




Entender para Atender

# 4Q20 RESULTS

*MARCH 8, 2021.*

**Logistics Net Income reaches R$36.8 million in 4Q20, up by 44.9%** QoQ and **17.9%** YoY.

## Highlights

- We have concluded a **corporate reorganization** whereby we ceased to exercise the role of a holding company to become an exclusively operational logistics company;
- In September 2020, we concluded a **100% primary offering, raising a total of R$694 million**;
- **Logistics Net Income** totaled R$ 84.8 million in 2020 and, adjusted by non-recurring items, **reached R$97.4 million**;
- The non audited combined figures in 2020, of JSL, Fadel and Transmoreno, are: Net Revenues R$ 3.3 billion, EBITDA R$ 541.6 million and Logistics Net Income R$ 147.3 million; Regarding the Q420, we reach net revenues of R$ 903 million, EBITDA R$ 136 million and Net Income of R$ 43 million.
- **R$1.1 billion** in additional net revenue, on an annualized basis, due to the completion of the acquisitions of 100% of the capital stock of **Transmoreno** and 75% of the capital stock of **Fadel** and the announcement, in 2021, of the acquisition of 100% of the capital stock of **TPC and Rodomeu**.

## 4Q20 Figures

- **Gross Revenue:** R$986.0 million +13.2% vs. 3Q20 and +11% vs. 4Q19
- **EBITDA:** R$121.1 million, +2.6% vs. 3Q20 and aligned with 4Q19
- **Logistics Net Income:** R$36.8 million +44.9% vs. 3Q20 and +18% vs. 4Q19
- **ROIC** 8.4% 4Q20 annualized
- **Leverage** - Net Debt/EBITDA: 3.0x
- **Average Cost of Net Debt after taxes:** 3.4%

| Financial Highlights (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenue** | **986,0** | **870,8** | **13,2%** | **889,5** | **10,8%** | **3.699,6** | **3.387,0** | **-8,4%** |
| **Net Revenue** | **818,2** | **733,2** | **11,6%** | **782,8** | **4,5%** | **3.102,0** | **2.826,8** | **-8,9%** |
| Net Revenue from Services | 789,1 | 660,7 | 19,4% | 726,0 | 8,7% | 2.936,4 | 2.656,3 | -9,5% |
| Net Revenue from Asset Sales | 29,0 | 72,6 | -60,1% | 56,8 | -48,9% | 165,6 | 170,5 | 3,0% |
| **Total Costs** | **(726,3)** | **(641,2)** | **13,3%** | **(687,5)** | **5,6%** | **(2.689,3)** | **(2.525,2)** | **-6,1%** |
| Cost of Services | (699,2) | (569,9) | 22,7% | (635,6) | 10,0% | (2.528,0) | (2.358,4) | -6,7% |
| Cost of Asset Sales | (27,0) | (71,3) | -62,1% | (51,8) | -47,9% | (161,4) | (166,8) | 3,3% |
| **Gross Profit** | **91,9** | **92,0** | **-0,1%** | **95,4** | **-3,7%** | **412,7** | **301,6** | **-26,9%** |
| Operational Expenses | (35,9) | (28,4) | 26,4% | (32,6) | 10,1% | (128,7) | (106,2) | -17,5% |
| **EBIT** | **56,0** | **63,6** | **-11,9%** | **62,8** | **-10,8%** | **284,0** | **195,4** | **-31,2%** |
| *Margin (% NR from Services)* | 7,1% | 9,6% | -2,5 p.p. | 8,6% | -1,5 p.p. | 9,7% | 7,4% | -2,3 p.p. |
| Financial Result | (45,3) | (41,9) | 8,1% | (53,8) | -15,8% | (268,5) | (184,8) | -31,2% |
| Taxes | 19,8 | (4,3) | - | 5,9 | - | 12,7 | 30,3 | 138,6% |
| **EBITDA** | **121,1** | **118,0** | **2,6%** | **121,5** | **-0,3%** | **514,0** | **431,5** | **-16,1%** |
| *Margin (% NR from Services)* | 15,3% | 17,9% | -2,6 p.p. | 16,7% | -1,4 p.p. | 17,5% | 16,2% | -1,3 p.p. |
| **Consolidated Net Income** | **30,5** | **17,4** | **75,3%** | **14,8** | **106,1%** | **28,2** | **41,0** | **45,4%** |
| *Margin (% Total NR)* | 3,7% | 2,4% | +1,3 p.p. | 1,9% | +1,8 p.p. | 0,9% | 1,4% | +0,5 p.p. |
| **Treasury Net Income** | **(6,3)** | **(8,0)** | **-21,3%** | **(16,4)** | **-61,6%** | **(85,8)** | **(43,8)** | **-49,0%** |
| *Margin (% Total NR)* | -0,8% | -1,1% | +0,3 p.p. | -2,1% | +1,3 p.p. | -2,8% | -1,6% | +1,2 p.p. |
| **Logistics Net Income** | **36,8** | **25,4** | **44,9%** | **31,2** | **17,9%** | **114,1** | **84,8** | **-25,7%** |
| *Margin (% Total NR)* | 4,5% | 3,5% | +1,0 p.p. | 4,0% | +0,5 p.p. | 3,7% | 3,0% | -0,7 p.p. |

# Management Letter

Dear Shareholders,

In 2020, we concluded our **corporate reorganization** and ceased to exercise the role of a holding company to become an exclusively operational logistics company with **the largest and most integrated portfolio of logistics services in Brazil**. Amidst the restrictions imposed by the COVID-19 pandemic, we continued to focus on our strategy to generate sustainable value for stakeholders, without losing sight of the health and well-being of our employees and society. We joined forces to care for our **people** and contributed to the country by providing logistics services totaling **R$5.4 million**, transporting **6 million** items, including staple food baskets, hygiene and cleaning kits and equipment for ICU beds. We are aware of our role to guarantee the supply of various products, including essential goods such as food, health and hygiene items, and therefore **adapted to the pandemic scenario**, working hard and complying with all prevention measures to ensure efficiency and quality while providing our services.

We ended 2020 much stronger, more agile and more resilient. The transformation resulting from the corporate reorganization has enabled us to focus even more on our business and opportunities. In September 2020, we joined B3's Novo Mercado and held a **100% primary offering of shares** traded under the ticker **JSLG3**, in the total amount of **R$694 million**, which strengthened the Company's capital structure. The IPO allowed us to accelerate our organic and inorganic growth plan and continue to lead the consolidation movement of the extremely fragmented logistics segment in Brazil.

After the corporate events mentioned above and aligned with our strategic planning , in the **second half of 2020, we concluded the acquisitions of Fadel and Transmoreno, for R$312.7 million (75% of shares) and R$310 million (100% of shares), both as Enterprise Value – EV, respectively**, and expanded our presence in the urban distribution and new vehicle transportation sectors, in addition to increasing the capillarity and density of our network of third-party truck drivers. These acquisitions, that did not completely impact JSL results in 2020, brought in combined net revenue of R$625 million in 2020 and were based on cross-selling opportunities and synergies through complementary client and service portfolios, and, above all, on the quality of the Fadel and Transmoreno teams.

**Fadel** is one of the main urban distribution companies in Brazil, with a customer base in the food, beverage and consumer goods segments and, since 2020, the company has also been operating in the distribution of electronic commerce (e-commerce), sectors that were less impacted by COVID-19. Fadel also provides dedicated road cargo logistics services through its 25 units in Brazil and 4 units in Paraguay. Due to its operational profile, Fadel is considered an Asset-heavy business model, with approximately 1,600 in own assets. Focusing on efficiency, Fadel expanded its operations with its existing customers and consolidated its operation in Paraguay, achieving a **higher-than-expected performance** in 2020, with net revenue of R$484.6 million, 28.1% higher than in 2019, and EBITDA of R$96.3 million, 64.2% higher than in the previous year. **Net income** totaled **R$56.0 million**, 103.9% higher than in 2019.

**Transmoreno** is one of the main companies in Brazil for the transportation of new vehicles in car carrier trailers and provision of automotive logistics services. It serves mainly two major car manufacturers in Brazil, transporting vehicles to their end destinations in the North, Midwest and Southeast regions of the country. It operates through a network of third-party truck drivers and is therefore considered to be an Asset-light company. Despite the decline in volume in the automotive sector, **net income** totaled **R$13.4 million** in 2020, with a net margin of 9.5%. Transmoreno also carries out activities that are complementary to JSL's, which offers us cross-selling opportunities in a segment where we have a vast service and customer portfolio.

Our new capital structure enabled us to manage our debt more efficiently and **prepay R$908.1 million**, ending the year with net debt of R$1.6 billion, 47.4% lower than in 2019, and leverage – Net Debt/EBITDA ratio of 3.0x, i.e. 50% less than in 2019, in addition to the important reduction in our cost of net debt by 0.5 p.p., after taxes, to 3.4% at the end of 2020.

In our business model, a substantial share of revenue comes from asset-light operations, which allowed us to report **free cash flow** before growth of **R$398.0 million** in 2020, not including the cash generation of the acquisitions Fadel and Transmoreno. **S&P Global Ratings raised the Company's ratings** on the Brazil National Scale from 'brAA-' to 'brAA'.

We formed a **new Board of Directors** with the participation of two new independent members and created the following advisory committees: **Audit Committee, Financial Committee, Sustainability Committee, and Technology and Innovation Committee.** All Committees have independent external members, bringing knowledge and external experience in the themes addressed by each Committee. This governance structure ensures and improves the best practices that were already in place prior to the reorganization. The **EESG (Economic, Environmental, Social and Governance)** sustainability principles have been at the center of our strategy for a long time. With the creation of JSL's exclusive Sustainability Committee, we increase the depth and focus on the logistic chain ecosystem. For more information, please refer to the Integrated Report, which will be presented to the Market soon.

None of these achievements would have been possible without **our People, who represent one of our competitive advantages.** We are a team of about 18,500 direct employees, and we take great pride in having more than 100 experienced managers that have been with us for an average of ten years. This particularity is fundamental for us to be able to expand our services, replicating the quality of our operations, and reinforces our purpose of **'Understanding to Serve'**, always seeking the best options for our customers and creating shareholder value through sustainable development. An example of the assertiveness of this positioning is the fact that our ten largest clients have been our customers for over 25 years. In 2020, JSL received the teams of Fadel and Transmoreno, which have shown incredibly high-quality execution, focus on customers and values that are aligned with ours - welcome to the JSL family.

JSL also differentiates itself through its investments in technology, focusing on the integration and fluidity of information with our customers while addressing the needs of our business and our operating strategy. We promoted significant transformation at our technology park with the implementation of e-JSL, a new operating system, as well as a new app for truck drivers, an Operations Center and other satellite systems that bring more security to our customers and agility and productivity to our people and assets.

This was undoubtedly a year of challenges that we successfully overcame. In 2020, **total Net Revenue** reached **R$2.8 billion** and **Net Debt ended the year at R$1.6 billion**, equivalent to 3.0x EBITDA and 2.5x Adjusted EBITDA. **Net Capex** totaled **R$154.0 million** in 2020. Our **consolidated net income reached R$41.0 million** and, excluding the financial cost of the Treasury debt – due to the 2020 corporate reorganization when JSL ceased to exercise the role of a holding company - the **Logistics Adjusted Net Income totaled R$84.8 million in 2020.**

## Subsequent Events

In 2021, maintaining the pace of the inorganic growth agenda, **we announced the acquisitions of TPC and Transportadora Rodomeu. TPC brought a new operation segment managing storage and urban distribution in health sector** with system and last generation technology, increases our participation as a last mile logistics operator and expands our presence in the Northeast region, which is strategic for the density of road transportation, in addition to adding new clients, segments, management model and full-commerce technology to our service portfolio. **Transportadora Rodomeu is our entrance in the compressed gas segment** and increases our participation as a road carrier of highly complex cargo, such as gas and chemical products, machinery and equipment, and inputs and finished products of the mining and pulp and paper sectors, among others. The transaction means more segment diversification and allowing us to capture a series of synergies. The acquisitions will be completed after approval by the Brazilian Antitrust Authority (CADE) and should add, jointly and on an annual basis, **Net Revenue of around R$500 million**, based on 2020 estimated non audited figures.

We are certain that 2020 was a year to remember our **PEOPLE**, each one of our 18,500 direct employees and more than 40,000 third-party and independent contractor drivers, who ended this cycle even more united and with their feelings of constant care and solidarity renewed.

We take this opportunity to give **special thanks** to our employees, directors, executives and their families, who remained engaged, even while facing so many challenges, not only at the Company, but also in their personal lives; to our suppliers, who were committed and allowed us to conduct our business safely; to our shareholders, who supported us during this journey; and to our customers and the community in general for their trust.

**We began 2021 ready with people, structure and technology to carry on our business plan and change our figures for organic and inorganic growth seeking the continuous improve in our return on invested capital – ROIC.**

**TOGETHER** we can go much further, with focus, determination and a corporate structure that is much more aligned to face the challenges ahead!

**Thank you,**

*Denys Marc Ferrez – Chairman of the Board of Directors*

*Fernando Antonio Simões – Chief Executive Officer*

# Corporate Profile

We are the **country's** largest **logistics company**, with 65 years of history, and have had the largest and most integrated portfolio of logistics services in Brazil for 19 years.

We offer customized services with long-term contracts and unique operating base capillarity, and we are recognized for the quality of our services and differentiated relationships with customers, truck drivers and our people.

The main services of our portfolio are grouped into:

- Road Cargo Transport: represents 45% of our Net Revenues. Leverages on a network of more than 100.000 independent truck drivers and technology which integrates our clients, the drivers and the final clients of our clients.
- Dedicated Road Cargo Logistics: represents 39% of our Net Revenues. Complex solutions dedicated to each customer that are part of the production process, with long-term contracts, customized solutions, high added value, a high degree of specialization and high customer loyalty.
- Urban Distribution: distribution and supply of points of sales located in large urban centers.
- Warehousing Services: connect to the urban distribution services, operating dry, cooled and frozen warehouses.

The services are sometimes rendered in an asset-heavy operational model and sometimes rendered in an asset-light operational model. Given the operational profile, we present the figures segregated into Asset Light and the Asset Heavy, as shown below.

## Highlights

- More than 200 branches in 19 Brazilian states
- Presence in five countries: Brazil, Argentina, Chile, Paraguay and Uruguay
- 18,500 direct employees
- 100,000 independent contractor and third-party drivers in our base
- 738 customers with recurring revenue, from 16 different sectors
- 137,000 m² in warehouses
- More than 275 million km traveled

See below our industry breakdown in 2020, including information on our subsidiaries Fadel and Transmoreno. Compared to 2019, we highlight:

- An increase in the share of the Food and Beverage sector from 14% to 23%, due to higher volume at JSL and the acquisition of Fadel, which serves mainly this sector;
- Maintenance of the share of the Automotive sector at 22% due to the acquisition of Transmoreno, despite the reduction in volume in 2020 due to the COVID-19 pandemic, which significantly impacted the sector;
- A decline in the share of the Pulp and Paper sector from 25% to 19%, due to an increase in the relative share of other sectors in 2020.

# Growth

### Acquisition of Transmoreno

Acquired on October 30 2020, it is one of the main companies in Brazil for the transportation of new vehicles in car carrier trailers and provision of automotive logistics services. The company serves mainly three major car manufacturers in Brazil, transporting vehicles to their end destinations in the North, Midwest and Southeast regions of the country. It operates through a network of third-party truck drivers and is therefore considered to be an Asset-light company*.* In 2019, Transmoreno transported 197,5 and 81,4 thousand vehicles in 2020. The Company also operates in a segment that is complementary to JSL, which offers us synergies and cross-selling opportunities in a segment where we have a vast service and customer portfolio.

| Transmoreno Financial Figures (R$ million) | 2019 | 2020 | ▲ A/A |
|---|---|---|---|
| Net Revenues | 214,1 | 140,8 | -34,2% |
| Total Cost | (145,5) | (100,5) | -30,9% |
| Gross Income | 68,6 | 40,4 | -41,1% |
| Operational Expenses | (6,6) | (13,8) | 109,1% |
| **EBIT** | **61,9** | **26,6** | **-57,0%** |
| *Margin (% NR from Services)* | 28,9% | 18,9% | -10,0 p.p. |
| **EBITDA** | **62,4** | **26,9** | **-56,9%** |
| *Margin (% NR from Services)* | 29,2% | 19,1% | -10,1 p.p. |
| **Net Income Transmoreno** | **38,4** | **13,4** | **-65,1%** |
| *Margin (% NR from Services)* | 17,9% | 9,5% | -8,4 p.p. |

### Acquisition of Fadel

On November 17, 2020, we acquired 75% of the capital stock of Fadel, one of the main urban distribution companies in Brazil, with a customer base in the food, beverage and consumer goods segments and since 2020, the company has also been operating in the distribution of electronic commerce (e-commerce), sectors that were less impacted by the COVID-19 pandemic. Fadel also provides dedicated logistics services for road cargo through its 25 units in Brazil and 4 units in Paraguay. Due to its operational profile, Fadel is considered an Asset-heavy business model, with approximately 1,700 in own assets. Focusing on efficiency, Fadel expanded its operations with the company's existing customers and consolidated its operation in Paraguay, achieving a higher-than-expected performance in 2020, with net revenue of R$484.6 million, 28.1% higher than in 2019, and EBITDA of R$96.3 million, 64.3% higher than in the previous year. Net income totaled R$56.5 million, 103.6% higher than in 2019. Operational synergies are represented by an increase in our share in the urban distribution segment for the Food and Beverage sector and opportunities for the addition of new contracts, with the expansion of the portfolio of major customers and increased capillarity of the distribution network.

| Fadel Financial Figures (R$ million) | 2019 | 2020 | ▲ A/A |
|---|---|---|---|
| Net Revenues | 378,3 | 484,6 | 28,1% |
| Total Cost | (262,1) | (371,2) | 41,6% |
| Gross Income | 116,2 | 113,5 | -2,3% |
| Operational Expenses | (73,0) | (37,8) | -48,2% |
| **EBIT** | **43,2** | **75,7** | **75,2%** |
| *Margin (% NR from Services)* | 11,4% | 15,6% | +4,2 p.p. |
| **EBITDA** | **58,6** | **96,3** | **64,3%** |
| *Margin (% NR from Services)* | 15,5% | 19,9% | +4,4 p.p. |
| **Net Income Fadel** | **27,5** | **56,0** | **103,6%** |
| *Margin (% NR from Services)* | 7,3% | 11,6% | +4,3 p.p. |

Note: for information the Fadel non audited figures are presented combined for 2020 once the Fadel Paraguay operation started to be consolidated on August, 2020.

## Sustainability

The Company already undertook several sustainability initiatives when it was the group's holding company, and it has continued the same initiatives after the Reorganization. By April 2021, we will publish the Integrated Report, a document designed to provide accountability to stakeholders on our business strategy and actions to achieve our goals, as well as to demonstrate our commitment to all dimensions of sustainability.

EESG (Economic, Environmental, Social and Governance) themes are at the center of our strategy, and, aware of the responsibilities and challenges of managing our businesses without losing sight of these aspects, we have further developed our corporate policies and constantly sought alignment with the main national and international guidelines, such as the UN Global Compact, which guides our Sustainability journey. In this sense, we highlight the main results of the year:

- The vehicle accident rate dropped 18% and the rate of accidents resulting in leave of absence fell 5% in 2020.
- Continuous renewal of own and third-party fleet, which had reached and average age of 2.8 years and 9.8 years, respectivel which contributes for the reduction of emissions;
- Personal and professional development of truck drivers through training, financial advice and initiatives focused on valuing this public.
- We provide training on topics such as customer focus, health and safety, defensive and ethical driving and compliance, which, in 2020, totaled approximately 48,000 hours, corresponding to an average of 3.52 hours per employee – below what was reported in recent years since we had to cancel on-site training due to COVID-19.
- The *Ligado em Você Caminhoneiro* (Connected to You Truck Driver) program – a 24/7 channel for independent contractor truck drivers. The channel's scope included the dissemination of preventive guidelines regarding COVID-19 and the monitoring and support of suspected and confirmed cases of the virus, providing health tips and information on support points along the highways. Through free telephone calls, our professionals and their family members had access to medical, social, and psychological support. During the peak of the pandemic, the program served around 2,500 truck drivers.
- Relationship with communities surrounding the operations and investments in our own social projects, focused on children and teenagers, through the Julio Simões Institute.
- Renewal of the commitment to the *Na Mão Certa* (On the Right Track) program, in partnership with Childhood Brasil. The action aims to combat the sexual exploitation of children and teenagers on the roads through continuing education for truck drivers and employees.
- The creation of the Sustainability board level Committee specific to JSL

For more information, please refer to the Integrated Report to be presented to the Market soon.

# Results Analysis

The financial information presented below in accordance with International Financial Reporting Standards (IFRS), including IFRS 16. We present the consolidated results and highlight that the information on the subsidiaries Transmoreno and Fadel has been consolidated as of their acquisition dates, i.e. October 30, 2020 and November 17, 2020, respectively.

| Financial Highlights (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenue** | **986,0** | **870,8** | **13,2%** | **889,5** | **10,8%** | **3.699,6** | **3.387,0** | **-8,4%** |
| **Net Revenue** | **818,2** | **733,2** | **11,6%** | **782,8** | **4,5%** | **3.102,0** | **2.826,8** | **-8,9%** |
| Net Revenue from Services | 789,1 | 660,7 | 19,4% | 726,0 | 8,7% | 2.936,4 | 2.656,3 | -9,5% |
| Net Revenue from Asset Sales | 29,0 | 72,6 | -60,1% | 56,8 | -48,9% | 165,6 | 170,5 | 3,0% |
| **Total Costs** | **(726,3)** | **(641,2)** | **13,3%** | **(687,5)** | **5,6%** | **(2.689,3)** | **(2.525,2)** | **-6,1%** |
| Cost of Services | (699,2) | (569,9) | 22,7% | (635,6) | 10,0% | (2.528,0) | (2.358,4) | -6,7% |
| Cost of Asset Sales | (27,0) | (71,3) | -62,1% | (51,8) | -47,9% | (161,4) | (166,8) | 3,3% |
| **Gross Profit** | **91,9** | **92,0** | **-0,1%** | **95,4** | **-3,7%** | **412,7** | **301,6** | **-26,9%** |
| Operational Expenses | (35,9) | (28,4) | 26,4% | (32,6) | 10,1% | (128,7) | (106,2) | -17,5% |
| **EBIT** | **56,0** | **63,6** | **-11,9%** | **62,8** | **-10,8%** | **284,0** | **195,4** | **-31,2%** |
| *Margin (% NR from Services)* | 7,1% | 9,6% | -2,5 p.p. | 8,6% | -1,5 p.p. | 9,7% | 7,4% | -2,3 p.p. |
| Financial Result | (45,3) | (41,9) | 8,1% | (53,8) | -15,8% | (268,5) | (184,8) | -31,2% |
| Taxes | 19,8 | (4,3) | - | 5,9 | - | 12,7 | 30,3 | 138,6% |
| **EBITDA** | **121,1** | **118,0** | **2,6%** | **121,5** | **-0,3%** | **514,0** | **431,5** | **-16,1%** |
| *Margin (% NR from Services)* | 15,3% | 17,9% | -2,6 p.p. | 16,7% | -1,4 p.p. | 17,5% | 16,2% | -1,3 p.p. |
| **Consolidated Net Income** | **30,5** | **17,4** | **75,3%** | **14,8** | **106,1%** | **28,2** | **41,0** | **45,4%** |
| *Margin (% Total NR)* | 3,7% | 2,4% | +1,3 p.p. | 1,9% | +1,8 p.p. | 0,9% | 1,4% | +0,5 p.p. |
| **Treasury Net Income** | **(6,3)** | **(8,0)** | **-21,3%** | **(16,4)** | **-61,6%** | **(85,8)** | **(43,8)** | **-49,0%** |
| *Margin (% Total NR)* | -0,8% | -1,1% | +0,3 p.p. | -2,1% | +1,3 p.p. | -2,8% | -1,6% | +1,2 p.p. |
| **Logistics Net Income** | **36,8** | **25,4** | **44,9%** | **31,2** | **17,9%** | **114,1** | **84,8** | **-25,7%** |
| *Margin (% Total NR)* | 4,5% | 3,5% | +1,0 p.p. | 4,0% | +0,5 p.p. | 3,7% | 3,0% | -0,7 p.p. |

## Asset Right

In order to ensure a better understanding of the business profiles, since 2Q20, JSL has disclosed financial information segregated into Asset Light and Asset Heavy, allowing investors to have a better understanding of the results of the Company’s different operational profiles, separately.

## Asset Light

The Asset-light operational profile provides services through an asset-light model, based on subcontracting third parties and independent contractors to meet the customers´ demands. This profile includes mainly new vehicle and cargo transport, some urban distribution operations (except for the subsidiary Fadel) and warehousing services (distribution center management). Our subsidiary Transmoreno operates fully in this profile. JSL has a robust base of over 100,000 truck drivers loyal to the Company and has an operations center that provides full support to the execution of the operation. This operational profile already has a fixed structure with over 200 branches and is ready for the recovery of the Brazilian economy. However, this operational model provides more agility to the cost structure to support demand volatility.

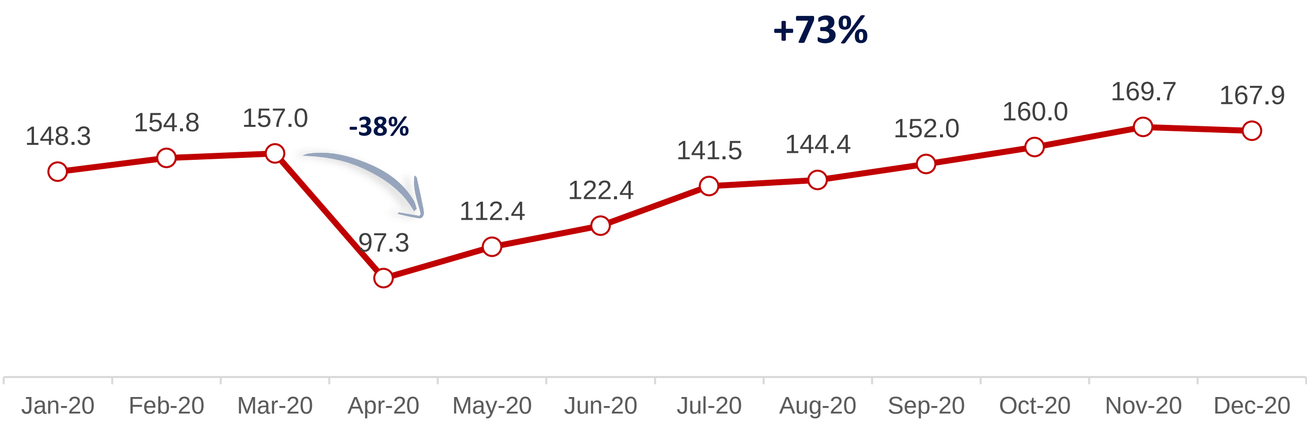
| Asset Light (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenue** | **627,7** | **565,1** | **11,1%** | **556,0** | **12,9%** | **2.413,7** | **2.198,2** | **-8,9%** |
| Deductions | (118,2) | (101,9) | 16,0% | (73,5) | 60,8% | (440,5) | (409,2) | -7,1% |
| **Net Revenue** | **509,5** | **463,2** | **10,0%** | **482,5** | **5,6%** | **1.973,2** | **1.789,0** | **-9,3%** |
| Net Revenue from Services | 497,6 | 437,8 | 13,7% | 475,3 | 4,7% | 1.902,8 | 1.727,6 | -9,2% |
| Net Revenue from Asset Sales | **11,9** | 25,3 | -53,0% | 7,2 | 65,3% | 70,4 | 61,4 | 0,0% |
| **Total Costs** | **(460,7)** | **(408,7)** | **12,7%** | **(431,2)** | **6,8%** | **(1.760,0)** | **(1.627,2)** | **-7,5%** |
| Cost of Services | (448,7) | (382,3) | 17,4% | (428,6) | 4,7% | (1.692,0) | (1.565,1) | -7,5% |
| Cost of Asset Sales | (12,0) | (26,4) | -54,5% | (2,6) | - | (68,0) | (62,1) | 0,0% |
| **Gross Profit** | **48,8** | **54,5** | **-10,5%** | **51,3** | **-4,9%** | **213,2** | **161,8** | **-24,1%** |
| Operational Expenses | (9,2) | (20,9) | -56,0% | (16,6) | -44,6% | (76,5) | (72,9) | -4,7% |
| **EBIT** | **39,7** | **33,6** | **18,2%** | **34,7** | **14,4%** | **136,7** | **88,9** | **-35,0%** |
| *Margin (% NR from Services)* | 8,0% | 7,7% | +0,3 p.p. | 7,3% | +0,7 p.p. | 7,2% | 5,1% | -2,1 p.p. |
| **EBITDA** | **81,8** | **67,5** | **21,2%** | **73,2** | **11,7%** | **278,0** | **241,6** | **-13,1%** |
| *Margin (% NR from Services)* | 16,4% | 15,4% | +1,0 p.p. | 15,4% | +1,0 p.p. | 14,6% | 14,0% | -0,6 p.p. |

## Net Revenue from Services

Net Revenue from Services reached R$509.5 million in 4Q20, up by 13.7% QoQ, driven by economic recovery and the consolidation of the results of our subsidiary Transmoreno since October 30, 2020. This variation reflected growth in the volume transported after the gradual resumption in some economic sectors, in particular the automotive industry which was one of the most impacted sectors during the COVID-19 peak period in 2020.

The monthly evolution of Net Revenue from Asset-light Services shown in the graph below illustrates the positive recovery dynamics as of May 2020, as a counterpoint to the challenging scenario that prevailed throughout 2020. The slight reduction between November and December was due to the number of business days and the scheduled downtime of certain industries, which impacted transported volume.

**Net Revenue from Services – Asset Light**



## Costs

| Costs (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Cost of Services** | **(448,7)** | **(382,3)** | **17,4%** | **(428,6)** | **4,7%** | **(1.692,0)** | **(1.565,1)** | **-7,5%** |
| Personnel | (98,6) | (83,8) | 17,7% | (92,2) | 6,9% | (371,3) | (362,8) | -2,3% |
| Third parties truck drivers | (252,2) | (207,6) | 21,5% | (236,1) | 6,8% | (939,3) | (829,3) | -11,7% |
| Fuel and lubricants | (11,5) | (11,7) | -1,7% | (14,9) | -22,8% | (53,5) | (45,5) | -15,0% |
| Parts / tires / maintenance | (22,7) | (23,6) | -3,8% | (25,0) | -9,2% | (106,9) | (91,3) | -14,6% |
| Depreciation / amortization | (39,0) | (30,3) | 28,7% | (34,5) | 13,0% | (122,1) | (137,1) | 12,3% |
| Others | (24,7) | (25,3) | -2,4% | (25,8) | -4,3% | (98,8) | (99,2) | 0,4% |

In 4Q20, the Cost of Services totaled R$448.7 million, up by 17.4% QoQ, in line with Net Revenue growth in the period. Independent Contractor and Third-party Truck Drivers account for the largest share of these costs and also recorded the highest increase compared to 3Q20. Compared to 4Q19, the increase in costs was lower than net revenue growth in the same period.

## EBITDA

EBITDA totaled R$81.8 million in 4Q20, up by 21.2% QoQ, while the EBITDA Margin on net revenue from services stood at 16.4%, up by 1.0 p.p. QoQ. Compared to 4Q19, EBITDA moved up 11.7% and the EBITDA Margin on net revenue from services rose 1.0 p.p. due to an increase in the volume transported in the quarter with a consequent dilution of fixed costs related to the volume and the consolidation of the Transmoreno.

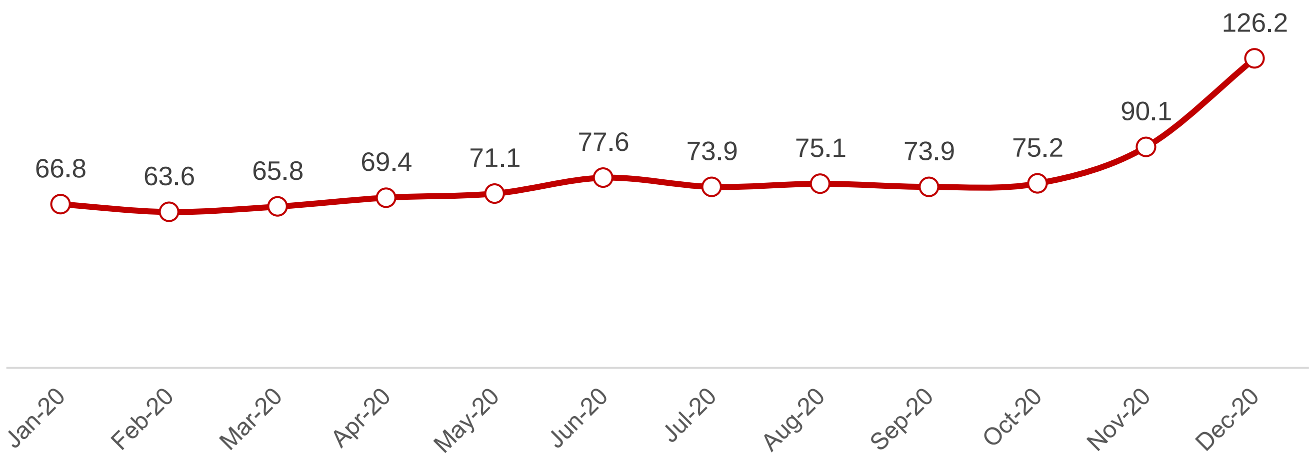
## Asset Heavy

The Asset-heavy operational profile corresponds to asset- and labor-intensive operations, which involves long-term contracts with price adjustments formulas aiming the maintenance of the contracted margins. The operating model integrated to the production process through customized solutions, high added value, a high degree of specialization and high customer loyalty, which gives us resilience to face economic cycles due to the combination of financial flows. This profile includes dedicated commodity logistics and charter for companies and rental with driver, in addition to almost all the operations of our subsidiary Fadel. We have an experienced and skilled team that designs projects and pricing structures that require investments in assets, in addition to a strong bargaining power when purchasing assets and inputs.

| Asset Heavy (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenue** | **358,3** | **305,7** | **17,2%** | **333,5** | **7,4%** | **1.285,9** | **1.188,8** | **-7,5%** |
| Deductions | (49,7) | (35,6) | 39,6% | (33,2) | 49,7% | (157,1) | (151,0) | -3,9% |
| **Net Revenue** | **308,6** | **270,1** | **14,3%** | **300,3** | **2,8%** | **1.128,8** | **1.037,8** | **-8,1%** |
| Net Revenue from Services | 291,6 | 222,9 | 30,8% | 250,7 | 16,3% | 1.033,6 | 928,8 | -10,1% |
| Net Revenue from Asset Sales | 17,1 | 47,2 | -63,8% | 49,6 | -65,5% | 95,2 | 109,1 | 14,6% |
| **Total Costs** | **(265,6)** | **(232,6)** | **14,2%** | **(256,3)** | **3,6%** | **(929,3)** | **(898,0)** | **-3,4%** |
| Cost of Services | (250,5) | (187,6) | 33,5% | (207,1) | 21,0% | (836,0) | (793,3) | -5,1% |
| Cost of Asset Sales | (15,1) | (45,0) | -66,4% | (49,2) | -69,3% | (93,4) | (104,7) | 12,1% |
| **Gross Profit** | **43,1** | **37,5** | **14,9%** | **44,1** | **-2,3%** | **199,5** | **139,9** | **-29,9%** |
| Operational Expenses | (26,8) | (7,5) | - | (16,0) | 67,5% | (52,2) | (33,3) | -36,1% |
| **EBIT** | **16,3** | **30,1** | **-45,8%** | **28,1** | **-42,0%** | **147,3** | **106,6** | **-27,7%** |
| *Margin (% NR from Services)* | 5,6% | 13,5% | -7,9 p.p. | 11,2% | -5,6 p.p. | 14,3% | 11,5% | -2,8 p.p. |
| **EBITDA** | **39,4** | **50,4** | **-21,8%** | **48,4** | **-18,6%** | **236,0** | **190,0** | **-19,5%** |
| *Margin (% NR from Services)* | 13,5% | 22,6% | -9,1 p.p. | 19,3% | -5,8 p.p. | 22,8% | 20,5% | -2,3 p.p. |

### Net Revenue from Services

Net Revenue from Services was resilient throughout 2020, a characteristic of Asset-heavy operations, despite the effects of the COVID-19 pandemic. Compared to 3Q20, Net Revenue from Services grew 30.8%, due to the consolidation of our subsidiary Fadel. Another reflection was a more consistent recovery of the charter and rental with driver business, due to the demands imposed by social distancing. Compared to 4Q19, growth reached 16.3% also heavily due to the consolidation of Fadel's revenue since its acquisition date, November 17, 2020.




### Net Revenue from the Sale of Assets

Net Revenue from the Sale of Assets totaled R$17.1 million in 4Q20, returning to pre-2Q20 levels after high demand for our assets in 3Q20, due to market shortage as automakers halted operations due to COVID-19.

## Costs

| Costs (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Cost of Services** | **(250,5)** | **(187,6)** | **33,5%** | **(207,1)** | **21,0%** | **(836,0)** | **(793,3)** | **-5,1%** |
| Personnel | (125,3) | (95,0) | 31,9% | (112,2) | 11,7% | (446,6) | (405,4) | -9,2% |
| Third parties truck drivers | (10,7) | (3,7) | 189,2% | (3,0) | - | (11,2) | (21,0) | 87,5% |
| Fuel and lubricants | (36,2) | (22,6) | 60,2% | (25,4) | 42,5% | (93,2) | (101,4) | 8,8% |
| Parts / tires / maintenance | (45,1) | (40,7) | 10,8% | (39,0) | 15,6% | (169,4) | (156,3) | -7,7% |
| Depreciation / amortization | (21,5) | (19,1) | 12,6% | (19,8) | 8,6% | (83,5) | (78,5) | -6,0% |
| Others | (11,7) | (6,6) | 77,3% | (7,6) | 53,9% | (32,1) | (30,7) | -4,4% |
| **Costs of Sales of Assets** | **(15,1)** | **(45,0)** | **-66,4%** | **(49,2)** | **-69,3%** | **(93,4)** | **(104,7)** | **12,1%** |
| **Total Costs** | **(265,6)** | **(232,6)** | **14,2%** | **(256,3)** | **3,6%** | **(929,3)** | **(898,0)** | **-3,4%** |

In 4Q20, the Cost of Services totaled R$250.5 million, up by 33.5% QoQ, close to Net Revenue growth in the period, chiefly due to the consolidation of our subsidiary Fadel. Compared to 4Q19, the nominal growth relates to the consolidation of Fadel.

## EBITDA

The EBITDA Margin stood at 13.5% in 4Q20, down by 5.8 p.p. YoY, due to the sugar and ethanol sector that, specially in 2020, started its off-season period in October – usually it is in early December. EBITDA Margin stood at 20.5% in 2020 despite the decrease on 4Q20.

# Investments

| Capex (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Gross capex by nature** | **57,7** | **53,9** | **7,1%** | **108,3** | **-46,7%** | **367,7** | **327,7** | **-10,9%** |
| Expansion | 55,3 | 49,9 | 10,8% | 97,4 | -43,2% | 295,2 | 310,7 | 5,3% |
| Maintenance | 2,4 | 4,0 | -40,0% | 10,9 | -78,0% | 72,5 | 17,1 | -76,4% |
| **Gross capex by type** | **57,7** | **53,9** | **7,1%** | **108,3** | **-46,7%** | **367,7** | **327,7** | **-10,9%** |
| Trucks | 17,7 | 11,8 | 50,0% | 61,3 | -71,1% | 188,8 | 172,7 | -8,5% |
| Machinery and Equipment | 5,7 | 11,9 | -52,1% | 16,2 | -64,8% | 38,2 | 44,0 | 15,2% |
| Light Vehicles | 22,1 | 13,5 | 63,7% | 18,2 | 21,4% | 62,2 | 53,7 | -13,7% |
| Bus | 4,1 | 9,9 | -58,6% | - | - | 41,7 | 22,7 | -45,6% |
| Others | 8,2 | 6,8 | 20,6% | 12,4 | -33,9% | 36,8 | 34,7 | -5,7% |
| **Usual sale of assets** | **29,9** | **73,6** | **-59,4%** | **58,0** | **-48,4%** | **169,3** | **173,7** | **2,6%** |
| **Total net capex** | **27,8** | **(19,7)** | **-** | **50,2** | **-44,6%** | **198,4** | **154,0** | **-22,4%** |

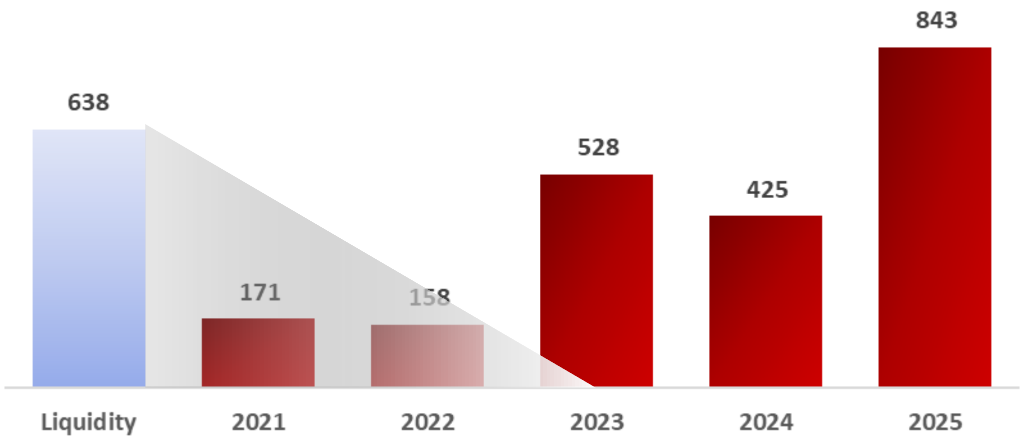
Gross Capex totaled R$57.7 million in 4Q20 (+7.1% QoQ and -46.7% YoY) and was mostly allocated to expansion, especially to serve new contracts in the Pulp and Paper, Chemical, Steelmaking and Mining sectors.

We point out that 63% of our current net revenue comes from asset-light operations, which means that growth in Logistics volume and revenue does not entail a proportional increase in net investment.

# Capital Structure

We further extended our net debt in 4Q20, from 2.6 years in December 2019 to 4.0 years in December 2020. We also reduced the average cost of net debt after taxes by 0.5 p.p., to % in 4Q20, down from 3.9% in 4Q19 to 3.4% in 4Q20.

**Gross Debt Amortization Schedule (R$ million)**




**Cash and debt evolution (R$ million)**

| Debt (R$ million) | 4Q19 | 3Q20 | 4Q20 |
|---|---|---|---|
| **Cash and Investments** | **69,6** | **979,3** | **639,2** |
| **Gross debt** | **3.171,3** | **2.301,0** | **2.271,5** |
| Confirming payable | - | 2,2 | 2,2 |
| Loans and financing | 1.522,3 | 1.014,7 | 1.011,2 |
| Debentures | 1.596,6 | 1.248,9 | 1.251,4 |
| Leasing payable | 116,4 | 81,2 | 62,0 |
| Financial instruments and derivatives | (64,0) | (46,0) | (55,3) |
| **Net Debt** | **3.101,7** | **1.321,7** | **1.632,3** |
| **Short-term gross debt** | **659,1** | **149,7** | **220,7** |
| **Long-term gross debt** | **2.512,1** | **2.151,3** | **2.050,7** |
| Average Cost of Net Debt (p.a.) | 5,9% | 5,4% | 5,2% |
| Average Costo of Net Debt after taxes | 3,9% | 3,6% | 3,4% |
| Average Cost of Gross Debt (p.a.) | 5,9% | 3,9% | 4,4% |
| Average term of net debt (years) | 2,6 | 4,4 | 4,0 |
| Average term of gross debt (years) | 2,6 | 3,5 | 3,3 |

**Leverage Indicators**

| Leverage (R$ million) | 4Q19 | 3Q20 | 4Q20 |
|---|---|---|---|
| Net Debt / EBITDA-A | 4,6x | 2,1x | 2,3x |
| Net Debt / EBITDA | 6,0x | 2,6x | 3,0x |
| EBITDA-A/ Financial Result | 2,5x | 4,0x | 3,8x |

JSL's Net Debt / EBITDA leverage indicator in 4Q20, considering Fadel's and Transmoreno's net debt and LTM EBITDA as of Dec/2020, is **3.0x**. This leverage position creates an opportunity for inorganic growth while respecting the leverage levels considered to be adequate by management. The acquired companies recorded leverage indicators below 3.0x in 2020 and therefore have contributed to the gradual reduction in the consolidated leverage indicator.

## Financial Result

| Financial Result (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Net financial interest** | **(45.3)** | **(41.9)** | **8.1%** | **(53.8)** | **-15.8%** | **(268.5)** | **(184.8)** | **-31.2%** |
| Financial Revenues | 29.5 | 11.7 | 152.1% | 12.2 | 141.8% | 72.6 | 59.9 | -17.5% |
| Financial Expenses | (74.8) | (53.6) | 39.6% | (66.0) | 13.3% | (341.1) | (244.7) | -28.3% |
| **Total** | **(45.3)** | **(41.9)** | **8.1%** | **(53.8)** | **-15.8%** | **(268.5)** | **(184.8)** | **-31.2%** |

The Financial result totaled a net expense of R$ 45.3 million in 4T20 versus a net expense of R$ 53.8 million in 4Q19, 15.8% reduction generally related to the reduction of interest rate (CDI) and the liability management undertook by the Company. In 4Q20, connected to the pre payments of R$ 908.1 million debt, we had a non-recurring expense of R$ 9.5 million, being R$ 8 million a write-off of deferred expenses – non cash. Its important to mention that approximately 25% of our debt is linked to IPCA which had a significant fluctuation during the last quarter of 2020. Additionally, we had other financial revenues and expenses totaled R$ 7.2 million (3Q20 = R$ 7.3 million) which includes the monetary adjustments of the acquisitions and tax payables and receivables, among others.

We also highlight the Treasury segment, which includes the notes issued by JSL while standing as the Holding company and that we were not able to change the issuer after the corporate reorganization, reached a net financial expense of R$ 9.5 million (Q320 = R$ 12 million), a drop 63.6% when compared with 4Q20.

## Free Cash Flow

The JSL free cash flow generated after growth and before interests amounted to R$ 398,0 million before financial result and investments for expansion, mainly to acquire trucks, light vehicles and machines and equipment for the new projects started on 2020. The cash generation presented does not consolidate the annual financial information of the companies acquired in 2020.

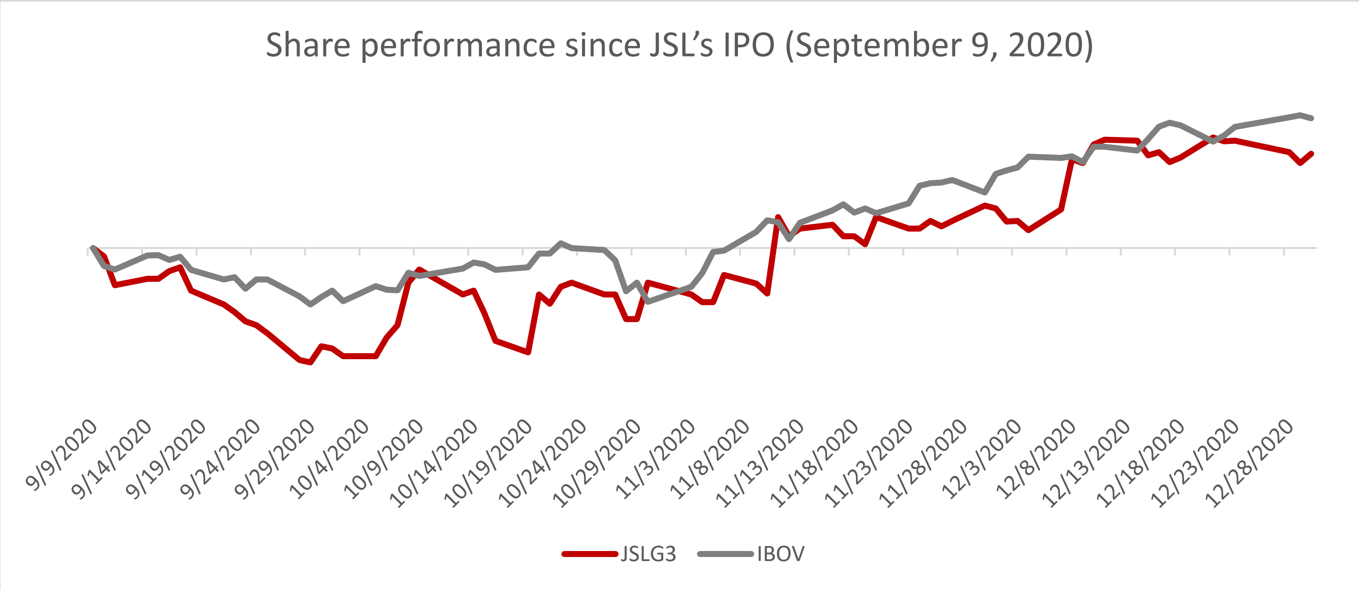
| Cash Flow (R$ million) | 2020 | 2019 | ▲ Y / Y |
|---|---|---|---|
| **Adjusted EBITDA** | 432 | 514 | -16% |
| Working Capital | 9 | (15) | -160% |
| Cost of asset sales for rent and provide services | 167 | 161 | 4% |
| Expansion Capex | (68) | (72) | -6% |
| Non cash and others | 3 | (18) | -117% |
| EBITDA | 432 | 514 | -16% |
| **Cash generated by operational activities** | 543 | 570 | -5% |
| (-) Income tax and social contribution paid | (110) | (7) | 1471% |
| (-) other Capex | (35) | (37) | -5% |
| **Cash generated before growth** | 398 | 526 | -24% |
| (-) Expansion Capex | (225) | (258) | -13% |
| (-) Companies acquisition | (150) | - | 100% |
| **Free cash flow** | 23 | 268 | -91% |

## Profitability

| | 2020 | 4Q20 Annualized |
|---|---|---|
| Adjusted EBIT | 211,2 | 254,5 |
| Effective rate of the Logistics segment | -22% | -22% |
| NOPLAT | 164,7 | 198,5 |
| | | |
| Current period net debt | 1.632,1 | 1.632,1 |
| Previous period net debt | 3.101,7 | 1.321,7 |
| **Average net debt** | **2.366,9** | **1.476,9** |
| | | |
| Current period equity | 707,1 | 707,1 |
| Previous period equity | -812,2 | 1.069,8 |
| **Average equity** | **-52,6** | **888,5** |
| | | |
| Current period invested capital | 2.339,3 | 2.339,3 |
| Previous period invested capital | 2.289,5 | 2.391,5 |
| **Average invested capital** | **2.314,4** | **2.365,4** |
| | | |
| ROIC | 7,1% | 8,4% |

JSL's annualized quarterly ROIC was 8.4%, or 1.3 p.p. higher than 2020 ROIC, due to our margins increase and consequently ROIC because of the gradual return of economy during 2020. Additionally annualized ROIC includes Transmoreno and Fadel, which we have consolidated since October 30, 2020 and November 17, 2020, respectively.

# JSLG3




At the close of December 2020, JSLG3 was priced at R$10.82, representing a potential appreciation of 26% compared to the average of the five target prices of the analysts that cover the paper – BTG Pactual, Eleven Financial Research, Itaú BBA, JP Morgan and Nau Securities Limited. Below is a summary table with the available coverage reports.

| Company | Analyst | Recommendation | Target Price |
|---|---|---|---|
| BTG | Lucas Marquiori | Buy | R$ 13 |
| Eleven | Alexandre Kogake | Buy | R$ 13 |
| Itaú | Thais Cascello | Buy | R$ 15 |
| JP Morgan | Fernando Abdala | Buy | R$ 14 |
| NAU | Alejandro Demichelis | Buy | R$ 13 |

# Reconciliation of Net Income and EBITDA

| Reconciliation of Net Income (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| **Logistics Net Income** | **36,8** | **25,4** | **44,9%** | **31,2** | **17,9%** | **114,1** | **84,8** | **-25,7%** |
| Amortization over price allocation | 5,5 | 1,2 | **0,0%** | 1,3 | 0,0% | 5,1 | 7,8 | 0,0% |
| Taxes over adjusts | (1,2) | (0,3) | **0,0%** | (0,3) | 0,0% | (1,1) | (1,7) | 0,0% |
| **Net income ex-agio** | **34,8** | **18,4** | **0,0%** | **15,8** | **0,0%** | **32,2** | **47,0** | **0,0%** |
| Donatives COVID-19 | 0,3 | 1,6 | **0,0%** | - | 0,0% | - | 5,4 | 0,0% |
| Other IPO expenses | - | 0,5 | **0,0%** | - | 0,0% | - | 0,5 | 0,0% |
| Corporate reorganizaion | 1,2 | 0,4 | **0,0%** | 0,1 | 0,0% | 1,2 | 1,6 | 0,0% |
| Acquisition expenses | 0,6 | 0,3 | **0,0%** | 0,2 | 0,0% | 0,3 | 0,9 | 0,0% |
| JSL split effects | - | - | **0,0%** | (3,8) | 0,0% | (5,1) | - | 0,0% |
| Taxes over adjusts | (0,5) | (0,6) | **0,0%** | (0,1) | 0,0% | (0,3) | (1,9) | 0,0% |
| **Net income cons adjusted** | **36,4** | **20,5** | **77,6%** | **12,2** | 198,4% | **28,3** | **53,5** | 89,0% |
| **Net margin cons adjusted** | **4,4%** | **2,8%** | **+1,6 p.p.** | **1,6%** | **+2,8 p.p.** | **0,9%** | **1,9%** | **+1,0 p.p.** |
| Net income Treasury | (4,1) | (8,0) | -48,8% | (16,4) | -75,0% | (85,8) | (41,7) | -51,4% |
| **Net income logistic Adj** | **42,7** | **28,5** | **49,8%** | **28,6** | **49,3%** | **114,1** | **97,4** | **-14,6%** |
| **Net margin logistic adj** | **5,2%** | **3,9%** | **+1,3 p.p.** | **3,7%** | **+1,5 p.p.** | **3,7%** | **3,4%** | **-0,3 p.p.** |
| **Consolidated net income** | **36,4** | **20,5** | **77,6%** | **12,2** | **198,4%** | **28,3** | **53,5** | **89,4%** |

Note: Adjusted net income excludes the non-recurring effects of acquisition expenses and additional expenses connected with the provision of free services to support initiatives against COVID-19 and the corporate reorganization, as well as other public share offering expenses.

Logistics Adjusted Net Income reached R$42.7 million in 4Q20, 49.8% higher than in 3Q20. The Adjusted Net Margin also grew, reaching 5.2% in 4Q20, an increase of 1.3 p.p. compared to 3Q20, mainly due to optimization of the capital structure and an improved operating margin, as explained earlier. Compared to 4Q19, Logistics Adjusted Net Income increased 49.3%.

| EBITDA Reconciliation (R$ million) | 4Q20 | 3Q20 | ▲ Q / Q | 4Q19 | ▲ Y / Y | 2019 | 2020 | ▲ Y / Y |
|---|---|---|---|---|---|---|---|---|
| Total Net Income | 30,5 | 17,4 | 75,3% | 14,8 | 106,1% | 28,2 | 41,0 | 45,4% |
| Financial Result | 45,3 | 41,9 | 8,1% | 53,8 | -15,8% | 268,5 | 184,8 | -31,2% |
| Taxes | (18,4) | 4,3 | - | (5,9) | - | (12,7) | (28,9) | 127,6% |
| Depreciation and Amortization | 61,7 | 53,1 | 16,2% | 57,6 | 7,1% | 224,9 | 229,6 | 2,1% |
| Amortization (IFRS 16) | 2,0 | 1,2 | 66,7% | 1,1 | 81,8% | 5,1 | 5,1 | 0,0% |
| **EBITDA** | **121,1** | **118,0** | **2,6%** | **121,5** | **-0,3%** | **514,0** | **431,5** | **-16,1%** |
| Donatives COVID-19 | 0,3 | 1,5 | 0,0% | - | - | - | 5,0 | 0,0% |
| Corporate reorganizaion | 1,2 | 0,4 | 0,0% | 0,1 | - | 1,2 | 1,6 | 0,0% |
| Other IPO expenses | - | 0,5 | 0,0% | - | - | - | 0,5 | 0,0% |
| Acquisition expenses | 0,6 | 0,3 | 0,0% | 0,3 | 100,0% | 0,3 | 0,9 | 0,0% |
| **Adjusted EBITDA** | **123,2** | **120,7** | **2,1%** | **121,9** | 1,1% | **515,5** | **439,6** | -14,7% |
| **Adjusted EBITDA Margin** | **15,1%** | **16,5%** | -1,4 p.p. | **15,6%** | -0,5 p.p. | **16,6%** | **15,5%** | -1,1 p.p. |

Note: Adjusted EBITDA excludes the non-recurring effects of acquisition expenses and additional expenses connected with the provision of free services to support initiatives against COVID-19 and the corporate reorganization, as well as other public share offering expenses.

Adjusted EBITDA reached R$123.2 million in 4Q20, 2.1% higher than in 3Q20, 2.1% higher than 3Q20. The Adjusted EBITDA Margin came to 15.1% in 4Q20, a decrease of 1.4 p.p. from 3Q20 and 0.5 p.p. from 4Q19. This margin reduction was due to the operating result in 2020, combined with an increase in Net Revenue in 4Q20 compared to 3Q20 and 4Q19.

## Exhibit

| Assets (R$ million) | 4Q20 | 3Q20 | 4Q19 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 64.6 | 82.4 | 54.6 |
| Securities | 573.9 | 896.9 | 15.0 |
| Financial instruments and derivatives | 14.2 | 13.2 | 32.2 |
| Accounts receivables | 856.6 | 711.0 | 674.0 |
| Inventory | 44.9 | 46.5 | 28.4 |
| Recoverable taxes | 101.3 | 51.1 | 54.5 |
| Income tax and social contribution | 158.7 | 250.8 | 126.6 |
| Other credits | 12.4 | 22.0 | 29.3 |
| Advance to third parties | 28.7 | 29.2 | 46.4 |
| Prepaid Expenses | 14.8 | 18.0 | 13.9 |
| Dividends receivable | - | - | - |
| Assets availablle for sales (fleet renewal) | 30.5 | 55.5 | 107.0 |
| Related Parties | - | - | - |
| Other intercompany credits | - | - | - |
| **Total current assets** | **1,900.4** | **2,176.6** | **1,182.0** |
| **Non-current assets** | | | |
| **Non-current** | | | |
| Securities | 0.8 | - | - |
| Financial instruments and derivatives | 41.1 | 32.8 | 31.8 |
| Accounts receivables | 13.8 | 12.8 | 16.8 |
| Recoverable taxes | 55.4 | 54.3 | 63.8 |
| Deposit in court | 48.6 | 45.4 | 53.5 |
| Deferred Income Tax and social contribution | 37.3 | 17.4 | 14.0 |
| Related parties | 1.5 | 0.0 | - |
| Indemnization asset | 103.8 | | |
| Other credits | 8.0 | 3.4 | 2.4 |
| Income tax and social contribution | 59.9 | 20.5 | 20.5 |
| Anticipated expenses | - | - | - |
| | - | - | - |
| **Total** | **370.2** | **186.7** | **202.8** |
| Investments | - | - | - |
| Property, plant and equipment | 1,811.7 | 1,563.6 | 1,480.6 |
| Intangible | 756.5 | 259.8 | 260.5 |
| **Total** | **2,568.2** | **1,823.5** | **1,741.1** |
| **Total Non-current assets** | **2,938.3** | **2,010.1** | **1,943.9** |
| **Total Assets** | **4,838.8** | **4,186.7** | **3,125.9** |

| Liabilities (R$ million) | 4Q20 | 3Q20 | 4Q19 |
|---|---|---|---|
| **Current liabilities** | | | |
| Loans and financing | 60.0 | 38.2 | 184.9 |
| Debentures | 154.6 | 78.3 | 451.9 |
| Leasing payable | 18.2 | 31.0 | 54.5 |
| Lease for right use | 34.8 | 34.9 | 35.9 |
| Suppliers | 139.4 | 114.7 | 81.4 |
| Confirming payable | 2.0 | 2.2 | - |
| Floor Plan | - | - | - |
| Labor obligations | 151.5 | 157.9 | 128.1 |
| Tax liabilities | 50.1 | 33.2 | 43.7 |
| Accounts payable and advances from customers | 64.5 | 85.8 | 35.0 |
| Related parties | 62.4 | - | - |
| Advances from customers | 18.7 | 10.3 | 8.1 |
| Dividends and interest on company capital payable | 32.9 | - | - |
| Income tax and Social Contribution payable | 5.9 | 0.2 | 0.0 |
| Obligations payable due to companies acquired | 150.7 | - | - |
| Provision for losses | - | - | - |
| **Total Current liabilities** | **945.6** | **586.7** | **1,023.6** |
| **Não circulante** | | | |
| Loans and financing | 951.2 | 976.5 | 1,337.4 |
| Debentures | 1,096.8 | 1,170.6 | 1,144.7 |
| Leasing payable | 43.9 | 50.2 | 61.9 |
| Lease for right use | 174.6 | 194.8 | 172.3 |
| Related parties | 1.5 | - | - |
| Floor plan | - | - | - |
| Financial instruments and derivatives | - | - | - |
| Taxes payable | 15.8 | 0.8 | 0.8 |
| Provision for litigation and administrative demands | 165.7 | 38.0 | 48.5 |
| Deferred Income tax and Social Contribution | 92.6 | 14.3 | 55.3 |
| Obligations payable due to companies acquired | 280.5 | 78.6 | - |
| Accounts payable and advances from customers | 5.4 | 6.5 | 93.7 |
| Acquired companies payable | - | - | - |
| Liabilitites for shareholders' | - | - | - |
| **Total Non-current liabilities** | **2,828.0** | **2,530.3** | **2,914.6** |
| **Total Equity** | **1,065.1** | **1,069.8** | **(812.2)** |
| **Total Liabilities** | **4,838.8** | **4,186.7** | **3,125.9** |

## Glossary

**EBITDA-A or EBITDA Added** – Represents EBITDA plus the residual costs associated with the sale of fixed assets, which does not represent operational cash disbursements, as they are merely an accounting representation of the write-off of assets at the time of sale. Thus, the Company's management believes that EBITDA-A is a better measure of operating cash flow than traditional EBITDA, representing the Company's capacity to meet its financial obligations.

**IFRS16** – The International Accounting Standards Board (IASB) issued standard CPC 06 (R2)/IFRS 16, which requires tenants to recognize most of the leases in the balance sheet, being registered as a liability for future payments and an asset for the right of use. The standard came into force on January 1, 2019.

**RSC or Revenue from Same Contracts** – Revenue from existing contracts in a comparison period.

**Dedicated Services or Services Dedicated to the Supply Chain** – Services provided in an integrated and customized way for each client, which include managing the flow of inputs/raw materials and information from the supplier through entry of the materials into the clients' facilities (Inbound operations), the outflow of products from the clients' facilities to the point of consumption (Outbound operations), product handling, inventory management, Reverse Logistics and Warehousing.

## Additional Information

This Earnings Release is intended to detail JSL S.A.'s financial and operating results in the fourth quarter of 2020, considering the effects of the corporate reorganization approved at the Extraordinary Shareholders' Meeting (ESM) held on August 5, 2020. The financial information is presented in millions of Reais, unless otherwise indicated. The Company's interim financial information is prepared in accordance with the Brazilian corporate law and is presented on a consolidated basis in accordance with CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the IASB. The comparisons refer to the revised data for 4Q20, 4Q19 and 3Q20, except where indicated.

As of January 1, 2019, the JSL Group adopted CPC 06 (R2)/IFRS 16 in its financial statements for 1Q19. None of the changes leads to the restatement of the financial statements already published.

## Disclaimer

We make forward-looking statements that are subject to risks and uncertainties. Such statements are based on the beliefs and assumptions of our Management and information to which the Company currently has access. Statements about future events include information about our intentions, beliefs or current expectations, as well as those of the members of the Company's Board of Directors and Officers.

Disclaimers with respect to forward-looking information and statements also include information on possible or presumed operating results, as well as statements that are preceded, followed or that include the words "believes," "may," "will," "continue", "expects", "predicts", "intends", "plans", "estimates" or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions as they relate to future events, depending, therefore, on circumstances that may or may not occur. Future results and the creation of shareholder value may differ materially from those expressed or implied by the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

## Conference Call and Webcast

**Date:** March 9, 2021, Tuesday.

**Time:** 11 a.m. (Brasília)
9 a.m. (New York) – with simultaneous interpretation into English

**Telephones:**

| | |
|---|---|
| **Brazil:** | +55 (11) 3127-4971 |
| **Other countries:** | +1 (516) 300-1066 |

**Access code:** JSL

**Webcast:** www.jsl.com.br/ri

Webcast access: The presentation slides will be available for viewing and downloading in the Investor Relations section of our website www.jsl.com.br/ri. The audio for the conference call will be broadcast live on the platform and will be available after the event.

**For more information, please contact the Investor Relations Department:**

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