most recent court decisions, and their relevance in the legal system, as well as the assessment of outside counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, conclusions of tax inspections or additional exposures identified based on new matters or court decisions. The same system applies to attorney fees on administrative or judicial discussions on said obligations, i.e., when the Company is likely to succeed in a particular dispute, the amounts to be paid as attorney fees are subject to a provision. The expense related to any provision is shown in the income statement, net of any reimbursement.

When the Company and its Subsidiaries expect the amount of a provision to be reimbursed, in whole or in part, for example under an insurance contract, the reimbursement is recognized as a separate amount, but only when the reimbursement is practically certain. Judicial deposits are classified as non-current assets and are not offset against these provisions.

The Company and its subsidiaries are parties to labor, civil, tax and other lawsuits in progress that totaled, as of December 31, 2020, R$ 640,894 (R$ 640,391 as of December 31, 2019) for the Parent company and R$ 655,900 (R$ 659,433 as of December 31, 2019) Consolidated and is discussing these issues both at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. These amounts include all cases with outcomes classified as probable, possible and remote. The provisions for possible probable losses arising from these lawsuits are estimated and updated by Management to the extent that there is an expectation of future disbursement, supported by the opinion of external legal counsel.

The amounts mentioned above are divided as follows:

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Probable	30,151	30,606	33,878	35,266
Possible	81,376	88,672	87,818	97,237
Remote	529,367	521,113	534,204	526,930
Total	**640,894**	**640,391**	**655,900**	**659,433**

Provisions established based on probable losses

The provisions set up and corresponding judicial deposits, when applicable, are shown below:

				Parent company
	Court deposits		**Provisions for lawsuits**	
	2020	**2019**	**2020**	**2019**
Labor and social security	7,546	7,211	11,533	11,451
Tax	1,608	1,608	-	-

Civil (i)	2,667	2,667	18,618	19,155
Total	**11,821**	**11,486**	**30,151**	**30,606**

				Consolidated
	Court deposits		**Provisions for lawsuits**	
	2020	**2019**	**2020**	**2019**
Labor and social security	10,656	9,968	14,353	15,206
Tax	1,608	1,608	1	1
Civil (i)	2,876	2,876	19,524	20,059
Total	**15,140**	**14,452**	**33,878**	**35,266**

(i) Contains a provision arising from the combination of businesses, as detailed below:

The purchase and sale contract of Direct Express, entered by the Company and 8M Participações, provides that the Company will only be required to indemnify 8M Participações for possible lawsuits related to facts prior to the date of purchase, which exceed in their aggregate value R$ 40,000. On the other hand, 8M Participações is obliged to indemnify the Company for any lawsuits corresponding to facts that occur after the date of purchase. In 2017, the amount of the obligations paid by 8M Participações for which the Company was indemnified exceeded the aggregate value. As of December 2020, the balance of this provision totals R$ 15,110 (R$ 18,611 in December 2019).

What follows are the provisions for the 2020 and 2019 financial years:

	Parent company	**Consolidated**
Balance on January 1, 2020	**30,606**	**35,266**
Establishment	14,819	14,966
Establishment INSS FAP	329	329
Lawsuits payable	(119)	(221)
Write-off by judicial deposit	(211)	(232)
Payment	(15,273)	(16,230)
Balance on December 31, 2020	**30,151**	**33,878**

	Parent company	**Consolidated**
Balance on January 1, 2019	**34,419**	**44,444**
Establishment	18,156	20,682
Establishment INSS FAP	418	418
Lawsuits payable	(2,122)	(2,122)
Write-off by judicial deposit	(924)	(1,186)
Payment	(19,341)	(26,970)
Balance on December 31, 2019	**30,606**	**35,266**

Possible losses not provisioned in the balance sheet

The Company and its Subsidiaries have tax, civil and labor lawsuits that are not provisioned, as they involve a risk of loss classified as possible by Management and its legal counsel, as shown in the amounts below:

	Parent company		**Consolidated**	
	2020	**2019**	**2020**	**2019**
Labor and social security	35,502	38,703	36,556	40,235
Tax	35,059	28,869	40,295	35,636
Civil	10,815	21,100	10,967	21,366

Total	**81,376**	**88,672**	**87,818**	**97,237**

a Labor and social security

These provisions mainly refer to cases related to discontinued operations, as well as cases in which the Company and its subsidiaries respond jointly to third party service providers.

b Tax

The main types of tax discussions are: (i) questions regarding possible default in ISS and ICMS; and (ii) questions regarding the origin of IRPJ, CSLL, PIS and COFINS credits used to offset tax debts.

The main lawsuit arises from part of a charge made for the inspection of the ISS in the municipality of Mauá/SP through notices of infraction issued between December 2017 and January 2018. As of December 31, 2020, the updated amount of this portion of the lawsuit is R$ 7,666 (R$ 7,127 as of December 31, 2019). This amount is based only on the revenue earned by the Mauá/SP subsidiary and not the revenue mistakenly arbitrated by the inspection.

c Civil

The main indemnity actions correspond to material, moral and pension damages due to traffic accidents, involving carriers subcontracted by the Company and its subsidiaries.

Remote losses that are not provisioned in the balance sheet

Tax, civil and labor claims that are not provisioned, as they involve remote risks of loss as classified by Management and its legal counsel on December 31, 2020, amount to R$ 529,367 in the Parent Company (R$ 521,113 on December 31, 2019) and R$ 534,204 in Consolidated (R$ 526,930 on December 31, 2019).

a. The main claim in the tax sphere arises from a portion of a charge made by the ISS inspection in the municipality of Mauá/SP as mentioned above, with a total amount of R$ 472,772 (R$ 444,080 in December 2019), in which the municipality mistakenly considered the total gross revenue earned by the Company, and not only that of the subsidiary of Mauá/SP, which should be the basis for the respective inspection. In this context, based on the opinion of its counsel, the Company considers the amount of R$ 465,106 to be a remote loss (R$ 436,953 in December 2019, the variation in the balance refers to the update using the IPCA index plus 1% per month). In February 2018, the Company's defense was presented at the administrative level and all additional supporting documentation was made available to the municipality. On July 4, 2019, the municipality's Finance Secretariat requested additional information, which was made available on August 15, 2019. Since then, there has been no statement by the Finance Secretariat of the municipality of Mauá. We are awaiting judgment at the first administrative level.

b. In December 2017, the Company identified, with the support of independent experts, tax opportunities related to PIS and COFINS credits on expenses incurred in subcontracting transportation companies and property, plant and equipment items in the last 5 years of operations. The Company rectified its Declarations of Debts and Credits of Federal Taxes - DCTFs in order to allocate these amounts of PIS and COFINS credits. During 2018, the Company and its subsidiary Tegma Cargas Especiais (TCE) received decision orders from the Brazilian Federal Revenue Service regarding the non-approval of the offsetting of tax debts of the respective credits. It is important to mention that there was no question of the merits of the credit origin, but rather a discrepancy between the crossing of accessory obligations. The Company presented statements of non-compliance at the administrative level during the year of 2018. The Company's advisors classified the chances of loss as “remote”. The amount in the parent company is R$ 39,343 and the consolidated amount is R$ 42,220 (R$ 38,486 in the parent company and R$ 41,300 consolidated in December 2019).

Other topics

a. One-third extra holiday pay

The Federal Supreme Court - STF finalized, on 08/28/2020, the judgment of Extraordinary Appeal 1,072,485/PR (General Repercussion Subject 985), which considered the levying of the employer social security contribution (as a rule, 20%) on the amounts paid to employees as the constitutionally mandated 1/3 premium. The Company refrained from paying BRL 2,141 of this contribution for the period from December/14 to August/20 and also has recorded as a tax recoverable the amount of BRL 987 of contributions of this nature collected during the period from October 2011 to November of 2014. The Company also has an injunction in force in its own lawsuit on the subject before the Federal Court in the State of São Paulo, which ensures its right to not pay this contribution. In addition, the Company opted not to make the payment or provision of these amounts due to the possible chances of modulating the effects of the STF judgment, due to an order filed in connection with a motion for clarification pending judgment, that is, the obligation to collect such contribution would be due only as of the date of the respective judgment.

b. Contribution on maternity wages

The Company has a lawsuit filed in 2005 to guarantee its right not to pay the social security contribution on the amounts paid as maternity wages to its employees. With the judgment by the Supreme Federal Court, in August 2020, of the lawsuit with general repercussions on the topic favorable to the taxpayer, the Company will very likely obtain a favorable judgment in its own process. Accordingly, the Company may, as a result of a favorable decision in its action, make the refund and / or tax compensation of the amounts paid for this contribution in the past. These amounts are being collected by the Company based on supporting documents for declarations and payments.

c. PIS and COFINS credit on the exclusion of ICMS from the calculation base

The Subsidiary Tegma Cargas Especiais Ltda. has an action on the exclusion of ICMS from the PIS and COFINS calculation base in progress. The estimated value of the updated credit is approximately R $ 12,500 from the calculation excluding the highlighted ICMS and approximately R $ 10,000 from the calculation excluding the paid ICMS. The calculation methodology will depend on the decision of the process in its final and unappealable decision and, mainly, on the judgment of the embargoes of declaration by the STF in the process with general repercussion on the subject. No amount was accounted for by the Subsidiary.

15 Income tax and social contribution

Accounting policy

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 tax rates and laws adopted for calculating the tax are those in effect on the balance sheet dates. The offsetting of tax losses and negative social contribution base is limited to 30% of the taxable income for the year.

Deferred income tax and social contribution

Deferred income tax and social contribution are calculated on income tax losses, the negative social contribution base and the corresponding temporary differences between the calculation bases for tax on assets and liabilities and the carrying amounts of the financial statements. The rates of these taxes, currently defined for determining deferred taxes, are 25% for income tax and 9% for social contribution.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset temporary differences, based on forecasts of future results prepared and based on internal assumptions and future economic scenarios that may, therefore, undergo changes. Deferred income tax assets are recognized for tax losses in proportion to the likelihood of realization of the respective tax benefit through future taxable income.

The carrying amount of deferred income tax and social contribution assets is reviewed on the date of each balance sheet and reduced, when applicable, by a provision, to the extent that it is no longer probable that there will be sufficient future taxable profits to permit its realization.

The expense with income tax and social contribution comprises current and deferred income and social contribution taxes. Current tax and deferred tax are recognized in the income statement unless they are related to the business combination or to items directly recognized in equity or other comprehensive income.

The reconciliation of the expense calculated by applying the combined nominal tax rates and the income tax and social contribution expense recorded in the profit or loss statement is shown below:

	Parent company		Consolidated	
	2020	2019	2020	2019
Profit before income tax and social contribution	**83,794**	**261,344**	**97,052**	**265,298**
Combined nominal tax rate on income and social contribution	34%	34%	34%	34%
Income tax and social contribution at nominal rate	**(28,490)**	**(88,857)**	**(32,998)**	**(90,201)**
Effects of IRPJ and CSLL on permanent differences				
Equity accounting income	11,887	7,142	2,134	1,015
Other permanent differences	(731)	(628)	(903)	(5,702)
Tax incentives	4,941	6,031	5,486	6,551
Interest on equity	1,907	8,804	1,907	8,804
Other	318	136	831	8,207
Income tax and social contribution on profit or loss statement	**(10,168)**	**(67,372)**	**(23,543)**	**(71,326)**
Current	(12,852)	(67,364)	(23,237)	(72,099)
Deferred	2,684	(8)	(306)	773
Effective rate	**12.1%**	**25.8%**	**24.3%**	**26.9%**

The composition of the deferred income tax and social contribution balances on December 31, 2020 and December 31, 2019 is as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Income tax loss to compensate	2,378	-	10,807	10,298
Negative basis of social contribution	856	-	4,004	3,820
Temporary differences				
PLR and bonus provisions	1,944	2,851	2,091	2,997
Estimated loss for loan losses	82	60	98	75
Provisions for lawsuits	10,251	10,406	11,519	11,990
Provisions for freight payable	1,108	1,211	1,371	1,211
Provision of tolls payable	1,218	676	1,346	859
Cut-off provision	1,532	1,790	1,532	1,790
Other	6,683	6,676	8,932	8,980
Actuarial liabilities	833	-	833	-
Subtotal	**26,885**	**23,670**	**42,533**	**42,020**
Amortization of tax goodwill (i)	(20,459)	(20,459)	(20,459)	(20,459)
Difference in depreciation rate (ii)	(5,671)	(5,970)	(7,399)	(7,410)
Subtotal	**(26,130)**	**(26,429)**	**(27,858)**	**(27,869)**
Total	**755**	**(2,759)**	**14,675**	**14,151**

(i) Refers to deferred income tax and social contribution calculated on the acquisition of subsidiaries, already fully amortized.

(ii) Refers to deferred income tax and social contribution calculated on the difference in depreciation of property, plant and equipment by applying different depreciation rates for tax and accounting purposes.

The segregation of deferred income tax and social contribution between assets and liabilities by company is shown below:

	Consolidated			
	2020			
	Assets	Liabilities	Net assets	Net liabilities
Tegma Gestão Logística S.A.	26,885	(26,130)	755	-
Tegma Logistica de Armazéns Ltda.	4,612	-	4,612	-
Tegmax Comércio e Serviços Automotivos Ltda.	56	-	56	-
Tegma Logística de Veículos Ltda	1,867	(3)	1,864	-
Tegma Cargas Especiais Ltda.	9,092	(1,725)	7,367	-
TegUp Inovação e Tecnologia Ltda	21	-	21	-
Total	**42,533**	**(27,858)**	**14,675**	**-**

	Consolidated			
	2019			
	Assets	Liabilities	Net assets	Net liabilities
Tegma Gestão Logística S.A.	23,670	(26,429)	-	(2,759)
Tegma Logistica de Armazéns Ltda.	3,013	-	3,013	-
Tegmax Comércio e Serviços Automotivos Ltda.	55	-	55	-
Tegma Logística de Veículos Ltda	3,529	-	3,529	-
Tegma Cargas Especiais Ltda.	11,753	(1,440)	10,313	-
Total	**42,020**	**(27,869)**	**16,910**	**(2,759)**

The change in net deferred income tax and social contribution for the years 2020 and 2019 is as follows:

	Parent company	Consolidated
Balance on January 1, 2020	**(2,759)**	**14,151**
Establishment – effect on profit or loss statement	2,684	(306)
Deferred taxes on hedge accounting	(3)	(3)
Deferred taxes on actuarial liabilities	833	833
Balance on December 31, 2020	**755**	**14,675**

	Parent company	Consolidated
Balance on January 1, 2019	**(2,593)**	**13,536**
Establishment – effect on profit or loss statement	(8)	773
Deferred taxes on hedge accounting	(158)	(158)
Balance on December 31, 2019	**(2,759)**	**14,151**

The asset values on December 31, 2020 have the following realization expectations:

Year	Parent company	Consolidated
2021	8,629	15,226
2022	4,564	10,078
2023	4,564	6,465
2024	4,564	5,382
After 2025	4,564	5,382
	26,885	**42,533**

The Company and its Subsidiaries do not have deferred assets that have not been recognized.

16 Other accounts payable

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Insurance	4,527	5,751	5,006	6,052
Toll	3,592	1,994	3,996	2,532
Benefits	6,151	5,752	7,401	7,403
Vehicle and cargo handling	908	917	1,268	2,500
Rent	996	1,043	1,866	1,098
Consulting services	1,797	2,333	2,032	2,449
Surveillance	1,256	2,050	1,713	2,591
Miscellaneous maintenance	1,178	873	2,306	1,119
Other	3,649	2,872	5,000	3,893
Total	**24,054**	**23,585**	**30,588**	**29,637**

17 Shareholder's equity

Accounting policy

Common shares are classified as shareholder's equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity in a capital reducing account, net of taxes.

The distribution of dividends and interest on equity referring to the minimum mandatory amount, in accordance with the Company's bylaws, is recognized as a liability in the financial statements at the end of the year. Any amount above the mandatory minimum is only recognized in liabilities on the date in which it is approved by the shareholders, at the General Meeting, being highlighted in a specific account in shareholders' equity called "Proposed additional dividend". The tax benefit of interest on equity is recognized in the income statement. When decided as such by the Board of Directors, interest on shareholders' equity is included in the dividends for the period.

The Company offers its executives a share-based compensation plan, settled with shares, according to which the entity receives employee services as consideration for the Company's equity instruments (options). The fair value of the options granted to the Company's executives is measured on the grant date and the expense is recognized in the income statement, during the period in which the right is acquired, after meeting certain specific conditions. On the balance sheet date, the Company reviews the estimates regarding the number of options, the rights of which must be acquired based on the conditions, and recognizes, when applicable, the effect resulting from the review of these initial estimates in the income statement against equity.

a. Share capital

The Company's capital stock, fully paid up, amounts to R$ 318,524, divided into 66,002,915 common, registered shares with no par value.

The shareholding structure of the Company is constituted as follows:

Category	Number of shares	Total %
Mopia Participações e Empreendimentos Ltda.	15,396,481	23%
Cabana Empreendimentos e Participações Ltda.	4,817,704	7%
Coimex Empreendimentos e Participações Ltda.	13,207,034	20%
Other controlling shareholders (individuals)	515,073	1%
Managers	101	0%
Treasury	65,143	0%
Controllers, managers, and treasury	**34,001,536**	**52%**
Outstanding shares	**32,001,279**	**48%**
Total Shares	**66,002,815**	**100%**

b. Capital reserve - goodwill on the subscription of shares

The Company's capital reserve was originated as follows: (i) on April 27, 2007, the shareholders' meeting approved the establishment of a capital reserve - goodwill on the subscription of shares in the amount of R$ 2,245 and (ii) on June 28, 2007, the Company's Board of Directors approved the issue of 9,706,639 nominative common shares, with no par value, at the issue price of R$ 26.00 per share, in the context of the public offering of shares, with the amount of R$ 47,757 and the amount of R$ 204,616 allocated to the “Capital reserve” account, in the form of the sole paragraph of article 14 of the Brazilian Corporation Law.

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

At the Annual and Extraordinary Shareholders’ Meeting held on April 30, 2020, with the goal of strengthening its Capital Stock and simplifying the structure of its Shareholders' Equity, the shareholders approved the payment of R$ 174,055 through the incorporation of capital reserves - goodwill in the subscription of shares, without the issuance of new shares, with no dilution of shareholders. The Company's share capital stock remained divided into 66,002,915 common, registered shares with no par value. Thus, on December 31, 2020, there are no more balances in the “Capital reserve” account.

c. Profit Reserves

Legal Reserve

The legal reserve is constituted annually as a destination of 5% of the net profit for the year and cannot exceed 20% of the share capital. The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and/or increase capital.

Tax incentive reserve

The Company has a presumed ICMS credit in the amount of 20% on the amount of the tax debt, pursuant to the CONFAZ ICMS 106/1996 Agreement. In fiscal year 2020, the amount of the credit calculated was R$ 14,533 (R$ 17,739 in December 2019). These amounts were recognized as an investment subsidy, through Complementary Law No. 160/2017 and allocated to the reserve for tax incentives, pursuant to art. 195-A of Law 6,404/76 and §§ 4 and 5 in Article 30 of Law 12,973/2014.

Profit retention reserve

The profit retention reserve refers to the retention of the remaining balance of retained earnings, in order to meet the business growth project established in its investment plan and shareholder remuneration, according to the capital budget approved and proposed by the Company's management, to be resolved at the Shareholders' General Meeting, in compliance with article 196, of the Brazilian Corporation Law.

d. Treasury shares

As of December 31, 2020, and December 31, 2019, the balance of treasury shares corresponds to 65,143 common shares, in the amount of R$ 342.

e. Dividends and interest on equity

The net profit of each fiscal year, after the compensation and deductions provided for by law and according to the statutory provision, will have the following destination: (i) 5% for the legal reserve, until it reaches 20% of the paid-in capital and (ii) 25% of the balance, after the appropriation of the legal reserve, will be used to pay the mandatory minimum dividend to all shareholders.

Dividends above this limit are highlighted in a specific account in shareholders’ equity called “Additional proposed dividend”. When decided as such by the Board of Directors, interest on shareholders’ equity is included in the dividends for the period.

In a meeting held by the Board of Directors on February 11, 2010, the adoption of the Company's indicative dividend distribution policy was approved, so that future dividend distributions, including interest on capital, are made at least in an amount equivalent to fifty percent (50%) of the net income for the year, calculated as provided for in articles 193 to 203 of Law 6,404/76, as amended, in Brazilian accounting practices and in the rules of the Brazilian Securities and Exchange Commission.

The calculation of dividends for the years 2020 and 2019 is shown as follows:

	2020	**2019**
Net income for the year	73,626	193,972
Legal reserve	(3,681)	-
Tax incentive reserve	(14,533)	(17,739)
Calculation basis	55,412	176,233
Minimum mandatory dividend - 25%	13,853	44,058
Interim dividends paid	16,823	56,448
Interim interest on equity paid	5,608	18,816
Proposed additional dividends	12,541	-
Additional proposed interest on equity	-	-
	34,972	75,264
Percentage on the basis of calculation	63%	43%

At the Annual General Meeting held on April 24, 2019, Management's proposal for the allocation of net income for the year ended December 31, 2018 was approved, which resulted in the distribution of dividends and interest on complementary equity of R$ 28,306, to the Company's shareholders, of which R$ 21,229 in dividends and R$ 7,077 in interest on equity, both paid on May 7, 2019.

At a meeting of the Board of Directors held on August 29, 2019, the distribution of interim dividends in the amount of R$ 22,176 and interim interest on equity in the amount of R$ 7,392 for the year 2019 was approved, both paid on 16 September 2019.

At a meeting of the Board of Directors held on November 7, 2019, the distribution of interim dividends in the amount of R$ 34,272 and interim interest on equity in the amount of R$ 11,424 for the year of 2019 was approved, both paid on 26 November 2019.

At the Annual General Meeting held on April 30, 2020, Management's proposal to retain the remaining balance of net income for the year ended December 31, 2019 was approved, with no additional dividends related to the year due to the pandemic of the Covid-19, resulting in a retention of profits in the amount of R$ 100,969.

At a meeting of the Board of Directors held on November 6, 2020, the distribution of interim dividends in the amount of R$ 16,823 and interim interest on equity in the amount of R$ 5,608 related to the year of 2020, was approved, with both being paid on November 24, 2020.

At a meeting held on March 9, 2021, the members of the Company's Board of Directors expressed their favorable opinion on the proposal for the allocation of income for the financial year ended December 31, 2020 and recommended their approval at the Company's General Meeting.

f. Stock options

At the Extraordinary Shareholders' Meeting held on December 15, 2011, the Company's Stock Option Plan was approved for Company executives. The shares related to the Plan must come from: (i) the issuance of new common shares, within the limit of the authorized capital of the Company, as determined by the Board of Directors; and/or (ii) common shares held in treasury.

There is currently no open call option program.

g. Actuarial Liabilities

It arises from gains and losses arising from the provision of post-employment benefits. This component is recognized in other comprehensive income, but will never be reclassified to income in subsequent periods.

18 Information by business segment

Accounting policy

The Company classifies its business analyses as: (i) automotive logistics, a division that transfers and distributes brand new and used vehicles, performs port transfers and manages inventor and vehicle manufacturers’ yards, as well as providing preparation services for vehicles on sale, comprising the Parent Company and its Subsidiaries Tegmax Comércio e Serviços Automotivos Ltda., Tech Cargo Plataforma de Transportes Ltda, Tegma Logística de Veículos Ltda., Niyati Empreendimentos e Participações Ltda. and Fastline Logística Automotiva Ltda. and (ii) integrated logistics a division that carries out transportation, storage and inventory management operations for various market segments such as chemicals, household appliances and consumer goods, comprising its subsidiaries Tegma Cargas Especiais Ltda., Tegma Logística de Armazéns Ltda. and the Parent Company. In 2018, the Company opened the start-up accelerator called TegUP (TegUp Inovação e Tecnologia Ltda.); in the interest of this disclosure, we classified it in the integrated logistics division.

	Automotive Logistics		Integrated logistics		Consolidated Total	
	2020	2019	2020	2019	2020	2019
Net revenue from services	845,658	1,190,147	166,377	157,173	1,012,035	1,347,320
Cost	(656,202)	(900,966)	(106,043)	(105,515)	(762,245)	(1,006,481)
Operating expenses	(93,109)	(44,162)	(2,698)	1,542	(95,807)	(42,620)
Depreciation and amortization expenses (i)	(13,734)	(15,441)	(9,691)	(10,369)	(23,425)	(25,810)
Amortization of right of use (ii)	(16,456)	(16,746)	(14,169)	(16,048)	(30,625)	(32,794)
Financial expenses	(32,062)	(21,154)	(1,177)	(2,679)	(33,239)	(23,833)
Financial revenues	22,579	44,127	1,503	2,403	24,082	46,530
Equity	22,100	16,479	(15,824)	(13,493)	6,276	2,986
Income tax and social contribution	(10,862)	(67,939)	(12,681)	(3,387)	(23,543)	(71,326)
Net income for the year	67,912	184,345	5,597	9,627	73,509	193,972

	Automotive Logistics		Integrated logistics		Total	
	2020	2019	2020	2019	2020	2019
Current assets	462,374	396,409	55,333	52,663	517,707	449,072
Non-current assets	461,001	469,309	48,224	67,040	509,225	536,349
Total assets	**923,375**	**865,718**	**103,557**	**119,703**	**1,026,932**	**985,421**
Current liabilities	184,868	242,596	20,977	26,119	205,845	268,715
Non-current liabilities	191,368	129,223	4,080	12,404	195,448	141,627
Total liabilities	**376,236**	**371,819**	**25,057**	**38,523**	**401,293**	**410,342**

(i) R$ 19,824 refers to the portion of depreciation attributed to the cost of services provided and R$ 3,601 attributed to general administrative expenses in December 2020 (R$ 22,012 and R$ 3,798, respectively, in December 2019), according to explanatory note no. 10.

(ii) R$ 29,831 refers to the portion of depreciation attributed to the cost of services provided and R$ 794 attributed to general administrative expenses in December 2020, (R$ 31,982 and R$ 812, respectively, in December 2019), according to explanatory note no. 26.

The revenues of the 6 largest customers represented approximately 76% of total revenues.

The services provided by the automotive logistics and integrated logistics division are all for customers based on Brazilian territory.

19 Net revenue from services provided

Accounting policy

The Company and its Subsidiaries provide services focusing on the areas of logistics management, transport and storage in various economic sectors, such as: automotive, consumer goods, chemicals, and household appliances. Transportation revenue is recognized over time, based on the estimated duration of travel, (in proportion to the evolution of travel). Storage revenue is recognized in the period in which the services are provided. Service prices are determined based on agreements or contracts. The Company bases its estimates on historical results, taking into account the type of customer, the type of transaction and the specifications of each sale. Revenue is shown net of taxes, returns, rebates and discounts, as well as after eliminating intercompany sales.

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

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Logistic services	1,033,861	1,458,445	1,215,760	1,616,745
Warehousing services	-	-	35,004	36,565
Gross service revenue	**1,033,861**	**1,458,445**	**1,250,764**	**1,653,310**
Discounts, insurance and toll	(59,245)	(78,835)	(63,370)	(82,686)
	974,616	**1,379,610**	**1,187,394**	**1,570,624**
Taxes levied	(146,179)	(197,708)	(175,359)	(223,304)
Net revenue from services	**828,437**	**1,181,902**	**1,012,035**	**1,347,320**

20 Expenses by nature

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Cost of services provided	(673,099)	(920,319)	(811,900)	(1,060,475)
General and administrative expenses	(81,697)	(83,190)	(83,274)	(84,959)
Business expenses	(435)	(478)	(866)	(478)
Total	**(755,231)**	**(1,003,987)**	**(896,040)**	**(1,145,912)**

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Freight services - aggregate	(562,353)	(786,806)	(640,547)	(851,992)
Salaries	(60,180)	(75,424)	(72,288)	(86,516)
Social charges	(33,302)	(40,800)	(40,777)	(47,884)
Outsourced services (i)	(48,242)	(49,488)	(54,756)	(56,256)
Rents and leasing (iii)	(5,029)	(7,088)	(5,927)	(8,657)
Depreciation and amortization	(16,348)	(18,507)	(23,425)	(25,810)
Amortization of right of use	(19,712)	(20,007)	(30,625)	(32,794)
Employee benefits	(19,093)	(23,703)	(24,063)	(28,798)
Variable costs	(4,788)	(7,682)	(8,063)	(25,892)
Other general expenses	(8,002)	(9,935)	(12,138)	(12,911)
Maintenance	(11,165)	(13,792)	(15,965)	(18,927)
Fuels and lubricants	(5,557)	(8,657)	(6,378)	(9,408)
Utilities	(3,012)	(3,918)	(4,511)	(5,669)
Communication	(2,508)	(2,464)	(2,893)	(2,898)
Other personnel expenses	(4,661)	(7,555)	(6,700)	(9,447)
Severance costs	(5,174)	(2,503)	(5,754)	(3,379)
Materials	(1,822)	(2,767)	(3,084)	(4,164)
Travel expense	(1,213)	(1,853)	(1,219)	(1,862)
Loss compensation	(474)	(384)	(313)	(642)
Contributions and donations	(140)	(583)	(315)	(673)
Contractual fines	(118)	(2)	(37)	(244)
PIS/COFINS Credit	57,662	79,931	66,613	88,911
Warehouse restructuring (ii)	-	-	(2,875)	-
Total	**(755,231)**	**(1,003,987)**	**(896,040)**	**(1,145,912)**

(i) In 2020, this includes the amount of R$ 4,007 related to expenses with consulting and legal fees arising from the data and document search and seizure process authorized by the 1st Criminal Court of São Bernardo do Campo on October 17, 2019, as per explanatory note 1.

(ii) Expenses with the demobilization of the warehouse resulting from the change of location of the operation of the subsidiary Tegma Logística de Armazéns Ltda.

(iii) As of December 31, 2020, the amounts indicated refer only to contracts exempt from IFRS 16 applicability. Contracts subject to the new standard, as mentioned in explanatory note 26, would total an additional expense of R$ 24,749 in the Parent Company and R$ 37,975 in the Consolidated.

21 Other net revenues (expenses)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Extemporaneous tax credits (i)	-	56,475	-	56,475
Recovery of expenses (ii)	497	2,197	902	4,206
Inventory adjustments	-	-	(4)	(26)
Gain (Loss) on the sale of net fixed assets	(226)	(961)	141	(2,888)
Write-off of right of use / leasing	31	66	107	115
Establishment of provisions for lawsuits and indemnities paid	(14,819)	(18,574)	(14,966)	(21,100)
Warehouse restructuring (iii)	-	-	(2,345)	-
Other	158	(300)	163	(684)
Other net revenues (expenses)	**(14,359)**	**38,903**	**(16,002)**	**36,098**

(i) Credit related to the exclusion of ICMS in PIS and COFINS calculations, as mentioned in explanatory note 8 item (i).

(ii) Refer to transfers of fixed operating costs from areas leased to customers.

(iii) Expenses with the demobilization of the warehouse resulting from the change of location of the operation of the subsidiary Tegma Logística de Armazéns Ltda.

22 Net financial revenues (expenses)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Financial revenues				
Income from the swap operation	16,319	1,662	16,319	1,662
Active interest (i)	1,391	37,548	1,851	38,282
Financial investment revenue	4,655	5,772	5,912	6,586
Total	**22,365**	**44,982**	**24,082**	**46,530**
Financial expenses				
Interest on bank financing	(9,834)	(9,185)	(9,834)	(9,185)
Bank expenses	(1,217)	(1,709)	(1,255)	(1,754)
Exchange losses	(15,854)	(2,446)	(15,856)	(2,488)
Interest on trade leasing	(4,682)	(4,339)	(5,451)	(6,440)
Interest payable	(182)	(1,531)	(224)	(1,669)
Other financial expenses	(544)	(2,155)	(619)	(2,297)
Total	**(32,313)**	**(21,365)**	**(33,239)**	**(23,833)**
Net financial revenues (expenses)	**(9,948)**	**23,617**	**(9,157)**	**22,697**

(i) In 2019, this includes an amount of R$ 34,916 resulting from the inflation adjustment of the credit principal related to the exclusion of ICMS in PIS and COFINS calculations, as mentioned in explanatory note 8 item (i).

23 Earnings per share

a. Basic profit per share

Basic profit per share is calculated by dividing the net profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the year:

	2020	**2019**
Profit attributable to the company's shareholders	73,626	193,972
Weighted average number of outstanding common shares (in thousands)	65,938	65,938
Basic profit per share R$	**1.12**	**2.94**

b. Basic and diluted earnings

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, to assume the conversion of all potential diluted common shares.

As of December 31, 2020, and December 31, 2019, the Company had no dilutive factor in relation to the basic earnings Accordingly, diluted earnings per share on December 31, 2020 and December 31, 2019 are equal to basic earnings per share, of R$ 1.12 and R$ 2.94 respectively.

24 Related parties

The Company conducts, in the normal course of its business, transport operations, property rentals, delivery and pre-delivery inspection work (Pre-Delivery Inspection - PDI) with parties related to prices, terms, financial charges and other conditions compatible with market conditions. The Company also apportions operating costs and expenses.

The main transactions with related parties are:

(i) The Company has a contract for the provision of vehicle storage, transportation, overhaul and delivery services, as well as a pre-delivery review, delivery and inspection (Pre-Delivery Inspection - PDI) with some Itavema Group companies, which are companies related directly and/or indirectly with the Company, through its parent company Mopia Participações e Empreendimentos Ltda. (“Mopia”);

(ii) The Company and Sinimbu Participações Societárias e Empreendimentos S.A. (“Sinimbu”), a company related to the Company's indirect controlling shareholders, and indirectly to the companies in the Company's control group, Mopia Participações e Empreendimentos Ltda. (“Mopia”) and Cabana Empreendimentos e Participações Ltda. (“Cabana”), entered lease agreement for commercial property located in São José dos Campos-SP. In October 2019, this lease was fully transferred to Companhia Savoy Imobiliária Construtora Ltda. due to the sale of this property. Accordingly, this contract falls under the new CPC 06 (R2) Leasing Operations standard and ceases to be categorized under balances with related parties;

(iii) The Company has a lease agreement for commercial properties located in São Bernardo do Campo-SP and Gravataí-RS with Pactus Empreendimentos e Participações Ltda., a company under common control with the Company, so this agreement falls under the new CPC 06 standard (R2) Leasing Operations;

(iv) As negotiated between the Company and Holding Silotec in the formation of the joint venture, part of the assets of the former subsidiary Tegma Logística Integrada S.A. should be reimbursed to Tegma Gestão Logística S.A. as they are realized. Likewise, part of the liabilities must be paid by Tegma Gestão Logística S.A. Part of the values negotiated in the formation of the joint venture was received in May 2019.

(v) The Company made funds available to the Otacilio Coser Foundation (FOCO). FOCO has been active since 1999 strengthening bonds between communities, schools and companies through programs for the development of Sustainable Communities, Rede Escolaí and Blend Program. The Foundation is maintained by COIMEXPAR, the holding company of the COIMEX Group (parent company of Tegma) and operates at the community-level in São Paulo and Espírito Santo.

(vi) Company related to the shareholders of the indirect subsidiary of the Company “Fastline” (formerly Stork Express).

The Company and Renove Corretora de Seguros Ltda., a company related to the Company's indirect controlling shareholders, and indirectly to a company in the Company's control group, Mopia Participações e Empreendimentos Ltda. (“Mopia”), maintained a provision of administrative services focused on administrative assistance in the insurance area, this service is not paid by Tegma.

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Current assets				
Itavema Group (i)	95	244	95	244
Coimex Empreendimentos e Participações Ltda.		-	34	34
Tegma Logística Integrada S.A.	26	397	46	405
Tegma Cargas Especiais Ltda.	36	15	-	-
Tegma Logística de Armazéns Ltda.	26	56	-	-
Tegma Logística de Veículos Ltda	86	172	-	-
Catlog Logística de Transporte S.A.	6	-	6	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	1	1
Fastline Logística Automotiva Ltda.	54	-		
Subtotal	**329**	**884**	**182**	**684**
Current Total	**329**	**884**	**182**	**684**
Non-current assets				
Tegma Logística Integrada S.A. (iv)	1,115	1,115	1,115	1,115
Marketable securities				
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	756	1,400
Rabbot Serviços de Tecnologia Ltda	-	-	3,200	1,200
Subtotal	**-**	**-**	**3,956**	**2,600**
Non-current total	**1,115**	**1,115**	**5,071**	**3,715**
Total assets	**1,444**	**1,999**	**5,253**	**4,399**
Current liabilities				
Tegma Logística de Armazéns Ltda	90	88	-	-
Tegma Logística Integrada S.A.	6	57	25	70
Tegma Logística de Veículos Ltda	-	3	-	-
Tegma Cargas Especiais Ltda.	10	-	-	-
Catlog Logística de Transporte S.A.	-	-	-	-
Niyati Empreendimentos e Participações Ltda	-	-	-	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.		-	4	2
Rabbot Serviços de Tecnologia S.A.	44	-	44	-
Subtotal	**150**	**148**	**73**	**72**
Trade Leasing				
Niyati Empreendimentos e Participações Ltda	4,343	1,189	-	-
Tegma Logística Integrada S.A.	507	333	507	333
Pactus Empreendimentos e Participações Ltda. (iii)	4,190	373	4,190	373
Subtotal	**9,040**	**1,895**	**4,697**	**706**
Current Total	**9,190**	**2,043**	**4,770**	**778**
Non-current liabilities				
Tegma Logística Integrada S.A. (iv)	539	542	559	542
Subtotal	**539**	**542**	**559**	**542**
Trade Leasing				
Niyati Empreendimentos e Participações Ltda	5,665	2,660	-	-
Tegma Logística Integrada S.A.	120	1,040	120	1,040
Pactus Empreendimentos e Participações Ltda. (iii)	4,683	-	4,683	-
Subtotal	**10,468**	**3,700**	**4,803**	**1,040**
Non-current total	**11,007**	**4,242**	**5,362**	**1,582**
Total liabilities	**20,197**	**6,285**	**10,132**	**2,360**

	Parent company		Consolidated	
Income	**2020**	**2019**	**2020**	**2019**
Revenue from services rendered				
Itavema Group	511	1,394	511	1,394
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	18	17
Fastcar Transporte de Veículos e cargas Ltda. (vi)	507	-	507	-
Other operating revenues				
Itavema Group	42	111	42	111
Tegma Logística Integrada S/A	279	255	402	438
Tegma Cargas Especiais Ltda.	168	172	-	-
Tegma Logística de Armazéns Ltda.	284	187	-	-
Tegma Logistica de Veículos Ltda.	1	622	-	-
Fastline Logística Automotiva Ltda.	30	-	-	-
	1,842	**2,741**	**1,500**	**1,960**
General and administrative expenses				
Niyati Empreendimentos e Participações Ltda	(3,386)	(3,226)	-	-
Tegma Logística Integrada S/A	(682)	(1,538)	(743)	(1,589)
Tegma Cargas Especiais Ltda.	(3)	(37)	-	-
Tegma Logística de Armazéns Ltda	(437)	(568)	-	-
Tegma Logistica de Veículos Ltda.	-	(427)	-	-
Pactus Empreendimentos e Participações Ltda. (iii)	(4,422)	(4,041)	(4,422)	(4,041)
Sinimbu Participações Societárias e Empreendimentos S.A. (ii)	-	(1,151)	-	(1,151)
Itavema Group	(2)	(17)	(2)	(17)
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	(8)	(14)	(32)	(55)
Rabbot Serviços de Tecnologia S.A.	(601)	(83)	(608)	(83)
Fundação Otacilio Coser (v)	(121)	(185)	(150)	(185)
	(9,662)	**(11,287)**	**(5,957)**	**(7,121)**

Remuneration of key management personnel

Key management personnel includes the chairman, the directors, the statutory officers and any persons related to indirect controlling shareholders. The remuneration paid or payable for services as employees is shown below:

	Parent Company and Consolidated	
	2020	**2019**
Salaries and social charges	(7,072)	(6,993)
Management fees (Directors)	(2,819)	(2,819)
Profit sharing	(1,969)	(2,402)
	(11,860)	**(12,214)**

25 Insurance

The Company and its Subsidiaries maintain insurance, with the coverage contracted, as indicated below, considered sufficient by Management to cover possible risks on its assets and/or responsibilities:

(a) Cargo transportation - variable coverage according to the nature and type of transportation, coverage of up to R$ 1,700 for general cargo and for vehicles according to the transported model, effective from June 30, 2020 until June 30, 2021.

(b) Storage of goods; this variable coverage, according to the location and type of goods, was stipulated in the amount equivalent to R$ 190,000, effective from April 22, 2020 until April 22, 2021.

(c) Civil liability against third party material, bodily, moral and personal accidents - coverage of up to R$ 1,000, and in the case of a third-party fleet, the coverage is the same, effective from June 30, 2020 until June 30, 2021.

(d) Support fleet - collision, theft and fire- 100% of the market value FIPE table, effective from June 7, 2020 until June 7, 2021.

(e) Other property, plant and equipment; fire, lightning, explosion, theft, electrical damage and others - comprehensive corporate coverage of R$ 65,120 effective from May 12, 2020 to April 12, 2021, extended for 30 days, expiring on May 12, 2021.

(f) Management civil liability - coverage of R$ 63,000 with effect from December 29, 2020 until December 29, 2021.

(g) Environmental Risk Liability Insurance - Coverage of R$ 5,000 in effect from September 30, 2020 to September 30, 2021.

(h) Data Protection and Cyber Responsibility Insurance (Cyber Edge) - Coverage of R$ 15,000, effective from September 30, 2020 to September 30, 2021.

The Company's Management, considering the financial costs involved in contracting insurance for its fleet of trucks and semi-trailers, as well as the probability of the occurrence of claims and their eventual financial impacts on the operation, adopts the policy of not contracting this protection, maintaining, however, third party liability insurance, as mentioned above.

26 Leasing

The recognition and measurement of the fixed assets and lease liabilities are carried out in accordance with accounting pronouncement CPC 06 (R2) on Lease Operations.

The main leases by Management, since there is the right to control the use of assets for a certain period of time, are third-party properties, vehicles and equipment linked to the operation and have varying terms, with the last maturity falling on January 2025.

The Company and its Parent Companies used the anticipated exemptions, short-term leases and low-value asset contracts continue to be accounted for as “Rents and leasing” and can be seen in explanatory note 20.

The initial measurement of the lease agreements was recognized at the present value of their counterparts at a discount rate and the right to use asset in an amount equivalent to that liability. The nominal rate used for the calculation includes the risk-free interest rate base observed in the Brazilian market and the Company's debt spread.

The remeasurement of the lease liability and the right to use asset is carried out for contracts that undergo changes and/or updates, and their remeasurement is recognized in the lease liability and the right to use asset in the same amount. For contracts that are adjusted annually for inflation rates and have not changed their contractual terms and scope, the initial rates are maintained. For new contracts, contractual renewals and/or changes in scope, the rate is reviewed and applied to each contract, considering the risk-free rate for the period of each contract, plus the Company's debt spread at the time of the change. The table below shows the rates charged for new contracts and renewals, taking into account the contractual terms:

Contract Terms	Rate % per annum
from 0 to 12 months	6.94%
from 13 to 24 months	7.47%
from 25 to 36 months	6.13%
from 37 to 48 months	7.78%
from 49 to 60 months	8.12%
from 61 to 72 months	8.73%

When there are changes in the lease that reduce the scope of the contract, there is a remeasurement of the asset in use and the lease liability reflecting the partial or total extinction of the contract, with which the gain or loss is recognized in the income statement.

What follows are the transformations of the right of use asset for the years 2020 and 2019:

				Parent company
	Properties	**Vehicles**	**Machines and equipment**	**Total**
Net balances as of December 31, 2018	-	-	-	-
Transactions				
Initial adoption	50,524	2,378	759	53,661
Addition	21,990	375	112	22,477
Write-off	(749)	(19)	-	(768)
Amortization (i)	(19,988)	(1,315)	(309)	(21,612)
Net balances as of January 1, 2020	**51,777**	**1,419**	**562**	**53,758**
Transactions				
Addition	22,304	858	(100)	23,062
Write-off	(432)	(447)	-	(879)
Amortization (i)	(19,622)	(1,189)	(272)	(21,083)
Net balances as of December 31, 2020	**54,027**	**641**	**190**	**54,858**

				Consolidated
	Properties	**Vehicles**	**Machines and equipment**	**Total**
Net balances as of December 31, 2018	-		-	-
Transactions				
Initial adoption	77,393	2,508	4,908	84,809
Addition	23,043	375	306	23,724
Write-offs	(1,785)	(19)	(119)	(1,923)
Amortization (i)	(31,079)	(1,372)	(3,230)	(35,681)
Net balances as of January 1, 2020	**67,572**	**1,492**	**1,865**	**70,929**
Transactions				
Addition	13,189	858	2,045	16,092
Write-off	(1,440)	(454)	(464)	(2,358)
Amortization (i)	(28,694)	(1,242)	(3,224)	(33,160)
Net balances as of December 31, 2020	**50,627**	**654**	**222**	**51,503**

(i) In accordance with CVM Instruction Circular Official Letter 2/2019, the equity balances presented in the amortization of the right to use are gross of taxes (PIS and COFINS), being R$ 21,083 in the Parent Company and R$ 33,160 in the Consolidated (R$ 21,612 and R$ 35,681 in 2019), while the amounts recorded in the income are R$ 19,712 in the Parent Company and R$ 30,625 in the Consolidated (respectively R$ 20,007 and R$ 32,794 in 2019).

What follows are the transformations of the leasing liability for the years 2020 and 2019:

	Parent company	**Consolidated**
Balance on January 1, 2020	**57,719**	**76,922**
Additions	23,062	16,092
Write-offs	(910)	(2,465)
Applied interest (i)	4,879	5,491
Principal payment	(17,683)	(30,439)
Interest payment	(4,362)	(5,060)
Balance on December 31, 2020	**62,705**	**60,541**
	-	-
Current	23,975	26,980
Non-current	38,730	33,561
	62,705	60,541
Balance with third parties	43,197	51,041
Balance with related parties	19,508	9,500
	62,705	60,541

	Parent company	**Consolidated**
Balance on December 31, 2018	-	-
Initial adoption	53,661	84,809
Additions	22,477	23,724
Write-offs	(834)	(2,038)
Applied interest (i)	4,557	6,515
Principal payment	(17,917)	(29,994)
Interest payment	(4,225)	(6,094)
Balance on December 31, 2019	**57,719**	**76,922**
Current	14,910	28,867
Non-current	42,809	48,055
	57,719	76,922
Balance with third parties	54,726	76,589
Balance with related parties	2,993	333
	57,719	76,922

(i) In accordance with CVM Instruction Circular Official Letter 2/2019, the equity balances presented in applied interest are gross of taxes (PIS and COFINS), being R$ 4,879 in the Parent Company and R$ 5,491 in the Consolidated (R$ 4,557 and R$ 6,515 in 2019), while the amounts recorded in the income are R$ 4,682 in the Parent Company and R$ 5,451 in the Consolidated (respectively R$ 4,339 and R$ 6,440 in 2019).

The non-current installments due have the following schedule of maturities of trade leasing:

	Parent company (i)		Consolidated	
	2020	2019	2020	2019
13 to 24 months	20,541	12,672	16,923	19,323
25 to 36 months	12,152	13,071	10,688	12,676
37 to 48 months	5,719	11,321	5,632	10,392
49 to 60 months	318	5,448	318	5,367
61 to 72 months	-	297	-	297
	38,730	42,809	33,561	48,055

(i) Includes R$ 4,271 (R$ 2,660 in 2019), referring to leasing liabilities with the Subsidiary Niyati Empreendimentos e Participações Ltda.

The Company and its Subsidiaries recognize their lease liabilities at the present value of their gross installments, including potential tax credits that they will enjoy upon the settlement of each installment of the lease. Thus, the potential tax credit embedded in the lease liability and the right to use asset is:

Cash flow	Nominal	Adjusted at Present Value
Lease consideration	116,899	72,558
Potential PIS / Cofins (9.25%) (i)	9,363	5,783

(i) Vehicle and individual contracts do not have PIS and COFINS credits.

In accordance with CVM Instruction Circular Official Letter 2/2019, the Company and its Subsidiaries do not consider future inflation forecast at the present value of future payments for the measurement and remeasurement of their lease liabilities and right-of-use assets. Considering that the lease terms are for a maximum of 5 years, we do not estimate any relevant impacts on the balances presented due to the current interest rates in the Brazilian market.

27 Supplementary cash flow information

The preparation and presentation of the cash flow statements, using the indirect method, is carried out in accordance with accounting pronouncement CPC 03 (R2) - Cash flow statements.

Additional information follows:

	Parent company	Consolidated
Acquisition of fixed assets 2020 - unpaid	1,425	1,668
Acquisition of fixed assets 2019 - paid	744	763
Acquisition of intangible assets 2020 - unpaid	126	126
Acquisition of intangible assets 2019 - paid	294	294
Compensation of current income tax and social contribution	45,796	46,247
Deferred taxes on hedge accounting	3	3
Deferred taxes on actuarial liabilities	833	833
IFRS 16 additions	23,062	16,092
Capital contribution through assets	-	1,093
Write-off of fixed assets due to demobilization	-	2,037
Proposed additional dividends	12,485	12,485