

JSL

Entender para Atender



JSL S.A.
Quarterly information - ITR related to the quarter ended September 30, 2019 (A free translation of the original report in Portuguese, as filled with the Brazilian Securities Commission (CVM)).



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PERFORMANCE COMMENTS 3Q19

Operational and Financial Highlights

JSL Group – Consolidated


Record Net Revenue of R\$2.5 billion in 3Q19


CONSOLIDADO Consolidated Net Income of R\$66.1 million in 3Q19, a growth of 22% YoY, reflecting part of the operational transformation that resulted in independent management of all business;


CONSOLIDADO Consolidated Net Revenue from Services achieved a record of R\$1.8 billion, growing 5% YoY, and EBITDA increases by 22%, totaling R\$511.9 million, with EBITDA Margin of 28.9%, an increase of 4.0 p.p. compared to 3Q18;

CONSOLIDADO Leverage decreases to 3.6x in 3Q19, mostly organically, 18% lower when compared to 3Q18 and 10% compared to 2Q19;

 **VAMOS** achieved record Net Income of R\$38.3 million (+10.7% YoY), totaling R\$107.2 million in 9M19 (+13.0% YoY). VAMOS remains combining growth and profitability sustained by a unique platform;

 **JSL Logística** records EBITDA of R\$119.7 million (+7.5% YoY) as a result of the transformation of its operational model and is ready to benefit from the economic recovery in Brazil;

 **CS Brasil** records EBITDA of R\$62.0 million (+5.3% YoY), with an increase of 6.5% YoY in Fleet Management and Outsourcing (GTF), which increased its Gross Revenue from Services from 62% in 3Q18 to 67% in 3Q19;

 **Movida** achieved record EBITDA of R\$191.8 million (+61% YoY) and EBITDA Margin of 51.0% (+12.3 p.p. YoY), confirming the continuous operational evolution in all business lines. In Used Car Sales, EBITDA Margin reached -0.5%, an increase of 6.3 p.p. compared to 3Q18, the best result since the IPO.

NOTE: The figures for 2019 were adjusted in accordance with the new accounting standard CPC 06 (R2) / IFRS16. Historical values already published have not changed. For purposes of comparability, the Exhibit section of this release provides a table with managerial information excluding the effects resulting from IFRS16 for the 3Q19 and 9M19.

Financial Highlights (R\$ million)	JSL - Consolidated					
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	LTM
Gross Revenue	2,354.2	2,681.0	2,757.8	17.1%	2.9%	10,406.6
Net Revenue	2,068.9	2,388.9	2,453.6	18.6%	2.7%	9,185.8
JSL Logística	834.6	786.5	781.8	-6.3%	-0.6%	3,159.1
CS Brasil	215.4	218.0	220.6	2.4%	1.2%	834.1
Vamos	259.9	300.9	314.1	20.9%	4.4%	1,156.1
Movida	611.5	956.2	960.8	57.1%	0.5%	3,442.5
Original	184.4	208.3	212.8	15.4%	2.2%	800.1
BBC Leasing	8.4	9.8	10.3	22.6%	5.1%	37.7
Intercompany Elimination	(45.3)	(90.7)	(46.8)	-	-	(243.8)
Net Revenue from Services	1,686.6	1,713.5	1,770.8	5.0%	3.3%	6,839.1
Net Revenue of Asset Sales	382.3	675.4	682.8	78.6%	1.1%	2,346.7
EBITDA	420.0	518.2	511.9	21.9%	-1.2%	1,937.2
Margin (% NR from Services)	24.9%	30.2%	28.9%	+4.0 p.p.	-1.3 p.p.	28.3%
EBITDA-A	778.3	1,183.8	1,167.4	50.0%	-1.4%	4,244.2
Margin	37.6%	49.6%	47.6%	+10.0 p.p.	-2.0 p.p.	46.2%
Net Income	54.0	71.2	66.1	22.4%	-7.2%	258.7
Margin (% NR)	2.6%	3.0%	2.7%	+0.1 p.p.	-0.3 p.p.	2.8%
Net Income (controllers)*	39.2	58.8	39.0	-0.5%	-33.7%	190.9
Margin (% NR)	1.9%	2.5%	1.6%	-0.3 p.p.	-0.9 p.p.	2.1%

(*) Does not include the gain on the sale of equity interest in Movida in the amount of R\$91.4 million (net of taxes), which was accounted for in shareholders' equity, pursuant to CPC 18.

Message from Management

We remain focused on our **strategy for diversification**, which transformed our course over the last decade, adjusting and strengthening our **strategic position**. JSL Group changed from a company initially focused on logistics services, with more correlation to the GDP growth, to a group of synergic companies providing **rental of highly liquid assets with services added** and stick to its expansion regardless of the economic performance, with **predictable results** derived from high proportion of contracted revenues.

Part of our value relies on the sum of consistent operational results, which is maximized by the companies gathered in a single group guided by its strong culture that is focused on hard work, people, services and know-how to manage the assets. The benefit of such structure allows us to allocate capital on a transparent manner, maximizing opportunities in specific markets, expand in underdeveloped sectors and finance assets at attractive costs and terms.

We recorded the highest Consolidated Net Revenue of R\$2.5 billion in 3Q19, an increase of 19% YoY, reflecting the consolidation and dynamics of the companies comprising the JSL Group. Vamos, Movida and CS Brasil accounted for 72% of the consolidated EBITDA and operate in businesses which results are highly predictable, with growth driven by the trend of migration from the proprietary model to the asset rental model. JSL Logística, which accounted for 26% of EBITDA, was subject to a transformation to become a more asset light and efficient company and is prepared to benefit from the expected recovery of the logistics business in Brazil. BBC Leasing and Original offer supplementary business alternatives, adding know-how on the secondary market and strengthening our relation to independent parties and contractors. The diversification of businesses, DNA of people and services involved and the focus on return on invested capital guarantee the perpetuity of the JSL Group.

Consolidated EBITDA totaled R\$511.9 million in 3Q19 (+22% YoY) and the EBITDA Margin reached 28.9%, an increase of 4.0 p.p. YoY, confirming the JSL Group's emphasis on profitability and efficiency.

VAMOS recognized record Net Income of R\$38.3 million (+10.7% YoY), totaling R\$107.2 million in 9M19 (+13.0% YoY), aligned with the business plan established by the Company, while the ROIC totaled 12,4% in annualized 9M19. VAMOS invested in the backoffice area and IT to support the operations to enhance control and processes, as well as in the development of the sales department, in order to balance growth, quality of services provided and profitability.

JSL Logística recorded EBITDA of R\$119.7 million (+7.5% YoY), with EBITDA Margin of 16.1% (+2.0 p.p. YoY). Disregarding IFRS16 adoption, we observe an EBITDA variation of -2,6% YoY; however, if we eliminate the R\$23 million retroactive revenue in 3Q18 revenues, we see a 22.8% growth. JSL Logística is ready to benefit from the economic recovery in Brazil.

CS Brasil recorded Total Net Revenue of R\$220.6 million (+2.4% YoY). Net Revenue from Services decreased by 0.6% YoY, while EBITDA totaled R\$62.0 million (+5.3% YoY), mainly due to the sale of the concession of a passenger transportation route in 4Q18. CS Brasil remains focused on the asset rental business, which increased from 62% to 67% of Gross Revenue from Services between 3Q18 and 3Q19.

Movida recorded Net Income of R\$60.2 million (+45.8% YoY), the highest result ever recorded by the Company in a quarter. EBITDA totaled R\$191.8 million in 3Q19, an increase of 60.6% YoY, with a service margin of 51.0% (+12.3 p.p. YoY), reflecting the consolidation and operational evolution in all business lines. EBITDA Margin of Used Car Sales reached -0.5%, an increase of 6.3 p.p. compared to 3Q18, the best result achieved by this business line since the Company's IPO.

In 3Q19, JSL Consolidated posted **Net Income of R\$66.1 million in 3Q19, 22% higher** than the income of R\$54.0 million in the same period of prior year. The solid result reflects the continuous evolution of the performance and consolidation of the companies, which were established independently, which management is focused on each one of the businesses over the last three years.

The **leverage ratio decreased to 3.6x**, measured by the net debt/EBITDA in 3Q19, compared to 4.4x in 3Q18 and 4.0x in 2Q19. Net debt significantly decreased by R\$350.6 million compared to 2Q19, totaling R\$7.1 billion. Moreover, the primary (R\$532.5 million) and secondary (R\$300.0 million) offer of Movida's shares concluded at the end of July 2019 allowed us to increase capex. The average cost of gross debt had a reduction of 8.2% in 3Q19 (-60bps QoQ and YoY), and the average cost of net debt had a reduction to 9.0% (-110bps QoQ and YoY), due to the decrease in CDI rate in the period, as well as the debt raised at lower costs and the early settlement of more expensive debts.

In the last 12 months we have achieved a **ROE of 20.2%** when considering only our share (controlling shareholder) in the companies, or **15.2%** on a consolidated basis, while **ROIC totaled 9.4%** in 9M19. We understand that the continued pursuit of efficiency, the proper management of our portfolio and the greater representation of asset rental with services should continue to contribute to the expansion of these returns.

Sustainability



We have been signatories to the UN Global Compact since 2014, when we decided to align our internal campaigns, training, projects, policies and actions with the principles of the initiative, demonstrating our commitment to a global development agenda. During all these years, we have made efforts to improve social and environmental indicators using best market practices and key trends as a reference.

Throughout the last quarter, we made efforts to **implement the Sustainability Committees and Working Groups of the JSL Group's companies**, as well as to establish the main social and environmental indicators, priority areas and projects that will help us to enhance our Sustainability Management. We have set the following priority subjects for this first cycle:

- Health, Security, and Quality of Life;
- Climate Change and Renewable 'Green' Energy;
- Valuing People and Respecting Diversity;
- Smart Use of Natural Resources and Waste Management;
- Ethics and Transparency.

Our purpose is to entrench these subjects in our culture, business decisions & strategies and daily practices, becoming a reference for the Group's entire operations. We will continue to pay attention to our environmental and social impacts to move forward with the goal to **generate even more value for shareholders, clients, suppliers, employees, and other stakeholders**. The strategy is linked to innovation, new business opportunities, cost reduction, risk management and, above all, the way we get connected to the Company's mission and purpose.

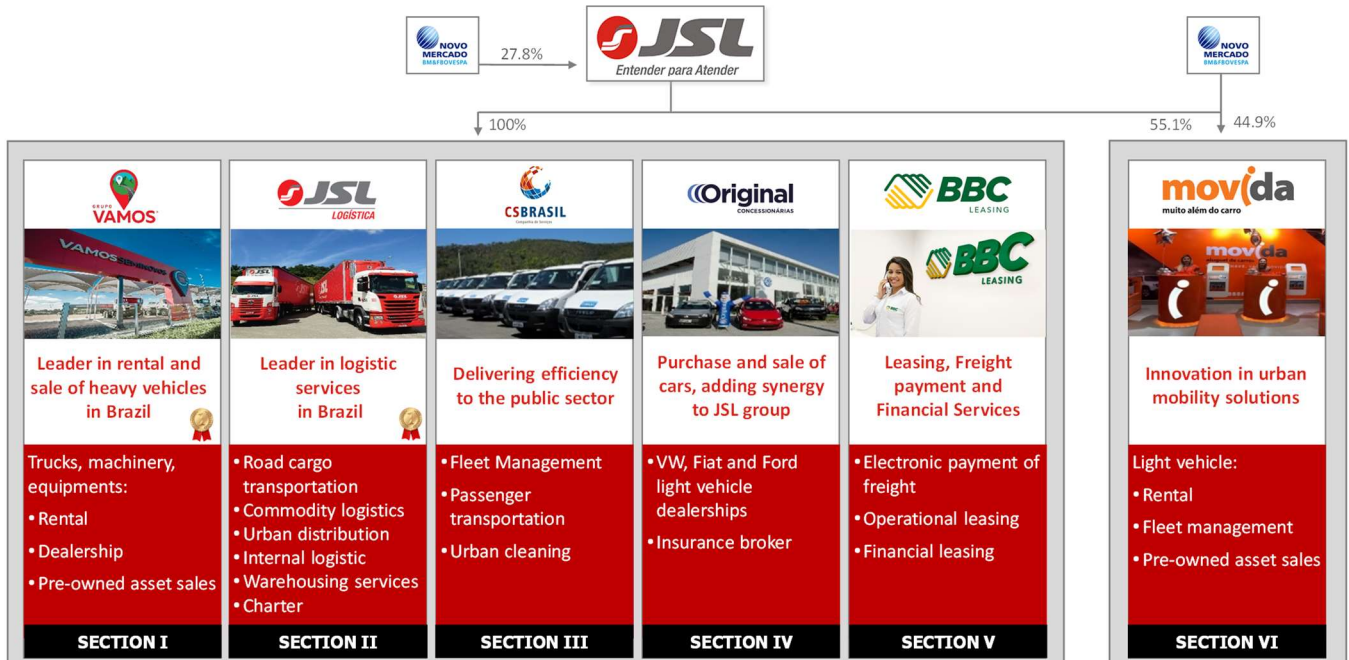
Governance of Sustainability Committee



ESG Strategy (Environmental, Sustainability and Governance)



JSL Group



Vamos – Comprises the rental and sale of trucks, machinery and equipment, in addition to MAN trucks and Valtra tractor authorized dealerships. It consolidates VAMOS Locação de Caminhões, Máquinas e Equipamentos S.A., which in turn holds a 100% interest in Transrio Caminhões, Ônibus, Máquinas e Motores Ltda., Borgato Serviços Agrícolas S.A., Borgato Máquinas S.A., and Borgato Caminhões S.A. (see section I).

JSL Logística – Consolidates logistics operations for the private sector carried out under the corporate entity (CNPJ) of the parent company JSL S.A. or one of the following companies: Quick Logística Ltda., Quick Armazéns Ltda., Medlogística Prestação de Serviços de Logística S.A., and Yolanda Logística Armazém, Transportes e Serviços Gerais Ltda. (see section II).

CS Brasil – The consolidated statements CS Brasil comprise the following companies: CS Brasil Frotas Ltda., CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda., and Mogi Passes Comércio de Bilhetes Eletrônicos Ltda., which provide services to the public sector (see section III).

Original Concessionárias – Comprises a network of 15 Volkswagen, Fiat and Ford dealerships. It consolidates Original Veículos Ltda., Avante Veículos Ltda., Ponto Veículos Ltda., JSL Corretora e Administradora de Seguros Ltda., and Original Distribuidora de Peças e Acessórios Ltda. (see section IV).

BBC Leasing – Offers financial alternatives, facilitating access to used trucks, buses, automobiles, machinery and equipment. Comprises the results of JSL Holding Financeira and JSL Leasing S.A. (see section V).

Movida – Rent-a-car (RAC) and light vehicle fleet management and outsourcing (GTF) services, in addition to selling used vehicles in sales stores. Comprises Movida Participações S.A., which consolidates Movida Premium Ltda. and Movida Locação de Veículos S.A. (see section VI).

I. Vamos



In the 3Q19, we remained focused on investing and growing with profitability, taking advantage of opportunities that create value for our business. We reached 364 contracts and 13,060 rented assets, a 20% increase over December 2018. Contracted Revenue Backlog totaled R\$2.2 billion, a significant increase of 24% over December 2018. VAMOS has been structuring an even more robust and capillary commercial area, aiming to accelerating the prospecting of new clients and boosting its growth pace for the coming periods. We also invested in the backoffice and IT to support the growth with enhanced operational processes and controls for a sustainable business expansion.

In 3Q19, the Company concluded R\$800 million fund raising through the first issuance of debentures in the local capital market, which confirms the Company's access to long-term credit facilities at competitive cost for its business environment. The funds raised have been allocated to improve the debt profile, reducing the average cost and extending the maturity to support growth of the rental business.

Financial Information (R\$ million)	Vamos								
	3Q18	2Q19	3Q19	▲ YoY	▲ QoQ	9M18	9M19	▲ YoY	LTM
Gross Revenue	291.6	324.3	345.2	18.4%	6.4%	800.9	971.2	21.3%	1,271.0
Net Revenue	(31.7)	(23.4)	(31.7)	0.0%	35.5%	(84.7)	(82.4)	-2.7%	(114.9)
Net Revenue	259.9	300.9	314.1	20.9%	4.4%	716.1	888.9	24.1%	1,156.1
Net Revenue from Services	235.4	244.5	257.3	9.3%	5.2%	655.5	741.3	13.1%	969.2
Rental	132.2	137.9	147.0	11.2%	6.6%	366.1	414.3	13.2%	542.0
Dealerships	103.2	106.6	110.3	6.9%	3.5%	289.5	327.0	13.0%	427.3
Net Rev. from Sale of Assets	24.5	56.4	56.8	131.8%	0.7%	60.6	147.6	143.6%	186.9
Costs	(172.1)	(197.7)	(209.6)	21.8%	6.0%	(460.2)	(590.2)	28.2%	(780.8)
Cost of Services	(147.2)	(143.9)	(153.8)	4.5%	6.9%	(402.1)	(446.9)	11.1%	(597.7)
Cost of Asset Sales	(24.8)	(53.8)	(55.8)	125.0%	3.7%	(58.1)	(143.4)	146.8%	(183.1)
Gross Profit	87.8	103.2	104.5	19.0%	1.3%	255.9	298.6	16.7%	375.3
Operational Expenses	(23.8)	(22.6)	(30.7)	29.0%	35.8%	(71.5)	(83.2)	16.4%	(110.6)
EBIT	64.1	80.6	73.8	15.1%	-8.4%	184.4	215.4	16.8%	264.7
Margin (% NR from Services)	27.2%	33.0%	28.7%	+1.5 p.p.	-4.3 p.p.	28.1%	29.1%	+1.0 p.p.	22.9%
Financial Result	(16.6)	(26.0)	(23.6)	42.2%	-9.2%	(48.9)	(68.4)	39.9%	(86.1)
Taxes	(12.9)	(17.1)	(11.9)	-7.8%	-30.4%	(40.6)	(39.8)	-2.0%	(49.9)
Net Income	34.6	37.5	38.3	10.7%	2.1%	94.9	107.2	13.0%	128.7
Margin (% NR from Services)	14.7%	15.3%	14.9%	+0.2 p.p.	-0.4 p.p.	14.5%	14.5%	+0.0 p.p.	11.1%
EBITDA	123.7	136.6	132.4	7.0%	-3.1%	340.5	390.2	14.6%	501.8
Margin (% NR from Services)	52.6%	55.9%	51.5%	-1.1 p.p.	-4.4 p.p.	52.0%	52.6%	+0.6 p.p.	51.8%
EBITDA from Rental Services	111.5	125.3	124.4	11.6%	-0.7%	323.5	361.8	11.8%	470.5
Margin (% NR from Rental)	84.3%	90.9%	84.6%	+0.3 p.p.	-6.3 p.p.	88.4%	87.3%	-1.1 p.p.	86.8%

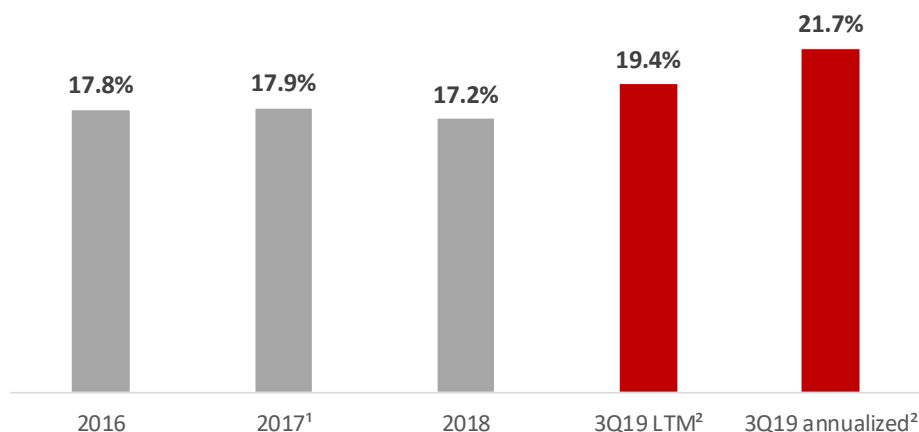
VAMOS posted Total Net Revenue of R\$314.1 million (+20.9% YoY), with growth in all its businesses. The Rental business recorded Net Revenue from Services of R\$147.0 million, an increase of 11.2% YoY. Net Revenue from sale of assets amounted to R\$56.8 million, representing 2.3 times the revenue of 3Q18, with a 1.8% sales margin. The Dealerships registered Net Revenue from Services of R\$110.3 million (+6.9% YoY), especially fueled by VW/Man's truck and bus dealerships.

Operating Expenses increased by 29.0%, totaling R\$30.7 million in 3Q19, mainly due to the improvement of systems, controls and sales team to support the Company's growth. VAMOS' EBITDA totaled R\$132.4 million in 3Q19, an increase of +7.0% YoY, while EBITDA Margin over revenue from services reached 51.5%, which evidences the Company's high cash generation capacity and healthy profitability. Note that EBITDA in the rental business grew by 11.6% YoY, totaling R\$124.4 million in 3Q19, with a margin of 84.6%.

VAMOS' Net Income was R\$38.3 million, an increase of 10.7% YoY and 2.1% QoQ. Net Income in 9M19 totaled R\$107.2 million, an increase of +13.0% YoY, with a net margin of 14.5%.

VAMOS' Capital Structure ended the quarter maintaining healthy levels even after a period marked by intensive investments. Net debt totaled R\$1.2 billion, representing 2.4x net leverage. VAMOS achieved a ROE of 19.4% for the last twelve months ended 3Q19 and 21.7% for the annualized quarter. ROIC for the last twelve months ended 3Q19 totaled 11.5%, while for the annualized 9M19 totaled 12.4%.

ROE

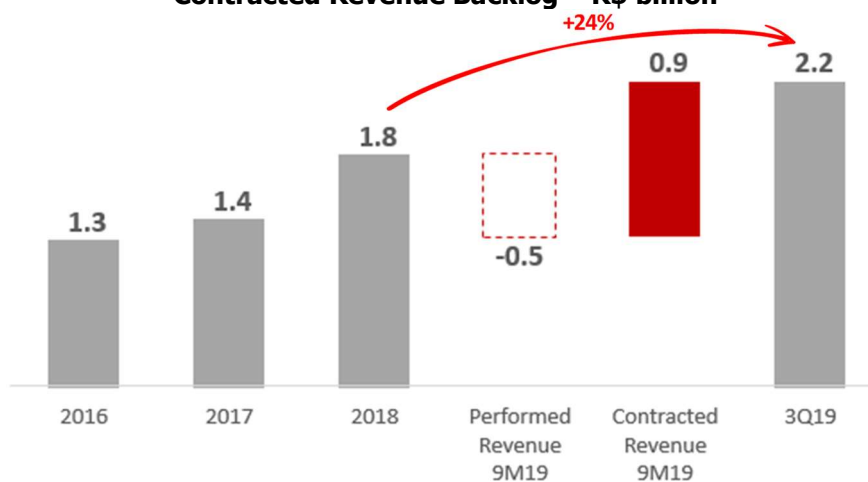


NOTE: 1- R\$113 million capital increase for Borgato acquisition were excluded for ROE of 2017 calculation. This adjustment was not made for ROE of 2018. 2 - R\$150 million in declared and not paid dividends were excluded from 2Q19 Equity calculation, hence this amount was added back to Equity for ROE and ROIC calculations.

Capex (R\$ million)	Vamos								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Gross capex by type	130.6	386.1	128.0	-2.0%	-66.8%	388.1	701.5	80.8%	797.5
Trucks	110.4	306.2	103.7	-6.1%	-66.1%	220.7	555.2	151.6%	650.0
Machinery and Equipment	20.2	79.9	24.2	19.8%	-69.7%	167.4	146.3	-12.6%	147.5
Usual sale of assets	(24.7)	(56.6)	(57.3)	132.0%	1.2%	(62.2)	(148.3)	138.4%	(189.4)
Total net capex	105.9	329.5	70.7	-33.2%	-78.5%	325.9	553.2	69.7%	227.6

VAMOS' Gross Capex in 3Q19 totaled R\$128.0 million, compared to R\$130.6 million in 3Q18, which remained stable YoY. In the 9M19, CAPEX totaled R\$701.5 million and this figure exceeded by 45% the investment for 2018, confirming our strategy of growth and expansion of the Rental business, maintaining quality and efficiency in customer service and contract profitability.

Contracted Revenue Backlog – R\$ billion



The future contracted revenue in 9M19 reached R\$868 million (+32% compared to R\$658 million in 9M18). Taking into consideration the revenue from rental services of R\$0.5 billion in the period, the future contracted revenue (backlog) increased from R\$1.8 billion to R\$2.2 billion (+24% compared to 2018). The backlog refers to approximately four years of contracted revenue from rental services when compared to the gross revenue from rental services of R\$0.6 billion in the last 12 months.

II. JSL Logística



Although independent since 2009, CS Brasil's results were jointly disclosed with the parent company JSL S.A. (JSL Logística). As at 2Q19, we began to disclose the figures of Logística and CS Brasil separately, in order to facilitate the understanding of both companies by investors and other stakeholders. Therefore, this section does not include CS Brasil for 3Q19 or any of the comparison periods. For information on CS Brasil, see section III.

Largest portfolio of logistics services in Brazil

1	2	3	4	5	6
Road Cargo Transportation and Dedicated Road Cargo Logistics	Commodity Logistics	Urban Distribution	Internal Logistic	Warehousing Services	Charter: Employee Transportation for Companies
					
<ul style="list-style-type: none"> Transportation point to point 95% subcontracted with independent and third parties Integrated and flexible solutions for each customer 	<ul style="list-style-type: none"> Link with exporting sector High value-added services 	<ul style="list-style-type: none"> Daily supply to POS Packaging management and return 	<ul style="list-style-type: none"> Part of the customer's production process Custom solutions for each operation High loyalty and cross selling rates 	<ul style="list-style-type: none"> Inventory management Receipt, storage, sorting, and dispatch of goods 	<ul style="list-style-type: none"> Charter transportation of employees to industries Car rental with driver Service directed to companies and industries
48% of revenues	23% of revenues	4% of revenues	11% of revenues	4% of revenues	10% of revenues

JSL Logística - Operational Activity

Financial Information (R\$ million)	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Gross Revenue	1,013.3	950.8	945.1	-6.7%	-0.6%	2,853.4	2,852.3	0.0%	3,830.1
Gross Revenue from Services	970.2	902.5	907.8	-6.4%	0.6%	2,735.7	2,698.7	-1.4%	3,634.5
Gross Revenue from Asset Sales	43.0	48.3	37.3	-13.3%	-22.8%	117.7	153.5	30.4%	195.6
Deductions	(178.7)	(164.3)	(163.3)	-8.6%	-0.6%	(508.6)	(490.9)	-3.5%	(671.1)
Net Revenue	834.6	786.5	781.8	-6.3%	-0.6%	2,344.8	2,361.4	0.7%	3,159.1
Net Revenue from Services	791.8	739.2	745.3	-5.9%	0.8%	2,229.5	2,210.3	-0.9%	2,966.2
Net Revenue from Asset Sales	42.8	47.3	36.5	-14.7%	-22.8%	115.3	151.1	31.0%	192.8
Total Costs	(714.9)	(683.0)	(683.1)	-4.4%	0.0%	(2,056.1)	(2,055.0)	-0.1%	(2,753.7)
Cost of Services	(667.9)	(637.3)	(646.6)	-3.2%	1.5%	(1,935.7)	(1,904.7)	-1.6%	(2,559.0)
Cost of Asset Sales	(47.0)	(45.7)	(36.5)	-22.3%	-20.1%	(120.4)	(150.3)	24.8%	(194.7)
Gross Profit	119.7	103.5	98.7	-17.5%	-4.6%	288.7	306.4	6.1%	405.4
Operational Expenses	(54.4)	(32.5)	(39.0)	-28.3%	20.0%	(123.0)	(94.8)	-22.9%	(139.9)
EBIT	65.2	71.0	59.7	-8.4%	-15.9%	165.7	211.5	27.6%	265.4
Margin (% NR from Services)	8.2%	9.6%	8.0%	-0.2 p.p.	-1.6 p.p.	7.4%	9.6%	+2.2 p.p.	8.9%
Financial Result	(30.6)	(38.8)	(40.1)	31.0%	3.4%	(86.5)	(105.5)	22.0%	(143.1)
Taxes	(13.0)	(9.1)	(2.9)	-77.7%	-68.1%	(30.6)	(28.0)	-8.5%	(22.1)
Net Income	21.7	23.1	16.7	-23.0%	-27.7%	48.6	78.1	60.7%	100.1
Margin (% Total NR)	2.6%	2.9%	2.1%	-0.5 p.p.	-0.8 p.p.	2.1%	3.3%	+1.2 p.p.	3.2%
EBITDA	111.3	130.8	119.7	7.5%	-8.5%	305.0	389.6	27.7%	489.8
Margin (% NR from Services)	14.1%	17.7%	16.1%	+2.0 p.p.	-1.6 p.p.	13.7%	17.6%	+3.9 p.p.	16.5%

Gross Revenue from Services Breakdown by Business Line and RSC (Revenue from Same Contracts)

Gross Revenue from Services (R\$ million)	Total Revenue					RSC
	3Q18	2Q19	3Q19	▲Q o Q	▲Y o Y	▲Y o Y
Gross Revenue from Services	970.2	902.5	907.8	0.6%	-6.4%	-7.6%
Road cargo transp. and Dedicated road cargo logistics	476.1	425.8	441.7	3.7%	-7.2%	-10.2%
Commodity logistics ¹	227.1	210.3	217.1	3.2%	-4.4%	-5.5%
Internal Logistic	99.8	93.9	92.6	-1.4%	-7.2%	-1.3%
Charter: Employee transportation for companies	93.7	100.4	87.3	-13.0%	-6.8%	-4.0%
Urban Distribution	34.0	37.5	34.7	-7.5%	2.1%	-9.6%
Warehousing Services	34.3	30.1	28.6	-5.0%	-16.6%	-18.0%
Others	5.2	4.4	5.9	34.1%	13.5%	78.3%

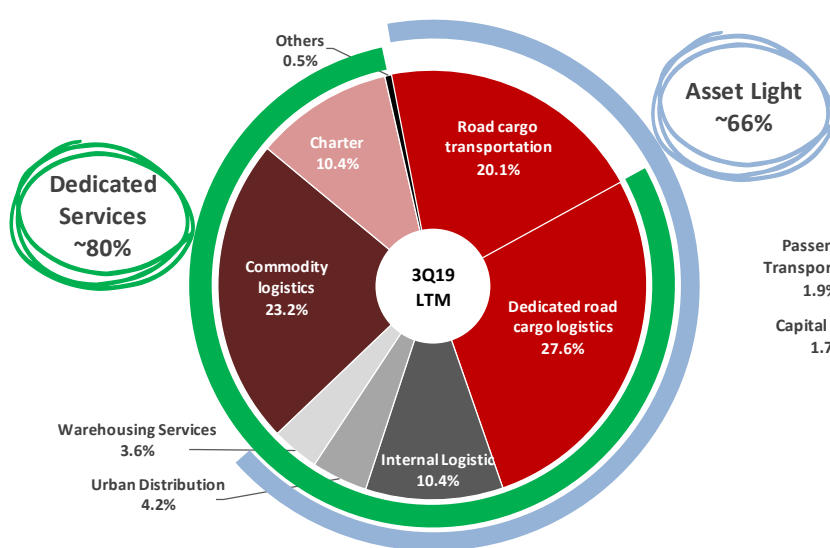
¹ Includes the pulp and paper, sugar-energy, steel and mining sectors.

JSL Logística continues to increase its contract and client's base, as Gross Revenue from Services from the main business lines had a better performance when compared to Revenue from Same Contracts (RSC). In the YoY comparison, we had a -6.4% variation, mainly due to a one-off retroactive revenue recorded in 3Q18 and the reduction in fuel revenues with some customers who started purchasing this input directly from the distributor.

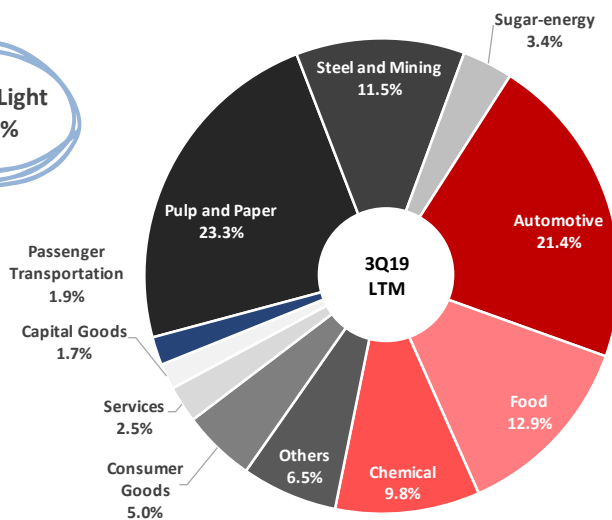
Regarding the main business lines, we noticed that Road Cargo Transportation and Dedicated Road Cargo Logistics, which accounted for 48% of the total, performed 3 p.p. better when compared the total variation to the RSC variation. The 7.2% decrease was mainly due to the retroactive revenue of approximately R\$23 million in 3Q18. The -4.4% change in Commodity Logistics was mostly due to the reduction revenues from fuel sales for some clients, who started buying it directly from the distributor, without significant impacts on our EBITDA. Internal Logistic, Charter and Warehousing Services decreased due to the termination of some operations by our clients.

The growth of JSL Logística clients' base is even clearer in the quarterly comparison, with highlight to Road Cargo Transportation and Dedicated Road Cargo Logistics, which grew 3.7% QoQ, and Commodity Logistics, whose revenue increase was 3.2% QoQ. This performance is explained by new operations with existing clients as well as new clients in these business lines.

Gross Revenue from Services by Business Line



Gross Revenue from Services by Economic Sector



JSL Logística - Operational Activity

Gross Revenue (R\$ million)	3Q18	2Q19	3Q19	▲Y o Y	▲Q o Q	9M18	9M19	▲Y o Y	LTM
Gross Revenue	1,013.3	950.8	945.1	-6.7%	-0.6%	2,853.4	2,852.3	0.0%	3,830.1
Revenue from Services	970.2	902.5	907.8	-6.4%	0.6%	2,735.7	2,698.7	-1.4%	3,634.5
Revenue from Sale of Assets	43.0	48.3	37.3	-13.3%	-22.8%	117.7	153.5	30.4%	195.6
Net Revenue	834.6	786.5	781.8	-6.3%	-0.6%	2,344.8	2,361.4	0.7%	3,159.1
Net Revenue from Services	791.8	739.2	745.3	-5.9%	0.8%	2,229.5	2,210.3	-0.9%	2,966.2
Net Revenue from Sale of Assets	42.8	47.3	36.5	-14.7%	-22.8%	115.3	151.1	31.0%	192.8

Net Revenue from Services totaled R\$745.3 million in 3Q19 and its variations are detailed in Gross Revenue from Services.

Revenue from Assets Sold decreased by 22.8% QoQ, due to punctually lower sales in the quarter, as major fleet decommission were concluded by the end of the quarter.

Costs

JSL Logística - Operational Activity									
Costs (R\$ million)	3Q18	2Q19	3Q19	▲ Y-o-Y	▲ Q-o-Q	9M18	9M19	▲ Y o Y	LTM
Cost of Services	(667.9)	(637.3)	(646.6)	-3.2%	1.5%	(1,935.7)	(1,904.7)	-1.6%	(2,559.0)
Personnel	(208.3)	(213.6)	(208.0)	-0.1%	-2.6%	(614.8)	(620.4)	0.9%	(828.4)
Independent contractors / third parties	(263.7)	(238.0)	(243.7)	-7.6%	2.4%	(750.4)	(711.4)	-5.2%	(957.6)
Fuel and lubricants	(44.0)	(35.5)	(35.8)	-18.6%	0.8%	(119.4)	(106.4)	-10.9%	(146.5)
Parts / tires / maintenance	(71.2)	(67.9)	(72.5)	1.8%	6.8%	(195.1)	(212.3)	8.8%	(283.2)
Depreciation / amortization	(42.3)	(45.4)	(45.6)	7.8%	0.4%	(127.6)	(135.0)	5.8%	(178.1)
Amortization (IFRS 16)	-	(7.6)	(7.4)	-	-2.6%	-	(21.7)	-	(21.7)
Property and third party rentals (IFRS 16)	-	8.8	8.6	-	-2.3%	-	24.8	-	24.8
Others	(38.5)	(38.1)	(42.2)	9.6%	10.8%	(128.4)	(122.3)	-4.8%	(168.5)
Costs of Sales of Assets	(47.0)	(45.7)	(36.5)	-22.3%	-20.1%	(120.4)	(150.3)	24.8%	(194.7)
Sale of Assets	(47.0)	(45.7)	(36.5)	-22.3%	-20.1%	(120.4)	(150.3)	24.8%	(194.7)
Total	(714.9)	(683.0)	(683.1)	-4.4%	0.0%	(2,056.1)	(2,055.0)	-0.1%	(2,753.7)
Total (as % of Total Net Revenue)	85.7%	86.8%	87.4%	+1.7 p.p.	+0.6 p.p.	87.7%	87.0%	-0.7 p.p.	87.2%

In 3Q19, Cost of Services totaled R\$646.6 million, a decrease of 3.2% YoYas per the decrease of 5.9% YoY in Net Revenue from Services. This reduction was mainly due to lower costs with independent contractors and third parties resulting from lower volumes, and lower costs with Fuel and Lubricants, as third parties began to be partially supplied by the client.

Compared to 2Q19, we had a 1.5% increase in Cost of Services, while Net Revenue from Services grew by 0.8%. Personnel Costs decreased (-2.6% QoQ) due to the headcount reduction implemented in 2Q19.

Operating Expenses before Financial Results

JSL Logística - Operational Activity									
Operating Expenses (R\$ million)	3Q18	2Q19	3Q19	▲ Y o Y	▲ Q o Q	9M18	9M19	▲ Y o Y	LTM
Administrative and Sales Expenses	(41.6)	(34.3)	(34.8)	-16.3%	1.5%	(116.4)	(93.1)	-20.0%	(132.9)
Tax Expenses	(0.7)	(0.6)	(1.0)	42.9%	66.7%	(5.3)	(0.8)	-84.9%	(2.4)
Other Operating Expenses	(12.0)	2.4	(3.1)	-74.2%	-	(1.4)	(0.9)	-35.7%	(3.5)
Equity in Subsidiaries	-	-	-	-	-	(0.0)	-	-	(1.1)
Total	(54.4)	(32.5)	(39.0)	-28.3%	20.0%	(123.0)	(94.8)	-22.9%	(139.9)
Total (as % of Total Net Revenue)	6.9%	4.4%	5.2%	-1.7 p.p.	+0.8 p.p.	5.5%	4.3%	-1.2 p.p.	4.7%

In 3Q19, aligned with the continuous search for efficiency, Operating Expenses decreased by 28.3% YoY, mainly due to the reduction of 16.3% in Administrative and Sales Expenses as a result of the reduction of expenses with administrative services and decrease of 74.2% in Other Operating Expenses, mainly due to the contingencies accrued on a timely basis in 3Q18.

EBITDA and Net Income

In 3Q19, EBITDA totaled R\$119.7 million (+7.5% YoY) while EBITDA Margin was 16.1%, 2.0 p.p. higher YoY. We emphasize that the figures for 3Q19 were adjusted in accordance with the new accounting standard CPC 06 (R2) / IFRS16, which includes the leasing expenses of our subsidiaries as amortization. Disregarding the effects from the adoption of IFRS16, EBITDA would total R\$108.4 million (-2.6% YoY), with EBITDA Margin of 14.5%, 0.4 p.p. higher YoY.

From January to September 2019, accumulated EBITDA totaled R\$389.6 million, an increase of 27.7% YoY or 16.8% disregarding the effects from the adoption of IFRS 16.

Net Income totaled R\$16.7 million in 3Q19 (-23.0% YoY). Such variation becomes positive if we disregard the retroactive revenues of approximately R\$23 million in 3Q18. In the 9M19, Net Income totaled R\$78.1 million, an increase of 60.7% compared to the same period of previous year.

Investments

Capex (R\$ million)	JSL Logística - Operational Activity								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Gross capex by nature	72.5	75.2	83.0	14.5%	10.4%	190.8	259.4	36.0%	387.6
Expansion	55.4	69.6	67.6	22.0%	-2.9%	121.9	197.8	62.3%	308.9
Maintenance	17.0	5.6	15.5	-8.8%	176.8%	69.0	61.6	-10.7%	78.7
Gross capex by type	72.5	75.2	83.0	14.5%	10.4%	190.8	259.4	36.0%	387.6
Trucks	25.6	48.8	41.3	61.3%	-15.4%	68.2	127.4	86.8%	172.7
Machinery and Equipment	10.4	5.7	6.0	-42.3%	5.3%	29.1	21.9	-24.7%	33.1
Light Vehicles	24.4	9.2	13.4	-45.1%	45.7%	55.5	44.0	-20.7%	80.4
Bus	-	1.5	13.4	-	-	15.3	41.7	172.5%	67.5
Others	12.0	10.0	9.0	-25.0%	-10.0%	22.8	24.3	6.6%	33.9
Usual sale of assets	(43.0)	(48.3)	(37.3)	-13.3%	-22.8%	(117.7)	(153.5)	30.4%	(195.6)
Maintenance	(27.9)	(35.1)	(33.9)	21.5%	-3.4%	(91.9)	(93.8)	2.1%	(104.5)
End of contract	(16.1)	(4.0)	(2.7)	-83.2%	-32.5%	(33.0)	(8.8)	-73.3%	(10.6)
Exchange of operational scope	(6.9)	(8.8)	(0.7)	-89.9%	-92.0%	(24.8)	(45.6)	83.9%	(50.2)
Cancellations and sales return	7.9	(0.3)	(0.0)	-100.0%	-100.0%	32.0	(5.4)	-116.9%	(30.4)
Total net capex	29.4	26.9	45.7	55.4%	69.9%	73.1	105.9	44.9%	192.0

Net Capex totaled R\$45.7 million in 3Q19. The funds were mainly allocated to expansion investments, mostly directed to trucks. We emphasize that the growth in volume and revenue for the Logistics activity does not imply proportional growth in net investments, since 66% of current revenue comes from operations based on the asset light model.

III. CS Brasil

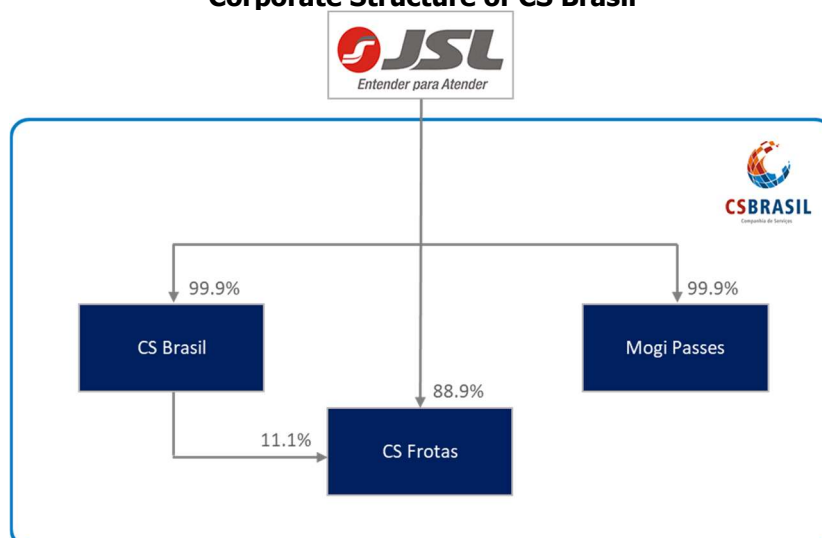


CS Brasil was created in 2009 to centralize all services provided to the public sector and to companies with mixed capital between the public and private sectors. The Company began its activities operating in the Municipal Passenger Transportation sector through the concession model. Currently, CS Brasil operates in three municipalities in the countryside of the State of São Paulo. Amid a review of the service portfolio in order to increase the return on invested capital, we sold two concessions: (i) Itaquaquecetuba in October 2018, in the amount of R\$25.6 million; and (ii) São José dos Campos in November 2019, in the amount of approximately R\$36.1 million, subject to adjustments commonly applied to this type of transaction.

Accordingly, the Fleet Management and Outsourcing (GTF) business continues to expand, currently accounting for 67% of gross revenue from services in the last twelve-month period ended September 2019.

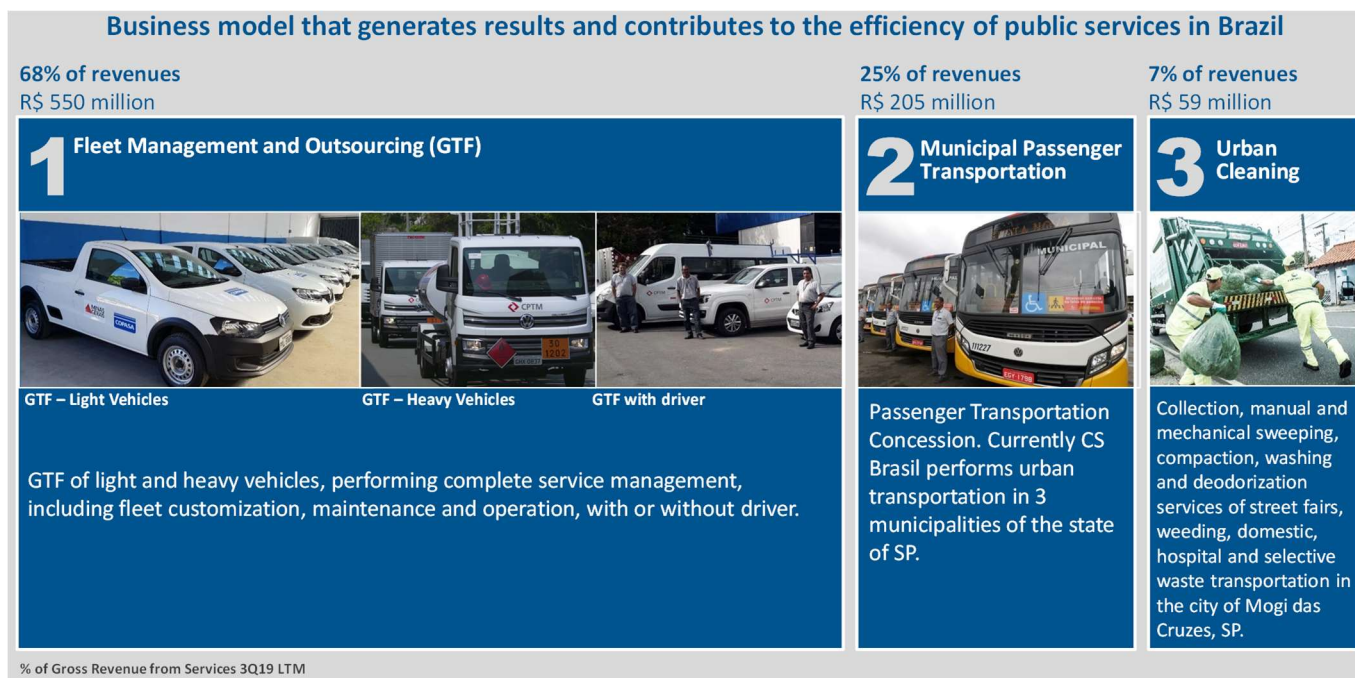
In order to simplify the management and adjust the capital structure to operate on a competitive basis in each of the operations, CS Brasil Frotas Ltda. ("CS Frotas") was established and began its operations in November 2017 through the spin-off of CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda. ("CS Brasil").

Corporate Structure of CS Brasil



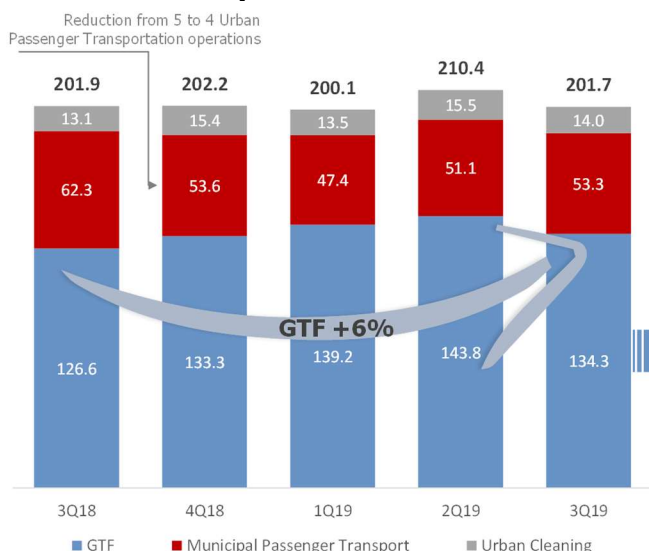
Aligned with the JSL Group's Sustainability Policy and the principles set forth in the UN Global Agreement, of which the Company is signatory since 2014, CS Brasil seeks for tools and initiatives to consolidate its reputation as an ethical and transparent company. In this regard, the Company developed the **Transparency Portal**, seeking to reinforce the excellence in management, compliance, governance, monitoring and transparency in businesses, which information will be provided on a continuous basis.

The users are able to access in the portal **detailed information on the service provided to public companies**, from the bidding process to the provision of services. In addition, the users can be familiar with the Bidding Room, an environment protected by safe and controlled access, used exclusively during the dispute of the public bidding processes, with qualified personnel, equipment and dedicated structure. The Transparency Portal offers access to the Company's main information, such as corporate structure, code of ethics, bylaws, quarterly results, in addition to the information on the Compliance Program, Reporting Channel, Transparent Line, Anticorruption Policies and Business Agreement for Integrity and against Corruption.

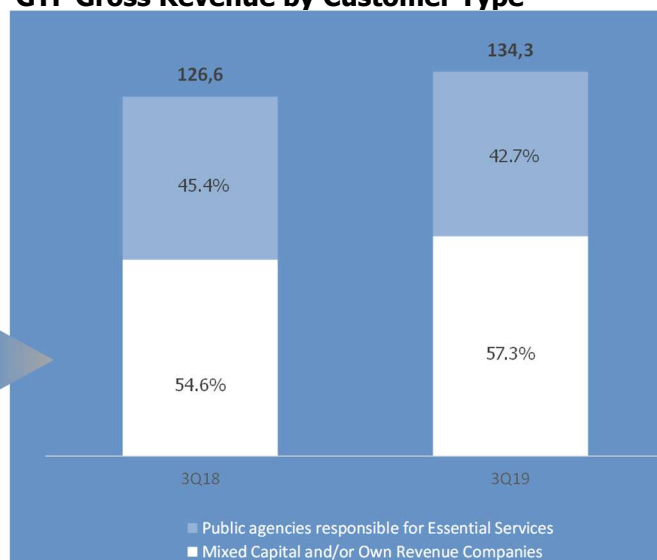


Financial Information (R\$ million)	CS Brasil								
	3Q18	2Q19	3Q19	▲ Yo Y	▲ Q o Q	9M18	9M19	▲ Yo Y	LTM
Gross Revenue	236.0	244.1	242.9	2.9%	-0.5%	693.8	712.9	2.8%	928.8
Gross Revenue from Services	201.9	210.4	201.7	-0.1%	-4.1%	572.9	612.2	6.9%	814.4
Rental	126.1	143.8	134.3	6.5%	-6.6%	350.2	417.3	19.2%	550.1
Passenger Transportation and	75.8	66.7	67.3	-11.2%	0.9%	222.8	194.9	-12.5%	264.3
Gross Rev. from Sale of Assets	34.1	33.7	41.2	20.8%	22.3%	120.9	100.7	-16.7%	114.4
Revenue Deductions	(20.6)	(26.2)	(22.3)	8.3%	-14.9%	(59.6)	(73.2)	22.8%	(94.7)
Net Revenue	215.4	218.0	220.6	2.4%	1.2%	634.2	639.7	0.9%	834.1
Net Revenue from Services	181.5	186.8	180.5	-0.6%	-3.4%	515.3	543.7	5.5%	726.1
Net Rev. from Sale of Assets	33.9	31.2	40.0	18.0%	28.2%	118.9	96.0	-19.3%	108.0
Costs	(184.8)	(175.1)	(180.7)	-2.2%	3.2%	(541.0)	(521.7)	-3.6%	(693.4)
Cost of Services	(149.9)	(139.8)	(140.9)	-6.0%	0.8%	(424.4)	(419.1)	-1.2%	(575.5)
Cost of Asset Sales	(34.9)	(35.4)	(39.9)	14.3%	12.7%	(116.7)	(102.6)	-12.1%	(117.8)
Gross Profit	30.6	42.8	39.8	30.1%	-7.0%	93.1	117.9	26.6%	140.7
Operational Expenses	(3.8)	4.8	(13.5)	-	-	(21.5)	(21.7)	0.9%	(33.1)
EBIT	26.8	47.6	26.3	-1.9%	-44.7%	71.6	96.3	34.5%	107.7
Margin (% NR from Services)	14.8%	25.5%	14.6%	-0.2 p.p.	-10.9 p.p.	13.9%	17.7%	+3.8 p.p.	14.8%
Financial Result	0.2	(4.1)	(5.1)	-	24.4%	(0.4)	(14.3)	-	(17.5)
Taxes	(6.4)	(14.8)	(7.2)	12.5%	-51.4%	(16.0)	(28.1)	75.6%	(31.2)
Net Income	20.6	28.6	14.0	-32.0%	-51.0%	55.3	53.9	-2.5%	58.9
Margin (% Total NR)	9.6%	13.1%	6.4%	-3.2 p.p.	-6.7 p.p.	8.7%	8.4%	-0.3 p.p.	7.1%
EBITDA	58.9	81.4	62.0	5.3%	-23.8%	159.6	199.2	24.8%	246.2
Margin (% NR from Services)	32.4%	43.6%	34.3%	+1.9 p.p.	-9.3 p.p.	31.0%	36.6%	+5.6 p.p.	33.9%

Gross Revenue by Business Line



GTF Gross Revenue by Customer Type



In 3Q19, CS Brasil's Net Revenue totaled R\$220.6 million, an increase of 2.4% YoY. Net Revenue from Services decreased by 0.6% YoY, mainly due to the divestment of the concession of a municipal transportation line concluded in 4Q18, which accounted for a net revenue of R\$13.1 million in 3Q18. However, Rental Revenue increased by 6.5% YoY as a result of the investments in fleet over the last quarters. Accordingly, the market share of GTF business increased from 62% in 3Q18 to 67% in 3Q19. Net Revenue from Assets Sold increased by 18.0% YoY due to a punctual asset sales increase in 3Q19. In the quarterly comparison, CS Brasil's Total Net Revenue increased by 1.2% QoQ, boosted by Revenue from Assets Sold (+28.2% QoQ). In turn, Revenue from Services decreased by 3.4% QoQ, due to the non-recurring positive impact in 2Q19 of R\$7.4 million relating to retroactive tariffs in the municipal passenger transportation sector.

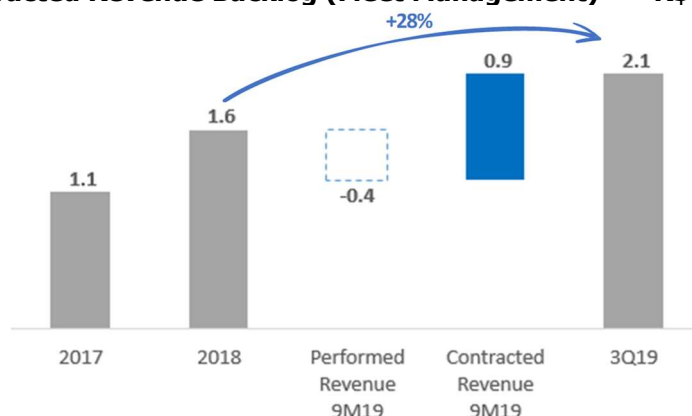
EBITDA totaled R\$62.0 million (+5.3% YoY), while EBITDA Margin reached 34.3% (+1.9 p.p. YoY). We highlight that in 2Q19 EBITDA, there was a positive impact from non-recurring R\$5.9 million in extra temporary tax credits and retroactive tariffs above mentioned. Net Income totaled R\$14.0 million in 3Q19 compared to R\$20.6 million in 3Q18, mainly due to the net financial expenses of R\$5.1 million in 3Q19.

CS Brasil's ROIC totaled 8.2% in annualized 9M19. CS Frotas' ROIC (GTF business) in 9M19 totaled 10.7%, whereas this operation has been the focus of the capex made over the last periods.

Capex (R\$ million)	CS Brasil								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Gross capex by nature	122.4	73.2	128.8	5.2%	76.0%	371.7	322.5	-13.2%	485.1
Expansion	94.4	66.0	92.0	-2.5%	39.4%	318.0	258.0	-18.9%	391.5
Maintenance	28.0	7.2	36.8	31.4%	-	53.7	64.5	20.1%	93.6
Gross capex by type	122.4	73.2	128.9	5.3%	76.1%	371.7	322.7	-13.2%	485.3
Trucks	3.4	9.4	4.5	32.4%	-52.1%	21.2	26.7	25.9%	32.3
Machinery and Equipment	0.1	0.0	2.5	-	-	0.2	7.5	-	8.4
Light Vehicles	118.4	58.4	121.4	2.5%	107.9%	349.3	270.6	-22.5%	425.9
Bus	-	5.0	0.0	-	-100.0%	-	16.7	-	16.7
Others	0.5	0.4	0.5	0.0%	25.0%	1.0	1.2	20.0%	1.9
Usual sale of assets	(34.1)	(33.7)	(41.2)	20.8%	22.3%	(120.9)	(100.7)	-16.7%	(114.4)
Total net capex	88.3	39.5	87.6	-0.8%	121.8%	250.8	221.9	-11.5%	370.7

Net Capex totaled R\$87.6 million in 3Q19. Funds were directed mainly to expansion in new contracts at CS Brasil, towards light assets related to fleet management and outsourcing contracts, which should strengthen future cash generation.

Contracted Revenue Backlog (Fleet Management) ¹ – R\$ billion



¹ Considering maximum term of contracts

The 266 fleet management contracts in force in September 2019 amounted to a Contracted Revenue Backlog of R\$2.1 billion (+28% compared to December 2018). This amount is equivalent to 3.8 years of contracted revenue when compared to fleet management Gross Revenue in the last 12 months of R\$550 million.

IV. Original Concessionárias

Financial Information (R\$ million)	Original Concessionárias								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Total Gross Revenue	193.1	218.1	222.2	15.1%	1.9%	535.7	635.9	18.7%	837.9
Revenue Deduction	(8.8)	(9.9)	(9.4)	6.8%	-5.1%	(26.1)	(28.8)	10.3%	(37.8)
Total Net Revenue	184.4	208.3	212.8	15.4%	2.2%	509.6	607.1	19.1%	800.1
Light Vehicles	158.1	176.6	179.9	13.8%	1.9%	436.8	512.0	17.2%	674.6
Direct Sales	3.6	4.0	5.6	55.6%	40.0%	9.2	14.1	53.3%	17.9
F&I	4.0	5.0	5.3	32.5%	6.0%	13.3	15.0	12.8%	21.2
Post Sales	18.6	22.6	22.0	18.3%	-2.7%	50.2	66.0	31.5%	86.4
Total Volume (units)	7,814	12,183	12,582	61.0%	3.3%	21,998	34,003	54.6%	44,791
Light Vehicles	3,176	3,804	3,769	18.7%	-0.9%	9,468	11,014	16.3%	14,656
Direct Sales Light Vehicles	4,638	8,379	8,813	90.0%	5.2%	12,530	22,989	83.5%	30,135
Costs	(156.7)	(176.0)	(180.5)	15.2%	2.6%	(430.4)	(512.7)	19.1%	(676.7)
Gross Profit	27.6	32.2	32.3	17.0%	0.3%	79.2	94.4	19.2%	123.3
Operational Expenses	(24.5)	(24.1)	(28.1)	14.7%	16.6%	(67.7)	(79.0)	16.7%	(105.3)
EBIT	3.1	8.1	4.3	38.7%	-46.9%	11.4	15.4	35.1%	18.0
Margin	1.7%	3.9%	2.0%	+0.3 p.p.	-1.9 p.p.	2.2%	2.5%	+0.3 p.p.	2.3%
Financial Result	0.0	(1.0)	(1.5)	-	50.0%	(0.4)	(3.6)	-	(3.7)
Taxes	(1.1)	(2.4)	(0.9)	-18.2%	-62.5%	(3.3)	(4.0)	21.2%	(4.8)
Net Income	2.1	4.7	1.8	-14.3%	-61.7%	7.7	7.8	1.3%	9.5
Margin	1.1%	2.3%	0.9%	-0.2 p.p.	-1.4 p.p.	1.5%	1.3%	-0.2 p.p.	1.2%
EBITDA	4.5	12.0	7.7	71.1%	-35.8%	15.5	27.0	74.2%	31.0
Margin	2.5%	5.8%	3.6%	+1.1 p.p.	-2.2 p.p.	3.0%	4.4%	+1.4 p.p.	3.9%

Original Concessionárias posted Total Net Revenue of R\$212.8 million in 3Q19 (+15,4% YoY and 2,2% QoQ), fueled by the higher sales of new and used vehicles, in addition to the 90% YoY and 5.2% QoQ rise in direct sales. EBITDA totaled R\$7.7 million (+71.1% YoY and -35.8% QoQ).

V. BBC Leasing

BBC Leasing									
Results (R\$ million)	3Q18	2Q18	3Q19	▲ YoY	▲ QoQ	9M18	9M19	▲ YoY	LTM
Total Gross Revenue	9.0	10.3	11.1	23.3%	7.8%	25.0	30.9	23.6%	40.1
Deductions from Revenue	(0.7)	(0.5)	(0.9)	28.6%	80.0%	(1.8)	(1.8)	0.0%	(2.3)
Net Revenue	8.4	9.8	10.3	22.6%	5.1%	23.2	29.1	25.4%	37.7
Total of Costs	(2.6)	(2.8)	(2.8)	7.7%	0.0%	(7.6)	(8.4)	10.5%	(11.2)
Gross Profit	5.8	7.0	7.4	27.6%	5.7%	15.6	20.7	32.7%	26.5
Operational Expenses	(2.9)	(4.0)	(3.4)	17.2%	-15.0%	(8.7)	(11.3)	29.9%	(14.3)
EBIT	2.8	3.0	4.0	42.9%	33.3%	6.9	9.3	34.8%	12.3
Margin	33.5%	30.5%	38.9%	+5.4 p.p.	+8.4 p.p.	29.5%	32.1%	+2.6 p.p.	32.5%
Financial Result	0.2	(0.3)	(0.6)	-	100.0%	0.6	(1.1)	-	(1.0)
Taxes	(1.1)	(0.9)	(1.2)	9.1%	33.3%	(2.7)	(2.7)	0.0%	(3.9)
Net Income	1.9	1.8	2.3	21.1%	27.8%	4.8	5.6	16.7%	7.4
Margin	23.0%	18.1%	22.0%	-1.0 p.p.	+3.9 p.p.	20.7%	19.1%	-1.6 p.p.	19.6%
EBITDA	3.0	3.2	4.2	40.0%	31.3%	7.4	9.9	33.8%	13.0
Margin	35.6%	32.4%	40.7%	+5.1 p.p.	+8.3 p.p.	31.8%	34.0%	+2.2 p.p.	34.4%
Operations (Qt.)	358	643	615	71.8%	-4.4%	1,077	2,001	85.8%	2,579
Present Value of Operations	96.1	134.0	143.3	49.1%	6.9%	96.1	143.3	49.1%	143.3

In 3Q19, BBC Leasing posted Net Revenue of R\$10.3 million, an increase of 22.6% YoY. Throughout the quarter, the institution carried out 615 loan transactions, while the balance of the loan portfolio at the end of the period totaled R\$143.3 million (+49.1% YoY). As a result of the growth in the loan portfolio, EBITDA increased from R\$3.0 million in 3Q18 to R\$4.2 million in 3Q19. BBC Leasing continues to offer financial alternatives to facilitate the acquisition of used trucks, buses, cars, machinery and equipment, as well as electronic freight payment means.

VI. Moviada



Moviada									
Financial Information (R\$ million)	3Q18	2Q19	3Q19	▲ YoY	▲ QoQ	9M18	9M19	▲ YoY	LTM
Gross Revenue	656.6	1,000.8	1,012.3	54.2%	1.1%	1,957.1	2,875.0	46.9%	3,635.1
RAC	259.4	270.7	306.4	18.1%	13.2%	717.7	855.3	19.2%	1,134.9
GTF	93.5	112.2	121.1	29.5%	7.9%	264.3	348.3	31.8%	449.6
Used Vehicles	303.7	617.9	584.8	92.6%	-5.4%	975.2	1,671.4	71.4%	2,050.6
Revenue Deduction	(45.1)	(44.7)	(51.5)	14.2%	15.2%	(131.6)	(145.5)	10.6%	(192.5)
Net Revenue	611.5	956.2	960.8	57.1%	0.5%	1,825.6	2,729.5	49.5%	3,442.5
Net Revenue from Services	308.7	338.4	376.0	21.8%	11.1%	852.3	1,058.5	24.2%	1,392.6
Net Revenue from Sale of Assets	302.9	617.8	584.8	93.1%	-5.3%	973.3	1,671.0	71.7%	2,050.0
Costs	(407.0)	(754.5)	(718.0)	76.4%	-4.8%	(1,238.4)	(2,072.7)	67.4%	(2,566.2)
Cost of Services	(118.7)	(151.5)	(159.1)	34.0%	5.0%	(314.6)	(447.4)	42.2%	(572.1)
Cost of Asset Sales	(288.4)	(602.9)	(558.9)	93.8%	-7.3%	(923.8)	(1,625.3)	75.9%	(1,994.1)
Gross Profit	204.5	201.7	242.8	18.7%	20.4%	587.2	656.8	11.9%	876.3
Operational Expenses	(113.6)	(102.1)	(119.6)	5.3%	17.1%	(314.7)	(334.8)	6.4%	(447.0)
EBIT	91.0	99.6	123.2	35.4%	23.7%	272.5	322.0	18.2%	429.3
Margin (% NR from Services)	29.5%	29.4%	32.8%	+3.3 p.p.	+3.4 p.p.	32.0%	30.4%	-1.6 p.p.	30.8%
Financial Result	(41.6)	(50.1)	(51.2)	23.1%	2.2%	(127.9)	(147.0)	14.9%	(191.8)
Taxes	(8.2)	(8.1)	(11.8)	43.9%	45.7%	(36.5)	(31.4)	-14.0%	(42.1)
Net Income	41.3	41.5	60.2	45.8%	45.1%	108.0	143.7	33.1%	195.4
Margin (% NR from Services)	13.4%	12.3%	16.0%	+2.6 p.p.	+3.7 p.p.	12.7%	13.6%	+0.9 p.p.	14.0%
EBITDA	119.4	154.9	191.8	60.6%	23.8%	339.9	496.3	46.0%	638.2
Margin (% NR from Services)	38.7%	45.8%	51.0%	+12.3 p.p.	+5.2 p.p.	39.9%	46.9%	+7.0 p.p.	45.8%

At the end of July, **Moviada concluded a primary (R\$532.5 million) and secondary (R\$300 million) public offering**, totaling R\$832.5 million, strengthening its capital structure for a new growth cycle, **returning to JSL the financial support offered in 2018**, while **JSL S.A. increased its stake to 55.1%**.

The 3Q19 was marked by important records, such as **the highest Net Income and EBITDA even recorded**, representing **expansion in the margins of all business lines**. Such consistent evolution has been supported by operational efficiency, which confirms the commitment with the performance. **Gross Revenue totaled R\$1 billion**

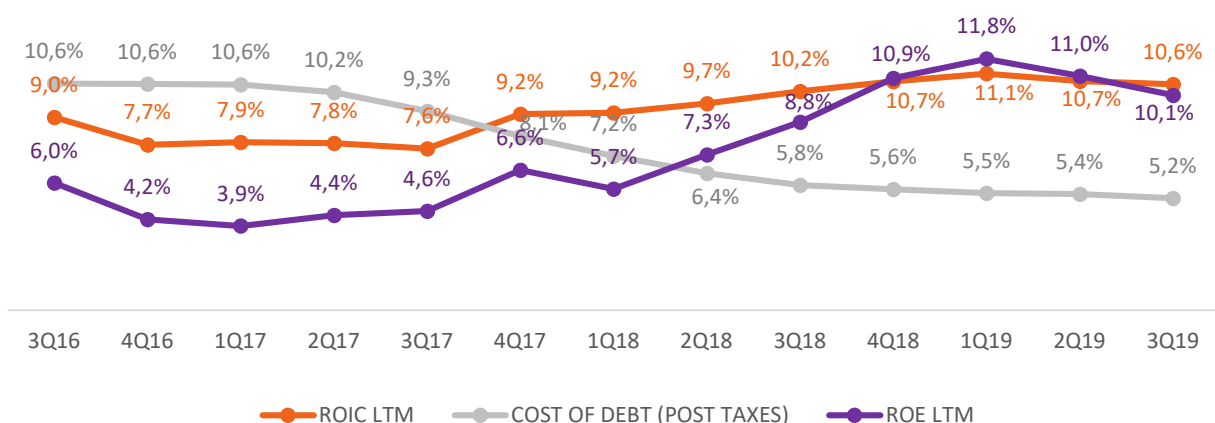
and Net Income exceeded R\$60 million, +45.8% YoY, an increase of 2.6 p.p. in net margin. The increase in results was recognized in all business lines, representing an EBITDA of R\$191.8 million (+60.6% YoY), with a margin of 51.0% (+12.3% YoY). The **spread between ROIC and debt cost**, after taxes, reached **5.4 p.p.**, an increase of 1.0 p.p. YoY, reflecting **Movida's commitment with value creation**.

In the **RAC** business, Net Revenue increased by 17.1% YoY in 3Q19, by virtue of the expansion of the operational fleet (+17% YoY), in addition to the increase of 1% in monthly average revenue per vehicle (R\$1,717 in 3Q19). The occupancy rate reached 76.1%, a decrease of 1.3 p.p. compared to 3Q18; however, compensated by the average rate 2.3% higher (R\$73.3 in 2Q19). EBITDA Margin increased by 6.2 p.p. compared to 3Q18, totaling 45.7% in 3Q19 due to the diluted costs in the period. The unit result was a record in the average EBITDA per vehicle/month of R\$691, +16.0% compared to 3Q18. The decrease of 1.2 p.p. in EBIT Margin, reaching 32.4%, resulted from the increase in quarterly depreciation per vehicle from R\$1,027 in 3Q18 to R\$1,373 in 3Q19 (+33.7%).

In **GTF**, 9.4 thousand vehicles were included in the operational fleet. Net Revenue increased by 35.6% YoY, with an EBITDA Margin of 67.0% in 3Q19 (+4.6 p.p. YoY, reflecting the diluted fixed structure). The 5.6% decrease in monthly average revenue per vehicle (R\$1,146 in 3Q19) reflects the reduction in contracts and the new interest rate. The average price of vehicles purchased also decreased by 11% YoY. New contracts were mainly closed at the end of 3Q19, adding more vehicles to be implemented in 4Q19. The decrease of 3.3 p.p. YoY in EBIT Margin, reaching 41.9%, resulted from the increase in depreciation (R\$3.397 in 3Q19), reflecting the change in the mix of the fleet. The Company remains focused on the contracts with small and medium-sized companies, which trend to benefit from the economy recovery.

In **Used Car Sales**, Movida continues to expand significantly and recorded the best EBITDA Margin since the IPO, which reached -0.5% in the quarter – an increase of 6.3 p.p. YoY and 1.3 p.p. QoQ. The volume of vehicles sold of 14.5 thousand is compatible with the current fleet turnover, which, in addition to the recovery of gross margin to levels above 4%, contributed to the balance recovery. In 9M19, total vehicles sold was 69% higher compared to the same period of 2018, which confirms the performance capacity, in line with the strategic goals defined.

Profitability and Cost Debt



NOTE: ROIC was calculated by using EBIT and the effective income tax rate as "Return", and net debt added to shareholders' equity as "Invested Capital" of the last twelve months of the periods analyzed.

The **spread between ROIC and debt cost was 5.4 p.p.** in 3Q19 (+1.0 p.p. YoY and +0.1 p.p. QoQ). ROE increased by 1.3 p.p. YoY, also confirming the financial efficiency gains. Compared to 2Q19, the decrease resulted from the inflow of funds from the follow-on. Such effect is expected to be normalized in the next quarter by virtue of the growth and operational leverage in connection with the offering.

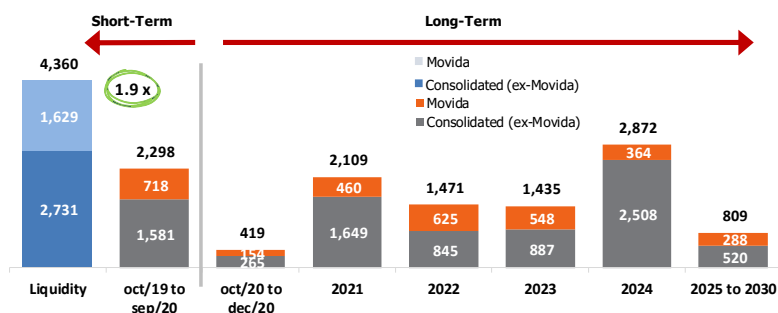
Capex (R\$ million)	Movida								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Fleet	691.6	1,271.9	879.6	27.2%	-30.8%	1,726.7	2,856.0	65.4%	3,459.4
RAC	542.4	988.1	601.1	10.8%	-39.2%	1,356.9	2,172.4	60.1%	2,531.2
Expansion	187.0	323.1	13.6	-92.7%	-95.8%	259.0	387.1	49.5%	387.1
Maintenance	355.4	665.1	587.5	65.3%	-11.7%	1,097.9	1,785.3	62.6%	2,144.2
GTF	149.2	283.7	278.5	86.7%	-1.8%	369.8	683.6	84.9%	928.2
Expansion	89.4	273.8	232.8	160.4%	-15.0%	256.8	615.3	139.6%	789.9
Maintenance	59.7	9.9	45.7	-23.5%	-	113.1	68.4	-39.5%	138.3
Stores	5.0	2.5	1.9	-62.0%	-24.0%	10.3	7.4	-28.2%	9.9
New	-	0.2	0.4	-	100.0%	1.8	1.2	-33.3%	2.2
Former	5.0	2.3	1.5	-70.0%	-34.8%	8.5	6.2	-27.1%	7.7
Others	14.7	29.3	25.8	75.5%	-11.9%	23.8	77.3	-	91.7
Others RAC	14.7	29.3	25.8	75.5%	-11.9%	23.8	77.1	-	91.4
Others GTF	-	0.0	0.0	-	-	-	0.2	-	0.3
Total Gross Capex	711.3	1,303.7	907.4	27.6%	-30.4%	1,760.8	2,940.7	67.0%	3,561.1
Sale of Assets	(303.7)	(617.9)	(584.8)	92.6%	-5.4%	(975.2)	(1,671.4)	71.4%	(2,050.6)
Total Net Capex	407.6	685.8	322.5	-20.9%	-53.0%	785.6	1,269.3	61.6%	1,510.5

Gross Capex in 3Q19 totaled R\$907 million, +27.6% YoY. Net Capex decreased by 20.9% due to the increase in Revenue from Assets Sold. The total of 21.3 thousand vehicles were added in the period, mainly focused on the expansion of the GTF operation. In addition, ten service centers were opened in the period for the RAC and Used Car Sales operations.

VII. Capital Structure - JSL Consolidated

We highlight the continued management of the group's liabilities. We conducted several fund-raising transactions that amounted to R\$1.8 billion in 3Q19, totaling R\$3.6 billion in 9M19. Among them, we highlight: (i) continued CRA in JSL S.A., in the total amount of R\$427 million, falling due in 2025; (ii) VAMOS' debentures, in the amount of R\$800 million, being 48% with final maturity in 2024 and 52% of that falling due in 2026; and (iii) CS Brasil's promissory note, in the amount of R\$150 million, falling due in 2022. At the end of 3Q19, JSL's consolidated cash is equivalent to the debt maturity dates through mid-2021, or 1.9x the short-term debt.

Gross Debt Amortization Schedule¹ (R\$ million)



In 3Q19, Net Debt totaled R\$7.1 billion, a decrease of R\$350.6 million, or 4.7%, compared to 2Q19. In the annual comparison, Net Debt increased by R\$541.2 million, or +8.3% YoY, mainly due to the investment in the expansion of the intensive capital businesses that contribute for the cash generation. In 3Q19, we prepaid debts with higher spreads, in the amount of around R\$700 million. The average cost of gross debt decreased by 8.2% in 3Q19 (-60bps QoQ and YoY), and the average cost of net debt decreased by 9.0% (-110 bps QoQ and YoY), due to the decrease in CDI rate for the period, as well as the debt issuance at lower prices and advanced settlement of debts at higher costs.

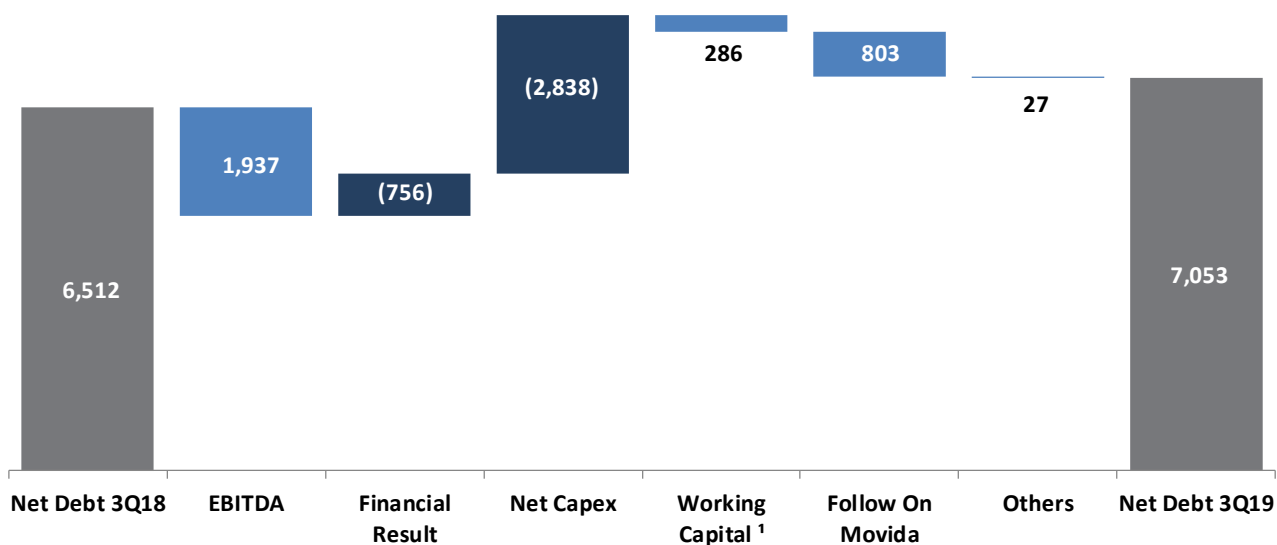
Evolution of Cash and Debt (R\$ million)

Indebtedness - JSL Consolidated (R\$ million)	09/30/2018	12/31/2018	03/31/2019	06/30/2019	09/30/2019
Cash and Investments ¹	2,267.1	2,980.8	2,515.1	3,101.5	4,360.1
Cash and Investments - Book value	4,149.3	4,831.8	4,378.5	4,946.8	6,312.4
Credit note - CLN ²	(1,882.2)	(1,851.0)	(1,863.4)	(1,845.4)	(1,952.3)
Gross debt ¹	8,778.8	9,690.2	9,596.6	10,505.0	11,413.0
Gross debt - Book value	10,661.0	11,541.2	11,460.0	12,350.3	13,365.3
Credit note - CLN ²	(1,882.2)	(1,851.0)	(1,863.4)	(1,845.4)	(1,952.3)
Borrowings ¹	6,527.6	6,736.7	6,457.0	6,257.7	6,666.1
Local Bonds	2,475.4	3,170.7	3,400.1	4,579.6	5,192.0
Finance lease payable	178.0	242.9	233.9	230.5	289.2
Confirming payable	-	-	-	-	11.2
Debt Swap MTM	(402.2)	(460.2)	(494.4)	(562.8)	(745.5)
Net Debt	6,511.7	6,709.4	7,081.6	7,403.5	7,052.9
Short-term gross debt	1,370.6	2,013.1	1,902.7	2,046.3	2,298.4
Long-term gross debt ¹	7,408.2	7,677.1	7,693.9	8,458.6	9,114.6
Average Cost of Net Debt (p.a.)	10.1%	10.1%	10.2%	10.1%	9.0%
Average Cost of Gross Debt (p.a.)	8.8%	8.8%	8.9%	8.8%	8.2%
Average term of gross debt (years)	3.2	2.9	2.9	3.0	3.1
Average term of net debt (years)	3.8	3.5	3.5	3.7	4.2

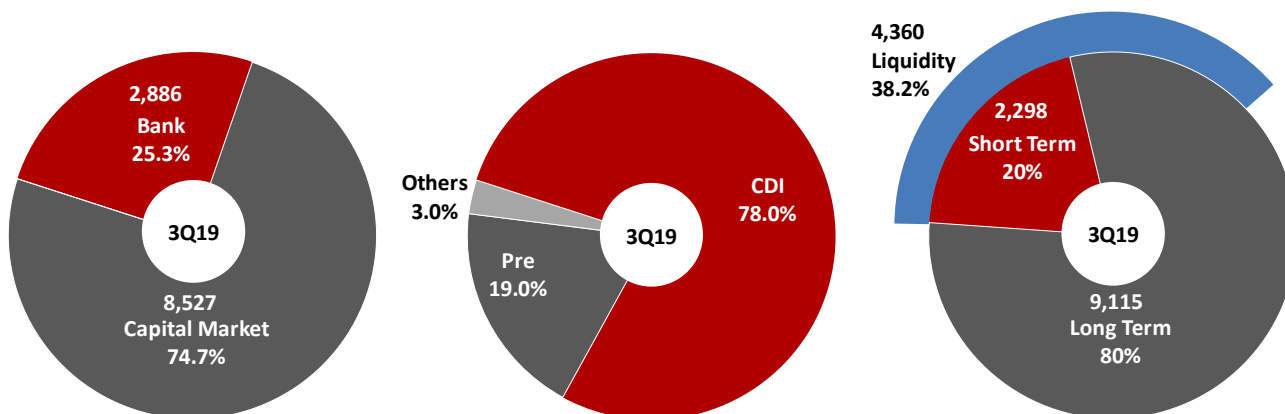
¹ Excluding R\$1.952 billion from the Bond proceed structure, which impact cash and gross debt equally.

² The amount related to CLN refers to the investment with the financial institution hired to bring onshore the funds raised from the Senior Notes (Bonds) by issuing a debt mirror-image instrument of the bond in Brazil. For this reason, the CLN balance is fully deducted from gross debt in order to eliminate the effect of duplication caused by the debt mirror-image instrument.

Evolution of Net Debt (R\$ million)



¹ Considers Vehicles in progress and Changes in the balance of trade payables for property and equipment and automakers.



Financial Result

Financial Result (R\$ million)	JSL - Consolidated								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Net financial interest	(249.8)	(196.7)	(193.1)	-22.7%	-1.8%	(498.9)	(564.3)	13.1%	(736.0)
Financial Revenues	97.9	51.0	108.5	10.8%	112.7%	299.9	270.7	-9.7%	337.8
Financial Expenses	(347.7)	(247.7)	(301.6)	-13.3%	21.8%	(798.8)	(835.0)	4.5%	(1,073.8)
Derivatives Result	113.5	(62.4)	339.0	198.7%	-	366.0	325.5	-11.1%	253.1
Net Exchange Variation	(35.1)	60.3	(334.5)	-	-	(375.7)	(321.9)	-14.3%	(250.3)
Interest on right of use (IFRS 16)	-	(7.2)	(8.8)	-	22.2%	-	(22.9)	-	(22.9)
Total	(171.3)	(206.1)	(197.4)	15.2%	-4.2%	(508.7)	(583.6)	14.7%	(756.1)

Net Financial Expenses totaled R\$197.4 million in 3Q19 compared to R\$171.8 million (+15.2% YoY) mainly due to average Net Debt increase of 12% YoY.

Net Financial Expenses showed a reduction of 4.2% QoQ, mainly due to lower interest rates (average CDI) in the periods.

Leverage Indicators

Leverage Indicators	09/30/2018	12/31/2018	03/31/2019	06/30/2019	09/30/2019	Covenants
Net Debt / EBITDA-A	2.2x	2.1x	2.0x	1.9x	1.7x	Max 3.5x
Net Debt / EBITDA	4.4x	4.2x	4.1x	4.0x	3.6x	Max 4.60x
EBITDA-A / Net interest expenses	5.0x	5.4x	5.6x	5.3x	5.6x	Min 2.0x

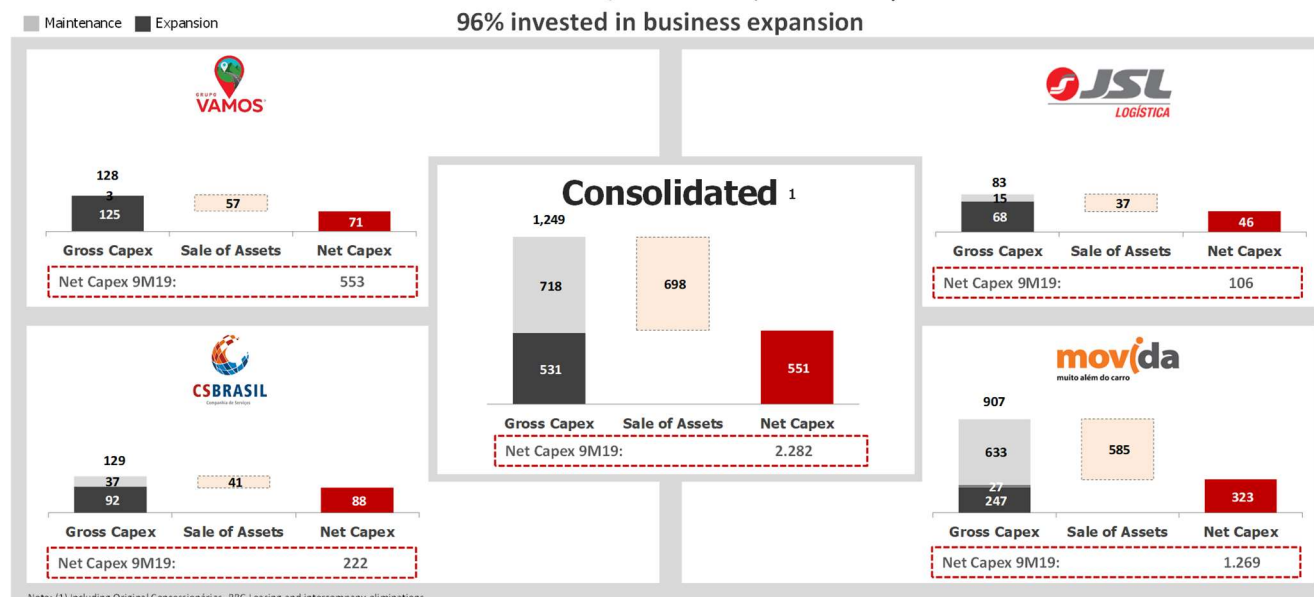
The net debt/EBITDA ratio decreased to 3.6x in 3Q19, compared to 4.4x in 3Q18 and 4.0x in 2Q19. The annual deleveraging was mainly due to the EBITDA increase, while in the quarterly comparison the deleveraging resulted from net debt reduction, mainly due to the issuance of Movida's shares.

In turn, the ratio of net debt to EBITDA-A totaled 1.7x in 3Q19, compared to 2.2x in 3Q18.

The indicators above reflect the net debt calculation methodology in the bond issuance covenants (R\$7,052.9 million). EBITDA and EBITDA-A in the last 12 months were calculated according to CPC 06 (R2) / IFRS16 in 9M19, totaling R\$1,937.2 million and R\$4,244.2 million, respectively.

X. Investments – JSL Consolidated

Net CAPEX in 3Q19 totaled R\$551 million,
96% invested in business expansion



Net Capex in 3Q19 totaled R\$551 million, allocated mainly to expansion with the following breakdown: Movida (R\$323 million), VAMOS (R\$71 million), CS Brasil (R\$88 million) and JSL Logística (R\$46 million). We emphasize that most of these contracts were focused on fleet management and outsourcing for heavy assets at VAMOS and light vehicles at Movida and CS Brasil. The benefits of these investments in terms of revenue growth, margin increase and cash generation will be fully felt over 2019. The investments carried out are part of JSL's strategic plan to focus on contracts that generate solid and consistent returns to remunerate the invested capital.

Capex (R\$ million)	JSL - Consolidated								
	3Q18	2Q19	3Q19	▲ YoY	▲ QoQ	9M18	9M19	▲ YoY	LTM
Gross capex by nature	1,039.4	1,845.5	1,248.9	20.2%	-32.3%	2,708.0	4,235.1	56.4%	5,243.5
Expansion	518.0	1,114.1	531.2	2.5%	-52.3%	1,249.1	2,128.4	70.4%	2,638.5
Maintenance	506.7	702.1	691.9	36.6%	-1.5%	1,435.1	2,029.4	41.4%	2,513.3
Others	14.7	29.3	25.8	75.5%	-11.9%	23.8	77.3	-	91.7
Usual sale of assets	(383.9)	(686.8)	(697.5)	81.7%	1.6%	(1,229.6)	(1,953.4)	58.9%	(2,405.1)
Total net capex	655.4	1,158.7	551.4	-15.9%	-52.4%	1,478.4	2,281.7	54.3%	2,838.4

VIII. Free Cash Flow and EBITDA - JSL Consolidated

Free Cashflow Generation - R\$ million		2018	3Q19 LTM
Operation	EBITDA	1,597.5	1,937.2
	Net Revenue from Sale of Light/Heavy Vehicles, Machinery and Equipment	(1,658.0)	(2,346.7)
	Depreciated Cost of Light/Heavy Vehicles, Machinery and Equipment Sold	1,609.9	2,307.0
	(-) Income Tax and Social Contribution	(86.0)	(148.3)
	Changes in Working Capital	90.9	(290.8)
Free Cashflow Generated by Rental Activities and Services Rendered		1,554.2	1,458.4
Maintenance Capex	Net Revenue Sale of Light/Heavy Vehicles, Machinery and Equipment - Fleet Maintenance	1,658.0	2,346.7
	Capex for Light/Heavy Vehicles, Machinery and Equipment - Fleet Maintenance	(1,918.9)	(2,513.3)
	Net Capex for Fleet Maintenance	(260.9)	(166.6)
Capex, other PP&E and Intangible Assets		(38.2)	(91.7)
Operational Free Cashflow before Growth		1,255.1	1,200.1
Growth Capex	Capex for Light/Heavy Vehicles, Machinery and Equipment	(1,759.3)	(2,638.5)
	Acquisition of Companies	(104.1)	(60.7)
	Net Capex for Fleet Growth	(1,863.4)	(2,699.2)
Free Cashflow Generated (Consumed) after Growth and before Interest		(608.3)	(1,499.1)

Capex Reconciliation to the Cash Flow of the Financial Statements

Reconciliation to Cash Flow of FS		2018	3Q19 LTM
Capex Maintenance + Growth + Others	Capex for Light/Heavy Vehicles, Machinery and Equipment - Maintenance	(1,918.9)	(2,513.3)
	Capex for Light/Heavy Vehicles, Machinery and Equipment - Growth	(1,759.3)	(2,638.5)
	Capex for other PP&E and Intangible Assets	(38.2)	(91.7)
Total Capex - Accrual Method		(3,716.4)	(5,243.5)
Cashflow FS	Leasing and Finame Raised for Acquisition of Fixed Assets	567.6	457.4
	Changes in Balance of Suppliers Financing	(269.1)	-
	Changes in Balance of Automakers	258.9	616.5
Note 11 FS	Vehicles in Progress	(103.8)	-
	Other Additions (Non-Capex)	47.9	(3.6)
Supplemental Information to the Statement of Cashflow and Fixed Assets Note		501.6	1,070.4
Total Investment - FS Cashflow		(3,214.8)	(4,173.1)
Cashflow FS	Purchase of Fixed Assets for Rental	3,066.0	3,982.0
	Additions to PP&E for Capex and Intangible Assets	148.8	194.4

Free cash flow before expansion investments at JSL Consolidated totaled R\$1,2 billion in the last 12 months, a 4% reduction comparing to 2018. Capex for fleet growth amounted to R\$2.7 billion, mainly focused on Movida, VAMOS and CS Brasil. As a result, free cash flow after expansion and before interest totaled a negative R\$1.5 billion, given the acceleration of investments made in recent quarters, which did not reach their full revenue and cash generation potential for the same period.

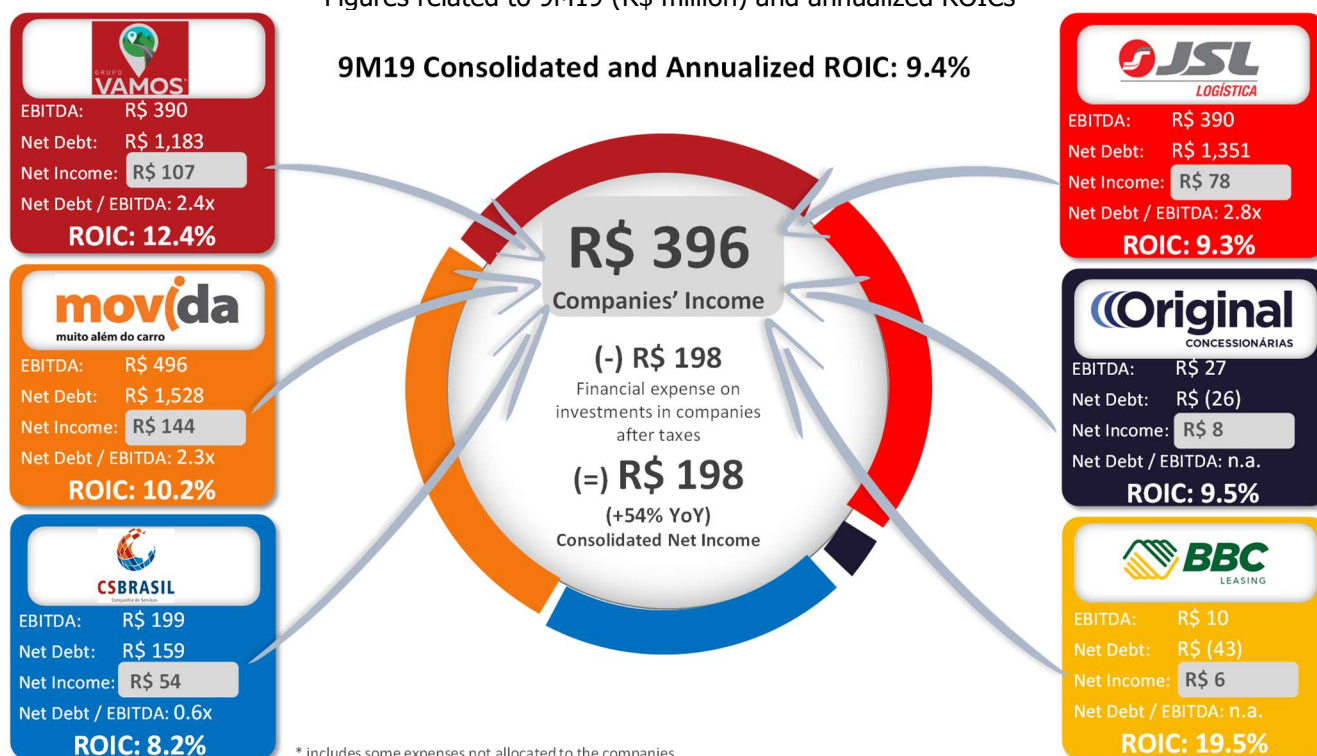
EBITDA Reconciliation (R\$ million)	JSL - Consolidated								
	3Q18	2Q19	3Q19	▲YoY	▲QoQ	9M18	9M19	▲YoY	LTM
Net Result	54.0	71.2	66.1	22.4%	-7.2%	128.5	198.0	54.1%	258.7
Financial Result	171.3	206.1	197.4	15.2%	-4.2%	508.7	583.6	14.7%	756.1
Income tax and Social contribution	26.6	31.7	21.6	-18.8%	-31.9%	71.6	80.2	12.0%	98.9
Depreciation / Amortization	168.0	178.5	194.1	15.5%	8.7%	456.3	550.2	20.6%	730.8
Amortization (IFRS 16)	-	30.6	32.8	-	7.2%	-	92.7	-	92.7
EBITDA	420.0	518.2	511.9	21.9%	-1.2%	1,165.1	1,504.7	29.1%	1,937.2
Costs of Sales of Assets	358.3	665.7	655.5	82.9%	-1.5%	1,172.6	1,869.7	59.4%	2,307.0
EBITDA-A	778.3	1,183.8	1,167.4	50.0%	-1.4%	2,337.6	3,374.4	44.4%	4,244.2

XII. Profitability – JSL Consolidated

Profitability Breakdown

Figures related to 9M19 (R\$ million) and annualized ROICs

9M19 Consolidated and Annualized ROIC: 9.4%



ROIC 9M19 annualized (R\$ million)	JSL Consolidated ¹	Logística	CS Brasil	Vamos	Movida	Original Concessionárias	BBC Leasing
EBIT 9M19 annualized	1,149.0	282.0	128.4	287.2	429.3	20.5	12.5
Taxes	(331.2)	(74.5)	(44.0)	(77.7)	(77.0)	(6.9)	(4.1)
NOPLAT	817.8	207.6	84.4	209.4	352.4	13.6	8.4
Average Net Debt ²	6,881.2	1,338.0	105.8	1,023.1	1,490.9	(26.5)	(42.7)
Average Dividends ²	-	-	-	75.0	-	-	-
Average Equity ²	1,774.0	904.8	916.6	584.4	1,953.3	169.5	85.6
Average Invested Capital ²	8,655.2	2,242.8	1,022.5	1,682.5	3,444.2	143.0	43.0
ROIC 9M19 annualized	9.4%	9.3%	8.2%	12.4%	10.2%	9.5%	19.5%

¹ Considers elimination between companies and Holding debt

² Considers the average between the current period and december 2018

ROE 3Q19 LTM (R\$ million)	JSL Consolidated	JSL Consolidated (controlling shareholder participation in companies)
Net Income 3Q19 LTM	258.7	190.9
Average Equity ¹	1,697.1	947.1
ROE 3Q19 LTM	15.2%	20.2%

¹ Considers the average between the current period and same period of last year

JSL S.A.
Statements of financial position
As at September 30, 2019 and December 31, 2018
In thousands of Brazilian Reais

Assets	Note	Parent company		Consolidated	
		09/30/2019 ⁽¹⁾	12/31/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	12/31/2018 ⁽¹⁾
Current					
Cash and cash equivalents	5	94,815	277,290	786,777	690,324
Marketable securities	6	850,328	991,629	5,524,780	4,136,909
Derivative financial instruments	4.4	29,463	22,013	29,463	22,013
Trade receivables	7	708,755	646,038	1,728,868	1,334,813
Inventories	8	26,578	29,307	291,417	261,987
Fixed assets available for sale	9	96,368	41,869	695,403	397,784
Taxes recoverable		58,207	37,326	155,362	117,507
Income tax and social contribution recoverable		18,894	64,787	87,701	110,149
Prepaid expenses		19,054	11,125	78,862	25,583
Dividends receivable	10.3	246,719	93,331	-	-
Advances to third parties		24,629	21,669	45,404	58,763
Other credits		58,420	30,562	52,405	35,488
		2,232,230	2,266,946	9,476,442	7,191,320
Non-current					
Long-term					
Marketable securities	6	-	1,215	886	4,532
Derivative financial instruments	4.4	694,664	433,279	716,039	438,160
Trade receivables	7	89,241	24,516	91,318	111,868
Taxes recoverable		73,034	60,944	141,908	114,222
Income tax and social contribution recoverable		20,494	20,494	24,876	24,312
Judicial deposits	20	47,081	45,821	77,042	73,400
Deferred income tax and social contribution	21.1	-	-	100,955	83,620
Related parties	22.1	34,057	39,330	-	346
Other credits		37,371	2,394	67,256	64,437
		995,942	627,993	1,220,280	914,897
Investments	10	3,075,404	2,938,419	9,751	3,754
Property and equipment	11	1,517,649	1,406,841	9,141,337	7,279,407
Intangible assets	12	250,616	250,557	525,728	484,576
		5,839,611	5,223,810	10,897,096	8,682,634
Total assets		8,071,841	7,490,756	20,373,538	15,873,954

⁽¹⁾ As disclosed in note 2.4 (d) the amounts as at September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of financial position as at December 31, 2018 is not being restated.

JSL S.A.
Statements of financial position
As at September 30, 2019 and December 31, 2018
In thousands of Brazilian Reais

Liabilities	Note	Parent company		Consolidated	
		09/30/2019 ⁽¹⁾	12/31/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	12/31/2018 ⁽¹⁾
Current					
Trade payables	13	72,198	93,516	1,792,255	1,195,407
Floor plan	14	-	-	106,463	93,588
Suppliers financing - car makers		-	-	11,153	-
Loans and borrowings	15	426,295	847,737	1,505,848	1,495,151
Debentures	16	546,558	366,590	711,994	483,667
Leases payable	17	44,834	35,755	103,970	91,402
Right-of-use lease	18	24,037	-	111,369	-
Assignment of receivables	19	-	-	6,043	7,410
Social and labor liabilities		154,967	124,921	291,137	238,034
Income tax and social contribution payable		-	-	29,985	12,356
Tax liabilities		33,645	37,183	86,771	75,856
Dividends and interest on capital payable	23.4	-	27,541	18,112	27,541
Other payables		51,346	32,939	183,096	175,475
Advances from customers		5,595	23,034	158,828	139,345
Related parties	22.1	-	-	3,100	246
		1,359,475	1,589,216	5,120,124	4,035,478
Non-current					
Loans and borrowings	15	3,365,610	3,253,656	7,112,594	7,092,551
Debentures	16	1,505,914	1,586,417	4,480,007	2,687,075
Leases payable	17	60,967	47,533	185,279	151,512
Right-of-use lease	18	154,337	-	421,018	-
Assignment of receivables	19	-	-	13,596	16,761
Tax liabilities		841	841	989	1,103
Provision for judicial and administrative litigation	20	53,137	53,351	76,664	75,563
Deferred income tax and social contribution	21.1	170,191	68,895	494,716	361,234
Other payables		110,822	137,702	168,980	204,178
		5,421,819	5,148,395	12,953,843	10,589,977
Total liabilities		6,781,294	6,737,611	18,073,967	14,625,455
Equity					
Share capital	23.1	694,262	681,202	694,262	681,202
Capital reserves	23.2	60,759	33,731	60,759	33,731
Treasury shares	23.3	(24,971)	(103,925)	(24,971)	(103,925)
Earnings reserve		17,841	17,841	17,841	17,841
Retained earnings		120,257	-	120,257	-
Other comprehensive income		169,387	(8,273)	169,387	(8,273)
Equity valuation adjustments	23.5	253,012	132,569	253,012	132,569
Equity attributable to the owners of the Company		1,290,547	753,145	1,290,547	753,145
Non-controlling interests	23.6	-	-	1,009,024	495,354
Total equity		1,290,547	753,145	2,299,571	1,248,499
Total liabilities and equity		8,071,841	7,490,756	20,373,538	15,873,954

⁽¹⁾ As disclosed in note 2.4 (d) the amounts as at September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of financial position as at December 31, 2018 is not being restated.

JSL S.A.
Statements of profit or loss
For the three and nine-month periods ended September 30, 2019 and 2018
In thousands of Brazilian reais, except for earnings per share

	Note	Parent company				Consolidated			
		07/01 to 09/30/2019 ⁽¹⁾	07/01 to 09/30/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	09/30/2018 ⁽¹⁾	07/01 to 09/30/2019 ⁽¹⁾	07/01 to 09/30/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	09/30/2018 ⁽¹⁾
Net revenue from sale, rental, rendering of services and sale of assets used in services rendered	25	756,131	819,310	2,284,265	2,285,374	2,453,591	2,068,877	7,054,319	5,943,912
Cost of sales, rentals and services rendered	26	(624,463)	(640,192)	(1,830,756)	(1,859,857)	(1,273,412)	(1,243,845)	(3,690,537)	(3,462,626)
Cost of sales of decommissioned assets	26	(36,459)	(52,479)	(149,655)	(127,472)	(655,489)	(358,321)	(1,869,725)	(1,172,570)
Total cost of sales, rentals, services rendered and decommissioned assets		(660,922)	(692,671)	(1,980,411)	(1,987,329)	(1,928,901)	(1,602,166)	(5,560,262)	(4,635,196)
Gross profit		95,209	126,639	303,854	298,045	524,690	466,711	1,494,057	1,308,716
Selling expenses	26	(4,772)	(4,245)	(14,264)	(12,718)	(70,544)	(42,571)	(185,555)	(124,374)
Administrative expenses	26	(33,300)	(35,343)	(85,262)	(99,320)	(145,951)	(176,876)	(448,194)	(447,530)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	26	(112)	(976)	5,000	(3,107)	(8,311)	(6,897)	(20,309)	(18,895)
Other operating (expenses) income, net	26	(1,771)	(16,692)	(1,810)	(5,276)	(14,196)	11,023	23,382	(9,884)
Equity results from subsidiaries	10	84,352	76,470	246,733	203,409	(660)	590	(1,635)	765
Profit before finance income, costs and taxes		139,606	145,853	454,251	381,033	285,028	251,980	861,746	708,798
Finance income	27	26,498	15,976	78,478	68,695	108,487	96,822	270,714	299,946
Finance costs	27	(138,075)	(123,999)	(411,862)	(387,168)	(305,872)	(268,170)	(854,270)	(808,610)
Profit before income tax and social contribution		28,029	37,830	120,867	62,560	87,643	80,632	278,190	200,134
Income tax and social contribution - current	21.3	(33,902)	(7,940)	(36,761)	(15,320)	(67,679)	(30,369)	(120,483)	(56,183)
Income tax and social contribution - deferred	21.3	44,908	9,312	61,923	38,854	46,107	3,748	40,284	(15,425)
Total income tax and social contribution		11,006	1,372	25,162	23,534	(21,572)	(26,621)	(80,199)	(71,608)
Profit for the period		39,035	39,202	146,029	86,094	66,071	54,011	197,991	128,526
Attributable to:									
Owners of the Company		39,035	39,202	146,029	86,094	39,035	39,202	146,029	86,094
Non-controlling interests		-	-	-	-	27,036	14,809	51,962	42,432
(=) Basic earnings per share (in Reais)		-	-	-	-	-	-	0,7110	0,4260
(=) Diluted earnings per share (in Reais)		-	-	-	-	-	-	0,6938	0,4167

⁽¹⁾ As disclosed in note 2.4 (d) the three and nine-month periods ended September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statements of profit or loss for the three and nine-month period ended September 30, 2018 are not being restated.

JSL S.A.
Statements of comprehensive income (loss)
For the three and nine-month periods ended September 30, 2019 and 2018
In thousands of Brazilian Reais

	Parent company				Consolidated			
	07/01 to 09/30/2019 ⁽¹⁾	07/01 to 09/30/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	09/30/2018 ⁽¹⁾	07/01 to 09/30/2019 ⁽¹⁾	07/01 to 09/30/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	09/30/2018 ⁽¹⁾
Profit for the period	39,035	39,202	146,029	86,094	66,071	54,011	197,991	128,526
Items that may be subsequently reclassified to profit or loss:								
Gains (losses) on cash flow hedge	58,938	36,368	183,279	(82,279)	58,938	36,368	183,279	(82,279)
(Losses) gains on cash flow hedge in subsidiaries	(3,380)	5,269	994	(2,003)	(3,380)	5,269	994	(2,003)
Income tax and social contribution on cash flow hedge	(19,759)	(14,156)	(61,814)	28,656	(19,759)	(14,156)	(61,814)	28,656
Unrealized gains (losses) on securities measured at FVOCI	10,848	(8,116)	55,201	(50,145)	10,848	(8,116)	55,201	(50,145)
Total other comprehensive income (loss)	46,647	19,365	177,660	(105,771)	46,647	19,365	177,660	(105,771)
Total comprehensive income (loss) for the period	85,682	58,567	323,689	(19,677)	112,718	73,646	375,651	22,755
Attributable to:								
Owners of the Company	85,682	58,567	323,689	(19,677)	85,682	58,567	323,689	(19,677)
Non-controlling interests	-	-	-	-	27,036	14,079	51,962	42,432

⁽¹⁾ As disclosed in note 2.4 (d) the three and nine-month periods ended September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statements of comprehensive income (loss) for the three and nine-month period ended September 30, 2018 are not being restated.

JSL S.A.
Statements of changes in equity
For the nine-month periods ended September 30, 2019 and 2018
In thousands of Brazilian Reais

Note	Capital reserves				Earnings reserves		Other comprehensive income			Equity valuation adjustments (note 23.5)	Total equity of owners of the Company	Non-controlling interests	Total equity	
	Share capital (note 23.1)	Share-based payment transactions	Government grant reserve	Treasury shares	Retention of earnings	Legal reserve	Retained earnings (accumulated losses)	Hedge reserve	Unrealized losses on available-for-sale investments					Total other comprehensive income (loss)
Balance at December 31, 2017	660,395	15,751	6,210	(460)	-	-	(72,329)	(937)	(4,463)	(5,400)	82,621	686,788	502,532	1,189,320
Adjustment on initial application of CPC 48/IFRS 9 and CPC 47/IFRS 15	-	-	-	-	-	-	(12,580)	-	-	-	-	(12,580)	(5,256)	(17,836)
Restated balances at January 1, 2018	660,395	15,751	6,210	(460)	-	-	(84,909)	(937)	(4,463)	(5,400)	82,621	674,208	497,276	1,171,484
Profit for the period	-	-	-	-	-	-	86,094	-	-	-	-	86,094	42,432	128,526
Other comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	(55,626)	(50,145)	(105,771)	-	(105,771)	-	(105,771)
Total comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	86,094	(55,626)	(50,145)	(105,771)	-	(19,677)	42,432	22,755
Share-based payment (a)	-	3,284	-	-	-	-	-	-	-	-	-	3,284	-	3,284
Repurchase of shares	-	-	-	(103,465)	-	-	1,305	-	-	-	-	(102,160)	-	(102,160)
Gain on equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	48,046	48,046	-	48,046
Government grants (b)	-	-	40	-	-	-	-	-	-	-	-	40	-	40
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(48,777)	(48,777)
Balances at September 30, 2018⁽¹⁾	660,395	19,035	6,250	(103,925)	-	-	2,490	(56,563)	(54,608)	(111,171)	130,667	603,741	490,931	1,094,672
Balances at December 31, 2018	681,202	22,858	10,873	(103,925)	15,192	2,649	-	27,418	(35,691)	(8,273)	132,569	753,145	495,354	1,248,499
Profit for the period	-	-	-	-	-	-	146,029	-	-	-	-	146,029	51,962	197,991
Other comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	122,459	55,201	177,660	-	177,660	-	177,660
Total comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	146,029	122,459	55,201	177,660	-	323,689	51,962	375,651
Share-based payment (a)	-	1,256	-	-	-	-	-	-	-	-	-	1,256	-	1,256
Gain on equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	203,128	203,128	(24,648)	178,480
Government grants (b)	-	-	25,772	-	-	-	(25,772)	-	-	-	-	-	-	-
Distribution of dividends (interest on capital)	-	-	-	-	-	-	-	-	-	-	-	-	(30,405)	(30,405)
Capital contribution	13,060	-	-	-	-	-	-	-	-	-	-	13,060	519,800	532,860
Repurchase of shares	-	-	-	(3,731)	-	-	-	-	-	-	-	(3,731)	(3,039)	(6,770)
Cancellation of shares	-	-	-	82,685	-	-	-	-	-	-	(82,685)	-	-	-
Balances at September 30, 2019⁽¹⁾	694,262	24,114	36,645	(24,971)	15,192	2,649	120,257	149,877	19,510	169,387	253,012	1,290,547	1,009,024	2,299,571

⁽¹⁾ As disclosed in note 2.4 (d) the amounts as at September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of changes in equity for the nine-month period ended September 30, 2018 is not being restated.

JSL S.A.
Statements of cash flows - indirect method
For the nine-month periods ended September 30, 2019 and 2018
In thousands of Brazilian Reais

	Parent company		Consolidated	
	09/30/2019⁽¹⁾	09/30/2018⁽¹⁾	09/30/2019⁽¹⁾	09/30/2018⁽¹⁾
Cash flows from operating activities				
Profit before income tax and social contribution	120,867	62,560	278,190	200,134
Adjustments for:				
Equity results from subsidiaries (note 10)	(246,733)	(203,409)	1,635	(765)
Depreciation and amortization (notes 10.1, 11 and 12)	168,307	146,575	642,895	456,280
Cost of sales of decommissioned assets (note 9)	149,655	127,472	1,869,725	1,172,570
Provision for losses and write-off of other assets	5,420	8,559	103,916	185,360
Extemporaneous tax credits (note 26)	(5,508)	(27,227)	(31,982)	(62,789)
Share-based payment (note 23.2 (a))	1,256	3,284	1,256	3,284
Gain on fair value of derivative financial instruments (Note 27)	(133,718)	(357,881)	(325,506)	(365,967)
Interest and exchange variations on loans and borrowings, leases payable, right-of-use lease, debentures and suppliers financing - car makers	496,104	701,323	1,078,540	1,493,836
	555,650	461,256	3,618,669	3,081,943
Changes in net working capital				
Trade receivables	(122,442)	(41,566)	(393,814)	(94,808)
Inventories	2,629	(7,486)	42,160	1,465
Trade payables and Floor plan	(3,826)	13,227	12,983	16,349
Labor and tax liabilities, and taxes recoverable	(955)	23,275	30,345	49,643
Other current and non-current assets and liabilities	(46,853)	132,604	(24,997)	75,147
Changes in net working capital	(171,447)	120,054	(333,323)	47,796
Income tax and social contribution paid	(19,983)	-	(80,970)	(18,659)
Interest paid on loans and borrowings, leases payable, right-of-use lease, debentures and suppliers financing - car makers	(406,541)	(312,178)	(845,980)	(607,182)
Acquisition of operational property and equipment for rental (note 29)	(200,397)	(81,377)	(3,293,252)	(2,380,524)
Net cash (used in) generated by operating activities before investments in marketable securities	(242,718)	187,755	(934,856)	123,374
Redemptions of (investments in) marketable securities	142,516	(85,903)	(1,329,024)	(2,027,107)
Net cash (used in) generated by operating activities	(100,202)	101,852	(2,263,880)	(1,903,733)
Cash flows from investing activities				
Capital contribution	(59,164)	(324,671)	(7,632)	-
Acquisition of property and equipment for investment and intangible assets	(22,071)	(20,112)	(105,209)	(59,608)
Dividends and interest on capital received	51,395	39,245	-	-
Other investments	-	(2,991)	-	-
Net cash used in investing activities	(29,840)	(308,529)	(112,841)	(59,608)
Cash flows from financing activities				
Repurchase of treasury shares	-	(5,459)	(6,770)	(5,459)
Payment for the acquisition of companies	(193)	(475)	(60,206)	(103,622)
Payment for assignment of receivables	-	-	(4,532)	(4,008)
New loans and borrowings and debentures	917,539	1,278,087	4,365,149	3,572,555
Payments of loans and borrowings, leases payable, right-of-use lease and debentures	(1,293,778)	(1,058,344)	(2,821,018)	(1,761,399)
Derivative financial instruments received (paid)	49,156	(14,233)	224,450	(12,228)
Dividends and interest on capital paid	(27,541)	-	(39,834)	-
Capital increase	13,060	-	13,060	-
Primary and secondary offering of shares of subsidiary	289,324	-	802,875	-
Net cash (used in) generated by financing activities	(52,433)	199,576	2,473,174	1,685,839
Net (decrease) increase in cash and cash equivalents	(182,475)	(7,101)	96,453	(277,502)
Cash and cash equivalents				
At the beginning of the period	277,290	116,487	690,324	714,734
At the end of the period	94,815	109,386	786,777	437,232
Net (decrease) increase in cash and cash equivalents	(182,475)	(7,101)	96,453	(277,502)
Main non-cash transactions				
Raising of leases and Finame for the acquisition of property and equipment	(83,775)	(76,101)	(255,230)	(365,455)
Addition of alright-of-use lease (Note 29)	(195,461)	-	(625,090)	-

⁽¹⁾ As disclosed in note 2.4 (d) the amounts as at September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of cash flows for the nine-month period ended September 30, 2018 is not being restated.

JSL S.A.
Statements of value added
For the nine-month periods ended September 30, 2019 and 2018
In thousands of Brazilian Reais

	Note	Parent company		Consolidated	
		09/30/2019 ⁽¹⁾	09/30/2018 ⁽¹⁾	09/30/2019 ⁽¹⁾	09/30/2018 ⁽¹⁾
Sales, services rendered and sale of assets used in services rendered	25	2,715,294	2,778,532	7,864,441	6,756,358
Reversal (provision) of expected credit losses ("impairment") of trade receivables	26	5,000	(3,107)	(20,309)	(18,895)
Other operating income	26	19,334	2,826	90,758	31,613
		2,739,628	2,778,251	7,934,890	6,769,076
Inputs acquired from third parties					
Cost of sales and services rendered		(1,175,681)	(1,279,547)	(2,513,516)	(2,271,530)
Materials, electric power, services provided by third parties and others		(189,933)	(55,674)	(2,154,602)	(1,326,955)
		(1,365,614)	(1,335,221)	(4,668,118)	(3,598,485)
		1,374,014	1,443,030	3,266,772	3,170,591
Gross value added					
Retentions					
Depreciation and amortization	26	(168,307)	(146,575)	(642,895)	(456,280)
Net value added produced by the Company		1,205,707	1,296,455	2,623,877	2,714,311
Value added received through transfer					
Equity results from subsidiaries	10.1	246,733	203,409	(1,635)	765
Finance income	27	78,478	68,695	270,714	299,946
		325,211	272,104	269,079	300,711
Total value added to distribute		1,530,918	1,568,559	2,892,956	3,015,022
Distribution of value added					
Personnel and payroll charges	26	657,618	645,810	1,200,282	1,120,931
Federal taxes		119,303	219,874	311,466	471,631
State taxes		129,152	154,544	213,029	297,482
Municipal taxes		46,546	45,670	68,853	75,865
Interest and bank fees	27	411,862	387,168	854,270	808,610
Rentals	26	20,408	29,399	47,065	111,977
Retained earnings for the period		146,029	86,094	197,991	128,526
		1,530,918	1,568,559	2,892,956	3,015,022

⁽¹⁾ As disclosed in note 2.4 (d) the amounts as at September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2)/IFRS 16 - Leases, and the statement of value added for the nine-month period ended September 30, 2018 is not being restated.

JSL S.A.

Notes to the interim financial information for the period ended September 30, 2019

All amounts in thousands of Brazilian Reais, unless otherwise stated

1. General information

JSL S.A. ("Company" or "Parent company") is a publicly-traded corporation with its headquarters at Renato Paes de Barros Street 1.017 – 9th floor - Itaim Bibi - São Paulo, and has its shares traded on B3 ("*Brasil, Bolsa e Balcão*"), controlled by Simpar S.A.. The Company also trades share deposit certificates on the over-the-counter market of the United States of America (USA) in order to facilitate the purchase, maintenance and sale of shares by North American investors.

In connection with its process of continuous improvement of its information and management processes, the Company's management has split the Transporte e Logística business segment into three individual segments ("JSL Logística", "CS Brasil" and "Holding and other"), with their own decision-making processes.

Therefore, the Company and its subsidiaries (collectively referred to as "Group" or "JSL Group") started to operate in seven main segments as described below:

- (i) JSL Logística: road transportation of cargo and commodities, storage, internal logistics and urban distribution;
- (ii) Movida: rentals of light vehicles in the retail and fleet management, and resale of vehicles replaced for renewal of the respective fleets, through the 'Movida' brand stores;
- (iii) Vamos: rental of trucks, machinery and equipment, sale of new parts and accessories for trucks, machinery and equipment, wholesale of new and used bus and micro-bus, sale of trucks, machinery and equipment, new and used tractors, agricultural machinery and implements and provision of agricultural services;
- (iv) CS Brasil: public passenger transport, collection and transportation of household, commercial or industrial waste, as well as fleet management and outsourcing to the public sector;
- (v) Original Concessionárias: sale of light vehicles, resale of used vehicles, parts, machinery and accessories, providing mechanical services, bodywork and painting services, and brokerage services for automotive insurance sales;
- (vi) BBC Leasing: finance and/or operating lease transactions for the purchase of vehicles and equipment defined by Law 6,099/74 in compliance with prevailing legal and regulatory provisions, and card issuance and management; and;
- (vii) Holding and other: composed mainly of entities located abroad, used as a vehicle for raising funds (Bonds), in addition to activities classified as Holding of investments and equity interests of the Group, as well as real estate sublease held through the entity JSL Imobiliária.

JSL S.A.**Notes to the interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reais, unless otherwise stated

1.1 List of interests in subsidiaries and associates

The Company's equity interests in its subsidiaries and associates at the end of the reporting period are as follows:

Corporate name	Headquarter country	Segment	09/30/2019		12/31/2018	
			Direct interest %	Indirect interest %	Direct interest %	Indirect interest %
Agrolog Transportadora de Cargas em Geral Ltda. (i) ("Agrolog Transportadoras")	Brazil	JSL Logística	99.80	0.20	99.80	0.20
Medlogística Prestação de Serviços de Logística S.A. ("Medlogística")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Mogipasses Comércio de Bilhetes Eletrônicos Ltda. ("Mogipasses")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Quick Armazéns Gerais - Eirelli - ME ("Quick Armazéns")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Quick Logística Ltda. ("Quick Logística")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Riograndense Navegação Ltda.(i) ("Riograndense")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Sinal Serviços de Integração Industrial Ltda. (new name of Servim Serviços Logísticos Ltda.) (i) ("Sinal Serviços")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda. ("Yolanda")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Movida Participações S.A. ("Movida Participações") (iv)	Brazil	Movida	55.11	-	70.13	-
Movida Locação de Veículos Premium Ltda. ("Movida Premium")	Brazil	Movida	-	55.11	-	70.13
Movida Locação de Veículos S.A. ("Movida Locação")	Brazil	Movida	-	55.11	-	70.13
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos")	Brazil	Vamos	99.99	0.01	99.99	0.01
Vamos Máquinas S.A. (new name of Borgato Máquinas S.A.) ("Vamos Máquinas")	Brazil	Vamos	-	100.00	-	100.00
Vamos Seminovos S.A. (new name of Borgato Caminhões S.A.) ("Vamos Seminovos")	Brazil	Vamos	-	100.00	-	100.00
Borgato Serviços Agrícolas S.A. ("Borgato Serviços")	Brazil	Vamos	-	100.00	-	100.00
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda. ("Transrio")	Brazil	Vamos	-	100.00	-	100.00
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (ii) (iii) ("CS Brasil Transportes")	Brazil	CS Brasil	99.99	0.01	99.99	0.01
CS Brasil Frotas Ltda. ("CS Brasil Frotas")	Brazil	CS Brasil	88.87	11.13	89.16	10.84
BRT Sorocaba Concessionárias	Brazil	CS Brasil	-	49.25	49.25	-
Consórcio 123 (ii)	Brazil	CS Brasil	-	33.33	33.33	-
Consórcio Sorocaba (ii)	Brazil	CS Brasil	-	50.00	50.00	-
Joseense Transporte de Passageiros Ltda. ("Joseense Transporte") (iii)	Brazil	CS Brasil	99.99	0.01	-	-
Mogi Mob Transporte de Passageiros Ltda. ("Mogi Mob") (iii)	Brazil	CS Brasil	99.99	0.01	-	-
TPG Transporte de Passageiros Ltda. ("TPG Transporte") (iii)	Brazil	CS Brasil	99.99	0.01	-	-
Avante Veículos Ltda. ("Avante Veículos")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
JSL Corretora e Administradora de Seguros Ltda. ("JSL Corretora")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
Original Distribuidora de Peças e Acessórios Ltda. (i) ("Original Distribuidora")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
Original Veículos Ltda. ("Original Veículos")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
Ponto Veículos Ltda. ("Ponto Veículos")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
JSLF1 Participações Ltda. ("JSLF1")	Brazil	BBC Leasing	99.99	0.01	99.99	0.01
JSL Arrendamento Mercantil S.A. ("JSL Arrendamento")	Brazil	BBC Leasing	-	100.00	-	100.00
JSL Holding Financeira Ltda. ("JSL Holding")	Brazil	BBC Leasing	-	100.00	-	100.00
BBC Pagamentos Ltda. (current name of Clicca Atividades de Internet Ltda. (v) ("Clicca"))	Brazil	Holding and other	99.99	0.01	-	100.00
JSL Empreendimentos Imobiliários Ltda. ("JSL Empreendimentos Imobiliários")	Brazil	Holding and other	99.99	0.01	99.99	0.01
JSL Europe	Luxembourg	Holding and other	100.00	-	100.00	-
JSL Finance S.a.r. ("JSL Finance")	Luxembourg	Holding and other	100.00	-	100.00	-

JSL S.A.

Notes to the interim financial information for the period ended September 30, 2019

All amounts in thousands of Brazilian Reais, unless otherwise stated

- (i) Company in pre-operational phase or dormant;
- (ii) The subsidiary CS Brasil Transportes proportionally consolidates in its statement of financial position the percentage of its interest in the following entities: Consórcio 123 (33.33%) and Consórcio Sorocaba (50%);
- (iii) On May 31, 2019, through a partial spin-off instrument, and aiming at a better segregation of its business, a corporate restructuring was carried out in the operations of the subsidiary CS Brasil, resulting in the creation of new companies that will concentrate the public passenger transport service, as follows: Joseense Transporte de Passageiros Ltda., in conformity with the concession agreements in the city of São José dos Campos; Mogi Mob Transporte de Passageiros Ltda., in conformity with the concession agreements in the city of Mogi das Cruzes; and TPG Transporte de Passageiros Ltda., in conformity with the concession agreements in the city of Guararema;
- (iv) As mentioned in note 1.2, it refers to the Follow-on of subsidiary Movida Participações; and
- (v) Company in pre-operational phase that was previously an indirect subsidiary of the Company and for reasons of restructuring that occurred in 2019 became a direct subsidiary.

1.2 Follow-on of subsidiary Movida Participações

On July 25, 2019, the subsidiary Movida Participações carried out a follow-on (subsequent public offering of shares), primary and secondary, the primary consisting of the issuance of 35,500,000 new shares for R\$ 15.00 per share, totaling R\$ 532,500 from non-controlling interests, and a secondary offering carried out directly by the parent company JSL S.A. with the disposal of 20,000,000 shares also for R\$ 15,00 per share, totaling R\$ 300,000 for the sale, which reduced its interest in the subsidiary to 55.11%.

The total cost of the offers was R\$ 18,949 and R\$ 10,676 in primary and secondary, respectively, totaling R\$ 29,625, which reflected a net cash inflow of R\$ 289,324 by the Company and R\$ 802,875 in the Consolidated.

1.3 Strategic alliance with Avis Budget Car Rental, LLC

On August 30, 2018, the subsidiary Movida Participações S.A. signed a non-binding letter of intent with Avis Budget Car Rental, LLC, which is one of the main global providers of mobility solutions, both through its Avis and Budget brands. The purpose is create a strategic alliance, which includes:

- (i) transform Movida into the Master Franchisor in Brazil for 10 years, renewable for additional 10 years;
- (ii) cooperation agreement between the brands in which Movida may include the Avis and Budget brands in its service points in Brazil and Avis may add the Movida's logo in the main airports which are destinations of Brazilians in the world; and
- (iii) acquisition of assets of approximately 4,400 cars, of which 3,500 for Rent a Car (RAC) and 900 for Fleet Management and Outsourcing (GTF), with estimated value of R\$ 150,000, for payment within one year, which will be subject to a financing agreement with a local financial institution.

On January 15, 2019, the Brazilian Antitrust Agency (CADE) approved, without restrictions, within the scope of Antitrust Case No. 08700.006055 / 2018-85, the acquisition by Movida of assets held by Avis Budget Group, represented by Avis Budget Brasil S.A. The decision of CADE is final and has already become final and unappealable.

2. Basis of preparation and presentation of interim financial information.

2.1 Statement of compliance (with regard to International Financial Reporting Standards - IFRS and standards from the Accounting Pronouncements Committee – CPC)

The interim financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and CPC 21 (R1) – Interim Financial Reporting and presented according to the standards issued and approved by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information - ITR.

JSL S.A.

Notes to the interim financial information for the period ended September 30, 2019

All amounts in thousands of Brazilian Reais, unless otherwise stated

The interim financial information contains selected explanatory notes that explain significant events and transactions, which allow the understanding of the changes occurred in the JSL Group's financial position and performance since its last individual and consolidated annual financial statements.

Therefore, this interim financial information should be read in conjunction with the Company's financial statements for the year ended December 31, 2018, which have been prepared and presented in accordance with the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB, and also in accordance with the accounting practices adopted in Brazil (BR GAAP), which include those included in Brazilian corporate law and the standards, guidelines and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

All significant information in the interim financial information, and only this information, is being disclosed and corresponds to that used by Management in its activities.

This interim financial information was approved and authorized for issuance by the Executive Directors on November 7, 2019.

2.2 Statement of value added ("DVA")

The preparation of the statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to publicly-held companies.

The IFRSs do not require the presentation of such statement. Accordingly, under the IFRS this statement is presented as supplementary information, and not as part of the set of interim financial information.

2.3 Use of estimates and judgments

In preparing this interim financial information, the Group has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Management during the application of the Group's accounting policies and information on the uncertainties related to the assumptions and estimates that have significant risk of resulting in a material adjustment are the same as those disclosed in the last individual and consolidated annual financial statements, except for significant judgments and uncertainties related to estimates and assumptions related to the adoption of CPC 06 (R2)/IFRS 16, as disclosed in note 2.4.

2.4 Changes in significant accounting policies

In preparing this interim financial information, the Group's Management considered, where applicable, new revisions of and interpretations to the IFRS and the technical pronouncements issued by IASB and CPC, respectively, which became effective on January 1, 2019. Except for the adoption of CPC 06 (R2) / IFRS 16 - Leases, a number of other new standards also came into effect as at that date, however, with no material effect on the Group's interim financial information.

CPC 06 (R2)/IFRS - 16 Leases

The CPC 06 (R2) / IFRS 16 - Leases introduces a single, on-statement of financial position lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the previous standard, i.e. lessors continue to classify leases as finance or operating leases.

The CPC 06 (R2) / IFRS 16 replaces the existing lease guidance, including CPC 06 / IAS 17 Leases and ICPC 03 / IFRIC 4, SIC 15 and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group elected to adopt the modified retrospective approach as at January 1, 2019, with prospective effects. Therefore, the comparative periods are not being restated and include the approach of the standard in effect at the base date. The use of this approach has substantially impacted the lease contracts for real estate and vehicles held until the adoption of the standard as an operating lease.

a) Definition of lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under ICPC 03 / IFRIC 4 - Determining whether an Arrangement Contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under CPC 06 (R2) / IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to CPC 06 (R2) / IFRS 16, the Group elected to apply the practical expedient of maintaining the evaluation of which transactions are leases. The Group adopted CPC 06 (R2) / IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases in accordance with CPC 06 (R1) / IAS 17 and ICPC 03 / IFRIC 4 were not revalued. Accordingly, the new lease definition in accordance with CPC 06 (R2) / IFRS 16 was adopted only to contracts entered into or amended on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

b) Group as lessee

- **Measurement of lease liability** – the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's financing rate;
- **Lease term** – during which time the Group contracted the lease of the property. The Group adopted the term established in each contract, since it understands that it does not have an enforceable obligation beyond the contractual term established. The use of hindsight was also determined, such as to determine the term of the lease, whether the contract contains options to extend or terminate the lease, among others;
- **Contracts with indefinite term** – the Group is a lessee in some contracts with indefinite term, for these contracts the Group considered an estimate for the term in which such contracts would be enforceable;
- **Recognition exemption** – the Group opted for the recognition exemption for leases whose term is less than 12 months and leases of low value, considering underlying asset with value of less than R\$ 20. For leases with recognition exemption, the Group recognized the expense in the statement of profit or loss over the lease term as incurred.
- **Lessee incremental interest rate** – the Group considered, for all contracts with related parties and third parties, interest rates necessary to finance the acquisition of the leased assets under conditions similar to the cost of money for the Group on the date of adoption of the standard. In order to identify the rates adopted, the Group considers the cost of funding on a benchmark rate by adding the Group's risk spread and adjusting the guarantee effect, following the requirements of CPC 06 (R2) / IFRS 16. The rates used by the Group vary from 4.93% to 7.77% allocated to each contract in accordance with their remaining contractual term, as well as the adjustment index determined in the contractual instruments (IGP-M, IPCA, among others);
- **Finance charges from lease contracts** – finance charge is recognized as a finance cost and allocated to each period during the term of the lease. Contingent payments are recorded as an expense in the statement of profit or loss as they are incurred.

- **Measurement of the right-of-use asset** – the right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment and adjusted for any remeasurement of the lease liability. In addition, the Group opted to exclude the initial direct costs from the measurement of the right-of-use asset;
- **Amortization of the right-of-use asset** – the Group's lease contracts do not have clauses that allow the Group to exercise the acquisition of ownership of the asset at the end of the lease term. Therefore, the useful life of these assets in the absence of impairment is the contractual term, whichever is shorter. The Group adopts the allocation of amortization of the right-of-use asset in a systematic and linear manner. It should be emphasized that the Group will periodically reassess the useful life of the rights-of-use whenever there are changes in the strategic business plans and intentions of the lessors in continuing the contract;
- **Impairment of the right-of-use asset** – the Group will continue to apply Technical Pronouncement CPC 01 - Impairment of Assets and will periodically carry out an assessment of impairment indicators based on management parameters for assessing the profitability of stores and distribution centers.
- **Leases previously classified as leases payable** – the Group chose to maintain in the line item of property and equipment and lease liabilities at the amounts immediately prior to the date of adoption.
- **PIS and COFINS** – PIS and COFINS credits on amounts payable for right-of-use lease to corporate lessors, as determined by local tax legislation, were deducted from the recorded right-of-use assets and liabilities.

c) Group as a lessor

The accounting policies applicable to the Group as lessor do not differ from those under CPC 06 (R1) / IAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group is not required to make any adjustments in the transition to CPC 06 (R2) / IFRS 16 for leases in which it acts as lessor. However, the Group adopted CPC 47 / IFRS 15 - Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

JSL S.A.**Notes to the interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reais, unless otherwise stated

d) Presentation of the effects related to the application of the new pronouncement

The effects of the adoption of CPC 06 (R2) / IFRS 16 - Leases as at January 1, 2019, with impacts on the opening statement of financial position, are presented below:

	Parent company			Consolidated		
	Published 12/31/2018	Adjustments from adoption of CPC 06 (R2) / IFRS 16	Adjusted amount at 1/1/2019	Published 12/31/2018	Adjustments from adoption of CPC 06 (R2) / IFRS 16	Adjusted amount at 1/1/2019
Assets						
Total current assets	2,266,946	-	2,266,946	7,191,320	-	7,191,320
Property and equipment	1,406,841	179,413	1,586,254	7,279,407	504,788	7,784,195
Other non-current assets	3,816,969	-	3,816,969	1,403,227	-	1,403,227
Total non-current assets	5,223,810	179,413	5,403,223	8,682,634	504,788	9,187,422
Total assets	7,490,756	179,413	7,670,169	15,873,954	504,788	16,378,742
Liabilities						
Leases payable	35,755	-	35,755	91,402	-	91,402
Right-of-use lease	-	16,570	16,570	-	102,353	102,353
Other current liabilities	1,553,461	-	1,553,461	3,944,076	-	3,944,076
Total current liabilities	1,589,216	16,570	1,605,786	4,035,478	102,353	4,137,831
Leases payable	47,533	-	47,533	151,512	-	151,512
Right-of-use lease	-	162,843	162,843	-	402,435	402,435
Other current liabilities	5,100,862	-	5,100,862	10,438,465	-	10,438,465
Total non-current liabilities	5,148,395	162,843	5,311,238	10,589,977	402,435	10,992,412
Total equity	753,145	-	753,145	1,248,499	-	1,248,499
Total liabilities and equity	7,490,756	179,413	7,670,169	15,873,954	504,788	16,378,742

e) Variable, low-value and short-term lease payments

In the nine-month period ended September 30, 2019, the Company recognized the amounts of R\$ 4,449 and R\$ 33,850 in Parent Company and Consolidated, respectively, referring to expenses related to the payment of variable, low-value and short-term leases.

3. Segment information

The segment information is presented in relation to the Group business, which were identified based on the management structure and internal managerial information utilized by the Group chief decision-makers, see note 1.

The results per segment, as well as the assets and liabilities, consider the items directly attributable to the segment, as well as those that may be allocated on reasonable bases.

In the Vamos segment, the Group had 2 (two) customers who individually contributed more than 10% of net operating revenue and represented approximately R\$ 106,000 for the nine-month period ended September 30, 2019. In the CS Brasil segment, it had 1 (one) client represented approximately R\$ 91,781 for the nine-month period ended September 30, 2019.

As at September 30, 2018, there were no customers above this percentage for any segment.

The respective information for the nine-month periods ended September 30, 2019 and 2018 shown below already reflects the split of the JSL Logística business segment shown in note 1. For purposes of comparison with prior periods, segment results based on the previous managerial structure are also be presented.

Below we present segment information for the nine-month periods ended September 30, 2019 and 2018, according to the new managerial structure:

JSL S.A.
Notes to the interim financial information for the period ended September 30, 2019

All amounts in thousands of Brazilian Reais, unless otherwise stated

3.1 Current view

	09/30/2019								
	JSL Logística	Movida	Vamos	CS Brasil	Original Concessionárias	BBC Leasing	Holding and other	Eliminations⁽ⁱ⁾	Consolidated
Net revenue from services rendered and sale of assets used in services rendered	2,361,365	2,729,498	888,875	639,666	607,148	29,094	-	(201,327)	7,054,319
(-) Cost of sales, rentals and services rendered	(1,904,713)	(447,398)	(446,850)	(419,086)	(507,098)	(8,419)	-	43,027	(3,690,537)
Cost of sales of decommissioned assets	(150,294)	(1,625,259)	(143,389)	(102,645)	(5,637)	-	-	157,499	(1,869,725)
(=) Gross profit	306,358	656,841	298,636	117,935	94,413	20,675	-	(801)	1,494,057
Selling expenses	(14,262)	(140,022)	(22,355)	(2,777)	(9,241)	(340)	(7,579)	11,021	(185,555)
Administrative expenses	(84,486)	(179,232)	(72,884)	(35,773)	(59,735)	(8,262)	-	(7,822)	(448,194)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	4,849	(18,031)	(3,936)	(296)	(418)	(2,872)	-	395	(20,309)
Other operating (expenses) income, net	(923)	2,446	15,930	6,531	2,644	148	171	(3,565)	23,382
Equity results from subsidiaries	-	-	-	(1,632)	-	(3)	-	-	(1,635)
Profit (loss) before finance income and costs and taxes	211,536	322,002	215,391	83,988	27,663	9,346	(7,408)	(772)	861,746
Finance income	-	-	-	-	-	-	-	-	270,714
Finance costs	-	-	-	-	-	-	-	-	(854,270)
(=) Profit before income tax and social contribution									278,190
Income tax and social contribution	-	-	-	-	-	-	-	-	(80,199)
Profit for the period									197,991
Attributable to:									
Owners of the Company	-	-	-	-	-	-	-	-	146,029
Non-controlling interests	-	-	-	-	-	-	-	-	51,962
Total assets per segment	4,142,733	7,511,569	3,253,930	1,801,039	377,122	206,153	6,784,870	(3,703,878)	20,373,538
Total liabilities per segment	2,923,899	5,263,757	2,728,185	860,926	203,715	117,739	6,665,624	(689,878)	18,073,967
Depreciation and amortization	(178,021)	(174,290)	(174,080)	(102,886)	(11,591)	(969)	(1,058)	-	(642,895)

	09/30/2018								
	JSL Logística	Movida	Vamos	CS Brasil	Original Concessionárias	BBC Leasing	Holding and other	Eliminations⁽ⁱ⁾	Consolidated
Net revenue from services rendered and sale of assets used in services rendered	2,345,017	1,825,555	685,802	634,189	509,559	54,518	-	(110,728)	5,943,912
(-) Cost of sales, rentals and services rendered	(1,935,678)	(314,450)	(395,378)	(424,389)	(426,206)	(14,270)	-	47,745	(3,462,626)
Cost of sales of decommissioned assets	(120,354)	(923,935)	(46,984)	(116,659)	(4,097)	(12,151)	-	51,610	(1,172,570)
(=) Gross profit	288,985	587,170	243,440	93,141	79,256	28,097	-	(11,373)	1,308,716
Selling expenses	(10,109)	(81,051)	(14,881)	(2,357)	(5,502)	(2,282)	-	(8,192)	(124,374)
Administrative expenses	(110,117)	(178,979)	(60,530)	(29,611)	(65,669)	(6,805)	(3,307)	7,488	(447,530)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	(1,636)	(8,192)	(9,079)	2,010	(59)	(1,364)	-	(575)	(18,895)
Other operating (expenses) income, net	(1,298)	(46,467)	14,539	7,430	3,071	18	171	12,652	(9,884)
Equity results from subsidiaries	-	-	-	765	-	-	-	-	765
Profit (loss) before finance income and costs and taxes	165,825	272,481	173,489	71,378	11,097	17,664	(3,136)	-	708,798
Finance income	-	-	-	-	-	-	-	-	299,946
Finance costs	-	-	-	-	-	-	-	-	(808,610)
(=) Profit before income tax and social contribution									200,134
Income tax and social contribution	-	-	-	-	-	-	-	-	(71,608)
Profit for the period									128,526
Attributable to:									
Owners of the Company	-	-	-	-	-	-	-	-	86,094
Non-controlling interests	-	-	-	-	-	-	-	-	42,432
Total assets per segment as at December 31, 2018	6,737,678	4,850,556	2,170,735	1,258,538	274,006	147,303	232,761	(2,203,047)	13,468,530
Total liabilities per segment as at December 31, 2018	6,080,538	3,212,886	1,500,785	450,480	110,659	58,836	130,025	(193,951)	11,350,258
Depreciation and amortization	(139,287)	(67,612)	(156,721)	(87,080)	(4,084)	(9,593)	(1,497)	9,594	(456,280)

(i) Eliminations of transactions between the segments.

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All amounts in thousands of Brazilian Reais, unless otherwise stated

3.2 Previous view

	09/30/2019						
	Transporte e Logística	Movida	Vamos	Original Concessionárias	BBC Leasing	Eliminations ⁽ⁱ⁾	Consolidated
Net revenue from services rendered and sale of assets used in services rendered	3,001,031	2,729,498	888,875	607,148	29,094	(201,327)	7,054,319
(-) Cost of sales, rentals and services rendered	(2,323,799)	(447,398)	(446,850)	(507,098)	(8,419)	43,027	(3,690,537)
Cost of sales of decommissioned assets	(252,939)	(1,625,259)	(143,389)	(5,637)	-	157,499	(1,869,725)
(=) Gross profit	424,293	656,841	298,636	94,413	20,675	(801)	1,494,057
Selling expenses	(25,220)	(140,022)	(22,355)	(9,241)	(340)	11,623	(185,555)
Administrative expenses	(120,258)	(179,232)	(72,884)	(59,735)	(8,262)	(7,823)	(448,194)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	4,553	(18,031)	(3,936)	(418)	(2,872)	395	(20,309)
Other operating income, net	5,608	2,446	15,930	2,644	148	(3,394)	23,382
Equity results from subsidiaries	(1,632)	-	-	-	(3)	-	(1,635)
Profit before finance income and expenses and taxes	287,344	322,002	215,391	27,663	9,346	-	861,746
Finance income							270,714
Finance costs							(854,270)
(=) Profit before income tax and social contribution							278,190
Income tax and social contribution							(80,199)
Profit for the period							197,991
Attributable to:							
Owners of the Company							146,029
Non-controlling interests							51,962
Total assets per segment	12,728,642	7,511,569	3,253,930	377,122	206,153	(3,703,878)	20,373,538
Total liabilities per segment	10,450,449	5,263,757	2,728,185	203,715	117,739	(689,878)	18,073,967
Depreciation and amortization	(281,965)	(174,290)	(174,080)	(11,591)	(969)	-	(642,895)

	09/30/2018						
	Transporte e Logística	Movida	Vamos	Original Concessionárias	Eliminations ⁽ⁱ⁾	Consolidated	
Net revenue from services rendered and sale of assets used in services rendered	2,979,206	1,825,555	740,320	509,559	(110,728)	5,943,912	
(-) Cost of sales, rentals and services rendered	(2,360,067)	(314,450)	(409,648)	(426,206)	47,745	(3,462,626)	
Cost of sales of decommissioned assets	(237,013)	(923,935)	(59,135)	(4,097)	51,610	(1,172,570)	
(=) Gross profit	382,126	587,170	271,537	79,256	(11,373)	1,308,716	
Selling expenses	(12,466)	(81,051)	(17,163)	(5,502)	(8,192)	(124,374)	
Administrative expenses	(143,035)	(178,979)	(67,335)	(65,669)	7,488	(447,530)	
Reversal (provision) of expected credit losses ("impairment") of trade receivables	374	(8,192)	(10,443)	(59)	(575)	(18,895)	
Other operating income (expenses), net	6,303	(46,467)	14,557	3,071	12,652	(9,884)	
Equity results from subsidiaries	765	-	-	-	-	765	
Profit before finance income and costs and taxes	234,067	272,481	191,153	11,097	-	708,798	
Finance income						299,946	
Finance costs						(808,610)	
(=) Profit before income tax and social contribution						200,134	
Income tax and social contribution						(71,608)	
Profit for the period						128,526	
Attributable to:							
Owners of the Company							86,094
Non-controlling interests							42,432
Total assets per segment as at December 31, 2018	8,228,977	4,850,556	2,170,735	274,006	(2,055,744)	13,468,530	
Total liabilities per segment as at December 31, 2018	6,661,043	3,212,886	1,500,785	110,659	(135,115)	11,350,258	
Depreciation and amortization	(227,864)	(67,612)	(156,721)	(4,084)	1	(456,280)	

(i) Eliminations of transactions between the segments.

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Notes to the interim financial information for the period ended September 30, 2019

All amounts in thousands of Brazilian Reais, unless otherwise stated

4. Financial instruments and risk management

The financial instruments used by the Company and its subsidiaries are restricted to cash and cash equivalents, marketable securities, financial investments, derivative financial instruments, trade receivables, other credits, trade payables, floor plan, suppliers financing - car makers, loans and borrowings, debentures, leases payable, right-of-use lease, assignment of receivables, other payables, and credits from and debts to related parties recognized in the interim financial information. These instruments are managed based on operating strategies aiming at liquidity, profitability and risk minimization.

4.1 Financial instruments by category

The financial instruments are presented in the following accounting classifications:

	09/30/2019					Consolidated 12/31/2018				
	Assets at fair value through profit or loss	Fair value of hedge instruments	Assets at fair value through other comprehensive income - FVOCI	Amortized cost	Total	Assets at fair value through profit or loss	Fair value of hedge instruments	Assets at fair value through other comprehensive income - FVOCI	Amortized cost	Total
Cash and cash equivalents	759,552	-	-	27,225	786,777	642,094	-	-	48,230	690,324
Marketable securities	4,796,315	-	729,351	-	5,525,666	3,506,386	-	635,055	-	4,141,441
Derivative financial instruments	52,552	692,950	-	-	745,502	98,007	362,166	-	-	460,173
Trade receivables	-	-	-	1,820,186	1,820,186	-	-	-	1,446,681	1,446,681
Related parties	-	-	-	-	-	-	-	-	346	346
Other credits	-	-	-	119,661	119,661	-	-	-	99,925	99,925
	5,608,419	692,950	729,351	1,967,072	8,997,792	4,246,487	362,166	635,055	1,595,182	6,838,890
Liabilities, as per the statement of financial position			Liabilities at fair value through profit or loss	Amortized cost	Total			Liabilities at fair value through profit or loss	Amortized cost	Total
Trade payables			-	1,792,255	1,792,255			-	1,195,407	1,195,407
Floor plan			-	106,463	106,463			-	93,588	93,588
Suppliers financing - car makers			-	11,153	11,153			-	-	-
Loans and borrowings			-	8,618,442	8,618,442			112,121	8,475,581	8,587,702
Debentures			213,811	4,978,190	5,192,001			366,423	2,804,319	3,170,742
Leases payable			-	289,249	289,249			-	242,914	242,914
Right-of-use lease			-	532,387	532,387			-	-	-
Assignment of receivables			-	19,639	19,639			-	24,171	24,171
Related parties			-	3,100	3,100			-	246	246
Other payables			-	241,274	241,274			-	379,653	379,653
			213,811	16,592,152	16,805,963			478,544	13,215,879	13,694,423

JSL S.A.**Notes to the interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reais, unless otherwise stated

4.2 Fair value of financial assets and liabilities

A comparison by accounting category of the carrying amount and fair value of the JSL Group's financial instruments, is shown below:

	Consolidated			
	Carrying amount		Fair value	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Financial assets				
Cash and cash equivalents	786,777	690,324	786,777	690,324
Marketable securities	5,525,666	4,141,441	5,525,666	4,141,441
Derivative financial instruments	745,502	460,173	745,502	460,173
Trade receivables	1,820,186	1,446,681	1,820,186	1,446,681
Related parties	-	346	-	346
Other credits	119,661	99,925	119,661	99,925
Total	8,997,792	6,838,890	8,997,792	6,838,890
Financial liabilities				
Trade payables	1,792,255	1,195,407	1,792,255	1,195,407
Floor plan	106,463	93,588	106,463	93,588
Suppliers financing - car makers	11,153	-	11,153	-
Loans and borrowings	8,618,442	8,587,702	8,660,412	8,635,798
Debentures	5,192,001	3,170,742	5,189,925	3,172,341
Leases payable	289,249	242,914	289,699	242,421
Right-of-use lease	532,387	-	532,387	-
Assignment of receivables	19,639	24,171	19,639	24,171
Related parties	3,100	246	3,100	246
Other payables	241,274	379,653	241,274	379,653
Total	16,805,963	13,694,423	16,846,307	13,743,625

The fair values of financial assets and liabilities are measured in accordance with the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - Quoted prices in active markets for similar instruments, observable prices for identical or similar instruments in non-active markets and valuation models for unobservable inputs; and

Level 3 - Instruments with unobservable significant inputs. The Group does not have financial instruments classified in this category.

The table below presents the general classification of financial instruments assets and liabilities measured at fair value, according to the fair value hierarchy:

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Notes to the interim financial information for the period ended September 30, 2019
All amounts in thousands of Brazilian Reais, unless otherwise stated

	09/30/2019			Consolidated 12/31/2018		
	Level1	Level2	Total	Level1	Level2	Total
Assets at fair value through profit or loss						
Cash and cash equivalents						
Bank deposit certificates ("CDB")	-	171,467	171,467	-	435,380	435,380
Repurchase agreements	-	150,489	150,489	-	97,073	97,073
Financial bills	-	20,174	20,174	-	73,519	73,519
Units of other funds	415,326	-	415,326	5,085	-	5,085
Others ⁽¹⁾	-	2,096	2,096	-	31,037	31,037
Marketable securities						
Credit Linked Notes ("CLN")	-	1,952,333	1,952,333	-	1,850,987	1,850,987
Bank deposit certificates ("CDB")	-	250,049	250,049	-	-	-
Financial Treasury Bills ("LFT")	95,433	-	95,433	254,329	-	254,329
National Treasury Bills ("LTN")	60,585	-	60,585	218,774	-	218,774
Units of other funds	2,437,029	-	2,437,029	1,176,550	-	1,176,550
Others	886	-	886	5,746	-	5,746
Derivative financial instruments						
Swap agreement	-	744,602	744,602	-	460,173	460,173
IDI options	-	900	900	-	-	-
	3,009,259	3,292,110	6,301,369	1,660,484	2,948,169	4,608,653
Assets at fair value through other comprehensive income - FVOCI						
Marketable securities						
Sovereign securities (in USD)	368,835	-	368,835	382,796	-	382,796
Corporate securities (in USD)	360,516	-	360,516	252,259	-	252,259
	729,351	-	729,351	635,055	-	635,055
	3,738,610	3,292,110	7,030,720	2,295,539	2,948,169	5,243,708
Liabilities at fair value through profit or loss						
Loans and borrowings	-	-	-	-	112,121	112,121
Debentures	-	213,811	213,811	-	366,423	366,423
	-	213,811	213,811	-	478,544	478,544
Financial liabilities not measured at fair value - with difference between carrying amount and fair value						
Loans and borrowings	-	8,618,442	8,618,442	-	8,473,528	8,473,528
Debentures	-	4,978,190	4,978,190	-	2,804,319	2,804,319
Leases payable	-	289,249	289,249	-	242,914	242,914
	-	13,885,881	13,885,881	-	11,520,761	11,520,761
	-	14,099,692	14,099,692	-	11,999,305	11,999,305

(1) For the improvement in presentation and consistence with current period, the cash and cash equivalents balance, referring to others, in the amount of R\$ 31,037 as at December 31, 2018, was reclassified from Level 1 to Level 2.

The valuation techniques used to measure all financial instruments assets and liabilities at fair value include:

- (i) Quoted market prices or quotations from financial institutions or brokers for similar instruments; and
- (ii) Analysis of discounted cash flows.

The curve used in the calculation of the fair value of the agreements indexed to the CDI at September 30, 2019 was as follows:

Interest curve - Brazil

Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	5.39	4.87	4.85	5.40	5.92	6.59	7.28

Source: B3 (Brasil, Bolsa e Balcão) at 9/30/2019

4.3 Financial risk management

The main non-derivative financial liabilities of the JSL Group relate to trade payables, floor plan, suppliers financing – car makers, loans and borrowings, debentures, leases payable, right-of-use leases, assignment of receivables, related parties and other payables. The primary purpose underlying these financial liabilities is to foster the operations. The JSL Group has in its assets trade receivables, related parties, other credits, demand and short-term deposits that directly result from its operations. The JSL Group is exposed to market, credit, and liquidity risk.

Management oversees the management of these risks with the support of a Financial Committee, which advises in the assessment of the financial risks according to a governance structure appropriate for the JSL Group. Management, supported by the Financial Committee, recommends actions to the Board of Directors so that the activities that result in financial risks to JSL Group are governed by appropriate practices and procedures.

It is the responsibility of the Board of Directors to authorize transactions involving any type of financial instrument, which is defined as any agreements that generate financial assets and liabilities, regardless of the market in which they are traded or listed, the amounts of which are subject to fluctuations.

The JSL Group has a policy of not entering into derivative transactions for speculative purposes. These transactions are used only for protection against fluctuations related to market risks.

a) Credit risk

The credit risk involves the potential default of a counterparty to an agreement or financial instrument, resulting in financial loss. The JSL Group is exposed to credit risk in its operating (especially with regard to its receivables) and investing activities, including investments at banks and financial institutions and other financial instruments.

The carrying amounts of financial assets represent the maximum credit exposure.

i. Trade receivables

The Group uses a simplified “provision matrix” to calculate the expected credit losses on its trade receivables. The Group uses its experience of historical credit losses to estimate the expected credit losses on financial assets when appropriate. The provision matrix used by the Group specifies fixed rates for the provision depending on the number of days in which the receivables are overdue and is adjusted for specific customers according to future estimates and qualitative factors observed by the Credit and Collection Committee.

The JSL Group writes off its financial assets when there is no reasonable expectation of recovery. The Group determines the write-off of receivables after 12 or 24 months in arrears, according to the recoverability study of each Group company. The receivables written off by the Group continue in the collection process to recover the receivable amount. When there are recoveries, these are recognized as credit recovery proceeds in the income for the year.

The JSL Group recognized an impairment allowance that represents its estimate of losses on “Trade receivables”, see note 7.

ii. Cash equivalents and marketable securities

The credit risk associated with balances at banks and financial institutions is managed by the JSL Group treasury area in accordance with the guidelines approved by the Financial Committee and the Board of Directors. The surplus funds are invested only in approved counterparties and within the limit established to each one, in order to minimize the risk concentration, and thus mitigate the financial loss in the event of a potential bankruptcy of a counterparty.

The JSL Group determines the credit risk of a debt security by analyzing the payment history, current financial and macroeconomic conditions of the counterparty and evaluation of rating agencies when applicable, thus evaluating each individual debt security.

The maximum period considered in the estimate of expected credit loss is the maximum contractual period during which the Group is exposed to credit risk.

Expected credit losses are estimated weighted by the probability of credit losses. Credit losses are measured at present value based on all cash insufficiencies (i.e. the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive).

The credit risk of cash and equivalents, marketable securities and financial investments is determined by recognized credit rating agencies and is allocated as follows:

	Consolidated
	09/30/2019
Br AAA	3,510,661
Br AA+	997
Br AA	118,822
Br A-	279
BB-	2,681,684
	6,312,443

b) Market risk

The market risk involves potential fluctuations in the fair value of future cash flows derived from a given financial instrument in response to variations in its market prices. Market prices typically involve three types of risks: interest rate risk, exchange rate risk and price risk that may be commodities, stocks, among others.

The Group uses derivatives to manage market risks. All these transactions are conducted under the guidelines set forth by the Board of Directors. Generally, the Group seeks to apply the hedge accounting to manage the volatility of profit or loss.

The JSL Group's financial instruments affected by market risk include cash and cash equivalents, marketable securities, financial investments, loans and borrowings, leases payable, right-of-use leases, assignment of receivables and debentures, and are basically subject to interest and foreign exchange rates risk.

i. Interest rate changes risk

Interest rate risk involves potential fluctuation in the fair value of the future cash flows derived from a given financial instrument in response to variations in market interest rates. The JSL Group exposure to risk associated with market interest rate changes relates primarily to cash and cash equivalents, marketable securities, financial investments, loans and borrowings, debentures, leases payable and right-of-use leases, subject to interest rates. The sensitivity analysis is presented in item 4.3.1.

ii. Foreign exchange currency changes risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective Group's functional currency. Borrowings are generally denominated in currency equivalent to the cash flows generated by the Group's trade operations, mainly in Reais, but also in US Dollar ("dollar"). The Group's borrowings were hedged against exchange rate changes by a swap instrument, which exchanges the indexation of foreign currency by CDI, limiting the exposure to possible losses due to exchange rate changes.

c) Liquidity risk

The JSL Group monitors risks associated with funding shortages on an ongoing basis through a recurrent liquidity planning tool.

The JSL Group's purpose is to maintain in its assets balance of cash and highly-liquid investments and maintain flexibility through the use of bank borrowings and the ability to raise funds through capital markets, in order to ensure its liquidity and operational continuity. The average indebtedness term is monitored in order to provide short-term liquidity, analyzing installments, charges and cash flows.

Presented below are the contractual maturities of financial assets and liabilities, including estimated interest payment:

	Consolidated 09/30/2019				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	3 to 8 years
Financial assets					
Cash and cash equivalents	786,777	786,777	786,777	-	-
Marketable securities	5,525,666	5,525,666	5,524,780	886	-
Derivative financial instruments	745,502	745,502	29,463	23,089	692,950
Trade receivables	1,820,186	1,820,186	1,728,868	82,191	9,127
Other credits	119,661	119,661	52,405	67,256	-
Total	8,997,792	8,997,792	8,122,293	173,422	702,077
	Consolidated 09/30/2019				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	3 to 8 years
Financial liabilities					
Trade payables	1,792,255	1,792,255	1,792,255	-	-
Floor plan	106,463	106,463	106,463	-	-
Suppliers financing - car makers	11,153	11,153	11,153	-	-
Loans and borrowings	8,618,442	10,828,301	1,952,586	1,903,200	6,972,515
Debentures	5,192,001	6,450,761	999,559	1,232,932	4,218,270
Leases payable	289,249	322,286	121,963	113,114	87,209
Right-of-use lease	532,387	570,875	126,094	109,784	334,997
Assignment of receivables	19,639	27,319	7,442	7,442	12,435
Related parties	3,100	3,100	3,100	-	-
Other payables	241,274	267,728	153,176	113,035	1,517
Total	16,805,963	20,380,241	5,273,791	3,479,507	11,626,943

4.3.1 Sensitivity analysis

The JSL Group's Management conducted a study of the potential impact of variations in interest rates on the amounts of financial investments, loans and borrowings, including debentures, leases payable, right-of-use leases and payables for the acquisition of companies. The debt was divided into debts subject to CDI, TLP, IPCA, IGP-M, SELIC and dollar, which could be subject to different changes according to the inherent rate.

Management's study considers as at September 30, 2019 the following probable rates, proportionally impacting on the JSL Group's debts and financial investments: CDI at 4.85% p.a., based on the future yield curve (source: B3 – Brasil, Bolsa e Balcão); TLP at 5.36% p.a. (source: BNDES); IPCA at 3.33% p.a. (source: Bacen); IGP-M at 3.97% p.a. (source: Bacen); SELIC at 4.75% p.a. (source: Bacen) and U.S. dollar ("dollar") rate of R\$ 4.24 (source: B3).

The following sensitivity analysis of financial instruments was prepared according to CVM Instruction No. 475/2008, to show the balances of the main financial assets and liabilities, taking into consideration a probable scenario (Scenario I), with stresses increase of 25% (Scenario II) and 50% (Scenario III):

Operation	Exposure	Risk	Probabl e rate	Scenario I probable	Scenario II + depreciation of 25%	Consolidated Scenario III + depreciation of 50%

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Derivatives designated as hedging accounting						
<i>Swap agreement</i>	USD 503,500	USD increase	4.24	2,134,840	2,668,550	3,202,260
NCE (hedged item)	USD (463,500)	USD increase	4.24	(1,965,240)	(2,456,550)	(2,947,860)
International credit (hedged item)	USD (40,000)	USD increase	4.24	(169,600)	(212,000)	(254,400)
Net exposure	-			-	-	-
Debentures (hedged item)	(683,607)	IPCA increase	10.97%	(74,992)	(93,740)	(112,488)
Swap long position	683,607	IPCA increase	10.97%	74,992	93,740	112,488
Swap short position	(631,055)	CDI increase	5.28%	(33,320)	(41,650)	(49,980)
Net exposure	(631,055)			(33,320)	(41,650)	(49,980)
Loans and borrowings – international credit	(169,380)	FIXED RATE	10.90%	(18,462)	(18,462)	(18,462)
Loans and borrowings – NCE	(1,953,586)	FIXED RATE	14.92%	(291,475)	(291,475)	(291,475)
Swap long position - international credit	169,380	FIXED RATE	10.90%	18,462	18,462	18,462
Swap long position - NCE	1,953,586	FIXED RATE	14.92%	291,475	291,475	291,475
Swap short position	(1,550,506)	CDI increase	7.28%	(112,877)	(141,096)	(169,315)
Net exposure	(1,550,506)			(112,877)	(141,096)	(169,315)
Other derivatives						
Call option IDI (Position purchased in call option "Call")	(139,799)	FIXED RATE	7.70%	(10,765)	(10,765)	(10,765)
Call option IDI (Position purchased in call "Call")	139,799	CDI increase	7.70%	10,765	13,456	16,147
Call option IDI (Position purchased in call option "Call")	(238,940)	FIXED RATE	7.10%	(16,965)	(16,965)	(16,965)
Call option IDI (Position purchased in call option "Call")	238,940	CDI increase	7.10%	16,965	21,206	25,447
Net exposure	-			-	6,932	13,864
Net exposure of hedge accounting operations	(2,181,561)			(146,197)	(175,814)	(205,431)
Other operations - Floating rate						
Financial investments	759,552	CDI increase	4.84%	36,762	45,953	55,143
Marketable securities	2,687,078	CDI increase	4.84%	130,055	162,568	195,082
Marketable securities	96,319	SELIC increase	4.75%	4,575	5,719	6,863
Loans and borrowings	(3,270,221)	CDI increase	6.89%	(225,318)	(281,648)	(337,977)
Debentures	(4,508,394)	CDI increase	6.67%	(300,710)	(375,887)	(451,065)
Leases payable	(289,249)	CDI increase	7.41%	(21,433)	(26,792)	(32,150)
Payables for the acquisition of companies (i)	(82,603)	IGPM increase	4.97%	(4,105)	(5,132)	(6,158)
Loans and borrowings	(163,046)	IPCA increase	7.16%	(11,674)	(14,593)	(17,511)
Loans and borrowings	(65,806)	TLP/TJLP increase	8.67%	(5,705)	(7,132)	(8,558)
Loans and borrowings	(15,992)	SELIC increase	9.03%	(1,444)	(1,805)	(2,166)
Net exposure	(4,852,362)			(398,997)	(498,749)	(598,497)
Net exposure and impact on finance costs - floating rate	(7,033,923)			(545,194)	(674,563)	(803,928)
Other operations - Fixed rate						
Marketable securities	2,012,918	FIXED RATE	8.23%	165,663	165,663	165,663
Marketable securities – Corporate and Sovereign securities	729,351	FIXED RATE	4.46%	32,529	32,529	32,529
Right-of-use lease	(532,387)	FIXED RATE	6.28%	(33,434)	(33,434)	(33,434)
Suppliers financing - car makers	(11,153)	FIXED RATE	8.80%	(981)	(981)	(981)
Loans and borrowings – Senior Notes "BOND"	(2,606,530)	FIXED RATE	7.75%	(202,006)	(202,006)	(202,006)
Loans, borrowings and debentures	(373,881)	FIXED RATE	6.34%	(23,704)	(23,704)	(23,704)
Net exposure and impact on finance costs - fixed rate	(781,682)			(61,933)	(61,933)	(61,933)
Net exposure and total impact of finance costs on the statement of profit or loss	(7,815,605)			(607,127)	(736,496)	(865,861)

(i) Payables for the acquisition of companies are recorded in the line item of other payables.

The objective of this sensitivity analysis is to measure the impact of changes in market variables on the JSL Group's financial instruments, assuming that all other market factors remain constant, showing the impact on the JSL Group's finance income and costs. Such amounts may differ from those stated upon their settlement due to the estimates used in their preparation.

4.4 Derivative financial instruments

The JSL Group uses derivative financial instruments solely with the purpose of hedging against market risks. In accordance with the JSL Group's policy, the operations that may adversely affect the JSL Group's profit or loss or cash flows will be hedged, due to the risks involved. When the JSL Group carries out transactions that contain unwanted exposures, Management will evaluate the need to contract financial instruments with the purpose of hedge and mitigate the risks to which it is exposing itself.

At September 30, 2019, the JSL Group has derivative financial instruments (swap agreements and the purchase option of IDI on the average rate index of interbank deposits - "purchase option IDI") that were classified as cash flow hedge, and to which the hedge accounting was applied, pursuant to CPC 48/IFRS 9 – Financial Instruments, as shown in the movement at the end of this explanatory note. The cash flow hedge consists in providing a hedge against variations in cash flows attributable to a specific risk associated to a recognized asset or liability or a highly probable forecast transaction that may affect the profit or loss. The IDI purchase option agreement ensures a maximum threshold for loss in a scenario where the company contracts loans at a floating rate. The index is corrected daily by the average rate of one-day interbank deposits (DI) and, when purchasing a purchase option on this index (IDI), with a future date, the company manages to limit the financial expense for the same period over the Notional contracted.

The relationship between the hedge instrument and the hedged item, as well as the risk management policies and objectives, were documented at the beginning of the transaction. The effectiveness tests are also properly documented, confirming that the designated derivatives are effective in offsetting the changes in the fair value of the hedged items.

The effective portion of the changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized as a component of OCI, net of taxes. At September 30, 2019, a positive variation of R\$ 122,459 (at September 30, 2018 negative variation of R\$ 55,626) was computed. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. During the nine-month periods ended September 30, 2019 and 2018, no gain or loss on the ineffective portion was recognized.

The amounts accumulated in OCI, net of taxes, are reclassified to the statement of profit or loss for the periods when the hedged item affects profit or loss (e.g., when the settlement of the hedged item occurs).

The JSL Group has other derivative financial instruments (swap agreements) that were not elected for the application of the hedge accounting pursuant to CPC 48 / IFRS 9 – Financial Instruments, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in the statement of profit or loss. During the nine-month period ended September 30, 2019, the gain on swap transactions was R\$ 133,718 (gain of R\$ 357,881 at September 30, 2018) and gain of R\$ 325,506 (gain of R\$ 365,967 at September 30, 2018), in the Parent company and Consolidated, respectively. These gains set off the losses on the underlying hedged instruments. See the impact on profit or loss in note 27.

The outstanding contracts at September 30, 2019 are the following:

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Company	Instrument	Type of derivative financial instrument	Operation	Notional amount	Maturity	Hedge index	Average contracted rate	Consolidated	
								At amortized cost	At fair value
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	Jul/24	Fixed rate + Exchange rate	156.50% CDI	168,834	168,834
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	Jul/24	Fixed rate + Exchange rate	149.59% of CDI	252,882	252,882
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	Jul/24	Fixed rate + Exchange rate	152.26% of CDI	252,882	252,882
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	Jul/24	Fixed rate + Exchange rate	153.90% of CDI	252,848	252,848
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 75,000	Jul/24	Fixed rate + Exchange rate	152.50% of CDI	316,060	316,060
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	Jul/24	Fixed rate + Exchange rate	151.65% of CDI	210,706	210,706
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	Jul/24	Fixed rate + Exchange rate	150.65% of CDI	210,706	210,706
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 68,500	Jul/24	Fixed rate + Exchange rate	149.45% of CDI	288,668	288,668
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 115,089	Jul/20	IPCA + Fixed rate	108.85% of CDI	71,519	62,414
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 98,723	Jul/20	IPCA + Fixed rate	108.85% of CDI	60,880	73,315
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 71,751	Jun/21	IPCA + Fixed rate	CDI + 2.53%	64,952	67,747
JSL	Swap agreement	Cash flow hedge	SWAP IPCA X CDI	R\$ 362,685	Nov/25	IPCA + Fixed rate	CDI + 0.65%	486,256	486,256
Vamos	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	May/21	Fixed rate + Exchange rate	130.15% of CDI	169,380	179,223
							Total	2,806,573	2,822,541

Company	Description	Counterparty	Initial date	Maturity	Quantity	Notional amount	Indexer	Consolidated		
								Agreed upon rate January/22	Exercise price	Market value
Vamos	Purchase of IDI purchase option	B3	02/25/2019	01/03/2022	525	R\$ 139,799	Fixed rate	7.7%	329	R\$ 262
Vamos	Purchase of IDI purchase option	B3	8/28/2019	1/2/2023	870	R\$ 238,940	Fixed rate	7.1%	358	R\$ 638

The outstanding balances are as follows:

Operation	Parent company					
	09/30/2019			12/31/2018		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD 463,500	671,575	-	USD 463,500	379,298	-
Swap - IPCA x DI	R\$ 648,247	52,552	-	R\$ 285,562	75,994	-
Total		724,127	-		455,292	-
Current		29,463	-		22,013	-
Non-current		694,664	-		433,279	-
Total		724,127	-		455,292	-

Operation	Consolidated					
	09/30/2019			12/31/2018		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD 503,500	692,050	-	USD 493,500	384,179	-
Swap - IPCA x DI	R\$ 648,247	52,552	-	R\$ 285,562	75,994	-
Purchase of IDI option	R\$ 378,739	900	-		-	-
Total		745,502	-		460,173	-
Current		29,463	-		22,013	-
Non-current		716,039	-		438,160	-
Total		745,502	-		460,173	-

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The table below indicates the expected periods that the cash flows associated with the hedges will impact the profit or loss and the respective carrying amount of these instruments:

	Balance at September 30, 2019				Parent company
	Expected cash flow				
	Curve value (Accrual)	Total	1-6 months	7-12 months	Over 1 year
Swap agreement	-				
Long position	2,637,193	3,370,847	70,988	262,006	3,037,853
Short position	(2,026,485)	(2,871,313)	(60,298)	(207,820)	(2,603,195)
	610,708	499,534	10,690	54,186	434,658

	Balance at September 30, 2019				Consolidated
	Expected cash flow				
	Curve value (Accrual)	Total	1-6 months	7-12 months	Over 1 year
Swap agreement					
Long position	2,806,573	3,557,278	76,091	267,027	3,214,160
Short position	(2,181,561)	(3,042,907)	(66,169)	(212,346)	(2,764,392)
	625,012	514,371	9,922	54,681	449,768

5. Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Cash	358	322	18,535	2,426
Banks	1,597	11,632	8,690	45,804
Total cash and banks	1,955	11,954	27,225	48,230
CDB (Bank Deposit Certificate)	25,821	232,781	171,467	435,380
Repurchase agreements - Debenture-backed	5,301	-	150,489	97,073
Financial bills	6,832	11,924	20,174	73,519
Units of other funds	2,728	722	415,326	5,085
Finance Leases Bill – related parties (note 22.1)	52,178	19,909	-	-
Others	-	-	2,096	31,037
Total financial investments	92,860	265,336	759,552	642,094
Total	94,815	277,290	786,777	690,324

During the nine-month period ended September 30, 2019, the average income from these investments was 6.25% p.a. (at December 31, 2018 the average income was 6.42% p.a.).

6. Marketable securities

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Operations				
Government securities - exclusive funds (i)				
Financial Treasury Bills ("LFT")	23,564	121,594	95,433	254,329
National Treasury Bills ("LTN")	13,917	109,536	60,585	218,774
Units of other funds	812,847	760,499	2,437,029	1,176,550
Other securities				
CLN - Credit linked notes (iii)	-	-	1,952,333	1,850,987
CDB (Bank Deposit Certificate) (iv)	-	-	250,049	-
Sovereign securities (in USD) (ii)	-	-	368,835	382,796
Corporate securities (in USD) (ii)	-	-	360,516	252,259
Others	-	1,215	886	5,746
Total	850,328	992,844	5,525,666	4,141,441
Current assets	850,328	991,629	5,524,780	4,136,909
Non-current assets	-	1,215	886	4,532
Total	850,328	992,844	5,525,666	4,141,441

(i) The average income from government securities allocated to exclusive funds is defined at fixed and floating rates (fixed rate LTN and LFT SELIC). During the nine-month period ended September 30, 2019, the

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average income was 6.25% p.a. (6.42% p.a. at December 31, 2018). These funds are managed by first tier financial institutions with low credit risk. The average income disclosed is net of fund management fee and commission.

- (ii) Corporate securities are debt securities issued by Brazilian companies such as bonds, notes and others that have weighted risk rating “BB” in global scale. Sovereign securities are debt securities issued by the Brazilian and American government or by entities controlled by the Brazilian government. These securities in foreign currency (USD) are available to be sold according to Management’s need for the utilization of these resources. In addition, they are naturally hedged by the respective USD debt amount, as disclosed in note 15. The remuneration of these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. At September 30, 2019, the weighted average income of these transactions was 4.46% p.a. (5.76% p.a. at December 31, 2018).
- (iii) CLN refers to the Credit Linked Note applied by the subsidiary JSL Europe, at Santander Bank, in dollar currency and was remunerated in the nine-month period ended September 30, 2019 at 7.02% p.a. (7.02% p.a. as at December 31, 2018).
- (iv) This amount is maintained as collateral for compliance with loans and financing in CCB modality raised by the subsidiary Vamos, whose maturity will take place in February 2020.

7. Trade receivables

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Receivables from services and rentals	468,800	398,024	1,534,777	1,110,654
Unbilled revenue from services rendered and rentals	226,144	188,953	362,457	304,528
Leases receivable	-	-	18,284	132,216
Commission on sales of used vehicles	-	-	23,614	37,308
Receivables from related parties (note 22.1)	128,438	115,798	26,985	22,597
Receivables from credit cards	-	-	8,763	1,623
Other receivables	35,485	33,650	117,539	89,679
(-) Expected credit losses (“impairment”) of trade receivables	(60,871)	(65,871)	(272,233)	(251,924)
Total	797,996	670,554	1,820,186	1,446,681
Current assets	708,755	646,038	1,728,868	1,334,813
Non-current assets	89,241	24,516	91,318	111,868
Total	797,996	670,554	1,820,186	1,446,681

7.1 Aging list and expected credit losses in (impairment of) trade receivables

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current	725,136	598,307	1,587,787	1,151,103
1-30 days past due	30,166	35,476	78,602	98,209
31-90 days past due	31,497	25,720	89,045	88,800
91-180 days past due	5,116	8,858	37,010	33,862
181-365 days past due	5,464	5,989	41,159	36,776
More than 365 days past due	61,488	62,075	258,816	289,855
Total past due	133,731	138,118	504,632	547,502
(-) Expected credit losses (“impairment”) of trade receivables	(60,871)	(65,871)	(272,233)	(251,924)
Total	797,996	670,554	1,820,186	1,446,681

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The movement in the expected credit losses (“impairment”) of trade receivables was as follows:

	Parent company	Consolidated
Balance as at December 31, 2018	(65,871)	(251,924)
(-) additions	(3,537)	(69,824)
(+) reversals	8,537	49,515
At September 30, 2019	(60,871)	(272,233)
At December 31, 2017	(68,986)	(223,098)
Remeasurement (CPC 48 / IFRS 9)	6,766	(19,680)
At January 1, 2018	(62,220)	(242,778)
(-) additions	(19,492)	(78,282)
(+) reversals	16,385	59,387
At September 30, 2018	(65,327)	(261,673)

8. Inventories

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
New vehicles	-	-	140,262	91,345
Used vehicles	-	-	97,763	49,206
Parts for resale	-	-	20,330	84,715
Materials for use and consumption	32,009	34,638	45,503	45,996
Others	-	-	541	364
(-) Estimated losses on impairment of inventories (i)	(5,431)	(5,331)	(12,982)	(9,639)
Total	26,578	29,307	291,417	261,987

(i) The estimated losses on impairment of inventories refers to the lines of materials for use and consumption and parts for resale.

Movements in estimated losses on impairment of inventories:

	Parent company	Consolidated
At December 31, 2018	(5,331)	(9,639)
(-) additions	(2,976)	(7,193)
(+) reversals	2,876	3,850
At September 30, 2019	(5,431)	(12,982)
At December 31, 2017	(6,744)	(10,216)
(-) additions	(4,301)	(8,700)
(+) reversals	3,606	6,394
At September 30, 2018	(7,439)	(12,522)

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9. Fixed assets available for sale

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost:						
At December 31, 2018	61,901	6,108	68,009	436,749	147,862	584,611
Assets transferred from property and equipment	296,394	53,908	350,302	2,512,721	139,326	2,652,047
Assets written off due to sale	(228,210)	(38,936)	(267,146)	(2,068,842)	(173,775)	(2,242,617)
Assets transferred to authorized vehicle dealerships segment	-	-	-	(84,508)	-	(84,508)
At September 30, 2019	130,085	21,080	151,165	796,120	113,413	909,533
Accumulated depreciation:						
At December 31, 2018	(20,783)	(5,357)	(26,140)	(82,413)	(104,414)	(186,827)
Assets transferred from property and equipment	(109,243)	(36,905)	(146,148)	(274,718)	(135,052)	(409,770)
Assets written off due to sale	88,220	29,271	117,491	207,510	165,382	372,892
Assets transferred to authorized vehicle dealerships segment	-	-	-	9,575	-	9,575
At September 30, 2019	(41,806)	(12,991)	(54,797)	(140,046)	(74,084)	(214,130)
Net value:						
At December 31, 2018	41,118	751	41,869	354,336	43,448	397,784
At September 30, 2019	88,279	8,089	96,368	656,074	39,329	695,403
	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost:						
At December 31, 2017	111,274	25,791	137,065	362,253	81,608	443,861
Assets transferred from property and equipment	141,775	23,393	165,168	1,403,237	67,221	1,470,458
Assets written off due to sale	(198,508)	(23,092)	(221,600)	(1,358,830)	(53,105)	(1,411,935)
At September 30, 2018	54,541	26,092	80,633	406,660	95,724	502,384
Accumulated depreciation:						
At December 31, 2017	(43,444)	(22,755)	(66,199)	(74,411)	(56,060)	(130,471)
Assets transferred from property and equipment	(53,162)	(15,700)	(68,862)	(182,756)	(42,549)	(225,305)
Assets written off due to sale	78,057	16,071	94,128	211,205	28,160	239,365
At September 30, 2018	(18,549)	(22,384)	(40,933)	(45,962)	(70,449)	(116,411)
Net value:						
At December 31, 2017	67,830	3,036	70,866	287,842	25,548	313,390
At September 30, 2018	35,992	3,708	39,700	360,698	25,275	385,973

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10. Investments

These investments are accounted for under the equity method of accounting based on the financial information of the investees, as follows:

Investments	Equity at 09/30/2019	Interest %	Equity results from subsidiaries	Asset balance 09/30/2019	Negative equity 09/30/2019 (ii)	Parent company	Consolidated		
						Asset balance 12/31/2018	Equity results from subsidiaries	Asset balance 09/30/2019	Asset balance 12/31/2018
Avante Veículos	20,199	99.99	154	20,199	-	20,043	-	-	-
BRT Sorocaba Concessionárias (iv)	-	49.25	-	-	-	-	(1,635)	8,995	2,715
CS Brasil Transportes	579,447	99.99	24,451	579,447	-	563,691	-	-	-
CS Brasil Frotas	354,702	88.87	28,395	315,206	-	287,750	-	-	-
Joseense Transportes	13,814	99.99	(302)	13,814	-	-	-	-	-
JSL Corretora	9,042	99.99	728	9,042	-	8,314	-	-	-
JSL Empreendimentos Imobiliários	3,617	99.99	(1,100)	3,617	-	4,717	-	-	-
JSL Europe	34,568	100.00	(2,346)	34,568	-	5,480	-	-	-
JSL Finance	(16,560)	100.00	(18,659)	-	(16,560)	-	-	-	-
JSLF1	88,414	99.99	5,571	88,414	-	82,946	-	-	-
Medlogística	1,385	99.99	441	1,385	-	944	-	-	-
Mogi Mob	13,843	99.99	9	13,843	-	-	-	-	-
Mogipasses	8,148	99.99	1,345	8,148	-	6,803	-	-	-
Movida Participações	2,247,736	55.11	95,852	1,238,708	-	1,163,402	-	-	-
Original Distribuidora (v)	(178)	99.99	(157)	-	(178)	-	-	-	-
Original Veículos	107,902	99.99	2,344	107,902	-	105,558	-	-	-
Ponto Veículos	36,443	99.99	4,709	36,443	-	31,734	-	-	-
Quick Armazéns	5,381	99.99	166	5,381	-	5,215	-	-	-
Quick Logística	19,954	99.99	(1,779)	19,954	-	21,733	-	-	-
Sinal Serviços	3	99.99	(1)	3	-	4	-	-	-
Vamos	525,745	99.99	107,227	525,745	-	581,483	-	-	-
TPG Transportes	9,611	99.99	-	9,611	-	-	-	-	-
Yolanda	23,427	99.99	(315)	23,427	-	23,742	-	-	-
Surplus value of property and equipment	-	-	-	14,066	-	18,379	-	-	-
Goodwill on businesses acquisition (i)	-	-	-	6,481	-	6,481	-	-	-
Others (iii)	-	-	-	-	-	-	-	756	1,039
Total investments			246,733	3,075,404	(16,738)	2,938,419	(1,635)	9,751	3,754

(i) Goodwill arising on the acquisition of companies and businesses, classified as investment in the parent company, in accordance with CPC 18 (R2) / IAS 28 - Investments in Associates and Joint Ventures.

(ii) Refers to the provision for losses on subsidiaries with negative equity that were classified in the group of "Other payables". As part of the bonds raising process, JSL Finance is one of the fundraising management entities. The results are mainly related to interest on debt, net of the interest of the funds held by this entity. This negative balance is supplied by the Company through capital contributions in the months of interest payment;

(iii) Refers to investment of subsidiary Movida in the company E-moving;

(iv) As mentioned in note 1.1, refers to investment of subsidiary CS Brasil in consortium BRT Sorocaba, which is in the pre-operational phase; and

(v) Company in pre-operational phase.

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All amounts in thousands of Brazilian Reais, unless otherwise stated

10.1 Changes in investments

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

Investments	12/31/2018	Capital contribution	Corporate restructuring (iv)	Gain on equity interests in subsidiaries	Impairment of investments	Equity results from subsidiaries	Amortization of surplus value, goodwill	Dividends and interest on capital	Other movements (iii)	Parent company
										09/30/2019
Avante Veículos	20,043	-	-	-	-	154	-	-	2	20,199
CS Brasil Transportes	563,691	-	(9,827)	-	-	24,451	-	-	1,132	579,447
CS Brasil Frotas	287,750	-	-	-	-	28,395	-	-	(939)	315,206
Joseense Transportes	-	14,000	116	-	-	(302)	-	-	-	13,814
JSL Corretora	8,314	-	-	-	-	728	-	-	-	9,042
JSL Empreendimentos Imobiliários	4,717	-	-	-	-	(1,100)	-	-	-	3,617
JSL Europe	5,480	31,430	-	-	-	(2,346)	-	-	4	34,568
JSLF1	82,946	-	-	-	-	5,571	-	-	(103)	88,414
Medlogística	944	-	-	-	-	441	-	-	-	1,385
Mogi Mob	-	13,734	100	-	-	9	-	-	-	13,843
Mogipasses	6,803	-	-	-	-	1,345	-	-	-	8,148
Movida Participações (v)	1,163,402	-	-	177,962	(148,438)	95,852	-	(40,188)	(9,882)	1,238,708
Original Veículos	105,558	-	-	-	-	2,344	-	-	-	107,902
Ponto Veículos	31,734	-	-	-	-	4,709	-	-	-	36,443
Quick Armazéns	5,215	-	-	-	-	166	-	-	-	5,381
Quick Logística	21,733	-	-	-	-	(1,779)	-	-	-	19,954
Sinal Serviços	4	-	-	-	-	(1)	-	-	-	3
TPG Transportes	-	-	9,611	-	-	-	-	-	-	9,611
Vamos	581,483	-	-	-	-	107,227	-	(164,595)	1,630	525,745
Yolanda	23,742	-	-	-	-	(315)	-	-	-	23,427
Surplus value of property and equipment (ii)	18,379	-	-	-	(1,028)	-	(3,285)	-	-	14,066
Goodwill on businesses acquisition (i)	6,481	-	-	-	-	-	-	-	-	6,481
Total investments	2,938,419	59,164	-	177,962	(149,466)	265,549	(3,285)	(204,783)	(8,156)	3,075,404
Provisions for investment losses										
JSL Finance	(53,102)	-	-	-	-	(18,659)	-	-	55,201	(16,560)
Original Distribuidora	(21)	-	-	-	-	(157)	-	-	-	(178)
Total investments, net of provision for losses	2,885,296	59,164	-	177,962	(149,466)	246,733	(3,285)	(204,783)	47,045	3,058,666

(i) Goodwill arising on the acquisition of companies and businesses, classified as investment in the parent company, in accordance with CPC 18 (R2)/IAS 28 - Investments in Associates and Joint Ventures.

(ii) Refers to write-off of surplus value of property and equipment arising from the business combination due to sale of the related assets. Additionally, its regular amortization over its useful life was recorded;

(iii) Refers to the effect of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans and the mark to market of investments classified as at fair value through other comprehensive income, which were recognized in the equity of subsidiaries JSL Finance and Vamos.

(iv) Refers to the corporate restructuring carried out in the operations of subsidiary CS Brasil, as mentioned in Note 1.1 (iii).

(v) On July 25, 2019, the subsidiary Movida Participações carried out subsequent primary and secondary public offering of shares, as mentioned in Note 1.2, resulting in a gain of R\$ 177,962 and a write-off of the respective cost of the shares sold of R\$ 148,438.

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All amounts in thousands of Brazilian Reais, unless otherwise stated

Investments	12/31/2017	Remeasurement CPC 48/IFRS 9 and CPC 47/IFRS 15	Balance as at 01/01/2018	Acquisition of investment (iv)	Repurchase of shares 28.3	Reduction/Disposal of investment	Split (v)	Equity results from subsidiaries	Write-off of surplus value of assets, goodwill (i)	Amortization of surplus value (iii)	Gain/(Loss) on equity interests in subsidiaries	Dividends and interest on capital	Other movements (iii)	Parent company	
														09/30/2018	
Mogipasses	17,487	-	17,487	-	-	-	-	1,420	-	-	-	-	-	-	18,907
Yolanda	24,596	(861)	23,735	-	-	-	-	3	-	-	-	-	-	-	23,738
JSL Empreendimentos Imobiliários	6,126	-	6,126	-	-	-	-	(1,040)	-	-	-	-	-	1	5,087
CS Brasil Transportes	518,284	-	518,284	-	-	-	(100)	42,990	-	-	-	(16,637)	208	544,745	
Vamos	610,967	170	611,137	20,807	(94,193)	-	-	87,938	-	-	66,228	(19,640)	(2,360)	669,917	
Medlogística	453	-	453	-	-	-	-	590	-	-	-	-	-	-	1,043
Quick Logística	28,313	315	28,628	-	-	-	-	(5,153)	-	-	-	-	-	1	23,476
Quick Armazéns	5,321	-	5,321	-	-	-	-	(178)	-	-	-	-	(1)	5,142	
CS Brasil Frotas	236,320	-	236,320	-	-	-	-	14,900	-	-	-	(6,914)	-	244,307	
Quatai Transporte de Passageiros	-	-	-	-	-	-	100	-	-	-	-	-	-	-	100
Movida Participações	842,733	(10,050)	832,683	293,097	(5,459)	(19,502)	-	69,889	-	-	3	(23,858)	(126)	1,146,727	
Original Veículos	103,055	-	103,055	-	-	-	-	2,245	-	-	-	-	16	105,316	
Ponto Veículos	28,204	-	28,204	-	-	-	-	2,094	-	-	-	-	4	30,302	
Avante Veículos	19,409	-	19,409	-	-	-	-	494	-	-	-	-	(50)	19,853	
JSL Corretora	5,550	-	5,550	-	-	-	-	2,326	-	-	-	-	(1)	7,875	
Sinal Serviços	-	-	-	11	-	-	-	(7)	-	-	-	-	-	4	
JSL Europe	-	-	-	19,335	-	-	-	(8,566)	-	-	-	-	(3,214)	7,555	
Surplus value on the acquisition of Quick Logística	32,403	-	32,403	-	-	-	-	-	(8,104)	(4,558)	-	-	-	19,741	
Goodwill authorized vehicle dealerships	6,481	-	6,481	-	-	-	-	-	-	-	-	-	-	6,481	
Total investments	2,485,702	(10,426)	2,475,277	333,250	(99,652)	(19,502)	-	209,945	(8,104)	(4,558)	66,231	(67,049)	(5,522)	2,880,316	
Provisions for investment losses															
JSL Europe	(12,228)	-	(12,228)	12,228	-	-	-	-	-	-	-	-	-	-	
JSL Finance	(10,411)	-	(10,411)	-	-	-	-	(6,536)	-	-	-	-	(46,932)	(63,879)	
Total investments	2,463,063	(10,426)	2,452,638	345,478	(99,652)	(19,502)	-	203,409	(8,104)	(4,558)	66,231	(67,049)	(52,454)	2,816,437	

(i) Refers to the realization of the purchase price allocation due to sale of the asset;

(ii) Refers to amortization of surplus value arising from the acquisition of subsidiaries;

(iii) Refers to the effect of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans and the mark to market of investments classified as fair value through other comprehensive income, which were recognized in the equity of subsidiaries JSL Finance, Vamos and Movida.

(iv) Refers to the repurchase of Vamos shares by JSL, and in subsidiary Movida, an investment was acquired through the subscription of shares. Additionally, there was a capital contribution in JSL Europe, making its equity positive.

(v) In September 2018, the partial spin-off of subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. ("CS Brasil") was approved. The spun-off portion, in the amount of R\$ 100, was transferred to Quatai Transporte de Passageiros Ltda..

(vi) Refers to the gain calculated in the share buyback of the subsidiary Vamos will result from the difference between the equity value of the shares and the traded value, as described in the explanatory note 10.1 of the individual and consolidated annual financial statements, published on 11 March 2019;

(vii) Refers to the repurchase of the 9% of shares of the subsidiary Vamos, as described in note 1.2 (c) of the individual and consolidated annual financial statements, published on March 11, 2019.

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All amounts in thousands of Brazilian Reals, unless otherwise stated

10.2 Balances of assets and liabilities and profit or loss of investees and subsidiaries

The balances of assets, liabilities, revenues and expenses in subsidiaries as of September 30, 2019 are presented below:

Investments	09/30/2019							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Costs, expenses and net finance costs	Profit (loss) for the period
Avante Veículos	27,077	8,472	13,079	2,271	20,199	40,004	(39,850)	154
CS Brasil Transportes	514,561	615,295	260,127	290,282	579,447	446,703	(422,252)	24,451
CS Brasil Frotas	240,147	474,797	166,134	194,108	354,702	239,188	(207,233)	31,955
Joseense Transportes	37,822	14,665	33,855	4,818	13,814	-	(302)	(302)
JSL Corretora	9,872	98	919	9	9,042	4,023	(3,295)	728
JSL Empreendimentos Imobiliários	436	8,377	5,010	186	3,617	(16)	(1,084)	(1,100)
JSL Europe	1,954,432	745,963	48,775	2,617,052	34,568	-	(2,346)	(2,346)
JSL Finance	729,403	-	-	745,963	(16,560)	-	(18,659)	(18,659)
JSLF1	60,069	29,208	863	-	88,414	-	5,571	5,571
Medlogística	4,459	28,421	7,063	24,432	1,385	10,142	(9,701)	441
Mogi Mob	21,254	10,985	17,164	1,232	13,843	-	9	9
Mogipasses	41,105	262	11,679	21,540	8,148	2,089	(744)	1,345
Movida Participações	2,635,892	4,875,677	2,547,267	2,716,566	2,247,736	2,729,498	(2,585,826)	143,672
Original Distribuidora	1,088	884	1,484	666	(178)	1,863	(2,020)	(157)
Original Veículos	152,341	101,296	114,688	31,047	107,902	459,150	(456,806)	2,344
Ponto Veículos	48,804	29,181	34,106	7,436	36,443	111,314	(106,605)	4,709
Quick Armazéns	1,767	3,630	16	-	5,381	20	146	166
Quick Logística	33,051	31,013	33,117	10,993	19,954	62,083	(63,862)	(1,779)
Sinal Serviços	6	7	-	10	3	-	(1)	(1)
TPG Transportes	4,899	6,621	1,632	277	9,611	-	-	-
Vamos	1,234,239	2,042,168	1,029,363	1,721,299	525,745	888,875	(781,648)	107,227
Yolanda	1,751	45,871	7,642	16,553	23,427	6,013	(6,328)	(315)

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10.3 Dividends receivable

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Parent company
At December 31, 2018	93,331
Interest on capital declared by subsidiary Movida	40,188
Interest on capital declared by subsidiary Vamos	14,595
Dividends declared by subsidiary Vamos	150,000
Dividends and interest on capital received in the period	(51,395)
At September 30, 2019	246,719
	Parent company
At December 31, 2017	29,847
Interest on capital declared by subsidiary Movida	23,858
Interest on capital declared by subsidiary Vamos	19,640
Interest on capital declared by subsidiary CS Brasil Transportes	16,637
Interest on capital declared by subsidiary CS Brasil Frotas	6,914
At September 30, 2018	96,896

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All amounts in thousands of Brazilian Reals, unless otherwise stated

11. Property and equipment

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Parent company								
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Constructions in progress	Right-of-use (ii)	Others	Total
Cost:									
At December 31, 2018	1,342,046	412,382	178,104	24,291	28,988	20,521	-	188,987	2,195,319
Initial adoption of CPC 06 (R2)/IFRS 16 (ii)	-	-	-	-	-	-	179,413	-	179,413
At January 1, 2019	1,342,046	412,382	178,104	24,291	28,988	20,521	179,413	188,987	2,374,732
Additions	245,299	21,381	-	4,191	3,277	9,431	16,048	61	299,688
Transfers	(29)	(20)	1,170	(79)	142	(751)	-	(433)	-
Transfers to fixed assets available for sale	(296,394)	(53,908)	-	-	-	-	-	-	(350,302)
Assets written-off and others (i)	(6,476)	(19,886)	-	(910)	(456)	-	(1,696)	(49)	(29,473)
At September 30, 2019	1,284,446	359,949	179,274	27,493	31,951	29,201	193,765	188,566	2,294,645
Accumulated depreciation:									
At December 31, 2018	(412,987)	(236,060)	(51,369)	(14,535)	(14,467)	-	-	(59,060)	(788,478)
Depreciation expense for the period	(83,959)	(29,404)	(6,547)	(2,464)	(2,090)	-	(23,530)	(11,976)	(159,970)
Transfers	(8)	6	(274)	-	2	-	-	274	-
Transfers to fixed assets available for sale	109,243	36,905	-	-	-	-	-	-	146,148
Assets written-off and others (i)	5,185	19,613	-	232	231	-	7	36	25,304
At September 30, 2019	(382,526)	(208,940)	(58,190)	(16,767)	(16,324)	-	(23,523)	(70,726)	(776,996)
Net value:									
At December 31, 2018	929,059	176,322	126,735	9,756	14,521	20,521	-	129,927	1,406,841
At September 30, 2019	901,920	151,009	121,084	10,726	15,627	29,201	170,242	117,840	1,517,649
Average depreciation rate for the period:									
Light	9.9%	-	-	-	-	-	-	-	-
Heavy	7.8%	11.9%	-	-	-	-	-	-	-
Others	-	-	4.9%	20.0%	10.0%	-	8.9%	8.5%	-

(i) Includes write-offs of cost and depreciation due to damages and damaged assets in the residual amount of R\$ 614;

(ii) Refers to initial adoption of CPC 06 (R2)/IFRS 16 – Leases (Note 2.4 (d)). Such right-of-use refers entirely to property lease agreements.

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Notes to the interim financial information for the period ended September 30, 2019

All amounts in thousands of Brazilian Reais, unless otherwise stated

								Parent company
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Constructions in progress	Others	Total
Cost:								
At December 31, 2017	1,323,915	388,810	180,547	16,352	25,279	7,728	189,265	2,131,896
Additions	143,129	29,063	378	6,360	2,614	9,677	39	191,260
Transfers	(763)	477	20	(13)	573	(20)	(274)	-
Transfers to fixed assets available for sale	(141,775)	(23,393)	-	-	-	-	-	(165,168)
Assets written-off and other (i)	(1,070)	(836)	(2,856)	(254)	(22)	-	(49)	(5,087)
Balance as at September 30, 2018	1,323,436	394,121	178,089	22,445	28,444	17,385	188,981	2,152,901
Accumulated depreciation:								
Balance at December 31, 2017	(391,550)	(194,846)	(44,580)	(12,017)	(11,520)	-	(44,805)	(699,318)
Depreciation expense for the period	(83,595)	(32,587)	(6,835)	(1,875)	(1,900)	-	(10,392)	(137,184)
Transfers	287	(35)	-	-	(380)	-	128	-
Transfers to fixed assets available for sale	53,162	15,700	-	-	-	-	-	68,862
Assets written-off and others (i)	72	517	2,211	72	3	-	35	2,910
At September 30, 2018	(421,624)	(211,251)	(49,204)	(13,820)	(13,797)	-	(55,034)	(764,730)
Net value:								
At December 31, 2017	932,365	193,964	135,967	4,335	13,759	7,728	144,460	1,432,578
At September 30, 2018	901,812	182,870	128,885	8,625	14,647	17,385	133,947	1,388,171
Average depreciation rate for the period:								
Light	10.3%	-	-	-	-	-	-	-
Heavy	9.1%	12.1%	-	-	-	-	-	-
Others	-	-	7.6%	19.3%	14.2%	0.0%	11.0%	-

(i) Includes write-offs of cost and depreciation due to damage and damaged assets in the residual amount of R\$ 635.

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	Consolidated											
	Vehicles	Vehicles in progress	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Constructio ns in progress	Right-of-use (ii)	Others	Total
Cost:												
At December 31, 2018	6,904,064	124,263	1,144,867	352,917	48,488	56,671	20,771	15,917	43,183	-	208,981	8,920,122
Initial adoption of CPC 06 (R2)/IFRS 16 (ii)	-	-	-	-	-	-	-	-	-	504,788	-	504,788
At January 1, 2019	6,904,064	124,263	1,144,867	352,917	48,488	56,671	20,771	15,917	43,183	504,788	208,981	9,424,910
Additions	2,570,479	1,395,099	179,644	811	10,499	12,771	-	3	23,054	120,302	765	4,313,427
Transfers	1,405,069	(1,410,864)	6,463	11,848	(152)	(302)	-	(3)	(11,643)	-	(416)	-
Transfers to fixed assets available for sale	(2,512,721)	-	(139,326)	-	-	-	-	-	-	-	-	(2,652,047)
Assets written-off and others (i)	(75,063)	-	(712)	-	(1,126)	(385)	-	-	-	(15,137)	(636)	(93,059)
At September 30, 2019	8,291,828	108,498	1,190,936	365,576	57,709	68,755	20,771	15,917	54,594	609,953	208,694	10,993,231
Accumulated depreciation:												
At December 31, 2018	(925,390)	-	(447,490)	(136,615)	(33,218)	(27,286)	(7,443)	-	-	-	(63,273)	(1,640,715)
Depreciation expense for the period	(400,416)	-	(89,583)	(22,865)	(4,547)	(4,529)	(1,640)	-	-	(92,702)	(12,277)	(628,559)
Transfers	107	-	(76)	(274)	(22)	(10)	-	-	-	-	275	-
Transfers to fixed assets available for sale	274,718	-	135,052	-	-	-	-	-	-	-	-	409,770
Assets written-off and others (i)	5,695	-	1,149	-	395	276	77	-	-	-	18	7,610
At September 30, 2019	(1,045,286)	-	(400,948)	(159,754)	(37,392)	(31,549)	(9,006)	-	-	(92,702)	(75,257)	(1,851,894)
Net value:												
At December 31, 2018	5,978,674	124,263	697,377	216,302	15,270	29,385	13,328	15,917	43,183	-	145,708	7,279,407
At September 30, 2019	7,246,542	108,498	789,988	205,822	20,317	37,206	11,765	15,917	54,594	517,251	133,437	9,141,337
Average depreciation rate for the period:												
Light	4.1%	-	-	-	-	-	-	-	-	-	-	-
Heavy	9.2%	-	9.5%	-	-	-	-	-	-	-	-	-
Others	-	-	-	8.2%	18.0%	10.0%	9.0%	-	-	5.8%	9.0%	-

(i) Refers mainly to write-offs of cost and depreciation due to damages and damaged assets in the amount of R\$ 69,368;

(ii) Refers to initial adoption of CPC 06 (R2)/IFRS 16 – Leases (Note 2.4 (d)). Such right-of-use refers entirely to property lease agreements.

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Notes to the interim financial information for the period ended September 30, 2019

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	Consolidated										
	Vehicles	Vehicles in progress	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Constructions in progress	Others	Total
Cost:											
At December 31, 2017	5,628,526	67,912	1,061,062	357,000	37,998	50,027	16,451	15,917	11,128	220,669	7,466,690
Additions	2,397,153	132,902	185,998	1,045	8,346	5,185	1	-	26,671	1,429	2,758,730
Transfers	58,406	(71,108)	17,643	(2,871)	(25)	(397)	4,355	-	(1,013)	(4,990)	-
Transfers to fixed assets available for sale	(1,403,237)	-	(67,221)	-	-	-	-	-	-	-	(1,470,458)
Assets written-off and others (i)	(165,033)	-	(1,185)	(2,864)	(345)	(89)	-	-	-	(8,981)	(178,497)
At September 30, 2018	6,515,815	129,706	1,196,297	352,310	45,974	54,726	20,807	15,917	36,786	208,127	8,576,465
Accumulated depreciation:											
At December 31, 2017	(779,750)	-	(410,047)	(110,636)	(28,887)	(22,562)	(4,351)	-	-	(53,843)	(1,410,076)
Depreciation expense for the period	(313,094)	-	(87,706)	(24,159)	(3,301)	(3,708)	(1,837)	-	-	(13,273)	(447,078)
Transfers	(1,058)	-	(456)	740	-	96	(897)	-	-	1,575	-
Transfers to fixed assets available for sale	182,756	-	42,549	-	-	-	-	-	-	-	225,305
Assets written-off and others (i)	3,764	-	684	2,217	72	32	-	-	-	4,199	10,968
At September 30, 2018	(907,382)	-	(454,976)	(131,838)	(32,116)	(26,142)	(7,085)	-	-	(61,342)	(1,620,881)
Net value:											
At December 31, 2017	4,848,776	67,912	651,015	246,364	9,111	27,465	12,100	15,917	11,128	166,826	6,056,614
At September 30, 2018	5,608,433	129,706	741,321	220,472	13,858	28,584	13,722	15,917	36,786	146,785	6,955,584
Average depreciation rate for the period:											
Light	4.8%	-	-	-	-	-	-	-	-	-	-
Heavy	8.6%	-	11.0%	-	-	-	-	-	-	-	-
Others	-	-	-	12.9%	14.3%	13.4%	15.8%	-	-	10.6%	-

(i) Refers mainly to write-offs of cost and depreciation due to damages and damaged assets in the amount of R\$ 90,608.

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All amounts in thousands of Brazilian Reais, unless otherwise stated

11.1 Leases of property and equipment items

A portion of the assets were acquired by the JSL Group by means of a lease, and substantially include vehicles, machinery and equipment. These balances are part of property and equipment, as shown as follow:

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Cost - capitalized lease	134,433	72,465	348,534	217,090
Accumulated depreciation	(28,789)	(13,982)	(51,752)	(29,138)
Net balance	105,644	58,483	296,782	187,952

12. Intangible assets

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Parent company			
	Goodwill (i)	Software	Others	Total
Cost:				
At December 31, 2018	232,609	51,092	1,157	284,858
Additions	-	5,111	-	5,111
Write-offs	-	(9)	-	(9)
At September 30, 2019	232,609	56,194	1,157	289,960
Accumulated amortization:				
At December 31, 2018	-	(33,971)	(330)	(34,301)
Amortization expense for the period	-	(5,041)	(11)	(5,052)
Write-offs	-	9	-	9
At September 30, 2019	-	(39,003)	(341)	(39,344)
Net value:				
At December 31, 2018	232,609	17,121	827	250,557
At September 30, 2019	232,609	17,191	816	250,616
Average amortization rate	-	20.0%	20.0%	-

	Parent company			
	Goodwill (i)	Software	Others	Total
Cost:				
At December 31, 2017	232,609	47,458	1,157	281,224
Additions	-	1,045	-	1,045
At September 30, 2018	232,609	48,503	1,157	282,269
Accumulated amortization:				
At December 31, 2017	-	(27,572)	(308)	(27,880)
Amortization expense for the period	-	(4,816)	(17)	(4,833)
At September 30, 2018	-	(32,388)	(325)	(32,713)
Net value:				
At December 31, 2017	232,609	19,886	849	253,344
At September 30, 2018	232,609	16,115	832	249,556
Average amortization rate	-	20.0%	20.0%	-

(i) Goodwill arising from business combinations for acquisitions of companies in prior years

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All amounts in thousands of Brazilian Reais, unless otherwise stated

	Consolidated					
	Goodwill (i)	Non- competete agreement and customer list	Software	Commercial fund (ii)	Others (iii)	Total
Cost:						
At December 31, 2018	336,377	54,904	91,608	54,306	14,704	551,899
Additions	-	-	57,093	-	213	57,306
Write-offs	-	-	(1,388)	-	(3,430)	(4,818)
At September 30, 2019	336,377	54,904	147,313	54,306	11,487	604,387
Accumulated amortization:						
At December 31, 2018	-	(17,945)	(40,844)	(3,720)	(4,814)	(67,323)
Amortization expense for the period	-	(4,230)	(6,798)	-	(3,308)	(14,336)
Write-offs	-	-	8	-	2,992	3,000
At September 30, 2019	-	(22,175)	(47,634)	(3,720)	(5,130)	(78,659)
Net value:						
At December 31, 2018	336,377	36,959	50,764	50,586	9,890	484,576
At September 30, 2019	336,377	32,729	99,679	50,586	6,357	525,728
Average amortization rate	-	13.0%	20.0%	-	10.0%	-

(i) Goodwill arising from business combinations for acquisitions of companies in prior years;

(ii) Refers mainly to: R\$ 8,972 paid on the acquisition of points of sales used for Movida stores, allocated to CGU Movida; R\$ 30,814 related to rights to use the MAN brand, allocated to CGU Transrio; and the acquisition of rights to use the Valtra brand in the amount of R\$ 10,800, allocated to CGU Valtra;

(iii) Mainly composed of concession right to provide urban transportation services in the city of São José dos Campos – SP, acquired in 2008 with twelve-year term, and concession right to provide urban transportation services in the city of Sorocaba - SP acquired in June 2011 with eight-year term from the first service order issued in October 2011, renewed as described in note 30.

	Consolidated					
	Goodwill	Non-competete agreement and customer lists	Software	Goodwill	Others	Total
Cost:						
At December 31, 2017	336,377	54,904	60,980	46,178	22,837	521,276
Additions	-	-	16,808	-	123	16,931
Write-offs	-	-	(1,408)	-	(741)	(2,149)
At September 30, 2018	336,377	54,904	76,380	46,178	22,219	536,058
Accumulated amortization:						
At December 31, 2017	-	(8,395)	(33,160)	(3,720)	(4,282)	(49,557)
Amortization expense for the period	-	(3,285)	(5,565)	-	(352)	(9,202)
At September 30, 2018	-	(11,680)	(38,725)	(3,720)	(4,634)	(58,759)
Net value:						
At December 31, 2017	336,377	46,509	27,820	42,458	18,555	471,719
At September 30, 2018	336,377	43,224	37,655	42,458	17,585	477,299
Average amortization rate	-	20.0%	9.71%	-	10.0%	-

12.1 Impairment testing

The impairment test of indefinite useful life assets is carried out once a year, or when there are indicator of impairment of some of the cash-generating units ("CGU"). For the nine-month period ended September 30, 2019, Management concluded that there are no indicators of impairment of its CGUs. The last impairment test of intangible assets was made for the year ended December 31, 2018, as presented in the individual and consolidated annual financial statements published on March 11, 2019.

13. Trade payables

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Suppliers of vehicles, machinery and equipment	12,249	29,741	1,621,201	1,024,461
Parts and maintenance	27,842	9,067	59,497	47,730
Trade payables - related parties (note 22.1)	2,780	7,282	222	-
Inventory	4,136	16,298	6,211	23,934
Contracted services	12,438	23,524	15,943	28,624
Property leasing	3,234	3,028	5,319	4,646
Others	9,519	4,576	83,862	66,012
Total	72,198	93,516	1,792,255	1,195,407

14. Floor plan

Part of the purchases of new vehicles for the segment of authorized vehicle dealerships are paid with extended term under the program to finance the inventory of new and used vehicles and automobile parts floor plan, with revolving credit facilities made available by financial institutions, and with the agreement of car makers. These programs generally have an initial period during which they are interest-free until the invoice issuance and with maturities up to 180 days after the invoice issuance. After this period, these purchases are subject to interest of up to 100% of the CDI plus interest of up to 0.5% p.m. During the nine-month period ended September 30, 2019, the Group used the interest-free period only. The balance in the Consolidated is R\$ 106,463 at September 30, 2019 (R\$ 93,588 at December 31, 2018).

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All amounts in thousands of Brazilian Reais, unless otherwise stated

15. Loans and borrowings

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

Type	Annual average rate	Average rate structure	Maturity	09/30/2019			Movement					Parent company 12/31/2018		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
				In local currency										
CCBs (i)	8.45%	CDI+3.06%	Mar/23	11,328	886,108	897,436	-	(345,238)	(67,451)	74,933	-	170,397	1,064,795	1,235,192
CRAs (ii)	6.10%	CDI+0.71%	Nov/25	137,968	424,805	562,773	423,420	(234,999)	(12,825)	21,334	-	231,949	133,894	365,843
Finame (iii)	5.51%	TLP	Jan/25	27,084	80,392	107,476	26,566	(140,822)	(8,365)	7,807	-	43,696	178,594	222,290
Finame (iii)	4.50%	Fixed rate	Jan/25	-	-	-	7,199	(73,788)	(2,799)	2,369	-	16,241	50,778	67,019
FINEM (v)	7.74%	IPCA/TLP	Jun/21	8,304	4,962	13,266	-	(7,319)	(1,507)	1,280	-	10,435	10,377	20,812
FNO	4.29%	Fixed rate/IPCA	Jan/24	7,406	25,391	32,797	30,419	(14,184)	(1,037)	1,095	-	1,868	14,636	16,504
NCEs	6.90%	CDI+1.51%	Apr/21	368	13,597	13,965	13,700	-	(206)	471	-	-	-	-
NPs	6.63%	123% of CDI	Nov/19	204,930	-	204,930	-	-	(7,526)	11,424	-	201,032	-	201,032
Working capital (CDC) (viii)	11.33%	Fixed rate	Sep/23	-	-	-	-	(800)	(32)	28	-	43	761	804
				397,388	1,435,255	1,832,643	501,304	(817,150)	(101,748)	120,741	-	675,661	1,453,835	2,129,496
In foreign currency														
NCEs (iv)	7.75%	USD+7.75%	Jul/24	26,029	1,927,557	1,953,586	-	-	(128,277)	96,962	131,608	57,323	1,795,970	1,853,293
International credit (4131) - USD (x)	3.73%	USD+3.73%	Mar/19	-	-	-	-	(111,390)	(182)	150	(699)	112,121	-	112,121
International credit (4131) - USD (x)	7.60%	USD+7.60%	Apr/21	2,878	2,798	5,676	-	(1,239)	(322)	348	406	2,632	3,851	6,483
				28,907	1,930,355	1,959,262	-	(112,629)	(128,781)	97,460	131,315	172,076	1,799,821	1,971,897
				426,295	3,365,610	3,791,905	501,304	(929,779)	(230,529)	218,201	131,315	847,737	3,253,656	4,101,393

Type	Annual average rate	Average rate structure	Maturity	9/30/2018			Movement					Parent company 12/31/2017		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
				In local currency										
CCBs (i)	8.90%	CDI+2.6%	Mar/23	148,699	1,122,710	1,271,409	300,000	(79,444)	(67,487)	67,521	-	126,875	923,944	1,050,819
CRAs (ii)	7.17%	CDI+0.8%	Jun/20	238,078	133,230	371,308	-	(100,001)	(13,171)	23,487	-	95,697	365,296	460,993
Finame (iii)	5.20%	Fixed rate	Jan/25	30,722	202,570	233,292	34,442	(120,644)	(10,079)	9,917	-	63,035	256,621	319,656
Finame (iii)	10.40%	SELIC/TLP + 3.90	Aug/23	31,707	29,689	61,396	28,929	(14,542)	(3,265)	3,424	-	15,667	31,183	46,850
NCEs (iv)	-	-	-	-	-	-	-	(360,000)	(27,007)	22,723	-	64,284	300,000	364,284
FINEM (v)	7.70%	TLP/IPCA	Jun/21	12,343	12,776	25,119	-	(11,383)	(2,305)	2,206	-	16,516	20,085	36,601
FNO (vii)	3.50%	Fixed rate	Jan/24	1,868	8,010	9,878	-	(1,387)	(281)	277	-	1,872	9,397	11,269
Working capital (CDC) (viii)	12.55%	Fixed rate	Sep/23	3	786	789	786	-	-	3	-	-	-	-
Others	10.70%	Fixed rate	Jan/19	778	-	778	-	(3,563)	-	-	-	4,325	16	4,341
				464,198	1,509,771	1,973,969	364,157	(690,964)	(123,595)	129,558	-	388,271	1,906,542	2,294,813
In foreign currency														
NCEs (iv)	7.75%	USD+7.75%	Jul/24	37,508	1,855,808	1,893,316	977,301	-	(67,486)	92,109	349,227	12,885	529,280	542,165
International credit (4131) - USD (x)	3.73%	USD+3.73%	Mar/19	120,714	-	120,714	-	(95,472)	(3,860)	2,848	17,247	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	USD+7.60%	Apr/21	2,887	5,305	8,192	-	(1,195)	(344)	483	1,506	2,263	5,479	7,742
				161,109	1,861,113	2,022,222	977,301	(96,667)	(71,690)	95,440	367,980	115,859	633,999	749,858
				625,307	3,370,884	3,996,191	1,341,458	(787,631)	(195,285)	224,998	367,980	504,130	2,540,541	3,044,671

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All amounts in thousands of Brazilian Reais, unless otherwise stated

Type	Annual average rate	Average rate structure	Maturity	09/30/2019			Movement					Consolidated 12/31/2018		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
In local currency														
CCBs (i)	7.73%	CDI+2.34%	Aug/25	315,826	1,046,844	1,362,670	275,000	(503,147)	(78,970)	91,317	-	241,940	1,336,530	1,578,470
CRAs (ii)	6.23%	CDI+0.84%	Nov/25	211,884	652,467	864,351	716,074	(234,999)	(12,825)	30,258	-	231,949	133,894	365,843
Finame (iii)	5.79%	Fixed rate	Jan/25	74,575	224,107	298,682	70,910	(415,445)	(29,641)	28,039	-	125,844	518,975	644,819
Finame (iii)	9.62%	TJLP/SELIC/TLP	Apr/24	24,235	41,635	65,870	63,542	(225,012)	(85,997)	15,766	-	97,169	200,402	297,571
FINEM (v)	7.74%	IPCA/TLP	Jun/21	8,304	4,962	13,266	-	(7,319)	(1,507)	1,280	-	10,435	10,377	20,812
FNO	4.29%	Fixed rate/IPCA	Jan/24	7,406	25,391	32,797	30,419	(14,184)	(1,037)	1,095	-	1,868	14,636	16,504
NCEs	6.90%	CDI+1.51%	Apr/21	368	13,597	13,965	176,300	(162,600)	(1,853)	2,118	-	-	-	-
NPs (vi)	6.72%	CDI+1.33%	Sep/22	716,903	312,332	1,029,235	250,000	(7,659)	(10,445)	45,680	-	438,419	313,240	751,659
FNE (viii)	4.38%	Fixed rate/IPCA	Jul/22	46,096	77,188	123,284	-	(126,157)	(10,650)	9,000	-	82,877	168,214	251,091
FINEP	6.45%	TJLP + 0.5%	Jul/30	13	9,632	9,645	-	-	(432)	467	-	26	9,584	9,610
Working capital (CDC) (viii)	9.05%	Fixed rate	Dec/24	31,149	24,935	56,084	177,874	(155,526)	(2,303)	6,661	-	4,997	24,381	29,378
Others	6.80%	Fixed rate	Dec/24	6,770	6,651	13,421	-	(9,286)	-	3	-	11,473	11,231	22,704
				1,443,529	2,439,741	3,883,270	1,760,119	(1,861,334)	(235,660)	231,684	-	1,246,997	2,741,464	3,988,461
In foreign currency														
Senior Notes "Bond" (ix)	7.75%	USD+7.75%	Jul/24	30,380	2,576,150	2,606,530	-	-	(182,928)	138,368	179,563	75,253	2,396,274	2,471,527
NCE (iv)	7.75%	USD+7.75%	Jul/24	26,029	1,927,557	1,953,586	-	-	(128,277)	96,962	131,608	57,323	1,795,970	1,853,293
International credit (4131) - USD (x)	3.73%	USD+3.73%	May/21	3,032	166,348	169,380	-	(111,389)	(4,266)	6,795	10,302	112,946	154,992	267,938
International credit (4131) - USD (x)	7.60%	USD+7.60%	Apr/21	2,878	2,798	5,676	-	(1,239)	(322)	348	406	2,632	3,851	6,483
				62,319	4,672,853	4,735,172	-	(112,628)	(315,793)	242,473	321,879	248,154	4,351,087	4,599,241
				1,505,848	7,112,594	8,618,442	1,760,119	(1,973,962)	(551,453)	474,157	321,879	1,495,151	7,092,551	8,587,702

Type	Annual average rate	Average rate structure	Maturity	9/30/2018			Movement					Consolidated 12/31/2017		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
In local currency														
CCBs (i)	8.84%	CDI+2.45%	Aug/25	180,514	1,468,675	1,649,189	316,500	(104,514)	(82,017)	83,206	-	176,785	1,259,229	1,436,014
CRAs (ii)	7.17%	CDI+0.8%	Jun/20	238,078	133,231	371,309	-	(100,000)	(13,171)	23,487	-	95,697	365,296	460,993
Finame (iii)	6.00%	Fixed rate	Jan/25	146,855	467,158	614,013	201,457	(250,129)	(24,684)	26,728	-	150,816	509,825	660,641
Finame (iii)	10.46%	TLP / SELIC	Sep/23	77,561	255,230	332,791	76,123	(111,459)	(23,541)	25,558	-	107,494	258,616	366,110
NCEs (iv)	-	-	-	-	-	-	-	(360,000)	(27,007)	22,723	-	64,284	300,000	364,284
FINEM (v)	7.70%	TLP/IPCA	Jun/21	12,343	12,776	25,119	-	(11,420)	(2,268)	2,206	-	16,516	20,085	36,601
FNO (vii)	3.50%	Fixed rate	Jan/24	1,868	8,010	9,878	-	(1,401)	(267)	277	-	1,872	9,397	11,269
NPs (vi)	8.00%	CDI+1.6 %	Aug/21	16,569	523,817	540,386	400,000	(300,000)	(28,140)	28,075	-	159,852	280,599	440,451
FNE (vii)	8.90%	Fixed rate	Jun/21	45,524	74,861	120,385	-	(37,088)	(9,028)	9,831	-	51,309	105,361	156,670
Working capital (CDC) (viii)	12.40%	Fixed rate	Sep/23	3,954	25,598	29,552	28,890	(10,003)	(2,012)	1,504	-	3,025	8,148	11,173
Others	10.70%	Fixed rate	Jun/23	5,734	18,632	24,366	21,763	(3,563)	-	-	-	6,150	16	6,166
				729,000	2,987,988	3,716,988	1,044,733	(1,289,577)	(212,135)	223,595	-	833,800	3,116,572	3,950,372
In foreign currency														
Senior Notes "Bond" (ix)	7.75%	USD+7.75%	Jul/24	29,314	2,477,953	2,507,267	977,301	-	(165,925)	165,068	438,486	33,038	1,059,300	1,092,338
NCE (iv)	7.75%	USD+7.75%	Jul/24	37,508	1,855,808	1,893,316	977,301	-	(67,486)	92,109	349,227	12,885	529,280	542,165
International credit (4131) - USD (x)	5.93%	USD+5.93%	May/21	123,849	160,156	284,005	150,800	(95,256)	(3,860)	5,767	26,603	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	USD+7.60%	Apr/21	2,886	5,305	8,191	-	(1,196)	(344)	483	1,506	2,263	5,479	7,742
				193,557	4,499,222	4,692,779	2,105,402	(96,452)	(237,615)	263,427	815,822	148,897	1,693,299	1,842,196
				922,558	7,487,210	8,409,768	3,150,135	(1,386,029)	(449,750)	487,022	815,822	982,697	4,809,871	5,792,568

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- (i) **CCBs** are Bank Credit Bills raised with financial institutions for financing working capital and the purchase of vehicles, machinery and equipment used in operations. These agreements have several maturities, either quarterly or semi-annually, and have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of decommissioned assets (EBITDA-A).
- (ii) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain. These agreements have several maturities, either quarterly or semi-annually, and have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of decommissioned assets (EBITDA-A).
- (iii) **FINAME** are financing for investments in vehicles, machinery and equipment used in operations. New agreements are signed on a monthly basis, related to the purchase of new assets under the normal fleet renewal process. Finame agreements have a grace period ranging from six months to two years according to the financed product, payments of interest and principal are monthly after the shortage period. These agreements do not have covenants, but only pledge of assets with financial agents.
- (iv) **NCEs** transactions in foreign currency have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). These notes have a *bullet* maturity at the end of the contractual term and semi-annual payment of interests.
- (v) **FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. These agreements have monthly payments of interest and principal and do not have covenants.
- (vi) **Promissory notes ('NPs')** refer to commercial notes of promise to pay, issued to reinforce working capital, within the ordinary management of its business. These agreements have several maturities, with payment of interest and principal at the end of the agreement. These transactions have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).
- (vii) **FNEs and FNOs** refer to the operations of the Constitutional Fund for Financing of the Northeast and Amazon Banks, to finance and invest in heavy vehicles, light vehicles, machinery and equipment used in the Group's cash management operations. These agreements have varying maturities, shortage periods vary from six months to one year, and some assets may be collateralized in accordance with the financed product. Payments of interest and principal are monthly after the shortage period and have no covenants.
- (viii) **Working capital (CDC)** refer to short-term transactions used to manage the Group's cash. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).
- (ix) **Senior Notes "Bond"** refer to debt bonds issued by the subsidiary JSL Europe in the international market, in the amount of US\$ 325,000 thousand, with maturity on July 26, 2024 and semi-annual payment of interest of 7.75% p.a., beginning on January 26, 2018. On January 8, 2018 JSL Europe made a "Retap" offering in the amount of U\$ 300,000 thousand keeping the same characteristics from the original issuance. These bonds were issued with a rate of 6.75% p.a., where JSL Europe recognized a gain in the amount of R\$ 49,400, related to the balancing in the original rate of 7.75% p.a., this gain will be recognized in the statement of profit or loss over the maturity of the transaction. These transactions have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). The balance payable is indexed to the US dollar and is naturally hedged by financial investments in the same amount also indexed to the dollar.
- (x) **International credit:** refer to borrowing transactions with foreign institutions. These transactions have covenants, including the maintenance of certain financial ratios linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

JSL S.A.**Notes to the interim financial information for the period ended September 30, 2019**

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15.1 Committed financial ratios

All commitments described in the contracts were complied with at September 30, 2019, including the maintenance of the financial ratios, as shown below:

Covenant	Limits	Vamos 12 months ended		Movida 12 months ended		Consolidated 12 months ended	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Net Debt / Added EBITDA	Less than 3.5	1.67	2.08	-	-	1.67	2.08
Net Debt / Adjusted EBITDA	Less than 3.5	-	-	2.3	2.8	-	-
Net Debt / Adjusted EBITDA	Less than 4.60	-	-	-	-	3.66	4.18
Net Debt / Adjusted EBITDA	Less than 4.60/4.75*	3.66	4.18	-	-	-	-
Added EBITDA / Net Finance Costs	Greater than 2.0	5.61	5.48	-	-	5.61	5.48
Adjusted EBITDA / Net Finance Costs	Greater than 1.5	-	-	4.1	3.4	-	-

* Limit less than 4.60 applicable for international credit agreement and limit less than 4.75 applicable for CDCA

Definitions:

Net Debt for covenant purposes: means the total balance of current and non-current loans and borrowings, including debentures and any other debt securities, the negative and/or positive results of the hedge transactions, less: (a) the amounts of cash and short-term investments; and (b) borrowings arranged under the program for financing inventories of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the car makers.

Adjusted EBITDA for covenant purposes: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity from subsidiaries, plus impairment losses.

Added EBITDA (EBITDA-A) for covenant purposes: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity from subsidiaries, plus cost of sale of decommissioned assets, calculated over the last 12 (twelve) months, including the Added EBITDA of the last 12 (twelve) months of the companies merged and/or acquired by the Company.

Net Finance Costs for covenant purposes: means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of "Net Debt", calculated on an accrual basis over the last 12 (twelve) months.

JSL S.A.**Notes to the interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reais, unless otherwise stated

15.2 Amortization schedule

Amortization schedule for the Parent Company and Consolidated is presented below, by year of maturity:

	Maturity of installments	Total	09/30/2019			
			Parent company		Consolidated	
			%	Total	%	Total
Total current liabilities	Up to Sep/2020	426,295	11	1,505,848	17	
	Oct to Dec/2020	291,390	8	302,660	4	
	2021	568,279	15	1,128,591	13	
	2022	141,345	4	498,789	6	
	2023	142,343	4	328,416	4	
	2024	2,077,854	55	4,701,800	55	
	2025	144,399	4	146,868	1.7	
	After 2026	-	-	5,470	0.1	
Total non-current liabilities		3,365,610	89	7,112,594	83	
Total		3,791,905	100	8,618,442	100	

15.3 Guarantees and bank guarantees

At September 30, 2019, the Company and its subsidiaries have certain guarantees for the loan and borrowing transactions as follows:

- ✓ **FINAME** and leases payable - guaranteed by the respective financed vehicles, machinery and equipment;
- ✓ **FINEM, FNE, FNO** – bank guarantees;
- ✓ **CCBs** – assignment of trade notes of R\$ 31,000; pledge of 10% of the shares of CS Brasil; Vamos has CCB transactions and Consortia collateralized by the respective financed vehicles, machinery and equipment.

The other transactions do not have any guarantees.

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All amounts in thousands of Brazilian Reais, unless otherwise stated

16. Debentures

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

Type	Annual average rate	Maturity	Parent company									
			09/30/2019			Movement				12/31/2018		
			Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency												
6 th issuance	7.19%	Jul/20	156,121	-	156,121	-	(119,203)	(54,058)	21,724	153,151	154,507	307,658
8 th issuance	8.17%	Jun/21	74,905	75,599	150,504	-	(149,288)	(20,725)	16,403	157,941	146,173	304,114
10 th issuance	8.00%	Dec/23	-	296,921	296,921	-	(50,000)	(27,989)	21,519	55,498	297,893	353,391
11 th issuance	8.03%	Jun/21	199,022	198,929	397,951	-	-	(23,230)	24,322	-	396,859	396,859
12 th issuance	7.94%	Dec/23	104,758	487,433	592,191	-	-	(34,593)	35,799	-	590,985	590,985
13 th issuance	8.41%	May/26	11,752	447,032	458,784	450,000	-	(3,709)	12,493	-	-	-
			546,558	1,505,914	2,052,472	450,000	(318,491)	(164,304)	132,260	366,590	1,586,417	1,953,007

Type	Annual average rate	Maturity	Parent company									
			09/30/2018			Movement				12/31/2017		
			Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency												
6 th issuance	7.60%	Jul/20	149,088	153,389	302,477	-	(116,182)	(38,024)	32,404	133,226	291,053	424,279
8 th Issuance	7.90%	Jun/21	158,277	146,117	304,394	-	(124,698)	(19,276)	24,022	127,709	296,637	424,346
10 th issuance	8.10%	Mar/21	-	350,040	350,040	-	-	(27,693)	21,595	6,895	349,243	356,138
11 th issuance	8.00%	Jun/21	-	396,431	396,431	-	-	(23,509)	23,824	-	396,116	396,116
			307,365	1,045,977	1,353,342	-	(240,880)	(108,502)	101,845	267,830	1,333,049	1,600,879

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Notes to the interim financial information for the period ended September 30, 2019

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Type	Annual average rate	Maturity	9/30/2019			Movement				Consolidated 12/31/2018		
			Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency												
6 th issuance - JSL S.A.	7.19%	Jul/20	156,121	-	156,121	-	(119,203)	(54,058)	21,724	153,151	154,507	307,658
8 th issuance - JSL S.A.	8.17%	Jun/21	74,905	75,599	150,504	-	(149,288)	(20,725)	16,403	157,941	146,173	304,114
10 th issuance - JSL S.A.	8.00%	Dec/23	-	296,921	296,921	-	(50,000)	(27,989)	21,519	55,498	297,893	353,391
11 th issuance - JSL S.A.	8.03%	Jun/21	199,022	198,929	397,951	-	-	(23,230)	24,322	-	396,859	396,859
12 th issuance - JSL S.A.	7.94%	Dec/23	104,758	487,433	592,191	-	-	(34,593)	35,799	-	590,985	590,985
13 th issuance - JSL S.A.	8.41%	May/26	11,752	447,032	458,784	450,000	-	(3,709)	12,493	-	-	-
1 st issuance - Movida Locação	7.50%	Mar/23	62,161	186,650	248,811	-	-	(20,477)	15,730	4,662	248,896	253,558
2 nd issuance - Movida Locação	7.30%	Oct/21	27,283	79,841	107,124	-	-	-	6,264	21,129	79,731	100,860
3 rd issuance - Movida Locação	7.10%	Jan/24	3,686	199,165	202,851	200,000	-	(1,167)	4,018	-	-	-
1 st issuance - Movida Participações	7.80%	Jul/22	7,940	11,846	19,786	-	(378,937)	(17,416)	2,762	89,796	323,581	413,377
2 nd issuance - Movida Participações	7.40%	Jun/23	43,209	416,388	459,597	-	-	(18,330)	27,987	1,490	448,450	449,940
3 rd issuance - Movida Participações	7.50%	Jun/24	12,459	591,643	604,102	600,000	-	(34,086)	38,188	-	-	-
4 th issuance - Movida Participações	7.20%	Jul/27	8,698	697,734	706,432	700,000	-	(7,951)	14,383	-	-	-
2 nd issuance - Vamos	7.21%	Aug/26	-	790,826	790,826	789,482	-	-	1,344	-	-	-
			711,994	4,480,007	5,192,001	2,739,482	(697,428)	(263,731)	242,936	483,667	2,687,075	3,170,742

Type	Annual average rate	Maturity	09/30/2018			Movement				Consolidated 12/31/2017		
			Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency												
6 th issuance - JSL S.A.	7.60%	Jul/20	149,088	153,389	302,477	-	(116,182)	(38,024)	32,404	133,226	291,052	424,279
8 th issuance - JSL S.A.	7.90%	Jun/21	158,277	146,117	304,394	-	(124,698)	(19,276)	24,022	127,709	296,637	424,346
10 th issuance - JSL S.A.	8.10%	Mar/21	-	350,040	350,040	-	-	(27,693)	21,595	6,895	349,243	356,138
11 th issuance - JSL S.A.	8.00%	Jun/21	-	396,431	396,431	-	-	(23,509)	23,824	-	396,117	396,117
1 st issuance - Movida Participações	8.30%	Sep/18	-	-	-	-	(6,706)	(307)	6,327	686	-	686
1 st issuance - Movida Locação	8.40%	Mar/23	9,331	248,811	258,142	250,000	-	(1,528)	9,670	-	-	-
1 st issuance - Movida Participações	8.60%	Jul/22	81,246	323,352	404,598	-	-	(35,300)	25,981	15,901	398,016	413,917
2 nd issuance - Movida Participações	8.30%	Jun/23	11,039	448,278	459,317	450,000	-	(2,411)	11,728	-	-	-
			408,981	2,066,418	2,475,399	700,000	(247,586)	(148,047)	155,551	284,417	1,731,065	2,015,483

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The characteristics of the debentures are presented in the table below:

Issuer	JSL S.A.					Movida Locação				Movida Participações				Vamos
	6 th issuance	8 th issuance	10 th issuance	11 th issuance	Description	6 th issuance	8 th issuance	10 th issuance	11 th issuance	Description	6 th issuance	8 th issuance	10 th issuance	11 th issuance
a. Identification of the process by nature														
<i>Financial institution</i>	<i>BTG Pactual</i>	<i>Votorantim</i>	<i>Brasil</i>	<i>Brasil</i>	<i>Brasil</i>	<i>Brasil</i>	<i>Bradesco</i>	<i>BOCOM BBM</i>	<i>BOCOM BBM</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>BTG Pactual</i>	<i>Itaú</i>	<i>BTG Pactual</i>
1 st series amount	90,749	31,187	352,000	400,000	600,000	83,765	250,000	100,000	100,000	150,000	138,250	214,478	250,000	86,349
2 nd series amount	13,678	63,468	-	-	-	9,000	-	-	-	250,000	181,500	138,112	-	197,653
3 rd series amount	72,797	118,201	-	-	-	-	-	-	-	-	130,250	247,410	284,000	-
<i>Financial institution</i>	<i>Caixa Geral</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Brasil</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>Brasil</i>	<i>BBI (Brasil Invest)</i>
1 st series amount	1,000	52,394	-	-	-	64,894	-	-	-	-	-	-	-	64,486
2 nd series amount	23,870	6,283	-	-	-	60,060	-	-	100,000	-	-	-	166,000	73,212
3 rd series amount	40,234	30,873	-	-	-	-	-	-	-	-	-	-	-	-
<i>Financial institution</i>	<i>Santander</i>	<i>Santander</i>	<i>Santander</i>	<i>Santander</i>	<i>Santander</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>	<i>Itaú</i>
1 st series amount	54,480	81,594	-	-	-	196,281	-	-	-	-	-	-	-	200,000
2 nd series amount	19,074	2,000	-	-	-	36,000	-	-	-	-	-	-	-	20,000
3 rd series amount	4,189	14,000	-	-	-	-	-	-	-	-	-	-	-	-
<i>Financial institution</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Votorantim</i>	<i>Santander</i>
1 st series amount	6,200	-	-	-	-	-	-	-	-	-	-	-	-	31,665
2 nd series amount	5,850	-	-	-	-	-	-	-	-	-	-	-	-	126,635
3 rd series amount	67,879	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance amount	400,000	400,000	352,000	400,000	600,000	450,000	250,000	100,000	200,000	400,000	450,000	600,000	700,000	800,000
Total amount received in checking account	401,910	400,390	352,000	400,000	600,000	450,000	250,000	100,000	200,000	400,000	450,000	600,000	700,000	800,000
Issuance	07/15/2013	06/15/2014	03/20/2017	06/20/2017	12/20/2018	05/20/2019	04/13/2018	10/31/2018	06/27/2019	07/4/2017	06/7/2018	01/4/2019	06/27/2019	08/16/2019
Funding	30and07/31/2013 &08/01/2013	06/18/2014	03/29/2017	06/30/2017	12/6/2018	05/30/2019	04/13/2018	10/31/2018	06/27/2019	07/27/2017	06/07/2018	01/04/2019	06/27/2019	09/20/2019
Maturity	07/15/2020	06/15/2021	12/20/2023	06/20/2021	12/20/2023	05/20/2026	03/29/2023	10/10/2021	01/24/2024	07/15/2020and07/15/2022	06/07/2023	06/07/2024	07/27/2027	08/20/2024 & 08/20/2026
Cash	Unsecured	Unsecured	Unsecured	Floating	Floating	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
Identification of the asset with CETIP	JSML16/26/36	JSML18/28/38	JSML10	JSMLA1	JSMLA2	JSMLA3/B3	MVLV11	MVLV12	MVLV13	MOV11/21	MOV12/22/32	MOV13/23/33	MOV14/24/34	VAMO12 e VAMO22
b. Transaction costs incurred	5,926	2,696	9,394	6,526	10,364	3,836	1,698	452	1,167	3,248	2,638	13,127	3,120	10,518
c. Premiums														
Additional due to settlement	30and07/31/2013 &08/01/2013	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,910	390	-	-	-	-	-	-	-	-	-	-	-	-
d. Effective interest rate (IRR) p.a. %														
1 st series	CDI + 1.80%	116% of CDI	125.0% of CDI	125.50% of CDI	124.0% of CDI	CDI+1.90%	CDI+2.00%	CDI + +1.80%	CDI + +1.60%	CDI + +1.55%	CDI + +1.60%	CDI + +1.85%	CDI + +1.25%	CDI+1.60%
2 nd series	CDI + 2.20%	IPCA + 8.0%	-	-	-	CDI + 2.20%	-	-	-	CDI+2.70%	CDI + 2.20%	CDI + +2.05%	CDI + +1.60%	CDI+2.00%
3 rd series	IPCA + 7.5%	118.5% of CDI	-	-	-	-	-	-	-	-	CDI+1.90%	CDI + +2.05%	CDI + +2.05%	-
e. Amount of costs and premiums to be apportioned until maturity	597	469	5,553	2,678	8,741	3,491	1,189	305	1,085	1,648	1,722	11,085	2,907	10,518

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The Debentures issued by the JSL Group are all simple debentures, non-secured, except for the 11th and 12th issuances that were issued as debentures of the floating guarantee type. All debentures have clauses of maintenance of financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization, plus cost of sale of assets in rendering services, calculated over the last 12 (twelve) months (EBITDA-A).

All commitments described in the contracts were complied with at September 30, 2019, including the maintenance of financial ratios, as shown in note 15.1.

For the 11th and 12th issuance of debentures of the Parent company, there is the requirement to maintain at least 130% of the debt balance, amount equivalent to assets free of burden and debt, complied with at September 30, 2019.

The repayment schedule of debentures is as follows:

	Maturity of installments	Parent company		09/30/2019 Consolidated	
		Total	%	Total	%
Total current liabilities	Up to Sep/2020	546,558	27	711,994	14
	Oct to Dec/2020	43,509	2	146,241	3
	2021	488,840	24	837,536	16
	2022	329,919	16	930,942	18
	2023	329,919	16	1,098,856	21
	After 2024	313,727	15	1,466,432	28
Total non-current liabilities		1,505,914	73	4,480,007	86
Total		2,052,472	100	5,192,001	100

17. Leases payable

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Parent company	Consolidated
Lease liabilities at 12/31/2018	83,288	242,914
New agreements	50,010	109,531
Amortization	(27,896)	(67,690)
Interest paid	(5,741)	(12,085)
Interest	6,140	16,579
Lease liabilities at 09/30/2019	105,801	289,249
Current	44,834	103,970
Non-current	60,967	185,279
Total	105,801	289,249
Annual average rate	8.07%	7.95%
Average rate structure	CDI+2.68%	CDI + +2.56%
Maturity	Mar/23	Sep/24
	Parent company	Consolidated
Lease liabilities at 12/31/2017	88,739	212,777
New agreements	12,730	87,875
Amortization	(29,833)	(127,784)
Interest paid	(8,391)	(9,385)
Interest	6,016	14,512
Lease liabilities at 09/30/2018	69,261	177,995
Current	31,033	76,557
Non-current	38,228	101,438
Total	69,261	177,995
Annual average rate	9.31%	9.57%
Average rate structure	Floating	Floating
Maturity	mar/23	mar/23

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17.1 Amortization schedule

Amortization schedules for the Parent Company and Consolidated are presented below, by year of maturity:

	Maturity of installments	Parent company		09/30/2019 Consolidated	
		Total	%	Total	%
Total current liabilities	Up to Sep/2020	44,834	42	103,970	36
	Oct to Dec/2020	25,722	24	30,672	11
	2021	21,856	21	94,856	33
	2022	7,768	7	40,983	14
	2023	5,621	5	6,794	2
	2024	-	0	11,974	4
Total non-current liabilities		60,967	58	185,279	64
Total		105,801	100	289,249	100

18. Right-of-use lease

Right-of-use lease was recognized according to note 2.4 (d), and had the following movements:

	Parent company	Consolidated
Lease liabilities at 12/31/2018	-	-
Initial adoption of CPC 06 (R2) / IFRS 16	179,413	504,788
Lease liabilities at 01/01/2019	179,413	504,788
New contracts (note 11)	16,048	120,302
Write-off	(1,696)	(15,137)
Amortization	(17,612)	(81,938)
Interest paid	(5,967)	(18,518)
Interest	8,188	22,890
Lease liabilities at 09/30/2019	178,374	532,387
Current	24,037	111,369
Non-current	154,337	421,018
Total	178,374	532,387

18.1 Amortization schedule

Amortization schedules for the Parent Company and Consolidated are presented below, by year of maturity:

	Maturity of installments	Parent company		09/30/2019 Consolidated	
		Total	%	Total	%
Total current liabilities	Up to Sep/2020	24,037	13	111,369	21
	Oct to Dec/2020	6,334	4	26,049	5
	2021	25,050	14	86,991	16
	2022	20,095	11	71,351	13
	2023	16,060	9	58,562	11
	2024	16,111	9	56,355	11
	After 2025	70,687	40	121,710	23
Total non-current liabilities		154,337	87	421,018	79
Total		178,374	100	532,387	100

19. Assignment of receivables

In 2017, the subsidiary Vamos assigned part of its future receivables arising from rental agreements and related services. The assignment included agreements whose assets for rental were delivered, with proper acknowledgment of the rental and service rendered by the customer. Vamos is responsible for operating the collection of these receivables, however, there is no regression claim or co-obligation for the receivables, and it will not be responsible for the solvency of the contracting customer. The future value of the portfolio assigned was R\$ 40,077, the amount received by Vamos was R\$ 30,214, and the interest paid will be recognized as finance costs in the statement of profit or loss over the agreement period. This transaction has a period of 60 months, with maturity in December 2022. The balances recorded at September 30, 2019 and December 31, 2018 are as follows:

	Consolidated	
	09/30/2019	12/31/2018
Sale of receivables	27,416	33,428
Interest to be accrued	(7,777)	(9,257)
Total	19,639	24,171
Total current	6,043	7,410
Total non-current	13,596	16,761
Total	19,639	24,171

20. Judicial deposits and provision for judicial and administrative litigation

In the normal course of its business, the Company and its subsidiaries are subject to judicial deposits and civil, tax and labor litigation at the administrative and judicial levels, as well as judicial deposits and assets freezing as collateral in connection with such litigation. Based on the opinion of its legal counsel, provisions were recorded to cover probable losses related to these litigations, and, as applicable, they are presented net of respective judicial deposits as shown below:

	Parent company				Consolidated			
	Judicial deposits		Provisions		Judicial deposits		Provisions	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Labor	27,408	26,088	(34,105)	(35,964)	51,671	48,428	(48,627)	(51,201)
Civil	10,025	9,818	(18,734)	(17,089)	12,576	12,085	(27,197)	(24,024)
Tax	9,648	9,915	(298)	(298)	12,795	12,887	(840)	(338)
	47,081	45,821	(53,137)	(53,351)	77,042	73,400	(76,664)	(75,563)

20.1 Judicial deposits

Judicial deposits and assets freezing refer to amounts deposited in an account or legal freezes on checking accounts, ruled by the court, as guarantee for any payment required by the court, or amounts duly deposited under judicial agreements to replace tax payments or payables that are being challenged in the court.

20.2 Provision for judicial and administrative litigation

The Group classifies the risks of loss on lawsuits as “probable”, “possible” or “remote”. The provision recognized in respect of these lawsuits is determined by the Group’s Management, based on the analysis of its legal counsel, and reasonably reflects the estimated probable losses.

The Group’s Management believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial litigation, as shown below.

The movements in the nine-month periods ended September 30, 2019 and 2018 are as follows:

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	Parent company			
	Labor	Civil	Tax	Total
At December 31, 2018	35,964	17,089	298	53,351
Additions	12,208	10,158	-	22,366
Reversal	(14,067)	(8,513)	-	(22,580)
At September 30, 2019	34,105	18,734	298	53,137

	Consolidated			
	Labor	Civil	Tax	Total
At December 31, 2018	51,201	24,024	338	75,563
Additions	19,997	22,177	502	42,676
Reversal	(22,571)	(19,004)	-	(41,575)
At September 30, 2019	48,627	27,197	840	76,664

	Parent company			
	Labor	Civil	Tax	Total
At December 31, 2017	35,477	15,016	761	51,254
Additions	6,802	1,752	-	8,554
Reversal	(7,853)	(34)	-	(7,887)
At September 30, 2018	34,426	16,734	761	51,921

	Consolidated			
	Labor	Civil	Tax	Total
At December 31, 2017	51,431	19,231	801	71,463
Additions	11,602	6,618	-	18,220
Reversal	(14,078)	(3,470)	-	(17,548)
At September 30, 2018	48,955	22,379	801	72,135

Labor

The provision for labor claims was recognized to cover the risks of loss arising from lawsuits claiming compensation for overtime, commute hours, hazardous duty premium, health hazard premium, work accidents and lawsuits filed by employees of third parties due to subsidiary liability.

Civil

Civil lawsuits do not involve, individually, material amounts and are mainly related to claims for compensation of traffic accidents and pain and suffering, aesthetic and property damages.

Tax

The provision for tax lawsuits refers to administrative lawsuits filed against the Group challenging certain tax assessment notices issued in the inspection process, and other lawsuits filed challenging the lawfulness of the collection of certain taxes.

20.3 Possible losses not provided for in the statement of financial position

At September 30, 2019, the Company and its subsidiaries are parties to tax, civil and labor lawsuits in progress (judicial and administrative) with losses considered possible by Management and its legal counsel, as shown in the table below:

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Labor	119,333	116,852	132,354	133,829
Civil	131,798	106,031	184,778	150,899
Tax	253,195	211,147	283,634	230,244
Total	504,326	434,030	600,766	514,972

Labor

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The labor lawsuits are related to labor-related indemnities as well as mentioned in note 20.2 filed by former employees of the JSL Group.

Civil

The civil lawsuits are related to claims for damages for several reasons against the companies of the JSL Group, as well as mentioned in note 20.2 and also annulment actions and claims for breach of contract.

Tax

The main natures of lawsuits are the following: (i) challenges related to alleged non-payment of ICMS; (ii) challenges of part of PIS and COFINS credits that comprise the negative balance presented in PER/DCOMP; (iii) challenges related to tax credits of IRPJ, CSLL, PIS and COFINS; (iv) challenges related to the offset of IRPJ and CSLL credits and (v) challenge related to the recognition of ICMS credits.

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
IRPJ and CSLL	106,545	93,347	107,806	115,644
ICMS	65,698	41,504	79,126	39,125
INSS	7,055	16,131	7,055	17,881
PER/DCOMP	21,799	16,661	22,903	18,705
PIS and COFINS	39,304	35,492	39,310	25,383
Others	12,794	8,012	27,434	13,506
Total	253,195	211,147	283,634	230,244

20.4 Contingent asset

In previous years, the Company and its subsidiaries filed lawsuits requesting the exclusion of ICMS value from the PIS and COFINS calculation bases, as well as the recognition of the right to offset the debt, covering the period related to the previous five (5) years. filing of lawsuits. Most of the lawsuits are in the final decision stage, and for some subsidiaries the lawsuits were carried forward judged in favor, granting the right postulated, whose amounts involved are immaterial.

However, considering the embargoes filed by the Federal Government before the Federal Supreme Court (STF), claiming the modulation of the effects of the decision issued by the same court, which determined the exclusion of ICMS from the PIS and COFINS tax base, Management has been assessing the respective effects that the judgment of these embargoes may have on the actions, whether carried forward, the amounts of which are immaterial, or those that have not been res judicata. Given the uncertainties regarding the measurement of the possible benefits to be reaped, the Group decided not to recognize the possible effects of the lawsuits of subsidiaries that became final and not to disclose the amounts involved in the lawsuits of the parent company and other subsidiaries that were not judged, until the definitions to be obtained in judging the embargoes in question are confirmed.

The Company and its subsidiaries are collecting all supporting documents to measure the benefit amounts, for eventual registration, as soon as the respective calculations are considered reasonable.

21. Income tax and social contribution

21.1 Deferred income tax and social contribution

Deferred income tax (IRPJ) and social contribution on net income (CSLL) assets and liabilities were calculated based on the balances of tax losses and temporary differences for income tax and social contribution that are deductible or taxable in the future.

Their origins are comprised as follows:

	Parent company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Tax credits				
Tax loss and social contribution tax loss	48,371	64,435	201,657	198,353
Provision for judicial and administrative litigation	25,785	25,861	46,484	47,506
(-) Expected credit losses ("impairment") of trade receivables	12,888	6,539	53,417	51,741
Other provisions	11,287	32,987	18,184	37,648
Disposal of investment (i)	55,045	7,974	55,045	7,974
Transaction costs related to issuance of shares	6,297	5,873	6,591	6,114
Surplus value of property and equipment	22,058	21,872	22,058	21,872
Impact of right-of-use lease	2,765	-	6,767	-
Provision for adjustment to market value and obsolescence	1,846	1,812	5,270	4,087
Total tax credits - gross	186,342	167,353	415,473	375,295
Tax debits				
Present value adjustment	(810)	(2,839)	(958)	(2,839)
Gain on bargain purchase	(10,829)	(10,829)	(10,829)	(10,829)
Deferred net income from sales to public authorities	(1,281)	(1,287)	(34,443)	(30,146)
Fair value of cash flow hedge and exchange rate	(85,125)	(30,370)	(86,454)	(30,708)
Accounting vs. tax depreciation	(26,959)	(64,822)	(386,518)	(391,941)
Property and equipment - leases payable	(19,020)	(6,695)	(77,749)	(67,294)
Gains on equity interests in subsidiaries (ii)	(148,493)	(60,547)	(147,614)	(59,640)
Realization of goodwill	(64,016)	(58,859)	(64,669)	(59,512)
Total tax debits - gross	(356,533)	(236,248)	(809,234)	(652,909)
Total tax debits - net	(170,191)	(68,895)	(393,761)	(277,614)
Deferred tax assets	-	-	100,955	83,620
Deferred tax liabilities	(170,191)	(68,895)	(494,716)	(361,234)
Total tax debits - net	(170,191)	(68,895)	(393,761)	(277,614)

- (i) The increase refers to tax credits constituted on a gain of R\$ 138,443 resulting from the follow-on secondary offer process of the subsidiary Movida Participações, as described on explanatory note 23.5, in the amount of R\$ 47,071.
- (ii) The increase refers substantially to tax debits constituted on earnings of R\$ 316,405 resulting from the process of primary offer of the follow-on of the subsidiary Movida Participações in the amount of R\$ 107,438, according to an explanatory note 23.5, net of the tax credits due to the decrease of R\$ 82,685 due to the realization of the gain from the repurchase of shares of the Borgato Companies, as described on explanatory note 23.3, in the amount of R\$ 28,113.

The movements in deferred tax assets for the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Parent company	Consolidated
At December 31, 2018	(68,895)	(277,614)
Deferred income tax and social contribution recognized in the statement of profit or loss	61,923	40,284
Income tax and social contribution on cash flow hedge	(61,814)	(61,814)
Deferred income tax and social contribution arising from gains on equity interest in subsidiaries, in equity valuation adjustments (note 23.5)	(107,438)	(107,438)
Reclassifications between deferred and current	6,033	12,821
At September 30, 2019	(170,191)	(393,761)

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	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2017	(70,897)	(228,267)
Deferred income tax and social contribution recognized in the statement of profit or loss	38,854	(15,425)
Income tax and social contribution on cash flow hedge	28,656	28,656
Deferred income tax and social contribution arising from new IFRS	1,110	10,101
Deferred income tax and social contribution arising from gains on equity interest in subsidiaries, in equity valuation adjustments	(24,751)	(24,751)
Reclassifications between deferred and current	(681)	689
At September 30, 2018	(27,709)	(228,997)

21.2 Estimated realization schedule

Deferred tax assets arising from temporary differences will be used as the respective differences are settled or realized.

Tax losses can be carried forward indefinitely and, as at September 30, 2019 and December 31, 2018, deferred income tax and social contribution were recognized for all tax loss carryforwards, except for the deferred tax assets of JSL Holding and Vamos Seminovos in the amounts of R\$ 1,150 and R\$ 20,139, respectively, due to the lack of appropriate evidence and support of their expectation of future taxable income.

In estimating the realization of deferred tax assets, Management considers its budget and strategic plan based on the estimated realization schedule of assets and liabilities that gave rise to them, and in earnings projections for the subsequent years.

The realization of these credits related to the balance for the year ended December 31, 2018 is shown in the individual and consolidated annual financial statements, published on March 11, 2019.

21.3 Reconciliation of income tax and social contribution (expense) income

Current amounts are calculated based on the current rates levied on taxable profit before income tax and social contribution, as adjusted by respective additions, deductions and offsets allowed by the prevailing legislation:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09/30/2019</u>	<u>09/30/2018</u>	<u>09/30/2019</u>	<u>09/30/2018</u>
Profit before income tax and social contribution	120,867	62,560	278,190	200,134
Statutory rates	34%	34%	34%	34%
Income tax and social contribution calculated at the standard rates	(41,095)	(21,270)	(94,585)	(68,045)
Permanent (additions) exclusions				
Equity results from subsidiaries	83,889	69,159	(556)	(260)
Tax incentives - Workers Meal Program ("PAT")	678	275	1,077	549
Interest on capital remuneration - received	(25,831)	(22,796)	(28,624)	4,630
Interest on capital remuneration - paid	-	-	36,352	-
Deferred credits not set up on tax losses abroad	-	-	(7,104)	-
Non-deductible expenses and other permanent (additions) deductions	7,521	(1,834)	13,241	(8,482)
Income tax and social contribution calculated	25,162	23,534	(80,199)	(71,608)
Current	(36,761)	(15,320)	(120,483)	(56,183)
Deferred	61,923	38,854	40,284	(15,425)
Income tax and social contribution on results	25,162	23,534	(80,199)	(71,608)
Effective rate	20.82%	37.62%	-28.83%	-35.78%

The Company's and its subsidiaries' income tax returns are open to review by tax authorities for five years from the filing of the return. As a result of these reviews, additional taxes and penalties may arise, which would be subject to interest. However, Management believes that all taxes have either been properly paid or provided for.

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22. Related parties
22.1 Related-party balances (assets and liabilities)

In the table below, the line items marketable securities, financial investments, trade receivables, other credits, trade payables and advances from customers include the balances receivable and payable of intercompany transactions of the JSL Group that are eliminated in consolidation:

Assets	Cash and cash equivalents (note 5)		Advances to third parties and other credits ⁽ⁱ⁾		Trade receivables (note 7)		Related parties		Parent company	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018	Relationship	Specification
	Related parties									
Avante Veículos	-	-	50	-	-	3	-	-	Subsidiary	Reimbursement of expenses/CSA
Vamos Máquinas	-	-	106	-	-	141	-	-	Subsidiary	Reimbursement of expenses/CSA
Borgato Serviços	-	-	6	-	-	14	-	-	Subsidiary	Reimbursement of expenses/CSA
Ciclus Ambiental	-	-	-	-	26,985	22,597	-	-	Related parties	Operating lease
Consórcio Sorocaba	-	-	-	-	-	50	-	-	Consortium	Reimbursement of expenses
CS Brasil Frotas	-	-	2,993	-	-	761	-	3,091	Subsidiary	Operating lease/CSA/Loan
CS Brasil Transportes	-	-	-	-	-	2,691	-	11,961	Subsidiary	Sale of assets/operating lease/Loan
Instituto Júlio Simões	-	-	11	-	-	40	-	-	Related parties	Reimbursement of expenses/CSA
Joseense Transporte	-	-	487	-	-	-	-	-	Subsidiary	Reimbursement of expenses
JSL Arrendamento	52,178	19,909	873	-	-	-	-	-	Subsidiary	Reimbursement of expenses/JSL Card/Finance
JSL Corretora	-	-	33	-	-	18	-	-	Subsidiary	Leases Bill
JSL Empreendimentos Imobiliários	-	-	-	-	5,001	5,001	186	63	Subsidiary	Reimbursement of expenses/CSA
JSL Europe	-	-	8,771	8,771	-	-	-	-	Subsidiary	Sale of assets (property)/Loan
Medlogística	-	-	161	-	17	284	767	-	Subsidiary	Reimbursement of expenses
Mogipasses	-	-	3	-	-	19	-	-	Subsidiary	Operating lease/CSA/Loan
Mogi Mob	-	-	17	-	-	-	-	-	Subsidiary	Reimbursement of expenses
Movida Locação	-	-	2,864	-	-	3,063	-	-	Subsidiary	Sale of assets/Operating lease/Reimbursement of expenses/CSA
Movida Participações	-	-	280	-	-	1,015	-	-	Subsidiary	Operating lease/Reimbursement of expenses/CSA
Movida Premium	-	-	37	-	-	34	-	-	Subsidiary	Reimbursement of expenses/CSA
Original Distribuidora	-	-	5	-	-	-	-	-	Subsidiary	Reimbursement of expenses/CSA
Original Veículos	-	-	383	-	-	52	25,732	18,481	Subsidiary	Sale of assets/Loan/CSA
Ponto Veículos	-	-	124	-	-	6	-	-	Subsidiary	Operating lease/CSA
Quick Armazéns	-	-	17,183	-	492	-	5,501	-	Subsidiary	Reimbursement of expenses/ operating lease /CSA
Quick Logística	-	-	5	13,393	-	4,724	-	5,717	Subsidiary	Operating lease/Loan/Reimbursement of expenses/CSA/Loan
Ribeira Imóveis	-	-	34	-	-	9	-	-	Related parties	Reimbursement of expenses
Simpar	-	-	95	-	-	103	-	-	Parent company	Reimbursement of expenses
TPG Transporte	-	-	1	-	-	-	-	-	Parent company	Reimbursement of expenses
Transrio	-	-	160	-	-	2,224	-	-	Subsidiary	Operating lease/CSA
Vamos Seminovos	-	-	5	-	-	7	-	-	Subsidiary	Operating lease
Vamos ⁽ⁱ⁾	-	-	35,464	5,290	95,943	68,160	17	17	Subsidiary	Sale of assets/Reimbursement of expenses/Operating lease/Advancing receivables
Yolanda	-	-	4,295	-	-	4,413	1,794	-	Subsidiary	Operating lease/CSA/Loan
Others	-	-	-	-	-	369	60	-		
Total	52,178	19,909	74,446	27,454	128,438	115,798	34,057	39,330		
Current	52,178	19,909	39,608	27,454	49,826	115,798	-	-		
Non-current	-	-	34,838	-	78,612	-	34,057	39,330		
Total	52,178	19,909	74,446	27,454	128,438	115,798	34,057	39,330		

(i) Includes an advance to Vamos made in April 2019 in the amount of R\$ 7,870, related to the advance on receivables from operating lease agreements of heavy vehicles held between the parties. This advance was made with a discount of 4.76% p.a., equivalent to a finance income of R\$ 304, incurred for the number of months of the contract period.

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Liabilities					Parent company	
	Other payables		Trade payables (note 13)		Relationship	Specification
	09/30/2019	12/31/2018	09/30/2019	12/31/2018		
Related parties						
Avante Veículos	1	-	-	3	Subsidiary	Reimbursement of expenses/Services rendering
Vamos Caminhões	-	2,014	-	-	Subsidiary	Purchase of assets
CS Brasil Frotas	7,209	-	-	28	Subsidiary	Reimbursement of expenses/Operating lease
CS Brasil Transportes	1,568	-	79	-	Subsidiary	Reimbursement of expenses/Operating lease/CSA
JSL Arrendamento	3,407	-	-	5,828	Subsidiary	JSL card
JSL Corretora	5	-	-	15	Subsidiary	Reimbursement of expenses/Services rendering
Movida Locação	2,136	-	53	27	Subsidiary	Reimbursement of expenses/Operating lease
Movida Participações	1,202	6	241	-	Subsidiary	Reimbursement of expenses/Operating lease
Original Veículos	369	-	-	368	Subsidiary	Reimbursement of expenses/Purchase of vehicles
Ponto Veículos	6	-	-	6	Subsidiary	Reimbursement of expenses/Operating lease
Quick Logística	838	-	-	74	Subsidiary	Reimbursement of expenses/Operating lease
Ribeira Imóveis	222	-	-	221	Related parties	Reimbursement of expenses/Operating lease
Transrio	17	-	150	669	Subsidiary	Reimbursement of expenses/Services rendering
Vamos	-	-	2,257	43	Subsidiary	Operating lease
Total	16,980	2,020	2,780	7,282		

Amounts corresponding to loan agreements with related parties are subject to contractual charges of 100% of the CDI plus 2.5% p.a., which are recognized in the finance income (costs) of the respective entities. Related-party transactions were contracted at rates compatible with those used with third parties, prevailing at the transaction dates, taking into consideration the reduction of risk, except for reimbursement of expenses that are transferred at cost.

The table below presents the balances of intercompany transactions that are not eliminated in consolidation:

Assets							Consolidated	
	Trade receivables (note 7)		Other credits		Related parties		Relationship	Specification
	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018		
Related parties								
Ciclus Ambiental	26,985	22,597	-	-	-	306	Related parties	Reimbursement of expenses/Operating lease
Borgato Family	-	-	-	6,000	-	-	Related parties	Sale of assets
Instituto Julio Simões	-	-	-	-	-	3	Related parties	Reimbursement of expenses
Ribeira Imóveis	-	-	-	-	-	11	Related parties	Reimbursement of expenses
Simpar	-	-	-	-	-	26	Parent company	Reimbursement of expenses
Total	26,985	22,597	-	6,000	-	346		

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Liabilities	Trade payables (note 13)		Related parties		Relationship	Consolidated
	9/30/2019	12/31/2018	9/30/2019	12/31/2018		Specification
Related parties						
Ribeira Imóveis	222	-	-	226	Related parties	Operating lease
Consórcio Sorocaba	-	-	3,100	-	Related parties	Loan
Other (i)	-	-	-	20	Representative of the Board of Directors	Services rendered
Total	222	-	3,100	246		

- (i) Refers to tax consulting services rendered by a tax law firm where members of the Board of Directors and the Fiscal Council are partners.

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22.2 Related-party transactions with effects on profit or loss for the period

The table below presents the results from transactions between the JSL Group companies in the line items of revenues, costs, deductions and other operating income and expenses:

Results	Services rendered		Contracted services		Sale of assets		Purchase of assets		Administrative expenses		Other income (expenses)		Finance income		Finance costs		Consolidated
	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	
	Transactions eliminated in profit or loss																
JSL S.A.	4,677	8,538	(3,184)	(15,047)	54,024	14,015	(48,852)	(14,654)	28,900	(1,148)	1,332	1,915	2,514	3,356	(1)	-	-
Avante Veículos	-	1,199	-	(1,237)	-	-	-	-	(180)	-	-	-	-	-	-	-	(82)
Vamos Máquinas	523	18,327	(523)	-	-	-	(983)	-	(481)	-	-	-	-	6	-	-	(1,645)
Borgato Serviços	-	-	-	(1,466)	-	1,056	-	(1,965)	(27)	-	-	-	-	3	-	-	-
Vamos Caminhões	-	-	-	(3,580)	-	1,966	-	-	-	-	-	1,700	-	-	-	-	-
CS Brasil Frotas	-	-	-	(11)	2,042	5,734	(2,042)	(4,670)	(3,053)	-	-	-	-	-	-	-	(258)
CS Brasil Transportes	20	479	-	(16,414)	2,415	2,583	(2,589)	(3,631)	150	-	-	-	-	106	-	-	(709)
JSL Arrendamento	-	5,005	-	(16)	-	-	-	-	(551)	-	-	-	-	-	-	-	(280)
JSL Corretora	-	-	-	-	-	-	-	-	(90)	(239)	-	-	-	-	-	-	-
JSL Empreendimentos Imobiliários	-	152	-	-	-	-	-	-	(5)	-	-	-	-	-	-	-	(250)
JSL Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	25,055	-	-	-
JSL Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,055)
JSL Holding	-	-	-	-	-	-	-	(1,269)	-	-	-	-	-	-	3,374	-	-
Medlogística	-	-	(17)	-	-	-	-	-	(414)	-	-	-	-	-	-	-	(3)
Mogipasses	-	919	-	-	-	-	-	-	(96)	-	-	-	-	-	-	-	-
Movida GTF (merged into Movida	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Participações)	-	903	-	(48,715)	-	703	-	-	-	-	-	-	-	-	-	-	(106)
Movida Locação	-	117,422	(19)	(2,781)	66	31,069	(66)	(27,366)	(16,199)	-	-	-	-	-	-	-	-
Movida Participações	245	1,956	(5)	(78,248)	46	10,397	(46)	(9,671)	(1,490)	-	-	-	-	-	-	-	-
Movida Premium	-	-	-	(3,332)	-	1,099	-	(1,099)	(129)	-	-	-	-	-	-	-	-
Original Veículos	2	4,296	-	(2,592)	-	-	-	(406)	(2,110)	(7)	-	-	-	-	-	-	(636)
Original Distribuidora	-	-	-	-	-	-	-	-	(12)	-	-	-	-	-	-	-	(75)
Ponto Veículos	-	3,393	-	(3,045)	-	-	-	(4,022)	(467)	-	-	-	-	-	-	-	-
Quick Armazéns	-	-	-	(224)	-	-	-	-	(12)	-	-	-	220	-	-	-	-
Quick Logística	-	-	(1,009)	(2,195)	-	-	-	-	(1,048)	-	-	-	-	-	120	-	(482)
Transrio	328	2,698	-	(48)	-	114	-	-	(1,158)	(2)	-	-	-	-	-	-	-
Vamos	2,134	35,256	(3,627)	(24,918)	24,159	3,542	(28,189)	(876)	(4,143)	(2)	3,213	378	-	-	-	-	(9)
Vamos Seminovos	163	-	-	-	-	-	-	-	(21)	-	-	-	-	-	-	-	-
Yolanda	-	-	-	-	-	-	-	-	(572)	(1,915)	(908)	-	-	-	-	-	(40)
Total	8,092	200,543	(8,506)	(203,869)	82,752	72,278	(82,767)	(69,629)	(3,208)	(3,313)	3,637	3,993	2,734	32,020	(2,734)	(32,459)	
Related-party transactions																	
Cíclus Ambiental	64,402	79,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(14,487)	(9,113)	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (i)	-	-	(2,632)	(2,021)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	64,402	79,376	(17,119)	(11,134)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	72,494	279,919	(25,625)	(215,003)	82,752	72,278	(82,767)	(69,629)	(3,208)	(3,313)	3,637	3,993	2,734	32,020	(2,734)	(32,459)	

(i) Refers to tax consulting services rendered by a tax law firm where members of the Board of Directors and the Fiscal Council are partners.

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22.3 Transactions or relationships with shareholders related to property leasing

The JSL Group has operating and administrative lease contracts for properties with the associate Ribeira Imóveis Ltda. The rent amount recognized in the profit or loss for the nine-month period ended September 30, 2019 was R\$ 14,487 (R\$ 9,113 as at September 30, 2018). The agreements have conditions in line with market values and have maturities until 2023.

22.4 Administrative services center (CSA)

In order to better apportion common expenses between the companies that use corporate services, the JSL Group conducts studies of expenses attributable to the entities that share the same structure and back office. For the nine-month period ended September 30, 2019, the amount related to recovery of expenses in the Parent company was R\$ 31,447 (R\$ 16,549 as at September 30, 2018). The Administrative services center does not charge management fees nor applies profitability margin on services rendered. Only the costs are shared.

22.5 Management compensation

The Company's Management include the Board of Directors and the Board of Executive Officers and the compensation of officers and management includes all benefits, which are recognized in line item "Administrative expenses", and are summarized below:

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Fixed compensation	(10,457)	(10,105)	(21,394)	(19,251)
Variable compensation	(4,311)	(2,519)	(10,613)	(5,992)
Payroll charges and benefits	(248)	(201)	(521)	(345)
Shared-based compensation	(1,256)	(3,284)	(1,256)	(3,284)
Total	(16,272)	(16,109)	(33,784)	(28,872)

Management does not have post-retirement benefits or any other relevant long-term benefits.

The managers are included in the Company's share-based payment plan. For the nine-month period ended September 30, 2019 stock options were exercised by managers, as described in note 23.2.

The compensation paid to key management personnel is within the limit approved by the Shareholders' Meeting held in 2019.

23. Equity

23.1 Share capital

The Company's fully subscribed and paid-in capital at September 30, 2019 is R\$ 694,262 (R\$ 681,202 as at December 31, 2018), less the transaction costs incurred in the process of IPO in the amount of R\$ 16,219. The shares are registered common shares without par value.

In July and September, the Company increased its capital by R\$ 13,060 divided into 1,208,661 common shares. After this capital increase, the Company's fully paid-in capital is divided into 206,746,161 registered shares (205,537,500 as at December 31, 2018), with no par value, of which 206,704,367 are common shares with voting rights (205,114,532 as at December 31, 2018) and 41,794 are non-voting treasury shares (422,968 as at December 31, 2018).

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<i>Number of shares</i>	Common shares	%
Shareholders		
Owners of the Company	135,354,193	65.5
Simpar S.A.	114,451,301	55.4
Fernando Antonio Simões	20,902,892	10.1
Other members of the Simões family	14,457,513	7.0
Management	191,972	0.1
Treasury shares	41,794	-
Outstanding shares traded on the stock exchange	56,700,689	27.4
Total	206,746,161	100.0

The Company is authorized to increase its capital up to R\$ 2,000,000, excluding the shares already issued, without any amendment to its bylaws and according to the decision of the Board of Directors, which is responsible for the establishment of issuance conditions, including price, term and payment conditions, and after the approval by the Fiscal Council.

23.2 Capital reserves

a) Share-based payment

For the nine-month period ended September 30, 2019, no new shares were granted, and R\$ 1,256 (R\$ 3,284 as at September 30, 2018) was recognized in the statement of profit or loss in line item "Administrative expenses", and the accumulated balance in the capital reserve account related to "share-based payment" in equity is R\$ 24,114 as at September 30, 2019 (R\$ 22,858 as at December 31, 2018).

These share-based payment plans are managed by the Company's Board of Directors and are comprised as follows:

	Stock options	Restricted shares	Total
At December 31, 2017	15,751	-	15,751
Allocation for the year	5,932	1,175	7,107
At December 31, 2018	21,683	1,175	22,858
Allocation for the period	1,256	-	1,256
At September 30, 2019	22,939	1,175	24,114

The following table presents the quantity and weighted average exercise price and the movements of stock options during the period:

	Consolidated
Number of options outstanding at 12/31/2017	4,519,870
Canceled – 2018	
January 2018	(3,513)
Number of options outstanding as at 12/31/2018	4,516,357
Canceled – May 2019	(10,336)
Exercise of stock options	(1,143,943)
Granted – April 2019	1,610,644
Number of options outstanding as at 6/30/2019	4,972,722

Complete information on the share-based payment plan is presented in note 23.2 to the individual and consolidated annual financial statements for the year ended December 31, 2018, published on March 11, 2019.

b) Government grants

At the parent company, due to the calculation of the ICMS through the presumed credit method, there was use in the amount of R\$ 23,671, for the nine-month period ended September 30, 2019, registered as a reserve of government grants, according to Law 12.973/14 Art. 30, paragraph 4. Additionally, through its subsidiary Quick Logística is entitled to a tax benefit grant related to the value added tax on sales and services (ICMS) in the state of Goiás, and during the nine-month period ended September 30, 2019 the amount utilized was R\$ 2,101 (R\$ 40 as at September 30, 2018). As at September 30, 2019, the accumulated amount of government grants reserve is R\$ 36,645 (R\$ 10,873 as at December 31, 2018).

23.3 Treasury shares

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As at September 30, 2019, the Company and its subsidiaries have a balance of R\$ 24,971 (R\$ 103,925 as at December 31, 2018), representing 41,794 common shares held in treasury.

In April 2019 the subsidiary Vamos cancelled part of its own treasury shares in the amount of R\$ 82,685.

During the nine-month period ended September 30, 2019, the subsidiary Movida Participações repurchased 532,100 of its own treasury shares for the average cost of R\$ 12.72 per share, in the total amount of R\$ 6,770, allocated R\$ 3,731 to the Company and R\$ 3,039 allocated non-controllers.

23.4 Interest on capital and distribution of dividends

Pursuant to the Company's Bylaws, shareholders are entitled to annual mandatory dividends equal to or higher than 25% of the Company's annual profit, as adjusted by the following additions or deductions:

- i. 5% allocated to the legal reserve; and
- ii. Amount for the contingency reserve and reversal of the same reserves set up in prior years. A portion of the profit may also be retained based on a capital budget for contribution of a statutory earnings reserve named "investment reserve".

The amount to be distributed is approved at the Annual General Meeting ("AGM") that also approves Management accounts related to the prior year, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are distributed in accordance with the resolution of this AGM, held in the first four months of each year. The Company's Bylaws also allow for the distribution of interim dividends, which can be included in the mandatory dividend.

Interest on capital is calculated on equity accounts, except for the unrealized revaluation reserves, even if capitalized, by applying the variation of the long-term interest rate (TLP) for the period. The payment is contingent on the existence of profits in the year before the deduction of interest on capital, or of retained earnings and earnings reserve.

For purposes of the interim financial information, interest on capital is stated as allocation of profit directly in equity.

The Company stated interest on capital as allocation of profit for the year ended December 31, 2018 in the amount of R\$ 27,541, net of income tax and social contribution, as recorded under line item "Dividends and interest on capital payable", which were fully paid in May 2019. Additionally, the subsidiary Movida Participações distributed interest on capital, being R\$ 30,405, for non-controlling shareholders, of which R\$ 12,293 were paid, resulting in the amount of R\$ 18,112 as recorded under line item "Dividends and interest on capital payable" on September 30.

23.5 Equity valuation adjustments

The equity valuation adjustments balance refers to a gain of R\$ 4,634 from certain fixed assets valued in accordance with the deemed cost method, to the gain of R\$ 60,715 earned in Movida's Initial Public Offering - IPO concluded in 2017 raised on primary and secondary offerings, as well to the gain attributed by the business combination of Borgato companies of R\$ 30,951, as a result of the part of payment for acquisition of 9% participation of Vamos shares in 2017, and R\$ 36,269 originated from the repurchase of the same 9% shares in 2018, totaling a balance of R\$ 132,569 as at December 31, 2018.

On April 08, 2019, as informed in the note 23.3, a portion of treasury shares of subsidiary Vamos was canceled in the equivalent amount of R\$ 82,685, reducing in the same amount the balance of equity valuation adjustments.

On July 25, 2019, as mentioned in note 1.2, the subsidiary Movida carried out a Follow-on (subsequent public offering of shares) which resulted in the Company's recognition of gain on the appreciation of the average cost of share of R\$ 177,962. Additionally, the Company in a secondary offering sold 20,000,000 shares, representing 6.69% of its interest with gain of R\$ 138,443. Of this total gain of R\$ 316,405, a deferred income tax liability of R\$ 107,438 was recorded, with a net amount of R\$ 208,967 recorded in line item "equity valuation adjustments" in equity.

Also, during 2019, other adjustments related to changes in equity in the Company's subsidiaries resulted in a reduction of the same balance by R\$ 5,839.

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23.6 Non-controlling interests

The JSL Group treats transactions with non-controlling interests as transactions with owners of the Group's assets. For non-controlling interests, the difference between any consideration paid and the acquired portion of the book value of the subsidiary's net assets is recorded in equity.

As at September 30, 2019, the Company has R\$ 1,009,024 (R\$ 495,354 as at December 31, 2018) related to non-controlling interests.

Additionally, there was a distribution of dividends to non-controlling shareholders in the amount of R\$ 18,112 of subsidiary Movida Participações.

24. Insurance coverage

The Company and its subsidiaries have insurance coverage at amounts deemed sufficient by Management to cover potential risks related to their assets and/or responsibilities. The insurance coverage can be summarized as follows:

i. Cargo transport - vehicles

Vehicle transportation operations are insured directly by the customers. For all other cases, the contracted insurance coverage varies according to the value of the vehicles.

ii. Cargo transport - products

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported. Effective between July 2019 and July 2020, this has an indemnity limit per trip of US\$ 900 thousand (equivalent to R\$ 3,500), damage coverage and maximum guarantee per trip of US\$ 180 thousand (equivalent to R\$ 700).

iii. Fleet

The Company and its subsidiaries take out insurance for their fleet as required by contract and for coverage of third-party damage, however for the most part self-insure their fleet in view of the high cost against the premium benefit.

Third-party property liability

The insurance on third-party property is presented as follows:

Insured services	Effective period	Consolidated Coverage
Fire, lightning and explosion	12/2018 to 12/2019	59,300
Electrical damage	12/2018 to 12/2019	1,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/2018 to 12/2019	3,000
Broken glass	12/2018 to 12/2019	10
Aggravated theft	12/2018 to 12/2019	500
Stationery equipment	12/2018 to 12/2019	500
Civil liability – operations	12/2018 to 12/2019	1,500
Tank or pipe disruption/leakage	12/2018 to 12/2019	3,000
Cargo transportation	12/2018 to 12/2019	350
Building and content	12/2018 to 12/2019	59,300
Total coverage		128,460

iv. Insurance for guarantees of public obligations

The JSL Group has insurance for guarantees of public obligations with insurance companies through its subsidiary CS Brasil as at September 30, 2019, as shown below:

Beneficiary	Guarantee	Location (State)	Insured amount	Effective period
Agencies linked to the Government of the State of São Paulo	Vehicle rental / management and maintenance	São Paulo	7,624	05/25/2018 to 04/28/2021

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Agencies linked to the Government of the State of Rio de Janeiro	Vehicle rental / management and maintenance	Rio de Janeiro	11,899	06/03/2013 to 04/23/2024
Agencies linked to the Government of the State of Minas Gerais	Vehicle rental / management and maintenance	Minas Gerais	3,433	12/22/2015 to 02/01/2022
Agencies linked to the Government of the State of Rio Grande do Sul	Vehicle rental / management and maintenance	Rio Grande do Sul	2,261	07/26/2018 to 02/08/2021
Agencies linked to the Government of the State of Paraná	Vehicle rental / management and maintenance	Paraná	4,071	03/26/2018 to 12/14/2020
Agencies linked to the Government of the State of Bahia	Vehicle rental / management and maintenance	Bahia	1,359	05/29/2015 to 01/18/2020
Agencies linked to the Government of the State of Piauí	Vehicle rental / management and maintenance	Piauí	702	09/19/2018 to 12/19/2019
Agencies linked to the Government of the State of Santa Catarina	Vehicle rental / management and maintenance	Santa Catarina	163	06/19/2018 to 03/25/2020
Agencies linked to the Government of the Pernambuco	Vehicle rental / management and maintenance	Pernambuco	691	09/21/2018 to 03/25/2020
Agencies linked to the Government of the State of Ceará	Vehicle rental / management and maintenance	Ceará	1,380	9/19/2018 to 12/20/2020
Agencies linked to the Government of the State of Mato Grosso	Vehicle rental / management and maintenance	Mato Grosso	1,633	11/01/2018 to 02/13/2021
Agencies linked to the Government of the District Capital	Vehicle rental / management and maintenance	District Capital	497	05/31/2019 to 11/28/2021
Agencies linked to the Government of the Espírito Santo	Vehicle rental / management and maintenance	Espirito Santo	52	01/01/2019 to 04/01/2020

25. Net revenue from sale, rental, rendering of services and sale of assets used in services rendered
a) Revenue flows

The JSL Group generates revenue mainly from the rendering of services, sale of new and used vehicles, parts, rental and sale of decommissioned assets.

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Revenue from services rendered	1,968,551	1,983,036	2,182,774	2,170,790
Revenue from rental	164,171	177,475	2,045,548	1,766,259
Revenue from sale of new vehicles	-	-	454,793	409,681
Revenue from sale of used vehicles	-	-	249,117	220,367
Revenue from sale of parts and accessories	-	-	149,323	115,781
Other revenues	-	-	56,162	48,793
Net revenue from sale, rental and rendering of services	2,132,722	2,160,511	5,137,717	4,731,671
Revenue from sale of decommissioned assets	151,543	124,863	1,916,602	1,212,241
Total net revenue	2,284,265	2,285,374	7,054,319	5,943,912

The reconciliation between gross revenue for tax purposes and the revenue presented in the statements of profit or loss is shown below:

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Gross revenue	2,715,294	2,778,532	7,864,441	6,756,358
Less:				
Taxes on sales	(392,306)	(413,105)	(686,308)	(656,555)
Returns and cancellations	(2,426)	(42,393)	(23,201)	(85,609)
Toll rates	(36,270)	(37,538)	(38,160)	(49,566)
Discounts granted	(27)	(122)	(62,453)	(20,716)
Total net revenue	2,284,265	2,285,374	7,054,319	5,943,912

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b) Breakdown of revenue from contracts with customers by segment

The following table presents the analytical composition of the revenue from contracts with customers of the main business lines and the timing of revenue recognition. It also includes reconciliation of the analytical composition of revenue with the Group's reportable segments:

	Parent company	
	09/30/2019	09/30/2018
Main products and services		
Revenue from dedicated services	885,547	628,367
Revenue from passengers transportation	143,404	155,604
Revenue from general cargo	939,600	1,199,065
Revenue from rental	164,171	177,475
Net revenue from sale, rental and rendering of services	2,132,722	2,160,511
Revenue from sale of decommissioned assets	151,543	124,863
Total net revenue	2,284,265	2,285,374
Timing of revenue recognition		
Products transferred at a specific point in time	151,543	124,863
Products and services transferred over time	2,132,722	2,160,511
Total net revenue	2,284,265	2,285,374

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	Logística		Movida		Vamos		Consolidated CS Brasil	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018
	Revenue from dedicated services	898,465	477,587	-	-	-	-	-
Revenue from transport of passengers	143,404	182,314	-	-	-	-	136,844	126,539
Revenue from general cargo	1,004,061	1,388,224	-	-	-	-	-	-
Revenue from rental	163,011	177,475	1,058,059	850,560	450,445	374,700	402,149	388,781
Revenue from sale of new vehicles	-	-	-	-	174,202	167,537	-	-
Revenue from sale of used vehicles	-	-	-	-	33,107	17,127	-	-
Revenue from sale of parts and accessories	-	-	-	-	83,512	76,950	-	-
Other revenues	-	-	-	-	-	-	-	-
Net revenue from sale, rental and rendering of services	2,208,941	2,225,600	1,058,059	850,560	741,266	636,314	538,993	515,320
Revenue from sale of decommissioned assets	152,424	119,417	1,671,439	974,995	147,609	49,488	100,673	118,869
Total net revenue	2,361,365	2,345,017	2,729,498	1,825,555	888,875	685,802	639,666	634,189
Timing of revenue recognition								
Products transferred at a specific point in time	152,424	119,417	1,671,439	974,995	438,430	311,102	100,673	118,869
Products and services transferred over time	2,208,941	2,225,600	1,058,059	850,560	450,445	374,700	538,993	515,320
Total net revenue	2,361,365	2,345,017	2,729,498	1,825,555	888,875	685,802	639,666	634,189

	Original Concessionárias		BBC Leasing		Eliminations		Total	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018
	Revenue from dedicated services	-	-	-	-	-	-	898,465
Revenue from transport of passengers	-	-	-	-	-	-	280,248	308,853
Revenue from general cargo	-	-	-	-	-	-	1,004,061	1,388,224
Revenue from rental	-	-	-	-	(28,115)	(54,163)	2,045,549	1,737,353
Revenue from sale of new vehicles	280,591	235,857	-	-	-	-	454,793	403,394
Revenue from sale of used vehicles	216,168	203,240	-	-	(158)	-	249,117	220,367
Revenue from sale of parts and accessories	74,391	38,831	-	-	(8,581)	-	149,322	115,781
Other revenues	27,084	25,609	29,094	54,518	(16)	(15)	56,162	80,112
Net revenue from sale, rental and rendering of services	598,234	503,537	29,094	54,518	(36,870)	(54,178)	5,137,717	4,731,671
Revenue from sale of decommissioned assets	8,914	6,022	-	-	(164,457)	(56,550)	1,916,602	1,212,241
Total net revenue	607,148	509,559	29,094	54,518	(201,327)	(110,728)	7,054,319	5,943,912
Timing of revenue recognition								
Products transferred at a specific point in time	580,064	483,950	-	-	(173,196)	(56,550)	2,769,834	1,951,783
Products and services transferred over time	27,084	25,609	29,094	54,518	(28,131)	(54,178)	4,284,485	3,992,129
Total net revenue	607,148	509,559	29,094	54,518	(201,327)	(110,728)	7,054,319	5,943,912

JSL S.A.**Notes to the individual and consolidated interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reals, unless otherwise stated

26. Expenses by nature

The JSL Group's statements of profit or loss are presented by function. Expenses by nature are as follows:

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
	(i)	(i)	(i)	(i)
Cost of sales of new vehicles	-	-	(433,905)	(387,452)
Cost of sales of used vehicles	-	-	(209,530)	(189,278)
Fleet costs / expenses	(32,605)	(35,243)	(154,775)	(129,095)
Cost of sales of decommissioned assets	(149,655)	(127,472)	(1,869,725)	(1,172,570)
Cost of sales of parts	-	-	(91,647)	(65,021)
Personnel	(657,618)	(645,810)	(1,200,282)	(1,120,931)
Related and third parties	(673,086)	(705,440)	(713,186)	(750,674)
Depreciation and amortization	(168,307)	(146,575)	(642,895)	(456,280)
Parts, tires and maintenance	(209,560)	(193,934)	(375,808)	(329,665)
Fuels and lubricants	(104,901)	(115,708)	(165,905)	(191,858)
Advertising and publicity	(728)	(888)	(9,074)	(4,917)
Services rendered	(63,922)	(70,398)	(206,756)	(175,834)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	5,000	(3,107)	(20,309)	(18,895)
Court-ordered indemnities	(19,409)	(12,081)	(36,870)	(18,596)
Electric power	(15,643)	(12,811)	(23,319)	(19,592)
Packaging material	(4,736)	(9,384)	(4,736)	(9,386)
Communication	(656)	(1,291)	(21,088)	(33,897)
Travel, meals and accommodation	(4,427)	(3,073)	(12,771)	(9,393)
Property leasing (note 2.4 (e))	(4,449)	(29,399)	(33,850)	(111,977)
Rent of vehicles, machinery and equipment	(15,959)	(24,490)	(13,215)	(27,838)
Revenue from sale of damaged vehicles (ii)	5	1,031	(24,042)	(56,652)
Recovery of PIS and COFINS (iii)	99,781	102,923	245,130	217,689
Extemporaneous tax credits	5,508	27,227	31,982	62,789
Tax expenses	(2,282)	(4,809)	(5,777)	(11,423)
Other costs	(59,098)	(97,018)	(198,585)	(225,136)
	(2,076,747)	(2,107,750)	(6,190,938)	(5,235,882)
Cost of sale, rentals and services rendered	(1,830,756)	(1,859,857)	(3,690,537)	(3,462,626)
Cost of sales of decommissioned assets	(149,655)	(127,472)	(1,869,725)	(1,172,570)
Selling expenses	(14,264)	(12,718)	(185,555)	(124,374)
Administrative expenses	(85,262)	(99,320)	(448,194)	(447,530)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	5,000	(3,107)	(20,309)	(18,895)
Other operating expenses	(21,144)	(34,504)	(67,376)	(130,879)
Other operating income	19,334	29,228	90,758	120,992
	(2,076,747)	(2,107,750)	(6,190,938)	(5,235,882)

- (i) The amounts as at September 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of profit or loss for the nine-month period ended September 30, 2018 is not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16;
- (ii) Refers to the cost of damaged and casualty vehicles written off, net of the respective amount recovered through sale, in the amounts of R\$ 619 and R\$ 45,326 in Parent Company and Consolidated, respectively (R\$ 1,666 and R\$ 33,956 as at September 30, 2018, Parent Company and Consolidated, respectively); and
- (iii) PIS and COFINS credits on acquisition of inputs and depreciation charges recorded as reducers of the costs of the products and services sold, in order to better reflect the nature of the respective credits and expenses.

JSL S.A.**Notes to the individual and consolidated interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reais, unless otherwise stated

27. Finance income (costs)

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Finance income				
Financial investments	38,806	46,293	220,336	251,387
Monetary variation income	22,758	5,386	26,217	24,069
Other finance income	12,618	11,261	11,792	13,072
Interest received	4,296	5,755	12,369	11,418
Total finance income	78,478	68,695	270,714	299,946
Finance costs				
Debt service costs				
Interest on loans and borrowings and debentures	(350,461)	(326,843)	(717,093)	(642,573)
Interest and bank fees on leases payable	(6,140)	(6,016)	(16,579)	(14,514)
Interest on suppliers financing – car maker	-	(484)	(99)	(20,929)
Exchange rate changes	(131,315)	(367,980)	(321,879)	(375,737)
Net gains (losses) on swap agreements	133,718	357,881	325,506	365,967
Total debt service costs	(354,198)	(343,442)	(730,144)	(687,786)
Interest on right-of-use lease	(8,188)	-	(22,890)	-
Interest payable	(19,734)	(21,928)	(28,049)	(34,062)
Other finance costs	(29,742)	(21,798)	(73,187)	(86,762)
Total finance costs	(411,862)	(387,168)	(854,270)	(808,610)
Net financial result	(333,384)	(318,473)	(583,556)	(508,664)

28. Earnings per share**28.1 Basic**

The calculation of basic and diluted earnings per share was based on the profit attributable to the holders of common shares and on the weighted average number of common shares outstanding.

The calculation of basic earnings per share is presented below:

	Consolidated	
	09/30/2019	09/30/2018
Numerator:		
Profit for the period attributable to owners of the Company	146,029	86,094
Denominator:		
Weighted average number of outstanding shares	205,398,981	202,077,032
Basic earnings per share - Reais	0.7110	0.4260

(i) Weighted average number of outstanding shares

	9/30/2019	9/30/2018
Common shares - January 1	205,114,532	202,077,032
Effect of shares issued	284,449	-
Weighted average number of outstanding common shares	205,398,981	202,077,032

28.2 Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to presume conversion of all potential common shares with dilutive effects.

The JSL Group has a category of common shares which could potentially cause dilution: stock options. In the case of stock options, the number of shares that could be purchased at fair value is determined (fair value being the annual average market price for the JSL Group shares), based on the monetary value of the subscription rights for outstanding options. The number of shares calculated as mentioned before is compared with the number of shares outstanding, assuming that all the options are exercised.

JSL S.A.**Notes to the individual and consolidated interim financial information for the period ended September 30, 2019**

All amounts in thousands of Brazilian Reais, unless otherwise stated

	Consolidated	
	09/30/2019	09/30/2018
Profit for the period attributable to owners of the Company	146,029	86,094
Weighted average number of outstanding shares	205,398,981	202,077,032
Adjustments for:		
Stock options	5,075,512	4,517,319
Weighted average of number of shares to diluted earnings per share	210,474,493	206,594,351
Diluted earnings per share - Reais	0.6938	0.4167

29. Supplemental information to the statement of cash flows

The statements of cash flows under the indirect method are prepared and presented in accordance with the accounting pronouncement CPC 03 (R2) / IAS 7 – Statement of Cash Flows.

The JSL Group made acquisitions of vehicles for renewal and expansion of its fleet, and part of these vehicles do not affect cash because they are financed. These acquisitions without cash outflow effect are as follows:

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Total additions to property and equipment in the period	299,688	191,260	4,313,427	2,758,730
Raising of leases, FINAME and suppliers financing - car makers	(83,775)	(76,101)	(255,230)	(365,455)
Additions for the period settled with cash flows				
Addition of right-of-use lease (note 11)	(16,048)	-	(120,302)	-
Payment of suppliers financing – car makers for the acquisition of PP&E in prior years	-	3,951	-	269,077
Change in the balance of trade payables and suppliers financing – car makers	17,492	(18,665)	(596,740)	(239,151)
Total cash flows for purchase of property and equipment	217,357	100,445	3,341,155	2,423,201
Statements of cash flows:				
Operating property and equipment	200,397	81,377	3,293,252	2,380,524
Property and equipment for investment	16,960	19,068	47,903	42,677
Total	217,357	100,445	3,341,155	2,423,201
Other non-cash transactions:				
Initial adoption of CPC 06 (R2)/IFRS 16 – Leases (note 2.4 (d))	(195,461)	-	(625,090)	-

30. Subsequent events**30.1 Controlled Joseense Transport**

On November 4, 2019, the Company sold all shares of the subsidiary Joseense Transporte in the total amount of R\$ 36,070, which will be received part by view and part in 60 installments corrected annually by the positive variation of the IPCA/IBGE.

30.2 Sorocaba Consortium

On November 1, 2019, there was renewal of the concession acquired for the provision of urban transport services in the municipality of Sorocaba - SP for an additional period of 8 years.

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Report on Review of Quarterly Information

(A free translation of the original report in Portuguese, as filled with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB)

To the Board of Directors and Shareholders of
JSL S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of JSL S.A. (“the Company”), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2019, comprising the statement of financial position as at September 30, 2019 and the respective statements of profit or loss and comprehensive income (loss) for the three and nine-month period then ended and changes in shareholder’s equity and cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB, such as for the presentation of these information in accordance with the standards issued by the Brazilian Securities Commission - CVM, applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Review scope

We conducted our review in accordance with the Brazilian and International standards on reviews of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). 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 the 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 interim financial information included in the Quarterly Information (ITR) referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Other matters - Statements of added value

The quarterly information referred to above includes the Individual and consolidated statements of added value (DVA) for the nine-month period ended at September 30, 2019, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to review procedures carried out together with the review of the Company's interim financial information to conclude that they are reconciled with interim financial information and accounting records, as applicable, and its form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that those statements were not prepared, in all material respects, in accordance with the criteria set forth in this Technical Pronouncement and consistently with respect to the i the individual and consolidated interim financial information taken as a whole.

São Paulo, November 7, 2019

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
Ulisses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

JSL S.A.

PUBLICLY-HELD COMPANY

CNPJ/MF n° 52.548.435/0001-79

NIRE 35.300.362.683

Statement of Fiscal Council

The Fiscal Council of JSL S.A ("Company"), in the exercise of the competence provided for in article 163 of Law 6.404/76, at a meeting held on this date, after examining the Performance Comments and Interim Financial Information Parent Company and Consolidated for the nine-month period ended September 30, 2019, concludes, based on the examinations made and considering also the Independent Auditors' Report on Review, unanimously, that these documents adequately reflect the Company's financial condition.

São Paulo, November 6, 2019.

Luiz Augusto Marques Paes

Luciano Douglas Colauto

Rafael Ferraz Dias de Moraes

Statement of Executive Board on Interim Financial Information Parent Company and Consolidated of JSL S.A.

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the Interim Financial Information Parent Company and Consolidated of JSL S.A. for nine-month period ended September 30, 2019, authorizing the conclusion on this date.

São Paulo, November 7, 2019.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira
Controller Director

Statement of the Executive Board on the Independent Auditors' Report on Review

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that reviewed, discussed and agreed with the conclusions expressed on the Independent Auditors' Report on Review of the interim financial information Parent Company and Consolidated of JSL S.A., for the nine-month period ended September 30, 2019 issued on this date.

São Paulo, November 7, 2019.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira
Controller Director