

3Q2020



Results Release

Excellence and Innovation in
Integrated Logistics Solutions



São José dos Pinhais, November 16, 2020 – BBM Logística S.A. – “BBM” or “Company” discloses its results for the third quarter of 2020 (3Q20). The comments included here refer to the results of the parent company and consolidated interim financial information, in Reais, prepared in accordance with the accounting practices adopted in Brazil (CPC 21 (R1)) and with the International Financial Reporting Standards (IFRS) (IAS 34) issued by the International Accounting Standards Board (IASB), whose comparisons are based on the third quarter of 2019 (3Q19).



CONSOLIDATED FINANCIAL HIGHLIGHTS 9M20

Net revenue

R\$695.4 million (+59.2% y/y)

+126% in TM (vs 9M19)

+6% in DCC (vs 9M19)

Adjusted EBITDA

R\$86.8 million

+83% y/y

Solid financial position

R\$96million

in cash

ROIC of the TM Segment

35.4%

ROIC of the DCC Segment

14.8%



MESSAGE FROM MANAGEMENT

ORGANIC GROWTH AND ACQUISITIONS LEAD TO HISTORICAL RECORD IN THE QUARTER, SHOWING THE IMPLEMENTATION OF THE COMPANY'S STRATEGY.

Despite the still challenging scenario due to the Covid-19 pandemic, the third quarter of 2020 was remarkable for BBM's history. In September, the Company recorded the largest gross revenue in its history, this result derives from an expressive organic growth but also from the acquisitions. The growth on Transportation Management segment, the signing of new dedicated contracts, and the closing of one more strategic acquisition highlighted 3T20:

- **Transportation management (TM):** there was expressive growth, mainly in LTL (Less than Truck Load) operations and international operations. In international operations, the increase in revenue was due to the rise in the dollar and the high demand. There was a significant growth on e-commerce operations, that now represents 13,52% of the LTL operations, within TM segment.
- **Dedicated carriage contracts (DCC):** a new agreement in the forestry operation and another in the industrial operation, both negotiated in the first semester and already generating results in the third quarter.
- **M&A:** conclusion of Translag's acquisition on September 11, 2020. Translag is one of the largest cargo transportation companies in Brazil's Midwest region, meeting BBM's geographic distribution strategy. Translag also operates under an asset light model and its integration will mainly improve assets utilization with the better use of return freights and cross selling opportunities with BBM Group's service portfolio.

All these factors made our consolidated net revenue grow 59% YoY in 9M20. This growth is again followed by gains in profitability, resulting from an efficient operational management. Adjusted EBITDA in 9M20, excluding non-recurring items, increased by 83% to R\$86.8 million, and the EBITDA margin per net revenue YoY increased from 11.9% to 14.1%.

We fully met the growing demand in this third quarter, prioritizing the quality and safety of our operations, focusing on customers, employees and affiliates, while keeping a high-level customer service with 100% of operations ongoing during the period, despite the challenges from the pandemic period.

From corporate management perspective, we keep the investments on technology, the reinforcements in our structure and the development of our team. We also focus on the integration of the acquired companies to support our growth and to execute our strategy.

On infrastructure, investments in technology and innovation are still underway, developing the largest logistics technology platform in Latin America, which continues as planned. We also advanced on the ERP implementation, focused on gains in productivity, agility, compliance, and information quality.

About our team, we continue our efforts to structure the management team, bringing several professionals and developing the employees. We started a large assessment process with over one hundred managers of our company, with the purpose to properly promote internal talents and identify career development opportunities, and we also continue to invest on digital tools, such as BBM Talks, which allows online knowledge sharing between our employees.

It should be noted that in the recent acquisitions, as part of our integration process, our commercial and operational teams are already working under a single organizational chart, what allow us to quickly capture opportunities for cross selling and new contracts, as well as to capture synergies with consolidated terminals and shared assets.

The Company completed, during the third quarter, with the support of a specialized consultancy company, its ESG implementation plan. In this plan, it was defined the targets, KPIs, and a robust action plan with more than 10 groups of priorities actions that should guide the company's performance in the next two years.

Even with all this growth, undergoing investments and acquisitions completed, BBM Logística remains with a solid financial position, reflecting the good work during the last quarters. With funds raised throughout the year and the good cash flow generation from the operations, the company remains in a comfortable financial situation, ending the quarter with cash and cash equivalents of around R\$96 million, and the Net Debt/EBITDA LTM in 1,6x.

It is worth noting that, on February 15, 2020, we registered in CVM our initial shares offering and in B3 the migration to Novo Mercado Listing Segment. However, due to the COVID-19 pandemic, on April 14, 2020 we filed a request to suspend the offering. BBM is analyzing the resumption of the IPO according to CVM Instruction 476/09, and the transaction will depend on the Company obtaining the necessary corporate approvals and favorable market conditions.

We remain confident in the results achieved and in the opportunities ahead. In a challenging and unprecedented year, we have achieved historic results and we are increasingly better prepared to continue on our growth trajectory. All of these achievements have a direct contribution from our stakeholders including customers, partners, third party drivers, shareholders and especially our employees, each one being essential for the delivery of our services with quality and efficiency.

3Q20 HIGHLIGHTS

Highlights	Unit	3Q20	2Q20	Chg. %	3Q19	Chg. %	9M20	9M19	Chg. %
Paid Km ¹	mm	35.4	28.7	23.4%	22.3	58.5%	93.8	64.4	45.6%
Net Revenue	R\$ mm	259.8	208.8	24.5%	157.0	65.5%	695.4	436.7	59.2%
TM ²	R\$ mm	172.5	127.1	35.7%	65.4	163.9%	438.5	194.5	125.5%
DCC ³	R\$ mm	87.4	82.8	5.5%	91.6	-4.6%	256.9	242.4	6.0%
EBITDA⁴	R\$ mm	34.0	28.3	20.0%	18.4	84.3%	82.4	46.1	78.8%
(+) M&A Expenses	R\$ mm	2.8	0.6	362.8%	0.7	288.4%	4.4	1.3	225.1%
Adjusted EBITDA	R\$ mm	36.7	28.9	27.1%	19.1	91.9%	86.8	47.5	82.8%
EBITDA Margin	%	14.1%	13.8%	0.3 p.p.	11.9%	2.2 p.p.	12.5%	10.9%	1.6 p.p.

Gross Debt	R\$ mm	280.0	257.3	8.8%	200.8	39.4%	280.0	200.8	39.4%
Net Debt	R\$ mm	183.8	146.7	25.3%	131.6	39.7%	183.8	131.6	39.7%
Shareholders' Equity	R\$ mm	124.9	123.7	1.0%	107.7	15.9%	124.9	107.7	15.9%
Property, plant and equipment	R\$ mm	241.5	228.6	5.6%	163.5	47.7%	241.5	163.5	47.7%

¹ km paid: mileage traveled by vehicles on trips that generated revenue;

² TM: Transport Management – Transport Management in Jitney, Fractional, Intermodal and International;

³ DCC: Dedicated Contract Carriage – Dedicated contracts for Forestry and Inbound/Outbound for the Industry;

⁴ EBITDA: Considers the effect of CPC 06. For more details, see the EBITDA Reconciliation table (page 15);

- **Strong revenue and EBITDA growth with the acquisition of Translovato:** Besides the 65.5% growth YoY in Net Revenue, and the 18.7% growth in EBITDA, resulted of organic growth combined with acquisitions, both also grew QoQ, 24.5%, showing a recovery over the most critical period of the pandemic.
- **EBITDA Margin growth:** 1.9 p.p. growth QoQ, and 1.6 p.p. growth YoY in EBITDA Margin.
- **Translag Acquisition:** Conclusion of Translag's acquisition on September 11, 2020, as one of the largest cargo transportation companies in Brazil's Midwest region, meeting BBM's geographic distribution strategy, operating under an asset light model.
- **New DCC Contract:** Besides the start of two important operations contracted during the first semester, on 3Q20 a new relevant contract was signed, which will start in the last quarter of 2020. The contract will cover activities of harvesting and transporting of wood. We also started a new storage and transportation of bulk and packaged products, for a customer in the petrochemical sector.
- **BBM Technological Platform:** We advanced in the development of the largest technological logistics platform in Latin America, in a partnership with TOTVS. Now we are moving ahead with the development of the operational input process and demand processing. On 3Q20, we realized the first tests on specific operations (i.e.: milk run operations), and the results (routes distance reduction and cost savings) were in the range of 17%, much better than initially forecasted. On 3Q20 we invested R\$ 4.7 M on technology.
- **Solid financial position and investments capability:** On a quarter of strong revenue increase, begin of new dedicated contracts and acquisition of Translag, on TM segment, we ended the quarter with cash and cash equivalents of around R\$96 million, and the Net Debt/EBITDA LTM in 1,6x. It shows our capacity to grow in a sustainable way, and allow us to keep investing on organic growth and on new acquisitions.

OPERATIONAL AND FINANCIAL PERFORMANCE

Consolidated Income Statement

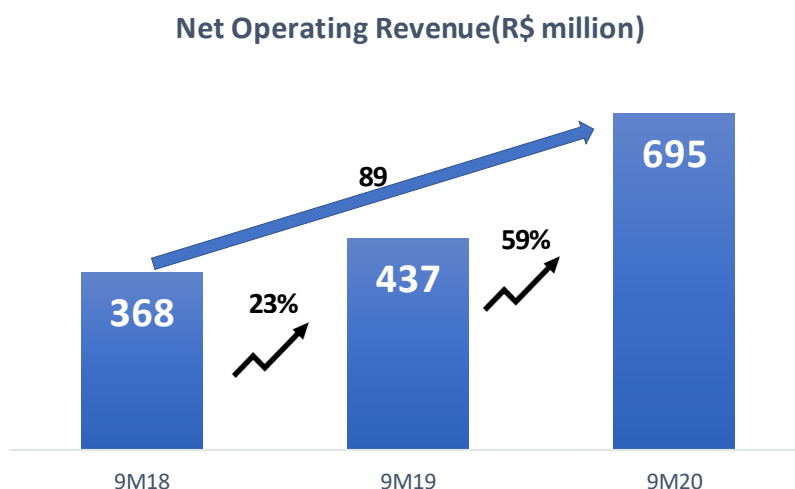
R\$ MM	3Q20	2Q20	Chg. %	3Q19	Chg. %	9M20	9M19	Chg. %
Gross Revenue	316,0	250,0	26,4%	183,0	72,7%	838,6	528,2	58,8%
Net Operating Revenue	259,8	208,8	24,5%	157,0	65,5%	695,4	436,8	59,2%
Cost of Services Rendered	(223,7)	(178,4)	25,4%	(140,1)	59,7%	(612,3)	(393,2)	55,7%
Gross Profit	36,2	30,3	19,3%	17,0	113,2%	83,0	43,6	90,4%
<i>Gross Profit Margin (%)</i>	<i>13,9%</i>	<i>14,5%</i>	<i>-0,6 p.p.</i>	<i>10,8%</i>	<i>3,1 p.p.</i>	<i>11,9%</i>	<i>10,0%</i>	<i>2,0 p.p.</i>
Administrative Expenses	(17,2)	(8,1)	112,7%	(8,0)	115,4%	(40,1)	(19,3)	107,5%
Sales Expenses	(4,5)	(4,1)	9,4%	(1,0)	329,3%	(13,0)	(2,8)	361,4%
Other Operating Revenues	0,6	(5,8)	-109,9%	2,0	-71,7%	0,6	1,3	-55,4%
Operating Profit	15,0	12,4	21,6%	9,9	51,5%	30,5	22,7	34,2%
<i>Operational Profit Margin (%)</i>	<i>5,8%</i>	<i>5,9%</i>	<i>-0,1 p.p.</i>	<i>6,3%</i>	<i>-0,5 p.p.</i>	<i>4,4%</i>	<i>5,2%</i>	<i>-0,8 p.p.</i>
Financial Income	0,7	1,0	-34,8%	2,5	-73,3%	5,5	4,8	15,5%
Financial Expenses	(7,3)	(7,3)	-0,2%	(6,6)	9,4%	(24,0)	(19,3)	24,2%
Financial Expenses, Net	(6,6)	(6,2)	5,5%	(4,1)	60,0%	(18,5)	(14,6)	27,0%
Income (Loss) Before Taxes	8,5	6,1	38,0%	5,8	45,4%	12,0	8,2	46,9%
Current and Deferred Income	(2,5)	(0,5)	406,6%	(0,6)	298,3%	(3,1)	(1,3)	135,5%
Net Income for the year	5,9	5,6	5,2%	5,2	14,4%	8,9	6,9	30,1%
<i>Net Income Margin (%)</i>	<i>2,3%</i>	<i>2,7%</i>	<i>-0,4 p.p.</i>	<i>3,3%</i>	<i>-1,0 p.p.</i>	<i>1,3%</i>	<i>1,6%</i>	<i>-0,3 p.p.</i>

Growth of 26% on gross revenue, over the previously quarter, with an increase of 19% on gross profit, 22% on operational profit, 38% on income before taxes and 5% on net income.

Net income on 3Q20 increase both against 2Q20 and 3Q19, a direct result from the Company growth. The same can be noted on YoY comparison, where it is easy to see the positive impact from the Translovato acquisition, as well as the Company results resilience in face of the pandemic period.

Net revenue

BBM Logística's Net Operating Revenue totaled R\$259.8 million in 3Q20, increasing by 65.5% over the R\$157.0 million reported in 3Q19. The gross margin increased by 3.1 pp. YoY, reaching 13.9% in 3Q20. Year-to-date, net operating revenue totaled R\$695.4 million, compared to R\$436.8 million YoY, rising 59.2%, with the gross margin increasing 2.0 p.p.



TM SEGMENT

Transport Management in FTL, LTL, Intermodal and International

Highlights	Unit	3Q20	2Q20	Chg. %	3Q19	Chg. %	9M20	9M19	Chg. %
Gross Revenue	R\$ mm	212.3	153.8	38.0%	76.7	176.7%	539.6	211.0	155.8%
Net Revenue	R\$ mm	172.5	124.8	38.2%	65.4	163.8%	438.5	179.1	144.9%
EBITDA	R\$ mm	36.7	22.9	60.2%	7.0	422.6%	83.7	25.5	228.5%
EBITDA Margin	%	21.3%	18.4%	2.9 p.p.	10.8%	10.5 p.p.	19.1%	14.2%	4.9 p.p.
Paid Km	mm km	21.0	16.0	31.3%	9.1	131.7%	54.0	24.1	123.9%
Net Revenue / KM	R\$/km	8.2	7.8	5.3%	7.2	13.9%	8.1	7.4	9.4%

In the Transportation Management Units (TM), responsible for Translovato's LTL, industrial inbound, FTL operations, intermodal operations and international road transport operations, we observed a strong impact from the pandemic in the previous quarter, but it was already possible to recover a good part of the result during the third quarter.

Even with the downturn of segments such as footwear and clothing, very important in the TM segment, we had an increase in revenue due to the growth of the other operating segments, especially (i) metallurgy; (ii) furniture and beverages, due to e-commerce, which represents 13,52% of our LTL; and (iii) technology and electronics products.

Net revenue for the TM Segment totaled R\$172.5 million in 3Q20, up by 38.2% over 2Q20 and by 163.8% over 3Q19, before Translovato's acquisition. Translag has already contributed 20 days of operation to BBM Group, with an increase of R\$4.1 million in Net Revenue. With the increase in the Translovato's operations, which have higher margins, EBITDA reached R\$36.7 million, five times higher than the R\$7 million EBITDA YoY, with the EBITDA margin growing 10.5 p.p.

DCC SEGMENT

Dedicated Contracts for Forestry and Inbound/Outbound for the Industry

Highlights	Unit	3Q20	2Q20	Chg. %	3Q19	Chg. %	9M20	9M19	Chg. %
Gross Revenue	R\$ mm	103.0	96.2	7.0%	106.2	-3.1%	298.3	297.6	0.2%
Net Revenue	R\$ mm	87.4	83.9	4.1%	91.6	-4.6%	256.0	257.6	-0.6%
EBITDA	R\$ mm	16.9	17.8	-4.9%	19.2	-11.9%	51.5	48.4	6.6%
EBITDA Margin	%	19.4%	21.2%	-1.8 p.p.	21.0%	-1.6 p.p.	20.1%	18.8%	1.4 p.p.
Paid Km	mm km	14.3	12.7	13.0%	13.3	8.1%	39.8	40.3	-1.2%
Net Revenue / KM	R\$/km	6.1	6.6	-7.8%	6.9	-11.8%	6.4	6.4	0.6%

The quarter had the beginning of operations negotiated in the previous quarters. In addition to new projects in the industrial segment and others with existing customers, the area also won a new customer in the forestry segment. Both started to bring results at the end of the second quarter, with a revenue increase due to the operational ramp up during the third quarter.

Net revenue totaled R\$87.4 million, up by 4.1% over 2Q20, impacted both by the projects mentioned above and by the lower number of rainy days compared to the previous quarter, benefiting productivity in the forestry operations.

Compared to 3Q19, there was a 4.6% decrease, partially explained by the decrease in the volume of operations of a customer in the industrial segment, which has not yet been fully offset by the start of new projects.

The segment's EBITDA totaled R\$16.9 million in 3Q20, down by 4.9% QoQ and by 11.9% over 3Q19. The drop is explained by the mismatch between revenues and expenses for new projects, with new operations still not bringing full revenues but with implementation costs already incurred.

Gross Profit

Consolidated gross profit increased by 19.3% QoQ, derived from the revenue recovery over the pandemic-period, as well as from better cost management, and increased 113.2% YoY, mainly due to Translovato's acquisition, what happened in December, 2019.

Administrative Expenses

In the nine-month period, administrative expenses totaled R\$40,1 million. On this period, besides Translovato administrative expenses incorporation, reinforcements on management team were made, on commercial and technology areas, and on governance structures. These actions were focused on the Company strategic planning, reinforcing the administrative structure to secure the bases to the long term growth.

Therefore, the 108% increase, against the same period on last year was due to three factors: (i) R\$11.6 million regarding the incorporation of Translovato's administrative expenses; (ii) R\$4.3 million in expenses with M&A, in line with the company's expansion strategy through acquisitions; and (iii) increase in BBM's corporate structure throughout 2020, as described above.

Comparing to 2Q20, administrative expenses growth 113%, resulted of Translag acquisition expenses, and also due to a reclassification of transaction costs related to the shares offering in progress, accounted on the last quarter.

EBITDA/ADJUSTED EBITDA

R\$ MM	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
TM	36,7	7,6	382,6%	83,7	21,4	291,8%
DCC	16,9	18,4	-8,2%	51,5	46,2	11,5%
EBITDA Segments	53,7	26,1	106,0%	135,3	67,6	100,1%
Administrative and Sales Expenses*	-19,7	-7,6	158,5%	-53,0	-21,6	145,3%
EBITDA	34,0	18,4	84,3%	82,4	46,1	78,7%
(+) Mergers and Acquisitions Expenses**	2,8	0,7	288,4%	4,4	1,3	225,1%
Adjusted EBITDA	36,7	19,1	91,9%	86,8	47,5	82,8%
<i>EBITDA Margin</i>	<i>14,1%</i>	<i>12,2%</i>	<i>1,9 p.p.</i>	<i>12,5%</i>	<i>10,9%</i>	<i>1,6 p.p.</i>

*Administrative/Selling Expenses = Overhead + Other Non-Operating Income/Expenses.

** Adjusted EBITDA is calculated excluding non-recurring items, such as expenses with mergers and acquisitions, which are not part of the Company's operating structure but are in line with its expansion strategy.

BBM Logística's EBITDA showed solid growth, both over 3Q19 and 9M19. This increase was due to the integration of Translovato's operations, to the expansion of our client base, productivity gains and better operational efficiency, combined with strict management of operational costs. Translag's acquisition also started to contribute to the Company's results. It should also be noted that EBITDA was negatively impacted by the increase in administrative and selling expenses, which are in line with the Company's structure to support its high growth strategy, including necessary adjustments to its corporate structure, especially in the IT, Commercial, Processes, Governance, Compliance and HR areas.

See below the Company's reconciliation of EBITDA to EBITDA Segments, in accordance with CVM Instruction 527/2012, and the nature of the reconciliation items.

EBITDA Reconciliation

R\$ MM	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
Net income for the period	5,9	5,2	14,5%	8,9	6,9	30,1%
Net financial expenses	6,6	4,1	60,0%	18,5	14,6	27,0%
Current and deferred income tax and social contribution	2,5	0,6	298,3%	3,1	1,3	135,5%
Depreciation and amortization	18,9	8,5	122,2%	51,9	23,4	122,2%
EBITDA	34,0	18,4	84,7%	82,4	46,1	78,8%

INVESTMENTS

R\$ MM	Unit	3Q20	2Q20	3Q19	9M20	9M19
Investments	R\$ mm	10,3	5,4	25,3	37,2	65,2
DCC	R\$ mm	4,8	4,0	21,4	29,9	53,0
TM	R\$ mm	0,9	0,0	3,5	0,9	11,4
Technology and others	R\$ mm	4,7	1,4	0,4	6,5	0,8

One of the main characteristics of the dedicated contracts segment (DCC) is its need for CAPEX and fleet acquisition, however, it does not require a significant volume of working capital since receivables terms are shorter while the payment terms to suppliers are longer, resulting in shorter financial cycle. On 3Q20, the main investments were related to the implementation of the new projects described on DCC segment section.

The TM segment requires lower CAPEX, however, its receivables terms are longer and payment terms to suppliers (third party drivers) are shorter, thus resulting in longer financial cycle when compared to the one from the dedicated operations.

The R\$ 4.9 mm increase in the amount of investments in 3Q20 vs. 2Q20 was due to technological projects, such as the new ERP's implementation, the digital platform and change of IT equipment at Translovato. In operations, machinery and equipment were purchased for the new forestry project.

ROIC – Return on Invested Capital

The Company defines ROIC (Return on Invested Capital) as Operating Profit (after tax of 34%), divided by the 12-month average invested capital (Working Capital + Property, Plant & Equipment). This indicator reflects the Company's creation of value and basic remuneration of capital invested by shareholders. ROIC does not replace other accounting measures in the IFRS and may not be comparable between companies.

Consolidated

Return on Invested Capital	Unit	3Q20	2Q20	Chg. %	9M20	9M19	Chg. %
% ROIC DCC	%	14.8%	17.1%	-2.4 p.p.	14.8%	17.9%	-3.1 p.p.
% ROIC TM	%	35.4%	27.1%	8.4 p.p.	35.4%	20.5%	15.0 p.p.
% Consolidated ROIC	%	8.5%	8.7%	-0.2 p.p.	8.5%	9.1%	-0.6 p.p.
NOPLAT LTM	R\$ mm	23.8	23.9	-0.7%	23.8	19.1	24.3%
EBIT	R\$ mm	36.0	36.3	-0.7%	36.0	29.0	24.3%
Tax 34%	R\$ mm	-12.2	-12.3	-0.7%	-12.2	-9.9	24.3%
Ke - Invested Capital	R\$ mm	281	276	2.0%	281	211	33.4%
Working Capital	R\$ mm	70.9	68.4	3.6%	70.9	80.1	-11.6%
Property, Plant, and Equipment	R\$ mm	210.4	207.5	1.4%	210.4	130.7	61.0%

% ROIC = NOPLAT / Ke - Invested Capital

The Company's consolidated ROIC reached 8.5% in 3Q20. Invested Capital had a positive variation of 2.0% over 2Q20, and a positive variation of 33.4% in 9M20 x 9M19, mainly due to the acquisition of vehicles for new operations of which results will mature in the second semester and beginning of 2021, as well as due to the inclusion of Translovato. Additionally, the Company invested in technology, with measurable returns in the medium term.

TM

Return on Invested Capital	Unit	3Q20	2Q20	Chg. %	9M20	9M19	Chg. %
% ROIC (NOPLAT / Ke)	%	35.4%	27.1%	8.4 p.p.	35.4%	20.5%	15.0 p.p.
NOPLAT LTM	R\$ mm	37.2	29.4	26.5%	37.2	14.6	154.8%
EBIT	R\$ mm	56.3	44.5	26.5%	56.3	20.5	175.0%
Tax 34%	R\$ mm	-19.1	-15.1	26.5%	-19.1	-7.5	154.8%
Ke - Invested Capital	R\$ mm	105	109	-3.4%	105	71	47.2%
Working Capital	R\$ mm	39.8	39.3	1.2%	39.8	44.0	-9.6%
Property, Plant, and Equipment	R\$ mm	65.1	69.3	-6.0%	65.1	27.2	139.2%

The TM segment's ROIC reached 35.4% in 3Q20, a variation of 8.4 p.p. over 2Q20, due to better results from Translovato and international operations, and a decrease in Property, Plant and Equipment due to sales of equipment. Operating Profit reached R\$56.3 million in 3Q20, compared to R\$44.5 million in 2Q20, corresponding to a 26.5% growth. It is worth mentioning that the TM segment requires less investment in CAPEX and fleet acquisition, as mentioned above.

DCC

Return on Invested Capital	Unit	3Q20	2Q20	Chg. %	9M20	9M19	Chg. %
% ROIC (NOPLAT / Ke)	%	14.8%	17.1%	-2.4 p.p.	14.8%	17.9%	-3.1 p.p.
NOPLAT	R\$ mm	25.4	28.1	-9.5%	25.4	24.7	3.1%
EBIT	R\$ mm	38.6	42.6	-9.5%	38.6	37.4	3.1%
Tax 34%	R\$ mm	-13.1	-14.5	-9.5%	-13.1	-12.7	3.1%
Ke - Invested Capital	R\$ mm	172.3	164.1	5.0%	172.3	138.1	24.8%
Working Capital	R\$ mm	31.1	29.1	6.8%	31.1	35.8	-13.3%
Property, Plant, and Equipment	R\$ mm	141.3	135.0	4.6%	141.3	102.3	38.1%

The DCC segment's ROIC reached 14.8% in 3Q20, a negative variation of 2.4 p.p. over 2Q20, since the results of recent investments made will be captured only in the coming months, coupled with the drop in the result of some industrial customers. The Invested Capital increased by 24.8% YoY, mainly due to the acquisition of equipments for the new operations, as already mentioned.

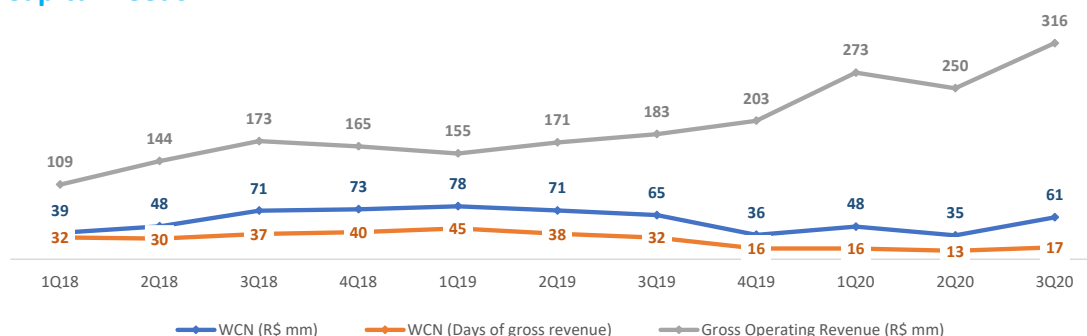
Operating Profit reached R\$38.6 million, a negative variation of 9.5% over 2Q20, given that part of the new projects are still in the maturity curve and given the drop in the results of some clients.

WORKING CAPITAL AND FINANCIAL CYCLE

R\$ MM	3Q20	2Q20	Chg. %	3Q19	Chg. %
Accounts Receivable	(192.4)	(153.8)	25.1%	(127.5)	50.9%
Inventories	(5.8)	(5.1)	14.1%	(2.2)	165.5%
Suppliers	49.8	45.4	9.6%	37.5	32.8%
Corporate liabilities	50.0	43.1	16.0%	19.6	155.5%
Tax liabilities	37.0	35.4	4.4%	8.0	360.1%
WCN	(61.4)	(35.0)	75.7%	(64.6)	-4.9%
Gross Operating Revenue	316.0	250.0	26.4%	183.0	72.7%
WCN (Days of gross revenue)	17	12.6	39.1%	31.8	-45.0%

The increase in Working Capital Need during 3Q20, compared to the previous quarter, is mainly due to the increase in Receivables in the period, in line with the revenue growth, given the revenue recovery from the pandemic period. Year-on-year, the Working Capital Needs in days of gross revenue decreased by 45%, mainly due to the increase in the tax and social obligation accounts, to the inclusion of Translovato, and due to the extension of payment deadline for social and tax obligations, as provided in the aid measures adopted by the Federal Government as a consequence of the COVID-19 pandemic.

Working Capital Needs



DEBT

R\$ mm	3Q20	2Q20	Chg. %	3Q20	4Q19	Chg. %
Financing	240,0	214,0	12,2%	240,0	169,4	41,7%
Debentures	39,6	43,3	-	39,6	49,4	-
Gross Debt	279,6	257,3	8,7%	279,6	218,9	27,7%
Cash	96,2	110,6	-13,0%	96,2	62,5	54,0%
Net Debt	183,4	146,7	25,0%	183,4	156,4	17,3%

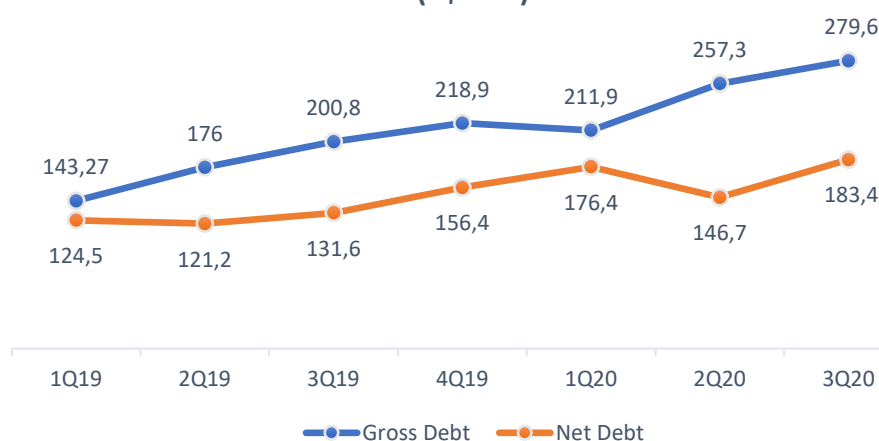
During 3Q20, there was fund raising to finance the investments in the new projects already mentioned, and a drop in cash from Translag's acquisition. Despite the increase in net debt, BBM continues in a comfortable position, with cash 54% higher the one from December, 2019, and with the debt within the limits set by covenants of the financing and debentures contracts.

	Average Charges %		09/30/2020 (R\$ mm)			12/31/2020	
	09/30/2020	12/31/2020	Current	Non-Current	Total	Total	Chg. %
Working capital	5,3%	7,7%	78,6	128,9	207,6	143,8	44,4%
Finame	8,1%	10,0%	18,1	13,9	32,0	25,0	28,2%
Leasing	16,8%	16,8%	0,3	0,2	0,5	0,7	-34,1%
Total	5,7%	8,1%	97,0	142,9	240,0	169,4	41,7%

Debentures	5,3%	7,8%	14,8	24,8	39,6	49,4	
Total	5,7%	8,0%	111,8	167,7	279,6	218,9	27,7%

Most loans and financing contracts have charges that are indexed to the variation of the CDI rate, therefore the recurring drop in basic interest rates have contributed to the decrease in the average charges of these obligations when compared to 4Q19.

Gross and Net Debt Evolution (R\$ mm)



IR Contacts:

+55 41 2169 0055
ri@bbmlogistica.com.br

André Alarcon de Almeida Prado
Chief Executive Officer

Marco Antonio de Modesti
Chief Financial and Investor Relations Officer

About BBM Logística

BBM Logística is one of the largest logistics operators in Mercosur, providing state-of-the-art integrated solutions to a number of the main companies in the region. The Company combines comprehensive operations, significant scale and professional management, standing as a distinguished player of the sector. It provides **Inbound, Outbound, Distribution and Parcel** services – consolidated and fractional cargo transportation services – through BBM and Translovato. Its client portfolio includes the pulp and paper, agribusiness, chemical, gases, automotive and electronics segments, among others, with international transportation services, general and fractional cargo, dedicated agreements, storage and a number of customized solutions. In the last two years, it carried out significant acquisitions that increased revenues to R\$600 million at the end of 2019. All of the Company's activities are certified by ISO 9001, ISO 14001 and SASSMAQ. With a solid governance structure supporting the execution of its growth plan and more than 4,000 employees, BBM is an investee of Stratus and is listed on the Bovespa Mais segment of B3.

Disclaimer

The statements in this report regarding the Company's business outlook, forecasts and results and its growth potential are based on mere forecasts and on Management's expectations regarding the Company's future. These expectations are highly dependent on market changes and on the general economic performance of the country, the industry, and the international market and, therefore, are subject to changes.

BBM Logística S.A.**Statements of income**

For the nine-months period ended September 30, 2020 and and 2019

<i>(In thousands of Reals)</i>	09/30/2020	09/30/2019
Net revenue	695.369	436.765
Cost of services rendered	(612.321)	(393.153)
Gross profit	83.048	43.612
Administrative expenses	(50.286)	(20.510)
Sales expenses	(2.831)	(1.631)
Impairment loss on accounts receivable	(1.296)	(871)
Other operating (expenses) income, net	1.855	2.125
(Loss) income before financial expenses, net and taxes	30.490	22.725
Financial income	5.498	4.760
Financial expenses	(24.009)	(19.330)
Financial expenses, net	(18.511)	(14.570)
Income (loss) before taxes	11.979	8.155
Current and deferred income tax and social contribution	(7.775)	(1.300)
Net income for the period	4.204	6.855

BBM Logística S.A.

Balance sheets at September 30, 2020 and December 31, 2019

(In thousands of Reais)

R\$ MM	09/30/2020	12/31/2019	R\$ MM	09/30/2020	12/31/2019
Assets	767,9	664,1	Liabilities	767,9	664,1
Current	334,8	264,7	Current liabilities	340,2	243,3
Cash and cash equivalents	96,2	62,5	Suppliers	49,8	56,2
Trade accounts receivable	192,4	149,0	Loans and financing	97,0	51,9
Inventories	5,8	2,9	Debentures	14,8	13,6
Recoverable Taxes	23,2	29,5	Leases	31,3	25,4
Trucks prepurchase financial pool	3,2	4,3	Dividends payable	0,0	3,3
Other Receivables	14,0	16,6	Social charges	50,0	32,1
			Tax payable	37,0	27,8
Non-Current	433,2	399,4	Tax debt installment payment plans	2,2	3,1
Collateral deposits	0,5	0,5	Trucks prepurchase financial pool	5,5	6,0
Recoverable taxes	5,5	13,4	Acquisition of subsidiaries	25,5	9,5
Other Receivables	4,1	0,0	Other accounts payable	27,3	14,6
Security deposits	3,5	6,1			
Impostos diferidos	13,3	10,4	Non-current liabilities	302,7	300,1
Right to use assets	67,1	67,4	Suppliers	0,1	0,3
Property, plant and equipment	241,5	229,7	Loans and financing	143,0	117,6
Intangible assets	97,7	72,0	Debentures	24,8	35,9
			Leasing	38,1	42,4
			Tax installment payment	7,6	8,6
			Trucks prepurchase financial pool	2,0	1,3
			Provision for contingencies	23,6	22,7
			Aquisition payable	46,6	48,7
			Other Accounts Payable	17,0	22,7
			Shareholders' Equity	125,0	120,8
			Capital (net of transaction costs)	95,3	95,3
			Equity valuation adjustment	1,9	1,8
			Profit reserves	23,7	23,7
			Retained earnings	4,1	0,0

BBM Logística S.A.**Statements of cash flows - Indirect method****For the nine-months period ended September 30, 2020 and 2019***(In thousands of Reais)*

R\$ MM	9M20	9M19	Chg. %
Earnings before income tax and social contribution	12.0	8.2	46.9%
Depreciation	60.0	31.8	88.5%
Financial Result	15.4	15.9	-3.5%
Other	6.6	3.9	68.9%
Δ Working Capital	-1.0	-5.9	-83.3%
(i) Cash flow generated by operating activities	93.0	53.9	72.5%
Income Tax and Social Contribution Paid	-17.6	-2.5	593.2%
(ii) Net Cash flow generated from operational activities	75.3	51.4	46.7%
Property, plant and equipment and intangible acquisition	-35.7	-56.4	-36.7%
Cost of acquisitions of stake in subsidiary	-23.7	0.0	
Customers advances receivable	0.0	11.6	-100.0%
Trucks prepurchase financial pool quotas not yet granted	-1.5	-2.1	-29.6%
Amount received from sale property, plant and equipment	2.1	0.2	879.1%
(iii) Cash flow from investing activities	-58.8	-46.7	25.9%
Dividends payment	-3.3	0.0	
Trucks prepurchase financial pool quotas granted	-7.1	-4.4	
Loans and financing obtained	87.6	85.0	
Debentures obtained	0.0	49.3	-100.0%
Amortization of Debentures - principal	-10.0	0.0	
Amortization of interest on debentures	-2.2	-1.2	
Amortization of loans and financing - principal	-20.7	-61.3	-66.2%
Payment of interest rates from loans and financing	-6.7	-10.9	-39.0%
Amortization of interest on lease	-16.5	-8.9	85.2%
Payment of interest on lease	-4.0	-1.8	125.1%
(iii) Cash flow from financing activities	17.1	45.8	-62.6%
Total Cash Flow (I) + (ii) + (iii)	33.7	50.5	-33.2%
Cash and cash equivalents at the end of the period	96.2	69.2	38.9%