

Tegma Gestão Logística S.A.

Quarterly information
September 30, 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the
Shareholders, Board Members and Management of
Tegma Gestão Logística S.A.
São Bernardo do Campo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of **Tegma Gestão Logística S.A.** ("Company"), included in the Quarterly Information, identified as Parent Company and Consolidated, respectively, for the quarter ended September 30, 2020, which comprise the individual and consolidated statement of financial position as at September 30, 2020 and the respective individual and consolidated interim statements of income, comprehensive income for the three and nine-month periods then ended, and of changes in equity and cash flows for the nine-month period then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim financial statements and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of this interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the nine-month period ended September 30, 2020, prepared by the Company's Management, whose disclosure in the interim financial information is required in accordance with the standards issued by the CVM and considered as supplemental information by the International Financial Reporting Standards (IFRS), which do not require the disclosure of the statement of value added. These statements were submitted to review procedures carried out along with the review of the quarterly information, aiming to conclude if they are in accordance with the individual and consolidated interim financial information and accounting records, as applicable, and if its form and contents are in accordance with the criteria established in Technical Pronouncement CPC 09 - Statement of value added. Based on our review, we are not aware of any fact that would lead us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in this Standard and consistently with the individual and consolidated interim financial information taken as whole.

São Paulo, November 06, 2020.



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 sheet

On September 30, 2020 and December 31, 2019

In thousands of Reais

Assets	Note	Parent		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents	5	184,785	36,764	247,793	67,332
Accounts receivable from customers	6	160,598	220,464	199,717	261,173
Inventories (warehouse)		-	-	88	75
Income tax and social contribution		-	-	775	1,130
Recoverable taxes and contributions	8	48,413	104,325	50,657	106,280
Other accounts receivable	7	5,490	4,613	9,001	6,687
Dividends receivable	24	21,340	-	-	-
Related parties	24	273	884	127	684
Derivative financial instruments	4	-	3,739	-	3,739
Prepaid expenses		1,730	1,491	3,088	1,972
Total current assets		422,629	372,280	511,246	449,072
Other accounts receivable	7	985	527	2,290	1,832
Recoverable taxes and contributions	8	6,480	6,384	9,802	9,689
Related parties	24	1,115	1,115	1,115	1,115
Securities		-	-	4,600	2,600
Deferred tax assets	15	1,203	-	14,293	16,910
Judicial deposits	14	11,534	11,486	14,082	14,452
Total long-term assets		21,317	19,512	46,182	46,598
Investments	9	255,606	250,900	39,439	38,343
Fixed assets	10	81,470	85,403	203,615	209,033
Intangible assets	11	164,442	164,402	171,274	171,446
Right of use	26	56,664	53,758	59,645	70,929
Total non-current assets		579,499	573,975	520,155	536,349
Total assets		1,002,128	946,255	1,031,401	985,421

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Balance sheet

On September 30, 2020 and December 31, 2019

In thousands of Reais

Liabilities and shareholders' equity	Note	Parent		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Loans and financing	12	43,276	61,022	43,276	61,022
Debentures	12	25,167	25,130	25,167	25,130
Lease	26	21,975	14,910	29,614	28,867
Suppliers		1,154	1,981	1,694	2,499
Freight payable		22,907	31,471	26,479	33,813
Income tax and social contribution	15	8,830	41,006	10,964	41,998
Taxes to be collected		14,149	16,946	17,593	19,414
Salaries and social charges	13	21,449	23,256	26,129	26,263
Other accounts payable	16	23,922	23,585	30,252	29,637
Related parties	24	87	148	35	72
Total current liabilities		182,916	239,455	211,203	268,715
Loans and financing	12	125,000	30,000	125,000	30,000
Debentures	12	-	25,005	-	25,005
Lease	26	42,063	42,809	39,107	48,055
Related parties	24	573	542	592	542
Deferred tax liabilities	15	-	2,759	-	2,759
Provisions for lawsuits	14	31,629	30,606	35,552	35,266
Total non-current liabilities		199,265	131,721	200,251	141,627
Share capital		318,524	144,469	318,524	144,469
Capital reserves		-	174,055	-	174,055
Profit reserves		266,821	256,903	266,821	256,903
Treasury shares		(342)	(342)	(342)	(342)
Equity valuation adjustment		-	(6)	-	(6)
Retained earnings		34,944	-	34,944	-
Total shareholders' equity	17	619,947	575,079	619,947	575,079
Total liabilities and shareholders' equity		1,002,128	946,255	1,031,401	985,421

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Income statements

Three and nine month periods ended September 30, 2020 and 2019

In thousands of Reais

	Note	Jul/2020 to Sep/2020	Jan/2020 to Sep/2020	Jul/2019 to Sep/2019	Parent Jan/2019 to Sep/2019
Net revenue from services rendered	19	240,818	562,926	296,293	852,154
Cost of services rendered	20	(188,414)	(463,886)	(234,402)	(667,649)
Gross profit		52,404	99,040	61,891	184,505
General and administrative expenses	20	(16,580)	(61,192)	(19,835)	(57,966)
Commercial expenses	20	(113)	(326)	(120)	(366)
Loss on impairment of accounts receivable		(117)	(100)	(48)	(85)
Other net income (expenses)	21	(5,058)	(12,535)	51,432	44,177
Operating result		30,536	24,887	93,320	170,265
Result from the equity interest	9	10,580	30,248	5,291	11,177
Financial income	22	(1,781)	21,137	39,970	44,344
Financial expenses	22	(1,106)	(28,378)	(9,235)	(17,729)
Net financial income (expenses)		(2,887)	(7,241)	30,735	26,615
Profit before taxes		38,229	47,894	129,346	208,057
Income tax and social contribution					
Current	15	(6,997)	(6,997)	(41,456)	(57,822)
Deferred	15	(1,293)	3,965	3,502	292
Net income for the period		29,939	44,862	91,392	150,527

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Income statements

Three and nine month periods ended September 30, 2020 and 2019

In thousands of Reais

	Note	Jul/2020 to Sep/2020	Jan/2020 to Sep/2020	Jul/2019 to Sep/2019	Consolidated Jan/2019 to Sep/2019
Net revenue from services rendered	19	289,181	699,068	340,723	968,992
Cost of services rendered	20	(224,486)	(564,040)	(271,446)	(767,852)
Gross profit		64,695	135,028	69,277	201,140
General and administrative expenses	20	(17,001)	(62,401)	(20,388)	(59,265)
Commercial expenses	20	(113)	(326)	(120)	(366)
Gain (loss) on impairment of accounts receivable		(110)	(93)	(132)	1,284
Other net income (expenses)	21	(5,359)	(12,532)	51,439	43,711
Operating result		42,112	59,676	100,076	186,504
Result from the equity interest	9	2,632	6,438	844	637
Financial income	22	(1,489)	22,215	40,347	45,504
Financial expenses	22	(1,296)	(29,220)	(9,818)	(19,561)
Net financial income (expenses)		(2,785)	(7,005)	30,529	25,943
Profit before taxes		41,959	59,109	131,449	213,084
Income tax and social contribution					
Current	15	(9,242)	(14,392)	(41,841)	(60,714)
Deferred	15	(2,778)	145	1,784	(1,843)
Net income for the period		29,939	44,862	91,392	150,527
Net earnings per share:					
Earnings per share - basic (in R\$)	23	0.45	0.68	1.38	2.28
Earnings per share - diluted (in R\$)	23	0.45	0.68	1.38	2.28

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Comprehensive income statements

Three and nine month periods ended September 30, 2020 and 2019

In thousands of Reais

	Parent and Consolidated			
	Jul/2020 to Sep/2020	Jan/2020 to Sep/2020	Jul/2019 to Sep/2019	Jan/2019 to Sep/2019
Net income for the period	29,939	44,862	91,392	150,527
Income from financial instruments designated as hedge accounting	(122)	9	108	1,077
Deferred taxes on hedge accounting	42	(3)	(37)	(367)
Other components of comprehensive income for the period	(80)	6	71	710
Total comprehensive income	29,859	44,868	91,463	151,237

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Statements of changes in shareholder's equity

Nine-month periods ended September 30, 2020 and 2019

In thousands of Reais

	Share capital	Treasury shares	Capital reserves Premium on subscription of shares	Legal reserve	Profit reserves Tax incentive reserve	Profit retention	Accrued profits	Other comprehensive income	Proposed additional dividends	Total shareholders' equity
Balances on January 1, 2019	144,469	(342)	174,055	28,894	25,966	83,335	-	(311)	28,306	484,372
Net income for the period	-	-	-	-	-	-	150,527	-	-	150,527
Other comprehensive income:										
Income from financial instruments designated as hedge accounting	-	-	-	-	-	-	-	1,077	-	1,077
Deferred taxes on hedge accounting	-	-	-	-	-	-	-	(367)	-	(367)
Tax incentives	-	-	-	-	12,753	-	(12,753)	-	-	-
Dividends and interest on equity	-	-	-	-	-	-	(29,568)	-	(28,306)	(57,874)
Balances on September 30, 2019	144,469	(342)	174,055	28,894	38,719	83,335	108,206	399	-	577,735
Balances on January 1, 2020	144,469	(342)	174,055	28,894	43,705	184,304	-	(6)	-	575,079
Net income for the period	-	-	-	-	-	-	44,862	-	-	44,862
Payment of capital	174,055	-	(174,055)	-	-	-	-	-	-	-
Other comprehensive income:										
Income from financial instruments designated as hedge accounting	-	-	-	-	-	-	-	9	-	9
Deferred taxes on hedge accounting	-	-	-	-	-	-	-	(3)	-	(3)
Tax incentives	-	-	-	-	9,918	-	(9,918)	-	-	-
Balances on September 30, 2020	318,524	(342)	-	28,894	53,623	184,304	34,944	-	-	619,947

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Cash flow statements - indirect method

Nine-month periods ended September 30, 2020 and 2019

In thousands of Reais

	Note	Parent		Consolidated	
		09/30/2020	09/30/2019	09/30/2020	09/30/2019
Profit before taxes		47,894	208,057	59,109	213,084
Adjustments for:					
Depreciation and amortization	10 and 11	12,501	14,052	17,898	19,526
Amortization right of use	26	14,421	14,981	23,292	24,348
Loss on sale of goods	21	231	(24)	188	36
Write-off right of use/lease	21	(31)	(10)	(72)	(10)
Provision for lawsuits	14	13,027	12,915	13,513	15,058
(Gain) due to impairment of accounts receivable	6	100	85	100	(1,284)
Equity in earnings	9	(30,248)	(11,177)	(6,438)	(637)
Result of the swap operation	22	(16,319)	(3,208)	(16,319)	(3,208)
Interest, monetary and exchange variations on loans and debentures	12	23,635	11,119	23,635	11,119
Interest on lease	26	3,591	3,115	4,325	4,641
Extemporaneous tax credits	8	-	(91,391)	-	(91,391)
		68,802	158,514	119,231	191,282
Changes in assets and liabilities					
Accounts receivable		59,766	11,493	61,356	4,738
Taxes recoverable		20,864	(2,314)	21,348	(1,123)
Judicial deposits		(324)	(3,732)	(539)	(3,627)
Other assets		(1,574)	(225)	(4,376)	1,152
Suppliers and freight payable		(8,567)	(4,697)	(7,442)	(4,282)
Salaries and social charges		(1,807)	3,341	(134)	3,901
Related parties		581	9,008	570	14,467
Other liabilities and taxes payable		(2,504)	5,526	(1,394)	1,194
Cash generated by operating activities		135,237	176,914	188,620	207,702
Interest paid on loans and financing	12	(4,945)	(1,553)	(4,945)	(1,553)
Interest paid on debentures	12	(1,698)	(3,758)	(1,698)	(3,758)
Interest paid on lease	26	(3,113)	(2,673)	(3,833)	(3,999)
Judicial claims paid	14	(11,684)	(13,564)	(12,130)	(20,622)
Income tax and social contribution paid		-	(21,758)	(5,903)	(25,099)
Net cash flow from operating activities		113,797	133,608	160,111	152,671

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Cash flow statements - indirect method

Nine-month periods ended September 30, 2020 and 2019

In thousands of Reais

	Note	09/30/2020	Parent 09/30/2019	09/30/2020	Consolidated 09/30/2019
Cash flows from investment activities					
Capital reduction in subsidiaries	9	-	320	-	320
Capital acquisition/increase in subsidiaries	9	(3,145)	(10,723)	-	-
Dividends received	9	7,347	267	5,342	267
Acquisition of intangible assets		(3,292)	(3,178)	(3,329)	(3,317)
Acquisitions of property, plant and equipment		(6,427)	(12,499)	(11,463)	(24,293)
Receipt for the sale of goods		56	301	99	552
Net cash used in (arising from) investment activities		(5,461)	(25,512)	(9,351)	(26,471)
Cash flows from financing activities					
Dividends and interest on equity paid	17,e	-	(57,874)	-	(57,874)
Borrowing and financing	12	135,000	30,000	135,000	30,000
Payment of debentures	12	(25,005)	(46,676)	(25,005)	(46,676)
Payment of loans and financing	12	(74,701)	(3,333)	(74,701)	(3,333)
Lease payment	26	(12,576)	(12,049)	(22,560)	(19,751)
Derivative financial instruments		16,967	-	16,967	-
Net cash used in financing activities		39,685	(89,932)	29,701	(97,634)
Net increase in cash and cash equivalents		148,021	18,164	180,461	28,566
Cash and cash equivalents on January 1		36,764	75,713	67,332	83,542
Cash and cash equivalents on September 30		184,785	93,877	247,793	112,108

Management's notes are an integral part of the individual and consolidated interim accounting information.

Tegma Gestão Logística S.A.

Statements of added value - supplementary information

Nine-month periods ended September 30, 2020 and 2019

In thousands of Reais

		Parent		Consolidated	
	Note	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019
Revenue					
Gross sales of services, net of discounts	19	662,772	994,924	820,727	1,130,263
Other income		448	57,953	853	59,456
Gain (loss) on impairment of accounts receivable	6	(100)	(85)	(100)	1,284
		663,120	1,052,792	821,480	1,191,003
Inputs purchased from third parties					
Cost of services rendered		(378,256)	(565,672)	(432,898)	(611,525)
Materials, energy, third party services and other operational services		(74,826)	(85,998)	(92,037)	(115,287)
		(453,082)	(651,670)	(524,935)	(726,812)
Gross value added		210,038	401,122	296,545	464,191
Depreciation and amortization	10 and 11	(12,501)	(14,052)	(17,898)	(19,526)
Amortization right of use	26	(14,421)	(14,981)	(23,292)	(24,348)
Net added value produced by the Company		183,116	372,089	255,355	420,317
Added value received on transfer					
Result from the equity interest	9	30,248	11,177	6,438	637
Financial income	22	21,137	44,344	22,215	45,504
Total added value to be distributed		234,501	427,610	284,008	466,458
Distribution of added value					
<u>Personnel and charges</u>					
Direct remuneration		62,375	74,714	76,251	86,276
Benefits		14,516	17,792	18,279	21,410
FGTS		5,894	4,826	6,944	5,810
<u>Taxes, fees and contributions</u>					
Federal		32,436	101,619	53,981	114,566
State		40,365	53,174	45,469	57,985
Municipalities		1,712	2,279	4,381	4,076
<u>Remuneration of third party capital /</u>					
<u>Financiers</u>					
Interest and exchange variations		28,378	17,729	29,220	19,561
Rentals		3,963	4,950	4,621	6,247
<u>Remuneration of equity</u>					
Dividends and interest on equity		-	29,568	-	29,568
Retained earnings		44,862	120,959	44,862	120,959
Distributed added value		234,501	427,610	284,008	466,458

Management's notes are an integral part of the individual and consolidated interim accounting information.

Management's explanatory notes to the individual and consolidated accounting information
Quarter ended September 30, 2020
In thousands of Reais, unless otherwise stated

1 Operational context

Tegma Gestão Logística S.A. ("Company") and its Subsidiaries ("Company and its Subsidiaries") have among its main objectives the provision of services with a focus on the areas of logistic management, transportation and storage in various sectors of the economy, 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, called Novo Mercado, under the trading code TGMA3, and is linked to arbitration at the Market Arbitration Chamber, according to the arbitration clause in its Bylaws.

The Company is composed of two divisions: automotive logistics and integrated logistics.

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

Road transport - transfer and distribution of zero-kilometer and used vehicles, port transfers, inventory management and vehicle manufacturers' yards and services of vehicle preparation for sale;

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

Road transport - milk run (system of scheduled collections of materials, which uses a single transport equipment from the logistics operator, to carry out the collections at two or more suppliers and deliver the materials at the final destination, always at pre-established times); full truck load (it is the type of homogeneous load, usually with sufficient volume to completely fill a bucket or the trunk of a truck), transfer of solid / liquid bulk and parts between the plants of customers and suppliers;

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

Logistic management - involving inventory control, supply of just in time production line, management of returnable packaging, management of parts and components, , management of stock of national and imported goods and reverse logistics.

Impacts of the Covid-19 pandemic

At the end of the first quarter of this year 2020, the COVID-19 pandemic took place in Brazil and affected different economic activities in the country in a different way.

The health and safety protocols in our operations comply with the recommendations imposed by the authorities to reduce the risk of contagion among our employees and among our third parties. All corporate areas of the company remain in remote work and, for those employees who need to travel to our units, we are taking all necessary precautions to preserve their health (providing transportation in some operations, masks and alcohol gel, in addition to ensuring the minimum recommended distance). Until September 30, 2020, the Company had no employee with major serious complications due to contamination that required hospitalization.

The market for zero kilometer vehicles in Brazil, the main market of the Automotive Logistics Division, suffered the impact of the closing of dealerships between April and July 2020 in several regions due to the measures of social distance. Therefore, the vast majority of vehicle manufacturers in the country stopped their activities in April and resumed production from May to September. As a result, the Division's operations, revenue and results were severely impacted at the beginning of the crisis and recovered proportionately and gradually as the market recovered.

The operation of the Integrated Logistics Division focused on the chemical sector, it was close to normal throughout the crisis because it is a logistical operation of raw material for the production of essential products (home and care). In turn, the operation for the home appliance sector was interrupted at the beginning of the pandemic in April, but it gradually resumed its activities until the month of September due to the increase in e-commerce sales. The warehousing operations in São Paulo and Rio de Janeiro, since they are mainly responsible for the management of inventories of food products and e-commerce, did not interrupt their activities.

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

- a. Adherence to Law No. 14.020/20 (former Provisional Measure 936) and other measures related to the management of the workforce, which included: i) the temporary suspension of the employment contract, ii) the reduction of hours and hourly wages by 30 days, extendable for up to 90 days (subsequently extended to 120 days by decree), depending on the return of each branch/operation and iii) the readjustment of the workforce from mid-April.
- b. The fixed costs and expenses of the operations impacted by the crisis and the corporate one have been adjusted and have been the focus of 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 impacted by the crisis is made up of variable costs and that there is no commitment to minimum payment to suppliers.
- c. The Company's non-essential improvement investments were postponed.
- d. Throughout the process of reviewing expenditures at the height of the crisis, it was possible to postpone the rental payment for some properties used by the Company for a few months.
- e. Funding was made in the amount of R\$ 90 million in early April, as mentioned in note 12 and R\$ 45 million in early July, as mentioned in note 29, in order to reinforce cash flow of the Company.

- 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 it applies to the Employer's contribution. In addition, there was adherence to the program for the postponement of FGTS payments and the reduction of "System S" rates by 50% for 3 months (April, May and June). This reduction did not reach the employee's contribution, but the contributions due by the Company.
- g. According to our earnings distribution policy, the complementary dividends for 2019 should have been resolved at the OEGM of April 2020 and the anticipation of the first half results should have been resolved in August 2020. However, management decided not to do so due to the uncertainties arising from the crisis and efforts of preserving cash.

Search and Seizure - Pact Operation

On October 17, 2019, the Company was the subject of a search and seizure warrant 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 to the Company, and that was initiated by a "Partial Leniency Agreement" signed by one of Tegma's competitors in the zero kilometer vehicle transport market. The investigation aims at investigating alleged concerted action in the transport of imported zero-kilometer vehicles for a Company customer, from the port of Vitória to the Aduaneira do Interior station, an operation that was closed by the company in 2015, and which at that time represented an immaterial volume compared to revenues for the Company. The search and seizure in no way affected the Company's operations.

Due to the events described and, (i) despite the firm belief that the Company operates within the strictest Compliance rules and market rules, (ii) 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 processes that imputed to the Company the same practices of violation of the economic order; the Board of Directors, following the best market practices and, striving for transparency and impartiality, determined in a meeting on November 1, 2019, the constitution of an Independent Committee, composed of three members and advised by specialized offices, to conduct a thorough and meticulous investigation of the facts attributed to the Company, 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 investigation 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 of the investigation, which concluded that there is no evidence of anti-competitive practices or of any wrongdoing capable of supporting the accusations that gave rise to the Pact Operation.

As a result, the Board of Directors decided that there is no additional measure to be adopted in view of the Pact Operation and that the Independent Committee should be dissolved on that date.

Regarding the investigation initiated by the "Partial Leniency Agreement", until the date of issuance of this quarterly information, as commented on in the previous quarter, there is still no statement by the 1st Criminal Court of São Bernardo do Campo regarding the order to suspend the process issued by the STJ in the Conflict of Jurisdiction records on 09/16/2019. This conflict of jurisdiction is pending judgment on the merits by the STJ. At CADE, the process is at a standstill, with only an extension of the Inquiry deadline.

2 List of controlled entities

The Group is constituted as follows:

Direct and indirect subsidiaries	Participation (%) 2020	Participation (%) 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
Stork Express Logística de Emplacados Ltda. ("Stork Express") (ii)	87.00	-	Indirect subsidiary

- (i) TegUp, a direct subsidiary of the Company, aims to bring innovation in logistics, acting as an accelerator for startups. An acceleration program cycle is carried out annually to prospect for manufacturing companies, offering products, services and innovation related to the universe of digital logistics and transport. The companies Frete Rápido Desenvolvimento de Tecnologia Logística S.A. and Rabbot Serviços de Tecnologia S.A., received investments from the subsidiary TegUp to accelerate and contribute to their growth.
 - a. On August 23, 2018, an investment was approved in the company Fácil Rápido, a technology company in the initial stage of operation that develops a solution based on a web platform for hiring freight. The investment authorized by the Board of Directors was R\$ 1,400, subject to the achievement of economic and financial goals. Every investment has already been made.
 - b. On August 1, 2019, an investment was approved in the company Rabbot, a technology company in the initial stage of operation that develops a mobility automation solution, organization and optimization of fleet management processes. The authorized and already made investment was 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 "Stork Express" which will develop the activity of road cargo transportation, except for dangerous products.

3 Bases for preparation and significant accounting policies

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

The individual and consolidated interim financial information was prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Statement and IAS 34 - Interim Financial Reporting presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

All relevant information from the interim and consolidated financial information, and only this, is being disclosed, and corresponds to that used by Administration in its management.

The accounting policies adopted in the preparation of the interim accounting information, as well as the measurement basis, the functional and presentation currency, the main judgments and uncertainties in the estimates used in the application of accounting practices are consistent with those practiced in the preparation of the financial statements for the year ended December 31, 2019, filed with the Brazilian Securities and Exchange Commission (CVM) on March 31, 2020 and on the Company's Ri website, ri.tegma.com.br. The individual and consolidated interim financial information should be read in conjunction with the financial statements for the

year ended December 31, 2019.

The issuance of this individual and consolidated interim financial information was authorized by the Board of Directors on November 6, 2020.

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 No. 4.131 referenced in US dollars, as described in note 12. In order to protect itself against exchange rate fluctuations, the Company contracted a derivative financial instrument (swap) with the same notional value and maturities.

This financial instrument, designated as 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 paid off.

Accordingly, on September 30, 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 which were contracted with a derivative instrument to protect against exchange rate fluctuations, also started to be exposed to local interest rates.

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

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Loans and financing - foreign currency (note 12)	-	(57,220)	-	(57,220)
Loans and financing - local currency (note 12)	(168,276)	(33,802)	(168,276)	(33,802)
Derivative financial instruments	-	3,748	-	3,748
Derivative financial instruments - fair value	-	(9)	-	(9)
Debentures (note 12)	(25,167)	(50,135)	(25,167)	(50,135)
Cash equivalents (note 5)	184,150	35,694	247,098	65,963
Net exposure	(9,293)	(101,724)	53,655	(71,455)

c Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding accounts receivable. For banks and financial institutions, only securities from independent entities classified with a minimum “A” rating on the Standard & Poor’s scale are accepted, or the equivalent at other risk agencies. 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 note 6. The use of credit limits is monitored regularly.

The Company’s exposure is shown below:

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents (note 5)	184,785	36,764	247,793	67,332
Accounts receivable from customers (note 6)	160,598	220,464	199,717	261,173
	<u>345,383</u>	<u>257,228</u>	<u>447,510</u>	<u>328,505</u>

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.

The 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				
	Book value	Financial flow	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years
Loans and financing (note 12)	168,276	181,872	48,504	65,705	67,663
Debentures (note 12)	25,167	25,972	25,972	-	-
Suppliers and freight payable	24,061	24,061	24,061	-	-
Other accounts payable (note 16)	23,922	23,922	23,922	-	-
Related parties (note 24)	660	660	87	573	-
As of September 30, 2020	<u>242,086</u>	<u>256,487</u>	<u>122,546</u>	<u>66,278</u>	<u>67,663</u>

	Consolidated				
	Book value	Financial flow	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years
Loans and financing (note 12)	168,276	181,872	48,504	65,705	67,663
Debentures (note 12)	25,167	25,972	25,972	-	-

Suppliers and freight payable	28,173	28,173	28,173	-	-
Other accounts payable (note 16)	30,252	30,252	30,252	-	-
Related parties (note 24)	627	627	35	592	-
As of September 30, 2020	252,495	266,896	132,936	66,297	67,663

e Sensitivity analysis

Below is a table showing the sensitivity analysis of financial instruments, which describes the risks that could cause material losses for the Company and its Subsidiaries. Considering that both the amount applied and all the Company's debts (Loans and Financing and Debentures) are linked to the CDI (1.90% p.a. in September 2020 and 4.4% p.a. in December 2019), this index is the only one existing risk variable.

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

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

	Parent			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	3,504	4,374	5,248	4,702	5,869	7,042
Revenue	3,504	4,374	5,248	4,702	5,869	7,042
NCE Bradesco	(912)	(1,055)	(1,197)	(912)	(1,055)	(1,197)
NCE Itaú	(2,940)	(3,185)	(3,430)	(2,940)	(3,185)	(3,430)
4131 Santander	(2,434)	(2,630)	(2,826)	(2,434)	(2,630)	(2,826)
CCB Safra	(243)	(267)	(291)	(243)	(267)	(291)
Debentures II	(982)	(1,101)	(1,221)	(982)	(1,101)	(1,221)
Expenses	(9,353)	(10,271)	(11,190)	(9,353)	(10,271)	(11,190)
Net effect on net income / Equity	(5,849)	(5,898)	(5,942)	(4,650)	(4,403)	(4,148)

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 is calculated using the sum of shareholders' equity, as shown in the balance sheet, with net debt.

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Loans and financing - note 12	168,276	91,022	168,276	91,022
Debentures - note 12	25,167	50,135	25,167	50,135
Derivative financial instruments	-	(3,739)	-	(3,739)
Cash and cash equivalents - note 5	(184,785)	(36,764)	(247,793)	(67,332)
Net debt	8,658	100,654	(54,350)	70,086
Total shareholders' equity	619,947	575,079	619,947	575,079
Total capital	628,605	675,733	565,597	645,165
Financial leverage ratio	1%	15%	(10%)	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 (not adjusted) prices in active markets for identical assets and liabilities.

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

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

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, when there are foreign currency operations taking the future value through Pre-contracted rate and bring to present value discounting by the exchange coupon curve (internal interest rate differential and projected exchange rate variation) based on the dollar rate PTAX for sale on the business day prior to the calculation base date (known in the financial market as “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			Consolidated		
	Book value	Fair value	Hierarchy at fair value	Book value	Fair value	Hierarchy at fair value
As of September 30, 2020						
Assets						
Fair value through income						
Financial investments - note 5	184,150	184,150	Level 2	247,098	247,098	Level 2
Assets at amortized cost						
Cash and cash equivalents - note 5	635	635	Level 1	695	695	Level 1
Accounts receivable from customers - note 6	160,598	160,598	Level 2	199,717	199,717	Level 2
Related parties – note 24	1,388	1,388	Level 2	1,242	1,242	Level 2
Other accounts receivable (i) - note 7	1,101	1,101	Level 2	2,445	2,445	Level 2
	347,872	347,872		451,197	451,197	
Liabilities						
Liabilities at amortized cost						
Debentures - note 12	25,167	25,578	Level 2	25,167	25,578	Level 2
Loans and financing - note 12	168,276	175,963	Level 2	168,276	175,963	Level 2
Suppliers and freight payable	24,061	24,061	Level 2	28,173	28,173	Level 2
Other accounts payable - note 16	23,922	23,922	Level 2	30,252	30,252	Level 2
Related parties – note 24	660	660	Level 2	627	627	Level 2
	242,086	250,184		252,495	260,593	

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

	Parent			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 income						
Financial investments - note 5	35,694	35,694	Level 2	65,963	65,963	Level 2
Financial instrument designated for hedge						
Derivative financial instruments (i)	3,739	3,739	Level 2	3,739	3,739	Level 2
Assets at amortized cost						
Cash and cash equivalents - note 5	1,070	1,070	Level 1	1,369	1,369	Level 1
Accounts receivable from customers - note 6	220,464	220,464	Level 2	261,173	261,173	Level 2
Related parties – note 24	1,999	1,999	Level 2	4,399	4,399	Level 2
Other accounts receivable (ii) - 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 - note 12	50,135	51,190	Level 2	50,135	51,190	Level 2
Loans and financing - 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 - note 16	23,585	23,585	Level 2	29,637	29,637	Level 2
Related parties – note 24	690	690	Level 2	614	614	Level 2
	198,884	201,275		207,720	210,111	

- (i) The Company maintained derivative financial instruments to hedge its exposure to exchange rate variations, resulting from the 4131 loan contract in foreign currency.
- (ii) 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 practically the entire operation of the Company is referenced to the local currency.

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

The purpose of hedge accounting (thus 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	Maturity	Protection index	Contracted rate
Swap contract	Cash flow hedge	Swap USD X CDI	USD 13,441	08/2020	Exchange rate variation + 4.89%	CDI +0.89%

The settled balances are presented below:

Description	Principal value (notional)	Value of the curve	Fair value
Swap contract			
Active tip:			
Long position dollar	50,000	71,666	71,666
Passive tip:			
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 shareholders' equity. It is worth noting that the hedge operation was totally linked, including contractually, to the loan contracted under the 4131 resolution mode, and cannot be undone individually.

5 Cash and cash equivalents

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Bank and cash resources	635	1,070	695	1,369
Financial investments	184,150	35,694	247,098	65,963
	184,785	36,764	247,793	67,332

Financial investments are short-term, highly liquid, 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 remuneration

agreed in average of 100.15% for the terms established in September 2020 (99.65% in December 2019) of the index variation of the Interbank Deposit Certificate (CDI).

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

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Accounts receivable from the sale of services:				
In Brazil	160,873	220,639	200,039	261,395
Accounts receivable in Brazil	160,873	220,639	200,039	261,395
Estimated loss	(275)	(175)	(322)	(222)
	160,598	220,464	199,717	261,173

As of September 30, 2020, the average collection period is approximately 48 days for the Parent Company and 50 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		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Securities to mature	152,048	205,527	190,266	244,762
Securities overdue up to 30 days	6,791	13,585	7,067	14,770
Securities overdue from 31 to 90 days	647	699	935	988
Securities overdue from 91 to 180 days	490	113	794	113
Securities overdue for more than 181 days	897	715	977	762
	160,873	220,639	200,039	261,395

The Company and its Subsidiaries consider in their assessments the approach of expected losses over a lifetime in accounts receivable from customers for constituting 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 Company's history of losses. 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 substantially to the automotive sector.

The change in the estimated loss of the Company and its Subsidiaries for the nine-month period ended September 30, 2020 is shown as follows:

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Initial balance	(175)	(79)	(222)	(2,938)
Additions	(677)	(340)	(685)	(402)
Reversals	577	244	585	2,511
Others (i)	-	-	-	607
Final balance	(275)	(175)	(322)	(222)

- (i) Refers to the reclassification of accounts receivable according to negotiations 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		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Indemnity assets	985	527	2,290	1,832
Advances to suppliers	4,668	2,099	8,074	3,719
Advances for employees	706	1,831	772	2,031
Recovery of expenses receivable	-	39	-	39
Claims to be recovered	11	4	49	105
Other credits	105	640	106	793
	6,475	5,140	11,291	8,519
Current	5,490	4,613	9,001	6,687
Non-current	985	527	2,290	1,832
	6,475	5,140	11,291	8,519

8 Taxes and contributions to be recovered

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
PIS and COFINS	44,885	103,993	46,603	105,685
INSS recoverable	6,562	6,639	10,262	10,104
IRRF on financial investments	300	44	427	124
Others (ii)	3,146	33	3,167	56
	54,893	110,709	60,459	115,969
Current	48,413	104,325	50,657	106,280
Non-current	6,480	6,384	9,802	9,689
	54,893	110,709	60,459	115,969

- (i) On July 15, 2019, the final and unappealable decision of Tegma Gestão Logística was declared, which recognized the Company's right to exclude ICMS from the PIS and COFINS calculation basis, retroacting to August 2003. By means of a survey of documents and calculations based on the finding of final and 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 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, credits referring to the period from August 2003 to February 2017. The amount of this credit in September 2020 is R\$ 44,285 (R\$ 92,136 in December 2019). The Parent Company enabled the credits with the Brazilian Federal Revenue for the purpose of having the right to offset these amounts with federal taxes due, the order was granted in December 2019. It is worth noting that, since December 2018, the Company started to exclude ICMS from the PIS and COFINS calculation base of its calculation.
- (ii) Includes the amount of R\$ 3,099 referring to Income Tax levied on the settlement of operation 4131 in foreign currency, as mentioned in note 12, to be recovered in the final calculations for the year 2020.

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 and jointly subsidiaries

	09/30/2020			12/31/2019			Parent
	Investment	Net goodwill	Total	Investment	Net goodwill	Total	
Subsidiaries							
Tegma Cargas Especiais Ltda. (TCE)	53,246	6,364	59,610	53,257	6,364	59,621	
Tegma Logística de Armazéns Ltda. (TLA)	19,628	-	19,628	23,423	-	23,423	
Niyati Empreendimentos e Participações Ltda. (Niyati)	107,433	-	107,433	107,579	-	107,579	
Tech Cargo Plataforma de Transportes Ltda (Tech Cargo)	1	-	1	1	-	1	
Tegmax Comércio e Serviços Automotivos Ltda. (Tegmax)	2,536	-	2,536	2,664	-	2,664	
Tegma Logística de Vehícles Ltda. (TLV)	22,317	-	22,317	14,752	-	14,752	
Tegup Inovação e Tecnologia Ltda. (“Tegup”)	4,641	-	4,641	4,517	-	4,517	
Stork Express Logística de Emplacados Ltda (Stork)	1	-	1	-	-	-	
	209,803	6,364	216,167	206,193	6,364	212,557	
Joint ventures							
Catlog Logística de Transportes S.A. (Catlog)	429	-	429	493	-	493	
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	22,317	16,693	39,010	21,157	16,693	37,850	
	22,746	16,693	39,439	21,650	16,693	38,343	
Total investment parent company	232,549	23,057	255,606	227,843	23,057	250,900	

	09/30/2020			12/31/2019			Consolidated
	Investment	Net goodwill	Total	Investment	Net goodwill	Total	
Joint ventures							
Catlog Logística de Transportes S.A. (Catlog)	429	-	429	493	-	493	
GDL Gestão de Desenvolvimento em Logística Participações S.A. (“GDL”)	22,317	16,693	39,010	21,157	16,693	37,850	
	22,746	16,693	39,439	21,650	16,693	38,343	

Investment movement

	Parent										
	TCE	Stork Express	Tech Cargo	TLA	Niyati	Tegmax	TLV	Tegup	Catlog (i)	GDL	Total
On January 1, 2020	59,621	-	1	23,423	107,579	2,664	14,752	4,517	493	37,850	250,900
Equity in earnings	12,580	-	-	1,951	1,732	22	7,565	(40)	(64)	6,502	30,248
Constitution of subsidiary	-	1	-	-	-	-	-	-	-	-	1
Capital increase (decrease) (ii)	8,726	-	-	(5,746)	-	-	-	164	-	-	3,144
Dividends (iii)	(21,317)	-	-	-	(1,878)	(150)	-	-	-	(5,342)	(28,687)
As of September 30, 2020	59,610	1	1	19,628	107,433	2,536	22,317	4,641	429	39,010	255,606

- (i) Since January 2015, the investee Catlog has remained operationally inactive. The resumption of activities may be reconsidered if deemed convenient by the Company.
- (ii) The amount of R\$ 5,746 reduced in the subsidiary Tegma Logística de Armazéns Ltda, was paid up in the subsidiary Tegma Cargas Especiais Ltda through assets, with the intermediation of the parent company Tegma Gestão Logística S.A.
- (iii) The dividends of subsidiaries Tegma Cargas Especiais Ltda and Tegmax Comércio e Serviços Automotivos Ltda in the amounts of R\$ 21,317 and R\$ 23, respectively, were not paid.

	Consolidated		
	Catlog	GDL	Total
On January 1, 2020	493	37,850	38,343
Equity in earnings	(64)	6,502	6,438
Dividends	-	(5,342)	(5,342)
As of September 30, 2020	429	39,010	39,439

Company's participation in the results of direct Subsidiaries, all private or limited Companies, as well as in the total of its assets and liabilities:

	TCE	Stork Express	TLA	Niyati	Tegmax	TLV	Tegup	Tech cargo
Balances on September 30, 2020								
Assets	96,972	1	28,195	107,650	2,726	31,405	4,648	1
Liabilities	43,726	-	8,567	217	190	9,088	7	-
Shareholders' equity	53,246	1	19,628	107,433	2,536	22,317	4,641	1
Net revenue	69,777	-	26,242	3,822	-	40,255	13	-
Profit / (Loss)	12,580	-	1,951	1,732	22	7,565	(40)	-
Balances 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	-
Shareholders' 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:

	Catlog		GDL	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Assets				
Current	1,315	1,263	34,068	32,348
Non-current	292	654	18,648	20,290
Property and equipment	-	-	8,625	9,274
Intangible assets	-	-	964	1,154
Right of use	-	-	-	40
	1,607	1,917	62,305	63,106
Liabilities and shareholders' equity				
Current	27	18	15,895	10,626
Non-current	704	893	1,777	10,166
Shareholders' equity	876	1,006	44,633	42,314
	1,607	1,917	62,305	63,106
	Catlog		GDL	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Result for the year				
Net revenue	-	-	56,770	51,385
Cost of services rendered	-	-	(37,553)	(45,513)
General and administrative expenses	(111)	(241)	(3,193)	(2,518)
Financial income (expenses), net	38	109	(108)	(1,891)
Other (expenses) income, net	(58)	(480)	2,966	1,426
Income tax and social contribution	-	(4)	(5,878)	(1,011)
Profit (loss) for the year	(131)	(616)	13,004	1,878

10 Property, plant and equipment

Changes in Fixed Assets

	Land	Buildings	Computers and peripherals	Facilities	Vehicles	Machines and equipment / tools	Improvements owned by third parties	Furniture, utensils and packaging and others (i)	Property, plant and equipment in progress (ii)	Parent Total
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
Movements										
Acquisitions	-	-	61	325	140	112	1,025	4,149	48	5,860
Disposals	-	-	-	-	(284)	-	-	(3)	-	(287)
Transfers (iii)	-	-	-	-	-	-	-	11	(41)	(30)
Depreciation	-	(1,038)	(596)	(372)	(2,231)	(488)	(1,345)	(3,406)	-	(9,476)
	-	-	-	-	-	-	-	-	-	-
Net balances as of September 30, 2020	11,429	25,965	1,604	3,265	22,409	2,654	3,384	10,554	206	81,470
Balances on September 30, 2020										
Cost	11,429	34,566	13,753	6,246	61,367	11,740	54,373	33,358	206	227,038
Accumulated depreciation	-	(8,601)	(12,149)	(2,981)	(38,958)	(9,086)	(50,989)	(22,804)	-	(145,568)
Net balances as of September 30, 2020	11,429	25,965	1,604	3,265	22,409	2,654	3,384	10,554	206	81,470

- (i) Additions to furniture, utensils, packaging and others in the year ended are substantially represented by packaging materials (industrial logistics division).
- (ii) Property, plant and equipment in progress refer mainly to works and improvements in progress.
- (iii) Transfer to intangible assets, in the amount of R\$ 30 related to the software license.

Tegma Gestão Logística S.A.
ITR on September 30, 2020

	Consolidated									
	Lands	Buildings	Computers and peripherals	Facilities	Vehicles	Machines and equipment / tools	Improvements owned by third parties	Furniture and utensils and packaging and others (i)	Property, plant and equipment in progress (ii)	Total
Net balances on January 1, 2020	64,349	71,751	2,689	8,922	39,228	4,617	6,231	10,608	638	209,033
Movements										
Acquisitions	288	3,665	68	889	430	123	1,297	4,156	93	11,009
Disposals	(1,500)	-	-	-	(284)	-	-	(3)	-	(1,787)
Transfers (iii)	-	-	30	-	30	-	-	11	(101)	(30)
Depreciation	-	(2,570)	(949)	(1,035)	(3,208)	(855)	(2,446)	(3,542)	-	(14,605)
Others	-	(5)	-	-	-	-	-	-	-	(5)
Net balances as of September 30, 2020	63,137	72,841	1,838	8,776	36,196	3,885	5,082	11,230	630	203,615
Balances on September 30, 2020										
Cost	63,137	86,985	19,364	16,121	86,978	18,160	73,370	35,495	630	400,240
Accumulated depreciation	-	(14,144)	(17,526)	(7,345)	(50,782)	(14,275)	(68,288)	(24,265)	-	(196,625)
Net balances as of September 30, 2020	63,137	72,841	1,838	8,776	36,196	3,885	5,082	11,230	630	203,615

- (i) Additions to furniture, utensils, packaging and others in the year ended are substantially represented by packaging materials (industrial logistics division).
- (ii) Property, plant and equipment in progress refer mainly to works and improvements in progress.
- (iii) Includes transfer to intangible assets, in the amount of R\$ 30 related to software license.

The depreciation and amortization amounts were recorded as follows:

	Parent		Consolidated	
	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019
Depreciation	(9,476)	(10,509)	(14,605)	(15,691)
Amortization	(3,025)	(3,543)	(3,293)	(3,835)
Total	(12,501)	(14,052)	(17,898)	(19,526)

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

	Parent		Consolidated	
	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019
Cost of services rendered	(9,928)	(11,389)	(15,167)	(16,702)
General and administrative expenses	(2,573)	(2,663)	(2,731)	(2,824)
Total	(12,501)	(14,052)	(17,898)	(19,526)

11 Intangible assets

	Parent			
	01/01/2020	Addition	Transfer (i)	Amortization
Software	10,734	3,035	30	(3,025)
Goodwill paid on acquisition of investments				
Nortev	120,877	-	-	-
Boni Amazon	32,791	-	-	-
	164,402	3,035	30	(3,025)

- (i) Transfer of fixed assets, in the amount of R\$ 30, related to software license.

	Consolidated			
	01/01/2020	Addition	Transfer (i)	Amortization
Software	11,414	3,091	30	(3,293)
Goodwill paid on acquisition of investments				
Nortev	120,877	-	-	-
Boni Amazon	32,791	-	-	-
Tegma Cargas Especiais Ltda,	6,364	-	-	-
	160,032	-	-	-
Net	171,446	3,091	30	(3,293)

- (i) Transfer of fixed assets, in the amount of R\$ 30, related to the software license.

12 Loans and financing

	Parent and Consolidated	
	09/30/2020	12/31/2019
Loans and financing - local currency		
NCE - Export credit note (a.i)	81,575	33,802
Resolution 4131 (a.ii)	81,646	-
CCB (a.iii)	5,055	-
Loans and financing - foreign currency		
Resolution 4131 (a.ii)	-	57,220
Total loans and financing	168,276	91,022
(-) Current	43,276	61,022
Non-current	125,000	30,000
Debentures (b)	25,167	50,135
Total debentures	25,167	50,135
(-) Current	25,167	25,130
Non-current	-	25,005
Loans and financing	193,443	141,157
Derivative financial instruments - swap (assets)	-	(3,739)
(-) Current	-	(3,739)
Loans and financing net of swap	193,443	137,418

a. Bank Loans

(i) *NCE – Export Credit Note*

In June 2017, the Company signed 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 were half-yearly starting in December 2017. The interest rate was CDI for the period plus 2.65% per year (with no flat fee). This contract was fully paid in June 2020.

In March 2019, the Company signed a contract with Banco Bradesco S.A., 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 semiannual payments of interest rates from September 2019 onwards. The interest rate negotiated was CDI for the period plus 1.14% per year. The interest rate for this contract in September 2020 is 3.04% per year (5.54% in December 2019).

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

The Company does not have any restrictive clause (covenants) for the two NCEs still in force.

(ii) *Resolution 4131*

In August 2018, the Company entered into a loan agreement in US dollars in the amount of US\$ 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 in the end of the contract in August 2020 and interest in December 2018, February 2020 and August 2020.

To hedge the loan's exchange rate, the Company contracted a derivative financial instrument, cash flow swap, with Itaú Unibanco S.A. for the same amount and maturities, exchanging the exposure of the US\$ 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 guarantee to the lender of the loan in US dollars. In August 2020, this contract was fully paid.

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 the principal and interest at the end of the agreement in April 2021, with no collateral attached and interest rate of CDI for the period plus 4.0% per year. The transaction implicitly includes the contracting of a swap derivative financial instrument in order to eliminate any foreign exchange exposure. The interest rate of this contract is 5.90% per year in September 2020. This transaction has no restrictive clause (covenants).

In July 2020, the Company entered into 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 no real collateral attached and interest rate of CDI + 2.66% p.a. The interest rate of this contract is 4.56% per year in September 2020. The transaction implicitly includes the contracting of a swap derivative financial instrument 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 September 30, 2020, the Company was in compliance 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, it does not have no collateral attached and interest rate of CDI + 2.91% p.a. (the operation is exempt from IOF according to Decree 10.414 of 07/02/2020). The interest rate for this contract is 4.81% per year in September 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 September 30, 2020, the Company was in compliance with these clauses.

b. Debentures

In 2013, the Company issued simple debentures, non-convertible into shares, and unsecured debentures (1st issue R\$ 200,000, and 2nd issue R\$ 150,000). The net proceeds obtained are fully allocated to the Company's ordinary management businesses, such as payment of debts already incurred by the Company and reinforcement of cash.

The debentures feature 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 issue 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 September 28, 2017 (33.33%). With respect to 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 by 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 September 2020 is 3.90% per year (6.4% in December 2019).

Series	Type	Amount issued	Outstanding Debentures	Date		Annual financial charges	Unit price	Parent and Consolidated	
				Issue	Maturity			09/30/2020	12/31/2019
2 nd issue - 1 st series	Simple	80,000	8,000	12/15/2013	07/31/2021	DI + 2.00%	10	13,422	26,739
2 nd issue - 2 nd series	Simple	70,000	7,000	12/15/2013	07/31/2021	DI + 2.00%	10	11,745	23,396
								Current	25,167
								Non-current	25,130
									-
									25,005

Debenture issues are 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 higher or equal to 1.50. As of September 30, 2020, the Company was in compliance with these clauses.

The non-current installments due have the following maturity schedule for loans and financing:

	Parent and Consolidated	
	09/30/2020	12/31/2019
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

Following is the movement for the nine-month period ended September 30, 2020:

	Parent and Consolidated
Loans and financing	
Balance on January 1, 2020	91,022
Funding	135,000
Appropriate interest	5,787
Payment of principal	(74,701)
Interest paid	(4,945)
Exchange Variation	16,113
Balance as of September 30, 2020	168,276
Debentures	
Balance on January 1, 2020	50,135
Appropriate interest	1,735
Payment of principal	(25,005)
Interest paid	(1,698)
Balance as of September 30, 2020	25,167
Total	193,443

13 Salaries and social charges

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Vacation pay	8,059	10,778	10,008	12,672
INSS	3,585	2,457	4,610	2,925
Bonuses and profit sharing payable	4,471	8,386	5,017	8,814
Provision for 13th salary	4,049	-	4,964	-
FGTS	781	696	963	766
Others	504	939	567	1,086
Total	21,449	23,256	26,129	26,263

14 Judicial deposits and provision for legal claims

The Company and its subsidiaries are parties to labor, civil, tax and other lawsuits in progress that totaled, on September 30, 2020, R\$ 661,298 (R\$ 640,391 on December 31, 2019) Parent company and R\$ 677,062 (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 processes classified as probable, possible and remote. Provisions for possible probable losses arising from these lawsuits are estimated and updated by Management as there is an expectation of future disbursement, supported by the opinion of its external legal advisors.

The values mentioned above are divided as follows:

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Probable	31,629	30,606	35,552	35,266
Possible	80,944	88,672	87,763	97,237
Remote	548,725	521,113	553,747	526,930
Total	661,298	640,391	677,062	659,433

Provisions made based on probable losses

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

	Parent
Judicial deposits	Provisions for lawsuits

	<u>09/30/2020</u>	<u>12/31/2019</u>	<u>09/30/2020</u>	<u>12/31/2019</u>
Labor and social security	7,259	7,211	12,603	11,451
Taxes	1,608	1,608	-	-
Civil (i)	2,667	2,667	19,026	19,155
Total	11,534	11,486	31,629	30,606

	Consolidated			
	Judicial deposits		Provisions for lawsuits	
	<u>09/30/2020</u>	<u>12/31/2019</u>	<u>09/30/2020</u>	<u>12/31/2019</u>
Labor and social security	9,598	9,968	15,620	15,206
Taxes	1,608	1,608	1	1
Civil (i)	2,876	2,876	19,931	20,059
Total	14,082	14,452	35,552	35,266

- (i) It contains a provision arising from the business combination, as detailed below:

The Direct Express purchase and sale agreement, signed between the Company and 8M Participações provides that the Company will only be required to indemnify 8M Participações for possible legal claims corresponding to facts prior to the date of purchase, which exceed in its aggregate value R\$ 40,000. On the other hand, 8M Participações is obliged to indemnify the Company for eventual legal claims corresponding to facts after the date of purchase. In 2017, the amount of obligations paid by 8M Participações for which the Company is indemnified exceeded the aggregate value. In September 2020, the balance of this provision totals R\$ 15,659 (R\$ 18,611 in December 2019).

Below is the change in the provision for the nine-month period ended September 30, 2020:

	<u>Parent</u>	<u>Consolidated</u>
Balance on January 1, 2020	30,606	35,266
Constitution	12,782	13,268
Constitution INSS FAP	245	245
Legal claims payable	(44)	(188)
Reduction by judicial deposit	(276)	(909)
Payment	(11,684)	(12,130)
Balance as of September 30, 2020	31,629	35,552

Possible losses not provisioned in the balance sheet

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>09/30/2020</u>	<u>12/31/2019</u>	<u>09/30/2020</u>	<u>12/31/2019</u>
Labor and social security	34,036	38,703	35,676	40,235
Taxes	35,118	28,869	40,156	35,636
Civil	11,790	21,100	11,931	21,366
Total	80,944	88,672	87,763	97,237

a Labor and social security

They mainly refer to cases related to discontinued operations, as well as cases in which the Company and its subsidiaries jointly and severally respond to outsourced service providers.

b Taxes

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

The main demand arises from part of a charge made by the ISS inspection in the municipality of Mauá/SP through infraction notices issued between December 2017 and January 2018. As of September 30, 2020, the updated amount of this portion of the demand is R\$ 7,642 (R\$ 7,127 on December 31, 2019). This amount is based only on the revenue earned by the subsidiary of Mauá/SP 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 not provisioned in the balance sheet

Tax, civil and labor claims that are not provisioned, as they involve remote risk of loss classified by Management and its legal advisors on September 30, 2020 in the amount of R\$ 548,725 in the Parent Company (R\$ 521,113 on December 31, 2019) and R\$ 553,747 in Consolidated (R\$ 526,930 on December 31, 2019).

- a. The main demand in the tax sphere stems 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\$ 471,263 (R\$ 444,080 in December 2019), in which the municipality considered mistakenly 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 the lawyers, the Company considers the amount of R\$ 463,621 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% a.m.). 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 manifestation 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 Federal Revenue of Brazil regarding the non-approval of the offsetting of tax debts of the respective credits. It is important to mention that there was no questioning about the merits of the credit origin, but rather a discrepancy between the crossing of accessory obligations. The Company presented manifestations 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\$ 39,206 and in the consolidated amount R\$ 42,073 (R\$ 38,486 in the parent company and R\$ 41,300 in the consolidated, in December 2019).

15 Income tax and social contribution

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

	Parent		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Profit before income tax and social contribution	47,894	208,057	59,109	213,084
Nominal rate combined income tax and social contribution	34%	34%	34%	34%
Income tax and social contribution at nominal rate	(16,284)	(70,739)	(20,097)	(72,449)
Effect of IRPJ and CSLL on permanent differences				
Result from the equity interest	10,284	3,800	2,189	217
Permanent differences	(603)	(447)	(785)	(966)
Tax incentives	3,372	4,336	3,780	4,726
Interest on own capital	-	4,919	-	4,919
Others	199	601	666	996
Income tax and social contribution on income	(3,032)	(57,530)	(14,247)	(62,557)
Current	(6,997)	(57,822)	(14,392)	(60,714)
Deferred	3,965	292	145	(1,843)
Effective rate	6.3%	27.7%	24.1%	29.4%

The composition of deferred income tax and social contribution balances as of September 30, 2020 and December 31, 2019 is as follows:

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Income tax loss carry forward				
to offset	4,261	-	12,529	10,298
Negative basis of social contribution	1,534	-	4,624	3,820
<i>Temporary differences</i>				
PLR and bonus provisions	1,604	2,851	1,790	2,997
Estimated loss on doubtful credit	94	60	109	75
Provisions for lawsuits	10,754	10,406	12,088	11,990
Provisions for freight payable	489	1,211	489	1,211
Provision of tolls payable	531	676	603	859
Cut-off provision	1,696	1,790	1,696	1,790
Others	6,369	6,676	8,129	8,980
Subtotal	27,332	23,670	42,057	42,020
Amortization of tax goodwill (i)	(20,459)	(20,459)	(20,459)	(20,459)
Difference in depreciation rate (ii)	(5,670)	(5,970)	(7,305)	(7,410)
Subtotal	(26,129)	(26,429)	(27,764)	(27,869)
Total	1,203	(2,759)	14,293	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 and social contribution taxes 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			
	09/30/2020			
	Assets	Liabilities	Net Assets	Net Liabilities
Tegma Gestão Logística S.A.	27,332	(26,129)	1,203	-
Tegma Logística de Armazéns Ltda.	2,712	-	2,712	-
Tegmax Comércio e Serviços Automotivos Ltda.	56	-	56	-
Tegma Logística de Veículos Ltda	2,415	(2)	2,413	-
Tegma Cargas Especiais Ltda.	9,521	(1,633)	7,888	-
TegUp Inovação e Tecnologia Ltda	21	-	21	-
Total	42,057	(27,764)	14,293	-

	Consolidated			
	12/31/2019			
	Assets	Liabilities	Net Assets	Net Liabilities
Tegma Gestão Logística S.A.	23,670	(26,429)	-	(2,759)
Tegma Logística 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 nine-month period ended September 30, 2020 is as follows:

	Parent	Consolidated
Balance on January 1, 2019	(2,759)	14,151
Constitution – result effect	3,965	145
Deferred taxes on hedge accounting	(3)	(3)
Balance as of September 30, 2020	1,203	14,293

The asset values as of September 30, 2020 have the following realization expectations:

Year	Parent	Consolidated
2020	3,231	7,374
2021	10,102	13,927
2022	4,307	7,229
2023	4,307	7,257
After 2024	5,385	6,270
	27,332	42,057

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

16 Other accounts payable

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Insurance	6,707	5,751	7,364	6,052
Toll	1,570	1,994	1,810	2,532
Benefits	5,343	5,752	6,966	7,403
Movement of vehicles and loads	644	917	963	2,500
Rent	717	1,043	1,313	1,098
Consulting Services	1,427	2,333	1,487	2,449
Surveillance	1,749	2,050	2,094	2,591
Miscellaneous maintenance	1,131	873	1,682	1,119
Others	4,634	2,872	6,573	3,893
Total	23,922	23,585	30,252	29,637

17 Shareholders' equity

a. Share capital

The Company's share capital, fully paid up, is 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%
Coimex Empreendimentos e Participações Ltda.	13,207,034	20%
Cabana Empreendimentos e Participações Ltda.	4,817,704	7%
Other controlling shareholders (individual)	509,473	1%
Managers	101	0%
Treasury	65,143	0%
Controllers, managers and treasury	33,995,936	52%
Outstanding shares	32,006,879	48%
Total Shares	66,002,815	100%

b. Capital reserve - goodwill on the subscription of shares

The Company's capital reserve originated as follows: (i) on April 27, 2007, the shareholders' meeting approved the constitution of the capital reserve - goodwill on the subscription of shares in the amount

of R\$ 2,245 and (ii) in June 28, 2007, the Company's Board of Directors approved the issuance of 9,706,639 registered common shares, with no par value, for the issue price of R\$ 26.00 per share, in the context of the public offering of shares, being destined to the account of the Share Capital the amount of R\$ 47,757 and the amount of R\$ 204,616 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 is R\$ 174,055.

At the Annual and Extraordinary Shareholders' Meeting held on April 30, 2020, with the purpose of strengthening its Share Capital 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 share capital remained divided into 66,002,915 common shares, registered and without par value. Thus, on September 30, 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 income 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% over the amount of the tax debt, under the terms of the CONFAZ ICMS 106/1996 Covenant. In the nine-month period ended September 30, 2020, the amount of the credit calculated was R\$ 9,918 (R\$ 12,753 in September 2019). These amounts were recognized as an investment grant, through Complementary Law No. 160/2017 and intended for the reserve of tax incentives, pursuant to Article 195-A of Law No. 6.404/76.

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 September 30, 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 paid-in capital and (ii) 25% of the balance, after 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 resolved by the Board of Directors, interest on shareholders' equity is included in the dividends for the period.

At a meeting of the Board of Directors held on February 11, 2010, the adoption of the Company's indicative dividend distribution policy was approved, so that future dividend distributions, including interest on equity, are carried out 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 No. 6.404/76, as amended by Brazilian accounting practices and the rules of the Brazilian Securities and Exchange Commission.

The calculation of dividends for the year 2019 is shown as follows:

	2019
Net income for the year	193,972
Tax incentive reserve	(17,739)
Calculation base	<u>176,233</u>
 Mandatory minimum dividend - 25%	 <u>44,058</u>
 Interim dividends paid	 56,448
Interim interest on own capital paid	<u>18,816</u>
	<u>75,264</u>
 Percentage on the basis of calculation	 <u>43%</u>

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 of 2019 was approved, both paid on September 16, 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 November 26, 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.

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 object of the Plan must come from: (i) the issuance of new common shares, within the limit of the Company's authorized capital, as determined by the Board of Directors; and/or (ii) common shares held in treasury.

There is currently no open call option program.

18 Information by business segment

The Company classifies its business analyzes into: (i) automotive logistics, a division that transfers and distributes zero-kilometer and used vehicles, port transfers and inventory management and vehicle manufacturers' yards and vehicle preparation services for sale, composed by the Parent Company and

its Subsidiaries Tegmax Comércio e Serviços Automotivos Ltda., Tech Cargo Plataforma de Transportes Ltda, Tegma Logística de Veículos Ltda. and Niyati Empreendimentos e Participações Ltda. and (ii) integrated logistics, a division that carries out transport, 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 by the Parent Company. In 2018, the Company inaugurated the start-up accelerator called TegUP (TegUp Inovação e Tecnologia Ltda.) For the purposes of disclosure we consider in the integrated logistics division.

	Automotive logistics		Integrated logistics		Consolidated Total	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Net revenue of the services	573,095	852,804	125,973	116,188	699,068	968,992
Costs	(448,817)	(649,157)	(77,355)	(78,257)	(526,172)	(727,414)
Operating expenses	(71,178)	(13,846)	(852)	2,646	(72,030)	(11,200)
Depreciation and amortization expenses	(7,128)	(11,478)	(10,770)	(8,048)	(17,898)	(19,526)
(i) Amortization right of use (ii)	(15,792)	(12,679)	(7,500)	(11,669)	(23,292)	(24,348)
Financial expenses	(28,244)	(17,518)	(976)	(2,043)	(29,220)	(19,561)
Financial income	21,320	43,418	895	2,086	22,215	45,504
Equity in earnings	20,929	5,412	(14,491)	(4,775)	6,438	637
Income tax and social contribution	(3,504)	(57,939)	(10,743)	(4,618)	(14,247)	(62,557)
Net income for the year	40,681	139,017	4,181	11,510	44,862	150,527

	Automotive logistics		Integrated logistics		Total	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current assets	434.006	396.409	77.240	52.663	511.246	449.072
Non-current assets	467.665	469.309	52.490	67.040	520.155	536.349
Total assets	901.671	865.718	129.730	119.703	1.031.401	985.421
Current liabilities	186.038	242.596	25.165	26.119	211.203	268.715
Non-current liabilities	194.503	129.223	5.748	12.404	200.251	141.627
Total liabilities	380.541	371.819	30.913	38.523	411.454	410.342

(i) R\$ 15,167 refers to the portion of depreciation attributed to the cost of services rendered and R\$ 2,731 attributed to general administrative expenses in September 2020 (R\$ 16,702 and R\$ 2,824, respectively, in September 2019), as note 10.

(ii) R\$ 22,701 refers to the portion of depreciation attributed to the cost of services rendered and R\$ 591 attributed to general administrative expenses in September 2020, (R\$ 23,736 and R\$ 612, respectively, in September 2019) as note 26.

The revenues of the 5 largest customers represented approximately 82% of total revenues.

The services rendered by the automotive logistics and integrated logistics division are all for customers based in the national territory.

19 Net revenue from services rendered

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

Parent	Consolidated
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	<u>09/30/2020</u>	<u>09/30/2019</u>	<u>09/30/2020</u>	<u>09/30/2019</u>
Logistical services	703,114	1,051,411	834,210	1,163,524
Warehousing services	-	-	29,825	25,939
Gross service revenue	<u>703,114</u>	<u>1,051,411</u>	<u>864,035</u>	<u>1,189,463</u>
Discounts, insurance and tolls	(40,342)	(56,487)	(43,308)	(59,200)
	<u>662,772</u>	<u>994,924</u>	<u>820,727</u>	<u>1,130,263</u>
Imposed Taxes	(99,846)	(142,770)	(121,659)	(161,271)
Net revenue of the service	<u>562,926</u>	<u>852,154</u>	<u>699,068</u>	<u>968,992</u>

20 Expenses by nature

	<u>Parent</u>		<u>Consolidated</u>	
	<u>09/30/2020</u>	<u>09/30/2019</u>	<u>09/30/2020</u>	<u>09/30/2019</u>
Cost of services rendered	(463,886)	(667,649)	(564,040)	(767,852)
General and administrative expenses	(61,192)	(57,966)	(62,401)	(59,265)
Commercial expenses	(326)	(366)	(326)	(366)
Total	<u>(525,404)</u>	<u>(725,981)</u>	<u>(626,767)</u>	<u>(827,483)</u>

	Parent		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Freight services – aggregates	(378,255)	(565,673)	(432,895)	(611,525)
Salaries	(44,992)	(55,792)	(54,423)	(63,822)
Social charges	(24,890)	(30,224)	(30,600)	(35,486)
Outsourced services (i)	(35,471)	(35,420)	(40,418)	(40,296)
Rentals and leasing	(3,963)	(4,950)	(4,621)	(6,247)
Depreciation and amortization	(12,501)	(14,052)	(17,898)	(19,526)
Amortization right of use	(14,421)	(14,981)	(23,292)	(24,348)
Employee benefits	(14,428)	(17,691)	(18,189)	(21,309)
Variable costs	(3,041)	(5,932)	(5,331)	(19,703)
Other general expenses	(5,627)	(6,890)	(8,847)	(9,149)
Maintenance	(7,895)	(9,955)	(11,542)	(13,664)
Fuels and lubricants	(3,754)	(6,452)	(4,270)	(6,900)
Utilities	(2,253)	(3,053)	(3,371)	(4,373)
Communication	(1,908)	(1,839)	(2,188)	(2,136)
Other personnel expenses	(3,659)	(4,794)	(5,231)	(5,502)
Termination costs	(4,858)	(1,935)	(5,406)	(2,539)
Materials	(1,167)	(1,884)	(2,245)	(2,841)
Travel expense	(1,026)	(1,401)	(1,032)	(1,410)
Loss compensation	(346)	(332)	(185)	(333)
Contributions and donations	(91)	(396)	(266)	(456)
Contractual fines	(118)	(2)	(118)	(2)
PIS / COFINS Credit	39,260	57,667	45,601	64,084
Total	(525,404)	(725,981)	(626,767)	(827,483)

- (i) Includes in 2020 the amount of R\$ 4,004 referring to expenses with consultancy and legal fees arising from the search and seizure process of data and documents authorized by the 1st Criminal Court of São Bernardo do Campo on October 17, 2019, according to note 1.

21 Other net income (expenses)

	Parent		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Extemporaneous tax credits (i)	-	56,475	-	56,475
Expense recovery (ii)	322	1,444	726	2,971
Inventory adjustments	-	-	(1)	(124)
Gain (Loss) on the sale of fixed assets	(231)	24	(188)	(36)
Write off right of use/lease	31	10	72	10
Constitution of provisions for lawsuits and indemnities paid	(12,782)	(12,605)	(13,268)	(14,748)
Others	125	(1,171)	127	(837)
Other net income (expenses)	(12,535)	44,177	(12,532)	43,711

- (i) Credit related to the exclusion of ICMS in the PIS and COFINS calculations as mentioned in note 8 item (i).
- (ii) Refer to transfers of fixed operating costs from areas subleased to customers.

22 Net financial income (expenses)

	Parent		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Financial income				
Positive result from Swap operations	16,319	3,208	16,319	3,208
Active interest (i)	1,147	36,520	1,270	37,167
Financial investment income	3,671	4,616	4,626	5,129
Total	21,137	44,344	22,215	45,504
Financial expenses				
Interest on bank financing	(7,522)	(7,083)	(7,522)	(7,083)
Bank charges	(841)	(1,250)	(858)	(1,280)
Exchange losses	(15,805)	(3,927)	(15,807)	(3,968)
Interest on leasing	(3,591)	(3,115)	(4,325)	(4,641)
Passive interest	(142)	(360)	(178)	(477)
Other financial expenses	(477)	(1,994)	(530)	(2,112)
Total	(28,378)	(17,729)	(29,220)	(19,561)
Net financial income (expenses)	(7,241)	26,615	(7,005)	25,943

- (i) Includes in 2019 the amount of R\$ 34,916 arising from the monetary restatement of the credit principal referring to the exclusion of ICMS in the PIS and COFINS calculations, as mentioned in note 8 item (i).

23 Earnings per share

a. Basic earnings per share

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

	09/30/2020	09/30/2019
Profit attributable to the company's shareholders	44,862	150,527
Weighted average number of outstanding common shares thousands	65,938	65,938
Basic earnings per share R\$	0,68	2,28

b. Basic earnings per share R\$

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 September 30, 2020 and September 30, 2019, the Company has no dilutive factor in relation to the basic. Accordingly, diluted earnings per share on September 30, 2020 and September 30, 2019 are equal to basic earnings per share, of R\$ 0.68 and R\$ 2.28, respectively.

24 Related parties

The Company conducts, in the normal course of its business, transport operations, property rental, delivery and pre-delivery inspection (Pre-Delivery Inspection - PDI) with parties related to prices, terms, financial charges and other conditions compatible with the conditions market share. The Company also apportioned 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 pre-delivery inspection, delivery and inspection (PDI) with some companies of the

Itavema Group, companies these, directly and/or indirectly related to the Company, through its parent company Mopia Participações e Empreendimentos Ltda. (“Mopia”);

- (ii) The Company maintained with 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”), 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 and ceases to compose balances with related parties;
- (iii) The Company has with Pactus Empreendimentos e Participações Ltda., a company under common control of the Company, a lease agreement for commercial properties located in São Bernardo do Campo-SP and Gravataí-RS, so this agreement fits into the new standard CPC 06 (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 amounts negotiated in the formation of the joint venture was received in May 2019.
- (v) The Company provided funds to Fundação Otacilio Coser (FOCO). FOCO has been active since 1999 in strengthening links 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 in communities in São Paulo and Espírito Santo.
- (vi) Company related to the shareholders of the Company's indirect subsidiary “Stork Express”.

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

	Parent		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Assets Current				
Grupo Itavema (i)	70	244	70	244
Coimex Empreendimentos e Participações Ltda.		-	34	34
Tegma Logística Integrada S.A.	13	397	14	405
Tegma Cargas Especiais Ltda.	17	15	-	-
Tegma Logística de Armazéns Ltda.	36	56	-	-
Tegma Logística de Vehicles Ltda.	129	172	-	-
Catlog Logística de Transporte S.A.	8	-	8	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	1	1
Subtotal	273	884	127	684
Dividends receivable				
Tegma Cargas Especiais Ltda.	21,317	-	-	-
Tegmax Comércio e Serviços Automotivos Ltda.	23	-	-	-
Subtotal	21,340	-	-	-
Total Current	21,613	884	127	684

Non-Current Assets				
Tegma Logística Integrada S.A. (iv)	1,115	1,115	1,115	1,115
Securities				
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	1,400	1,400
Rabbot Serviços de Tecnologia Ltda.	-	-	3,200	1,200
Subtotal	1,115	-	5,715	2,600
Total assets	22,728	1,999	5,842	4,399
Current liabilities				
Tegma Logística de Armazéns Ltda.	68	88	-	-
Tegma Logística Integrada S.A.	17	57	31	70
Tegma Logística de Vehicles Ltda.	2	3	-	-
Frete Rápido Desenvolvimento de Tecnologia Logística S.A.	-	-	4	2
Subtotal	87	148	35	72
Leasing				
Niyati Empreendimentos e Participações Ltda.	2,545	1,189	-	-
Tegma Logística Integrada S.A.	461	333	461	333
Pactus Empreendimentos e Participações Ltda. (iii)	4,272	373	4,272	373
Subtotal	7,278	1,895	4,733	706
Total Current	7,365	2,043	4,768	778
Non-Current Liabilities				
Tegma Logística Integrada S.A. (iv)	573	542	592	542
Subtotal	573	542	592	542
Leasing				
Niyati Empreendimentos e Participações Ltda.	4,925	2,660	-	-
Tegma Logística Integrada S.A.	238	1,040	238	1,040
Pactus Empreendimentos e Participações Ltda. (iii)	5,721	-	5,721	-
Subtotal	10,884	3,700	5,959	1,040
Total Liabilities	18,822	6,285	11,319	2,360

Result	Parent		Consolidated	
	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019	Jan/2020 to Sep/2020	Jan/2019 to Sep/2019
Revenue from services rendered				
Grupo Itavema (i)	349	1,042	349	1,042
Frete Rápido Desenvolvimento de Tecnologia Logística	-	-	14	35
S.A. Fastcar Transporte de Vehícles e Cargas Ltda. (vi)	85	-	85	-
Other operating income				
Grupo Itavema (i)	27	51	27	85
Tegma Logística Integrada S/A	147	55	214	364
Tegma Cargas Especiais Ltda.	131	49	-	-
Tegma Logística de Armazéns Ltda.	223	80	-	-
Tegma Logística de Vehícles Ltda.	1	153	-	-
	963	1,430	689	1,526
General and administrative expenses				
Niyati Empreendimentos e Participações Ltda.	(2,086)	(3,575)	-	-
Tegma Logística Integrada S/A	(365)	(701)	(399)	(1,442)
Tegma Cargas Especiais Ltda.	(2)	(27)	-	-
Tegma Logística de Armazéns Ltda.	(336)	(193)	-	-
Tegma Logística de Vehícles Ltda.	-	(105)	-	-
Pactus Empreendimentos e Participações Ltda. (iii)	(3,298)	(3,421)	(3,298)	(2,625)
Sinimbu Participações	-	-	-	-
Societárias e Empreendimentos S.A. (ii)	-	(1,208)	-	(896)
Grupo Itavema	(2)	(5)	(2)	(12)
Frete Rápido Desenvolvimento de Tecnologia Logística	(6)	(7)	(23)	(41)
S.A. Rabbot Serviços de Tecnologia S.A.	(412)	-	(412)	-
Fundação Otacilio Coser (v)	(85)	(35)	(100)	(170)
	(6,592)	(9,277)	(4,234)	(5,186)

Remuneration of key management personnel

The key management personnel include the president, 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 and Consolidated	
	09/30/2020	09/30/2019
Salaries and charges	(5,816)	(5,423)
Management fees (Directors)	(2,114)	(2,114)
Profit sharing	(1,961)	(1,801)
	(9,891)	(9,338)

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 liabilities:

- (a) Cargo transportation - coverage varying, according to the nature and type of transportation, coverage of up to R\$ 1,700 for general cargo and for vehicles according to the model transported, effective from June 30, 2020 to June 30 2021.
- (b) Storage of goods, this coverage, in a variable manner, 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) Third party liability for material, bodily, moral and personal accidents - coverage up to R\$ 1,000, and in the case of a third party fleet coverage is the same, effective from June 30, 2020 until June 30, 2021.
- (d) Support fleet - hull collision, theft and fire - 100% of the market value FIPE table, effective from June 7, 2020 until June 7, 2021.
- (e) Other fixed assets, fire, lightning, explosion, theft, electrical damage and others - comprehensive corporate coverage of R\$ 65,120 effective from May 12, 2020 to April 12, 2020, there was an extension for 30 days, with maturity until May 12, 2021.
- (f) Management civil liability - coverage of R\$ 63,000 effective from November 29, 2019 until November 29, 2020.

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, however, maintaining insurance against third party liability, as mentioned above.

26 Lease

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

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

The table below shows the rates charged in new contracts and renewals, taking into account the contractual terms:

Deadlines Contracts	Rate% p.a
from 0 to 12 months	6.70%
from 13 to 24 months	7.73%
from 25 to 36 months	6.14%
from 37 to 48 months	7.78%
from 49 to 60 months	8.14%
from 61 to 72 months	8.73%

Following is the movement of the right-of-use asset for the nine-month period ended September 30, 2020:

	Parent		
	Real Estate	Vehicles	Machines and equipment
Net balances on January 1, 2020	51,777	1,419	562
Movements			
Addition	18,428	858	(100)
Write-off	(432)	(440)	-
Amortization (i)	(14,267)	(942)	(199)
Net balances as of September 30, 2020	55,506	895	263

	Consolidated		
	Real Estate	Vehicles	Machines and equipment
Net balances on January 1, 2020	67,572	1,492	1,865
Movements			
Addition	12,875	858	2,045
Write-off	(1,417)	(447)	-
Amortization (i)	(21,801)	(983)	(2,414)
Net balances on September 30, 2020	57,229	920	1,496

- (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\$ 15,408 in the Parent Company and R\$ 25,198 in the Consolidated, while the amounts recorded in the result are R\$ 14,421 in the Parent Company and R\$ 23,292 in the Consolidated.

The movement of the lease liability for the nine-month period ended September 30, 2020 follows:

	Parent	Consolidated
Balance on January 1, 2020	57,719	76,922
Initial adoption		
Additions	19,186	15,778
Write-off	(903)	(1,936)
Appropriate interest (i)	3,725	4,350
Payment of principal	(12,576)	(22,560)
Interest payment	(3,113)	(3,833)
Balance as of September 30, 2020	64,038	68,721
	-	-
Current	21,975	29,614
Non-current	42,063	39,107
	64,038	68,721
Balance with third parties	45,876	58,029
Balance with related parties	18,162	10,692
	64,038	68,721

- (i) In accordance with CVM Instruction Circular Official Letter 2/2019, the equity balances presented in appropriate interest are gross of taxes (PIS and COFINS), being R\$ 3,725 in the Parent Company and R\$ 4,350 in the Consolidated, while amounts recorded in the result are R\$ 3,591 in the Parent Company and R\$ 4,325 in the Consolidated.

The non-current installments due have the following maturity schedule of the lease:

	Parent (i)		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
13 to 24 months	19,009	12,672	18,300	19,323

25 to 36 months	14,738	13,071	12,835	12,676
37 to 48 months	7,056	11,321	6,712	10,392
49 to 60 months	1,260	5,448	1,260	5,367
61 to 72 months	-	297	-	297
	<u>42,063</u>	<u>42,809</u>	<u>39,107</u>	<u>48,055</u>

- (i) Includes R\$ 4,925 relating to leasing liabilities with 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 Present Value
Lease consideration	113,568	79,221
Potential PIS / COFINS (9.25%) (i)	9,055	6,285

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

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.

Below is your additional information:

	Parent	Consolidated
Acquisition of fixed assets 2020 – unpaid	(177)	(309)
Acquisition of fixed assets 2019 – paid	744	763
Acquisition of intangible assets 2020 - unpaid	(37)	(56)
Acquisition of intangible assets 2019 - paid	294	294
Current income tax and social contribution compensation	(39,173)	(39,523)
Deferred taxes on hedge accounting	3	3
Additions IFRS 16	19,186	15,778
Dividends not received	21,340	-

28 Subsequent Events

At a meeting of the Board of Directors held on November 6, 2020, was approved the distribution of interim dividends in the amount of R\$ 16,823 and interim interest on equity in the amount of R\$ 5,608 for the year of 2020, which will be paid in 24 November 2020.