

(Convenience translation into English from the original  
previously issued in Portuguese)

AMBIPAR PARTICIPAÇÕES E  
EMPREENHIMENTOS S.A.

Independent auditor's review report

Individual and consolidated interim financial  
information  
As at September 30, 2020

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Individual and consolidated interim financial information  
As at September 30, 2020

## Contents

Management report

Independent auditor's review report on the individual and consolidated interim financial information

Individual and consolidated statements of financial position

Individual and consolidated statements of income

Individual and consolidated statements of comprehensive income

Individual and consolidated statements of changes in shareholders' equity

Individual and consolidated statements of cash flow - indirect method

Individual and consolidated statements of value added - additional information

Individual and consolidated notes to the interim financial information



EARNINGS  
RELEASE

3Q20



## CONTENT

Highlights.....	6
Message from the Management.....	7
Sustainability .....	8
Actions and Impacts of COVID-19 .....	8
ENVIRONMENT.....	9
Net Revenue.....	9
Cost of Services Rendered.....	10
EBITDA.....	10
RESPONSE.....	11
Net Revenue.....	11
Cost of Services Rendered.....	12
EBITDA.....	12
CONSOLIDATED .....	13
Operational and Financial Results.....	13
Costs and Expenses.....	14
EBITDA.....	14
Financial Result.....	15
Net Income .....	15
Gross debt and Cash and cash equivalents.....	15
SUBSEQUENT EVENTS.....	16
HUMAN RESOURCE INDICATORS .....	16
EXECUTIVE OFFICERS' STATEMENT.....	17
RELATIONSHIP WITH THE INDEPENDENT AUDITOR..	17
ACKNOWLEDGMENTS.....	17
Exhibits .....	18





São Paulo, November 11, 2020 - Ambipar Participações e Empreendimentos S.A. ("Ambipar" or "Company"), holding and controlling interest in companies related to the activities of total waste management services focused on valuing the circular economy concept, and specialized in prevention, management and emergency response, announces its results for the third quarter of 2020 (3Q20). The operating and financial information presented below, unless otherwise indicated, are presented in thousands of Reais (R\$) and comply with the accounting practices adopted in Brazil and the international financial reporting standards (IFRS), applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange Commission ("CVM").

## Portuguese Conference Call

Simultaneously translated into English

Thursday, November 12, 2020

10:00 a.m. (São Paulo)

8:00 a.m. (NY)

Brazil Phone:

+55 11 4210-1803 or +55 11 3181-8565

NY Phone:

+1 (844) 204-8942

Code: Ambipar


Webcast: [Click here](#)

## Contact IR

Thiago da Costa Silva

CFO and Investor Relations Officer

Phone:

 +55 (19) 98261-0835

Email:

ri@ambipar.com



## Highlights

The revenue of Environment and Response segments presented a growth of 27% and 56%, respectively, when compared to the same period of last year. The consolidated net revenue totaled R\$ 175.87 million, presenting a growth of 41% over the same period last year and 12% related to 2Q20.

Total costs totaled R\$ 119.06 million, an increase of 39% compared to 3Q19 and 15% compared to 2Q20, excluding depreciation and amortization.

EBITDA was R\$ 46.88 million, representing an increase of 40% over the same period in 2019 and 0.4% compared to 2Q20.

Environment: maintenance of the growth plan, with the implementation of new contracts in total waste management, as well as new contracts in Hazmat Logistics, this later with a 22% increase in revenues compared to 2Q20.

Response: Brazil Operation: Implementation of 4 new bases in 3Q20, with gross revenue growth of 16% over the same period last year and 7% over 2Q20. International Operations: gross revenue growth of 103% in relation to the same period last year and 15% in relation to the previous quarter, with highlight to the USA operation, which presented a 45% increase in revenues compared to 2Q20.

Sales force: following the organic expansion plan in Brazil, the Company implemented seven new commercial regions, three more than the initial plan, now the commercial structure has eight offices in the following states of Brazil: São Paulo, Rio de Janeiro, Minas Gerais, Goiás, Pernambuco, Bahia, Santa Catarina and Paraná.



## Message from the Management

Ambipar Group, founded in 1995, has operations in Brazil and abroad, and a wide portfolio of environmental services, standing out mainly for waste recovery and response to environmental emergencies, based on the principle of sustainability.

We are pioneers in several products and services, in addition to being a reference in the market for innovation in the use of cutting-edge and R&D (Research and Development) technologies. We seek customized solutions to the needs of each client, always aiming at the implementation of new technologies and new processes that allow treating and recovering waste at their origin, returning them, whenever possible, as raw material to the production chain, following the Circular Economy concept. In other words, by reincorporating the waste into production processes, customers improve their sustainability indexes, saving important financial and natural resources for current and future generations.

In 2018, we completed a period of strategic acquisitions to consolidate the domestic and international markets, and 2019 was marked by global strategic partnerships and solidification of our business worldwide. In 2020, we are continuing our organic and inorganic expansion project nationally and internationally. In September, we acquired two companies in the USA that specialize in emergency services, One Stop Environmental LLC and Intracoastal Environmental LLC. In January, the company had already completed the purchase of Allied International Emergency, which operates in the same segment. The purpose of the initiatives is to expand the company's operations worldwide. In Brazil, in July of 2020, we acquired Âmbito Negócios Sustentáveis Ltda and, in the second half of October, we acquired 100% of the capital of Verde Gaia Consultoria e Educação Ambiental Ltda. Both companies specialize in legal, risk and compliance monitoring systems with a focus on sustainability and traceability. The initiative is part of Ambipar's efforts to offer complete ESG (Environment, Social and Governance) solutions to its customers. With this, the company takes the lead in software and environmental management systems in the country.



Ambipar Environment operates in total waste management, focusing on recovery supported by R&DI (Research, Development & Innovation). Environment prepares exclusive projects, which meet the needs of customers, helping them to maintain the focus on their core activities, always based on safety, quality and efficiency in processes. These advantages, including people management, are what make Environment win new customers and expand the portfolio of services of Ambipar Group.



Ambipar Response has the leadership in Brazil and has a high level of capillarity abroad in the emergency care segment, involving accidents with chemicals and pollutants, as well as firefighting. It operates with its own teams and a wide geographical coverage, which results in a shorter response time. Ambipar Response currently has more than 150 operational bases, strategically located in the national and international territory, with vehicles and multidisciplinary training technicians, such as: chemists, engineers of many specialties and biologists. Another advantage is its International Emergency Call Center DDG 0800-172020 (CECOE), with a fully automated service for global clients, operating 24 hours a day, with telephone and power backup. Ambipar Response offers services in accident prevention, training and emergency response. We offer the largest and most complete multimodal training field with dangerous goods in Latin America, located in the city of Nova Odessa, State of São Paulo, Brazil, and also 2 more units located in Chile and Peru.

The Ambipar Group's business model allows the Company to achieve high growth rates while maximizing the return on invested capital, acting in accordance with the rules of social and environmental responsibility and compliance. As a result of these factors, on July 10, 2020, the initial public offering of shares issued by the Company was registered. The Offer consisted of the primary public distribution of 38,028,987 new common shares issued by the Company at the price of R\$ 24.75, carried out in accordance with CVM Instruction 400, of December 29, 2003, as amended.

## Sustainability

Although the concept of sustainable investment has been around for decades, it has grown in importance, popularity and scale only in recent years.

The Ambipar Group is one of the precursors in Environmental issues, mainly related to the theme of waste recovery, which is one of the most solid compositions of the ESG Environment pillar ("Environment, Social and Governance").

Ambipar Environment Reverse Manufacturing applying the concepts of Circular Economy brings important solutions to the market segments that need products such as brand protection, reverse logistics and transformation of waste into raw materials.

Continuing with this purpose, we work with sustainable and technologically innovative solutions for our customers, having achieved good results in terms of total waste management, treating and valuing them at their origin.

Still on ESG, we cannot stop talking about respect for diversity, which is an ethical commitment for us, being treated seriously by the company. We believe that it is essential to provide fair opportunities, materializing our commitment to this topic.

We are proud to talk about the representation of women in our company, today approximately 40% of executive and leadership positions in Brazil are held by women.

Our actions and projects related to the ESG theme are still in progress even with the Pandemic scenario (Covid19).

Currently, the development of several projects is on the agenda of the sustainability committee, such as: installation of the photovoltaic system (solar panels) that will serve our units, the project for capturing and reusing rainwater.

We are carrying out the GHG (Greenhouse Gases) inventory, using the GHG Protocol methodology to later define what the Neutralization Goals will be. In addition, the CarbonZ App was developed by the RD&I sector to contribute to climate issues, which makes it possible to carry out in a practical, safe and effective way the calculation of the "ecological footprint" of CO<sup>2</sup> emissions from people, companies or industries.

Currently, there are more than 6 thousand native trees in degraded areas being monitored by the App. In addition, the company has approximately 42 hectares of area for carbon capture in order to compensate and neutralize our footprint.

Other measures to minimize CO<sup>2</sup> generation involve replacing the use of gasoline with ethanol in the entire fleet of small cars; the renewal of the fleet, with the acquisition of trucks that present better efficiency in fuel consumption with a system for controlling CO<sup>2</sup> emissions.

We recently became signatories to the Global Compact, officially making a public commitment to join forces to achieve the 17 Sustainable Development Goals (SDGs) and follow the 10 Universal Principles. Aligned with the GRI Indicators - Global Reporting Initiative, this is another important step in the search for socio-environmental development.

ESG is an evolving theme that we build each day through our actions and commitments, respecting and valuing the environment and generating shared value for all our stakeholders.

## Actions and Impacts of COVID-19

Since the beginning of the pandemic, we have installed a Contingency Committee, which is working on several fronts and meeting periodically to make the necessary decisions aimed mainly at taking care of the health of all our employees. Among the actions adopted, we can highlight: installation of the decontamination tunnel in the entrance to the Company's facilities; environment disinfection performed periodically; adoption of a home office for part of the employees, including those considered as risk groups; and availability of a Virtual Doctor. The decisions taken are constantly reassessed, according to the current events and facts, and the determinations and guidelines of the competent authorities.



The Management of the Company and its subsidiaries believes that the profile of the services rendered by our business units has proven to be in line with the current situation, as a substantial part of the revenue is based on long-term contracts with high income predictability and considered essential to our customers and Society. Furthermore, we started offering disinfection services for commercial, industrial and administrative spaces, which demonstrates the Company's capacity for innovation in capturing opportunities, even in adverse times.

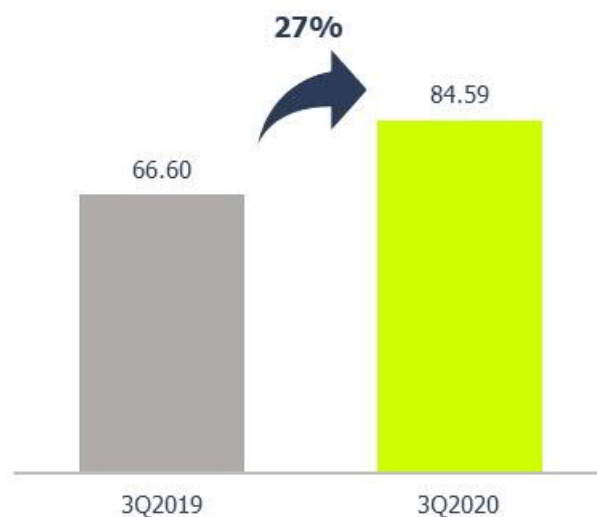
If the length of the contagion curve of the pandemic resulting from COVID-19 extends over time, it may bring a natural slowdown in the economy within the countries in which we operate, however, we can say that the Company has a robust and sufficient capital structure to surpass an even more adverse scenario.

We emphasize that the Company's management also periodically reviews its cost structure, maintaining a robust growth plan with investments in complementing our service portfolio and global action, combining expansion and quality in the services rendered.

## ENVIRONMENT

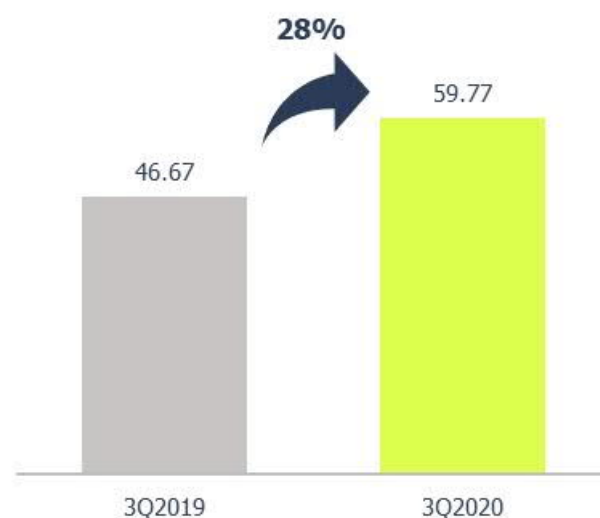
### Net Revenue

During the 3Q20 period, net revenues from the Environment segment totaled R\$ 84.59 million, representing a 27% increase compared to the third quarter of last year. This growth refers to total waste management contracts focused on recovery, implemented during 2Q20 and new Hazmat Logistics contracts with a substantial increase in the volume transported in relation to 2Q20.



## Cost of Services Rendered

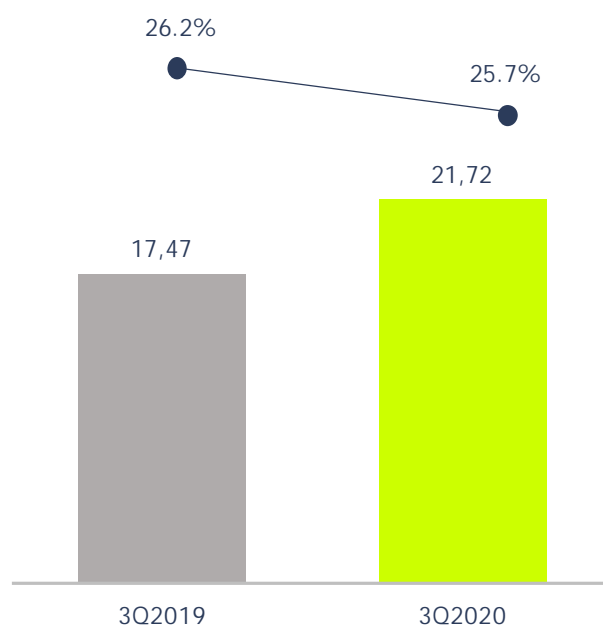
Cost of services rendered by the company, excluding depreciation, amortization and General and administrative expenses (SG&A), of the Company, totaled R\$ 59,77 million this quarter, accounting for a 28% increase compared to the same period of 2019.



- SG&A totaled R\$ 3.11 million in 3Q2020 and R\$ 2.47 million for the period last year.

## EBITDA

Looking at the financial indicator EBITDA, there is an increase of 24%, reaching a total of R\$ 21,72 million, showing an improvement if compared with the amount reached in the same period last year, of R\$ 17.47 million. The margin in this quarter closed at 25.7% compared to 26.2% for the same period last year.



## Environment

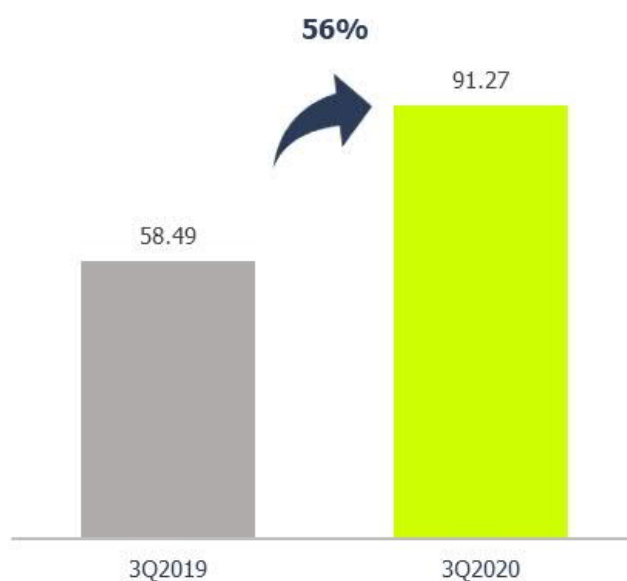
		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
<b>Income Statement</b>						
Gross revenue	R\$ mn	98.27	78.77	25%	88.64	11%
<i>CTRs</i>	R\$ mn	5.82	5.43	7%	5.19	12%
<i>Waste management contracts</i>	R\$ mn	72.64	56.36	29%	67.24	8%
<i>Hazmat logistics</i>	R\$ mn	19.82	16.99	17%	16.22	22%
(-) Deductions	R\$ mn	-13.68	-12.18	12%	-12.93	6%
(=) Net revenue	R\$ mn	84.59	66.60	27%	75.71	12%
(-) Cost of services rendered	R\$ mn	-59.77	-46.67	28%	-51.52	16%
<i>Materials</i>	R\$ mn	-0.35	-2.51	-86%	-0.47	-25%
<i>Personnel</i>	R\$ mn	-34.33	-20.58	67%	-28.36	21%
<i>Fuel</i>	R\$ mn	-3.94	-5.41	-27%	-3.79	4%
<i>Freight</i>	R\$ mn	-3.98	-4.10	-3%	-4.28	-7%
<i>Maintenance</i>	R\$ mn	-3.78	-3.48	9%	-3.60	5%
<i>Tax</i>	R\$ mn	-0.96	-0.22	333%	-0.90	6%
<i>Rent</i>	R\$ mn	-0.21	-0.01	2838%	0.40	-151%
<i>Telecom</i>	R\$ mn	-0.44	-0.26	68%	-0.30	47%
<i>Travels</i>	R\$ mn	-0.17	-0.12	44%	-0.16	11%
<i>Marketing</i>	R\$ mn	-0.41	-0.14	200%	-0.22	89%
<i>Third parties</i>	R\$ mn	-7.05	-6.40	10%	-5.00	41%
<i>Other</i>	R\$ mn	-4.14	-3.45	20%	-4.86	-15%
(-) Cash SG&A	R\$ mn	-3.11	-2.47	26%	-2.84	10%
(=) EBITDA	R\$ mn	21.72	17.47	24%	21.35	2%
EBITDA Margin (%)	%	25.7%	26.2%	-2%	28.2%	-9%

\* considers the allocation of 50% of the results of the Others segment, according to the financial statements.

## RESPONSE

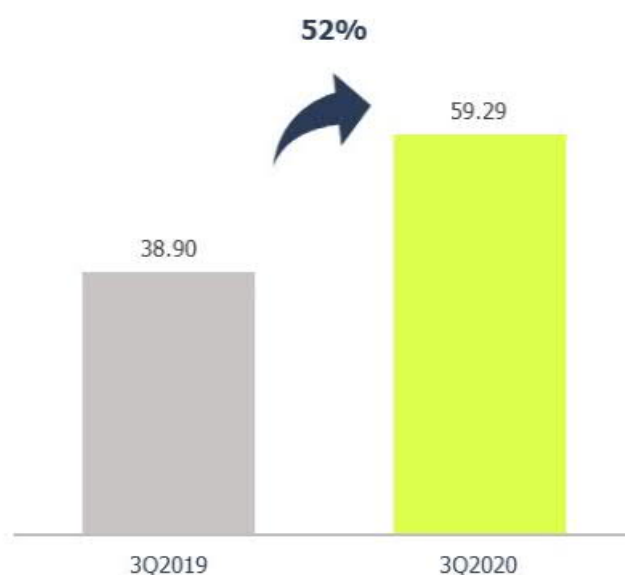
### Net Revenue

By comparing 3Q20 with the second quarter of this year, net revenues grew 12%, totaling R\$ 91.27 million. And compared to the same quarter last year, the index also showed a 56% increase, highlighting the growth in international operations.



## Cost of Services Rendered

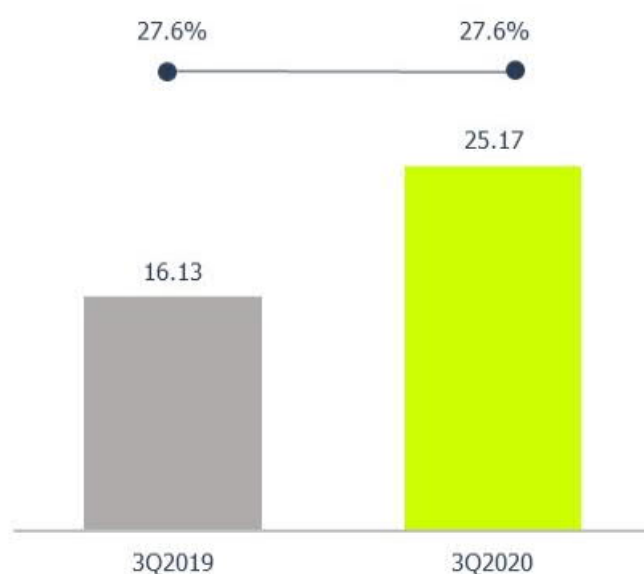
The cost of services rendered, excluding depreciation, amortization and SG&A, from the Response segment totaled R\$ 59.29 million in the third quarter of 2020, accounting for a growth of 52%, when compared to the same quarter last year and an increase of 14% when compared to the second quarter of this year.



- SG&A totaled R\$ 6.81 million in 3Q2020 and R\$ 3.46 million for the same period last year.

## EBITDA

The EBITDA in this quarter reached a margin of 27.6%, reaching a total of R\$ 25.17 million, a 56% growth compared to the same period last year.





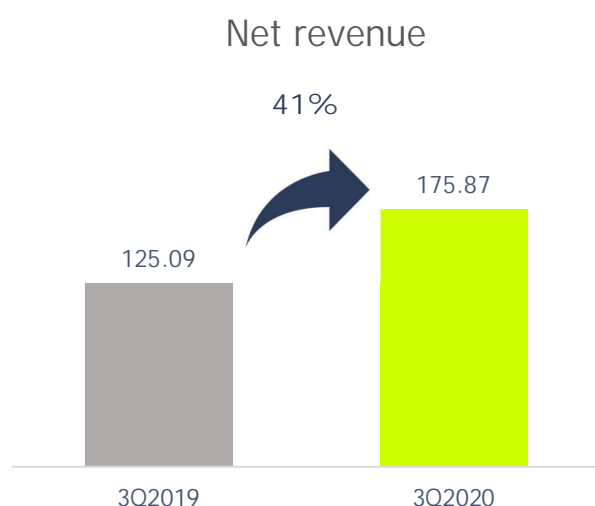
## Response

		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
<b>Income Statement</b>						
Gross revenue	R\$ mn	102.23	66.91	53%	91.93	11%
<i>Gross revenue - Brazil</i>	<i>R\$ mn</i>	<i>44.89</i>	<i>38.63</i>	<i>16%</i>	<i>42.11</i>	<i>7%</i>
<i>Gross revenue - International</i>	<i>R\$ mn</i>	<i>57.33</i>	<i>28.28</i>	<i>103%</i>	<i>49.82</i>	<i>15%</i>
(-) Deductions	R\$ mn	-10.95	-8.42	30%	-10.56	4%
(=) Net revenue	R\$ mn	91.27	58.49	56%	81.36	12%
(-) Cost of services rendered	R\$ mn	-59.29	-38.90	52%	-51.98	14%
<i>Materials</i>	<i>R\$ mn</i>	<i>-0.91</i>	<i>-1.05</i>	<i>-13%</i>	<i>-0.92</i>	<i>-1%</i>
<i>Personnel</i>	<i>R\$ mn</i>	<i>-36.30</i>	<i>-23.71</i>	<i>53%</i>	<i>-35.77</i>	<i>2%</i>
<i>Fuel</i>	<i>R\$ mn</i>	<i>-0.50</i>	<i>-0.42</i>	<i>19%</i>	<i>-0.19</i>	<i>168%</i>
<i>Freight</i>	<i>R\$ mn</i>	<i>-0.34</i>	<i>-0.03</i>	<i>997%</i>	<i>-0.13</i>	<i>158%</i>
<i>Maintenance</i>	<i>R\$ mn</i>	<i>-1.18</i>	<i>-0.02</i>	<i>6121%</i>	<i>-0.65</i>	<i>81%</i>
<i>Tax</i>	<i>R\$ mn</i>	<i>-0.71</i>	<i>-0.20</i>	<i>248%</i>	<i>-0.60</i>	<i>18%</i>
<i>Rent</i>	<i>R\$ mn</i>	<i>-2.36</i>	<i>-0.68</i>	<i>247%</i>	<i>-1.54</i>	<i>53%</i>
<i>Telecom</i>	<i>R\$ mn</i>	<i>-0.31</i>	<i>-0.14</i>	<i>117%</i>	<i>-0.47</i>	<i>-34%</i>
<i>Travels</i>	<i>R\$ mn</i>	<i>-2.12</i>	<i>-1.07</i>	<i>99%</i>	<i>-0.98</i>	<i>117%</i>
<i>Marketing</i>	<i>R\$ mn</i>	<i>-3.07</i>	<i>-0.07</i>	<i>4274%</i>	<i>-0.60</i>	<i>416%</i>
<i>Third parties</i>	<i>R\$ mn</i>	<i>-5.08</i>	<i>-5.46</i>	<i>-7%</i>	<i>-5.24</i>	<i>-3%</i>
<i>Other</i>	<i>R\$ mn</i>	<i>-6.41</i>	<i>-6.05</i>	<i>6%</i>	<i>-4.90</i>	<i>31%</i>
(-) SG&A	R\$ mn	-6.81	-3.46	97%	-4.04	69%
(=) EBITDA	R\$ mn	25.17	16.13	56%	25.34	-1%
% EBITDA margin	%	27.6%	27.6%	0%	31.2%	-11%

\* considers the allocation of 50% of the results of the Others segment, according to the financial statements.

## CONSOLIDATED

### Operational and Financial Results

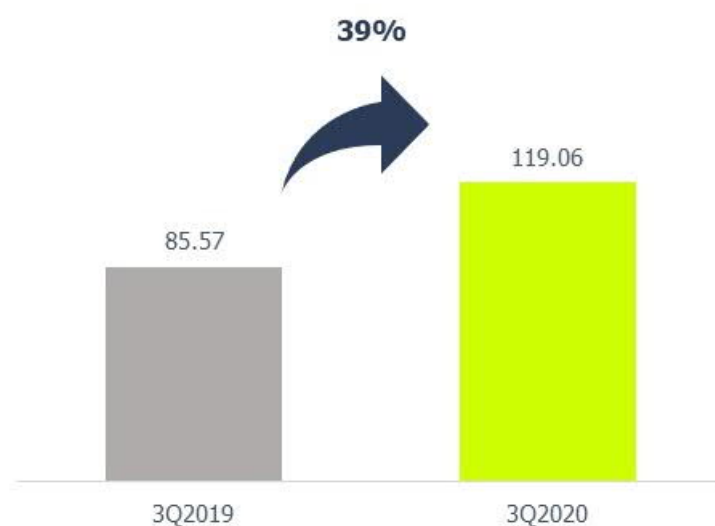


The revenue of Environment and Response segments grew by 27% and 56%, respectively, compared to the same period of last year. The consolidated net revenue totaled R\$ 175.87 million, grew by 41% over the same period last year and 12% over 2Q20.

Revenues in the domestic market totaled R\$143.16 million in 3Q20, an increase of 22% compared to 3Q19. Taking into account the foreign market, coming from operations in Latin America, USA and the UK, it reached R\$ 57.33 million. Thus, Consolidated Operating Revenue reached R\$200.50 million, a growth of 38% compared to the same period last year.

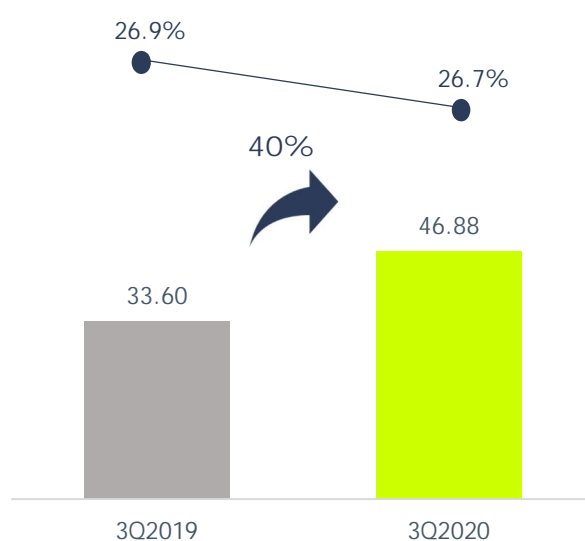
## Costs and Expenses

Total costs and expenses amounted R\$ 119.06 million, a 39% increase compared to 3Q19 and 15% compared to 2Q20. This increase in costs is due to the proportional increase in the operation.



## EBITDA

In the period, EBITDA was R\$ 46.88 million, representing a 40% increase compared to the same period of 2019 and 0,4% compared to 2Q20.

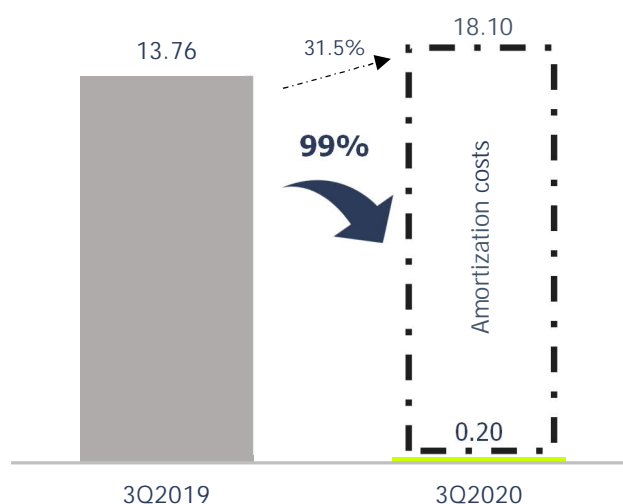


## Financial Result

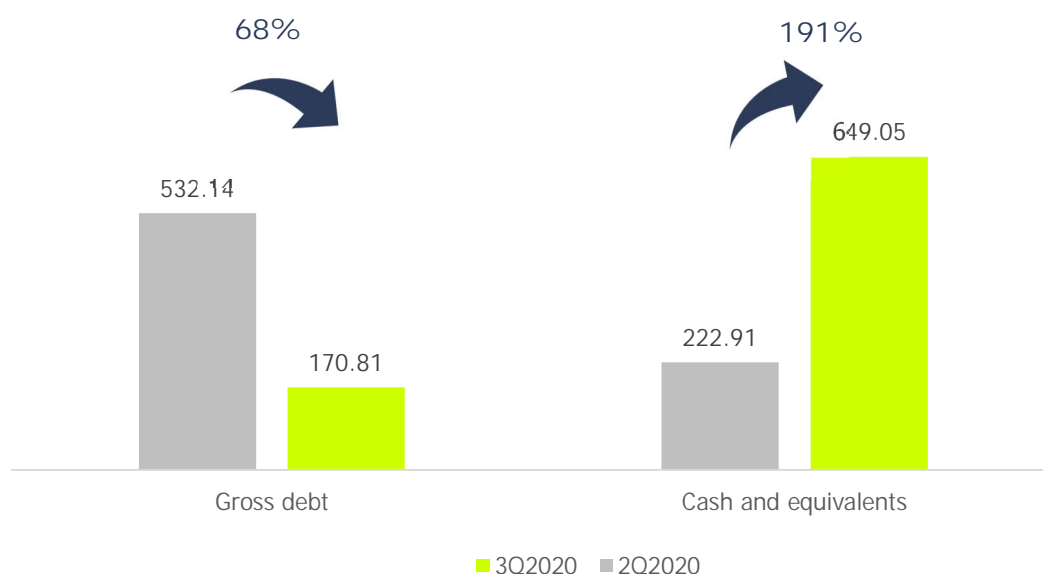
Financial results reached R\$ 25.44 million in 3Q20, being R\$ 15.96 million, or 168%, higher than 3Q19 and only 106% than 2Q20, explained by the following factors: (i) reprofiling of debt profile; and (ii) anticipation of payment of debts considered high cost.

## Net Income

Net Income was R\$ 0.20 million, representing an increase of 98% and 99% compared to 2Q20 and 3Q19, respectively. Reduction in net income being from financial results due to early settlement of high-cost debt.



## Gross debt and Cash and cash equivalents



## SUBSEQUENT EVENTS

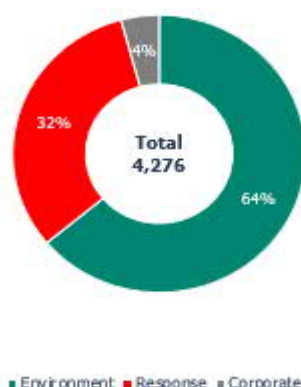
### a) Business acquisition

In October 2020, the direct subsidiary Planeta Ambiental acquired 100% of the share capital of Verde Gaia Consultoria e Educação Ambiental Ltda ("Verde Ghaia - VG"), with the purpose of providing applicable legal compliance monitoring services, acting mainly in services of risk management and sustainability compliance management, including a high standard of innovation and artificial intelligence, with softwares development using its own methodology, suitable for ESG and ISO indicators to promote law control, quality, health and safety, environment, risks, suppliers and methodologies for environmental insurance management.

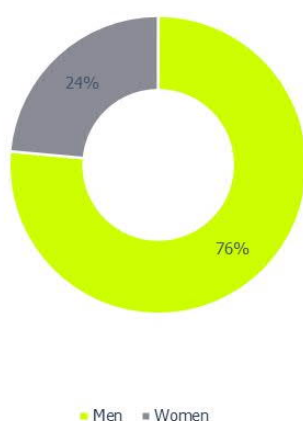
## HUMAN RESOURCE INDICATORS

Ambipar Group's main premise is human capital, recognizing inside talent and cultivating diversity and gender equality. The following are the main indicators:

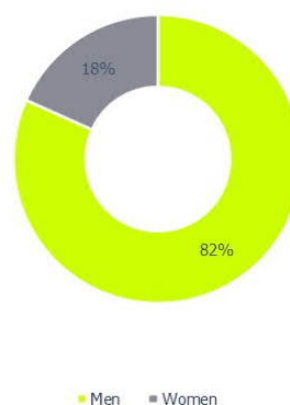
Employees by Segment



Gender indicators by Management Positions



Gender indicators in total





## EXECUTIVE OFFICERS' STATEMENT

In compliance with the provisions set forth in article 25 of CVM Instruction 480, the Company's Officers declare that they discussed, reviewed and agreed with the opinions expressed in the audit report by BDO Auditores Independentes, issued on November 11, 2020 , with the interim financial statements ended September 30, 2020.

## RELATIONSHIP WITH THE INDEPENDENT AUDITOR

In accordance with CVM Instruction 381/03, we hereby report that the Company and its joint ventures adopt as a formal procedure consulting independent auditors of BDO Auditores Independentes to ensure that the provision of other services does not affect its independence and objectivity required to carry out independent audit services. The Company's policy for hiring services of independent auditors ensures that there is no conflict of interest, loss of independence or objectivity.

In the fiscal year ended on September 30, 2020, BDO did not provide additional services exceeding 5% of the fees to audit the Ambipar Group's consolidated financial statements.

When hiring these services, the policies adopted by the Company are based on principles that preserve the independence of the auditor. In accordance with internationally accepted standards, these are the principles: (a) the auditor must not audit his or her own work; (b) the auditor must not occupy a management position in its client, and (c) the auditor must not legally represent the interests of its clients.

BDO stated that the services were provided in strict compliance with accounting standards on the independence of independent auditors in the audit work and don't represented a situation that could affect the independence and objectivity of its external audit services.

## ACKNOWLEDGMENTS

We would like to thank all our customers, employees, suppliers, partners and the community in general for their trust and partnership throughout 2019 and the first nine months of 2020.

## Exhibits

### Ambipar Group

		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
<b>Income Statement</b>						
Gross revenue	R\$ mn	200.50	145.69	38%	180.57	11%
<i>Gross revenue - Environment</i>	<i>R\$ mn</i>	<i>98.27</i>	<i>78.77</i>	<i>25%</i>	<i>88.64</i>	<i>11%</i>
<i>Gross revenue - Response</i>	<i>R\$ mn</i>	<i>102.23</i>	<i>66.91</i>	<i>53%</i>	<i>91.93</i>	<i>11%</i>
(+) Deductions		-24.63	-20.59	20%	-23.50	5%
<i>Deductions - Environment</i>	<i>R\$ mn</i>	<i>-13.68</i>	<i>-12.18</i>	<i>12%</i>	<i>-12.93</i>	<i>6%</i>
<i>Deductions - Response</i>	<i>R\$ mn</i>	<i>-10.95</i>	<i>-8.42</i>	<i>30%</i>	<i>-10.56</i>	<i>4%</i>
(=) Net revenue	R\$ mn	175.87	125.09	41%	157.07	12%
<i>Environment</i>	<i>R\$ mn</i>	<i>84.59</i>	<i>66.60</i>	<i>27%</i>	<i>75.71</i>	<i>12%</i>
<i>Response</i>	<i>R\$ mn</i>	<i>91.27</i>	<i>58.49</i>	<i>56%</i>	<i>81.36</i>	<i>12%</i>
(-) Cost of services rendered	R\$ mn	-119.06	-85.57	39%	-103.50	15%
<i>Environment</i>	<i>R\$ mn</i>	<i>-59.77</i>	<i>-46.67</i>	<i>28%</i>	<i>-51.52</i>	<i>16%</i>
<i>Response</i>	<i>R\$ mn</i>	<i>-59.29</i>	<i>-38.90</i>	<i>52%</i>	<i>-51.98</i>	<i>14%</i>
(-) Cash SG&A	R\$ mn	-9.92	-5.93	67%	-6.87	44%
<i>Environment</i>	<i>R\$ mn</i>	<i>-3.11</i>	<i>-2.47</i>	<i>26%</i>	<i>-2.84</i>	<i>10%</i>
<i>Response</i>	<i>R\$ mn</i>	<i>-6.81</i>	<i>-3.46</i>	<i>97%</i>	<i>-4.04</i>	<i>69%</i>
(=) EBITDA	R\$ mn	46.88	33.60	40%	46.70	0%
<i>Environment</i>	<i>R\$ mn</i>	<i>21.72</i>	<i>17.47</i>	<i>24%</i>	<i>21.35</i>	<i>2%</i>
<i>Response</i>	<i>R\$ mn</i>	<i>25.17</i>	<i>16.13</i>	<i>56%</i>	<i>25.34</i>	<i>-1%</i>
(-) Depreciation and amortization	R\$ mn	-18.78	-10.05	87%	-17.25	9%
(=) EBIT	R\$ mn	28.10	23.55	19%	29.45	-5%
(+) Net financial result	R\$ mn	-25.44	-9.48	168%	-12.33	106%
<i>Financial expense</i>	<i>R\$ mn</i>	<i>-30.38</i>	<i>-9.94</i>	<i>206%</i>	<i>-15.14</i>	<i>101%</i>
<i>Financial income</i>	<i>R\$ mn</i>	<i>4.94</i>	<i>0.46</i>	<i>975%</i>	<i>2.81</i>	<i>76%</i>
(=) EBT	R\$ mn	2.66	14.07	-81%	17.12	-84%
(-) Income taxes	R\$ mn	-2.47	-0.31	686%	-5.01	-51%
(=) Net income	R\$ mn	0.20	13.76	-99%	12.11	-98%

		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
<b>Balance Sheet</b>						
<b>Assets</b>						
Cash and equivalents	R\$ mn	649.05	12.00	5308%	222.91	191%
Receivables	R\$ mn	201.71	119.95	68%	157.79	28%
Taxes recoverable	R\$ mn	19.97	17.78	12%	21.45	-7%
Other receivables	R\$ mn	30.86	17.18	80%	26.70	16%
Current assets	R\$ mn	901.59	166.91	440%	428.85	110%
Related parties	R\$ mn	0.00	0.00	0%	0.00	0%
Receivables	R\$ mn	4.73	5.18	-9%	4.95	-4%
Taxes recoverable	R\$ mn	11.88	22.56	-47%	12.47	-5%
Deferred taxes	R\$ mn	14.28	15.19	-6%	14.41	-1%
Judicial deposits	R\$ mn	2.28	5.35	-57%	5.91	-61%
Other receivables	R\$ mn	5.43	0.51	972%	4.33	26%
Investments	R\$ mn	0.00	0.00	0%	0.00	0%
Fixed assets	R\$ mn	313.39	176.64	77%	270.99	16%
Intangible assets	R\$ mn	319.94	121.86	163%	201.80	59%
Non-current assets	R\$ mn	671.93	347.29	93%	514.85	31%
Total assets	R\$ mn	1,573.52	514.20	206%	943.70	67%

Liabilities		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
Debt - ST	R\$ mn	44.62	76.51	-42%	106.16	-58%
Debentures - ST	R\$ mn	0.00	1.20	-100%	1.60	-100%
Payables	R\$ mn	18.05	18.97	-5%	15.36	18%
Salaries and labor benefits	R\$ mn	26.20	22.17	18%	28.68	-9%
Taxes payable	R\$ mn	11.31	15.67	-28%	20.55	-45%
Acquisition investment obligations	R\$ mn	29.87	0.00	0%	13.86	115%
Leasing	R\$ mn	7.27	3.49	108%	7.89	-8%
Other	R\$ mn	0.00	0.00	0%	0.00	0%
Current liabilities	R\$ mn	137.31	138.00	0%	194.09	-29%
Debt - LT	R\$ mn	126.19	131.60	-4%	322.13	-61%
Debentures - LT	R\$ mn	0.00	6.62	-100%	102.25	-100%
Related parties	R\$ mn	0.00	0.00	0%	0.00	0%
Provision	R\$ mn	2.29	4.61	-50%	5.52	-59%
Taxes payable	R\$ mn	0.00	8.83	-100%	14.51	-100%
Differred taxes	R\$ mn	12.08	3.01	302%	9.94	21%
Dividend payables	R\$ mn	0.00	0.00	0%	0.00	0%
Acquisition investment obligations	R\$ mn	31.96	0.00	0%	15.77	103%
Leasing	R\$ mn	23.06	5.25	339%	24.63	-6%
Other	R\$ mn	0.00	0.00	0%	0.00	0%
Non-current liabilities	R\$ mn	195.58	159.91	22%	494.75	-60%
Capital stock	R\$ mn	1,043.67	69.20	1408%	69.20	1408%
Retained earnings / (losses)	R\$ mn	158.47	126.14	26%	155.69	2%
Legal reserves	R\$ mn	7.83	6.26	25%	7.83	0%
Majority Shareholder's equity	R\$ mn	1,209.97	201.60	500%	232.72	420%
Minority interest	R\$ mn	30.66	14.69	109%	22.14	39%
Total equity	R\$ mn	1,240.63	216.29	474%	254.86	387%
Liabilities and equity	R\$ mn	1,573.52	514.20	206%	943.70	67%

CAPEX TOTAL		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
(+) Environment	R\$ mn	-9.82	-32.42	-70%	-6.94	42%
(+) Response	R\$ mn	-22.02	-7.82	182%	-11.99	84%
(+) Logistics	R\$ mn	-16.64	0.00	0%	0.00	0%
(+) Others	R\$ mn	0.00	0.00	0%	0.00	0%
(=) CAPEX	R\$ mn	-48.48	-40.2	20%	-18.92	156%
(+) Others	R\$ mn	0.00	0.00	0%	-28.53	-100%

Response Unit CAPEX		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
Brazil	R\$ mn	-9.68	-6.28	54%	-9.76	-1%
Chile	R\$ mn	-5.14	-1.54	235%	-1.23	317%
US	R\$ mn	-4.99	0.00	0%	-0.99	404%
UK	R\$ mn	-2.20	0.00	0%	0.00	0%
Others	R\$ mn	0.00	0.00	0%	0.00	0%
(=) CAPEX	R\$ mn	-22.02	-7.82	182%	-11.99	84%

## Environment

		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
<b>Income Statement</b>						
Gross revenue	R\$ mn	98.27	78.77	25%	88.64	11%
<i>CTRs</i>	R\$ mn	5.82	5.43	7%	5.19	12%
<i>Waste management contracts</i>	R\$ mn	72.64	56.36	29%	67.24	8%
<i>Hazmat logistics</i>	R\$ mn	19.82	16.99	17%	16.22	22%
(-) Deductions	R\$ mn	-13.68	-12.18	12%	-12.93	6%
(=) Net revenue	R\$ mn	84.59	66.60	27%	75.71	12%
(-) Cost of services rendered	R\$ mn	-59.77	-46.67	28%	-51.52	16%
<i>Materials</i>	R\$ mn	-0.35	-2.51	-86%	-0.47	-25%
<i>Personnel</i>	R\$ mn	-34.33	-20.58	67%	-28.36	21%
<i>Fuel</i>	R\$ mn	-3.94	-5.41	-27%	-3.79	4%
<i>Freight</i>	R\$ mn	-3.98	-4.10	-3%	-4.28	-7%
<i>Maintenance</i>	R\$ mn	-3.78	-3.48	9%	-3.60	5%
<i>Tax</i>	R\$ mn	-0.96	-0.22	333%	-0.90	6%
<i>Rent</i>	R\$ mn	-0.21	-0.01	2838%	0.40	-151%
<i>Telecom</i>	R\$ mn	-0.44	-0.26	68%	-0.30	47%
<i>Travels</i>	R\$ mn	-0.17	-0.12	44%	-0.16	11%
<i>Marketing</i>	R\$ mn	-0.41	-0.14	200%	-0.22	89%
<i>Third parties</i>	R\$ mn	-7.05	-6.40	10%	-5.00	41%
<i>Other</i>	R\$ mn	-4.14	-3.45	20%	-4.86	-15%
(-) Cash SG&A	R\$ mn	-3.11	-2.47	26%	-2.84	10%
(=) EBITDA	R\$ mn	21.72	17.47	24%	21.35	2%
EBITDA Margin (%)	%	25.7%	26.2%	-2%	28.2%	-9%

\* considers the allocation of 50% of the results of the Others segment, according to the financial statements.

Gross Revenue - Waste management contracts		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
(+) Waste management contracts	R\$ mn	47.87	34.06	41%	43.39	10%
(+) Additional services	R\$ mn	8.54	10.54	-19%	13.23	-35%
(+) Facilities	R\$ mn	4.70	0.00	0%	0.00	0%
(+) EcoProducts	R\$ mn	3.49	2.56	36%	3.91	-11%
(+) Oil Change Residue Collection	R\$ mn	5.65	7.34	-23%	4.85	17%
(+) Reverse logistics	R\$ mn	2.39	1.86	28%	1.86	29%
(=) Gross revenue	R\$ mn	72.64	56.36	29%	67.24	8%

Revenue Build Up info		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
Volume - CTRs	'000 ton	47.21	54.20	-13%	48.32	-2%
Volume - Hazmat logistics	'000 ton	110.06	91.87	20%	81.88	34%
# of contracts Waste management - EOP	contracts	18.00	13.00	38%	17.00	6%

## Response

		3Q2020	3Q2019	3Q2020 X 3Q2019	2Q2020	3Q2020 X 2Q2020
<b>Income Statement</b>						
Gross revenue	R\$ mn	102.23	66.91	53%	91.93	11%
<i>Gross revenue - Brazil</i>	R\$ mn	44.89	38.63	16%	42.11	7%
<i>Gross revenue - International</i>	R\$ mn	57.33	28.28	103%	49.82	15%
(-) Deductions	R\$ mn	-10.95	-8.42	30%	-10.56	4%
(=) Net revenue	R\$ mn	91.27	58.49	56%	81.36	12%
(-) Cost of services rendered	R\$ mn	-59.29	-38.90	52%	-51.98	14%
<i>Materials</i>	R\$ mn	-0.91	-1.05	-13%	-0.92	-1%
<i>Personnel</i>	R\$ mn	-36.30	-23.71	53%	-35.77	2%
<i>Fuel</i>	R\$ mn	-0.50	-0.42	19%	-0.19	168%
<i>Freight</i>	R\$ mn	-0.34	-0.03	997%	-0.13	158%
<i>Maintenance</i>	R\$ mn	-1.18	-0.02	6121%	-0.65	81%
<i>Tax</i>	R\$ mn	-0.71	-0.20	248%	-0.60	18%
<i>Rent</i>	R\$ mn	-2.36	-0.68	247%	-1.54	53%
<i>Telecom</i>	R\$ mn	-0.31	-0.14	117%	-0.47	-34%
<i>Travels</i>	R\$ mn	-2.12	-1.07	99%	-0.98	117%
<i>Marketing</i>	R\$ mn	-3.07	-0.07	4274%	-0.60	416%
<i>Third parties</i>	R\$ mn	-5.08	-5.46	-7%	-5.24	-3%
<i>Other</i>	R\$ mn	-6.41	-6.05	6%	-4.90	31%
(-) SG&A	R\$ mn	-6.81	-3.46	97%	-4.04	69%
(=) EBITDA	R\$ mn	25.17	16.13	56%	25.34	-1%
% EBITDA margin	%	27.6%	27.6%	0%	31.2%	-11%

\* considers the allocation of 50% of the results of the Others segment, according to the financial statements.



## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the  
Shareholders, Board of Directors and Management of  
Ambipar Participações e Empreendimentos S.A.  
São Paulo - SP

### Introduction

We have reviewed the individual and consolidated interim financial information of Ambipar Participações e Empreendimentos S.A. ("Company"), identified as Company and Consolidated, respectively, for the quarter ended September 30, 2020, which comprises the individual and consolidated interim statements of financial position as at September 30, 2020 and the respective individual and consolidated interim statements of income and comprehensive income for the three and nine-months periods then ended, and individual and consolidated interim statements of changes in shareholders' equity and cash flows for the nine-months period then ended, as well as the corresponding notes to the interim financial information, including a summary of significant accounting policies.

The Company's Management and its controlled companies are responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of this individual and consolidated interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to Quarterly Information (ITR). Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

### Scope of the review

We conducted our review in accordance with Brazilian and International standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily to persons responsible for financial and accounting matters and applying analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards, and consequently, it did not allow us to obtain assurance that we became aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial information included in the Quarterly Information (ITR) referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission applicable to the Quarterly Information (ITR).

## Other subjects

### Statements of value added

We also reviewed the individual and consolidated Statements of Value Added (DVA) for the nine-months period ended September 30, 2020, prepared by the Company's Management and its controlled companies, whose disclosure in the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) and considered as additional information by the International Financial Reporting Standards (IFRS), which do not require the disclosure of the statement of value added. These statements were submitted to review procedures executed with the review of the Quarterly Information - ITR, with the purpose of concluding whether they are reconciled with the individual and consolidated interim financial information and accounting records, as applicable, and if its form and contents meet the criteria established in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in this Technical Pronouncement and consistently with the individual and consolidated interim financial information taken as whole.

Campinas, November 11, 2020.



BDO RCS Auditores Independentes SS  
CRC 2 SP 013846/O-1



Esmir de Oliveira  
Accountant CRC 1 SP 109628/O-0

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Statements of financial position

As at September 30, 2020 and as at December 31, 2019

(In thousands of Brazilian Reais)

Assets						Liabilities and net equity					
	Note	Parent company		Consolidated			Note	Parent company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019			09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current						Current					
Cash and cash equivalents	4	527,980	59,753	649,050	77,639	Loans and financing	10	-	12,312	44,618	70,520
Accounts receivable	5	-	-	201,709	116,508	Debentures	11	-	562	-	1,745
Recoverable taxes	6	361	131	19,968	16,311	Trade accounts payable	12	-	-	18,053	20,714
Prepaid expenses		367	-	5,417	-	Payroll and social charges payable		131	-	26,197	19,650
Other accounts receivable		24	3	25,447	16,513	Taxes payable	13	529	-	11,311	13,243
		528,732	59,887	901,591	226,971	Obligations on account of investment acquisition	7	1,500	-	29,866	-
						Lease liability	14	4,678	-	7,268	4,129
Noncurrent						Others accounts payable		-	-	-	2,565
Related-party	16	229,573	32,083	-	-			6,838	12,874	137,313	132,566
Accounts receivable	5	-	-	4,726	5,183	Noncurrent					
Recoverable taxes	6	20	-	11,884	12,558	Loans and financing	10	-	34,546	126,191	145,595
Deferred income tax and social contribution	22	-	-	14,277	15,171	Debentures	11	-	96,491	-	102,822
Court deposits	15	-	-	2,278	5,519	Taxes payable	13	-	-	-	15,219
Other accounts receivable		-	-	5,433	4,130	Related-party	16	10,386	110,017	-	-
Investments in controlled companies	7	470,660	360,021	-	-	Provision for loss on investments	7	2,595	2,898	-	-
Fixed assets	8	22,802	-	313,392	208,314	Deferred income tax and social contribution	22	-	-	12,078	3,409
Intangible assets	9	-	-	319,935	144,776	Obligations on account of investment acquisition	7	3,590	-	31,956	-
		723,055	392,104	671,925	395,651	Provision for contingencies	15	-	-	2,286	7,432
						Lease liability	14	18,409	-	23,064	4,647
						Other accounts payable and sundry provisions		-	-	1	1,935
								34,980	243,952	195,576	281,059
						Equity	17				
						Share capital		1,151,602	69,202	1,151,602	69,202
						Issuance cost of shares		(107,937)	-	(107,937)	-
						Profit reserve		123,679	125,779	123,679	125,779
						Equity valuation adjustments		-	984	-	984
						Cumulative translation adjustment		25,941	(800)	25,941	(800)
						Net income for the period		16,684	-	16,684	-
						Attributable to controlling interest		1,209,969	195,165	1,209,969	195,165
						Non-controlling interest		-	-	30,658	13,832
								1,209,969	195,165	1,240,627	208,997
Total assets		1,251,787	451,991	1,573,516	622,622	Total liabilities and net equity		1,251,787	451,991	1,573,516	622,622

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Statements of income

Three and nine month periods ended september 30, 2020 and 2019

(In thousands of Brazilian Reais, except earnings per share)

	Note	Parent company				Consolidated			
		07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Net operating revenue	19	-	-	-	-	175,867	475,619	125,092	361,243
Cost of services rendered	20	-	-	-	-	(137,616)	(370,574)	(100,753)	(281,933)
Gross Profit		-	-	-	-	38,251	105,045	24,339	79,310
Operating (expenses)/revenues									
General, administrative and selling	20	(3,487)	(8,272)	-	-	(9,928)	(21,215)	(2,427)	(17,230)
Equity in earnings of controlled companies	7	16,283	46,550	14,875	34,169	-	-	-	-
Other operating revenues/(expenses), net	20	(160)	824	91	100	(221)	941	1,649	1,078
		12,636	39,102	14,966	34,269	(10,149)	(20,274)	(778)	(16,152)
Operating income before financial income		12,636	39,102	14,966	34,269	28,102	84,771	23,561	63,158
Financial results									
Financial expenses	21	(17,165)	(25,893)	(2,454)	(5,933)	(30,378)	(57,855)	(9,939)	(28,057)
Financial income	21	2,632	3,475	85	96	4,937	8,562	459	1,293
		(14,533)	(22,418)	(2,369)	(5,837)	(25,441)	(49,293)	(9,480)	(26,764)
Net income/(loss) before income tax and social contribution		(1,897)	16,684	12,597	28,432	2,661	35,478	14,081	36,394
Current income tax and social contribution	22	-	-	-	-	(198)	(2,437)	(314)	(1,242)
Deferred income tax and social contribution	22	-	-	-	-	(2,267)	(9,808)	-	(2,900)
Net income/(loss) for the period		(1,897)	16,684	12,597	28,432	196	23,233	13,767	32,252
Attributable to									
Controlling interest						(1,897)	16,684	12,597	28,432
Non-controlling interest						2,093	6,549	1,170	3,820
Number of shares at period end		112,935,588	112,935,588	69,202,254	69,202,254				
Earnings per share at period end - in R\$		(0.02)	0.15	0.18	0.41				

The accompanying notes are an integral part of these individual and consolidated interim financial statements.



## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

### Statements of comprehensive income

Three and nine month periods ended september 30, 2020 and 2019

(In thousands of Brazilian Reais)

	Parent company				Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Net income/(loss) for the period	(1,897)	16,684	12,597	28,432	196	23,233	13,767	32,252
items will be affect the net income in subsequent periods:								
Equity valuation adjustments	-	(984)	-	984	-	(984)	-	984
Cumulative translation adjustments (note 7.3)	4,679	26,741	(296)	(800)	4,679	26,741	(296)	(800)
Other comprehensive income	<u>2,782</u>	<u>42,441</u>	<u>12,301</u>	<u>28,616</u>	<u>4,875</u>	<u>48,990</u>	<u>13,471</u>	<u>32,436</u>
Attributable to:								
Controlling interest	2,782	42,441	12,301	28,616	2,782	42,441	12,301	28,616
Non-controlling interest	-	-	-	-	2,093	6,549	1,170	3,820

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Statements of changes in equity (In thousands of Brazilian Reais)

	Capital stock	Issuance cost of shares	Income reserves		Equity valuation adjustment	Cumulative translation adjustment	Retained earnings	Total attributable to controlling interest	Non-controlling interest	Total
			Statutory reserve	Unrealized income reserve						
Balances on January 1, 2019	67,192	-	6,258	96,547	-	975	-	170,972	10,613	181,585
Capital increase	2,010	-	-	-	-	-	-	2,010	-	2,010
Non-controlling interest	-	-	-	-	-	-	-	-	261	261
Other comprehensive income	-	-	-	-	984	(800)	-	184	-	184
Net income for the period	-	-	-	-	-	-	28,432	28,432	3,820	32,252
Balances as at september 30, 2019	69,202	-	6,258	96,547	984	175	28,432	201,598	14,694	216,292
Balances on January 1, 2020	69,202	-	7,833	117,946	984	(800)	-	195,165	13,832	208,997
Capital increase	1,082,400	-	-	-	-	-	-	1,082,400	-	1,082,400
Issuance cost of shares	-	(107,937)	-	-	-	-	-	(107,937)	-	(107,937)
Profit distribution - previous periods	-	-	-	(2,100)	-	-	-	(2,100)	-	(2,100)
Non-controlling interest	-	-	-	-	-	-	-	-	10,277	10,277
Other comprehensive income	-	-	-	-	(984)	26,741	-	25,757	-	25,757
Net income for the period	-	-	-	-	-	-	16,684	16,684	6,549	23,233
Balances as at september 30, 2020	1,151,602	(107,937)	7,833	115,846	-	25,941	16,684	1,209,969	30,658	1,240,627

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Statements of cash flows

Nine month periods ended September 30, 2020 and 2019

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Cash flows from operating activities				
Net income for the period	16,684	28,432	23,233	32,252
Adjustments to reconcile net income for the period to cash from (applied to) operations:				
Depreciation and amortization	2,299	-	49,042	34,689
Allowance for doubtful accounts	-	-	(132)	2,937
Residual value of disposed fixed and intangible assets	-	-	4,807	7,395
Provision for contingencies	-	-	(5,146)	-
Income tax and social contribution - Deferred	-	-	(9,808)	(2,900)
Equity in earnings of controlled companies	(46,550)	(34,169)	-	-
Equity valuation adjustment	(984)	-	(984)	-
Interest on loans and financing and exchange rate gains (losses)	10,925	5,453	11,475	22,596
Issuance cost amortization of debentures	3,509	-	3,509	-
Changes in assets and liabilities				
Accounts receivable	-	-	(54,426)	(28,284)
Recoverable taxes	16	(54)	7,720	(4,252)
Prepaid expenses	(367)	-	(4,824)	(73)
Other accounts receivable	(21)	(76)	(487)	(1,192)
Court deposits	-	-	3,321	(923)
Trade accounts payable	-	-	(10,583)	(1,535)
Payroll and social charges	131	-	3,067	(2,567)
Taxes payable	529	-	(6,044)	10,374
Other accounts payable	-	-	(8,431)	(6,289)
Cash from (invested in) operations	(13,829)	(414)	5,309	62,228
Interest paid on loans and financing	(6,403)	(4,884)	(25,149)	(19,692)
Interest paid on debentures	(5,031)	-	(6,386)	(314)
Paid income tax and social contribution	-	-	(2,437)	(1,242)
Net cash from (invested in) operating activities	(25,263)	(5,298)	(28,663)	40,980
Cash flows from investing activities				
Received dividends	-	8,360	-	-
Cash spent to acquire companies, net of received cash	(32,565)	-	(115,271)	-
Acquisition of fixed and intangible asset items	-	-	(14,036)	(43,517)
Net cash from (invested in) investment activities	(32,565)	8,360	(129,307)	(43,517)
Cash flows from financing activities				
Attributed to shareholders				
Capital increase	1,082,400	2,010	1,082,400	2,010
Payment to issuance cost of shares	(107,937)	-	(107,937)	-
Dividends paid on profits from previous years	(2,100)	(476)	(2,100)	(476)
Attributed to financing				
Related-party transactions	(297,121)	(12,905)	(2,809)	-
Lease payments	(2,880)	-	(7,076)	(2,672)
Raising of loans and financing	163,000	19,000	213,911	65,519
Payments of loans and financing	(209,307)	(7,987)	(343,676)	(71,180)
Payments of debentures	(100,000)	-	(106,160)	(630)
Net cash from (invested in) financing activities	526,055	(358)	726,553	(7,429)
Net Increase/(Decrease) in cash and cash equivalents	468,227	2,704	568,583	(9,966)
Exchange variation on cash and cash equivalents	-	-	2,828	134
Cash and cash equivalents at beginning of period	59,753	2,055	77,639	21,834
Cash and cash equivalents at end of period	527,980	4,759	649,050	12,002

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Statement of value added

Nine month periods ended September 30, 2020 and 2019

(In thousands of Brazilian Reals)

	Parent company		Consolidated	
	01/01/2020 to 09/30/2020	01/01/2019 to 09/30/2019	01/01/2020 to 09/30/2020	01/01/2019 to 09/30/2019
Revenues				
Sales of products, goods and services	-	-	532,311	403,966
Other revenues	-	-	12,042	7,916
Allowance for doubtful accounts - Reversal/(recognition)	-	-	132	(2,937)
	-	-	544,485	408,945
Inputs acquired from third parties				
Costs of products, goods and services sold, plus materials, energy, third party services and other	(5,918)	100	(153,731)	(121,836)
	(5,918)	100	(153,731)	(121,836)
Net value added generated	(5,918)	100	390,754	287,109
Depreciation, amortization and depletion, net	(2,299)	-	(49,042)	(34,689)
Net value added generated by the Company	(8,217)	100	341,712	252,420
Value added received in transfer				
Equity in earnings	46,550	34,169	-	-
Other revenues/recovery	984	-	1,845	969
Financial revenues, exchange rate gains (losses) and monetary changes	3,475	96	8,562	1,293
	51,009	34,265	10,407	2,262
Total value added to be distributed	<u>42,792</u>	<u>34,365</u>	<u>352,119</u>	<u>254,682</u>
Value added distribution				
Payroll, charges and benefits				
Direct compensation	-	-	137,793	95,807
Benefits	-	-	29,567	20,490
FGTS (Severance Pay Fund)	-	-	6,781	5,589
Taxes, fees and contributions				
Federal	568	326	80,112	58,074
State	-	-	7,264	5,788
Municipal	-	-	11,250	9,688
Return on debt capital				
Financial expenses, exchange rate gains (losses) and monetary changes	25,540	5,607	56,119	26,994
Return on equity capital				
Retained earnings for the period	16,684	28,432	16,684	28,432
Non-controlling interest in retained earnings	-	-	6,549	3,820
	<u>42,792</u>	<u>34,365</u>	<u>352,119</u>	<u>254,682</u>

The accompanying notes are an integral part of these individual and consolidated interim financial statements.

1. General information

Ambipar Participações e Empreendimentos S.A. ("Company" or "Ambipar") is a publicly-held corporation located in the city of São Paulo, at avenue Pacaembu, 1088. It was set up on October 26, 2010 and is engaged in acting as holding, parent company holding interest in companies linked to the activities of specialized workforce services, environmental services, cargo road transportation, emergency service, automotive waste management, electro-electronic and post-consumption waste management, organic and industrial waste management, insurance brokerage and environmental protection products. As of July 10, 2020, the Company started to trade its shares in the corporate governance segment Novo Mercado of B3 with stock code number AMBP3.

1.1. Ownership interest

As at September 30, 2020, the ownership interest of the Company and its respective business lines are stated below, collectively referred to as "Ambipar Group":

- Ambipar Environmental Solution - Soluções Ambientais Ltda. ("Ambipar Environment") - (Direct interest of 100%) is a pioneer in all environmental service chain, from planning, management and recovery of waste to project execution. It is experienced in the development of technologies and constant innovation for the protection of the environment and created the first private landfill of urban and industrial waste licensed in the state of São Paulo. Its waste treatment plants are triple certified, according to environmental quality, occupational health and safety standards. In addition, it is specialized in the outsourcing of labor with specific equipment lease, silo cleaning, dredging and desanding of roads and margins, with development of new technologies and waste recovery, offering solutions that allow customers to dedicate exclusively to their core business. On December 19, 2019, the directors changed the company's name, from Ambitec Soluções Ambientais Ltda., to Ambipar Environmental Solution - Soluções Ambientais Ltda.;
- Ambipar Logistics Ltda. ("Ambipar Logistics") - (Direct interest of 100%) renders transportation and logistics services for chemical, petrochemical and food products and general cargo, including: handling and storage of cargo in general, material management and internal movement, specialized logistics in dangerous products and packaging and palletization of products. . On July 18, 2019, the managers changed the company's name, from Getel Transportes Ltda., to Ambipar Logistics Ltda.;
- Planeta Ambiental Central de Serviços Compartilhados Ltda. ("Planeta Ambiental") - (Direct interest of 100%) engaged in administrative services;

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

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- Ambipar Environmet Reserve Manufacturing S.A. ("Ambipar Environment Reverse Manufacturing") - (Direct interest of 51% and indirect interest of 49%) operates in the management of post-consumption waste, involving services of collection, handling and final allocation of electro-electronic and other post-consumption products, on December 15, 2019, the directors changed the company's name, from Descarte Certo Soluções Ambientais S.A., to Ambipar Environment Reverse Manufacturing S.A.;
- GED - Inovação, Engenharia & Tecnologia Ltda. ("GED") - (Indirect interest of 51%) directly controlled by Ambipar Environment, with the purpose of research and development, innovation, technology, green economy, science, environmental engineering, consulting, ventures and sustainability;
- Emergência Participações S.A. ("Emergência Participações") - (Direct interest of 100%) - Holding of chemical emergency service companies; manufacturing of products for environmental protection and automotive waste management described below. On July 16, 2018, the administrators changed the name of the company, from 3GA Participações S.A. to Emergência Participações S.A.;
- Ambipar Response S.A. ("Ambipar Response") - (Indirect interest of 100%) - specialized in the prevention, management and emergency response to accidents with dangerous or non-dangerous products in all transportation types, with its own bases distributed in Brazil, Mercosur and Europe. In addition, it provides industrial firefighters that work at clients' facilities, and has the largest and most complete training camp in Latin America, training employees and clients with the most complete structure for emergency management and response in multimodal scenarios, On August 3, 2018, the managers changed the company's name, from Suatrans Emergência S.A., to Ambipar Response S.A.;
- Ambipar Insurance - Corretora de Seguros Ltda. ("Ambipar Seguros") - (Indirect interest of 100%) - specializes in insurance brokerage of elementary areas, life insurance, Brazilian prize-draw investments, pension plans, health, trading of securities in general and shares of "consórcio" (group buying financing), On June 10, 2019, the managers changed the company's name, from Segmir Corretora de Seguros Ltda., to Ambipar Insurance - Corretora de Seguros Ltda.;
- Ambipar Environment Waste Logistics Ltda. ("Ambipar Environment Waste Logistics") - (Direct interest of 100%) operates in the waste management of large generators and in the automotive segment and fuel stations. On March 27, 2019, the administrators changed the company's name, from Resi Solution - Transportes e Gestão de Resíduos Ltda., to Ambipar Environment Waste Logistics Ltda.;
- Ambipar Eco Products S.A. ("Ambipar EcoProducts") - (Direct interest of 100%) - operates in the manufacture of products for environmental protection. On February 11, 2019, the directors changed the company's name, from Ecosorb Produtos to Proteção Ambiental S.A., to Ambipar Eco Products S.A.;

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

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- Ambipar Response Insurance - Atendimento a Seguros Ltda. ("Ambipar Insurance") - (Indirect interest of 100%) - with the same operations of Ambipar Response. On August 16, 2019, the managers changed the company's name, from WGRA Gerenciamento de Riscos Ambientais Ltda., to Ambipar Response Insurance - Atendimento a Seguros Ltda.;
- Ambipar Workforce Solution - Mão de Obra Temporária Ltda. ("Ambipar Workforce") - (Direct interest of 100%) - with the same operations of Ambipar Environment. On December 2, 2019, the directors changed the company's name, from WGRA Operações e Atendimento Emergências Ltda., to Ambipar Workforce Solution - Mão de Obra Temporária Ltda.;
- Ambipar Howells Consultancy Limited. ("Ambipar Howells") - - (Direct interest of 100%) - with the same operations of Ambipar Response in the British territory;
- Ambipar Response Limited. ("Ambipar Response UK") - (Direct interest of 100%) - with the same operations of Ambipar Response in the British territory;
- Suatrans Chile S.A. ("Suatrans Chile") - (Indirect interest of 50%) - with the same operations of Ambipar Response in the Chilean territory;
- Suatrans Peru SAC ("Suatrans Peru") - (Indirect interest of 49.95%) with the same operations of Ambipar Response, in the Peruvian territory;
- Suatrans Training S.A. ("Training") - (37.75% indirect interest) with the same performance as Ambipar Response, in the Chilean territory;
- SIS - Servicios Industriales Especializados S.A. ("SIS") - (Indirect interest of 49.95%) with the same operations of Ambipar Response, in the Chilean territory;
- Horvefel S.A. ("Horvefel") - (Indirect interest of 50%) with the same operations of Ambipar Response, in the Uruguayan territory;
- Atmo Hazmat Ltda. ("Atmo") - Indirect Interest of 100%) - with the same performance as Ambipar Response;
- Revalore Coprocessamento e Engenharia do Meio Ambiente Ltda ("Revalore") - (Direct interest of 100%) - with the same operations of Ambipar Environment;
- Ambipar Facilities Ltda. ("Ambipar Facilities") - (Direct interest of 100%) - specialized in outsourcing the handling of recyclable waste. On July 2, 2020, the directors changed the company's name, from Supply Serviços Gerais Ltda., to Ambipar Facilities Ltda.;
- Ambipar Compliance Solutions S.A. ("Ambipar Compliance") - (Direct interest of 62%) - specialized in environmental consulting and auditing, quality, health and safety with development of management software. On July 1, 2020, the directors changed the company's name, from Âmbito Negócios Sustentáveis Ltda., to Ambipar Compliance Solutions S.A.;
- Ambipar Holding USA, INC ("Ambipar Holding USA") - (Indirect interest of 100%) - holding companies in the American territory: Allied, Intracoastal e One Stop;



Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

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- Allied International emergency LLC ("Allied") - (Indirect interest of 100%) - with the same operations of Ambipar Response, in american territory;
- Intracoastal Environmental, LLC ("Intracoastal") - (Indirect interest of 100%) - with the same operations of Ambipar Response, in american territory; and
- One Stop Environmental, LLC ("One Stop") - (Indirect interest of 100%) - with the same operations of Ambipar Response, in american territory.

1.2. Authorization to issue this individual and consolidated interim financial information

The issuance of these interim financial information, individual and consolidated was approved by management on November 11, 2020.

2. Summary of main accounting policies

2.1. Bases of preparation

The Company presents its individual and consolidated Interim Financial Information, contained in the Quarterly Information Form - ITR, prepared simultaneously in accordance with Technical Pronouncement CPC 21 - Interim Financial Statements and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and presented in a manner consistent with the rules issued by the CVM, applicable to the preparation of the Quarterly Information - ITR, and are identified as "Parent Company" and "Consolidated" respectively.

The Company's management declares and confirms that all relevant information on the interim individual and consolidated financial information is being evidenced and corresponds to the information used by the Company's Management on its administration.

The individual and consolidated interim financial information were prepared considering historical cost as base value and certain assets and liabilities measured at fair value.

The accounting practices and calculation methods used in the preparation of these individual and consolidated financial information were the same adopted in the preparation of the Company's financial statements for the year ended December 31, 2019.

## 2.2. First adoption of IFRS 16/CPC 06(R2)

IFRS 16/CPC 06 (R2) consists of recognizing at the present value of future payments lease contracts with terms higher than 12 months and with relevant amounts in the statement of financial position of lessees. The standard determines that this recognition is made by means of a right-of-use asset and a lease liability to be realized by means of depreciation expenses of the lease assets and financial expenses arising from interest on the corresponding liabilities.

Previously, expenses arising from these contracts were directly recognized in statement of income (loss) for the period in which they occurred.

Right-of-use assets (mainly leases of real estate) will be measured by cash flow of the lease liability, discounted to present value. Incremental costs required to obtain a new lease agreement that otherwise would not have been incurred, will also be added.

The lease liability, in turn, will be measured at the present value of lease payments expected until the end of the agreement, considering possible renewals or cancellations. Finally, the present value of lease payments will be calculated according to an incremental rate of financing.

The first adoption of IFRS 16/CPC 06 (R2) at January 1, 2019 generated the following accounting recognition:

	Value
Total assets non-current	<u>6,030</u>
Current liabilities	
Lease liabilities	2,276
Interest to be appropriated from lease agreements	(120)
Nom-current liabilities	
Lease liabilities	5,121
Interest to be appropriated from lease agreements	(1,247)
Total liabilities	<u>6,030</u>

The Company adopted the simplified retrospective model as permitted by the standard. Notes 8 (f) and 14 present the new information and breakdown of the balances as required by the new standard.

The discount rate used is 8% p.a. and corresponds to the average market cost of debt in the form of asset acquisition, in that occasion.

- 2.3. New standards, reviews and interpretations issued that are in effect as of January 1, 2019

IFRIC 23/ICPC 22

This Interpretation clarifies how apply the recognition and measurement requirements in CPC 32 (IAS 12) when there is uncertainty about the treatment of taxes on profit. In this circumstance, the entity must recognize and measure its current or deferred tax assets or liabilities, applying the requirements of CPC 32 (IAS 12) based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and determined tax rates, applying this Interpretation.

When assessing whether and how the uncertain tax treatment affects the determination of taxable profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates, the Company must assume that the tax authority will examine the amounts it is entitled to examine and have full knowledge of all related information when performing these examinations, and concluded that there are no significant impacts.

- 2.4. New standards, reviews and interpretations issued are in effect as of January 1, 2020

A series of new standards or changes to standards and interpretations will be effective for years beginning on or after January 1, 2020. The amended standards and interpretations cited below, did not significantly impact this interim financial information.

- Changes in the references to the conceptual framework in IFRS standards;
- Definition of a business (changes to CPC 15/IFRS 3);
- Definition of materiality (amendments to CPC 26 (R1)/IAS 1 and CPC 23/IAS 8);
- Interest rate reform (amendment to CPC 48 and CPC 40); and
- Classification of liabilities as current or non-current (amendment to CPC 26 (R1)/IAS 1).

Other pronouncements and interpretations

There are no other standards, amendments to standards and interpretation that are not in force that the Company and its subsidiaries expects to have a material impact from their application in their individual and consolidated interim financial information.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

### 2.5. Base of consolidation

A Controlled Company is an entity, including those not set up as companies (such as a partnership), in which the parent company, directly or indirectly by means of other controlled companies, is the holder of partner rights that permanently guarantee its prevalence in the decisions of such controlled companies and the power to elect the majority of managers.

The consolidated interim financial information includes the following Companies:

Directly controlled companies	Activity	09/30/2020	12/31/2019
		Ownership interest (%)	Ownership interest (%)
Ambipar Environmental Solution - Soluções Ambientais Ltda.	Management total of waste and specialized environmental services.	100.00	100.00
Ambipar Logistics Ltda.	Transport company specialized in chemical products.	100.00	100.00
Planeta Ambiental Central de Serviços Compartilhados Ltda.	Administrative services.	100.00	100.00
Emergência Participações S.A.	Holding of the companies: Ambipar Response, Suatrans Chile, Ambipar Seguros, Atmo, Ambipar Insurance e Ambipar Holding USA.	100.00	100.00
Ambipar Environment Reverse Manufacturing S.A.	Post-consumption waste management.	51.00	51.00
Ambipar Howells Consultancy Limited.	Emergency service.	100.00	100.00
Ambipar Response Limited	Emergency service.	100.00	100.00
Ambipar EcoProducts S.A.	Manufacturing of Products for Environmental Protection.	100.00	100.00
Ambipar Environment Waste Logistics Ltda.	Automotive Waste Management.	100.00	100.00
Revalore Coprocessamento e Engenharia do Meio Ambiente Ltda.	Emergency service.	100.00	-
Ambipar Workforce Solution - Mão de Obra Temporária Ltda.	Emergency service.	100.00	-
Ambipar Facilities Ltda	Outsourcing of recyclable waste handling.	100.00	-
Ambipar Compliance Solutions S.A.	Environmental consulting and auditing, and development of management software.	62.00	-

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

Indirect controlled companies	Activity	09/30/2020	12/31/2019
		Ownership interest (%)	Ownership interest (%)
Ambipar Environment Reverse Manufacturing S.A.	Post-consumption waste management.	49.00	49.00
Ambipar Response S.A.	Emergency service.	100.00	100.00
GED - Inovação, Engenharia & Teconologia Ltda.	Research and development of new products.	51.00	51.00
Ambipar Insurance Corretora de Seguros Ltda.	Insurance brokerage.	100.00	100.00
Ambipar Response Insurance - Atendimento a Seguros Ltda.	Emergency service.	100.00	100.00
Ambipar Workforce Solution - Mão de Obra Temporária Ltda.	Emergency service.	-	100.00
Atmo Hazmat Ltda.	Emergency service.	100.00	100.00
Suatrans Chile S.A. (Chile)	Emergency service.	50.00	50.00
Suatrans Peru SAC (Peru)	Emergency service.	49.89	49.89
Suatrans Training S.A. (Chile)	Training service.	37.75	37.75
SIS - Servicios Industriales Especializados S.A. (Chile)	Emergency service.	49.95	49.95
Horvefel S.A.	Emergency service.	50.00	50.00
Ambipar Holding USA, INC (EUA)	Holding of the companies: Allied, One Stop e Intracoastal.	100.00	-
Allied International Emergency, LLC (EUA)	Emergency service.	100.00	-
One Stop Environmental, LLC (EUA)	Emergency service.	100.00	-
Intracoastal Invironmental, LLC (EUA)	Emergency service.	100.00	-

### 2.6. Currency translation

#### (a) Funcional and reporting currency

Items included in the Company's interim individual and consolidated financial information are measured using the currency of the primary economic environment in which the Company operates (functional currency). The interim individual and consolidated financial information are presented in Brazilian Reals (R\$) which is the functional currency. All financial information disclosed was rounded to the nearest unit, unless otherwise stated.

#### (b) Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates in effect on the dates of the transactions or valuation, when the items are measured. Exchange rate gains and losses resulting from the settlement of those transactions and from the translation at the year-end exchange rates, referring to monetary assets and liabilities in foreign currency, are recognized in the statement of income. Exchange rate gains and losses related to trade accounts receivable and payables and to loans are recognized in the statement of income as financial income or expenses.

(c) Use of estimates and assumptions

The preparation of the individual and consolidated interim financial information in accordance with Brazilian accounting practices requires management to apply its best judgment to determine and report its accounting estimates. The settlement of transactions involving these estimates may result in amounts different from those estimated, due to inaccuracies inherent in the process of their determination.

Estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected.

Information on critical assumptions related to the adopted accounting practices that affect the values recognized in the individual and consolidated financial information is included in the following notes:

- Note 2.14 - Impairment of non-financial assets;
- Note 2.17 - Provision for landfill restructuring;
- Note 5 - Allowance for doubtful accounts;
- Note 8 - Residual value and estimated useful life of fixed assets; and
- Note 15 - Provision for contingencies;
- Note 23 - Insurance.

2.7. Cash and Cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly-liquid short-term investments, with maturities of up to three months and subject to an insignificant risk of change in value.

2.8. Financial assets and liabilities

2.8.1. Financial assets

Classification

Upon initial recognition, a financial asset is classified as measured: (i) at amortized cost; (ii) at fair value through other comprehensive income; or (iii) at fair value through statement of income.

A financial asset is measured at amortized cost if it meets both of the following conditions: (i) the asset is held in a business model in order to raise contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both conditions below: (i) the asset is held in a business model whose purpose is met by raised contractual cash flows or by the sale of financial assets; and (ii) the contractual terms of the financial asset give rise on specific dates to cash flows that represent payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at fair value through statement of income.

Furthermore, upon initial recognition, the Company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, at fair value through other comprehensive income or even at fair value through statement of income.

This designation has the purpose of significantly eliminating or reducing a possible accounting mismatch arising from the result of the respective asset.

#### Recognition and measurement

Purchases and sales of financial assets are recognized on the negotiation date. Investments are firstly recognized at fair value, plus the transaction costs for all financial assets not classified at fair value recognized in statement of income.

Financial assets at fair value through income are initially recognized at fair value, and transaction costs are charged to the statement of income for the period in which they occurred.

The fair value of investments with public listing is based on the current purchase price. If the market for a financial asset is not active, the Company establishes the fair value through valuation techniques. These techniques include recent third-party transactions, reference to other instruments that are substantially the same, the analysis of discounted cash flows and option pricing models, favoring information generated by the market and minimizing the use of information generated by the Company's Management.

#### Impairment of financial assets - measured at amortized cost

At each reporting period end, the Company evaluates if there is objective evidence that a financial asset or a group of financial assets is impaired. The criteria used by the Company to determine if there is objective evidence of impairment include: (i) significant financial difficulties from the issuer or debtor; (ii) a breach of contract, such as default or late payments of interest or principal; (iii) possibility of the debtor going bankrupt or file for financial reorganization; and (iv) extinction of the active market of that financial asset due to financial problems.



#### Derecognition of financial assets

A financial asset (or, if applicable, a part of a financial asset or part of a group of similar financial assets) is mainly written off when: (i) the rights on cash flows from assets expire; and (ii) the Company transferred its rights on cash flows from assets or assumed an obligation to fully pay received cash flows, with no significant delay, to a third party by means of a transfer agreement; and (a) the Company has substantially transferred all the risks and benefits of the asset; or (b) the Company has not substantially transferred or retained all the risks and benefits related to the asset, but it has transferred the control over such asset.

When the Company assigns its rights to receive cash flows from an asset or executes an assignment agreement not having substantially transferred or retained all the risks and benefits related to the asset, the asset will be recognized to the extent of the continuous involvement of the Company with this asset.

#### 2.8.2. Financial liabilities

##### Recognition and measurement

A financial liability is classified as measured at fair value through statement of income when it is designated as held for trading or designated as such at initial recognition. Transaction costs are recognized in statement of income as incurred. These financial liabilities are measured at fair value, and possible changes in fair value, including gains on interest and dividends, are recognized in statement of income for the year.

The Company's financial liabilities, which are initially recognized at fair value, include trade accounts payable and other accounts payable, loans and financing.

##### Subsequent measurement

After initial recognition, loans and financing, trade accounts payable and accounts payable are subsequently measured at amortized cost using the effective interest rate method.

##### Loan costs

Loan costs attributed to the acquisition, construction or production of an asset, necessarily requiring a significant amount of time to be ready for its intended use or sale, are capitalized as part of the cost of these assets. Loan costs refer to interest and other costs incurred by the Company that are related to the raising of funds.

#### Derecognition of financial liabilities

A financial liability is written-off when the obligation is revoked, cancelled or expired. When an existing financial liability is replaced by another of the same lender with significantly different terms, or when the terms of an existing liability are significantly changed, this substitution or amendment is recognized as a write-off of the original liability and recognition of a new one, and the difference in their book values is recognized in the statement of income.

#### 2.9. Trade accounts receivable

Trade accounts receivable consist of amounts receivable from customers for services rendered over the normal course of the Company's transactions. If the collection period is one year or less (or another period in line with the Company's operating cycle), accounts receivable are classified as current assets. Otherwise, they are stated in noncurrent assets.

Trade accounts receivable are firstly recognized at fair value and then measured at the amortized cost by using the effective interest rate method, less impairment. Actually, they are normally recognized at their billed amount, adjusted by impairment, if applicable.

#### 2.10. Other accounts receivable (current and non-current)

These are initially recognized at their fair value and later measured at net realizable value.

#### 2.11. Investments in subsidiaries

The investments held in the controlled company are accounted for under the equity method (Note 7). The interim financial information of the controlled companies is adjusted to the accounting practices of the Company, when applicable.

Investments are initially recognized at cost and later adjusted by the recognition of ownership interest attributable to the Company in the changes in net assets of the investee, deducted from the provision for impairment, if applicable.

The interim financial information of investments abroad is translated into the same accounting practices and reporting currency of the Company. Currency adjustments are classified under the caption "Cumulative translation adjustment - equity". The realization occurs upon the write-off, disposal, and receipt of dividends of these investments.

## 2.12. Intangible assets

Acquired software licenses are capitalized according to costs incurred to acquire the software and make it ready for use. These costs are amortized during their estimated useful lives.

Software maintenance costs are recognized as expense, as incurred. Development costs directly attributable to identifiable and exclusive software project and product tests, controlled by the Company, are recognized as intangible assets when the following criteria are met.

Other expenses on development that do not meet those criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in a following period.

Software development costs recognized as assets are amortized during their estimated useful lives.

## 2.13. Fixed Assets

Sanitary landfills are evaluated at the cost of areas and investments in preparation for operation. They are amortized according to the amount of waste deposited versus the total waste capacity. Plots of land and buildings mainly comprise warehouses and offices.

Fixed assets are measured at historical cost less accumulated depreciation. The historical cost includes expenses directly attributable to the acquisition of assets. It also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow associated with the item and when the item's cost can be reliably measured. The carrying amount of items or spare parts is written off. All other repairs and maintenance are recognized in statement of income for the year, as incurred.

Plots of land are not depreciated. The depreciation of other assets is calculated using the straight line method to allocate costs to residual values during the estimated useful life, except for sanitary landfills.

The residual values and useful lives of assets are reviewed and adjusted if appropriate, at each year end.

The carrying value of an asset is immediately written down according to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Gains and losses from disposals are determined by comparing results with book value and are recognized under "Other operating revenues (losses), net" in the statement of income.

#### 2.14. Impairment of non-financial assets

The assets which are subject to depreciation and amortization are tested for impairment whenever events or circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized to the extent the carrying amount of the asset exceeds its recoverable amount. The latter is the higher of the fair value of an asset less selling costs or its value in use.

For impairment testing purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets, should they be impaired, are subsequently reviewed to analyze a possible reversal of impairment at the reporting date.

#### 2.15. Trade accounts payable and other accounts payable

Trade accounts payable and other accounts payable are obligations payable for assets or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due in a period of up to one year, otherwise, accounts payable are stated as non-current liabilities. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are normally recognized at the corresponding billed amount.

#### 2.16. Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction, and are then stated at their amortized cost.

Any difference between amounts raised (net of transaction costs) and the settlement amount is recognized in the statement of income during the period in which loans are outstanding, using the effective interest rate method.

Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of a liability for at least 12 months after the balance sheet date.

## 2.17. Provisions

The provisions for lawsuits (labor, civil and tax) are recognized when: The Company has a present or informal obligation (constructive obligation) as a result of past events; it is probable that an outflow of funds is required to settle the obligation; and the amount has been reliably estimated. The provisions are not recognized in regard to future operating losses.

In the case a series of similar obligations exists, the likelihood of settlement is determined considering the class of obligations as a whole. A provision is recognized even when the likelihood of settlement related to any individual item included in the same class of obligations is small.

The provisions are measured at the present value of the expenses required to settle the obligation, at a rate before taxes that reflects the current market evaluations of the time value of money and of the specific risks of the obligation. The increase of liabilities over time is recognized as a financial expense.

The sanitary landfill restructuring provision is initially recognized considering the estimated landfill remediation costs in compliance with environmental legislation in Brazil, under the heading "Other accounts payable" with a corresponding to the "Property, plant and equipment" item in the Landfill class. Management keeps its studies up-to-date considering monetary updates, third-party budgets to be contracted and internal costs, revising its estimate in case of changes in the original budget.

## 2.18. Current and deferred income tax and social contribution

### 2.18.1. Current income tax and social contribution

Companies adopting the deemed profit regime

There are companies that have opted for taxation based on deemed profit. Current and deferred income tax and social contribution are calculated at the rates of 15%, plus a surtax of 10% on taxable income exceeding R\$ 240 for income tax and 9% on taxable income for social contribution tax.

#### Companies adopting the actual profit regime

Current income tax and social contribution are calculated at the following rates: 15% plus a 10% surtax on taxable income in excess of R\$ 240 thousand for income tax, and 9% on taxable income for social contribution tax, considering, if any, income tax and social contribution losses carry forwards, up to 30% of taxable income.

The Company and its controlled companies were taxed under taxable income, except for the controlled companies Ambipar Response Insurance - Atendimento a Seguros Ltda., Ambipar Workforce Solution - Mão de Obra Temporária Ltda., and Ambipar Compliance Solutions S.A. which opted for the presumed profit and also for Ambipar Response Limited, Ambipar Howells Consultancy Limited, Ambipar Holding USA INC, Allied International Emergency LLC, Intracoastal Environmental, LLC, One Stop Environmental, LLC and Suatrans Chile S.A. and subsidiaries, which are taxed based on legislation of their jurisdictions.

#### 2.18.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recognized by employing the liability method to temporary differences between the tax bases of existing assets and liabilities and their financial statement carrying amounts. However, deferred income tax and social contribution are not accounted for if they result from the initial recognition of an asset or liability in an operation other than a business combination which, at the time of the transaction, does not affect book income or taxable income (tax loss). Deferred income tax and social contribution are determined using enacted, or substantially enacted, tax rates (and laws) at the balance sheet date and should be applied when the corresponding deferred tax asset is realized or when the deferred tax liability is settled.

Deferred income tax and social contribution assets are only recognized if it is considered probable that there will be sufficient future taxable income against which the temporary differences can be utilized.

Deferred income tax and social contribution assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19. Employees' benefits

(a) Termination benefits

The Company does not have termination benefit plans for employees.

(b) Profit sharing and bonus

Profit sharing is usually recognized at year end, when the amount can be reliably measured by the Company.

2.20. Revenue recognition

Revenue is the fair value of the consideration received or receivable for rendering services over the Company's normal course of activities. Revenue is stated net of taxes, cancellations, rebates and discounts.

The Company recognizes revenue when its amount can be reliably measured and it is probable that future economic benefits will flow to the Company.

(a) Financial income

Financial income is recognized according to the elapsed time using the effective interest rate method.

2.21. Leases

The Company leases certain fixed asset items. The leases of fixed assets, in which the Company has substantially all the risks and benefits of ownership are classified as finance leases. They are capitalized at the beginning of the lease at the lower value between the fair value of the leased asset and the present value of the minimum payments of the lease.

Each lease installment paid is allocated partially to liabilities and partially to finance charges, so that a constant rate is obtained on the balance of the outstanding debt. The corresponding obligations, net of finance charges, are included in loans and financing, segregated between current and noncurrent liabilities according to the terms of installments' payment.

The interest element of the finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



Fixed asset items acquired under finance leases are depreciated over the useful life of the asset. The Company and its subsidiaries determined the minimum aggregate value of these lease agreements for analysis, above R\$ 20, and uses the assumption that the benefit enjoyed is greater than one year, in compliance with the exemptions allowed in IFRS 16/CPC 06 (R2).

#### 2.22. Distribution of dividends and interest on equity capital

The distribution of dividends and interest on equity capital for the Company's shareholders is recognized as a liability in the Company's individual and consolidated financial statements at year end, based on its bylaws.

Any amount above the minimum mandatory payout is only provided for at the date in which the said payout is approved by the shareholders.

The tax benefit of interest on equity capital is recognized in the statement of income.

#### 2.23. Present value adjustment

Assets and liabilities arising from long-term transactions, or short-term ones when material, are discounted to present value using rates that reflect the best current market valuations according to the value of money over time and the specific risks of the asset and liability. The Company's management analyzed the amounts of assets and liabilities and has not identified balances and transactions for which the discount to present value is applicable and significant to the individual and consolidated financial information.

#### 2.24. Business Combination

Pursuant to CPC 15 (R1) - Business Combinations, business acquisitions are accounted for under the acquisition method. Consideration transferred on a business combination is measured at fair value, calculated by the sum of the fair values of the assets transferred, the liabilities incurred on the date of acquisition to the former controlling shareholders of the acquired company, and the shares issued in exchange for control over the acquired company. The costs related to the acquisition are normally recognized in the statements of income, when incurred.

Goodwill is measured as the excess of the aggregate of the fair value of consideration transferred plus the fair value of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree (if any) over the fair value of the net amount of identifiable assets acquired less liabilities assumed.

If, after assessment, the net amounts of assets acquired and liabilities assumed identifiable on the date of acquisition are higher than the sum of the consideration transferred, of the non-controlling interest in the acquiree and of the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, the excess is immediately recognized as a gain in the statement of income.

If the initial accounting of a business combination is incomplete at the end of the year in which such combination occurred, the temporary amounts of the items whose accounting is incomplete are recognized. These temporary amounts are adjusted during the measurement period (which may not exceed one year as from the date of acquisition), or additional assets and liabilities are recognized to reflect the new information obtained in relation to facts and circumstances existing at the date of acquisition which, if known, would have affected the amounts recognized on that date.

2.25. Segment reporting disclosure

The segment reporting information are disclosed in a manner consistent with the decision making process of the chief operating decision-maker. The chief operating decision-maker, responsible for the allocation of funds and for evaluating the performance of operating segments is the Company's management, also responsible for the Company's strategic decisions.

2.26. Earning per share - basic and diluted

The Company calculates basic earnings per share using the total average weighted number of outstanding common and preferred shares during the period corresponding to income (loss), in accordance with accounting pronouncement CPC 41/IAS 33.

2.27. Statement of added value - supplementary information to IFRS

The statement of added value is being prepared and disclosed, consistently with technical pronouncement CPC 09, in compliance with Brazilian corporate law for publicly traded companies and regulated by the Brazilian Securities and Exchange Commission.

2.28. Prepaid expenses

They are basically disbursements made in advance and will incur the result as soon as the expenses are effectively realized.

### 3. Financial risk management

The Company and its controlled companies enter into financial instruments to finance its activities or invest its available funds.

These risks are managed by defining conservative strategies aiming at liquidity, profitability and security. The control policy consists of a permanent tracking of contractual rates compared with market rates in effect.

During the nine month period ended September 30, 2020 and for the year ended December 31, 2019, there were no transactions carried out involving derivative financial instruments, financial instruments for speculative purposes and financial instruments with embedded derivatives.

Financial instruments are only recognized as from the date the Company becomes a party of the agreements of financial instruments. When recognized, they are initially recognized at fair value plus transactions costs directly attributable to its acquisition or issue (when applicable). Their later measurement happens at balance sheet date, according to the rules established for each type of classification of financial assets and liabilities.

#### 3.1. Financial risk factors

The activities of the Company expose it to several financial risks: market risk (including interest rate on fair value, interest rate on cash flow), price risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of finance markets and aims to reduce possible adverse effects on the Company's financial performance.

Risk management is performed by the Company's senior management and according to policies approved by the shareholders. The Company's top management identifies, evaluates and hedges the Company against eventual financial risks.

##### (a) Market risk

##### (i) Interest rate risk

The interest rate risk arises from debt portion indexed at TJLP (Long-term Interest Rate) and financial investments indexed at CDI (Interbank Deposit Rate), which may affect the financial income or expenses in case of an unfavorable change in interest rates or inflation.

Loans taken at variable rates expose the Company to the interest rate risk of cash flows. Loans taken at fixed rates expose the Company and its controlled companies to fair value risk linked to interest rate.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

Considering that a significant part of loans of the Company and its controlled companies is indexed at fixed rates, Management understands that the risk of significant changes in income and cash flows is low.

The Company set three scenarios (probable, possible and remote) for simulation. The probable scenario was determined by Management, based on the rates disclosed by BM&F, and the possible and remote scenarios consider, respectively, a 25% and 50% impairment in the variables. The calculation basis used is the amount stated in the notes, cash and cash equivalents, loans and lease transactions:

▪ September 30, 2020:

Index risk	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial Investments	592,682	75,567	56,675	37,784
Net exposure	592,682	75,567	56,675	37,784

▪ December 31, 2019:

Index risk	Scenarios (Consolidated)			
	Basis	Probable	Possible	Remote
CDI - Financial investment	69,632	8,878	6,659	4,439
TJLP - Debentures	(104,567)	(5,228)	(6,535)	(7,842)
Net exposure	(34,935)	3,650	124	(3,403)

Due to the nature, complexity and isolation of a single variable rate, the presented estimates may not truly represent the amount of losses, should such rate have its depreciation disclosed. The calculation was made for a gain/loss scenario in the period of one month.

(ii) Foreign currency exchange rate risk

The associated risk arises from the possibility that the Company may incur losses due to fluctuations in exchange rates, which reduce nominal amounts billed or increase amounts raised in the market.

The Company periodically monitors the net exposure of assets and liabilities in foreign currency. The indirect subsidiary Ambipar Response settled in July 2020 a loan with Banco Bradesco Europa SA in the amount of USD 1,203 thousand (one million, two hundred and three thousand United States Dollars), for this operation had contracted the SWAP instrument, considering rate, amount and exchange rate exposure to the fixed rate variation.

(iii) Risk of commodities price

The Company has no transactions quoted at commodities price; therefore, it is not exposed to risks of commodities prices.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as exposures to customers' credit. In the case of banks and financial institutions, only notes from top-tier institutions are accepted. The department of credit analysis evaluates the quality of clients' credit, considering the customer's financial position, past experience and other factors.

The individual risk limits are determined based on internal or external classifications according to the limits established by Management. The use of credit limits is regularly monitored.

No credit limit was surpassed during the period and management does not expect any loss resulting from default of other parties, in addition to the provision already recognized (Note 5).

(c) Liquidity risk

Cash flow forecasts are calculated by the Company's management. Management monitors the continual projections of liquidity requirements of the Company to guarantee that it has sufficient cash to meet its operating needs. This forecast considers the plans of financing for the Company's debt, compliance with contractual clauses, meeting internal targets of balance sheet ratio and, if applicable, external or legal requirements, such as currency restrictions.

Excess cash held by the Company, in addition to the balance required to working capital management, is invested in current accounts bearing interest, time and short-term deposits, choosing instruments with adequate maturities or enough liquidity to provide sufficient margin, according to the forecasts referred to above. As at September 30, 2020, the Company had short-term financial investments amounting to R\$ 648.734 (R\$ 77.639 as at December 31, 2019) (consolidated), expected to promptly generate cash inflows for managing liquidity risk.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

The table below analyzes the Company's non-derivative financial liabilities (Consolidated), by maturity range corresponding to the remaining period from balance sheet date to the contractual maturity date.

	Less than one year	Between one and two years	Between two and five years	One five years	Total
As at September 30, 2020 - Consolidated					
Loans and financing	10,692	86,962	65,768	7,387	170,809
Trade accounts payable and other accounts payable	18,053	1	-	-	18,054
	28,745	86,963	65,768	7,387	188,863
As at December 31, 2019 - Consolidated					
Loans and financing	69,163	87,395	49,262	10,295	216,115
Debentures	1,745	37,086	65,736	-	104,567
Trade accounts payable and other accounts payable	23,279	1,935	-	-	25,214
	94,187	126,416	114,998	10,295	345,896

(d) Regulatory and environmental risks

The Company and its controlled companies are subject to laws and regulations in the countries in which they operate. The Company's management has established certified environmental policies and procedures to meet environmental laws.

Management carries out regular analyses to identify environmental risks and to ensure that the controls over operation are adequate and properly certified.

### 3.2. Capital management

The Company's purposes in managing its capital are guaranteeing its going concern capacity in order to bring gains to shareholders and benefits to the other interested parties, in addition to keeping an ideal capital structure to reduce costs.

In order to keep or adjust its capital structure, the Company may review its policy on the payment of dividends, return capital to shareholders, or even sell assets in order to reduce indebtedness levels, for example.

The Company monitors capital based on financial leverage indexes. This index corresponds to net debt divided by total capital. Net debt corresponds to total loans and financing (including short and long-term loans and financing, as shown in the statement of financial position), less the amount of cash and cash equivalents.

Total capital is calculated through the sum of the equity, as stated in the statement of financial position, with the net debt.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

The financial leverage index as at September 30, 2020 and December 31, 2019 can be summarized as follows:

Consolidated financial information	09/30/2020	12/31/2019
Total loans, financing and debentures	170,809	320,682
Less: cash and cash equivalents	(649,050)	(77,639)
Net debt	(478,241)	243,043
 Total net equity	 1,240,627	 208,997
Total capital	762,386	452,040
 Financial leverage index (%)	 (62.7)	 53.8

### 3.3. Fair value estimation

It is assumed that the balances of trade accounts receivables and payables at their carrying amounts, less impairment, approximate their fair values, considering the realization and settlement of those balances from 30 to 60 days.

The fair value of financial liabilities for reporting purposes is estimated through the discount of future contractual cash flows at the effective interest rate in market, which is available to the Company for similar financial instruments. Interest rates in effect at balance sheet date are the regular ones in the market and their fair values approximate the balances in accounting records.

Financial investments, represented by investments in CDI (Note 4) and classified as loans and receivables, were evaluated based on the interest rate agreed with the respective financial institution, considered as the regular market rate.

Fair value is the value by which an asset may be changed, or a liability settled, between the parties on an arm's length basis. The fair value hierarchy has the following levels:

- Level 1: Prices quoted (not adjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

## 3.4. Financial instruments by category

		Parent company	
		Book value	Fair value (*)
Category			
Financial asset			
Cash and cash equivalents*	Amortized cost	2	2
Financial investments	Amortized cost	527,978	527,978
Financial liabilities			
Operating leasing	Amortized cost	23,087	23,087
		Consolidated	
		Book value	Fair value (*)
Category			
Ativos financeiros			
Cash and cash equivalents*	Amortized cost	56,368	56,368
Financial investments	Amortized cost	592,682	592,682
Accounts receivable	Amortized cost	206,435	206,435
Financial liabilities			
Loans and leases	Amortized cost	170,809	170,809
Trade payable	Amortized cost	18,053	18,053
Operating leasing	Amortized cost	30,332	30,332

(\*) Fair value is measured at level 2 of the fair value hierarchy. The Company and its controlled companies have no transaction classified under fair value levels 1 and 3.

## 4. Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and banks	2	23	56,368	8,007
Financial investments	527,978	59,730	592,682	69,632
	<u>527,980</u>	<u>59,753</u>	<u>649,050</u>	<u>77,639</u>

Financial investments are mainly represented by Bank Certificates of Deposit and Brazilian prize-draw investments from top-tier financial institutions, whose return is indexed at CDI, with immediate liquidity and original maturity within 90 days.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

### 5. Accounts receivable

	Consolidated	
	09/30/2020	12/31/2019
Notes receivable		
Private	207,381	122,963
Public	1,673	1,576
Related parties	808	711
	<u>209,862</u>	<u>125,250</u>
Allowance for doubtful accounts	(3,427)	(3,559)
	<u>206,435</u>	<u>121,691</u>
Current	201,709	116,508
Noncurrent	4,726	5,183
	<u>206,435</u>	<u>121,691</u>

Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	09/30/2020	12/31/2019
Falling due	178,276	103,365
Overdue up to 30 days	6,814	6,704
Overdue from 31 to 90 days	4,070	3,807
Overdue from 91 to 180 days	3,399	2,281
Overdue from 181 to 360 days	8,500	3,840
Overdue for more than 361 days	8,803	5,253
	<u>209,862</u>	<u>125,250</u>

We present below the changes in the allowance for doubtful accounts receivable:

	Consolidated
(=) Balance as at January 1, 2019	(1,692)
(+) Additions	(1,867)
(=) Balance as at December 31, 2019	(3,559)
(-) Write-off	132
(=) Balance as at September 30, 2020	<u>(3,427)</u>

The expected loss for doubtful accounts is established when there is objective evidence that the Company and its subsidiaries will not be able to collect all amounts due in accordance with the original terms of accounts receivable. It is constituted in an amount considered sufficient by the Management to face the probable losses in the realization of the credits based on: analysis of the default risk of each client, the client's financial situation compromised in the market, history of negotiations carried out, signed agreements not being fulfilled, mainly taking into account risk scenarios in which the behavior is observable in the market, and with special attention to long-overdue loans.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

With respect to securities overdue for more than 181 days, the collection and settlement processes and procedures, even if paid in installments for receipt, are in progress, whose probability of success is relatively high.

### 6. Recoverable taxes

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
IRRF (Withholding income tax) to offset	236	123	8,441	6,354
Recoverable INSS (Social security tax) withheld	-	-	10,062	11,556
Recoverable PIS (Tax on sales)	28	-	367	424
Recoverable COFINS (Taxo on sales)	97	-	1,742	2,063
Recoverable ICMS (State VAT)	-	-	2,597	2,982
Prepaid Income tax and social contribution (IR/CS)	20	8	8,538	5,453
Other recoverable taxes	-	-	105	37
	<u>381</u>	<u>131</u>	<u>31,852</u>	<u>28,869</u>
Current	361	131	19,968	16,311
Non-current	<u>20</u>	<u>-</u>	<u>11,884</u>	<u>12,558</u>
	<u>381</u>	<u>131</u>	<u>31,852</u>	<u>28,869</u>

### 7. Investments on subsidiárias

	Parent company	
	09/30/2020	12/31/2019
Investments in subsidiaries	328,990	244,309
Goodwill paid on the acquisition of investments due to expected future profitability (Note 7.4)	<u>141,670</u>	<u>115,712</u>
	470,660	360,021
Investment loss in subsidiaries	<u>(2,595)</u>	<u>(2,898)</u>
	<u>(2,595)</u>	<u>(2,898)</u>

#### 7.1. Business Combination

Over the nine-month period ended September 30, 2020, Ambipar Group made the following corporate changes:

Base date	Target company	Acquired interest (%)	New interest (%)
January/20	Allied International Emergency LLC.	100	100
April/20	Revalore Coprocessamento e Engenharia do Meio Ambiente Ltda	100	100
July/20	Ambipar Facilites Ltda	100	100
July/20	Ambipar Compliance Solutions S.A.	62	62
September/20	One Stop Environmental, LLC	100	100
September/20	Intracoastal Environmental, LLC	100	100

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

(a) Acquisition of Allied International Emergency LLC. control

On January 29, 2020, Emergência Participações S.A. acquired, through the recently incorporated wholly-owned subsidiary Ambipar Holding USA INC, the totality of the investee's shares of the investee Allied International Emergency LLC. ("Allied"), whose activity is to respond to chemical emergencies in the United States, for USD 8,452,546 (eight million, four hundred and fifty-two thousand, five hundred and forty-six dollars), as follows:

Date	Value (USD)
January/2020	1,249,455
June/2020	2,205,273
January/2021	2,498,909
January/2022	2,498,909
Total identifiable net assets (liabilities)	8,452,546

Below, the recognized amounts of assets acquired and liabilities assumed at the acquisition date are summarized:

Assets and liabilities acquired at fair value	At acquisition date (*)
Cash and cash equivalents	1,021
Other assets	4,976
Other liabilities	(2,776)
Total identifiable net assets	3,221

Total amount of the consideration transferred	43,092
(-) Cash acquired from Allied	(1,021)
(-) Assumed amount of the obligation to pay	(26,538)
Cash paid, net of cash received	15,533

	At acquisition date (*)
Determining goodwill from expected future profitability	
Total amount of the consideration transferred, Net	43,092
Total amount of identifiable net liabilities	(3,221)
Goodwill paid resulting from expected future profitability	39,871

(\*) For reference purposes of the acquisition, it took into account the base control date of January 1, 2020, in which the valuation of assets and liabilities at fair value considers the balances on this date, converted into foreign currency from US dollars to reais. The difference in days between the transfer of control and this base date did not occur significant events that could change the basis of assessment considered.

The fair values of the assets acquired and liabilities assumed are close to the book values.

Due to the acquisition of control in January 2020, the business combination was carried out considering the internal evaluation and which will be submitted to validation by an independent specialist who will issue a specific appraisal report on the fair value of the assets and liabilities, in which we calculate goodwill for with expected future profitability of R\$ 39,871. The report to be issued will be final.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

### (b) Acquisition of Revalore Coprocessamento e Engenharia do Meio Ambiente Ltda.

On April 3, 2020, the Company acquired all the quotas of the investee Revalore Coprocessamento e Engenharia do Meio Ambiente Ltda., whose activity is waste management, for the amount of R\$ 4,180, such payment, as follows:

Date	Value
June/2020	2,090
June/2022	2,090
Total identifiable net assets (liabilities)	4,180

Below, the recognized amounts of assets acquired and liabilities assumed at the acquisition date are summarized:

Assets and liabilities acquired at fair value	At acquisition date (*)
Cash and cash equivalents	230
Other assets	10,349
Other liabilities	(10,230)
Total identifiable net assets	349

Total amount of the consideration transferred	4,180
(-) Cash acquired from Revalore	(230)
(-) Assumed amount of the obligation to pay	(2,090)
Cash paid, net of cash received	1,860

	At acquisition date (*)
Determining goodwill from expected future profitability	
Total amount transferred, Net	4,180
Total amount of identifiable net liabilities	(349)
Goodwill paid resulting from expected future profitability	3,831

(\*) For reference purposes of the acquisition, it took into account the base control date of April 1, 2020, in which the valuation of assets and liabilities at fair value considers the balances on this date. The difference in days between the transfer of control and this base date did not occur significant facts that could change the basis of assessment considered.

The fair values of the assets acquired and liabilities assumed are close to the book values.

Due to the acquisition of control in April 2020, the business combination was carried out considering the preliminary internal evaluation and which will be submitted to validation by an independent specialist who will issue a specific appraisal report on the fair value of the assets and liabilities, in which we calculate goodwill for with expected future profitability of R\$ 3,831. The report to be issued will be final.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

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### (c) Acquisition of Ambipar Facilities Ltda control

On July 2, 2020, the Company acquired all the quotas of the investee Ambipar Facilities Ltda., whose activity is outsourcing of recyclable waste handling, for R\$ 6.300, as follows:

Date	Value
July/2020	3,300
July/2021	1,500
July/2022	1,500
Total identifiable net assets (liabilities)	<u>6,300</u>

Below, the recognized amounts of assets acquired and liabilities assumed at the acquisition date are summarized:

Assets and liabilities acquired at fair value	At acquisition date (*)
Cash and cash equivalents	1,361
Other assets	3,571
Other liabilities	(4,623)
Total identifiable net assets	<u>309</u>

Total amount of the consideration transferred	6,300
(-) Cash acquired from Ambipar Facilities	(1,361)
(-) Assumed amount of the obligation to pay	(3,000)
Cash paid, net of cash received	<u>1,939</u>

	At acquisition date (*)
Determining goodwill from expected future profitability	
Total amount of the consideration transferred, Net	6,300
Total amount of identifiable net liabilities	(309)
Goodwill paid resulting from expected future profitability	<u>5,991</u>

(\*) For reference purposes of the acquisition, it took into account the base control date of July 1, 2020, in which the valuation of assets and liabilities at fair value considers the balances on this date, converted into foreign currency from US dollars to reais. The difference in days between the transfer of control and this base date did not occur significant events that could change the basis of assessment considered.

The fair values of the assets acquired and liabilities assumed are close to the book values.

Due to the acquisition of control in July 2020, the business combination was carried out considering the internal evaluation and which will be submitted to validation by an independent specialist who will issue a specific appraisal report on the fair value of the assets and liabilities, in which we calculate goodwill for with expected future profitability of R\$ 5,991. The report to be issued will be final.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

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### (d) Acquisition of Ambipar Compliance Solutions S.A. control

On July 1, 2020, the Company acquired control of the investee Ambipar Compliance S.A., whose activity is environment consulting and auditing, and development of management software, for the amount of R\$ 21,275.

Below, the recognized amounts of assets acquired and liabilities assumed at the acquisition date are summarized:

Assets and liabilities acquired at fair value	At acquisition date (*)
Cash and cash equivalents	7,745
Other assets	5,340
Other liabilities	(525)
Total identifiable net assets	<u>12,560</u>
Total amount of the consideration transferred	21,275
(-) Cash acquired from Ambipar Compliance	(7,745)
(-) Assumed amount of the obligation to pay	(10,000)
Cash paid, net of cash received	<u>3,530</u>
	At acquisition date (*)
Determining goodwill from expected future profitability	
Total amount of the consideration transferred, Net	21,275
Total amount of identifiable net liabilities	(7,787)
Goodwill paid resulting from expected future profitability	<u>13,488</u>

(\*) For reference purposes of the acquisition, it took into account the base control date of July 1, 2020, in which the valuation of assets and liabilities at fair value considers the balances on this date, converted into foreign currency from US dollars to reais. The difference in days between the transfer of control and this base date did not occur significant events that could change the basis of assessment considered.

The fair values of the assets acquired and liabilities assumed are close to the book values.

Due to the acquisition of control in July 2020, the business combination was carried out considering the internal evaluation and which will be submitted to validation by an independent specialist who will issue a specific appraisal report on the fair value of the assets and liabilities, in which we calculate goodwill for with expected future profitability of R\$ 13,488. The report to be issued will be final.

### (e) Acquisition of Intracoastal Environmental, LLC. control

On September 29, 2020, Emergência Participações S.A. acquired, through the recently incorporated wholly-owned subsidiary Ambipar Holding USA INC, total shares of the investee Intracoastal Environmental, LLC., whose activity is to respond to chemical emergencies in the United States, for USD 10,634,000 (ten million, six hundred and three and four thousand dollars), as follows:

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

Date	Value (USD)
September/2020	8,082,000
September/2021	1,276,000
September/2022	1,276,000
Total identifiable net assets (liabilities)	10,634,000

Below, the recognized amounts of assets acquired and liabilities assumed at the acquisition date are summarized:

Assets and liabilities acquired at fair value	At acquisition date (*)
Cash and cash equivalents	3,492
Other assets	9,523
Other liabilities	(17,679)
Total identifiable net assets	4,664

Total amount of the consideration transferred	59,985
(-) Cash acquired from Intracoastal	(3,492)
(-) Assumed amount of the obligation to pay	(14,395)
Cash paid, net of cash received	42,098

	At acquisition date (*)
Determining goodwill from expected future profitability	
Total amount of the consideration transferred, Net	59,985
Total amount of identifiable net liabilities	4,664
Goodwill paid resulting from expected future profitability	64,649

(\*) For reference purposes of the acquisition, it took into account the base control date of September 30, 2020, in which the valuation of assets and liabilities at fair value considers the balances on this date, converted into foreign currency from US dollars to reais. The difference in days between the transfer of control and this base date did not occur significant events that could change the basis of assessment considered.

The fair values of the assets acquired and liabilities assumed are close to the book values.

Due to the acquisition of control in September 2020, the business combination was carried out considering the internal evaluation and which will be submitted to validation by an independent specialist who will issue a specific appraisal report on the fair value of the assets and liabilities, in which we calculate goodwill for with expected future profitability of R\$ 64,649. The report to be issued will be final.

### (f) Acquisition of One Stop Environmental, LLC. control

On september 29, 2020, Emergência Participações S.A. acquired, through the recently incorporated wholly-owned subsidiary Ambipar Holding USA INC, 100% of the investee One Stop Environmental, LLC., whose activity is to respond to chemical emergencies in the United States, for USD 5,085,700 (five million, eighty-five thousand seven hundred dollars), as follows:



## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

Date	Value (USD)
September/2020	2,577,900
September/2021	1,253,900
September/2022	1,253,900
Total identifiable net assets (liabilities)	5,085,700

Below, the recognized amounts of assets acquired and liabilities assumed at the acquisition date are summarized:

Assets and liabilities acquired at fair value	At acquisition date (*)
Cash and cash equivalents	1,898
Other assets	14,554
Other liabilities	(20,511)
Total identifiable net assets	(4,059)

Total amount of the consideration transferred	28,687
(-) Cash acquired from One Stop	(1,898)
(-) Assumed amount of the obligation to pay	(14,146)
Cash paid, net of cash received	12,643

	At acquisition date (*)
Determining goodwill from expected future profitability	
Total amount of the consideration transferred, Net	28,687
Total amount of identifiable net liabilities	4,059
Goodwill paid resulting from expected future profitability	32,746

(\*) For reference purposes of the acquisition, it took into account the base control date of September 30, 2020, in which the valuation of assets and liabilities at fair value considers the balances on this date, converted into foreign currency from US dollars to reais. The difference in days between the transfer of control and this base date did not occur significant events that could change the basis of assessment considered.

The fair values of the assets acquired and liabilities assumed are close to the book values.

Due to the acquisition of control in September 2020, the business combination was carried out considering the internal evaluation and which will be submitted to validation by an independent specialist who will issue a specific appraisal report on the fair value of the assets and liabilities, in which we calculate goodwill for with expected future profitability of R\$ 32,746. The report to be issued will be final.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

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### 7.2. Subsidiaries' information

The Shareholders' equity of the subsidiaries are presented as follow:

	Net equity as at 12/31/2019	Net equity as at 09/30/2020	Percentage (%) - 09/30/2020
Subsidiaries (Directs)			
Ambipar Environment	159,373	159,510	100
Ambipar Logistics	10,148	12,831	100
Planeta Ambiental	354	48	100
Ambipar Environment Reverse Manufacturing	(4,132)	(2,941)	51
Emergência Participações	54,719	120,500	100
Ambipar Response UK	7,010	12,529	100
Ambipar Howells	(791)	(1,082)	100
Ambipar Environment Waste Logistics	5,876	5,582	100
Ambipar EcoProducts	6,829	7,168	100
Ambipar Workforce	-	2,033	100
Revalore	-	524	100
Ambipar Facilities	-	(13)	100
Ambipar Compliance	-	13,331	62

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

### Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reals, unless otherwise stated)

#### 7.3. Changes in investments in controlled companies

	Balance as at 12/31/2019					Balance as at 09/30/2020		
	Investments	Provision for investments losses	Investment transfers	Exchange rate fluctuation on investments abroad	Consideration transferred	Equity	Investments	Provision for investments losses
Subsidiaries								
Ambipar Environment	159,373	-	-	-	-	137	159,510	-
Ambipar Logistics	10,148	-	-	-	-	2,683	12,831	-
Planeta Ambiental	354	-	-	-	-	(306)	48	-
Ambipar Environment Reverse Manufacturing	-	(2,107)	-	-	-	607	-	(1,500)
Emergência Participações	54,719	-	2,574	22,191	-	41,016	120,500	-
Ambipar Response UK	7,010	-	-	2,193	-	3,326	12,529	-
Ambipar Howells	-	(791)	-	(291)	-	-	-	(1,082)
Ambipar Environment Waste Logistics	5,876	-	-	-	-	(294)	5,582	-
Ambipar EcoProducts	6,829	-	-	-	-	339	7,168	-
Ambipar Workforce (f)	-	-	(2,574)	-	5,900	(1,293)	2,033	-
Revalore (g)	-	-	-	-	349	175	524	-
Ambipar Facilities (h)	-	-	-	-	309	(322)	-	(13)
Ambipar Compliance (i)	-	-	-	-	7,783	482	8,265	-
	<u>244,309</u>	<u>(2,898)</u>	<u>-</u>	<u>24,093</u>	<u>14,341</u>	<u>46,550</u>	<u>328,990</u>	<u>(2,595)</u>

	Balance as at 12/31/2018					Balance as at 12/31/2019		
	Investments	Provision for investments losses	Investments transfers	Exchange rate fluctuation on investments abroad	Receivable dividends	Equity	Investments	Provision for investments losses
Subsidiaries								
Ambipar Environment	146,293	-	-	-	(2,212)	15,292	159,373	-
Ambipar Logistics	9,386	-	-	-	-	762	10,148	-
Planeta Ambiental	562	-	-	-	-	(208)	354	-
Ambipar Environment Reverse Manufacturing	-	(2,260)	-	-	-	153	-	(2,107)
Emergência Participações (b)	48,541	-	(1,061)	(788)	(6,767)	14,794	54,719	-
Ambipar Insurance (d)	6,207	-	(12,332)	-	(800)	6,925	-	-
Ambipar Workforce (b)	-	(2,841)	3,268	-	-	(427)	-	-
Ambipar Response UK	6,609	-	-	(933)	-	1,334	7,010	-
Ambipar Howells	-	(737)	-	(54)	-	-	-	(791)
Ambipar Environment Waste Logistics (c)	-	-	4,903	-	-	973	5,876	-
Ambipar EcoProducts (a)	-	-	6,111	-	-	718	6,829	-
	<u>217,598</u>	<u>(5,838)</u>	<u>889</u>	<u>(1,775)</u>	<u>(9,779)</u>	<u>40,316</u>	<u>244,309</u>	<u>(2,898)</u>

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

### Notes to the individual and consolidated interim financial information Quarter ended September 30, 2020 (In thousands of Brazilian Reals, unless otherwise stated)

- (a) On March 13, 2019, the Company became the holder of 171,032,169 shares in the invested company Ambipar EcoProducts. The shares were transferred for consideration by the subsidiary Emergência Participações;
- (b) On March 26, 2019, the Company transferred the 99,999 shares it held over the investee Ambipar Workforce to the subsidiary Emergência Participações. The investment was transferred against payment;
- (c) On August 16, 2019, the Company now holds 1,868,912 quotas in the capital stock of the investee Ambipar Environment Waste Logistics. The shares were transferred for consideration by the subsidiary Emergência Participações;
- (d) On August 16, 2019, the Company transferred the 1,923,499 shares it held over the investee Ambipar Insurance to the subsidiary Emergência Participações. Investment was transferred against payment;
- (e) The effect of this movement, added to the exchange variation of goodwill paid abroad (see Note 7.4), is in the accumulated translation adjustment in the parent company's column - Shareholders' Equity (on June 30, 2020 - R\$ 15,164 - consolidated). On June 30, 2019, the foreign exchange variation on investments abroad was (R\$ 491) - parent company and (R\$ 491) consolidated;
- (f) On March 20, 2020, the Company acquired the 99,999 shares of paid in capital of subsidiary Ambipar Workforce from the controlled company Emergência Participações. The shares were transferred upon payment by the controlled company Emergência Participações. At the same date, the Company increased capital of the subsidiary Ambipar Workforce by issuing 5,900 new shares of paid in capital, continuing to hold 100% of interest in the subsidiary;
- (g) On april 3, 2020, the Company acquired 892,000 quotas in the share capital of the company Revalore, as mentioned in note 7.1b;
- (h) On July 2, 2020, the Company acquired 299,999 quotas in the share capital of the company Ambipar Facilities, as mentioned in note 7.1c; and
- (i) On July 1, 2020, the Company acquired 4,960 quotas in the share capital of the company Ambipar Compliance, as mentioned in note 7.1d.

#### 7.4. Breakdown of goodwill from expected future profitability

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Breakdown of Goodwill				
Bioland	4,794	4,794	4,794	4,794
SOS Cotec	6,938	6,938	6,938	6,938
Ambipar Environment Reverse Manufacturing	3,302	3,302	19,985	19,985
Multiambiental	15,987	15,987	15,987	15,987
Emergência Participações	52,337	52,337	52,337	52,337
Avangard	781	781	781	781
Ambipar Response UK e Ambipar Howells	8,168	5,520	8,168	5,520
Ambipar Insurance e Ambipar Workforce	9,395	9,395	9,395	9,395
Ambipar EcoProducts	-	-	2,575	2,575
Training	-	-	211	157
Atmo	16,658	16,658	16,658	16,658
Allied	-	-	53,307	-
Revalore	3,831	-	3,831	-
Ambipar Facilities	5,991	-	5,991	-
Ambipar Compliance	13,488	-	13,488	-
Intracoastal	-	-	64,649	-
One Stop	-	-	32,746	-
	<u>141,670</u>	<u>115,712</u>	<u>311,841</u>	<u>135,127</u>

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reals, unless otherwise stated)

According to Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Statements, Consolidated Statements and Adoption of the Equity Method, in the consolidated statement of financial position, goodwill from expected future profitability is recorded in the subgroup Intangible Assets, since it refers to the expectation of profitability of the acquired controlled company, whose assets and liabilities are consolidated in the parent company. However, in the Parent company's individual statement of financial position, this goodwill shall be in the subgroup of Investments, in the same group of Noncurrent assets, because to the investor this is part of its investment in the acquisition of the controlled company.

Goodwill arising from the acquisition of related (indirect) controlled companies is recorded in the direct investment in the Parent Company and segregated in the Consolidated, as the other goodwill mentioned above, under the caption Intangible Assets.

We show below the movement of goodwill:

Change	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Initial balance	115,712	99,054	135,127	118,476
Exchange variation	2,648	-	16,138	(7)
Acquisition of Atmo	-	16,658	-	16,658
Acquisition of Allied	-	-	39,871	-
Acquisition of Revalore	3,831	-	3,831	-
Acquisition of Ambipar Facilities	5,991	-	5,991	-
Acquisition of Ambipar Compliance	13,488	-	13,488	-
Acquisition of Intracoastal	-	-	64,649	-
Acquisition of One Stop	-	-	32,746	-
Final balance	141,670	115,712	311,841	135,127

#### Impairment test of intangible assets

Goodwill is an asset with an indefinite useful life that shall be annually tested or whenever there is indication of any impairment. Assets and liabilities are grouped in CGUs (Cash Generating Units) for purposes of impairment test.

Any impairment loss is immediately recognized as loss in the statement of income and is not subject to subsequent reversal.

As required by Brazilian accounting practices and International Financial Reporting Standards (IFRS), the Company annually tests its assets for impairment.

The Company used the value in use method for impairment test. For all CGUs, five years of projection were considered, with growth in perpetuity, in addition to having observed the financial budgets prepared by Management to begin projection of cash flows.

Cash flows were discounted to present value through the application of the rate determined by the weighted average capital cost (WACC) that was calculated using the Capital Asset Pricing Model (CAPM) method and that also considers several components of financing, debt and equity capital used by the Company to finance its activities.

As a result of the impairment test, on December 31, 2019, and evaluating the scenario that there were no changes in the significant risk variables and in the assumptions used in the future cash flow of the acquired businesses, since the last closing of the annual individual and consolidated financial statements, no losses were identified for the CGUs for the goodwill recognized by the Company and its subsidiaries.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

## 8. Fixed Assets

### (a) Breakdown and changes

The changes in fixed assets are stated as follows:

	09.30.2020 (consolidated)											
	Sanitary landfill	Buildings	Facilities	Machinery and equipaments	IT equipaments	Forniture and Fixture	Vehicles	Leasehold Improvement	Construction in progress	Vessels	Lease	Total
Cost												
Initial balance	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	405,193
Transfers	-	-	(21)	(115)	100	27	12,713	-	(12,713)	9	-	-
Additions	69	77	31	35,423	1,111	276	54,446	2,835	9,192	625	29,492	133,577
White-offs	-	-	-	(16,992)	(8)	(79)	(12,040)	-	(576)	-	(1,239)	(30,934)
Initial purchase (*)	-	-	10	16,966	382	314	12,468	1,324	-	2,062	-	33,526
Exchange rate gains (losses)	-	352	-	12,158	86	174	411	(1)	2	2	4,248	17,432
Final balance	49,353	1,531	1,096	169,246	5,796	3,107	228,689	28,970	13,696	5,473	51,837	558,794
Accumulated depreciation												
Initial balance	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	(196,879)
Transfers	-	-	6	66	(34)	(30)	-	-	-	(8)	-	-
Additions	(455)	(122)	(99)	(12,069)	(306)	(138)	(21,966)	(3,843)	-	(118)	(7,059)	(46,175)
White-offs	-	-	-	15,361	1	79	9,719	-	-	-	967	26,127
Initial purchase (*)	-	-	(4)	(10,889)	(199)	(148)	(8,231)	(538)	-	(1,442)	-	(21,451)
Exchange rate gains (losses)	-	(206)	(11)	(2,785)	(73)	(129)	(415)	1	-	-	(3,406)	(7,024)
Final balance	(7,070)	(1,019)	(524)	(94,214)	(3,884)	(2,036)	(108,097)	(5,454)	-	(1,814)	(21,290)	(245,402)
Cost	49,353	1,531	1,096	169,246	5,796	3,107	228,689	28,970	13,696	5,473	51,837	558,794
Depreciation and Amortization	(7,070)	(1,019)	(524)	(94,214)	(3,884)	(2,036)	(108,097)	(5,454)	-	(1,814)	(21,290)	(245,402)
	42,283	512	572	75,032	1,912	1,071	120,592	23,516	13,696	3,659	30,547	313,392

(\*) Initial collection for the purchase of the investee Revalore, Ambipar Facilities, Ambipar Compliance, Allied, Intracoastal e One Stop.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reais, unless otherwise stated)

	12.31.2019 (consolidated)											
	Sanitary landfill	Buildings	Facilities	Machinery and equipaments	IT equipaments	Furnitu re and Fixture	Vehicles	Leasehold Improvement	Construct ion in progress	Vessels	Lease (*)	Total
Cost												
Initial balance	49,116	938	814	101,035	3,399	2,097	125,877	1,400	14,486	1,496	6,741	307,399
Transfers	-	-	-	-	-	-	(6,348)	3,463	(3,463)	-	6,348	-
Additions	168	184	262	30,646	647	297	45,160	19,949	18,913	1,657	6,741	124,624
White-offs	-	-	-	(10,650)	(11)	(34)	(3,122)	-	(12,145)	(378)	(58)	(26,398)
Exchange rate gains (losses)	-	(20)	-	775	90	35	(876)	-	-	-	(436)	(432)
Final balance	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	405,193
Depreciação acumulada												
Initial balance	(6,115)	(590)	(320)	(71,057)	(3,001)	(1,526)	(81,916)	(976)	-	(231)	(711)	(166,443)
Transfers	-	-	-	-	-	-	9,098	-	-	-	(9,098)	-
Additions	(500)	(114)	(96)	(18,533)	(188)	(129)	(23,305)	(98)	-	(108)	(2,382)	(45,453)
White-offs	-	-	-	6,400	-	-	8,048	-	-	93	-	14,541
Exchange rate gains	-	13	-	(708)	(84)	(15)	871	-	-	-	399	476
Final balance	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	(196,879)
Cost	49,284	1,102	1,076	121,806	4,125	2,395	160,691	24,812	17,791	2,775	19,336	405,193
Depreciation and amortization	(6,615)	(691)	(416)	(83,898)	(3,273)	(1,670)	(87,204)	(1,074)	-	(246)	(11,792)	(196,879)
	42,669	411	660	37,908	852	725	73,487	23,738	17,791	2,529	7,544	208,314

(\*) Refers to operating lease balances due to the initial adoption of CPC 06 (R2) on January 1, 2019.



Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

## (b) Depreciation and amortization rates

Depreciation and amortization rates are stated below:

Assets	Useful life (for years)	Annual weighted average rate (%)
Buildings	10 a 25	7.00
Sanitary landfill (*)	12	8.33
Leasehold improvement	3 a 25	18.00
Vessels	18 a 20	5.00
Tools	5 a 10	15.00
IT equipments	3 a 10	18.00
Facilities	3 a 20	15.51
Machinery and equipments	3 a 10	19.06
Furniture and fixture	4 a 10	12.33
Vehicles	2,5 a 5	26.53
Software to using right	5	20.00
Software	5	20.00
Vehicles - lease	2,5 a 5	26.53
Research and development	2	50.00

(\*) The Company has two landfills located in the cities of Aracruz/ES and Guar/SP.

## (c) Assets offered as guarantee

As at September 30, 2020, the amount of R\$ 138,877 (R\$ 86,889 in December 31, 2019) is represented by fixed asset items in vehicle classes (basically represented by trucks), machinery, devices and equipment, which are the guarantees of the respective financing of FINAME and lease.

## (d) Impairment (fixed and intangible assets)

Management annually reviews the book value of assets in order to assess events or changes in economic or operational circumstances that may indicate impairment or loss of their recoverable value. If such evidence is identified and for the net book value that exceeds the recoverable value, an impairment provision is set up adjusting the net book value to the recoverable value.

Intangible assets with indefinite useful lives are subject to annual impairment analysis regardless of whether or not there is any indication of impairment.

The recoverable amount of an asset is defined as the lower of the carrying amount and the value in use. The calculation of the value in use is based on the discounted cash flow model, considering two CGUs: environmental and emergency. The business growth assumptions are based on the annual budget for 2020 and long-term projections of its subsidiaries. The estimated future cash flows were discounted at the rate equivalent to the weighted average cost of capital.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

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The estimated EBITDA was projected considering the history and forecasts as follows:

- The revenues of the CGUs include provision of services. Revenue growth was projected considering the economic recovery and price increases / decreases based on inflation estimates;
- The operating costs and expenses were projected considering the historical performance of the UGC and the trends in readjustment of personnel costs and investments in structure; and
- Capital expenditures were estimated considering the maintenance of the existing infrastructure, machines, equipment and vehicles for continuous operation and compliance with contracts with customers.

For the quarter ended September 30, 2020, based on the assessments made for the year ended December 31, 2019, and without any change in significant risk variables and the assumptions of future cash flows from the businesses, the estimated value of use has exceeded the book value.

(e) Right of use asset - Consolidated

	Balance in January 1, 2020	New contracts	Depreciation	Cost	Accumulated Depreciation	Net income
Usage to right	7,544	32,501	(9,498)	51,837	(21,290)	30,547
	<u>7,544</u>	<u>32,501</u>	<u>(9,498)</u>	<u>51,837</u>	<u>(21,290)</u>	<u>30,547</u>

They mainly refer to properties and fleets that are leased from third parties and to conduct the business of the Company and its subsidiaries in various locations in the country. As of April, 2020, the lease agreement with related parties of the properties in Nova Odessa/SP and the Company's headquarters in São Paulo/SP was initiated, which are subject to Market conditions.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

9. Intangible assets

(a) Breakdown

	Annual Amortization rate	Consolidated	
		09/30/2020	12/31/2019
Cost			
Trademarks and patents		3,287	2,407
Software using right	20%	4,179	4,017
Research and Development (*)	50%	8,859	7,800
Goodwill, paid		311,841	135,127
Client portfolio	50%	3,891	3,891
Work force (**)	20%	853	853
		<u>332,910</u>	<u>154,095</u>
Accumulated amortization			
Trademarks and patents		(1,514)	(988)
Software using right		(3,698)	(3,406)
Research and Development		(4,223)	(1,385)
Client portfolio		(3,540)	(3,540)
		<u>(12,975)</u>	<u>(9,319)</u>
Net total		<u>319,935</u>	<u>144,776</u>

(\*) Refers substantially to investments in Research & Development of products arising from waste generated by the customers of the Company and its subsidiaries; and

(\*\*) Will be amortized in 2020 according to the business plan defined in the acquisition.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reais, unless otherwise stated)

(b) Change in intangible assets

	Consolidated (09/30/2020)						Total
	Trademarks and patents	Software using right	Research and Development	Client portfolio	Goodwill, paid	Work force	
Cost							
Initial balance	2,407	4,017	7,800	3,891	135,127	853	154,095
Additions	215	90	821	-	160,576	-	161,702
Initial collection	122	47	240	-	-	-	409
Exchange rate	543	25	(2)	-	16,138	-	16,704
Final balance	<u>3,287</u>	<u>4,179</u>	<u>8,859</u>	<u>3,891</u>	<u>311,841</u>	<u>853</u>	<u>332,910</u>
Accumulated depreciation							
Initial balance	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
Additions	(35)	(222)	(2,610)	-	-	-	(2,867)
Initial collection	(119)	(47)	(228)	-	-	-	(394)
Exchange rate	(372)	(23)	-	-	-	-	(395)
Final balance	<u>(1,514)</u>	<u>(3,698)</u>	<u>(4,223)</u>	<u>(3,540)</u>	<u>-</u>	<u>-</u>	<u>(12,975)</u>
Cost	3,287	4,179	8,859	3,891	311,841	853	332,910
Accumulated amortization	<u>(1,514)</u>	<u>(3,698)</u>	<u>(4,223)</u>	<u>(3,540)</u>	<u>-</u>	<u>-</u>	<u>(12,975)</u>
	<u>1,773</u>	<u>481</u>	<u>4,636</u>	<u>351</u>	<u>311,841</u>	<u>853</u>	<u>319,935</u>

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reais, unless otherwise stated)

	Consolidated (12/31/2019)						Total
	Trademarks and patents	Software using right	Research and Development	Client portfolio	Goodwill, paid	Work force	
Cost							
Initial balance	2,080	3,999	3,614	3,760	118,476	-	131,929
Additions	318	14	4,186	131	16,658	853	22,160
Baixas	(43)	-	-	-	-	-	(43)
Exchange rate	52	4	-	-	(7)	-	49
Final balance	2,407	4,017	7,800	3,891	135,127	853	154,095
Amortização acumulada							
Initial balance	(893)	(2,929)	-	(3,540)	-	-	(7,362)
Additions	(27)	(473)	(1,385)	-	-	-	(1,885)
Exchange rate	(68)	(4)	-	-	-	-	(72)
Final balance	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
Cost	2,407	4,017	7,800	3,891	135,127	853	154,095
Accumulated amortization	(988)	(3,406)	(1,385)	(3,540)	-	-	(9,319)
	1,419	611	6,415	351	135,127	853	144,776

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reals, unless otherwise stated)

## 10. Loans and financing

### 10.1. Breakdown

Type	Financial Charge - % a.a. (*)	Maturity	Parent Company			
			09/30/2020		12/31/2019	
			Current	Non-current	Current	Non-current
Working capital	8.86	-	-	-	12,312	34,546
			-	-	12,312	34,546

Type	Financial Charge - % a.a. (*)	Maturity	Consolidated			
			09/30/2020		12/31/2019	
			Current	Non-current	Current	Non-current
Working capital	8.86	May 2027	12,343	19,589	47,718	81,508
Investment financing	-	-	-	-	18,720	62,233
Finance lease	18.33	April 2023	32,275	106,602	4,082	1,854
			44,618	126,191	70,520	145,595

(\*) Annual weighted average cost of interest at September 30, 2020.

As provided for in the Final Prospectus of the Public Offering of Primary Distribution of Common Shares Issued by the Company, Management renegotiated and, anticipated, payments of loan contracts with high funding costs during the month of July 2020. Working capital loans were considered Therefore, the Company decided to liquidate them. The costs related to the prepayment of the loans were recorded as financial expenses, in the amount of R\$ 17,900.

### 10.2. Description

- (i) Working capital: working capital transactions are fixed at a weighted average rate of 8,86 % p.a., maturing from October 2020 to May 2027;
- (ii) Financing investments (FINAME): acquisition of heavy vehicles and machinery used for the operation of the controlled companies. All contracts were settled in July 2020; and
- (iii) Finance lease: The contracts with a weighted average fixed rate of 18,33% p.a., monthly amortization and last installment due date in April 2023.

### 10.3. Schedule of installment payments of non-current liabilities

Year of maturity	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
2021	-	10,842	12,842	51,257
2022	-	8,090	40,194	35,017
2023	-	5,027	39,929	27,276
As from 2024	-	10,587	33,226	32,045
	-	34,546	126,191	145,595

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

10.4. Guarantees

Financing with FINAME funds is guaranteed by the financed assets and was raised primarily to set up fleet of vehicles for the operation of the controlled companies. This financing is made through certified financial institutions, for the production and acquisition of new machines and equipment, domestically manufactured, certified with the National Bank for Economic and Social Development (BNDES).

Loans for working capital are guaranteed by the Company's shareholders approval.

11. Debentures

11.1. Breakdown

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current	-	562	-	1,745
Non-current	-	96,491	-	102,822
Total	-	97,053	-	104,567

11.2. Payment schedule for non-current liability installments

Year as maturity	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
2021	-	2,682	-	3,814
2022	-	32,189	-	33,271
2023	-	32,189	-	33,222
As from 2024	-	29,431	-	32,515
Total	-	96,491	-	102,822

As provided for in the Final Prospectus for the Public Offering of Primary Distribution of Common Shares Issued by the Company, Management renegotiated and anticipated debt payments, both from the Company and from Ambipar Environment Reverse Manufacturing, during the month of July 2020. The balance due from debentures was considered high.

12. Trade accounts payable

	Consolidated	
	Current	
	09/30/2020	12/31/2019
Trade - National operations	11,757	15,216
Trade - International operations	5,935	4,301
Trade - Related parties	361	1,197
	18,053	20,714

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

### 13. Taxes payable and paid in installments

#### 13.1. Breakdown

	Consolidated			
	09/30/2020		12/31/2019	
	Current	Non-current	Current	Non-current
Corporate income tax	661	-	1,668	-
Social contribution	226	-	273	-
Withholding income e tax	650	-	159	-
Tax on sale (PIS)	1,081	-	373	-
Taxo n sale (COFINS)	4,986	-	2,747	-
(VAT) ICMS	476	-	385	-
Tax on service (ISS)	481	-	803	-
Other taxes	2,088	-	2,603	-
Reassessment PERT	-	-	4,232	15,219
Reassessment FGTS	662	-	-	-
	<u>11,311</u>	<u>-</u>	<u>13,243</u>	<u>15,219</u>

#### 13.2. Reassessment taxes

As of September 30, 2020, the amount of R\$ 662 is classified in current liabilities, referring to the payment of FGTS in provisional measure 927/2020. This installment is part of the preventive measure to Covid - 19 in the payment of FGTS by the employee, with the suspension of FGTS payment in the months of March, April and May 2020, which can be collected from July to December 2020.

#### Special Tax Regularization Program (PERT) - Law nº 13.496/2017

The controlled companies Ambipar Environment, Ambipar Logistics, Ambipar EcoProducts, Ambipar Environment Waste Logistics and Ambipar Response joined the PERT on August 30, 2017. The tax balances overdue up to April 2017, arising from debts with the National Treasury Attorney General, negotiated in 150 installments, with the value of the installments in the first 5 months corresponding to 5% of the debt, and the remaining balance in 145 installments. The adjustment index applied to the instalments is the Central Bank's Overnight Rate (Selic).

Additionally, MP 783/17 was converted into Law No. 13.496/17 on October 25, 2017 including a new type of reassessment, which allows the use of income tax and social contribution losses to reduce the debt consolidated with the Brazilian Revenue Service (RFB).

The effects of joining the PERT were recognized at the time of debt consolidation by the Federal Revenue Service and the Attorney General of the National Treasury, which took place in December 2018, which is considered by the Administration to be the homologation of the installment plan.

In August 2020, the subsidiaries of Company settled the PERT installments.



Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reals, unless otherwise stated)

13.3. Schedule of non-current installment payments

Year of maturity	Consolidated	
	09/30/2020	12/31/2019
2021	-	1,130
2022	-	1,130
2023	-	1,130
2024	-	1,130
as from 2025	-	10,699
	-	15,219

14. Lease liabilities

	Lease liabilities	Consolidated	
		Unrecognized interest of lease contracts (AVP)	Net lease liabilities
Initial balance as at January 1, 2020	10,035	(1,259)	8,776
Recognition of new contracts	30,278	(3,719)	26,559
Payment	(7,076)	-	(7,076)
Recognition of interest	-	807	807
Exchange rate fluctuation	1,266		1,266
Final balance as at September 30, 2020	34,503	(4,171)	30,332
Current	8,593	(1,325)	7,268
Non-current	25,910	(2,846)	23,064

These refer to lease liabilities measured at the present value of lease payments expected until the end of the agreement, considering possible renewals or cancellations. The lease liability is recognized under the heading "Other accounts payable" - in current and non-current liabilities.

The following shows, for demonstration purposes only, the flows of future lease payments, considering the projected inflation until the maturity of the contracts, in relation to the lease commitments for the right to use:

Year of maturity	Consolidated 09/30/2020
2020	2,291
2021	7,735
2022	7,196
2023	7,098
2024	8,635
	32,956

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

## 15. Provision for contingencies and court deposits

## 15.1. Breakdown

At September 30, 2020 and December 31, 2019, the controlled companies reported the following liabilities and corresponding court deposits related to contingencies:

	Consolidated			
	09/30/2020		12/31/2019	
	Court deposits	Provision for contingencies	Court deposits	Provision for contingencies
Probable contingencies:				
Social security and labor contingencies	2,278	2,286	5,519	7,432
	<u>2,278</u>	<u>2,286</u>	<u>5,519</u>	<u>7,432</u>

The Company and its subsidiaries are parties to labor, social security and civil lawsuits, and are discussing these issues at both administrative and judicial levels, which, when applicable, are mostly supported by judicial appeals.

The respective provisions for contingencies were constituted considering the estimate made by the legal advisors, for lawsuits whose probability of loss in the respective outcomes was assessed as probable.

Management believes that resolving these issues will not have an effect significantly different from the amount accrued.

## 15.2. Changes in the provision for contingencies

Changes in the provision for contingencies in September 30, 2020 and December 31, 2019 are as follows:

	Consolidated
(=) Balance on January 1, 2019	4,605
(+) Increase	2,827
(=) Balance as at December 31, 2019	7,432
(-) Decrease/Reversals	(5,146)
(=) Balance as at September 30, 2020	<u>2,286</u>

## 15.3. Nature of the contingencies

Labor and social security contingencies refer to suits filed by former employees related to amounts arising from work relationships and various indemnity requests. Civil contingencies refer to lawsuits filed by former suppliers and former partners related to indemnity for material damages arising from the business relation with the Company's controlled companies.

As at September 30, 2020, Management reassessed the criteria of provision for labor contingencies, considering the risk of loss in each suit and started to record the estimated amount of probable loss in each filing in the lawsuits.

The Company has contingencies classified as possible losses as at September 30, 2020 in the amount of R\$ 6,136 (as at December 31, 2019, in the amount of R\$ 7,022).

#### 15.4. Asset contingencies

The controlled company Ambipar Logistics has filed a lawsuit for damages and indemnity against a former client due to receivables in default supported by the effective rendering of services and a contractual fine for breach of contract signed.

As at September 30, 2020, the adjusted amount of the suit is R\$ 2,439, whose estimate for a favorable outcome evaluated by the controlled company's legal counselors is probable. The process has been conducted by the internal legal department of the Group and there are no additional liabilities due to costs and fees.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reals, unless otherwise stated)

## 16. Related-party transactions

### 16.1. Breakdown

The main transaction with related parties in the Ambipar Group was carried out under the following conditions:

	Parent company	
	09/30/2020	12/31/2019
Asset		
Loan (non-current)		
Ambipar Environment Reverse Manufacturing	7,137	-
Ged	156	51
Ambipar Logistics	3,873	-
Ambipar Response UK	1,084	1,651
Ambipar Response	63,188	27,439
Planeta Ambiental	725	527
Ambipar EcoProducts	5,458	2,395
Ambipar Workforce	-	20
Emergência Participações	94,539	-
Revalore	3,419	-
Ambipar Facilities	800	-
Ambipar Environment	45,126	-
Ambipar Environment Waste Logistics	4,068	-
	<u>229,573</u>	<u>32,083</u>
Liabilities		
Loan (non-current)		
Ambipar Environment	-	83,828
Ambipar Environment Reverse Manufacturing	-	33
Ambipar Logistics	-	7,878
Emergência Participações	-	11,810
Ambipar Insurance	4,500	5,928
Ambipar Environment Waste Logistics	-	417
Atmo	6	123
Ambipar Workforce	5,880	-
	<u>10,386</u>	<u>110,017</u>

### Loans

Are current account transactions carried out exclusively between wholly-owned subsidiaries of the Company, that is, subsidiaries in which the Company has full control.

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

These transactions, whose contracts are for an indefinite period and without remuneration, are carried out and are characterized by the concept of cash centralization aiming at a better management of financial resources.

	Consolidated	
	09/30/2020	09/30/2019
Result (business transactions)		
Revenue		
Disal Chile Sanitarios Portables Ltda.	37	110
Ingeniería en Sanitización S.A.	1	11
Ingeclean Perú SAC	7	-
Gestión de Servicios Ambientales SAC	6	652
Inmobiliaria e Inversiones D&G Ltda.	27	22
Disal Perú S.A.C.	-	47
	<u>78</u>	<u>842</u>
Cost		
Disal Chile Sanitarios Portables Ltda.	(2)	(95)
Ingeniería en Sanitización S.A.	-	(24)
Gestión de Servicios Ambientales SAC	(1)	(200)
Inversiones Algarrobo S.A.	(287)	-
	<u>(290)</u>	<u>(319)</u>
Net result	<u>(212)</u>	<u>523</u>
Remuneration of key personnel	<u>9,339</u>	<u>5,457</u>

### Trade transactions

Related parties linked to the Chilean non-controlling shareholder, which has strictly commercial transactions, that is, entered into for the purpose of providing environmental services, leases, as well as providing emergency response services. For the execution of such transactions, commercial conditions in the local market are observed.

### 16.2. Compensation of key management personnel

The remuneration of all the managers of the group and Board of Directors corresponding to short-term benefits amounted to R\$ 9,339 in the quarter ended September 30, 2020 (R\$ 5,457 in September 30, 2019).

There is benefit to use vehicles, reimbursements, travel and others offered to directors and members of the Board of Directors. In the quarter ended September 30, 2020, these benefits amount R\$ 540 (R\$ 502 in September 30, 2019).

As of September 30, 2020, there were no long-term benefits, termination of employment contracts or share-based compensation.

## 17. Equity

### 17.1. Paid in capital

Paid in capital, subscribed and paid in, is represented by 112,935,588 nominative common shares (69,202,254 shares in 2019), in the amount of R\$ 1,082.

On July 10, 2020, the initial public offering of shares issued by the Company ("Offer") was registered. The Offer consisted of the primary public distribution of 38,028,987 new common shares issued by the Company at a price of R\$ 24,75, carried out in accordance with CVM Instruction 400, of December 29, 2003, as amended. On July 20, 2020, the Supplementary Shares option was fully exercised under the Offer, with the issuance of 5.704.347 new common shares of the Company, each in the amount of R\$ 24,75. Issuance cost of shares were calculated in the amount of R\$ 107,937, and recorded in a specific account in shareholders's equity.

### 17.2. Income reserves

#### Legal Reserve

The legal reserve is constituted annually as a destination of 5% of the net income for the year and cannot exceed 20% of the share capital.

The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

#### Unrealized profit reserve

The unrealized profit reserve is represented by undistributed profits, due to the fact that equity income is not realized from its investees.

#### Approval of 2019 profit allocations

On June 18, 2020, the Company approved in AGO the allocation of net income verified in the fiscal year ended on December 31, 2019 corresponding to the amount of R\$ 31,498, as follows: R\$ 1,575 was allocated to the constitution of legal reserve, R\$ 8,524 was allocated to the distribution of shareholders, as dividends, and R\$ 21,399 was allocated to the unrealized profit reserve.

### 17.3. Allocation of additional profits from previous years

In the quarter ended March 31, 2020, the Company distributed as additional profits from previous years the amount of R\$ 2,100, approved by the shareholders at the AGE dated March 27, 2020.

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

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## 17.4. Earnings per share

## Basic

Basic earnings (losses) per share are calculated by dividing the income attributable to the Company's shareholders by the weighted average number of shares issued during the year, excluding those shares bought by the Company and held as treasury shares. Any dividends of preferred shares and any premiums paid upon the issue of preferred shares during the year are deducted from the income attributed to the parent company's shareholders.

	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
<u>Earning per share</u>				
Earning share operations attributable to shareholders of the parente company before deductions	196	23,233	13,767	32,252
Number of common and preferred shares	112,935,588	112,935,588	69,202,254	69,202,254
Basic earnings per share (in Reais)	0.00	0.21	0.20	0.47
Diluted earnings per share (in Reais)	0.00	0.21	0.20	0.47

## Diluted

As of September 30, 2020, the Company has no dilution of common shares.

## 17.5. Cumulative translation adjustment

Refers substantially to exchange variation on foreign investments and goodwill paid on the acquisition of businesses in other countries, whose functional currencies are different from the Company and its subsidiaries.

## 17.6. Equity valuation adjustment

Refers substantially to reflex equivalence of investees acquired in the Ambipar Group, which have an equity valuation adjustment as a result of the initial adoption of ICPC 10 in relation to their fixed assets.

## 18. Information by segment

Management defined the Company's operating segments, based on the reports used for strategic decision-making, reviewed by Management, which are segmented between environmental ("Environment") and emergency ("Response") services.

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reals, unless otherwise stated)

The main equity information by business segment corresponding to September 30, 2020 and December 31, 2019 are as follows:

Description	Environment		Response		Others		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Total asset value	442,616	275,621	320,371	159,874	810,529	187,127	1,573,516	622,622
Total liability value	169,031	198,246	116,178	88,179	47,680	127,200	332,889	413,625
Total	273,585	77,375	204,193	71,695	762,849	59,927	1,240,627	208,997

The main information of results by business segment corresponding to the three and nine month periods ended September 30, 2020 and 2019 are as follows:

Description	Environment			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Net sales and national services revenue	84,595	230,130	64,920	189,963
Cost and expenses	(61,761)	(164,635)	(50,155)	(138,677)
Financial income	967	1,270	222	873
Financial expenses	(10,510)	(23,270)	(5,785)	(17,410)
Depreciation and amortization	(12,414)	(31,663)	(5,094)	(20,088)
Equity	831	565	(145)	239
Expenses or revenue with corporate income tax and social contribution	(678)	(5,659)	41	(2,821)
Operating profit	11,557	34,876	10,649	32,954

Description	Response			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Net sales and national services revenue	91,272	245,489	58,494	169,602
Cost and expenses	(64,503)	(171,965)	(42,970)	(125,781)
Financial income	86	769	152	324
Financial expenses	(2,756)	(6,853)	(1,700)	(4,713)
Depreciation and amortization	(5,159)	(15,080)	(4,952)	(14,601)
Equity	(18)	(18)	-	-
Expenses or revenue with corporate income tax and social contribution	(1,655)	(6,454)	(355)	(1,321)
Operating profit	22,056	59,307	11,110	30,148



# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reais, unless otherwise stated)

Description	Others			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Net sales and national services revenue	-	-	(1,678)	1,678
Cost and expenses	(2,499)	(6,147)	(9)	(16)
Financial income	3,884	6,523	85	96
Financial expenses	(17,112)	(27,732)	(2,454)	(5,934)
Depreciation and amortization	(1,148)	(2,299)	-	-
Equity	(813)	(547)	145	(239)
Expenses or revenue with corporate income tax and social contribution	(132)	(132)	-	-
Operating profit	(5,511)	(9,412)	(1,802)	56
Description	Consolidated			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Net sales and national services revenue	175,867	475,619	125,092	361,243
Cost and expenses	(128,763)	(342,747)	(93,134)	(264,474)
Financial income	4,937	8,562	459	1,293
Financial expenses	(30,378)	(57,855)	(9,939)	(28,057)
Depreciation and amortization	(18,781)	(49,042)	(10,046)	(34,689)
Expenses or revenue with corporate income tax and social contribution	(2,465)	(12,245)	(314)	(4,142)
Operating profit	28,102	84,771	23,561	63,158

The consolidated result considers the elimination of sales between the Company's companies. As of September 30, 2020 and 2019, the Company has no customer representing more than 10% of its net revenue.

The Company's results are obtained mainly in Brazil.

AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reais, unless otherwise stated)

19. Net operating revenue

The reconciliation of gross revenues with net revenues from services rendered is as follows:

	Consolidated			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Gross revenue for service rendered	200,496	544,353	145,686	411,882
Cancellations	(1,227)	(4,841)	(2,892)	(756)
Sales tax	(23,402)	(63,893)	(17,702)	(49,883)
Net operating income	<u>175,867</u>	<u>475,619</u>	<u>125,092</u>	<u>361,243</u>

	Consolidated			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Gross revenue in the domestic market	143,162	394,228	117,401	326,314
Gross revenue in the foreign market (*)	57,334	150,125	28,285	85,568
Total	<u>200,496</u>	<u>544,353</u>	<u>145,686</u>	<u>411,882</u>

(\*) Gross revenue in the foreign market comes from investees abroad (Ambipar Response UK, Allied and Suatrans Chile and subsidiaries).

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reals, unless otherwise stated)

### 20. Costs and expenses by nature

	Parent company				Consolidated			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Materials used providing services	-	-	-	-	1,101	(6,207)	(5,018)	(14,440)
Labor charges and personal	(582)	(1,422)	-	-	(70,637)	(190,333)	(44,284)	(137,254)
Fuels	-	-	-	-	(4,447)	(13,050)	(5,826)	(15,112)
Freight and tolls	(21)	(21)	-	-	(4,322)	(13,802)	(4,132)	(9,822)
Maintenance of machinery, devices and equipment and vehicles	(448)	(448)	-	-	(4,962)	(12,992)	(3,494)	(11,125)
Taxes	(160)	(160)	-	-	(1,667)	(4,560)	(417)	(3,095)
Rent and HOA fees	(92)	(253)	-	-	(1,439)	(3,785)	(635)	(1,693)
Lease of assets, vehicles, machinery and equipment	-	-	-	-	(1,122)	(2,155)	(51)	(1,669)
Telephone expenses	(2)	(2)	-	-	(750)	(1,991)	(406)	(1,307)
Traves expenses	(4)	(92)	-	-	(2,257)	(4,547)	(1,188)	(2,948)
Depreciation and amortization	(1,149)	(2,299)	-	-	(18,781)	(49,042)	(10,046)	(34,689)
Advertising and publicity	(11)	(168)	-	-	(3,485)	(5,196)	(207)	(2,120)
Thirt-party services	(564)	(2,327)	-	-	(12,123)	(34,192)	(11,861)	(29,529)
Other expenses	(614)	(256)	91	100	(22,874)	(48,996)	(13,966)	(33,282)
	<u>(3,647)</u>	<u>(7,448)</u>	<u>91</u>	<u>100</u>	<u>(147,765)</u>	<u>(390,848)</u>	<u>(101,531)</u>	<u>(298,085)</u>
Cost of services rendered	-	-	-	-	(137,616)	(370,574)	(100,753)	(281,933)
General, administrative and selling	(3,487)	(8,272)	-	-	(9,928)	(21,215)	(2,427)	(17,230)
Others revenues (expenses) operating, net	(160)	824	91	100	(221)	941	1,649	1,078
	<u>(3,647)</u>	<u>(7,448)</u>	<u>91</u>	<u>100</u>	<u>(147,765)</u>	<u>(390,848)</u>	<u>(101,531)</u>	<u>(298,085)</u>

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

## Notes to the individual and consolidated interim financial information

Quarter ended September 30, 2020

(In thousands of Brazilian Reals, unless otherwise stated)

### 21. Financial income and expenses, net

	Parent company				Consolidated			
	07.01.2020	01.01.2020	07.01.2019	01.01.2019	07.01.2020	01.01.2020	07.01.2019	01.01.2019
	to	to	to	to	to	to	to	to
	09.30.2020	09.30.2020	09.30.2019	09.30.2019	09.30.2020	09.30.2020	09.30.2019	09.30.2019
Financial income								
Discounts revenue	-	-	-	-	333	406	71	131
Interest charged	-	-	-	-	166	369	67	291
Revenue from financial investment	2,552	2,946	85	96	2,700	3,070	79	74
Exchange rate gains	80	529	-	-	1,484	4,115	85	94
Monetary gain	-	-	-	-	254	586	143	667
Others	-	-	-	-	-	16	14	36
	<u>2,632</u>	<u>3,475</u>	<u>85</u>	<u>96</u>	<u>4,937</u>	<u>8,562</u>	<u>459</u>	<u>1,293</u>
Financial expenses								
Interest paid	-	-	(1)	(4)	(1,458)	(3,457)	(334)	(1,270)
Amortization costs	(15,903)	(15,903)			(17,900)	(17,900)		
Interest on loans	(788)	(5,003)	(1,989)	(5,452)	(9,217)	(25,296)	(7,521)	(21,352)
Interest on debentures	(436)	(4,470)	-	-	712	(3,322)	-	-
Discounts granted	-	-	-	-	(633)	(1,290)	(537)	(1,885)
Bank expenses	(33)	(160)	(141)	(151)	(806)	(1,512)	(590)	(1,597)
Tax on financial transaction (IOF)	(1)	(353)	(323)	(326)	(574)	(1,736)	(626)	(1,063)
Exchange rate losses	(4)	(4)	-	-	(243)	(2,285)	(37)	(118)
Others	-	-	-	-	(259)	(1,057)	(294)	(772)
	<u>(17,165)</u>	<u>(25,893)</u>	<u>(2,454)</u>	<u>(5,933)</u>	<u>(30,378)</u>	<u>(57,855)</u>	<u>(9,939)</u>	<u>(28,057)</u>
Financial result, net	<u>(14,533)</u>	<u>(22,418)</u>	<u>(2,369)</u>	<u>(5,837)</u>	<u>(25,441)</u>	<u>(49,293)</u>	<u>(9,480)</u>	<u>(26,764)</u>

# AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

## 22. Income tax and social contribution

### (a) Breakdown of expenses

	Consolidated			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Current income tax and social contribution	(198)	(2,437)	(314)	(1,242)
Deferred income tax and social contribution	(2,267)	(9,808)	-	(2,900)
Income tax expense	<u>(2,465)</u>	<u>(12,245)</u>	<u>(314)</u>	<u>(4,142)</u>

### (b) Reconciliation of income tax and social contribution expenses

	Consolidated			
	07.01.2020 to 09.30.2020	01.01.2020 to 09.30.2020	07.01.2019 to 09.30.2019	01.01.2019 to 09.30.2019
Profit before income tax and social contribution	2,661	35,478	14,081	36,394
Tax calculated based on effective tax rate - 34%	(905)	(12,063)	(4,788)	(12,374)
Reconciliation:				
Recognition of deferred IRPJ/CSLL on tax loss	(389)	(1,942)	52	12,035
Adjustments for permanent differences in other jurisdictions	4,337	7,913	682	2,290
Other adjustments on temporary and permanent differences	<u>(5,508)</u>	<u>(6,153)</u>	<u>3,740</u>	<u>(6,093)</u>
Income tax and social contribution	<u>(2,465)</u>	<u>(12,245)</u>	<u>(314)</u>	<u>(4,142)</u>
Tax rate on income tax and social contribution - %	<u>92.6%</u>	<u>34.5%</u>	<u>2.2%</u>	<u>11.4%</u>

### (c) Income tax and social contribution (deferred)

The Company has updated the registration and presents deferred income tax and social contribution assets at the limit of their realization, to reflect future tax effects on temporary differences between the tax basis of assets and their respective carrying amounts, calculated at the combined tax rate of 34%, as well as demonstrates the basis for constituting deferred income tax and social contribution liabilities, constituted taking into account the obligations existing in other jurisdictions, shown separately in assets and liabilities because they are different tax authorities, as follows:

	Consolidated	
	09/30/2020	12/31/2019
Tax bases - Asset		
Tax loss and negative basis	29,626	31,307
Differences temporary and permanent	12,365	9,288
Provision - differences temporary	-	4,026
	<u>41,991</u>	<u>44,621</u>
Income tax - 25%	10,498	11,155
Social contribution - 9%	3,779	4,016
Income tax and social contribution - asset	<u>14,277</u>	<u>15,171</u>

## AMBIPAR PARTICIPAÇÕES E EMPREENDIMENTOS S.A.

Notes to the individual and consolidated interim financial information  
Quarter ended September 30, 2020  
(In thousands of Brazilian Reais, unless otherwise stated)

	Consolidated	
	09/30/2020	12/31/2019
Tax basis - liabilities		
Provisions - temporary differences	(26,529)	-
Temporary differences in other jurisdiction	(8,994)	(10,026)
	(35,523)	(10,026)
Income tax - 25%	(8,881)	(2,507)
Social contribution - 9%	(3,197)	(902)
Income tax and social contribution - liabilities	(12,078)	(3,409)

### (d) Deferred income tax and social contribution changes

	Consolidated	
	09/30/2020	12/31/2019
Movement		
Initial balance - asset, net liabilities	11,762	11,936
Net income	(9,808)	(3,004)
Others transactions - tax calculation basis	245	2,830
Final balance - asset, net liabilities	2,199	11,762

### (e) Realization of income tax and social contribution (deferred)

Realization for year	09/30/2020	12/31/2019
2020	1,158	4,500
2021	4,630	4,500
2022	4,630	4,500
2023 forth	3,859	1,671
	14,277	15,171

## 23. Insurance

Insurance coverage is determined according to the guidance obtained from specialists, according to its nature, and is considered by Management to be adequate to cover possible losses to the equity of the Company and its subsidiaries in the event of an accident.

Insured	Cover	Object	Insured amount	Effective date
Ambipar Environment	Civil responsibility	Provision of services in third party locations	1,000	07/05/2021
	Optional Civil Liability for Missing Cargo - RCF-DC			08/31/2021
Ambipar Logistics	Civil Liability of the Cargo Road Transporter - RCTR-C	Cargo theft	1,080,000	08/31/2021
Ambipar Logistics	Civil Liability International Travel Carrier - RCTR-VI	Cargo accident	1,080,000	08/31/2021
Ambipar Logistics		Cargo coverage on international trips	39,259	09/13/2021
Ambipar Response	Civil responsibility	Provision of services in third party locations	15,000	08/23/2021
Ambipar Response	Business	Provision of services in third party locations	1,700	

Notes to the individual and consolidated interim financial information  
 Quarter ended September 30, 2020  
 (In thousands of Brazilian Reais, unless otherwise stated)

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#### 24. Additional information to cash flows

Investment and financing transactions that did not involve cash.

	Consolidated	
	09/30/2020	09/30/2019
Acquisition of fixed assets through financing	72,230	20,125
Operating leasing	26,559	10,417
Balance to be paid for investment acquisition	51,109	-
Cumulative translation adjustment	26,741	184
Non-controlling interest	10,277	261

#### 25. Impacts on the Company and its subsidiaries - COVID-19

Since the beginning of the pandemic, we have installed a Contingency Committee, which is working on several fronts and meeting periodically to make the necessary decisions aimed mainly at taking care of the health of all our employees. Among the actions adopted, we can highlight: installation of the decontamination tunnel in the entrance to the Company's facilities; environment disinfection performed periodically; adoption of home office for part of the employees, including those considered as risk group; and availability of a Virtual Doctor. The decisions taken are constantly reassessed, according to the current events and facts, and the determinations and guidelines of the competent authorities.

The Management of the Company and its subsidiaries believes that the profile of the services provided by our business units has proven to be in line with the current situation, as a substantial part of the revenue is based on long-term contracts with high income predictability and considered essential to our customers and Society. Furthermore, we started offering disinfection services for commercial, industrial and administrative spaces, which demonstrates the Company's capacity for innovation in capturing opportunities, even in adverse times.

If the length of the contagion curve of the pandemic resulting from COVID-19 extends over time, it may bring a natural slowdown in the economy within the countries in which we operate, however, we can say that the Company has a robust and sufficient capital structure to surpass an even more adverse scenario.

We emphasize that the Company's management also periodically reviews its cost structure, maintaining a robust growth plan with investments in complementing our service portfolio and global action, combining expansion and quality in the services rendered.

26. Subsequent events

a) Business acquisition

In October 2020, the direct subsidiary Planeta Ambiental acquired 100% of the share capital of Verde Gaia Consultoria e Educação Ambiental Ltda ("Verde Ghaia - VG"), with the purpose of providing applicable legal compliance monitoring services, acting mainly in services of risk management and sustainability compliance management, including a high standard of innovation and artificial intelligence, with software development using its own methodology, suitable for ESG and ISO indicators to promote law control, quality, health and safety, environment, risks, suppliers and methodologies for environmental insurance management.