



**Log-In Logística Intermodal  
1Q23 Results  
May 11, 2022**

**Sandra Calcado:**

Good day, everyone. Welcome to Log-In Logística Intermodal Conference Call to discuss 1Q23 results. My name is Sandra Calcado, I am Log-In's Investor Relations, Strategy and ESG Manager, and I will be your host during this event.

The presentation and comments about the Company's results will be made by Log-In's CEO, Marcio Arany, by Felipe Gurgel, Chief Commercial Officer; by Gustavo Paixão, Terminals Officer; by Mauricio Alvarenga, Tecmar Transportes Officer; and by Andrea Simões, People, Culture and Digital Transformation Officer. They will comment on the Company's performance and main highlights of the quarter, then they will be available to answer questions that you might have.

The slide presentation and earnings release in both Portuguese and English are available in the Results Center at the Company's IR website, and we will be showing the presentation in Portuguese here on Zoom. In addition to the rooms available in Portuguese and English. We also provide a Brazilian sign language interpreting during the whole event.

I would like to remind you that all participants will be in listen-only mode during the Company's presentation. Later, there will be a questions and answer session, when further instructions to participate will be provided. Be advised that this webinar is being recorded and will be available on the Company's website.

Before proceeding, as usual, let me clarify that forward-looking statements that might be made during this conference call relative to Log-In's business perspectives, projections and operating and financial goals are based on the beliefs and assumptions of Log-In's management and on information currently available to the Company. Forward-looking statements are not a guarantee of performance. They involve risks, uncertainties and assumptions as they depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Log-In and could cause results to differ materially from those expressed in such forward-looking statements.

Now, with the legal disclaimers made, I would like to turn the floor to Marcio Arany, Log-In's CEO. Please go ahead.

**Marcio Arany:**

Thank you, Sandra. Good day to all. This is Marcio Arany speaking, CEO of the Company. I would like to thank everyone for joining us on this conference call to review 1Q23 results of Log-In Logística Intermodal.

We will start the presentation on slide 3, going over the main achievements of our strategic plans structured around 4 blocks: Coastal Shipping, TVV and Terminals, Road Cargo Transportation, and ESG/Capital Structure, which permeates all of the Company's business lines.

Next, we will move on to the presentation of our results. In our Coastal Shipping business, we highlight historical record adjusted EBITDA, highest NOR for a 1Q, keel laying of our vessel Log-In Evolution, zero accidents on the road transport operation and the launch of our new Amazonas Express Service that was communicated to the market. In TVV and Logistics Solutions, we highlight



all-time high total NOR and warehousing and other services, and the highest adjusted EBITDA for the 1Q.

With regards to Tecmar, we continue to emphasize the Company's structuring process and integration with Oliva Pinto. We highlight more integration with Coastal Shipping, 530 TEUs handled in 1Q and the best level of service in the history of Tecmar.

The fourth and last point talks about our ESG agenda and capital structure. Here, we have the Certification of our third Greenhouse Gas Inventory according to international standards. We also had an internal inclusive attitude week. We implemented a new ERP system and launched Unilog-In, our corporate university.

Now, our team will present the Company's 1Q23 results, starting with Felipe Gurgel, our Chief Commercial Officer.

### **Felipe Gurgel:**

Thank you, Marcio. Good day, everyone. As highlighted by Marcio, we had another excellent start of the year, once again, achieving some important records in our results. Our 3% growth in volume handled is noteworthy with Cabotage growing 19% and markets were growing 6%, offsetting a slight reduction in Feeder cargo transported.

In the 1Q, according to ABAC's data, the Brazilian Association of Cabotage ship owners, container cabotage in Brazil grew by about 9%, reinforcing Log-In's increased sharing this type of transport as a result of constant work to convert cargo from road transport to Cabotage and improved levels of service.

Coastal Shipping revenue grew about 10% over 1Q22, posting the highest revenue ever in the 1Q, totaling about R\$330 million, driven by a better cargo mix transported as well as by feeder cargo from non-recurring opportunities that arose during this period. Adjusted EBITDA of the Coastal Shipping business totaled R\$128 million, up 22.4% over the same period last year, representing an all-time quarterly record for the Company.

This excellent result is due not only to the revenue recorded in 1Q, but also to important cost reduction initiatives, especially the increased efficiency in bunker consumption of our vessels obtained after the docking operations carried out. Finally, I would like to highlight the growth of our EBITDA margin up 3.9 p.p., reaching 38.9%.

Moving on to the next slide, we would like to inform that in April, we announced to the market and our customers, the launch of our new Coastal Shipping service, the Amazonas Express service. This service was designed by actively listening to our customers and aims to increase Log-In's presence in the entire national market, especially in the market to and from Manaus. To do this, we will have a southbound express solution with shorter transit time for routes from Manaus to the Southeast and South of Brazil, thus increasing the competitiveness of Cabotage compared to road transport for that route.

Northbound will be no different. We have added calls in ports such as Navegantes and Salvador, which in addition to being able to serve a new market, brings competitiveness with shorter transit times for Tecmar's own cargo.

And Tecmar has been increasingly using Cabotage to serve its customers of parcel cargo. This service will count at first with two Log-In vessels: Log-In Discovery acquired by Log-In in 2020, which was chartered in the international market since then. But at the end of last month, he returned to Brazil and is currently in the process of changing flag and crew, so that it can be used in this new



service still this quarter. Additionally, we have chartered this month, one more vessel, which is already in Brazil and is in the process of changing flag and crew and is awaiting clearance by the competent authorities.

Thus, as of this 2Q, Log-In will not only take another important step in its expansion plan and the continuous search to better serve its customers, but the Company will also begin a new phase focused on prospecting and converting new customers to Cabotage given the significant increase in capacity that we will have.

Now I give the floor to Gustavo Paixão, who will present the results of terminals. Thank you.

**Gustavo Paixão:**

Thank you, Gurgel. Good day, everyone. And this is Gustavo Paixão speaking, Log-In's Terminals Officer, and I will now take over to present the terminals results.

Well, ladies and gentlemen, 1Q23 was another quarter where the results of net revenue and EBITDA reached great levels. And this happened in a scenario where the terminals volumes impacted by different reasons were lower compared to the same period last year, a fact that brings even more value to the financial results that I will present ahead.

As I said, I will begin presenting the volumes transported in this 1Q by cargo profile and the impact that resulted in a lower cargo handling compared to the 1Q22. When we look specifically at containers, we still see the impact on our main export lines, which are granite and coffee, which, respectively, continue to be impacted by stagnation in our main consumer market and freight. We also see a decline in number of empty containers imported, which is also impacted by low demand for exports. And these issues combined resulted in a 13.7% drop in handling year-on-year.

As for general cargo, we have a 20.9% drop when compared to the same period last year. And this is basically due to a non-recurring volume handled specifically in the line of steel products in 1Q22, a cargo of opportunity captured at the time due to the expertise in multipurpose operations of our terminal.

Turning now to the financial results of 1Q, I would like to highlight our net revenue, which hit a historical record in the period, posting R\$85.5 million, up 10.9% compared to the results recorded in the 1Q22 with a highlight going to pipe operations, a type of cargo for which our terminal has great expertise and know-how and one that has been gaining even more prominence and has been attracting new projects. Another highlight was the operations of tracks and large-sized machinery and equipment.

Our EBITDA was also highlighted this quarter, posting a record mark very 1Q. Our EBITDA grew 29.5% over the 1Q22, totaling in 1Q, R\$41.4 million given the continuity of our warehousing operations, which have better margins.

As mentioned before, the financial results gained even more relevance considering the scenario of volumes in this 1Q. And this stems from the work of our commercial team in capturing new opportunities to bring higher margins, coupled, of course, to an efficient cost management as well as to an operation and asset management that were also efficient, which gives us a differential level of service and puts us in a prominent position in a market as competitive as that of port operations, not only in Espírito Santo but in Brazil.

And I would like to briefly mention that our modernization project for the terminal is on schedule, and at the end of this month, May, we will start to face interventions of our STSs, and the delivery of the project is still scheduled for the end of the last quarter of 2023.



I will now turn the floor to Mario Alvarenga, Officer in charge of Tecmar Transportes and Oliva Pinto. Thank you.

**Mauricio de Alvarenga:**

Thank you, Gustavo. Good day to all. As Gustavo mentioned, I am Mauricio Alvarenga, the officer in charge of Tecmar Transportes and Oliva Pinto. In this 1Q23, we already have included the balance sheet of Oliva Pinto, a company recently acquired by Tecmar at the end of 2022.

Please note on slide 7 that we achieved an EBITDA margin of 8% and posted adjusted EBITDA of R\$10 million in this 1Q. It's important to highlight that 1Q of any given year is usually a more difficult quarter, more challenging quarter in general for road carriers in Brazil because it is a period of low demand, what we call a low season period. It is worth pointing out that besides having a much more effective cost control at Tecmar, it's been a year since we took over Tecmar. A major focus in this 1Q was the search for synergies with Log-In.

As already mentioned, we transported a record number of containers in parceled cargo and Coastal Shipping. We took advantage of the interim model trade show event that took place in late February and early March to officially launch two new products on the market. One was the transport of parceled cargo to the whole of Northeast. It is a region where Tecmar has great capillarity. And we also launched a new route of operation for Tecmar in the North region. Tecmar was not operating in the North, but we now started offering distribution services of parceled cargo to the North region, specifically to the states of Amazonas and Roraima, already taking advantage of Oliva's structure.

Moving on to slide 8, we recall the phases of the integration process. We are still in Phase 2, looking for synergies with Log-In, as I mentioned. This is for the transport of parceled cargo, but in other types as well. As an example, we have 35 vehicles dedicated to container transportation for Log-In in Santos. This is a new business for Tecmar. Tecmar had never operated with this kind of transport.

I also want to highlight the creation of the compliance department at Tecmar. That is already operating in Tecmar and also in the recently acquired Oliva Pinto.

On slide 9, we focus on Oliva Pinto. As a reminder, Oliva Pinto is an operator with over 30 years of experience in container transport in the region of Manaus. The Company also has a route to Boa Vista, state of Roraima. It has more than 330 vehicles, and 70,000 m<sup>2</sup> yard and 12,000 m<sup>2</sup> warehouse. In the yard is for containers for trucks. And this warehouse of 12,000 m<sup>2</sup> is very well located in the industrial hub of Manaus. We are neighbors to very well-known companies in that region.

The purchase of Oliva Pinto was strategic for the Group. Log-In, as mentioned by Gurgel, is launching a new service for the North region, where it will need capacity for multi-mobile transportation of containers. Tecmar, in turn, has a lot to learn from Oliva Pinto in container transportation and also to expand this business, this operation nationally over time, with Oliva Pinto becoming Tecmar's parceled cargo distribution arm in the North region.

So, as shown on the map, our logistics network now connects more than 2,600 municipalities in which Tecmar already has its distribution network, connecting all of that to the Northern region. And here, we are talking about these regions, South and Southeast to the North, and Tecmar will become an excellent option to distribute all the electronic products manufactured in the industrial hub of Manaus, in this region where Tecmar's capillarity.

As I had already anticipated in the last earnings release call, we started our management at Oliva Pinto in this 1Q with the implementation of what we call the 100-day plan, which will help us with



short-term actions of the see & act type, but also with a robust diagnosis of structural actions that we will need to implement in order to grow and integrate the business in the coming months.

Then, I would like to thank everyone for joining this conference and turn the floor to Pascoal, the Company's CFO, who will present the consolidated results of the quarter.

### **Pascoal Gomes:**

Thank you, Alvarenga. Good morning, one and all, and thank you for being with us today. It cannot be different. We saw record marks in Coastal Shipping with higher market share, significant volumes in Cabotage and Mercosur trades, a very efficient cost management, particularly related to bunker fuel, all done by our team.

At TVV, a record NOR for warehousing services and other added value services. That meant a significant increase in our result compared to the results of the same quarter last year, in addition of our new tower, bringing an important NOR and EBITDA that is still being constructed, but with the margin already expanding compared to the margins of the companies that we acquired.

So that meant to our consolidated results and NOR of almost R\$600 million, up 44%, quite significant. When we exclude the revenue of Tecmar for the period, still the growth is very strong, almost 12%. EBITDA was R\$165.8 million, up 45.3%, very strong growth. And this also has to do with cost management by the Company.

We all try to gain efficiency and leverage our vessels. The result of the road operation is still contributing a little, but we still have a long route to expand and have a greater share in that number. With an EBITDA margin aligned with what we observed in 1Q22. Now of course, we have a lot of challenges ahead of us.

As you could see, it's a challenging start of the year, particularly in Coastal Shipping in the Feeder trade. And the terminal, general cargo and containers, continues posting significant volume declines, and the market is feeling that. As Gustavo mentioned, the flagships of the terminal were particularly affected by the economic dynamic of the country and abroad.

In the road cargo transportation, as Alvarenga mentioned, we always have a low season at the start of the year. We normally have a strong end of year, and that's seasonal. That's normal for this type of business.

But still, we have a lot of things to celebrate, because this EBITDA that we posted in 1Q was the highest EBITDA ever in the history of Log-In, and the NOR was the very best for a 1Q. So very cool things to be celebrated.

Moving to the next slide, here, we also have good news. Our debt is very well managed, starting with net debt over EBITDA ratio. This is a super important indicator that we monitor. It posted the lowest level ever recorded by Log-In, 1.4x. And this is a combination of stable cash, with a last 12-month EBITDA that is expanding. So December 2022, R\$576 million to R\$65 million now in 1Q23. So this is the deleveraging effect of the Company.

Please observe in the amortization schedule on the bottom, R\$156 million to be amortized in the next 3 quarters of this year. Just the EBITDA that we had in 1Q of R\$165 million, that's already more than what we need to amortize. This gives some comfort to the Company in a moment of a bad window for the issuance of new debt. In other words, we can continue to invest.

We can execute our investment plan to acquire new vessels, to modernize the terminal, and to invest in road cargo transportation with peace of mind just by using our cash, while we wait for good window



of opportunity in the market to, for instance, fund the new vessels that are being constructed on board that have not been financed. We have been using our own cash to make the necessary payments for those.

So let us continue on the next slide. Here, we have our EESG agenda, the 4 pillars: economic, governance, social and the environment. Starting with the economic dimension, we have the lowest level of leverage in the history of the Company, and that gives us comfort to go through the more difficult and challenging times and to invest in new projects in the near future.

We are increasing our capacity. I think Gurgel introduced our new service with a significant capacity increase in the Northern access to and from Manaus. This is going to make a lot of difference for the expansion of Cabotage in the short to midterm, not to mention synergies with the road operation that Alvarenga spoke about when he spoke about Tecmar. So this gives us a certain hedge, a certain protection when we face difficult times that might come.

In the governance pillar, there are things to be highlighted. As Marcio mentioned. We had to go live of the new ERP system, a very stable migration, the best migration project I have ever witnessed. We also extended the ethical compliance program to Tecmar and now in parallel to Oliva Pinto, and we launched the Log-In University that we call Unilog-In, and we have included ethics and compliance training there, among many others, many training courses that are available to our employees.

We also had the Parceiro-Log-In campaign that was reformulated. It is a relevant recognition of our suppliers and vendors that have a long track record of relationship with us and a good level of service. So we award them in this project.

In the social pillar, the big highlight, goes to project CAB, or 'community on board', this beautiful project that takes place in the vicinity of the Vila Velha Terminal, in Ilha das Flores community. It impacted more than 750 people with 2,000 hours of workshops and activities. We measured satisfaction of the participants of the project, and satisfaction is very high, reaching an NPS of 97 points, and this was excellent, almost 100 points.

And also, we had the Diversity and Inclusion Week, a theme which is in our agenda. We brought people from the market to speak about this, and we had our own employees giving their own examples. We wanted to demystify that and bring diversity and inclusion to our agenda as a value, our day-to-day value, how we put this into practice and want to continue putting this into practice.

In relation to the environment, the main highlights are the reduction in greenhouse gas emissions. We have this in our third GHD inventory that was published. We were able to reduce the intensity of emissions per TEU transported by 26% compared to 2020, and by 10% compared to 2022. So, a big step forward for Log-In.

And this is due to the investments that we made to increase efficiency in bunker consumption by our vessels, and that consequently reduces greenhouse gas emissions. I would like to remind you that we docked 5 vessels in the last 2.5 years, and we are reaping the fruits of those investments now.

Now, I would like to turn the floor to Andrea Simões, our People, Culture and Digital Transformation Officer. She will speak about our digital transformation agenda.

### **Andrea Simões:**

Thank you, Pascoal. Good day, everyone. This is Andrea Simões, Log-In's People, Culture and Digital Transformation Officer. My goal today is to present to you Log-In's digital transformation journey.



In 2020, the Technology department became part of the People department, given the understanding that the digital transformation journey is a cultural transformation and that it would happen through our people.

Based on our framework, we understood the technology, processes, and especially our people, would be the drivers for this transformation to happen, and that, in order to be efficient, we needed to list the problems we were going to solve.

We then chose four work pillars: customer experience, employee experience, governance improvement and infrastructure. We are in the fourth year of this journey that began in 2020 with a focus on the customer. We conducted workshops for listening to the team, to our internal and external clients, understanding their pains, prioritizing actions and dissemination of the concept of digital transformation.

We have the IT and management teams working together. This whole journey is based on the IT infrastructure on process digitalization and team skill building after the process review.

Some of our relevant deliveries were: in customer experience, Log-Aí platform, 93% of customers joining the digital platform; CRM, with optimization of the customer service and communication process; LogApp, digitalized trip control in the palm of our drivers' hands, with more than 16,000 trips monitored.

When we talk about employee experience, our focus is the development of a centralized platform for our employees with a single point of access and experience in the palm of their hand and a unified database to monitor the lifetime value of the employees. Secondly, dissemination of the Agile methodology, a lever to change the mental model and increase employee productivities. We have more than 1,400 main hours focused on process automation and digitalization and alignment of the culture with our innovation and digital transformation journey, culminating with a review of competencies to align the team to the new phase, the future is now.

And we have the NPS. We had an NPS increase to 76 in 2022, plus 33% over 2021, and this is provided by GPTW. In governance, the improvement of back-office processes, as mentioned by Marcio and Pascoal, with the deployment of SAP ERP.

A cybersecurity masterplan, shielding our operation with a robust action plan based on assessment, Gartner missed in CIS control and strengthening of technological security barriers, investment in specialized consulting.

And to support this pillar, the development of an information security culture for all employees with drills for correction and implementation of the incident response plan.

In the infrastructure pillar, we have a cloud migration journey, improved infrastructure for greater resilience to our operations, modernization of the vessel's network and communication, and TVV modernization, as Gustavo mentioned, with a direct impact on customer service and employee experience.

As a take home message, I have to say that we have a path aligned with our culture and our Log-In way, and we understand that digital transformation is not just about technology, it's about strategy and new ways of thinking, and that our key product is value creation for our customers, either internal or external clients.

Now, back to Marcio Arany, our CEO.



**Marcio Arany:**

Thank you, Andrea, Pascoal, Gurgel, Gustavo and Alvarenga. We will now start the Q&A session. We are all available. Thank you.

**João Frizo, Goldman Sachs (via webcast):**

Good morning. Thank you for taking my questions. We have seen other container terminal operators disclosing still weak volumes in 2Q, and we want to understand your expected volumes for the rest of the year, both for TVV and for Cabotage.

**Gustavo Paixão:**

Thank you for the question. Talking about container volumes from the standpoint of TVV, we are living uncertainties given market uncertainties, as Pascoal mentioned. We have a scenario of inflation in the United States, and they are one of the main consumers of our cargos such as granite.

On the other hand, we have an improved outlook considering domestic and foreign market for coffee, which is another great product that we export. So we are monitoring this thoroughly and up close so that we can adjust our routes, so as to minimize any impact caused by economic issues, which are not under our control.

**Felipe Gurgel:**

Speaking a little about Cabotage, we envision volumes very much in line with what we have been doing, much due to conversion of cargo, Log-In is betting a lot on converting cargo from road to Cabotage.

And as for the market, we see some stagnation in some markets, and in other markets, we still have a strong demand. And I believe that this should remain in the future. No great alterations. And we have offsetting mechanisms. So if Feeder trade drops, we can offset with Cabotage; if Cabotage declines a little, we can offset this with Feeder.

And as for Mercosur, that's a point of attention, particularly because of the situation of Argentina regarding imports and exports. But overall, this is it.

**João Frizo:**

I would like to understand the Company's view regarding the price of bunker looking forward. Do we expect this to be a factor to maintain high margins for Coastal Shipping in the short-term? How long does it take for the Company to pass through the cost of fuel to customers?

**Marcio Arany:**

Our expectation regarding bunker fuel price is some stability, as we have seen during the year. Here at Log-In, we have a bunker rate, and it is self-adjusted. If bunker price increases a lot, we increase that rate and we pass it through to customers. If bunker price drops, we reduce the rate and also pass through that reduction to customers. So we are relatively hedged against the very abrupt rises or reductions in the price of bunker.

**João Frizo:**





Lastly, how does the Company assess the arrival of MSC at the Company? Anything you can share with us?

**Marcio Arany:**

We have been together with MSC for almost a year now. And what we can say is that it's been a good experience. Our goal during this period was to absorb knowledge and work on reducing Log-In costs. This is what we have been doing with them. Our autonomy at the management level continues to be 100% as we have always had the same autonomy from our shareholders and we continue with our independent business plan following our multiyear plan as we have always done.

**Guilherme Costa (via webcast):**

What explains a big reduction in Feeder volumes?

**Felipe Gurgel:**

Our Feeder is mostly concentrated on the Vitória axis to support the whole TVV structure. We have practically just two Cabotage shipowners running the port. And as Gustavo explained, the granite and coffee market have been suffering. They have been showing some stagnation and that drove down the Feeder volume.

Other Feeder operations in other regions, they continue normally because they are part of a structure to support these shipowners, they need to complement this last leg in Brazil. But the impact comes mostly from granite and coffee cargo.

**Guilherme Costa:**

What is the expected ramp-up period for the new service in the North area? Is there any expectation to increase the service to weekly? It was mentioned that the new service meets the request of clients. How does the decision making process work to initiate a new service in terms of volume requested by clients. In other words, what is the minimum percentage to be guaranteed for you to start a new service?

**Felipe Gurgel:**

In regard to increase in the frequency to weekly service, yes, there is a structured plan for that. We believe that in the 2H23, the new service will be offered quickly. We need to address some internal topics for this to happen. But yes, we are working towards it. As you said, this was a request by our customers, and this is in the pipeline.

As in regards to the decision-making process, in recent years, we have been restricting a lot of cargo, particularly in the Manaus axis. And as we map these restrictions, based on that, we come to a percentage that we believe is a minimum reasonable percentage to make a new service viable. It does not mean that the new service will come on board full steam. But there is this cargo conversion process that I mentioned, we have to consider level of service as well, and Alvarenga also talked a little about this, because we always want to create added value for our customers.

Now with Oliva Pinto operating in the region of Manaus, we can offer a differentiated service, and we believe that this will help in the ramp-up of this new service.

**Guilherme Costa:**



What is the amount percentage of NOR and CAPEX expected for the next 2 years? Do you intend to work with what level of leverage in that?

**Pascoal Gomes:**

Guilherme, thank you for the questions. We do not work with a percentage of NOR to convert into investment. So, what are the investments of Log-In? When they are expansion investments, such as the acquisition of the 2 new vessels that we are building or modernization of the Vila Velha terminal, we get prepared in terms of cash projections to be able to serve the payments in the financial schedule. So these are the most relevant projects that we have in terms of capacity expansion, and that we are prepared to pay in the near future.

Other than that, we have a second line of CAPEX, which is replenishment CAPEX. Perhaps we can call it maintenance CAPEX, to increase the lifespan of our assets. A beautiful case of that is the docking operations of our vessels. We docked ships and some vessels in recent years. Other than the that, there is a current support CAPEX to maintain assets operating adequately, but that is less relevant, both for Coastal Shipping, terminals and road transportation. Cash generation itself, by the Company to pay for these investments, as I mentioned.

Docking operations are somewhat heavier investments, because a vessel docks according to her birth date. Most vessels are 5 years old, the older vessels are 7, 7.5 years old, and that's the moment when we spend more on them. But that more relevant phase of docking is behind us.

As regards a target for debt, what I can tell you about this, Guilherme, is that we have room to increase the leverage of the Company. Our tighter covenants from our main creditors, they are very far from the 1.4x net debt over EBITDA ratio. And that gives us a lot of peace of mind, not only to use part of our cash when the credit market is going through a bad spell. But also in terms of opportunities for acquisitions and new projects. So we do have momentum for that. We do have room for that.

**José Fraga (via webcast):**

What about the integration process with Tecmar? What do you expect from Tecmar results in 2023? And what about integration of Oliva Pinto in Tecmar?

**Mauricio Alvarenga:**

We have three questions in one. So regarding the integration process, I think I spoke a little bit about this. The integration is unfolding. The first thing we did was to map the whole structure of Tecmar and particularly align the leadership team. And this has been done. This is happening. At this point, we have a very focused leadership.

So this first phase is behind us. We are now in Phase 2. We are searching for synergies with Log-In. We are trying to understand where synergies will work for both companies. So we are working together, offering the market a new product that only Tecmar can offer as a road carrier, which is having Cabotage coupled with road cargo transportation because Tecmar is a more specialized. Its volume was much more in long-haul trips, which is very much aligned with Cabotage, particularly cargo from the South and Southeast of Brazil to the Northeast and vice versa. So there we have a lot of synergies. And we are working strongly on those.

For the next steps, we will look for cost synergies. Now we are starting to work with procurement in a joint fashion. So synergies not only with Log-In, but looking for global contracts with a more effective cost control.



On integration with Oliva, we are doing similar work to what we did initially at Tecmar. So we are mapping everything, and we are already trying to have integration with Tecmar. To give you an idea, we have structured a road distribution for parceled cargo from Manaus, looking for this integration with the Coastal Shipping services that get there, and now even more with the new service that Gurgel mentioned, that we are launching the Express Service. So this integration has everything to gain momentum looking forward, to gain more muscle looking forward.

And as for the 2023 results, like we always say, we do not give any guidance, but we believe we will continue to work strongly as we have so far. And we believe that this is an ongoing process. We cannot expect great leap. What we want is sustainable improvement. And I think that this is what we expect when we talk about integration.

**Sandra Calcado:**

As there are no more questions, I would like to thank you all for participating. I will hand the floor over to our CEO, Marcio Arany for his final statements.

**Marcio Arany:**

Thank you, Sandra. We ended the 1Q23, as you could see, with a number of records and spectacular results in all of our business lines. These records have been successive quarter after quarter, we have been posting record marks and improving our operations, only good news.

I would like to especially thank Log-In and take more teams for a sensational 1Q, the result of a lot of hard work. This was not a trivial quarter for us. A lot of things happened that made us reinvent ourselves along these first 3 months. But that is it. I would like to thank you all for your attention in this video conference call.

Thank you very much, and have a good day, everyone.

**Operator:**

The video conference call of Log-In Logística Intermodal to review 1Q23 earnings is ended. You may disconnect and have an excellent day.

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