

FINANCIAL STATEMENT

3Q22

Centro de Distribuição

TPC		INDUSTRIAL GERAL - CICLO 10/2022		INDUSTRIAL GERAL - Ciclo 09/2022	
17.488	4.023	296.942	296.942	296.942	296.942
Total de Pedidos	Pedidos concluídos	Calor concluído	Calor concluído	Calor concluído	Calor concluído
4.023	74	379	1.491	1.491	1.491
Realizado	Pedidos com erro	Calor com erro (KWh)	Calor com erro (KWh)	Calor com erro (KWh)	Calor com erro (KWh)
100%	0%	0%	0%	0%	0%
23,0%	16,7%	91,07%	91,50%	91,50%	91,50%

Contents

Management Report..... 3
Statements of financial position - Assets..... 22
Statements of financial position - Liabilities..... 23
Statements of profit or loss..... 24
Statements of comprehensive income..... 25
Statements of changes in equity..... 26
Statements of cash flows - indirect method..... 27
Statements of value added..... 28
Notes to the individual and consolidated financial statements..... 29



São Paulo, November 03, 2022 - JSL S.A. (B3: JSLG3) ("JSL") announces its results for the 3Q22.

JSL REPORTS EBITDA OF BRL 299 MILLION WITH 19% MARGIN IN 3Q22; GROSS REVENUE REACHES BRL 1.9BN IN THE QUARTER, UP 36%.

- **Gross Revenue** increased **36%** vs. 3Q21 and 12.5% vs. 2Q22, reaching BRL 1.9 billion, evidencing the company's new revenue level;
- **Net Revenue from Services** recorded **BRL 1.6 billion**, up 37% in the year-over-year comparison and 14% quarter-over-quarter;
- The **gross revenue organic growth** for the six acquired companies is 40%, demonstrating the competitive advantage of being part of JSL, a market leader with large scale;
- **EBITDA** reaches **BRL 298.9 million** in 3Q22, a growth of 51% vs. 3Q21 and 19% vs. 2Q22;
- **EBITDA margin of 19% in the quarter**, reflecting contract pricing and performance discipline, evolution in the operational efficiency agenda and optimization of the asset base;
- **Adjusted Net Income of BRL 42.2 million**, a growth of 23% vs 2Q22 and a reduction of 38% vs 3Q21;
- **Reduction of leverage** net debt/EBITDA to 3.25x and net debt/EBITDA-A to 2.83x, due to accelerated EBITDA growth and discipline in capital allocation;
- **LTM ROIC of 13.7%, up 1.4 p.p vs 3Q21**, reflecting our ability to balance accelerated growth with profitability. Annualized ROIC for 3Q22 reaches **16.9%**.

Financial Highlights Summary (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y	3Q22 Annualized
Gross Revenue	1,918.3	1,407.4	36.3%	1,704.7	12.5%	5,165.9	3,566.0	44.9%	7,673.3
Gross Revenue from Services	1,862.1	1,379.3	35.0%	1,636.4	13.8%	5,011.8	3,501.9	43.1%	7,448.5
Gross Revenue from Asset Sales	56.2	28.0	100.4%	68.3	-17.7%	154.1	64.1	140.5%	224.8
Net Revenue	1,624.8	1,177.8	38.0%	1,438.7	12.9%	4,360.0	2,968.3	46.9%	6,499.3
Net Revenue from Services	1,570.8	1,150.1	36.6%	1,372.7	14.4%	4,211.1	2,905.8	44.9%	6,283.2
Net Revenue from Asset Sales	54.0	27.6	95.6%	66.0	-18.1%	148.8	62.5	138.3%	216.1
Adjusted EBIT¹	229.7	141.9	61.8%	184.9	24.2%	577.2	288.2	100.3%	918.7
Margin (% NR from Services)	14.6%	12.3%	+2.3 p.p.	13.5%	+1.2 p.p.	13.7%	9.9%	+3.8 p.p.	14.6%
Adjusted¹ Net Income	42.2	68.2	-38.1%	34.2	23.5%	113.6	160.6	-29.3%	168.8
Margin (% NR)	2.6%	5.8%	-3.2 p.p.	2.4%	+0.2 p.p.	2.6%	5.4%	-2.8 p.p.	2.7%
Adjusted EBITDA¹	298.9	198.3	50.8%	250.7	19.2%	769.2	449.9	71.0%	1,195.8
Margin (% NR from Services)	19.0%	17.2%	+1.8 p.p.	18.3%	+0.8 p.p.	18.3%	15.5%	+2.8 p.p.	19.0%
Net CAPEX	304.4	241.3	26.2%	220.8	37.9%	739.4	384.4	92.3%	

¹EBIT, EBITDA and adjusted Net Income in 9M21 according to previously disclosed. Adjusted Net Income in 2Q22 and 3Q22 exclude the amortization of PPA from acquisitions in the amount of R\$4.3mm and R\$4.8mm, respectively.

Message From The Management

Greetings,

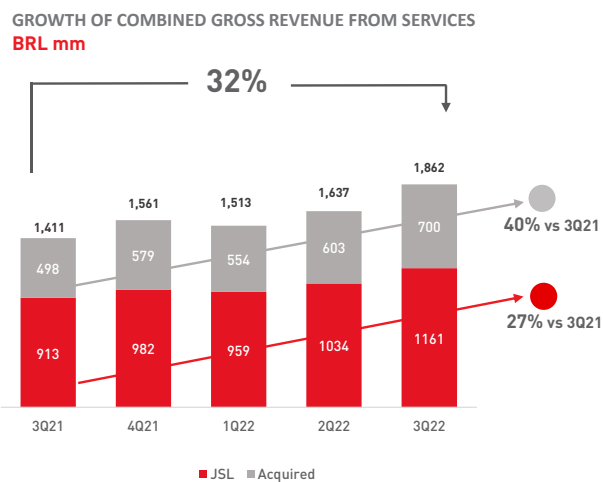
We are very happy to report another quarter of solid operating results that demonstrates **JSL's scale transformation**. We grew revenue with increased profitability and leverage reduction, as a result of the consolidation of a unique and resilient business model, through the diversification of services in various sectors of the real economy and with predictable revenues from long-term contracts and relationships.

Throughout 2022 we have been monitoring the performance of our contracts. Even in a scenario still pressured on the input price base, the company presented an important evolution in its operating margins, reflecting the effectiveness of our **operational efficiency initiatives and capital allocation**.

With the deployment of new projects and the pass-through of cost inflation, we reached **Gross Revenue of BRL 1.9 billion** in 3Q22, a growth of 36% vs. 3Q21 and 13% vs. 2Q22. Revenue registered an increase in all of our acquired companies in the main sectors we serve. As an example, it is worth mentioning our continuous quarterly growth in the Automotive sector, which even with the crisis in the supply chain, reached more than BRL 355 million in Gross Revenue from Services in 3Q22 (19% of total Gross Revenue from Services). This demonstrates JSL's capacity to grow in the sectors in which it operates and meet our clients' needs as an **integrated logistics operator**, with **execution capacity** and a track record of **quality** in serving clients.







We have a **broad portfolio of competencies**, cross-selling potential, a strong customer base, and an expanding geographic reach. Our strategy to keep independent management teams dedicated to the development of each one of the acquired companies continues to prove very assertive. When we combine the scale and balance sheet structure of JSL with the expertise and technical quality of these companies, growth opportunities multiply.

On a combined view, JSL expanded its Gross Revenue from Services by 32% vs. 3Q21 and 14% vs. 2Q22, while the **six companies acquired since our IPO grew their Gross Revenue from Services by 40%** vs. 3Q21 and 16% vs. 2Q22.









The successful consolidation of the acquired companies since the IPO also supports our revenue base. The organic growth of all of our companies came in very robust, without sector dependence, as can be seen in the tables below:

ACCELERATED GROWTH¹ IN ALL COMPANIES

Company	YoY %
 TRUCKPAD	204%
 Rodomeu	103%
 M&F	89%
 MARVEL	75%
 JSL	27%
 FADEL	21%
TPC	16%
TOTAL	32%

GROWTH¹ IN THE VARIOUS SECTORS OF THE REAL ECONOMY

Sector	YoY %
Food and Beverage 	59%
Automotive 	57%
Pulp & Paper 	27%
Metals and Mining 	21%
Consumer Goods 	-2%
Other 	18%
TOTAL	32%

¹ Growth of the combined gross revenue from service in the quarterly comparison (3Q22 x 3Q21)

The numbers incorporate a **very strong pace of organic growth**, mostly within our customer base, and our **high capacity for project deployment**. Yet, a part of the new contracts signed during 2022 has not yet impacted our results, especially the new project in South Africa, signed during 2Q22, that initiated in October this year and which flows should be completely incorporated to the results in the beginning of 2023. If we consider annualized figures for 3Q22, JSL's revenue would be BRL 7.7 billion.

With a differentiated positioning in the entire logistics chain, we have advanced in our growth agenda. We signed **BRL 590 million in new contracts**, with an average term of 46 months, 93% of them in our customer base (cross selling). We are increasingly **diversifying our services in our customer portfolio and sectors of the economy**. The new projects are especially dedicated to the food and beverage sectors (50% of new contracts). Regarding the operational segments, 73% of the contracts are in Cargo Transportation, 15% in Dedicated Operations, 10% in Urban Distribution, and the remaining 2% in Warehousing. Added to the contracts closed until 2Q22, we have reached BRL 2.7 billion of new contracts signed throughout 2022.

JSL's **execution capacity and service level** are the greatest drivers of its growth. The macroeconomic scenario of high interest rates and inflation has challenged small and medium-sized companies in the sector. Consequently, JSL's **financial robustness and investment capacity** have become additional competitive advantages in a clear fly-to-quality market movement. We understand our clients' needs through active contract management and, with agility and quality, we exceed their expectations in the service provided.

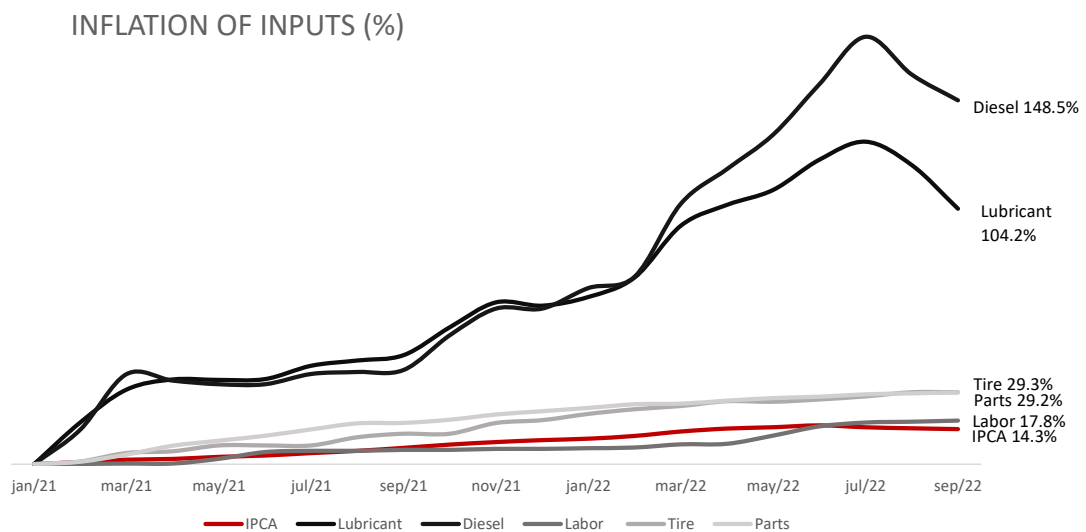
In the quarter, we had the recognition of our commitment and effort with the awards received as **best service provider** by Klabin and **best logistics operator** (through TPC) by Natura & Co, with a maximum score of 100% in the SLA - Service Level Agreement Evaluation. This shows our commitment with being the best logistics operator to our clients.

Our **growth is based on profitability and financial discipline**. As mentioned in the 2Q22 release, we continue to focus on renegotiating our contracts and on operational efficiency projects to reduce administrative expenses in addition to having absolute **discipline in cost management**. The successful execution of our strategic plan, the offer of more value-added services, and the search for quality in the market also allow us to **allocate capital more efficiently** and in projects with a higher return on invested capital. And we already see the impact of our active management on margins.



EBITDA in the quarter reached BRL 298.9 million, a growth of 51% over last year's EBITDA and 19% vs. 2Q22. **EBITDA Margin** on Service Net Operating Revenue in the quarter was **19%**, expanding by 1.8 p.p. vs. 3Q21 and 0.8 p.p. vs. 2Q22. If we annualize 3Q22 figures, we would reach an EBITDA of BRL 1.2 billion, reinforcing the new level of JSL. This operating performance fills us with pride and reflects the tireless work of our people.

Although inflation has cooled down in intensity, it still has an impact on JSL's input base. We remain focused on **maintaining the profitability balance of our contracts** and on reducing the time lag of adjustments in relation to the increase in costs. However, the high-interest rate environment continues to impact our financial expense and, consequently, net income. In this quarter, we reported Adjusted Net Income of BRL 42.2 million, with a margin of 2.6%.



The consolidation of an integrated logistics operator's business model, with **active management of our customers' supply chain** ("4PL concept"), allows us to add more value and offer new solutions to the logistics chain. Added to the **growing capillarity of** our operations, both in sectors of the economy and geography, we expect the results to increasingly reflect the work done.

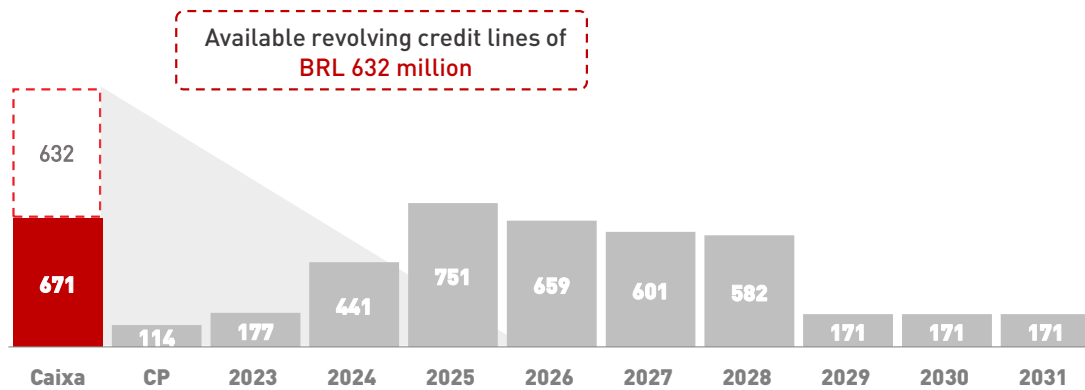
To support the growth of our revenue with fleet deployment to meet the new contracts, **Net Capex** for the period closed at **BRL 304.4 million**, 61% of which was for expansion, ensuring growth for the coming periods in contracts of greater profitability and diversification that will reflect in greater resilience of results.

LTM ROIC in 3Q22 was **13.7%**, 1.4 p.p. growth over 3Q21 and 0.7 p.p. vs. normalized 2Q22 numbers, as previously reported. The figures prove the **continuous expansion of our value proposition**, with optimization of capital allocation, selection of contracts with adequate profitability, and effective management of the cost structure. We remain committed to grow with operational efficiency, profitability, and financial discipline. **Annualized ROIC** for 3Q22 reached **16.9%**.

We maintained a **solid balance sheet** and ended the quarter with a Cash position of BRL 670.6 million, in addition to BRL 1.1 billion in revolving undrawn credit lines. The liquidity sources of BRL 1.8 billion are sufficient to cover our short-term financial obligations by 15.4 times. Net debt was BRL 3,168.1 million. Due to the growth of our cash generation, **we reduced our leverage to 3.2x**, considering the Company's LTM EBITDA. Considering 3Q22 annualized EBITDA, leverage stood at 2.7x, with an extended debt maturity schedule and a **strong base to support new growth opportunities**.



AMORTIZATION SCHEDULE BRL mm



For JSL, the safety of our People is a non-negotiable value. Through the **Zero Accident Safety Culture Program**, we have reached 1,500 days without accidents in the operation of ATVOS (Alto Taquari/MT) thanks to the high level of engagement from leaders and teams. We also launched in the quarter the second edition of the **Women Behind the Wheel** program, one of our people development programs that provides women practical and theoretical training. This edition will be aimed at Forklift truck operators in Uberaba/MG, in partnership with one of our customers.

For the third consecutive year, we won the **Gold Seal in the Brazilian GHG Protocol Program**, reflecting the transparency, traceability and reliability of inventory in our reporting efforts.

We continue to create value to our businesses, showing **consistent results** and positively impacting the ecosystem around us. We have built a strong foundation to sustain JSL's disciplined growth, with management focused on contract quality and profitability. Our **innovative logistics solutions** enable us to deliver a unique value proposition with agility, adaptability, and improved customer experience. We believe in the transformational potential resulting from the combination of JSL's scale and capillarity, the expertise of our subsidiaries, and technology as a pillar of our strategic direction.

We thank each of our 28,000 direct employees, 55,000 third-party and independent drivers, and our customers and investors for their trust, and we remain steadfast in our **journey of growth and transformation of the logistics sector**, certain that there is much more to come!

Thank you very much,

Ramon Alcaraz
JSL CEO



The financial information presented below complies with IFRS accounting principles (International Financial Reporting Standards). The results are presented on a consolidated basis. Information of the subsidiaries TransMoreno, Fadel, Rodomeu, TPC, Marvel and Truckpad is consolidated as from the acquisition dates, respectively 10/30/2020, 11/17/2020, 05/15/2021, 06/15/2021, 07/30/2021 and 05/26/2022.

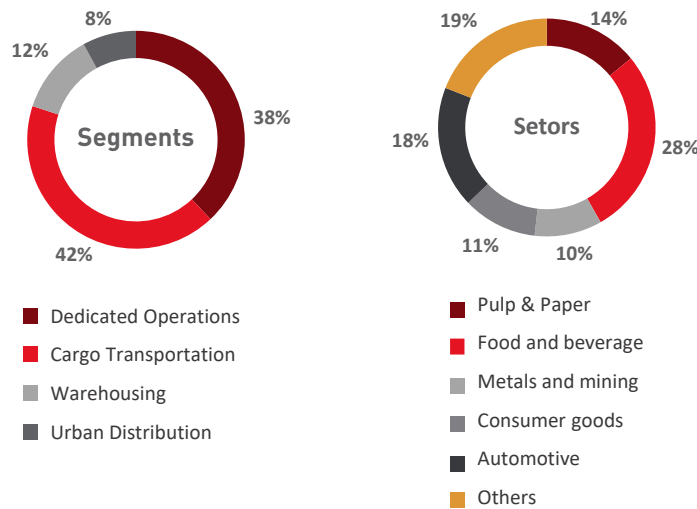
Consolidated Results

Consolidated (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Gross Revenue	1,918.3	1,407.4	36.3%	1,704.7	12.5%	5,165.9	3,566.0	44.9%
Gross Revenue from Services	1,862.1	1,379.3	35.0%	1,636.4	13.8%	5,011.8	3,501.9	43.1%
Gross Revenue from Asset Sales	56.2	28.0	100.4%	68.3	-17.7%	154.1	64.1	140.5%
Net Revenue	1,624.8	1,177.8	38.0%	1,438.7	12.9%	4,360.0	2,968.3	46.9%
Net Revenue from Services	1,570.8	1,150.1	36.6%	1,372.7	14.4%	4,211.1	2,905.8	44.9%
Dedicated Operations	598.5	409.4	46.2%	533.3	12.2%	1,609.5	1,126.4	42.9%
Cargo Transportation	655.5	446.9	46.7%	536.9	22.1%	1,669.6	1,163.5	43.5%
Urban Distribution	127.5	135.3	-5.8%	125.9	1.2%	397.9	357.0	11.4%
Warehousing	189.4	158.5	19.5%	176.6	7.2%	534.1	258.9	106.3%
Net Revenue from Asset Sales	54.0	27.6	95.6%	66.0	-18.1%	148.8	62.5	138.3%
Total Costs	(1,322.7)	(978.5)	35.2%	(1,203.9)	9.9%	(3,622.0)	(2,510.1)	44.3%
Cost of Services	(1,283.4)	(958.2)	33.9%	(1,147.4)	11.9%	(3,505.0)	(2,461.4)	42.4%
Cost of Asset Sales	(39.3)	(20.3)	93.4%	(56.5)	-30.5%	(116.9)	(48.7)	140.1%
Gross Profit	302.1	199.2	51.7%	234.8	28.7%	738.0	458.2	61.1%
Operational Expenses	(79.8)	(62.5)	27.7%	(56.7)	n.a	(181.6)	(82.1)	121.3%
EBIT	222.4	136.8	62.6%	178.1	24.8%	556.4	376.1	47.9%
Margin (% NR from Services)	14.2%	11.9%	+2.3 p.p.	13.0%	+1.2 p.p.	13.2%	12.9%	+0.3 p.p.
Financial Result	(172.0)	(50.5)	240.6%	(143.3)	20.1%	(427.6)	(110.1)	288.4%
Financial Revenues	15.1	16.3	-7.4%	20.0	-25%	60.6	35.4	71.0%
Financial Expenses	(187.1)	(66.8)	180.1%	(163.3)	14.6%	(488.1)	(145.5)	235.5%
Taxes	(13.0)	(3.2)	n.a	(5.0)	n.a	(28.6)	(47.8)	n.a
Net Income (Loss)	37.4	83.1	-55.0%	29.9	25.2%	100.3	218.3	-54.1%
Margin (% NR)	2.3%	7.1%	-4.8 p.p.	2.1%	+0.2 p.p.	2.3%	7.4%	-5.1 p.p.
EBITDA	298.9	198.3	50.8%	250.7	19.2%	769.1	537.8	43.0%
Margin (% NR from Services)	19.0%	17.2%	+1.8 p.p.	18.3%	+0.8 p.p.	18.3%	18.5%	-0.2 p.p.
EBITDA-A	338.2	218.6	54.7%	307.2	10.1%	886.1	586.5	51.1%
Margin (% NR from Services)	21.5%	19.0%	+2.5 p.p.	22.4%	-0.9 p.p.	21.0%	20.2%	+0.9 p.p.
Net CAPEX	304.4	241.3	26.2%	220.8	37.9%	739.4	384.4	92.3%
Adjusted¹ EBITDA	298.9	198.3	50.8%	250.7	19.2%	769.1	449.9	71.0%
Margin (% NR from Services)	19.0%	17.2%	+1.8 p.p.	18.3%	+0.8 p.p.	18.3%	15.5%	+2.8 p.p.
Adjusted¹ EBIT	229.7	141.9	61.8%	184.9	24.2%	577.2	288.2	100.3%
Margin (% NR from Services)	14.6%	12.3%	+2.3 p.p.	13.5%	+1.2 p.p.	13.7%	9.9%	+3.8 p.p.
Adjusted¹ Net Income	42.2	68.2	-38.1%	34.2	23.5%	113.6	160.6	-29.3%
Margin (% NR)	2.6%	5.8%	-3.2 p.p.	2.4%	+0.2 p.p.	2.6%	5.4%	-2.8 p.p.

¹EBIT, EBITDA and adjusted Net Income in 9M21 according to previously disclosed. Adjusted Net Income in 2Q22 and 3Q22 exclude the amortization of PPA from acquisitions in the amount of R\$4.3mm and R\$4.8mm, respectively.

Net revenue from services reached BRL 1,570.8 million and grew 37% vs. 3Q21 and 14% vs. 2Q22 as a result of the expansion of our contract base, execution capacity, diversification of sectors of activity and the passing-through of inflation to our prices. Cargo Transportation (42% of JSL's net revenue from services) grew 47% year-over-year benefiting from the implementation of cost inflation adjustments, the growth of Transmoreno, Marvel and Rodomeu operations, and the recovery of the automotive sector - which has shown consistent quarter-over-quarter growth since 3Q21. The Dedicated Operations segment, which represents another 38% of net revenue from services, also showed important growth of 46%, mainly benefitted from forestry and mining sectors, where we are exposed to more predictable contracts and growing volumes due to their export profile. The 19% growth in Warehousing operations (12% of net revenue from services) is largely related to the organic growth and resiliency of TPC's operations. In turn, the drop in Urban Distribution (8% of net revenue from services) mainly resulted from lower volumes from a Fadel customer in the food segment.

NET REVENUE DIVERSIFICATION (3T22):



Cost of Services increased by 34% vs. 3Q21 and 12% vs. the previous quarter, reaching an absolute value of BRL 1.283 billion. The input price curve, especially diesel, reached an inflection point during 3Q22. While the recent decision by OPEC to reduce its production levels may impact further oil price increases, we believe that the magnitude of the fluctuations in our cost base should be less pronounced. In addition, we will continue to work continuously to mitigate inflationary effects and reduce the time it takes to pass on cost increases to our contracts.

Our active agenda of operational improvements and the effects of administrative expense cuts were fully reflected in the 3Q22 and resulted in additional profitability to the Company. The ratio of administrative expenses to net revenue from services was 4.7% in 3Q22 vs. 5.2% in 2Q22 and 5.5% in 3Q21. EBIT reached BRL 222.4 million, an increase of 63% over the previous year and 25% vs. 2Q22. EBIT Margin was 14%, +2.3 p.p. vs. 3Q21 +1.2 p.p. vs. 2Q22. EBITDA was BRL 298.9 million in the quarter, a growth of 51% over last year's EBITDA and 19% vs. 2Q22. EBITDA Margin was 19%, +1.8 p.p. vs 3Q21 and +0.8 p.p. vs 2Q22-- and consolidating JSL ecosystem's new baseline and unique business profile.

Selling and Administrative Expense (R\$ mm)	3Q22	3Q21	▲ YoY	2Q22	▲ Q/Q	9M22	9M21	▲ YoY
Selling and Administrative Expense	86.3	72.5	19.1%	84.4	2.2%	255.3	207.2	23.2%
Depreciation and Amortization of PPA	(12.4)	(9.3)	33.2%	(12.8)	-3.6%	(36.6)	(40.4)	-9.4%
SG&A (-) Depreciation/PPA	74.0	63.2	17.0%	71.6	3.3%	218.7	166.8	31.1%
Margin (% NR from Services)	4.7%	5.5%	-0.8 p.p.	5.2%	-0.5 p.p.	5.2%	5.7%	-0.5 p.p.

The next pages show the breakdown of our Asset Light and Asset Heavy results.



Asset Light

Asset Light (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Gross Revenue	1,041.0	776.9	34.0%	925.1	12.5%	2,822.7	2,063.6	36.8%
Net Revenue	865.9	639.1	35.5%	766.7	12.9%	2,340.9	1,687.4	38.7%
Net Revenue from Services	854.1	633.2	34.9%	746.0	14.5%	2,300.7	1,668.6	37.9%
Dedicated Operations	174.1	120.4	44.6%	154.5	12.7%	472.3	355.2	33.0%
Cargo Transport	459.5	323.5	42.0%	382.0	20.3%	1,194.7	957.1	24.8%
Urban Distribution	31.2	30.7	1.8%	32.8	-4.8%	99.5	97.4	2.2%
Warehousing	189.4	158.5	19.5%	176.6	7.2%	534.1	258.9	106.3%
Net Revenue from Asset Sales	11.7	6.0	96.7%	20.7	-43.2%	40.2	18.8	113.9%
Total Costs	(733.9)	(555.9)	32.0%	(666.3)	10.1%	(2,016.3)	(1,469.5)	37.2%
Cost of Services	(724.5)	(551.5)	31.4%	(647.4)	11.9%	(1,983.0)	(1,453.9)	36.4%
Personnel	(209.2)	(169.7)	23.3%	(198.4)	5.5%	(591.0)	(395.0)	49.6%
Third parties truck drivers	(335.3)	(250.3)	34.0%	(289.3)	15.9%	(898.0)	(745.1)	20.5%
Fuel and lubricants	(45.2)	(19.5)	132.0%	(38.1)	18.6%	(113.4)	(53.0)	114.0%
Parts / tires / maintenance	(37.5)	(29.8)	25.9%	(36.4)	3.0%	(111.4)	(88.3)	26.1%
Depreciation / amortization	(37.9)	(34.9)	8.6%	(33.7)	12.3%	(103.4)	(78.5)	31.8%
Others	(59.5)	(47.4)	25.4%	(51.5)	15.5%	(165.8)	(94.0)	76.5%
Cost of Asset Sales	(9.3)	(4.4)	114.7%	(18.9)	-50.7%	(33.3)	(15.7)	112.2%
Gross Profit	132.0	83.3	58.5%	100.3	31.5%	324.6	217.8	49.0%
Operational Expenses	(45.6)	(35.4)	29.0%	(29.0)	57.5%	(99.8)	(52.1)	91.5%
EBIT	86.4	47.9	80.3%	71.4	21.0%	224.8	165.7	35.7%
Margin (% NR from Services)	10.1%	7.6%	+2.5 p.p.	9.6%	+0.5 p.p.	9.8%	9.9%	-0.2 p.p.
EBITDA	133.9	90.3	48.3%	115.2	-21.6%	357.0	279.0	27.9%
Margin (% NR from Services)	15.7%	14.3%	+1.4 p.p.	15.4%	+0.2 p.p.	15.5%	16.7%	-1.2 p.p.

Net Revenue from Services grew 35% in the year-over-year comparison and reached BRL 854.1 million in the quarter. Cargo Transport, the main source of Asset Light revenue, grew 42% in the same period, showing our effectiveness in price pass-through and proactive management with independent drivers and third parties. TPC proved the resilience of its business model, with sustained revenue growth, and contributed to the 19% expansion of Warehousing services in the quarter. The automotive and food sectors boosted the results and reinforced the evolution of the company's portfolio and cash generation. Transmoreno also made an important contribution to the results, almost doubling its level of net revenue from services year-over-year.

Cost of Services increased by 31% and 12% vs. 3Q21 and 2Q22 respectively. The costs with aggregates and third parties (46% of the base) and fuels and lubricants (6% of the base) were the lines that most impacted the result. Personnel costs, which accounted for 29% of the service cost base, grew less than revenue, in a clear sign of efficiency gains.

Cost pressure has been one of the main challenges for the Asset Light segment, especially for third party and independent drivers since fuel accounts for up to 80% of the operational cost for the category. To mitigate the impact on margins and sustain return on capital, JSL's team has been working continuously on solutions to support independent truck drivers, renegotiation of its contract portfolio, and on operational efficiency projects. As a result, we were able to sustain growth with profitability. EBITDA in 3Q22 reached BRL 133.9 million, with a margin of 15.7%, up 1.4 p.p. year-on-year and 0.2 p.p. quarter-over-quarter.



Asset Heavy

Asset Heavy (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Gross Revenue	877.3	630.4	39.2%	779.5	12.5%	2,343.2	1,502.4	156.0%
Net Revenue	759.0	538.6	40.9%	672.0	12.9%	2,019.0	1,280.9	157.6%
Net Revenue from Services	716.7	517.0	38.6%	626.7	14.4%	1,910.4	1,237.3	154.4%
Dedicated Operations	424.4	289.0	46.9%	378.7	12.1%	1,137.2	771.3	147.4%
Cargo Transport	196.0	123.4	0.6	154.8	26.6%	474.9	206.3	230.1%
Urban Distribution	96.2	104.6	-8.0%	93.1	3.4%	298.3	259.7	114.9%
Warehousing	-	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Net Revenue from Asset Sales	42.3	21.7	95.3%	45.3	-6.7%	108.6	43.6	248.8%
Total Costs	(588.8)	(422.7)	39.3%	(537.5)	9.5%	(1,605.5)	(1,040.5)	154.3%
Cost of Services	(558.9)	(406.7)	37.4%	(500.0)	11.8%	(1,521.9)	(1,007.5)	151.1%
Personnel	(243.7)	(181.7)	34.1%	(223.1)	9.2%	(669.6)	(493.3)	135.7%
Third parties truck drivers	(28.1)	(34.2)	-17.7%	(31.8)	-11.7%	(104.5)	(61.6)	169.5%
Fuel and lubricants	(148.6)	(91.6)	62.3%	(124.9)	19.0%	(374.7)	(193.2)	193.9%
Parts / tires / maintenance	(85.1)	(60.8)	40.0%	(72.7)	17.1%	(230.0)	(169.0)	136.1%
Depreciation / amortization	(26.3)	(17.4)	51.6%	(26.1)	1.1%	(72.7)	(42.8)	170.0%
Others	(27.0)	(21.1)	27.8%	(21.3)	26.3%	(70.5)	(47.6)	148.0%
Cost of Asset Sales	(29.9)	(15.9)	87.7%	(37.5)	-20.3%	(83.7)	(33.0)	253.4%
Gross Profit	170.2	116.0	46.7%	134.4	26.6%	413.5	240.4	172.0%
Operational Expenses	(34.1)	(27.1)	26%	(27.7)	23.3%	(81.7)	(29.9)	273.0%
EBIT	136.0	88.9	53.1%	106.8	27.4%	331.6	210.5	157.6%
Margin (% NR from Services)	19.0%	17.2%	+1.8 p.p.	17.0%	+1.9 p.p.	17.4%	17.0%	+0.3 p.p.
EBITDA	165.0	108.0	52.8%	135.5	21.8%	412.1	258.7	159.3%
Margin (% NR from Services)	23.0%	20.9%	+2.1 p.p.	21.6%	+1.4 p.p.	21.6%	20.9%	+0.7 p.p.

Net Revenue From Services reached BRL 716.7 million, growing 39% vs. 3Q21 and 14% vs. 2Q22. The operational model integrated to our clients' production process, the customized logistics solutions, and the high levels of specialization and service quality have sustained our growth, with relevant contributions from the food, pulp and paper, and metals and mining sectors. Dedicated Operations represented 59% of the segment's revenue and benefited from the implementation of the new contracts and from price adjustments based on parametric formulas and contractual triggers.

In 3Q22, Cost of Services totaled BRL 558.9 million, an increase of 37% vs. 3Q21 and 12% vs. 2Q22. Given the asset- and labor-intensive operational profile of the Asset Heavy segment, costs with personnel (44% of the 3Q22 cost base) and fuel, lubricants, tires and maintenance parts (together 42% of the 3Q22 cost base) were the main drivers of the increase. Cost management efforts and the entry of higher return projects enabled the margin increase in the quarter. The reported EBITDA margin was 23.0%, expanding 2.1 p.p. year-on-year and 1.4 p.p. quarter-over-quarter. EBITDA reached BRL 165.0 million, an increase of 53% vs. 3Q21 and 22% vs. 2Q22.

Financial Results

Financial Result (R\$ mm)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Financial Revenues	15.1	16.3	-7.4%	20.0	-25%	60.6	50.7	19.5%
Financial Expenses	(187.1)	(66.8)	180.1%	(163.3)	14.6%	(488.1)	(160.8)	203.6%
Financial Result	(172.0)	(50.5)	240.6%	(143.3)	20.0%	(427.6)	(110.1)	288.3%

3Q22 recorded a Net Financial Result of BRL -172 million, 241% higher than 3Q21 and 20% vs. 2Q22. The variation is mainly explained by the higher volume of gross debt vs. 3Q21 and the increase in the average cost of debt due to the rise in the CDI rate. The increase in the debt is linked to the company's growth and its investments in assets and acquisitions.

Capital Structure

Debt (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q
Gross Debt	3,838.7	2,814.3	36.4%	3,661.0	4.9%
Cash and Cash Equivalents	670.6	464.8	44.3%	638.7	5.0%
Net Debt	3,168.1	2,349.5	34.8%	3,022.3	4.8%
Average cost of Net Debt (p.y.)	18.1%	7.5%	+10.6 p.p.	16.3%	+1.8 p.p.
Net Debt cost after taxes (p.y.)	12.0%	5.7%	+6.3 p.p.	10.7%	+1.2 p.p.
Average term of net debt (years)	4.9	5.2	-5.3%	5.2	-5.1%
Average cost of Gross Debt (p.y.)	17.0%	7.0%	+10.0 p.p.	15.3%	+1.7 p.p.
Average term of gross debt (years)	4.3	4.6	-5.9%	4.6	-6.3%

We ended the quarter with a Cash and Cash Equivalents position of approximately BRL 671 million and undrawn revolving credit lines of BRL 632 million. Together, liquidity sources reach BRL 1.3 million and correspond to 11.4x the short-term debt. The volume is enough to repay the debt until 2025.

Leverage (R\$ million)	3Q22	2Q22	3Q21
Net Debt / EBITDA	3.2x	3.4x	3.0x
Net Debt/ EBITDA-A	2.8x	3.0x	2.7x
EBITDA-A / Financial Result	2.9x	3.6x	4.3x
EBITDA LTM	976.1	896.1	786.4
EBITDA-A LTM	1,119.4	1,010.6	869.8

¹EBITDA-A calculated according to covenants reference

JSL's LTM Net Debt / EBITDA leverage in 3Q22 was 3.2x, down 0.2x vs. the previous quarter, reflecting mainly the change in the Company's cash generation due to revenue growth and improved operating margins. Net Debt / EBITDA Added ratio was 2.8x and EBITDA Added/Net Financial Result 2.9x.

The current capital structure supports organic growth and via acquisitions while respecting the appropriate leverage levels considered by management and the Company's financial covenants. In addition, our debt to finance growth CAPEX is based on long-term contracts that contribute to resilient cash generation.

Investments

Investments (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Gross capex by nature	360.6	269.4	33.9%	289.1	24.7%	893.5	448.5	99.2%
Expansion	219.5	151.4	45.0%	213.2	3.0%	614.6	256.3	139.8%
Maintenance	128.2	90.8	41.3%	56.1	128.6%	222.3	151.8	46.4%
Others	12.9	27.1	-	19.8	-35.0%	56.7	40.4	-
Gross capex by type	360.6	269.4	33.9%	289.1	24.7%	893.5	448.5	99.2%
Trucks	300.4	206.9	45.2%	223.0	34.7%	662.0	326.8	102.6%
Machinery and Equipment	20.2	22.5	-10.4%	26.0	-22.4%	98.1	53.9	82.0%
Light Vehicles	19.2	12.7	51.2%	19.2	0.0%	46.9	24.0	95.8%
Bus	3.4	0.0	n.a.	0.5	n.a.	4.0	3.4	17.4%
Others	17.5	27.1	-35.4%	20.3	-13.7%	82.5	40.4	104.4%
Sale of assets	56.2	28.0	100.4%	68.3	-17.7%	154.1	64.1	140.5%
Total net capex	304.4	241.3	26.2%	220.8	37.9%	739.4	384.4	92.3%

Our net CAPEX for the period closed at BRL 304.4 million, with 61% of the gross capex going to expansion and 36% to renewal and 3% for others. The figure is in line with the implementation of the new contracts sold at JSL and the expansion and renewal of Marvel's and Fadel's fleet in Brazil, sustaining future revenue growth. Assets sales of BRL 56.2 million largely reflect the higher value of our assets and fleet optimization measures.

Besides fleet expansion and renewal, our CAPEX is also directed to expanding our technology structure. The investments generate benefits such as greater cargo visibility, reduction of logistics costs by increasing the productivity of the Company and of our customers, and increasingly aim to provide distinguished services. The cash outflow related to the investments realized in the above mentioned period are reflected in the "Cash Flow" section.

Profitability

ROIC (Return on Invested Capital)	3Q22 LTM	3Q21 LTM	2Q22 LTM	3Q22 Annualized
EBIT	690.4	532.2	627.0	889.5
Effective rate of the Logistics segment	18%	22%	22%	22%
NOPLAT	565.9	416.3	490.4	695.8
Current Period Net Debt	3,168.1	2,349.5	3,022.3	3,168.1
Previous period Net Debt	2,349.5	1,631.3	1,930.6	2,349.5
Average Net Debt	2,758.8	1,990.4	2,476.5	2,758.8
Current Period Equity	1,388.3	1,345.2	1,351.7	1,388.3
Previous period Equity	1,345.2	1,415.8	1,258.9	1,345.2
Average Equity	1,366.8	1,380.5	1,305.3	1,366.8
Invested Capital Current Period	4,556.4	3,694.7	4,374.0	4,556.4
Capital Invested Previous Period	3,694.7	3,047.1	3,189.5	3,694.7
Average Invested Capital	4,125.5	3,370.9	3,781.8	4,125.5
ROIC	13.7%	12.3%	13.0%	16.9%

LTM ROIC in 3Q22 was 13.7%, 1.4 p.p. higher than 3Q21 and 0.7 p.p. higher than 2Q22 ROIC (considering normalized effective tax rate, as disclosed in the 2Q22 report). The better quarter-over-quarter ROIC shows the Company's prudent allocation of capital, with growth in projects with adequate return and proven ability to pass on cost inflation.

We also did an exercise to calculate the annualized ROIC for 3Q22, considering a normalized tax rate of 21.7%. In this scenario, we would have a ROIC of 16.9%.



Cash Flow

Cash Flow (R\$ million)	3Q22	2Q22	3Q21	2021	2020	2019
EBITDA	298.9	250.7	198.2	758.0	432.0	514.0
Working Capital	117.7	231.0	11.0	(25.4)	9.0	(15.0)
Cost of asset sales for rent and services provided	39.3	56.5	20.2	64.1	167.0	161.0
Maintenance Capex	(41.3)	(56.1)	(56.7)	(189.8)	(67.9)	(72.0)
Non Cash and Others	(2.8)	(64.8)	2.1	(16.9)	3.0	(18.0)
Cash generated by operational activities	411.8	417.3	174.8	590.0	543.1	570.0
(-) Income tax and social contribution paid	(2.5)	9.0	-	(27.3)	(110.0)	(7.0)
(-) Capex others	(12.9)	(19.8)	(27.6)	(78.1)	(35.0)	(37.0)
Free Cash Flow	396.5	406.5	147.3	484.6	398.1	526.0
(-) Expansion Capex	(154.6)	(246.9)	(154.6)	(383.5)	(225.1)	(258.0)
(-) Companies acquisition	(4.9)	1.5	(164.4)	(229.3)	(150.0)	-
Cash flow after growth	237.0	161.0	(171.8)	(128.1)	23.0	268.0

The Company has a strong generation of operating cash. In 3Q22, free cash flow before growth was BRL 396.5 million. The number, after growth, was positive at BRL 237 million, even after a robust expansion capex cash outflow of BRL 154.6 million to support the deployment of new contracts.



Stock Performance

Stock Performance since the IPO on 09/09/2020



At the close of October 31, 2022, the share price of JSLG3 was BRL 7.63 with a buy recommendation from the eleven analysts that cover our stock. A summary table with the recommendations follows below. Assuming the average target stock price found in the table below, the stock has an upside potential of 52%.

Institution	Analyst	Recommendation	Last Target Price Revision	Target Price
Banco BTG Pactual	Lucas Marquiori	Buy	06/30/2022	BRL 12.00
Itau BBA Securities	Thais Cascello	Buy	08/03/2022	BRL 13.50
JP Morgan	Guilherme Mendes	Buy	08/30/2022	BRL 10.50
Eleven Financial Research	Alexandre Kogake	Buy	06/09/2022	BRL 12.00
NAU Securities	Alejandro Demichelis	Buy	05/04/2022	BRL 13.00
Bradesco BBI	Vitor Mizusaki	Buy	24/10/2022	BRL 14.00
Banco Safra	Luiz Pecanha Filho	Buy	06/07/2022	BRL 11.20
XP Investimentos	Pedro Bruno	Buy	08/24/2022	BRL 11.00
Banco Inter	Diego Bellico	Buy	08/03/2022	BRL 9.00
Genial Investimentos	Ygor Bastos de Araújo	Buy	08/03/2022	BRL 10.00
EQI	Lucas Daniel	Buy	10/13/2022	BRL 11.00

Average BRL 11.56

Exhibit I - EBITDA and Net Income Reconciliation

EBITDA Reconciliation (R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Total Net Income	37.4	83.1	-55.0%	29.9	25.2%	100.3	218.3	-54.1%
Financial Result	172.0	50.5	240.6%	143.3	20.1%	427.6	110.1	288.4%
Taxes	13.0	3.2	310.7%	5.0	158.9%	28.6	47.8	-40.2%
Depreciation and Amortization	76.6	61.5	24.5%	72.6	5.5%	212.7	161.6	31.6%
EBITDA	298.9	198.3	50.8%	250.7	19.2%	769.1	537.8	43.0%
Cost of Asset Sales	39.3	20.3	93.4%	56.5	-30.5%	116.9	48.7	140.1%
EBITDA-A	338.2	218.6	54.7%	307.2	10.1%	886.0	586.5	51.1%

Net Income Reconciliation(R\$ million)	3Q22	3Q21	▲ Y / Y	2Q22	▲ Q / Q	9M22	9M21	▲ Y / Y
Net Income	37.4	83.1	-55.0%	29.9	25.2%	100.3	218.3	-54.1%
Extemporaneous net credits	-	(18.2)	n.a	-	n.a	-	(102.1)	n.a
Write-off of improvements	-	-	n.a	-	n.a	-	6.0	n.a
Provisions	-	-	n.a	-	n.a	-	10.6	n.a
Others	4.8	3.4	n.a	4.3	n.a	13.3	27.9	n.a
Adjusted Net Income	42.2	68.2	-38.1%	34.2	23.5%	113.6	160.7	-29.3%
<i>Margin (% NR)</i>	<i>2.6%</i>	<i>5.8%</i>	<i>-3.2 p.p.</i>	<i>2.4%</i>	<i>+0.2 p.p.</i>	<i>2.6%</i>	<i>5.4%</i>	<i>-2.8 p.p.</i>

The adjustment amount of BRL 4.8 million in the PPA in 3Q22 line refers to the amortization value of the price allocation items of the acquisitions made.



Exhibit II – Balance Sheet

Assets (R\$ million)	3Q22	2Q22	3Q21	Liabilities (R\$ million)	3Q22	2Q22	3Q21
Current assets				Current liabilities			
Cash and cash equivalents	388.6	132.6	149.0	Providers	307.5	328.4	187.2
Securities	282.0	506.0	312.5	Confirming payable (Automakers) (ICVM 01/2016)	-	-	-
Derivative financial instruments	0.1	0.1	0.1	Loans and financing	54.4	23.8	74.1
Accounts receivable	1,227.1	1,162.4	1,161.6	Debentures	50.0	60.4	1.5
Inventory / Warehouse	63.2	64.3	56.0	Financial lease payable	10.1	23.5	25.4
Taxes recoverable	153.7	174.9	86.9	Lease for right use	73.2	61.3	59.8
Income tax and social contribution	51.5	39.2	89.3	Labor obligations	365.9	311.6	278.9
Other credits	15.9	28.1	3.6	Tax liabilities	10.7	10.0	23.5
Prepaid expenses	30.5	36.5	26.4	Income and social contribution taxes payable	105.3	100.6	82.4
Other credits intercompany	-	-	-	Other Accounts payable	115.4	98.2	61.5
Dividends receivable	-	-	-	Dividends and interest on capital payable	-	-	-
Assets available for sale (fleet renewal)	57.4	50.8	60.7	Advances from customers	45.5	17.7	10.4
Third-party payments	21.7	17.3	33.0	Related parts	-	-	41.7
Total current assets	2,291.8	2,212.2	1,979.3	Acquisition of companies payable	90.2	104.1	206.0
Non-current assets				Total Current liabilities	1,228.1	1,139.6	1,052.5
Non-current				Non-current liabilities			
Securities	0.0	0.0	3.3	Loans and financing	1,923.2	1,783.0	1,600.8
Derivative financial instruments	5.6	35.2	1.1	Debentures	1,794.4	1,792.6	1,093.4
Accounts receivable	26.4	15.5	17.2	Financial lease payable	12.3	13.0	20.4
Taxes recoverable	140.3	193.6	240.0	Lease for right use	350.4	295.8	247.3
Deferred income and social contribution taxes	6.4	20.9	56.9	Tax liabilities	33.8	32.1	27.2
Judicial deposits	63.3	62.8	66.6	Provision for judicial and administrative claims	285.3	296.4	359.6
Income tax and social contribution	33.6	31.4	35.4	Deferred income and social contribution taxes	127.3	117.6	150.3
Related parts	-	-	1.6	Related parties	1.8	1.7	1.6
Compensation asset by business combination	230.0	244.2	297.2	Other Accounts payable	14.5	18.4	8.3
Other credits	21.8	18.8	13.4	Company acquisitions payable	288.0	283.1	321.0
Total	527.4	622.4	732.7	Total Non-current liabilities	4,830.9	4,633.6	3,829.9
Investments	-	-	-	Total Equity	1,388.3	1,351.7	1,345.2
Property, plant and equipment	3,774.0	3,428.5	2,654.9	Total Liabilities and Equity	7,447.3	7,124.9	6,227.5
Intangible	854.1	861.9	860.7				
Total	4,628.1	4,290.4	3,515.6				
Total Non-current assets	5,155.5	4,912.7	4,248.3				
Total Assets	7,447.3	7,124.9	6,227.5				



Exhibit III - Operational Segments

The main services in our portfolio are grouped into:

Dedicated Logistics Operations: Accounted for 38% of Net Revenue from Services in 3Q22 and consist of closed-circuit operations as part of the client's production process with a high level of specialization and customization and a high degree of technological integration and monitoring. Contracts in this segment have terms of 3 to 5 years and involve own assets and real time monitoring software, commodity logistics and studies and sizing of activities to identify the best options for the clients, raw material and product loading, raw material supply, finished product shipment, internal and port area movement, road maintenance, waste management, and waste disposal. The segment also includes chartering and rental with driver services for transportation of the clients' employees and internal logistics at the client's facilities, which comprise a vast niche of customized services for each operation, and include the handling of raw materials, products, and assembly line supply. Dedicated operations volumes relate to the performance of commodities and the country's industrial activity. The main sectors of activity include pulp and paper and mining.

Road Cargo Transport: It represented 42% of the net revenue from services in 3Q22. Based on long-term B2B contracts (24 to 36 months) mostly focused on Asset Light operations and requires low investment for asset replacement and operation expansion. We have a network of more than 55,000 registered third-party and independent truck drivers, which provides capillarity and technology that integrates our clients to our truck drivers and to our clients' clients. Road freight transport of inputs or finished products, including new vehicles, from the supply location to their final destination, that is, end-to-end product freights through FTL shipping. Freight transport relates to the performance of consumption and the shipment of goods in the country for domestic consumption or export. The top sectors served by freight transport are Food and Beverage, Automotive, and Consumer Goods.

Urban Distribution: It represented 8% of the net revenue from services in 3Q22. Last-mile distribution, with the supply to POS (Points of Sale) located in large urban centers, in closed or fractioned loads, and packaging management and return. The company operates with dry, chilled or frozen cargo with online temperature control and outbound and return deliveries from/to warehouses operated by JSL or not, or directly from industry to retail. The segment is focused on B2B with contracts lasting an average of one to two years. Depending on the profile of the operation, we hire third-party and independent truck drivers with specific vehicles for the distribution of each type of product, or we use our own fleet, as is the case of the Fadel operation. Urban distribution is directly connected to consumption performance in Brazil since it serves the B2B segment and what can be considered the B2C segment, which is the delivery to points that will serve as basis for distribution to the final consumer. JSL and FADEL have urban distribution operations mainly in the Food and Beverage and Consumer Goods sectors.

Warehousing: The segment represented 12% of the Net Revenue from Services in 3Q22. JSL manages about 1,000,000 m² of dedicated, multi-client warehouses, handling receiving, dry, chilled and frozen storage, production line sequencing, and supply of packaging and packers, with client sales systems connected to JSL for delivery within 24 hours, and connecting to the urban distribution service, if applicable. The top sectors served by the segment are Consumer Goods and Food and Beverage. With TPC, we added a less-than truckload operation and also started operating in the Cosmetics, Telecommunications, and Pharmaceutical sectors.

Exhibit IV - Description of the Acquired Companies

Fadel provides services in Urban Distribution, Dedicated Road Freight Logistics, and Internal Logistics. The company is present in the beverage, food, and consumer goods sectors and has launched e-commerce activities. It operates under the Asset-Heavy model, even though it also provides some services under the Asset-Light model. Fadel's acquisition marked a strategic move to increase our footprint in the urban food and beverage distribution sector, expand our portfolio, and produce immediate financial gains by capturing synergies. Today, with more than 5,000 employees and 2,200 pieces of equipment, present in 13 Brazilian states, in Paraguay with 5 units, and in South Africa, Fadel has been gaining space in the market, always providing excellence. The company guarantees the commitment to deliver high productivity in the supply chain, always aiming at responsibility and safety.



TransMoreno is a relevant player in the shipment of new vehicles in Brazil. It has two of the country's main OEMs in its portfolio and carries vehicles to their final destination in the North, Midwest, and Southeast regions of Brazil. The company operations are complementary to JSL and bring us synergies and cross-selling opportunities in a segment where JSL has a vast portfolio of services and clients, benefits and competitive advantages captured through the generation of synergies, and opportunities to sign new contracts. Transmoreno seeks the best solution to serve its customers, focused on taking care of the needs and particularities of each process, developing customized solutions for each business segment, delivering added value in operations, and constantly seeking to reduce operating costs, passing on to customers the technical gains obtained with continuous improvements.



TPC is a company that operates in the Asset Light model. The company focuses on the operation of bonded or non-bonded warehouses, dedicated in-house logistics, cross-docking, and integrated distribution management, including the last-mile and reverse logistics. TPC is mainly present in the cosmetics, fashion, retail, electronics, telecommunications, pharmaceuticals, hospital equipment, consumer goods, oil & gas and petrochemical sectors, and has a base of state-owned and private clients who are leaders in their segments, such as: Natura (client for over 10 years), Puma, Alparbatas, 3M, Braskem, Whirlpool, Claro, 3M, Chanel, and the São Paulo City Administration, among others. In 2019, TPC was voted Best Logistics Operator by Editora OTM and ABOL, the Brazilian Association of Logistics Operators, in addition to awards received from its major clients, such as Natura, Avon, Claro and Infraero. The combination with TPC adds scale and brings synergies to JSL's warehousing and internal logistics business. It adds new services to its portfolio, such as dedicated in house operations and last mile distribution.

With more than 20 years in the market, TPC is one of the main Logistic Operators in Brazil, present in 14 states of the country and with almost 5000 employees. Our 105 operations have 850,000 m² of storage area, 140.000 deliveries per year, and 280,000 pallet positions. TPC Logística Inteligente has the ideal solution for each need, always focusing on Lean & Green Logistics. The company's goal is to deliver intelligent logistics solutions for the benefit of the business chain and to bring the world closer together through intelligent logistics solutions.



Rodomeu specializes in the road transport of highly complex cargoes, which include (i) Gases and Chemicals, working in the transfer and distribution of chemical products (LPG, ammonia, propane, propene, butane, butene, butadiene, hydrogen peroxide, among others); (ii) Machinery and Equipment, transporting machinery for civil construction, farm machinery and equipment, metal and steel products, among others; (iii) dedicated transportation of inputs and finished products in the pulp and paper, steel, and food industries. Rodomeu also operates in special operations and, for 12 years, has been the official carrier of the Brazilian Formula 1 Grand Prix. Rodomeu's acquisition aims to increase our scale and share in the specialized transportation of highly complex cargoes, farm and construction machinery and equipment, and in general cargo, while entering the segment of compressed gases, thereby diversifying our exposure to different sectors. The Company's greatest mission is to provide our clients reliability, agility, and safety in our services.



Marvel currently has one of the largest own fleets for international refrigerated transport in South America, with more than 1.7K operational assets, and trucks with an average age of approximately 3.6 years. The transaction aims to generate economies of scale, increase JSL's share in the segment of refrigerated, frozen and dry cargo transport (focused on the food sector), and increase our footprint in other South American countries, in line with our strategic plan to increase the relevance of the company as a global player. Marvel offers simple and safe solutions in freight transport, and connects to all of Brazil, Mercosur and Chile, promoting a good experience and trust for the customer. It offers a team of high expertise and a complete structure. It is what makes Marvel's services preferred and admired wherever it operates.



TruckPad connects truckers with freight forwarders, industry, and shippers in minutes. The company was acquired by JSL in May/2022, in order to accelerate JSL's digital development. Truckpad is a logtech company founded 10 years ago, which has a complete solution for freight transport in the Brazilian market. With more than 800 thousand registered drivers, Truckpad intermediates and optimizes the hiring and management of freight by shippers and carriers. The platform advises shippers, carriers, and independent professional drivers in all stages of the process, from hiring, to real-time cargo tracking, to freight payment management. It also offers complete solutions for the digitalization of the logistic operation for shippers, with digitalization of all its transactional system, including the drivers' payment system. It has more than 30,000 registered shippers, and more than 1 million freights offered monthly.



Glossary

EBITDA-A or EBITDA Added – Corresponds to EBITDA plus the residual accounting cost from the sale of fixed assets, which does not represent operational cash disbursements, as it is 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 most adequate measure of operating cash flow than traditional EBITDA as a proxy for cash generation to gauge the Company's capacity to meet its financial obligations. We also emphasize that based on public indentures of our debentures, to calculate leverage and net financial expenses coverage ratios, EBITDA-A corresponds to the earnings before financial results, taxes, depreciation, amortization, impairment of assets and equity equivalence, plus the sale of assets used in the provision of services, calculated over the last 12 (twelve) months, including the EBITDA Added of the last 12 (twelve) months of the merged and/or acquired companies.

IFRS16 - The International Accounting Standards Board (IASB) has issued CPC 06 (R2) /IFRS 16, which requires lessees to recognize most leases on the balance sheet, with a liability for future payments and an asset for the right-of-use being recorded. The standard entered into effect as of January 1, 2019.

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

Additional Information

This Earnings Release is intended to detail the financial and operating results of JSL S.A. in the third quarter of 2022. The financial information is presented in millions of Brazilian Reais (BRL) unless otherwise indicated. The Company's interim financial information is prepared under the Brazilian Corporation Law and is presented on a consolidated basis under CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the IASB. Comparisons refer to the revised 2Q21 and 1Q22 data, except where otherwise indicated.

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

Due to rounding, the financial information presented in this document may not exactly reconcile with the figures presented in the audited consolidated financial statements.

JSL S.A.
Statements of financial position
As at September 30, 2022 and December 31, 2021
In thousands of Brazilian Reais

Assets	Note	Parent company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current					
Cash and cash equivalents	5	196,692	52,661	388,610	152,951
Marketable securities and financial investments	6	273,410	772,396	281,989	801,475
Derivative financial instruments	4.3.(b)	-	-	62	147
Trade receivables	7	921,436	835,813	1,227,130	1,282,599
Inventories	8	58,200	52,675	63,199	55,882
Fixed assets available for sale	9	54,104	46,568	57,435	47,030
Taxes recoverable	10	121,516	153,718	153,738	232,301
Income tax and social contribution recoverable	23.4	35,310	26,643	51,526	30,885
Prepaid expenses		21,215	16,319	30,498	20,408
Dividends and interest on capital receivable		9,540	3,186	-	-
Advances to third parties		7,929	16,878	21,734	16,291
Other credits		72,108	13,771	15,918	14,546
		1,771,460	1,990,628	2,291,839	2,654,515
Noncurrent					
Long-term assets					
Marketable securities and financial investments	6	4,025	-	11	569
Derivative financial instruments	4.3.(b)	5,584	2,627	5,615	2,848
Trade receivables	7	17,266	14,331	26,366	14,331
Taxes recoverable	10	111,232	112,668	140,314	135,296
Income tax and social contribution recoverable	23.4	6,409	56,140	6,416	56,141
Judicial deposits	21	43,356	40,967	63,262	76,579
Deferred income tax and social contribution	23.1	-	-	33,626	35,581
Related parties	24.1	92,628	126,462	-	-
Indemnification assets due to business combination	11	-	-	229,965	272,692
Other credits		15,912	15,810	21,818	14,536
		296,412	369,005	527,393	608,573
Investments	12.1	1,179,454	1,211,304	-	-
Property and equipment	13	2,201,245	1,884,268	3,774,019	3,013,419
Intangible assets	14	528,961	267,120	854,059	845,740
		4,206,072	3,731,697	5,155,471	4,467,732
Total assets		5,977,532	5,722,325	7,447,310	7,122,247

JSL S.A.
Statements of financial position
As at September 30, 2022 and December 31, 2021
In thousands of Brazilian Reais

Liabilities and equity	Note	Parent company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current					
Trade payables	15	203,074	210,906	307,466	374,115
Loans and borrowings	16	15,904	43	54,393	41,545
Debentures	17	49,995	32,723	49,995	32,723
Leases payable	18	10,127	28,504	10,127	28,504
Right-of-use leases	19	35,846	26,697	73,166	68,369
Social and labor liabilities	20	261,819	169,811	365,933	246,062
Income tax and social contribution payable	23.4	-	-	10,714	20,292
Tax liabilities		51,518	54,934	105,282	102,095
Dividends and interest on capital payable		-	64,310	-	64,310
Advances from customers		36,850	4,430	45,477	8,648
Payables for the acquisition of companies	22	90,179	89,006	90,179	144,902
Other payables		42,862	56,231	115,358	80,207
		798,174	737,595	1,228,090	1,211,772
Noncurrent					
Loans and borrowings	16	1,476,893	1,373,712	1,923,205	1,724,062
Debentures	17	1,794,393	1,789,185	1,794,393	1,789,185
Leases payable	18	12,257	14,173	12,257	14,173
Right-of-use leases	19	225,907	148,627	350,398	246,586
Tax liabilities		841	841	33,791	24,831
Provision for judicial and administrative litigation	21	28,348	29,771	285,288	329,742
Deferred income tax and social contribution	23.1	11,553	22,502	127,277	116,906
Payables for the acquisition of companies	22	235,170	270,804	288,025	324,164
Related parties	24.1	1,760	1,619	1,760	1,619
Other payables		3,898	3,645	14,488	9,356
		3,791,020	3,654,879	4,830,882	4,580,624
Total liabilities		4,589,194	4,392,474	6,058,972	5,792,396
Equity					
Share capital	25.1	806,688	806,688	806,688	806,688
Capital reserves	25.2	23,192	23,150	23,192	23,150
Treasury shares	25.3	(42,205)	(40,701)	(42,205)	(40,701)
Earnings reserves		526,874	534,250	526,874	534,250
Retained earnings for the period		71,598	-	71,598	-
Other equity adjustments related to subsidiaries		2,191	6,464	2,191	6,464
Total equity		1,388,338	1,329,851	1,388,338	1,329,851
Total liabilities and equity		5,977,532	5,722,325	7,447,310	7,122,247

JSL S.A.

Statements of profit or loss

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, except for earnings per share

Note	Parent company				Consolidated				
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	
Net revenue from rendering logistics services, lease of vehicles, machinery and equipment and sale of decommissioned assets used in rendering services	26	996,680	762,696	2,712,574	2,151,511	1,624,818	1,177,677	4,359,960	2,968,215
Cost of rendering logistics services and lease of vehicles, machinery and equipment	27	(823,195)	(644,050)	(2,252,649)	(1,841,085)	(1,283,416)	(958,241)	(3,505,017)	(2,461,384)
Cost of sale of decommissioned assets used in rendering services	27	(20,829)	(16,793)	(82,970)	(43,372)	(39,257)	(20,213)	(116,946)	(48,593)
Total cost of rendering logistics services, lease of vehicles, machinery and equipment and sale of decommissioned assets used in rendering services		(844,024)	(660,843)	(2,335,619)	(1,884,457)	(1,322,673)	(978,454)	(3,621,963)	(2,509,977)
Gross profit		152,656	101,853	376,955	267,054	302,145	199,223	737,997	458,238
Selling expenses	27	(3,964)	(2,841)	(9,628)	(9,975)	(7,249)	(8,074)	(19,732)	(15,107)
Administrative expenses	27	(37,663)	(39,858)	(107,109)	# (131,547)	(76,182)	(67,145)	(225,973)	(188,366)
Provision for expected credit losses ("impairment") of trade receivables	27	(4,026)	700	(12,039)	# (5,825)	(4,082)	206	(14,508)	(7,328)
Other operating income, net	27	9,443	3,005	62,715	# 111,079	7,732	12,120	78,625	128,723
Equity results from subsidiaries	12.1	51,797	40,688	118,043	# 86,942	-	-	-	-
Profit before finance income, costs and taxes		168,243	103,547	428,937	317,728	222,364	136,330	556,409	376,160
Finance income	28	25,431	9,710	78,765	27,926	15,097	16,269	60,566	35,419
Finance costs	28	(162,795)	(47,399)	(425,175)	# (121,284)	(187,087)	(66,357)	(488,124)	(145,495)
Profit before income tax and social contribution		30,879	65,858	82,527	# 224,370	50,374	86,242	128,851	266,084
Income tax and social contribution – current	23.3	-	7,404	-	820	(13,081)	(7,744)	(27,972)	(28,093)
Income tax and social contribution – deferred	23.3	6,509	9,818	17,730	(8,659)	95	4,582	(622)	(19,694)
Total income tax and social contribution		6,509	17,222	17,730	(7,839)	(12,986)	(3,162)	(28,594)	(47,787)
Profit for the period		37,388	83,080	100,257	216,531	37,388	83,080	100,257	218,297
Attributable to:									
Owners of the Company		37,388	83,080	100,257	216,531	37,388	83,080	100,257	216,531
Non-controlling interests		-	-	-	-	-	-	-	1,766
(=) Basic earnings per share (in R\$)	29.1	-	-	-	-	0.1753	0.3898	0.4701	1.0256
(=) Diluted earnings per share (in R\$)	29.2	-	-	-	-	0.1753	0.3898	0.4701	1.0256

JSL S.A.
Statements of comprehensive income
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais

	Parent company				Consolidated			
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Profit for the period	37,388	83,080	100,257	216,531	37,388	83,080	100,257	218,297
Translation adjustments in the statement of financial position of foreign subsidiaries	(784)	2,881	(4,273)	742	(784)	2,881	(4,273)	742
Total other comprehensive income (loss)	(784)	2,881	(4,273)	742	(784)	2,881	(4,273)	742
Comprehensive income for the period	36,604	85,961	95,984	217,273	36,604	85,961	95,984	219,039
Operations								
Continuing	36,604	85,961	95,984	217,273	36,604	85,961	95,984	219,039
	36,604	85,961	95,984	217,273	36,604	85,961	95,984	219,039
Attributable to:								
Owners of the Company	36,604	85,961	95,984	217,273	36,604	85,961	95,984	217,273
Non-controlling interests	-	-	-	-	-	-	-	1,766

JSL S.A.
Statements of changes in equity
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais

	Capital reserves				Earnings reserves				Other equity adjustments related to subsidiaries	Total equity of owners of the Company	Non-controlling interests	Total equity	
	Share capital	Share-based payment transactions	Special reserve	Treasury shares	Retention of earnings	Government grant reserve	Investment reserve	Legal reserve					Retained earnings
At December 31, 2020	767,230	160	-	(40,701)	15,192	61,143	235,472	22,973	-	1,849	1,063,318	1,828	1,065,146
Profit for the period	-	-	-	-	-	-	-	-	216,531	-	216,531	1766	218,297
Translation adjustments in the statement of financial position of foreign subsidiaries	-	-	-	-	-	-	-	-	-	742	742	-	742
Total comprehensive income for the period, net of taxes	-	-	-	-	-	-	-	-	216,531	742	217,273	1,766	219,039
Share-based payment	-	262	-	-	-	-	-	-	-	-	262	-	262
Changes in equity interests in subsidiaries	-	-	-	-	-	-	-	-	1,768	(1,768)	-	-	-
Adjustments to equity interests	-	-	-	-	-	-	-	-	-	4,797	4,797	-	4,797
Government grants	-	-	-	-	-	25,701	-	-	(38,089)	12,388	-	-	-
Other changes in equity	-	-	58,584	-	-	-	-	-	-	-	58,584	-	58,584
Write-off of non-controlling interests due to acquisition	-	-	3,594	-	-	-	-	-	-	-	3,594	(3,594)	-
Capital increase	39,458	-	(39,458)	-	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	(2,625)	-	(2,625)	-	(2,625)
At September 30, 2021	806,688	422	22,720	(40,701)	15,192	86,844	235,472	22,973	177,585	18,008	1,345,203	-	1,345,203
At December 31, 2021	806,688	430	22,720	(40,701)	15,192	96,640	385,906	36,512	-	6,464	1,329,851	-	1,329,851
Profit for the period	-	-	-	-	-	-	-	-	100,257	-	100,257	-	100,257
Translation adjustments in the statement of financial position of foreign subsidiaries	-	-	-	-	-	-	-	-	-	(4,273)	(4,273)	-	(4,273)
Total comprehensive income for the period, net of taxes	-	-	-	-	-	-	-	-	100,257	(4,273)	95,984	-	95,984
Share-based payment (note 25.2 (a))	-	42	-	-	-	-	-	-	-	-	42	-	42
Government grants (note 25.4 (d))	-	-	-	-	-	28,659	-	-	(28,659)	-	-	-	-
Repurchase of shares	-	-	-	(1,504)	-	-	-	-	-	-	(1,504)	-	(1,504)
Distribution of dividends (note 25.4 a)	-	-	-	-	-	-	(36,035)	-	-	-	(36,035)	-	(36,035)
At September 30, 2022	806,688	472	22,720	(42,205)	15,192	125,299	349,871	36,512	71,598	2,191	1,388,338	-	1,388,338

JSL S.A.
Statements of cash flows - indirect method
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Cash flows from operating activities				
Profit before income tax and social contribution	82,527	224,370	128,851	266,084
Adjustments to:				
Equity results from subsidiaries (note 12.1)	(118,043)	(86,942)	-	-
Depreciation and amortization (notes 12, 13 and 14)	128,662	128,687	212,717	161,570
Cost of sales of decommissioned assets (note 9)	82,970	43,371	116,946	48,588
Provision for (reversal of) losses, write-off, transfer and movements of other assets, interest on acquisitions of companies and extemporaneous tax credits	(14,835)	(135,370)	(60,020)	(94,300)
Share-based payment (note 25.2 (a))	42	262	42	262
Fair value of derivative financial instruments	(34,989)	(70,566)	(34,989)	(70,566)
Foreign exchange variation on loans and borrowings	-	-	(245)	(24)
Interest and monetary variations on loans and borrowings, leases, debentures and supplier financing - car makers	357,135	188,685	408,243	210,498
Income tax and social contribution offset	-	101,944	-	78,340
Other adjustments related to subsidiaries	-	5,539	-	-
	483,469	399,980	771,545	600,452
Changes in net working capital				
Trade receivables	(100,597)	(70,079)	29,307	(132,944)
Inventories	(5,422)	(13,073)	(6,498)	(12,383)
Trade payables	50,233	(2,268)	50,030	(14,043)
Labor and tax liabilities, and taxes recoverable	204,411	88,630	253,612	89,009
Other current and noncurrent assets and liabilities	19,013	(78,224)	83,344	(5,752)
	167,638	(75,014)	409,795	(76,113)
Income tax and social contribution (paid) and withheld	-	-	(19,505)	-
Interest paid on loans and borrowings, leases, debentures and supplier financing - car makers	(241,366)	(157,807)	(282,088)	(180,248)
Acquisition of operational property and equipment for leasing	(361,773)	(289,789)	(762,430)	(372,928)
Redemptions of marketable securities and financial investments	494,961	266,971	520,044	277,479
Net cash generated by operating activities	542,929	144,341	637,361	248,642
Cash flows from investing activities				
Capital contribution in subsidiaries	(103,463)	(175,852)	-	-
Debentures convertible into shares	(102,000)	-	-	-
Acquisition of property and equipment and intangible assets	(58,094)	(26,677)	(74,540)	(40,971)
Dividends and interest on capital received	56,742	-	-	-
Acquisitions of companies, net of cash in the consolidated	-	(99,364)	(3,426)	(214,496)
Net cash used in investing activities	(206,815)	(301,893)	(77,966)	(255,467)
Cash flow from financing activities				
Repurchase of treasury shares	(1,504)	-	(1,504)	-
Payment for the acquisition of companies	(34,461)	(126,976)	(121,789)	(124,515)
New loans, borrowings and debentures	-	521,140	28,653	725,387
Payment of loans and borrowings, leases, debentures and supplier financing - car makers	(51,500)	(261,568)	(124,478)	(532,444)
Derivative financial instruments received	-	54,393	-	54,025
Dividends paid	(36,035)	(32,865)	(36,035)	(30,552)
Interest on capital paid	(64,310)	-	(64,310)	-
Other adjustments related to subsidiaries	-	-	-	(679)
Net cash generated by (used in) financing activities	(187,810)	154,124	(319,463)	91,222
Effects of exchange rate variations on cash and cash equivalents	(4,273)	-	(4,273)	-
(Increase) decrease in cash and cash equivalents	144,031	(3,428)	235,659	84,397
Cash and cash equivalents				
At the beginning of the period	52,661	36,648	152,951	64,575
At the end of the period	196,692	33,220	388,610	148,972
(Increase) decrease in cash and cash equivalents	144,031	(3,428)	235,659	84,397
Balance variation, without affecting cash				
Additions financed by leases payable, FINAME and supplier financing - car makers	(66,846)	-	(173,819)	(979)
Balance variation of trade payables and supplier financing - car makers	58,065	(14,693)	117,240	(34,204)
Additions and write-offs of right-of-use leases	(112,631)	(10,567)	(169,332)	(139,361)

JSL S.A.
Statements of value added
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais

	Note	Parent company		Consolidated	
		09/30/2022	09/30/2021	09/30/2022	09/30/2021
Sales, lease, rendering services and sale of decommissioned assets	26	3,227,496	2,587,031	5,165,934	3,565,941
(Provision) reversal of expected credit losses ("impairment") of trade receivables	27	(12,039)	(5,825)	(14,508)	(7,328)
Other operating income	27	100,118	111,077	139,239	128,722
		3,315,575	2,692,283	5,290,665	3,687,335
Inputs acquired from third parties					
Cost of sales and rendering services		(1,621,384)	(976,892)	(2,331,164)	(1,297,909)
Materials, electric power, services provided by third parties and others		(83,993)	(42,068)	(124,588)	(52,428)
		(1,705,377)	(1,018,960)	(2,455,752)	(1,350,337)
Gross value added		1,610,198	1,673,323	2,834,913	2,336,998
Retentions					
Depreciation and amortization	27	(128,662)	(128,687)	(212,717)	(161,570)
Net value added produced by JSL		1,481,536	1,544,636	2,622,196	2,175,428
Value added received through transfer					
Equity results from subsidiaries	12.1	118,043	86,942	-	-
Finance income	28	78,765	27,926	60,566	35,419
		196,808	114,868	60,566	35,419
Total value added to distribute		1,678,344	1,659,504	2,682,762	2,210,847
Value added distributed					
Personnel and payroll charges	27	771,020	652,629	1,372,070	962,659
Federal taxes		141,538	393,243	319,133	549,203
State taxes		137,154	247,505	252,244	261,683
Municipal taxes		52,161	7,839	84,126	47,787
Interest and bank fees	28	425,175	121,705	488,124	145,495
Leases	27	51,039	20,054	66,808	25,724
Retained earnings for the period		100,257	216,529	100,257	218,296
		1,678,344	1,659,504	2,682,762	2,210,847

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

1. General information

i. Reporting entity

JSL S.A. ("Company" or "Parent company") is a publicly-traded corporation with its headquarters at Doutor Renato Paes de Barros Street 1.017, 9th floor - Itaim Bibi - São Paulo, with shares traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") under the ticker JSLG3, and 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.

JSL S.A. and its subsidiaries (collectively referred to as "JSL") are focused on logistics services, referred to as 'JSL Logística', mainly providing services of intercity, interstate and international road freight transport; chartered passenger transport; logistical organization of freight transport; storage, handling in manufacturing plants and related activities.

ii. Corporate restructuring

At the Extraordinary General Meeting held on January 3, 2022, the merger of Fadel Holding S.A. and Moreno Holding Ltda. by JSL S.A. was approved.

At March 31, 2022, the shareholders approved the merger of Abaete Comércio de Veículos Ltda. and Unileste Transportes Ltda. into Transportadora Rodomeu Ltda. and the downstream merger of Riograndense Logística Ltda. into Transportes Marvel Ltda. as of April 1, 2022.

1.1. Main events

a) 1st issuance of simple, convertible, unsecured debentures, in a single series, for private distribution of subsidiary Transportes Marvel Ltda. ("Marvel")

On January 18, 2022, the subsidiary executed the Private Deed Instrument for the 1st issuance of simple, convertible, unsecured debentures, in a single series, for private distribution. The issuance amount was R\$ 50,000 subject to CDI rate + 2.00% and final maturity on January 18, 2024; all debentures were acquired by the Company. This is a compound financial instrument recorded in the subsidiary's equity, which includes components of financial liability and equity comprising securities that will mandatorily be converted into share capital at the holder's discretion, and, in the case of Mandatory Conversion, upon receipt of the Conversion Notice, all Debentures shall be converted into 50,000,000 common shares issued by the Issuer.

b) 1st issuance of simple, convertible, unsecured debentures, in a single series, for private distribution of subsidiary Sinal Serviços de Integração Industrial Ltda. ("Sinal")

On February 3, 2022, the subsidiary executed the Private Deed Instrument for the 1st issuance of simple, convertible, unsecured debentures, in a single series, for private distribution. The issuance amount was R\$ 52,000 subject to CDI rate + 2.70% and final maturity on February 3, 2024; all debentures were acquired by the Company. This is a compound financial instrument recorded in the subsidiary's equity, which includes components of financial liability and equity comprising securities that will mandatorily be converted into share capital at the option of the holder, and, in the case of Mandatory Conversion, upon receipt of the Conversion Notice, all Debentures shall be converted into 52,000,000 common shares issued by the Issuer.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****c) Acquisitions of companies****i. Final allocations - Acquisition of Transportadora Rodomeu Ltda. and Unileste Transportes Ltda. (together “Rodomeu”)**

On May 14, 2021, the Company concluded the acquisition of 100% of the ownership interest of Rodomeu and its subsidiary Abaeté Comercio de Veículos Ltda., approved by the Administrative Council for Economic Defense (“CADE”), on March 24, 2021 without restrictions.

In accordance with CPC 15/IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed for the determination of the purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value
Assets			
Cash and cash equivalents	26,018	-	26,018
Trade receivables	9,528	-	9,528
Indemnification assets	-	16,611	16,611
Intangible assets	-	6,100	6,100
Property and equipment	16,433	44,195	60,628
Other assets	16,794	385	17,179
Total assets	68,773	67,291	136,064
Liabilities			
Trade payables	1,064	-	1,064
Loans and borrowings	12,066	-	12,066
Provision for contingencies	-	16,611	16,611
Other liabilities	5,908	-	5,908
Total liabilities	19,038	16,611	35,649
Total net assets			100,415
Fair value of the consideration paid			97,000
Gain on bargain purchase			3,415

Fair value measurement on definitive bases

The fair value of the assets assumed, net of liabilities assumed, is R\$ 100,415 and includes R\$ 44,195 related to surplus value of property and equipment, intangible assets comprising R\$ 5,000 referring to customer portfolio, R\$ 1,100 to trademark, R\$ 385 to the investment in Abaeté and R\$ 16,611 to indemnification assets and contingent liabilities. A gain on bargain purchase in the amount of R\$ 3,415 was generated, recorded under Other operating income.

ii. Definitive allocations - Acquisition of Ponto Express Logística S.A. (“TPC”)

On June 14, 2021, the Company concluded the acquisition of 100% of the shares issued by TPC, approved by the Administrative Council for Economic Defense (“CADE”) on March 26, 2021.

In accordance with CPC 15/IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed for the determination of the purchase price allocation is shown below:

JSL S.A.**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated**

	Carrying amount	Fair value adjustment	Fair value at the acquisition date
Assets			
Cash and cash equivalents	11,749	-	11,749
Trade receivables	114,048	-	114,048
Marketable securities and financial investments	18,653	-	18,653
Indemnification assets	-	181,132	181,132
Property and equipment	108,786	12,148	120,934
Right-of-use assets	68,906	3,660	72,566
Intangible assets	11,626	82,448	94,074
Other assets	31,930	-	31,930
Total assets	365,698	279,388	645,086
Liabilities			
Loans and borrowings	127,846	-	127,846
Lease liabilities	76,362	-	76,362
Social and labor liabilities	28,704	-	28,704
Taxes payable	31,428	-	31,428
Provision for contingencies	6,906	174,226	181,132
Other liabilities	18,387	-	18,387
Total liabilities	289,633	174,226	463,859
Total net assets			181,227
Fair value of the consideration paid			185,526
Goodwill			4,299

Fair value measurement on definitive bases

The fair value of the assets assumed, net of liabilities assumed, is R\$ 184,128 and includes R\$ 12,148 related to surplus value of property and equipment, intangible assets comprising i) R\$ 50,900 referring to customer portfolio, ii) R\$ 13,200 to trademark, iii) R\$ 14,348 to licenses, iv) R\$ 4,000 to software, v) R\$ 3,660 to right-of-use assets, vi) R\$ 181,132 to indemnification assets and R\$ 174,226 to contingent liabilities. The goodwill generated on the operation is R\$ 4,299.

iii. Definitive allocations - Acquisition of Transportes Marvel Ltda.

On July 30, 2021, the Company concluded the acquisition of 100% of the shares of Marvel, approved by the Administrative Council for Economic Defense ("CADE") on July 26, 2021.

In accordance with CPC 15/IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed for the determination of the purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value at the acquisition date
Assets			
Cash and cash equivalents	26,781	-	26,781
Trade receivables	58,712	-	58,712
Indemnification assets	-	28,433	28,433
Property and equipment	252,805	76,226	329,031
Intangible assets	-	14,500	14,500
Other assets	41,307	-	41,307
Total assets	379,605	119,159	498,764
Liabilities			
Loans and borrowings	171,109	-	171,109
Lease liabilities	55,614	-	55,614
Social and labor liabilities	9,210	-	9,210
Provision for contingencies	2,424	28,433	30,857
Other liabilities	21,091	-	21,091
Total liabilities	259,448	28,433	287,881
Total net assets			210,883
Fair value of the consideration paid			245,000
Goodwill			34,117

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

Fair value measurement on definitive bases

The fair value of the assets assumed, net of liabilities assumed, is R\$ 210,883 and includes R\$ 76,226 related to surplus value of property and equipment, intangible assets comprising R\$ 14,500 referring to trademarks and R\$ 28,433 to indemnification assets and contingent liabilities. The goodwill generated on the operation is R\$ 34,117.

iv. Acquisition of Truckpad Tecnologia e Logística S.A. and Truckpad Meios de Pagamentos Ltda. (“Truckpad”)

On May 26, 2022, the Company completed the acquisition of 100% of the shares issued by Truckpad.

The Company believes that the transaction will accelerate JSL's technological development through the access to Truckpad's technology.

The transaction totaled US\$ 1.00, which was paid on May 26, 2022 in local currency, in addition to the assumption of the obligations and debts of the company acquired.

In accordance with CPC 15/IFRS 3– Business Combinations, the fair value of the assets acquired and liabilities assumed for the determination of the purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value at the acquisition date
Assets			
Cash and cash equivalents	1,475	-	1,475
Trade receivables	391	-	391
Property and equipment	1,067	-	1,067
Intangible assets	223	6,993	7,216
Other assets	298	-	298
Total assets	3,454	6,993	10,447
Liabilities			
Borrowings	3,900	-	3,900
Trade payables	3,160	-	3,160
Social and labor liabilities	3,520	-	3,520
Provision for contingencies	-	11,470	11,470
Other liabilities	1,650	-	1,650
Total liabilities	12,230	11,470	23,700
Total net assets (net capital deficiency)			(13,253)
Fair value of the consideration paid			0.0048
Goodwill			13,253

Fair value measurement

The fair value of the liabilities assumed is R\$ 13,253 and includes R\$ 6,993 related to software and R\$ 11,470 to contingent liabilities. Goodwill generated totals R\$ 13,253.

The fair value of assets and liabilities was provisionally determined. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date indicates adjustments to the amounts mentioned above, or any additional provision that existed at the acquisition date, the accounting for acquisition will be reviewed.

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

Techniques for fair value measurement

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Assets acquired	Valuation technique
Software	Adopted the methodology to analyze the company's projections in relation to the volume of services contracted/provided by the software that will serve as a basis for the calculation through royalties.

Result from business combination

Had the acquisition of TruckPad occurred on January 1, 2022, the net revenue for the period ended September 30, 2022 would be R\$ 7,101 and the loss for the period would be R\$ 8,075.

Acquisition costs

The Company incurred costs associated with the acquisition in the amount of R\$ 225, related to attorney's fees and due diligence costs, classified as "Administrative expenses" in the statement of profit or loss for 2022.

1.2. 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	09/30/2022		12/31/2021	
		Direct %	Indirect %	Direct %	Indirect %
Medlogística Prestação de Serviços de Logística S.A. ("Medlogística")	Brazil	99.99	0.01	99.99	0.01
Quick Armazéns Gerais - Eireli - ME ("Quick Armazéns")	Brazil	99.99	0.01	99.99	0.01
Quick Logística Ltda. ("Quick Logística")	Brazil	99.99	0.01	99.99	0.01
Sinal Serviços de Integração Industrial Ltda ("Sinal Serviços")	Brazil	99.99	0.01	99.99	0.01
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda. ("Yolanda")	Brazil	99.99	0.01	99.99	0.01
Moreno Holding Ltda. (Moreno Holding") (ii)	Brazil	-	-	100.00	-
Transmoreno Transporte e Logística Ltda. ("Transmoreno")	Brazil	100.00	-	-	100.00
Fadel Holding Ltda. ("Fadel Holding") (ii)	Brazil	-	-	100.00	-
Fadel Transportes e Logística Ltda. ("Fadel Transportes")	Brazil	100.00	-	-	100.00
Fadel Soluções em Logística ("Fadel Soluções")	Brazil	-	100.00	-	100.00
Fadel Logistics South Africa ("Fadel South Africa")	South Africa	-	100.00	-	100.00
Locadel Veículos Ltda ("Locadel")	Brazil	-	100.00	-	100.00
Mercosur Factory Sociedad Anónima ("Fadel Paraguay")	Paraguay	100.00	-	-	100.00
Pronto Express Logística S.A.	Brazil	100.00	-	100.00	-
TPC Logística Sudeste S.A.	Brazil	-	100.00	-	100.00
TPC Logística Nordeste S.A.	Brazil	-	100.00	-	100.00
Transportadora Rodomeu Ltda.	Brazil	100.00	-	100.00	-
Unileste Transportes Ltda (iii)	Brazil	-	-	100.00	-
Abaete Comércio de Veículos Ltda. (iii)	Brazil	-	-	-	100.00
Agrolog Transportadora de Cargas em Geral Ltda. ("Agrolog Transportadoras") (i)	Brazil	100.00	-	99.80	0.20
Riograndense Navegação Ltda. ("Riograndense") (iii)	Brazil	-	-	99.99	0.01
Transportes Marvel Ltda.	Brazil	100.00	-	-	100.00
Truckpad Tecnologia e Logística S.A.	Brazil	100.00	-	-	-
Truckpad Meios de Pagamentos Ltda.	Brazil	-	100.00	-	-

(i) Company in pre-operational phase or dormant.

(ii) At the Extraordinary General Meeting held on January 3, 2022, the merger of Fadel Holding S.A. and Moreno Holding Ltda. into JSL S.A. was approved.

(iii) On March 31, 2022, the shareholders approved the merger of Abaete Comércio de Veículos Ltda. and Unileste Transportes Ltda. into Transportadora Rodomeu Ltda. and the downstream merger of Riograndense Logística Ltda. into Transportes Marvel Ltda. as of April 1, 2022.

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, unless otherwise stated

1.3. Sustainability and environment

JSL is aware of its climate change challenges, therefore, it increased its operational efficiency investing in the acquisition of five additional gas-powered trucks, totaling, in our fleet, ten vehicles that can also use biomethane as fuel. Accordingly, JSL has been seeking to engage partners and suppliers in this decarbonization journey.

By using renewable energy in some of its operations, the Company avoided the emission of 2,831.92 metric tons of CO2 equivalent in 2021. This action is equivalent to 30 years of reforestation of 19,823 trees. In addition, we have received recognition for sustainability from some of our customers for projects that seek to offset greenhouse gas emissions into the environment. The planting was carried out in partnership with the Black Jaguar Foundation and contributes to the restoration of the Biodiversity Corridor of Rio Araguaia.

1.4. Conflict between Ukraine and Russia

JSL has been following the unfolding of the conflict between Ukraine and Russia and understands that, considering that it does not have any type of direct relationships with customers or suppliers in these countries, the main economic impacts are related to a relevant increase in natural gas and oil. Thus, with an impact on fuel prices in Brazil, and consequently, an increase in inflation, with a reduction in recent months, but with interest rates maintained at a high level, with a strong impact on financial expenses. Therefore, management is monitoring the impacts on financial expenses and costs caused by the increase in the price of diesel, which despite the pass-through of prices to customers, led to an increase in costs with aggregates and third parties and in the costs of fuel and lubricants.

2. Basis of preparation and presentation of the individual and consolidated financial statements and significant accounting policies

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

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

The interim financial information contains selected explanatory notes that explain significant events and transactions, which allow the understanding of the changes occurred in JSL’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, 2021, published on February 22, 2022.

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.

The issuance of this interim financial information was authorized by the Board of Directors on November 3, 2022.

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

2.2. Statement of value added (“DVA”)

The preparation of the individual and consolidated statements of value added (DVA) is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to listed companies.

The international financial reporting standards (“IFRS”) 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 individual and consolidated interim financial information.

2.3. Functional currency and translation of foreign currency

a) Functional and presentation currency

This individual and consolidated interim financial information is presented in Brazilian reais (R\$), which is the functional currency of the Company and its subsidiaries, except for Fadel Mercosur, whose functional currency is the Guarani, and Fadel South Africa, whose functional currency is the Rand, as detailed in item c). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

b) Transactions and balances

Foreign currency transactions are translated into Brazilian Reais using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are remeasured.

Foreign exchange gains and losses that relate to financial assets and liabilities, such as loans and borrowings, cash and cash equivalents and marketable securities indexed in a currency other than the Brazilian Real are presented in the statement of profit or loss as finance income or costs.

c) Group companies with a different functional currency

The interim financial information of the subsidiaries Fadel Mercosur and Fadel South Africa, included in the consolidation, was prepared in Guarani and Rand, respectively, which are their functional currencies. The results and financial position of Fadel Paraguay and Fadel South Africa, whose functional currencies differ from the presentation currency, are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position are translated at the closing rate at the reporting date;
- (ii) Income and expenses for each statement of profit or loss are translated at the average monthly exchange rates;
- (iii) All differences arising from translation of exchange rates are recognized as a separate component in equity, in the line item "Other equity adjustments related to subsidiaries".

The exchange rates in Reais in effect on the base date of these financial statements are as follows:

<u>Currency</u>	<u>Rate</u>	<u>09/30/2022</u>
Guarani	Average rate	0.0007438
Guarani	Closing rate	0.0007635
Rand	Average rate	0.3223
Rand	Closing rate	0.2992

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

The amounts presented in the cash flows are extracted from the translated movements of assets, liabilities and profit or loss, as detailed above.

2.4. Use of estimates and judgments

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

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgments made by Management during the application of JSL's accounting policies and the information about uncertainties related to assumptions and estimates that have a significant risk of resulting in a material adjustment are the same as those disclosed in the latest individual and consolidated interim financial information.

3. Segment information

The segment information is presented in relation to the JSL business, which was identified based on the management structure and internal managerial information utilized by the JSL chief decision-makers.

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

The Company and its subsidiaries operate in a sole business segment:

- Logistics operations: Refers to the equity and profit or loss positions of all effects arising from the operating and financial impacts of the logistics business.

Segment information is presented in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources, assessing performance, and making strategic decisions. Performance is assessed based on indicators such as net revenue, EBIT, EBITDA and profit.

The business segment information for the periods ended September 30, 2022 and 2021 is as follows:

JSL S.A.**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated**

	Consolidated	
	09/30/2022	09/30/2021
Gross revenue from rendering services and lease of vehicles, machinery and equipment	5,011,808	3,501,915
Gross revenue from sale of decommissioned assets used in rendering services	154,126	64,085
Gross revenue from rendering services, lease of vehicles, machinery and equipment and sale of decommissioned assets used in rendering services	5,165,934	3,566,000
Net revenue from rendering services and lease of vehicles, machinery and equipment	4,211,124	2,905,830
Net revenue from sale of decommissioned assets used in rendering services	148,836	62,385
Net revenue from rendering services, lease of vehicles, machinery and equipment and sale of decommissioned assets used in rendering services	4,359,960	2,968,215
Cost of rendering services and lease of vehicles, machinery and equipment	(3,505,017)	(2,461,384)
Cost of sale of decommissioned assets used in rendering services	(116,946)	(48,594)
Gross profit	737,997	458,238
Selling expenses	(19,732)	(15,107)
Administrative expenses	(225,973)	(188,366)
Provision for expected credit losses ("impairment") of trade receivables	(14,508)	(7,327)
Other operating income (expenses), net	78,625	128,722
Profit before finance income, costs and taxes	556,409	376,160
Finance income (costs), net	(427,558)	(110,075)
Profit before income tax and social contribution	128,851	266,084
Total income tax and social contribution	(28,594)	(47,787)
Profit for the period	100,257	218,297

In this structural segment, we have the various service lines of the logistics business, such as:

- **Urban distribution:** It operates with dry, refrigerated or frozen cargo with online temperature control and performs exits and returns to/from warehouses operated or not by JSL or direct from industry to retail. Urban distribution is directly connected with the performance of consumption in Brazil by serving the B2B segment and what can be considered as B2C, which is delivery at points that will be the basis for distribution to the final consumer. The Company has urban distribution operations mainly in the Food and Beverage and Consumer Goods sectors.
- **Logistics operations:** characterized by closed-loop operations as part of the customer's production process, with a high level of specialization and customization and a high degree of technological integration and monitoring. Contracts in this segment have terms of 3 to 5 years and involve its own assets and real-time monitoring software, commodity logistics and studies and dimensioning of activities to identify the best options for customers, loading of raw material and product, raw material supply, finished product flow, internal and port handling, road maintenance, waste management and waste discharge. The segment also includes freight and leasing with labor to transport customers' employees and internal logistics at the customer's facilities, which comprises a vast niche of customized services for each operation and consist of the handling of raw materials, products and assembly lines supply. The volumes of dedicated operations services are related to the performance of commodities and industrial activity in the country, and their main business sectors are pulp and paper and mining.
- **Storage services:** Management of dedicated and multi-customer warehouses performing receipt, dry, refrigerated and frozen storage, production line sequencing and supply and packaging and packers supply with customer sales systems connected to JSL for delivery within 24 hours, when necessary, connecting to the urban distribution service. Storage services are also connected with industrial activity, consumption and macro-economic factors as they signal the need to expand the supply of warehouses in strategic locations for distribution. The main sectors served by the segment are Consumer Goods and Food and Beverage.
- **Cargo transport:** It comprises the movement by road modal of inputs or finished products, including new vehicles, from the supply point to their final destination, that is, the flow of products in the point-to-point system through the full load mode. Cargo transport is linked to the

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated**

performance of consumption and movement of goods in the country for internal consumption or export. The main sectors served by cargo transport are Food and Beverage, Automotive and Consumer Goods.

In the nine-month period ended September 30, 2022, there is no customer with revenue individually greater than 10% of the net revenue from services. In the same period ended September 30, 2021, there are two customers with revenue individually greater than 10%, corresponding to 22.3% of the net revenue from services, or R\$ 647,620.

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

4. Financial instruments and risk management

4.1. Financial instruments by category

JSL's financial instruments are presented in the following accounting classifications:

	09/30/2022			Parent company 12/31/2021		
Assets, as per the statement of financial position	Assets at fair value through profit or loss	Amortized cost	Total	Assets at fair value through profit or loss	Amortized cost	Total
Cash and cash equivalents	-	196,692	196,692	-	52,661	52,661
Marketable securities and financial investments	277,435	-	277,435	772,396	-	772,396
Derivative financial instruments	5,584	-	5,584	2,627	-	2,627
Trade receivables	-	938,702	938,702	-	850,144	850,144
Related parties	-	92,628	92,628	-	126,462	126,462
Other credits	-	88,020	88,020	-	29,581	29,581
	283,019	1,316,042	1,599,061	775,023	1,058,848	1,833,871
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	-	203,074	203,074	-	210,906	210,906
Loans and borrowings	1,426,191	66,606	1,492,797	1,373,755	-	1,373,755
Debentures	-	1,844,388	1,844,388	-	1,821,908	1,821,908
Leases payable	-	22,384	22,384	-	42,677	42,677
Right-of-use leases	-	261,753	261,753	-	175,324	175,324
Related parties	-	1,760	1,760	-	1,619	1,619
Payables for the acquisition of companies	-	325,349	325,349	-	359,810	359,810
Other payables	-	46,760	46,760	-	59,876	59,876
	1,426,191	2,772,074	4,198,265	1,373,755	2,672,120	4,045,875

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated**

	09/30/2022			Consolidated 12/31/2021		
	Assets at fair value through profit or loss	Amortized cost	Total	Assets at fair value through profit or loss	Amortized cost	Total
Assets, as per the statement of financial position						
Cash and cash equivalents	-	388,610	388,610	-	152,951	152,951
Marketable securities and financial investments	282,000	-	282,000	802,044	-	802,044
Derivative financial instruments	5,677	-	5,677	2,995	-	2,995
Trade receivables	-	1,253,496	1,253,496	-	1,296,930	1,296,930
Other credits	-	37,736	37,736	-	29,084	29,084
	287,677	1,679,842	1,967,519	805,039	1,478,965	2,284,002
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	-	307,466	307,466	-	374,115	374,115
Loans and borrowings	1,426,191	551,407	1,977,598	1,373,755	391,852	1,765,607
Debentures	-	1,844,388	1,844,388	-	1,821,908	1,821,908
Leases payable	-	22,384	22,384	-	42,677	42,677
Right-of-use leases	-	423,564	423,564	-	314,955	314,955
Related parties	-	1,760	1,760	-	1,619	1,619
Payables for the acquisition of companies	-	378,204	378,204	-	469,066	469,066
Other payables	-	129,846	129,846	-	89,563	89,563
	1,426,191	3,659,019	5,085,210	1,373,755	3,505,755	4,879,510

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reals, unless otherwise stated

(ii) Analysis of discounted cash flows.

The valuation curve used in the fair value measurement of agreements indexed to the CDI - Interbank Deposit Certificates at September 30, 2022 is as follows:

Interest curve - Brazil

Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	13.66	13.68	13.21	11.83	11.51	11.60	11.82

Source: B3 - 09/30/2022

4.3. Financial risk management

JSL is exposed to market, credit, and liquidity risks on its main financial assets and liabilities. Management manages these risks with the support of a Financial Committee and with the approval of the Board of Directors, which is responsible for authorizing transactions involving any type of derivative financial instruments and any contracts that generate financial assets and liabilities, regardless of the market in which they are traded or registered, whose amounts are subject to fluctuations.

The Company 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. JSL is exposed to credit risk, mainly in respect of trade receivables, deposits with banks, financial investments and other financial instruments currently held with financial institutions.

i. Cash and cash equivalents - marketable securities and financial investments

The credit risk associated with balances at banks and financial institutions is managed by the JSL treasury area, supported by its Finance Committee, in accordance with the guidelines approved by the Board of Directors. Surplus funds are invested only in approved counterparties and within the limits established for each, in order to minimize the concentration of risk and therefore mitigate potential financial losses in the event of an institution going bankrupt.

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

For risk assessment purposes, a local scale ("Br") of credit risk exposure extracted from rating agencies is used, as shown below:

Rating in Local Scale "Br"	
Nomenclature	Quality
Br AAA	Prime
Br AA+, AA, AA-	High Investment Grade
Br A+, A, A-	High Average Investment Grade
Br BBB+, BBB, BBB-	Low Average Investment Grade
Br BB+, BB, BB-	Speculative Non-Investment Grade
Br B+, B, B-	Highly Speculative Non-Investment Grade
Br CCC	Extremely Speculative Non-Investment Grade
Br D	Default Speculative Non-Investment Grade

JSL S.A.**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated**

JSL's cash quality and maximum credit risk exposure to cash and cash equivalents, financial investments and marketable securities are as follows:

	<u>Parent company</u> <u>09/30/2022</u>	<u>Consolidated</u> <u>09/30/2022</u>
Demand and short-term deposits	12,881	60,547
Br AAA	83,485	227,658
Br AA	100,326	100,405
Total financial investments	183,811	328,063
Total cash and cash equivalents	196,692	388,610
	<u>Parent company</u> <u>09/30/2022</u>	<u>Consolidated</u> <u>09/30/2022</u>
Marketable securities and financial investments		
Br AAA	277,435	282,000
Total marketable securities and financial investments	277,435	282,000
	<u>Parent company</u> <u>12/31/2021</u>	<u>Consolidated</u> <u>12/31/2021</u>
Demand and short-term deposits	14,538	49,546
Br AAA	37,739	102,997
Br AA	384	408
Total financial investments	38,123	103,405
Total cash and cash equivalents	52,661	152,951
	<u>Parent company</u> <u>12/31/2021</u>	<u>Consolidated</u> <u>12/31/2021</u>
Marketable securities and financial investments		
Br AAA	772,396	802,044
Total marketable securities and financial investments	772,396	802,044

ii. Trade receivables

JSL uses a simplified "provision matrix" to calculate the expected credit losses on its trade receivables, based on its experience of historical credit losses. The provision matrix specifies fixed rates for the provision depending on the number of days in which the receivables are falling due or overdue and is adjusted for specific customers according to future estimates and qualitative factors observed by Management.

JSL writes off its financial assets when there is no reasonable expectation of recovery, according to the recoverability study of each JSL company. The receivables written off continue in the collection process to recover the receivable amount. When there are recoveries, these are recognized in profit or loss for the year.

The Company recognized an impairment allowance that represents its estimate of expected credit losses on trade receivables, see note 7.

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, unless otherwise stated

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 changes in its market prices, adversely affecting the profit or loss or cash flows. Market prices typically involve three types of risks: interest rate risk, exchange rate risk and price risk that may be of commodities, stocks, among others.

i. Interest rate 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 changes in market interest rates.

JSL is substantially exposed to interest rate risk on cash and cash equivalents, marketable securities and financial investments, loans, borrowings, debentures, leases payable and right-of-use leases. As a policy, JSL seeks to concentrate this risk to the DI variation, and uses derivatives for this purpose.

All these transactions are conducted under the guidelines established by the financial committee, and are approved by the Board of Directors. JSL seeks to apply the hedge accounting to manage the volatility of profit or loss.

For the management of the interest rate risk, the Company contracted swap derivatives to hedge the Company against the risk that the fair value of the future cash flows derived from a given financial instrument fluctuates in response to variations in market interest rates, reducing the Company's exposure to interest rate fluctuations.

To reduce the interest rate risk related to the variations of the Amplified Consumer Price Index (IPCA) on future finance costs of certain financial liabilities, the Company contracted a swap derivative, converting it to a CDI percentage.

The first contracting refers to the 10th issuance for the hedging of cash flows of an Agribusiness Receivables Certificate (CRA) of R\$ 362,685, with the following terms, hedge calculation basis - R\$ 362,685, carried out for a period equal to the original debt with the swap of the percentage of IPCA+3.5518% for CDI+0.65%.

The second contracting refers to the 11th issuance for the hedging of cash flows of an Agribusiness Receivables Certificate (CRA) of R\$ 400,000, with the following terms, hedge calculation basis - R\$ 426,275, carried out for a period equal to the original debt with the swap of the percentage of IPCA+6.0931% for CDI+147.5%.

The third contracting refers to the 12th issuance for the hedging of cash flows of an Agribusiness Receivables Certificate (CRA) of R\$ 500,000, with the following terms, hedge calculation basis - R\$ 500,000, carried out for a period equal to the original debt with the swap of the percentage of IPCA+5.1672% for CDI+122.65%.

The debentures issued by JSL S.A. are all simple, non-convertible, unsecured debentures, except for the 11th issuance that comprises debentures of the floating guarantee type and the 12th issuance that comprises debentures of the floating and additional personal guarantee type.

For the 11th and 12th issuances of debentures, the Company maintains at least 130% of the debt balance, amount equivalent to assets free of burden and debt.

Additionally, after the corporate restructuring, Simpar became jointly liable with the Company, in 10th, 11th and 12th issuances of Debentures.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated**Foreign exchange risk

JSL is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and its functional currency. Borrowings are generally denominated in a currency equivalent to the cash flows generated by JSL's trade operations, mainly in Reais.

ii. Market risk hedge derivative instruments

For the management of these risks, at September 30, 2022 and December 31, 2021, JSL had derivative financial instruments (swap contracts) that were classified as fair value hedge in accordance with CPC 48 / IFRS 9 - Financial Instruments, whose gains and losses arising from changes in the fair value of these operations are recorded in finance income (costs).

In order to analyze whether there is an economic relationship between the hedging instrument and the hedged item, a qualitative assessment of hedge effectiveness is performed by comparing the critical terms of both instruments.

The outstanding contracts at September 30, 2022 are the following:

Company	Instrument	Type of derivative financial instrument	Operation	Notional amount	Maturity	Parent company and Consolidated	
						Balance of the hedged debt at 09/30/2022	
						Instrument on the curve	Fair value receivable (payable)
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 362,685	Nov/25	67,450	43,716
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 426,276	May/25	50,199	1,610
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 500,000	May/31	40,993	(39,742)
TPC Nordeste	Swap agreement	Fair value hedge	SWAP EUR X CDI	R\$ 653	Jan/24	573	93
Total						159,215	5,677

The derivative financial instruments outstanding balances are as follows:

Operation	09/30/2022		Parent company 12/31/2021	
	Notional amount	Assets/Liabilities	Notional amount	Assets
	Swap - USD x CDI	-	-	-
Swap - IPCA x CDI	R\$ 1,288,961	5,584	R\$1,289,152	2,627
Total		5,584		2,627
Current		-		-
Noncurrent		5,584		2,627
Total		5,584		2,627

Operation	09/30/2022		Consolidated 12/31/2021	
	Notional amount	Assets/Liabilities	Notional amount	Assets
	Swap - EUR x CDI	R\$ 656	93	R\$ 843
Swap - IPCA x CDI	R\$ 1,288,961	5,584	R\$ 1,289,152	2,627
Total		5,677		2,960
Current		62		147
Noncurrent		5,615		2,813
Total		5,677		2,960

Outstanding balances and cash flows associated with swap contracts impact the profit or loss and the respective carrying amount of these instruments.

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

	Parent company				
	At September 30, 2022				
	Carrying amount	Expected cash flow			
		Total	1 - 6 months	7 - 12 months	Over 1 year
Swap					
Asset position	1,468,313	2,314,268	36,436	37,005	2,240,827
Liability position	(1,462,729)	(2,149,733)	(105,101)	(102,849)	(1,941,783)
	5,584	164,535	(68,665)	(65,844)	299,044

	Consolidated				
	At September 30, 2022				
	Carrying amount	Expected cash flow			
		Total	1 - 6 months	7 - 12 months	Over 1 year
Swap					
Asset position	1,468,979	2,314,931	36,657	37,226	2,241,048
Liability position	(1,463,302)	(2,150,294)	(105,288)	(103,036)	(1,941,970)
	5,677	164,637	(68,631)	(65,810)	299,078

c) Liquidity risk

JSL monitors risks associated with funding shortages on an ongoing basis through a current liquidity planning. JSL's purpose is to maintain in its assets a balance of cash and high-liquid investments and maintain flexibility through the use of bank loans and the ability to raise funds through capital markets, in order to ensure its 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:

	Parent company				
	09/30/2022				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	Over 3 years
Financial assets					
Cash and cash equivalents	196,692	196,692	196,692	-	-
Marketable securities and financial investments	277,435	277,435	273,410	4,025	-
Derivative financial instruments	5,584	5,584	-	-	5,584
Trade receivables	938,702	938,702	921,436	17,266	-
Related parties	92,628	92,628	-	92,628	-
Other credits	88,020	88,020	72,108	15,912	-
Total	1,599,061	1,599,061	1,463,646	129,831	5,584
Financial liabilities					
Trade payables	203,074	203,074	203,074	-	-
Loans and borrowings	1,492,797	1,973,135	17,859	1,060,954	894,321
Debentures	1,844,388	3,186,109	58,353	582,195	2,545,561
Leases payable	22,384	24,653	11,756	12,897	-
Right-of-use leases	261,753	261,753	35,846	35,965	189,942
Related parties	1,760	1,760	-	1,760	-
Payables for the acquisition of companies	325,349	365,262	102,092	89,108	174,062
Other payables	46,760	46,760	42,862	3,898	-
Total	4,198,265	6,062,505	471,843	1,786,776	3,803,886

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

	Consolidated				
	09/30/2022				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	Over 3 years
Financial assets					
Cash and cash equivalents	388,610	388,610	388,610	-	-
Marketable securities and financial investments	282,000	282,000	281,989	11	-
Derivative financial instruments	5,677	5,677	62	-	5,615
Trade receivables	1,253,496	1,253,496	1,227,130	26,366	-
Other credits	37,736	37,736	15,918	21,818	-
Total	1,967,519	1,967,519	1,913,709	48,195	5,615
Financial liabilities					
Trade payables	307,466	307,466	307,466	-	-
Loans and borrowings	1,977,598	2,046,216	58,805	1,063,954	923,457
Debentures	1,844,388	3,186,109	58,353	582,195	2,545,561
Leases payable	22,384	24,653	11,756	12,897	-
Right-of-use leases	423,564	423,564	73,166	98,416	251,982
Related parties	1,760	1,760	-	1,760	-
Payables for the acquisition of companies	378,204	418,117	102,092	104,108	211,917
Other payables	129,846	129,846	115,358	14,488	-
Total	5,085,210	6,537,731	726,997	1,877,817	3,932,917

4.4. Sensitivity analysis

JSL's Management carried out a sensitivity analysis, in order to show the impacts of interest and exchange rate changes on its financial assets and liabilities, considering for the next 12 months the following probable interest and exchange rates:

- CDI at 13.21 % p.a., based on the future yield curve (source: B3);
- TLP at 5.23 % p.a. (source: B3);
- IPCA at 5.32 % p.a. (source: B3);
- IGP-M at 5 % p.a. (source: B3);
- SELIC at 13.21 % p.a. (source: B3); and
- Euro rate of R\$ 5.75 (source: B3);

The table below is presented with the respective impacts on the finance result, considering the probable scenario (Scenario I), with increases of 25% (Scenario II) and 50% (Scenario III):

Operation	Exposure	Risk	Parent company		
			Scenario I probable	Scenario I + depreciation/ increase of 25%	Scenario I + depreciation/ increase of 50%
Loans and borrowings (CRA)	1,426,191	IPCA increase	75,873	94,842	113,810
Swap long position	(1,468,313)	IPCA increase	(78,114)	(97,643)	(117,171)
Swap short position	1,462,729	CDI increase	193,227	241,533	289,840
Net effect of exposure	1,420,607		190,986	238,732	286,479
Net effect of hedge accounting operations	1,420,607		190,986	238,732	286,479
Other operations - floating rate					
Financial investments	183,811	CDI increase	24,281	30,352	36,422
Marketable securities and financial investments	133,789	SELIC increase	17,674	22,092	26,510
Loans and borrowings	(1,492,797)	CDI increase	(197,198)	(246,498)	(295,798)
Debentures	(1,844,388)	CDI increase	(243,644)	(304,555)	(365,465)
Leases payable	(22,384)	CDI increase	(2,957)	(3,696)	(4,435)
Payables for the acquisition of companies	(37,474)	IGPM increase	(1,874)	(2,342)	(2,811)
Payables for the acquisition of companies	(287,875)	CDI increase	(38,028)	(47,535)	(57,042)
Net effect of exposure	(3,367,318)		(441,746)	(552,182)	(662,619)
Net exposure and impact on finance costs - floating rate	(1,946,711)		(250,760)	(313,450)	(376,140)
Other operations - fixed rate					
Marketable securities and financial investments	143,646	Fixed rate	5,056	5,056	5,056
Right-of-use leases	(261,753)	Fixed rate	(19,108)	(19,108)	(19,108)
Net exposure and impact on finance costs - fixed rate	(118,107)		(14,052)	(14,052)	(14,052)
Net exposure and total impact of finance costs in profit or loss	(2,064,818)		(264,812)	(327,502)	(390,192)

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reals, unless otherwise stated

Operation	Exposure	Risk	Consolidated		
			Scenario I probable	Scenario II + depreciation of 25%	Scenario III + depreciation of 50% -
Loans and borrowings - CRA + CDI / IPCA	1,426,856	IPCA increase	75,909	94,886	113,863
Swap long position	(1,468,979)	IPCA increase	(78,150)	(97,687)	(117,225)
Swap short position	1,463,302	CDI increase	193,302	241,628	289,953
Net effect of exposure	1,421,179		191,061	238,827	286,591
Net effect of hedge accounting operations	1,421,179		191,061	238,827	286,591
Other operations - floating rate					
Financial investments	328,063	CDI increase	43,337	54,171	65,006
Marketable securities and financial investments	124,979	SELIC increase	16,510	20,637	24,765
Loans and borrowings	(1,977,598)	CDI increase	(261,241)	(326,551)	(391,861)
Debentures	(1,844,388)	CDI increase	(243,644)	(304,555)	(365,465)
Leases payable	(22,384)	CDI increase	(2,957)	(3,696)	(4,435)
Payables for the acquisition of companies	(37,474)	IGPM increase	(1,874)	(2,342)	(2,811)
Payables for the acquisition of companies	(340,730)	CDI increase	(45,010)	(56,263)	(67,516)
Loans and borrowings	(152,579)	EUR increase	(877,329)	(1,096,662)	(1,315,994)
Net effect of exposure	(3,922,111)		(1,372,208)	(1,715,261)	(2,058,311)
Net exposure and impact on finance costs - floating rate	(2,500,932)		(1,181,147)	(1,476,434)	(1,771,720)
Other operations - fixed rate					
Marketable securities and financial investments	157,021	Fixed rate	5,527	5,527	5,527
Right-of-use leases	(423,564)	Fixed rate	(38,460)	(38,460)	(38,460)
Loans and borrowings	(174,777)	Fixed rate	(9,805)	(9,805)	(9,805)
Net exposure and impact on finance costs - fixed rate	(441,320)		(42,738)	(42,738)	(42,738)
Net exposure and total impact of finance costs in profit or loss	(2,942,252)		(1,223,885)	(1,519,172)	(1,814,458)

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

5. Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash	1,856	1,199	14,839	4,112
Banks	11,025	13,338	45,708	45,434
Total cash on hand	12,881	14,537	60,547	49,546
Bank deposit certificates ("CDB")	3,470	28,018	87,214	91,300
Repurchase agreements, debenture-backed	180,047	-	187,290	-
Financial bills	-	9,721	-	9,821
Units of other funds	294	385	53,556	2,284
Others	-	-	3	-
Total financial investments	183,811	38,124	328,063	103,405
Total	196,692	52,661	388,610	152,951

During the nine-month period ended September 30, 2022 the average income from the funds was 11.97% p.a. (as at December 31, 2021 the average income was 5.13% p.a.).

6. Marketable securities

Operations	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Government securities - exclusive funds (i)				
Financial Treasury Bills ("LFT")	112,501	358,376	122,945	380,694
National Treasury Bills ("LTN")	143,646	414,020	157,021	421,350
Other securities				
Financial bills	1,830	-	2,034	-
Sundry	19,458	-	-	-
Total	277,435	772,396	282,000	802,044
Current assets	273,410	772,396	281,989	801,475
Noncurrent assets	4,025	-	11	569

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reals, unless otherwise stated

Total	277,435	772,396	282,000	802,044
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- (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, 2022, the average income from these investments was 13.68% p.a. (5.31% p.a. for the year ended December 31, 2021).

7. Trade receivables

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Trade receivables	574,292	634,165	832,672	1,039,590
Unbilled services	357,710	234,814	446,875	326,750
Related parties (note 24.1)	47,007	15,540	57,107	9,426
(-) Expected credit losses ("impairment") of trade receivables	(40,307)	(34,375)	(83,158)	(78,836)
Total	938,702	850,144	1,253,496	1,296,930
Current	921,436	835,813	1,227,130	1,282,599
Noncurrent	17,266	14,331	26,366	14,331
Total	938,702	850,144	1,253,496	1,296,930

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

	Parent company				Parent company			
	09/30/2022				12/31/2021			
	Trade receivables	Impairment	%	Net total	Trade receivables	Impairment	%	Net total
Total falling due	709,209	(302)	0.04%	708,907	782,871	(3,445)	0.44%	779,426
Overdue from 1 to 30 days	63,429	(60)	0.09%	63,369	37,191	(867)	2.33%	36,324
Overdue from 31 to 90 days	74,743	(1,412)	1.89%	73,331	14,179	(603)	4.25%	13,576
Overdue from 91 to 180 days	84,163	(3,746)	4.45%	80,417	10,685	(550)	5.15%	10,135
Overdue from 181 to 365 days	14,153	(2,023)	14.29%	12,130	10,058	(1,000)	9.94%	9,058
Overdue for more than 365 days	33,312	(32,764)	98.35%	548	29,536	(27,911)	94.50%	1,625
Total past due	269,800	(40,005)	14.83%	229,795	101,649	(30,931)	30.43%	70,718
Total	979,009	(40,307)	4.12%	938,702	884,520	(34,376)	3.89%	850,144

	Consolidated				Consolidated			
	09/30/2022				12/31/2021			
	Trade receivables	Impairment	%	Net total	Trade receivables	Impairment	%	Net total
Total falling due	1,007,944	(607)	0.06%	1,007,337	1,193,238	(9,069)	0.76%	1,184,169
Overdue from 1 to 30 days	74,162	(147)	0.20%	74,015	63,776	(1,531)	2.40%	62,245
Overdue from 31 to 90 days	79,896	(1,606)	2.01%	78,290	22,184	(996)	4.49%	21,188
Overdue from 91 to 180 days	85,183	(4,078)	4.79%	81,105	13,683	(721)	5.27%	12,962
Overdue from 181 to 365 days	15,346	(2,674)	17.42%	12,672	15,793	(1,575)	9.97%	14,218
Overdue for more than 365 days	74,123	(74,046)	99.90%	77	67,093	(64,945)	96.80%	2,148
Total past due	328,710	(82,551)	25.11%	246,159	182,529	(69,768)	38.22%	112,761
Total	1,336,654	(83,158)	6.22%	1,253,496	1,375,767	(78,837)	5.73%	1,296,930

Expected credit losses ("impairment") of trade receivables:

	Parent company	Consolidated
At December 31, 2020	(87,200)	(100,480)
(-) additions	(20,283)	(53,738)
(+) reversals	14,458	17,531
(-) write-off to losses	12,238	12,238
At September 30, 2021	(80,788)	(124,448)
At December 31, 2021	(34,375)	(78,836)
(-) additions	(15,373)	(26,829)
(+) reversals	3,334	12,321

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reals, unless otherwise stated

(-) write-off to losses	6,107	10,186
At September 30, 2022	(40,307)	(83,158)

8. Inventories

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Consumables	62,123	56,701	67,079	60,581
(-) Estimated losses on impairment of inventories (i)	(3,923)	(4,026)	(3,880)	(4,699)
Total	58,200	52,675	63,199	55,882

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

Movements in estimated losses on impairment of inventories are as follows:

	Parent company	Consolidated
At December 31, 2020	(6,005)	(6,197)
(-) additions	(3,059)	(3,072)
(+) reversals	1,446	1,447
At September 30, 2021	(7,618)	(7,822)
At December 31, 2021	(4,026)	(4,699)
(-) additions	(2,914)	(3,196)
(+) reversals	3,017	4,015
At September 30, 2022	(3,923)	(3,880)

9. Fixed assets available for sale

Movements in the periods ended September 30, 2022 and 2021 are as follows:

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost:						
At December 31, 2021	64,218	6,999	71,217	65,624	6,999	72,623
Assets transferred from property and equipment	126,086	19,314	145,400	177,810	27,730	205,540
Assets written off due to sale	(120,407)	(9,467)	(129,874)	(163,785)	(17,882)	(181,667)
At September 30, 2022	69,897	16,846	86,743	79,649	16,847	96,496
Accumulated depreciation:						
At December 31, 2021	(20,450)	(4,199)	(24,649)	(21,395)	(4,199)	(25,594)
Assets transferred from property and equipment	(44,031)	(10,862)	(54,893)	(65,869)	(12,319)	(78,188)
Assets written off due to sale	41,123	5,780	46,903	57,491	7,230	64,721
At September 30, 2022	(23,358)	(9,281)	(32,639)	(29,773)	(9,288)	(39,061)
Net value:						
At December 31, 2021	43,768	2,800	46,568	44,229	2,800	47,029
At September 30, 2022	46,539	7,565	54,104	49,876	7,559	57,435

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
Cost:						
At December 31, 2020	50,038	8,089	58,127	51,904	8,089	59,993
Assets transferred from property and equipment	100,018	27,900	127,918	110,756	27,910	138,667
Assets written off due to sale	(63,882)	(25,661)	(89,543)	(74,880)	(25,672)	(100,552)
At September 30, 2021	86,174	10,328	96,502	87,780	10,327	98,108
Accumulated depreciation:						
At December 31, 2020	(23,496)	(4,772)	(28,268)	(24,710)	(4,772)	(29,482)
Assets transferred from property and equipment	(36,389)	(17,794)	(54,183)	(42,069)	(17,794)	(59,863)
Assets written off due to sale	29,942	16,229	46,171	35,733	16,229	51,962
At September 30, 2021	(29,943)	(6,337)	(36,280)	(31,046)	(6,337)	(37,383)
Net value:						
At December 31, 2020	26,542	3,317	29,859	27,194	3,317	30,511
At September 30, 2021	56,231	3,990	60,222	56,734	3,990	60,725

Assets transferred to sale did not require adjustments for recognition of the lower of residual value and fair value less costs for sale of the asset.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****10. Taxes recoverable**

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
PIS and COFINS	129,389	190,401	158,047	223,748
INSS	75,693	65,256	79,340	68,572
ICMS	26,363	9,426	38,626	43,871
Others	1,303	1,303	18,039	31,406
Total	232,748	266,386	294,052	367,597
Current	121,516	153,718	153,738	232,301
Noncurrent	111,232	112,668	140,314	135,296
Total	232,748	266,386	294,052	367,597

Lubiani Transportes Ltda, merged into JSL, had the transit and judgment of its lawsuit for recognition of Pis and Cofins credits on ICMS, from August 2002 to July 2007.

The amount already recognized in our accounting of R\$ 7,310, refers to the period from January 2005 to July 2007. The amount corresponding to the period from August 2002 to December 2004 is being determined, as soon as the amounts are determined completely, the request for authorization of the credit will be filed with the Federal Revenue Service of Brazil.

11. Indemnification assets due to business combination

During the purchase price allocation process of the acquired companies, contingent liabilities were identified for which the former owners contractually agree to indemnify JSL S.A. in the event of a financial disbursement. Accordingly, in the allocation of the prices paid, a provision for administrative and judicial litigation was established, and indemnification assets were recognized plus the acquisitions of Fadel, Transmoreno, TPC, Marvel and Rodomeu.

At September 30, 2022, the net balances of indemnification assets and contingent liabilities are presented in the Company's consolidated financial statements as follows:

				Consolidated
	Labor	Civil	Tax	Total
At December 31, 2020	44,838	-	58,945	103,783
Acquisitions of companies	83,354	140	125,066	208,560
Prescription	(14,089)	(29)	(25,532)	(39,651)
At December 31, 2021	114,103	111	158,479	272,692
Prescription	(14.466)	-	(25.093)	(39.559)
Use	(3.168)	-	-	(3.168)
At September 30, 2022	96.469	111	133.386	229.965

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

12. Investments

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

12.1 Changes in investments

Movements in the periods ended September 30, 2022 and 2021 are as follows:

Investments	12/31/2021	Merger (i)	Capital contribution	Acquisition of companies (iv)	Equity results from subsidiaries	Issuance of debentures convertible into shares (iii)	Gains (losses) on translation of foreign operations	Amortization of surplus value (ii)	Other movements (v)	09/30/2022	Parent company	
											Interest %	Equity at 09/30/2022
Fadel Holding	255,163	(245,210)	-	-	(10,202)	-	234	-	-	(15)	-	-
Fadel Mercosur	-	58,298	-	-	11,520	-	(3,469)	-	-	66,349	100.00	66,349
Fadel Transportes	-	189,642	-	-	33,665	-	(1,038)	-	(2,712)	219,557	100.00	219,557
Transportes Marvel	-	194,294	29,909	-	30,402	41,155	-	-	-	295,760	100.00	295,760
Medlogística	359	-	31	-	(54)	-	-	-	-	336	99.99	336
Quick Armazéns	5,768	-	-	-	266	-	-	-	-	6,034	99.99	6,034
Quick Logística	41,973	-	-	-	3,578	-	-	-	(1,549)	44,002	99.99	44,002
Sinal Serviços	11,003	-	32,507	-	2,955	42,229	-	-	-	88,694	99.99	88,694
Yolanda	31,604	-	801	-	(1,338)	-	-	-	-	31,067	99.99	31,067
Moreno Holding	20,148	(20,148)	-	-	-	-	-	-	-	-	100.00	-
Pronto Express	100,429	-	-	-	15,424	-	-	-	(29,806)	86,047	100.00	132,781
Riograndense Logística	158,981	(194,294)	25,500	-	9,813	-	-	-	-	-	100.00	-
Transportes Rodomeu	32,979	3,502	-	-	7,356	-	-	-	(14,286)	29,551	100.00	26,533
Transmoreno	-	27,040	-	-	17,249	-	-	-	(30,707)	13,582	100.00	13,582
Unileste Transportes	3,502	(3,557)	-	-	55	-	-	-	-	-	100.00	-
Truckpad Tec e Log S.A (iv)	-	-	14,715	-	(2,693)	-	-	-	-	12,022	100.00	12,022
Surplus value of property and equipment and intangible assets (ii)	244,387	-	-	(847)	47	-	-	(18,337)	(1,765)	223,485	-	-
Goodwill on business acquisition	305,008	(255,239)	-	14,585	-	-	-	-	12,367	76,721	-	-
Total investments	1,211,304	(245,672)	103,463	13,738	118,043	83,384	(4,273)	(18,337)	(68,458)	1,193,192		936,717
Provision for investment losses												
Truckpad Tec e Log S.A.	-	-	-	(13,738)	-	-	-	-	-	(13,738)		
Total investments, net of provision for losses	1,211,304	(245,672)	103,463	-	118,043	83,384	(4,273)	(18,337)	(68,458)	1,179,454		936,717

(i) On January 3, 2022, JSL S.A. merged its subsidiaries Fadel Holding and Moreno Holding, and now holds direct interest in Fadel Mercosur, Fadel Transportes and Transmoreno.

On March 31, 2022, the shareholders approved the merger of Abaete Comércio de Veículos Ltda. and Unileste Transportes Ltda. into Transportadora Rodomeu Ltda. and the downstream merger of Riograndense Logística Ltda. into Transportes Marvel Ltda. as of April 1, 2022.

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

- (ii) Refers to the surplus value of property and equipment and intangible assets, arising from a business combination, amortized over the useful lives of the respective assets and contracts, and written off when disposed of. Amortizations and depreciations of the surplus value of property and equipment and intangible assets are recorded in line item Depreciation and amortization expenses.
- (iii) As mentioned in note 1.1 (a) and (b), the subsidiaries Marvel and Sinal entered into a private deed instrument for the 1st issuance of simple, convertible, unsecured debentures, in a single series, for private distribution. For subsidiary Marvel, the issuance amount was R\$ 50,000 with a rate of CDI + 2.00% and final maturity on January 18, 2024, while for subsidiary Sinal, the issuance amount was R\$ 52,000 with a rate of CDI + 2.70% and final maturity on February 3, 2024; all debentures were acquired by the Company. The amounts are presented net of adjustment to present value and interest.
- (iv) As mentioned in note 1.1 c) iii. Acquisition of the company Truckpad Tec e Log. S.A. occurred on May 26, 2022.
- (v) Of the amount shown in the column of other movements, R\$56,742 refer to dividends and/or interest on capital received from subsidiaries Pronto Express, Fadel, Transmoreno and Rodomeu.
- (vi) Balance of 46.1 million between the total of the investment of Pronto Express and the Equity presented in note 12.2 refers to the goodwill on the acquisition of TPC Nordeste and Sudeste recorded in Pronto Express prior to the acquisition by JSL, which is included in the investment of Pronto and, therefore, is not found in its Equity reflected in our investment.

Investments	12/31/2020	Acquisitions of companies (ii)	Capital contribution	Equity results from subsidiaries	Gains (losses) on translation of foreign operations	Amortization of surplus value	Other movements	Reclassification of provision for investment loss	09/30/2021	Interest %	Equity at 09/30/2021
Fadel Holding	130,713	-	49,700	56,826	741	-	3,780	-	241,759	100.00	241,760
Medlogística	3,725	-	30	1,216	-	-	(4,617)	-	354	99.99	355
Quick Armazéns	5,553	-	-	127	-	-	-	-	5,680	99.99	5,680
Quick Logística	46,847	-	-	(4,321)	-	-	-	-	42,526	99.99	42,526
Sinal Serviços	1	-	9,497	1,033	-	-	-	-	10,531	99.99	10,531
Yolanda	32,600	-	-	(2,021)	-	-	1,150	-	31,729	99.99	31,729
Moreno Holding	-	-	-	16,223	-	-	3,427	(7,500)	12,150	100.00	12,150
Pronto Express	-	77,791	-	10,490	-	-	(1,572)	-	86,709	100.00	133,440
Riograndense Logística	-	-	116,625	4,141	-	-	-	-	120,766	100.00	120,766
Transportes Rodomeu	-	46,654	-	3,069	-	-	(141)	-	49,864	100.00	49,864
Unileste Transportes	-	3,215	-	159	-	-	92	-	3,466	-	3,466
Surplus value of property and equipment and intangible assets (i)	222,380	88,361	-	-	-	(21,540)	(1,150)	-	288,051	-	-
Goodwill on business acquisition (ii)	287,108	34,006	-	-	-	-	-	-	321,114	-	-
Total investments	728,927	250,026	175,852	86,942	741	(21,540)	1,251	(7,500)	1,214,698		652,267
Provision for investment losses											
Moreno Holding	(7,500)	-	-	-	-	-	-	7,500	-	-	-
Total investments, net of provision for losses	721,427	250,026	175,852	86,942	741	(21,540)	1,251	-	1,214,698		652,267

- (i) Refers to the surplus value of property and equipment, arising from a business combination, amortized over the useful lives of the respective assets, and written off when disposed of.
- (ii) Goodwill arising on the acquisitions of companies and businesses, classified as investment in the Parent Company, in accordance with CPC 18 (R2) / IFRS 10 - Investments in Associates and Joint Ventures.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021**

In thousands of Brazilian Reais, unless otherwise stated

12.2 Balances of assets and liabilities and results of subsidiaries

The balances of assets, liabilities, revenues and expenses of subsidiaries at September 30, 2022 and 2021 are as follows:

	09/30/2022							
Investments	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenues	Costs and expenses	Profit (loss) for the period
Fadel Soluções	40,509	12,704	26,289	2,697	24,227	104,336	(85,529)	18,807
Fadel Mercosur	30,343	41,928	5,082	840	66,349	40,679	(29,159)	11,520
Fadel Transportes	137,399	473,612	129,760	261,694	219,557	360,026	(336,516)	23,510
Medlogística	354	290	308	-	336	-	(54)	(54)
Quick Armazéns	607	5,587	160	-	6,034	-	265	265
Quick Logística	36,933	49,748	28,209	14,470	44,002	32,476	(28,898)	3,578
Sinal Serviços	29,974	88,307	25,714	3,873	88,694	43,267	(40,312)	2,955
Yolanda	3,391	32,173	2,014	2,483	31,067	6,266	(6,094)	172
Pronto Express	113,921	185,052	76,434	89,758	132,781	265,407	(249,983)	15,424
Transportes Rodomeu	59,996	97,574	36,173	94,864	26,533	119,248	(114,910)	4,338
Transportes Marvel	68,911	719,655	193,259	299,547	295,760	386,434	(342,088)	44,346
Transmoreno	51,370	14,734	28,002	24,520	13,582	132,356	(115,107)	17,249
Truckpad Tec e Log S.A.	3,567	659	2,119	3,823	(1,716)	2,307	(4,999)	(2,692)

	09/30/2021							
Investments	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenues	Costs and expenses	Profit (loss) for the period
Fadel Holding	11	288,302	4	46,549	241,760	411,934	(353,347)	58,587
Medlogística	369	303	317	-	355	1,160	54	1,216
Moreno Holding	6	19,041	-	6,897	12,150	113,374	(97,151)	16,223
Quick Armazéns	610	5,072	2	-	5,680	-	126	127
Quick Logística	43,335	41,712	24,601	17,920	42,526	30,556	(34,877)	(4,321)
Sinal Serviços	14,762	7	4,234	4	10,531	16,603	(15,571)	1,033
Yolanda	2,675	40,484	2,972	9,890	30,297	5,564	(7,868)	(2,021)
Pronto Express	112,089	376,591	84,813	270,429	133,440	147,101	(136,611)	10,490
Transportes Rodomeu	38,987	52,575	18,793	19,439	53,330	39,597	(36,369)	3,228
Riograndense Logística	-	250,627	75,760	54,100	120,766	-	4,151	4,141

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

13. Property and equipment

Movements in the periods ended September 30, 2022 and 2021 are as follows:

	Parent company								
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Construction in progress (ii)	Right of use (i)	Others	Total
Cost:									
At December 31, 2021	1,721,438	458,168	217,180	39,577	35,148	29,145	240,553	77,308	2,818,518
Additions	300,060	70,494	-	8,037	3,251	33,821	112,631	363	528,657
Transfers to/return of fixed assets available for sale	(126,086)	(19,314)	-	-	-	-	-	-	(145,400)
Assets written off, transfers and others	62,801	1,146	4,740	(2)	(1)	(28,403)	(951)	(23)	39,307
At September 30, 2022	1,958,213	510,494	221,920	47,612	38,398	34,563	352,233	77,648	3,241,082
Accumulated depreciation:									
At December 31, 2021	(438,801)	(233,865)	(86,018)	(25,016)	(19,091)	-	(81,105)	(50,354)	(934,250)
Depreciation expense for the period	(46,137)	(13,431)	(7,991)	(4,174)	(2,402)	-	(28,427)	(1,753)	(104,315)
Transfers to/return of fixed assets available for sale	44,031	10,862	-	-	-	-	-	-	54,893
Assets written off, transfers and others	(54,439)	(1,726)	-	-	-	-	-	-	(56,165)
At September 30, 2022	(495,346)	(238,160)	(94,009)	(29,190)	(21,493)	-	(109,532)	(52,107)	(1,039,837)
Net balance:									
At December 31, 2021	1,282,637	224,303	131,162	14,561	16,057	29,145	159,448	26,954	1,884,268
At September 30, 2022	1,462,867	272,334	127,911	18,422	16,905	34,563	242,701	25,541	2,201,245
Average depreciation rate for the period:									
Light vehicles	3.2%								
Heavy vehicles	11.8%	5.0%							
Others			5.4%	12.1%	6.6%		30.1%	3.9%	

(i) Refers entirely to property lease agreements.

(ii) Includes advances to suppliers of property and equipment totaling R\$ 16,111.

JSL S.A.

**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
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	Right of use (i)	Others	Total
Cost:									
At December 31, 2020	1,375,547	364,661	209,906	31,778	36,708	7,098	230,306	79,184	2,335,188
Additions	253,021	51,461	38	4,300	1,943	13,976	10,567	(4)	335,302
Transfers to/return of fixed assets available for sale	(100,018)	(27,900)	-	-	-	-	-	-	(127,918)
Assets written off, transfers and others	(13,467)	26,927	7,099	(229)	(4,053)	(2,163)	(8,016)	(1,942)	4,156
At September 30, 2021	1,515,083	415,149	217,043	35,849	34,598	18,911	232,857	77,238	2,546,728
Accumulated depreciation:									
At December 31, 2020	(415,135)	(213,308)	(68,992)	(21,197)	(20,014)	-	(49,961)	(41,942)	(830,549)
Depreciation expense for the period	(29,229)	(24,261)	(14,139)	(2,818)	(2,384)	-	(26,045)	(2,734)	(101,611)
Transfers to/return of fixed assets available for sale	36,389	17,794	-	-	-	-	-	-	54,183
Assets written off, transfers and others	(14,728)	(8,803)	(27)	143	4,104	-	3,920	(4,995)	(20,386)
At September 30, 2021	(422,703)	(228,578)	(83,158)	(23,872)	(18,294)	-	(72,086)	(49,671)	(898,363)
Net balance:									
At December 31, 2020	960,412	151,353	140,914	10,581	16,694	7,098	180,345	37,242	1,504,639
At September 30, 2021	1,092,380	186,571	133,885	11,977	16,304	18,911	160,771	27,567	1,648,365
Average depreciation rate for the period:									
Light vehicles	4.2%	-	-	-	-	-	-	-	-
Heavy vehicles	5.0%	-	-	-	-	-	-	-	-
Others	-	9.8%	8.7%	19.6%	9.8%	-	10.0%	9.9%	-

(i) Refers entirely to lease agreements.

JSL S.A.

**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated**

	Consolidated								
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Construction in progress (ii)	Right of use (i)	Others	Total
Cost:									
At December 31, 2021	2,799,156	595,613	325,423	70,409	51,613	32,357	455,608	122,620	4,452,799
Additions	700,014	118,995	1,566	12,028	4,251	37,246	169,332	5,579	1,049,011
Transfers to assets available for sale	(177,810)	(27,730)	-	-	-	-	-	-	(205,540)
Exchange rate changes	(2,828)	(142)	-	(30)	(10)	-	-	(209)	(3,219)
Acquisitions of companies	-	-	1,057	709	293	-	(235)	-	1,824
Assets written off, transfers and others	49,798	(2,314)	868	(932)	(632)	(32,498)	12,241	(4,797)	21,734
At September 30, 2022	3,368,330	684,422	328,914	82,184	55,515	37,105	636,946	123,193	5,316,609
Accumulated depreciation:									
At December 31, 2021	(721,304)	(306,617)	(121,788)	(44,014)	(27,952)	-	(163,911)	(53,794)	(1,439,380)
Depreciation expense for the period	(87,020)	(11,839)	(10,984)	(7,083)	(3,340)	-	(61,893)	(6,605)	(188,764)
Transfers to/return of fixed assets available for sale	65,869	12,319	-	-	-	-	-	-	78,188
Exchange rate changes	(62)	(19)	-	(2)	1	-	4	23	(55)
Acquisitions of companies	-	-	(1,054)	(447)	(73)	-	-	-	(1,574)
Assets written off, transfers and others	7,612	24,514	4,563	728	369	-	(17,425)	(11,366)	8,995
At September 30, 2022	(734,905)	(281,642)	(129,263)	(50,818)	(30,995)	-	(243,225)	(71,742)	(1,542,590)
Net balance:									
At December 31, 2021	2,077,852	288,996	203,635	26,395	23,661	32,357	291,697	68,826	3,013,419
At September 30, 2022	2,633,425	402,780	199,651	31,366	24,520	37,105	393,721	51,451	3,774,019
Average depreciation rate for the period:									
Light vehicles	12.7%								
Heavy vehicles	18.7%	11.6%							
Others		9.2%	9.4%	18.7%	9.4%		30.5%	7.6%	

(i) Refers entirely to property lease agreements.

(ii) Includes advances to suppliers of property and equipment totaling R\$ 16,111.

JSL S.A.

**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated**

	Consolidated								
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Construction in progress	Right of use (i)	Others	Total
Cost:									
At December 31, 2020	1,742,469	385,931	259,324	45,876	42,255	7,098	283,516	79,719	2,846,188
Additions	354,241	53,869	3,022	6,769	2,572	17,581	77,266	3,150	518,471
Transfers to/return of fixed assets available for sale	(110,756)	(27,910)	-	-	-	-	-	-	(138,666)
Assets written off, transfers and others	(19,988)	24,494	1,554	(10,404)	(5,386)	(1,008)	(26,467)	(14,500)	(51,705)
Acquisitions of companies	482,164	99,036	56,721	22,499	11,131	3,924	122,380	50,764	848,619
At September 30, 2021	2,448,130	535,420	320,621	64,740	50,573	27,595	456,695	119,133	4,022,907
Accumulated depreciation:									
At December 31, 2020	(472,806)	(308,983)	(91,732)	(33,346)	(23,194)	-	(61,459)	(42,964)	(1,034,484)
Depreciation expense for the period	(44,370)	(26,100)	(18,311)	(3,964)	(2,177)	-	(41,066)	(2,612)	(138,600)
Transfers to/return of fixed assets available for sale	42,069	17,794	-	-	-	-	-	-	59,863
Assets written off, transfers and others	(17,849)	(6,375)	5,339	11,657	4,679	-	5,755	(6,349)	(3,143)
Acquisitions of companies	(112,611)	(54,564)	(13,259)	(14,668)	(6,139)	-	(49,847)	(574)	(251,663)
At September 30, 2021	(605,567)	(378,228)	(117,963)	(40,321)	(26,832)	-	(146,617)	(52,499)	(1,368,027)
Net balance:									
At December 31, 2020	1,269,663	76,948	167,592	12,530	19,061	7,098	222,057	36,755	1,811,704
At September 30, 2021	1,842,563	157,192	202,658	24,419	23,741	27,595	310,078	66,634	2,654,880
Average depreciation rate for the period:									
Light vehicles	8.9%	-	-	-	-	-	-	-	-
Heavy vehicles	7.0%	-	-	-	-	-	-	-	-
Others	-	10.5%	5.9%	20.1%	10.0%	-	7.5%	4.2%	-

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021**

In thousands of Brazilian Reais, unless otherwise stated

13.1 Leases of property and equipment items

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

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cost - capitalized leases	135,970	69,163	135,970	69,163
Accumulated depreciation	(8,806)	(8,300)	(8,806)	(8,300)
Net balance	127,164	60,863	127,164	60,863

13.2 Impairment testing

Management concluded that there is no indication of impairment of its property and equipment at September 30, 2022. JSL carried out the impairment tests of its CGU at December 31, 2021, as disclosed in the notes to the financial statements.

14. Intangible assets

Movements in the nine-month periods ended September 30, 2022 and 2021 are as follows:

	Parent company				
	Goodwill	Software	Software in progress	Others	Total
Cost:					
At December 31, 2021	232,609	78,628	4,608	930	316,775
Additions	-	5,789	6,833	-	12,622
Addition by incorporation	255,239	-	-	-	255,239
Transfers	-	991	(991)	-	-
Write-offs and others	-	(9)	-	-	(9)
At September 30, 2022	487,848	85,399	10,450	930	584,627
Accumulated amortization:					
At December 31, 2021	-	(49,479)	-	(177)	(49,656)
Amortization expense for the period	-	(5,991)	-	(19)	(6,010)
At September 30, 2022	-	(55,470)	-	(196)	(55,666)
Net balances:					
At December 31, 2021	232,609	29,149	4,608	753	267,119
At September 30, 2022	487,848	29,929	10,450	734	528,961
Average amortization rate for the period:	-	18.6%		10.0%	-

	Parent company			
	Goodwill	Software	Others	Total
Cost:				
At December 31, 2020	232,609	73,872	1,157	307,638
Additions	-	6,424	-	6,424
Write-offs	-	(429)	(227)	(656)
At September 30, 2021	232,609	79,867	930	313,406
Accumulated amortization:				
At December 31, 2020	-	(45,818)	(376)	(46,194)
Amortization expense for the period	-	(5,535)	-	(5,535)
Write-offs	-	2,768	203	2,971
At September 30, 2021	-	(48,585)	(173)	(48,758)
Net balances:				
At December 31, 2020	232,609	28,054	781	261,444
At September 30, 2021	232,609	31,282	757	264,648
Average amortization rate for the period:	-	19.7%	10.0%	-

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021**

In thousands of Brazilian Reais, unless otherwise stated

	Consolidated					
	Goodwill	Non-compet agreement and customer portfolio	Software	Software in progress	Others	Total
Cost:						
At December 31, 2021	571,731	223,731	113,875	4,608	44,638	958,583
Additions	-	-	7,037	6,833	-	13,870
Write-offs, transfers and others	1,138	-	(8,846)	(991)	1,644	(7,055)
PPA allocation	14,585	-	7,269	-	3,355	25,209
Acquisitions of companies	-	-	364	-	-	364
At September 30, 2022	587,454	223,731	119,699	10,450	49,637	990,971
Accumulated amortization:						
At December 31, 2021	-	(43,383)	(67,718)	-	(1,742)	(112,843)
Amortization expense for the period	-	(16,110)	(7,825)	-	(18)	(23,953)
Write-offs, transfers and others	-	-	24	-	-	24
Acquisitions of companies	-	-	(140)	-	-	(140)
At September 30, 2022	-	(59,493)	(75,659)	-	(1,760)	(136,912)
Net balances:						
At December 31, 2021	571,731	180,348	46,157	4,608	42,896	845,740
At September 30, 2022	587,454	164,238	44,040	10,450	47,877	854,059
Average amortization rate for the period:		8.3%	20.4%		10.0%	-

	Consolidated				
	Goodwill	Non-compet agreement and customer portfolio	Software	Others	Total
Cost:					
At December 31, 2020	519,717	230,499	78,678	1,187	830,081
Additions	-	-	7,273	-	7,273
Write-offs, transfers and others	-	(22,439)	16,345	(2)	(6,096)
Acquisitions of companies	52,080	10,877	4,300	48,974	116,231
At September 30, 2021	571,796	218,937	106,595	50,159	947,489
Accumulated amortization:					
At December 31, 2020	-	(24,953)	(48,296)	(378)	(73,627)
Amortization expense for the period	-	(16,408)	(6,345)	(217)	(22,970)
Write-offs, transfers and others	-	21,476	(11,898)	221	9,800
At September 30, 2021	-	(19,884)	(66,539)	(374)	(86,797)
Net balances:					
At December 31, 2020	519,717	205,546	30,382	809	756,454
At September 30, 2021	571,797	199,052	40,057	49,785	860,692
Average amortization rate for the period:	-	7.2%	19.9%	10.0%	-

14.1 Goodwill on business combinations

In the Parent company, goodwill refers to the acquisition of companies Lubiani Transportes Ltda., Transportadora Grande ABC (TGABC), Rodoviário Schio S.A. (Schio), Fadel, Transmoreno, TPC, Marvel and Truckpad, which operate warehouse and cargo transport activities, and was allocated to the Cash-Generating Unit (CGU) Logistics, the only CGU identified, for impairment testing purposes.

14.2 Impairment testing

Management concluded that there is no indication of impairment of intangible assets at September 30, 2022. JSL carried out the impairment tests of its CGU at December 31, 2021, as disclosed in the notes to the financial statements.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated**

15. Trade payables

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Vehicles, machinery and equipment	53,792	111,857	102,622	219,862
Parts and maintenance	31,788	26,189	43,566	44,660
Related parties (note 24.1)	65,090	18,442	64,177	18,150
Inventory	10,318	16,406	14,248	16,528
Contracted services	31,891	22,285	55,508	32,079
Property lease	3,241	2,901	4,242	3,211
Others	6,954	12,827	23,103	39,625
Total	203,074	210,906	307,466	374,115

JSL S.A.

**Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated**

16. Loans and borrowings

Movements in the nine-month periods ended September 30, 2022 and 2021 are as follows:

Type	Annual average rate	Average rate structure	Maturity	09/30/2022			Movement				Parent company 12/31/2021		
				Current	Noncurrent	Total	New contracts	Interest paid	Interest incurred	Allocation of fair value hedge variation	Current	Noncurrent	Total
In local currency													
CRAs (i)	11.78%	CDI / IPCA	May/31	15,810	1,410,381	1,426,191	-	(48,821)	136,246	(34,989)	43	1,373,712	1,373,755
FINAME (ii)	12.81%	SELIC / IPCA	Sept/27	94	66,512	66,606	66,846	(446)	206	-	-	-	-
				15,904	1,476,893	1,492,797	66,846	(49,267)	136,452	(34,989)	43	1,373,712	1,373,755

Type	Annual average rate	Average rate structure	Maturity	09/30/2021			Movement					Parent company 12/31/2020		
				Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Interest incurred	Allocation of fair value hedge variation	Current	Noncurrent	Total
In local currency														
CRAs (i)	7.73%	CDI + +1.15%	May/31	14,449	1,361,499	1,375,948	500,000	-	(91,356)	124,727	(70,566)	947	912,196	913,143
FINAME (ii)	-	-	-	-	-	-	-	(23,025)	(173)	144	-	10,323	12,731	23,054
FNO (iii)	-	-	-	-	-	-	21,140	(28,524)	(476)	556	-	2,380	4,924	7,304
NCEs (iv)	-	-	-	-	-	-	-	(13,700)	(1,397)	116	-	14,981	-	14,981
				14,449	1,361,499	1,375,948	521,140	(65,249)	(93,402)	125,543	(70,566)	28,631	929,851	958,482

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

Type	Annual average rate	Average rate structure	Maturity	09/30/2022			Movement						Consolidated 12/31/2021			
				Current	Noncurrent	Total	Acquisitions of companies	New contracts	Amortization	Interest paid	Exchange rate changes	Interest incurred	Allocation of fair value hedge variation	Current	Noncurrent	Total
In local currency																
CRA's (i)	11.78%	CDI / IPCA	May/31	15,810	1,410,381	1,426,191	-	-	-	(48,821)	-	136,246	(34,989)	43	1,373,712	1,373,755
CCBs (v)	11.26%	CDI/Fixed rate	Oct/26	25,971	196,630	222,601	3,953	28,463	(14,711)	(16,627)	-	21,806	-	12,699	187,018	199,717
FINAME (ii)	12.80%	IPCA / Fixed rate	Sept/27	11,601	162,958	174,559	-	173,819	-	(446)	-	1,186	-	-	-	-
Direct Consumer Credit (CDC)	9.34%	Fixed rate	Feb/25	349	436	785	-	-	(240)	(62)	-	63	-	325	699	1,024
Others	3.24%	Fixed rate	Feb/22	218	-	218	-	190	(621)	(234)	-	330	-	553	-	553
				53,949	1,770,405	1,824,354	3,953	202,472	(15,572)	(66,190)	-	159,631	(34,989)	13,620	1,561,428	1,575,049
In foreign currency																
Loan (Fixed Rate Note)	3.80%	CDI	Feb/22	-	-	-	-	-	(1,555)	(34)	-	20	-	1,569	-	1,569
CCB - Guarani	6.50%	Fixed rate	Aug/21	-	-	-	-	-	(3,833)	(94)	-	94	-	3,833	-	3,833
CCB - EUR	1.13%	EUR	Jan/24	444	221	665	-	-	(281)	(10)	(245)	9	-	532	661	1,192
International credit (4131) - EUR	13.15%	CDI + 2.50	Aug/24	-	152,579	152,579	-	-	(20,000)	(26,823)	-	15,438	-	21,991	161,973	183,964
				444	152,800	153,244	-	-	(25,669)	(26,961)	(245)	15,561	-	27,925	162,634	190,558
				54,393	1,923,205	1,977,598	3,953	202,472	(41,241)	(93,151)	(245)	175,192	(34,989)	41,545	1,724,062	1,765,607

Type	Annual average rate	Average rate structure	Maturity	09/30/2021			Movement						Consolidated 12/31/2020			
				Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Acquisitions of companies	Interest incurred	Allocation of fair value hedge variation	Exchange rate changes	Current	Noncurrent	Total
In local currency																
CCBs (v)	8.70%	CDI/PRE	Jan/25	48,007	235,237	283,244	185,011	(154,710)	(12,501)	246,240	6,985	-	-	6,966	5,254	12,219
CRA's (i)	7.73%	CDI + 1.15%	May/31	14,449	1,361,499	1,375,948	500,000	-	(91,356)	-	124,727	(70,566)	-	947	912,196	913,143
FINAME (ii)	7.40%	Fixed rate	Jan/24	830	939	1,770	979	(92,540)	(4,351)	36,625	8,956	-	-	23,635	28,466	52,101
FNE (viii)	10.50%	IPCA + 2.01%	Oct/26	360	1,531	1,891	-	(121)	(78)	2,090	-	-	-	-	-	-
FNO (iii)	-	-	-	-	-	-	21,140	(28,524)	(476)	-	555	-	-	2,380	4,924	7,304
NCEs (iv)	-	-	-	-	-	-	-	(13,700)	(1,397)	-	116	-	-	14,981	-	14,981
Export Credit Notes (NCEs)	3.80%	CDI + 0.39%	Feb/22	-	-	-	-	(3,778)	(46)	3,778	46	-	-	-	-	-
Direct Consumer Credit (CDC)	9.50%	Fixed rate	Feb/25	319	782	1,101	5,566	(6,943)	(145)	1,190	144	-	-	970	318	1,288
Others	9.83%	Fixed rate	Jan/26	759	-	759	8,158	(17,549)	(75)	-	75	-	-	10,150	-	10,150
				64,724	1,599,988	1,664,712	720,854	(317,865)	(110,425)	289,923	141,604	(70,566)	-	60,028	951,158	1,011,186
In foreign currency																
CCB Fadel Guarani	6.50%	Fixed rate	Aug/22	5,066	-	5,066	5,512	(446)	(31)	-	31	-	-	-	-	-
Loan (Fixed Rate Note)	10.0%	CDI + 3.80%	Jan/26	3,912	-	3,912	-	(2,333)	(111)	6,253	103	-	-	-	-	-
International credit (4131) - EUR	1.13%	EUR + 1.13%	Jan/24	382	789	1,171	-	(1,537)	(13)	2,384	389	-	(26)	-	-	-
				9,360	789	10,149	5,512	(4,342)	(155)	8,637	523	-	(26)	-	-	-
				74,084	1,600,777	1,674,862	726,366	(322,207)	(110,580)	298,560	142,127	(70,566)	(26)	60,028	951,158	1,011,186

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, unless otherwise stated

- (i) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain, backed by Agribusiness credit rights certificates (CDCA), issued by JSL. CDCAs have varying maturities with monthly and half-yearly interest and have commitments clauses, including the maintenance of financial ratios, which are calculated on the consolidated financial information of JSL, of:

I. **“Net Debt / Added EBITDA”** less than or equal to 3.5 times; and

II. **“Added EBITDA / Net Finance Costs”** greater than or equal to 2.0.

These ratios are included in item “x” of Clauses 9.2 of CDCAs 001/2019 and 002/2019 and 7.2.1 of CDCA 001/2020 and must be proven quarterly, and were complied with in the period ended September 30, 2022.

On May 11, 2021, a new CRA was issued, backed by CDCAs, the first offer made, after the corporate restructuring in August 2020, by JSL S.A., with half-yearly interest and commitments clauses, including the maintenance of the same financial ratios as above, which are calculated on the financial information of JSL S.A.

- (ii) **FINAME** are financing for investments in vehicles, machinery and equipment used in operations. New contracts are signed monthly, related to the purchase of new assets under the normal fleet expansion and 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 grace period. These financing agreements have no covenants, but only pledge of assets with financial agents.
- (iii) **FNO** refers to the operations of the Constitutional Fund for Financing of the Northeast of Banco da Amazônia, to finance and invest in heavy vehicles, light vehicles, machinery and equipment used in JSL’s cash management operations. These agreements have varying maturities, grace periods vary from six months to one year, and some assets may be collateralized in accordance with the financed product. Interest and principal are paid monthly after the grace period and have no covenants.
- (iv) **NCE** in Reais (RS) – this operation is subject to interest and principal, with bullet maturity. These financing agreements have no covenants.
- (v) **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 covenants, including the maintenance of financial ratios, which are calculated on the consolidated financial information.
- (vi) **CDC** (Direct Consumer Credit). is a type of working capital financing for purchase of products, vehicles, machinery and equipment in general, including services, and in some cases are short-term operations used for cash management. These agreements have varying maturities, either monthly, quarterly, half-yearly or bullet.

For the purposes of reading the above references, the following definitions are considered:

Net Financial Debt for covenant purposes: means the total balance of the Issuer’s short and long-term loans and financing, including debentures and any other debt securities, the negative and/or positive results of equity hedge operations (hedge) and subtracting: (a) amounts in cash and in financial investments; and (b) the financing contracted as a result of the financing program for the stock of new and used vehicles, domestic and imported vehicles and automotive parts, with revolving credit granted by financial institutions linked to the car makers (floor plan).

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reals, unless otherwise stated

Added EBITDA (EBITDA-A) for covenant purposes: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity results from subsidiaries, plus cost of sale of assets used in the provision of services, calculated over the last 12 months, including the Added-EBITDA of the last 12 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", and calculated on an accrual basis over the last 12 months.

16.1 Intervening party and guarantee

At September 30, 2022, JSL has certain guarantees for loan and borrowing transactions, as follows:

- (i) **CDCAs (CRAs)** (01/2019, 02/2019 and 01/2020) have Simpar as the consenting intervening party.

The other transactions do not have any guarantees.

JSL S.A.

Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

17. Debentures

Movements in the nine-month periods ended September 30, 2022 and 2021 are as follows:

Type	Annual average rate	Maturity	09/30/2022			Movement			Parent company and Consolidated		
			Current	Noncurrent	Total	Interest paid	Interest incurred	Current	Noncurrent	Total	
In local currency											
10 th issuance - JSL S.A.	16.72%	Sept/28	360	149,694	150,054	(19,710)	19,270	3,466	147,028	150,494	
11 th issuance - JSL S.A.	16.72%	Sept/28	620	393,375	393,995	(48,321)	43,345	5,352	393,619	398,971	
12 th issuance - JSL S.A.	16.72%	Sept/28	851	555,233	556,084	(73,423)	61,649	13,104	554,754	567,858	
15 th issuance - JSL S.A.	16.72%	Oct/28	48,164	696,091	744,255	(38,824)	78,494	10,801	693,784	704,585	
			49,995	1,794,393	1,844,388	(180,278)	202,758	32,723	1,789,185	1,821,908	

Type	Annual average rate	Maturity	09/30/2021			Movement			Parent company and Consolidated		
			Current	Noncurrent	Total	Amortization	Interest paid	Interest incurred	Current	Noncurrent	Total
In local currency											
8 th issuance - JSL S.A.			-	-	-	(75,618)	(4,742)	3,354	77,006	-	77,006
10 th issuance - JSL S.A.	8.85%	Sept/28	130	148,784	148,914	(75,500)	(6,190)	7,160	75,576	147,868	223,444
11 th issuance - JSL S.A.	7.84%	Nov/25	932	395,292	396,224	-	(11,293)	13,737	942	392,838	393,780
12 th issuance - JSL S.A.	8.85%	Sept/28	404	549,289	549,690	-	(31,102)	23,630	1,078	556,084	557,162
			1,466	1,093,362	1,094,828	(151,118)	(53,327)	47,881	154,602	1,096,790	1,251,392

(i) Refers to the average interest calculated in each of the issues remunerated at CDI plus spread, as presented in the table below.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated**

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

Issuer	JSL			
	10 th issuance	11 th issuance	12 th issuance	15 th issuance
Description				
a. Identification of the processes by nature				
1st series amount	352,000	400,000	600,000	700,000
Issuance amount	352,000	400,000	600,000	700,000
Total amount received in checking account	352,000	400,000	600,000	700,000
Issuance	03/20/2017	06/20/2017	12/06/2018	10/08/2021
Funding	03/29/2017	06/30/2017	12/20/2018	11/05/2021
Maturity	09/20/2028	09/20/2028	09/20/2028	10/20/2028
Type	Unsecured	Floating	Floating	Unsecured
Identification with CETIP	JSML 10	JSML A1	JSML A2	JSLG A5
b. Transaction costs incurred	10,698	12,787	22,369	5,392
c. Premiums				
Additional due to settlement	N.A.	N.A.	N.A.	N.A.
Amount of settlement	-	-	-	-
d. Effective interest rate (IRR) p.a. %				
1st series	CDI+2.70%	CDI+2.70%	CDI+2.70%	CDI+2.70%
e. Amount of costs and premiums to be apportioned until maturity	2,280	7,973	11,400	4,689

The debentures issued by JSL S.A. are all simple, non-convertible, unsecured debentures, except for the 11th issuance that comprises debentures of the floating guarantee type and the 12th issuance that comprises debentures of the floating and additional personal guarantee type. All debentures have clauses of maintenance of financial ratios, which are calculated on consolidated financial statements.

For the 11th and 12th issuances of debentures, the Company maintains at least 130% of the debt balance, amount equivalent to assets free of burden and debt.

18. Leases payable

Lease agreements for the acquisition of vehicles and assets of JSL's operating activity, which have annual fixed charges, and are distributed as follows:

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Lease liabilities at the beginning of the year	42,677	62,026	42,677	62,026
Amortization	(23,176)	(17,406)	(23,176)	(17,406)
Interest paid	(643)	(952)	(643)	(952)
Interest incurred	3,526	2,175	3,526	2,175
Lease liabilities at the end of the period	22,384	45,843	22,384	45,843
Current	10,127	25,446	10,127	25,446
Noncurrent	12,257	20,397	12,257	20,397
Total	22,384	45,843	22,384	45,843
Annual average rate	16.09%	4.15%	16.09%	4.15%
Average rate structure	CDI+2.34%	CDI+2.49%	CDI+2.34%	CDI+2.49%
Maturity	Dec/24	Dec/24	Dec/24	Dec/24

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, unless otherwise stated

19. Right-of-use leases

Information regarding right-of-use assets is disclosed in note 13.

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Lease liabilities at the beginning of the year	175,324	191,773	314,955	209,374
New contracts	112,631	10,567	169,332	76,661
Write-offs	(1,099)	(4,013)	(19,413)	(18,575)
Amortization	(28,324)	(25,722)	(60,061)	(39,640)
Interest paid	(11,178)	(10,126)	(8,016)	(15,389)
Interest incurred	14,399	13,057	26,767	18,285
Acquisitions of companies	-	-	-	76,364
Lease liabilities at the end of the period	261,753	175,536	423,564	307,080
Current	35,846	24,238	73,166	59,818
Noncurrent	225,907	151,298	350,398	247,262
Total	261,753	175,536	423,564	307,080

JSL substantially leases properties in which its operating and administrative areas operate. The term of such lease contracts is usually 9 years. Lease contracts are adjusted annually to reflect the market values and some leases provide additional lease payments based on changes to the general price index. For certain leases, JSL is prevented from entering into any sub-lease contract.

20. Social and labor liabilities

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Provisions for vacation and 13th month salary	109,074	56,873	174,473	96,113
Salaries	36,177	26,405	51,448	40,773
Bonus and profit sharing	4,011	12,217	13,634	19,051
INSS	107,828	68,707	118,680	80,884
Severance pay fund (FGTS)	4,354	5,356	7,195	8,862
Others	375	253	503	379
	261,819	169,811	365,933	246,062

21. Judicial deposits and provision for judicial and administrative litigation

In the normal course of its business, JSL is subject to 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 below:

	Parent company				Consolidated			
	Judicial deposits		Provisions		Judicial deposits		Provisions	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Labor	21,701	19,537	(19,830)	(21,689)	34,191	34,426	(142,129)	(151,086)
Civil	13,741	11,425	(8,518)	(8,081)	13,751	18,439	(11,128)	(14,310)
Tax	7,914	10,005	-	-	15,320	23,713	(132,031)	(164,346)
	43,356	40,967	(28,348)	(29,770)	63,262	76,579	(285,288)	(329,742)

21.1 Judicial deposits

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

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****21.2. Provision for judicial and administrative litigation**

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

Management believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial litigation. Movements in the nine-month periods ended September 30, 2022 and 2021 are as follows:

	Parent company			
	Labor	Civil	Tax	Total
At December 31, 2021	21,689	8,081	-	29,770
Additions	8,602	1,555	-	10,157
Reversals	(10,462)	(1,117)	-	(11,579)
At September 30, 2022	19,829	8,519	-	28,348

	Consolidated			
	Labor	Civil	Tax	Total
At December 31, 2021	151,086	14,310	164,346	329,742
Additions	15,829	2,189	-	18,018
Reversals	(15,528)	(5,619)	(10,051)	(31,198)
Acquisitions of companies	-	248	-	248
Purchase price allocation (PPA)	8,376	-	2,828	11,204
Prescription	(14,466)	-	(25,093)	(39,559)
Use	(3,168)	-	-	(3,168)
At September 30, 2022	142,129	11,128	132,030	285,287

	Parent company			
	Labor	Civil	Tax	Total
At December 31, 2020	23,028	9,466	-	32,494
Additions	6,942	361	-	7,303
Reversals	(10,919)	(2,663)	-	(13,582)
At September 30, 2021	19,051	7,164	-	26,215

	Consolidated			
	Labor	Civil	Tax	Total
At December 31, 2020	83,873	10,145	71,719	165,737
Additions	12,074	6,594	450	19,118
Reversals	(14,453)	(2,691)	(1,554)	(18,698)
Acquisitions of companies	82,023	-	143,604	225,627
Prescription	(8,056)	-	(24,080)	(32,136)
At September 30, 2021	155,461	14,048	190,139	359,648

- (i) During the purchase price allocation process of the acquired companies, contingent liabilities were identified in the PPA report (price per acquisition).

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****21.3 Possible losses, not provided for in the statement of financial position**

At September 30, 2022, JSL is a party 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	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Labor	82,993	133,648	106,648	170,171
Civil	53,282	112,209	74,663	134,129
Tax	299,767	285,468	320,781	305,542
Total	436,042	531,326	502,092	609,842

Labor

The labor lawsuits are related to claims for labor-related indemnities filed for labor claims of the same nature as those mentioned in note 21.2, filed by former employees of JSL.

Civil

The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of JSL, of the same nature as those mentioned in note 21.2, and 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; (v) challenges related to the recognition of ICMS credits; (vi) INSS referring to challenges made by the authorities related to PER/DCOMP used in the offset of INSS, and (vii) fines for alleged submission of record-keeping and reporting obligations in disagreement with the respective regulations. The amounts involved are as follows:

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
IRPJ and CSLL	112,801	110,916	115,751	110,916
ICMS	75,730	73,018	85,365	83,088
INSS	7,730	7,730	9,624	9,624
PER/DCOMP	39,239	40,646	43,318	46,962
PIS/COFINS	40,218	38,042	40,218	38,042
Others	24,049	15,117	26,505	16,910
Total	299,767	285,468	320,781	305,542

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****22. Payables for the acquisition of companies**

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Quick (i)	37,474	56,979	37,474	56,979
Transmoreno (ii)	176,062	174,211	176,062	174,211
TPC(ii)	73,478	73,098	73,478	73,098
Rodomeu (iv)	38,335	55,523	38,335	55,523
Marvel (v)	-	-	52,855	109,256
Total	325,349	359,810	378,204	469,066
Current	90,179	89,006	90,179	144,902
Noncurrent	235,170	270,804	288,025	324,164
Total	325,349	359,810	378,204	469,066

- (i) Refers to the balance payable for the acquisition of Quick Logística Ltda. (“Quick Logística”) and Quick Armazéns Gerais Eireli - ME (“Quick Armazéns”) (collectively referred to as “Quick”). This balance is adjusted by the IGPM / FGV plus 1% p.a. limited to the IPCA maturing in 2023, and the balance payable is used with escrow to reduce contingencies;
- (ii) Refers to the balance payable for the acquisition of Transmoreno. This balance is adjusted by 100% of the CDI plus 1.25% p.a. maturing until 2024 payable in half-yearly installments;
- (iii) Refers to the balance payable for the acquisition of TPC in 2021, related to the portion retained to amortize any contingencies, this balance is adjusted by 100% of the CDI;
- (iv) Refers to the balance payable for the acquisition of Rodomeu in 2021 and is part of the balance payable retained to amortize any contingencies materialized and the remaining amount will be paid in up to 24 installments, the first of which sixty days after the closing date, this balance is adjusted at 100% of the CDI;
- (v) Refers to the balance payable for the acquisition of Marvel in 2021 and is part of the balance payable retained to amortize any contingencies materialized; this balance is adjusted at 120% of the CDI.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****23. Income tax and social contribution****23.1 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 as follows:

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Deferred tax asset				
Tax losses	154,680	88,879	189,810	121,530
Provision for judicial and administrative litigation	13,018	12,992	18,936	19,282
Expected credit losses ("impairment") of trade receivables	5,385	3,368	10,763	8,534
Amortization and write-off of intangible assets from business combinations	34,659	27,871	34,659	29,383
Provision for adjustment to market value and obsolescence	1,334	1,369	1,284	1,530
Tax provisions	36,821	25,324	40,758	28,870
Share-based payment plan	155	141	155	141
Depreciation of right-of-use leases	6,478	5,398	7,105	6,093
Other provisions (i)	35,094	35,221	48,242	48,945
Total deferred tax assets	287,624	200,563	351,712	264,306
Deferred tax liabilities				
Present value adjustment	(712)	(1,921)	(712)	(1,921)
Deferred income from sales to public authorities	-	-	(2,425)	-
Hedge derivatives (swap) and exchange rate changes under cash basis	(54,949)	(42,047)	(54,949)	(42,047)
Accounting vs. tax depreciation	(92,544)	(50,470)	(183,508)	(100,333)
Property and equipment - finance leases	(11,362)	(7,369)	(11,349)	(7,347)
Surplus value on company acquisition (ii)	(55,150)	(48,370)	(55,150)	(48,370)
Government grants	-	-	(11,069)	(6,618)
Revaluation of assets	(1,996)	(1,996)	(43,158)	(68,102)
Realization of goodwill	(82,464)	(70,893)	(83,043)	(70,893)
Total deferred tax liabilities	(299,177)	(223,066)	(445,363)	(345,632)
Total deferred tax assets (liabilities) - net	(11,553)	(22,502)	(93,651)	(81,325)
Deferred tax assets	-	-	33,626	35,581
Deferred tax liabilities	(11,553)	(22,502)	(127,277)	(116,906)
Total deferred tax assets (liabilities) - net	(11,553)	(22,502)	(93,651)	(81,325)

- (i) Refer mainly to provisions for losses on (a) uncollectible credits; (b) advances to employees; (c) surplus value.
- (ii) Refers to the effects of IR/CSLL on the surplus value calculated in the business combinations of Fadel and Transmoreno.

Movements in deferred income tax and social contribution in the nine-month periods ended September 30, 2022 and 2021 are as follows:

	Parent company	Consolidated
At December 31, 2021	(22,502)	(81,325)
Deferred income tax and social contribution recognized in profit or loss	17,730	(622)
Reclassifications between deferred and current	(6,781)	(11,704)
At September 30, 2022	(11,553)	(93,651)
At December 31, 2020	(52,099)	(55,221)
Deferred income tax and social contribution recognized in profit or loss	(8,659)	(19,694)
Reclassifications between deferred and current	-	(2,709)
Deferred income tax and social contribution on surplus value	23,966	23,966
Acquisitions of companies	-	(39,703)
At September 30, 2021	(36,792)	(93,361)

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reais, unless otherwise stated****23.2 Deferred tax asset impairment test**

Management concludes that there are no indications of non-realization of the tax loss carryforwards as of September 30, 2022. JSL carried out an impairment test of deferred tax assets as of December 31, 2021, as disclosed in the notes to the financial statements issued.

23.3 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:

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Profit before income tax and social contribution	82,527	224,370	128,851	266,083
Statutory rates	34%	34%	34%	34%
IRPJ and CSLL at the standard rates	(28,059)	(76,286)	(43,809)	(90,468)
Permanent (additions) exclusions				
Equity results from subsidiaries	40,135	29,560	-	-
Tax incentives - Workers Meal Program ("PAT")	-	820	434	1,054
Effects of interest on capital - received and paid	(6,766)	11,529	-	12,063
Provision for deferred tax credits on tax losses carried forward	-	-	187	-
Exclusion on debts	-	18,214	-	18,214
Nontaxable tax benefits (presumed ICMS)	9,600	8,738	12,987	8,738
Non-deductible expenses and other permanent (additions) exclusions	2,820	(414)	1,607	2,612
Income tax and social contribution calculated	17,730	(7,839)	(28,594)	(47,787)
Current	-	820	(27,972)	(28,093)
Deferred	17,730	(8,659)	(622)	(19,694)
Income tax and social contribution on results	17,730	(7,839)	(28,594)	(47,787)
Effective rate	21.48%	-3.49%	-22.19%	-17.96%

JSL's 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.

23.4 Income tax and social contribution recoverable and payable

Movements in current income tax and social contribution in the nine-month period ended September 30, 2022 are as follows:

	Parent company	Consolidated
At December 31, 2021	82,783	66,733
Provision for income tax and social contribution	-	(10,714)
Advances, offsets and payments in the period	(41,064)	(8,791)
At September 30, 2022	41,719	47,228
Income tax and social contribution recoverable - current	35,310	51,526
Income tax and social contribution recoverable - noncurrent	6,409	6,416
Income tax and social contribution payable	-	(10,714)
At September 30, 2022	41,719	47,228
	Parent company	Consolidated
At December 31, 2020	217,656	212,678
Provision for income tax and social contribution	820	(28,093)
Advances, offsets and payments in the year	(101,944)	(83,363)
At September 30, 2021	116,532	101,222
Income tax and social contribution recoverable - current	81,117	89,325
Income tax and social contribution recoverable - noncurrent	35,415	35,415
Income tax and social contribution payable	-	(23,518)
At September 30, 2021	116,532	101,222

24. Related parties

24.1 Related-party balances (assets and liabilities)

The nature of the related-party balances in the statement of financial position accounts is as follows:

- (i) Trade receivables: balances arising from commercial transactions for the purchase and sale of assets, lease of assets and provision of services.
- (ii) Advances to third parties and other credits: balances arising from reimbursements of miscellaneous expenses and reimbursements of apportionment of common expenses paid to the Company.
- (iii) Dividends receivable: balances receivable from dividends proposed and approved by the Company's subsidiaries.
- (iv) Receivables from and payables to related parties: refer to loan agreements held between the Company and its subsidiaries and balances receivable from the sale of equity interests between the Company and its subsidiaries.
- (v) Other payables: balances payable for reimbursement of the Company's expenses borne by the subsidiaries.
- (vi) Trade payables: balances arising from commercial transactions for the purchase and sale of assets, lease of assets and provision of services.

Transactions between the Company and its subsidiaries are eliminated for the purpose of presenting the consolidated balances but maintained at the Parent company in these financial statements.

The following table presents the balances of transactions between the Company and related parties:

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

Assets	Parent company									
	Marketable securities (note 6)		Advances to third parties, PP&E and other credits		Trade receivables (note 7)		Dividends and interest on capital receivable		Receivables from related parties	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Related parties										
Avante Veículos	-	-	-	-	-	-	-	-	-	-
ATU12 Arrend port SPE SA	-	-	6	-	56	-	-	-	-	-
BBC Pagamentos	-	-	-	-	200	199	-	-	-	-
Ciclus Ambiental	-	-	-	-	8,977	7,093	-	-	-	-
CS Brasil Frotas	-	-	36	63	209	-	-	-	-	-
CS Brasil Transportes	-	-	-	1,014	5,118	865	-	-	-	-
Fadel Transporte	-	-	-	1,709	813	-	-	-	39,163	63,889
Fadel Soluções	-	-	56	276	424	119	-	-	-	-
Graos Piauí Rod SPE	-	-	-	6	16	-	-	-	-	-
Instituto Julio Simões	-	-	-	2	9	40	-	-	-	-
JSL Arrendamento	-	-	100	372	229	145	-	-	-	-
JSL Corretora	-	-	1	5	5	-	-	-	-	-
JSP Holding	-	-	5	25	56	-	-	-	-	-
Moreno Holding	-	-	-	1,724	-	-	-	-	-	-
Marvel	9,110	-	59,382	-	179	738	-	-	-	-
Medlogística	-	-	48	55	-	2	-	-	-	-
Mogi Mob	-	-	1,477	61	436	114	-	-	-	-
Mogipasses	-	-	-	1	2	-	-	-	-	-
Movida Locação	-	-	-	2,468	720	364	-	-	-	-
Movida Participações	-	-	41	91	49	13	-	-	-	-
Movida Premium	-	-	-	1	-	-	-	-	-	-
JSL Financeira	-	-	-	-	128	-	-	-	-	-
Original Veículos	-	-	15	17	32	127	-	-	-	-
Ponto Veículos	-	-	1	39	17	1	-	-	-	-
Quick Armazéns	-	-	-	1	121	-	-	-	-	-
Pronto Express Logística	-	-	-	-	2,184	350	-	1,597	-	-
TPC Logística Nordeste S.A.	-	-	-	-	56	-	-	-	-	14,369
TPC Logística Sudeste S.A.	-	-	-	-	257	-	-	-	53,465	48,200
Transmoreno	-	-	2	-	365	-	4,338	-	-	-
Quick Logística	-	-	5,787	1,337	157	158	1,318	-	-	-
Ribeira Imóveis	-	-	-	-	101	99	-	-	-	-
Rodomeu	-	-	4	-	4,177	2,428	3,884	1,589	-	-
Simpar	-	-	183	536	508	-	-	-	-	-
Sinal Serviços	10,348	-	75	9,957	12,618	1,808	-	-	-	4
TPG Transportes	-	-	2	10	4	-	-	-	-	-
Transrio	-	-	117	14	110	15	-	-	-	-
Vamos	-	-	228	559	1,715	219	-	-	-	-
Vamos Agrícola	-	-	38	10	16	14	-	-	-	-
Vamos Máquinas	-	-	-	24	529	20	-	-	-	-
Vamos Seminovos	-	-	-	3	6,240	4	-	-	-	-
Vamos Linha Amarela	-	-	16	17	132	52	-	-	-	-
Yolanda	-	-	-	11	42	552	-	-	-	-
Total	19,458	-	67,620	20,410	47,007	15,539	9,540	3,186	92,628	126,462
Current	15,433	-	67,620	20,410	47,007	15,539	9,540	3,186	-	-
Noncurrent	4,025	-	-	-	-	-	-	-	92,628	126,462
Total	19,458	-	67,620	20,410	47,007	15,539	9,540	3,186	92,628	126,462

(i) The balance of this group is fully allocated in the line item of Other credits in current assets, and the principal amount is related to amounts receivable from credit rights arising from the purchase of the customer portfolio of Marvel.

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

Liabilities	Parent company							
	Other payables		Trade payables (note 15)		Payables to related parties		Dividends payable	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Related parties								
BBC Pagamentos	240	195	62	47	-	-	-	-
BBC Leasing S.A.	25	-	41	352	-	-	-	-
Borgato Serviços	67	-	-	-	-	-	-	-
CS Brasil Frotas	-	66	46	109	-	-	-	-
CS Brasil Transportes	59	1,442	14,062	4,619	-	-	-	-
Graos Piauí Rod SPE	3	-	-	-	-	-	-	-
Instituto Julio Simões	1	-	-	-	-	-	-	-
Medlogística	-	9	-	-	-	-	-	-
Mogi Mob	-	173	9,398	567	-	-	-	-
Mogipasses	9	9	3	-	-	-	-	-
Movida Locação	183	-	62	821	-	-	-	-
Movida Participações	-	-	48	59	-	-	-	-
Movida Premium	-	-	-	1	-	-	-	-
Original Veículos	-	-	21	-	-	-	-	-
Pronto Express Logística	161	8,355	376	-	-	-	-	-
Ponto Veículos	8	-	2	1	-	-	-	-
Quick Logística	-	61	1,162	494	-	-	-	-
Quick Armazéns	-	-	-	8	-	-	-	-
Ribeira Imóveis	29	29	-	-	-	-	-	-
Sinal	-	4	-	27	-	-	-	-
Simpar	-	884	22,651	9,066	1,760	1,619	-	46,981
TPC Logística Nordeste S.A.	-	227	-	-	-	-	-	-
TPC Logística Sudeste S.A.	-	71	-	-	-	-	-	-
Transmoreno Transp	2	2,389	17	15	-	-	-	-
Transportadora Rodomeu	856	-	-	-	-	-	-	-
TPG Transportes	-	41	-	40	-	-	-	-
TruckPad Tecnologia	-	-	15	-	-	-	-	-
Truckvan Industrial Ltda.	-	-	2,178	-	-	-	-	-
Transrio	-	29	441	116	-	-	-	-
Vamos Locação	37	-	10,834	1,969	-	-	-	-
Vamos Máquinas	599	-	-	130	-	-	-	-
Vamos Seminovos	59	-	3,670	-	-	-	-	-
Yolanda	48	302	1	1	-	-	-	-
Others	-	-	-	-	-	-	-	17,329
Total	2,386	14,247	65,090	18,442	1,760	1,619	-	64,310
Current	2,386	14,247	65,090	18,442	-	-	-	64,310
Noncurrent	-	-	-	-	1,760	1,619	-	-
Total	2,386	14,247	65,090	18,442	1,760	1,619	-	64,310

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

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

											Consolidated	
	Assets				Liabilities				Dividends payable			
	Trade receivables (Note 7)		Other credits and advances		Trade payables (note 15)		Other payables		Payables to related parties			
09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	
Related parties												
ATU12 Arrend port SPE SA	56	-	6	-	-	-	-	-	-	-	-	
BBC Pagamentos	200	199	-	-	63	47	240	195	-	-	-	
Borgato Serviços	-	-	-	-	-	-	67	66	-	-	-	
Ciclus Ambiental	8,977	7,093	-	-	-	134	-	-	-	-	-	
CS Brasil Frotas	287	-	36	110	46	-	-	-	-	-	-	
CS Brasil Transportes	5,121	906	70	1,017	14,072	4,631	60	1,460	-	-	-	
Graos Piaui Rod SPE	16	-	-	6	-	-	3	-	-	-	-	
HM Com. Man.	-	-	-	-	24	-	-	-	-	-	-	
Empilhadeiras	-	-	-	-	-	-	-	-	-	-	-	
Instituto	9	40	-	-	-	-	1	-	-	-	-	
JSL Arrendamento	269	145	100	372	41	352	25	-	-	-	-	
JSL Corretora	5	-	1	5	-	-	-	-	-	-	-	
JSL Financeira	128	-	-	-	-	-	-	-	-	-	-	
JSP Holding	56	-	5	25	-	-	-	-	-	-	-	
Mogi Mob	436	-	1,477	61	9,398	567	2	173	-	-	-	
Mogipasses	2	-	-	1	3	-	9	9	-	-	-	
Movida Locação	787	364	-	2,468	153	848	183	-	-	-	-	
Movida Participações	49	13	41	91	174	96	-	-	-	-	-	
Movida Premium	-	-	-	1	-	1	-	-	-	-	-	
Original Veículos	32	127	15	17	21	1	-	-	-	-	-	
Ponto Veículos	17	1	1	39	2	-	8	-	-	-	-	
Ribeira Imóveis	101	99	-	-	-	-	29	-	-	-	-	
Simpar	508	-	183	536	22,664	9,101	14	886	1,760	1,619	46,981	
TPG Transportes	4	-	2	10	-	40	-	-	-	-	-	
Transrio	110	15	117	14	467	116	3	141	-	-	-	
Truckvan Industria Ltda.	-	-	-	-	2,178	-	-	-	-	-	-	
Vamos	1,912	219	232	562	11,201	2,088	37	-	-	-	-	
Vamos Agrícola	16	14	38	10	-	-	-	-	-	-	-	
Vamos Máquinas	529	20	-	24	-	130	599	-	-	-	-	
Vamos Seminovos	37,350	4	-	3	3,670.00	-	59	-	-	-	-	
Vamos Linha Amarela	130	52	17	17	-	-	-	-	-	-	-	
Others	-	-	-	11	-	-	-	-	-	-	17,329	
Total	57,107	9,426	2,341	5,400	64,177	18,150	1,339	2,931	1,760	1,619	64,310	
Current	57,107	9,426	2,341	5,400	-	-	1,339	2,931	-	-	64,310	
Noncurrent	-	-	-	-	64,177	18,150	-	-	1,760	1,619	-	
Total	57,107	9,426	2,341	5,400	64,177	18,150	1,339	2,931	1,760	1,619	64,310	

24.2 Related-party transactions with effects on profit or loss

Related-party transactions refer to:

- (i) Leases of vehicles and other assets among the companies, at equivalent market values, the pricing of which varies in accordance with the characteristics and date of contracting, and the spreadsheet of the costs inherent to the assets, such as depreciation and financing interest;
- (ii) Rendering services refer to any contracted services, mainly those related to cargo transport or intermediation of decommissioned assets and direct sales of car makers;
- (iii) Sale of decommissioned assets, mainly related to vehicles that used to be leased by these related parties, and as a business strategy were transferred at their residual accounting values, which approximated the market value;
- (iv) The Company shares certain administrative services with the subsidiaries of Simpar and the expenses are apportioned and transferred from them;
- (v) Occasionally, loan transactions and assignment of rights of trade receivables with companies of the Group are made. Finance costs or finance income arising from these transactions are calculated at rates defined after comparison with the rates adopted by financial institutions.
- (vi) Refers to tax consulting services rendered by a tax law firm where members of the Boards of Directors are partners.

The table below presents the results by nature corresponding to those transactions carried out in the nine-month periods ended September 30, 2022 and 2021, between the Company, its subsidiaries and other related parties of the Simpar Group:

JSL S.A.

Notes to the individual and consolidated financial statements For the nine-month periods ended September 30, 2022 and 2021 In thousands of Brazilian Reais, unless otherwise stated

Profit or loss	Consolidated													
	Rent and rendering services		Contracted rents and services		Sales revenue - assets		Cost of sale - assets		Administrative and selling expenses, and recovery of expenses		Other operating income (expenses)		Finance income (costs)	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Transactions eliminated in profit or loss														
Fadel Transportes	452	439	(132)	-	-	-	-	-	3,194	(1,086)	(2,930)	-	5,734	-
Fadel Soluções	1,832	507	74	104	-	-	-	-	650	-	3,093	(2,174)	155	3,148
Locadel	-	-	(934)	(946)	-	-	-	-	-	-	22	2,151	-	-
JSL S.A.	139	-	(32,672)	(9,114)	480	90	(480)	(90)	(11,737)	-	1,023	23	(37,070)	-
Marvel	-	-	-	-	-	-	-	-	1,515	-	-	-	12,298	23
Pronto Express	390	-	72	-	-	-	-	-	2,245	-	1,924	-	(1,292)	-
Quick Armazéns	-	-	-	-	-	-	-	-	121	-	-	-	(544)	1,808
Quick Logística	366	645	(129)	3	-	-	-	-	438	-	33	-	544	(214)
Sinal Serviços	7,931	5,764	1,998	-	-	-	-	-	358	1,086	239	-	4,461	(3,210)
Transportadora Rodomeu	23,854	-	3,015	-	-	-	-	-	1,080	-	261	-	-	214
TPC Logística Nordeste	-	-	-	-	-	-	-	-	481	-	-	-	2,766	-
TPC Logística Sudeste	390	-	-	-	-	-	-	-	481	-	201	-	5,265	(1,359)
Transmoreno	195	-	(136)	-	-	-	-	-	1,054	-	266	-	-	548
Truckpad Tec e Log S.A.	-	-	(1,560)	-	-	-	-	-	-	-	-	-	-	-
Yolanda	-	-	(1,596)	(119)	-	-	-	-	120	-	1	1,759	-	-
	35,549	7,355	(32,000)	(10,072)	480	90	(480)	(90)	-	-	4,133	1,759	(7,683)	958
Related party transactions														
ATU 12	-	-	-	-	-	-	-	-	-	-	2	-	-	-
BBC Pagamentos	-	-	(2,475)	-	-	-	-	-	-	-	(327)	-	-	-
BBC Leasing	-	-	(2)	-	7,117	9,434	(7,117)	(9,434)	-	-	24	-	-	-
CS Brasil Frotas	-	-	-	67	-	-	-	-	-	-	-	-	-	-
CS Brasil Transportes	179	237	(7,628)	(420)	-	448	-	(448)	135	(85)	653	55	-	-
Fadel Transportes	-	114	-	-	-	-	-	-	-	-	-	-	-	-
HM Com Man Empilhadeiras	-	-	(47)	-	-	-	-	-	-	-	-	-	-	-
JSL S/A	-	9,878	-	(3,102)	-	10,748	-	(10,748)	-	132	-	1,199	-	-
Madre Corr. e Admin Seg.	-	-	-	-	-	-	-	-	-	-	1	-	-	-
Mogi Mob Trans Pass Ltda.	-	-	(7,158)	(349)	-	-	-	-	-	(1)	4	-	-	-
Mogipasses Com. de Billhe	-	-	(5)	-	-	-	-	-	-	-	3	-	-	-
Movida Locação	192	51	(2,661)	(1,676)	-	-	-	-	-	(1,300)	916	(18)	-	-
Movida Participações	5	-	(662)	(99)	-	-	-	-	-	(42)	(195)	-	-	-
Movida Premium	-	-	-	-	-	-	-	-	-	(34)	-	-	-	-
Original Veículos	7	-	(4)	(3)	-	1,080	-	(1,080)	-	(2)	173	-	-	-
Ponto Veículos	-	-	(4)	(5)	-	-	-	-	-	(3)	60	-	-	-
Quick Logística	-	-	-	(149)	-	-	-	-	-	(2)	-	-	-	-
Simpar	-	-	(890)	-	338	-	(338)	-	18,201	(18,005)	(912)	-	(177)	(67)
Simpar Empreendimentos	-	-	(700)	-	-	-	-	-	-	-	(1,320)	-	-	67
TPG Transp Passageiros	-	-	19	-	-	-	-	-	-	-	2	-	-	-
Transrio Caminhões Ônibus	-	-	(1,178)	(1,153)	864	1,435	(864)	(1,435)	-	1	23	-	-	-
Vamos Loc Cam Maq Equi SA	1,056	-	(9,852)	(2,148)	-	2,715	-	(2,715)	-	(1,122)	(2,034)	-	1	-
Vamos Máquinas	-	-	-	(65)	500	-	(500)	-	-	-	8	-	-	-
Vamos Com de Maq Agrícolas	-	-	-	-	-	-	-	-	-	-	2	-	-	-
Vamos Semínovos	330	-	(330)	-	50,615	-	(50,615)	-	-	-	3	-	-	-
Vamos Linha Amarela	-	-	-	-	-	-	-	-	-	-	128	-	-	-
Ciclus Ambiental	63,147	59,028	(4)	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(13,247)	(4,644)	-	-	-	-	-	-	-	-	-	-
Others (viii)	-	-	(5,479)	(1,281)	-	-	-	-	-	-	-	-	-	-
	64,916	69,308	(52,307)	(15,027)	59,434	25,860	(59,434)	(25,860)	18,336	(20,463)	(2,786)	1,236	(176)	-
	100,465	76,663	(84,307)	(25,099)	59,914	25,950	(59,914)	(25,950)	18,336	(20,463)	1,347	2,995	(7,859)	958

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

24.3 Transactions or relationships with shareholders related to property leasing

JSL has operating and administrative lease contracts for properties with the associate Ribeira Imóveis Ltda., company under common control. The lease amount recognized in profit or loss for the nine-month period ended September 30, 2022 was R\$ 13,247 (R\$ 4,664 at September 30, 2021). The agreements have conditions in line with market values and have maturities until 2027.

24.4 Administrative service center

The corporate expenses are controlled by Simpar, which makes apportionments based on criteria defined on the basis of appropriate technical studies on shared expenses within the same structure and backoffice. The Administrative Service Center (“CSA”) does not charge management fees nor applies profitability margin on rendering services, passing on only the costs. The expenses with the sharing of the infrastructure and administrative structure with Simpar totaled R\$ 17,799 at September 30, 2022, or 0.66% of JSL’s net revenue (R\$ 18,070 at September 30, 2021, or 0.84% of JSL’s net revenue).

24.5 Transactions or relationships with parent company and group companies referring to operations as a guarantor

As a result of the corporate restructuring that took place on August 5, 2020, JSL and Simpar remain jointly guarantors in an operation raised by another company controlled by Simpar, in the amount of R\$ 101,000 and are guarantors of the 13th and 14th Debentures that were transferred to Simpar in 2020 as a result of the Split carried out.

24.6 Management compensation

The Company’s management includes the Board of Directors and the Board of Executive Officers. Expenses on compensation of the Company’s directors and officers, including all benefits, were recognized in line item “Administrative expenses”, and are summarized below:

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Fixed compensation	4,721	4,989	5,682	6,392
Variable compensation	1,443	7,920	5,606	8,165
Benefits	72	46	72	74
Share-based payments	1,262	272	1,262	345
Total	7,498	13,227	12,622	14,976

Management does not have post-employment benefits.

The compensation paid to key management personnel is within the limit approved by the Shareholders’ Meeting held in 2022.

25. Equity

25.1 Share capital

The Company’s fully subscribed and paid-up capital at September 30, 2022 and December 31, 2021 is R\$ 842,781 (or R\$ 806,688 if net of share issue cost). The shares are registered common shares without par value.

At the Extraordinary General Meeting held on September 27, 2021, the shareholders approved the increase in the Company’s capital from the merger of the remaining 25% of the shares of Fadel Holding S.A (see note 1.1 iii), in the amount of R\$ 39,458 through the issuance of 6,440,000 registered common

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, unless otherwise stated

shares without par value, and the Company's capital was increased to 286,431,078 registered common shares without par value.

At September 30, 2022, the Company's fully paid-up capital is divided into 286,431,078 registered shares (same number at December 31, 2021) with no par value, of which 1,917,569 are non-voting treasury shares (1,703,235 at December 31, 2021). At September 30, 2022, share capital is held as follows:

<i>Number of shares</i>	09/30/2022	
	Common shares	(%)
Shareholders		
Owners of the Company		
Simpar S.A.	214,385,424	74.85%
JSP Holding S.A.	206,032,081	71.93%
Fernando Antonio Simões	7,450,000	2.60%
Other members of the Simões family	903,343	0.32%
Management	231,000	0.08%
Officers	272,380	0.10%
Treasury shares	6,440,000	2.25%
Outstanding shares traded on the stock exchange	1,917,569	0.67%
Total	63,184,705	22.06%
	286,431,078	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 Supervisory Board.

25.2 Capital reserves

a) Share-based payment transactions

Movement during the period

For the nine-month period ended September 30, 2022, no new shares were granted, and R\$ 42 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\$ 472 at September 30, 2022 (R\$ 422 at September 30, 2021).

i. Stock Option Plans:

The established criteria are: (i) granting stock options to Management, employees in executive positions and individuals providing services to Simpar for each category of eligible professionals, defined freely based on the Election of the Stock Option Plan Beneficiaries; (ii) the number of shares to be acquired by each in the exercise of the options; and (iii) the condition for exercise is based on the maintenance of employment of the eligible professionals at Simpar during the vesting period.

These plans are calculated based on the average quote of Simpar S.A. shares at B3 S.A. - Brasil, Bolsa, Balcão, weighted by the trading volume over the past 30 trading sessions preceding the year of the date of grant, which shall be restated according to the variation of 100% of the CDI, from the grant date to the date on which the beneficiary pays the exercise price to the Simpar Group.

JSL S.A.

Notes to the individual and consolidated financial statements

For the nine-month periods ended September 30, 2022 and 2021

In thousands of Brazilian Reais, unless otherwise stated

The value of each option is estimated on the grant date, based on the Black % Scholes option pricing model, which considers the terms and conditions of the grant.

Movement during the years

There were no changes related to option grants in the period ended September 30, 2022 and in the year ended December 31, 2021. The last change took place in 2020, when the total position was written off due to the spin-off.

ii. Restricted share plan:

The restricted share plan consists of the delivery of shares of the parent company Simpar S.A. (restricted shares) to JSL employees consisting of up to 35% of the variable compensation of the beneficiaries as bonus, in annual installments for 4 years. In addition, employees may, at their sole discretion, opt to receive an additional portion of the variable compensation amount as a bonus in shares of Simpar S.A., and in case the employee opts to receive shares, Simpar S.A. will deliver to the employee 1 matching share for each 1 share received by the employee, within the limits established in the program. The granting of the right to receive restricted shares and matching shares is made through the execution of Grant Agreements between Simpar S.A. and the employee. Thus, the Plan seeks to (a) stimulate the expansion, success and achievement of the social objectives of Simpar S.A. and its subsidiaries; (b) to align the interests of the shareholders of Simpar S.A. and its subsidiaries with those of its employees; and (c) enable Simpar S.A. and its subsidiaries to attract and retain the beneficiaries. Simpar's shares to be delivered may be acquired by the Company at market value.

In order to calculate the number of restricted shares to be delivered to the employee, the net value earned by the employee will be divided by the average quotation of Simpar S.A. on B3 S.A. - Brasil, Bolsa, Balcão, weighted by the trading volume over the past 30 trading sessions preceding each vesting date related to the restricted shares.

Movement during the periods

The following table presents the number, the weighted average of the fair value and the movement of the restricted share options granted in the period ended September 30, 2022:

	Number of shares			Stock options outstanding	Average price for the period
	Granted	Canceled	Transferred		
Position at December 31, 2020	-	-	-	-	-
Options granted	56,319	-	-	56,319	10.54
Options canceled	-	(227)	-	(227)	10.54
Position at December 31, 2021	56,319	(227)	-	56,092	10.54
Options granted	-	-	-	-	-
Options canceled	-	(1,338)	-	(1,338)	10.54
Transfers to beneficiaries	-	-	(13,497)	(13,497)	10.54
Position at September 30, 2022	56,319	(1,565)	(13,497)	41,257	10.54

25.3 Treasury shares

At September 30, 2022, the Company has a balance of R\$ 42,205 (R\$ 40,701 at December 31, 2021), representing 1,917,569 common shares held in treasury (1,703,235 at December 31, 2021).

25.4 Earnings reserves

a) Distribution of dividends

The dividend distribution policy is disclosed in note 27.4 to the Company's individual and consolidated financial information for the year ended December 31, 2021.

At the General Meeting held on April 27, 2022, the proposal for distribution of the Company's profit for the year ended December 31, 2021 was approved, in line with the approval of the Company's Board of Directors at the meeting held on February 21, 2022, in the amount of R\$36,035 as additional dividend.

b) Legal reserve

The legal reserve is recognized annually as an allocation of 5% of the Company's profit for the year, limited to 20% of the share capital. Its purpose is to ensure the integrity of the share capital. It can be used only to offset losses and for capital increase. When JSL reports loss for the year, no legal reserve is recognized.

c) Investment reserve

The investment reserve is intended to finance the expansion of the activities of the Company and/or its subsidiaries including through subscriptions of capital increases or creation of new enterprises, to which up to 100% of the profit for the year remaining after the legal and statutory deductions may be allocated and whose balance cannot exceed the amount equivalent to 80% of the Company's subscribed capital.

d) Investment grant

In the Company, due to the calculation of the ICMS using the presumed credit method (ICMS 106/96), the amount of R\$ 35,497 for the year ended December 31, 2021 was transferred to the reserve for investment grants within "Earnings Reserves", according to Law 12,973/14 Art. 30 paragraph 4. In the nine-month period ended September 30, 2022, the amount of R\$ 28,236 was recognized. Additionally, subsidiary Quick Logística is entitled to a tax benefit grant related to ICMS in the state of Goiás (called Log Produzir) and during the nine-month period ended September 30, 2022 R\$ 423 was recognized.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021**

In thousands of Brazilian Reals, unless otherwise stated

26. Net revenue from rendering services, lease of vehicles, machinery and equipment and sale of decommissioned assets used in rendering services**a) Revenue flows**

JSL generates revenue mainly from the rendering of services and sale of decommissioned assets.

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Revenue from dedicated services (b)	988,957	817,790	1,448,742	1,036,994
Revenue from passengers transport (b)	207,077	178,919	207,077	178,133
Revenue from general cargo (b)	1,208,040	977,278	2,359,661	1,570,574
Revenue from vehicle rental (a)	203,413	123,084	195,644	120,099
Other revenues	-	-	-	30
Net revenue from rendering services and lease of vehicles, machinery and equipment	2,607,487	2,097,071	4,211,124	2,905,830
Revenue from sales of decommissioned assets	105,087	54,440	148,836	62,385
Total net revenue	2,712,574	2,151,511	4,359,960	2,968,215
Timing of revenue recognition				
Products transferred at a specific point in time	105,087	54,440	148,836	62,385
Products and services transferred over time	2,607,487	2,097,071	4,211,124	2,905,830
Total net revenue	2,712,574	2,151,511	4,359,960	2,968,215

The reconciliation between the gross and net revenues presented in the statement of profit or loss is shown below:

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Gross revenue	3,227,496	2,587,031	5,165,934	3,565,941
Less:				
Taxes on sales	(466,162)	(393,243)	(752,354)	(549,203)
Returns and cancellations	(13,771)	(7,902)	(15,323)	(10,621)
Toll rates	(34,989)	(34,297)	(35,480)	(37,688)
Discounts granted	-	(78)	(2,817)	(214)
Total net revenue	2,712,574	2,151,511	4,359,960	2,968,215

(a) Revenue recognition in accordance with CPC 06 (R2) / IFRS 16 - Leases.

(b) Revenue recognition in accordance with CPC 47 (R2) / IFRS 15 - Revenue from Contracts with Customers.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reals, unless otherwise stated****27. Expenses by nature**

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

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Fleet costs / expenses (iii)	(33,701)	(37,197)	(95,170)	(64,417)
Cost of sales of decommissioned assets (ii)	(82,970)	(43,372)	(116,946)	(48,593)
Personnel and payroll charges	(771,020)	(652,629)	(1,372,070)	(962,659)
Related and third parties	(852,292)	(691,604)	(1,002,441)	(805,831)
Depreciation and amortization	(128,662)	(128,687)	(212,717)	(161,570)
Parts, tires and maintenance	(260,109)	(220,173)	(340,738)	(256,928)
Fuels and lubricants	(203,378)	(159,110)	(489,729)	(241,148)
Communication, advertising and publicity	(8,259)	(1,025)	(10,757)	(2,467)
Rendering services	(71,689)	(62,058)	(150,333)	(99,773)
Reversal (provision for) of expected credit losses ("impairment") of trade receivables (note 7.1)	(12,039)	(5,825)	(14,508)	(7,328)
Provision for judicial and administrative litigation	(17,032)	(21,146)	(19,254)	(22,289)
Electric power	(15,207)	(22,433)	(21,162)	(27,125)
Property lease	(4,092)	(289)	(4,389)	1,568
Lease of vehicles, machinery and equipment, and damaged vehicles	(46,947)	(19,765)	(62,419)	(27,292)
PIS and COFINS credits on inputs (i)	148,922	113,476	175,904	125,440
Extemporaneous tax credits	41,117	134,029	51,619	136,243
Other costs	(84,322)	(102,919)	(118,441)	(127,887)
	<u>(2,401,680)</u>	<u>(1,920,727)</u>	<u>(3,803,551)</u>	<u>(2,592,056)</u>
Cost of sales, leases and rendering services	(2,252,649)	(1,841,085)	(3,505,017)	(2,461,384)
Cost of sales of decommissioned assets (iii)	(82,970)	(43,372)	(116,946)	(48,593)
Selling expenses	(9,628)	(9,975)	(19,732)	(15,107)
Administrative expenses	(107,109)	(131,547)	(225,973)	(188,366)
Provision for expected credit losses ("impairment") of trade receivables	(12,039)	(5,825)	(14,508)	(7,328)
Other operating income	100,118	139,171	139,239	153,876
Other operating expenses	(37,403)	(28,094)	(60,614)	(25,154)
	<u>(2,401,680)</u>	<u>(1,920,727)</u>	<u>(3,803,551)</u>	<u>(2,592,056)</u>

- (i) 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;
- (ii) The cost of sales of decommissioned assets consists of the cost of assets used in logistics services.
- (iii) Includes expenses with IPVA, maintenance and toll rates.

JSL S.A.**Notes to the individual and consolidated financial statements****For the nine-month periods ended September 30, 2022 and 2021****In thousands of Brazilian Reals, unless otherwise stated****28. Finance result**

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Finance income				
Financial investments	28,587	11,554	36,008	13,016
Monetary variation income	17,338	3,793	18,354	3,839
Interest received	22,920	11,580	2,554	11,017
Other finance income	9,920	999	3,650	7,547
Total finance income	78,765	27,926	60,566	35,419
Finance costs				
Interest on loans, borrowings and debentures	(339,210)	(173,424)	(377,950)	(190,008)
Interest and bank charges on leases payable	(3,526)	(2,175)	(3,526)	(2,175)
Interest on supplier financing – car makers	-	(30)	-	(30)
Exchange rate changes	(200)	(160)	(245)	42
Net gains (losses) on swap agreements	(21,187)	73,768	(21,382)	73,737
Total debt service costs	(364,123)	(102,021)	(403,103)	(118,434)
Interest on right-of-use leases	(14,399)	(13,057)	(26,767)	(18,285)
Interest on payables for the acquisition of companies	(27,433)	(2,461)	(30,927)	(3,944)
Discounts granted, bank charges and fees	(464)	-	(3,940)	-
Interest payable	(4,788)	(497)	(8,639)	(654)
Other finance costs	(13,968)	(3,248)	(14,748)	(4,178)
Total finance costs	(425,175)	(121,284)	(488,124)	(145,495)
Finance income (costs), net	(346,410)	(93,358)	(427,558)	(110,076)

29. Earnings per share**29.1 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:

	Parent company	
	09/30/2022	09/30/2021
Numerator:		
Profit for the period from operations attributable to owners of the Company	100,257	216,529
Denominator:		
Weighted average number of outstanding shares	213,270,369	211,131,500
Basic earnings per share from continuing operations - R\$	0.4701	1.0256
Total basic earnings per share - R\$	0.4701	1.0256
(i) Weighted average number of common shares outstanding		
Common shares - January 1		
Effect of shares issued in the period	213,293,836	211,060,989
Effect of treasury shares	(23,467)	70,511
Weighted average number of common shares outstanding	213,270,369	211,131,500

29.2 Diluted

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

JSL has a category of common shares which could potentially cause dilution: stock options and restricted shares. 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 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.

Consolidated	
09/30/2022	09/30/2021

JSL S.A.
Notes to the individual and consolidated financial statements
For the nine-month periods ended September 30, 2022 and 2021
In thousands of Brazilian Reais, unless otherwise stated

Numerator:			
Profit for the period from continuing operations attributable to owners of the Company		100,257	216,529
Denominator:			
Weighted average number of outstanding shares		213,270,369	211,131,500
Adjustments for:			
Stock options (weighted)		-	-
Weighted average number of shares for diluted earnings per share		213,270,369	211,131,500
Diluted earnings per share from continuing operations - R\$		0.4701	1.0256
Total diluted earnings per share - R\$		0.4701	1.0256

30. Insurance coverage

JSL has insurance coverage in amounts deemed sufficient by Management to cover potential risks on its assets and/or liabilities related to transport of third-party cargo or assets. As to the vehicle fleet, most part is self-insured in view of the cost-benefit ratio of the premium.

Complete information on the insurance coverage is presented in note 28 to the annual individual and consolidated financial statements for the year ended December 31, 2021.

31. 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.

JSL acquired vehicles for renewal and expansion of its fleet, and part of these vehicles do not affect cash because they are financed. The reconciliation between these acquisitions and the cash flows is as follows:

	Parent company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Total additions to property and equipment in the period	528,657	335,302	1,049,011	518,471
Additions without cash disbursement:				
Additions financed by leases payable, FINAME and supplier financing - car makers	(66,846)	-	(173,819)	(979)
Additions of right-of-use leases	(112,631)	(10,567)	(169,332)	(77,266)
Additions for the period settled with cash flows				
Balance variation of trade payables and supplier financing - car makers	58,065	(14,693)	117,240	(23,331)
Total cash flows for purchase of property and equipment	407,245	310,042	823,100	416,895
Statements of cash flows:				
Operating property and equipment for leasing	361,773	289,789	762,430	372,928
Property and equipment	45,472	20,253	60,670	43,967
Total	407,245	310,042	823,100	416,895

32. Subsequent events

On August 8, 2022, the subsidiary Marvel contracted), a Credit Opening Agreement (Finame Direct) in the amount of R\$ 200,000 with a term with the BNDES bank and on August 27, 2022 I request the release of the total amount.

This contract is guaranteed by assets and guaranteed by the parent company JSL. It has a grace period of 24 months for amortization, quarterly interest, where after the grace period, interest and amortization will be monthly at the cost of IPCA + 7.48%.
