



Interim Financial Information

(unaudited)

Sequoia Logística e Transportes S.A.

September 30, 2023

with Report on Review of Interim Financial Information

Sequoia Logística e Transportes S.A.

Interim financial information

September 30, 2023

Contents

Management report

Report on review of interim financial information.....1

Interim financial information

Statements of financial position.....3

Statements of profit or loss.....5

Statements of comprehensive income6

Statements of changes in equity.....7

Statements of cash flows.....8

Statements of value added.....9

Notes to the interim financial information.....10

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on interim financial information

To the Board of Directors and Executive Board of
Sequoia Logística e Transportes S.A.
Embu das Artes - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR), of Sequoia Logística e Transportes S.A. (the "Company") for the quarter ended September 30, 2023, which comprises the statement of financial position as at September 30, 2023, and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 – Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34, applicable to the preparation of the Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Material uncertainty related to going concern

We draw attention to Note 1 to the interim financial information, which indicates that Sequoia Logística e Transportes S.A. incurred a loss of R\$473,320 thousand in the nine-month period ended September 30, 2023 and, on that date, the Company's current liabilities exceeded current assets by R\$197,015 thousand and R\$240,329 thousand, individual and consolidated, respectively. As mentioned in Note, these events or conditions, together with other matters described in Note 1, indicate the existence of material uncertainty that may raise significant doubt as to the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's executive board and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if their format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information as a whole.

São Paulo, November 13, 2023.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP034519/O



Lázaro Angelim Serruya
Accountant CRC-DF015801/O

Sequoia Logística e Transportes S.A.

Statements of financial position

At September 30, 2023 and December 31, 2022

(In thousands of reais - R\$)

		Company		Consolidated	
	Notes	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current assets					
Cash and cash equivalents	4	9,272	113,796	10,820	119,350
Restricted financial investments	4	533	10,038	589	6,927
Accounts receivable	5	198,138	234,208	289,945	351,722
Taxes recoverable	6	34,221	41,353	59,075	70,277
Advances	-	12,385	15,875	17,933	18,723
Prepaid expenses	-	6,005	5,092	8,069	6,973
Other receivables	-	26,928	7,171	32,278	16,683
Total current assets		287,482	427,533	418,709	590,655
Non-current asset held for sale	7.3	39,073	-	39,073	-
Noncurrent assets					
Long-term receivables					
Restricted financial investments	4	-	36,883	-	36,883
Indemnification assets due to acquisition of companies	8.2	-	-	41,928	35,384
Deferred income tax and social contribution	21	139,621	90,103	149,825	112,843
Related parties	22	15,354	13,611	1,843	-
Judicial deposits	-	829	397	14,274	11,609
Call option from investment	7.1	-	9,049	-	9,049
Investments	7	485,911	595,932	3,456	32,939
Property and equipment	9	84,546	88,769	126,647	141,635
Intangible assets	10	188,009	193,842	653,387	693,453
Right-of-use assets	12	207,654	256,310	243,490	318,401
Total noncurrent assets		1,121,924	1,284,896	1,234,850	1,392,196
Total assets		1,448,479	1,712,429	1,692,632	1,982,851

	Notes	Company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current liabilities					
Accounts payable and suppliers credit assignment	13.1	97,490	153,431	124,866	182,407
Borrowings and debentures	11.1	166,613	30,399	174,979	20,605
Derivatives	11.2	30,745	39,374	30,745	39,374
Lease liabilities	12	54,881	51,262	80,056	81,189
Labor and tax obligations	14	103,338	83,844	182,997	149,100
Payables for acquisition of investments	8.1	5,532	4,465	36,134	31,524
Other liabilities	13.2	25,898	19,982	29,261	12,441
Total current liabilities		484,497	382,757	659,038	516,640
Obligations directly associated with the asset classified as held for sale	7.3	7,747	-	7,747	-
Noncurrent liabilities					
Borrowings and debentures	11.1	498,495	488,530	499,179	489,660
Lease liabilities	12	209,058	249,677	231,191	288,185
Obligations to shareholders of FIDC Sequoia	5	-	-	-	10,212
Related parties	22	64,757	58,893	-	-
Labor and tax obligations	14	42,996	5,554	79,655	39,468
Payables for acquisition of investments	8.1	4,572	14,237	3,599	21,622
Provision for legal claims	15	7,346	7,256	85,315	109,401
Provision for loss on investment	7	2,202	7,197	-	6,122
Other payables	13.2	-	-	99	152
Total noncurrent liabilities		829,426	831,344	899,038	964,822
Total liabilities		1,321,670	1,214,101	1,565,823	1,481,462
Equity					
Share capital	16	755,818	655,649	755,818	655,649
Share issue expenses	16	(24,253)	(24,247)	(24,253)	(24,247)
Capital reserves	16	7,786	6,148	7,786	6,148
Income reserves	16	9,969	9,969	9,969	9,969
Accumulated losses		(622,511)	(149,191)	(622,511)	(149,191)
		126,809	498,328	126,809	498,328
Non-controlling interests in FIDC Sequoia	5	-	-	-	3,061
		126,809	498,328	126,809	501,389
Total liabilities and equity		1,448,479	1,712,429	1,692,632	1,982,851

The accompanying notes are part of the interim financial information.

Sequoia Logística e Transportes S.A.

Statements of profit or loss

Three and nine-month periods ended September 30, 2023 and 2022

(In thousands of reais - R\$)

	Notes	Company				Consolidated			
		01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
Net revenues	17	491,128	998,219	99,174	321,152	619,671	1,398,654	126,229	453,068
Cost of services rendered	18	(488,475)	(731,365)	(117,178)	(234,156)	(650,827)	(1,141,346)	(149,752)	(367,504)
Gross profit		2,653	266,854	(18,004)	86,996	(31,156)	257,308	(23,523)	85,564
Operating expenses:									
Selling, general and administrative expenses	18	(201,350)	(142,060)	(93,579)	(48,205)	(311,106)	(244,701)	(160,617)	(74,420)
Other income (expenses), net	19	10,081	36,360	2,642	(2,693)	11,833	53,634	(4,807)	13,881
Share of profit (loss) of investees	7	(182,984)	(108,088)	(93,378)	(17,651)	(4,244)	(6,166)	(949)	(1,656)
		(374,253)	(213,788)	(184,315)	(68,549)	(303,517)	(197,233)	(166,373)	(62,195)
Operating profit (loss) before financial (expenses) income		(371,600)	53,066	(202,319)	18,447	(334,673)	60,075	(189,896)	23,369
Financial expenses	20	(156,541)	(122,095)	(49,591)	(33,672)	(183,291)	(139,429)	(59,567)	(40,894)
Financial income	20	5,303	8,815	1,333	2,461	7,662	12,420	1,877	5,303
		(151,238)	(113,280)	(48,258)	(31,211)	(175,629)	(127,009)	(57,690)	(35,591)
Profit (loss) before income tax and social contribution		(522,838)	(60,214)	(250,577)	(12,764)	(510,302)	(66,934)	(247,586)	(12,222)
Current income tax and social contribution	21	-	(13,548)	-	(3,706)	-	(13,548)	-	(3,706)
Deferred income tax and social contribution	21	49,518	6,577	14,314	4,850	36,982	13,297	11,323	4,308
Loss for the period		(473,320)	(67,185)	(236,263)	(11,620)	(473,320)	(67,185)	(236,263)	(11,620)
Loss per share attributable to equity holders of the Company (expressed in R\$ per share)									
Basic loss per share	16.3	(3.36602)	(0.48018)	(3.36399)	(0.18410)				
Diluted loss per share	16.3	(3.36602)	(0.48018)	(3.36399)	(0.18410)				

The accompanying notes are part of the interim financial information

Sequoia Logística e Transportes S.A.

Statements of comprehensive income

Three and nine-month periods ended September 30, 2023 and 2022

(In thousands of reais - R\$)

	Company				Consolidated			
	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
Loss for the period	(473,320)	(67,185)	(236,263)	(11,620)	(473,320)	(67,185)	(236,263)	(11,620)
(+/-) Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(473,320)	(67,185)	(236,263)	(11,620)	(473,320)	(67,185)	(236,263)	(11,620)

The accompanying notes are part of the interim financial information.

Sequoia Logística e Transportes S.A.

Statements of changes in equity

Nine-month periods ended September 30, 2023 and 2022

(In thousands of reais - R\$)

			Capital reserves	Income reserves				
	Share capital	Share issue expenses	Share-based payment plan	Tax incentive reserve	Accumulated losses	Total	Non-controlling interests in FIDC Sequoia	Total
At January 1, 2023	655,649	(24,247)	6,148	9,969	(149,191)	498,328	3,061	501,389
Loss for the period	-	-	-	-	(473,320)	(473,320)	-	(473,320)
Capital increase	100,169	(6)	-	-	-	100.163	-	100.163
Share-based payment plan	-	-	1,638	-	-	1,638	-	1,638
Obligations to shareholders of FIDC Sequoia	-	-	-	-	-	-	(3,061)	(3,061)
At September 30, 2023	755,818	(24,253)	7,786	9,969	(622,511)	126,809	-	126,809

			Capital reserves	Income reserves				
	Share capital	Share issue expenses	Share-based payment plan	Tax incentive reserve	Accumulated losses	Total	Non-controlling interests in FIDC Sequoia	Total
At January 1, 2022	653,872	(24,247)	3,556	9,969	(42,319)	600,831	-	600,831
Loss for the period	-	-	-	-	(67,185)	(67,185)	-	(67,185)
Capital increase	1,746	-	-	-	-	1,746	-	1,746
Share-based payment plan	-	-	1,974	-	-	1,974	-	1,974
Obligations to shareholders of FIDC Sequoia	-	-	-	-	-	-	1,236	1,236
At September 30, 2022	655,618	(24,247)	5,530	9,969	(109,504)	537,366	1,236	538,602

The accompanying notes are part of the interim financial information.

Sequoia Logística e Transportes S.A.

Statements of cash flows

Nine-month periods ended September 30, 2023 and 2022

(In thousands of reais - R\$)

Operating activities

Profit (loss) before income tax and social contribution

Adjustments to reconcile profit (loss) before income tax and social contribution to items not affecting cash

Depreciation and amortization

Share of profit (loss) of investees

Accrued interest

Fair value of derivatives

Price adjustment

Share-based payment plan

Gain from investment sale

Provisions (reversals) and other non-cash items

Profit (loss) before income tax and social contribution adjusted by non-cash items

Changes in operating assets and liabilities

Accounts receivable

Advances and prepaid expenses

Taxes recoverable

Related parties

Accounts payable

Labor and tax obligations and contingencies paid

Judicial deposits

Other operating assets and liabilities

Net cash flows from (used in) operating activities

Investing activities

Purchase of property and equipment and intangible assets

Capital increase and advance for future capital increase

Payables for acquisition of companies

Proceeds from sale of investment

Net cash flows used in investing activities

Financing activities

Proceeds from borrowings and debentures

Repayment of borrowings and debentures - principal

Repayment of derivatives

Interest paid on borrowings and debentures

Payment of principal portion of lease liabilities

Interest paid on leases

Capital increase

Obligations to shareholders of FIDC Sequoia

Restricted financial investments

Net cash used in financing activities

Decrease in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Profit (loss) before income tax and social contribution	(522,838)	(60,214)	(510,302)	(66,934)
Adjustments to reconcile profit (loss) before income tax and social contribution to items not affecting cash	423,429	223,228	344,072	197,882
Depreciation and amortization	51,915	42,029	114,545	115,348
Share of profit (loss) of investees	182,984	108,088	4,244	6,166
Accrued interest	103,033	72,446	111,720	82,448
Fair value of derivatives	14,077	15,563	14,077	15,563
Price adjustment	(1,600)	(5,942)	(1,600)	(5,942)
Share-based payment plan	1,638	1,974	1,638	1,974
Gain from investment sale	-	(13,731)	-	(13,731)
Provisions (reversals) and other non-cash items	71,382	2,801	99,448	(3,944)
Profit (loss) before income tax and social contribution adjusted by non-cash items	(99,409)	163,014	(166,230)	130,948
Changes in operating assets and liabilities	(30,481)	(19,012)	(44,404)	(102,410)
Accounts receivable	(35,627)	(38,413)	(64,418)	(57,289)
Advances and prepaid expenses	2,577	(5,097)	(306)	(12,595)
Taxes recoverable	7,713	(5,528)	11,783	(24,367)
Related parties	4,121	7,563	(1,843)	-
Accounts payable	(55,940)	26,025	(57,541)	24,282
Labor and tax obligations and contingencies paid	58,815	18,977	75,356	11,217
Judicial deposits	(432)	132	(2,664)	(2,308)
Other operating assets and liabilities	(11,708)	(22,671)	(4,771)	(41,350)
Net cash flows from (used in) operating activities	(129,890)	144,002	(210,634)	28,538
Investing activities				
Purchase of property and equipment and intangible assets	(8,067)	(34,239)	(11,373)	(39,778)
Capital increase and advance for future capital increase	(100,235)	(145,841)	(3,160)	(1,255)
Payables for acquisition of companies	(11,859)	(15,906)	(18,451)	(27,401)
Proceeds from sale of investment	-	16,446	-	16,446
Net cash flows used in investing activities	(120,161)	(179,540)	(32,984)	(51,988)
Financing activities				
Proceeds from borrowings and debentures	267,713	137,462	278,790	137,462
Repayment of borrowings and debentures - principal	(141,953)	(110,000)	(135,582)	(111,001)
Repayment of derivatives	(22,706)	-	(22,706)	-
Interest paid on borrowings and debentures	(57,897)	(40,968)	(58,112)	(41,342)
Payment of principal portion of lease liabilities	(38,083)	(27,477)	(48,213)	(43,541)
Interest paid on leases	(7,186)	(15,378)	(8,289)	(22,207)
Capital increase	100,163	1,746	100,163	1,746
Obligations to shareholders of FIDC Sequoia	-	-	(13,273)	4,149
Restricted financial investments	45,476	(2,665)	42,310	(3,297)
Net cash used in financing activities	145,527	(57,280)	135,088	(78,031)
Decrease in cash and cash equivalents	(104,524)	(92,818)	(108,530)	(101,481)
Cash and cash equivalents at the beginning of the period	113,796	150,834	119,350	168,931
Cash and cash equivalents at the end of the period	9,272	58,016	10,820	67,450
	(104,524)	(92,818)	(108,530)	(101,481)

The accompanying notes are part of the interim financial information.

Sequoia Logística e Transportes S.A.

Statements of value added

Nine-month periods ended September 30, 2023 and 2022

(In thousands of reais - R\$)

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues	513,148	1,222,174	613,281	1,715,757
Revenue from services rendered	574,908	1,191,652	728,008	1,671,269
Allowance for expected credit losses	(71,697)	(7,031)	(126,195)	(10,924)
Other operating income	9,937	37,553	11,468	55,412
Inputs acquired from third parties (including ICMS, PIS and COFINS)	(396,203)	(624,950)	(469,094)	(913,637)
Cost of services rendered	(328,227)	(539,655)	(409,513)	(817,722)
Materials, electric power, outsourced services and others	(67,976)	(85,295)	(59,581)	(95,915)
Gross value added	116,945	597,224	144,187	802,120
Retentions	(51,915)	(42,029)	(114,545)	(115,348)
Depreciation and amortization	(51,915)	(42,029)	(114,545)	(115,348)
Net value added	65,030	555,195	29,642	686,772
Value added received in transfer	(177,423)	(98,814)	3,747	6,995
Share of profit (loss) of investees	(182,984)	(108,088)	(4,244)	(6,166)
Financial income	5,561	9,274	7,991	13,161
Total value added for distribution	(112,393)	456,381	33,389	693,767
Distribution of value added	(112,393)	456,381	33,389	693,767
Personnel and charges	163,120	191,542	241,094	322,094
Direct compensation	127,376	150,899	190,247	250,536
Benefits	28,444	31,870	39,629	54,862
Unemployment Compensation Fund (FGTS)	7,300	8,773	11,218	16,696
Taxes, charges and contributions	36,975	206,392	75,428	283,783
Federal	14,085	134,242	43,021	175,634
State	16,112	65,519	24,575	100,466
Municipal	6,778	6,631	7,832	7,683
Interest and leases	160,832	125,632	190,187	155,075
Equity remuneration	(473,320)	(67,185)	(473,320)	(67,185)
Accumulated losses	(473,320)	(67,185)	(473,320)	(67,185)

The accompanying notes are part of the interim financial information.

Sequoia Logística e Transportes S.A.

Notes to the interim financial information

September 30, 2023

(In thousands of reais - R\$, unless otherwise stated)

1. Operations

Sequoia Logística e Transportes S.A. ("Company" or "Sequoia Transportes") is a publicly-held corporation with shares traded on the "Novo Mercado" corporate governance segment of B3 S.A. - Brasil, Bolsa, Balcão, under ticker SEQL3, and headquartered at Avenida Isaltino Victor de Moraes, nº 437, Bairro Vila Bonfim, Embu das Artes, State of São Paulo, Brazil.

The Company is mainly engaged in the provision of services in the areas of consolidated and fractionated indoor and outdoor logistics, warehouse operational management ("fulfillment"), inland transportation and urban delivery to various customers. The Company stands out for implementing integrated logistics and transportation solutions, with intensive use of technology and systems that support the operating activities and interactions with its customers, developing customized systems to fully meet the needs of such operations.

The issue of this individual and consolidated interim financial information was authorized by the Board of Directors on November 13, 2023.

Basis of preparation

Management has evaluated the Company's ability to continue operating normally and is convinced that the companies have the resources to continue their business in the future. Additionally, Management is not aware of any material uncertainties that could generate significant doubts about the Company's ability to continue operating. Therefore, this interim financial information was prepared based on the going concern assumption.

The Company recognized a loss of R\$473,320 for the nine-month period ended September 30, 2023 and, on that date, the Company and consolidated current liabilities exceeded current assets by R\$197,015 and R\$231,505, respectively, factors that may indicate the existence of uncertainty about the Company's ability to continue as a going concern.

The Company structured a business plan and is taking actions to reduce the reported losses and negotiated with creditors the adjustment of the payment conditions, obtaining the following results in a period subsequent to the presentation of this interim financial information:

- i) Waiver for non-payment of interest on debentures
- ii) Waiver for non-payment of the unit face value of the debentures
- iii) Waiver for non-compliance with the covenants of the debentures
- iv) Restructuring of the 3rd issue,
- v) 4th issue and 5th issue of debentures

The details are described below:

As disclosed in note 11, at the General Meeting of Debenture Holders held on September 14, 2023, the Company obtained a waiver for non-compliance with the financial ratios for the quarter ended September 30, 2023. At the same meeting, it obtained a waiver for non-payment of interest falling due in that month. Also, as disclosed in note 26, at the General Meeting of Debenture Holders held on October 4, 2023, it obtained a waiver for non-payment of the installments related to Remuneration and Unit Face Value and for non-compliance with the covenants in the period from October 2023 to December 2025. At the same meeting the remuneration was changed to 100% of DI and the maturity date was extended to November 2029.

As mentioned in note 26, on October 18, 2023, the Company closed the public offering for issuance of 341,546 debentures compulsorily convertible into shares, with a unit value of R\$1, totaling R\$341,546, of which R\$241,546 from the First Series, which were paid with the delivery of credits and R\$100,000 from the Second Series, which were paid in local currency. Also, as described in Note 26, the Company issued R\$16,000 in debentures that will be paid in local currency.

In addition, the Company is negotiating with creditor banks the working capital borrowings in order to change the terms and conditions of the contracts in force. This negotiation should be concluded until the issuance of the next financial statements.

Aimed at reducing the loss, the Company identified customers and operations that were not contributing to the performance improvement and stopped providing services to them, as in the case of customers that operate with the “Heavy” line. It also revised the contracts with suppliers and service providers and reviewed the administrative structure to face the new scenario. The materialization of all the mapped actions is in progress until the date of issue of this interim financial information and, when these actions are completed, the Company believes that it will return to operate with positive gross margin and adding value to the results.

2. Summary of significant accounting policies

The consolidated interim financial information comprises the operations of the Company and its subsidiaries, as follows:

Direct interest	Core activity	Headquarter country	Equity interest	
			09/30/2023	12/31/2022
Transportadora Americana Ltda. (“ Transportadora Americana ”)	(a) Logistics and transport services	Brazil	100%	100%
Lithium Software Ltda. (“ Frenet ”)	(b) Digital platform	Brazil	100%	100%
SF 350 Ltda. (“ SFX ”)	(c) Intermediation services	Brazil	100%	100%
Sequoia Credit Rights Investment Fund (“ FIDC Sequoia ”)	(d) Investment fund	Brazil	100%	43%

- (a) Transportadora Americana was acquired on February 28, 2020.
 (b) Frenet was acquired on April 5, 2021.
 (c) SFX was incorporated on September 2, 2021, and has been non-operational since its incorporation.
 (d) FIDC Sequoia was regulated as of March 22, 2022 and consolidated as the Company holds most of the risks and rewards.

The Company does not have control over the following companies in which it has equity interest and, therefore, they are presented in the investments group in the consolidated financial statements:

Direct interest	Core activity	Headquarter country	Equity interest	
			09/30/2023	12/31/2022
GHSX Tecnologia e Intermediação ("Drops")	(e) Intermediation services	Brazil	51%	51%
Lincros Soluções em Software S.A. ("Lincros")	(f) Digital platform	Brazil	41%	41%

- (e) Drops was incorporated on August 8, 2021, under shared control.
 (f) Equity interest at Lincros with shared control acquired on November 11, 2021.

The interim financial information has been prepared in accordance with CPC 21 - Interim Financial Reporting, which establishes the minimum content of interim financial information, and the recognition and measurement principles for full or condensed interim financial information.

The interim financial information, in this case, is intended to provide the quarterly information based on the latest full annual financial statements. Therefore, it focuses on new activities, events and circumstances and does not duplicate information previously disclosed, except when management considers important to maintain certain information.

The interim financial information presented herein has been prepared based on the accounting policies and estimate calculation methods adopted in the preparation of the annual financial statements for the year ended December 31, 2022.

There have been no changes with respect to these accounting policies and estimate calculation methods. As permitted by CPC 21 - Interim Financial Reporting, management elected not to disclose again in detail the accounting policies adopted by the Company. Accordingly, this individual and consolidated interim financial information should be read in conjunction with the individual and consolidated financial statements for the year ended December 31, 2022.

Management has evaluated the Company's ability to continue operating normally and is convinced that the companies have the resources to continue their business in the future. Additionally, Management is not aware of any material uncertainties that could generate significant doubts about the Company's ability to continue operating. Therefore, this interim financial information was prepared based on the going concern assumption.

Statement of compliance and basis of preparation

The individual and consolidated interim financial information has been prepared and is presented in accordance with the technical pronouncement CPC 21 (R1) - Interim Financial Reporting and with the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), consistently with the standards issued by the Securities and Exchange Commission of Brazil ("CVM"), applicable to the preparation of quarterly information.

2.1 New pronouncements, interpretations and amendments adopted

There are no standards or interpretations that have been issued or amended and are not yet effective that, in the Company's understanding at the time of adoption, may have a significant impact on the profit or loss or equity disclosed by the Company.

3. Financial instruments

The main financial instruments and their amounts recorded in the interim financial information by category, as well as the respective fair values, are as follows:

Company					
At September 30, 2023	Fair value hierarchy	Measured at fair value through profit or loss	Amortized cost	Carrying amount	Fair value
Financial assets:					
Cash and cash equivalents	Level 2	9,272	-	9,272	9,272
Restricted financial investments	Level 2	533	-	533	533
Accounts receivable	Level 2	-	198,138	198,138	198,138
Financial liabilities:					
Accounts payable and suppliers credit assignment	Level 2	-	(97,490)	(97,490)	(97,490)
Borrowings and debentures	Level 2	-	(665,108)	(665,108)	(665,108)
Derivatives	Level 2	(30,745)	-	(30,745)	(30,745)
Taxes in installments	Level 2	-	(58,185)	(58,185)	(58,185)
Payables for acquisition of investments	Level 2	-	(10,104)	(10,104)	(10,104)

Consolidated					
At September 30, 2023	Fair value hierarchy	Measured at fair value through profit or loss	Amortized cost	Carrying amount	Fair value
Financial assets:					
Cash and cash equivalents	Level 2	10,820	-	10,820	10,820
Restricted financial investments	Level 2	589	-	589	589
Accounts receivable	Level 2	-	289,945	289,945	289,945
Financial liabilities:					
Accounts payable and suppliers credit assignment	Level 2	-	(124,866)	(124,866)	(124,866)
Borrowings and debentures	Level 2	-	(674,158)	(674,158)	(674,158)
Derivatives	Level 2	(30,745)	-	(30,745)	(30,745)
Taxes in installments	Level 2	-	(133,340)	(133,340)	(133,340)
Obligations to shareholders of FIDC Sequoia	Level 2	-	-	-	-
Payables for acquisition of investments	Level 2	-	(39,733)	(39,733)	(39,733)

Risk considerations

Credit risk

The operation of the Company and its subsidiaries comprises the provision of logistics services, mainly represented by the transportation of cargo in general, governed by specific contracts, which have certain conditions and terms, being substantially indexed to inflation compensation indexes for a period longer than one year. The Company adopts specific procedures for the selection and analysis of the customer portfolio in order to prevent default losses.

Liquidity risk

This is the risk of the Company and its subsidiaries not having sufficient liquid funds to fulfill their financial commitments, due to a mismatch of term or volume between expected receipts and payments. To monitor the cash liquidity, assumptions of future disbursements and receipts are established, which are daily monitored by the treasury area.

Interest rate risk

The Company obtains borrowings from the main financial institutions to meet cash needs for investment and growth. As a result of the aforementioned, the Company is exposed to interest rate risk referenced to Interbank Deposit Certificate ("CDI").

Capital management

The main objective of the Company's capital management is to ensure that it maintains a strong credit rating and a well-established capital ratio in order to support business and maximize shareholder value. The Company manages the capital structure and adjusts it considering the changes in economic conditions.

There were no changes in the objectives, policies or processes during the nine-month period ended September 30, 2023.

Capital management can be presented as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Borrowings and debentures	665,108	518,929	674,158	510,265
Derivatives	30,745	39,374	30,745	39,374
Payables for acquisition of investments	10,104	18,702	39,733	53,146
(-) Cash and cash equivalents and restricted financial investments	(9,805)	(160,717)	(11,409)	(163,160)
Net debt	696,152	416,288	733,227	439,625
Equity	126,809	498,328	126,809	501,389
Equity and net debt	822,961	914,616	860,036	941,014

Measurement of financial instruments

The measurement of all financial instruments of the Company and its subsidiaries corresponds only to the characteristics of Level 2:

Level 2

Cash and cash equivalents and restricted financial investments - the carrying amounts of financial investments in Bank Deposit Certificates measured at amortized cost approximate their fair values due to the fact that the operations are carried out at floating rates.

Borrowings and debentures, derivatives, accounts payable and suppliers credit assignment, taxes in installments, obligations to shareholders of FIDC Sequoia, and payables for acquisition of investments - the carrying amounts are measured at amortized cost and disclosed at fair value.

Accounts receivable - it is estimated that the carrying amounts of accounts receivable approximate their market fair values, due to the short term of the operations carried out.

Transactions with derivative instruments

From December 11, 2020 to January 12, 2022, the Company maintained interest rate swap contracts to hedge against interest rate risks. On January 17, 2022, the Company entered into an equity swap agreement, in line with the agreement for repurchase of shares signed on January 11, 2022. These contracts were classified as derivative financial instruments and initially recognized at fair value on the date the contract is signed and subsequently remeasured monthly at fair value, with the adjustments being posted directly to the statement of profit or loss. Derivatives are presented as financial assets when the fair value calculated is positive, or as financial liabilities when the fair value is negative.

The Company does not have derivative financial instruments for speculation purposes and believes that the existing internal controls are adequate to control the risks associated with each strategy in the financial market.

The swap contracts signed on December 11, 2020 had a notional value of R\$30,117 and R\$58,200, allowing the Company to pay a fixed rate (identical to the interest rate defined in the debentures issued in 2019) and receive a floating rate indexed to the CDI. The equity swap contracts signed have a notional value indicated on each trading date, which allows the Company to pay a floating rate indexed to the CDI and to receive the variation of the value of its shares on B3.

The fair value of swap contracts was calculated considering the indices disclosed by Bm&fBovespa S.A., the data available on the calculation date and a specific calculation methodology for this type of transaction.

Sensitivity analysis

The Company is exposed to the variation of the Interbank Deposit Certificate (CDI), the index for borrowings in local currency and for income from financial investments (CDB). In order to check the sensitivity of these indexes, three different scenarios were defined:

For the probable scenario, according to an assessment prepared by Management, an oscillation of 5% was considered. Additionally, two other scenarios are presented (A and B). The Company assumed an oscillation of 25% (scenario A) and 50% (scenario B - extreme situation scenario) in the projections. The sensitivity analysis for each type of risk deemed relevant by Management is shown in the following table:

Transaction	Risk	Consolidated			
		09/30/2023	Gains and/or (losses)		
			Probable	Scenario A	Scenario B
Borrowings and debentures indexed to CDI	CDI increase	674,158	(4,264)	(21,320)	(42,640)
Payables for acquisition of investments	CDI increase	39,733	(251)	(1,257)	(2,513)
Financial investments indexed to CDI	CDI decrease	7,214	(43)	(183)	(304)
Restricted financial investments indexed to CDI	CDI decrease	589	(4)	(15)	(25)
	CDI (increase) ¹⁾	12.65%	13.28%	15.81%	18.98%
	CDI (decrease) ¹⁾	12.65%	12.05	10.12%	8.43%

1) CDI disclosed by CETIP.

4. Cash and cash equivalents and Restricted financial investments

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash	85	112	141	234
Banks	2,098	6,363	3,465	9,339
Financial investments in CDB (a)	7,089	107,321	7,214	109,777
Cash and cash equivalents	9,272	113,796	10,820	119,350
Restricted financial investments (b)	-	36,883	-	36,883
Shares of FIDC Sequoia (c)	533	10,038	-	-
Non-exclusive investment fund	-	-	589	6,979
	9,805	160,717	11,409	163,212

- (a) Refer to financial investments in Bank Deposit Certificates (CDB), yielding between 85% and 102% of the Interbank Deposit Certificate (CDI).
- (b) Restricted financial investments linked to bank debts were early redeemed in January 2023 as part of the bank debt renegotiation process, and financial investments related to the acquisition of Lótus, merged on August 31, 2019, were early released in March 2023, less indemnifiable losses, plus net income earned.
- (c) The shares held by the Company in FIDC Sequoia are valued daily and the fair value is considered for accounting measurement of the investment value. When applicable, the senior and mezzanine shares held by investors in FIDC Sequoia are classified in financial liabilities as "Obligations to shareholders of FIDC Sequoia" and the subordinated shares are classified as "Non-controlling interests in FIDC Sequoia", in equity.

5. Accounts receivable

The breakdown of accounts receivable is as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Domestic customers	175,187	151,774	278,084	250,615
Unbilled customers (a)	110,398	125,828	135,043	165,615
	285,585	277,602	413,127	416,230
(-) Allowance for expected credit losses	(87,447)	(43,394)	(123,182)	(64,508)
	198,138	234,208	289,945	351,722

- (a) Services provided that will be billed in subsequent periods, which are recognized on an accrual basis.

The aging of accounts receivable is as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Falling due	155,300	195,827	207,971	293,391
Past due				
1 to 30 days past due	5,500	12,475	6,325	20,529
31 to 90 days past due	8,090	12,240	16,912	21,057
91 to 180 days past due	24,928	9,411	46,266	21,927
181 to 365 days past due	44,842	20,948	62,420	43,106
More than 365 days past due	46,925	26,701	73,233	16,220
Subtotal past due	130,285	81,775	205,156	122,839
	285,585	277,602	413,127	416,230

Set out below is the movement in the allowance for expected credit losses of accounts receivable:

	Company	Consolidated
At January 1, 2023	(43,394)	(64,508)
Additions	(44,053)	(58,674)
Reversals	-	-
At September 30, 2023	(87,447)	(123,182)

	Company	Consolidated
At January 1, 2022	(11,995)	(21,534)
Additions	(7,031)	(10,924)
Reversals	-	-
At September 30, 2022	(19,026)	(32,458)

The average consolidated collection period is approximately 82 days (65 days at December 31, 2022).

6. Taxes recoverable

The breakdown of the taxes recoverable balance is as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
PIS and COFINS (a)	15,756	29,736	22,086	37,768
ICMS	-	-	2,933	2,933
Prepayments of income tax (IRPJ) and social contribution (CSLL)	231	231	1,775	1,494
INSS	9,544	6,019	23,282	22,226
Tax withholdings	6,354	4,541	6,565	5,031
Other	2,336	826	2,434	825
	34,221	41,353	59,075	70,277

(a) The Company is using the credits authorized by tax authorities to cover tax debts measured in its operations and expects to use the balance in the next 12 months.

7. Investments

The breakdown of investments is as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Investments in subsidiaries	480,253	561,918	-	-
Investment in joint venture	3,456	1,480	3,456	1,480
Investment in associate	-	25,337	-	25,337
	483,709	588,735	3,456	26,817
Investments in subsidiaries, joint venture and associate	485,911	595,932	3,456	32,939
Provision for loss on investment	(2,202)	(7,197)	-	(6,122)
	483,709	588,735	3,456	26,817

7.1. Investments in subsidiaries, joint venture and associate

The movement and breakdown of the balance are as follows:

	Company				
	Transportadora Americana	Frenet	Drops	Lincros	Total
At December 31, 2022	540,616	21,302	1,479	25,338	588,735
Share of profit (loss) of investees	(176,310)	(2,430)	(1,183)	(3,061)	(182,984)
Advance for future capital increase	97,075	-	3,160	-	100,235
Transfer to asset held for sale	-	-	-	(22,277)	(22,277)
At September 30, 2023	461,381	18,872	3,456	-	483,709
Subsidiaries	414,119	(2,202)	-	-	411,917
Joint venture	-	-	3,456	-	3,456
Associate	-	-	-	-	-
Goodwill on acquisition of investment	47,260	21,074	-	-	68,334
Investment	461,381	21,074	3,456	-	485,911
Provision for loss on investment	-	(2,202)	-	-	(2,202)

	Company					
	Transportadora Americana	Direccional	Frenet	Drops	Lincros	Total
At January 1, 2022	212,890	196,293	23,165	1,237	30,470	464,055
Share of profit (loss) of investees	(97,864)	1,072	(5,130)	(2,338)	(3,828)	(108,088)
Advance for future capital increase and Capital increase	108,271	32,165	4,151	1,254	-	145,841
At September 30, 2022	223,297	229,530	22,186	153	26,642	501,808
Subsidiaries	198,863	194,984	(627)	-	-	393,220
Joint venture	-	-	-	153	-	153
Associate	-	-	-	-	(5,308)	(5,308)
Goodwill on acquisition of investment	24,434	34,546	22,813	-	31,950	113,743
Investments	223,297	229,530	22,813	153	26,642	502,435
Provision for loss on investment	-	-	(627)	-	-	(627)

	Consolidated		
	Drops	Lincros	Total
At December 31, 2022	1,479	25,338	26,817
Share of profit (loss) of investees	(1,183)	(3,061)	(4,244)
Advance for future capital increase	3,160	-	3,160
Transfer to asset held for sale	-	(22,277)	(22,277)
At September 30, 2023	3,456	-	3,456
Joint venture	3,456	-	3,456
Associate	-	-	-
Goodwill on acquisition of investment	-	-	-
Investment	3,456	-	3,456
Provision for loss on investment	-	-	-

	Consolidated		
	Drops	Lincros	Total
At January 1, 2022	1,237	30,470	31,707
Share of profit (loss) of investees	(2,338)	(3,828)	(6,166)
Advance for future capital increase	1,254	-	1,254
At September 30, 2022	153	26,642	26,795
Joint venture	153	-	153
Associate	-	(5,308)	(5,308)
Goodwill on acquisition of investment	-	31,950	31,950
Investment	153	26,642	26,795
Provision for loss on investment	-	-	-

The significant financial information of the subsidiaries is as follows:

09/30/2023					
Subsidiary	Assets	Liabilities	Equity	Net revenue	Profit (loss) for the period
Transportadora Americana	727,985	(313,866)	(414,119)	118,790	(167,559)
Frenet	11,455	(13,657)	2,202	10,435	(1,127)

09/30/2022					
Subsidiary	Assets	Liabilities	Equity	Net revenue	Profit (loss) for the period
Transportadora Americana	367,657	(168,794)	(198,863)	142,035	(96,049)
Direccional	336,346	(141,362)	(194,984)	179,935	8,203
Frenet	5,029	(5,656)	627	7,005	(3,827)

The main information of the joint venture and associate can be presented as follows:

09/30/2023							
Investee	% in interest	% in voting capital	Assets	Liabilities	Equity	Net revenue	Profit (loss) for the period
Drops	51%	51%	7,197	(11,098)	3,901	2,641	(2,320)
Lincros	41%	41%	8,314	(10,160)	1,846	20,836	(3,139)

09/30/2022							
Investee	% in interest	% in voting capital	Assets	Liabilities	Equity	Net revenue	Profit (loss) for the period
Drops	51%	51%	5,144	(7,559)	2,415	4	(4,584)
Lincros	41%	41%	10,850	(7,582)	(3,268)	19,196	(5,751)

As part of the shareholders' agreement, signed upon the acquisition of Lincros, Sequoia was granted a call option to purchase all the remaining 59% interest in Lincros, effective between the third and seventh anniversary of the signing of this shareholders' agreement. Additionally, the shareholders with the remaining 59% interest were granted a put option to sell all of their equity interest to Sequoia effective between the fourth and seventh anniversary of the signing of this shareholders' agreement, provided that Sequoia holds more than 50% of the common shares. The fair value of the purchase options of R\$9,049 was recorded as an investment purchase option.

7.2. Corporate restructuring transactions

Merger of Plimor and Direcional

At the Extraordinary General Meeting held on December 30, 2022, Transportadora Americana approved the merger of Plimor and Direcional. The main purpose of this merger was to allow operating gains for the companies. The merged net assets are as follows:

	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Merged net assets
Plimor	42,642	36,165	(24,454)	(141,097)	(86,744)
Direcional	96,760	230,327	(66,385)	(67,364)	193,338

7.3. Non-current asset held for sale

In May 2023, the Company published the decision to sell non-strategic assets with a view to strengthening the capital structure. In this context, the following criteria were met to classify the investment in the Lincros as held for sale:

- The investment is available for immediate sale and can be sold to a potential buyer in its current state;
- The actions required to complete the sale have been initiated and are expected to be completed within one year from the date of classification;
- Preliminary negotiations with a potential buyer have already begun. Other potential buyers have been identified in case negotiations with the potential buyer do not result in a sale.

Lincros operates on a platform for freight contracting, routing, monitoring, control and freight audit.

The disposal of the investment is expected to be completed by the end of December 2023 and, at September 30, 2023 the Company was continuing the negotiations with the potential buyer.

Lincros' major asset and liability classes classified as held for sale at September 30 are:

	09/30/2023
Asset	
Goodwill	30,024
Call option from investment	9,049
Asset classified as held for sale	39,073
Liability	
Provision for loss on investment	(7,747)
Obligations directly associated with the asset classified as held for sale	(7,747)
Net assets directly associated to group of asset held for sale	31,326

8. Payables for acquisition of investments and Indemnification assets due to acquisition of companies

8.1. Payables for acquisition of investments

The breakdown is as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Lótus	-	8,709	-	8,709
Nowlog	2,714	3,143	2,714	3,143
Direcional	153	-	153	-
Frenet	7,237	6,850	6,394	6,850
Plimor	-	-	30,472	34,444
	10,104	18,702	39,733	53,146
Current	5,532	4,465	36,134	31,524
Noncurrent	4,572	14,237	3,599	21,622

8.2. Indemnification assets due to acquisition of companies

The breakdown is as follows:

	Consolidated	
	09/30/2023	12/31/2022
Transportadora Americana	35,986	30,301
Direcional	2,767	1,440
Prime	3,175	3,643
	41,928	35,384

9. Property and equipment

The breakdown and movement of property and equipment is as follows:

	Company								
	Vehicles and trucks	Facilities	Machinery and equipment	Furniture and fittings	IT equipment	Leasehold improvement s	Property and equipment in progress	Other property and equipment	Total
Cost:									
At January 1, 2023	33,730	10,051	36,464	7,619	19,036	24,651	22,220	9,626	163,397
Additions	86	-	46	71	1,036	-	5,525	11	6,775
Transfers	-	-	12,380	15,275	90	-	(27,745)	-	-
At September 30, 2023	33,816	10,051	48,890	22,965	20,162	24,651	-	9,637	170,172
At January 1, 2022	31,148	8,271	19,891	5,201	16,143	17,117	24,363	6,163	128,297
Additions	90	124	13,873	210	2,956	795	6,268	35	24,351
Transfers	2,430	2	-	-	(4,980)	(1)	-	2,549	-
At September 30, 2022	33,668	8,397	33,764	5,411	14,119	17,911	30,631	8,747	152,648
Depreciation:									
At January 1, 2023	(29,764)	(6,066)	(9,755)	(4,129)	(12,072)	(10,210)	-	(2,632)	(74,628)
Depreciation	(1,394)	(603)	(2,660)	(532)	(3,125)	(2,680)	-	(4)	(10,998)
At September 30, 2023	(31,158)	(6,669)	(12,415)	(4,661)	(15,197)	(12,890)	-	(2,636)	(85,626)
At January 1, 2022	(27,476)	(5,307)	(7,207)	(3,785)	(9,213)	(8,709)	-	(2,627)	(64,324)
Depreciation	(1,792)	(583)	(1,768)	(270)	(2,010)	(1,142)	-	(4)	(7,569)
At September 30, 2022	(29,268)	(5,890)	(8,975)	(4,055)	(11,223)	(9,851)	-	(2,631)	(71,893)
Net residual value:									
At September 30, 2023	2,658	3,382	36,475	18,304	4,965	11,761	-	7,001	84,546
At September 30, 2022	4,400	2,507	24,789	1,356	2,896	8,060	30,631	6,116	80,755

	Consolidated								
	Vehicles and trucks	Facilities	Machinery and equipment	Furniture and fittings	IT equipment	Leasehold improvements	Property and equipment in progress	Other property and equipment	Total
<i>Cost:</i>									
At January 1, 2023	145,366	11,238	66,502	11,348	33,778	31,339	34,693	51,265	385,529
Additions	142	-	60	75	1,036	-	8,040	559	9,912
Write-offs	(4,700)	-	(18,230)	(4)	-	-	-	(386)	(23,320)
Transfers	-	-	12,380	15,275	90	-	(27,745)	-	-
At September 30, 2023	140,808	11,238	60,712	26,694	34,904	31,339	14,988	51,438	372,121
At January 1, 2022	141,200	9,410	49,765	8,875	31,355	23,635	34,166	47,415	345,821
Additions	1,932	174	13,936	288	3,528	966	7,512	47	28,383
Write-offs	(3,989)	-	-	-	-	-	-	-	(3,989)
Transfers	3,164	-	101	(104)	(6,052)	(2)	(1)	2,894	-
At September 30, 2022	142,307	9,584	63,802	9,059	28,831	24,599	41,677	50,356	370,215
<i>Depreciation:</i>									
At January 1, 2023	(111,643)	(6,877)	(36,613)	(6,938)	(25,401)	(13,819)	-	(42,603)	(243,894)
Depreciation	(9,890)	(687)	(3,846)	(690)	(3,603)	(3,141)	-	(42)	(21,899)
Write-offs	3,018	-	17,301	-	-	-	-	-	20,319
At September 30, 2023	(118,515)	(7,564)	(23,158)	(7,628)	(29,004)	(16,960)	-	(42,645)	(245,474)
At January 1, 2022	(86,804)	(6,009)	(32,183)	(6,377)	(21,956)	(11,672)	-	(42,488)	(207,489)
Depreciation	(20,776)	(664)	(3,211)	(441)	(2,452)	(1,630)	-	(88)	(29,262)
At September 30, 2022	(107,580)	(6,673)	(35,394)	(6,818)	(24,408)	(13,302)	-	(42,576)	(236,751)
<i>Net residual value:</i>									
At September 30, 2023	22,293	3,674	37,554	19,066	5,900	14,379	14,988	8,793	126,647
At September 30, 2022	34,727	2,911	28,408	2,241	4,423	11,297	41,677	7,780	133,464

Management did not identify any impairment indicators in the nine-month period ended September 30, 2023.

10. Intangible assets

The movement is as follows:

	Company					
	Software and other	Goodwill	Customer portfolio	Non-compete agreement	Surplus value of property and equipment	Total
<i>Cost:</i>						
At January 1, 2023	76,024	139,547	34,642	5,446	6,585	262,244
Additions	1,292	-	-	-	-	1,292
At September 30, 2023	77,316	139,547	34,642	5,446	6,585	263,536
At January 1, 2022	62,401	139,547	34,642	5,446	6,585	248,621
Additions	9,888	-	-	-	-	9,888
At September 30, 2022	72,289	139,547	34,642	5,446	6,585	258,509
<i>Amortization:</i>						
At January 1, 2023	(26,007)	-	(30,892)	(4,997)	(6,506)	(68,402)
Amortization	(3,827)	-	(2,997)	(274)	(27)	(7,125)
At September 30, 2023	(29,834)	-	(33,889)	(5,271)	(6,533)	(75,527)
At January 1, 2022	(23,087)	-	(23,374)	(4,632)	(6,452)	(57,545)
Amortization	(2,173)	-	(5,638)	(274)	(40)	(8,125)
At September 30, 2022	(25,260)	-	(29,012)	(4,906)	(6,492)	(65,670)
<i>Net residual value:</i>						
At September 30, 2023	47,482	139,547	753	175	52	188,009
At September 30, 2022	47,029	139,547	5,630	540	93	192,839
	Consolidated					
	Software and other	Goodwill	Customer portfolio	Non-compete agreement	Surplus value of property and equipment	Total
<i>Cost:</i>						
At January 1, 2023	94,311	487,534	227,279	34,463	6,452	850,039
Additions	1,461	-	-	-	-	1,461
At September 30, 2023	95,772	487,534	227,279	34,463	6,452	851,500
At January 1, 2022	79,052	487,534	227,279	34,463	6,452	834,780
Additions	11,395	-	-	-	-	11,395
At September 30, 2022	90,447	487,534	227,279	34,463	6,452	846,175
<i>Amortization:</i>						
At January 1, 2023	(29,949)	-	(104,052)	(16,133)	(6,452)	(156,586)
Amortization	(5,426)	-	(31,588)	(4,513)	-	(41,527)
At September 30, 2023	(35,375)	-	(135,640)	(20,646)	(6,452)	(198,113)
At January 1, 2022	(24,374)	-	(58,878)	(10,071)	(6,452)	(99,775)
Amortization	(3,698)	-	(34,202)	(4,670)	-	(42,570)
At September 30, 2022	(28,072)	-	(93,080)	(14,741)	(6,452)	(142,345)
<i>Net residual value:</i>						
At September 30, 2023	60,397	487,534	91,639	13,817	-	653,387
At September 30, 2022	62,375	487,534	134,199	19,722	-	703,830

Impairment testing

Management tested the impairment of the recorded goodwill using the discounted cash flow method.

In accordance with CPC 01 (R1) / IAS 36 - *Impairment of Assets*, assets should be grouped at the lowest levels for which there are independent cash flows (CGUs). The Company believes that there is only a single CGU in its operation, due to the similarity of operations, similarity of functionality of the assets, similarity in assumptions for projection of results, synergy between operations and, mainly, a centralized cash management between operations.

Goodwill acquired through a business combination is allocated to each of the CGUs for impairment testing.

The process of determining the value in use involved the use of assumptions, judgments and estimates on cash flows, such as growth rates of revenues, costs and expenses, estimates of future investments and working capital, perpetuity and discount rate. This understanding is in accordance with paragraph 35 of CPC 01 (R1) - *Impairment of Assets*. All the assumptions used are described below:

(i) Cash flow discount rate: 15% p.a. (13.5% p.a. at December 31, 2022).

According to Management's assessment, this is a percentage that reflects the weighted cost of capital. The discount rates represent the risk assessment in the current market taking into considering the timing value of money and the individual risks of the related assets that were not incorporated into the assumptions included in the cash flow model. The calculation of the discount rate is based on specific circumstances and is derived from the weighted average cost of capital (WACC). The WACC takes into consideration both the debt and the equity. The cost of equity is derived from the expected return on the investment made by the investors. The cost of debt is based on financing subject to interest. The specific risk is incorporated by applying the individual beta factors. The beta factors are assessed annually based on market data available to the public.

(ii) Cash flow projection for 5 years with a perpetuity growth rate of 3.3%.

(iii) Revenue growth: in the period from 2023 to 2027 the revenue growth rate of 17.0% p.a. (11.8% p.a. at December 31, 2022) was estimated based on an improvement in the operation of customers which are already in the portfolio (increase in operation volume and price increase according to the contract), gaining of new customers and loss of existing customers (churn), and synergy from the acquisition of companies.

(iv) Evolution of operating results: takes into account the Company's historical margin, estimated inflation of the main costs and expenses and labor agreements.

(v) Investments: considered necessary investments for the implementation of new customers.

Assumptions with relevant impact used in the calculation of value in use:

The impairment calculation is more sensitive to the following assumptions:

- (i) Discount rate
- (ii) Growth in perpetuity

Discount rate

The discount rate represents the risk assessment in the current market. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC).

Growth in perpetuity

The estimate was based mainly on:

- (i) Historical results obtained by the Company and its subsidiaries;
- (ii) Expectation of organic growth due to the increase in volume of current operations and price adjustment based on projected inflation (IPCA for the period);
- (iii) Expectation of economic growth based on projections released by the Central Bank of Brazil (Focus Bulletin).

Sensitivity to changes in assumptions

The implications of the main assumptions for the recoverable amount are discussed below:

- (i) Discount rate - the Company's discount rate has negligible sensitivity to changes in the projection of interest, since more than half of the composition of its capital from third parties is pre-fixed and almost all the rest indexed to the TJLP, an index structurally little susceptible to oscillations;
- (ii) Perpetuity growth - applying a 30.0% reduction factor in perpetuity growth, this growth goes from the 3.3% originally considered to 2.3%, which practically would not consider real growth in operating cash flow, a situation that would not be feasible in comparison to the recent performance of the asset. Even so, using this new growth there is no impairment loss.

There was no record of impairment in the periods ended September 30, 2023 and 2022.

11. Borrowings, debentures and Derivatives

11.1. Borrowings and debentures

		Company		Consolidated	
% - Interest p.a.		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Working capital	CDI + 1.9% to 3.0% and pre-set from 13%	363,205	196,127	368,986	198,788
Debentures	CDI + 2.75%	305,033	301,295	305,033	301,295
FIDC		-	11,325	-	-
Other		220	11,989	3,489	11,989
		668,458	520,736	677,508	512,072
Transaction costs		(3,350)	(1,807)	(3,350)	(1,807)
		665,108	518,929	674,158	510,265
Current		166,613	30,399	174,979	20,605
Noncurrent		498,495	488,530	499,179	489,660

The balance movement can be seen in note 25.

The amounts recorded in noncurrent liabilities have the following maturity schedule:

	Company	Consolidated
From Oct/24 to Sept/25	185,479	185,479
From Oct/24 to Sept/26	159,160	159,160
From Oct/24 to Sept/27	130,386	130,386
From Oct/27 onwards	23,470	24,154
	498,495	499,179

The guaranteed borrowing amounts can be presented as follows:

	Company	Consolidated
Assignment of receivables	363,425	372,475
Personal guarantee provided by subsidiaries	305,033	305,033

Working capital contracts provide for covenants, including: (i) provision of annual financial information, (ii) default in transactions with financial institutions, and (iii) maintenance of certain financial ratios, defined by the Net Debt / EBITDA ratio, which must be less than or equal to 2.5x at the end of 2022 onwards.

The debentures issued at the end of 2022 establish virtually the same covenants agreed upon for working capital contracts. However, for financial ratios, the Company should evaluate the failure to meet the defined ratios in two consecutive periods or three alternating periods within a 12-month

interval. Additionally, the Net Debt / EBITDA ratio should be less than or equal to 3.0x at the end of 2022 and 2.5x at the end of 2023 onwards.

At the General Meeting of Debenture Holders held on September 14, 2023, the Company was granted a waiver for not measuring the financial ratios in the third quarter ended September 30, 2023. Accordingly, at September 30, 2023, the Company was fully compliant with the covenants mentioned above and other contracts.

11.2. Derivatives

Existing equity swap agreements, associated to the share repurchase agreement, are measured at fair value. The amounts calculated at the end of the period can be presented as follows:

Notional value	Fair value		
	Long position	Short position	Net receivable/(payable)
20,113	987	(26,609)	(25,622)
4,868	261	(5,384)	(5,123)
	1,248	(31,993)	(30,745)

The fair value is presented in current liabilities as the financial settlement is expected in December 2023.

12. Right-of-use assets and Lease liabilities

Right-of-use assets

Company						
	Useful life (years)	12/31/2022	Additions	Write-offs	Depreciation	09/30/2023
Distribution centers and properties	2 to 12	205,510	1,733	(12,933)	(29,309)	165,001
Trucks	5	50,261	-	-	(7,936)	42,325
Monitoring systems	5	539	-	-	(211)	328
		256,310	1,733	(12,933)	(37,456)	207,654

Consolidated						
	Useful life (years)	12/31/2022	Additions	Write-offs	Depreciation	09/30/2023
Distribution centers and properties	2 to 12	267,562	1,816	(20,887)	(47,693)	200,798
Trucks	5	50,261	-	-	(7,936)	42,325
Monitoring systems	5	578	-	-	(211)	367
		318,401	1,816	(20,887)	(55,840)	243,490

Lease liabilities

The balance movement can be seen in note 24.

The impact on the statement of financial position of embedded nominal interest of lease liabilities is shown below:

	Company	Consolidated
Nominal flow	359,775	414,593
(-) Embedded interest	(95,836)	(103,346)
	263,939	311,247
Current	54,881	80,056
Noncurrent	209,058	231,191

The maturities of the noncurrent balance are shown below:

	Company	Consolidated
From Oct/24 to Sept/25	41,008	48,132
From Oct/25 to Sept/26	37,254	41,683
From Oct/26 to Sept/27	35,225	39,132
From Oct/27 onwards	95,571	102,244
	209,058	231,191

13. Accounts payable and Other payables

13.1 Accounts payable and suppliers credit assignment

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Accounts payable	55,693	39,296	81,679	41,054
Suppliers credit assignment (a)	41,797	114,135	43,187	141,353
	97,490	153,431	124,866	182,407

- (a) The Company entered into agreements with banks to structure the operation called "suppliers financing" with its strategic suppliers and freight service providers in order to facilitate the financial flow of these partners. In this transaction, suppliers transfer the rights to receive the notes to the bank, which, in turn become creditor in the transaction. Management periodically reviews the composition of this operation's portfolio and concluded that there was no change in the terms, prices and conditions previously established when a complete analysis of suppliers by category is performed.

13.2 Other payables

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Provision for operating costs (a)	25,439	19,083	28,579	11,694
Provision for employee benefits	459	144	781	144
Provision for bonus and profit sharing	-	755	-	755
	25,898	19,982	29,360	12,593
Current liabilities	25,898	19,982	29,261	12,441
Noncurrent liabilities	-	-	99	152

- (a) This refers to provisions that were measured according to Management's best estimate and will have their amount approved after the conclusion on the calculation. The increase in the period of 2023 refers to a new process related to agency in fuel supply.

14. Labor and tax obligations

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Salaries payable	5,742	5,848	9,804	11,684
Provision for vacation pay and 13th salary	19,306	14,701	27,453	24,813
Payroll charges	13,452	9,899	17,265	14,509
Federal taxes on revenue	38,286	40,125	58,615	56,188
Federal taxes on third-party services	5,960	4,576	6,693	6,444
IRPJ and CSLL	5,137	4,979	8,384	8,961
Labor claims payable	266	93	1,098	948
Taxes in installments (a)	58,185	9,177	133,340	65,021
	146,334	89,398	262,652	188,568
Current	103,338	83,844	182,997	149,100
Noncurrent	42,996	5,554	79,655	39,468

- (a) The Company joined the installment plans for payment in up to 60 months of state taxes and certain federal taxes that have already been approved. The subsidiaries had already adhered to ordinary and simplified tax installment plans that had already been approved before the acquisition by the Company. The breakdown of the balance by tax can be presented as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
PIS and COFINS	7,093	4,761	43,651	39,558
ICMS	18,606	2,944	27,067	10,348
IPTU	-	-	908	1,354
IRPJ and CSLL	1,794	1,472	5,788	1,872
INSS	19,787	-	33,768	10,275
Withholding Income Tax (IRRF)	6,037	-	10,758	-
Tax withholdings	2,896	-	3,413	-
Other	1,972	-	7,987	1,614
Total	58,185	9,177	133,340	65,021

The amounts recorded in noncurrent liabilities have the following maturity schedule:

	Company	Consolidated
From Oct/24 to Sept/25	14,407	29,055
From Oct/24 to Sept/26	11,745	20,052
From Oct/24 to Sept/27	10,455	18,370
From Oct/27 onwards	6,389	12,178
	42,996	79,655

15. Provision for legal claims

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Probable losses	5,491	3,991	27,434	33,961
Contingent liabilities	1,855	3,265	57,881	75,440
	7,346	7,256	85,315	109,401

15.1. Probable losses

The movement in the provision for legal claims to cover probable and possible risks was as follows:

	Company			
	Labor	Civil	Tax	Total
At January 1, 2023	3,171	820	-	3,991
Payment of claims	(1,800)	-	-	(1,800)
Complement (reversal) of provision	2,917	383	-	3,300
At September 30, 2023	4,288	1,203	-	5,491

	Company			
	Labor	Civil	Tax	Total
At January 1, 2022	4,577	600	-	5,177
Payment of claims	(1,092)	-	-	(1,092)
Complement (reversal) of provision	1,030	(96)	-	934
At September 30, 2022	4,515	504	-	5,019

	Consolidated			
	Labor	Civil	Tax	Total
At January 1, 2023	7,440	19,570	6,951	33,961
Payment of claims	(3,421)	-	-	(3,421)
Complement (reversal) of provision	4,583	(7,751)	62	(3,106)
At September 30, 2023	8,602	11,819	7,013	27,434

	Consolidated			
	Labor	Civil	Tax	Total
At January 1, 2022	15,850	14,163	1,640	31,653
Payment of labor claims	(3,480)	-	-	(3,480)
Complement (reversal) of provision	2,142	259	5,132	7,533
At September 30, 2022	14,512	14,422	6,772	35,706

The following is a summary of the main lawsuits:

Labor contingencies

As at September 30, 2023, the Company and its subsidiaries are parties to approximately 1,326 labor claims (1,140 as at December 31, 2022) filed by former employees, service providers and drivers, requesting the payment of severance pay, occupational illnesses, salary premiums, overtime, and amounts due for subsidiary liability, and discussion about the recognition of employment relationship. The provisions are periodically reviewed based on the development of the lawsuits and the history of losses on labor lawsuits, in order to better reflect the current estimate.

Civil contingencies

Most civil lawsuits are filed by customers with a compensation claim for inconsistencies in deliveries made or damage to delivered goods.

Tax contingencies

Tax contingencies mainly refer to discussions on information in accessory obligations and in tax calculation bases, such as the judgment used by management regarding the concept of inputs that generate PIS and COFINS credits.

15.2. Contingent liabilities

Even if it is not probable that an outflow of resources (embodying economic benefits) will be required to settle the obligation, the acquirer must recognize, at the acquisition date, a contingent liability assumed in a business combination, pursuant to CPC 15 - Business Combinations.

The movement in the provision for legal claims to cover possible risks arising from the acquisition process of the acquired companies was as follows:

	Company			
	Labor	Civil	Tax	Total
At January 1, 2023	-	-	3,265	3,265
Statute of limitations	-	-	(1,410)	(1,410)
At September 30, 2023	-	-	1,855	1,855

	Company			
	Labor	Civil	Tax	Total
At January 1, 2022	-	-	11,532	11,532
Statute of limitations	-	-	(3,940)	(3,940)
At September 30, 2022	-	-	7,592	7,592

	Consolidated			
	Labor	Civil	Tax	Total
At January 1, 2023	3,018	5,732	66,690	75,440
Statute of limitations	(3,018)	(867)	(13,674)	(17,559)
At September 30, 2023	-	4,865	53,016	57,881

	Consolidated			
	Labor	Civil	Tax	Total
At January 1, 2022	13,541	6,456	144,409	164,406
Statute of limitations	(423)	(115)	(12,136)	(12,674)
At September 30, 2022	13,118	6,341	132,273	151,732

15.3. Possible losses

The Company is a party to civil lawsuits involving risks of loss classified by Management as possible based on the assessment of its legal counselors and for which no accounting provision was set up according to the breakdown and estimate below:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Civil	10,949	9,144	46,694	26,207

Most civil lawsuits are filed by customers with a compensation claim for inconsistencies in deliveries made or damage to delivered goods.

16. Equity

16.1. Share capital

As at September 30, 2023, the Company's share capital was R\$755,818, comprised of 206,985,433 registered common shares with no par value, fully paid-up, and can be presented as follows:

	Shares	Equity interest %
Controlling shareholders and officers	16,624,625	8.03%
Outstanding shares	190,360,808	91.97%
At September 30, 2023	206,985,433	100%

The movement in the share capital is as follows:

	R\$	Shares
January 23, 2023 (a)	478	265,941
February 6, 2023 (a)	55	30,890
April 11, 2023 (a)	211	117,496
July 5, 2023 (b)	99,425	140,702,013
	100,169	141,116,340

- (a) The Board of Directors approved the increase of the Company's capital, within the limit of the authorized capital, by private subscription, to meet the exercise of the Company's stock options granted under the First Stock Option Plan.
- (b) The Board of Directors approved the increase of the Company's capital, within the limit of the authorized capital, by private subscription, as approved on April 24, 2023.

The Company is authorized to increase the share capital up to the limit of R\$2,433,080 by resolution of the Board of Directors.

16.2. Share-based payment plan

The main information related to the **Plan 1** is summarized below:

09/30/2023						Number of options				
Series	Grant date	First exercise date	Expiry date	Exercise price	Fair value	Granted	Exercised	Expired	Total outstanding	Exercisable
1	Jul/17	Jul/18	Jul/23	R\$ 1.79	R\$ 0.83	3,143,850	2,330,152	813,698	-	-
2	Mar/18	Mar/19	Jul/23	R\$ 1.79	R\$ 0.62	1,353,699	1,102,190	251,509	-	-
3	Mar/19	Mar/20	Jul/23	R\$ 1.79	R\$ 0.62	1,928,271	1,288,355	639,916	-	-
4	Jun/19	Jun/20	Jul/23	R\$ 1.79	R\$ 0.62	475,437	475,437	-	-	-
5	Nov/19	Nov/20	Jul/23	R\$ 1.79	R\$ 0.38	494,240	-	494,240	-	-
6	Jan/20	Jan/21	Jul/23	R\$ 1.79	R\$ 0.36	98,848	98,848	-	-	-
7	Feb/20	Feb/21	Jul/23	R\$ 1.79	R\$ 0.36	172,984	117,382	55,602	-	-
8	Jun/20	Jun/21	Jul/23	R\$ 1.79	R\$ 0.36	98,848	49,424	49,424	-	-
9	Aug/20	Aug/21	Jul/23	R\$ 1.79	R\$ 0.44	51,894	34,596	17,298	-	-
10	Sept/20	Sept/21	Jul/23	R\$ 1.79	R\$ 0.44	88,963	-	88,963	-	-
						7,907,034	5,496,384	2,410,650	-	-

09/30/2022						Number of options				
Series	Grant date	First exercise date	Expiry date	Exercise price	Fair value	Granted	Exercised	Expired	Total outstanding	Exercisable
1	Jul/17	Jul/18	Jul/23	R\$1.79	R\$0.83	3,143,850	2,330,152	813,698	-	-
2	Mar/18	Mar/19	Jul/23	R\$1.79	R\$0.62	1,353,699	1,102,190	251,509	-	-
3	Mar/19	Mar/20	Jul/23	R\$1.79	R\$0.62	1,928,271	1,073,202	548,818	306,251	-
4	Jun/19	Jun/20	Jul/23	R\$1.79	R\$0.62	475,437	356,577	-	118,860	-
5	Nov/19	Nov/20	Jul/23	R\$1.79	R\$0.38	494,240	-	-	494,240	247,120
6	Jan/20	Jan/21	Jul/23	R\$1.79	R\$0.36	98,848	49,424	-	49,424	-
7	Feb/20	Feb/21	Jul/23	R\$1.79	R\$0.36	172,984	86,492	-	86,492	-
8	Jun/20	Jun/21	Jul/23	R\$1.79	R\$0.36	98,848	49,424	49,424	-	-
9	Aug/20	Aug/21	Jul/23	R\$1.79	R\$0.44	51,894	17,383	-	34,511	17,385
10	Sept/20	Sept/21	Jul/23	R\$1.79	R\$0.44	88,963	-	-	88,963	30,247
						7,907,034	5,064,844	1,663,449	1,178,741	294,752

The main information related to the **Plan 2** is summarized below:

09/30/2023						Number of options				
Series	Grant date	First exercise date	Expiry date	Exercise price	Fair value	Granted	Exercised	Expired	Total outstanding	Exercisable
1	Jan/22	Jun/22	Jan/28	R\$5.15	R\$3.01	4,110,000	-	-	4,110,000	-

09/30/2022						Number of options				
Series	Grant date	First exercise date	Expiry date	Exercise price	Fair value	Granted	Exercised	Expired	Total outstanding	Exercisable
1	Jan/22	Jun/22	Jan/28	R\$5.15	R\$3.01	4,110,000	-	-	4,110,000	-

The changes in the number of outstanding stock options and their corresponding weighted average prices for the period are as follows:

	Plan 1		Plan 2		Total
	Average exercise price per share in reais		Average exercise price per share in reais		Options
		Options		Options	
At January 1, 2023	1.79	1,161,528	5.15	4,110,000	5,271,528
Exercised	1.79	(414,327)	-	-	(414,327)
Expired	1.79	(747,201)	-	-	(747,201)
At September 30, 2023	1.79	-	5.15	4,110,000	4,110,000

	Plan 1		Plan 2		Total
	Average exercise price per share in reais		Average exercise price per share in reais		Options
		Options		Options	
At January 1, 2022	1.79	2,140,156	-	-	2,140,156
Exercised	2.19	(839,364)	-	-	(839,364)
Expired	1.79	(122,051)	-	-	(122,051)
Granted	-	-	5.15	4,110,000	4,110,000
At September 30, 2022	1.79	1,178,741	5.15	4,110,000	5,288,741

The expense recognized in the Company's profit or loss in the nine-month period ended 2023 was R\$1,638 (R\$1,974 in the same period in 2022).

16.3. Earnings (loss) per share

	Basic loss	
	09/30/2023	09/30/2022
Loss for the period	(473,320)	(67,185)
Weighted average number of outstanding common shares - in thousands	140,617	139,917
Basic loss per share - in R\$	(3.36602)	(0.48018)

	Diluted loss	
	09/30/2023	09/30/2022
Loss for the period	(473,320)	(67,185)
Weighted average number of outstanding common shares - in thousands	140,617	139,917
Basic loss per share - in R\$	(3.36602)	(0.48018)

Due to the fact that the Company reported a loss for the nine-month periods ended September 30, 2023 and 2022, stock options were not considered in the calculation as there is no dilutive effect in this case.

17. Net revenues

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Provision of logistics and transport services	574,908	1,191,652	728,008	1,671,269
Taxes levied thereon	(83,780)	(193,433)	(108,337)	(272,615)
	491,128	998,219	619,671	1,398,654

18. Costs and expenses by nature

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Expenses on:				
Distribution and transport	(332,795)	(544,768)	(416,895)	(834,997)
Personnel	(166,862)	(194,417)	(246,163)	(329,274)
Depreciation and amortization	(14,459)	(12,955)	(58,705)	(67,241)
Amortization of right-of-use assets	(37,456)	(29,074)	(55,840)	(48,107)
Selling expenses	(7,190)	(31,985)	(9,340)	(41,359)
Allowance for expected credit losses	(71,697)	(7,031)	(126,195)	(10,924)
General and administrative expenses	(31,111)	(33,507)	(41,314)	(32,324)
Provision for legal claims and costs	(10,698)	(2,055)	11,522	(2,721)
Third-party services	(17,557)	(17,633)	(19,003)	(19,100)
	(689,825)	(873,425)	(961,933)	(1,386,047)
Presented as:				
Cost of services rendered	(488,475)	(731,365)	(650,827)	(1,141,346)
Selling, general and administrative expenses	(201,350)	(142,060)	(311,106)	(244,701)
	(689,825)	(873,425)	(961,933)	(1,386,047)

19. Other income (expenses), net

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Price adjustment (a)	-	5,942	-	5,942
Sale of investment (b)	-	13,731	-	13,731
Other expenses and income (c)	10,081	16,687	11,833	33,961
	10,081	36,360	11,833	53,634

- (a) In 2022, it refers to the adjustment of the acquisition price of YEP, formalized 12 months after the date of acquisition of the investment.
- (b) In 2022, the Company sold the equity interest held in Uello.
- (c) In 2022 and 2023, it refers to untimely tax credits and net income from the sale of assets, salvage and etc.

20. Financial income and expenses

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
<u>Financial expenses:</u>				
Interest on lease liabilities	(21,999)	(21,418)	(26,901)	(26,120)
Interest on borrowings and debentures	(78,316)	(47,232)	(78,797)	(47,571)
Interest on payables for acquisition of investments	(2,718)	(3,796)	(6,022)	(8,757)
Net gain (loss) on financial instruments (swap)	(14,077)	(24,729)	(14,077)	(24,729)
Interest on monetary adjustment of taxes and other payables	(18,365)	(15,040)	(25,668)	(20,576)
Interest on discounting of receivables	(3,689)	(8,201)	(3,689)	(8,217)
Other financial expenses	(17,377)	(1,679)	(28,137)	(3,459)
	(156,541)	(122,095)	(183,291)	(139,429)
<u>Financial income:</u>				
Income from financial investments	3,810	5,719	3,856	5,974
Monetary adjustment of tax credits	-	1,980	-	4,585
Discounts obtained	1,305	419	2,587	1,017
Other financial income	188	697	1,219	844
	5,303	8,815	7,662	12,420
	(151,238)	(113,280)	(175,629)	(127,009)

21. Income tax and social contribution

The breakdown of deferred income tax and social contribution assets is as follows:

	Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax losses	86,960	66,664	86,960	66,664
Provision for legal claims	1,809	1,605	9,270	11,660
Allowance for expected credit losses	26,653	11,675	35,320	15,371
Temporary differences - allocation of intangible assets	19,860	15,617	41,193	36,950
Temporary differences - Tax goodwill	(31,597)	(29,522)	(61,795)	(40,442)
Lease liabilities	18,174	14,855	25,485	18,107
Derivatives	20,005	13,387	20,005	13,387
Undue payments with deferred taxation	(2,243)	(4,178)	(6,613)	(8,854)
	139,621	90,103	149,825	112,843

The movement in deferred taxes is as follows:

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	90,103	65,046	112,843	87,046
Movements with impact on results:				
Tax losses	20,296	(6,557)	20,296	(4,719)
Temporary differences	29,222	13,134	16,686	18,016
	49,518	6,577	36,982	13,297
Movements in assets and liabilities:				
Temporary differences	-	-	-	-
	139,621	71,623	149,825	100,343

The table below is a reconciliation of the tax expense presented in profit or loss and the amount calculated by applying the statutory tax rate of 34% (25% for income tax and 9% for social contribution):

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Profit (loss) before income tax and social contribution	(522,838)	(60,214)	(510,302)	(66,934)
Expected income tax and social contribution at the statutory rate of 34%	177,765	20,473	173,503	22,758
Permanent differences:				
Share of profit (loss) of investees	(58,308)	(32,765)	(955)	(1,597)
Share-based payment plan	(559)	(671)	(559)	(671)
Tax incentive reserve	1,343	5,434	2,042	7,704
Deferred taxes not set up on tax losses	(72,319)	-	(138,349)	(29,386)
Other permanent differences	1,596	558	1,300	941
Effect on profit or loss	49,518	(6,971)	36,982	(251)
Current income tax and social contribution	-	(13,548)	-	(13,548)
Deferred income tax and social contribution	49,518	6,577	36,982	13,297
Effective rate	9.5%	12%	7.2%	0%

22. Related-party transactions

Business transactions

In the ordinary course of its business the Company carries out transactions with related parties represented by the purchase and sale of services, contracted at rates compatible with those practiced with third parties, taking into account the reduction of the risk of losses. Transactions with subsidiaries, where applicable, are eliminated in full on consolidation and in the calculation of the share of profit (loss) of investees.

	Company		
	Liabilities	Liabilities	Cost
	Accounts payable	Other payables	
Transportadora Americana	-	1,874	(1,090)

Sharing of expenses

The Company has an agreement with the subsidiaries for the sharing of certain corporate expenses that are initially paid by the Company and subsequently reimbursed by the subsidiaries.

	Company		
	Assets	Liabilities	Administrative expenses
Transportadora Americana	13,611	(9,638)	-

Financial transactions

The Company has balances payable arising from financial transactions between related parties, with no specific term and guarantee or not subject to interest or monetary adjustment, as follows:

	Company		
	Asset	Liabilities	Result
Transportadora Americana	-	(49,844)	-
Frenet	-	(5,274)	-
GHSX	1,743	-	-
	1,743	(55,119)	-

Key management personnel compensation

	09/30/2023	09/30/2022
Direct compensation	4,042	6,425
Share-based payment plan and benefits	1,466	1,860

23. Insurance coverage

Coverage description	Coverage in R\$
Fire, lightning, explosion or implosion, windstorm, hurricane, cyclone, tornado, hail or smoke, collapse, internal movement, and flooding or overflowing.	194,042
Impact of land vehicles, crash of airplane or any other aircraft or spacecraft	45,796
Loss of profits	69,638
Civil liability	117,213
Theft of assets, goods or valuables	5,000
Loss or payment of rent	10,000
Spill or leak from sprinklers and hydrants	4,000
Debris removal	3,000
Pain and suffering, property damage or bodily injury (vehicle collision)	10,150
Electrical damage	1,000
Stationary, mobile and electronic equipment	2,250
Riot, strike or lock-out	100
Breakage of glass and luminous signs	200
Recovery of records or documents	100

The insurance covers 100% of the price stated by the FIPE chart for each vehicle.

24. Non-cash transactions

	Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Price adjustment from acquisition of subsidiary	-	5,942	-	5,942
New lease contracts	1,733	24,731	1,816	64,925
Indemnity contingencies	15	(663)	327	7,917

25. Changes in liabilities of financing activities

	Company				
	Borrowings and debentures	Derivatives	Transaction costs	Lease liabilities	Total
At January 1, 2023	520,736	39,374	(1,807)	300,939	859,242
Cash flows	(141,953)	(22,706)	-	(38,083)	(202,742)
Interest paid	(57,897)	-	-	(7,186)	(65,083)
Accrued interest	75,465	-	2,851	21,999	100,315
New leases	-	-	-	1,733	1,733
New funding	272,107	-	(4,394)	-	267,713
Fair value	-	14,077	-	-	14,077
Write-off of leases	-	-	-	(15,463)	(15,463)
At September 30, 2023	668,458	30,745	(3,350)	263,939	959,792

	Company			
	Transaction			
	Borrowings and debentures	costs	Lease liabilities	Total
At January 1, 2022	370,407	(1,486)	245,439	614,360
Cash flows	(110,000)	-	(27,477)	(137,477)
Interest paid	(40,969)	-	(15,377)	(56,346)
Accrued interest	44,136	3,096	21,418	68,650
New leases	-	-	24,731	24,731
New funding	141,346	(3,884)	-	137,462
Write-offs	-	-	(970)	(970)
At September 30, 2022	404,920	(2,274)	247,764	650,410

	Consolidated				
	Borrowings and debentures	Derivatives	Transaction costs	Lease liabilities	Total
At January 1, 2023	512,072	39,374	(1,807)	369,374	919,013
Cash flows	(135,582)	(22,706)	-	(48,213)	(206,501)
Interest paid	(58,112)	-	-	(8,289)	(66,401)
Accrued interest	75,946	-	2,851	26,901	105,698
New leases	-	-	-	1,816	1,816
New funding	283,184	-	(4,394)	-	278,790
Fair value	-	14,077	-	-	14,077
Write-off of leases	-	-	-	(30,342)	(30,342)
Other movements					
At September 30, 2023	677,508	30,745	(3,350)	311,247	1,016,150

	Consolidated			
	Transaction			
	Borrowings and debentures	costs	Lease liabilities	Total
At January 1, 2022	374,472	(1,486)	295,132	668,118
Cash flows	(111,001)	-	(43,541)	(154,542)
Interest paid	(41,342)	-	(22,207)	(63,549)
Accrued interest	44,477	3,093	26,121	73,691
New leases	-	-	64,925	64,925
New funding	141,346	(3,884)	-	137,462
Write-offs	-	-	(15,651)	(15,651)
At September 30, 2022	407,952	(2,277)	304,779	710,454

26. Events after the reporting period

Restructuring of the 3rd issue of debentures

On October 4, 2023, the General Meeting of Debenture Holders approved the waiver of the obligation to pay the installments related to Remuneration and Unit Face Value and non-compliance with the covenants in the period from October 2023 to December 2025. At the same meeting the remuneration was changed to 100% of DI and the maturity date was extended to November 2029.

4th issue of debentures

On October 18, 2023, the Company informed the closing of the public offering of 341,546 debentures compulsorily convertible into shares, with unit value of R\$1, totaling R\$341,546, of which R\$241,546 from the First Series and R\$100,000 from the Second Series.

5th issue of debentures

On October 19, 2023, the Company completed the private issuance of 16,000,000 simple debentures with unit value of R\$1,000.00, totaling R\$16,000, maturing on October 19, 2024.
