



**JSL S.A.**

Quarterly information - ITR related to the quarter ended September 30, 2020 and independent auditor's report on review of quarterly information

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## Message from the Management

At the ESM held on August 5<sup>th</sup>, the proposal for the corporate reorganization was **unanimously** approved by **minority shareholders**, whereby the Company ceased the role of a holding company and became an independent company focused on providing logistical services with independent management and allowing the development of its own organic and inorganic growth agenda.

Also in August, JSL announced two acquisitions: **Fadel and Transmoreno**, which add new services, new operating areas, new technologies, and trained people, with additional possibilities to expand competitive advantages and generate operational and financial synergies.

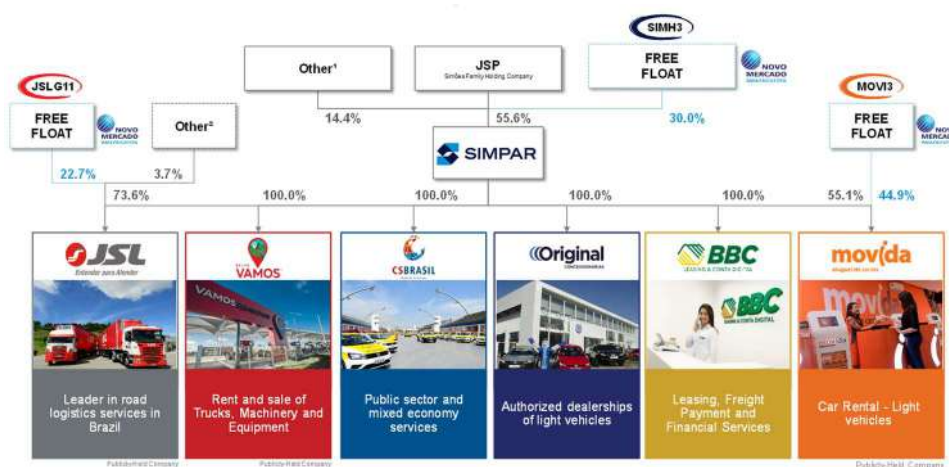


**Acquisition of 75% of the shares issued by Fadel:** Reinforcing JSL's interest in urban distribution in the industry of drinks and food, consumer goods, and e-commerce, and also expanding the portfolio of relevant customers. The acquisition brings expertise from people with recognized management skills and an excellent delivery track record, synergies, and cross-selling.

**Acquisition of 100% of Transmoreno:** Expands JSL's share in the car carrier transportation and provision of automotive logistics services, with two of the three vehicle manufacturers in its customer portfolio;

On September 10<sup>th</sup>, JSL concluded a **100%-primary** offering of shares totaling **R\$694 million**, with the purpose to strengthen its capital structure to accelerate its growth plan and continue to lead the consolidation trend in Brazil's logistics segment. The Company returned to B3's Novo Mercado keeping its good governance practices, issuing only common shares, initially with the temporary ticker JSLG11 which, as of November 11<sup>th</sup>, was replaced by the final ticker **JSLG3**.

Below, the Company presents the corporate structure of the group to which it belongs after the events described:







Following the track record of SIMPAR's subsidiaries, the Company made changes to its Corporate Governance to not just meet Novo Mercado's requirements but also bring additional expertise to implement its business plan. The Company has a new Board of Directors with two new independent members who, in turn, approved the following advisory committees: Audit, Finance, Sustainability, and Technology & Innovation Committees.

JSL, continuing to observe the concepts of sustainability in its business, has developed many actions and programs to turn concepts into actions, as described below: ensuring a good governance on the subject, Sustainability Committee formalized by the Board of Directors with external and independent members for an updated and comprehensive view on the subject and ensuring that actions are related to our business and the Company's operating ecosystem. As an accountability, an Integrated Report will be prepared under international standards and good practices. The Company also undertakes actions to reduce the Environmental impact of greenhouse gas emissions from its operation and also to properly dispose waste. Connected to the Social responsibility agenda, in a challenging year as 2020, health protection measures to minimize COVID-19's impacts were added to actions and programs focused on the health and safety of our people and ecosystem. By October 2020, we had already donated over R\$5.1 million in equipment and services to the population, transporting food and medical equipment throughout Brazil.

JSL creates value for its shareholders, with **people** as its main competitive advantage. Our strategy includes the ongoing growth of our technological platform, mergers and acquisitions that aim to add value and solidify our industry leadership and, above all, the establishment and promotion a fair business relationship with our customers.

## Results Analysis

Financial Highlights (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Gross Revenue</b>	<b>870.8</b>	<b>697.9</b>	<b>24.8%</b>	<b>945.9</b>	<b>-7.9%</b>	<b>2,401.0</b>	<b>2,810.0</b>	<b>-14.6%</b>	<b>3,290.5</b>
<b>Net Revenue</b>	<b>733.2</b>	<b>581.6</b>	<b>26.1%</b>	<b>782.7</b>	<b>-6.3%</b>	<b>2,008.7</b>	<b>2,319.1</b>	<b>-13.4%</b>	<b>2,791.5</b>
Net Revenue from Services	660.7	550.2	20.1%	745.3	-11.4%	1,867.2	2,210.3	-15.5%	2,593.2
Net Revenue from Asset Sales	72.6	31.4	131.2%	37.4	94.1%	141.5	108.8	30.1%	198.3
<b>Total Costs</b>	<b>(641.2)</b>	<b>(531.7)</b>	<b>20.6%</b>	<b>(680.6)</b>	<b>-5.8%</b>	<b>(1,798.9)</b>	<b>(2,001.8)</b>	<b>-10.1%</b>	<b>(2,486.4)</b>
Cost of Services	(569.9)	(501.3)	13.7%	(644.6)	-11.6%	(1,659.2)	(1,892.3)	-12.3%	(2,294.8)
Cost of Asset Sales	(71.3)	(30.4)	134.5%	(36.1)	97.5%	(139.7)	(109.5)	27.6%	(191.6)
<b>Gross Profit</b>	<b>92.0</b>	<b>49.9</b>	<b>84.4%</b>	<b>102.0</b>	<b>-9.8%</b>	<b>209.7</b>	<b>317.3</b>	<b>-33.9%</b>	<b>305.1</b>
Operational Expenses	(28.4)	(23.4)	21.4%	(35.1)	-19.1%	(70.3)	(96.1)	-26.8%	(102.9)
<b>EBIT</b>	<b>63.6</b>	<b>26.5</b>	<b>140.0%</b>	<b>66.9</b>	<b>-4.9%</b>	<b>139.5</b>	<b>221.2</b>	<b>-36.9%</b>	<b>202.3</b>
Margin (% NR from Services)	9.6%	4.8%	+4.8 p.p.	9.0%	+0.6 p.p.	7.5%	10.0%	-2.5 p.p.	7.8%
Financial Result	(41.9)	(53.3)	-21.4%	(64.0)	-34.5%	(139.5)	(214.6)	-35.0%	(193.3)
Taxes	(4.3)	10.4	-141.3%	3.3	-	10.5	6.9	52.2%	16.4
<b>EBITDA</b>	<b>118.0</b>	<b>82.2</b>	<b>43.6%</b>	<b>125.7</b>	<b>-6.1%</b>	<b>310.4</b>	<b>392.4</b>	<b>-20.9%</b>	<b>432.0</b>
Margin (% NR from Services)	17.9%	14.9%	+3.0 p.p.	16.9%	+1.0 p.p.	16.6%	17.8%	-1.2 p.p.	16.7%
<b>Logistics Net Income</b>	<b>25.4</b>	<b>0.5</b>	<b>-</b>	<b>22.6</b>	<b>12.4%</b>	<b>48.1</b>	<b>82.8</b>	<b>-41.9%</b>	<b>79.3</b>
Margin (% Total NR)	3.5%	0.1%	+3.4 p.p.	2.9%	+0.6 p.p.	2.4%	3.6%	-1.2 p.p.	2.8%

### “Asset Right” concept

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

### Asset-Light

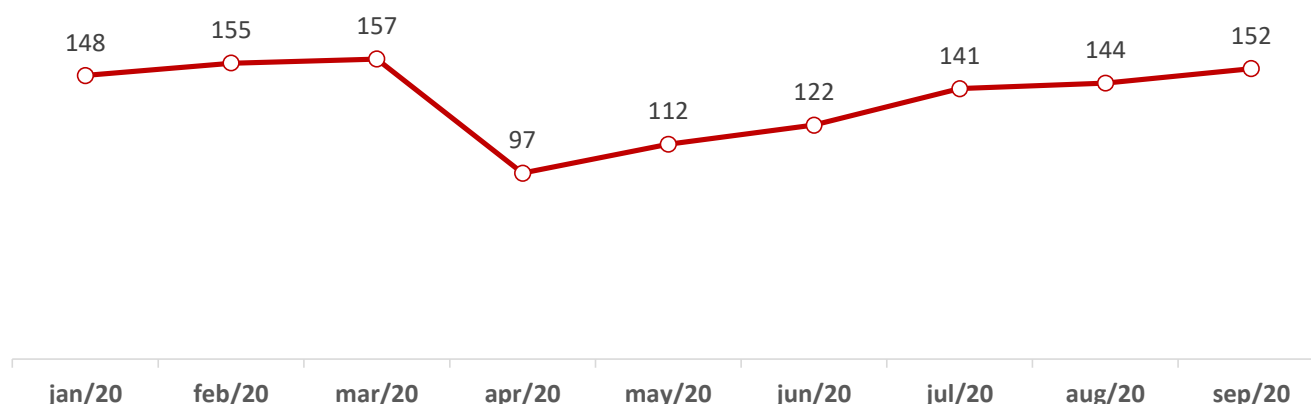
The Asset Light operating profile provides services through a asset-light model, based on subcontracting third parties and independent contractors to meet the customers' demands, with in an average contract terms of up to 2 years. JSL has a robust base with over 43,000 truck drivers loyal to the Company and an Operations Center to support the entire business. This operational profile already has a fixed structure with over 200 branch offices and is ready for Brazil's economic recovery. We actually operate with the Asset Light profile in the following business lines: Dedicated road cargo logistics, internal logistics, urban distribution, storage services, new vehicle transportation and others.

Asset Light (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Gross Revenue</b>	<b>539.5</b>	<b>414.1</b>	<b>30.3%</b>	<b>603.4</b>	<b>-10.6%</b>	<b>1,520.5</b>	<b>1,792.5</b>	<b>-15.2%</b>	<b>2,068.6</b>
Deductions	(101.7)	(82.1)	23.9%	(121.4)	-16.2%	(290.5)	(365.1)	-20.4%	(363.4)
<b>Net Revenue</b>	<b>437.8</b>	<b>332.1</b>	<b>31.8%</b>	<b>481.9</b>	<b>-9.2%</b>	<b>1,230.0</b>	<b>1,427.5</b>	<b>-13.8%</b>	<b>1,705.3</b>
Net Revenue from Services	437.8	332.1	31.8%	481.9	-9.2%	1,230.0	1,427.5	-13.8%	1,705.3
Net Revenue from Asset Sales	-	-	-	-	-	-	-	-	-
<b>Total Costs</b>	<b>(382.3)</b>	<b>(322.0)</b>	<b>18.7%</b>	<b>(429.0)</b>	<b>-10.9%</b>	<b>(1,116.4)</b>	<b>(1,263.4)</b>	<b>-11.6%</b>	<b>(1,545.0)</b>
Cost of Services	(382.3)	(322.0)	18.7%	(429.0)	-10.9%	(1,116.4)	(1,263.4)	-11.6%	(1,545.0)
Cost of Asset Sales	-	-	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>55.5</b>	<b>10.1</b>	<b>-</b>	<b>53.0</b>	<b>4.7%</b>	<b>113.6</b>	<b>164.1</b>	<b>-30.8%</b>	<b>160.3</b>
Operational Expenses	(20.7)	(18.5)	11.9%	(19.5)	6.2%	(63.5)	(59.9)	6.0%	(80.1)
<b>EBIT</b>	<b>34.8</b>	<b>(8.4)</b>	<b>-</b>	<b>33.5</b>	<b>3.9%</b>	<b>50.1</b>	<b>104.1</b>	<b>-51.9%</b>	<b>80.2</b>
Margin (% NR from Services)	8.0%	-2.5%	+10.5 p.p.	7.0%	+1.0 p.p.	4.1%	7.3%	-3.2 p.p.	4.7%
<b>EBITDA</b>	<b>68.8</b>	<b>27.2</b>	<b>152.9%</b>	<b>69.4</b>	<b>-0.9%</b>	<b>160.7</b>	<b>206.9</b>	<b>-22.3%</b>	<b>229.3</b>
Margin (% NR from Services)	15.7%	8.2%	+7.5 p.p.	14.4%	+1.3 p.p.	13.1%	14.5%	-1.4 p.p.	13.4%

## Net Revenues from Services

Net Revenue from Services fell by 9.2% YoY and grew 31.8% QoQ, totaling R\$437.8 million in 3Q20, mainly due to the drop in volume caused by the Coronavirus pandemic. The improvement over 2Q20 is mainly due to the resumption of the automotive industry, which was one of the most affected by the pandemic, since the plants of the country's main automakers were closed in April 2020, gradually resuming activities as of the second half of May. Despite 3Q's challenging scenario, we highlight that the monthly evolution of Asset Light's Net Revenue from Services had a positive recovery trend as of May 2020, as shown in the chart below.

**Growth of the Net Revenue from Services - Asset Light**



## Costs

Costs (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Cost of Services</b>	<b>(382.3)</b>	<b>(322.0)</b>	<b>18.7%</b>	<b>(429.0)</b>	<b>-10.9%</b>	<b>(1,116.4)</b>	<b>(1,263.4)</b>	<b>-11.6%</b>	<b>(1,545.0)</b>
Personnel	(83.8)	(86.3)	-2.9%	(91.7)	-8.6%	(264.2)	(279.1)	-5.3%	(356.5)
Third parties truck drivers	(207.6)	(144.8)	43.4%	(240.8)	-13.8%	(577.1)	(703.2)	-17.9%	(813.2)
Fuel and lubricants	(11.7)	(9.3)	25.8%	(11.9)	-1.7%	(34.0)	(38.6)	-11.9%	(49.0)
Parts / tires / maintenance	(23.6)	(20.2)	16.8%	(27.7)	-14.8%	(68.6)	(82.0)	-16.3%	(93.6)
Depreciation / amortization	(30.3)	(31.3)	-3.2%	(31.8)	-4.7%	(98.1)	(87.6)	12.0%	(132.6)
Others	(25.3)	(30.1)	-15.9%	(25.0)	1.2%	(74.4)	(73.0)	1.9%	(100.2)

In 3Q20, Service Costs totaled R\$382.3 million, down by -10.9% YoY, i.e., up by 1.7 p.p. higher when compared to the drop seen in Net Revenue from Services, which was -9.2% YoY. We highlight that Costs with Independent Contractors and Third Parties -- the most representative -- fell by 13.8% YoY, mainly due to the drop in freight costs with third parties, linked to the drop in diesel price. Personnel Costs fell by 8.6% YoY.

Service Costs grew 18.7% QoQ, lower than the 31.8% increase QoQ in Net Revenue from Services, mainly due to the increase in the volume of operations.

## EBITDA

In 3Q20, EBITDA totaled R\$68.8 million (-0.9% YoY), while the EBITDA Margin over Net Revenues from Services reached 15.7%, up by +1.3 p.p. YoY. EBITDA grew by 152.9% over 2Q20 and EBITDA Margin over Net Revenues from Services grew by 7.5 p.p. QoQ given the higher volume transported in the quarter and, therefore, a greater dilution of fixed expenses.

We highlight that the entire structure remained active in our branch offices and are ready to meet the demand's growth, which will come naturally with the economy's recovery.

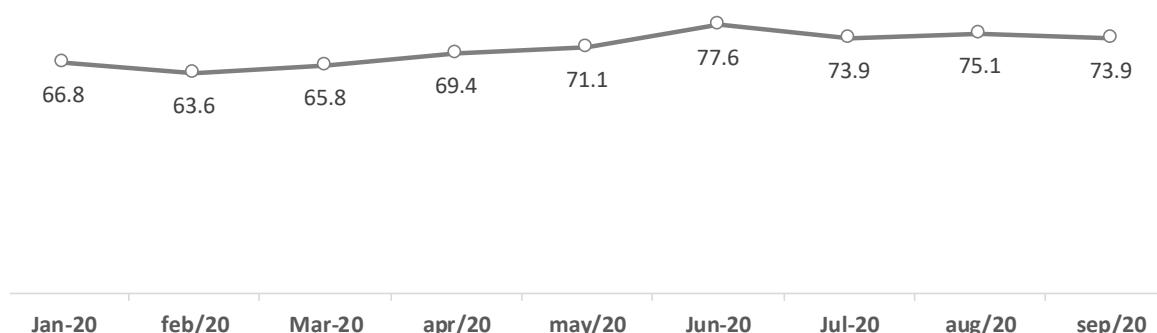
## Asset-Heavy

The Asset Heavy operational profile corresponds to operations with intense leverage on assets and labor force, with an average contract terms of 3 to 5 years, enabling more resiliency when facing different economic cycles. In this profile, we acquired assets to allocate to the customers' operations and, after the contractual cycle, we demobilized these assets. We have a sales team with experience and skills to properly develop projects and pricing structure that require investments in assets and also bring strong negotiating power to purchase these assets and inputs. We actually operate with the Asset Heavy profile in the following business lines: Commodity logistics and Bus charter and rental vehicles with a driver.

Asset Heavy (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Gross Revenue</b>	<b>331.2</b>	<b>283.8</b>	<b>16.7%</b>	<b>342.5</b>	<b>-3.3%</b>	<b>880.5</b>	<b>1,017.5</b>	<b>-13.5%</b>	<b>1,221.9</b>
Deductions	(35.8)	(34.2)	4.7%	(41.8)	-14.4%	(101.9)	(125.8)	-19.0%	(135.7)
<b>Net Revenue</b>	<b>295.4</b>	<b>249.6</b>	<b>18.3%</b>	<b>300.7</b>	<b>-1.8%</b>	<b>778.7</b>	<b>891.7</b>	<b>-12.7%</b>	<b>1,086.2</b>
Net Revenue from Services	222.9	218.2	2.2%	263.4	-15.4%	637.2	782.9	-18.6%	887.9
Net Revenue from Asset Sales	72.6	31.4	131.2%	37.4	94.1%	141.5	108.8	30.1%	198.3
<b>Total Costs</b>	<b>(258.9)</b>	<b>(209.7)</b>	<b>23.5%</b>	<b>(251.7)</b>	<b>2.9%</b>	<b>(682.5)</b>	<b>(738.4)</b>	<b>-7.6%</b>	<b>(941.4)</b>
Cost of Services	(187.6)	(179.3)	4.6%	(215.6)	-13.0%	(542.8)	(628.9)	-13.7%	(749.9)
Cost of Asset Sales	(71.3)	(30.4)	134.5%	(36.1)	97.5%	(139.7)	(109.5)	27.6%	(191.6)
<b>Gross Profit</b>	<b>36.5</b>	<b>39.9</b>	<b>-8.5%</b>	<b>49.0</b>	<b>-25.5%</b>	<b>96.1</b>	<b>153.2</b>	<b>-37.3%</b>	<b>144.8</b>
Operational Expenses	(7.5)	(4.9)	53.1%	(15.7)	-52.2%	(6.5)	(36.2)	-82.0%	(22.5)
<b>EBIT</b>	<b>29.0</b>	<b>35.0</b>	<b>-17.1%</b>	<b>33.4</b>	<b>-13.2%</b>	<b>89.6</b>	<b>117.1</b>	<b>-23.5%</b>	<b>122.2</b>
Margin (% NR from Services)	13.0%	16.0%	-3.0 p.p.	12.7%	+0.3 p.p.	14.1%	15.0%	-0.9 p.p.	13.8%
<b>EBITDA</b>	<b>49.4</b>	<b>55.0</b>	<b>-10.2%</b>	<b>56.2</b>	<b>-12.1%</b>	<b>150.0</b>	<b>185.5</b>	<b>-19.1%</b>	<b>202.9</b>
Margin (% NR from Services)	22.2%	25.2%	-3.0 p.p.	21.3%	+0.9 p.p.	23.5%	23.7%	-0.2 p.p.	22.8%

## Net Revenues from Services

Net Revenue from Services decreased by 15.4% YoY, totaling R\$222.9 million in 3Q20. The drop YoY was mainly due to the one-off demobilization of agreements in pulp and paper due to a change in the operational scope. The 2.2% increase QoQ is due to the growth in bus charter and rental with driver.



## Net Revenue from Assets Sold

Net Revenue from the Sale of Assets totaled R\$72.6 million in 3Q20, higher than the Cost of Sale of Assets, which reached R\$71.3 million in the period. The sale of assets was occasionally higher over 2Q20 and 3Q19, when it reached R\$31.4 million and R\$37.4 million, respectively, due to strong demand for our assets, given the scarcity of the market due to the paralysis of automakers due to COVID19.

## Costs

Costs (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Cost of Services</b>	<b>(187.6)</b>	<b>(179.3)</b>	<b>4.6%</b>	<b>(215.6)</b>	<b>-13.0%</b>	<b>(542.8)</b>	<b>(628.9)</b>	<b>-13.7%</b>	<b>(749.9)</b>
Personnel	(95.0)	(94.1)	1.0%	(114.2)	-16.8%	(280.1)	(334.4)	-16.2%	(392.2)
Third parties truck drivers	(3.7)	(3.5)	5.7%	(2.9)	27.6%	(10.4)	(8.2)	26.8%	(13.3)
Fuel and lubricants	(22.6)	(19.3)	17.1%	(23.8)	-5.0%	(65.2)	(67.7)	-3.7%	(90.6)
Parts / tires / maintenance	(40.7)	(36.7)	10.9%	(44.8)	-9.2%	(111.3)	(130.4)	-14.6%	(150.3)
Depreciation / amortization	(19.1)	(18.9)	1.1%	(21.3)	-10.3%	(57.0)	(63.7)	-10.5%	(76.8)
Others	(6.6)	(6.8)	-2.9%	(8.5)	-22.4%	(19.0)	(24.5)	-22.4%	(26.6)
<b>Costs of Sales of Assets</b>	<b>(71.3)</b>	<b>(30.4)</b>	<b>134.5%</b>	<b>(36.1)</b>	<b>97.5%</b>	<b>(139.7)</b>	<b>(109.5)</b>	<b>27.6%</b>	<b>(191.6)</b>
<b>Total Costs</b>	<b>(258.9)</b>	<b>(209.7)</b>	<b>23.5%</b>	<b>(251.7)</b>	<b>2.9%</b>	<b>(682.5)</b>	<b>(738.4)</b>	<b>-7.6%</b>	<b>(941.4)</b>

In 3Q20, Service Costs totaled R\$187.6 million (-13.0% YoY), a drop similar to that seen in Net Revenue from Services, at -15.4% YoY. We highlight that Personnel Costs -- the most representative -- fell by 16.8%.

Service Costs grew 4.6% QoQ, lower than the 2.2% increase QoQ in Net Revenue from Services.

## EBITDA

In 3Q20, the EBITDA Margin reached 22.2%, up by +0.9 p.p. YoY, while EBITDA totaled R\$49.4 million (-12.1% YoY). Compared to 2Q20, EBITDA fell by 10.2%, while the EBITDA margin fell by 3.0 p.p. QoQ, due to non-recurring costs in the pulp and paper operation.

## Investments

Capex (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Gross capex by nature</b>	<b>53.9</b>	<b>55.4</b>	<b>-2.7%</b>	<b>83.0</b>	<b>-35.1%</b>	<b>270.0</b>	<b>259.4</b>	<b>4.1%</b>	<b>378.3</b>
Expansion	49.9	53.2	-6.2%	67.6	-26.2%	255.3	197.8	29.1%	352.7
Maintenance	4.0	2.2	81.8%	15.5	-74.2%	14.7	61.6	-76.1%	25.6
<b>Gross capex by type</b>	<b>53.9</b>	<b>55.4</b>	<b>-2.7%</b>	<b>83.0</b>	<b>-35.1%</b>	<b>270.0</b>	<b>259.4</b>	<b>4.1%</b>	<b>378.3</b>
Trucks	11.8	34.9	-66.2%	41.3	-71.4%	155.0	127.4	21.7%	216.4
Machinery and Equipment	11.9	8.6	38.4%	6.0	98.3%	38.3	21.9	74.9%	54.6
Light Vehicles	13.5	1.7	-	13.4	0.7%	31.7	44.0	-28.0%	49.9
Bus	9.9	2.4	-	13.4	-26.1%	18.6	41.7	-55.4%	18.6
Others	6.8	7.9	-13.9%	9.0	-24.4%	26.5	24.3	9.1%	38.9
<b>Usual sale of assets</b>	<b>73.6</b>	<b>31.7</b>	<b>132.2%</b>	<b>38.2</b>	<b>92.7%</b>	<b>143.8</b>	<b>111.2</b>	<b>29.3%</b>	<b>201.9</b>
<b>Total net capex</b>	<b>(19.7)</b>	<b>23.8</b>	<b>-182.8%</b>	<b>44.9</b>	<b>-143.9%</b>	<b>126.2</b>	<b>148.2</b>	<b>-14.8%</b>	<b>176.4</b>

Gross Capex totaled R\$53.9 million in 3Q20 (-35.1% YoY and -2.7% QoQ), mainly directed to expansion, especially to meet new agreements in Pulp and Paper, Chemicals, and Steel and Mining.

We emphasize that 66% of current revenue comes from operations based on the asset-light model, which means that the growth in volume and revenue for the Logistics activity does not imply proportional growth in net investment.

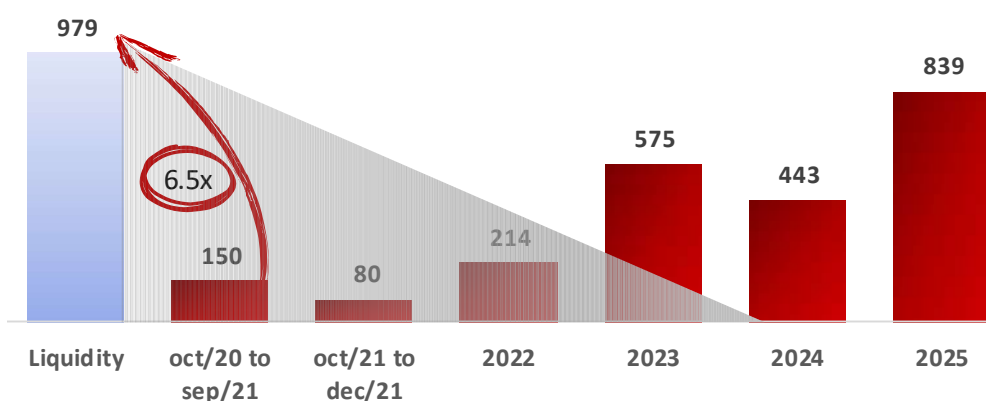


## Capital Structure

The quarter was marked by a R\$ 694 million primary share offering and even after the pre-payment of R\$812 million in the period, JSL ended the quarter with R\$979 million in cash, **enough to cover the amortization of short-term debt in 6.5x** and practically all debt by 2023.

We also highlight the **extension of the net debt**, which went from 2.5 years in September 2019 to **4.4 years in September 2020**, in addition to the **decrease in the average cost of debt by 3.0p.p.**, which totaled 3.9% in 3Q20 compared to 6.9% in 3Q19 (with the cost after taxes equal to 4.6% and 2.6%, respectively). Compared to 2Q20, we highlight the drop in CDI spread, from 2.15 in 2Q20 to 2.00 in 3Q20.

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



**Cash and Debt Evolution (R\$ million)**

Debt (R\$ million)	3Q19	2Q20	3Q20
<b>Cash and Investments</b>	<b>837.4</b>	<b>1,284.9</b>	<b>979.3</b>
<b>Gross debt</b>	<b>2,188.3</b>	<b>3,274.9</b>	<b>2,301.0</b>
Confirming payable	-	2.1	2.2
Loans and financing	1,627.8	1,759.2	1,014.7
Debentures	458.8	1,486.2	1,248.9
Leasing payable	105.8	93.3	81.2
Financial instruments and derivatives	(4.1)	(66.0)	(46.0)
<b>Net Debt</b>	<b>1,350.9</b>	<b>1,990.0</b>	<b>1,321.7</b>
<b>Short-term gross debt</b>	<b>228.1</b>	<b>443.3</b>	<b>149.7</b>
<b>Long-term gross debt</b>	<b>1,960.1</b>	<b>2,831.5</b>	<b>2,151.3</b>
Average Cost of Net Debt (p.a.)	7.1%	5.7%	5.4%
Average Cost of Gross Debt (p.a.)	6.9%	4.3%	3.9%
Average term of net debt (years)	2.5	4.1	4.4
Average term of gross debt (years)	2.3	3.0	3.5

## Financial Result

Financial Result (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Net financial interest</b>	<b>(69.1)</b>	<b>(47.9)</b>	<b>44.3%</b>	<b>(52.1)</b>	<b>32.6%</b>	<b>(156.5)</b>	<b>(200.6)</b>	<b>-22.0%</b>	<b>(225.2)</b>
Financial Revenues	14.0	(0.2)	-	5.4	159.3%	28.0	47.6	-41.2%	53.0
Financial Expenses	(83.0)	(47.7)	74.0%	(57.5)	44.3%	(184.4)	(248.2)	-25.7%	(278.1)
Derivatives Result	37.6	0.4	-	(9.0)	-	38.0	(3.9)	-	52.9
Net Exchange Variation	-	-	-	-	-	-	-	-	-
Interest on right of use (IFRS 16)	(10.5)	(5.5)	90.9%	(7.2)	45.8%	(21.0)	(10.2)	105.9%	(21.0)
<b>Total</b>	<b>(41.9)</b>	<b>(53.3)</b>	<b>-21.4%</b>	<b>(64.0)</b>	<b>-34.5%</b>	<b>(139.5)</b>	<b>(214.6)</b>	<b>-35.0%</b>	<b>(193.3)</b>

**Net Financial Result** totaled -R\$41.9 million in 3Q20, compared to -R\$64.0 million in 3Q19, that is, down by 34.5%, as a result of the drop in interest rates (average CDI) and the management of liabilities carried out by the Company. In relation to 2Q20, we had a reduction of 21.4%, which includes the reduction in the spread for the CDI, which went from 2.15% to 2.00%. We highlight that the Treasury segment, which corresponds to debentures issued for the growth of other group companies, when JSL operated as a holding company, and that, during the restructuring process, was not possible to remove from JSL, had a net financial result of -R\$12.0 million, down by 54% over 3Q19.

## Leverage Indicators

<b>Lavergae</b> <b>(R\$ million)</b>	<b>3Q19</b>	<b>2Q20</b>	<b>3Q20<sup>1</sup></b>
Net Debt / EBITDA-A	2.0x	3.3x	1.9x
Net Debt / EBITDA	2.6x	4.5x	2.6x
EBITDA-A/ Financial Result	2.8x	2.8x	4.0x

<sup>1</sup> Including unaudited information from Fadel and Transmoreno for 3Q20

leverage indicator JSL's Net Debt / EBITDA in 3Q20, if we consider unaudited net debt and EBITDA UDM, with base date of Sep/2020 of Fadel and Transmoreno, would be **2.6x**. If we exclude the effects of Fadel and Transmoreno, the indicator would be 3.1x. This leverage position creates an opportunity for inorganic growth while respecting the adequate levels of leverage considered by management.

## Free Cash Flow and EBITDA

Free Cash Flow Generation - R\$ million		3Q20 LTM	3Q19 LTM
Operation	EBITDA	432.0	513.7
	Net Revenue from Sale of Light/Heavy Vehicles, Machinery and Equipment	(198.3)	(151.3)
	Depreciated Cost of Light/Heavy Vehicles, Machinery and Equipment Sold	191.6	154.5
	Taxes + Working Capital	16.2	(159.0)
	Free Cash flow Generated by Rental Activities and Services Rendered	441.5	357.8
Maintenance Capex	Net Revenue Sale of Light/Heavy Vehicles, Machinery and Equipment	198.3	151.3
	Capex for Light/Heavy Vehicles, Machinery and Equipment	(25.6)	(78.7)
	Net Capex for Fleet Maintenance	172.7	72.6
Operational Free Cashflow before Growth		614.2	430.4
Growth Capex	Capex for Light/Heavy Vehicles, Machinery and Equipment	(352.7)	(308.9)
Free Cashflow Generated (Consumed) after Growth and before Interest		261.5	121.6

The free cash generated after growth and before interest of JSL was around **R\$261.5 million** in the last 12 months up to September 2020, **more than double compared to 3Q19 UDM**. Investment for fleet growth totaled R\$352.7 million, mainly due to the purchase of trucks in the period.

EBITDA Reconciliation (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
Total Net Income	17.4	(16.3)	-	6.3	176.2%	10.5	13.4	-21.6%	25.3
Financial Result	41.9	53.3	-21.4%	64.0	-34.5%	139.5	214.6	-35.0%	193.3
Taxes	4.3	(10.4)	-141.3%	(3.3)	-	(10.5)	(6.9)	52.2%	(16.4)
Depreciation and Amortization	52.3	54.4	-3.9%	57.7	-9.4%	165.9	166.2	-0.2%	220.4
Amortization (IFRS 16)	2.0	1.2	66.7%	1.1	81.8%	5.1	5.1	0.0%	9.3
<b>EBITDA</b>	<b>118.0</b>	<b>82.2</b>	<b>43.6%</b>	<b>125.7</b>	<b>-6.1%</b>	<b>310.4</b>	<b>392.4</b>	<b>-20.9%</b>	<b>432.0</b>
Cost of Asset Sales	71.3	30.4	134.5%	36.1	97.5%	139.7	109.5	27.6%	191.6
<b>EBITDA-A</b>	<b>189.3</b>	<b>112.6</b>	<b>68.1%</b>	<b>161.7</b>	<b>17.1%</b>	<b>450.2</b>	<b>502.0</b>	<b>-10.3%</b>	<b>623.5</b>

## Reconciliation of Net Income

Reconciliation of Net Income (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Logistics Net Income</b>	<b>25.4</b>	<b>0.5</b>	-	<b>22.6</b>	<b>12.4%</b>	<b>48.1</b>	<b>82.8</b>	<b>-41.9%</b>	<b>79.3</b>
(+) Treasury Net Income	(8.0)	(16.8)	-52.4%	(16.4)	-51.2%	(37.6)	(69.4)	-45.8%	(54.0)
(=) Total Net Income	17.4	(16.3)	-	6.3	176.2%	10.5	13.4	-21.6%	25.3

The Net Income of the Logistics segment in 3Q20 reached R\$25.4 million, 12.4% higher than 3Q19. Net margin also increased, reaching 3.5% in 3Q20, an increase of 0.6 pp. compared to 3Q19. This improvement was mainly due to the optimization of the capital structure and improvement of the operating margin, as explained above.

In relation to the previous quarter, growth was even greater, given that 2Q20 was extremely impacted by the effects of COVID-19.

Total net income was R\$17.4 million (+ 176% y / y), which corresponds to the sum of the net profit of the Logistics segment and the Treasury segment. It is worth mentioning that we kept the focus on profit in the Logistics segment, since, due to the IPO, we will have a neutralization of the Treasury segment's indebtedness, which reflects the investment made in other companies of the group when JSL played the role holding company.

## Profitability

ROIC LTM and ROIC quarter annualized	ROIC 3Q20 LTM	ROIC 3Q20 annualized
EBIT	202.3	254.6
Effective rate of the Logistics segment	-14%	-25%
<b>NOPLAT</b>	<b>173.6</b>	<b>191.3</b>
Current Period Net Debt	1,321.7	1,321.7
Previous period Net Debt	1,350.9	1,990.0
Average Net Debt	1,336.3	1,655.8
Current Period Equity	1,069.8	1,069.8
Previous period Equity	996.8	383.8
Average Equity	1,033.3	726.8
Invested Capital Current Period	2,391.5	2,391.5
Capital Invested Previous Period	2,347.7	2,373.8
<b>Average Invested Capital</b>	<b>2,369.6</b>	<b>2,382.6</b>
<b>ROIC</b>	<b>7.3%</b>	<b>8.0%</b>

JSL's annualized quarterly ROIC was 8.0%, that is, 0.7 pp. greater than the ROIC UDM, mainly due to the positive impact on the operating result given the beginning of the resumption of our volumes in 3Q20.

**JSL S.A.**  
**Statements of financial position**  
**As at September 30, 2020 and December 31, 2019**  
**In thousands of Brazilian reais**

<b>Assets</b>	<b>Note</b>	<b>Parent Company</b>		<b>Consolidated</b>	
		<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
<b>Current assets</b>					
Cash and cash equivalents	5	77,807	125,353	82,359	591,815
Marketable securities and financial investments	6	894,018	996,067	896,917	5,182,010
Derivative financial instruments	4.3 (b)	13,178	32,233	13,178	32,233
Trade receivables	7	681,463	643,042	710,959	1,775,137
Inventories	8	46,094	28,120	46,499	306,037
Assets held for sale	9	55,531	107,018	55,531	541,188
Taxes recoverable	10	50,336	50,689	51,139	155,284
Income tax and social contribution recoverable	23.3	250,430	75,858	250,822	147,266
Prepaid expenses		17,061	13,323	17,987	42,874
Dividends receivable	24.1	320	33,939	-	-
Advances to third parties		28,225	37,396	29,162	82,420
Other credits		44,216	51,068	22,049	54,568
		<b>2,158,679</b>	<b>2,194,106</b>	<b>2,176,602</b>	<b>8,910,832</b>
<b>Noncurrent assets</b>					
<b>Long-term assets</b>					
Marketable securities and financial investments	6	-	-	-	655
Derivative financial instruments	4.3 (b)	32,824	622,352	32,824	638,400
Trade receivables	7	12,827	16,787	12,827	88,321
Taxes recoverable	10	54,202	63,803	54,317	138,466
Income tax and social contribution recoverable	23.3	20,494	20,494	20,528	34,929
Judicial deposits	21	39,344	46,360	45,404	76,353
Deferred income tax and social contribution	23.1	-	-	17,389	138,431
Related parties	24.1	23,129	713,635	17	-
Other credits		3,356	11,212	3,375	82,391
		<b>186,176</b>	<b>1,494,643</b>	<b>186,681</b>	<b>1,197,946</b>
Investments	11	54,307	2,542,201	-	6,716
Property and equipment	12	1,486,043	1,466,272	1,563,638	9,615,005
Intangible assets	13	257,958	255,519	259,825	537,735
		<b>1,984,484</b>	<b>5,758,635</b>	<b>2,010,144</b>	<b>11,357,402</b>
<b>Total assets</b>		<b>4,143,163</b>	<b>7,952,741</b>	<b>4,186,746</b>	<b>20,268,234</b>



**JSL S.A.**  
**Statements of financial position**  
**As at September 30, 2020 and December 31, 2019**  
**In thousands of Brazilian reais**

Liabilities	Note	Parent Company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
<b>Current liabilities</b>					
Trade payables	14	112,625	71,765	114,669	1,691,713
Floor plan		-	-	-	106,735
Suppliers financing - car makers	15	2,188	-	2,188	12,051
Loans and borrowings	16	38,246	247,139	38,246	1,171,988
Debentures	17	78,266	505,025	78,266	694,901
Leases payable	18	30,986	54,547	30,986	140,850
Right-of-use leases	19	27,405	25,041	34,903	113,869
Assignment of receivables		-	-	-	6,043
Social and labor liabilities	20	153,988	124,853	157,929	231,374
Income tax and social contribution payable	23.3	-	-	196	3,094
Tax liabilities		31,292	39,107	33,160	83,162
Dividends and interest on capital payable		-	45,118	-	70,587
Advances from customers		10,266	6,923	10,285	175,700
Related parties	24.1	-	-	-	3,056
Other payables		86,879	34,245	85,846	173,845
		<b>572,141</b>	<b>1,153,763</b>	<b>586,674</b>	<b>4,678,968</b>
<b>Noncurrent liabilities</b>					
Loans and borrowings	16	976,502	3,206,945	976,502	7,050,051
Debentures	17	1,170,598	1,740,531	1,170,598	4,676,855
Leases payable	18	50,167	61,851	50,167	260,762
Right-of-use leases	19	166,354	130,636	194,800	403,831
Assignment of receivables		-	-	-	12,085
Tax liabilities		841	841	841	1,095
Provision for judicial and administrative litigation	21	37,430	47,859	38,033	67,829
Deferred income tax and social contribution	23.1	14,264	151,401	14,264	574,120
Payables for the acquisition of companies	22	78,609	84,249	78,609	84,249
Other payables		6,452	27,620	6,453	78,426
		<b>2,501,217</b>	<b>5,451,933</b>	<b>2,530,267</b>	<b>13,209,303</b>
<b>Total liabilities</b>		<b>3,073,358</b>	<b>6,605,696</b>	<b>3,116,941</b>	<b>17,888,271</b>
<b>Equity</b>					
Share capital	25.1	769,697	695,069	769,697	695,069
Capital reserves	25.2	40	50,951	40	50,951
Treasury shares	25.3	(40,701)	(460)	(40,701)	(460)
Earnings reserves		211,542	159,121	211,542	159,121
Retained earnings for the period		128,222	-	128,222	-
Other comprehensive income		-	158,635	-	158,635
Other equity adjustments related to subsidiaries		1,005	(3,031)	1,005	(3,031)
Equity valuation adjustments		-	286,760	-	286,760
<b>Equity attributable to the owners of the Company</b>		<b>1,069,805</b>	<b>1,347,045</b>	<b>1,069,805</b>	<b>1,347,045</b>
Non-controlling interests		-	-	-	1,032,918
<b>Total equity</b>		<b>1,069,805</b>	<b>1,347,045</b>	<b>1,069,805</b>	<b>2,379,963</b>
<b>Total liabilities and equity</b>		<b>4,143,163</b>	<b>7,952,741</b>	<b>4,186,746</b>	<b>20,268,234</b>

In thousands of Brazilian reais, except for earnings per share

[illegible]

**JSL S.A.****Statements of comprehensive income****For the three and nine-month periods ended September 30, 2020 and 2019****In thousands of Brazilian reais**

	Parent Company				Consolidated			
	07/01 to 09/30/2020	07/01 to 09/30/2019	07/01 to 09/30/2020	01/01 to 09/30/2019	07/01 to 09/30/2020	07/01 to 09/30/2019	07/01 to 09/30/2020	01/01 to 09/30/2019
<b>Profit for the period</b>	<b>29,620</b>	<b>39,326</b>	<b>150,084</b>	<b>146,029</b>	<b>30,521</b>	<b>66,071</b>	<b>100,818</b>	<b>197,991</b>
<b>Items that are or may be subsequently reclassified to profit or loss:</b>								
Gains on cash flow hedge in subsidiaries	(7,243)	-	-	-	(7,243)	-	-	-
Income tax and social contribution on cash flow hedge	2,463	-	-	-	2,463	-	-	-
	<b>(4,780)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,780)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash flow hedge gains (losses) reclassified to profit or loss	(84,294)	-	(84,294)	-	(84,294)	-	(84,294)	-
Income tax and social contribution on cash flow hedge (Note 23.1)	28,660	-	28,660	-	28,660	-	28,660	-
<b>Total other comprehensive income (loss)</b>	<b>(60,414)</b>	<b>-</b>	<b>(55,634)</b>	<b>-</b>	<b>(60,414)</b>	<b>-</b>	<b>(55,634)</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>	<b>(30,794)</b>	<b>39,326</b>	<b>94,450</b>	<b>146,029</b>	<b>(29,893)</b>	<b>66,071</b>	<b>45,184</b>	<b>197,991</b>
<b>Continuing</b>								
operations	<b>17,419</b>	<b>6,215</b>	<b>10,472</b>	<b>13,378</b>	<b>17,419</b>	<b>6,215</b>	<b>10,472</b>	<b>13,378</b>
Discontinued	<b>(48,213)</b>	<b>33,111</b>	<b>83,978</b>	<b>132,651</b>	<b>(47,312)</b>	<b>59,856</b>	<b>34,712</b>	<b>184,613</b>
	<b>(30,794)</b>	<b>39,326</b>	<b>94,450</b>	<b>146,029</b>	<b>(29,893)</b>	<b>66,071</b>	<b>45,184</b>	<b>197,991</b>
<b>Attributable to:</b>								
Owners of the Company	(30,794)	39,326	94,450	146,029	(30,794)	39,326	94,450	146,029
Non-controlling interests	-	-	-	-	901	26,745	(49,266)	51,962

**JSL S.A.**  
**Statements of changes in equity**  
**For the nine-month periods ended September 30, 2020 and 2019**  
**In thousands of Brazilian reais**

	Capital reserves				Earnings reserves					Other comprehensive income (loss)								
	Share capital	Share-based payment transactions	Investment grant reserve	Treasury shares	Retention of earnings	Investment grant reserve	Investment reserve	Legal reserve	Retained earnings	Hedge reserve	Unrealized gains (losses) on available-for-sale investments	Total other comprehensive income (loss)	Other equity adjustments related to subsidiaries	Equity valuation adjustments	Total equity of owners of the Company	Non-controlling interests	Total equity	
Balances at December 31, 2018	681,202	22,858	10,873	(103,925)	15,192	-	-	2,649	-	27,418	(35,691)	(8,273)	-	132,569	753,145	495,354	1,248,499	
Profit for the period	-	-	-	-	-	-	-	-	146,029	-	-	-	-	-	146,029	51,962	197,991	
Other comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	-	-	122,459	55,201	177,660	-	-	177,660	-	177,660	
Total comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	-	146,029	122,459	55,201	177,660	-	-	323,689	51,962	375,651	
Share-based payment (note 25.2 (a))	-	1,256	-	-	-	-	-	-	-	-	-	-	-	-	1,256	-	1,256	
Losses on equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	203,128	203,128	(24,648)	178,480	
Investment grants	-	-	25,772	-	-	-	-	-	(25,772)	-	-	-	-	-	-	-	-	
Dividends and interest on capital for distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,405)	(30,405)	
Capital contribution	13,060	-	-	-	-	-	-	-	-	-	-	-	-	-	13,060	519,800	532,860	
Repurchase of shares	-	-	-	(3,731)	-	-	-	-	-	-	-	-	-	-	(3,731)	(3,039)	(6,770)	
Cancellation of shares	-	-	-	82,685	-	-	-	-	-	-	-	-	-	(82,685)	-	-	-	
Balances at September 30, 2019	694,262	24,114	36,645	(24,971)	15,192	-	-	2,649	120,257	149,877	19,510	169,387	-	253,012	1,290,547	1,009,024	2,299,571	
Balances at December 31, 2019	695,069	19,387	31,564	(460)	15,192	-	129,985	13,944	-	135,527	23,108	158,635	(3,031)	286,760	1,347,045	1,032,918	2,379,963	
Profit (loss) for the period	-	-	-	-	-	-	-	-	150,084	-	-	-	-	-	150,084	(49,265)	100,819	
Other comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	-	-	(145,695)	-	(145,695)	-	-	(145,695)	-	(145,695)	
Total comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	-	150,084	(145,695)	-	(145,695)	-	-	4,389	(49,265)	(44,876)	
Transfer to earnings reserves (note 25.4 (d))	-	-	(31,564)	-	-	31,564	-	-	-	-	-	-	-	-	-	-	-	
Share-based payments (Note 25.2 (a))	-	876	-	-	-	-	-	-	-	-	-	-	-	-	876	-	876	
Repurchase of shares (note 25.3)	-	-	-	(40,241)	-	-	-	-	-	-	-	-	-	-	(40,241)	-	(40,241)	
Gain on equity interests in subsidiaries, net of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	90,061	90,061	-	90,061	
Investment grants (note 25.4 (d))	-	-	-	-	-	20,857	-	-	(21,862)	-	-	-	1,005	-	-	-	-	
Net assets spun off due to corporate restructuring (Note 1.1.1(a))	(611,728)	(20,223)	-	-	-	-	-	-	-	10,168	(23,108)	(12,940)	3,031	(376,821)	(1,018,681)	-	(1,018,681)	
Capital contribution (Note 25.1)	11,580	-	-	-	-	-	-	-	-	-	-	-	-	-	11,580	-	11,580	
Capital increase through IPO (Note 25.1)	674,776	-	-	-	-	-	-	-	-	-	-	-	-	-	674,776	-	674,776	
Non-controlling interests write-off due to corporate restructuring (note 1.1.1 (a))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(983,653)	(983,653)	
Balances at September 30, 2020	769,697	40	-	(40,701)	15,192	52,421	129,985	13,944	128,222	-	-	-	1,005	-	1,069,805	-	1,069,805	

**JSL S.A.**  
**Statements of cash flows - indirect method**  
**For the nine-month periods ended September 30, 2020 and 2019**  
**In thousands of Brazilian reais**

		Parent Company		Consolidated	
	Note	09/30/2020	09/30/2019	09/30/2020	09/30/2019
<b>Cash flows from operating activities</b>					
Profit before income tax and social contribution of continuing and discontinued operation		146,683	120,867	95,143	278,190
<b>Adjustments to:</b>					
Equity results from subsidiaries	11,1	(65,931)	(246,733)	-	1,635
Depreciation and amortization	11,1,12e13	165,526	168,307	685,148	642,895
Cost of sales of decommissioned assets	9	139,069	149,655	1,783,596	1,869,725
Provision (reversal of) for losses, write-off of other assets and extemporaneous tax credits		3,601	(88)	60,852	71,934
Share-based payment	25,2(a)	876	1,256	876	1,256
Losses (gains) on fair value of derivative financial instruments	29	(563,915)	(133,718)	(549,988)	(325,506)
Exchange variation with borrowings and financing	16	532,674	131,315	1,335,851	321,879
Interest and monetary variations on loans and borrowings, leases payable, debentures and suppliers financing - car makers	29	301,750	364,789	648,043	756,661
		<b>660,333</b>	<b>555,650</b>	<b>4,059,521</b>	<b>3,618,669</b>
<b>Changes in operating net working capital</b>					
Trade receivables		(41,473)	(122,442)	(15,958)	(393,814)
Inventories		(19,131)	2,629	36,507	42,160
Trade payables and floor plan		19,665	(3,826)	668,069	12,983
Labor and tax liabilities, and taxes recoverable		46,520	(955)	82,809	30,345
Other current and noncurrent assets and liabilities		182,731	(46,853)	(218,069)	(24,997)
		<b>188,312</b>	<b>(171,447)</b>	<b>553,358</b>	<b>(333,323)</b>
Income tax and social contribution paid and withheld		(166,735)	(19,983)	(206,182)	(80,970)
Interest paid on loans and borrowings, leases payable, debentures and suppliers financing - car makers		(472,578)	(406,541)	(943,566)	(845,980)
Acquisition of operational property and equipment for leasing (Investments in) redemptions of marketable securities and financial investments	31	(234,272)	(200,397)	(3,258,982)	(3,293,252)
		<b>(452,084)</b>	<b>142,516</b>	<b>(1,884,797)</b>	<b>(1,329,024)</b>
<b>Net cash (used in) generated by operating activities</b>		<b>(477,024)</b>	<b>(100,202)</b>	<b>(1,680,648)</b>	<b>(2,263,880)</b>
<b>Cash flows from investing activities</b>					
Capital contribution in subsidiaries	11,1	-	(59,164)	-	(7,632)
Acquisition of property and equipment and intangible assets		(25,987)	(22,071)	(102,794)	(105,209)
Dividends and interest on capital received		12,642	51,395	-	-
Net cash from split		(87,280)	-	35,558	-
<b>Net cash used in investing activities</b>		<b>(100,625)</b>	<b>(29,840)</b>	<b>(67,236)</b>	<b>(112,841)</b>
<b>Cash flows from financing activities</b>					
Treasury shares acquired		(40,241)	-	(40,241)	(6,770)
Payment for the acquisition of companies		(4,026)	(193)	(4,026)	(60,206)
Payment for assignment of receivables		-	-	-	(4,532)
New loans, borrowings and debentures		2,974,138	917,539	4,678,045	4,365,149
Payment of loans and borrowings, leases payable, debentures and suppliers financing - car makers		(3,795,274)	(1,293,778)	(4,780,561)	(2,821,018)
Derivative financial instruments received		754,268	49,156	754,268	224,450
Dividends and interest on capital paid		(45,118)	(27,541)	(55,413)	(39,834)
Capital increase		11,390	13,060	11,390	13,060
Capital increase through share subscription, net		674,966	289,324	674,966	802,875
<b>Net cash (used in) generated by financing activities</b>		<b>530,103</b>	<b>(52,433)</b>	<b>1,238,428</b>	<b>2,473,174</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(47,546)</b>	<b>(182,475)</b>	<b>(509,456)</b>	<b>96,453</b>
<b>Cash and cash equivalents</b>					
At the beginning of the period		125,353	277,290	591,815	690,324
At the end of the period		77,807	94,815	82,359	786,777
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(47,546)</b>	<b>(182,475)</b>	<b>(509,456)</b>	<b>96,453</b>
<b>Balance variation, without affecting cash</b>					
Raising of leases payable and Finame for the acquisition of property and equipment		(2,263)	(83,775)	(710,539)	(255,230)
Change in the balance of trade payables and suppliers financing – car makers		(21,195)	-	1,462,706	-
Additions to right-of-use leases	12	(130,800)	-	(194,686)	-
Initial adoption CPC 06 (R2)/IFRS 16 - Leases		-	(195,461)	-	(625,090)

(1) The statement of cash flows include both continuing and discontinued operations.



**JSL S.A.****Statements of value added****For the nine-month periods ended September 30, 2020 and 2019****In thousands of Brazilian reais**

	<b>Note</b>	<b>Parent Company</b>		<b>Consolidated</b>	
		<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
Sales, lease, services rendered and sale of decommissioned assets	27	2,320,994	2,671,901	2,400,997	2,766,851
(Provision) reversal of expected credit losses ("impairment") of trade receivables	28	(6,334)	5,000	(7,557)	4,849
Other operating income	28	76,470	15,605	72,317	14,802
		<b>2,391,130</b>	<b>2,692,506</b>	<b>2,465,757</b>	<b>2,786,502</b>
<b>Inputs acquired from third parties</b>					
Cost of sales and services rendered		(1,050,615)	(1,290,587)	(1,097,979)	(1,355,212)
Materials, electric power, services provided by third parties and others		(45,689)	(40,274)	(46,828)	(42,161)
		<b>(1,096,304)</b>	<b>(1,330,861)</b>	<b>(1,144,807)</b>	<b>(1,397,373)</b>
		<b>1,294,826</b>	<b>1,361,645</b>	<b>1,320,950</b>	<b>1,389,129</b>
<b>Gross value added</b>					
<b>Retentions</b>					
Depreciation and amortization	28	(166,225)	(167,497)	(170,860)	(171,242)
<b>Net value added produced</b>		<b>1,128,601</b>	<b>1,194,148</b>	<b>1,150,090</b>	<b>1,217,887</b>
<b>Value added received through transfer</b>					
Equity results from subsidiaries	11.1	(5,077)	(1,490)	-	-
Finance income	29	28,458	46,379	28,112	47,627
		<b>23,381</b>	<b>44,889</b>	<b>28,112</b>	<b>47,627</b>
<b>Total value added to distribute</b>		<b>1,151,982</b>	<b>1,239,037</b>	<b>1,178,202</b>	<b>1,265,514</b>
<b>Distribution of value added</b>					
Personnel and payroll taxes	28	583,400	650,413	596,504	663,276
Federal taxes		222,266	119,303	223,252	122,827
State taxes		114,626	129,152	119,848	134,345
Municipal taxes		38,380	46,546	40,208	48,105
Interest and bank fees	29	163,826	260,041	167,601	262,271
Leases	28	19,012	20,204	20,317	21,312
Retained earnings for the period		10,472	13,378	10,472	13,378
		<b>1,151,982</b>	<b>1,239,037</b>	<b>1,178,202</b>	<b>1,265,514</b>

## **1. Reporting entity**

JSL S.A. ("Company" or "Parent Company") is a publicly-traded corporation with its headquarters at Renato Paes de Barros Street 1.017, 9th floor - Itaim Bibi - São Paulo, and has its shares traded on B3 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.

On August 5, 2020, at an extraordinary general meeting, the corporate restructuring of JSL and its subsidiaries was approved, separating from JSL S.A. the assets not related to the logistics operations, including investments in subsidiaries and liabilities, which were transferred to Simpar S.A., which became the Group's holding company.

As a result, JSL S.A. and its subsidiaries ("JSL") are now focused on logistics services, referred to as 'JSL Logística', 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.

The Company also has activities classified as treasury, which refers to financial operations, such as the issuance of debentures with the objective of fostering its economic and financial development. These activities are allocated as Treasury, per note 3.

### **1.1 Changes in equity interests**

#### **1.1.1 Movement in the nine-month period ended September 30, 2020**

##### **a) Corporate restructuring**

On August 5, 2020, at an extraordinary general meeting, the JSL corporate restructuring, announced on April 1, 2020, was approved and disclosed through a material fact.

The restructuring consisted of the migration of the entire shareholder base of the Company to Simpar S.A. ("Simpar"), Company's direct controlling shareholder, which became a company listed on the New Market, a special segment of B3. As a result, Simpar became the holding company of the then JSL Group, now called the Simpar Group, with shares traded on the stock market in replacement of the Company.

On the same date, also as part of the restructuring, and at the Company's extraordinary general meeting, its spin-off was approved, where net assets include the total balances of investments in equity interests in subsidiaries Vamos of R\$ 581,649, Movida Participações of R\$ 1,207,528, BBC Consórcios of R\$ 135, CS Brasil Participações of R\$ 414,183, Mogipasses of R\$ 9,017, Mogi Mob of R\$ 17,658, TPG Transporte of R\$ 10,395, Avante Veículos of R\$ 20,680, JSL Corretora of R\$ 9,427, Original Veículos R\$ 106,123, Ponto Veículos of R\$ 40,334, JSL Holding of R\$ 94,110, BBC Pagamentos of R\$ 4,759, JSL Empreendimentos of R\$ 2,385, JSL Europe of R\$ 36,028, goodwill of R\$ 6,481, provisions for investment losses in JSL Finance of R\$ 32,607, Original Distribuidora of R\$ 203 and certain debts and other assets and liabilities, incorporated by Simpar, in order to concentrate the group's holding activity in Simpar, and to focus the Company and its remaining subsidiaries on logistics operations. The net assets for purposes of the spin-off were appraised by a specialized company on June 30, 2020, resulting in the following movement:

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

	09/30/2020		
	<b>JSL S.A. Parent Company</b>	<b>Spun-off assets</b>	<b>JSL after spin-off</b>
Cash and cash equivalents	393,331	87,280	306,051
Marketable securities and financial investments	2,128,965	1,154,195	974,770
Trade receivables	613,147	-	613,147
Other current assets	645,903	54,353	591,550
<b>Total current assets</b>	<b>3,781,346</b>	<b>1,295,828</b>	<b>2,485,518</b>
Investments	2,588,483	2,534,320	54,163
Property and equipment	1,562,194	75,293	1,486,901
Intangible assets	258,047	-	258,047
Other noncurrent assets	556,877	376,902	179,975
<b>Total noncurrent assets</b>	<b>4,965,601</b>	<b>2,986,515</b>	<b>1,979,086</b>
<b>Total assets</b>	<b>8,746,947</b>	<b>4,282,343</b>	<b>4,464,604</b>
Trade payables	99,205	-	99,205
Loans and borrowings	203,790	84,735	119,055
Debentures	365,987	51,896	314,091
Leases payable	38,947	-	38,947
Right-of-use lease	26,480	-	26,480
Other current liabilities	249,761	9,293	240,468
<b>Total current liabilities</b>	<b>984,170</b>	<b>145,924</b>	<b>838,246</b>
Loans and borrowings	4,162,360	2,522,182	1,640,178
Debentures	1,743,367	571,262	1,172,105
Leases payable	54,345	-	54,345
Right-of-use lease	162,297	-	162,297
Other noncurrent liabilities	237,924	24,294	213,630
<b>Total noncurrent liabilities</b>	<b>6,360,293</b>	<b>3,117,738</b>	<b>3,242,555</b>
<b>Total liabilities</b>	<b>7,344,463</b>	<b>3,263,662</b>	<b>4,080,801</b>
<b>Net assets</b>	<b>1,402,484</b>	<b>1,018,681</b>	<b>383,803</b>

During the process, the transfer to Simpar of certain debts and debentures obtained by JSL S.A. was negotiated with banks and creditors to encourage and support the growth of subsidiaries from operations not related to logistics. Debentures, although obtained for the same purpose, were not transferred, since they were not approved by the creditors. These debentures were defined as part of JSL's treasury operations, as explained in Note 3.

**b) Restricted offering of shares**

According to a material fact disclosed to the market, on September 9, 2020, the Company concluded an initial public offering of common shares of its issue, with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offering"), after the conclusion of the corporate restructuring mentioned in note 1.1.1 (a), when it became a wholly owned subsidiary of Simpar.

The offering consisted of the primary public distribution of 72,255,762 new shares issued by the Company, subscribed and paid-up for R\$ 9.60 and, on September 10, 2020, the shares of JSL S.A. started to be traded on B3 under the ticker JSLG11, amended on November 11, 2020 to JSLG3..

The total offer capitalized R\$ 674,966, net of the offering costs net of income tax and social contribution were R\$ 18,689, deducted directly from the Share capital account.

**c) Company acquisitions****(i) Fadel Holding Ltda. ("Fadel")**

On August 3, 2020, a purchase and sale agreement was entered into to acquire Fadel.

Fadel operates in the beverage, food and consumer goods sectors and started activities in e-commerce, with a fleet of more than 1,600 of its own operating assets (including trucks, truck cabs, freight trucks and light commercial vehicles) and has 25 branches in Brazil and 4 units in Paraguay.

The Company acquired 75% of the shares issued by Fadel for the price of R\$ 159,375, half of which to be paid in cash and the other half in 6 months' time. That price may be increased by R\$ 13,700 if Fadel

achieves certain goals in 2020. The Company will have the right to make the acquisition as from the 3rd year, and Fadel's current partner will have the right to sell the remaining stake in Fadel's capital to the Company as from the 5th year, for a price to be determined according to the agreement.

At the discretion of the Company, the purchase price of the remaining portion may be paid in cash or in shares issued by the Company, using the market value of JSL's shares as a reference.

On September 29, 2020, pursuant to the material fact disclosed to the market, the General Superintendence of the Administrative Council for Economic Defense ("CADE") approved, without restrictions, under the Antitrust Case 08700.003915/2020-43, the Company's acquisition of 75% of the shares issued by Fadel. The decision of CADE is final and unappealable.

Until the approval of this interim financial information, the process was in compliance with certain conditions precedent for the closing and definitive transfer of equity interests and control of the respective companies.

**(ii) TransMoreno Transporte e Logística Ltda.**

On October 30, 2020, as disclosed in a material fact and mentioned in Note 32.1, with the approval of the Administrative Council for Economic Defense (CADE), a transaction closing agreement was signed and concluded the acquisition of Moreno Holding Ltda., Parent company of TransMoreno Transporte e Logística Ltda. (Jointly "TransMoreno")

The Company acquired 100% of TransMoreno's equity interest for the price of R\$ 310,000, R\$ 111,318 of which paid in cash and in October, 30 2020 and the remaining balance in semiannual installments for 5 years. This price may be increased by R\$ 10,000 if TransMoreno achieves certain targets regarding changes in net working capital up to the end of 2024.

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**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	09/30/2020		12/31/2019	
		Direct %	Indirect %	Direct %	Indirect %
Agrolog Transportadora de Cargas em Geral Ltda. ("Agrolog Transportadoras") (i)	Brazil	99.80	0.20	99.80	0.20
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
Riograndense Navegação Ltda. ("Riograndense") (i)	Brazil	0.00	0.01	99.99	0.01
Sinal Serviços de Integração Industrial Ltda. ("Sinal Serviços") (i)	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
Movida Participações S.A. ("Movida Participações") (ii)	Brazil	-	-	55.11	-
Movida Locação de Veículos Premium Ltda. ("Movida Premium") (ii)	Brazil	-	-	-	55.11
Movida Locação de Veículos S.A. ("Movida Locação") (ii)	Brazil	-	-	-	55.11
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos") (ii)	Brazil	-	-	99.99	0.01
Vamos Máquinas S.A. ("Vamos Máquinas") (ii)	Brazil	-	-	-	100.00
Vamos Seminovos S.A. ("Vamos Seminovos") (ii)	Brazil	-	-	-	100.00
Vamos Comércio de Máquinas Linha Amarela Ltda. ("Vamos Linha Amarela") (ii)	Brazil	-	-	-	100.00
Borgato Serviços Agrícolas S.A. ("Borgato Serviços") (ii)	Brazil	-	-	-	100.00
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda. ("Transrio") (ii)	Brazil	-	-	-	100.00
CS Brasil Participações e Locações S.A.. ("CS Brasil Participações") (ii)	Brazil	-	-	99.99	0.01
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. ("CS Brasil Transportes") (ii)	Brazil	-	-	-	100.00
CS Brasil Frotas Ltda. ("CS Brasil Frotas") (ii)	Brazil	-	-	-	100.00
BRT Sorocaba Concessionárias (ii)	Brazil	-	-	-	49.25
Consórcio Sorocaba (ii)	Brazil	-	-	-	50.00
Mogipasses Comércio de Bilhetes Eletrônicos Ltda. ("Mogipasses") (ii)	Brazil	-	-	99.99	0.01
Mogi Mob Transporte de Passageiros Ltda. ("Mogi Mob") (ii)	Brazil	-	-	99.99	0.01
TPG Transporte de Passageiros Ltda. ("TPG Transporte") (ii)	Brazil	-	-	99.99	0.01
Avante Veículos Ltda. ("Avante Veículos") (ii)	Brazil	-	-	99.99	0.01
JSL Corretora e Administradora de Seguros Ltda. ("JSL Corretora") (ii)	Brazil	-	-	99.99	0.01
Original Distribuidora de Peças e Acessórios Ltda. ("Original Distribuidora") (ii)	Brazil	-	-	99.99	0.01
Original Veículos Ltda. ("Original Veículos") (ii)	Brazil	-	-	99.99	0.01
Ponto Veículos Ltda. ("Ponto Veículos") (ii)	Brazil	-	-	99.99	0.01
JSL Arrendamento Mercantil S.A. ("JSL Arrendamento") (ii)	Brazil	-	-	-	100.00
JSL Holding Financeira Ltda. ("JSL Holding") (ii)	Brazil	-	-	100.00	-
BBC Pagamentos Ltda. ("BBC Pagamentos") (ii)	Brazil	-	-	99.99	0.01
JSL Empreendimentos Imobiliários Ltda. ("JSL Empreendimentos") (ii)	Brazil	-	-	99.99	0.01
JSL Europe (ii)	Luxembourg	-	-	100.00	-
JSL Finance S.a.r.l. ("JSL Finance") (ii)	Luxembourg	-	-	100.00	-

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

(ii) As mentioned in note 1.1.1 (a), on August 5, 2020 the corporate restructuring of JSL and its subsidiaries was approved, separating from JSL S.A. the assets not related to logistics operations, including investments in subsidiaries and liabilities. As a result, these investments were transferred to Simpar S.A., which became JSL's holding company.

**1.3 Discontinued operation**

As mentioned in note 1.1.1 (a), on August 5, 2020, the shareholders approved the partial spin-off from the Company of the net assets of R\$ 1,018,681, part of which as a capital reduction in the amount of R\$ 611,728 .

Consequently, the results related to investments in Vamos, Movida Participações, CS Brasil Participações, Mogipasses, Mogi Mob, TPG Transporte, Avante Veículos, JSL Corretora, Original Distribuidora, Original Veículos, Ponto Veículos, JSL Holding, BBC Pagamentos, JSL Empreendimentos, JSL Europe and JSL Finance, certain debts and other assets and liabilities part of the split-off assets were reclassified to "discontinued operations". The result of these discontinued operations of these companies is shown in a single account in the statements of profit or loss and of comprehensive income, in the Parent Company and Consolidated.



**a) Profit (loss) from discontinued operations**

The Company reported the following results with the consolidated discontinued operations related to operations not related to logistics:

<b>Net revenue from sale, lease, services rendered and sale of decommissioned assets</b>	<b>3,925,599</b>	<b>4,735,188</b>
( - ) Cost of sales, leases and services rendered	(1,434,125)	(1,798,110)
Cost of sales of decommissioned assets	(1,571,263)	(1,760,208)
<b>Total cost of services rendered and sale of decommissioned assets</b>	<b>(3,005,388)</b>	<b>(3,558,318)</b>
<b>Gross profit</b>	<b>920,211</b>	<b>1,176,870</b>
Selling expenses	(167,044)	(171,293)
Administrative expenses	(229,939)	(363,906)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	(72,011)	(25,158)
Provision for impairment of non-financial assets	(198,699)	-
Other operating income (expenses), net	(27,680)	25,708
Equity results from subsidiaries	(967)	(1,632)
<b>Profit before finance income, costs and taxes</b>	<b>223,871</b>	<b>640,589</b>
Finance income	780,427	223,177
Finance costs	(796,380)	(592,089)
<b>Profit before income tax and social contribution</b>	<b>207,918</b>	<b>271,677</b>
Income tax and social contribution - current	(112,745)	(115,125)
Income tax and social contribution - deferred	(4,827)	28,061
<b>Total income tax and social contribution</b>	<b>(117,572)</b>	<b>(87,064)</b>
<b>Profit for the period from discontinued operations</b>	<b>90,346</b>	<b>184,613</b>

**a) Cash flow from discontinued operations**

	<b>31/09/2020</b>	<b>31/09/2019</b>
Net cash used in operating activities	(1,290,637)	(2,274,143)
Net cash used in financing activities	(201,276)	(86,832)
Net cash generated by financing activities	1,389,115	2,544,190
<b>Net cash (used in) generated by discontinued operations</b>	<b>(102,798)</b>	<b>183,215</b>

**b) Accounting policy**

A discontinued operation is a component of a JSL business, the operations and cash flows of which can be clearly distinguished from the rest of JSL and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and of comprehensive income are restated as if the operation had been discontinued from the beginning of the comparative period.

**1.4 Situation due to COVID-19**

On January 30, 2020, the World Health Organization (WHO) declared a global state of emergency due to the spread of COVID-19. On March 11, 2020, it declared COVID-19 as a pandemic outbreak. From March 2020 to September 30, 2020, government authorities in various jurisdictions imposed confinement or other restrictions to contain the virus, causing the suspension or reduction of business activities in various sectors of the economy. The final impact on the global economy and financial markets is expected to be a decrease in the Gross Domestic Products - GDP in most countries, and in Brazil a decrease of 4.81% in its GDP, according to the Central Bank of Brazil's Focus bulletin of October 23, 2020.

In Brazil, the main market in which the JSL operates, the restriction measures included the closing of part of the trade and services considered as non-essential.

JSL's Management created a multidisciplinary crisis management committee specific to deal with the COVID-19 issue, and through this committee the evolution of the crisis is monitored on a daily basis, applying actions in line with WHO guidelines highlighting the following aspects:

**a. Care for employees**

Adoption of work on a home office basis for part of employees, including people over 60 years old and others that are considered as a risk group, flexible entry and exit times to avoid agglomeration of employees during their circulation in the offices of the companies of JSL; adaptation of physical facilities to ensure bigger spacing between people and facilitate their circulation; availability of vehicles for employees who use public transport; collective vacations and use of the hour bank; and the introduction of massive cleaning, sterilization and physical sanitation routines for furniture and building premises.

A plan for the gradual return of employees to their bases was established, preserving those considered as a risk group.

In addition, to ensure the security of information in the JSL's systems and network environment, given the adoption of home office, a group was created to assess the risks of unauthorized accesses and data collection, and thus define and implement actions to mitigate them.

**b. Support to communities**

Provision of its structure and operations in support of the communities where the Company is present, mainly by donating essential and basic products to families, logistics services for circulation and delivery of donations received from government institutions.

Additionally, JSL continues with its initiatives and projects linked to socio-environmental programs.

**c. Economic and financial impacts**

Most of the JSL's activities are considered essential, which, therefore, are kept operating, such as road freight transport, urban distribution, outsourcing of fleets of light and heavy vehicles used in the provision of essential services with drivers. Therefore, these activities kept their operations in full service.

JSL has a solid financial condition sufficient to overcome the crisis and already presents recovery of its revenues at pre-crisis levels.

**(i) The economic and financial situation**

- Positive current liquidity, that is, current assets greater than current liabilities of 3.7 times in Parent Company and 3.47 times in Consolidated, and a positive quick ratio, that is, cash balance, cash equivalents, marketable securities e financial investments greater than current liabilities by 1.7 times in Parent Company and 1.7 times in Consolidated.
- Most of the services provided are supported by long-term agreements, ensuring 48% of its revenue.
- Implementation of cost reduction programs to adapt the cost structure according to changes in revenue and its cash generation.

**(ii) Impairment testing of financial assets**

JSL reviewed its financial assets, including trade receivables, to assess the need to set up additional impairment provisions. This testing was conducted considering the credit risk and current default situation known to date. For financial assets held with financial institutions, mark-to-market was made and the impacts were recognized in profit or loss.

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020****In thousands of Brazilian reais, unless otherwise stated**

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**(iii) Impairment testing of non-financial assets**

In prior quarters, an analysis of its non-financial assets was performed, which are concentrated in inventories, assets held for sale, property and equipment and intangible assets.

As a result, no provision for any of the related assets was identified.

Management updated its analysis and believes that, as at September 30, 2020, there is no evidence of impairment of the assets of JSL.

**(iv) Analysis of recovery of deferred income tax and social contribution**

JSL has updated its deferred income tax and social contribution recovery studies, considering the possible impacts to be measured and future forecasts with the ratios known to date. Based on these analyses, it was not necessary to derecognize or record provisions on the balances recorded at September 30, 2020.

**(v) Concessions announced by municipal, state and federal governments**

Municipal, state and federal governments have announced several measures to combat the negative impacts of COVID-19. Principally, the Federal Government issued provisional measures, decrees and laws granting discounts and extensions of payments of taxes and social contributions. JSL partially adhered to these programs, so it is paying part of these taxes as usual and part of some contributions will be paid according to the special schedule established by the Federal Government. All related accounting effects are properly reflected in the interim financial information as taxes payable and respective expenses in the results for the nine-month period ended September 30, 2020.

**(vi) Analysis of benefits in right-of-use leases - CPC 6 (R2) / IFRS 16 Leases**

As a result of the crisis, JSL negotiated discounts on its lease agreements, in the amount of R\$ 3,300 in Parent Company and Consolidated, in addition to certain maturity extensions.

Pursuant to resolution 859 issued by the Brazilian Securities and Exchange Commission and with the Revision of Technical Pronouncement 16/2020, issued by the Brazilian Accounting Pronouncements Committee, Management evaluated these concessions and elected to adopt the practical expedient and not treat these benefits as modification of the respective lease agreements.

The discounts obtained were recognized directly in profit or loss for the nine-month period ended September 30, 2020.

JSL's Management continues to constantly assess the evolution of the crisis, and also considers: (i) the stage of spread of the virus in Brazil (ii) it is a new and unprecedented event, never seen in contemporary world history; and (iii) all municipal, state and federal governments still continue to announce and test actions to combat, close and reopen trade in general, which makes it uncertain how many measures will be adopted and their extent.

Therefore, it assesses that adjustments may be necessary in the future in order to address the impacts that may occur.

**2. Basis of preparation and presentation of the individual and consolidated interim financial information.****2.1 Statement of compliance (with regard to International Financial Reporting Standards - IFRS and standards from the Accounting Pronouncements Committee - CPC)**

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

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020****In thousands of Brazilian reais, unless otherwise stated**

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The interim financial information contains selected explanatory notes that explain significant events and transactions, which allow the understanding of the changes occurred in the JSL'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, 2019, published on March 30, 2020.

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 approved and authorized by the Board of Directors on November 11, 2020.

**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 this interim financial information.

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## **2.3 Use of estimates and judgments**

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

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

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**3. Segment information**

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

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

JSL's businesses were divided into two operating segments:

- a) Logistics operations: Refers to the equity and profit or loss positions of all effects arising from the operating and financial impacts of the logistics operations. In this structural segment, we have the various specific segments of the logistics business, such as: Forestry, Cargo Transport, DC, Warehouse and Distribution, Dedicated, Automotive, Hazardous Products, Mining, Sugar-alcohol, Chartering, among others;
- b) Treasury: Refers to the impact of equity and profit or loss positions of debts and related derivatives, which remained in JSL due to the banks' non-consent to the transfer to Simpar, as in the case of Debentures of the issues: 6<sup>th</sup>, 8<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup>. The main objective of funding classified as treasury was to foster and ensure the economic and financial development of all companies and businesses of JSL S.A. and its subsidiaries. Therefore, JSL is the legal debtor of these debts. In addition, we cannot allocate cash and cash equivalents and marketable securities and financial investments directly to each segment, we are assuming the premise of 50% to each segment.

In the nine-month period ended September 30, 2020, there are two customers with revenue greater than 10%, the greatest corresponds to 12.4% of the net revenue from services, or R\$ 232,300 and the second with 11.0% of the net revenue from services, or R\$ 204,900. In 2019 there was only one customer corresponding to 15.6% of the net revenue from services, or R\$ 339,200.

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**3.1 Results per segment**

JSL's results per segment for the nine-month periods ended September 30, 2020 and 2019 is presented below:

	<b>09/30/2020</b>			<b>Consolidated 09/30/2019</b>		
	<b>Logistics</b>	<b>Treasury</b>	<b>Total</b>	<b>Logistics</b>	<b>Treasury</b>	<b>Total</b>
Gross revenue from services rendered and lease of vehicles, machinery and equipment	2,257,167	-	2,257,167	2,698,802	-	2,698,802
Gross revenue from sale of assets used in services rendered	143,830	-	143,830	111,228	-	111,228
<b>Gross revenue from services rendered, lease of vehicles, machinery and equipment and sale of decommissioned assets used in services rendered</b>	<b>2,400,997</b>	<b>-</b>	<b>2,400,997</b>	<b>2,810,030</b>	<b>-</b>	<b>2,810,030</b>
Revenue from services rendered and lease of vehicles, machinery and equipment	1,866,973	-	1,866,973	2,217,670	-	2,217,670
Revenue from sale of decommissioned assets	141,682	-	141,682	101,461	-	101,461
<b>Net revenue from sales, rentals, services rendered and sale of decommissioned assets</b>	<b>2,008,655</b>	<b>-</b>	<b>2,008,655</b>	<b>2,319,131</b>	<b>-</b>	<b>2,319,131</b>
Cost of sales, rentals and services rendered and lease of vehicles, machinery and equipment	(1,659,214)	-	(1,659,214)	(1,892,427)	-	(1,892,427)
Cost of sale of decommissioned assets	(139,744)	-	(139,744)	(109,517)	-	(109,517)
<b>Gross profit</b>	<b>209,697</b>	<b>-</b>	<b>209,697</b>	<b>317,187</b>	<b>-</b>	<b>317,187</b>
Selling expenses	(14,243)	-	(14,243)	(14,262)	-	(14,262)
Administrative expenses	(89,773)	-	(89,773)	(84,288)	-	(84,288)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	(7,557)	-	(7,557)	4,849	-	4,849
Other operating income (expenses), net	41,336	-	41,336	(2,330)	-	(2,330)
<b>Operating profit before finance income (costs) and taxes</b>	<b>139,460</b>	<b>-</b>	<b>139,460</b>	<b>221,156</b>	<b>-</b>	<b>221,156</b>
Finance income (costs), net	(82,228)	(57,261)	(139,489)	(106,910)	(107,734)	(214,644)
<b>(Loss) profit before income tax and social contribution</b>	<b>57,232</b>	<b>(57,261)</b>	<b>(29)</b>	<b>114,246</b>	<b>(107,734)</b>	<b>6,512</b>
Total income tax and social contribution	(9,176)	19,677	10,501	(31,447)	38,313	6,866
<b>Profit (loss) for the period from continuing operations</b>	<b>48,056</b>	<b>(37,584)</b>	<b>10,472</b>	<b>82,799</b>	<b>(69,421)</b>	<b>13,378</b>
Profit for the period from discontinuing operations	-	-	90,346	-	-	184,613
<b>Net profit (loss) for the period</b>	<b>48,056</b>	<b>(37,584)</b>	<b>100,818</b>	<b>82,799</b>	<b>(69,421)</b>	<b>197,991</b>

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**3.2 Statement of financial position by segment**

The statement of financial position by segment of JSL is as follows:

	09/30/2020			Consolidated 12/31/2019		
	Logistics	Treasury	Total	Logistics	Treasury	Total
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	41,179	41,180	82,359	27,312	27,311	54,623
Marketable securities and financial investments	448,459	448,458	896,917	7,491	7,490	14,981
Derivative financial instruments	2,211	10,967	13,178	-	32,233	32,233
Others	1,184,148	-	1,184,148	1,080,144	-	1,080,144
<b>Total current assets</b>	<b>1,675,997</b>	<b>500,605</b>	<b>2,176,602</b>	<b>1,114,947</b>	<b>67,034</b>	<b>1,181,981</b>
<b>Noncurrent assets</b>						
Derivative financial instruments	32,824	-	32,824	11,267	20,485	31,752
Others	153,857	-	153,857	171,083	-	171,083
<b>Total long-term assets</b>	<b>186,681</b>	<b>-</b>	<b>186,681</b>	<b>182,350</b>	<b>20,485</b>	<b>202,835</b>
Property and equipment	1,563,638	-	1,563,638	1,480,597	-	1,480,597
Intangible assets	259,825	-	259,825	260,503	-	260,503
<b>Total noncurrent assets</b>	<b>2,010,144</b>	<b>-</b>	<b>2,010,144</b>	<b>1,923,450</b>	<b>20,485</b>	<b>1,943,935</b>
<b>Total assets</b>	<b>3,686,141</b>	<b>500,605</b>	<b>4,186,746</b>	<b>3,038,397</b>	<b>87,519</b>	<b>3,125,916</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Suppliers financing - car makers	2,188	-	2,188	-	-	-
Loans and borrowings	38,246	-	38,246	184,896	-	184,896
Debentures	-	78,266	78,266	-	451,907	451,907
Leases payable	30,986	-	30,986	54,547	-	54,547
Right-of-use leases	34,903	-	34,903	35,940	-	35,940
Others	402,085	-	402,085	296,279	-	296,279
<b>Total current liabilities</b>	<b>508,408</b>	<b>78,266</b>	<b>586,674</b>	<b>571,662</b>	<b>451,907</b>	<b>1,023,569</b>
<b>Noncurrent liabilities</b>						
Loans and borrowings	976,502	-	976,502	1,337,381	-	1,337,381
Debentures	-	1,170,598	1,170,598	-	1,144,731	1,144,731
Leases payable	50,167	-	50,167	61,851	-	61,851
Right-of-use leases	194,800	-	194,800	172,272	-	172,272
Others	124,174	14,026	138,200	180,425	17,924	198,349
<b>Total noncurrent liabilities</b>	<b>1,345,643</b>	<b>1,184,624</b>	<b>2,530,267</b>	<b>1,751,929</b>	<b>1,162,655</b>	<b>2,914,584</b>
<b>Total liabilities</b>	<b>1,854,051</b>	<b>1,262,890</b>	<b>3,116,941</b>	<b>2,323,591</b>	<b>1,614,562</b>	<b>3,938,153</b>
<b>Total equity</b>	<b>1,832,090</b>	<b>(762,285)</b>	<b>1,069,805</b>	<b>714,806</b>	<b>(1,527,043)</b>	<b>(812,237)</b>
<b>Total liabilities and equity</b>	<b>3,686,141</b>	<b>500,605</b>	<b>4,186,746</b>	<b>3,038,397</b>	<b>87,519</b>	<b>3,125,916</b>

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**4. Financial instruments and risk management****4.1 Financial instruments by category**

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

	09/30/2020			Parent Company 12/31/2019			
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	Assets at fair value through other comprehensive income - FVOCI	Amortized cost	Total
Cash and cash equivalents	73,996	3,811	77,807	123,290	-	2,063	125,353
Marketable securities and financial investments	894,018	-	894,018	996,067	-	-	996,067
Derivative financial instruments	46,002	-	46,002	63,986	590,599	-	654,585
Trade receivables	-	694,290	694,290	-	-	659,829	659,829
Related parties	-	23,129	23,129	-	-	713,635	713,635
Other credits	-	42,641	42,641	-	-	45,373	45,373
	1,014,016	763,871	1,777,887	1,183,343	590,599	1,420,900	3,194,842
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	-	112,625	112,625		-	71,765	71,765
Suppliers financing - car makers	-	2,188	2,188		-	-	-
Loans and borrowings	377,945	636,803	1,014,748		-	3,454,084	3,454,084
Debentures (i)	33,349	1,215,515	1,248,864		213,811	2,031,745	2,245,556
Leases payable	-	81,153	81,153		-	116,398	116,398
Right-of-use leases	-	193,759	193,759		-	155,677	155,677
Payables for the acquisition of companies	-	78,609	78,609		-	84,249	84,249
Other payables	-	75,718	75,718		-	27,503	27,503
	411,294	2,396,370	2,807,664		213,811	5,941,421	6,155,232

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In thousands of Brazilian reais, unless otherwise stated

	09/30/2020			Consolidated 12/31/2019			
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	Assets at fair value through other comprehensive income - FVOCI	Amortized cost	Total
Cash and cash equivalents	78,447	3,912	82,359	579,063	-	12,752	591,815
Marketable securities and financial investments	896,917	-	896,917	4,464,771	717,894	-	5,182,665
Derivative financial instruments	46,002	-	46,002	63,986	606,647	-	670,633
Trade receivables	-	723,786	723,786	-	-	1,863,458	1,863,458
Related parties	-	17	17	-	-	-	-
Other credits	-	20,417	20,417	-	-	53,431	53,431
	<u>1,021,366</u>	<u>748,132</u>	<u>1,769,498</u>	<u>5,107,820</u>	<u>1,324,541</u>	<u>1,929,641</u>	<u>8,362,002</u>
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	-	114,669	114,669	-	-	1,691,713	1,691,713
Floor plan	-	-	-	-	-	106,735	106,735
Suppliers financing - car makers	-	2,188	2,188	-	-	12,051	12,051
Loans and borrowings	377,945	636,803	1,014,748	-	-	8,222,039	8,222,039
Debentures (i)	33,349	1,215,515	1,248,864	213,811	-	5,157,945	5,371,756
Leases payable	-	81,153	81,153	-	-	401,612	401,612
Right-of-use leases	-	229,703	229,703	-	-	517,700	517,700
Assignment of receivables	-	-	-	-	-	18,128	18,128
Related parties	-	-	-	-	-	3,056	3,056
Payables for the acquisition of companies	-	78,609	78,609	-	-	78,609	78,609
Other payables	-	74,738	74,738	-	-	92,298	92,298
	<u>411,294</u>	<u>2,433,378</u>	<u>2,844,672</u>		<u>213,811</u>	<u>16,301,886</u>	<u>16,515,697</u>

(i) As mentioned in Note 4.3 (b) (ii), JSL elected to designate part of the debentures at fair value through profit or loss (fair value option).

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**4.2 Fair value of financial assets and liabilities**

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

	<b>Parent Company</b>			
	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
<b>Financial assets</b>				
Cash and cash equivalents	77,807	125,353	77,807	125,353
Marketable securities and financial investments	894,018	996,067	894,018	996,067
Derivative financial instruments	46,002	654,585	46,002	654,585
Trade receivables	694,290	659,829	694,290	659,829
Related parties	23,129	713,635	23,129	713,635
Other credits	42,641	45,373	42,641	45,373
<b>Total</b>	<b>1,777,887</b>	<b>3,194,842</b>	<b>1,777,887</b>	<b>3,194,842</b>
<b>Financial liabilities</b>				
Trade payables	112,625	71,765	112,625	71,765
Suppliers financing - car makers	2,188	-	2,188	-
Loans and borrowings	1,014,748	3,454,084	1,026,464	3,485,671
Debentures	1,248,864	2,245,556	1,277,351	2,255,099
Leases payable	81,153	116,398	81,176	116,670
Right-of-use leases	193,759	155,677	193,759	155,677
Payables for the acquisition of companies	78,609	84,249	78,609	84,249
Other payables	75,718	27,503	75,718	27,503
<b>Total</b>	<b>2,807,664</b>	<b>6,155,232</b>	<b>2,847,890</b>	<b>6,196,634</b>

	<b>Consolidated</b>			
	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
<b>Financial assets</b>				
Cash and cash equivalents	82,359	591,815	82,359	591,815
Marketable securities and financial investments	896,917	5,182,665	896,917	5,182,665
Derivative financial instruments	46,002	670,633	46,002	670,633
Trade receivables	723,786	1,863,458	723,786	1,863,458
Related parties	17	-	17	-
Other credits	20,417	53,431	20,417	53,431
<b>Total</b>	<b>1,769,498</b>	<b>8,362,002</b>	<b>1,769,498</b>	<b>8,362,002</b>
<b>Financial liabilities</b>				
Trade payables	114,669	1,691,713	114,669	1,691,713
Floor plan	-	106,735	-	106,735
Suppliers financing - car makers	2,188	12,051	2,188	12,051
Loans and borrowings	1,014,748	8,222,039	1,026,464	8,229,773
Debentures	1,248,864	5,371,756	1,277,351	5,401,654
Leases payable	81,153	401,612	81,176	402,082
Right-of-use leases	229,703	517,700	229,703	517,700
Assignment of receivables	-	18,128	-	18,128
Related parties	-	3,056	-	3,056
Payables for the acquisition of companies	78,609	78,609	78,609	78,609
Other payables	74,738	92,298	74,738	92,298
<b>Total</b>	<b>2,844,672</b>	<b>16,515,697</b>	<b>2,884,898</b>	<b>16,553,799</b>

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

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

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

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

## Notes to the interim financial information for the period ended September 30, 2020

In thousands of Brazilian reais, unless otherwise stated

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

	09/30/2020			Parent Company 12/31/2019		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Assets at fair value through profit or loss</b>						
<b>Cash and cash equivalents</b>						
Bank deposit certificates ("CDB")	-	61,467	61,467	-	23,926	23,926
Financial bills	-	12,130	12,130	-	30,167	30,167
Lease bills	-	-	-	-	57,657	57,657
Units of other funds	399	-	399	11,540	-	11,540
<b>Marketable securities and financial investments</b>						
Financial Treasury Bills ("LFT")	501,608	-	501,608	593,705	-	593,705
National Treasury Bills ("LTN")	392,410	-	392,410	402,362	-	402,362
<b>Derivative financial instruments</b>						
Cash flow swap	-	46,002	46,002	-	654,585	654,585
	<b>894,417</b>	<b>119,599</b>	<b>1,014,016</b>	<b>1,007,607</b>	<b>766,335</b>	<b>1,773,942</b>
<b>Liabilities at fair value through profit or loss</b>						
Loans and borrowings	-	377,945	377,945	-	-	-
Debentures	-	33,349	33,349	-	213,811	213,811
	-	<b>411,294</b>	<b>411,294</b>	-	<b>213,811</b>	<b>213,811</b>
<b>Financial liabilities not measured at fair value</b>						
Loans and borrowings	-	636,803	636,803	-	3,454,084	3,454,084
Debentures	-	1,215,515	1,215,515	-	2,031,745	2,031,745
Leases payable	-	81,153	81,153	-	116,398	116,398
	-	<b>1,933,471</b>	<b>1,933,471</b>	-	<b>5,602,227</b>	<b>5,602,227</b>
	-	<b>2,344,765</b>	<b>2,344,765</b>	-	<b>5,816,038</b>	<b>5,816,038</b>
<b>Consolidated</b>						
	09/30/2020			12/31/2019		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Assets at fair value through profit or loss</b>						
<b>Cash and cash equivalents</b>						
Bank deposit certificates ("CDB")	-	63,513	63,513	-	374,011	374,011
Repurchase agreements	-	-	-	-	121,092	121,092
Financial bills	-	13,397	13,397	-	63,904	63,904
Units of other funds	411	-	411	17,455	-	17,455
Others	-	1,126	1,126	-	2,601	2,601
<b>Marketable securities and financial investments</b>						
Credit Linked Notes ("CLN")	-	-	-	-	1,925,460	1,925,460
Financial Treasury Bills ("LFT")	503,004	-	503,004	1,736,780	-	1,736,780
National Treasury Bills ("LTN")	393,913	-	393,913	792,795	-	792,795
Units of other funds	-	-	-	9,080	-	9,080
Others	-	-	-	656	-	656
<b>Derivative financial instruments</b>						
Cash flow swap	-	46,002	46,002	-	669,535	669,535
IDI options	-	-	-	-	1,098	1,098
	<b>897,328</b>	<b>124,038</b>	<b>1,021,366</b>	<b>2,556,766</b>	<b>3,157,701</b>	<b>5,714,467</b>
<b>Assets at fair value through other comprehensive income - FVOCI</b>						
<b>Marketable securities and financial investments</b>						
Sovereign securities (in USD)	-	-	-	366,709	-	366,709
Corporate securities (in USD)	-	-	-	351,185	-	351,185
	-	-	-	<b>717,894</b>	-	<b>717,894</b>
	<b>897,328</b>	<b>124,038</b>	<b>1,021,366</b>	<b>3,274,660</b>	<b>3,157,701</b>	<b>6,432,361</b>
<b>Liabilities at fair value through profit or loss</b>						
Loans and borrowings	-	377,945	377,945	-	-	-
Debentures	-	33,349	33,349	-	213,811	213,811
	-	<b>411,294</b>	<b>411,294</b>	-	<b>213,811</b>	<b>213,811</b>
<b>Financial liabilities not measured at fair value</b>						
Loans and borrowings	-	636,803	636,803	-	8,222,039	8,222,039
Debentures	-	1,215,515	1,215,515	-	5,157,945	5,157,945
Leases payable	-	81,153	81,153	-	401,612	401,612
	-	<b>1,933,471</b>	<b>1,933,471</b>	-	<b>13,781,596</b>	<b>13,781,596</b>
	-	<b>2,344,765</b>	<b>2,344,765</b>	-	<b>13,995,407</b>	<b>13,995,407</b>

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

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

The curve used in the fair value measurement of agreements indexed to the CDI at September 30, 2020 is as follows:

**Interest curve - Brazil**

Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p. a) - %	1.91	2.21	2.77	4.16	5.43	6.86	8.29

Source: B3 at 09/30/2020.

**4.3 Financial risk management**

JSL is exposed to market risk, credit, and liquidity risk 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 financial instrument 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.

JSL 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 held with financial institutions.

**i. Cash and 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. The surplus funds are invested only in approved counterparties and within the limit established to each one, in order to minimize the risk concentration, and thus mitigate the financial loss in the event of a potential bankruptcy of a counterparty.

The 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") and a global scale ("G") of credit risk exposure obtained from rating agencies are used, as shown below:

Rating in Local Scale "Br"		Rating in Global Scale "G"	
Nomenclature	Quality	Nomenclature	Quality
Br AAA	Prime	G AAA	Prime
Br AA+, AA, AA-	High Investment Grade	G AA+, AA, AA-	High Investment Grade
Br A+, A, A-	High Average Investment Grade	G A+, A, A-	High Average Investment Grade
Br BBB+, BBB, BBB-	Low Average Investment Grade	G BBB+, BBB, BBB-	Low Average Investment Grade
Br BB+, BB, BB-	Non-Speculative Investment Grade	G BB+, BB, BB-	Non-Speculative Investment Grade
Br B+, B, B-	Non-highly Speculative Investment Grade	G B+, B, B-	Non-highly Speculative Investment Grade
Br CCC	Extremely Speculative Non-Investment Grade	G CCC	Extremely Speculative Non-Investment Grade
Br DDD, DD, D	Non-Speculative Moratorium Investment Grade	G DDD, DD, D	Non-Speculative Moratorium Investment Grade

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In thousands of Brazilian reais, unless otherwise stated

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

	<b>Parent Company</b>	<b>Consolidated</b>
	<b>09/30/2020</b>	<b>09/30/2020</b>
<b>Demand and short-term deposits</b>	<b>3,811</b>	<b>3,912</b>
Br AAA	66,597	71,017
Br AA	7,399	7,430
<b>Total financial investments</b>	<b>73,996</b>	<b>78,447</b>
<b>Total cash and cash equivalents</b>	<b>77,807</b>	<b>82,359</b>
	<b>Parent Company</b>	<b>Consolidated</b>
	<b>09/30/2020</b>	<b>09/30/2020</b>
<b>Marketable securities and financial investments</b>		
Br AAA	894,018	896,917
<b>Total marketable securities and financial investments</b>	<b>894,018</b>	<b>896,917</b>

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 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 as credit recovery proceeds in the profit or loss for the period.

JSL recognized an impairment allowance that represents its estimate of expected credit losses on trade receivables, see Note 7.

**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 two types of risks: interest rate risk and price risk that may be of commodities, stocks, among others.

JSL uses derivatives to manage these market risks. 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.

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 variations in market interest rates. JSL exposure to risk associated with market interest rate fluctuations relates primarily to cash and cash equivalents, marketable securities and financial investments, loans, borrowings, debentures, leases payable and right-of-use leases of JSL, subject to interest rates.

JSL has derivative financial instruments (swap agreements) that were classified as fair value hedge pursuant to CPC 48/IFRS 9 – Financial Instruments, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in profit or loss, as well as financial instrument liabilities, part of the debentures, which were designated as liabilities at fair value through profit or loss (fair value option). During the nine-month period ended September 30, 2020, the result from swap operations was a gain of R\$ 33,546 in Parent Company and Consolidated (gain of R\$ 133,718 and R\$ 325,506 at September 30, 2019, in Parent Company and Consolidated, respectively). These gains offset losses on the related hedged instruments.



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The outstanding contracts at September 30, 2020 are the following:

Company	Instrument	Type of derivative financial instrument	Operation	Notional amount	Maturity	Hedge index	Average contracted rate	Parent Company and Consolidated	
								Balance of the hedged debt at 09/30/2020	
								At amortized cost	At fair value
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 362,685	Nov/25	IPCA + Fixed rate	CDI + 0.65%	377,945	401,684
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 47,834	Jun/21	IPCA + Fixed rate	CDI + 2.53%	33,349	35,134
<b>Total</b>								<b>411,294</b>	<b>436,818</b>

The outstanding of derivative financial instruments balances are as follows:

Operation	09/30/2020			Parent Company 12/31/2019		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap - USD x CDI	R\$ 410,519	46,002	-	USD 463,500	590,599	-
Swap - IPCA x CDI		46,002	-	R\$ 648,247	63,986	-
<b>Total</b>		<b>46,002</b>	<b>-</b>	R\$ 648,247	63,986	-
Current		13,178	-		654,585	-
Noncurrent		32,824	-		32,233	-
<b>Total</b>		<b>46,002</b>	<b>-</b>		622,352	-
					<b>654,585</b>	<b>-</b>

Operation	09/30/2020			Consolidated 12/31/2019		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap - USD x CDI	R\$ 410,519	46,002	-	USD 503,500	605,549	-
Swap - IPCA x CDI						
Option purchase IDI						
<b>Total</b>		<b>46,002</b>	<b>-</b>	EUR 42,000	-	-
Current		13,178	-	R\$ 648,247	63,986	-
Noncurrent		32,824	-	-	-	-
<b>Total</b>		<b>46,002</b>	<b>-</b>	R\$ 892,367	1,098	-
					<b>670,633</b>	<b>-</b>
					32,233	-
					638,400	-
					<b>670,633</b>	<b>-</b>

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

	Parent Company and Consolidated				
	At September 30, 2020				
	Expected cash flow				
Cash flow swap	Carrying amount	Total	1-6 months	7-12 months	Over 1 year
Asset	411,294	545,864	6,683	43,008	496,173
Liability position	(365,292)	(496,650)	(5,120)	(13,242)	(478,288)
	<b>46,002</b>	<b>49,214</b>	<b>1,563</b>	<b>29,766</b>	<b>17,885</b>

**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 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:

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

	Parent Company				
	09/30/2020				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	3 to 8 years
<b>Financial assets</b>					
Cash and cash equivalents	77,807	77,807	77,807	-	-
Marketable securities and financial investments	894,018	894,018	894,018	-	-
Derivative financial instruments	46,002	46,002	13,178	29,767	3,057
Trade receivables	694,290	694,290	681,463	12,827	-
Related parties	23,129	23,129	-	23,129	-
Other credits	42,641	42,641	42,641	-	-
<b>Total</b>	<b>1,777,887</b>	<b>1,777,887</b>	<b>1,709,107</b>	<b>65,723</b>	<b>3,057</b>
<b>Financial liabilities</b>					
Trade payables	112,625	112,625	112,625	-	-
Suppliers financing - car makers	2,188	2,188	2,188	-	-
Loans and borrowings	1,014,748	1,213,093	77,703	54,013	1,081,377
Debentures	1,248,864	1,396,991	113,382	109,848	1,173,761
Leases payable	81,153	86,414	33,615	29,017	23,782
Right-of-use leases	193,759	305,450	44,413	36,685	224,352
Payables for the acquisition of companies	78,609	81,700	-	51,432	30,268
Other payables	75,718	75,718	75,358	360	-
<b>Total</b>	<b>2,807,664</b>	<b>3,274,179</b>	<b>459,284</b>	<b>281,355</b>	<b>2,533,540</b>
	Consolidated				
	09/30/2020				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	3 to 8 years
<b>Financial assets</b>					
Cash and cash equivalents	82,359	82,359	82,359	-	-
Marketable securities and financial investments	896,917	896,917	896,917	-	-
Derivative financial instruments	46,002	46,002	13,178	29,767	3,057
Trade receivables	723,786	723,786	710,959	12,827	-
Related parties	17	17	-	17	-
Other credits	20,417	20,417	20,417	-	-
<b>Total</b>	<b>1,769,498</b>	<b>1,769,498</b>	<b>1,723,830</b>	<b>42,611</b>	<b>3,057</b>
<b>Financial liabilities</b>					
Trade payables	114,669	114,669	114,669	-	-
Suppliers financing - car makers	2,188	2,188	2,188	-	-
Loans and borrowings	1,014,748	1,213,093	77,703	54,013	1,081,377
Debentures	1,248,864	1,396,991	113,382	109,848	1,173,761
Leases payable	81,153	86,414	33,615	29,017	23,782
Right-of-use leases	229,703	352,810	54,939	45,047	252,824
Payables for the acquisition of companies	78,609	81,700	-	51,432	30,268
Other payables	74,738	74,738	74,378	360	-
<b>Total</b>	<b>2,844,672</b>	<b>3,322,603</b>	<b>470,874</b>	<b>289,717</b>	<b>2,562,012</b>

**4.4 Sensitivity analysis**

Management performed a sensitivity analysis in accordance with CVM Instruction No. 475/2008, in order to show the impacts of interest rate changes on its financial assets and liabilities, considering for the next 12 months the following probable interest rates:

- CDI at 2.77% p.a.. based on the future yield curve (source: B3);
- TLP of 5.54 % p.a. (source: BNDES);
- IPCA 4.05 % p.a. (source: B3);
- IGP-M 3.89% p.a. (source: B3);
- SELIC of 2.77% p.a. (source: B3).

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

**JSL S.A.**
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Operation	Exposure	Risk	Probable rate	Parent Company		
				Scenario I probable	Scenario II + depreciation of 25%	Scenario III + depreciation of 50%
Debentures (hedged item)	(33,349)	IPCA increase	12.05%	(4,019)	(5,023)	(6,028)
Swap long position	33,349	IPCA increase	12.05%	4,019	5,023	6,028
Swap short position	(24,246)	CDI increase	5.30%	(1,285)	(1,606)	(1,928)
<b>Net effect of exposure</b>	<b>(24,246)</b>			<b>(1,285)</b>	<b>(1,606)</b>	<b>(1,928)</b>
Loans and borrowings – CDCA (hedged item)	(377,945)	IPCA increase	7.60%	(28,724)	(35,905)	(43,086)
Swap long position	377,945	IPCA increase	7.60%	28,724	35,905	43,086
Swap short position	(341,046)	CDI increase	3.42%	(11,664)	(14,580)	(17,496)
<b>Net effect of exposure</b>	<b>(341,046)</b>			<b>(11,664)</b>	<b>(14,580)</b>	<b>(17,496)</b>
<b>Net effect of hedge accounting operations</b>	<b>(365,292)</b>			<b>(12,949)</b>	<b>(16,186)</b>	<b>(19,424)</b>
<b>Other operations - Floating rate</b>						
Financial investments	73,996	CDI increase	2.76%	2,042	2,553	3,063
Marketable securities and financial investments	501,608	SELIC increase	2.76%	13,844	17,305	20,767
Loans and borrowings	(585,806)	CDI increase	4.97%	(29,115)	(36,393)	(43,672)
Debentures	(1,215,515)	CDI increase	4.06%	(49,350)	(61,687)	(74,025)
Leases payable	(81,153)	CDI increase	5.33%	(4,325)	(5,407)	(6,488)
Payables for the acquisition of companies	(78,609)	IGPM increase	4.89%	(3,844)	(4,805)	(5,766)
Loans and borrowings	(12,778)	IPCA increase	7.26%	(928)	(1,160)	(1,392)
Loans and borrowings	(1,829)	TLP/TLP increase	5.54%	(101)	(127)	(152)
<b>Net effect of exposure</b>	<b>(1,400,086)</b>			<b>(71,777)</b>	<b>(89,721)</b>	<b>(107,665)</b>
<b>Net exposure and impact on finance costs - floating rate</b>	<b>(1,765,378)</b>			<b>(84,726)</b>	<b>(105,907)</b>	<b>(127,089)</b>
<b>Other operations - Fixed rate</b>						
Marketable securities and financial investments	392,410	Fixed rate	3.52%	13,813	13,813	13,813
Right-of-use leases	(193,759)	FIXED RATE	9.08%	(17,593)	(17,593)	(17,593)
Loans and borrowings	(36,390)	FIXED RATE	3.15%	(1,144)	(1,144)	(1,144)
<b>Net exposure and impact on finance costs - fixed rate</b>	<b>162,261</b>		12.05%	<b>(4,924)</b>	<b>(4,924)</b>	<b>(4,924)</b>
<b>Net exposure and total impact of finance costs in profit or loss</b>	<b>(1,603,117)</b>			<b>(89,650)</b>	<b>(110,831)</b>	<b>(132,013)</b>

Operation	Exposure	Risk	Probable rate	Consolidated		
				Scenario I probable	Scenario II + depreciation of 25%	Scenario III + depreciation of 50%
Debentures (hedged item)	(33,349)	IPCA increase	12.05%	(4,019)	(5,023)	(6,028)
Swap long position	33,349	IPCA increase	12.05%	4,019	5,023	6,028
Swap short position	(24,246)	CDI increase	5.30%	(1,285)	(1,606)	(1,928)
<b>Net effect of exposure</b>	<b>(24,246)</b>			<b>(1,285)</b>	<b>(1,606)</b>	<b>(1,928)</b>
Loans and borrowings – CDCA (hedged item)	(377,945)	IPCA increase	7.60%	(28,724)	(35,905)	(43,086)
Swap long position	377,945	IPCA increase	7.60%	28,724	35,905	43,086
Swap short position	(341,046)	CDI increase	3.42%	(11,664)	(14,580)	(17,496)
<b>Net effect of exposure</b>	<b>(341,046)</b>			<b>(11,664)</b>	<b>(14,580)</b>	<b>(17,496)</b>
<b>Net effect of hedge accounting operations</b>	<b>(365,292)</b>			<b>(12,949)</b>	<b>(16,186)</b>	<b>(19,424)</b>
<b>Other operations - Floating rate</b>						
Financial investments	78,447	CDI increase	2.76%	2,165	2,706	3,248
Marketable securities and financial investments	503,004	SELIC increase	2.76%	13,883	17,354	20,824
Loans and borrowings	(585,806)	CDI increase	4.97%	(29,115)	(36,393)	(43,672)
Debentures	(1,215,515)	CDI increase	4.06%	(49,350)	(61,687)	(74,025)
Leases payable	(81,153)	CDI increase	5.33%	(4,325)	(5,407)	(6,488)
Payables for the acquisition of companies (i)	(78,609)	IGPM increase	4.89%	(3,844)	(4,805)	(5,766)
Loans and borrowings	(12,778)	IPCA increase	7.26%	(928)	(1,160)	(1,392)
Loans and borrowings	(1,829)	TLP/TLP increase	5.54%	(101)	(127)	(152)
<b>Net effect of exposure</b>	<b>(1,394,239)</b>			<b>(71,615)</b>	<b>(89,519)</b>	<b>(107,423)</b>
<b>Net exposure and impact on finance costs - floating rate</b>	<b>(1,759,531)</b>			<b>(84,564)</b>	<b>(105,705)</b>	<b>(126,847)</b>
<b>Other operations - Fixed rate</b>						
Marketable securities and financial investments	393,913	Fixed rate	3.52%	13,866	13,866	13,866
Right-of-use leases	(229,703)	FIXED RATE	9.08%	(20,857)	(20,857)	(20,857)
Loans and borrowings	(36,390)	FIXED RATE	3.15%	(1,144)	(1,144)	(1,144)
<b>Net exposure and impact on finance costs - fixed rate</b>	<b>127,820</b>			<b>(8,135)</b>	<b>(8,135)</b>	<b>(8,135)</b>
<b>Net exposure and total impact of finance costs in profit or loss</b>	<b>(1,631,711)</b>			<b>(92,699)</b>	<b>(113,840)</b>	<b>(134,982)</b>

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

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 differ from those stated upon their settlement due to the estimates used in their preparation.

**5. Cash and cash equivalents**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
Cash	513	366	513	1,832
Banks	3,298	1,697	3,399	10,920
<b>Total cash on hand</b>	<b>3,811</b>	<b>2,063</b>	<b>3,912</b>	<b>12,752</b>
Bank deposit certificates ("CDB")	61,467	23,926	63,513	374,011
Repurchase agreements, Debenture-backed	-	-	-	121,092
Financial bills	12,130	30,167	13,397	63,904
Units of other funds	399	11,540	411	17,455
Finance Leases Bill – related parties (note 24.1)	-	57,657	-	-
Others	-	-	1,126	2,601
<b>Total financial investments</b>	<b>73,996</b>	<b>123,290</b>	<b>78,447</b>	<b>579,063</b>
<b>Total</b>	<b>77,807</b>	<b>125,353</b>	<b>82,359</b>	<b>591,815</b>

During the nine-month period ended September 30, 2020 the average income from these investments was 2.05% p.a. (as at December 31, 2019 the average income was 5.91% p.a.).

**6. Marketable securities and financial investments**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
<b>Operations</b>				
<b>Government securities - exclusive funds (i)</b>				
Financial Treasury Bills ("LFT")	501,608	593,705	503,004	1,736,780
National Treasury Bills ("LTN")	392,410	402,362	393,913	792,795
Units of funds	-	-	-	9,080
<b>Other securities (ii)</b>				
Sovereign securities (in USD)	-	-	-	366,709
Corporate securities (in USD)	-	-	-	351,185
Credit Linked Notes ("CLN")	-	-	-	1,925,460
Sundry	-	-	-	656
<b>Total</b>	<b>894,018</b>	<b>996,067</b>	<b>896,917</b>	<b>5,182,665</b>
Current assets	894,018	996,067	896,917	5,182,010
Noncurrent assets	-	-	-	655
<b>Total</b>	<b>894,018</b>	<b>996,067</b>	<b>896,917</b>	<b>5,182,665</b>

(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, 2020, the average income from these investments was 2.05% p.a. (5.94% p.a. in the year ended December 31, 2019).

(ii) These securities make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

**7. Trade receivables**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
Customers and credit card companies	509,065	457,619	538,443	1,463,980
Leases receivable	-	-	-	167,651
Unbilled revenue from services rendered and leases	222,403	204,228	237,322	338,315
Related parties (note 24.1)	26,229	45,322	24,665	26,978
Other receivables	25,937	35,670	25,937	116,415
Expected credit losses ("impairment") of trade receivables	(89,344)	(83,010)	(102,581)	(249,881)
<b>Total</b>	<b>694,290</b>	<b>659,829</b>	<b>723,786</b>	<b>1,863,458</b>
Current assets	681,463	643,042	710,959	1,775,137
Noncurrent assets	12,827	16,787	12,827	88,321
<b>Total</b>	<b>694,290</b>	<b>659,829</b>	<b>723,786</b>	<b>1,863,458</b>

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
<b>Current (not past due)</b>	<b>598,337</b>	<b>567,662</b>	<b>617,674</b>	<b>1,541,349</b>
1-30 days past due	47,318	52,006	50,845	120,181
31-90 days past due	25,959	42,392	29,349	85,233
91-180 days past due	20,242	14,189	22,412	39,234
181-365 days past due	22,473	4,920	25,022	39,972
More than 365 days past due	69,305	61,670	81,065	287,370
<b>Total past due</b>	<b>185,297</b>	<b>175,177</b>	<b>208,693</b>	<b>571,990</b>
Expected credit losses ("impairment") of trade receivables	(89,344)	(83,010)	(102,581)	(249,881)
<b>Total</b>	<b>694,290</b>	<b>659,829</b>	<b>723,786</b>	<b>1,863,458</b>

Expected credit losses ("impairment") of trade receivables

	<b>Parent Company</b>	<b>Consolidated</b>
<b>At December 31, 2019</b>	<b>(83,010)</b>	<b>(249,881)</b>
(-) additions (ii)	(8,338)	(96,141)
(+) reversals (ii)	2,004	16,573
(-) write-off to losses	-	1,609
(+) Spin-off (i)	-	225,259
<b>At September 30, 2020</b>	<b>(89,344)</b>	<b>(102,581)</b>
<b>At December 31, 2018</b>	<b>(65,871)</b>	<b>(251,924)</b>
(-) additions (ii)	(3,537)	(69,824)
(+) reversals (ii)	8,537	49,515
<b>At September 30, 2019</b>	<b>(60,871)</b>	<b>(272,233)</b>

- (i) This amount make up the balance of the net assets from the spin-off described in note 1.1.1 (a).
- (ii) From the total amount of additions and reversals, the balances of R\$ 72,011 and R\$ 25,158 for the nine-month periods ended September 30, 2020 and 2019, respectively, refer to discontinued operations.

**8. Inventories**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
New vehicles	-	-	-	159,650
Used vehicles	-	-	-	62,507
Parts for resale	-	-	-	47,056
Consumables	51,922	32,791	52,519	43,613
Others	-	-	-	4,021
(-) Estimated losses on impairment of inventories	(5,828)	(4,671)	(6,020)	(10,810)
<b>Total</b>	<b>46,094</b>	<b>28,120</b>	<b>46,499</b>	<b>306,037</b>

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

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

Movement in estimated losses on impairment of inventories:

	Parent Company	Consolidated
<b>At December 31, 2019</b>	<b>(4,671)</b>	<b>(10,810)</b>
(-) additions	(2,129)	(3,708)
(+) reversals	972	1,468
(-) Spin-off (i)	-	7,030
<b>At September 30, 2020</b>	<b>(5,828)</b>	<b>(6,020)</b>
<b>At December 31, 2018</b>	<b>(5,331)</b>	<b>(9,639)</b>
(-) additions	(2,976)	(7,193)
(+) reversals	2,876	3,850
<b>At September 30, 2019</b>	<b>(5,431)</b>	<b>(12,982)</b>

(i) This amount make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

**9. Assets held for sale**

The movements in the nine-month periods ended September 30, 2020 and 2019 are as follows:

	Parent Company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
<b>Cost:</b>						
<b>At December 31, 2019</b>	<b>134,236</b>	<b>26,150</b>	<b>160,386</b>	<b>600,775</b>	<b>134,280</b>	<b>735,055</b>
Assets transferred from property and equipment	175,652	33,961	209,613	2,174,255	59,389	2,233,644
Assets written off due to sale	(238,714)	(33,950)	(272,664)	(2,129,807)	(57,975)	(2,187,782)
Spin-off (i)	-	-	-	(678,500)	(67,811)	(746,311)
<b>At September 30, 2020</b>	<b>71,174</b>	<b>26,161</b>	<b>97,335</b>	<b>(33,277)</b>	<b>67,883</b>	<b>34,606</b>
<b>Accumulated depreciation:</b>						
<b>At December 31, 2019</b>	<b>(40,885)</b>	<b>(12,483)</b>	<b>(53,368)</b>	<b>(103,131)</b>	<b>(90,736)</b>	<b>(193,867)</b>
Assets transferred from property and equipment	(95,253)	(26,778)	(122,031)	(337,933)	(42,846)	(380,779)
Assets written off due to sale	109,437	24,158	133,595	368,419	35,767	404,186
Spin-off	-	-	-	135,423	55,962	191,385
<b>At September 30, 2020</b>	<b>(26,701)</b>	<b>(15,103)</b>	<b>(41,804)</b>	<b>62,778</b>	<b>(41,853)</b>	<b>20,925</b>
<b>Net value:</b>						
<b>At December 31, 2019</b>	<b>93,351</b>	<b>13,667</b>	<b>107,018</b>	<b>497,644</b>	<b>43,544</b>	<b>541,188</b>
<b>At September 30, 2020</b>	<b>44,473</b>	<b>11,058</b>	<b>55,531</b>	<b>29,501</b>	<b>26,030</b>	<b>55,531</b>

(i) These assets make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

	Parent Company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
<b>Cost:</b>						
<b>At December 31, 2018</b>	<b>61,901</b>	<b>6,108</b>	<b>68,009</b>	<b>436,749</b>	<b>147,862</b>	<b>584,611</b>
Assets transferred from property and equipment	296,394	53,908	350,302	2,512,721	139,326	2,652,047
Assets written off due to sale	(228,210)	(38,936)	(267,146)	(2,068,842)	(173,775)	(2,242,617)
Assets transferred to authorized vehicle dealerships segment	-	-	-	(84,508)	-	(84,508)
<b>At September 30, 2019</b>	<b>130,085</b>	<b>21,080</b>	<b>151,165</b>	<b>796,120</b>	<b>113,413</b>	<b>909,533</b>
<b>Accumulated depreciation:</b>						
<b>At December 31, 2018</b>	<b>(20,783)</b>	<b>(5,357)</b>	<b>(26,140)</b>	<b>(82,413)</b>	<b>(104,414)</b>	<b>(186,827)</b>
Assets transferred from property and equipment	(109,243)	(36,905)	(146,148)	(274,718)	(135,052)	(409,770)
Assets written off due to sale	88,220	29,271	117,491	207,510	165,382	372,892
Assets transferred to the dealership segment	-	-	-	9,575	-	9,575
<b>At September 30, 2019</b>	<b>(41,806)</b>	<b>(12,991)</b>	<b>(54,797)</b>	<b>(140,046)</b>	<b>(74,084)</b>	<b>(214,130)</b>
<b>Net value:</b>						
<b>At December 31, 2018</b>	<b>41,118</b>	<b>751</b>	<b>41,869</b>	<b>354,336</b>	<b>43,448</b>	<b>397,784</b>
<b>At September 30, 2019</b>	<b>88,279</b>	<b>8,089</b>	<b>96,368</b>	<b>656,074</b>	<b>39,329</b>	<b>695,403</b>

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**In thousands of Brazilian reais, unless otherwise stated

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**10. Taxes recoverable**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
PIS and COFINS	15,975	31,986	15,975	126,566
INSS	71,381	61,329	72,226	84,465
ICMS	14,891	13,859	14,891	42,928
Others	2,291	7,318	2,364	39,791
<b>Total</b>	<b>104,538</b>	<b>114,492</b>	<b>105,456</b>	<b>293,750</b>
Current assets	50,336	50,689	51,139	155,284
Noncurrent assets	54,202	63,803	54,317	138,466
<b>Total</b>	<b>104,538</b>	<b>114,492</b>	<b>105,456</b>	<b>293,750</b>

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

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**11. Investments**

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

**11.1 Changes in investments**

Investments	12/31/2019	Capital contribution	Equity results from continuing operations (v)	Equity results from continuing operations	Amortization of surplus value, goodwill	Other changes	Corporate restructuring (iv)	09/30/2020	Parent Company	
									Interest %	Equity at 09/30/2020
Avante Veículos	20,222	-	(20,680)	458	-	-	-	-	-	-
BBC Payments	27	-	4,759	(4,786)	-	-	-	-	-	-
BBC Dealerships	-	-	135	(135)	-	-	-	-	-	-
CS Brasil Participações	373,776	-	(414,183)	40,407	-	-	-	-	-	-
JSL Corretora	8,864	-	(9,427)	563	-	-	-	-	-	-
JSL Empreendimentos	3,248	-	(2,385)	(863)	-	-	-	-	-	-
JSL Europe	31,573	-	(36,028)	4,455	-	-	-	-	-	-
JSL Holding	90,282	-	(94,110)	3,828	-	-	-	-	-	-
Medlogística	1,282	-	-	-	999	-	-	2,281	99.99	2,281
Mogi Mob	20,014	-	(17,658)	(2,356)	-	-	-	-	-	-
Mogipasses	8,609	-	(9,017)	408	-	-	-	-	-	-
Movida Participações	1,268,013	-	(1,207,528)	(60,485)	-	-	-	-	-	-
Original Veículos	109,345	-	(106,123)	(3,222)	-	-	-	-	-	-
Ponto Veículos	38,488	-	(40,334)	1,846	-	-	-	-	-	-
Quick Armazéns	5,427	-	-	-	89	-	-	5,516	99.99	5,516
Quick Logística	18,442	-	-	-	(3,375)	-	-	15,067	99.99	15,067
Sinal Serviços	3	-	-	-	(2)	-	-	1	99.99	1
TPG Transportes	10,400	-	(10,395)	(5)	-	-	-	-	-	-
Vamos	490,754	-	(581,649)	90,895	-	-	-	-	-	-
Yolanda	24,137	-	-	-	(2,788)	-	-	21,349	99.99	21,349
Surplus value of property and equipment (i)	12,814	-	-	-	-	(2,586)	(135)	10,093	-	-
Goodwill on business acquisition (ii)	6,481	-	(6,481)	-	-	-	-	-	-	-
<b>Total investments</b>	<b>2,542,201</b>	<b>-</b>	<b>(2,551,104)</b>	<b>71,008</b>	<b>(5,077)</b>	<b>(2,586)</b>	<b>(135)</b>	<b>54,307</b>		<b>44,214</b>
<b>Provisions for investment losses (iii)</b>										
JSL Finance	(17,920)	16,823	62,750	(61,653)	-	-	-	-	100.00	-
Original Distribuidora	(239)	-	203	36	-	-	-	-	99.99	-
<b>Total investments, net of provision for losses</b>	<b>2,524,042</b>	<b>16,823</b>	<b>(2,488,151)</b>	<b>9,391</b>	<b>(5,077)</b>	<b>(2,586)</b>	<b>(135)</b>	<b>54,307</b>		<b>44,214</b>

- (i) Refers to the surplus value of property and equipment, arising from a business combination, through the sale of the corresponding assets, amortized according to the useful lives of the respective assets, and written off when disposed of.
- (ii) Goodwill arising on the acquisition of companies and businesses, classified as investment in Parent Company, in accordance with CPC 18 (R2)/IAS 28 - Investments in Associates and Joint Ventures.



## JSL S.A.

### Notes to the interim financial information for the period ended September 30, 2020

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- (iii) Refers to the provision for losses on subsidiaries with negative equity that were classified in the group of "Other payables".
- (iv) Refers to investment balances written off in the Company and transferred to Simpar in the corporate restructuring process described in note 1.1.1 (a).
- (v) Refers to the balances of equity results from subsidiaries from January 1 to August 5, 2020, date of spin-off, of the investments written off in the Company and transferred to Simpar in the corporate restructuring process. As these investments no longer make up the Company's investment balance, this amount of equity results from subsidiaries was allocated in the statement of profit or loss as result from discontinued operations.

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

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

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

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

(iv) Refers to the corporate restructuring carried out in the operations of the subsidiary CS Brasil.

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

## 11.2 Balances of assets and liabilities and results of subsidiaries

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

The balances of assets, liabilities, revenues and expenses in subsidiaries at September 30, 2020 are presented below:

Investments	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenues	Costs and expenses	Profit (loss) for the period
Medlogística	5,439	33,633	8,355	28,436	2,281	14,448	(13,449)	999
Quick Armazéns	661	4,862	7	-	5,516	-	89	89
Quick Logística	33,193	29,479	27,030	20,575	15,067	45,531	(48,906)	(3,375)
Sinal Serviços	6	7	-	12	1	-	(2)	(2)
Yolanda	5,194	42,746	7,136	19,455	21,349	8,229	(11,017)	(2,788)

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**12. Property and equipment**

The movements in the nine-month periods ended September 30, 2020 and 2019 are as follows:

	Parent Company								
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Constructions in progress	Right of use	Others	Total
<b>Cost:</b>									
<b>At December 31, 2019</b>	<b>1,288,408</b>	<b>351,075</b>	<b>179,294</b>	<b>28,827</b>	<b>33,086</b>	<b>34,179</b>	<b>176,326</b>	<b>187,584</b>	<b>2,278,779</b>
Additions	217,991	39,739	1,973	2,543	3,074	10,858	130,800	1,078	408,056
Transfers	9	(17)	13,125	7	-	(9,873)	-	(3,251)	-
Transfers to / return of assets held for sale	(175,653)	(33,960)	-	-	-	-	-	-	(209,613)
Assets written off and others (i)	-	(69)	(389)	(68)	(86)	-	(82,023)	(362)	(82,997)
Spin-off (ii)	-	-	(12,583)	-	-	-	-	(104,103)	(116,686)
<b>At September 30, 2020</b>	<b>1,330,755</b>	<b>356,768</b>	<b>181,420</b>	<b>31,309</b>	<b>36,074</b>	<b>35,164</b>	<b>225,103</b>	<b>80,946</b>	<b>2,277,539</b>
<b>Accumulated depreciation:</b>									
<b>At December 31, 2019</b>	<b>(407,642)</b>	<b>(202,425)</b>	<b>(60,372)</b>	<b>(17,650)</b>	<b>(17,044)</b>	<b>-</b>	<b>(33,666)</b>	<b>(73,708)</b>	<b>(812,507)</b>
Depreciation expense for the period	(85,915)	(28,043)	(6,796)	(2,708)	(2,294)	-	(23,110)	(10,052)	(158,918)
Transfers	9	(9)	(5,127)	-	-	-	-	5,127	-
Transfers to / return of assets held for sale	95,254	26,777	-	-	-	-	-	-	122,031
Assets written off and others (i)	-	-	(1)	-	55	-	15,509	-	15,563
Spin-off (ii)	-	-	5,684	-	-	-	-	36,651	42,335
<b>At September 30, 2020</b>	<b>(398,294)</b>	<b>(203,700)</b>	<b>(66,612)</b>	<b>(20,358)</b>	<b>(19,283)</b>	<b>-</b>	<b>(41,267)</b>	<b>(41,982)</b>	<b>(791,496)</b>
<b>Net value:</b>									
<b>At December 31, 2019</b>	<b>880,766</b>	<b>148,650</b>	<b>118,922</b>	<b>11,177</b>	<b>16,042</b>	<b>34,179</b>	<b>142,660</b>	<b>113,876</b>	<b>1,466,272</b>
<b>At September 30, 2020</b>	<b>932,461</b>	<b>153,068</b>	<b>114,808</b>	<b>10,951</b>	<b>16,791</b>	<b>35,164</b>	<b>183,836</b>	<b>38,964</b>	<b>1,486,043</b>
<b>Average depreciation rate for the period:</b>									
Light vehicles	8.9%	-	-	-	-	-	-	-	-
Heavy vehicles	7.0%	-	-	-	-	-	-	-	-
Others	-	10.5%	5.9%	20.1%	10.0%	-	11.5%	8.2%	-

- (i) Refers substantially to derecognition of property lease agreements, terminated before maturity.  
(ii) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

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

(i) Refers to the initial adoption of CPC 06 (R2)/IFRS 16 - Leases. Such right-of-use refers entirely to property lease agreements.

(ii) From the total amount of depreciation expense for the period, the balance of R\$ 2,475 refers to discontinued operations.

**JSL S.A.**
**Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

											Consolidated
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Constructions in progress	Right of use	Others	Total
<b>Cost:</b>											
<b>At December 31, 2019</b>	<b>9,079,061</b>	<b>1,142,217</b>	<b>371,060</b>	<b>58,502</b>	<b>71,349</b>	<b>20,756</b>	<b>15,917</b>	<b>64,920</b>	<b>614,801</b>	<b>207,456</b>	<b>11,646,039</b>
Additions	2,331,018	175,797	11,884	5,407	9,749	488	-	29,298	194,686	3,225	2,761,552
Transfers	11,239	(10,653)	34,309	(52)	(534)	-	-	(31,724)	-	(2,585)	-
Transfer / return of assets available for sale	(2,174,255)	(59,389)	-	-	-	-	-	-	-	-	(2,233,644)
Assets written-off and other (i)	(59,711)	(2,334)	(25,951)	(1,804)	(201)	-	-	(2,299)	(115,317)	(4,313)	(211,930)
Spin-off (ii)	(7,785,746)	(885,903)	(171,301)	(21,313)	(45,438)	(21,245)	(6,519)	(17,549)	(420,075)	(133,592)	(9,508,681)
<b>At September 30, 2020</b>	<b>1,401,606</b>	<b>359,735</b>	<b>220,001</b>	<b>40,740</b>	<b>34,925</b>	<b>(1)</b>	<b>9,398</b>	<b>42,646</b>	<b>274,095</b>	<b>70,191</b>	<b>2,453,336</b>
<b>Accumulated depreciation:</b>											
<b>At December 31, 2019</b>	<b>(1,161,898)</b>	<b>(414,776)</b>	<b>(168,429)</b>	<b>(37,705)</b>	<b>(33,359)</b>	<b>(9,552)</b>	-	-	<b>(127,209)</b>	<b>(78,106)</b>	<b>(2,031,034)</b>
Depreciation expense for the period (iii)	(471,557)	(77,586)	(20,497)	(4,570)	(4,837)	(1,484)	-	-	(85,081)	(4,773)	(670,385)
Transfers	(7,455)	7,468	(5,127)	-	-	-	-	-	-	5,114	-
Transfers to / return of assets held for sale	337,933	42,846	-	-	-	-	-	-	-	-	380,779
Assets written off and others (i)	4,688	1,529	22,872	1,605	166	5	-	-	21,224	2,853	54,942
Spin-off (ii)	836,786	196,234	93,075	11,185	16,887	17,442	-	-	134,222	70,169	1,376,000
<b>At September 30, 2020</b>	<b>(461,503)</b>	<b>(244,285)</b>	<b>(78,106)</b>	<b>(29,485)</b>	<b>(21,143)</b>	<b>6,411</b>	-	-	<b>(56,844)</b>	<b>(4,743)</b>	<b>(889,698)</b>
<b>Net value:</b>											
<b>At December 31, 2019</b>	<b>7,917,163</b>	<b>727,441</b>	<b>202,631</b>	<b>20,797</b>	<b>37,990</b>	<b>11,204</b>	<b>15,917</b>	<b>64,920</b>	<b>487,592</b>	<b>129,350</b>	<b>9,615,005</b>
<b>At September 30, 2020</b>	<b>940,103</b>	<b>115,450</b>	<b>141,895</b>	<b>11,255</b>	<b>13,782</b>	<b>6,410</b>	<b>9,398</b>	<b>42,646</b>	<b>217,251</b>	<b>65,448</b>	<b>1,563,638</b>
<b>Average depreciation rate for the period:</b>											
Light vehicles	8.8%	-	-	-	-	-	-	-	-	ia-	-
Heavy vehicles	9.3%	-	-	-	-	-	-	-	-	-	-
Others	-	11.4%	12.5%	20.0%	10.0%	10.0%	-	-	5.7%	8.4%	-

(i) Includes write-offs of cost and depreciation due to damages and damaged assets in the residual amount of R\$ 81,666 and derecognition of property lease agreements, terminated before maturity in the amount of R\$ 115,317.

(ii) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

(iii) From the total amount of depreciation expense for the period, the balance of R\$ 503,547 refers to discontinued operations.

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In thousands of Brazilian reais, unless otherwise stated

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

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

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

(iii) From the total amount of depreciation expense for the period, the balance of R\$ 462,369 refers to discontinued operations.

**12.1 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 shown as follow:

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cost - capitalized leases	111,805	158,651	111,805	500,983
Accumulated depreciation	(15,710)	(31,390)	(15,710)	(60,338)
<b>Net balance</b>	<b>96,095</b>	<b>127,261</b>	<b>96,095</b>	<b>440,645</b>

**12.2 Impairment testing of property and equipment**

As mentioned in note 1.4.c.(iii), given the impacts brought by, and known to date, by the crisis caused by the COVID-19 pandemic, JSL made an assessment of the evidence of impairment of property and equipment, mainly regarding the fleets of vehicles, machinery and equipment.

The analysis of indications considered the following premises:

- Comparison between the residual balances of the assets, individually or jointly by model, and their estimated sales values, based on market prices and expectations of Management and experts regarding future pricing; and
- For items whose market values were lower than the respective residual balances, the estimated cash generation for these assets was added during the term of the contracts in which these assets provide service, up to the limit of the expectation of their decommissioning.

Based on this analysis, Management concluded that there is no impairment to be recorded.

**13. Intangible assets**

The movements in the nine-month periods ended September 30, 2020 and 2019 are as follows:

	Parent Company			
	Goodwill	Software	Others	Total
<b>Cost:</b>				
<b>At December 31, 2019</b>	<b>232,609</b>	<b>62,546</b>	<b>1,157</b>	<b>296,312</b>
Additions	-	6,461	-	6,461
<b>At September 30, 2020</b>	<b>232,609</b>	<b>69,007</b>	<b>1,157</b>	<b>302,773</b>
<b>Accumulated amortization:</b>				
<b>At December 31, 2019</b>	-	(40,440)	(353)	(40,793)
Amortization expense for the period	-	(4,005)	(17)	(4,022)
<b>At September 30, 2020</b>	-	(44,445)	(370)	(44,815)
<b>Net value:</b>				
<b>At December 31, 2019</b>	<b>232,609</b>	<b>22,106</b>	<b>804</b>	<b>255,519</b>
<b>At September 30, 2020</b>	<b>232,609</b>	<b>24,562</b>	<b>787</b>	<b>257,958</b>
<b>Average amortization rate for the period:</b>	-n	20.0%	10.0%	-

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

	Consolidated					
	Goodwill	Non-compete agreement and customer list	Software	Commercial rights (i)	Others (ii)	Total
<b>Cost:</b>						
At December 31, 2019	336,377	54,904	164,430	54,306	10,742	620,759
Additions	-	-	42,418	300	25	42,743
Write-offs	-	-	(1,426)	-	-	(1,426)
Spin-off (iii)	(103,768)	(33,004)	(135,806)	(54,606)	(9,608)	(336,792)
At September 30, 2020	232,609	21,900	69,616	-	1,159	325,284
<b>Accumulated amortization:</b>						
At December 31, 2019	-	(22,325)	(49,966)	(3,720)	(7,013)	(83,024)
Amortization expense for the period (iv)	-	(7,006)	(7,667)	(71)	(19)	(14,763)
Write-offs	-	-	1,082	-	-	1,082
Spin-off (iii)	-	8,895	11,899	3,791	6,661	31,246
At September 30, 2020	-	(20,436)	(44,652)	-	(371)	(65,459)
<b>Net value:</b>						
At December 31, 2019	336,377	32,579	114,464	50,586	3,729	537,735
At September 30, 2020	232,609	1,464	24,963	-	788	259,825
Average amortization rate for the period:	-	13.6%	20.0%	1.8%	10.0%	-

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

- (i) Refers mainly to: R\$ 8,972 paid on the acquisition of points of sales used for Movida stores, allocated to CGU Movida; R\$ 30,814 related to rights to use the MAN brand, allocated to CGU Transrio; and the acquisition of rights to use the Valtra brand in the amount of R\$ 10,800, allocated to CGU Valtra;
- (ii) Refers mainly to the concession rights to provide urban transportation services in the municipality of Sorocaba - SP, acquired in 2011, valid until November 2027.
- (iii) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).
- (iv) Of the total amount of amortization expense for the nine-month periods ended September 30, 2020 and 2019, the balances of R\$ 10,741 and R\$ 9,284, respectively, refer to discontinued operations.



**13.1 Impairment testing**

As mentioned in note 1.4.c.(iii), Management concluded that there is no evidence of impairment of intangible assets in the nine-month period ended September 30, 2020 due to the economic and financial impacts caused to date by the COVID-19 pandemic crisis, JSL has reassessed the impairment testing of its CGUs. The Company updated its CGUs impairment testing with the current measurable assumptions, indicators and expectations after the crisis began, and did not determine any impairment on the recorded amount of its intangible assets with indefinite useful life and goodwill. The assumptions of these tests are presented in the financial statements and interim financial information for the respective periods.

The key assumptions used in calculations at March 31, 2020 are presented below.

<b>Cash generating units</b>	<b>JSL</b>
Discount rates (WACC)	11.60%
Growth rate in perpetuity	3.50%
Estimated growth rate for EBITDA (i) - average for the following five years	9.09%

For comparative purposes, the main assumptions used to calculate the value in use at June 30, 2020 are presented below:

<b>Cash generating units</b>	<b>JSL</b>
Discount rates (WACC)	11.20%
Growth rate in perpetuity	3.50%
Estimated growth rate for EBITDA (i) - average for the following five years	8.35%

(i) EBITDA: Earnings before interest, taxes, depreciation and amortization ;

Being:

- Utilization of the Weighted Average Cost of Capital (WACC) as appropriate parameter to determine the discount rate to be applied to the free cash flows;
- Cash flows projections prepared by Management, with periods beginning in January 2020 through December 2025.
- All projections were made on a nominal basis, that is, considering the effect of inflation;
- The cash flows were discounted considering the mid period convention, assuming that the cash flows are generated throughout the year.

The estimated recoverable amounts for the CGUs exceeded their carrying amounts. Management identified the key assumption for which reasonable possible changes may cause impairment. The table below presents the amount by which individual changes in this basic assumption could result in the recoverable amount of the CGU to be equal to the carrying amount.

**Change required for the recoverable amount to equal the carrying amount**

<b>In percentage points (%)</b>	<b>JSL</b>
Discount rates (WACC) - 9/30/2020	1.10
Discount rates (WACC) - 12/31/2019	0.80

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**14. Trade payables**

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Vehicles, machinery and equipment	2,941	4,508	2,941	1,500,092
Parts and maintenance	28,225	16,522	28,359	50,299
Related parties (note 24.1)	35,554	12,792	34,667	222
Inventory	12,594	13,476	12,802	16,512
Contracted services	24,360	15,732	25,547	54,284
Property leasing	4,937	3,455	5,954	5,139
Others	4,014	5,280	4,399	65,165
<b>Total</b>	<b>112,625</b>	<b>71,765</b>	<b>114,669</b>	<b>1,691,713</b>

**15. Suppliers financing - car makers**

The Company entered into “suppliers financing” agreements with financial institutions to manage its payables to car makers related to purchase of vehicles. Through this operation, suppliers transfer the right to receive payment of bills for vehicles sales to financial institutions. The agreements entered into are not guaranteed by the assets (vehicles) linked to the securitized transactions.

The movements in the nine-month period ended September 30, 2020 are as follows:

								Parent Company	
			09/30/2020	Movement				12/31/2019	
Type	Annual average rate	Maturity	Total	New contracts	Amortization	Interest paid	Interest incurred	Total	
In local currency									
Suppliers financing	9.95%	Feb/21	2,188	2,263	(165)	(180)	270	-	

								Consolidated	
			09/30/2020	Movement				12/31/2019	
Type	Annual average rate	Maturity	Total	New contracts	Amortization	Interest paid	Interest incurred (ii)	Write-off by spin-off (i)	Total
In local currency									
Suppliers financing	9.95%	Feb/21	2,188	574,403	(165)	(21,563)	12,657	(575,195)	12,051

(i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

(ii) From the total amount of interest incurred in the period, the balance of R\$ 12,387 refers to discontinued operations.

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**16. Loans and borrowings**

The movements in the nine-month periods ended September 30, 2020 and 2019 are as follows:

				Parent Company											
				09/30/2020			Movement					12/31/2019			
Type	Annual average rate	Average rate structure	Maturity	Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Spin-off Simpar (xiii)	Interest incurred	Exchange rate changes	Current	Noncurrent	Total
In local currency															
CCBs (i)	4.45%	CDI + 2.55%	Mar/23	-	71,120	71,120	-	(696,825)	(39,214)	-	35,496	-	3,561	768,102	771,663
CRAs (ii)	5.09%	CDI/IPCA	Nov/25	5,057	882,188	887,245	408,671	(135,799)	(42,276)	-	62,296	-	138,591	455,762	594,353
FINAME (iii)	2.91%	Fixed rate	Jan/25	11,429	17,726	29,155	-	(62,540)	(2,310)	-	2,183	-	24,589	67,233	91,822
FINEM (iv)	7.88%	TLP/IPCA	Jun/21	5,139	-	5,139	-	(5,247)	(959)	-	542	-	7,456	3,347	10,803
FNO (v)	3.50%	Fixed rate	Jan/24	1,767	5,468	7,235	-	(32,228)	(1,821)	-	2,349	-	9,908	29,027	38,935
NCEs (vii)	3.40%	CDI + +1.50%	Apr/21	14,854	-	14,854	-	-	-	-	633	-	555	13,666	14,221
(CDC)	-	-	-	-	-	-	15,206	(15,931)	(328)	-	676	-	134	243	377
				38,246	976,502	1,014,748	423,877	(948,570)	(86,908)	-	104,175	-	184,794	1,337,380	1,522,174
In foreign currency															
NCEs (viii)	-	-	-	-	-	-	-	(2,472,407)	(149,358)	-	89,728	604,178	59,629	1,868,230	1,927,859
CCB FX (xii)	-	-	-	-	-	-	2,550,261	(74,589)	(12,656)	(2,402,929)	12,940	(73,027)	-	-	-
International credit (4131) - USD (xi)	-	-	-	-	-	-	-	(3,717)	(2,110)	-	253	1,523	2,716	1,335	4,051
				-	-	-	2,550,261	(2,550,713)	(164,124)	(2,402,929)	102,921	532,674	62,345	1,869,565	1,931,910
				38,246	976,502	1,014,748	2,974,138	(3,499,283)	(251,032)	(2,402,929)	207,096	532,674	247,139	3,206,945	3,454,084

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

**JSL S.A.**
**Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

													Consolidated		
Type	Annual average rate	Average rate structure	Maturity	09/30/2020			Movement						12/31/2019		
				Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Spin-off Simpar (xiii)	Interest incurred	Exchange rate changes	Current	Noncurrent	Total
In local currency															
CCBs (i)	4.45%	CDI + 2.55%	Mar/23	-	71,120	71,120	440,000	(981,161)	(58,062)	(758,253)	52,590	-	408,460	967,546	1,376,006
CRAs (ii)	5.09%	CDI/IPCA	Nov/25	5,057	882,188	887,245	908,671	(169,133)	(92,756)	(928,944)	84,553	-	204,102	880,752	1,084,854
FINAME (iii)	2.91%	Fixed rate	Jan/25	11,429	17,726	29,155	65,731	(168,568)	(4,906)	(55,513)	4,947	-	51,256	136,208	187,464
FINAME (iii)	-	-	-	-	-	-	-	(15,586)	(418)	-	300	-	3,373	12,331	15,704
FINEM (iv)	7.88%	TLP/IPCA	Jun/21	5,139	-	5,139	-	(5,247)	(959)	-	542	-	7,456	3,347	10,803
FNO (v)	3.50%	Fixed rate	Jan/24	1,767	5,468	7,235	-	(32,228)	(1,821)	-	2,349	-	9,908	29,027	38,935
NCEs (vii)	3.40%	CDI + +1.50%	Apr/21	14,854	-	14,854	-	-	-	-	633	-	555	13,666	14,221
NPs (ix)	-	-	-	-	-	-	105,000	(174,000)	(20,508)	(525,901)	17,358	-	285,176	312,875	598,051
FNE (v)	-	-	-	-	-	-	-	(22,707)	(3,876)	(137,471)	4,016	-	46,421	113,617	160,038
FINEP (vi)	-	-	-	-	-	-	-	-	(865)	(30,037)	877	-	37	29,988	30,025
(CDC)	-	-	-	-	-	-	252,165	(233,309)	(1,310)	(46,196)	4,013	-	9,166	15,471	24,637
Others	-	-	-	-	-	-	-	(4,909)	-	(5,693)	-	-	4,638	5,964	10,602
				38,246	976,502	1,014,748	1,771,567	(1,806,848)	(185,481)	(2,488,008)	172,178	-	1,030,548	2,520,792	3,551,340
In foreign currency															
Senior Notes "Bond" (x)	-	-	-	-	-	-	-	-	(225,234)	(3,213,554)	141,416	720,625	78,281	2,498,466	2,576,747
NCEs (viii)	-	-	-	-	-	-	-	(2,472,407)	(149,358)	-	89,728	604,178	59,629	1,868,230	1,927,859
CCB FX (hedged item)	-	-	-	-	-	-	2,550,261	(74,589)	(12,656)	(2,402,929)	12,940	(73,027)	-	-	-
International credit (4131) - USD (xi)	-	-	-	-	-	-	-	-	(10,202)	(202,003)	4,043	46,120	814	161,228	162,042
International credit (4131) - USD (xi)	-	-	-	-	-	-	-	(3,717)	(2,110)	-	253	1,523	2,716	1,335	4,051
International credit (4131) - EUR (xi)	-	-	-	-	-	-	221,948	-	-	(260,027)	1,647	36,432	-	-	-
				-	-	-	2,772,209	(2,550,713)	(399,560)	(6,078,513)	250,027	1,335,851	141,440	4,529,259	4,670,699
				38,246	976,502	1,014,748	4,543,776	(4,357,561)	(585,041)	(8,566,521)	422,205	1,335,851	1,171,988	7,050,051	8,222,039

													Consolidated		
Type	Average rate p.a.	Average rate structure	Maturity	09/30/2019			Movement					12/31/2018			
				Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Interest incurred	Exchange rate changes	Current	Noncurrent	Total	
In local currency															
CCBs (i)	7.73%	CDI + +2.34%	Aug/25	315,826	1,046,844	1,362,670	275,000	(503,147)	(78,970)	91,317	-	241,940	1,336,530	1,578,470	
CRAs (ii)	6.23%	CDI + +0.84%	Nov/25	211,884	652,467	864,351	716,074	(234,999)	(12,825)	30,258	-	231,949	133,894	365,843	
Finame (iii)	5.79%	Fixed rate	Jan/25	74,575	224,107	298,682	70,910	(415,445)	(29,641)	28,039	-	125,844	518,975	644,819	
Finame (iii)	9.62%	TLP/SELIC	Apr/24	24,235	41,635	65,870	63,542	(225,012)	(85,997)	15,766	-	97,169	200,402	297,571	
FINEM (iv)	7.74%	IPCA/TLP	Jun/21	8,304	4,962	13,266	-	(7,319)	(1,507)	1,280	-	10,435	10,377	20,812	
FNO (v)	4.29%	Fixed rate/IPCA	Jan/24	7,406	25,391	32,797	30,419	(14,184)	(1,037)	1,095	-	1,868	14,636	16,504	
NCEs (vii)	6.90%	CDI + +1.51%	Apr/21	368	13,597	13,965	176,300	(162,600)	(1,853)	2,118	-	-	-	-	
NPs (ix)	6.72%	CDI + +1.33%	Sep/22	716,903	312,332	1,029,235	250,000	(7,659)	(10,445)	45,680	-	438,419	313,240	751,659	
FNE (iv)	4.38%	Fixed rate/IPCA	Jul/22	46,096	77,188	123,284	-	(126,157)	(10,650)	9,000	-	82,877	168,214	251,091	
FINEP (vi)	6.45%	TLP + +0.5%	Jul/30	13	9,632	9,645	-	-	(432)	467	-	26	9,582	9,610	
Working capital (CDC)	9.05%	Fixed rate	Dec/24	31,149	24,935	56,084	177,874	(155,526)	(2,303)	6,661	-	4,997	24,381	29,378	
Others	6.80%	Fixed rate	Dec/24	6,770	6,651	13,421	-	(9,286)	-	3	-	11,473	11,231	22,704	
				1,443,529	2,439,741	3,883,270	1,760,119	(1,861,334)	(235,660)	231,684	-	1,246,997	2,741,464	3,988,461	
In foreign currency															
Senior Notes "Bond" (x)	7.75%	USD+7.75%	Jul/24	30,380	2,576,150	2,606,530	-	-	(182,928)	138,368	179,563	75,253	2,396,274	2,471,527	
NCE (viii)	7.75%	USD+7.75%	Jul/24	26,029	1,927,557	1,953,586	-	-	(128,277)	96,962	131,608	57,323	1,795,970	1,853,293	
International credit (4131) - USD (xi)	3.73%	USD+3.73%	May/21	3,032	166,348	169,380	-	(111,389)	(4,266)	6,795	10,302	112,946	154,992	267,938	
International credit (4131) - USD (xi)	7.60%	USD+7.60%	Apr/21	2,878	2,798	5,676	-	(1,239)	(322)	348	406	2,632	3,851	6,483	
				62,319	4,672,853	4,735,172	-	(112,628)	(315,793)	242,473	321,879	248,154	4,351,087	4,599,241	
				1,505,848	7,112,594	8,618,442	1,760,119	(1,973,962)	(551,453)	474,157	321,879	1,495,151	7,092,551	8,587,702	

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- (i) **CCBs** are Bank Credit Bills raised with financial institutions for financing working capital and the purchase of vehicles, machinery and equipment used in operations. These agreements have monthly maturities and covenants, including the maintenance of certain financial ratios linked to the percentage of debt in relation to EBITDA-A, which are calculated on Simpar's consolidated financial statements.
  - (ii) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain, backed by Agribusiness credit rights certificates. CRAs are backed by Agribusiness Credit Rights Certificate No. 001/2019, 002/2019 and 01/2020 issued by the Company ("CDCA"), which have varying maturities with monthly and half-yearly interest and have commitment clauses, including the maintenance of financial ratios, which are calculated on Simpar's consolidated financial statements 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 set out in item "x" of Clauses 9.2 of the CDCAs 001/2019 and 002/2019 and 7.2.1 of CDCA 001/2020 and must be proven quarterly, and have been complied with in all years and in the quarter ended September 30, 2020.
  - (iii) **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.
  - (iv) **FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. These agreements have monthly payments of interest and principal and do not have covenants.
  - (v) **FNE and FNO** refer to the operations of the Constitutional Fund for Financing of the Northeast and Amazon Banks, to finance and invest in heavy vehicles, light vehicles, machinery and equipment used in the JSL Group's cash management operations. These agreements have varying maturities, grace periods vary from three months to one year, and some assets may be collateralized in accordance with the financed product. Payments of interest and principal are monthly after the grace period and have no covenants.
  - (vi) **FINEP** refer to financing agreements with the Financier of Studies and Projects - FINEP, with the purpose of investing in research and development projects for technological innovations. This transaction has no covenants. Payments of interest and principal are monthly after the grace period and have no covenants.
  - (vii) **NCE** in local currency, these contracts mature at the end of the transaction and do not have covenants.
  - (viii) **NCEs** transactions in dollar have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to EBITDA. These notes have a bullet maturity at the end of the contractual term and semiannual payment of interest, and are 100% hedged through swap agreements. Between June 24 and 29, 2020, the Company settled the balance of R\$ 2,550,261, and in the same period signed new CCB contracts, in the same amounts settled. See item (xii) below.
  - (ix) **Promissory notes ('NPs')** refer to commercial notes of promise to pay, issued to reinforce working capital, within the ordinary management of its business. These agreements have several maturities, with payment of interest and principal at the end of the agreement. These transactions have covenants, including the maintenance of financial ratios.
  - (x) **Senior Notes "Bond"** refer to debt bonds issued by the associate JSL Europe in the international market, in the amount of USD 325,000 thousand, with maturity on July 26, 2024 and semiannual payment of interest of 7.75% p.a., beginning on January 26, 2018. On January 8, 2018, JSL Europe made a "Retap" offering in the amount of US\$ 300,000 thousand keeping the same characteristics from the original issuance. These transactions have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to EBITDA. The balance payable is indexed to the US dollar and is naturally hedged by financial investments in the same amount also indexed to the dollar.
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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020****In thousands of Brazilian reais, unless otherwise stated**

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- (xi) **International credit (4131)** refer to borrowing transactions with foreign institutions. These transactions have covenants, including the maintenance of certain financial ratios linked to the percentage of debt in relation to EBITDA-A. On March 20, 2020, the associate Vamos renegotiated this debt, changing the maturity from May 2021 to September 2023 and the contracted rate from 5.05% to 2.48% p.a.. With this renegotiation, the previously contracted exchange rate of R\$ 3.77 was R\$ 4.85. This transaction is 100% hedged protected through swap contracting.
- (xii) **CCB - FX (Foreign exchange)**, these were contracted between June 25 and 30, replacing settled NCEs. These borrowings have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to EBITDA. These notes have a bullet maturity at the end of the contractual term and semiannual payment of interest, and are 100% hedged by swap agreements.
- (xiii) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).
- (xiv) From the total amount of interest incurred in the period, the balances of R\$ 111,026 and R\$ 130,226 refer to loans and borrowings from discontinued operations for the nine-month period ended September 30, 2020 and 2019, respectively, in Parent Company. In Consolidated, the balance of interest on loans and borrowings from discontinued operations for the nine-month periods ended September 30, 2020 and 2019 is R\$ 208,313 and R\$ 386,182.

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

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

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

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

## **16.1 Guarantees and bank guarantees**

At September 30, 2020, JSL has certain guarantees for loans and borrowings transactions, as follows:

- (i) **FINAME and FNO** - guaranteed by the respective financed vehicles, machinery and equipment;
- (ii) **FINEM** - bank guarantees;
- (iii) **CRAs** in the amount of R\$ 887,245 have Simpar as the consenting intervening party, after the corporate restructuring mentioned in note 1.1.1 (a).

The other transactions do not have any guarantees.

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**17. Debentures**

The movements in the nine-month periods ended September 30, 2020 and 2019 are as follows:

											Parent Company		
			09/30/2020			Movement				12/31/2019			
Type	Annual average rate	Maturity	Current	Noncurrent	Total	Amortization	Interest paid	Spin-off Simpar (i)	Interest incurred	Current	Noncurrent	Total	
In local currency													
6 <sup>th</sup> issuance			-	-	-	(119,827)	(50,100)	-	8,418	161,509	-	161,509	
8 <sup>th</sup> issuance	3.23%	Jun/21	76,012	-	76,012	(66,701)	(14,863)	-	6,028	75,633	75,915	151,548	
10 <sup>th</sup> issuance	2.38%	Dec/23	148	223,160	223,308	(75,500)	(8,764)	-	10,213	73,765	223,594	297,359	
11 <sup>th</sup> issuance	2.42%	Nov/25	1,068	392,206	393,274	-	(13,127)	-	12,715	1,117	392,569	393,686	
12 <sup>th</sup> issuance	3.85%	Apr/25	1,038	555,232	556,270	(35,294)	(22,658)	-	21,686	139,883	452,653	592,536	
13 <sup>th</sup> issuance	4.12%	May/26	-	-	-	-	(13,330)	(450,938)	14,329	2,775	447,164	449,939	
14 <sup>th</sup> issuance	2.48%	Nov/23	-	-	-	(25,000)	(4,216)	(174,455)	4,692	50,343	148,636	198,979	
			78,266	1,170,598	1,248,864	(322,322)	(127,058)	(625,393)	78,081	505,025	1,740,531	2,245,556	

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

- (i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).
- (ii) From the total amount of interest incurred in the period, the balances of R\$ 19,021 and R\$ 12,493 refer to interest on debentures from discontinued operations for the nine-month periods ended September 30, 2020 and 2019, respectively.

**JSL S.A.**
**Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

Type	Annual average rate	Maturity	09/30/2020			Movement					Consolidated 12/31/2019			
			Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Spin-off Simpar (I)	Interest incurred	Current	Noncurrent	Total	
In local currency														
6 <sup>th</sup> issuance - JSL S.A.			-	-	-	-	(119,827)	(50,100)	-	8,418	161,509	-	161,509	
8 <sup>th</sup> issuance - JSL S.A.	3.23%	Jun/21	76,012	-	76,012	-	(66,701)	(14,863)	-	6,028	75,633	75,915	151,548	
10 <sup>th</sup> issuance - JSL S.A.	2.38%	Dec/23	148	223,160	223,308	-	(75,500)	(8,764)	-	10,213	73,765	223,594	297,359	
11 <sup>th</sup> issuance - JSL S.A.	2.42%	Nov/25	1,068	392,206	393,274	-	-	(13,127)	-	12,715	1,117	392,569	393,686	
12 <sup>th</sup> issuance - JSL S.A.	3.85%	Apr/25	1,038	555,232	556,270	-	(35,294)	(22,658)	-	21,686	139,883	452,653	592,536	
13 <sup>th</sup> issuance - JSL S.A.	4.12%	May/26	-	-	-	-	-	(13,330)	(450,938)	14,329	2,775	447,164	449,939	
14 <sup>th</sup> issuance - JSL S.A.	2.48%	Nov/23	-	-	-	-	(25,000)	(4,216)	(174,455)	4,692	50,343	148,636	198,979	
1 <sup>st</sup> issuance - Movida Locação	4.19%	Mar/23	-	-	-	-	-	(11,112)	(252,590)	10,422	66,544	186,736	253,280	
2 <sup>nd</sup> issuance - Movida Locação	3.99%	Oct/21	-	-	-	-	-	-	(83,449)	2,537	41,034	39,878	80,912	
3 <sup>rd</sup> issuance - Movida Locação	3.78%	Jan/24	-	-	-	-	-	(7,985)	(204,113)	5,815	7,055	199,228	206,283	
4 <sup>th</sup> issuance - Movida Locação	6.44%	Apr/22	-	-	-	200,000	-	-	(201,656)	1,656	-	-	-	
1 <sup>st</sup> issuance - Movida Participações	4.32%	Jul/22	-	-	-	-	(8,405)	(557)	(11,801)	359	8,447	11,957	20,404	
2 <sup>nd</sup> issuance - Movida Participações	4.19%	Jun/23	-	-	-	-	-	(15,557)	(448,997)	14,410	33,608	416,536	450,144	
3 <sup>rd</sup> issuance - Movida Participações	4.18%	Jun/24	-	-	-	-	-	(15,564)	(595,020)	18,710	-	591,874	591,874	
4 <sup>th</sup> issuance - Movida Participações	3.95%	Jul/27	-	-	-	-	-	(38,053)	(703,625)	23,325	20,008	698,345	718,353	
2 <sup>nd</sup> issuance - Vamos	3.96%	Aug/26	-	-	-	-	-	(18,989)	(808,137)	22,176	13,180	791,770	804,950	
			78,266	1,170,598	1,248,864	200,000	(330,727)	(234,875)	(3,934,781)	177,491	694,901	4,676,855	5,371,756	

Type	Annual average rate	Maturity	09/30/2019			Movement				Consolidated 12/31/2018		
			Current	Noncurrent	Total	New contracts	Amortization	Interest paid	Interest incurred	Current	Noncurrent	Total
In local currency												
6 <sup>th</sup> issuance - JSL S.A.	7.19%	Jul/20	156,121	-	156,121	-	(119,203)	(54,058)	21,724	153,151	154,507	307,658
8 <sup>th</sup> issuance - JSL S.A.	8.17%	Jun/21	74,905	75,599	150,504	-	(149,288)	(20,725)	16,403	157,941	146,173	304,114
10 <sup>th</sup> issuance - JSL S.A.	8.00%	Dec/23	-	296,921	296,921	-	(50,000)	(27,989)	21,519	55,498	297,893	353,391
11 <sup>th</sup> issuance - JSL S.A.	8.03%	Jun/21	199,022	198,929	397,951	-	-	(23,230)	24,322	-	396,859	396,859
12 <sup>th</sup> issuance - JSL S.A.	7.94%	Dec/23	104,758	487,433	592,191	-	-	(34,593)	35,799	-	590,985	590,985
13 <sup>th</sup> issuance - JSL S.A.	8.41%	May/26	11,752	447,032	458,784	450,000	-	(3,709)	12,493	-	-	-
1 <sup>st</sup> issuance - Movida Locação	7.50%	Mar/23	62,161	186,650	248,811	-	-	(20,477)	15,730	4,662	248,896	253,558
2 <sup>nd</sup> issuance - Movida Locação	7.30%	Oct/21	27,283	79,841	107,124	-	-	-	6,264	21,129	79,731	100,860
3 <sup>rd</sup> issuance - Movida Locação	7.10%	Jan/24	3,686	199,165	202,851	200,000	-	(1,167)	4,018	-	-	-
1 <sup>st</sup> issuance - Movida Participações	7.80%	Jul/22	7,940	11,846	19,786	-	(378,937)	(17,416)	2,762	89,796	323,581	413,377
2 <sup>nd</sup> issuance - Movida Participações	7.40%	Jun/23	43,209	416,388	459,597	-	-	(18,330)	27,987	1,490	448,450	449,940
3 <sup>rd</sup> issuance - Movida Participações	7.50%	Jun/24	12,459	591,643	604,102	600,000	-	(34,086)	38,188	-	-	-
4 <sup>th</sup> issuance - Movida Participações	7.20%	Jul/27	8,698	697,734	706,432	700,000	-	(7,951)	14,383	-	-	-
2 <sup>nd</sup> issuance - Vamos	7.21%	Aug/26	-	790,826	790,826	789,482	-	-	1,344	-	-	-
			711,994	4,480,007	5,192,001	2,739,482	(697,428)	(263,731)	242,936	483,667	2,687,075	3,170,742

- (i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).
- (ii) From the total amount of interest incurred in the period, the balances of R\$ 118,431 and R\$ 123,169 refer to interest on debentures from discontinued operations for the nine-month periods ended September 30, 2020 and 2019, respectively.



**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

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

<b>Issuer</b>	<b>JSL S.A.</b>				
<b>Description</b>	<b>6<sup>th</sup> issuance</b>	<b>8<sup>th</sup> issuance</b>	<b>10<sup>th</sup> issuance</b>	<b>11<sup>th</sup> issuance</b>	<b>12<sup>th</sup> issuance</b>
<b>a. Identification of the process by nature</b>					
1 <sup>st</sup> series amount	152,429	165,175	352,000	400,000	600,000
2 <sup>nd</sup> series amount	62,472	71,751	-	-	-
3 <sup>rd</sup> series amount	185,099	163,074	-	-	-
Issuance amount	400,000	400,000	352,000	400,000	600,000
Total amount received in checking account	401,910	400,390	352,000	400,000	600,000
Issuance	07/15/2013	06/15/2014	03/20/2017	06/20/2017	12/20/2018
30 and					
Funding	07/31/2013 & 08/01/2013	06/18/2014	03/29/2017	06/30/2017	12/06/2018
Maturity	07/15/2020	06/15/2021	12/20/2023	11/20/2025	04/20/2025
Type	Unsecured	Unsecured	Unsecured	Floating	Floating
Identification with B3	JSML 16/26/36	JSML 18/28/38	JSML 10	JSML A1	JSML A2
<b>b. Transaction costs</b>	<b>5,012</b>	<b>2,437</b>	<b>5,819</b>	<b>1,257</b>	<b>4,276</b>
<b>c. Premiums</b>					
Additional due to settlement	30 and 07/31/2013 & 08/01/2013	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,910	390	-	-	-
<b>d. Effective interest rate (IRR) p.a. %</b>					
1st series	CDI+1.80%	116% of CDI	125.0% of CDI	127.50% of CDI	CDI + 1.95%
2nd series	CDI2.20%	IPCA8.0%	-	-	-
3rd series	IPCA+7.5%	118.5% of CDI	-	-	-
<b>e. Amount of costs and premiums to be apportioned until maturity</b>	<b>-</b>	<b>188</b>	<b>3,380</b>	<b>7,794</b>	<b>12,883</b>

The Debentures issued by JSL S.A. are all simple, non-convertible debentures, unsecured, except for the 11<sup>th</sup> issuance that is issued as debentures of the floating guarantee type and 12<sup>th</sup> issuance that is issued as debentures of the floating and additional fidejussory guarantee type. All debentures have clauses of maintenance of financial ratios linked to the percentage of debt and finance costs in relation to EBITDA-A, which are calculated on Simpar's consolidated financial statements.

For the 11<sup>th</sup> and 12<sup>th</sup> issuance of debentures, JSL S.A. Is required to maintain at least 130% of the debt balance, amount equivalent to assets free of burden and debt. Regarding the 12th issue, CS Brasil is a guarantor for the purpose of calculating 130%, and its assets are added together for measurement purposes.

Additionally, after the Corporate restructuring mentioned in note 1.1.1 (a), Simpar became severally liable for the 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> issuance of Debentures, jointly with JSL.

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**18. Leases payable**

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Lease liabilities at December 31</b>	<b>116,398</b>	<b>83,288</b>	<b>401,612</b>	<b>242,914</b>
New contracts	-	50,010	70,405	109,531
Amortization	(30,965)	(27,896)	(90,768)	(67,690)
Interest paid	(8,014)	(5,741)	(14,235)	(12,085)
Interest incurred(ii)	3,734	6,140	17,409	16,579
Spin-off (i)	-	-	(303,270)	-
<b>Lease liabilities at the end of the period</b>	<b>81,153</b>	<b>105,801</b>	<b>81,153</b>	<b>289,249</b>
Current	30,986	44,834	30,986	103,970
Noncurrent	50,167	60,967	50,167	185,279
<b>Total</b>	<b>81,153</b>	<b>105,801</b>	<b>81,153</b>	<b>289,249</b>
<b>Annual average rate</b>	<b>4.46%</b>	<b>8.07%</b>	<b>4.46%</b>	<b>7.95%</b>
<b>Average rate structure</b>	<b>CDI +</b>	<b>CDI +</b>	<b>CDI +</b>	<b>CDI +</b>
	<b>+2.56%</b>	<b>+2.68%</b>	<b>+2.56%</b>	<b>+2.56%</b>
<b>Maturity</b>	<b>Dec/24</b>	<b>Mar/23</b>	<b>Dec/24</b>	<b>Sep/24</b>

- (i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).  
(ii) From the total amount of interest incurred in the period, the balances of R\$ 14,097 and R\$ 10,595 refer to interest on leases payable from discontinued operations for the nine-month periods ended September 30, 2020 and 2019, respectively, in Consolidated.

**19. Right-of-use leases**

Information on lease liabilities for which JSL is the lessee is presented below and mainly refer to property in which their units operate. The terms of the lease contracts is usually 6 years. Information regarding right-of-use assets is included in note 12.

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Lease liabilities at December 31</b>	<b>155,677</b>	<b>-</b>	<b>517,700</b>	<b>-</b>
Initial adoption of CPC 06 (R2) / IFRS 16	-	179,413	-	504,788
New contracts	130,800	16,048	194,686	120,302
Write-offs	(76,454)	(1,696)	(120,707)	(15,137)
Amortization	(17,128)	(17,612)	(75,929)	(81,938)
Interest paid	(11,705)	(5,967)	(13,263)	(18,518)
Interest incurred (ii)	12,569	8,188	18,281	22,890
Spin-off Simpar (i)	-	-	(291,065)	-
<b>Lease liabilities at the end of the period</b>	<b>193,759</b>	<b>178,374</b>	<b>229,703</b>	<b>532,387</b>
Current	27,405	24,037	34,903	111,369
Noncurrent	166,354	154,337	194,800	421,018
<b>Total</b>	<b>193,759</b>	<b>178,374</b>	<b>229,703</b>	<b>532,387</b>

- (i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).  
(ii) From the total amount of interest incurred in the period, the balances of R\$ 2,814 and R\$ 12,717 refer to interest on right-of-use lease from discontinued operations for the nine-month periods ended September 30, 2020 and 2019, respectively, in Consolidated.

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

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**20. Social and labor liabilities**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
Provision for vacation and 13 <sup>th</sup> salary	77,802	39,992	79,636	78,716
Salaries	24,971	40,267	25,292	68,801
Bonus and profit sharing	11,451	13,301	12,258	28,676
INSS	32,867	26,163	33,800	45,362
FGTS (Severance pay fund)	6,652	4,897	6,697	7,512
Others	245	233	246	2,307
	<b>153,988</b>	<b>124,853</b>	<b>157,929</b>	<b>231,374</b>

**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:

	<b>Parent Company</b>				<b>Consolidated</b>			
	<b>Judicial deposits</b>		<b>Provisions</b>		<b>Judicial deposits</b>		<b>Provisions</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
Labor	19,351	26,690	(26,616)	(31,991)	24,915	50,689	(27,207)	(45,827)
Civil	10,345	10,022	(10,814)	(15,868)	10,652	12,805	(10,826)	(21,923)
Tax	9,648	9,648	-	-	9,837	12,859	-	(79)
	<b>39,344</b>	<b>46,360</b>	<b>(37,430)</b>	<b>(47,859)</b>	<b>45,404</b>	<b>76,353</b>	<b>(38,033)</b>	<b>(67,829)</b>

**21.1 Judicial deposits**

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

**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. The movements in the nine-month periods ended September 30, 2020 and 2019 are as follows:

	<b>Parent Company</b>				<b>Consolidated</b>			
	<b>Labor</b>	<b>Civil</b>	<b>Tax</b>	<b>Total</b>	<b>Labor</b>	<b>Civil</b>	<b>Tax</b>	<b>Total</b>
<b>At December 31, 2019</b>	<b>31,991</b>	<b>15,868</b>	-	<b>47,859</b>				
Additions	5,808	1,905	-	7,713				
Reversals	(11,183)	(6,959)	-	(18,142)				
<b>At September 30, 2020</b>	<b>26,616</b>	<b>10,814</b>	-	<b>37,430</b>				
<b>At December 31, 2019</b>	<b>45,027</b>	<b>21,723</b>	<b>79</b>	<b>66,829</b>				
Additions	8,020	3,441	-	11,461				
Reversals	(13,672)	(7,746)	-	(21,418)				
Reclassification	(358)	(143)	501	-				
Spin-off (i)	(11,810)	(6,449)	(580)	(18,839)				
<b>At September 30, 2020</b>	<b>27,207</b>	<b>10,826</b>	-	<b>38,033</b>				

**Parent Company**

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

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

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

(i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.1 (a).

**Labor**

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

**Civil**

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

**Tax**

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

**21.3 Possible losses not provided for in the statement of financial position**

At September 30, 2020, JSL is 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:

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
Labor	160,768	125,423	163,154	137,010
Civil	107,580	139,854	119,753	190,750
Tax	256,208	259,552	267,425	292,499
<b>Total</b>	<b>524,556</b>	<b>524,829</b>	<b>550,332</b>	<b>620,259</b>

The variation in the balances is related to the spin-off resulting from the corporate restructuring process mentioned in note 1.1.1 (a).

**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.

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**Tax**

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>12/31/2019</b>	<b>09/30/2020</b>	<b>12/31/2019</b>
IRPJ and CSLL	109,250	108,053	109,250	109,764
ICMS	76,304	75,120	86,374	89,636
INSS	7,730	7,858	7,730	7,858
PER/DCOMP	40,542	21,862	40,542	22,805
PIS/COFINS	11,514	33,372	11,514	33,747
Others	10,868	13,287	12,015	28,689
<b>Total</b>	<b>256,208</b>	<b>259,552</b>	<b>267,425</b>	<b>292,499</b>

**21.4 Contingent asset**

JSL filed lawsuits requesting the exclusion of ICMS from the PIS and COFINS calculation bases, as well as the recognition of the right to offset credits raised in the 5 years prior to the filing, comprising the period from 2002 to 2017. These lawsuits are pending a final decision in favor of JSL, and for certain subsidiaries and companies acquired already merged into the Company, the lawsuits had final and unappealable decisions during 2018 and 2019, recognizing the right postulated.

However, considering the embargoes filed by the Federal Government before the Federal Supreme Court (STF), claiming the modulation of the effects of the decision issued by the same court, which determined the exclusion of ICMS from the PIS and COFINS calculation bases, Management has been assessing the respective effects that the judgment of these embargoes may have on the actions, whether carried forward or those that have not been res judicata.

Management considers that for the lawsuits for which final and unappealable decisions have been handed down, depending on any interpretation resulting from the STF decision, termination actions may be filed by the counterparty within two years from the final decision. Therefore, considering the uncertainty regarding the probable realizable value of these tax credits, estimated at R\$ 12,927 at September 30, 2020 (R\$ 12,893 at December 31, 2019), based on final and unappealable decisions, and considering their materiality, Management decided not to record the respective asset.

With regard to lawsuits for which no final and unappealable decisions have been handed down yet, the Company estimates tax credits in the amount of up to R\$ 130,000 at September 30, 2020 (R\$ 130,000 at December 31, 2019), depending on the rights recognized by the final and unappealable decisions and any interpretation resulting from the STF decision.

JSL is gathering all supporting documents to ratifying the benefit amounts for the eventual registration, pursuant to final decisions.

## 22. Payables for the acquisition of companies

	Parent company and Consolidated	
	09/30/2020	12/31/2019
Quick (i)	81,700	84,930
Schio (ii)	2,926	4,017
(-) Present value adjustment	(6,017)	(4,698)
<b>Total</b>	<b>78,609</b>	<b>84,249</b>

(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. maturing in 2023, and the balance payable is used with escrow to reduce contingencies. For the nine-month period ended September 30, 2020, a portion of R\$ 2,739 (R\$ 4,152 at September 30, 2019) was settled; and

(ii) Refers to the balance payable for the acquisition of Schio in 2011, the balance payable is used with escrow to reduce contingencies, if necessary. This balance is adjusted by 100% of the CDI maturing until 2022. For the nine-month period ended September 30, 2020, a portion of R\$ 1,287 (R\$ 1,171 at September 30, 2019) was settled.

## 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 comprised as follows:

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
<b>Tax credits</b>				
Tax losses (i)	34,258	61,452	36,257	243,151
Provision for judicial and administrative litigation	20,431	23,977	20,583	49,822
Expected credit losses ("impairment") of trade receivables	605	14,537	2,868	45,919
Provision for adjustment to market value and obsolescence	1,981	1,588	2,047	3,115
Share-based payment plan	-	6,406	-	6,711
Amortization and write-off of intangible assets from business combinations	17,507	17,062	17,507	17,062
Depreciation of right-of-use leases	3,373	4,426	4,585	10,696
Other provisions	21,882	32,770	34,187	42,346
<b>Total tax credits - gross</b>	<b>100,037</b>	<b>162,218</b>	<b>118,034</b>	<b>418,822</b>
<b>Tax debits</b>				
Present value adjustment	(2,385)	(1,937)	(2,385)	(2,085)
Deferred net income from sales to public authorities	(1,281)	(1,281)	(1,281)	(32,855)
Hedge derivatives (swap) and exchange rate changes under cash basis	(735)	(81,121)	(735)	(79,078)
Accounting vs. tax depreciation	(38,166)	(52,267)	(38,753)	(501,973)
Property and equipment - finance leases	1,154	(17,831)	1,133	(79,658)
Gains on equity interests in subsidiaries	-	(89,852)	-	(89,852)
Revaluation of assets	(1,995)	(3,596)	(1,995)	(2,686)
Realization of goodwill	(70,893)	(65,734)	(70,893)	(66,324)
<b>Total tax debts - gross</b>	<b>(114,301)</b>	<b>(313,619)</b>	<b>(114,909)</b>	<b>(854,511)</b>
<b>Total tax debts - net</b>	<b>(14,264)</b>	<b>(151,401)</b>	<b>3,125</b>	<b>(435,689)</b>
Deferred tax assets	-	-	17,389	138,431
Deferred tax liabilities	(14,264)	(151,401)	(14,264)	(574,120)
<b>Total tax debts - net</b>	<b>(14,264)</b>	<b>(151,401)</b>	<b>3,125</b>	<b>(435,689)</b>

(i) JSL recorded a provision of R \$ 38,000 for loss of deferred income tax and social contribution credits on tax losses, in connection with the loss of this proportion of tax losses due to corporate restructuring, mentioned in note 1.1.1 (a ).

**JSL S.A.**

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The movements in deferred income tax and social contribution for the nine-month periods ended September 30, 2020 and 2019 are as follows:

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	<b>Parent Company</b>	<b>Consolidated</b>
<b>At December 31, 2019</b>	<b>(151,401)</b>	<b>(435,689)</b>
Deferred income tax and social contribution recognized in profit or loss from continuing operations	390	3,781
Deferred income tax and social contribution recognized in profit or loss from discontinued operations	(4,826)	(4,826)
Deferred income tax and social contribution on cash flow hedge, in other comprehensive income, to be recycled to profit or loss	28,660	28,660
Deferred income tax and social contribution on transaction costs incurred in the restricted share offering (Note 25.1)	9,725	9,725
Deferred income tax and social contribution on equity valuation adjustments	90,061	90,061
Deferred income tax and social contribution written off from spin-off (i)	13,127	311,413
<b>At September 30, 2020</b>	<b>(14,264)</b>	<b>3,125</b>

(i) These amounts correspond to the balance of net assets from the spin-off described in Note 1.1.1 (a).

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

**23.1.1 Estimated realization schedule**

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

Tax losses can be carried forward indefinitely and, at September 30, 2020 and December 31, 2019, deferred income tax and social contribution were recognized for all tax loss carryforwards.

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

The realization of these credits related to the balance for the year ended December 31, 2019 is shown in the individual and consolidated annual financial statements, issued on March 30, 2020.

JSL prepared studies of projections of future taxable profits based on market data and concluded that the credits will be consumed within a maximum period of 4 years.



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**23.2 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:

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
Profit before income tax and social contribution	<b>2,635</b>	<b>120,867</b>	<b>(29)</b>	<b>278,190</b>
Statutory rates	34%	34%	34%	34%
<b>Income tax and social contribution at the standard rates</b>	<b>(896)</b>	<b>(41,095)</b>	<b>10</b>	<b>(94,585)</b>
<b>Permanent (additions) exclusions</b>				
Equity results from subsidiaries	(1,726)	83,889	-	(556)
Tax incentives - Workers Meal Program ("PAT")	1,340	678	1,360	1,077
Effects of interest on capital - received and paid	(166)	(25,831)	(166)	7,728
Unconstituted deferred credits on tax losses carried forward	-	-	-	(7,104)
Presumed ICMS Subsidy	7,125	8,048	7,125	8,048
Non-deductible expenses and other permanent (additions) deductions	2,160	(527)	2,172	5,193
<b>Income tax and social contribution calculated</b>	<b>7,837</b>	<b>25,162</b>	<b>10,501</b>	<b>(80,199)</b>
Current	7,447	(36,761)	6,720	(120,483)
Deferred	390	61,923	3,781	40,284
<b>Income tax and social contribution on results</b>	<b>7,837</b>	<b>25,162</b>	<b>10,501</b>	<b>(80,199)</b>
Effective rate	297.42%	20.82%	-36210.34%	-28.83%

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.

**23.3 Income tax and social contribution recoverable and payable**

The movements in current income tax and social contribution for the nine-month periods ended September 30, 2020 and 2019 are as follows:

	<b>Parent Company</b>	<b>Consolidated</b>
Income tax and social contribution recoverable - current	75,858	147,266
Income tax and social contribution recoverable - noncurrent	20,494	34,929
Income tax and social contribution payable	-	(3,094)
<b>Balance at December 31, 2019</b>	<b>96,352</b>	<b>179,101</b>
Provision for income tax and social contribution payable for the period	7,447	6,720
Advances, offsets and payments in the period	167,125	85,333
<b>Balance at September 30, 2020</b>	<b>270,924</b>	<b>271,154</b>
Income tax and social contribution recoverable - current	250,430	250,822
Income tax and social contribution recoverable - noncurrent	20,494	20,528
Income tax and social contribution payable	-	(196)
<b>Balance at September 30, 2020</b>	<b>270,924</b>	<b>271,154</b>

	<b>Parent Company</b>	<b>Consolidated</b>
Income tax and social contribution recoverable - current	64,787	110,149
Income tax and social contribution recoverable - noncurrent	20,494	24,312
Income tax and social contribution payable	-	(12,356)
<b>Balance at December 31, 2018</b>	<b>85,281</b>	<b>122,105</b>
Provision for income tax and social contribution payable for the period	(36,761)	(120,483)
Advances, offsets and payments in the period	(9,132)	80,970
<b>Balance at September 30, 2019</b>	<b>39,388</b>	<b>82,592</b>
Income tax and social contribution recoverable - current	18,894	87,701
Income tax and social contribution recoverable - noncurrent	20,494	24,876
Income tax and social contribution payable	-	(29,985)
<b>Balance at September 30, 2019</b>	<b>39,388</b>	<b>82,592</b>

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**24. Related parties****24.1 Related-party balances (assets and liabilities)**

Transactions between the Company and its subsidiaries are eliminated for the purpose of presenting the consolidated balances but maintained at the Parent Company in this interim financial information. The nature of these transactions is comprised of:

- (i) Cash and cash equivalents, marketable securities and financial investments: these are financial securities, such as leasing bills and financial promissory notes.
- (ii) Trade receivables: balances arising from commercial transactions for the purchase and sale of assets, leasing of assets and provision of services.
- (iii) 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.
- (iv) Dividends receivable: balances receivable from dividends proposed and approved by the Company's subsidiaries.
- (v) Receivable and payable 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.
- (vi) Other payables: balances payable for reimbursement of the Company's expenses borne by the subsidiaries.
- (vii) Trade payables: balances arising from commercial transactions for the purchase and sale of assets, leasing of assets and provision of services.

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

Assets	Parent Company									
	Cash and cash equivalents (note 5)		Advances to third parties and other credits		Trade receivables (Note 7)		Dividends receivable		Receivable from related parties	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
<b>Related parties</b>										
Avante Veículos	-	-	-	24	85	-	-	-	-	-
Payment BBC	-	-	36	9	-	-	-	-	-	-
Borgato Caminhões	-	-	7	-	-	-	-	-	-	-
Borgato Serviços	-	-	2	4	-	-	-	-	-	-
Ciclus Ambiental	-	-	-	-	13,854	26,978	-	-	-	-
CS Brasil Frotas	-	-	73	-	1,373	-	-	2,348	-	-
CS Brasil Participações	-	-	4	-	-	-	-	-	-	674,857
CS Brasil Transportes	-	-	5,434	8,425	922	-	-	-	-	-
Instituto Júlio Simões	-	-	2	2	6	-	-	-	-	-
JSL Arrendamento	-	57,657	10,124	1,547	624	1,259	-	-	-	-
JSL Corretora	-	-	-	23	-	-	-	-	-	-
JSL Empreendimentos	-	-	-	-	-	5,001	-	-	-	188
JSL Europe	-	-	-	8,771	-	-	-	-	-	-
Medlogística	-	-	181	47	32	34	320	-	-	-
Mogi Mob	-	-	51	318	30	-	-	-	-	-
Mogi Passes	-	-	4	-	-	-	-	-	-	-
Movida Locação	-	-	1,033	1,507	2,527	57	-	-	-	-
Movida Participações	-	-	91	539	6	-	-	31,267	-	-
Movida Premium	-	-	5	41	-	-	-	-	-	-
Original Distribuidora	-	-	-	4	-	-	-	-	-	-
Original Veículos	-	-	174	496	342	-	-	-	-	27,135
Ponto Veículos	-	-	164	53	-	-	-	-	-	-
Quick Armazéns	-	-	2	3	-	-	-	-	-	8,274
Quick Logística	-	-	18,099	17,526	580	635	-	-	15,117	-
Simpar	-	-	6,340	39	38	-	-	-	-	-
Sinal Serviços	-	-	-	-	-	-	-	-	11	-
TPG Transportes	-	-	9	8	-	-	-	-	-	-
Transrio	-	-	53	3,123	-	66	-	-	-	-

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Vamos	-	-	3,054	-	4,834	11,292	-	-	17	17
Vamos Máquinas	-	-	67	114	-	-	-	-	-	-
Vamos Seminovos	-	-	-	11	-	-	-	-	-	-
Yolanda	-	-	4,105	4,260	976	-	-	7,984	3,103	3,103
Others	-	-	-	17	-	-	-	324	-	61
<b>Total</b>	<b>-</b>	<b>57,657</b>	<b>49,114</b>	<b>46,911</b>	<b>26,229</b>	<b>45,322</b>	<b>320</b>	<b>33,939</b>	<b>23,129</b>	<b>713,635</b>
Current	-	57,657	49,114	38,140	26,229	40,321	-	33,939	-	-
Noncurrent	-	-	-	8,771	-	5,001	320	-	23,129	713,635
<b>Total</b>	<b>-</b>	<b>57,657</b>	<b>49,114</b>	<b>46,911</b>	<b>26,229</b>	<b>45,322</b>	<b>320</b>	<b>33,939</b>	<b>23,129</b>	<b>713,635</b>

**Liabilities**
**Related parties**

	Parent Company			
	Other payables		Trade payables (Note 14)	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Avante Veículos	-	-	-	1
Borgato Caminhões	-	-	67	-
CS Brasil Frotas	-	-	187	-
CS Brasil Transportes	586	-	13,261	1,171
JSL Arrendamento	-	-	3,406	4,831
JSL Corretora	-	-	5	5
Medlogística	14	-	-	6
Mogi Mob	332	-	-	27
Movida Locação	5	-	286	226
Movida Participações	1	-	37	1,194
Movida Premium	-	-	6	-
Original Veículos	1	-	133	370
Ponto Veículos	-	-	-	6
Quick Logística	1,667	-	-	1,345
Ribeira Imóveis	-	-	-	222
Simpar	45,325	-	-	-
Transrio	-	-	123	1,347
Vamos	23	-	18,043	2,041
<b>Total</b>	<b>47,954</b>	<b>-</b>	<b>35,554</b>	<b>12,792</b>
Current	47,954	-	35,554	12,792
Noncurrent	-	-	-	-
<b>Total</b>	<b>47,954</b>	<b>-</b>	<b>35,554</b>	<b>12,792</b>

Amounts corresponding to loan agreements with related parties are not subject to contractual charges.

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

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	Assets						Liabilities						Consolidated
	Trade receivables (Note 7)		Other credits		Receivable from related parties		Trade payables (Note 14)		Other payables		Payables to related parties		
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	
Related parties													
Avante Veículos	85	-	-	-	-	-	-	-	-	-	-	-	-
BBC Holding													
Financeira	-	-	128	-	-	-	-	-	-	-	-	-	-
Payment BBC	-	-	36	-	-	-	-	-	-	-	-	-	-
Borgato Serviços	-	-	2	-	-	-	-	-	-	-	-	-	-
Borgato Caminhões	-	-	7	-	-	-	67	-	-	-	-	-	-
Ciclus Ambiental	13,854	26,978	-	-	-	-	-	-	-	-	-	-	-
Consórcio Sorocaba	-	-	-	-	-	-	-	-	-	-	-	-	3,056
CS Brasil Frotas	1,373	-	220	-	-	-	187	-	-	-	-	-	-
CS Brasil													
Participações	-	-	4	-	-	-	-	-	-	-	-	-	-
CS Brasil Transportes	925	-	5,437	-	-	-	12,017	-	591	-	-	-	-
JSL Arrendamento	642	-	10,124	-	-	-	3,744	-	-	-	-	-	-
JSL Corretora	-	-	5	-	-	-	5	-	-	-	-	-	-
Mogi Mob	30	-	51	-	-	-	-	-	332	-	-	-	-
Mogipasses	-	-	4	-	-	-	-	-	-	-	-	-	-
Movida Locação	2,527	-	1,035	-	-	-	289	-	5	-	-	-	-
Movida Participações	6	-	91	-	-	-	44	-	1	-	-	-	-
Movida Premium	-	-	5	-	-	-	6	-	-	-	-	-	-
Original Veículos	342	-	174	-	-	-	133	-	1	-	-	-	-
Ponto Veículos	9	-	-	-	-	-	2	-	-	-	-	-	-
Ribeira Imóveis	-	-	-	-	-	-	-	222	-	-	-	-	-
Simpar	38	-	6,340	-	-	-	-	-	45,342	-	-	-	-
TPG Transportes	-	-	9	-	-	-	-	-	-	-	-	-	-
Transrio	-	-	53	-	-	-	123	-	-	-	-	-	-
Vamos	4,834	-	3,048	-	-	-	18,050	-	23	-	-	-	-
Vamos Linha Amarela	-	-	7	-	-	-	-	-	-	-	-	-	-
Vamos Máquinas	-	-	67	-	-	-	-	-	6	-	-	-	-
Others	-	-	-	-	17	-	-	-	-	-	-	-	-
Total	24,665	26,978	26,847	-	17	-	34,667	222	46,301	-	-	-	3,056
Current	24,665	26,978	26,847	-	-	-	34,667	222	46,301	-	-	-	3,056
Noncurrent	-	-	-	-	17	-	-	-	-	-	-	-	-
Total	24,665	26,978	26,847	-	17	-	34,667	222	46,301	-	-	-	3,056

**JSL S.A.**
**Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

**24.2 Related-party transactions with effects in profit or loss**

The table below presents the results from transactions between the Company, its subsidiaries and other related parties in the line items of revenues, costs, deductions and other operating revenues and expenses, for the nine-month periods ended September 30, 2020 and 2019:

	Consolidated															
Results	Rent and services rendered		Contracted rents and services		Sale of assets		Purchase of assets		Administrative and selling expenses, and recovery of expenses		Other operating income (expenses)		Finance income		Finance costs	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Transactions eliminated in profit or loss																
JSL S.A.	-	4,677	-	(3,184)	-	54,024	-	(48,852)	-	28,900	-	1,332	-	2,514	-	(1)
Avante Veículos	-	-	-	-	170	-	(170)	-	128	(180)	-	-	-	-	-	-
Payment BBC	-	-	-	-	-	-	-	-	186	-	-	-	-	-	-	-
Borgato Serviços	-	-	-	-	-	-	-	-	33	(27)	-	-	-	-	-	-
Centro de memórias	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CS Brasil Frotas	-	-	-	-	-	2,042	-	(2,042)	1,157	(3,053)	-	-	-	-	-	(258)
CS Brasil Participações	-	-	-	-	-	-	-	-	62	-	-	-	-	-	-	-
CS Brasil Transportes	370	20	(2)	-	(1,091)	2,415	1,091	(2,589)	3,663	150	-	-	16,317	-	-	(709)
Instituto Julio Simões	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JSL Arrendamento	-	-	-	-	-	-	-	-	474	(551)	-	-	3,724	-	-	(280)
JSL Corretora	-	-	-	-	-	-	-	-	67	(90)	-	-	-	-	-	-
JSL Empreendimentos	-	-	-	-	-	-	-	-	2	(5)	-	-	10	-	1	(250)
JSL Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JSL Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JSL Holding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medlogística	-	-	-	(17)	-	-	-	-	-	(414)	-	-	-	-	-	(3)
Mogi Mob	-	-	-	-	-	-	-	-	136	-	-	-	-	-	-	-
Mogipasses	-	-	-	-	-	-	-	-	52	(96)	-	-	-	-	-	-
Movida Locação	-	-	(463)	(19)	-	66	-	(66)	9,982	(16,199)	-	-	-	-	-	-
Movida Participações	-	245	(73)	(5)	6,249	46	(6,249)	(46)	1,186	(1,490)	-	-	-	-	-	-
Movida Premium	-	-	-	-	-	-	-	-	93	(129)	-	-	-	-	-	-
Original Distribuidora	-	-	-	-	-	-	-	-	17	(12)	-	-	-	-	-	(75)
Original Veículos	-	2	132	-	873	-	(873)	-	871	(2,110)	-	-	891	-	-	(636)
Ponto Veículos	-	-	(1)	-	170	-	(170)	-	355	(467)	-	-	-	-	-	-
Quick Armazéns	-	-	-	-	-	-	-	-	-	(12)	-	-	-	220	-	-
Quick Logística	-	-	-	(1,009)	-	-	-	-	-	(1,048)	-	-	-	-	-	(482)
Sinal Serviços	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TPG Transportes	-	-	-	-	-	-	-	-	327	-	-	-	-	-	-	-
Transrio	-	328	(321)	(122)	1,001	-	(1,001)	-	753	(1,158)	-	-	-	-	-	-
Vamos	-	2,134	(2)	(3,627)	2,850	24,159	(2,850)	(28,189)	(1,812)	(4,143)	-	3,213	-	-	-	-
Vamos Máquinas	-	523	-	(523)	-	-	-	(983)	614	(481)	-	-	-	-	-	-
Vamos Seminovos	-	163	-	-	-	-	-	-	60	(21)	-	-	-	-	-	-
Vamos Linha Amarela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yolanda	-	-	-	-	-	-	-	-	-	(572)	2,172	(908)	-	-	-	(40)
	370	8,092	(732)	(8,506)	10,222	82,752	(10,222)	(82,767)	18,405	(3,208)	2,172	3,637	20,942	2,734	1	(2,734)
Related-party transactions																
Ciclus Ambiental	57,516	64,402	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(3,224)	(14,487)	-	-	-	-	-	-	-	-	-	-	-	-
Others (i)	-	-	(2,613)	(2,632)	-	-	-	-	-	-	-	-	-	-	-	-
	57,516	64,402	(5,838)	(17,119)	-	-	-	-	-	-	-	-	-	-	-	-
Total	57,886	72,494	(6,569)	(25,625)	10,222	82,752	(10,222)	(82,767)	18,405	(3,208)	2,172	3,637	20,942	2,734	1	(2,734)

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

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**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 the profit or loss for the nine-month period ended September 30, 2020 was R\$ 3,224 (R\$ 3,559 at September 30, 2019). The agreements have conditions in line with market values and have maturities until 2027.

**24.4 Administrative services center**

In order to better apportion common expenses between the companies that use corporate services, JSL makes apportionments based on criteria defined in appropriate technical studies. For the nine-month period ended September 30, 2020, the amount related to recovery of expenses in Parent Company was R\$ 24,552 (R\$ 31,447 at September 30, 2019). The administrative services center does not charge management fees nor applies profitability margin on services rendered, passing on only the costs.

**24.5 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:

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
Fixed compensation	(10,180)	(10,457)	(11,181)	(10,457)
Variable compensation	(7,757)	(4,311)	(7,962)	(4,311)
Payroll charges and benefits	(189)	(248)	(201)	(248)
Shared-based payments	(3,141)	(1,256)	(3,235)	(1,256)
<b>Total</b>	<b>(21,267)</b>	<b>(16,272)</b>	<b>(22,579)</b>	<b>(16,272)</b>

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

The compensation paid to key management personnel is within the limit approved by the Shareholders' Meeting held in 2020.

**25. Equity****25.1 Share capital**

The Company's fully subscribed and paid-up capital at September 30, 2020 is R\$ 769,697 (R\$ 695,069 at December 31, 2019), less the transaction costs incurred in the process of IPO in the amount of R\$ 34,908. The shares are registered common shares without par value.

The Company increased its capital in February and June 2020 through the issuance and subscription of 904,656 common shares, fully paid-up in cash in the amount of R\$ 10,107 and payment of shares issued in 2019 in the amount of R\$ 1,283, both related to the share-based payment plan disclosed in the explanatory note.

As mentioned in note 1.1.1 (a), on August 5, 2020, at an extraordinary general meeting, the corporate restructuring of the JSL was approved, and consequently, the shareholders approved the partial spin-off of the Company, part of which as a capital reduction in the amount of R\$ 611,728.

At a meeting of the Company's Board of Directors held on September 8, 2020, the issuance of 72,255,762 new shares resulting from restricted placement offering was approved, which reflected in a capital increase of R\$ 693,655. This offer involved transaction costs incurred in the amount of R\$ 18,689 (net of tax effects in the amount of R\$ 9,725, according to Note 23.1). Accordingly, the capital increase in the Company's equity, as well as the net cash inflow resulting from this transaction, corresponded to the amount of R\$ 674,966.

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**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020****In thousands of Brazilian reais, unless otherwise stated**

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After this capital increase, the Company's fully paid-up capital is divided into 279,991,078 registered shares (206,830,660 at December 31, 2019) with no par value, 1,703,235 (41,794 at December 31, 2019) non-voting treasury shares. At September 30, 2020, share capital is held as follows:

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

<i>Number of shares</i>	09/30/2020		12/31/2019	
	Common shares	(%)	Common shares	(%)
<b>Shareholders</b>				
Owners of the Company	214,385,424	76.6	132,459,519	64.0
Simpar S.A.	206,032,081	73.6	114,451,301	55.3
JSP Holding S.A.	7,450,000	2.7	-	-
Fernando Antonio Simões	903,343	0.3	18,008,218	8.7
Other members of the Simões family	231,000	0.1	13,328,663	6.4
Management	272,380	0.1	771,370	0.4
Treasury shares	1,703,235	0.6	41,794	0.0
Outstanding shares traded on the stock exchange	63,399,039	22.6	60,229,314	29.1
<b>Total</b>	<b>279,991,078</b>	<b>100.0</b>	<b>206,830,660</b>	<b>100.0</b>

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

**25.2 Capital reserve****a) Share-based payment transactions****Stock option plan:**

The following table presents the number, weighted average of the exercise price and the movement of the granted stock options:

	Number of stock options				Average exercise price (R\$)
	Granted	Canceled	Transferred	Stock options outstanding	
<b>Position as at December 31, 2018</b>	<b>4,943,806</b>	<b>(3,513)</b>	-	<b>4,940,293</b>	<b>7.55</b>
Transfer to beneficiaries	-	-	(1,212,294)	(1,212,294)	7.19
Options canceled	-	(11,470)	-	(11,470)	7.19
<b>Position as at December 31, 2019</b>	<b>4,943,806</b>	<b>(14,983)</b>	<b>(1,212,294)</b>	<b>3,716,529</b>	<b>7.19</b>
Transfer to beneficiaries	-	-	(899,869)	(899,869)	7.19
Write-off from spin-off (i)	(4,943,806)	14,983	2,112,163	(2,816,660)	7.19
<b>Position as at September 30, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Restricted shares plan:**

The following table presents the number, weighted average of the fair value and the movement of the granted restricted share options:

	Number of stock options				Average exercise price (R\$)
	Granted	Canceled	Transferred	Stock options outstanding	
<b>Position as at December 31, 2018</b>	<b>334,476</b>	-	-	<b>334,476</b>	<b>8.12</b>
Options granted	758,136	-	-	758,136	6.52
<b>Position as at December 31, 2019</b>	<b>1,092,612</b>	-	-	<b>1,092,612</b>	<b>7.32</b>
Options granted	507,378	-	-	507,378	23.54
Transfer to beneficiaries	-	-	(824,114)	(824,114)	7.32
Options canceled	-	(117,045)	-	(117,045)	7.32
Write-off from spin-off (i)	(1,599,990)	117,045	824,114	(658,831)	7.32
<b>Position as at September 30, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The amount of R\$ 876 (R\$ 1,256 at September 30, 2019) was recognized in profit or loss for the nine-month period ended September 30, 2020 under the line item "Administrative expenses" as remuneration for share-based payment transactions, and the accumulated balance in the capital reserve account referring to these plans in equity is R\$ 40 at September 30, 2020 (R\$ 19,387 at September 30, 2019), considering that the amount of R\$ 20,223 was transferred to Simpar as part of the spun off net assets arising from the corporate restructuring described in note 1.1.1 (a).



Complete information on the share-based payment plan is presented in note 25.2 to the annual individual and consolidated financial statements for the year ended December 31, 2019.

### **25.3 Treasury shares**

At September 30, 2020, the Company has a balance of R\$ 40,701, representing 1,703,235 common shares held in treasury (R\$ 460 at December 31, 2019, representing 41,794 common shares held in treasury).

In 2020, the parent company JSL repurchased 1,661,441 shares at a weighted average price of R\$ 24.22 in the amount of R\$ 40,241. The shares were acquired to be held in treasury, to meet the Company's variable compensation program.

### **25.4 Earnings reserves**

#### **a) Distribution of dividends**

The dividend distribution policy is disclosed in note 29.4 to the Company's individual and consolidated financial statements for the year ended December 31, 2019.

#### **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 and associates, including through subscriptions of capital increases or creation of new enterprises, to which up to 100% of the net income 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.

The balance in the retained earnings reserve refers to retained earnings based on the capital budget, established under the terms of article 196 of the Brazilian Corporate Law, and approved at the Ordinary General Meeting of shareholders held on April 29, 2019.

#### **d) Investment grants**

At the Parent Company, due to the calculation of the ICMS through the presumed credit method (ICMS 106/96), the amount of R\$ 31,564 for the year ended December 31, 2019 was transferred to the reserve of investment grants within "Earnings Reserves", according to Law 12,973/14 Art. 30º § 4. In the nine-month period ended September 30, 2020 the amount of R\$ 20,956 was recognized. Additionally, through its subsidiary Quick Logística it is entitled to a tax benefit grant related to the value added tax on sales and services (ICMS) in the state of Goiás, and during the nine-month period ended September 30, 2020 the amount utilized was R\$ 1,005 recorded in other equity adjustments from subsidiaries.

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In thousands of Brazilian reais, unless otherwise stated

**26. 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 30 to the annual individual and consolidated financial statements for the year ended December 31, 2019.

**27. Net revenue from sale, lease, services rendered and sale of decommissioned assets****a) Revenue flows**

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
Revenue from dedicated services (b)	795,687	885,547	825,437	815,611
Revenue from passengers transportation (b)	142,634	143,404	142,634	160,207
Revenue from general cargo (a)	756,874	939,600	792,959	1,045,196
Revenue from lease (b)	106,894	164,171	105,943	184,183
<b>Net revenue from sale, lease and services rendered</b>	<b>1,802,089</b>	<b>2,132,722</b>	<b>1,866,973</b>	<b>2,205,197</b>
Revenue from sale of decommissioned assets (b)	140,239	151,543	141,682	101,461
<b>Total net revenue</b>	<b>1,942,328</b>	<b>2,284,265</b>	<b>2,008,655</b>	<b>2,306,658</b>
<b>Timing of revenue recognition</b>				
Products transferred at a specific point in time	140,239	151,543	141,682	101,461
Products and services transferred over time	1,802,089	2,132,722	1,866,973	2,205,197
<b>Total net revenue</b>	<b>1,942,328</b>	<b>2,284,265</b>	<b>2,008,655</b>	<b>2,306,658</b>

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Gross revenue</b>	<b>2,320,994</b>	<b>2,715,294</b>	<b>2,400,997</b>	<b>2,754,378</b>
<b>Less:</b>				
Taxes on sales	(339,080)	(392,306)	(351,030)	(407,525)
Returns and cancellations	(11,920)	(2,426)	(12,672)	(2,006)
Toll rates	(27,413)	(36,270)	(28,532)	(38,189)
Discounts granted	(253)	(27)	(108)	
<b>Total net revenue</b>	<b>1,942,328</b>	<b>2,284,265</b>	<b>2,008,655</b>	<b>2,306,658</b>

(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 contract with customer.

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**28. Expenses by nature**

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
Fleet costs / expenses	(29.887)	(32.605)	(32.279)	(34.438)
Cost of sales of decommissioned assets (i)	(139.069)	(109.259)	(139.744)	(109.517)
Personnel	(583.400)	(650.413)	(596.504)	(663.276)
Related and third parties	(563.769)	(673.086)	(587.418)	(711.376)
Depreciation and amortization	(166.225)	(167.497)	(170.860)	(171.242)
Parts, tires and maintenance	(177.165)	(209.560)	(179.833)	(212.336)
Fuels and lubricants	(97.945)	(104.901)	(99.207)	(106.359)
Communication, advertising and publicity	(1.553)	(1.381)	(1.102)	(1.405)
Services rendered	(66.279)	(61.479)	(69.060)	(67.210)
Provision (reversal) of expected credit losses ("impairment") of trade receivables (note 7.1)	(6.334)	5.000	(7.557)	4.849
Provision for judicial and administrative litigation	(21.990)	(19.410)	(22.583)	(19.930)
Electric power	(14.164)	(15.643)	(15.220)	(16.689)
Property leasing	(4.481)	(4.245)	(5.270)	(4.850)
Lease of vehicles, machinery and equipment	(14.531)	(15.959)	(15.047)	(16.462)
PIS and COFINS credits on inputs (i)	92.761	99.781	96.842	104.826
Extemporaneous tax credits (ii)	15.246	1.662	15.523	1.662
Other costs	(20.463)	(59.571)	(39.876)	(74.222)
	<b>(1.799.248)</b>	<b>(2.018.566)</b>	<b>(1.869.195)</b>	<b>(2.097.975)</b>
Cost of sales, leases and services rendered	(1.600.312)	(1.818.211)	(1.659.214)	(1.892.427)
Cost of sales of decommissioned assets (iii)	(139.069)	(109.259)	(139.744)	(109.517)
Selling expenses	(14.226)	(14.265)	(14.243)	(14.262)
Administrative expenses	(85.331)	(79.476)	(89.773)	(84.288)
Provision for impairment of trade receivables	(6.334)	5.000	(7.557)	4.849
Other operating expenses	(30.446)	(17.960)	(30.981)	(17.132)
Other operating income	76.470	15.605	72.317	14.802
	<b>(1.799.248)</b>	<b>(2.018.566)</b>	<b>(1.869.195)</b>	<b>(2.097.975)</b>

(i) PIS and COFINS credits on acquisition of inputs and depreciation charges recorded as reducers of the costs of sales and services, in order to better reflect the nature of the respective credits and expenses; and

(ii) Comprises INSS, PIS, and COFINS amounts related to matters with widely accepted jurisprudence at the administrative and judicial levels.

(iii) The cost of sales of decommissioned assets consists of the cost of assets used in logistics services sold.

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**29. Finance income (costs)**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Finance income</b>				
Financial investments	26,132	40,248	25,564	40,675
Interest received	1,964	4,296	2,185	5,114
Other finance income	362	1,835	363	1,838
<b>Total finance income</b>	<b>28,458</b>	<b>46,379</b>	<b>28,112</b>	<b>47,627</b>
<b>Finance costs</b>				
Interest on loans, borrowings and debentures	(166,969)	(207,742)	(166,969)	(207,742)
Interest and bank charges on leases payable	(3,734)	(5,984)	(3,312)	(5,984)
Interest on suppliers financing – car makers	(270)	-	(270)	-
Net gains (losses) on swap agreements	37,617	(3,858)	37,617	(3,858)
<b>Total debt service costs</b>	<b>(133,356)</b>	<b>(217,584)</b>	<b>(132,934)</b>	<b>(217,584)</b>
Interest on right-of-use leases	(12,569)	(8,189)	(15,467)	(10,173)
Interest on payables for the acquisition of companies	(4,402)	(5,500)	(4,402)	(5,500)
Interest payable	(12,507)	(6,173)	(12,576)	(6,296)
Other finance costs	(992)	(22,595)	(2,222)	(22,718)
<b>Total finance costs</b>	<b>(163,826)</b>	<b>(260,041)</b>	<b>(167,601)</b>	<b>(262,271)</b>
<b>Net finance result</b>	<b>(135,368)</b>	<b>(213,662)</b>	<b>(139,489)</b>	<b>(214,644)</b>

**30. Earnings per share****30.1 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:

	<b>Parent company</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Numerator:</b>		
Profit for the period from continuing operations attributable to owners of the Company	10,472	13,378
Profit for the period from discontinued operations for the period attributable to owners of the Company	139,612	132,651
<b>Denominator:</b>		
Weighted average number of outstanding shares	211,922,196	205,398,981
<b>Basic earnings per share from continuing operations - R\$</b>	<b>0.0494</b>	<b>0.0651</b>
<b>Basic earnings per share from discontinued operations - R\$</b>	<b>0.6588</b>	<b>0.6458</b>
<b>Total basic earnings per share - R\$</b>	<b>0.7082</b>	<b>0.7109</b>

**30.2 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.

**JSL S.A.****Notes to the interim financial information for the period ended September 30, 2020**

In thousands of Brazilian reais, unless otherwise stated

	<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Numerator:</b>		
Profit for the period from continuing operations for the period attributable to owners of the Company	10,472	13,378
Profit for the period from discontinued operations for the period attributable to owners of the Company	139,612	132,651
<b>Denominator:</b>		
Weighted average number of outstanding shares	211,922,196	205,398,981
<b>Adjustments:</b>		
Stock option plan (weighed)	-	5,075,512
<b>Weighted average of number of shares to diluted earnings per share</b>	<b>211,922,196</b>	<b>210,474,493</b>
<b>Diluted earnings per share from continuing operations - R\$</b>	<b>0.0494</b>	<b>0.0636</b>
<b>Diluted earnings per share from discontinued operations - R\$</b>	<b>0.6588</b>	<b>0.6302</b>
<b>Total diluted earnings per share - R\$</b>	<b>0.7082</b>	<b>0.6938</b>

**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 made acquisitions of 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:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>09/30/2020</b>	<b>09/30/2019</b>	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Total additions to property and equipment in the period</b>	<b>408,056</b>	<b>299,688</b>	<b>2,761,552</b>	<b>4,313,427</b>
<b>Additions without cash disbursement:</b>				
Additions financed by leases payable, FINAME and suppliers financing - car makers	(2,263)	(83,775)	(710,539)	(255,230)
Additions to right-of-use lease (note 12)	(130,800)	(16,048)	(194,686)	(120,302)
<b>Additions for the period settled with cash flows</b>				
Change in the balance of trade payables and suppliers financing – car makers	(21,195)	17,492	1,462,706	(596,740)
<b>Total cash flows for purchase of property and equipment</b>	<b>253,798</b>	<b>217,357</b>	<b>3,319,033</b>	<b>3,341,155</b>
<b>Statements of cash flows:</b>				
Operating property and equipment for leasing	234,272	200,397	3,258,982	3,293,252
Property and equipment	19,526	16,960	60,051	47,903
<b>Total</b>	<b>253,798</b>	<b>217,357</b>	<b>3,319,033</b>	<b>3,341,155</b>
<b>Other non-cash transactions:</b>				
Initial adoption of CPC 06 (R2)/IFRS 16 - Leases	-	(195,461)	-	(625,090)

**32. Events after the reporting period****32.1 Company acquisitions****a) Acquisition of TransMoreno Transporte e Logística Ltda. (“TransMoreno”)**

On October 30, 2020, as disclosed in a material fact and mentioned in Note 32.1, with the approval of the Administrative Council for Economic Defense (CADE), a transaction closing agreement was signed and concluded the acquisition of Moreno Holding Ltda., Parent company of TransMoreno Transporte e Logística Ltda. (Jointly “TransMoreno”)

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Statement of the Executive Board on JSL S.A. Individual and Consolidated Interim Financial Information

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the Individual and Consolidated Interim Financial Information of JSL S.A. for the nine-month period ended September 30, 2020, authorizing the issue on this date.

São Paulo, November 11, 2020.

Fernando Antonio Simões  
Chief Executive Officer

Guilherme de Andrade Fonseca Sampaio  
Finance and Investor Relations Officer

Samir Moises Gilio Ferreira  
Chief Controlling Officer

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Statement of the Executive Board on the Independent auditor's report

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the Individual and Consolidated Interim Financial Information of JSL S.A. for the nine-month period ended September 30, 2020, issued on this date.

São Paulo, November 11, 2020.

Fernando Antonio Simões  
Chief Executive Officer

Guilherme de Andrade Fonseca Sampaio  
Finance and Investor Relations Officer

Samir Moises Gilio Ferreira  
Chief Controlling Officer

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