Entender para Atender

Results
1Q2021

May 03, 2021

All-time high quarterly adjusted net income reaching R$47.7 million in 1Q21, up by 408.1% compared to 1Q20 and 56.4% over 4Q20

Highlights

- **Adjusted Net Income**: R$ 47.7 million, +408.1% vs 1Q20 and +56.4% vs 4Q20. **Consolidated Net Income:** R$ 42,1 million. TPC and Rodomeu results are not incuded;
- **ROIC:** 10.5% 1Q21 annualized
- **Free Cash Flow:** R$ 56 million after growth
- **JSL's Gross Revenue** reached R$1.05 billion, +26.1% vs 1Q20 and +6.4% vs 4Q20 and **Net Revenue from Services**: R$ 853.2 million, +30.0% vs 1Q20 e +8.1% vs 4Q20
- **Adjusted EBIT and Adjusted EBIT Margin:** R$ 92.5 million, 10.8% Margin, +87.6% and +3.3p.p. Margin vs 1Q20 and +65.2% and +3.7 p.p. Margin vs 4Q20
- **Mr. Ramon Peres Garcia de Alcaraz was appointed as CEO succeeding Mr. Fernando Antonio Simões,** who was named JSL´s **Chairman of the Board of Directors.**

JSL Financial Highlights (R$ million)	**1Q21**	**1Q20**	**▲ Y / Y**	**4Q20**	**▲ T / T**
Gross Revenue	**1.049,4**	**832,3**	**26,1%**	**986,0**	**6,4%**
Deductions	(181,2)	(138,5)	30,8%	(167,9)	7,9%
Net Revenue	**868,1**	**693,8**	**25,1%**	**818,2**	**6,1%**
Net Revenue from Services	853,2	656,3	30,0%	789,1	8,1%
Net Revenue from Asset Sales	14,9	37,5	-60,3%	29,0	-48,6%
Total Costs	**(738,0)**	**(626,0)**	**17,9%**	**(726,3)**	**1,6%**
Cost of Services	(724,4)	(588,0)	23,2%	(699,2)	3,6%
Cost of Asset Sales	(13,6)	(38,0)	-64,2%	(27,0)	-49,6%
Gross Profit	**130,2**	**67,8**	**92,0%**	**91,9**	**41,7%**
Operational Expenses	(46,2)	(18,5)	149,7%	(35,9)	28,7%
EBIT	**84,0**	**49,3**	**70,4%**	**56,0**	**50,0%**
Margin (% NR from Services)	9,8%	7,5%	+2,3 p.p.	7,1%	+2,7 p.p.
Adjusted EBIT*	**92,5**	**49,3**	**87,6%**	**56,0**	**65,2%**
Margin (% NR from Services)	10,8%	7,5%	+3,3 p.p.	7,1%	+3,7 p.p.
Financial Result	(32,1)	(44,3)	-27,5%	(45,3)	-29,1%
Taxes	(9,8)	4,4	-	19,8	-149,5%
EBITDA	**127,8**	**110,3**	**15,9%**	**121,1**	**5,5%**
Margin (% NR from Services)	15,0%	16,8%	-1,8 p.p.	15,3%	-0,3 p.p.
Net Income	**42,1**	**9,4**	348,4%	**30,5**	**38,0%**
Margin (% NR)	4,8%	1,4%	+3,4 p.p.	3,7%	+1,1 p.p.
Adjusted Net Income*	**47,7**	**9,4**	408,1%	**30,5**	**56,4%**
Margin (% NR)	**5,5%**	**1,4%**	**+4,1 p.p.**	**3,7%**	**+1,8 p.p.**

** The adjustment refers to the exclusion of amortization by allocating the acquisition price of Fadel and Transmoreno*

Management Letter

Dear Shareholders,

We started 2021 confident as we proved our business resilience in 2020. We continue to move forward in our strategic plan. We remain focused on our people and clients, making it possible to **grow organically**, expand volumes transported in some operating segments, and add new clients. **We had the best quarterly result in our history**, with **Adjusted Net Income of R$ 47.7 million**, up by 408.1% YoY, EBITDA totaled R$127.8 million, up by 15.7% YoY and Total Net Revenue reaching R$868.1 million, up by 25.1% over 1Q20, thanks to the hard work of our people and the strategic moves in 2020.

According to our **growth plan,** we announced TPC's and Transportadora Rodomeu's acquisitions, already approved by CADE in operations to be closed soon. Both acquisitions represent JSL's entry into segments such as healthcare and compressed gases, both with high growth potential and a high specialization level, and also adding scale and synergy to the warehouse management and highly complex cargo road transportation businesses. We are also working hard to close new operations that will add new sectors and services to our portfolio, increase our geographical presence and contribute to our ROIC.

This first quarter had an important change in the Company's Management. On March 15th, the Company's Board of Directors approved the Chief Executive Officer's nomination, as of April 14, 2021, being **Mr. Ramon Peres Garcia de Alcaraz named to take over the position, succeeding Mr. Fernando Antonio Simões, who, on the same date, became the Chairman of JSL' Board of Directors.** The succession process is also extremely beneficial to the Company's interests since Mr. Ramon also became one of JSL's main individual shareholders when the Company signed a memorandum to acquire 25% of the capital of Fadel Holding S.A. through an incorporation of shares.

In 1Q21, we continued managing our indebtedness and made the **pre-payment of R$68.5 million**, ending the quarter with net debt of R$1.6 billion, a net debt cost that, after taxes, reached 4.0% and leverage - Net Debt/EBITDA of 3.1x and Net Debt/ Added EBITDA of 2.4x. Our net CAPEX totaled R$ 49.4 million and the **free cash flow** showed resilience in 2019 and 2020 and reached **R$56 million in 1Q21**, after the expansion, which made it possible for us to follow the expansion and acquisitions plan respecting the leverage levels that the Management considers as adequate for the Company at this time.

For 2021, we understand that some strategic initiatives are key to speed up our development. We will focus mainly on capturing opportunities for operational efficiency, on the service level to customers, the digital transformation, and taking care of our **people** and base of **third-party truck drivers and independent contractors.** Furthermore, in our growth plan, we will mainly focus on **expanding services in the customer base**, developing **new services**, and managing **acquisitions**. In the latter case, working to integrate the teams and implement the **synergies** identified in the transactions already carried out and also in **new acquisitions.**

We further strengthen our ties with our **PEOPLE**, each of the 18,300 direct employees and over 40,000 third-party drivers and independent contractors, who remain more united, with renewed and constant care and solidarity. Special thanks to these professionals and their families and our customers and investors for their trust!

We are ready to move forward with our strategic plan to capture opportunities and continue building the foundations for JSL's next cycles.

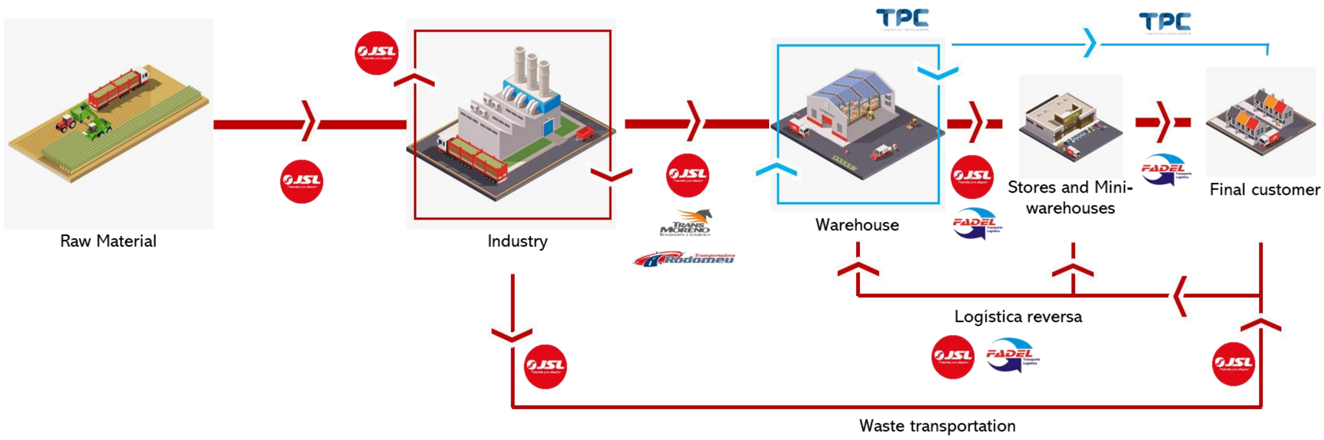
Thank you,

Fernando Antonio Simões - Chairman of the Board of Directors

Ramon Peres Martinez Garcia de Alcaraz - Chief Executive Officer

Corporate Profile

We are the **country**’s **largest logistics company** with 65 years of history, 19 years with the largest and most integrated logistics portfolio in Brazil – described in Annex II. We offer customized services with long-term contracts and a unique capillarity of operational bases. We are recognized for the quality of our services and the unique relationship with customers, truck drivers and our people. We operate directly in the production process and in the main links in the chain of handling raw materials and products to supply industries in Brazil as shown below:



DEDICATED LOGISTICS OPERATIONS 38%	ROAD CARGO TRANSPORTATION 44%	WAREHOUSING 5%	URBAN DISTRIBUTION 13%
▪ Loading and transportation of raw materials ▪ Intra logistics with sequencing and supply of production line	▪ Transport of road cargo from point to point to warehouses and to final customer ▪ Transportation of waste for disposal in landfills	▪ 139,000m^2 of dedicated and multi-client warehouses ▪ Receipt, storage and shipping of goods	▪ Distribution in the last mile to commercial establishments or mini-warehouses ▪ Last mile logistics - B2C ▪ Reverse logistics

We understand that JSL's positioning in the chain and our business model brings:

1. **Revenue resilience** by diversifying the exposure of our operations to different elements of the economy (commodities, consumption, infrastructure, etc.);
2. Positioning as a **One-stop-shop** for logistics services: portfolio and geographical presence that allows us to offer a complete service as an end-to-end logistics operator;
3. **Greater predictability of volume** and margins for long-term contracts with shippers;
4. **Reduced exposure to the verticalization of retail** and marketplaces due to the emergence of new technologies;
5. **Increased entry barriers** for new competitors due to the specialization of the service and integration with the production process with the customer.

Highlights

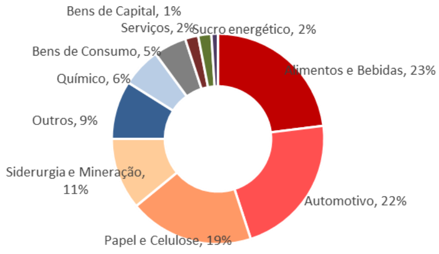
- Operating in 23 Brazilian states
- Operating in five countries: Brazil, Argentina, Chile, Paraguay, and Uruguay
- 18,300 direct employees
- 100,000 third-party drivers and independent contractors in our base
- +600 clients with recurring sales from 16 different industries
- 139,000 m² of warehouse storage

Growth

Organic growth is based on the cross-selling of services for all operating profiles and volume increase when it comes to road cargo transportation, warehousing and urban distribution. Our growth strategy is focused on developing and building a solid and lasting relationship with clients that, through understanding the needs of our client base, we develop specific and customized projects for each. In the services where the offer is more abundant, we seek to leverage the network of more than 100,000 third-party drivers to always seek to exceed the level of service expected by customers. This integration with customers allows us to expand the number of projects and bring new service opportunities.

Below is our sectorial dispersion from April 2020 to March 2021, including information from subsidiaries Fadel and Transmoreno after the acquisition. Compared to the previous period, we highlight:

- Share of the Food & Beverage segment grew from 14% to 23% due to JSL's higher volume and Fadel's acquisition;
- Share of the Automotive segment remained stable at 22% given Transmoreno's acquisition with a positive impact on revenue in the sector after the lower volumes in 2020 due to the COVID-19 pandemic;
- Share of the Paper & Pulp segment fell from 25% to 19%, due to the higher relative share of other segments during 2020.



The growth strategy via acquisitions seeks to add scale to JSL's operations in certain sectors of the economy or in parts of the logistics flow. The Company seeks new services and technologies, complementary sectors and geographies inside and outside Brazil, governance in numbers, quality of services provided, synergy of the customer base and especially the quality of the team that will join JSL. The Company also observes the impact of the acquisition on its Return on Invested Capital and the impact on its financial leverage since it pursues, with great discipline, a gradual process of financial deleveraging.

JSL historical acquisitions

The Company has an **assertive history of acquisitions** where its main legacy is the ability to retain people and customers over time. This experience has made the integration process more and more efficient and customized for each situation.

To ensure the maximization of the benefits of the acquisitions and to minimize the risk of executing synergies, JSL has an integration structure with a methodology that **allows accountability to the business owners** of the acquired companies to be maintained while enjoying the benefit of our scale and positioning in the market, such as the financial cost, the scale in the purchase of equipment and supplies, among other opportunities that are evaluated at each new transaction.

Adding JSL revenues consolidated with Fadel and Transmoreno – to the acquisitions announced in 2021 - TPC and Rodomeu - the Company reaches a level of **R$1.2 billion in quarterly Net Revenue** considering non audited results of TPC and Rodomeu in the period**.**

Sustainability

The Company already carried out many actions in sustainability, while also in the role as a holding, and continued with the same actions after the Reorganization. We will publish the Integrated Report, a document with accountability to stakeholders on the business strategy and actions to achieve the goals and show the commitment to all sustainability dimensions.

EASG (Economic, Environmental, Social and Governance) subjects are at our strategy's core, and, aware of the responsibility and challenges of running a business without losing sight of these aspects, we have matured our corporate policies and constantly seek to comply with the main domestic and foreign guidelines and initiatives such as, for example, the U.N. Global Compact, which guides our Sustainability journey.

The priority subjects are:

- Climate change.
- Waste management.
- Safety and integrity of people and assets.
- Impacts on communities and social investment.
- People development and respect for diversity.
- Valuation of truck drivers.
- Relationship with the client.
- Corporate Governance and Compliance.

JSL has signed commitments with institutions that guide our activities and programs that contribute to the development of our ecosystem, as shown below:

Commitments

Results Analysis

The financial information presented below complies with IFRS (International Financial Reporting Standards) accounting standards, including IFRS 16. We present the consolidated results and highlight that the information from the subsidiaries Transmoreno and Fadel are consolidated as of the acquisition dates, October 30, 2020, and November 17, 2020, respectively.

Financial Highlights (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
Gross Revenue	**1.049,4**	**832,3**	**26,1%**	**986,0**	**6,4%**
Gross Revenue from Services	1.034,1	793,7	30,3%	956,1	8,2%
Gross Revenue from Asset Sales	15,2	38,5	-60,5%	29,9	-49,2%
Deductions	**(181,2)**	**(138,5)**	**30,8%**	**(167,9)**	**7,9%**
Deductions from Services	(180,9)	(137,4)	31,7%	(167,0)	8,3%
Deductions from Asset Sales	(0,3)	(1,1)	-72,7%	(0,9)	-66,7%
Net Revenue	**868,1**	**693,8**	**25,1%**	**818,2**	**6,1%**
Net Revenue from Services	853,2	656,3	30,0%	789,1	8,1%
Net Revenue from Asset Sales	14,9	37,5	-60,3%	29,0	-48,6%
Total Costs	**(738,0)**	**(626,0)**	**17,9%**	**(726,3)**	**1,6%**
Cost of Services	(724,4)	(588,0)	23,2%	(699,2)	3,6%
Personnel	(254,3)	(185,0)	37,5%	(223,9)	13,6%
Third parties truck drivers	(261,6)	(227,8)	14,8%	(262,9)	-0,5%
Fuel and lubricants	(60,6)	(36,3)	66,9%	(47,7)	27,0%
Parts / tires / maintenance	(81,7)	(58,7)	39,2%	(67,8)	20,5%
Depreciation / amortization	(31,8)	(55,5)	-42,7%	(60,5)	-47,4%
Other	(34,5)	(24,7)	39,7%	(36,4)	-5,2%
Cost of Asset Sales	(13,6)	(38,0)	-64,2%	(27,0)	-49,6%
Gross Profit	**130,2**	**67,8**	**92,0%**	**91,9**	**41,7%**
Operational Expenses	(46,2)	(18,5)	149,7%	(35,9)	28,7%
EBIT	**84,0**	**49,3**	**70,4%**	**56,0**	**50,0%**
Margin (% NR from Services)	9,8%	7,5%	+2,3 p.p.	7,1%	+2,7 p.p.
Adjusted EBIT*	**92,5**	**49,3**	**87,6%**	**56,0**	**65,2%**
Margin (% NR from Services)	10,8%	7,5%	+3,3 p.p.	7,1%	+3,7 p.p.
Financial Result	(32,1)	(44,3)	-27,5%	(45,3)	-29,1%
Financial Revenues	10,1	13,9	-27,3%	29,5	-65,8%
Financial Expenses	(42,2)	(58,2)	-27,5%	(74,8)	-43,6%
Taxes	(9,8)	4,4	-	19,8	-149,5%
EBITDA	**127,8**	**110,3**	**15,9%**	**121,1**	**5,5%**
Margin (% NR from Services)	15,0%	16,8%	-1,8 p.p.	15,3%	-0,3 p.p.
Net Income	**42,1**	**9,4**	**348,4%**	**30,5**	**38,0%**
Margin (% Total NR)	4,8%	1,4%	+3,4 p.p.	3,7%	+1,1 p.p.
Adjusted Net Income*	**47,7**	**9,4**	**408,1%**	**30,5**	**56,4%**
Margin (% NR)	**5,5%**	**1,4%**	**+4,2 p.p.**	**3,7%**	**+1,9 p.p.**

** The adjustment refers to the exclusion of amortization by allocating the acquisition price of Fadel and Transmoreno*

Consolidated

Gross Service Revenue increased by 30.3% compared to 1Q20 and 8.2% compared to the previous quarter, despite the normal low peak of our business for the first quarter for JSL, Fadel and Transmoreno operations. This increase is linked to the growth of the segments of dedicated operations in the paper and cellulose sector, warehousing and labor-linked fleet management in addition to the consolidation, for a complete quarter, of Fadel and Transmoreno. The numbers of TPC and Rodomeu are not consolidated in this information. **Gross Revenue from Asset Sales** decreased due to the reduction in the demobilization of operating assets and the consequent reduction in the stock of assets available for sale.

The **Cost of Services** increased 23.2%, lower than the 30.0% of the Net Revenue from Services in relation to 1Q20 and, in general, absorbed the consolidation of the costs of Fadel and Transmoreno - subsidiaries - for the entire period in the quarter. In relation to 4Q20, Service Costs increased by 3.6%, with the main contributions being the cost of fuel and parts and tires, which was balanced by the adjustment of Depreciation / Amortization costs due to the relevant change in used trucks and machinery market behavior that led to an important appreciation of the sale price of the Company's asset base. The adjustments made aim to equalize the residual value of the assets with their sale price in order to maintain the Company's focus on the operation of the assets and not on the profitability of the asset purchase and sale cycle. Recent acquisitions have maintained their standard depreciation since the acquisition value is already aligned and adjustments are not necessary at this time.

EBIT grew by 50.0% compared to 4Q20, also impacted by the full consolidation of the subsidiaries Fadel and Transmoreno, which also supported the 2.7 percentage point increase, increasing the **EBIT margin to 9.8%. EBITDA** reached R $ 127.8 million, an increase of 15.9% in comparison with 1Q20 and 5.5% in relation to the previous quarter, following the trend of **Net Revenue. The EBITDA Margin** was 15.0% in 1Q21, absorbing the increase in costs of inputs and fuel in the period, not yet impacted by the adjustments applicable to contracts to be captured in the following quarters. If we disregard the cost reimbursements received for the demobilization of a contract in 1Q20, the EBITDA Margin growth would be 2.8 percentage points YoY.

The **Financial Result** decreased by 29.1% compared to 4Q20 as a result of the lower balance of the Company's net debt, after the IPO made in September, which allowed a sequence of debt prepayments, of R$ 908.1 million in 4Q20, from R$ 68.5 million in 1Q21 and which continues to happen in April when R$ 115.5 million has already been prepaid.

Consolidated net income reached R$ 42.1 million, 348.4% higher than 1Q20 and 38% compared to 4Q20, reflecting the focus on the Company's cost review and debt management and also on the results presented by Fadel and Transmoreno in the quarter. The result includes the effects of the amortization of the allocation of the acquisition price of Fadel and Transmoreno, of R$ 5.6 million. If we exclude the effects of this amortization, Adjusted Net Income would be R$ 47.7 million.

"Asset Right"

To better understand business profiles, as of 2Q20, JSL started to disclose the financial information split between Asset Light and Asset Heavy so that investors can better understand the results of the Company's different operating profiles separately.

Asset Light

The Asset Light operating profile provides services through an asset-light model based on subcontracting to third parties and independent contractors to meet the customer's demand. This profile mainly includes cargo transportation and new vehicles, some urban distribution operations (except the subsidiary Fadel) and storage services (Management of distribution centers). Our subsidiary Transmoreno operates fully in this profile. JSL has a robust base with over 100,000 truck drivers loyal to the Company and has an operations center to support the entire operation. This operational profile already has a fixed structure and is ready for Brazil's economic recovery. However, this operating model brings more speed to the cost structure to bear the demand volatility.

Asset Light (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
Gross Revenue	**631,4**	**580,3**	**8,8%**	**627,7**	**0,6%**
Deductions	(118,1)	(107,1)	10,3%	(118,2)	-0,1%
Net Revenue	**513,3**	**473,2**	**8,5%**	**509,5**	**0,7%**
Net Revenue from Services	507,6	460,1	10,3%	497,6	2,0%
Net Revenue from Asset Sales	**5,8**	13,1	-55,7%	11,9	-51,3%
Total Costs	**(447,7)**	**(425,8)**	**5,1%**	**(460,7)**	**-2,8%**
Cost of Services	(441,0)	(412,1)	7,0%	(448,7)	-1,7%
Personnel	(103,8)	(94,0)	10,4%	(98,6)	5,3%
Third parties truck drivers	(250,3)	(224,7)	11,4%	(252,2)	-0,8%
Fuel and lubricants	(16,5)	(13,0)	26,9%	(11,5)	43,5%
Parts / tires / maintenance	(30,2)	(24,8)	21,8%	(22,7)	33,0%
Depreciation / amortization	(17,7)	(36,5)	-51,5%	(39,0)	-54,6%
Others	(6,7)	(13,7)	-51,1%	(12,0)	-44,2%
Gross Profit	**65,7**	**47,4**	**38,6%**	**48,8**	**34,6%**
Operational Expenses	(29,6)	(24,3)	21,8%	(9,2)	223,0%
EBIT	**36,1**	**23,1**	**56,3%**	**39,7**	**-9,1%**
Margin (% NR from Services)	7,1%	5,0%	+2,1 p.p.	8,0%	-0,9 p.p.
EBITDA	**64,5**	**64,1**	**0,6%**	**81,8**	**-21,1%**
Margin (% NR from Services)	12,7%	13,9%	-1,2 p.p.	16,4%	-3,7 p.p.

Net Revenues from Services

Net Service Revenue reached R$ 507.6 million in 1Q21, an increase of 10.3% when compared to 1Q20 and 2% when compared to 4Q20, reflecting the natural seasonality of our business and also occasionally impacted by the paralysis occurred in the automotive sector at the end of March. In the annual comparison, in addition to the consolidation of Transmoreno in this segment, JSL also showed growth mainly in the warehousing and cargo transportation business in the heavy machinery segment.

Costs

In 1Q21, Cost of Services totaled R$ 441 million, a reduction of 1.7% compared to 4Q20. The Personnel line, up 10.4% compared to 1Q20, reflects the impacts of the consolidation of the subsidiary Transmoreno and an increase in the employee base in the period. The 11.4% increase over 1Q20 in Third parties truck drivers also absorbs the impact of the complete consolidation of Transmoreno and, despite the increase in the value of inputs that impact the value of freight in the period, the normal volume seasonality of our business caused the value to decrease by 0.8% when compared to 4Q20. The values of Fuels and lubricants and Parts / tires / maintenance reflect, in addition to the consolidation, the increase in inputs in the period and the expansion of our operations. In relation to Depreciation / amortization, in 4Q20 there was a write-off of improvements and other adjustments in properties that were demobilized in the amount of R$ 8.6 million, so if we disregard this effect, the adjusted variation would be 41.8% in relation to the 1Q21. Impacting this number, we also have a review of the Rental Contracts for some of the main properties and, with that, the realignment of the useful life of the contracts and the depreciation term of the improvements made.

EBITDA and EBITDA Margin

In 1Q21, EBITDA totaled R$ 64.5 million, in line with 1Q20 but a decrease compared to 4Q20, reflecting the seasonality and cost increase, described above, and the impact of the non-demobilization of operations that serve the automotive sector, even with the stoppage at the end of the quarter. **The EBITDA Margin** followed the reduction, since the readjustment of freight and inputs takes place before the readjustment of contracts with customers carried out during the next quarter prospectively. These data show the seasonality of the business and particularly in the light operation in assets, traditionally lower in the first quarter of the year.

Asset Heavy

The Asset Heavy's operational profile includes intensive operations in assets and labor, involving long-term contracts with readjustment formulas to keep the contract margins. The operational model integrates into the production process through customized solutions, high added value, and a high specialization and loyalty level, enabling us to be more resilient to economic cycles with the combined financial flows. This profile, including segments of dedicated logistics operations for commodities and charter and rental with labor, besides nearly all operations of our subsidiary Fadel. We have a team with project design and pricing experience and skills that require investments in assets, besides a great negotiating power in purchasing assets and inputs.

Asset Heavy (R$ million)	**1Q21**	**1Q20**	**▲ Y / Y**	**4Q20**	**▲ T / T**
Gross Revenue	**418,0**	**251,9**	**65,9%**	**358,3**	**16,7%**
Deductions	(63,1)	(31,4)	101,0%	(49,7)	27,0%
Net Revenue	**354,8**	**220,6**	**60,8%**	**308,6**	**15,0%**
Net Revenue from Services	345,7	196,2	76,2%	291,6	18,6%
Net Revenue from Asset Sales	9,2	24,4	-62,3%	17,1	-46,2%
Total Costs	**(290,3)**	**(200,2)**	**45,0%**	**(265,6)**	**9,3%**
Cost of Services	(283,4)	(175,9)	61,1%	(250,5)	13,1%
Personnel	(150,5)	(90,9)	65,6%	(125,3)	20,1%
Third parties truck drivers	(11,2)	(3,2)	255,6%	(10,7)	4,7%
Fuel and lubricants	(44,1)	(23,3)	89,3%	(36,2)	21,8%
Parts / tires / maintenance	(51,5)	(33,9)	51,9%	(45,1)	14,2%
Depreciation / amortization	(14,2)	(19,0)	-25,3%	(21,5)	-34,0%
Others	(11,9)	(5,7)	108,8%	(11,7)	1,7%
Cost of Asset Sales	(6,9)	(24,3)	-71,6%	(15,1)	-54,3%
Gross Profit	**64,5**	**20,4**	**216,3%**	**43,1**	**49,7%**
Operational Expenses	(16,6)	5,8	-	(26,8)	-38,1%
EBIT	**47,8**	**26,2**	**82,4%**	**16,3**	**193,3%**
Margin (% NR from Services)	13,8%	13,3%	+0,5 p.p.	5,6%	+8,2 p.p.
EBITDA	**63,4**	**46,2**	**37,2%**	**39,4**	**60,9%**
Margin (% NR from Services)	18,3%	23,5%	-5,2 p.p.	13,5%	+4,8 p.p.

Net Revenues from Services

In 1Q21, we showed an increase of 76.2% compared to 1Q20, 18.6% compared to 4Q20, reflecting the organic growth of the segment and also the consolidation of FADEL's first full quarter. In addition to Fadel, other sectors showed growth, such as forestry and oil and gas.

Costs

In 1Q21, Cost of Services totaled R$ 283.4 million, an increase of 13.1% compared to 4Q20 - a percentage lower than the variation in Net Service Revenue, even with the addition of Fadel. Due to the operational profile, Personnel costs were impacted due to the need to maintain contingency to mitigate possible disruptions due to the health outbreak of COVID-19. Inputs such as fuel, parts and tires also increased significantly in the period, added to the increase in the volume of operations and the consolidation of Fadel in the segment numbers. In this segment, depreciation / amortization costs decreased also due to the revision of the depreciation rates applicable to assets due to the change in market dynamics, as already mentioned.

EBITDA and EBITDA Margin

In 1Q21, the EBITDA Margin was 18.3%, 4.8 percentage points higher than in 4Q20, also due to the normal seasonality of operations in the forestry and mining segment that returns to its usual margins since the first quarter. The improvement in the EBITDA margin can also be attributed to the full consolidation of FADEL in the period.

Capex

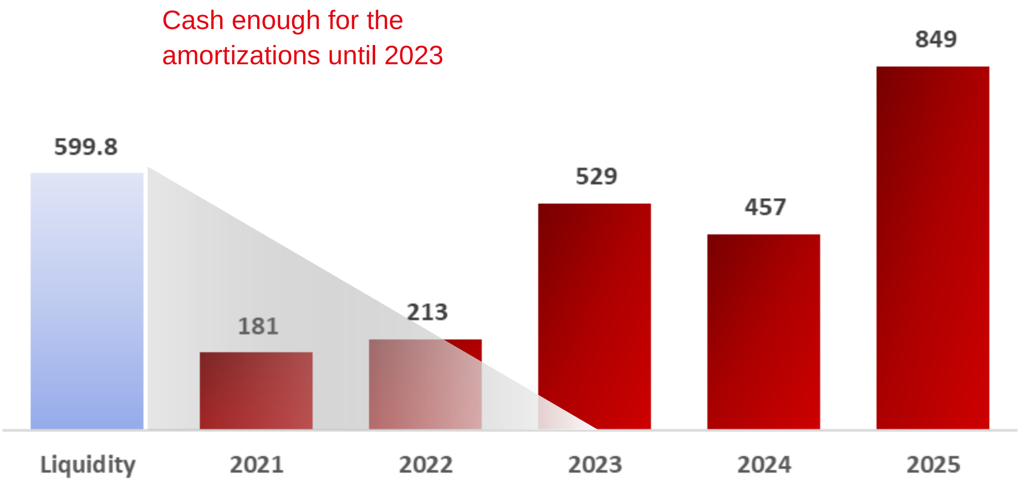
Capex (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
Gross capex by nature	**64,6**	**160,7**	**-59,8%**	**57,7**	**12,0%**
Expansion	60,5	152,2	-60,2%	55,3	9,4%
Maintenance	4,2	8,5	-50,6%	2,4	75,0%
Gross capex by type	**64,6**	**160,7**	**-59,8%**	**57,7**	**12,0%**
Trucks	29,7	108,3	-72,6%	17,7	67,8%
Machinery and Equipment	22,6	17,9	26,3%	5,7	-
Light Vehicles	4,4	16,4	-73,2%	22,1	-80,1%
Bus	0,7	6,3	-88,9%	4,1	-82,9%
Others	7,3	11,8	-38,1%	8,2	-11,0%
Usual sale of assets	**15,2**	**38,5**	**-60,5%**	**64,0**	**-76,3%**
Total net capex	**49,4**	**122,1**	**-59,5%**	**(6,2)**	**-**

Gross Capex totaled R$ 64.6 million in 1Q21, 59.8% lower than 1Q20 but 12.0% higher than 4Q20, and was directed mainly to expansion, especially to meet new contracts in the Pulp and Paper, Chemicals and Steel sectors and Mining while the sale of assets was reduced, as explained, leading to a net CAPEX of R$ 49.4 million in the period. We emphasize that 59% of the current net revenue comes from operations based on the light asset model (Asset Light), which means that growth in volume and revenue does not imply proportional growth in net investment.

Capital Structure

We ended the quarter with a 3.8 year net debt amortization period. We presented an average cost of net debt after tax of 4.0% in 1Q21 compared to 3.4% in 4Q20, reflecting the increase in the IPCA and CDI observed in the period.

Gross Debt Amortization Schedule (R$ million)



Cash and Debt Evolution (R$ million)

Debt (R$ million)	1Q20	4Q20	1Q21
Cash and Investments	**462,2**	**639,2**	**599,8**
Gross debt	**1.656,4**	**2.271,4**	**2.227,9**
Confirming payable	0,9	2,0	-
Loans and financing	1.548,5	1.011,2	968,4
Debentures	(0,0)	1.251,4	1.254,5
Leasing payable	107,8	62,0	52,7
Financial instruments and derivatives	(0,9)	(55,3)	(47,7)
Net Debt	**1.194,1**	**1.632,1**	**1.628,1**
Short-term gross debt	**253,8**	**220,7**	**177,0**
Long-term gross debt	**1.402,6**	**2.050,7**	**2.050,9**
Average Cost of Net Debt (p.a.)	5,3%	5,2%	6,1%
Average Costo of Net Debt after taxes	3,5%	3,4%	4,0%
Average Cost of Gross Debt (p.a.)	5,1%	4,4%	5,1%
Average term of net debt (years)	3,3	4,0	3,8
Average term of gross debt (years)	2,4	3,3	3,1

Leverage Indicators

Leverage	1Q20	4Q20	1Q21
Net Debt / EBITDA-A	4,2x	2,3x	2,4x
Net Debt / EBITDA	5,6x	3,0x	3,1x
EBITDA-A/ Net financial result	3,3x	3,2x	4,4x

The JSL Net Debt / EBITDA leverage indicator in 1Q21 considering the net debt and EBITDA UDM, with the base date of March 2021 of Fadel and Transmoreno is 3.1x and also considers the consolidation of a quarter extremely affected by the pandemic of the COVID-19 in 2020 - the second quarter. The Net Debt / Added EBITDA ratio showed a leverage of 2.4x. This leverage position creates an opportunity for organic growth and via acquisitions, respecting the appropriate levels of leverage considered by the Company's management and financial covenants.

Financial Result

Financial Result (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
Financial Revenues	10,1	13,9	-27,3%	29,5	-65,8%
Financial Expenses	(42,2)	(58,2)	-27,5%	(74,8)	-43,6%
Total	**(32,1)**	**(44,3)**	**-27,5%**	**(45,3)**	**-29,1%**

The Net Financial Result totaled a net expense of R$ 32.1 million in 1Q21, compared to a net expense of R$ 45.3 million in 4Q20 and R $ 44.3 million in 1Q20, that is, a reduction of 29.1% and 27.5% respectively, as a consequence of the Company's liability management. In 1Q21, we continued with the debt management initiated after the IPO and made the prepayment of debts in the amount of R$ 68.5 million. In addition, in April, we already made a prepayment of R$ 115.5 million. Other financial income and expenses totaled R$ 1.4 million and include the correction of amounts payable for acquisitions, taxes, among others. It is also worth mentioning that approximately 25% of the Company's net debt is linked to the IPCA, which presented a strong variation in the period. Additionally, other income and expenses that are part of the Financial Result are linked to the Average CDI.

Free Cash Flow

Cash Flow (R$ million)	1Q21	2020	2019	2018
Adjusted EBITDA	**141**	**432**	**514**	**407**
Working Capital	(59)	9	(15)	62
Cost of asset sales for rent and provide services	14	167	161	168
Expansion Capex	(3)	(68)	(72)	(83)
Non cash and others	(5)	3	(18)	(55)
EBITDA	128	432	514	407
Cash generated by operational activities	**88**	**543**	**570**	**499**
(-) Income tax and social contribution paid	25	(110)	(7)	(51)
(-) other Capex	(7)	(35)	(37)	(33)
Cash generated before growth	**106**	**398**	**526**	**415**
(-) Expansion Capex	(50)	(225)	(258)	(204)
(-) Companies acquisition	-	(150)	-	
Free cash flow	**56**	**23**	**268**	**212**

The free cash flow generated before JSL's growth was R $ 106.0 million in the first 3 months of 2021. The free cash flow, after growth, reaches R $ 56.0 million, which demonstrates the Company's ability to support organic growth and via acquisitions and gradually reduce its leverage.

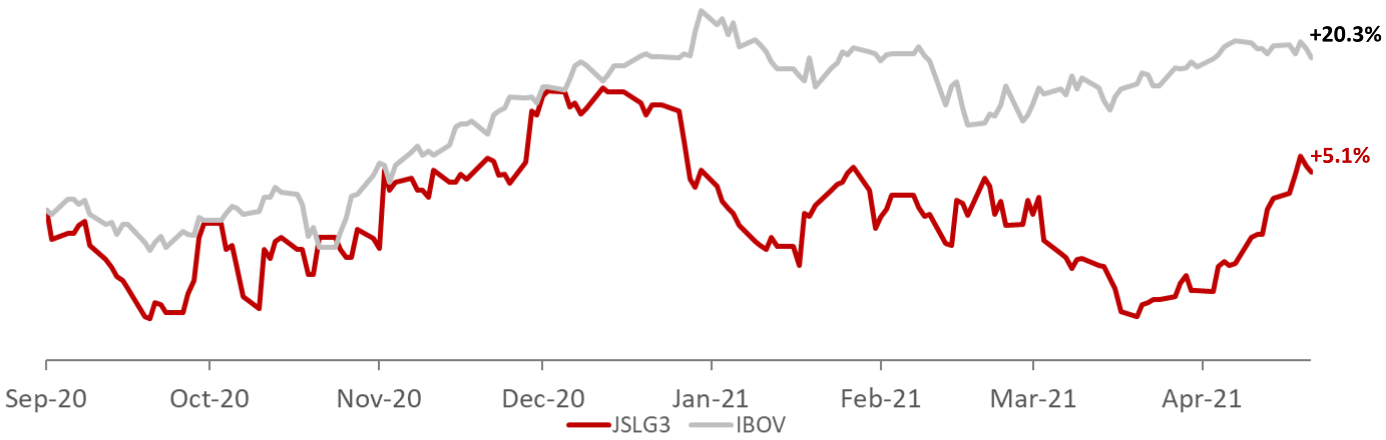
Profitability

ROIC LTM and ROIC quarter annualized		ROIC 1Q21 LTM	ROIC 1Q21 annualized
EBIT		295,0	335,0
Effective rate of the Logistics segment		22%	22%
NOPLAT		**230,1**	**261,3**
Current Period Net Debt		1.642,9	1.642,9
Previous period Net Debt		2.798,7	1.633,3
Average Net Debt		2.220,8	1.638,1
Current Period Equity		880,1	880,1
Previous period Equity	-	272,5	798,0
Average Equity		303,8	839,0
Invested Capital Current Period		2.523,0	2.523,0
Capital Invested Previous Period		2.526,2	2.431,3
Average Invested Capital		**2.524,6**	**2.477,1**
ROIC		**9,1%**	**10,5%**

JSL's annualized quarterly ROIC ex-goodwill was **10.5%,** which demonstrates an increase in our margins, as a result of the operational improvement and resumption of activities. Additionally, the annualized ROIC includes the acquisitions of Transmoreno and Fadel, which we started to consolidate as of 10/30/2020 and 11/17/2020 respectively.

JSLG3 Performance

Shares Performance since the IPO on Sep 9, 2020



At the close of April 30, 2021, the price of JSLG3 was R$ 9.97, representing a potential appreciation of 50.4% in comparison with the average of the five target prices of analysts covering the paper - BTG Pactual, Eleven Financial Research, Itaú BBA, JP Morgan and Nau Securities Limited. The following is a summary table with the coverage reports available.

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

EBIT, EBITDA and Net Income Reconciliation

Adjusted Net Income in 1Q21 reached a record of R$ 47.7 million, 408.1% higher than 1Q20. The Adjusted Net Margin also increased, reaching 5.5% in 1Q21, an increase of 4.2 percentage points in relation to 1Q20. This improvement was mainly due to the optimization of the capital structure and improvement of the operating margin, as explained above. In comparison with 4Q20, we registered an increase of 56.4%.

Reconciliation of EBIT (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
EBIT	**84,0**	**49,3**	**70,4%**	**56,0**	**50,0%**
(+) Exclusion of amortization by allocating the acquisition price of Fadel and Transmoreno	8,5	-	-	-	-
(=) Adjusted EBIT	**92,5**	**49,3**	**87,7%**	**56,0**	**65,3%**

EBITDA Reconciliation (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
Total Net Income	42,1	9,4	-	30,5	38,0%
Financial Result	32,1	44,3	-27,5%	45,3	-29,1%
Taxes	9,8	(4,4)	-	(19,8)	-149,5%
Depreciation and Amortization	(43,8)	59,8	-173,2%	64,0	-168,4%
Amortization (IFRS 16)	-	1,2	-100,0%	1,1	-100,0%
EBITDA	**40,1**	**110,3**	**-63,6%**	**121,1**	**-66,9%**
Cost of Asset Sales	13,6	38,0	-64,2%	27,0	-49,6%
EBITDA-A	**53,7**	**148,3**	-63,8%	**148,2**	-63,8%

Reconciliation of Net Income (R$ million)	1Q21	1Q20	▲ Y / Y	4Q20	▲ T / T
Net Income	**42,1**	**9,4**	**348,4%**	**30,5**	**38,0%**
(+) Exclusion of amortization by allocating the acquisition price of Fadel and Transmoreno	5,6	-	-	-	-
(=) Adjusted Net Income	47,7	9,4	408,1%	30,5	56,4%

Exhibit I – Balance Sheet

Assets (R$ million)	1Q21	4Q20	1Q20
Current assets			
Cash and cash equivalents	62,4	64,6	146,8
Securities	536,8	573,9	315,4
Derivative financial instruments	12,1	14,2	-
Accounts receivable	896,4	856,6	633,7
Inventory / Warehouse	51,0	44,9	27,8
Taxes recoverable	91,3	101,3	62,1
Income tax and social contribution	136,1	158,7	149,8
Prepaid expenses	14,1	12,4	22,1
Other credits intercompany	27,6	14,8	-
Dividends receivable	-	-	0,0
Assets available for sale (fleet renewal)	-	-	67,2
third-party payments	36,6	30,5	41,0
Other credits	34,2	28,7	52,9
Total current assets	**1.898,5**	**1.900,4**	**1.518,9**
Non-current assets			
Non-current			
Securities	0,8	0,8	-
Derivative financial instruments	35,6	41,1	0,9
Accounts receivable	14,7	13,8	16,9
Taxes recoverable	68,7	55,4	44,8
Deferred income and social contribution taxes	50,8	59,9	171,8
Judicial deposits	47,1	48,6	52,4
Income tax and social contribution	20,3	37,3	20,5
Related parts	1,5		
Compensation asset by business combination	92,4	103,8	-
Other credits	7,7	8,0	13,5
Total	**339,7**	**370,2**	**349,1**
Investments	-	-	-
Property, plant and equipment	1.814,5	1.811,7	1.616,4
Intangible	748,2	756,5	266,9
Total	**2.562,7**	**2.568,2**	**1.883,3**
Total Non-current assets	**2.902,4**	**2.938,3**	**2.232,4**
Total Assets	**4.800,9**	**4.838,8**	**3.751,2**

Liabilities (R$ million)	1Q21	4Q20	1Q20
Current liabilities			
Providers	154,8	139,4	115,0
Confirming payable (Automakers) (ICVM 01/2016)	-	2,0	0,9
Loans and financing	19,4	60,0	201,7
Debentures	156,3	154,6	456,0
Financial lease payable	15,5	18,2	51,2
Lease for right use	31,6	34,8	31,9
Labor obligations	170,4	151,5	130,0
Tax liabilities	5,1	5,9	34,2
Income and social contribution taxes payable	53,4	50,1	84,7
Other Accounts payable	66,2	64,5	-
Dividends and interest on capital payable	19,6	32,9	11,5
Advances from customers	18,8	18,7	13,5
Related parts	40,9	62,4	-
Acquisition of companies payable	145,0	150,7	-
Accounts payable and down payments	-	-	48,0
Total Current liabilities	**897,0**	**945,6**	**1.178,5**
Non-current liabilities			
Loans and financing	949,0	951,2	1.346,9
Debentures	1.098,2	1.096,8	1.111,5
Financial lease payable	37,2	43,9	56,7
Lease for right use	166,6	174,6	181,6
Tax liabilities	14,2	15,8	0,8
Provision for judicial and administrative claims	152,8	165,7	46,8
Deferred income and social contribution taxes	81,6	92,6	-
Related parties	-	1,5	-
Other Accounts payable	6,8	5,4	81,0
Company acquisitions payable	224,1	280,5	-
Total Non-current liabilities	**2.730,5**	**2.828,0**	**2.825,3**
Total Equity	**1.173,5**	**1.065,1**	**(252,5)**
Total Liabilities	**4.800,9**	**4.838,8**	**3.751,2**

Exhibit II – Business Model

The main services in our portfolio are grouped into:

- **Road Cargo Transportation**: Represented 44% of 1Q21 Net Revenue. Based on long-term B2B agreements (24-36 months), resulting in a low investment need to replace assets and expand the operation. JSL has a network with over 100,000 third-party truck drivers and independent contractors registered, providing capillarized operations and technology that integrates our customers with truck drivers and customers of our customers. Consisting in highway shipment of production inputs or finished goods, including new vehicles, from the point of supply to final destination, the flow of products in the "point-to-point system" through the complete cargo modality. Cargo transportation is linked to the performance of consumption and movement of goods in the country for internal consumption or export. The main sectors served by cargo transportation are Food and Beverage, Automotive and Consumer Goods. The acquisition of TPC and Rodomeu will add two important segments to the operation of general cargo: health and compressed gases.

- **Dedicated Logistics Operations**: Represented 38% of the 1Q21 Net Revenue and features closed-loop operations as part of the customer's production process with a high specialization and customization level and a high technological integration and monitoring level. This segment's agreements have 3-to-5 years terms and involve own assets and software for real-time monitoring, commodity logistics and studies, and activities dimensioning to identify the best options for customers, loading raw materials, loading products, raw materials supply, finished products distribution, internal and port handling, road maintenance, waste management, and waste discharge. The segment also includes chartering and rental with labor to transport customers' employees and internal logistics in the customer's assets, including a vast niche of customized services for each operation, handling raw materials, products, and the supply of assembly lines. The operations dedicated to the performance of commodities and industrial activity in the country and whose main sectors are paper and cellulose and mining.

- **Urban Distribution**: Represented 13% of 1Q21 Net Revenue. Last-mile distribution with POS supply located in large urban centers, with closed or fractionated cargo, and packaging management and return. Operates with dry, refrigerated, or frozen cargo with online temperature control and exits and returns to/from warehouses operated or not by JSL or straight from industry to retail. The segment is focused on B2B with contracts averaging 1 to 2 years. Depending on the operation profile, we hire third-party truck drivers and independent contractors with specific vehicles to distribute each product or use our fleet, as in Fadel's operation. Urban distribution is directly connected with the performance of consumption in Brazil when serving the B2B segment and what can be considered B2C, which is delivery at points that will be the 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:** Represented 5% of 1Q21 Net Revenue. Managing 139,000-sqm dedicated and multi-client warehouses, with receipt, dry, refrigerated, and frozen storage, production line sequencing and supply, and packaging and packers supply with the client's sales of systems linked to JSL for delivery in 24h, when needed, connected to the urban distribution service. Warehousing services are also connected with industrial activity, consumption and macroeconomic 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 Beverages.

Glossary

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

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

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

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

Additional Information

The purpose of this Earnings Release is to detail the financial and operating results of JSL S.A. in the first quarter of 2021, considering the effects of the Corporate Reorganization approved at the Extraordinary Shareholders' Meeting (ESM) held on August 5, 2020. The financial information is presented in millions of Reais unless otherwise indicated. The Company's interim financial information is prepared following the Brazilian corporate law and is presented on a consolidated basis following CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the IASB. Comparisons refer to the revised data for 4Q20, 4Q19 and 3Q20, except where otherwise indicated.

As of January 1, 2019, JSL Group 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.

Disclaimer

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

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

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

Conference Call and Webcast

Date: May 4, 2021, Tuesday.

Time: 11:00 a.m. (Brasília)
9:00 a.m. (New York) – With simultaneous translation

Dial In:

Brazil:	+55 (11) 3127-4971
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Access Code: JSL

Webcast: www.jsl.com.br/ri

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

For further information, please contact the Investor Relations Department:

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