JSL SA.
Publicly-Held Company
CNPJ/ME n° 52.548.435/0001-79
NIRE 35.300.362.683

MATERIAL FACT

JSL S.A. ("JSL" or "Company"), in compliance with the provisions of paragraph 4 of Section 157 of Law No. 6404/76, as amended ("Brazilian Corporations Act"), CVM Instruction No. 358/02 ("ICVM 358") and CVM Instruction No. 565/15 ("ICVM 565"), hereby informs its shareholders and the market in general that the Board of Directors of JSL approved the final documents of the merger of shares issued by Fadel Holding SA ("Fadel") by JSL, as initially disclosed in the Material Fact of March 15, 2021 ("Merger of Shares").

The Merger of Shares and the related documents will be submitted to JSL's shareholders for approval at an Extraordinary General Meeting scheduled for September 27, 2021 ("EGM").

The information related to the Merger of Shares follows below, as per the provisions of Annex 3 of ICVM 565:

1. COMPANIES INVOLVED IN THE OPERATION AND THEIR ACTIVITIES

1.1. JSL

(a) Identification. JSL S.A., a publicly-held company with head offices in the city of São Paulo, State of São Paulo, at Rua Doutor Renato Paes de Barros, nº 1.017, 10º andar, Itaim Bibi, CEP 04530-001, registered as a Corporate Taxpayer under CNPJ No. 52.548.435/0001-79, and with its acts of incorporation registered with the Trade Board of the State of São Paulo ("JUCESP") under NIRE 35.300.362.683.

(b) Activities. JSL is a leader in road logistics in Brazil, with diversified services and clients, which ensures its resilience throughout economic cycles. The company has the largest and most integrated portfolio of services in the sector, including road cargo transportation services, dedicated logistics for road cargo, commodities logistics, warehousing services, urban distribution, internal logistics, and charter services.

1.2. FADEL

(a) Identification. Fadel Holding S.A., a private corporation headquartered in Virgilio de Montezzo Filho, nº 1934, sala 01, Nova Tatui, City of Tatui, State of São Paulo, registered as a Corporate Taxpayer under CNPJ No. 29.057.237/0001-90, and with its acts of incorporation registered with JUCESP under NIRE 35.300.558.243.

(b) Activities. Fadel is among the 20 largest companies in the sector, providing services of Urban Distribution, Dedicated Logistics for road cargo, and Internal Logistics. The company primarily operates in the food and beverage sectors. It currently has around 4,200 employees and 1698 operating assets. Its top clients include Ambev, B2W, Mercado livre, Unilever, Cervepar and Souza Cruz.

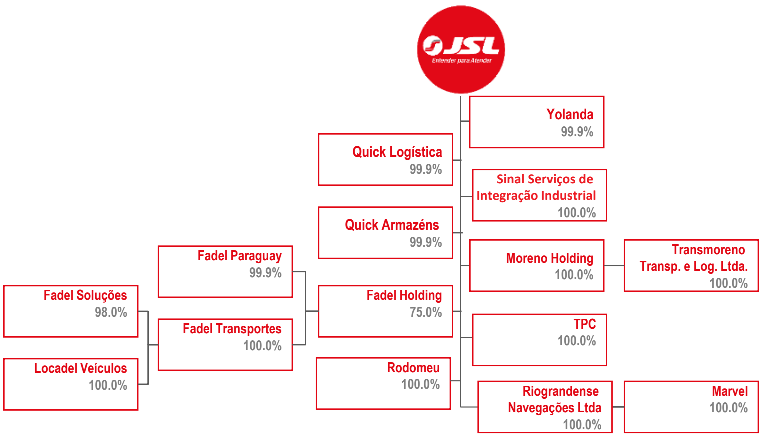
2. DESCRIPTION AND PURPOSE OF THE OPERATION

2.1. Description

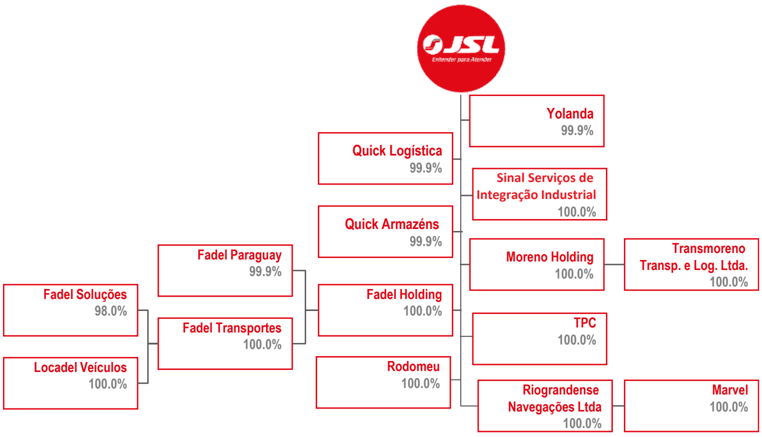
Under the "Protocol and Justification of the Merger of Shares of Fadel Holding SA by JSL SA" ("Protocol and Justification") disclosed on this date, the Merger of Shares will consist of the merger of shares issued by Fadel by JSL, at its net book value, with the issuance of new common shares, book-entry and without par value of JSL to be assigned to Mr. Ramon Peres Martinez Garcia de Alcaraz ("Ramon Alcaraz") (sole shareholder of Fadel except for JSL), according to Section 252 of the Brazilian Corporations Law. As a result of the Merger of Shares, Fadel will become a wholly-owned subsidiary of JSL.

The organizational chart below shows a simplified illustration of the corporate structure on the transaction date and the intended corporate structure after the implementation of the Merger of Shares:

CORPORATE STRUCTURE BEFORE THE MERGER



CORPORATE STRUCTURE AFTER THE MERGER



On August 3, 2020, JSL entered into a purchase and sale agreement aimed at acquiring quotas representing 75% of the total capital stock of Fadel[2] for the price of BRL159.4 million. It subsequently increased by BRL13.7 million, given that Fadel reached specific targets in the year 2020 established in the agreement as mentioned above.

The remaining shares issued by Fadel not acquired by JSL (representing 25% of its capital stock) remained the property of its founder, Mr. Ramon Alcaraz, who continued as Fadel's leading executive, leading its activities and development plan.

The Company understood that the acquisition of Fadel was in line with the strategy of growth, diversification, and consolidation of the largest and most integrated logistics services platform in Brazil. Some of the top benefits (which came to fruition in the months following the acquisition) included:

(i) Increased share in the food & beverage urban distribution segment;
(ii) Expansion of its portfolio of relevant customers. Highlight to the fact that there is no overlapping of customers between the companies;
(iii) Increased capillarity of its distribution network;
(iv) People with recognized management capacity and a proven track record of delivery. The operation was kept under the leadership of Mr. Ramon Alcaraz, also allowing for the absorption of expertise and specialized labor;
(v) Expansion of competitive advantages with the generation of operational and financial synergies;
(vi) Increased investment capacity to further strengthen the alliance with Fadel's customers and contribute to their growth; and

[2] Fadel was a limited liability company and was later became a corporation.

(vii) Cross-selling opportunities, offering services from JSL's existing portfolio to Fadel's clients and vice-versa.

In addition to the operational benefits highlighted above, Fadel has exceeded JSL's expectations and delivered excellent results since its acquisition, making the Merger of Shares even more attractive. This move aligns with JSL's acquisition agenda, respecting the discipline in the use of its capital and focusing on improving returns and generating value for all its shareholders.

Subsequently, on March 15, 2021, in line with JSL's strategic plans, JSL signed a memorandum of understanding to acquire the remaining shares issued by Fadel and owned by Mr. Ramon Alcaraz ("MOU").

The parties decided that the acquisition above would take place through a Merger of Shares, that is, through the merger of the shares issued by Fadel held by Mr. Ramon Alcaraz and the corresponding issue in his favor of 6,440,000 new JSL shares - which will amount to, approximately, 2.25% of the Company's capital stock after the implementation of the Merger of Shares.

The negotiation and execution of the MOU, which was carried out independently between JSL and Mr. Ramon Alcaraz, was part of the discussions regarding JSL's CEO succession plan. Mr. Fernando Antônio Simões stepped down to become Chairman of the Company's Board of Directors, and Mr. Ramon Alcaraz took cover as the company's CEO as of April 14, 2021.

The consummation of the Merger of Shares is subject to the applicable corporate approvals.

2.2. Purpose of the Operation.

The key objective of the Merger of Shares is to turn Fadel into a wholly-owned subsidiary of JSL and, consequently, simplify the corporate structure of the resulting JSL subsidiaries and gain synergy and efficiency and reduce costs.

As explained above, this restructuring was agreed upon by JSL acquiring Fadel and restructuring its management. It also represents an important alignment of interests between JSL's new CEO and its other shareholders.

2.3. Shareholders' Agreement.

On the date the Merger of Shares is approved, SIMPAR SA and Mr. Alcaraz will execute a shareholders' agreement to be filed at JSL's headquarters ("Shareholders' Agreement"). The Shareholders' Agreement will establish rights and obligations applicable to Mr. Alcaraz, also provided for his shares issued by Fadel. Given Mr. Alcaraz's new status as a JSL shareholder, they will now apply to his shares issued by JSL.

3. MAIN BENEFITS, COSTS, AND RISKS OF THE RESTRUCTURING

3.1. Main Benefits

The purpose of the Merger of Shares is to obtain the following strategic benefits for all JSL shareholders: (i) simplified corporate structure; (ii) possible additional synergies; and (iii) greater alignment of interests between the companies. In addition to the benefits mentioned above, Fadel has demonstrated operational excellence and solid results with significant growth opportunities in the food and beverage urban distribution sector, which is strategic for JSL's growth.

3.2. Costs.

JSL's management estimates that the costs to carry out the Merger of Shares will be approximately BRL700K, including expenses with publications, auditors, appraisers, attorneys, and other professionals hired to advise on the Merger of Shares.

3.3. Restructuring Risks.

JSL's management does not perceive any relevant risks for implementing the Merger of Shares besides those typical to the daily activities of the companies involved and compatible with their sizes and operations.

The market value of JSL shares may vary at the time of Merger of Shares completion due to several factors beyond the control of the companies involved.

The success of the transaction will depend, in part, on whether the management of the companies involved can create opportunities, savings, and new businesses based on the expansion of activities to be developed by JSL and its subsidiaries as a result of the Merger of Shares and from the synergies generated by the Merger of Shares. If these objectives are not achieved successfully, the benefits expected from the Merger of Shares may not entirely occur or may take longer than expected to occur.

4. STOCK SWAP RATIO

Assuming that (i) the total capital of JSL is represented, on the date of the Merger of Shares, by 279,991,078 common shares; and (ii) the total capital of Fadel on the date of the Merger of Shares is represented by 37,279,080 common shares, Mr. Ramon Alcaraz (the only shareholder of Fadel other than JSL itself) will receive for each 1 common share issued by Fadel on such date 0.69100418 common share issued by JSL ("Swap Ratio"), adjusted as provided for in the Protocol and Justification.

Therefore, the acquisition by JSL of the 9,319,770 common shares held by Mr. Alcaraz will be offset by the issuance of 6,440,000 new common nominative shares without par value issued by JSL, representing approximately 2.25% of JSL's capital stock after the implementation of the Merger of Shares.

As provided for in the Plan and Justification, the amounts described above will be proportionally adjusted by all and any splits, groupings, repurchases, share bonuses, dividends, interest on equity, or capital reduction that may be carried out in the companies as of the current date until the date of the Merger of Shares.

5. CRITERIA FOR SETTING THE SWAP RATIO

The Swap Ratio was freely negotiated, agreed upon, and entered into by JSL's management and Mr. Alcaraz, as independent parties, based on the relative valuations between JSL and Fadel, given the nature of their respective activities, within a set of economic, operational and financial assumptions applicable to both companies.

6. MERGER SUBMISSION FOR APPROVAL BY BRAZILIAN OR FOREIGN AUTHORITIES

The Merger of Shares is not dependent on approval by Brazilian or foreign authorities.

7. SWAP RATIO CALCULATED UNDER SECTION 264 OF THE BRAZILIAN CORPORATIONS ACT.

In compliance with the provisions of Section 264 of the Brazilian Corporations Act, Apsis Consultoria e Avaliações Ltda. ("Apsis") was hired, *ad referendum* of the EGM, to prepare the appraisal report of the economic value of JSL's and Fadel's shares based on the discounted cash flow method (with a base date of March 31, 2021) and by the same criteria ("Economic Value Appraisal Report").

The comparative swap ratio is the result of dividing (a) the economic value per share of Fadel by (b) the economic value per share of JSL, as follows:

	Fadel	**JSL**
Economic Value **(A)**	BRL239,101,608	BRL2,592,088,028
Number of shares **(B)**	37,279,080	279,991,078
Economic value of the share **(A)/(B)**	BRL6.41	BRL9.26
Fadel/JSL Swap Ratio	0.69281	

8. RIGHT OF WITHDRAWAL AND REFUND AMOUNT

As provided for in Sections 137 and 252, paragraph 2, of the Brazilian Corporations Act, if the Merger of Shares is completed, it will entitle the holders of shares issued by Fadel and JSL to withdraw. The right of withdrawal shall be assured to shareholders who own shares issued by JSL continuously, from the date of this material fact until the date of the Merger of Shares, and who do not vote in favor of the Merger of Shares, abstain from voting or do not attend the EGM, and who expressly manifest their intention to exercise their right to withdraw within thirty (30) days from the date of publication of the minutes of the EGM that approves the Merger of Shares.

The reimbursement amount for dissenting JSL shareholders will be BRL3.80 per share, calculated based on the book asset value, according to the financial statements for the fiscal year ending December 31, 2020, subject to the right to draw up a special balance sheet as provided for in Section 45, § 2 of the Brazilian Corporations Law.

According to the Economic Value Appraisal Report, the theoretical swap ratio established between the shares issued by Fadel and JSL based on their respective economic values and according to the discounted cash flow method is less advantageous for JSL's minority shareholders than the swap ratio provided for in this Protocol. Therefore, under Section 264, paragraph 3, of the Brazilian Corporations Law, the dissenting shareholders may not choose reimbursement according to the Economic Value Appraisal Report.

On Fadel's side, Mr. Ramon Alcaraz has already waived his right of withdrawal as a result of the Merger of Shares.

9. OTHER RELEVANT INFORMATION

9.1. <u>Corporate Approvals</u>

The Restructuring will depend on the respective corporate approvals, all interdependent, which shall be coordinated so that they all occur on the same date. JSL and Fadel will hold their Extraordinary General Meeting, on first call, on September 27, 2021, according to the call notice to be disclosed.

The companies' shareholders should consult their legal and tax advisors to verify legal, exchange, and tax implications arising from the Merger of Shares.

9.2. <u>B3 *Waiver*</u>

The Company informs that, in response to the request made in advance, B3, through Official Letter no. 115/2021-DIE, authorized that, as a result of the Merger of Shares, JSL temporarily maintain outstanding shares in a percentage corresponding to at least 22.13% of the Company's capital stock.

B3 also determined that JSL must reach the minimum free float established in the *Novo Mercado* Regulation within 18 months from the completion of its public offering for primary distribution of JSL common shares with restricted placement efforts approved at the Company's Extraordinary General Meeting held on August 27, 2020 – with closing on September 08, 2020.

9.3. Operational Continuity

After the Merger of Shares implementation, JSL and Fadel will continue to operate normally. Therefore, clients, suppliers, employees, and other interested parties should not expect any change in management, commercial relations, and service offers.

The Merger of Shares will not result in JSL taking over Fadel's assets, rights, obligations, and responsibilities. Fadel will maintain its legal personality intact, and there will be no succession.

9.4. Transaction Interdependence

The events related to the Merger of Shares, including the matters to be submitted to the shareholders of JSL and Fadel at the respective shareholder meetings that resolve on the Merger of Shares, are legal transactions that depend on one another. It is the intention of the companies that one is not effective without the others.

9.5. Document Availability

The documents relating to the Merger of Shares are available, following applicable law and regulations, as of this date and may be consulted at the companies' headquarters. Such documents will also be available on the CVM (www.cvm.gov.br), B3 (www.b3.com.br), and JSL Investor Relations (ri.jsl.com.br) websites. For further information, please get in touch with the companies' IR areas.

São Paulo, August 27, 2021

Guilherme Sampaio

Chief Financial and
Investor Relations Officer