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## 2Q19 PERFORMANCE COMMENTS

### Financial and Operating Highlights JSL Group – Consolidated

#### Record Net Income of R\$71.2 million in 2Q19

- Record Consolidated Net Revenue of R\$2.4 billion, a 23% increase over 2Q18. JSL operates in diversified businesses with proven resilience through companies in leading or outstanding positions in markets with high growth potential;
- Record EBITDA of R\$518.2 million, 32% higher YoY, with EBITDA Margin of 30.2%, 4.5 p.p. higher compared to 2Q18, mainly due to scale and efficiency in the businesses in which the Company operates;
- Vamos: EBITDA of R\$136.6 million (+20% YoY) as a result of the 12.7% growth in net revenue from services. VAMOS continues to deliver robust results, combining growth and profitability;
- JSL Logística: EBITDA of R\$130.8 million (+31% YoY), even with the net revenue from services growing 2.5% for the same period, as a result of the focus on efficiency, cost reductions and elimination of contracts with lower returns;
- CS Brasil: EBITDA of R\$81.4 million (+61% YoY) arising from the 12,9% growth in net revenue from services and the greater representativeness of the Fleet Management and Outsourcing (GTF) business and exclusion of lower profitable businesses;
- Movida: EBITDA of R\$154.9 million (+31% YoY) and record volumes in Seminovos with more than 16,000 units sold (+83% YoY). At the end of July 2019, Movida concluded a public offering of primary (R\$532.5 million) and secondary (R\$300.0 million) shares, which totaled R\$832.5 million, strengthening its capital structure for a new growth cycle, increasing the liquidity of its shares, and returning to JSL the financial support made in 2018;
- Record Net Income of R\$71.2 million in 2Q19, a 44% YoY growth, reflecting the positive effect of corporate reorganization on all JSL Group companies, which were independently organized with management focused on each business;

**NOTE:** The figures for 2019 were adjusted in accordance with the new accounting standard CPC 06(R2) / IFRS16. Historical values already published have not changed. For purposes of comparability, the Exhibit section of this release provides a table with managerial information excluding the effects resulting from IFRS16 for the 2Q19 and 1H19.

Financial Statements (R\$ million)	JSL - Consolidated					
	2Q18	1Q19	2Q19	▲YoY	▲QoQ	LTM
Gross Revenue	2,207.8	2,520.6	2,681.0	21.4%	6.4%	10,003.0
Net Revenue	1,938.2	2,211.8	2,388.9	23.3%	8.0%	8,801.1
JSL Logística	766.8	793.0	786.5	2.6%	-0.8%	3,211.8
CS Brasil	209.5	201.1	218.0	4.1%	8.4%	829.0
Vamos	233.6	273.8	300.9	28.8%	9.9%	1,101.8
Movida	609.9	812.5	956.2	56.8%	17.7%	3,093.3
Original	162.9	186.1	208.3	27.9%	11.9%	771.6
BBC Leasing	7.6	9.0	9.8	28.9%	8.9%	35.8
Intercompany Elimination	(52.0)	(63.8)	(90.7)	-	-	(242.3)
Net Revenue from Services	1,523.2	1,659.9	1,713.5	12.5%	3.2%	6,754.9
Net Revenue of Asset Sales	415.0	551.9	675.4	62.7%	22.4%	2,046.2
EBITDA	391.2	474.6	518.2	32.5%	9.2%	1,845.2
Margin (% NR from Services)	25.7%	28.6%	30.2%	+4.5 p.p.	+1.6 p.p.	27.3%
Net Income	49.4	60.8	71.2	44.1%	17.1%	246.6
Margin (% NR)	2.5%	2.7%	3.0%	+0.5 p.p.	+0.3 p.p.	2.8%

## Message from Management

JSL Group continues to focus on its **path to perpetuation, growth and profitability for all its companies**, as demonstrated over yet another quarter. In addition to the consistency of the reported results, in 2Q19, we took another important step: **we began to disclose the results of Logística and CS Brasil independently**, in order to facilitate the understanding of both companies by investors and other stakeholders.

JSL Consolidated posted a **record Net Income of R\$71.2 million in 2Q19, 44% higher** than the R\$49.4 million registered in the same period last year. The solidity of the reported results reflects the continuous evolution in the performance and maturity of the group companies, which were organized in independent companies, with focused management on each business over the last 3 years.

**We posted a Consolidated Net Revenue of R\$2.4 billion in 2Q19, up 23% YoY**, reflecting the solidity and dynamism of the companies that form the Group. Vamos, Movida and CS Brasil represent 71% of consolidated EBITDA and operate in businesses with high predictability of results and growth leveraged by the migration trend from the proprietary model to the asset leasing model. JSL Logística, which accounts for 26% of consolidated EBITDA, has undergone a transformation that has turned it into a lighter and more efficient company and it is now poised to benefit from an expected resumption of logistics volumes in Brazil. BBC Leasing and Original explore complementary business alternatives. The diversification of its business, its service and people DNA and its focus on return on invested capital ensures the perpetuity of JSL Group.

**Consolidated EBITDA reached a record R\$518.2 million in 2Q19 (+32% YoY)** and EBITDA Margin reached 30.2%, an increase of 4.5 p.p. compared to the previous year. In relation to 1Q19, Consolidated EBITDA grew 9.2% QoQ while EBITDA Margin increased 1.6 p.p., reflecting the focus on profitability and efficiency in the Group.

**VAMOS** continues to focus on its business plan, based on **resilience and predictability of future revenue, balancing growth, quality of services and profitability**. The Company posted Total Net Revenue of R\$300.9 million and growth of 12.7% YoY in the Net Revenue from Services. EBITDA totaled R\$136.6 million in 2Q19 (+20.4% YoY), while EBITDA Margin reached 55.9% (+3.6 p.p. YoY). Net Income, in turn, totaled R\$37.5 million in 2Q19 (+11.3% YoY and +19.0% QoQ).

**JSL Logística** posted Total Net Revenue of R\$786.5 million, with a 2.5% growth in Net Revenue from Services. As a highlight, EBITDA totaled R\$130.8 million, 30.8% YoY, with an EBITDA margin of 17.7% (+3.8 p.p. YoY). Logística reinforced its results through greater efficiency, cost reduction and through price rebalancing aiming at adequate profitability.

**CS Brasil** presented Total Net Revenue of R\$218.0 million, a 12.9% growth in Net Revenue from Services. EBITDA totaled R\$81.4 million, +61.2% YoY, with an EBITDA margin of 43.6% (+13.1 p.p. YoY). CS Brasil already shows the positive impact of the investment made in recent quarters and the greater focus on the fleet management business line, which went from 58% to 68% of Gross Revenue between 2Q18 and 2Q19.

**Movida** presented the **eighth quarter with consecutive evolution of results**, with Net Income of R\$41.5 million (+4.0% YoY) in 2Q19. We highlight the **record in sales volume of Seminovos, with 16 thousand units sold (+83% YoY)**, advancing towards a new sales level in 2Q19. The gross margin of Seminovos was 2.4%, +1.3 p.p. compared to 1Q19, and EBITDA margin stood at -1.8%, the best of the last three years. EBITDA totaled R\$154.9 million (+31.0% YoY) while EBITDA margin from Services totaled 45.8% (+2.9 p.p. YoY).

**Leverage**, as measured by net debt to EBITDA, **decreased to 4.0x** in 2Q19 from 4.5x in 2Q18. This reduction in the annual comparison is mainly explained by the increase of R\$481.7 million in EBITDA or 35.3%, in line with the operational improvement and growth of all of the companies in the group. **Net Financial Expenses** totaled R\$206.1 million in 2Q19 compared to R\$167.8 million in 2Q18 (+22.8% YoY). The annual increase reflects the impact of net debt growth, which totaled R\$7.4 billion in 2Q19 (+15.4% YoY), mainly due to investments focused on business growth.

**The group's ROIC reached 9.6%** in 6M19, 0.4 p.p. up from 9.2% in 1Q19. The annualized 2Q19 ROIC totaled 10.0%, an increase of 0.8 p.p. compared to 1Q19.

## Independent disclosure of results JSL Logística and CS Brasil

As of 2Q19, we are releasing **JSL Logística and CS Brasil independently**, aiming to:



- Improve the understanding about the businesses



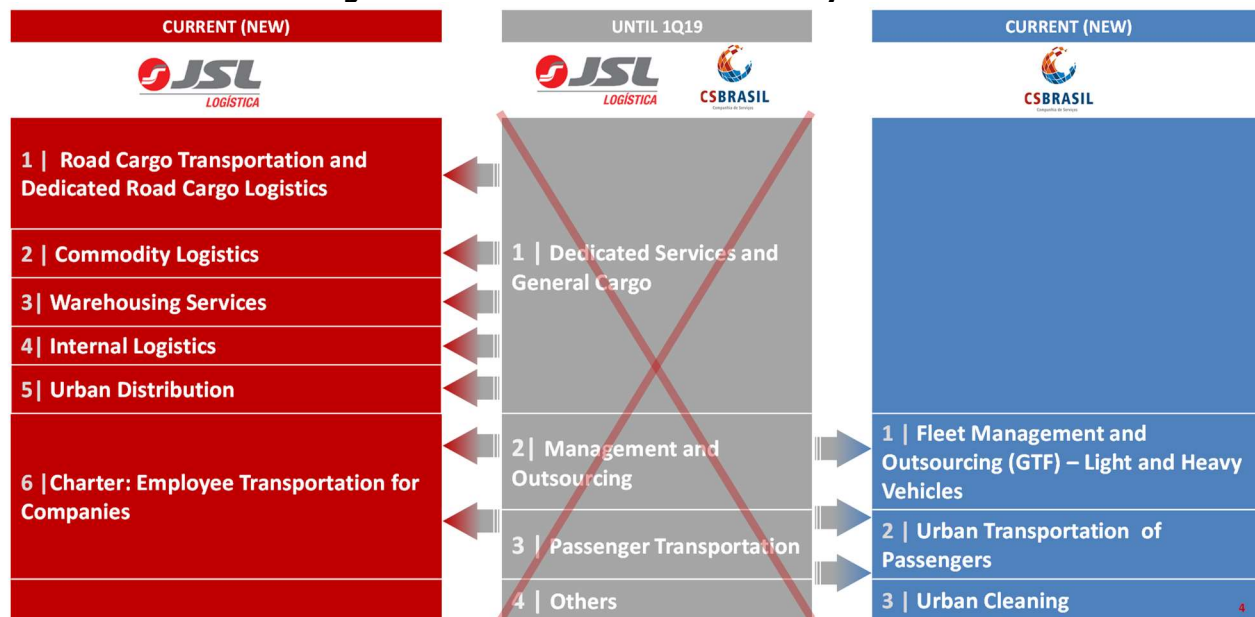
- Simplify the valuation of the companies

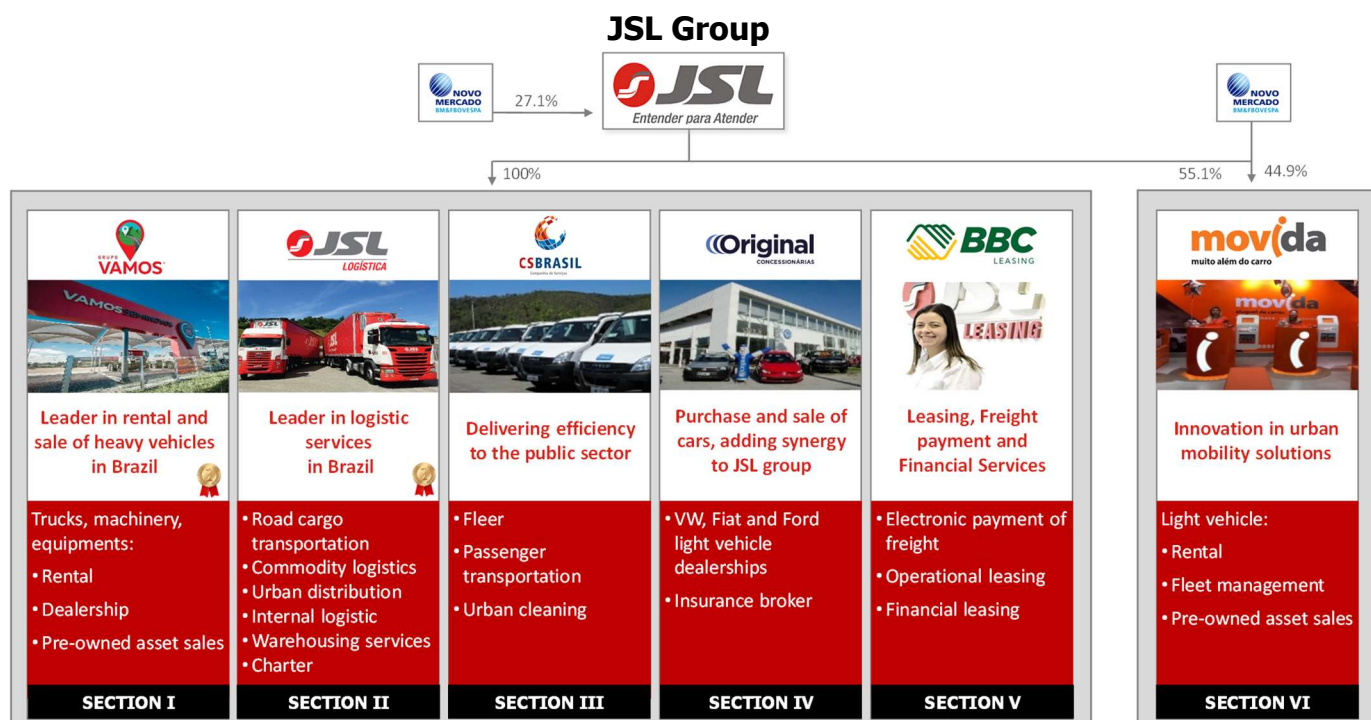


- Highlight the independent and dedicated management teams



### JSL Logística's and CS Brasil breakdown by business line





**Vamos** - Comprises the rental and sale of trucks, machinery and equipment, in addition to MAN trucks and Valtra tractor authorized dealerships. It consolidates VAMOS Locação de Caminhões, Máquinas e Equipamentos S.A., which in turn holds a 100% interest in Transrio Caminhões, Ônibus, Máquinas e Motores Ltda., Borgato Serviços Agrícolas S.A., Borgato Máquinas S.A., and Borgato Caminhões S.A. (see section I).

**JSL Logística:** Consolidates logistics operations for the private sector carried out under the corporate entity (CNPJ) of the parent company JSL S.A. or one of the following companies: Quick Logística Ltda., Quick Armazéns Ltda., Medlogística Prestação de Serviços de Logística S.A., and Yolanda Logística Armazém, Transportes e Serviços Gerais Ltda. (see section II).

**CS Brasil** - The consolidated statements CS Brasil comprise the following companies: CS Brasil Frotas Ltda., CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda., and Mogi Passes Comércio de Bilhetes Eletrônicos Ltda., which provide services to the public sector (see section III).

**Original Concessionárias:** Comprises a network of 15 Volkswagen, Fiat and Ford dealerships. It consolidates Original Veículos Ltda., Avante Veículos Ltda., Ponto Veículos Ltda., JSL Corretora e Administradora de Seguros Ltda., and Original Distribuidora de Peças e Acessórios Ltda. (see section IV).

**BBC Leasing:** Offers financial alternatives, facilitating access to used trucks, buses, automobiles, machinery and equipment. Comprises the results of JSL Holding Financeira and JSL Leasing S.A. (see section V).

**Movida:** Rent-a-car (RAC) and light vehicle fleet management and outsourcing (GTF) services, in addition to selling vehicles in Seminovos sales stores. Comprises Movida Participações S.A., which consolidates Movida Premium Ltda. and Movida Locação de Veículos S.A. (see section VI).

## I. Vamos



During the first half of the year, we made significant progress in expanding our truck, machinery and equipment leasing business, reaching 354 contracts and 12,847 leased assets in June 2019, a 16% increase over December 2018. Revenues backlog totaled R\$2.2 billion, a significant increase of 23% over December 2018. The Company has been structuring an even more robust and capillary commercial area, aiming to accelerating the prospecting of new customers and boosting its growth pace for the coming periods. It is also worth mentioning the positive contribution from the Dealership to the results we achieved this semester, with 1H19 Net Revenue from Services growing 16.3% over the same period of 2018. We contracted CAPEX of R\$573.5 million in the 1H19, 18% higher than the gross investment for the full year 2018, which demonstrates our belief in the potential expansion of the truck, machinery and equipment rental market. Looking ahead, we are focused on continuing to invest and growing with profitability, taking advantage of opportunities that create value for our business.

Financial Information (R\$ million)	Vamos								
	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
<b>Gross Revenue</b>	<b>262.2</b>	<b>301.8</b>	<b>324.3</b>	<b>23.7%</b>	<b>7.5%</b>	<b>509.3</b>	<b>626.1</b>	<b>22.9%</b>	<b>1,217.3</b>
Net Revenue	(28.7)	(27.9)	(28.7)	0.0%	2.9%	(53.1)	(51.3)	-3.4%	(115.5)
<b>Net Revenue</b>	<b>233.6</b>	<b>273.8</b>	<b>300.9</b>	<b>28.8%</b>	<b>9.9%</b>	<b>456.2</b>	<b>574.7</b>	<b>26.0%</b>	<b>1,101.8</b>
<b>Net Revenue from Services</b>	<b>216.9</b>	<b>239.5</b>	<b>244.5</b>	<b>12.7%</b>	<b>2.1%</b>	<b>420.1</b>	<b>484.0</b>	<b>15.2%</b>	<b>947.3</b>
Rental	124.2	129.4	137.9	11.0%	6.6%	233.9	267.3	14.3%	527.1
Dealerships	92.7	110.1	106.6	15.0%	-3.2%	186.3	216.7	16.3%	420.2
<b>Net Rev. from Sale of Assets</b>	<b>16.7</b>	<b>34.3</b>	<b>56.4</b>	<b>-</b>	<b>64.4%</b>	<b>36.1</b>	<b>90.8</b>	<b>151.5%</b>	<b>154.5</b>
<b>Costs</b>	<b>(145.6)</b>	<b>(182.9)</b>	<b>(197.7)</b>	<b>35.8%</b>	<b>8.1%</b>	<b>(288.1)</b>	<b>(380.6)</b>	<b>32.1%</b>	<b>(743.2)</b>
Cost of Services	(129.6)	(149.1)	(143.9)	11.0%	-3.5%	(254.8)	(293.0)	15.0%	(591.1)
Cost of Asset Sales	(16.0)	(33.8)	(53.8)	-	59.2%	(33.3)	(87.6)	163.1%	(152.1)
<b>Gross Profit</b>	<b>88.0</b>	<b>90.9</b>	<b>103.2</b>	<b>17.3%</b>	<b>13.5%</b>	<b>168.1</b>	<b>194.1</b>	<b>15.5%</b>	<b>358.7</b>
Operational Expenses	(25.6)	(29.9)	(22.6)	-11.7%	-24.4%	(47.8)	(52.5)	9.8%	(103.7)
<b>EBIT</b>	<b>62.3</b>	<b>61.0</b>	<b>80.6</b>	<b>29.4%</b>	<b>32.1%</b>	<b>120.3</b>	<b>141.6</b>	<b>17.7%</b>	<b>255.0</b>
Margin (% NR from Services)	28.7%	25.5%	33.0%	+4.3 p.p.	+7.5 p.p.	28.6%	29.3%	+0.7 p.p.	23.1%
Financial Result	(14.9)	(18.7)	(26.0)	74.5%	39.0%	(32.3)	(44.7)	38.4%	(79.1)
Taxes	(13.7)	(10.8)	(17.1)	24.8%	58.3%	(27.8)	(27.9)	0.4%	(50.9)
<b>Net Income</b>	<b>33.7</b>	<b>31.5</b>	<b>37.5</b>	<b>11.3%</b>	<b>19.0%</b>	<b>60.3</b>	<b>68.9</b>	<b>14.3%</b>	<b>125.0</b>
Margin (% NR from Services)	15.5%	13.1%	15.3%	-0.2 p.p.	+2.2 p.p.	14.3%	14.2%	-0.1 p.p.	11.3%
<b>EBITDA</b>	<b>113.5</b>	<b>121.2</b>	<b>136.6</b>	<b>20.4%</b>	<b>12.7%</b>	<b>216.8</b>	<b>257.7</b>	<b>18.9%</b>	<b>493.1</b>
Margin (% NR from Services)	52.3%	50.6%	55.9%	+3.6 p.p.	+5.3 p.p.	51.6%	53.3%	+1.7 p.p.	52.0%
<b>EBITDA from Rental Services</b>	<b>111.1</b>	<b>112.0</b>	<b>125.3</b>	<b>12.8%</b>	<b>11.9%</b>	<b>212.0</b>	<b>237.3</b>	<b>11.9%</b>	<b>457.6</b>
Margin (% NR from Rental)	89.5%	86.6%	90.9%	+1.4 p.p.	+4.3 p.p.	90.6%	88.8%	-1.8 p.p.	86.8%

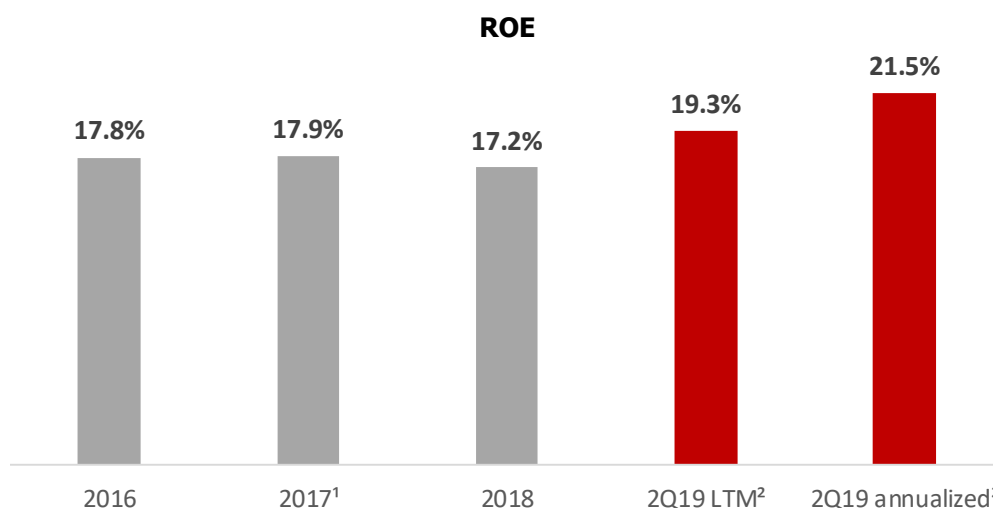
2Q19 was once again marked by solid operating and financial results. VAMOS posted Total Net Revenue of R\$300.9 million (+28.8% YoY), with growth in all its businesses. The Rental business recorded Net Service Revenue of R\$137.9 million, an increase of 11.0%YoY. In the first half of the year, growth already totaled 14.3% YoY, explained by the organic growth of this business as mentioned above. Net Revenue from the sale of assets amounted to R\$56.4 million, representing 3.4 times the revenue of 2Q18 and a 151% growth when comparing 1H19 vs. 1H18, with a 4.6% sales margin, in line with our strategy. The Dealerships registered Net Revenue from Services of R\$106.6 million (+15.0% YoY), especially fueled by VW/Man's truck and bus dealerships.

VAMOS' EBITDA totaled R\$136.6 million in 2Q19, an increase of +20.4% YoY, while EBITDA Margin over revenue from services reached 55.9%, an expansion of 3.6 p.p. compared to 2Q18, which evidences the Company's high cash generation capacity and healthy profitability. Note that EBITDA in the rental business grew by 12.8% YoY and 11.9% QoQ, totaling R\$125.3 million in 2Q19.

In the second quarter of 2019, VAMOS's Net Income was R\$37.5 million, an increase of 11.3% YoY and 19.0% QoQ. Net Income for the semester totaled R\$68.9 million, up 14.3% over 1H18, with a net margin on Services of 14.2%.

VAMOS's Capital Structure ended the quarter maintaining healthy levels even after a semester marked by intensive CAPEX. Net debt totaled R\$1.2 billion, representing 2.4x net leverage. VAMOS achieved a ROE of 19.3% in the LTM ended in 2Q19 and 21.5% for the annualized quarter. ROIC for the last twelve months ended 2Q19 totaled 10.9%, while for the annualized 6M19 totaled 12.2%.



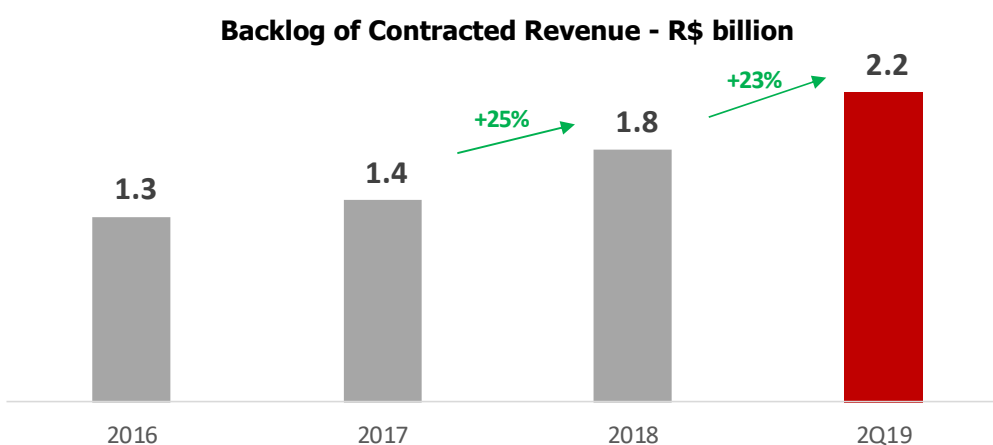


NOTE: 1- R\$113 million capital increase for Borgato acquisition were excluded for ROE of 2017 calculation. This adjustment was not made for ROE of 2018. 2- R\$150 million in declared and not paid dividends were excluded from 2Q19 Equity calculation, hence this amount was added back to Equity for ROE and ROIC calculations.

It is also noteworthy that on July 12, 2019, VAMOS concluded its first capital market operation through the 1st issue of CRAs (certificate of agribusiness receivables), which reached the maximum issuance amount of R\$300 million when added the hot issue, in line with the constant efforts to reduce the cost of debt, which should generate savings in 2019.

	Vamos								
Capex (R\$ million)	2Q18	1Q19	2Q19	▲YoY	▲QoQ	6M18	6M19	▲YoY	LTM
Gross capex by type	135.2	187.4	386.1	185.6%	106.0%	242.0	573.5	137.0%	800.1
Trucks	41.2	145.3	306.2	-	110.7%	94.8	424.8	-	577.4
Machinery and Equipment	94.0	42.1	79.9	-15.0%	89.8%	147.2	148.7	1.0%	222.7
Usual sale of assets	(17.0)	(34.4)	(56.6)	-	64.5%	(37.5)	(91.0)	142.7%	(156.8)
Total net capex	118.2	152.9	329.5	178.8%	115.5%	220.0	482.5	119.3%	260.2

VAMOS' Gross Capex in 2Q19 totaled R\$386.1 million, compared to R\$135.2 million in 2Q18, an increase of 186%. In the 1H19, CAPEX already totaled R\$573.5 million and this figure exceeded by 18% the investment for the full year 2018, confirming our strategy of growth and expansion of the Rental business, maintaining quality and efficiency in customer service and contract profitability.



It is also worth mentioning that with the 354 rental contracts in force until June 2019, we had a Contracted Revenue Backlog of R\$2.2 billion (+23% compared to 4Q18). This amount represents approximately 4 years of rental revenues when compared to gross revenue from rental services of R\$587.4 million in the last 12 months.



## II. JSL Logística



Although independent since 2009, CS Brasil's results were jointly disclosed with the parent company JSL S.A. (JSL Logística). As of 2Q19, we began to disclose the figures of Logística and CS Brasil separately, in order to facilitate the understanding of both companies by investors and other stakeholders. Therefore, this section does not include CS Brasil for 2Q19 or any of the comparison periods. For information on CS Brasil, see section III.

### Largest portfolio of logistics services in Brazil

1 Road Cargo Transportation and Dedicated Road Cargo Logistics	2 Commodity Logistics	3 Urban Distribution	4 Internal Logistic	5 Warehousing Services	6 Charter: Employee Transportation for Companies
					
<ul style="list-style-type: none"> <li>Transportation point to point</li> <li>95% subcontracted with independent and third parties</li> <li>Integrated and flexible solutions for each customer</li> </ul>	<ul style="list-style-type: none"> <li>Link with exporting sector</li> <li>High value-added services</li> </ul>	<ul style="list-style-type: none"> <li>Daily supply to POS</li> <li>Packaging management and return</li> </ul>	<ul style="list-style-type: none"> <li>Part of the customer's production process</li> <li>Custom solutions for each operation</li> <li>High loyalty and cross selling rates</li> </ul>	<ul style="list-style-type: none"> <li>Inventory management</li> <li>Receipt, storage, sorting, and dispatch of goods</li> </ul>	<ul style="list-style-type: none"> <li>Charter transportation of employees to industries</li> <li>Car rental with driver</li> <li>Service directed to companies and industries</li> </ul>
48% of revenues	23% of revenues	4% of revenues	11% of revenues	4% of revenues	10% of revenues

### Gross Revenue from Services Breakdown by Business Line and Revenue from Same Contracts (RSC)

Gross Revenue from Services (R\$ million)	Total Revenue					RSC
	2Q18	1Q19	2Q19	▲ Q o Q	▲ Y o Y	▲ Y o Y
<b>Gross Revenue from Services</b>	<b>884.8</b>	<b>888.4</b>	<b>902.5</b>	<b>1.6%</b>	<b>2.0%</b>	<b>1.1%</b>
Road cargo transp. and Dedicated road cargo logistics	412.1	423.1	425.8	0.6%	3.3%	2.8%
Commodity logistics <sup>1</sup>	209.4	196.6	210.3	7.0%	0.4%	0.2%
Internal Logistic	94.9	95.0	93.9	-1.2%	-1.1%	-6.3%
Charter: Employee transportation for companies	94.0	94.6	100.4	6.1%	6.8%	3.5%
Urban Distribution	36.1	40.6	37.5	-7.6%	3.9%	-2.5%
Warehousing Services	32.9	35.6	30.1	-15.4%	-8.5%	0.1%
Others	5.4	3.0	4.4	46.7%	-18.5%	71.6%

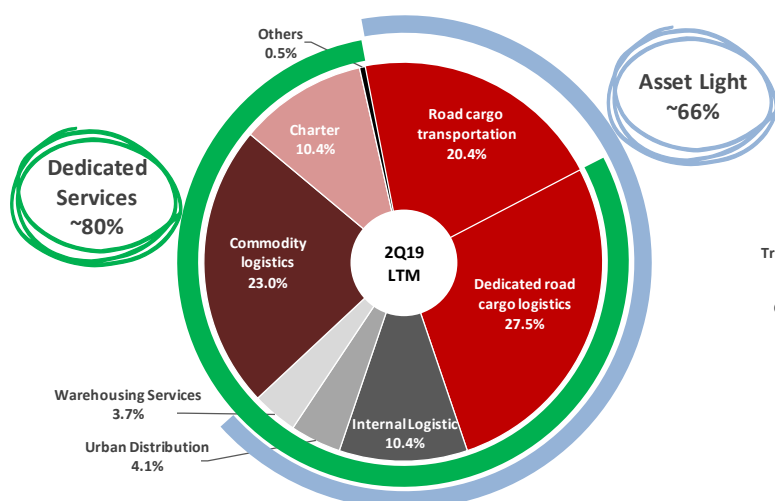
<sup>1</sup> Includes the pulp and paper, sugar-energy, steel and mining sectors.

Gross Revenue grew by 2.0% YoY, with 1.1% growth in the Gross Revenue from Same Contracts (RSC). We emphasize that Road Cargo Transportation and Dedicated Road Cargo Logistics, which accounted for 48% of the total, grew 3.3% in the same period. Among other main lines of business, we highlight: (i) the 6.8% growth in Charter mainly due to new contracts; (ii) 3.9% increase in Urban Distribution due to new customers in the Southeast. We observed a one-off drop of 8.5% in Warehousing Services due to the end of activities in some clients.

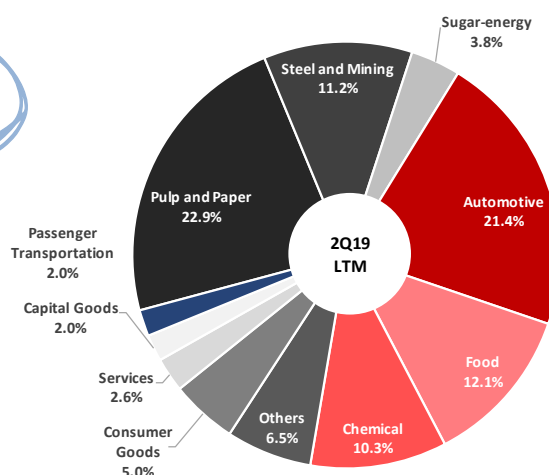
In the quarterly comparison, the 7.0% growth in Commodity Logistics reflects the seasonality of the Sugar-Energy sector. The 15.4% drop in Warehousing Services and 7.6% in Urban Distribution are due to the seasonality of the food sector, especially frozen products during the summer, and chocolates due to Easter holidays.

We highlight that 80% of gross services revenue comes from Dedicated Services, which brings greater stability and predictability of revenue to Logistics.

## Gross Revenue by Business Line



## Gross Revenue by Economic Sector



Gross Revenue (R\$ million)	Logística								
	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
<b>Gross Revenue</b>	<b>932.3</b>	<b>956.4</b>	<b>950.8</b>	<b>2.0%</b>	<b>-0.6%</b>	<b>1,840.2</b>	<b>1,907.2</b>	<b>3.6%</b>	<b>3,898.3</b>
Revenue from Services	884.8	888.4	902.5	2.0%	1.6%	1,765.5	1,791.0	1.4%	3,696.9
Revenue from Sale of Assets	47.5	68.0	48.3	1.7%	-29.0%	74.7	116.2	55.6%	201.4
<b>Net Revenue</b>	<b>766.8</b>	<b>793.0</b>	<b>786.5</b>	<b>2.6%</b>	<b>-0.8%</b>	<b>1,510.2</b>	<b>1,579.5</b>	<b>4.6%</b>	<b>3,211.8</b>
Net Revenue from Services	721.1	725.7	739.2	2.5%	1.9%	1,437.8	1,464.9	1.9%	3,012.6
Net Revenue from Sale of Assets	45.7	67.3	47.3	3.5%	-29.7%	72.5	114.6	58.1%	199.2

The moderate growth in Net Revenue from Services is a consequence of the contract portfolio adjustment over the last quarters, seeking adequate profitability within a still recovering business environment.

Compared to 1Q19, Total Net Revenue remained stable (-0.8% QoQ). Net revenue from Services grew 1.9% QoQ; however, Net revenue from the Sale of Assets dropped 29.7% QoQ due to lower availability of assets for sale this quarter.

## Costs

Costs (R\$ million)	Logística								
	2Q18	1Q19	2Q19	▲ Y-o-Y	▲ Q-o-Q	6M18	6M19	▲ YoY	LTM
<b>Cost of Services</b>	<b>(642.8)</b>	<b>(620.8)</b>	<b>(637.3)</b>	<b>-0.9%</b>	<b>2.7%</b>	<b>(1,267.8)</b>	<b>(1,258.1)</b>	<b>-0.8%</b>	<b>(2,580.3)</b>
Personnel	(211.1)	(198.8)	(213.6)	1.2%	7.4%	(406.5)	(412.4)	1.5%	(828.7)
Independent contractors / third parties	(240.5)	(229.6)	(238.0)	-1.0%	3.7%	(486.7)	(467.7)	-3.9%	(977.5)
Fuel and lubricants	(40.5)	(35.0)	(35.5)	-12.3%	1.4%	(75.4)	(70.6)	-6.4%	(154.7)
Parts / tires / maintenance	(63.3)	(72.0)	(67.9)	7.3%	-5.7%	(123.9)	(139.8)	12.8%	(281.8)
Depreciation / amortization	(40.8)	(44.1)	(45.4)	11.3%	2.9%	(85.3)	(89.4)	4.8%	(174.7)
Amortization (IFRS 16)	-	(6.7)	(7.6)	-	13.4%	-	(14.3)	-	(14.3)
Property and third party rentals (IFRS)	-	7.4	8.8	-	18.9%	-	16.2	-	16.2
Others	(46.5)	(42.0)	(38.1)	-18.1%	-9.3%	(89.9)	(80.1)	-10.9%	(164.8)
<b>Costs of Sales of Assets</b>	<b>(47.3)</b>	<b>(68.1)</b>	<b>(45.7)</b>	<b>-3.4%</b>	<b>-32.9%</b>	<b>(73.4)</b>	<b>(113.8)</b>	<b>55.0%</b>	<b>(205.2)</b>
Sale of Assets	(47.3)	(68.1)	(45.7)	-3.4%	-32.9%	(73.4)	(113.8)	55.0%	(205.2)
<b>Total</b>	<b>(690.1)</b>	<b>(688.9)</b>	<b>(683.0)</b>	<b>-1.0%</b>	<b>-0.9%</b>	<b>(1,341.2)</b>	<b>(1,371.9)</b>	<b>2.3%</b>	<b>(2,785.5)</b>
<b>Total (as % of Total Net Revenue)</b>	<b>90.0%</b>	<b>86.9%</b>	<b>86.8%</b>	<b>-3.2 p.p.</b>	<b>-0.1 p.p.</b>	<b>88.8%</b>	<b>86.9%</b>	<b>-1.9 p.p.</b>	<b>86.7%</b>

In 2Q19, Cost of Services totaled R\$637.3 million, a decrease of 0.9% YoY despite the +2.5% YoY growth in Net Revenue from Services. This reduction was mainly due to lower costs with independent contractors and third parties resulting from lower volumes. It should also be noted that 2Q18 had been impacted by the truckers' strike in May/2018.

Compared to 1Q19, we had a 2.7% increase in Cost of Services, while Net Revenue from Services grew by 1.9%. We would like to highlight the increase in Personnel Costs (+7.4% QoQ) due to the annual collective bargaining agreement and the specific impact of the headcount reduction implemented in 2Q19.

## Gross Profit

	Logistica								
Gross Profit (R\$ million)	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
Gross Profit from Services	78.3	104.9	101.9	30.1%	-2.9%	170.0	206.8	21.6%	432.3
Margin (% NR from Services)	10.9%	14.5%	13.8%	+2.9 p.p.	-0.7 p.p.	11.8%	14.1%	+2.3 p.p.	14.4%
Gross Profit from Sale of Assets	(1.7)	(0.8)	1.7	-	-	(0.9)	0.9	-	(6.0)
Margin (% NR from Sale of Assets)	-3.6%	-1.2%	3.5%	+7.1 p.p.	+4.7 p.p.	-1.3%	0.8%	+2.1 p.p.	-3.0%
Total Gross Profit	76.7	104.2	103.5	34.9%	-0.7%	169.1	207.7	22.8%	426.4
Margin (% Total NR)	10.0%	13.1%	13.2%	+3.2 p.p.	+0.1 p.p.	11.2%	13.1%	+1.9 p.p.	13.3%

In 2Q19, Total Gross Profit amounted to R\$103.5 million (+34.9% YoY), while Gross Margin was 13.2%, an increase of 3.2 p.p. year-on-year.

Compared to 1Q19, Total Gross Profit decreased by 0.7%, with stable Gross Margin in the quarterly comparison (+0.1 p.p. QoQ), mainly due to the impact of the increase in Personnel Costs, as previously mentioned.

## Operating Expenses before Financial Result

	Logistica								
Operating Expenses (R\$ million)	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
Administrative and Sales Expenses	(33.2)	(23.9)	(34.3)	3.3%	43.5%	(74.7)	(58.3)	-22.0%	(139.7)
Tax Expenses	(0.9)	0.9	(0.6)	-33.3%	-166.7%	(4.5)	0.2	-104.4%	(2.1)
Other Operating Expenses	12.9	(0.3)	2.4	-81.4%	-	10.7	2.2	-79.4%	(12.5)
Equity in Subsidiaries	0.0	-	-	-	-	(0.0)	-	-	(1.1)
Total	(21.2)	(23.3)	(32.5)	53.3%	39.5%	(68.6)	(55.9)	-18.5%	(155.4)
Total (as % of Total Net Revenue fro	2.9%	3.2%	4.4%	+1.5 p.p.	+1.2 p.p.	4.8%	3.8%	-1.0 p.p.	5.2%

In 2Q19, Operating Expenses increased by 53.3% YoY, mainly due to the non-recurring effect of extemporary tax credits recorded in Other Operating Expenses in 2Q18.

Compared to 1Q19, we had an increase in Administrative and Sales Expenses of 43.5% QoQ mainly arising from the R\$6.5 million reversal in loss provisions in 1Q19.

## EBIT, EBITDA, EBITDA-A and Net Income

	Logistica								
EBIT, EBITDA, EBITDA-A & Net Income (R\$ million)	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
EBIT	55.5	80.8	71.0	27.9%	-12.1%	100.5	151.8	51.0%	271.0
Margin (% NR from Services)	7.7%	11.1%	9.6%	+1.9 p.p.	-1.5 p.p.	7.0%	10.4%	+3.4 p.p.	9.0%
EBITDA	100.0	139.0	130.8	30.8%	-5.9%	193.8	269.8	39.2%	481.3
Margin (% NR from Services)	13.9%	19.2%	17.7%	+3.8 p.p.	-1.5 p.p.	13.5%	18.4%	+4.9 p.p.	16.0%
EBITDA-A	147.3	207.1	176.5	19.8%	-14.8%	267.2	383.6	43.6%	686.5
Margin (% Total NR)	19.2%	26.1%	22.4%	+3.2 p.p.	-3.7 p.p.	17.7%	24.3%	+6.6 p.p.	21.4%
Net Income	14.5	38.3	23.1	59.3%	-39.7%	21.9	61.4	180.4%	108.0
Margin (% Total NR)	1.9%	4.8%	2.9%	+1.0 p.p.	-1.9 p.p.	1.4%	3.9%	+2.5 p.p.	3.4%

In 2Q19, EBITDA totaled R\$130.8 million (+30.8% YoY) while EBITDA Margin was 17.7%, 3.8 p.p. higher YoY. We emphasize that the figures for 2Q19 were adjusted in accordance with the new accounting standard CPC 06 (R2) / IFRS16, which includes the leasing expenses of our subsidiaries as amortization. Even disregarding the effects of the adoption of IFRS16, EBITDA Margin would have been higher (16.4% in 2Q19, or +2.5 p.p. YoY), evidencing better operational efficiency.

Quarter-over-quarter, EBITDA decreased by 5.9%, mainly reflecting the R\$6.5 million effect of the reversal of loss provisions in 1Q19.

Net Income totaled R\$23.1 million in 2Q19 (+59.3% YoY). In the quarterly comparison, there was a decrease of 39.7%, due to non-recurring effects recorded in 1Q19 related to financial income from the correction of extemporaneous credits, in the amount of R\$18 million.

## Capex

Capex (R\$ million)	Logística								
	2Q18	1Q19	2Q19	▲YoY	▲QoQ	6M18	6M19	▲YoY	LTM
<b>Gross capex by nature</b>	<b>50.1</b>	<b>101.1</b>	<b>75.2</b>	<b>50.1%</b>	<b>-25.6%</b>	<b>118.4</b>	<b>176.4</b>	<b>49.0%</b>	<b>377.0</b>
Expansion	33.3	60.6	69.6	109.0%	14.9%	66.4	130.2	96.1%	296.7
Maintenance	16.8	40.5	5.6	-66.7%	-86.2%	52.0	46.1	-11.3%	80.3
<b>Gross capex by type</b>	<b>50.1</b>	<b>101.1</b>	<b>75.2</b>	<b>50.1%</b>	<b>-25.6%</b>	<b>118.4</b>	<b>176.4</b>	<b>49.0%</b>	<b>377.0</b>
Trucks	17.7	37.3	48.8	175.7%	30.8%	42.5	86.2	102.8%	157.0
Machinery and Equipment	0.8	10.2	5.7	-	-44.1%	18.6	16.0	-14.0%	37.6
Light Vehicles	18.1	21.4	9.2	-49.2%	-57.0%	31.1	30.6	-1.6%	91.4
Bus	6.8	26.9	1.5	-77.9%	-94.4%	15.3	28.3	85.0%	54.1
Others	6.7	5.3	10.0	49.3%	88.7%	10.8	15.3	41.7%	36.9
<b>Usual sale of assets</b>	<b>(47.5)</b>	<b>(68.0)</b>	<b>(48.3)</b>	<b>1.7%</b>	<b>-29.0%</b>	<b>(74.7)</b>	<b>(116.2)</b>	<b>55.6%</b>	<b>(201.4)</b>
Maintenance	(31.0)	(24.7)	(35.1)	13.2%	42.1%	(64.0)	(59.8)	-6.6%	(98.5)
End of contract	(7.0)	(2.1)	(4.0)	-42.9%	90.5%	(16.9)	(6.1)	-63.9%	(24.0)
Exchange of operational scope	(11.5)	(36.0)	(8.8)	-23.5%	-75.6%	(17.8)	(44.9)	152.2%	(56.4)
Cancellations and sales return	2.0	(5.1)	(0.3)	-115.0%	-94.1%	24.1	(5.4)	-122.4%	(22.5)
<b>Total net capex</b>	<b>2.6</b>	<b>33.2</b>	<b>26.9</b>	<b>-</b>	<b>-19.0%</b>	<b>43.7</b>	<b>60.1</b>	<b>37.5%</b>	<b>175.6</b>

Net Capex totaled R\$26.9 million in 2Q19. The funds were mainly allocated to expansion investments, mostly directed to trucks. We emphasize that the growth in volume and revenue for the Logistics activity does not imply proportional growth in net investments, since 66% of current revenue comes from operations based on the asset light model.



### III. CS Brasil



CS Brasil was created in 2009 to centralize all services provided to the public sector and to companies with mixed capital between the public and private sectors. Among the services provided, we highlight Fleet Management and Outsourcing, which represents the majority of Revenue.

#### Business model that generates results and contributes to the efficiency of public services in Brazil

67% of revenues

R\$ 543 million

#### 1 Fleet Management and Outsourcing (GTF)



GTF – Light Vehicles

GTF – Heavy Vehicles

GTF with driver

GTF of light and heavy vehicles, performing complete service management, including fleet customization, maintenance and operation, with or without driver.

26% of revenues

R\$ 214 million

#### 2 Municipal Passenger Transportation



Passenger Transportation Concession. Currently CS Brasil performs urban transportation in 4 municipalities of the state of SP.

7% of revenues

R\$ 57 million

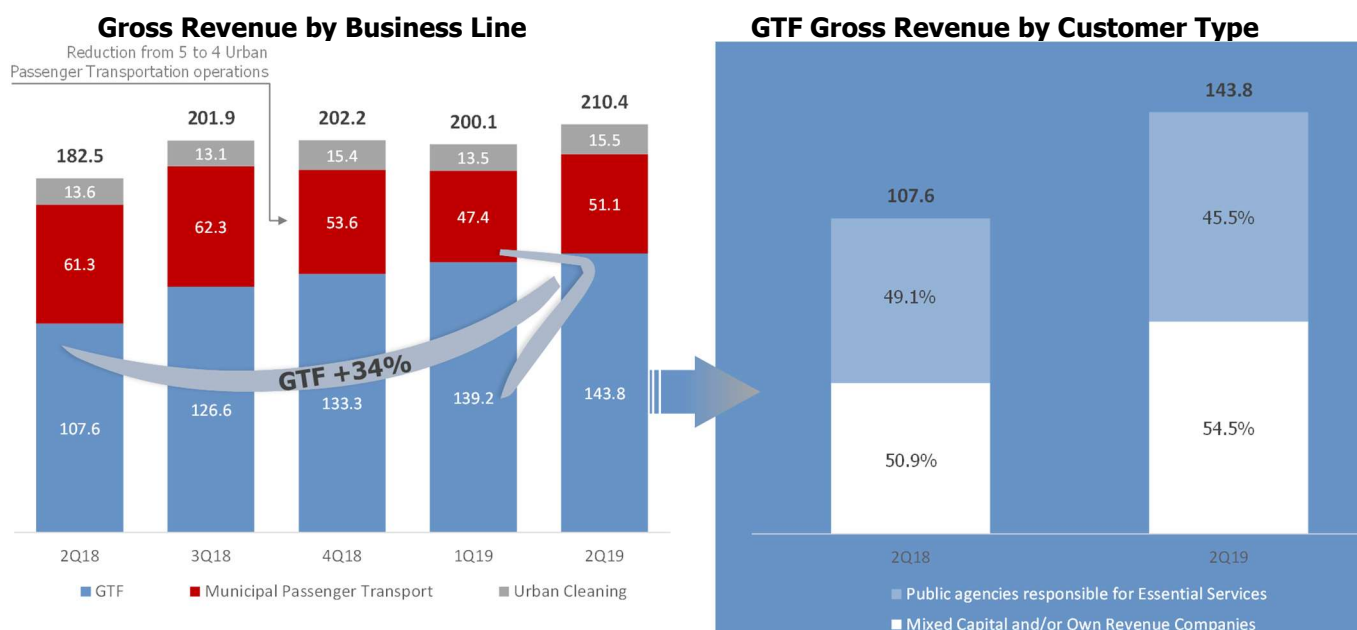
#### 3 Urban Cleaning



Collection, manual and mechanical sweeping, compaction, washing and deodorization services of street fairs, weeding, domestic, hospital and selective waste transportation in the city of Mogi das Cruzes, SP.

% of Gross Revenue from Services 2Q19 LTM

Financial Information (R\$ million)	CS Brasil								
	2Q18	1Q19	2Q19	▲YoY	▲QoQ	6M18	6M19	▲YoY	LTM
<b>Gross Revenue</b>	<b>227.7</b>	<b>225.9</b>	<b>244.1</b>	<b>7.2%</b>	<b>8.1%</b>	<b>457.8</b>	<b>470.0</b>	<b>2.7%</b>	<b>921.9</b>
Gross Revenue from Services	182.5	200.1	210.4	15.3%	5.1%	371.0	410.6	10.7%	814.6
Rental	106.6	139.2	143.8	34.9%	3.3%	224.1	283.0	26.3%	541.9
Passenger Transportation and	75.9	60.9	66.7	-12.1%	9.5%	146.9	127.6	-13.1%	272.8
Gross Rev. from Sale of Assets	45.2	25.8	33.7	-25.4%	30.6%	86.7	59.5	-31.4%	107.3
<b>Revenue Deductions</b>	<b>(18.2)</b>	<b>(24.8)</b>	<b>(26.2)</b>	<b>44.0%</b>	<b>5.6%</b>	<b>(39.0)</b>	<b>(50.9)</b>	<b>30.5%</b>	<b>(93.0)</b>
<b>Net Revenue</b>	<b>209.5</b>	<b>201.1</b>	<b>218.0</b>	<b>4.1%</b>	<b>8.4%</b>	<b>418.7</b>	<b>419.1</b>	<b>0.1%</b>	<b>829.0</b>
Net Revenue from Services	165.5	176.4	186.8	12.9%	5.9%	333.8	363.1	8.8%	727.1
Net Rev. from Sale of Assets	44.0	24.8	31.2	-29.1%	25.8%	84.9	55.9	-34.2%	101.9
<b>Costs</b>	<b>(182.4)</b>	<b>(165.8)</b>	<b>(175.1)</b>	<b>-4.0%</b>	<b>5.6%</b>	<b>(356.2)</b>	<b>(341.0)</b>	<b>-4.3%</b>	<b>(697.5)</b>
Cost of Services	(140.6)	(138.4)	(139.8)	-0.6%	1.0%	(274.5)	(278.2)	1.3%	(584.6)
Cost of Asset Sales	(41.8)	(27.4)	(35.4)	-15.3%	29.2%	(81.7)	(62.8)	-23.1%	(112.9)
<b>Gross Profit</b>	<b>27.1</b>	<b>35.3</b>	<b>42.8</b>	<b>57.9%</b>	<b>21.2%</b>	<b>62.5</b>	<b>78.1</b>	<b>25.0%</b>	<b>131.5</b>
Operational Expenses	(5.7)	(12.9)	4.8	-184.2%	-137.2%	(17.8)	(8.2)	-53.9%	(23.3)
<b>EBIT</b>	<b>21.4</b>	<b>22.3</b>	<b>47.6</b>	<b>122.4%</b>	<b>113.5%</b>	<b>44.8</b>	<b>69.9</b>	<b>56.0%</b>	<b>108.2</b>
Margin (% NR from Services)	12.9%	12.7%	25.5%	+12.6 p.p.	+12.8 p.p.	13.4%	19.3%	+5.9 p.p.	14.9%
Financial Result	(0.4)	(5.1)	(4.1)	-	-19.6%	(0.6)	(9.2)	-	(12.2)
Taxes	(1.5)	(6.0)	(14.8)	-	146.7%	(9.6)	(20.9)	117.7%	(30.4)
<b>Net Income</b>	<b>19.5</b>	<b>11.2</b>	<b>28.6</b>	<b>46.7%</b>	<b>155.4%</b>	<b>34.6</b>	<b>39.9</b>	<b>15.3%</b>	<b>65.5</b>
Margin (% Total NR)	9.3%	5.6%	13.1%	+3.8 p.p.	+7.5 p.p.	8.3%	9.5%	+1.2 p.p.	7.9%
<b>EBITDA</b>	<b>50.5</b>	<b>55.8</b>	<b>81.4</b>	<b>61.2%</b>	<b>45.9%</b>	<b>100.8</b>	<b>137.2</b>	<b>36.1%</b>	<b>243.0</b>
Margin (% NR from Services)	30.5%	31.6%	43.6%	+13.1 p.p.	+12.0 p.p.	30.2%	37.8%	+7.6 p.p.	33.4%



Gross Revenue from Services grew 15.3% in 2Q19 compared to the same period of the previous year, mainly due to the evolution of the Fleet Management and Outsourcing business line (+34% YoY), which participation grew from 58% in 2Q18 to 68% in 2Q19. We emphasize that 54.5% of gross revenue from this line of business comes from companies with mixed capital between the public and private sectors, while 45.5% derives from essential services rendered to public agencies, bringing greater balance in the Company's cash generation.

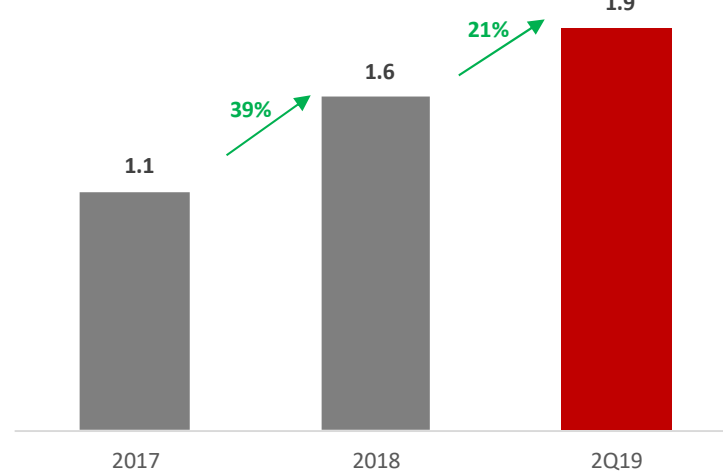
In 2Q19, CS Brasil's Total Net Revenue amounted to R\$218.0 million, a 4.1% YoY growth, driven by the 12.9% YoY growth in Net Revenue from Services, reflecting more significant investments over the past quarters. Net Revenue from the Sale of Assets fell by 29.1% YoY, due to the timely asset retirement in 2Q18. Quarter-on-quarter, CS Brasil's Total Net Revenue grew 8.4%, driven by the Revenue from Services (+5.9% QoQ) and the Revenue from the Sale of Assets (+25.8% QoQ).

EBITDA totaled R\$81.4 million (+61.2% YoY) while EBITDA Margin stood at 43.6%, 12.0 p.p. higher when compared to the same period of last year. In 2Q19, there was a positive impact from non-recurring events: (i) R\$7.4 million in retroactive tariffs on municipal transportation; (ii) R\$5.9 million in extra temporary tax credits. We emphasize that the figures for 2Q19 were adjusted in accordance with the new accounting standard CPC 06 (R2) / IFRS16, which includes leasing expenses as amortization. Even disregarding non-recurring effects and the adoption of IFRS16, we observed a 27.7% growth in EBITDA, evidencing the higher operational efficiency in the Company's operational management. The margin expansion and EBITDA and Net Income growth at rates much higher than Revenue reflect the Company's elimination of contracts with lower returns and greater focus on the asset rental business.

CS Brasil									
Capex (R\$ million)	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
<b>Gross capex by nature</b>	<b>177.9</b>	<b>120.5</b>	<b>73.2</b>	<b>-58.9%</b>	<b>-39.3%</b>	<b>249.2</b>	<b>193.7</b>	<b>-22.3%</b>	<b>478.8</b>
Expansion	161.4	100.0	66.0	-59.1%	-34.0%	223.6	166.0	-25.8%	393.9
Maintenance	16.5	20.5	7.2	-56.4%	-64.9%	25.7	27.7	7.8%	84.8
<b>Gross capex by type</b>	<b>177.9</b>	<b>120.5</b>	<b>73.2</b>	<b>-58.9%</b>	<b>-39.3%</b>	<b>249.2</b>	<b>193.7</b>	<b>-22.3%</b>	<b>478.8</b>
Trucks	13.9	12.7	9.4	-32.4%	-26.0%	17.8	22.1	24.2%	31.2
Machinery and Equipment	0.0	4.9	0.0	-	-100.0%	0.0	5.0	-	6.0
Light Vehicles	163.6	90.8	58.4	-64.3%	-35.7%	230.8	149.2	-35.4%	422.9
Bus	-	11.7	5.0	-	-57.3%	-	16.7	-	16.7
Others	0.4	0.3	0.4	0.0%	33.3%	0.5	0.7	40.0%	1.9
<b>Usual sale of assets</b>	<b>(45.2)</b>	<b>(25.8)</b>	<b>(33.7)</b>	<b>-25.4%</b>	<b>30.6%</b>	<b>(86.7)</b>	<b>(59.5)</b>	<b>-31.4%</b>	<b>(107.3)</b>
<b>Total net capex</b>	<b>132.7</b>	<b>94.7</b>	<b>39.5</b>	<b>-70.2%</b>	<b>-58.3%</b>	<b>162.5</b>	<b>134.3</b>	<b>-17.4%</b>	<b>371.5</b>

Net Capex totaled R\$39.5 million in 2Q19. Funds were directed mainly to expansion investments in new contracts at CS Brasil, light assets related to fleet management and outsourcing contracts, which should strengthen future cash generation.

### Backlog of Contracted Revenue (Fleet Management) <sup>1</sup> – R\$ billion



<sup>1</sup> Considers balance to qualify

The 227 fleet management contracts in force in June 2019 amount to a Backlog of contracted revenue of R\$1.9 billion (+21% over 4Q18). This amount is equivalent to 3.5 years of contracted revenue when compared to fleet management Gross Revenue in the last 12 months of R\$542.8 million.

#### IV. Original Concessionárias

Financial Information (R\$ million)	Original Concessionárias								
	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
<b>Total Gross Revenue</b>	<b>172.5</b>	<b>195.5</b>	<b>218.1</b>	<b>26.4%</b>	<b>11.6%</b>	<b>342.5</b>	<b>413.7</b>	<b>20.8%</b>	<b>808.8</b>
Revenue Deduction	(9.7)	(9.5)	(9.9)	2.1%	4.2%	(17.3)	(19.3)	11.6%	(37.2)
<b>Total Net Revenue</b>	<b>162.9</b>	<b>186.1</b>	<b>208.3</b>	<b>27.9%</b>	<b>11.9%</b>	<b>325.2</b>	<b>394.3</b>	<b>21.2%</b>	<b>771.6</b>
Light Vehicles	139.2	155.4	176.6	26.9%	13.6%	278.8	332.1	19.1%	652.8
Direct Sales	3.3	4.5	4.0	21.2%	-11.1%	5.6	8.5	51.8%	15.9
F&I	5.2	4.7	5.0	-3.8%	6.4%	9.3	9.7	4.3%	19.9
Post Sales	15.3	21.4	22.6	47.7%	5.6%	31.5	44.0	39.7%	83.0
<b>Total Volume (units)</b>	<b>7,745</b>	<b>9,238</b>	<b>12,183</b>	<b>57.3%</b>	<b>31.9%</b>	<b>14,184</b>	<b>21,421</b>	<b>51.0%</b>	<b>40,023</b>
Light Vehicles	3,184	3,441	3,804	19.5%	10.5%	6,292	7,245	15.1%	14,063
Direct Sales Light Vehicles	4,561	5,797	8,379	83.7%	44.5%	7,892	14,176	79.6%	25,960
<b>Costs</b>	<b>(136.7)</b>	<b>(156.2)</b>	<b>(176.0)</b>	<b>28.7%</b>	<b>12.7%</b>	<b>(273.7)</b>	<b>(332.2)</b>	<b>21.4%</b>	<b>(652.9)</b>
<b>Gross Profit</b>	<b>26.1</b>	<b>29.9</b>	<b>32.2</b>	<b>23.4%</b>	<b>7.7%</b>	<b>51.5</b>	<b>62.1</b>	<b>20.6%</b>	<b>118.7</b>
<b>Operational Expenses</b>	<b>(19.6)</b>	<b>(26.9)</b>	<b>(24.1)</b>	<b>23.0%</b>	<b>-10.4%</b>	<b>(43.2)</b>	<b>(51.0)</b>	<b>18.1%</b>	<b>(101.8)</b>
<b>EBIT</b>	<b>6.5</b>	<b>3.0</b>	<b>8.1</b>	<b>24.6%</b>	<b>170.0%</b>	<b>8.3</b>	<b>11.1</b>	<b>33.7%</b>	<b>16.9</b>
Margin	4.0%	1.6%	3.9%	-0.1 p.p.	+2.3 p.p.	2.5%	2.8%	+0.3 p.p.	2.2%
Financial Result	(0.2)	(1.1)	(1.0)	-	-9.1%	(0.5)	(2.1)	-	(2.2)
Taxes	(1.9)	(0.7)	(2.4)	26.3%	-	(2.2)	(3.0)	36.4%	(4.9)
<b>Net Income</b>	<b>4.4</b>	<b>1.2</b>	<b>4.7</b>	<b>6.8%</b>	<b>-</b>	<b>5.6</b>	<b>6.0</b>	<b>7.1%</b>	<b>9.8</b>
Margin	2.7%	0.7%	2.3%	-0.4 p.p.	+1.6 p.p.	1.7%	1.5%	-0.2 p.p.	1.3%
<b>EBITDA</b>	<b>7.9</b>	<b>7.2</b>	<b>12.0</b>	<b>51.9%</b>	<b>66.7%</b>	<b>11.0</b>	<b>19.2</b>	<b>74.5%</b>	<b>27.8</b>
Margin	4.8%	3.9%	5.8%	+1.0 p.p.	+1.9 p.p.	3.4%	4.9%	+1.5 p.p.	3.6%

Original Concessionárias posted Net Revenue of R\$208.3 million in 2Q19 (+27.9% YoY and 11.9% QoQ), fueled by the higher sales of new and used vehicles, in addition to the 83.7% rise in direct sales. EBITDA totaled R\$12.0 million (+51.9% YoY and +66.7% QoQ), positively affected by higher efficiency and by the application of CPC 06 (R2) / IFRS16.

#### V. BBC Leasing

Results (R\$ million)	BBC Leasing								
	1Q18	4Q18	1Q19	▲ YoY	▲ QoQ	2017	LTM	▲ YoY	LTM
<b>Total Gross Revenue</b>	<b>8.1</b>	<b>9.4</b>	<b>10.3</b>	<b>27.2%</b>	<b>9.6%</b>	<b>16.0</b>	<b>19.8</b>	<b>23.8%</b>	<b>37.9</b>
Deductions from Revenue	(0.5)	(0.5)	(0.5)	0.0%	0.0%	(1.1)	(1.0)	-9.1%	(2.1)
<b>Net Revenue</b>	<b>7.6</b>	<b>9.0</b>	<b>9.8</b>	<b>28.9%</b>	<b>8.9%</b>	<b>14.8</b>	<b>18.8</b>	<b>27.0%</b>	<b>35.8</b>
<b>Total of Costs</b>	<b>(2.5)</b>	<b>(2.8)</b>	<b>(2.8)</b>	<b>12.0%</b>	<b>0.0%</b>	<b>(5.0)</b>	<b>(5.6)</b>	<b>12.0%</b>	<b>(11.0)</b>
<b>Gross Profit</b>	<b>5.1</b>	<b>6.2</b>	<b>7.0</b>	<b>37.3%</b>	<b>12.9%</b>	<b>9.8</b>	<b>13.2</b>	<b>34.7%</b>	<b>24.8</b>
Operational Expenses	(3.0)	(3.9)	(4.0)	33.3%	2.6%	(5.8)	(7.9)	36.2%	(13.8)
<b>EBIT</b>	<b>2.1</b>	<b>2.3</b>	<b>3.0</b>	<b>42.9%</b>	<b>30.4%</b>	<b>4.0</b>	<b>5.3</b>	<b>32.5%</b>	<b>11.1</b>
Margin	28.4%	26.1%	30.5%	+2.1 p.p.	+4.4 p.p.	27.3%	28.4%	+1.1 p.p.	30.9%
Financial Result	0.2	(0.1)	(0.3)	-	-	0.4	(0.5)	-	(0.2)
Taxes	(0.9)	(0.7)	(0.9)	0.0%	28.6%	(1.6)	(1.6)	0.0%	(3.8)
<b>Net Income</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>	<b>20.0%</b>	<b>20.0%</b>	<b>2.9</b>	<b>3.3</b>	<b>13.8%</b>	<b>7.1</b>
Margin	19.5%	17.0%	18.1%	-1.4 p.p.	+1.1 p.p.	19.3%	17.5%	-1.8 p.p.	19.7%
<b>EBITDA</b>	<b>2.3</b>	<b>2.5</b>	<b>3.2</b>	<b>39.1%</b>	<b>28.0%</b>	<b>4.4</b>	<b>5.7</b>	<b>29.5%</b>	<b>11.8</b>
Margin	30.7%	28.1%	32.4%	+1.7 p.p.	+4.3 p.p.	29.7%	30.4%	+0.7 p.p.	32.9%
<b>Operations (Qt.)</b>	<b>303</b>	<b>743</b>	<b>643</b>	<b>112.2%</b>	<b>-13.5%</b>	<b>719</b>	<b>1,386</b>	<b>92.8%</b>	<b>2,322</b>
<b>Present Value of Operations</b>	<b>85.4</b>	<b>118.1</b>	<b>134.0</b>	<b>56.9%</b>	<b>13.5%</b>	<b>85.4</b>	<b>134.0</b>	<b>56.9%</b>	<b>134.0</b>

In 2Q19, BBC Leasing posted Net Revenue of R\$9.8 million, an increase of 28.9% year over year. Throughout the quarter, the institution carried out 643 loan transactions, while the balance of the loan portfolio at the end of the period totaled R\$134.0 million (+112% YoY). As a result of the growth in the loan portfolio, EBITDA increased from R\$2.3 million in 2Q18 to R\$3.2 million in 2Q19, due to a higher operating leverage. BBC Leasing continues to offer financial alternatives to facilitate the acquisition of trucks, cars, machinery and equipment, benefiting from a gradual recovery of the industry.



## VI. Movida



Financial Information (R\$ million)	Movida								
	2Q18	1Q19	2Q19	▲ YoY	▲ QoQ	6M18	6M19	▲ YoY	LTM
<b>Gross Revenue</b>	<b>650.3</b>	<b>861.9</b>	<b>1,000.8</b>	<b>53.9%</b>	<b>16.1%</b>	<b>1,300.5</b>	<b>1,862.7</b>	<b>43.2%</b>	<b>3,279.4</b>
RAC	226.6	278.1	270.7	19.5%	-2.7%	458.3	548.9	19.8%	1,087.9
GTF	88.8	115.0	112.2	26.4%	-2.4%	170.8	227.2	33.0%	422.0
Used Vehicles	335.0	468.7	617.9	84.4%	31.8%	671.5	1,086.6	61.8%	1,769.5
<b>Revenue Deduction</b>	<b>(40.5)</b>	<b>(49.3)</b>	<b>(44.7)</b>	<b>10.4%</b>	<b>-9.3%</b>	<b>(86.5)</b>	<b>(94.0)</b>	<b>8.7%</b>	<b>(186.1)</b>
<b>Net Revenue</b>	<b>609.9</b>	<b>812.5</b>	<b>956.2</b>	<b>56.8%</b>	<b>17.7%</b>	<b>1,214.0</b>	<b>1,768.7</b>	<b>45.7%</b>	<b>3,093.3</b>
Net Revenue from Services	275.6	344.1	338.4	22.8%	-1.7%	543.6	682.5	25.6%	1,325.3
Net Revenue from Sale of Assets	334.3	468.4	617.8	84.8%	31.9%	670.4	1,086.2	62.0%	1,768.0
<b>Costs</b>	<b>(409.7)</b>	<b>(600.2)</b>	<b>(754.5)</b>	<b>84.2%</b>	<b>25.7%</b>	<b>(831.4)</b>	<b>(1,354.7)</b>	<b>62.9%</b>	<b>(2,255.3)</b>
Cost of Services	(92.3)	(136.8)	(151.5)	64.1%	10.7%	(195.9)	(288.3)	47.2%	(531.7)
Cost of Asset Sales	(317.4)	(463.4)	(602.9)	89.9%	30.1%	(635.4)	(1,066.4)	67.8%	(1,723.6)
<b>Gross Profit</b>	<b>200.1</b>	<b>212.3</b>	<b>201.7</b>	<b>0.8%</b>	<b>-5.0%</b>	<b>382.6</b>	<b>414.0</b>	<b>8.2%</b>	<b>838.0</b>
<b>Operational Expenses</b>	<b>(102.0)</b>	<b>(113.1)</b>	<b>(102.1)</b>	<b>0.1%</b>	<b>-9.7%</b>	<b>(201.2)</b>	<b>(215.2)</b>	<b>7.0%</b>	<b>(441.0)</b>
<b>EBIT</b>	<b>98.2</b>	<b>99.2</b>	<b>99.6</b>	<b>1.4%</b>	<b>0.4%</b>	<b>181.5</b>	<b>198.8</b>	<b>9.5%</b>	<b>397.1</b>
Margin (% NR from Services)	35.6%	28.8%	29.4%	-6.2 p.p.	+0.6 p.p.	33.4%	29.1%	-4.3 p.p.	30.0%
Financial Result	(40.9)	(45.7)	(50.1)	22.5%	9.6%	(86.4)	(95.8)	10.9%	(182.2)
Taxes	(17.3)	(11.5)	(8.1)	-53.2%	-29.6%	(28.3)	(19.6)	-30.7%	(38.4)
<b>Net Income</b>	<b>39.9</b>	<b>42.0</b>	<b>41.5</b>	<b>4.0%</b>	<b>-1.2%</b>	<b>66.8</b>	<b>83.5</b>	<b>25.0%</b>	<b>176.5</b>
Margin (% NR from Services)	14.5%	12.2%	12.3%	-2.2 p.p.	+0.1 p.p.	12.3%	12.2%	-0.1 p.p.	13.3%
<b>EBITDA</b>	<b>118.2</b>	<b>149.6</b>	<b>154.9</b>	<b>31.0%</b>	<b>3.5%</b>	<b>220.5</b>	<b>304.5</b>	<b>38.1%</b>	<b>565.7</b>
Margin (% NR from Services)	42.9%	43.5%	45.8%	+2.9 p.p.	+2.3 p.p.	40.6%	44.6%	+4.0 p.p.	42.7%

At the end of July, **Movida concluded a primary** (R\$532.5 million) **and secondary** (R\$300 million) **public offering**, totaling R\$832.5 million, strengthening its capital structure for a new growth cycle, **returning to JSL the financial support offered in 2018**. Movida's free float increased from 29.9% to 44.9%, while parent company **JSL S.A. increased its stake to 55.1%**. The value per share in the bookbuilding process was R\$15.00, which is exactly twice the value of the IPO, which occurred in 2017.

In 2Q19, **Movida surpassed the R\$1 billion mark of quarterly gross revenues**. The Company reached a new level with **106,000 cars in the fleet**, 71,000 of which are allocated to RAC and 35,000 to GTF – approximately twice the fleet compared to the IPO in 2017. This was the **eighth consecutive quarter with increase in results**. Movida remains confident to capture the expansion of the car rental market, with focus on execution, maintaining the discipline of profitability and customer satisfaction.

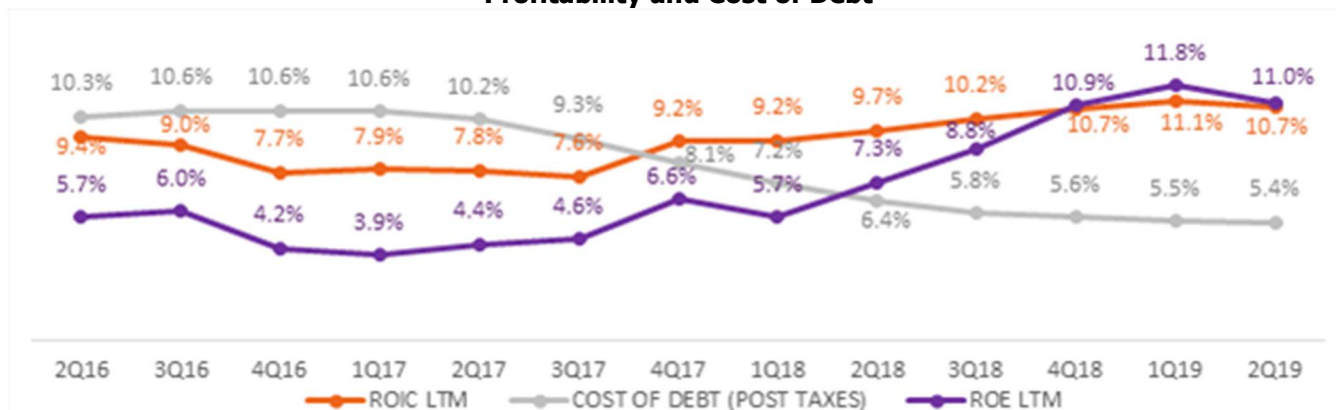
In the **RAC** business, Net Revenue grew by 18.7% YoY in 2Q19, due to the growth of the operating fleet (+18% YoY), plus the 1% expansion in average monthly revenue per car (R\$1,623 in 2Q19). In preparation for the high season in July, Movida added more than 6,000 RAC cars to the fleet at the end of 2Q19, impacting on the occupancy rate (73.6% in 2Q19 compared to 77.4% in 2Q18), which was offset by 4% increase in the average daily rate (R\$72.3 in 2Q19). EBITDA margin totaled 39.7% in 2Q19 (-1.3 p.p. YoY). Excluding the effect of PIS/COFINS credit of R\$13.1 million in 2Q18 and comparing both periods without IFRS16, RAC EBITDA Margin evolution would have been +1.4 p.p. YoY, increasing from 34.7% in 2Q18 to 36.0% in 2Q19.

In **GTF**, there was an addition of over 8,000 cars in the operating fleet. Net Revenue grew 40% YoY, with an EBITDA margin of 71.8% in 2Q19. New agreements with lower monthly mileage led to a reduction of 2% in the average ticket compared to 2Q18. In 2Q19 there was a sum of over 7,000 cars that are already in the total fleet and most of them will become operational in the coming months, indicating another contracted growth cycle. The Company continues to focus on maintaining selective and sustainable growth with profitability and customer satisfaction in this business line.

In **Seminovos**, 16,066 cars were sold, a growth of 83% YoY and 26% t/t. The average price of the car sold increased 4.8% compared to 1Q19, reflecting the sale of newer and lower mileage cars, while initiatives for gross margin recovery (2.4% in 2Q19) already fueled an evolution 1.3 p.p. compared to 1Q19. As a result, EBITDA margin totaled -1.8% in 2Q19, the best in the last three years. The asset defleet planned with more accuracy and the dynamic pricing implemented offered the necessary structure for this performance, in addition to the consolidation of processes and the strengthening of the brand renewed in the 3Q18.

In 2Q19, Movida's **consolidated EBITDA totaled R\$154.9 million** (+31% YoY), with an expansion of 2.9 pp in the service margin, which reached 45.8%. **Net Income was R\$41.5 million** (+4.0% YoY); we point out that the comparisons in relation to 2Q18 are impacted by the R\$17.6 million PIS/COFINS credit recorded in that quarter, as well as the R\$3.7 million credits in 2Q19. In addition, the variations are also affected by the adoption of IFRS16 as of 2019. Excluding these effects, net service margin evolution would have been 1.7 p.p., from 10.0% in 2Q18 to 11.7% in 2Q19.

#### Profitability and Cost of Debt



The **ROIC** in the last twelve months was 10.7%, 1.0 p.p. above the same period of 2Q18, which, due to the decrease in the cost of debt, resulted in a 5.3 p.p. spread. The annualized 6M19 ROIC totaled 9.9%.

**Note:** ROIC was calculated by using EBIT and the effective IR tax rate as the "Return", and net debt added to shareholders' equity as "Invested Capital" of the last twelve months of the periods analyzed.

Capex (R\$ million)	Movida								
	2Q18	1Q19	2Q19	▲YoY	▲QoQ	6M18	6M19	▲YoY	LTM
<b>Fleet</b>	<b>522.8</b>	<b>704.5</b>	<b>1,271.9</b>	<b>143.3%</b>	<b>80.5%</b>	<b>1,035.1</b>	<b>1,976.4</b>	<b>90.9%</b>	<b>3,271.4</b>
<b>RAC</b>	<b>436.2</b>	<b>583.1</b>	<b>988.1</b>	<b>126.5%</b>	<b>69.5%</b>	<b>814.5</b>	<b>1,571.3</b>	<b>92.9%</b>	<b>2,472.6</b>
Expansion	28.0	50.3	323.1	-	-	72.0	373.4	-	560.5
Maintenance	408.2	532.8	665.1	62.9%	24.8%	742.5	1,197.8	61.3%	1,912.1
<b>GTF</b>	<b>86.7</b>	<b>121.4</b>	<b>283.7</b>	<b>-</b>	<b>133.7%</b>	<b>220.7</b>	<b>405.1</b>	<b>83.6%</b>	<b>798.8</b>
Expansion	75.6	108.7	273.8	-	151.9%	167.3	382.5	128.6%	646.5
Maintenance	11.1	12.7	9.9	-10.8%	-22.0%	53.4	22.6	-57.7%	152.3
<b>Stores</b>	<b>2.7</b>	<b>3.0</b>	<b>2.5</b>	<b>-7.4%</b>	<b>-16.7%</b>	<b>5.3</b>	<b>5.5</b>	<b>3.8%</b>	<b>13.0</b>
New	1.7	0.6	0.2	-88.2%	-66.7%	1.8	0.8	-55.6%	1.8
Former	1.0	2.4	2.3	130.0%	-4.2%	3.5	4.6	31.4%	11.2
<b>Others</b>	<b>5.9</b>	<b>22.2</b>	<b>29.3</b>	<b>-</b>	<b>32.0%</b>	<b>9.1</b>	<b>51.5</b>	<b>-</b>	<b>80.6</b>
Outros RAC	5.9	22.0	29.3	396.6%	33.2%	9.1	51.3	-	-
Outros GTF	-	0.2	0.0	-	-100.0%	-	0.2	-	-
<b>Total Gross Capex</b>	<b>531.4</b>	<b>729.7</b>	<b>1,303.7</b>	<b>145.3%</b>	<b>78.7%</b>	<b>1,049.5</b>	<b>2,033.4</b>	<b>93.7%</b>	<b>3,365.0</b>
<b>Sale of Assets</b>	<b>(335.0)</b>	<b>(468.7)</b>	<b>(617.9)</b>	<b>84.4%</b>	<b>31.8%</b>	<b>(671.5)</b>	<b>(1,086.6)</b>	<b>61.8%</b>	<b>(1,769.5)</b>
<b>Total Net Capex</b>	<b>196.5</b>	<b>261.0</b>	<b>685.8</b>	<b>-</b>	<b>162.8%</b>	<b>378.0</b>	<b>946.8</b>	<b>150.5%</b>	<b>1,595.5</b>

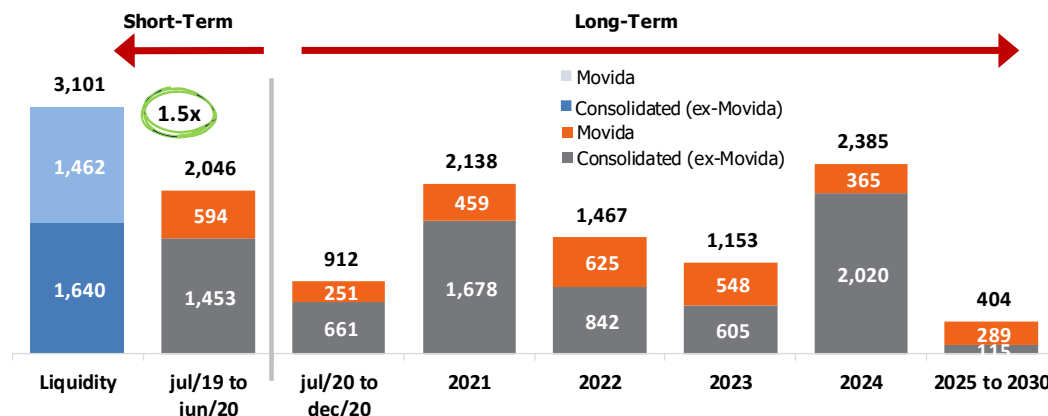
The performance of Seminovos made Movida comfortable to resume its investments in fleet expansion in 2Q19. Gross investment was R\$1.3 billion in 2Q19, 145% higher than in 2Q18, mainly due to the expansion of RAC in preparation for the high season of July. In GTF, the investment to expansion multiplied by 2.5x as a result of the strategy of focusing on smaller contracts and capturing the tailwinds of the outsourcing market.

## VII. Capital Structure - JSL Consolidated

We highlight the continued management of the group's liabilities. In 2Q19, we issued: (i) debentures in JSL S.A. in the amount of R\$450 million, with final maturity in 2026; (ii) debentures in Movida in the amount of R\$200 million and final maturity in 2024, and in the amount of R\$700 million with final maturity in 2027; and (iii) promissory note of CS Brasil in the amount of R\$100 million with final maturity in 2021.

At the end of 2Q19, JSL's consolidated cash equaled debt maturities by 2020, or 1.5x short-term debt, which we believe is an adequate cash level. We also note that JSL already operations to the ongoing liability management of the Company, focusing on the lengthening of the tenors.

### Gross Debt Amortization Schedule <sup>1</sup> (R\$ million)



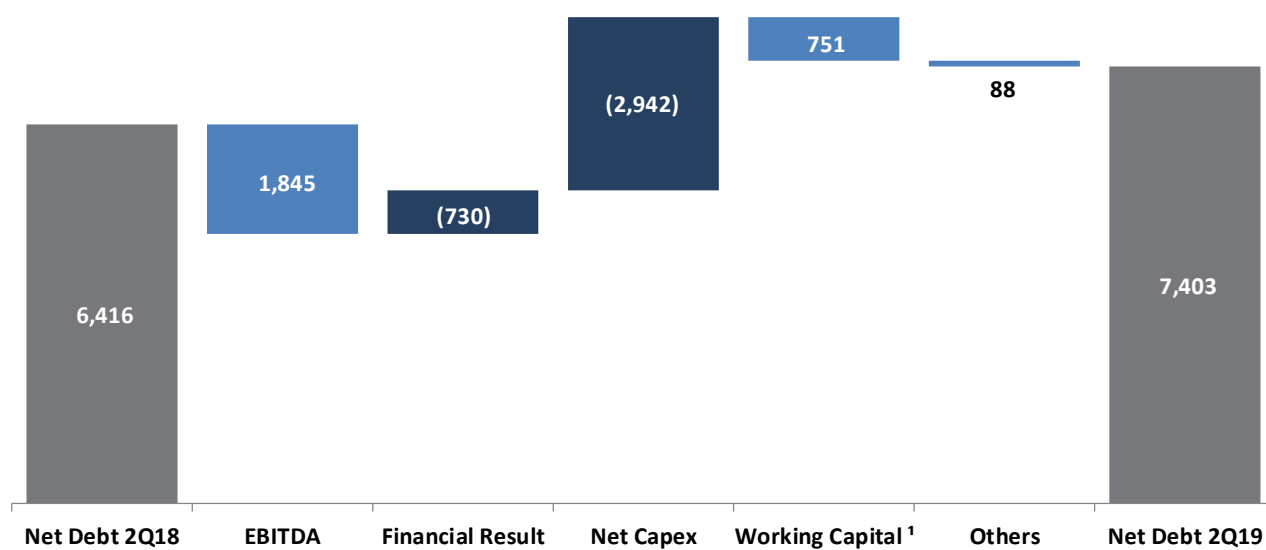
<sup>1</sup> Excluding R\$1.845 billion from the Bond proceeds structure, which impacts cash and gross debt equally. Net Debt totaled R\$7.4 billion in June 2019, while the average cost of gross debt decreased from 8.9% in 1Q19 to 8.8% in 2Q19.

Indebtedness - JSL Consolidated (R\$ million)	06/30/2018	09/30/2018	12/31/2018	03/31/2019	06/30/2019
<b>Cash and Investments <sup>1</sup></b>	<b>2,500.4</b>	<b>2,267.1</b>	<b>2,980.8</b>	<b>2,515.1</b>	<b>3,101.5</b>
Cash and Investments - Book value	4,340.1	4,149.3	4,831.8	4,378.5	4,946.8
Credit note - CLN <sup>2</sup>	(1,839.7)	(1,882.2)	(1,851.0)	(1,863.4)	(1,845.4)
<b>Gross debt <sup>1</sup></b>	<b>8,916.0</b>	<b>8,778.8</b>	<b>9,690.2</b>	<b>9,596.6</b>	<b>10,505.0</b>
Gross debt - Book value	10,755.7	10,661.0	11,541.2	11,460.0	12,350.3
Credit note - CLN <sup>2</sup>	(1,839.7)	(1,882.2)	(1,851.0)	(1,863.4)	(1,845.4)
Borrowings <sup>1</sup>	6,386.3	6,527.6	6,736.7	6,457.0	6,257.7
Local Bonds	2,610.2	2,475.4	3,170.7	3,400.1	4,579.6
Finance lease payable	188.2	178.0	242.9	233.9	230.5
Confirming payable	4.0	-	-	-	-
Debt Swap MTM	(272.9)	(402.2)	(460.2)	(494.4)	(562.8)
<b>Net Debt</b>	<b>6,415.6</b>	<b>6,511.7</b>	<b>6,709.4</b>	<b>7,081.6</b>	<b>7,403.5</b>
<b>Short-term gross debt</b>	<b>1,973.4</b>	<b>1,370.6</b>	<b>2,013.1</b>	<b>1,902.7</b>	<b>2,046.3</b>
<b>Long-term gross debt <sup>1</sup></b>	<b>6,942.6</b>	<b>7,408.2</b>	<b>7,677.1</b>	<b>7,693.9</b>	<b>8,458.6</b>
Average Cost of Net Debt (p.a.)	10.1%	10.1%	10.1%	10.2%	10.1%
Average Cost of Gross Debt (p.a.)	8.8%	8.8%	8.8%	8.9%	8.8%
Average term of gross debt (years)	3.1	3.2	2.9	2.9	3.0
Average term of net debt (years)	3.9	3.8	3.5	3.5	3.7

<sup>1</sup> Excluding R\$1.845 billion from the Bond proceeds structure, which impacts cash and gross debt equally;

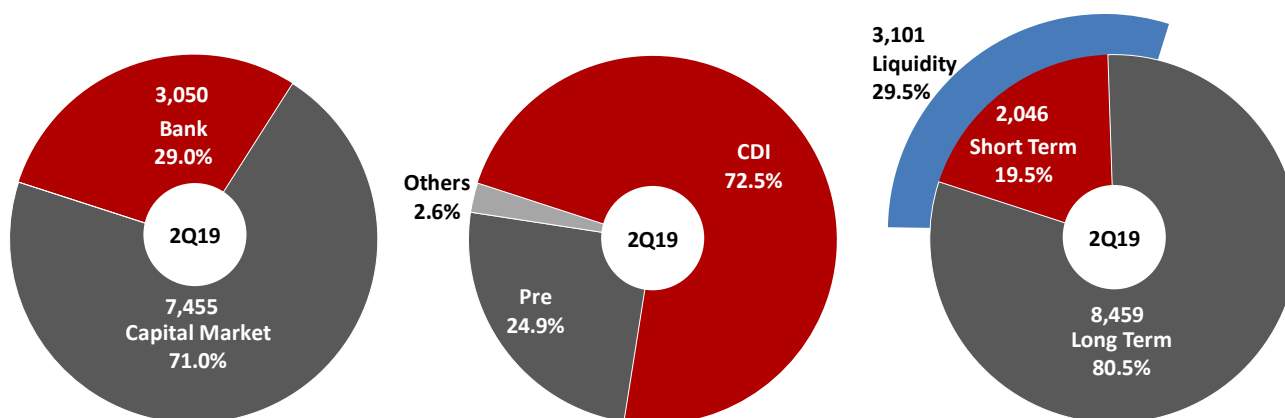
<sup>2</sup> The amount related to CLN refers to the investment with the financial institution hired to bring onshore the funds raised from the Senior Notes (Bonds) by issuing a debt mirror-image instrument of the bond in Brazil. For this reason, the CLN balance is fully deducted from gross debt in order to eliminate the effect of duplication caused by the debt mirror-image instrument.

### Evolution of Net Debt (R\$ million)



<sup>1</sup> Considers Vehicles in progress and Changes in the balance of trade payables for property and equipment and automakers





## Financial Result

Financial Result (R\$ million)	JSL - Consolidated								
	2Q18	1Q19	2Q19	▲YoY	▲QoQ	6M18	6M19	▲YoY	LTM
<b>Net financial interest</b>	<b>(74.6)</b>	<b>(174.4)</b>	<b>(196.7)</b>	<b>163.7%</b>	<b>12.8%</b>	<b>(249.1)</b>	<b>(371.2)</b>	<b>49.0%</b>	<b>(792.7)</b>
Financial Revenues	134.6	111.3	51.0	-62.1%	-54.2%	202.0	162.2	-19.7%	327.2
Financial Expenses	(209.1)	(285.7)	(247.7)	18.5%	-13.3%	(451.1)	(533.4)	18.2%	(1,119.9)
Derivatives Result	220.8	48.9	(62.4)	-128.3%	-	252.4	(13.5)	-105.3%	27.6
Net Exchange Variation	(314.0)	(47.7)	60.3	-119.2%	-	(340.7)	12.6	-103.7%	49.1
Interest on right of use (IFRS 16)	-	(6.9)	(7.2)	-	4.3%	-	(14.1)	0.0%	(14.1)
<b>Total</b>	<b>(167.8)</b>	<b>(180.1)</b>	<b>(206.1)</b>	<b>22.8%</b>	<b>14.4%</b>	<b>(337.3)</b>	<b>(386.2)</b>	<b>14.5%</b>	<b>(730.1)</b>

**Net Financial Expenses** totaled R\$206.1 million in 2Q19 compared to R\$167.8 million in 2Q18 (+22.8% YoY). The annual increase was mainly due to the impact of net debt growth, which totaled R\$7.4 billion in 2Q19 (+15.4% YoY).

## Leverage Indicators

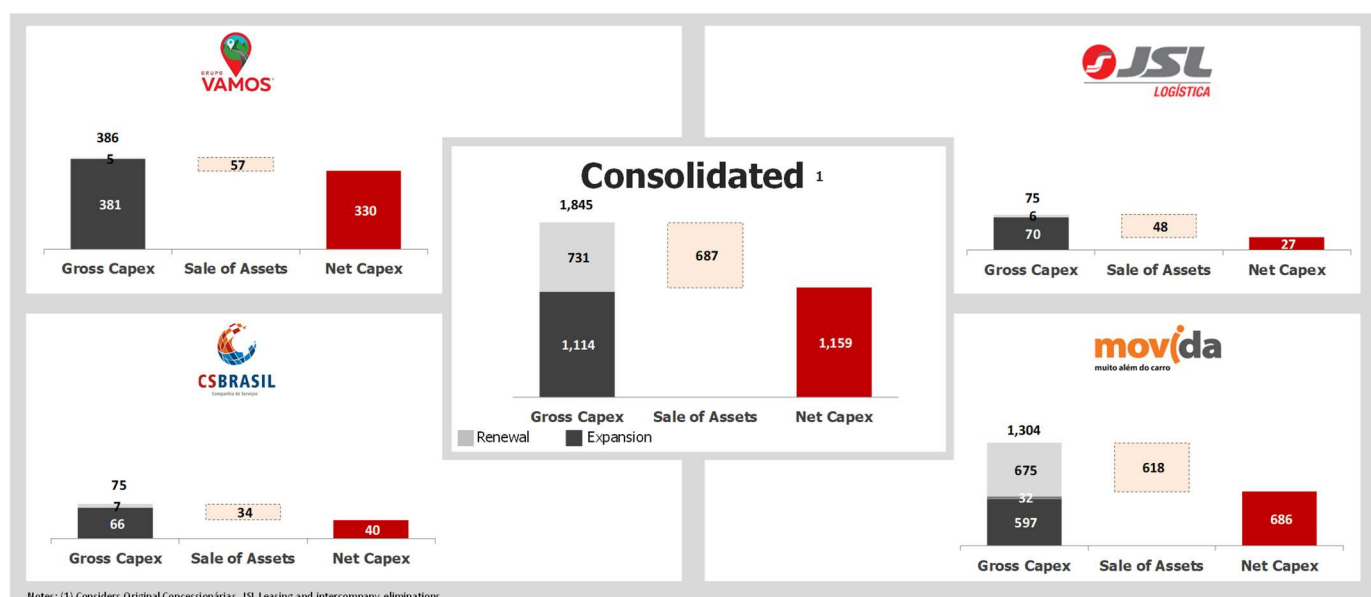
Leverage Indicators	06/30/2018	09/30/2018	12/31/2018	03/31/2019	06/30/2019	Covenants
Net Debt / EBITDA-A	2.1x	2.2x	2.1x	2.0x	1.9x	Max 3.5x
Net Debt / EBITDA	4.5x	4.4x	4.2x	4.1x	4.0x	Max 4.60x
EBITDA-A / Net interest expenses	5.0x	5.0x	5.4x	5.6x	5.3x	Min 2.0x

The net debt/EBITDA ratio decreased to 4.0x in 2Q19 from 4.5x in 2Q18. The deleveraging was mainly due to the increase of R\$481.7 million in EBITDA, in line with the operational improvement and growth of all of the companies in the group.

In turn, the net debt/EBITDA-A ratio stood at 1.9x in 2Q19, compared to 2.1x in 2Q18.

The indicators above reflect the net debt calculation methodology in the bond issuances covenants (R\$7,403.5 million). EBITDA and EBITDA-A for last 12 months were calculated according to CPC 06 (R2) / IFRS16 in 1H19 and were R\$1,845.2 million and R\$3,855.0 million, respectively.

## X. Capex - JSL Consolidated



Net Capex in 2Q19 totaled R\$1.2 billion, allocated mainly to expansion with the following breakdown: Movida (R\$686 million), VAMOS (R\$330 million), CS Brasil (R\$40 million) and JSL Logística (R\$27 million). We emphasize that most of these contracts were focused on fleet management and outsourcing for heavy assets at VAMOS and light vehicles at Movida and CS Brasil. The benefits of these investments in terms of revenue growth, margin increase and cash generation will be fully felt over 2019. The investments carried out are part of JSL's strategic plan to focus on contracts that generate solid and consistent returns to compensate the invested capital.

Capex (R\$ million)	JSL - Consolidated								
	2Q18	1Q19	2Q19	▲ Y o Y	▲ Q o Q	6M18	6M19	▲ Y o Y	LTM
<b>Gross capex by nature</b>	<b>887.1</b>	<b>1,140.8</b>	<b>1,845.5</b>	<b>108.0%</b>	<b>61.8%</b>	<b>1,668.6</b>	<b>2,986.2</b>	<b>79.0%</b>	<b>5,034.0</b>
Expansion	419.6	483.1	1,114.1	165.5%	130.6%	731.2	1,597.2	118.4%	2,625.3
Maintenance	461.6	635.5	702.1	52.1%	10.5%	928.4	1,337.5	44.1%	2,328.1
Others	5.9	22.2	29.3	-	32.0%	9.1	51.5	-	80.6
<b>Usual sale of assets</b>	<b>(419.0)</b>	<b>(569.1)</b>	<b>(686.8)</b>	<b>63.9%</b>	<b>20.7%</b>	<b>(845.7)</b>	<b>(1,255.9)</b>	<b>48.5%</b>	<b>(2,091.5)</b>
<b>Total net capex</b>	<b>468.1</b>	<b>571.7</b>	<b>1,158.7</b>	<b>147.5%</b>	<b>102.7%</b>	<b>822.9</b>	<b>1,730.3</b>	<b>110.3%</b>	<b>2,942.5</b>

## VIII. Free Cash Flow and EBITDA - JSL Consolidated

Free Cashflow Generation - R\$ million		2018	2Q19 LTM
Operation	EBITDA	1,597.5	1,845.2
	Net Revenue from Sale of Light/Heavy Vehicles, Machinery and Equipment	(1,658.0)	(2,046.2)
	Depreciated Cost of Light/Heavy Vehicles, Machinery and Equipment Sold	1,609.9	2,009.9
	(-) Income Tax and Social Contribution	(86.0)	(99.0)
	Changes in Working Capital	90.9	(251.5)
Free Cashflow Generated by Rental Activities and Services Rendered		1,554.2	1,458.4
Maintenance Capex	Net Revenue Sale of Light/Heavy Vehicles, Machinery and Equipment - Fleet Maintenance	1,658.0	2,046.2
	Capex for Light/Heavy Vehicles, Machinery and Equipment - Fleet Maintenance	(1,918.9)	(2,328.1)
	Net Capex for Fleet Maintenance	(260.9)	(281.9)
Capex, other PP&E and Intangible Assets		(38.2)	(80.6)
Operational Free Cashflow before Growth		1,255.1	1,095.9
Growth Capex	Capex for Light/Heavy Vehicles, Machinery and Equipment	(1,759.3)	(2,625.3)
	Acquisition of Companies	(104.1)	(0.7)
	Net Capex for Fleet Growth	(1,863.4)	(2,626.0)
Free Cashflow Generated (Consumed) after Growth and before Interest		(608.3)	(1,530.1)

## Capex Reconciliation to the Cash flow of the Financial Statements

Reconciliation to Cash Flow of FS		2018	2Q19 LTM
Capex Maintenance + Growth + Others	Capex for Light/Heavy Vehicles, Machinery and Equipment - Maintenance	(1,918.9)	(2,328.1)
	Capex for Light/Heavy Vehicles, Machinery and Equipment - Growth	(1,759.3)	(2,625.3)
	Capex for other PP&E and Intangible Assets	(38.2)	(80.6)
Total Capex - Accrual Method		(3,716.4)	(5,034.0)
Cashflow FS	Leasing and Finame Raised for Acquisition of Fixed Assets	567.6	451.7
	Changes in Balance of Suppliers Financing	(269.1)	(8.2)
	Changes in Balance of Automakers	258.9	986.4
Note 11 FS	Vehicles in Progress	(103.8)	-
	Other Additions (Non-Capex)	47.9	(5.4)
Supplemental Information to the Statement of Cashflow and Fixed Assets Note		501.6	1,424.4
Total Investment - FS Cashflow		(3,214.8)	(3,609.6)
Cashflow FS	Purchase of Fixed Assets for Rental	3,066.0	3,413.6
	Additions to PP&E for Capex and Intangible Assets	148.8	195.9

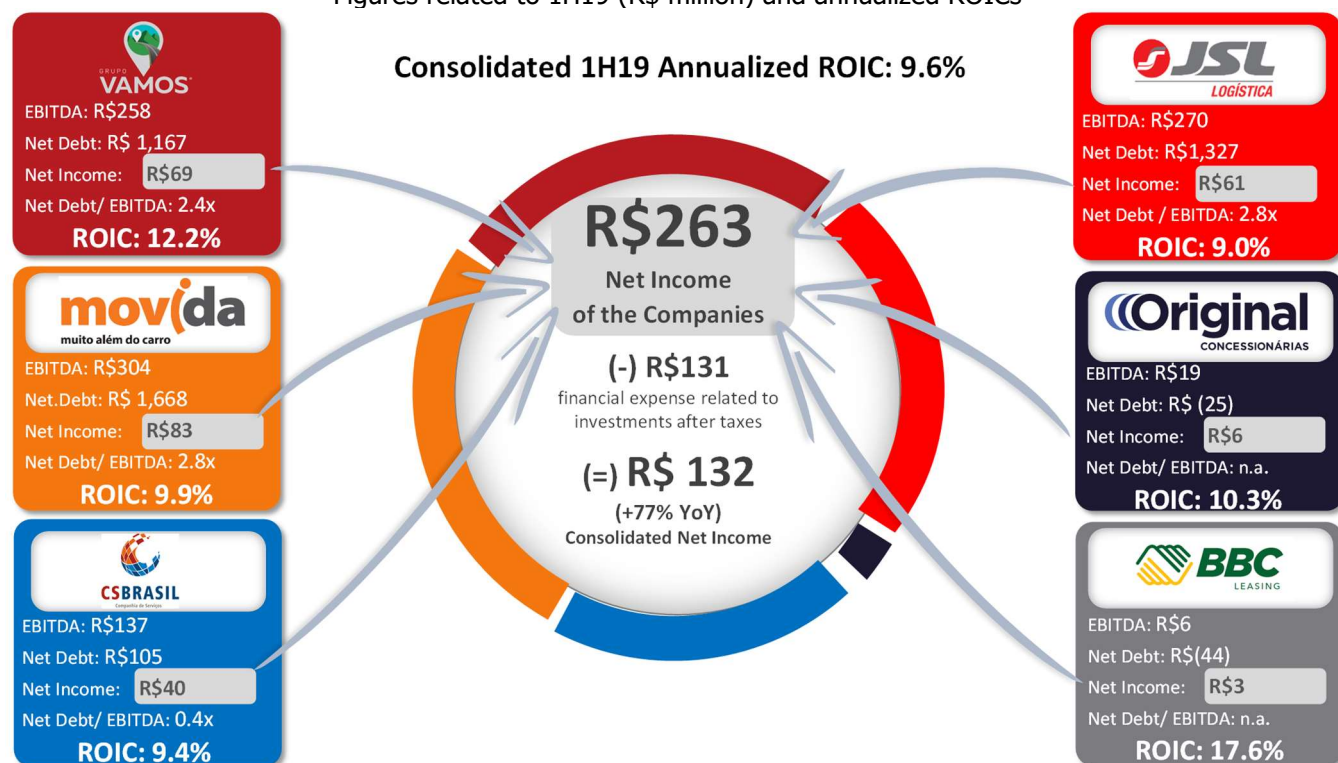
Free cash flow before expansion investments at JSL Consolidated totaled R\$1.1 billion in the last 12 months, a 13% reduction year-on-year. Net Capex for fleet growth amounted to R\$2.6 billion, mainly focused on Movida, VAMOS and CS Brasil. As a result, free cash flow after expansion and before interest totaled a negative R\$1.5 billion, given the acceleration of investments made in recent quarters, which did not reach their full revenue and cash generation potential for the same period.

JSL - Consolidated									
EBITDA Reconciliation (R\$ million)	2Q18	1Q19	2Q19	▲YoY	▲QoQ	6M18	6M19	▲YoY	LTM
Net Result	49.4	60.8	71.2	44.1%	17.1%	74.5	131.9	77.0%	246.6
Financial Result	167.8	180.1	206.1	22.8%	14.4%	337.3	386.2	14.5%	730.1
Income tax and Social contribution	27.9	26.9	31.7	13.6%	17.8%	45.0	58.6	30.2%	104.0
Depreciation / Amortization	146.1	177.6	178.5	22.2%	0.5%	288.3	356.1	23.5%	704.7
Amortization (IFRS 16)	-	29.2	30.6	-	4.8%	-	59.9	-	59.9
<b>EBITDA</b>	<b>391.2</b>	<b>474.6</b>	<b>518.2</b>	<b>32.5%</b>	<b>9.2%</b>	<b>745.1</b>	<b>992.7</b>	<b>33.2%</b>	<b>1,845.2</b>
Costs of Sales of Assets	412.6	548.6	665.7	61.3%	21.3%	814.2	1,214.2	49.1%	2,009.9
<b>EBITDA-A</b>	<b>803.8</b>	<b>1,023.1</b>	<b>1,183.8</b>	<b>47.3%</b>	<b>15.7%</b>	<b>1,559.3</b>	<b>2,207.0</b>	<b>41.5%</b>	<b>3,855.0</b>

## XII. Profitability - JSL Consolidated

### Profitability Breakdown

Figures related to 1H19 (R\$ million) and annualized ROICs



ROIC 6M19 annualized (R\$ million)	JSL Consolidated <sup>1</sup>	Logística	CS Brasil	Vamos	Movida	Original Concessionárias	BBC Leasing
EBIT 6M19 annualized	1,153.4	303.7	139.9	283.2	397.6	22.2	10.7
Taxes	(346.0)	(88.1)	(48.1)	(81.6)	(75.6)	(7.5)	(3.4)
NOPLAT	807.4	215.5	91.8	201.6	322.0	14.7	7.2
Average Net Debt <sup>2</sup>	7,056.5	1,325.9	78.8	1,015.1	1,561.1	(26.0)	(43.4)
Average Dividends <sup>2</sup>	-	-	-	75.0	-	-	-
Average Equity <sup>2</sup>	1,373.8	1,058.3	895.7	566.1	1,680.1	168.6	84.5
Average Invested Capital <sup>2</sup>	8,430.3	2,384.3	974.5	1,656.1	3,241.2	142.7	41.2
ROIC 6M19 annualized	9.6%	9.0%	9.4%	12.2%	9.9%	10.3%	17.6%

<sup>1</sup> Considers elimination between companies and Holding debt

<sup>2</sup> Considers the average between the current period and december 2018

**JSL S.A.**  
**Statements of financial position**  
**As at June 30, 2019 and December 31, 2018**  
**In thousands of Brazilian Reais**

Assets	Note	Parent company		Consolidated	
		6/30/2019 <sup>(1)</sup>	12/31/2018 <sup>(1)</sup>	6/30/2019 <sup>(1)</sup>	12/31/2018 <sup>(1)</sup>
<b>Current</b>					
Cash and cash equivalents	5	148,707	277,290	601,161	690,324
Marketable securities	6	469,792	991,629	4,336,401	4,136,909
Derivative financial instruments	4.4	-	22,013	-	22,013
Trade receivables	7	794,690	646,038	1,619,539	1,334,813
Inventories	8	30,202	29,307	287,516	261,987
Taxes recoverable		50,786	37,326	148,648	117,507
Income tax and social contribution recoverable		40,656	64,787	90,675	110,149
Prepaid expenses		18,810	11,125	103,182	25,583
Dividends receivable	10.3	269,946	93,331	-	-
Fixed assets available for sale	9	45,084	41,869	649,715	397,784
Advance to third parties		42,008	21,669	85,138	58,763
Other credits		33,469	30,562	36,014	35,488
		<b>1,944,150</b>	<b>2,266,946</b>	<b>7,957,989</b>	<b>7,191,320</b>
<b>Non-current</b>					
<b>Long-term assets</b>					
Marketable securities	6	5,816	1,215	9,265	4,532
Derivative financial instruments	4.4	551,471	433,279	562,849	438,160
Trade receivables	7	11,021	24,516	118,648	111,868
Taxes recoverable		79,434	60,944	148,295	114,222
Income tax and social contribution recoverable		20,494	20,494	24,147	24,312
Judicial deposits	20	46,876	45,821	76,745	73,400
Deferred income tax and social contribution	21.1	-	-	96,370	83,620
Related parties	22.1	32,352	39,330	60	346
Other credits		2,997	2,394	51,681	64,437
		<b>750,461</b>	<b>627,993</b>	<b>1,088,060</b>	<b>914,897</b>
Investments	10	2,949,179	2,938,419	4,977	3,754
Property and equipment	11	1,573,398	1,406,841	8,855,174	7,279,407
Intangible assets	12	250,025	250,557	513,114	484,576
		<b>5,523,063</b>	<b>5,223,810</b>	<b>10,461,325</b>	<b>8,682,634</b>
<b>Total assets</b>		<b>7,467,213</b>	<b>7,490,756</b>	<b>18,419,314</b>	<b>15,873,954</b>

<sup>(1)</sup> The amounts as of June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of financial position as at December 31, 2018 is not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

The accompanying notes are an integral part of this interim financial information.



**JSL S.A.**  
**Statements of financial position**  
**As at June 30, 2019 and December 31, 2018**  
**In thousands of Brazilian Reais**

Liabilities	Note	Parent company		Consolidated	
		6/30/2019 <sup>(1)</sup>	12/31/2018 <sup>(1)</sup>	6/30/2019 <sup>(1)</sup>	12/31/2018 <sup>(1)</sup>
<b>Current</b>					
Trade payables	13	87,397	93,516	1,933,536	1,195,407
Floor plan	14	-	-	91,659	93,588
Loans and borrowings	15	486,260	847,737	1,322,914	1,495,151
Debentures	16	556,467	366,590	691,379	483,667
Finance leases payable	17	39,388	35,755	89,875	91,402
Right-of-use lease	18	23,381	-	105,424	-
Assignment of receivables	19	-	-	6,043	7,410
Social and labor liabilities		143,580	124,921	267,521	238,034
Income tax and social contribution payable		-	-	19,761	12,356
Tax liabilities		32,503	37,183	84,900	75,856
Dividends and interest on capital payable	23.4	-	27,541	19,268	27,541
Other payables		37,882	32,939	199,306	175,475
Advances from customers		3,566	23,034	169,782	139,345
Related parties	22.1	-	-	3,040	246
		<b>1,410,424</b>	<b>1,589,216</b>	<b>5,004,408</b>	<b>4,035,478</b>
<b>Non-current</b>					
Loans and borrowings	15	2,912,365	3,253,656	6,780,133	7,092,551
Debentures	16	1,698,471	1,586,417	3,888,213	2,687,075
Finance leases payable	17	43,125	47,533	140,656	151,512
Right-of-use lease	18	156,973	-	411,781	-
Assignment of receivables	19	-	-	15,107	16,761
Tax liabilities		841	841	995	1,103
Provision for judicial and administrative litigation	20	53,140	53,351	75,548	75,563
Deferred income tax and social contribution	21.1	88,281	68,895	417,361	361,234
Other payables		112,622	137,702	185,940	204,178
		<b>5,065,818</b>	<b>5,148,395</b>	<b>11,915,734</b>	<b>10,589,977</b>
<b>Total liabilities</b>		<b>6,476,242</b>	<b>6,737,611</b>	<b>16,920,142</b>	<b>14,625,455</b>
<b>Equity</b>					
Share capital	23.1	683,255	681,202	683,255	681,202
Capital reserves	23.2	51,694	33,731	51,694	33,731
Treasury shares	23.3	(23,643)	(103,925)	(23,643)	(103,925)
Earnings reserve		17,841	17,841	17,841	17,841
Retained earnings		89,529	-	89,529	-
Other comprehensive income		122,740	(8,273)	122,740	(8,273)
Equity valuation adjustments	23.5	49,555	132,569	49,555	132,569
<b>Equity attributable to the owners of the Company</b>		<b>990,971</b>	<b>753,145</b>	<b>990,971</b>	<b>753,145</b>
Noncontrolling interests	23.6	-	-	508,201	495,354
<b>Total equity</b>		<b>990,971</b>	<b>753,145</b>	<b>1,499,172</b>	<b>1,248,499</b>
<b>Total liabilities and equity</b>		<b>7,467,213</b>	<b>7,490,756</b>	<b>18,419,314</b>	<b>15,873,954</b>

<sup>(1)</sup> The amounts as of June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of financial position as at December 31, 2018 is not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

The accompanying notes are an integral part of this interim financial information.

**JSL S.A.**
**Statements of profit or loss**
**Three and six-month periods ended June 30, 2019 and 2018**
**In thousands of Brazilian Reais, except for earnings per share**

	Note	Parent company				Consolidated			
		4/01 to 6/30/2019 <sup>(1)</sup>	4/01 to 6/30/2018 <sup>(1)</sup>	6/30/2019 <sup>(1)</sup>	6/30/2018 <sup>(1)</sup>	4/01 to 6/30/2019 <sup>(1)</sup>	4/01 to 6/30/2018 <sup>(1)</sup>	6/30/2019 <sup>(1)</sup>	6/30/2018 <sup>(1)</sup>
<b>Net revenue from sale, rental, rendering of services and sale of assets used in services rendered</b>	25	<b>758,024</b>	<b>745,153</b>	<b>1,528,134</b>	<b>1,466,064</b>	<b>2,388,944</b>	<b>1,938,222</b>	<b>4,600,728</b>	<b>3,875,035</b>
Cost of sales, rentals and services rendered	26	(608,837)	(623,598)	(1,206,293)	(1,219,665)	(1,232,757)	(1,103,152)	(2,417,125)	(2,218,781)
Cost of sales of decommissioned assets	26	(45,307)	(49,248)	(113,196)	(74,993)	(665,677)	(412,586)	(1,214,236)	(814,249)
<b>Total cost of sales, rentals, services rendered and decommissioned assets</b>		<b>(654,144)</b>	<b>(672,846)</b>	<b>(1,319,489)</b>	<b>(1,294,658)</b>	<b>(1,898,434)</b>	<b>(1,515,738)</b>	<b>(3,631,361)</b>	<b>(3,033,030)</b>
<b>Gross profit</b>		<b>103,880</b>	<b>72,307</b>	<b>208,645</b>	<b>171,406</b>	<b>490,510</b>	<b>422,484</b>	<b>969,367</b>	<b>842,005</b>
Selling expenses	26	(4,435)	(2,640)	(9,492)	(10,035)	(59,205)	(62,919)	(115,011)	(128,558)
Administrative expenses	26	(27,548)	(32,879)	(51,962)	(62,415)	(154,098)	(115,966)	(302,243)	(227,917)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	26	(623)	1,088	5,112	(2,131)	(6,245)	1,287	(11,998)	(7,980)
Other operating (expenses) income, net	26	(257)	18,134	(330)	11,416	38,631	(416)	37,578	(20,907)
Equity results from subsidiaries	10.1	93,592	79,579	162,381	126,939	(613)	614	(975)	175
<b>Profit before finance income, costs and taxes</b>		<b>164,609</b>	<b>135,589</b>	<b>314,354</b>	<b>235,180</b>	<b>308,980</b>	<b>245,084</b>	<b>576,718</b>	<b>456,818</b>
Finance income	27	15,404	63,581	51,980	91,299	50,964	404,864	162,227	472,318
Finance costs	27	(132,596)	(173,176)	(273,787)	(301,749)	(257,057)	(572,661)	(548,398)	(809,634)
<b>Profit before income tax and social contribution</b>		<b>47,417</b>	<b>25,994</b>	<b>92,547</b>	<b>24,730</b>	<b>102,887</b>	<b>77,287</b>	<b>190,547</b>	<b>119,502</b>
Income tax and social contribution – current	21.3	(1,095)	(7,380)	(2,859)	(7,380)	(31,470)	(15,153)	(52,804)	(25,814)
Income tax and social contribution - deferred	21.3	12,453	14,702	17,015	29,542	(257)	(12,711)	(5,823)	(19,173)
<b>Total income tax and social contribution</b>		<b>11,358</b>	<b>7,322</b>	<b>14,156</b>	<b>22,162</b>	<b>(31,727)</b>	<b>(27,864)</b>	<b>(58,627)</b>	<b>(44,987)</b>
<b>Profit for the period</b>		<b>58,775</b>	<b>33,316</b>	<b>106,703</b>	<b>46,892</b>	<b>71,160</b>	<b>49,423</b>	<b>131,920</b>	<b>74,515</b>
<b>Attributable to:</b>									
Owners of the Company		58,775	33,316	106,703	46,892	58,775	33,316	106,703	46,892
Non-controlling interests		-	-	-	-	12,385	16,107	25,217	27,623
(=) Basic earnings per share (in Reais)	28	-	-	-	-	-	-	0.5199	0.2326
(=) Diluted earnings per share (in Reais)	28	-	-	-	-	-	-	0.5071	0.2275

<sup>(1)</sup> The three and six-month periods ended June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statements of profit or loss for the three and six-month period ended June 30, 2018 are not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

The accompanying notes are an integral part of this interim financial information.

**JSL S.A.****Statements of comprehensive income (loss)****Three and six-month periods ended June 30, 2019 and 2018****In thousands of Brazilian Reais**

	<b>Parent company</b>				<b>Consolidated</b>			
	<b>4/01 to 6/30/2019 <sup>(1)</sup></b>	<b>4/01 to 6/30/2018 <sup>(1)</sup></b>	<b>6/30/2019<sup>(1)</sup></b>	<b>6/30/2018<sup>(1)</sup></b>	<b>4/01 to 6/30/2019 <sup>(1)</sup></b>	<b>4/01 to 6/30/2018 <sup>(1)</sup></b>	<b>6/30/2019<sup>(1)</sup></b>	<b>6/30/2018<sup>(1)</sup></b>
<b>Profit for the period</b>	<b>58,775</b>	<b>33,316</b>	<b>106,703</b>	<b>46,892</b>	<b>71,160</b>	<b>49,423</b>	<b>131,920</b>	<b>74,515</b>
<b>Items that may be subsequently reclassified to profit or loss:</b>								
Gain (losses) on cash flow hedge	125,648	(58,609)	124,341	(125,919)	125,648	(58,609)	124,341	(125,919)
Gains on cash flow hedge in subsidiaries	3,435	-	4,374	-	3,435	-	4,374	-
Income tax and social contribution on cash flow hedge	(42,180)	19,927	(42,055)	42,812	(42,180)	19,927	(42,055)	42,812
Unrealized gains (losses) on available-for-sale securities measured at FVOCI	20,487	(33,965)	44,353	(42,029)	20,487	(33,965)	44,353	(42,029)
<b>Total other comprehensive income (loss)</b>	<b>107,390</b>	<b>(72,647)</b>	<b>131,013</b>	<b>(125,136)</b>	<b>107,390</b>	<b>(72,647)</b>	<b>131,013</b>	<b>(125,136)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>166,165</b>	<b>(39,331)</b>	<b>237,716</b>	<b>(78,244)</b>	<b>178,550</b>	<b>(23,224)</b>	<b>262,933</b>	<b>(50,621)</b>
Attributable to:								
Owners of the Company	166,165	(39,331)	237,716	(78,244)	166,165	(39,331)	237,716	(78,244)
Non-controlling interests	-	-	-	-	12,385	16,107	25,217	27,623

<sup>(1)</sup> The three and six-month periods ended June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statements of comprehensive income (loss) for the three and six-month period ended June 30, 2018 are not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

The accompanying notes are an integral part of this interim financial information.

**JSL S.A.**  
**Statements of changes in equity**  
**Six-month periods ended June 30, 2019 and 2018**  
**In thousands of Brazilian Reais**

Note	Capital reserves				Earnings reserves		Retained earnings (accumulated losses)	Other comprehensive income (loss)			Equity valuation adjustments (Note 23.5)	Total equity of owners of the Company	Non-controlling interests	Total equity
	Share capital	Share-based payment transactions	Government grant reserve	Treasury shares	Retention of earnings	Legal reserve		Hedge reserve	Unrealized gain (losses) on available-for-sale investments	Total other comprehensive income (loss)				
Balance at December 31, 2017	660,395	15,751	6,210	(460)	-	-	(72,329)	(937)	(4,463)	(5,400)	82,621	686,788	502,532	1,189,320
Adjustment on initial application of CPC 48 / IFRS 9 and CPC 47 / IFRS 15	-	-	-	-	-	-	(12,580)	-	-	-	-	(12,580)	(5,256)	(17,836)
Restated balances at January 1, 2018	660,395	15,751	6,210	(460)	-	-	(84,909)	(937)	(4,463)	(5,400)	82,621	674,208	497,276	1,171,484
Profit for the period	-	-	-	-	-	-	46,892	-	-	-	-	46,892	27,623	74,515
Other comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	(83,107)	(42,029)	(125,136)	-	(125,136)	-	(125,136)
Total comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	46,892	(83,107)	(42,029)	(125,136)	-	(78,244)	27,623	(50,621)
Share-based payment	23.2	-	2,556	-	-	-	-	-	-	-	-	2,556	-	2,556
Repurchase of shares	23.3	-	-	(103,465)	-	-	1,305	-	-	-	-	(102,160)	-	(102,160)
Gain on equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	46,086	46,086	-	46,086
Government grants	23.2 b	-	40	-	-	-	-	-	-	-	-	40	-	40
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(52,315)	(52,315)
Balance at June 30, 2018 (1)	660,395	18,307	6,250	(103,925)	-	-	(36,712)	(84,044)	(46,492)	(130,536)	128,707	542,486	472,584	1,015,070
Balance at December 31, 2018 (1)	681,202	22,858	10,873	(103,925)	15,192	2,649	-	27,418	(35,691)	(8,273)	132,569	753,145	495,354	1,248,499
Profit for the period	-	-	-	-	-	-	106,703	-	-	-	-	106,703	25,217	131,920
Other comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	-	86,660	44,353	131,013	-	131,013	-	131,013
Total comprehensive income (loss) for the period, net of taxes	-	-	-	-	-	-	106,703	86,660	44,353	131,013	-	237,716	25,217	262,933
Share-based payment	23.2 a	-	789	-	-	-	-	-	-	-	-	789	-	789
Losses on equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(329)	(329)	(155)	(484)
Government grants	23.2 b	-	-	17,174	-	-	(17,174)	-	-	-	-	-	-	-
Distribution of dividends (interest on capital)	-	-	-	-	-	-	-	-	-	-	-	-	(11,191)	(11,191)
Capital contribution	2,053	-	-	-	-	-	-	-	-	-	-	2,053	-	2,053
Repurchase of shares	-	-	-	(2,403)	-	-	-	-	-	-	-	(2,403)	(1,024)	(3,427)
cancellation of shares in treasury	-	-	-	82,685	-	-	-	-	-	-	(82,685)	-	-	-
Balance at June 30, 2019 (1)	683,255	23,647	28,047	(23,643)	15,192	2,649	89,529	114,078	8,662	122,740	49,555	990,971	508,201	1,499,172

(1) The amounts as of June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of changes in equity for the six-month period ended June 30, 2018 and the balances as of December 31, 2018 are not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

The accompanying notes are an integral part of this interim financial information.

**JSL S.A.**  
**Statements of cash flows - indirect method**  
**Six-month periods ended June 30, 2019 and 2018**  
**In thousands of Brazilian Reais**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019<sup>(1)</sup></b>	<b>6/30/2018<sup>(1)</sup></b>	<b>6/30/2019<sup>(1)</sup></b>	<b>6/30/2018<sup>(1)</sup></b>
<b>Cash flows from operating activities</b>				
Profit before income tax and social contribution	92,547	24,730	190,547	119,502
<b>Adjustments for:</b>				
Depreciation and amortization (Notes 10.1, 11 and 12)	113,153	98,147	416,009	288,280
Cost of sales of decommissioned assets (Note 9)	113,196	74,993	1,214,236	814,249
Realization of surplus value of assets (Note 10.1)	301	7,322	-	-
Equity results from subsidiaries (Note 10)	(162,381)	(126,939)	975	(175)
Provision for impairment of assets, contingencies and other losses	5,699	771	54,518	87,435
Write-off of other assets	1,306	927	4,417	84,311
Present value adjustment of assets and liabilities	193	(4,236)	193	(4,236)
Extemporaneous tax credits (Note 26)	(3,846)	(27,227)	(29,214)	(62,789)
Share-based payment (Note 23.2)	789	2,556	789	2,556
(Gain) loss on fair value of derivative financial instruments (Note 27)	8,681	(250,457)	13,520	(253,422)
Interest and exchange variations on loans and borrowings, finance leases, leases by right-of-use, debentures and suppliers financing - car makers	233,909	538,384	473,905	1,037,214
	<b>403,547</b>	<b>338,971</b>	<b>2,339,895</b>	<b>2,112,925</b>
<b>Changes in net working capital</b>				
Trade receivables	(140,269)	(3,686)	(303,504)	(100,568)
Inventories	(1,147)	(7,304)	19,217	(2,968)
Taxes recoverable	(28,104)	(10,691)	(36,000)	(5,965)
Trade payables	(13,333)	291	20,842	34,915
Floor plan	-	-	(1,929)	11,150
Labor and tax liabilities	13,979	29,072	38,423	34,599
Other current and non-current assets and liabilities	(18,772)	4,918	(52,887)	55,365
<b>Changes in net working capital</b>	<b>(187,646)</b>	<b>12,600</b>	<b>(315,838)</b>	<b>26,528</b>
Income tax and social contribution paid	-	(5,951)	(25,760)	(12,813)
Interest paid on loans and borrowings, finance leases, right-of-use lease, debentures and suppliers financing - car makers	(235,454)	(156,314)	(483,081)	(238,199)
Acquisition of operational property and equipment for rental (Note 29)	(131,824)	(49,334)	(2,077,287)	(1,729,646)
<b>Net cash (used in) generated by operating activities before investments in marketable securities</b>	<b>(151,377)</b>	<b>139,972</b>	<b>(562,071)</b>	<b>158,795</b>
Redemptions of (investments in) marketable securities	517,236	(307,279)	(159,872)	(1,882,790)
<b>Net cash generated by (used in) operating activities</b>	<b>365,859</b>	<b>(167,307)</b>	<b>(721,943)</b>	<b>(1,723,995)</b>
<b>Cash flows from investing activities</b>				
Capital contribution	(31,430)	(201,473)	(2,198)	-
Acquisition of property and equipment for investment and intangible assets	(13,905)	(10,055)	(72,022)	(24,930)
Dividends and interest on capital received	14,252	21,044	-	-
<b>Net cash used in investing activities</b>	<b>(31,083)</b>	<b>(190,484)</b>	<b>(74,220)</b>	<b>(24,930)</b>
<b>Cash flows from financing activities</b>				
Repurchase of shares (treasury shares)	-	(5,459)	(3,427)	(5,459)
Payment for the acquisition of companies	(193)	(475)	(193)	(103,622)
Receipt (Payment) of assignment of receivables	-	33,995	(3,021)	(3,021)
New loans and borrowings and debentures	494,119	977,301	2,534,149	2,821,902
Payments of loans and borrowings, finance leases, right-of-use lease and debentures	(955,652)	(591,452)	(1,807,539)	(863,296)
Derivative financial instruments received (paid)	23,855	(37,101)	12,519	(37,101)
Dividends and interest on capital paid	(27,541)	-	(27,541)	-
Capital increase	2,053	-	2,053	-
<b>Net cash (used in) generated by financing activities</b>	<b>(463,359)</b>	<b>376,809</b>	<b>707,000</b>	<b>1,809,403</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(128,583)</b>	<b>19,018</b>	<b>(89,163)</b>	<b>60,478</b>
<b>Cash and cash equivalents</b>				
At the beginning of the period	277,290	116,487	690,324	714,734
At the end of the period	148,707	135,505	601,161	775,212
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(128,583)</b>	<b>19,018</b>	<b>(89,163)</b>	<b>60,478</b>
<b>Main non-cash transactions</b>				
Raising of finance leases and Finame for the acquisition of operational property and equipment	(50,633)	(56,655)	(146,876)	(262,777)
Addition of right-of-use lease (Note 29)	(179,413)	-	(504,788)	-

<sup>(1)</sup> The amounts as of June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of cash flows for the six-month period ended June 30, 2018 is not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

The accompanying notes are an integral part of this interim financial information.



**JSL S.A.**  
**Statements of value added**  
**Six-month periods ended June 30, 2019 and 2018**  
**In thousands of Brazilian Reais**

		<b>Parent company</b>		<b>Consolidated</b>	
	<b>Note</b>	<b>6/30/2019<sup>(1)</sup></b>	<b>6/30/2018<sup>(1)</sup></b>	<b>6/30/2019<sup>(1)</sup></b>	<b>6/30/2018<sup>(1)</sup></b>
Sales, services rendered and sale of assets used in services rendered	25	1,842,644	1,785,415	5,201,689	4,402,171
Reversal (provision) of expected credit losses ("impairment") of trade receivables	26	5,112	(2,131)	(11,998)	(7,980)
Other operating income	26	13,028	10,693	71,036	23,800
		<b>1,860,784</b>	<b>1,793,977</b>	<b>5,260,727</b>	<b>4,417,991</b>
<b>Inputs acquired from third parties</b>					
Cost of sales and services rendered		(910,849)	(822,007)	(2,814,255)	(1,476,172)
Materials, electric power, services provided by third parties and others		(21,294)	(34,156)	(248,508)	(812,663)
		<b>(932,143)</b>	<b>(856,163)</b>	<b>(3,062,763)</b>	<b>(2,288,835)</b>
<b>Gross value added</b>		<b>928,641</b>	<b>937,814</b>	<b>2,197,964</b>	<b>2,129,156</b>
<b>Retentions</b>					
Depreciation and amortization	26	(113,153)	(98,147)	(416,009)	(288,280)
<b>Net value added produced by the Company</b>		<b>815,488</b>	<b>839,667</b>	<b>1,781,955</b>	<b>1,840,876</b>
<b>Value added received through transfer</b>					
Equity results from subsidiaries	10	162,381	126,939	(975)	175
Finance income	27	51,980	91,299	162,227	472,492
		<b>214,361</b>	<b>218,238</b>	<b>161,252</b>	<b>472,667</b>
<b>Total value added to distribute</b>		<b>1,029,849</b>	<b>1,057,905</b>	<b>1,943,207</b>	<b>2,313,543</b>
<b>Distribution of value added</b>					
Personnel and payroll charges	26	437,880	425,346	796,535	732,464
Federal taxes		81,757	140,907	217,516	324,909
State taxes		84,445	97,505	167,399	193,984
Municipal taxes		31,142	29,399	46,148	50,226
Interest and bank fees	27	273,787	301,749	548,398	809,633
Rentals	26	14,135	16,107	35,291	127,812
Retained earnings for the period		106,703	46,892	131,920	74,515
		<b>1,029,849</b>	<b>1,057,905</b>	<b>1,943,207</b>	<b>2,313,543</b>

<sup>(1)</sup> The amounts as of June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of value added for the six-month period ended June 30, 2018 is not being restated. Note 2.4 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

## **1. General information**

JSL S.A. ("Company" or "Parent company") is a publicly-traded corporation with its headquarters at Renato Paes de Barros Street 1.017 – 9th floor Itaim Bibi - São Paulo, and has its shares traded on B3 ("*Brasil, Bolsa e Balcão*"), controlled by Simpar S.A.. The Company also trades share deposit certificates on the over-the-counter market of the United States of America (USA) in order to facilitate the purchase, maintenance and sale of shares by North American investors.

In connection with its process of continuous improvement of its information and management processes, the Company's management has split the Transporte e Logística business segment into three individual segments ("JSL Logística", "CS Brasil" and "Holding and other"), with their own decision-making processes.

Therefore, the Company and its subsidiaries (collectively referred to as "Group" or "JSL Group") started to operate in seven main segments: transportation and logistics services ("JSL Logística"), rental of light vehicles ("Movida"), rental of trucks, machinery and equipment ("Vamos"), people transport, utilities and public sector vehicle fleet management and outsourcing ("CS Brasil"), authorized vehicle dealerships of light vehicles ("Original Concessionárias"), financial services and other operations, which include entities located in Luxembourg ("Holding and other"). The activities in these segments basically consist of:

- (i) JSL Logística: road transportation of cargo and commodities, storage, internal logistics and urban distribution;
- (ii) Movida: rentals of light vehicles in the retail and fleet management, and resale of vehicles replaced for renewal of the respective fleets, through the 'Movida' brand stores;
- (iii) Vamos: rental of trucks, machinery and equipment, sale of new parts and accessories for trucks, machinery and equipment, wholesale of new and used bus and micro-bus, sale of trucks, machinery and equipment, new and used tractors, agricultural machinery and implements and provision of agricultural services;
- (iv) CS Brasil: public passenger transport, collection and transportation of household, commercial or industrial waste, as well as fleet management and outsourcing to the public sector;
- (v) Original Concessionárias: sale of light vehicles, resale of used vehicles, parts, machinery and accessories, providing mechanical services, bodywork and painting services, and brokerage services for automotive insurance sales;
- (vi) BBC Leasing: finance and/or operating lease transactions for the purchase of vehicles and equipment defined by Law 6,099/74 in compliance with prevailing legal and regulatory provisions;
- (vii) Holding and other: composed mainly of entities located abroad, used as a vehicle for raising funds (Bonds), in addition to activities classified as of Holding of investments and equity interests of the Group, as well as real estate sublease through the entity JSL Imobiliária.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**1.1 List of interests in subsidiaries and associates**

The Company's equity interests in its subsidiaries and associates at the end of the reporting period are as follows:

Corporate name	Headquarter country	Segment	6/30/2019		12/31/2018	
			Direct interest %	Indirect interest %	Direct interest %	Indirect interest %
Agrolog Transportadora de Cargas em Geral Ltda. (i) ("Agrolog Transportadoras")	Brazil	JSL Logística	99.80	0.20	99.80	0.20
Medlogística Prestação de Serviços de Logística S.A. ("Medlogística")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Mogipasses Comércio de Bilhetes Eletrônicos Ltda. ("Mogipasses")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Quick Armazéns Gerais - Eirelli - ME ("Quick Armazéns")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Quick Logística Ltda. ("Quick Logística")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Riograndense Navegação Ltda. (i) ("Riograndense")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Sinal Serviços de Integração Industrial Ltda. (nova denominação de Servim Serviços Logísticos Ltda.) (i) ("Sinal Serviços")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda. ("Yolanda")	Brazil	JSL Logística	99.99	0.01	99.99	0.01
Movida Participações S.A. ("Movida Participações")	Brazil	Movida	70.13	-	70.13	-
Movida Locação de Veículos Premium Ltda. ("Movida Premium")	Brazil	Movida	-	70.13	-	70.13
Movida Locação de Veículos S.A. ("Movida Locação")	Brazil	Movida	-	70.13	-	70.13
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos")	Brazil	Vamos	99.99	0.01	99.99	0.01
Vamos Máquinas S.A. (nova denominação da Borgato Máquinas S.A.) ("Vamos Máquinas")	Brazil	Vamos	-	100.00	-	100.00
Vamos Seminovos S.A. (atual denominação de Borgato Caminhões S.A.) ("Vamos Seminovos")	Brazil	Vamos	-	100.00	-	100.00
Borgato Serviços Agrícolas S.A. ("Borgato Serviços")	Brazil	Vamos	-	100.00	-	100.00
Clicca Atividades de Internet Ltda. (i) ("Clicca")	Brazil	Vamos	-	100.00	-	100.00
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda. ("Transrio")	Brazil	Vamos	-	100.00	-	100.00
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (ii) ("CS Brasil Transportes")	Brazil	CS Brasil	99.99	0.01	99.99	0.01
CS Brasil Frotas Ltda. ("CS Brasil Frotas")	Brazil	CS Brasil	88.87	11.13	89.16	10.84
BRT Sorocaba Concessionárias	Brazil	CS Brasil	-	49.25	49.25	-
Consórcio 123 (ii)	Brazil	CS Brasil	-	33.33	33.33	-
Consórcio Sorocaba (ii)	Brazil	CS Brasil	-	50.00	50.00	-
Joseense Transporte de Passageiros Ltda. ("Joseense Transporte") (iii)	Brazil	CS Brasil	99.99	0.01	-	-
Mogi Mob Transporte de Passageiros Ltda. ("Mogi Mob") (iii)	Brazil	CS Brasil	99.99	0.01	-	-
TPG Transporte de Passageiros Ltda. ("TPG Transporte") (iii)	Brazil	CS Brasil	99.99	0.01	-	-
Avante Veículos Ltda. ("Avante Veículos")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
JSL Corretora e Administradora de Seguros Ltda. ("JSL Corretora")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
Original Distribuidora de Peças e Acessórios Ltda. (i) ("Original Distribuidora")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
Original Veículos Ltda. ("Original Veículos")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
Ponto Veículos Ltda. ("Ponto Veículos")	Brazil	Original Concessionárias	99.99	0.01	99.99	0.01
JSLF1 Participações Ltda. ("JSLF1")	Brazil	BBC Leasing	99.99	0.01	99.99	0.01
JSL Arrendamento Mercantil S.A. ("JSL Arrendamento")	Brazil	BBC Leasing	-	100.00	-	100.00
JSL Holding Financeira Ltda. ("JSL Holding")	Brazil	BBC Leasing	-	100.00	-	100.00
JSL Empreendimentos Imobiliários Ltda. ("JSL Empreendimentos Imobiliários")	Brazil	Holding and other	99.99	0.01	99.99	0.01
JSL Europe	Luxembourg	Holding and other	100.00	-	100.00	-
JSL Finance S.a.r.l. ("JSL Finance")	Luxembourg	Holding and other	100.00	-	100.00	-

- (i) Company in pre-operational phase or dormant;
- (ii) The subsidiary CS Brasil Transportes proportionally consolidates in its statement of financial position the percentage of its interest in the following entities: Consórcio 123 (33.33%) and Consórcio Sorocaba (50%);
- (iii) On May 31, 2019, through a partial spin-off instrument, and aiming at a better segregation of its business, a corporate restructuring was carried out in the operations of the subsidiary CS Brasil, resulting in the creation of new companies that will concentrate the public passenger transport service, as follows: Joseense Transporte de Passageiros Ltda., in conformity with the concession agreements in the city of São José dos Campos; Mogi Mob Transporte de Passageiros Ltda., in conformity with the concession agreements in the city of Mogi das Cruzes and; TPG Transporte de Passageiros Ltda., in conformity with the concession agreements in the city of Guararema.

## **1.2 Strategic alliance with Avis Budget Car Rental, LLC**

On August 30, 2018, the subsidiary Movida Participações S.A. signed a non-binding letter of intent with AVIS BUDGET CAR RENTAL, LLC, which is one of the main global providers of mobility solutions, both through its Avis and Budget brands. The purpose is to form a strategic alliance, which includes:

- (i) transform Movida into the Master Franchisor in Brazil for 10 years, renewable for additional 10 years;
- (ii) cooperation agreement between the brands in which Movida may include the Avis and Budget brands in its service points in Brazil and Avis may add the Movida logo in the main airports which are destinations of Brazilians in the world; and
- (iii) acquisition of assets of approximately 4,400 cars, of which 3,500 for Rent a Car (RAC) and 900 for Fleet Management and Outsourcing (GTF), with estimated value of R\$150,000, for payment within one year, which will be subject to a financing agreement with a local financial institution.

On January 15, 2019, the Brazilian Antitrust Agency (CADE) approved, without restrictions, within the scope of Antitrust Case No. 08700.006055 / 2018-85, the acquisition by Movida of assets held by Avis Budget Group, represented by Avis Budget Brasil S.A. The decision of CADE is final and has already become final and unappealable.

## **2. Basis of preparation and presentation of interim financial information**

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

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

The interim financial information contains selected explanatory notes that explain significant events and transactions, which allow the understanding of the changes occurred in the JSL Group's financial position and performance since its last annual financial statements.

Therefore, this interim financial information should be read in conjunction with the Company's financial statements for the year ended December 31, 2018, which have been prepared and presented in accordance with the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB, and also in accordance with the accounting practices adopted in Brazil (BR GAAP), which include those included in Brazilian corporate law and the standards, guidelines and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

All significant information in the interim financial information, and only this information, is being disclosed and corresponds to that used by Management in its activities.

This interim financial information was approved and authorized for issuance by the Executive Directors on August 14, 2019.

### **2.2 Statement of value added (“DVA”)**

The preparation of the statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to publicly-held companies.

The IFRS's do not require the presentation of such statement. Accordingly, under the IFRS this statement is presented as supplementary information, and not as part of the set of interim financial information.

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

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

The significant judgments made by Management during the application of the Group's accounting policies and information on the uncertainties related to the assumptions and estimates that have significant risk of resulting in a material adjustment are the same as those disclosed in the last annual financial statements, except for significant judgments and uncertainties related to estimates and assumptions related to the adoption of CPC 06 (R2) / IFRS 16, as disclosed in Note 2.4.

## **2.4 Changes in significant accounting policies**

In preparing this interim financial information, the Group's Management considered, where applicable, new revisions of and interpretations to the IFRS and the technical pronouncements issued by IASB and CPC, respectively, which became effective on January 1, 2019. Except for the adoption of CPC 06 (R2) / IFRS 16 - Leases, a number of other new standards also came into effect as of that date, however, with no material effect on the Group's interim financial information.

### **CPC 06 (R2) / IFRS - 16 Leases**

The CPC 06 (R2) / IFRS 16 introduces a single, on-statement of financial position lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the previous standard, i.e. lessors continue to classify leases as finance or operating leases.

The CPC 06 (R2) / IFRS 16 replaces the existing lease guidance, including CPC 06 / IAS 17 Leases and ICPC 03 / IFRIC 4, SIC 15 and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group elected to adopt the modified retrospective approach as of January 1, 2019, with prospective effects. Therefore, the comparative periods are not being restated and include the approach of the standard in effect at the base date. The use of this approach has substantially impacted the lease contracts for real estate and vehicles held until the adoption of the standard as an operating lease.

#### **a) Definition of lease**

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under ICPC 03 / IFRIC 4 - Determining whether an Arrangement Contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under CPC 06 (R2) / IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to CPC 06 (R2) / IFRS 16, the Group elected to apply the practical expedient of maintaining the evaluation of which transactions are leases. The Group adopted CPC 06 (R2) / IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases in accordance with CPC 06 (R1) / IAS 17 and ICPC 03 / IFRIC 4 were not revalued. Accordingly, the new lease definition in accordance with CPC 06 (R2) / IFRS 16 was adopted only to contracts entered into or amended on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.



b) Group as lessee

- **Measurement of lease liability** – the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's financing rate;
- **Lease term** – during which time the Group contracted the lease of the property. The Group adopted the term established in each contract, since it understands that it does not have an enforceable obligation beyond the contractual term established. The use of hindsight was also determined, such as to determine the term of the lease, whether the contract contains options to extend or terminate the lease, among others;
- **Contracts with indefinite term** – the Group is a lessee in some contracts with indefinite term, for these contracts the Group considered an estimate for the term in which such contracts would be enforceable;
- **Recognition exemption** – the Group opted for the recognition exemption for leases whose term is less than 12 months and leases of low value, considering underlying asset with value of less than R\$ 20. For leases with recognition exemption, the Group recognized the expense in the statement of profit or loss over the lease term as incurred.
- **Lessee incremental interest rate** – the Group considered, for all contracts with related parties and third parties, interest rates necessary to finance the acquisition of the leased assets under conditions similar to the cost of money for the Group on the date of adoption of the standard. In order to identify the rates adopted, the Group considers the cost of funding on a benchmark rate by adding the Group's risk spread and adjusting the guarantee effect, following the requirements of CPC 06 (R2) / IFRS 16. The rates used by the Group vary from 4.93% to 7.77% allocated to each contract in accordance with their remaining contractual term, as well as the adjustment index determined in the contractual instruments (IGP-M, IPCA, among others);
- **Finance charges from lease contracts** – finance charge is recognized as a finance cost and allocated to each period during the term of the lease. Contingent payments are recorded as an expense in the statement of profit or loss as they are incurred.
- **Measurement of the right-of-use asset** – the right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted for any remeasurement of the lease liability. In addition, the Group opted to exclude the initial direct costs from the measurement of the right-of-use asset;
- **Amortization of the right-of-use asset** – the Group's lease contracts do not have clauses that allow the Group to exercise the acquisition of ownership of the asset at the end of the lease term. Therefore, the useful life of these assets in the absence of impairment is the contractual term, whichever is shorter. The Group adopts the allocation of amortization of the right-of-use asset in a systematic and linear manner. It should be emphasized that the Group will periodically reassess the useful life of the rights-of-use whenever there are changes in the strategic business plans and intentions of the lessors in continuing the contract;
- **Impairment of the right-of-use asset** – the Group will continue to apply Technical Pronouncement CPC 01 - Impairment of Assets, and will periodically carry out an assessment of impairment indicators based on management parameters for assessing the profitability of stores and distribution centers.
- **Leases previously classified as finance leases** – the Group chose to maintain in the line item of property and equipment and lease liabilities at the amounts immediately prior to the date of adoption.
- **PIS and COFINS** – PIS and COFINS credits on amounts payable for right-of-use lease to corporate lessors, as determined by local tax legislation, were deducted from the recorded right-of-use assets and liabilities.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**c) Group as a lessor**

The accounting policies applicable to the Group as lessor do not differ from those under CPC 06 (R1) / IAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group is not required to make any adjustments in the transition to CPC 06 (R2) / IFRS 16 for leases in which it acts as lessor. However, the Group adopted CPC 47 / IFRS 15 - Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

**d) Presentation of the effects related to the application of the new pronouncement**

The effect of the adoption of CPC 06 (R2) / IFRS 16 - Leases as of January 1, 2019, with impacts on the opening statement of financial position, is presented below:

	Parent company			Consolidated		
	Published 12/31/2018	Adjustments from adoption of CPC 06 (R2) / IFRS 16	Adjusted amount at 1/1/2019	Published 12/31/2018	Adjustments from adoption of CPC 06 (R2) / IFRS 16	Adjusted amount at 1/1/2019
<b>Assets</b>						
<b>Total current assets</b>	<b>2,266,946</b>	-	<b>2,266,946</b>	<b>7,191,320</b>	-	<b>7,191,320</b>
Property and equipment	1,406,841	179,413	1,586,254	7,279,407	504,788	7,784,195
Other non-current assets	3,816,969	-	3,816,969	1,403,227	-	1,403,227
<b>Total non-current assets</b>	<b>5,223,810</b>	<b>179,413</b>	<b>5,403,223</b>	<b>8,682,634</b>	<b>504,788</b>	<b>9,187,422</b>
<b>Total assets</b>	<b>7,490,756</b>	<b>179,413</b>	<b>7,670,169</b>	<b>15,873,954</b>	<b>504,788</b>	<b>16,378,742</b>
<b>Liabilities</b>						
Finance leases payable	35,755	-	35,755	91,402	-	91,402
Right-of-use lease	-	16,570	16,570	-	102,353	102,353
Other current liabilities	1,553,461	-	1,553,461	3,944,076	-	3,944,076
<b>Total current liabilities</b>	<b>1,589,216</b>	<b>16,570</b>	<b>1,605,786</b>	<b>4,035,478</b>	<b>102,353</b>	<b>4,137,831</b>
Finance leases payable	47,533	-	47,533	151,512	-	151,512
Right-of-use lease	-	162,843	162,843	-	402,435	402,435
Other current liabilities	5,100,862	-	5,100,862	10,438,465	-	10,438,465
<b>Total non-current liabilities</b>	<b>5,148,395</b>	<b>162,843</b>	<b>5,311,238</b>	<b>10,589,977</b>	<b>402,435</b>	<b>10,992,412</b>
<b>Total equity</b>	<b>753,145</b>	-	<b>753,145</b>	<b>1,248,499</b>	-	<b>1,248,499</b>
<b>Total liabilities and equity</b>	<b>7,490,756</b>	<b>179,413</b>	<b>7,670,169</b>	<b>15,873,954</b>	<b>504,788</b>	<b>16,378,742</b>

**e) Variable, low-value and short-term lease payments**

In the six-month period ended June 30, 2019, the Company recognized the amounts of 3,840 and R\$ 31,956 in Parent Company and Consolidated, respectively, referring to expenses related to the payment of variable, low-value and short-term leases.

### **3. Segment information**

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

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

No customer accounted for more than 10% of the gross operating revenue for the six-month periods ended June 30, 2019 and 2018.

The respective information for the six-month periods ended June 30, 2019 and 2018 shown below already reflects the split of the JSL Logística business segment shown in Note 1. For purposes of comparison with prior periods, segment results based on the previous managerial structure will also be presented.

Below we present segment information for the six-month periods ended June 30, 2019 and 2018, according to the new managerial structure:

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## Notes to the individual and consolidated interim financial information for the period ended June 30, 2019

In thousands of Brazilian Reais, unless otherwise stated

### 3.1 New managerial structure

	6/30/2019								
	JSL Logística	Movida	Vamos	CS Brasil	Original Concessionárias	BBC Leasing	Holding and other	Eliminations <sup>(i)</sup>	Consolidated
Net revenue from services rendered and sale of assets used in services rendered	1,579,550	1,768,712	574,738	419,085	394,341	18,803	-	(154,501)	4,600,728
( - ) Cost of sales, rentals and services rendered	(1,258,109)	(288,331)	(293,002)	(278,230)	(328,193)	(5,576)	(504)	34,820	(2,417,125)
( - ) Cost of sales of decommissioned assets	(113,755)	(1,066,355)	(87,610)	(62,757)	(4,042)	-	-	120,283	(1,214,236)
( = ) Gross profit	207,686	414,026	194,126	78,098	62,106	13,227	(504)	602	969,367
Selling expenses	(9,489)	(86,970)	(13,997)	(1,806)	(4,233)	(317)	-	1,801	(115,011)
Administrative expenses	(56,096)	(124,515)	(48,015)	(15,775)	(50,667)	(5,665)	(1,539)	29	(302,243)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	7,551	(13,965)	(2,396)	(987)	(215)	(1,986)	-	-	(11,998)
Other operating income, net	2,175	10,244	11,882	11,409	4,119	67	114	(2,432)	37,578
Equity results from subsidiaries	-	-	-	(975)	-	-	-	-	(975)
Profit before finance income and costs and taxes	151,827	198,820	141,600	69,964	11,110	5,326	(1,929)	-	576,718
Finance income									162,227
Finance costs									(548,398)
( = ) Profit (loss) before income tax and social contribution									190,547
Income tax and social contribution									(58,627)
Profit for the period									131,920
Attributable to:									
Owners of the Company									106,703
Non-controlling interests									25,217
Total assets per segment	3,704,237	6,998,383	2,635,185	1,612,240	344,697	196,599	6,377,764	(3,449,791)	18,419,314
Total liabilities per segment	2,577,819	5,296,963	2,146,004	713,976	173,107	110,447	6,492,918	(591,092)	16,920,142
Depreciation and amortization	(118,840)	(105,648)	(115,086)	(67,247)	(8,119)	(364)	(705)	-	(416,009)

	6/30/2018								
	JSL Logística	Movida	Vamos	CS Brasil	Original Concessionárias	BBC Leasing	Holding and other	Eliminations <sup>(i)</sup>	Consolidated
Net revenue from services rendered and sale of assets used in services rendered	1,510,246	1,214,013	456,181	418,745	325,207	14,826	-	(64,183)	3,875,035
( - ) Cost of sales, rentals and services rendered	(1,267,770)	(195,871)	(254,801)	(274,483)	(270,667)	(4,978)	64	49,725	(2,218,781)
( - ) Cost of sales of decommissioned assets	(73,395)	(635,512)	(33,280)	(81,733)	(3,024)	-	-	12,695	(814,249)
( = ) Gross profit	169,081	382,630	168,100	62,529	51,516	9,848	64	(1,763)	842,005
Selling expenses	(8,609)	(75,910)	(8,924)	(4,439)	(30,582)	(94)	-	-	(128,558)
Administrative expenses	(68,846)	(87,618)	(41,345)	(16,506)	(14,995)	(5,174)	(2,219)	8,786	(227,917)
(Provision) reversal of expected credit losses ("impairment") of trade receivables	(1,799)	(7,220)	(1,840)	3,724	(17)	(828)	-	-	(7,980)
Other operating income (expenses), net	10,683	(30,401)	4,338	(731)	2,359	(518)	386	(7,023)	(20,907)
Equity results from subsidiaries	-	-	-	175	-	-	-	-	175
Operating profit before finance income (costs) and taxes	100,510	181,481	120,329	44,752	8,281	3,234	(1,769)	-	456,818
Finance income									472,318
Finance costs									(809,634)
( = ) Profit (loss) before income tax and social contribution									119,502
Income tax and social contribution									(44,987)
Profit for the period									74,515
Attributable to:									
Owners of the Company									46,892
Non-controlling interests									27,623
Total assets per segment	3,404,150	5,192,301	2,091,476	1,440,893	283,457	164,541	6,495,792	(3,198,656)	15,873,954
Total liabilities per segment	2,447,316	3,533,459	1,448,512	531,200	117,828	81,662	6,822,350	(356,872)	14,625,455
Depreciation and amortization	(93,271)	(36,389)	(96,474)	(58,397)	(2,689)	(355)	(705)	-	(288,280)

(i) Eliminations of transactions between the segments.

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## Notes to the individual and consolidated interim financial information for the period ended June 30, 2019

In thousands of Brazilian Reais, unless otherwise stated

### 3.2 Previous managerial structure

#### Net revenue from services rendered and sale of assets used in services rendered

( - ) Cost of sales, rentals and services rendered

( - ) Cost of sales of decommissioned assets

#### ( = ) Gross profit

Selling expenses

Administrative expenses

(Provision) reversal of expected credit losses ("impairment") of trade receivables

Other operating income, net

Equity results from subsidiaries

#### Profit before finance income and costs and taxes

Finance income

Finance costs

#### ( = ) Profit before income tax and social contribution

Income tax and social contribution

#### Profit for the period

#### Attributable to:

Owners of the Company

Non-controlling interests

Total assets per segment

Total liabilities per segment

Depreciation and amortization

	6/30/2019					
Transporte e Logística	Movida	Vamos	Original	Serviços financeiros	Eliminations <sup>(i)</sup>	Consolidated
1,998,635	1,768,712	574,738	394,341	18,803	(154,501)	4,600,728
(1,536,843)	(288,331)	(293,002)	(328,193)	(5,576)	34,820	(2,417,125)
(176,512)	(1,066,355)	(87,610)	(4,042)	-	120,283	(1,214,236)
285,280	414,026	194,126	62,106	13,227	602	969,367
(11,295)	(86,970)	(13,997)	(4,233)	(317)	1,801	(115,011)
(73,410)	(124,515)	(48,015)	(50,667)	(5,665)	29	(302,243)
6,564	(13,965)	(2,396)	(215)	(1,986)	-	(11,998)
13,698	10,244	11,882	4,119	67	(2,432)	37,578
(975)	-	-	-	-	-	(975)
219,862	198,820	141,600	11,110	5,326	-	576,718
						162,227
						(548,398)
						190,547
						(58,627)
						131,920
						106,703
						25,217
11,694,241	6,998,383	2,635,185	344,697	196,599	(3,449,791)	18,419,314
9,784,713	5,296,963	2,146,004	173,107	110,447	(591,092)	16,920,142
(186,792)	(105,648)	(115,086)	(8,119)	(364)	-	(416,009)

#### Net revenue from services rendered and sale of assets used in services rendered

( - ) Cost of sales, rentals and services rendered

( - ) Cost of sales of decommissioned assets

#### ( = ) Gross profit

Selling expenses

Administrative expenses

(Provision) reversal of expected credit losses ("impairment") of trade receivables

Other operating income (expenses), net

Equity results from subsidiaries

#### Operating profit before finance income (costs) and taxes

Finance income

Finance costs

#### ( = ) Profit before income tax and social contribution

Income tax and social contribution

#### Profit for the period

#### Attributable to:

Owners of the Company

Non-controlling interests

Total assets per segment

Total liabilities per segment

Depreciation and amortization

	6/30/2018					
Transporte e Logística	Movida	Vamos	Original	Serviços financeiros	Eliminations <sup>(i)</sup>	Consolidated
1,929,035	1,214,013	456,181	325,207	14,826	(64,227)	3,875,035
(1,542,157)	(195,871)	(254,801)	(270,667)	(4,978)	49,693	(2,218,781)
(155,089)	(635,512)	(33,280)	(3,024)	-	12,656	(814,249)
231,789	382,630	168,100	51,516	9,848	(1,878)	842,005
(13,048)	(75,910)	(8,924)	(30,582)	(94)	-	(128,558)
(87,396)	(87,618)	(41,345)	(14,995)	(5,646)	9,083	(227,917)
1,925	(7,220)	(1,840)	(17)	(828)	-	(7,980)
10,048	(30,401)	4,338	2,359	(46)	(7,205)	(20,907)
175	-	-	-	-	-	175
143,493	181,481	120,329	8,281	3,234	-	456,818
						472,318
						(809,634)
						119,502
						(44,987)
						74,515
						46,892
						27,623
11,340,835	5,192,301	2,091,476	283,457	164,541	(3,198,656)	15,873,954
9,800,866	3,533,459	1,448,512	117,828	81,662	(356,872)	14,625,455
(152,373)	(36,389)	(96,474)	(2,689)	(355)	-	(288,280)

(ii) Eliminations of transactions between the segments.



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**4. Financial instruments and risk management**

The financial instruments used by the Company and its subsidiaries are restricted to cash and cash equivalents, marketable securities, derivative financial instruments, trade receivables, other credits, trade payables, floor plan, loans and borrowings, debentures, finance leases payable, right-of-use lease, assignment of receivables, other payables, and credits from and debts to related parties recognized in the interim financial information. These instruments are managed based on operating strategies aiming at liquidity, profitability and risk minimization.

**4.1 Financial instruments by category**

The financial instruments are presented in the following accounting classifications:

Assets, as per the statement of financial position	6/30/2019					Consolidated 12/31/2018				
	Assets at fair value through profit or loss	Fair value of hedge instruments	Assets at fair value through other comprehensive income - FVOCI	Amortized cost	Total	Assets at fair value through profit or loss	Fair value of hedge instruments	Assets at fair value through other comprehensive income - FVOCI	Amortized cost	Total
Cash and cash equivalents	577,484	-	-	23,677	601,161	642,094	-	-	48,230	690,324
Marketable securities	3,652,694	-	692,972	-	4,345,666	3,506,386	-	635,055	-	4,141,441
Derivative financial instruments	73,879	488,970	-	-	562,849	98,007	362,166	-	-	460,173
Trade receivables	-	-	-	1,738,187	1,738,187	-	-	-	1,446,681	1,446,681
Related parties	-	-	-	60	60	-	-	-	346	346
Other credits	-	-	-	87,695	87,695	-	-	-	99,925	99,925
	<b>4,304,057</b>	<b>488,970</b>	<b>692,972</b>	<b>1,849,619</b>	<b>7,335,618</b>	<b>4,246,487</b>	<b>362,166</b>	<b>635,055</b>	<b>1,595,182</b>	<b>6,838,890</b>

Liabilities, as per the statement of financial position	6/30/2019			Consolidated 12/31/2018		
	Liabilities at fair value through profit or loss	Amortized cost	Total	Liabilities at fair value through profit or loss	Amortized cost	Total
Trade payables	-	1,933,536	1,933,536	-	1,195,407	1,195,407
Floor plan	-	91,659	91,659	-	93,588	93,588
Loans and borrowings	-	8,103,047	8,103,047	112,121	8,475,581	8,587,702
Debentures	346,727	4,232,865	4,579,592	366,423	2,804,319	3,170,742
Finance leases payable	-	230,531	230,531	-	242,914	242,914
Right-of-use lease	-	517,205	517,205	-	-	-
Assignment of receivables	-	21,150	21,150	-	24,171	24,171
Related parties	-	3,040	3,040	-	246	246
Other payables	-	353,502	353,502	-	379,653	379,653
	<b>346,727</b>	<b>15,486,535</b>	<b>15,833,262</b>	<b>478,544</b>	<b>13,215,879</b>	<b>13,694,423</b>

## 4.2 Fair value of financial assets and liabilities

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

	Carrying amount		Consolidated Fair value	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
<b>Financial assets</b>				
Cash and cash equivalents	601,161	690,324	601,161	690,324
Marketable securities	4,345,666	4,141,441	4,345,666	4,141,441
Derivative financial instruments	562,849	460,173	562,849	460,173
Trade receivables	1,738,187	1,446,681	1,738,187	1,446,681
Related parties	60	346	60	346
Other credits	87,695	99,925	87,695	99,925
<b>Total</b>	<b>7,335,618</b>	<b>6,838,890</b>	<b>7,335,618</b>	<b>6,838,890</b>
<b>Financial liabilities</b>				
Trade payables	1,933,536	1,195,407	1,933,536	1,195,407
Floor plan	91,659	93,588	91,659	93,588
Loans and borrowings	8,103,047	8,587,702	8,125,725	8,635,798
Debentures	4,579,592	3,170,742	4,582,223	3,172,341
Finance leases payable	230,531	242,914	231,073	242,421
Right-of-use lease	517,205	-	517,205	-
Assignment of receivables	21,150	24,171	21,150	24,171
Related parties	3,040	246	3,040	246
Other payables	353,502	379,653	353,502	379,653
<b>Total</b>	<b>15,833,262</b>	<b>13,694,423</b>	<b>15,859,113</b>	<b>13,743,625</b>

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

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

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

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

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

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In thousands of Brazilian Reais, unless otherwise stated

	6/30/2019			Consolidated 12/31/2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Assets at fair value through profit or loss</b>						
<b>Cash and cash equivalents</b>						
Bank deposit certificates ("CDB")	-	103,379	103,379	-	435,380	435,380
Repurchase agreements	-	311,336	311,336	-	97,073	97,073
Financial bills	-	100,623	100,623	-	73,519	73,519
Units of other funds	19,984	-	19,984	5,085	-	5,085
Others <sup>(1)</sup>	-	42,162	42,162	-	31,037	31,037
<b>Marketable securities</b>						
Credit Linked Notes ("CLN")	-	1,845,361	1,845,361	-	1,850,987	1,850,987
Financial Treasury Bills ("LFT")	153,172	-	153,172	254,329	-	254,329
National Treasury Bills ("LTN")	165,082	-	165,082	218,774	-	218,774
Units of other funds	1,479,813	-	1,479,813	1,176,550	-	1,176,550
Others	9,266	-	9,266	5,746	-	5,746
<b>Derivative financial instruments</b>						
Swap agreement	-	562,219	562,219	-	460,173	460,173
IDI options	-	630	630	-	-	-
	<b>1,827,317</b>	<b>2,965,710</b>	<b>4,793,027</b>	<b>1,660,484</b>	<b>2,948,169</b>	<b>4,608,653</b>
<b>Assets at fair value through other comprehensive income - FVOCI</b>						
<b>Marketable securities</b>						
Sovereign securities (in USD)	380,219	-	380,219	382,796	-	382,796
Corporate securities (in USD)	312,753	-	312,753	252,259	-	252,259
	<b>692,972</b>	<b>-</b>	<b>692,972</b>	<b>635,055</b>	<b>-</b>	<b>635,055</b>
	<b>2,520,289</b>	<b>2,965,710</b>	<b>5,485,999</b>	<b>2,295,539</b>	<b>2,948,169</b>	<b>5,243,708</b>
<b>Liabilities at fair value through profit or loss</b>						
Loans and borrowings	-	-	-	-	112,121	112,121
Debentures	-	346,727	346,727	-	366,423	366,423
	<b>-</b>	<b>346,727</b>	<b>346,727</b>	<b>-</b>	<b>478,544</b>	<b>478,544</b>
<b>Financial liabilities not measured at fair value - with difference between carrying amount and fair value</b>						
Loans and borrowings	-	8,103,047	8,103,047	-	8,473,528	8,473,528
Debentures	-	4,232,865	4,232,865	-	2,804,319	2,804,319
Finance leases payable	-	230,531	230,531	-	242,914	242,914
	<b>-</b>	<b>12,566,443</b>	<b>12,566,443</b>	<b>-</b>	<b>11,520,761</b>	<b>11,520,761</b>
	<b>-</b>	<b>12,913,170</b>	<b>12,913,170</b>	<b>-</b>	<b>11,999,305</b>	<b>11,999,305</b>

(1) For the improvement in presentation and consistency with current period, the cash and cash equivalents balance, referring to others, in the amount of R\$ 31,037 as of December 31, 2018, was reclassified from Level 1 to Level 2.

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

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

The curve used in the calculation of the fair value of the agreements indexed to the CDI at June 30, 2019 was as follows:

**Interest curve - Brazil**

Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	6.40	5.99	5.80	6.02	6.44	7.00	7.71

Source: B3 S.A (*Brasil, Bolsa, Balcão*), 6/30/2019

### **4.3 Financial risk management**

The main non-derivative financial liabilities of the JSL Group relate to trade payables, floor plan, suppliers financing – car makers, loans and borrowings, debentures, finance leases payable, right-of-use leases, assignment of receivables, related parties and other payables. The primary purpose underlying these financial liabilities is to foster the operations. The JSL Group has in its assets trade receivables, related parties, other credits, demand and short-term deposits that directly result from its operations. The JSL Group is exposed to market, credit, and liquidity risk.

Management oversees the management of these risks with the support of a Financial Committee, which advises in the assessment of the financial risks according to a governance structure appropriate for the JSL Group. Management, supported by the Financial Committee, recommends actions to the Board of Directors so that the activities that result in financial risks to the JSL Group are governed by appropriate practices and procedures.

It is the responsibility of the Board of Directors to authorize transactions involving any type of financial instrument, which is defined as any agreements that generate financial assets and liabilities, regardless of the market in which they are traded or listed, the amounts of which are subject to fluctuations.

The JSL Group has a policy of not entering into derivative transactions for speculative purposes. These transactions are used only for protection against fluctuations related to market risks.

#### **a) Credit risk**

The credit risk involves the potential default of a counterparty to an agreement or financial instrument, resulting in financial loss. The JSL Group is exposed to credit risk in its operating (especially with regard to its receivables) and investing activities, including investments at banks and financial institutions and other financial instruments.

The carrying amounts of financial assets represent the maximum credit exposure.

##### **i. Trade receivables**

The Group uses a simplified “provision matrix” to calculate the expected credit losses on its trade receivables. The Group uses its experience of historical credit losses to estimate the expected credit losses on financial assets when appropriate. The provision matrix used by the Group specifies fixed rates for the provision depending on the number of days in which the receivables are overdue and is adjusted for specific customers according to future estimates and qualitative factors observed by the Credit and Collection Committee.

The JSL Group write offs its financial assets when there is no reasonable expectation of recovery. The Group determines the write-off of receivables after 12 or 24 months in arrears, according to the recoverability study of each Group company. The receivables written off by the Group continue in the collection process to recover the receivable amount. When there are recoveries, these are recognized as credit recovery proceeds in the income for the year.

The JSL Group recognized an impairment allowance that represents its estimate of losses on “Trade receivables”, see Note 7.

##### **ii. Cash equivalents and marketable securities**

The credit risk associated with balances at banks and financial institutions is managed by the JSL Group treasury area in accordance with the guidelines approved by the Financial Committee and the Board of Directors. The surplus funds are invested only in approved counterparties and within the limit established to each one, in order to minimize the risk concentration, and thus mitigate the financial loss in the event of a potential bankruptcy of a counterparty.

The JSL Group determines the credit risk of a debt security by analyzing the payment history, current financial and macroeconomic conditions of the counterparty and evaluation of rating agencies when applicable, thus evaluating each individual debt security.

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

Expected credit losses are estimated weighted by the probability of credit losses. Credit losses are measured at present value based on all cash insufficiencies (i.e. the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive).

The credit risk of cash and equivalents, marketable securities and derivative financial instruments are determined by recognized credit rating agencies and are allocated as follows:

	<b>Consolidated</b>
	<b>6/30/2019</b>
AAA	350,835
AA+	1,584,270
AA	30,235
AA-	240,937
A+	12
BB-	2,538,333
BBB-	201,797
	<b>4,946,419</b>

**b) Market risk**

The market risk involves potential fluctuation in the fair value of future cash flows derived from a given financial instrument in response to variations in its market prices. Market prices typically involve three types of risks: interest rate risk, exchange rate risk and price risk that may be of commodities, stocks, among others.

The Group uses derivatives to manage market risks. All these transactions are conducted under the guidelines set forth by the Board of Directors. Generally, the Group seeks to apply the hedge accounting to manage the volatility of profit or loss.

The JSL Group's financial instruments affected by market risk include cash and cash equivalents, marketable securities, loans and borrowings, finance leases payable, right-of-use leases, assignment of receivables and debentures, and are basically subject to interest and foreign exchange rates risk.

**i. Interest rate changes risk**

Interest rate risk involves potential fluctuation in the fair value of the future cash flows derived from a given financial instrument in response to variations in market interest rates. The JSL Group exposure to risk associated with market interest rate changes relates primarily to cash and cash equivalents, marketable securities, loans and borrowings, debentures, finance leases payable and right-of-use leases, subject to interest rates. The sensitivity analysis is presented in item 4.3.1.

**ii. Foreign exchange currency changes risk**

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective Group's functional currency. Borrowings are generally denominated in currency equivalent to the cash flows generated by the Group's trade operations, mainly in Reals, but also in US Dollar ("dollar"). The Group's borrowings were hedged against exchange rate changes by a swap instrument, which exchanges the indexation of foreign currency by CDI, limiting the exposure to possible losses due to exchange rate changes.

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The Group elected to designate part of the borrowings at fair value through profit or loss (fair value option), see Note 4.2.

**c) Liquidity risk**

The JSL Group monitors risks associated with funding shortages on an ongoing basis through a recurrent liquidity planning tool.

The JSL Group's purpose is to maintain in its assets balance of cash and highly-liquid investments and maintain flexibility through the use of bank borrowings and the ability to raise funds through capital markets, in order to ensure its liquidity and operational continuity. The average indebtedness term is monitored in order to provide short-term liquidity, analyzing installments, charges and cash flows.

Presented below are the contractual maturities of financial assets and liabilities, including estimated interest payment:

	Consolidated 6/30/2019				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	3 to 8 years
Financial assets					
Cash and cash equivalents	601,161	601,161	601,161	-	-
Marketable securities	4,345,666	4,345,666	4,336,401	9,265	-
Derivative financial instruments	562,849	562,849	-	73,879	488,970
Trade receivables	1,738,187	1,738,187	1,619,539	93,027	25,621
Related parties	60	60	-	60	-
Other credits	87,695	87,695	36,014	51,681	-
Total	7,335,618	7,335,618	6,593,115	227,912	514,591

	Consolidated 6/30/2019				
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	3 to 8 years
Financial liabilities					
Trade payables	1,933,536	1,933,536	1,933,536	-	-
Floor plan	91,659	91,659	91,659	-	-
Loans and borrowings	8,103,047	10,247,380	1,715,358	1,623,581	6,908,441
Debentures	4,579,592	5,759,741	995,608	1,226,707	3,537,426
Finance leases payable	230,531	256,716	106,060	98,123	52,533
Right-of-use lease	517,205	618,984	124,301	149,330	345,353
Assignment of receivables	21,150	21,150	6,043	6,043	9,064
Related parties	3,040	3,040	3,040	-	-
Other payables	353,502	390,229	201,289	162,318	26,622
Total	15,833,262	19,322,435	5,176,894	3,266,102	10,879,439

**4.3.1 Sensitivity analysis**

The JSL Group's Management conducted a study of the potential impact of variations in interest rates on the amounts of financial investments, loans and borrowings, including debentures, finance leases payable and right-of-use lease. The debt was divided into three parts, debts subject to CDI, debts subject to Long-Term Interest Rate - TLP and debts subject to IPCA and SELIC, which could be subject to different changes according to the inherent rate.

This study estimated a probable scenario of the CDI rate of 5.8% p.a., based on the future interest rate curve of B3 (*Brasil, Bolsa, Balcão*), proportionally impacting on the JSL Group's debts and financial investments. With regard to IPCA, the scenario considered probable by the JSL Group is 3.56% p.a. (source: Bacen) at June 30, 2019. For TLP the probable scenario is 6.20% p.a. (source: SELIC of 5.50% p.a. (source: Bacen) and U.S. dollar ("dollar") rate of R\$ 3.96 (source: B3).

The following sensitivity analysis of financial instruments was prepared according to CVM Instruction No. 475/2008, to show the balances of the main financial assets and liabilities, taking into consideration a probable scenario (Scenario I), with stresses increase of 25% (Scenario II) and 50% (Scenario III).

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Operation	Exposure	Risk	Probable rate	Scenario I probable	Consolidated	
					Scenario II + depreciation of 25%	Scenario III + depreciation of 50%
<b>Derivatives designated as hedging accounting</b>						
Swap agreement	USD 503,500	USD increase	3.96	1,993,860	2,492,325	2,990,790
NCE (hedged item)	USD (463,500)	USD increase	3.96	(1,835,460)	(2,294,325)	(2,753,190)
International credit (hedged item)	USD (40,000)	USD increase	3.96	(158,400)	(198,000)	(237,600)
<b>Net exposure</b>	-			-	-	-
Debentures (hedged item)	(341,681)	IPCA increase	11.20%	(38,268)	(47,835)	(57,402)
Swap long position	341,681	IPCA increase	11.20%	38,268	47,835	57,402
Swap short position	(267,802)	CDI increase	6.31%	(16,898)	(21,123)	(25,347)
<b>Net exposure</b>	<b>(267,802)</b>			<b>(16,898)</b>	<b>(21,123)</b>	<b>(25,347)</b>
Loans and borrowings – international credit	(155,748)	FIXED RATE	5.05%	(7,865)	(7,865)	(7,865)
Loans and borrowings – NCE	(1,848,223)	FIXED RATE	7.75%	(143,237)	(143,237)	(143,237)
Swap long position - international credit	155,748	FIXED RATE	5.05%	7,865	7,865	7,865
Swap long position - NCE	1,848,223	FIXED RATE	7.75%	143,237	143,237	143,237
Swap short position	(1,699,031)	CDI increase	8.71%	(147,986)	(184,982)	(221,978)
<b>Net exposure</b>	<b>(1,699,031)</b>			<b>(147,986)</b>	<b>(184,982)</b>	<b>(221,978)</b>
<b>Other derivatives</b>						
Call option IDI (Position purchased in call option "Call")	(139,799)	FIXED RATE	7.70%	(10,765)	(10,765)	(10,765)
Call option IDI (Position purchased in call option "Call")	139,799	CDI increase	7.70%	10,765	13,456	16,147
<b>Net exposure</b>	-			-	<b>2,691</b>	<b>5,382</b>
<b>Net exposure of hedge accounting operations</b>	<b>(1,966,833)</b>			<b>(164,884)</b>	<b>(203,414)</b>	<b>(241,943)</b>
<b>Other operations - Floating rate</b>						
Financial investments	577,484	CDI increase	5.78%	33,379	41,723	50,068
Marketable securities	855,410	SELIC increase	5.50%	47,048	58,809	70,571
Loans and borrowings	(4,920,869)	CDI increase	7.84%	(385,796)	(482,245)	(578,694)
Debentures	(4,237,911)	CDI increase	7.62%	(322,929)	(403,661)	(484,393)
Finance leases payable	(230,531)	CDI increase	9.08%	(20,932)	(26,165)	(31,398)
Payables for the acquisition of companies (i)	(81,867)	CDI increase	5.80%	(4,748)	(5,935)	(7,122)
Payables for the acquisition of companies (i)	(5,498)	IGPM increase	4.22%	(232)	(290)	(348)
Loans and borrowings	(155,732)	IPCA increase	7.75%	(12,069)	(15,087)	(18,104)
Loans and borrowings	(138,453)	TLP/TJLP increase	10.42%	(14,427)	(18,034)	(21,640)
Loans and borrowings	(105,441)	SELIC increase	9.67%	(10,196)	(12,745)	(15,294)
<b>Net exposure</b>	<b>(8,443,408)</b>			<b>(690,902)</b>	<b>(863,630)</b>	<b>(1,036,354)</b>
<b>Net exposure and impact on finance costs - floating rate</b>	<b>(10,410,241)</b>			<b>(855,786)</b>	<b>(1,067,044)</b>	<b>(1,278,297)</b>
<b>Other operations - Fixed rate</b>						
Marketable securities	3,490,256	FIXED RATE	8.23%	287,248	287,248	287,248
Right-of-use lease	(517,205)	FIXED RATE	6.28%	(32,480)	(32,480)	(32,480)
Loans, borrowings and debentures	(778,581)	FIXED RATE	7.59%	(59,094)	(59,094)	(59,094)
<b>Net exposure and impact on finance costs - fixed rate</b>	<b>2,194,470</b>			<b>195,674</b>	<b>195,674</b>	<b>195,674</b>
<b>Net exposure and total impact of finance costs on the statement of profit or loss</b>	<b>(8,215,771)</b>			<b>(660,112)</b>	<b>(871,370)</b>	<b>(1,082,623)</b>

(i) Payables for the acquisition of companies are recorded in the line item of other payables.

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



#### **4.4 Derivative financial instruments**

The JSL Group uses derivative financial instruments solely with the purpose of hedging against market risks. In accordance with the JSL Group's policy, the operations that may adversely affect the JSL Group's profit or loss or cash flows will be hedged, due to the risks involved. When the JSL Group carries out transactions that contain unwanted exposures, Management will evaluate the need to contract financial instruments with the purpose of hedge and mitigate the risks to which it is exposing itself.

At June 30, 2019, the JSL Group has derivative financial instruments (swap agreements and the purchase option of IDI on the average rate index of interbank deposits - "purchase option IDI") that were classified as cash flow hedge and applied the hedge accounting pursuant to CPC 48 / IFRS 9 – Financial Instruments, and as shown in the movement at the end of this explanatory Note. The cash flow hedge consists in providing a hedge against variations in cash flows attributable to a specific risk associated to a recognized asset or liability or a highly probable forecast transaction that may affect the profit or loss. The IDI purchase option agreement ensures a maximum threshold for loss in a scenario where the company contracts loans at a floating rate. The index is corrected daily by the average rate of one-day interbank deposits (DI) and, when purchasing a purchase option on this index (IDI), with a future date, the company manages to limit the financial expense for the same period over the Notional contracted.

The relationship between the hedge instrument and the hedged item, as well as the risk management policies and objectives, were documented at the beginning of the transaction. The effectiveness tests are also properly documented, confirming that the designated derivatives are effective in offsetting the changes in the fair value of the hedged items.

The effective portion of the changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized as a component of OCI, net of taxes. At June 30, 2019, a positive variation of R\$ 86,660 (at June 30, 2018 negative variation of R\$ 83,107) was computed. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. During the six-month period ended June 30, 2019, no gain or loss on the ineffective portion was recognized.

The amounts accumulated in OCI, net of taxes, are reclassified to the statement of profit or loss for the periods when the hedged item affects profit or loss (e.g., when the settlement of the hedged item occurs).

The JSL Group has other derivative financial instruments (swap agreements) that were not elected for the application of the hedge accounting pursuant to CPC 48 / IFRS 9 – Financial Instruments, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in the statement of profit or loss. During the six-month period ended June 30, 2019, the losses on swap transactions were R\$ 8,681 (gains of R\$ 250,457 at June 30, 2018) and losses of R\$ 13,520 (gains of R\$ 252,422 at June 30, 2018), in the Parent company and Consolidated, respectively. These gains set off the losses on the underlying hedged instruments. See the impact on profit or loss in Note 27.

The outstanding contracts at June 30, 2019 are the following:

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**
**In thousands of Brazilian Reais, unless otherwise stated**

Company	Instrument	Type of derivative financial instrument	Operation	Notional amount	Maturity	Hedge index	Average contracted rate	Consolidated	
								Balance of the hedged debt as at 6/30/2019	
								At amortized cost	At fair value
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	Jul/24	Fixed rate + Exchange rate	156.50% of CDI	160,027	160,027
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	Jul/24	Fixed rate + Exchange rate	149.59% of CDI	239,232	239,232
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	Jul/24	Fixed rate + Exchange rate	152.26% of CDI	239,232	239,232
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 60,000	Jul/24	Fixed rate + Exchange rate	153.90% of CDI	239,156	239,156
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 75,000	Jul/24	Fixed rate + Exchange rate	152.50% of CDI	298,945	298,945
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	Jul/24	Fixed rate + Exchange rate	151.65% of CDI	199,297	199,297
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 50,000	Jul/24	Fixed rate + Exchange rate	150.65% of CDI	199,297	199,297
JSL	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 68,500	Jul/24	Fixed rate + Exchange rate	149.45% of CDI	273,037	273,037
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 115,089	Jul/20	IPCA + Fixed rate	108.85% of CDI	150,310	129,130
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 98,723	Jul/20	IPCA + Fixed rate	108.85% of CDI	127,910	151,678
JSL	Swap agreement	Fair value hedge	SWAP IPCA X CDI	R\$ 71,751	Jun/21	IPCA + Fixed rate	CDI + 2.53%	63,461	65,919
Vamos	Swap agreement	Cash flow hedge	SWAP USD X CDI	USD 40,000	May/21	Fixed rate + Exchange rate	130.15% of CDI	155,748	164,768
<b>Total</b>								<b>2,345,652</b>	<b>2,359,718</b>

Company	Description	Counterparty	Initial date	Maturity	Quantity	Notional amount	Indexer	Agreed upon rate January/22	Consolidated	
									Exercise price	Market value
Vamos	Purchase of IDI purchase option	B3	2/25/2019	1/3/2022	525	140,558	Fixed rate	7.7%	329	R\$ 630

The outstanding balances are as follows:

Operation	Parent company					
	6/30/2019			12/31/2018		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD463,500	477,592	-	USD463,500	379,298	-
Swap - IPCA x DI	R\$ 285,562	73,879	-	R\$ 285,562	75,994	-
<b>Total</b>		<b>551,471</b>	<b>-</b>		<b>455,292</b>	<b>-</b>
Current		-	-		22,013	-
Non-current		551,471	-		433,279	-
<b>Total</b>		<b>551,471</b>	<b>-</b>		<b>455,292</b>	<b>-</b>

Operation	Consolidated					
	6/30/2019			12/31/2018		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Swap – USD x DI	USD503,500	488,340	-	USD493,500	384,179	-
Swap - IPCA x DI	R\$ 285,562	73,879	-	R\$ 285,562	75,994	-
Purchase of IDI option	R\$139,799	630	-		-	-
<b>Total</b>		<b>562,849</b>	<b>-</b>		<b>460,173</b>	<b>-</b>
Current		-	-		22,013	-
Non-current		562,849	-		438,160	-
<b>Total</b>		<b>562,849</b>	<b>-</b>		<b>460,173</b>	<b>-</b>

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

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

	At June 30, 2019				Parent company
	Expected cash flow				Over 1 year
	Curve value (Accrual)	Total	1 - 6 months	7 - 12 months	
<b>Interest rate Swap</b>					
Long position	2,189,904	2,883,977	215,057	103,619	2,565,301
Short position	(1,814,820)	(2,620,727)	(192,393)	(94,323)	(2,334,011)
	<b>375,084</b>	<b>263,250</b>	<b>22,664</b>	<b>9,296</b>	<b>231,290</b>

	At June 30, 2019				Consolidated
	Expected cash flow				Over 1 year
	Curve value (Accrual)	Total	1 - 6 months	7 - 12 months	
<b>Interest rate Swap</b>					
Long position	2,345,652	3,057,205	219,799	108,284	2,729,122
Short position	(1,966,833)	(2,794,846)	(198,561)	(99,656)	(2,496,629)
	<b>378,819</b>	<b>262,359</b>	<b>21,238</b>	<b>8,628</b>	<b>232,493</b>

**5. Cash and cash equivalents**

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Cash	343	322	15,277	2,426
Banks	1,529	11,632	8,400	45,804
<b>Total cash and banks</b>	<b>1,872</b>	<b>11,954</b>	<b>23,677</b>	<b>48,230</b>
CDB (Bank Deposit Certificate)	14,619	232,781	103,379	435,380
Repurchase agreements - Debenture-backed	13,999	-	311,336	97,073
Financial bills	39,652	11,924	100,623	73,519
Units of other funds	2,534	722	19,984	5,085
Finance Leases Bill – related parties (Note 22.1)	45,830	19,909	-	-
Finance Leases Bill	30,201	-	30,201	-
Others	-	-	11,961	31,037
<b>Total financial investments</b>	<b>146,835</b>	<b>265,336</b>	<b>577,484</b>	<b>642,094</b>
<b>Total cash and cash equivalents</b>	<b>148,707</b>	<b>277,290</b>	<b>601,161</b>	<b>690,324</b>

During the six-month period ended June 30, 2019, the average income from these investments was 99.60% of the CDI, equivalent to 0.52% p.m. (at December 31, 2018 the average income was 99.48% of the CDI, equivalent to 0.52% p.m.).

Analysis of credit and market risk is shown in note 4.3.

**6. Marketable securities**

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
<b>Operations</b>				
<b>Government securities - exclusive funds (i)</b>				
Financial Treasury Bills ("LFT")	73,292	121,594	153,172	254,329
National Treasury Bills ("LTN")	70,176	109,536	165,082	218,774
Units of other funds	326,325	760,499	1,479,813	1,176,550
Others	5,815	1,215	9,266	5,746
<b>Other securities</b>				
CLN - Credit linked notes (iii)	-	-	1,845,361	1,850,987
Sovereign securities (in USD) (ii)	-	-	380,219	382,796
Corporate securities (in USD) (ii)	-	-	312,753	252,259
<b>Total</b>	<b>475,608</b>	<b>992,844</b>	<b>4,345,666</b>	<b>4,141,441</b>
Current assets	469,792	991,629	4,336,401	4,136,909
Non-current assets	5,816	1,215	9,265	4,532
<b>Total</b>	<b>475,608</b>	<b>992,844</b>	<b>4,345,666</b>	<b>4,141,441</b>

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019****In thousands of Brazilian Reals, unless otherwise stated**

- (i) The average income from government securities allocated to exclusive funds is defined at fixed and floating rates (fixed rate LTN and LFT SELIC). During the six-month period ended June 30, 2019, the average income from these investments was 0.52% p.m. (December 31, 2018 – 0.52% p.m.). These funds are managed by first tier financial institutions with low credit risk. The average income disclosed is net of fund management fee and commission.
- (ii) Corporate securities are debt securities issued by Brazilian companies such as bonds, notes and others that have weighted risk rating “BB” in global scale. Sovereign securities are debt securities issued by the Brazilian government or by entities controlled by the government. These securities in foreign currency (USD) are available to be sold according to Management’s need for the utilization of these resources. In addition, they are naturally hedged by the respective USD debt amount, as disclosed in Note 15. The remuneration from these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. At June 30, 2019, the weighted average income of these transactions was 6.37% p.a. (5.76% p.a. at December 31, 2018).
- (iii) CLN refers to the Credit Linked Note applied by the subsidiary JSL Europe, at Santander Bank in dollar currency and was remunerated in the six-month period ended June 30, 2019 at 6.95% p.a. (7.02% p.a. at December 31, 2018).

Analysis of credit and market risk is shown in note 4.3.

**7. Trade receivables**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>
Receivables from services and rentals	403,815	398,024	1,256,474	1,110,654
Unbilled revenue from services rendered and rentals	205,872	188,953	378,736	304,528
Leases receivable	-	-	156,285	132,216
Commission on sales of used vehicles	-	-	46,157	37,308
Receivables from related parties (Note 22.1)	218,378	115,798	37,804	22,597
Receivables from credit cards	-	-	3,475	1,623
Other receivables	38,405	33,650	123,178	89,679
(-) Expected credit losses (“impairment”) of trade receivables	(60,759)	(65,871)	(263,922)	(251,924)
<b>Total</b>	<b>805,711</b>	<b>670,554</b>	<b>1,738,187</b>	<b>1,446,681</b>
Current assets	794,690	646,038	1,619,539	1,334,813
Non-current assets	11,021	24,516	118,648	111,868
<b>Total</b>	<b>805,711</b>	<b>670,554</b>	<b>1,738,187</b>	<b>1,446,681</b>

Analysis of credit and market risk is shown in note 4.3.

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>
<b>Current</b>	<b>743,984</b>	<b>598,307</b>	<b>1,395,028</b>	<b>1,151,103</b>
1-30 days past due	17,284	35,476	110,098	98,209
31-90 days past due	22,804	25,720	79,381	88,800
91-180 days past due	17,655	8,858	56,123	33,862
181-365 days past due	2,916	5,989	43,941	36,776
More than 365 days past due	61,827	62,075	317,538	289,855
<b>Total past due</b>	<b>122,486</b>	<b>138,118</b>	<b>607,081</b>	<b>547,502</b>
(-) Expected credit losses (“impairment”) of trade receivables	(60,759)	(65,871)	(263,922)	(251,924)
<b>Total</b>	<b>805,711</b>	<b>670,554</b>	<b>1,738,187</b>	<b>1,446,681</b>

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

The movement in the expected credit losses ("impairment") of trade receivables was as follows:

	<u>Parent company</u>	<u>Consolidated</u>
<b>Balance as at December 31, 2017</b>	<b>(68,986)</b>	<b>(223,098)</b>
Remeasurement (CPC 48 / IFRS 9)	6,766	(19,680)
<b>At January 1, 2018</b>	<b>(62,220)</b>	<b>(242,778)</b>
( - ) additions	(17,832)	(60,918)
( + ) reversals	15,701	52,938
<b>At June 30, 2018</b>	<b>(64,351)</b>	<b>(250,758)</b>
<b>At December 31, 2018</b>	<b>(65,871)</b>	<b>(251,924)</b>
( - ) additions	(3,091)	(46,721)
( + ) reversals	8,203	34,723
<b>At June 30, 2019</b>	<b>(60,759)</b>	<b>(263,922)</b>

**8. Inventories**

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>
New vehicles	-	-	109,132	91,345
Used vehicles	-	-	65,171	49,206
Parts for resale	-	-	74,819	84,715
Materials for use and consumption	35,785	34,638	47,239	45,996
Others	-	-	3,669	364
(-) Estimated losses on impairment of inventories (i)	(5,583)	(5,331)	(12,514)	(9,639)
<b>Total</b>	<b>30,202</b>	<b>29,307</b>	<b>287,516</b>	<b>261,987</b>

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

**8.1 Movements in estimated losses on impairment of inventories**

	<u>Parent company</u>	<u>Consolidated</u>
<b>At December 31, 2017</b>	<b>(6,744)</b>	<b>(10,216)</b>
( - ) additions	(2,193)	(3,478)
( + ) reversals	2,897	3,474
<b>At June 30, 2018</b>	<b>(6,040)</b>	<b>(10,220)</b>
<b>At December 31, 2018</b>	<b>(5,331)</b>	<b>(9,639)</b>
( - ) additions	(2,544)	(6,372)
( + ) reversals	2,292	3,497
<b>At June 30, 2019</b>	<b>(5,583)</b>	<b>(12,514)</b>

## 9. Fixed assets available for sale

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
<b>Cost:</b>						
<b>At December 31, 2018</b>	<b>61,901</b>	<b>6,108</b>	<b>68,009</b>	<b>436,749</b>	<b>147,862</b>	<b>584,611</b>
Assets transferred from property and equipment	170,158	36,658	206,816	1,673,269	105,055	1,778,324
Assets written off due to sale	(168,603)	(33,690)	(202,293)	(1,349,788)	(121,857)	(1,471,645)
Assets transferred to authorized vehicle dealerships segment	-	-	-	(58,459)	-	(58,459)
<b>At June 30, 2019</b>	<b>63,456</b>	<b>9,076</b>	<b>72,532</b>	<b>701,771</b>	<b>131,060</b>	<b>832,831</b>
<b>Accumulated depreciation:</b>						
<b>At December 31, 2018</b>	<b>(20,783)</b>	<b>(5,357)</b>	<b>(26,140)</b>	<b>(82,413)</b>	<b>(104,414)</b>	<b>(186,827)</b>
Assets transferred from property and equipment	(64,028)	(26,377)	(90,405)	(196,880)	(67,656)	(264,536)
Assets written off due to sale	63,562	25,535	89,097	166,399	91,010	257,409
Assets transferred to authorized vehicle dealerships segment	-	-	-	10,838	-	10,838
<b>At June 30, 2019</b>	<b>(21,249)</b>	<b>(6,199)</b>	<b>(27,448)</b>	<b>(102,056)</b>	<b>(81,060)</b>	<b>(183,116)</b>
<b>Net value:</b>						
<b>At December 31, 2018</b>	<b>41,118</b>	<b>751</b>	<b>41,869</b>	<b>354,336</b>	<b>43,448</b>	<b>397,784</b>
<b>At June 30, 2019</b>	<b>42,207</b>	<b>2,877</b>	<b>45,084</b>	<b>599,715</b>	<b>50,000</b>	<b>649,715</b>

	Parent company			Consolidated		
	Vehicles	Machinery and equipment	Total	Vehicles	Machinery and equipment	Total
<b>Cost:</b>						
<b>At December 31, 2017</b>	<b>111,274</b>	<b>25,791</b>	<b>137,065</b>	<b>362,253</b>	<b>81,608</b>	<b>443,861</b>
Assets transferred from property and equipment	106,534	19,773	126,307	1,050,890	45,628	1,096,518
Assets written off due to sale	(122,483)	(16,841)	(139,324)	(956,149)	(25,412)	(981,561)
<b>At June 30, 2018</b>	<b>95,325</b>	<b>28,723</b>	<b>124,048</b>	<b>456,994</b>	<b>101,824</b>	<b>558,818</b>
<b>Accumulated depreciation:</b>						
<b>At December 31, 2017</b>	<b>(43,444)</b>	<b>(22,755)</b>	<b>(66,199)</b>	<b>(74,411)</b>	<b>(56,060)</b>	<b>(130,471)</b>
Assets transferred from property and equipment	(42,743)	(14,014)	(56,757)	(157,986)	(31,288)	(189,274)
Assets written off due to sale	52,324	12,007	64,331	148,893	18,419	167,312
<b>At June 30, 2018</b>	<b>(33,863)</b>	<b>(24,762)</b>	<b>(58,625)</b>	<b>(83,504)</b>	<b>(68,929)</b>	<b>(152,433)</b>
<b>Net value:</b>						
<b>At December 31, 2017</b>	<b>67,830</b>	<b>3,036</b>	<b>70,866</b>	<b>287,842</b>	<b>25,548</b>	<b>313,390</b>
<b>At June 30, 2018</b>	<b>61,462</b>	<b>3,961</b>	<b>65,423</b>	<b>373,490</b>	<b>32,895</b>	<b>406,385</b>

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**10. Investments**

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

Investments	Equity at 6/30/2019	Interest %	Equity results from subsidiaries	Asset balance 6/30/2019	Negative equity 6/30/2019 (ii)	Parent company	Consolidated	
						Asset balance 12/31/2018	Asset balance 6/30/2019	Asset balance 12/31/2018
Avante Veículos	20,446	99.99	403	20,446	-	20,043	-	-
BRT Sorocaba Concessionárias (iv)	8,012	49.25	-	-	-	-	3,946	2,715
CS Brasil Transportes	566,297	99.99	11,347	566,297	-	563,691	-	-
CS Brasil Frotas	353,857	88.87	27,644	314,455	-	287,750	-	-
Joseense Transportes	116	99.99	-	116	-	-	-	-
JSL Corretora	8,782	99.99	468	8,782	-	8,314	-	-
JSL Empreendimentos Imobiliários	3,986	99.99	(731)	3,986	-	4,717	-	-
JSL Europe	33,636	100.00	(3,277)	33,636	-	5,480	-	-
JSL Finance	(18,613)	100.00	(9,864)	-	(18,613)	-	-	-
JSLF1	86,116	99.99	3,272	86,116	-	82,946	-	-
Medlogística	1,154	99.99	210	1,154	-	944	-	-
Mogi Mob	100	99.99	-	100	-	-	-	-
Mogipasses	7,687	99.99	884	7,687	-	6,803	-	-
Movida Participações	1,701,320	70.13	58,518	1,193,119	-	1,163,402	-	-
Original Distribuidora (v)	(80)	99.99	(59)	-	(80)	-	-	-
Original Veículos	107,354	99.99	1,796	107,354	-	105,558	-	-
Ponto Veículos	35,087	99.99	3,353	35,087	-	31,734	-	-
Quick Armazéns	5,327	99.99	112	5,327	-	5,215	-	-
Quick Logística	20,690	99.99	(1,043)	20,690	-	21,733	-	-
Sinal Serviços	3	99.99	(1)	3	-	4	-	-
Vamos	489,181	99.99	68,941	489,181	-	581,483	-	-
TPG Transportes	9,612	99.99	-	9,612	-	-	-	-
Yolanda	24,150	99.99	408	24,150	-	23,742	-	-
Surplus value of property and equipment	-	-	-	15,400	-	18,379	-	-
Goodwill on business acquisition (i)	-	-	-	6,481	-	6,481	-	-
Others (iii)	-	-	-	-	-	-	1,031	1,039
<b>Total investments</b>			<b>162,381</b>	<b>2,949,179</b>	<b>(18,693)</b>	<b>2,938,419</b>	<b>4,977</b>	<b>3,754</b>

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

(ii) Refers to the provision for losses on subsidiaries with negative equity that were classified in the group of "Other payables". As part of the bonds raising process, JSL Finance is one of the fundraising management entities. The results are mainly related to interest on debt, net of the interest of the funds held by this entity. This negative balance is covered by the Company through capital contributions in the months of interest payment;

(iii) Refers to investment of subsidiary Movida in the company E-moving;

(iv) As mentioned in Note 1.1, refers to investment of subsidiary CS Brasil in consortium BRT Sorocaba, which is in the pre-operational phase;

(v) Company in pre-operational phase.



**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**10.1 Changes in investments**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

Investments	12/31/2018	Capital contribution	Corporate restructuring (v)	Equity results from subsidiaries	Realization of surplus value of assets, goodwill (ii)	Amortization of surplus value, goodwill (iii)	Dividends and interest on capital	Other changes (iv)	Parent company
									6/30/2019
Avante Veículos	20,043	-	-	403	-	-	-	-	20,446
CS Brasil Transportes	563,691	-	(9,828)	11,347	-	-	-	1,087	566,297
CS Brasil Frotas	287,750	-	-	27,644	-	-	-	(939)	314,455
Joseense Transportes	-	-	116	-	-	-	-	-	116
JSL Corretora	8,314	-	-	468	-	-	-	-	8,782
JSL Empreendimentos Imobiliários	4,717	-	-	(731)	-	-	-	-	3,986
JSL Europe	5,480	31,430	-	(3,277)	-	-	-	3	33,636
JSLF1	82,946	-	-	3,272	-	-	-	(102)	86,116
Medlogística	944	-	-	210	-	-	-	-	1,154
Mogi Mob	-	-	100	-	-	-	-	-	100
Mogipasses	6,803	-	-	884	-	-	-	-	7,687
Movida Participações	1,163,402	-	-	58,518	-	-	(26,273)	(2,528)	1,193,119
Original Veículos	105,558	-	-	1,796	-	-	-	-	107,354
Ponto Veículos	31,734	-	-	3,353	-	-	-	-	35,087
Quick Armazéns	5,215	-	-	112	-	-	-	-	5,327
Quick Logística	21,733	-	-	(1,043)	-	-	-	-	20,690
Sinal Serviços	4	-	-	(1)	-	-	-	-	3
TPG Transportes	-	-	9,612	-	-	-	-	-	9,612
Vamos	581,483	-	-	68,941	-	-	(164,594)	3,351	489,181
Yolanda	23,742	-	-	408	-	-	-	-	24,150
Surplus value of property and equipment	18,379	-	-	-	(301)	(2,678)	-	-	15,400
Goodwill on business acquisition (i)	6,481	-	-	-	-	-	-	-	6,481
<b>Total investments</b>	<b>2,938,419</b>	<b>31,430</b>	<b>-</b>	<b>172,304</b>	<b>(301)</b>	<b>(2,678)</b>	<b>(190,867)</b>	<b>872</b>	<b>2,949,179</b>
<b>Provisions for investment losses</b>									
JSL Finance	(53,102)	-	-	(9,864)	-	-	-	44,353	(18,613)
Original Distribuidora	(21)	-	-	(59)	-	-	-	-	(80)
<b>Total investments, net of provision for losses</b>	<b>2,885,296</b>	<b>31,430</b>	<b>-</b>	<b>162,381</b>	<b>(301)</b>	<b>(2,678)</b>	<b>(190,867)</b>	<b>45,225</b>	<b>2,930,486</b>

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

(ii) Refers to write-off of surplus value of property and equipment arising from the business combination due to sale of the related assets;

(iii) Refers to amortization of surplus value arising from the business combination; and

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

(v) Refers to the corporate restructuring carried out in the operations of subsidiary CS Brasil, as mentioned in Note 1 (iii).

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

Investments	12/31/2017	Remeasurement CPC 48 / IFRS 9 and CPC 47 / IFRS 15	At 1/1/2018	Acquisition of investment (iv)	Repurchase of shares (v)	Reduction / Disposal of investment (vii)	Equity results from subsidiaries	Realization of surplus value of assets (ii)	Amortization of surplus value (iii)	Gain (loss) on equity interests in subsidiaries (vi)	Dividends and interest on capital	Other movements (iii)	Parent company
													6/30/2018
Mogipasses	17,487	-	17,487	-	-	-	956	-	-	-	-	-	18,443
Yolanda	24,596	(861)	23,735	-	-	-	522	-	-	-	-	-	24,257
JSL Empreendimentos Imobiliários	6,126	-	6,126	-	-	-	(688)	-	-	-	-	-	5,438
CS Brasil Transportes	518,284	-	518,284	-	-	-	29,307	-	-	-	(13,637)	147	534,101
Vamos	610,967	170	611,137	20,807	(94,193)	-	55,225	-	-	66,228	(9,640)	(3,935)	645,629
Medlogística	453	-	453	-	-	-	291	-	-	-	-	-	745
Quick Logística	28,313	315	28,628	-	-	-	(4,120)	-	-	-	-	-	24,509
Quick Armazéns	5,321	-	5,321	-	-	-	(200)	-	-	-	-	-	5,121
CS Brasil Frotas	236,320	-	236,320	-	-	-	6,698	-	-	-	(2,420)	-	240,598
Movida	842,733	(10,050)	832,683	200,320	(5,459)	(19,502)	43,449	-	-	3	(7,588)	(127)	1,043,779
Original Veículos	103,055	-	103,055	-	-	-	1,247	-	-	-	-	16	104,318
Ponto Veículos	28,204	-	28,204	-	-	-	1,524	-	-	-	-	4	29,732
Avante Veículos	19,409	-	19,409	-	-	-	229	-	-	-	-	(50)	19,588
JSL Corretora	5,550	-	5,550	-	-	-	2,073	-	-	-	-	-	7,623
Sinal Serviços	-	-	-	11	-	-	(7)	-	-	-	-	-	4
Surplus value on the acquisition of Quick Logística	32,403	-	32,403	-	-	-	-	(7,322)	(3,205)	-	-	-	21,876
Goodwill authorized vehicle dealerships	6,481	-	6,481	-	-	-	-	-	-	-	-	-	6,481
<b>Total investments</b>	<b>2,485,702</b>	<b>(10,426)</b>	<b>2,475,277</b>	<b>221,138</b>	<b>(99,652)</b>	<b>(19,502)</b>	<b>136,506</b>	<b>(7,322)</b>	<b>(3,205)</b>	<b>66,231</b>	<b>(33,285)</b>	<b>(9,404)</b>	<b>2,732,242</b>
<b>Provisions for investment losses</b>													
JSL Europe	(12,228)	-	(12,228)	1,142	-	-	1,355	-	-	-	-	-	(9,731)
JSL Finance	(10,411)	-	(10,411)	-	-	-	(10,922)	-	-	-	-	(42,029)	(63,362)
<b>Total investments</b>	<b>2,463,063</b>	<b>(10,426)</b>	<b>2,452,638</b>	<b>222,280</b>	<b>(99,652)</b>	<b>(19,502)</b>	<b>126,939</b>	<b>(7,322)</b>	<b>(3,205)</b>	<b>66,231</b>	<b>(33,285)</b>	<b>(51,433)</b>	<b>2,659,149</b>

(i) Refers to the realization of the purchase price allocation due to sale of the related assets;

(ii) Refers to amortization of surplus value arising from the acquisition of subsidiaries;

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

(iv) Refers to the repurchase of Vamos shares by JSL and in subsidiary Movida, an investment was acquired through the subscription of shares, see Note 1.1;

(v) Refers to write-off of the investment related to the repurchase of Vamos shares as described in Note 1.2 (c) of the annual individual and consolidated financial statements published on March 11, 2019;

(vi) Refers to the gain on the repurchase of shares of subsidiary Vamos arising from the difference between the book value of the shares and the traded value, as described in Note 10.1 of the annual individual and consolidated financial statements published on March 11, 2019;

(vii) Refers to the repurchase of 9% of shares of subsidiary Vamos, as described in Note 1.2 (c) of the annual individual and consolidated financial statements published on March 11, 2019.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reals, unless otherwise stated

**10.2 Balances of assets and liabilities and profit or loss of investees and subsidiaries**

The balances of assets, liabilities, revenues and expenses in subsidiaries for the three-month period ended June 30, 2019 are presented below:

Investments								6/30/2019
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Costs, expenses and net finance costs	Parent company Profit (loss) for the period
Avante Veículos	25,208	8,298	10,817	2,243	20,446	26,287	(25,884)	403
CS Brasil Transportes	318,781	602,618	198,613	156,489	566,297	296,816	(285,469)	11,347
CS Brasil Frotas	276,856	420,734	169,338	174,395	353,857	155,162	(124,052)	31,110
Joseense Transportes	14,946	15,199	22,660	7,369	116	-	-	-
JSL Corretora	9,787	88	1,087	6	8,782	2,608	(2,140)	468
JSL Empreendimentos Imobiliários	409	8,729	5,010	142	3,986	(11)	(720)	(731)
JSL Europe	1,847,461	711,667	92,761	2,432,731	33,636	-	(3,277)	(3,277)
JSL Finance	693,054	-	-	711,667	(18,613)	-	(9,864)	(9,864)
JSLF1	-	86,116	-	-	86,116	3,272	-	3,272
Medlogística	3,054	28,841	6,114	24,627	1,154	5,993	(5,783)	210
Mogi Mob	2,297	10,985	9,730	3,452	100	-	-	-
Mogipasses	40,497	286	11,556	21,540	7,687	1,372	(488)	884
Movida Participações	2,430,592	4,567,788	2,520,518	2,776,542	1,701,320	1,768,712	(1,685,268)	83,444
Original Distribuidora	1,402	874	1,655	701	(80)	1,252	(1,311)	(59)
Original Veículos	125,034	104,259	88,714	33,225	107,354	294,095	(292,299)	1,796
Ponto Veículos	42,845	29,592	29,570	7,780	35,087	75,229	(71,876)	3,353
Quick Armazéns	1,772	3,568	13	-	5,327	21	91	112
Quick Logística	34,663	31,878	34,255	11,596	20,690	42,157	(43,200)	(1,043)
Sinal Serviços	6	6	-	9	3	-	(1)	(1)
TPG Transportes	4,309	6,621	450	868	9,612	-	-	-
Vamos	602,280	2,032,905	938,530	1,207,474	489,181	587,388	(518,447)	68,941
Yolanda	1,735	46,339	7,648	16,276	24,150	4,002	(3,593)	409

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**10.3 Dividends receivable**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

	<b>Parent company</b>
<b>At December 31, 2018</b>	<b>93,331</b>
Interest on capital declared by subsidiary Movida	26,273
Interest on capital declared by subsidiary Vamos	14,594
Dividends declared by subsidiary Vamos	150,000
Dividends and interest on capital received in the period	(14,252)
<b>At June 30, 2019</b>	<b>269,946</b>

	<b>Parent company</b>
<b>At December 31, 2017</b>	<b>29,847</b>
Interest on capital declared by subsidiary Movida	7,588
Interest on capital declared by subsidiary Vamos	3,796
Interest on capital declared by subsidiary CS Brasil Transportes	13,637
Interest on capital declared by subsidiary CS Brasil Frotas	2,420
Dividends declared by subsidiary Vamos	5,843
Dividends and interest on capital received in the period	(21,044)
<b>At June 30, 2018</b>	<b>42,087</b>

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**11. Property and equipment**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

	Parent company								
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Construction in progress	Right-of-use (ii)	Others	Total
<b>Cost:</b>									
<b>At December 31, 2018</b>	<b>1,342,046</b>	<b>412,382</b>	<b>178,104</b>	<b>24,291</b>	<b>28,988</b>	<b>20,521</b>	-	<b>188,987</b>	<b>2,195,319</b>
Initial adoption of CPC 06 (R2) / IFRS 16 (ii)	-	-	-	-	-	-	179,413	-	179,413
<b>At January 1, 2019</b>	<b>1,342,046</b>	<b>412,382</b>	<b>178,104</b>	<b>24,291</b>	<b>28,988</b>	<b>20,521</b>	<b>179,413</b>	<b>188,987</b>	<b>2,374,732</b>
Additions	173,917	15,754	-	3,315	1,930	5,708	11,774	98	212,496
Transfers	89	(145)	751	(77)	133	(751)	-	-	-
Transfers to fixed assets available for sale	(170,158)	(36,658)	-	-	-	-	-	-	(206,816)
Assets written-off and others (i)	(1,678)	(19,886)	-	(416)	(277)	-	-	(43)	(22,300)
<b>At June 30, 2019</b>	<b>1,344,216</b>	<b>371,447</b>	<b>178,855</b>	<b>27,113</b>	<b>30,774</b>	<b>25,478</b>	<b>191,187</b>	<b>189,042</b>	<b>2,358,112</b>
<b>Accumulated depreciation:</b>									
<b>At December 31, 2018</b>	<b>(412,987)</b>	<b>(236,060)</b>	<b>(51,369)</b>	<b>(14,535)</b>	<b>(14,467)</b>	-	-	<b>(59,060)</b>	<b>(788,478)</b>
Depreciation expense for the period	(55,417)	(19,889)	(4,342)	(1,645)	(1,383)	-	(16,407)	(8,025)	(107,108)
Transfers to fixed assets available for sale	64,028	26,377	-	-	-	-	-	-	90,405
Assets written-off and others (i)	447	19,613	-	217	151	-	-	39	20,467
<b>At June 30, 2019</b>	<b>(403,929)</b>	<b>(209,959)</b>	<b>(55,711)</b>	<b>(15,963)</b>	<b>(15,699)</b>	-	<b>(16,407)</b>	<b>(67,046)</b>	<b>(784,714)</b>
<b>Net value:</b>									
<b>At December 31, 2018</b>	<b>929,059</b>	<b>176,322</b>	<b>126,735</b>	<b>9,756</b>	<b>14,521</b>	<b>20,521</b>	-	<b>129,927</b>	<b>1,406,841</b>
<b>At June 30, 2019</b>	<b>940,287</b>	<b>161,488</b>	<b>123,144</b>	<b>11,150</b>	<b>15,075</b>	<b>25,478</b>	<b>174,780</b>	<b>121,996</b>	<b>1,573,398</b>
<b>Average depreciation rate for the period:</b>									
Light	9.9%	-	-	-	-	-	-	-	-
Heavy	7.8%	11.9%	-	-	-	-	-	-	-
Others	-	-	4.9%	20.0%	10.0%	-	8.9%	8.5%	-

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R\$ 546.

(ii) Refers to initial adoption of CPC 06 (R2) / IFRS 16 – Leases (Note 2.5). Such right-of-use refers entirely to property lease agreements.

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

	Parent company						
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Construction in progress	Others
							Total
<b>Cost:</b>							
<b>At December 31, 2017</b>	<b>1,323,915</b>	<b>388,810</b>	<b>180,547</b>	<b>16,352</b>	<b>25,279</b>	<b>7,728</b>	<b>2,131,896</b>
Additions	90,288	18,633	268	3,224	819	5,119	118,391
Transfers	(456)	171	20	(10)	570	(20)	1
Transfers to fixed assets available for sale	(106,534)	(19,773)	-	-	-	-	(126,307)
Assets write-off and other (i)	(495)	(25)	(2,856)	(221)	(22)	-	(3,643)
<b>At June 30, 2018</b>	<b>1,306,718</b>	<b>387,816</b>	<b>177,979</b>	<b>19,345</b>	<b>26,646</b>	<b>12,827</b>	<b>2,120,338</b>
<b>Accumulated depreciation:</b>							
<b>At December 31, 2017</b>	<b>(391,550)</b>	<b>(194,846)</b>	<b>(44,580)</b>	<b>(12,017)</b>	<b>(11,520)</b>	-	<b>(699,318)</b>
Depreciation expense for the period	(55,586)	(22,006)	(4,625)	(1,195)	(1,248)	-	(91,686)
Transfers	228	23	-	-	(380)	-	-
Transfers to fixed assets available for sale	42,743	14,014	-	-	-	-	56,757
Assets written-off and others (i)	62	-	2,211	72	3	-	2,365
<b>At June 30, 2018</b>	<b>(404,103)</b>	<b>(202,815)</b>	<b>(46,994)</b>	<b>(13,140)</b>	<b>(13,145)</b>	-	<b>(731,882)</b>
<b>Net value:</b>							
<b>At December 31, 2017</b>	<b>932,365</b>	<b>193,964</b>	<b>135,967</b>	<b>4,335</b>	<b>13,759</b>	<b>7,728</b>	<b>1,432,578</b>
<b>At June 30, 2018</b>	<b>902,615</b>	<b>185,001</b>	<b>130,985</b>	<b>6,205</b>	<b>13,501</b>	<b>12,827</b>	<b>1,388,456</b>
<b>Average depreciation rate for the period:</b>							
Light	10.3%	-	-	-	-	-	-
Heavy	9.1%	12.1%	-	-	-	-	-
Others	-	-	5.2%	13.4%	9.6%	-	7.4%

(iii) Refers mainly to write-offs due to damages and damaged assets amounting to R\$ 349.

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

	Consolidated											
	Vehicles	Vehicles in progress	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Construction in progress	Right-of-use (ii)	Others	Total
Cost:												
At December 31, 2018	6,904,064	124,263	1,144,867	352,917	48,488	56,671	20,771	15,917	43,183	-	208,981	8,920,122
Initial adoption of CPC 06 (R2) / IFRS 16 (ii)	-	-	-	-	-	-	-	-	-	504,788	-	504,788
Balance at January 1, 2019	6,904,064	124,263	1,144,867	352,917	48,488	56,671	20,771	15,917	43,183	504,788	208,981	9,424,910
Additions	1,813,466	984,688	143,296	567	8,544	7,568	77	-	15,200	72,990	168	3,046,564
Transfers	986,889	(993,659)	6,623	1,489	(84)	231	-	-	(1,489)	-	-	-
Transfers to fixed assets available for sale	(1,673,269)	-	(105,055)	-	-	-	-	-	-	-	-	(1,778,324)
Assets written-off and others (i)	(42,926)	-	(1,971)	-	(733)	(342)	(15)	-	-	(13,223)	-	(59,210)
At June 30, 2019	7,988,224	115,292	1,187,760	354,973	56,215	64,128	20,833	15,917	56,894	564,555	209,149	10,633,940
Accumulated depreciation:												
At December 31, 2018	(925,390)	-	(447,490)	(136,615)	(33,218)	(27,286)	(7,443)	-	-	-	(63,273)	(1,640,715)
Depreciation expense for the period	(254,873)	-	(60,684)	(14,549)	(2,889)	(2,832)	(1,081)	-	-	(61,344)	(8,233)	(406,485)
Transfers	197	-	(166)	-	(2)	(29)	-	-	-	-	-	-
Transfers to fixed assets available for sale	196,880	-	67,656	-	-	-	-	-	-	-	-	264,536
Assets written-off and others (i)	2,027	-	1,172	-	365	175	7	-	-	152	-	3,898
At June 30, 2019	(981,159)	-	(439,512)	(151,164)	(35,744)	(29,972)	(8,517)	-	-	(61,192)	(71,506)	(1,778,766)
Net value:												
At December 31, 2018	5,978,674	124,263	697,377	216,302	15,270	29,385	13,328	15,917	43,183	-	145,708	7,279,407
At June 30, 2019	7,007,065	115,292	748,248	203,809	20,471	34,156	12,316	15,917	56,894	503,363	137,643	8,855,174
Average depreciation rate for the period:												
Light	4.1%	-	-	-	-	-	-	-	-	-	-	-
Heavy	9.2%	-	9.5%	-	-	-	-	-	-	-	-	-
Others	-	-	-	8.2%	18.0%	10.0%	9.0%	-	-	5.8%	9.0%	-

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R\$ 39,660;

(ii) Refers to initial adoption of CPC 06 (R2) / IFRS 16 – Leases, see note 2.4. Such right-of-use refers entirely to property lease agreements.



**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

											Consolidated
	Vehicles	Vehicles in progress	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Construction in progress	Others	Total
<b>Cost:</b>											
<b>At December 31, 2017</b>	<b>5,628,526</b>	<b>67,912</b>	<b>1,061,062</b>	<b>357,000</b>	<b>37,998</b>	<b>50,027</b>	<b>16,451</b>	<b>15,917</b>	<b>11,128</b>	<b>220,669</b>	<b>7,466,690</b>
Additions	1,509,927	56,064	155,432	536	3,968	2,080	1	-	11,630	98	1,739,736
Transfers	(9,082)	(39)	14,591	(3,329)	(10)	(481)	4,355	-	(460)	(5,545)	-
Transfers to fixed assets available for sale	(1,050,890)	-	(45,628)	-	-	-	-	-	-	-	(1,096,518)
Assets written-off and others (i)	(91,360)	(73,891)	(291)	(2,864)	(221)	(24)	-	-	-	(481)	(169,132)
<b>At June 30, 2018</b>	<b>5,987,121</b>	<b>50,046</b>	<b>1,185,166</b>	<b>351,343</b>	<b>41,735</b>	<b>51,602</b>	<b>20,807</b>	<b>15,917</b>	<b>22,298</b>	<b>214,741</b>	<b>7,940,776</b>
<b>Accumulated depreciation:</b>											
<b>At December 31, 2017</b>	<b>(779,750)</b>	<b>-</b>	<b>(410,047)</b>	<b>(110,636)</b>	<b>(28,887)</b>	<b>(22,562)</b>	<b>(4,351)</b>	<b>-</b>	<b>-</b>	<b>(53,843)</b>	<b>(1,410,076)</b>
Depreciation expense for the period	(197,044)	-	(56,584)	(15,453)	(2,136)	(2,408)	(1,102)	-	-	(7,596)	(282,323)
Transfers	313	-	(381)	740	-	96	(897)	-	-	129	-
Transfers to fixed assets available for sale	157,986	-	31,288	-	-	-	-	-	-	-	189,274
Assets written-off and others (i)	2,283	-	151	2,216	72	3	-	-	-	721	5,446
<b>At June 30, 2018</b>	<b>(816,212)</b>	<b>-</b>	<b>(435,573)</b>	<b>(123,133)</b>	<b>(30,951)</b>	<b>(24,871)</b>	<b>(6,350)</b>	<b>-</b>	<b>-</b>	<b>(60,589)</b>	<b>(1,497,679)</b>
<b>Net value:</b>											
<b>At December 31, 2017</b>	<b>4,848,776</b>	<b>67,912</b>	<b>651,015</b>	<b>246,364</b>	<b>9,111</b>	<b>27,465</b>	<b>12,100</b>	<b>15,917</b>	<b>11,128</b>	<b>166,826</b>	<b>6,056,614</b>
<b>At June 30, 2018</b>	<b>5,170,909</b>	<b>50,046</b>	<b>749,593</b>	<b>228,210</b>	<b>10,784</b>	<b>26,731</b>	<b>14,457</b>	<b>15,917</b>	<b>22,298</b>	<b>154,152</b>	<b>6,443,097</b>
<b>Average depreciation rate for the period:</b>											
Light	4.8%	-	-	-	-	-	-	-	-	-	-
Heavy	8.6%	-	10.8%	-	-	-	-	-	-	-	-
Others	-	-	-	8.8%	10.2%	9.3%	10.6%	-	-	7.1%	-

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R\$ 81,042.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reals, unless otherwise stated

**11.1 Finance leases of property and equipment items**

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

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Cost - capitalized finance lease	118,941	72,465	287,997	217,090
Accumulated depreciation	(28,922)	(13,982)	(47,923)	(29,138)
<b>Net balance</b>	<b>90,019</b>	<b>58,483</b>	<b>240,074</b>	<b>187,952</b>

**12. Intangible assets**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

	Parent company			
	Goodwill	Software	Others	Total
<b>Cost:</b>				
<b>At December 31, 2018</b>	<b>232,609</b>	<b>51,092</b>	<b>1,157</b>	<b>284,858</b>
Additions	-	2,854	-	2,854
Write-offs	-	(28)	-	(28)
<b>At June 30, 2019</b>	<b>232,609</b>	<b>53,918</b>	<b>1,157</b>	<b>287,684</b>
<b>Accumulated amortization:</b>				
<b>At December 31, 2018</b>	-	(33,971)	(330)	(34,301)
Amortization expense for the period	-	(3,356)	(11)	(3,367)
Write-offs	-	9	-	9
<b>At June 30, 2019</b>	-	<b>(37,318)</b>	<b>(341)</b>	<b>(37,659)</b>
<b>Net value:</b>				
<b>At December 31, 2018</b>	<b>232,609</b>	<b>17,121</b>	<b>827</b>	<b>250,557</b>
<b>At June 30, 2019</b>	<b>232,609</b>	<b>16,600</b>	<b>816</b>	<b>250,025</b>
Average amortization rate	-	12.8%	2.0%	-

	Parent company			
	Goodwill	Software	Others	Total
<b>Cost:</b>				
<b>At December 31, 2017</b>	<b>232,609</b>	<b>47,458</b>	<b>1,157</b>	<b>281,224</b>
Additions	-	585	-	585
<b>At June 30, 2018</b>	<b>232,609</b>	<b>48,043</b>	<b>1,157</b>	<b>281,809</b>
<b>Accumulated amortization:</b>				
<b>At December 31, 2017</b>	-	(27,572)	(308)	(27,880)
Amortization expense for the period	-	(3,245)	(11)	(3,256)
<b>At June 30, 2018</b>	-	<b>(30,817)</b>	<b>(319)</b>	<b>(31,136)</b>
<b>Net value:</b>				
<b>At December 31, 2017</b>	<b>232,609</b>	<b>19,886</b>	<b>849</b>	<b>253,344</b>
<b>At June 30, 2018</b>	<b>232,609</b>	<b>17,226</b>	<b>838</b>	<b>250,673</b>
Average amortization rate for the period	-	11.4%	10.0%	-

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	Consolidated					
	Goodwill	Non-competete agreement and customer list	Software	Commercial fund (i)	Others (ii)	Total
<b>Cost:</b>						
<b>At December 31, 2018</b>	<b>336,377</b>	<b>54,904</b>	<b>91,608</b>	<b>54,306</b>	<b>14,704</b>	<b>551,899</b>
Additions	-	-	39,368	-	530	39,898
Write-offs	-	-	(1,978)	-	-	(1,978)
<b>At June 30, 2019</b>	<b>336,377</b>	<b>54,904</b>	<b>128,998</b>	<b>54,306</b>	<b>15,234</b>	<b>589,819</b>
<b>Accumulated amortization:</b>						
<b>At December 31, 2018</b>	-	(17,945)	(40,844)	(3,720)	(4,814)	(67,323)
Amortization expense for the period	-	(5,010)	(4,189)	-	(325)	(9,524)
Write-offs	-	-	142	-	-	142
<b>At June 30, 2019</b>	-	(22,955)	(44,891)	(3,720)	(5,139)	(76,705)
<b>Net value:</b>						
<b>At December 31, 2018</b>	<b>336,377</b>	<b>36,959</b>	<b>50,764</b>	<b>50,586</b>	<b>9,890</b>	<b>484,576</b>
<b>At June 30, 2019</b>	<b>336,377</b>	<b>31,949</b>	<b>84,107</b>	<b>50,586</b>	<b>10,095</b>	<b>513,114</b>
<b>Average amortization rate for the period</b>	-	13.0%	11.4%		10.0%	-

- (i) Refers to: R\$ 8,972 paid on the acquisition of points of sales used for Movida stores, allocated to CGU Movida; R\$ 30,814 related to rights to use the MAN brand, allocated to CGU Transrio; and the acquisition of rights to use the Valtra brand in the amount of R\$ 10,800, allocated to CGU Valtra;
- (ii) Mainly composed of concession right to provide urban transportation services in the city of São José dos Campos – SP, acquired in 2008 with twelve-year term, and concession right to provide urban transportation services in the city of Sorocaba - SP acquired in June 2011 with eight-year term.

	Consolidated					
	Goodwill	Non-competete agreement and customer list	Software	Commercial fund	Others	Total
<b>Cost:</b>						
<b>At December 31, 2017</b>	<b>336,377</b>	<b>54,904</b>	<b>60,980</b>	<b>46,178</b>	<b>22,837</b>	<b>521,276</b>
Additions	-	-	6,595	-	22	6,617
Write-offs	-	-	(1,378)	-	(289)	(1,667)
<b>At June 30, 2018</b>	<b>336,377</b>	<b>54,904</b>	<b>66,197</b>	<b>46,178</b>	<b>22,570</b>	<b>526,226</b>
<b>Accumulated amortization:</b>						
<b>At December 31, 2017</b>	-	(8,395)	(33,160)	(3,720)	(4,282)	(49,557)
Amortization expense for the period	-	(2,190)	(3,736)	-	(31)	(5,957)
<b>At June 30, 2018</b>	-	(10,585)	(36,896)	(3,720)	(4,313)	(55,514)
<b>Net value:</b>						
<b>At December 31, 2017</b>	<b>336,377</b>	<b>46,509</b>	<b>27,820</b>	<b>42,458</b>	<b>18,555</b>	<b>471,719</b>
<b>At June 30, 2018</b>	<b>336,377</b>	<b>44,319</b>	<b>29,301</b>	<b>42,458</b>	<b>18,257</b>	<b>470,712</b>
<b>Average amortization rate for the period</b>	-	20.0%	11.3%	-	10.0%	-

**12.1 Impairment testing**

The impairment test of indefinite useful life assets is carried out once a year, or when there are indicators of impairment of some of the cash-generating units ("CGU"). For the six-month period ended June 30, 2019, Management concluded that there are no indications of impairment of its CGUs. The last impairment test of intangible assets was made for the year ended December 31, 2018, as presented in the annual individual and consolidated financial statements published on March 11, 2019.

**13. Trade payables**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>
Suppliers of vehicles, machinery and equipment	36,955	29,741	1,741,748	1,024,461
Parts and maintenance	4,337	9,067	43,395	47,730
Trade payables - related parties (Note 22.1)	6,421	7,282	604	-
Inventory	12,626	16,298	36,443	23,934
Contracted services	19,279	23,524	43,760	28,624
Property leasing	3,114	3,028	4,786	4,646
Others	4,665	4,576	62,800	66,012
<b>Total</b>	<b>87,397</b>	<b>93,516</b>	<b>1,933,536</b>	<b>1,195,407</b>

**14. Floor plan**

Part of the purchases of new vehicles for the segment of authorized vehicle dealerships are paid with extended term under the program to finance the inventory of new and used vehicles and automobile parts floor plan, with revolving credit facilities made available by financial institutions, and with the agreement of car makers. These programs generally have an initial period during which they are interest-free until the invoice issuance and with maturities of up to 180 days after the invoice issuance. After this period, these purchases are subject to interest of up to 100% of the CDI plus interest of up to 0.5% p.m. During the six-month period ended June 30, 2019, the Group used the interest-free period only. The balance in the Consolidated is R\$ 91,659 at June 30, 2019 (R\$ 93,588 at December 31, 2018).

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**15. Loans and borrowings**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

				Parent company										
				6/30/2019			Movements					12/31/2018		
Type	Annual average rate	Average rate structure	Maturity	Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
In local currency														
CCB (i)	9.02%	CDI+2.62%	Mar/23	43,231	944,588	987,819	-	(246,032)	(48,602)	47,261	-	170,397	1,064,795	1,235,192
CRA (ii)	7.10%	CDI+0.70%	Jun/20	132,825	-	132,825	-	(235,000)	(12,826)	14,808	-	231,949	133,894	365,843
Finame (iii)	5.51%	Fixed rate/TLP	Jan/25	34,296	121,388	155,684	26,566	(93,407)	(6,339)	6,574	-	43,696	178,594	222,290
Finame (iii)	10.38%	SELIC/TLP	Feb/24	1,135	5,246	6,381	7,199	(67,452)	(2,668)	2,283	-	16,241	50,778	67,019
FINEM (v)	7.77%	IPCA/TLP	Jun/21	8,497	5,998	14,495	-	(5,961)	(1,054)	698	-	10,435	10,377	20,812
FNO		Fixed rate/IPCA												
NCE	6.05%	rate/IPCA	Jan/24	5,341	27,914	33,255	30,419	(13,707)	(688)	727	-	1,868	14,636	16,504
NCE	7.90%	CDI+1.50%	Apr/21	61	13,614	13,675	13,700	(188)	-	163	-	-	-	-
NP	7.90%	123% of CDI	Nov/19	201,093	-	201,093	-	-	(7,526)	7,587	-	201,032	-	201,032
Working capital (CDC) (viii)	11.33%	Fixed rate	Mar/24	-	-	-	-	(801)	(31)	28	-	43	761	804
				426,479	1,118,748	1,545,227	77,884	(662,548)	(79,734)	80,129	-	675,661	1,453,835	2,129,496
In foreign currency														
NCE (iv)	7.75%	USD+7.75%	Jul/24	57,166	1,791,057	1,848,223	-	-	(64,208)	64,051	(4,913)	57,323	1,795,970	1,853,293
International credit (4131) - USD (x)	8.33%	USD+3.73%	Mar/19	-	-	-	-	(111,390)	(182)	150	(699)	112,121	-	112,121
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/21	2,615	2,560	5,175	-	(1,239)	(323)	237	17	2,632	3,851	6,483
				59,781	1,793,617	1,853,398	-	(112,629)	(64,713)	64,438	(5,595)	172,076	1,799,821	1,971,897
				486,260	2,912,365	3,398,625	77,884	(775,177)	(144,447)	144,567	(5,595)	847,737	3,253,656	4,101,393

				Parent company										
				6/30/2018			Movements					12/31/2017		
Type	Annual average rate	Average rate structure	Maturity	Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total
In local currency														
CCB (i)	8.86%	CDI + 2.47%	Mar/23	160,261	837,617	997,879	-	(53,011)	(45,326)	45,397	-	126,875	923,944	1,050,819
CRA (ii)	7.17%	CDI + 0.8%	Jun/20	230,893	132,566	363,458	-	(97,541)	(16,859)	16,866	-	95,697	365,296	460,993
Finame (iii)	4.87%	Fixed rate	Jan/25	52,688	209,306	261,994	19,887	(77,467)	(6,558)	6,476	-	63,035	256,621	319,656
Finame (iii)	9.92%	TLP / SELIC	Jun/23	13,126	47,694	60,820	25,827	(12,154)	(2,379)	2,676	-	15,667	31,183	46,850
NCE (iv)	9.59%	CDI + 3.2%	May/19	302,801	-	302,801	-	(59,992)	(17,057)	15,566	-	64,284	300,000	364,284
FINEM (v)	7.76%	TLP/IPCA	Jun/21	13,936	14,050	27,986	-	(8,304)	(1,859)	1,548	-	16,516	20,085	36,601
FNO	3.49%	Fixed rate	Jan/24	1,869	8,473	10,342	-	(924)	(191)	188	-	1,872	9,397	11,269
Others	7.39%	Fixed rate	Jan/19	1,954	-	1,954	-	(2,363)	(33)	9	-	4,325	16	4,341
				777,528	1,249,706	2,027,234	45,714	(311,756)	(90,262)	88,725	-	388,271	1,906,542	2,294,813
In foreign currency														
NCE (iv)	USD + 7.75%	USD + 7.75%	Jul/24	55,508	1,786,787	1,842,295	977,301	-	(15,214)	57,461	280,582	12,885	529,280	542,165
International credit (4131) - USD (x)	USD + 3.73%	USD + 3.73%	Mar/19	117,834	-	117,834	-	(102,166)	(2,868)	5,421	17,496	100,711	99,240	199,951
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/21	-	5,109	5,109	-	(3,847)	(324)	210	1,328	2,263	5,479	7,742
				173,342	1,791,896	1,965,238	977,301	(106,013)	(18,406)	63,092	299,406	115,859	633,999	749,858
				950,870	3,041,602	3,992,472	1,023,015	(417,769)	(108,668)	151,816	299,406	504,130	2,540,541	3,044,671

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In thousands of Brazilian Reais, unless otherwise stated

														Consolidated		
Type	Annual average rate	Average rate structure	Maturity	6/30/2019			Movements					12/31/2018				
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total		
In local currency																
CCB (i)	8.91%	CDI+2.41%	Aug/25	68,204	1,109,085	1,177,289	-	(399,916)	(62,781)	61,516	-	241,940	1,336,530	1,578,470		
CRA (ii)	7.24%	CDI+0.84%	Feb/24	181,185	226,957	408,142	281,075	(232,730)	(22,082)	16,036	-	231,949	133,894	365,843		
Finame (iii)	7.58%	Fixed rate/TLP	Feb/29	114,106	442,596	556,702	89,320	(178,450)	(22,798)	23,811	-	125,844	518,975	644,819		
Finame (iii)	10.57%	TLP/SELIC	Feb/29	78,036	134,881	212,917	26,832	(111,554)	(9,308)	9,376	-	97,169	200,402	297,571		
FINEM (v)	7.77%	IPCA/TLP	Jun/21	8,497	5,998	14,495	-	(5,961)	(1,054)	698	-	10,435	10,377	20,812		
FNO	6.05%	Fixed rate/IPCA	Jan/24	5,341	27,914	33,255	30,419	(13,707)	(688)	727	-	1,868	14,636	16,504		
NCE	7.90%	CDI+1.50%	Apr/21	61	13,614	13,675	13,700	(188)	-	163	-	-	-	-		
NP (vi)	7.77%	CDI+1.37%	Aug/21	618,195	249,707	867,902	100,000	(4,660)	(7,636)	28,539	-	438,419	313,240	751,659		
FNE (viii)	8.19%	Fixed rate/IPCA	Jul/22	46,240	88,701	134,941	-	(114,408)	(9,305)	7,563	-	82,877	168,214	251,091		
FINEP	6.76%	TLP+0.5%	Jul/30	24	9,618	9,642	-	-	(254)	286	-	26	9,584	9,610		
Working capital (CDC) (viii)	11.33%	Fixed rate	Mar/24	59,624	121,952	181,576	158,955	(9,803)	(3,673)	6,719	-	4,997	24,381	29,378		
Others	10.40%	Fixed rate	Jul/25	7,393	8,436	15,829	-	(6,577)	(309)	11	-	11,473	11,231	22,704		
				1,186,906	2,439,459	3,626,365	700,301	(1,077,954)	(139,888)	155,445	-	1,246,997	2,741,464	3,988,461		
In foreign currency																
Senior Notes "Bond" (ix)	7.75%	USD+7.75%	Jul/24	75,047	2,392,489	2,467,536	-	-	(88,270)	90,904	(6,625)	75,253	2,396,274	2,471,527		
NCE (iv)	7.75%	USD+7.75%	Jul/24	57,166	1,791,057	1,848,223	-	-	(64,208)	64,051	(4,913)	57,323	1,795,970	1,853,293		
International credit (4131) - USD (x)	5.05%	USD+5.05%	May/21	1,180	154,568	155,748	-	(111,390)	(3,908)	4,231	(1,123)	112,946	154,992	267,938		
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/21	2,615	2,560	5,175	-	(1,239)	(323)	237	17	2,632	3,851	6,483		
				136,008	4,340,674	4,476,682	-	(112,629)	(156,709)	159,423	(12,644)	248,154	4,351,087	4,599,241		
				1,322,914	6,780,133	8,103,047	700,301	(1,190,583)	(296,597)	314,868	(12,644)	1,495,151	7,092,551	8,587,702		

													Consolidated		
Type	Annual average rate	Average rate structure	Maturity	6/30/2018			Movements					12/31/2017			
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Exchange rate changes	Current	Non-current	Total	
In local currency															
CCB (i)	8.66%	CDI + 2.27%	Aug/25	186,159	1,188,754	1,374,913	16,500	(78,303)	(60,046)	60,746	-	176,785	1,259,229	1,436,014	
CRA (ii)	7.17%	CDI + 0.8%	Jun/20	230,893	132,566	363,458	-	(97,541)	(16,859)	16,866	-	95,697	365,296	460,993	
Finame (iii)	6.08%	Fixed rate	Jan/25	135,375	528,928	664,303	144,739	(142,024)	(14,243)	15,189	-	150,816	509,825	660,641	
Finame (iii)	10.07%	TLP / SELIC	Jul/22	95,614	219,817	315,431	64,866	(118,539)	(14,549)	17,544	-	107,494	258,616	366,110	
NCE (iv)	9.59%	CDI + 3.2%	May/19	302,801	-	302,801	-	(59,992)	(17,057)	15,566	-	64,284	300,000	364,284	
FINEM (v)	7.76%	TLP/IPCA	Jun/21	13,935	14,050	27,986	-	(8,304)	(1,858)	1,548	-	16,516	20,085	36,601	
FNO	3.49%	Fixed rate	Jan/24	1,869	8,473	10,342	-	(924)	(191)	188	-	1,872	9,397	11,269	
NP (vi)	7.32%	CDI + 0.9 %	Dec/19	326,767	130,590	457,357	-	390	260	16,257	-	159,852	280,599	440,451	
FNE (viii)	8.66%	Fixed rate	Jun/21	43,931	87,595	131,526	-	(25,801)	(5,271)	5,928	-	51,309	105,361	156,670	
Working capital (CDC) (viii)	7.96%	Fixed rate	Jan/23	36	427	463	-	(10,078)	(1,087)	456	-	3,025	8,148	11,173	
Others	7.39%	Fixed rate	Jan/19	2,790	-	2,790	-	(3,350)	(48)	22	-	6,150	16	6,166	
				1,340,169	2,311,200	3,651,369	226,105	(544,466)	(130,949)	150,310	-	833,800	3,116,572	3,950,372	
In foreign currency															
Senior Notes "Bond" (ix)	7.75%	USD + 7.75%	Jul/24	74,556	2,379,832	2,454,388	977,301	-	(9,824)	71,072	323,501	33,038	1,059,300	1,092,338	
NCE (iv)	7.75%	USD + 7.75%	Jul/24	55,508	1,786,787	1,842,295	977,301	-	(15,214)	57,461	280,582	12,885	529,280	542,165	
International credit (4131) - USD (x)	5.93%	USD + 5.93%	Mar/21	117,858	155,000	272,858	150,800	(86,792)	(2,868)	6,214	5,554	100,711	99,240	199,951	
International credit (4131) - USD (x)	7.60%	Fixed rate	Apr/21	-	5,109	5,109	-	(3,847)	(324)	210	1,328	2,263	5,479	7,742	
				247,922	4,326,728	4,574,650	2,105,402	(90,639)	(282,306)	134,957	610,965	148,897	1,693,299	1,842,196	
				1,588,091	6,637,928	8,226,019	2,331,507	(635,105)	(159,179)	285,265	610,965	982,697	4,809,871	5,792,568	

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019****In thousands of Brazilian Reais, unless otherwise stated**

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- (i) **CCBs** are Bank Credit Bills raised with financial institutions for financing working capital and the purchase of vehicles, machinery and equipment used in operations. These agreements have several maturities, either quarterly or semi-annually, and have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of decommissioned assets (EBITDA-A).
- (ii) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain. These agreements have several maturities, either quarterly or semi-annually, and have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization and cost of sales of decommissioned assets (EBITDA-A).
- (iii) **FINAME** are financing for investments in vehicles, machinery and equipment used in operations. New agreements are signed on a monthly basis, related to the purchase of new assets under the normal fleet renewal process. Finame agreements have a grace period ranging from six months to two years according to the financed product, payments of interest and principal are monthly after the shortage period. These agreements do not have covenants, but only pledge of assets with financial agents.
- (iv) **NCEs** transactions in foreign currency have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). These agreements have several maturities, with semi-annual payment of interest.
- (v) **FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. These agreements have monthly payment of interest and principal repayment and do not have covenants.
- (vi) **Promissory notes ('NPs')** refer to commercial notes of promise to pay, issued to reinforce working capital, within the ordinary management of its business. These agreements have several maturities, with payment of interest and principal at the end of the agreement. These transactions have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).
- (vii) **FNEs and FNOs** refer to the operations of the Constitutional Fund for Financing of the Northeast and Amazon Banks, to finance and invest in heavy vehicles, light vehicles, machinery and equipment used in the Group's cash management operations. These agreements have varying maturities, shortage periods vary from six months to one year, and some assets may be collateralized in accordance with the financed product. Payments of interest and principal are monthly after the shortage period and have no covenants.
- (viii) **Working capital (CDC)** refer to short-term transactions used to manage the Group's cash. These transactions have covenants for the maintenance of certain financial ratios linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).
- (ix) **Senior Notes "Bond"** refer to debt bonds issued by the subsidiary JSL Europe in the international market, in the amount of US\$ 325,000 thousand, with maturity on July 26, 2024 and semi-annual payment of interest of 7.75% p.a., beginning on January 26, 2018. On January 8, 2018 JSL Europe made a "Retap" offering in the amount of US\$ 300,000 thousand keeping the same characteristics from the original issuance. These bonds were issued with a rate of 6.75% p.a., where JSL Europe recognized a gain in the amount of R\$ 49,400, related to the balancing in the original rate of 7.75% p.a., this gain will be recognized in the statement of profit or loss over the maturity of the transaction. These transactions have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). The balance payable is indexed to the US dollar and is naturally hedged by financial investments in the same amount also indexed to the dollar.



**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

- (x) **International credit:** refer to borrowing transactions with foreign institutions. These transactions have covenants, including the maintenance of certain financial ratios linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

**15.1 Committed financial ratios**

All commitments described in the contracts were complied with at June 30, 2019, including the maintenance of the financial ratios, as shown below:

Covenant	Limits	Vamos (i) 12 months ended		Movida 12 months ended		Consolidated 12 months ended	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Net Debt / Added EBITDA	Less than 3.5	1.92	2.08	-	-	1.92	2.08
Net Debt / Adjusted EBITDA	Less than 3.5	-	-	2.8	2.8	-	-
Net Debt / Adjusted EBITDA	Less than 4.60	-	-	-	-	4.01	4.18
Net Debt / Adjusted EBITDA	Less than 4.75	4.01	4.18	-	-	-	-
Added EBITDA / Net Finance Costs	Greater than 2.0	5.28	5.48	-	-	5.28	5.48
Adjusted EBITDA / Net Finance Costs	Greater than 1.5	-	-	3.7	3.4	-	-

- (i) The contracts of Vamos subsidiary have covenants relating to international credit and issuance of CRA's, which are calculated quarterly on the basis of the annualized consolidated financial information of its Parent company JSL S.A., guarantor of such contracts. However, in relation to the CRA's, according to the private indenture, the first verification of the financial ratios will be made after the issuance of the financial statements for the year ending December 31, 2019. After this period, financial ratios will be monitored every six months. If Vamos has its shares admitted for stock trading, the monitoring will be carried out quarterly based on the financial statements of Vamos.

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

**Adjusted EBITDA for covenant purposes:** means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity from subsidiaries, plus impairment losses.

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

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

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**15.2 Amortization schedule**

Amortization schedule for the Parent Company and Consolidated is presented below, by year of maturity:

				<b>6/30/2019</b>	
		<b>Parent company</b>		<b>Consolidated</b>	
	<b>Maturity of installments</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Total current liabilities	Up to Jun/2020	486,260	14	1,322,914	16
	Jul to Dec/2020	144,579	4	518,267	6
	2021	601,263	18	1,235,380	15
	2022	281,969	8	523,413	6
	2023	86,460	3	239,658	3
	2024	1,798,045	53	4,246,645	52
	2025	49	-	5,070	0.1
	2026	-	-	11,700	0.1
<b>Total non-current liabilities</b>		<b>2,912,365</b>	<b>86</b>	<b>6,780,133</b>	<b>84</b>
<b>Total</b>		<b>3,398,625</b>	<b>100</b>	<b>8,103,047</b>	<b>100</b>

**15.3 Guarantees and bank guarantees**

At June 30, 2019, the Company and its subsidiaries have certain guarantees for the loan and borrowing transactions as follows:

- ✓ **FINAME** and finance leases - guaranteed by the respective financed vehicles, machinery and equipment;
- ✓ **FINEM, FNE, FNO** – bank guarantees;
- ✓ **CCBs** – assignment of trade notes of R\$ 31,000; pledge of 10% of the shares of CS Brasil; Vamos has CCB transactions and Consortia collateralized by the respective financed vehicles, machinery and equipment.

The other transactions do not have any guarantees.

Analysis of credit and market risk is shown in note 4.3.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**16. Debentures**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

Type	Annual average rate	Maturity	6/30/2019			Movements				Parent company 12/31/2018		
			Current	Non-current	Total	New issuances	Amortization	Interest paid	Interest	Current	Non-current	Total
<b>In local currency</b>												
6 <sup>th</sup> issuance	7.19%	Jul/20	165,491	157,374	322,865	-	-	(912)	16,119	153,151	154,507	307,658
8 <sup>th</sup> issuance	8.17%	Jun/21	71,676	75,432	147,108	-	(149,287)	(20,725)	13,006	157,941	146,173	304,114
10 <sup>th</sup> issuance	8.00%	Dec/23	48,443	298,022	346,465	-	-	(20,608)	13,682	55,498	297,893	353,391
11 <sup>th</sup> issuance	8.03%	Jun/21	199,011	198,528	397,539	-	-	(15,471)	16,151	-	396,859	396,859
12 <sup>th</sup> issuance	7.94%	Dec/23	69,448	522,213	591,661	-	-	(22,927)	23,603	-	590,985	590,985
13 <sup>th</sup> issuance	8.41%	May/26	2,398	446,902	449,300	450,000	-	(3,709)	3,009	-	-	-
			<b>556,467</b>	<b>1,698,471</b>	<b>2,254,938</b>	<b>450,000</b>	<b>(149,287)</b>	<b>(84,352)</b>	<b>85,570</b>	<b>366,590</b>	<b>1,586,417</b>	<b>1,953,007</b>

Type	Annual average rate	Maturity	6/30/2018			Movements			Parent company 12/31/2017		
			Current	Non-current	Total	Amortization	Interest paid	Interest	Current	Non-current	Total
<b>In local currency</b>											
6 <sup>th</sup> issuance	7.60%	Jul/20	139,646	296,672	436,318	-	(10,476)	22,514	133,226	291,053	424,279
8 <sup>th</sup> issuance	7.90%	Jun/21	154,126	144,871	298,997	(153,630)	(19)	28,301	127,709	296,637	424,346
10 <sup>th</sup> issuance	8.10%	Mar/21	6,590	349,855	356,445	-	(15,448)	15,755	6,895	349,243	356,138
11 <sup>th</sup> issuance	8.00%	Jun/21	-	396,178	396,178	-	(15,785)	15,846	-	396,116	396,116
			<b>300,362</b>	<b>1,187,576</b>	<b>1,487,938</b>	<b>(153,630)</b>	<b>(41,728)</b>	<b>82,416</b>	<b>267,830</b>	<b>1,333,049</b>	<b>1,600,879</b>

**JSL S.A.**
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Type	Annual average rate	Maturity	6/30/2019			Movements				Consolidated 12/31/2018		
			Current	Non-current	Total	New issuances	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency												
6 <sup>th</sup> issuance - JSL S.A.	7.19%	Jul/20	165,491	157,374	322,865	-	-	(912)	16,119	153,151	154,507	307,658
8 <sup>th</sup> issuance - JSL S.A.	8.17%	Jun/21	71,676	75,432	147,108	-	(149,287)	(20,725)	13,006	157,941	146,173	304,114
10 <sup>th</sup> issuance - JSL S.A.	8.00%	Dec/23	48,443	298,022	346,465	-	-	(20,608)	13,682	55,498	297,893	353,391
11 <sup>th</sup> issuance - JSL S.A.	8.03%	Jun/21	199,011	198,528	397,539	-	-	(15,471)	16,151	-	396,859	396,859
12 <sup>th</sup> issuance - JSL S.A.	7.94%	Dec/23	69,448	522,213	591,661	-	-	(22,927)	23,603	-	590,985	590,985
13 <sup>th</sup> issuance - JSL S.A.	8.41%	May/26	2,398	446,902	449,300	450,000	-	(3,709)	3,009	-	-	-
1 <sup>st</sup> issuance - Movida Locação	8.50%	Mar/23	67,246	186,565	253,811	-	-	(10,108)	10,361	4,662	248,896	253,558
2 <sup>nd</sup> issuance - Movida Locação	8.30%	Oct/21	25,155	79,805	104,960	-	-	-	4,100	21,129	79,731	100,860
3 <sup>rd</sup> issuance - Movida Locação	8.10%	Feb/24	-	198,898	198,898	200,000	-	(1,122)	20	-	-	-
1 <sup>st</sup> issuance - Movida Participações	8.60%	Jul/22	8,598	20,102	28,700	-	(370,532)	(16,198)	2,053	89,796	323,581	413,377
2 <sup>nd</sup> issuance - Movida Participações	8.50%	Jun/23	33,907	416,232	450,139	-	-	(18,209)	18,408	1,490	448,450	449,940
3 <sup>rd</sup> issuance - Movida Participações	8.50%	Jun/24	6	590,989	590,995	600,000	-	(34,195)	25,190	-	-	-
4 <sup>th</sup> issuance - Movida Participações	8.20%	Jul/27	-	697,151	697,151	700,000	-	(3,120)	271	-	-	-
			691,379	3,888,213	4,579,592	1,950,000	(519,819)	(167,304)	145,973	483,667	2,687,075	3,170,742

Type	Annu al avera ge rate	Maturity	Consolidated									
			6/30/2018			Movements				12/31/2017		
			Current	Non- current	Total	New issuances	Amortization	Interest paid	Interest	Current	Non- current	Total
In local currency												
6 <sup>th</sup> issuance - JSL S.A.	7.60%	Jul/20	139,646	296,672	436,318	-	-	(10,476)	22,514	133,226	291,052	424,279
8 <sup>th</sup> issuance - JSL S.A.	7.90%	Jun/21	154,126	144,871	298,997	-	(153,630)	(19)	28,301	127,709	296,637	424,346
10 <sup>th</sup> issuance - JSL S.A.	8.10%	Mar/21	6,590	349,855	356,445	-	-	(15,448)	15,755	6,895	349,243	356,138
1 <sup>th</sup> issuance - JSL S.A.	8.00%	Jun/21	-	396,178	396,178	-	-	(15,785)	15,846	-	396,117	396,117
1 <sup>st</sup> issuance - Movida Participações (merged from Movida GTF)	8.30%	Sep/18	6,706	-	6,706	-	-	(307)	6,327	686	-	686
1 <sup>st</sup> issuance - Movida Locação	8.40%	Mar/23	3,996	248,698	252,694	250,000	(1,557)	-	4,250	-	-	-
1 <sup>st</sup> issuance - Movida Participações	8.60%	Jul/22	14,363	398,656	413,019	-	-	(18,184)	17,286	15,901	398,016	413,917
2 <sup>nd</sup> issuance - Movida Participações	8.30%	Jun/23	2,193	447,690	449,883	450,000	(2,378)	-	2,262	-	-	-
			327,620	2,282,620	2,610,240	700,000	(157,565)	(60,219)	112,541	284,417	1,731,065	2,015,483

**JSL S.A.**
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The characteristics of the debentures are presented in the table below:

Issuer	JSL S.A.						Movida Locação			Movida Participações			
Description	6 <sup>th</sup> issuance	8 <sup>th</sup> issuance	10 <sup>th</sup> issuance	11 <sup>th</sup> issuance	12 <sup>th</sup> issuance	13 <sup>th</sup> issuance	1 <sup>st</sup> issuance	2 <sup>nd</sup> issuance	3 <sup>rd</sup> issuance	1 <sup>st</sup> issuance	2 <sup>nd</sup> issuance	3 <sup>rd</sup> issuance	4 <sup>th</sup> issuance
<b>a. Identification of the process by nature</b>													
<i>Financial institution</i>	<i>BTG Pactual</i>	<i>Votorantim</i>	<i>Banco do Brasil</i>	<i>Banco do Brasil</i>	<i>Banco do Brasil</i>	<i>Banco do Brasil</i>	<i>Bradesco</i>	<i>BOCOM BBM</i>	<i>BOCOM BBM</i>	<i>Bradesco</i>	<i>Bradesco</i>	<i>BTG Pactual</i>	<i>Itaú</i>
1 <sup>st</sup> series amount	90,749	31,187	352,000	400,000	600,000	83,765	250,000	100,000	100,000	150,000	138,250	214,478	250,000
2 <sup>nd</sup> series amount	13,678	63,468	-	-	-	9,000	-	-	-	250,000	-	-	-
3 <sup>rd</sup> series amount	72,797	118,201	-	-	-	-	-	-	-	-	-	-	-
<i>Financial institution</i>	<i>CEF</i>	<i>Bradesco</i>	-	-	-	<i>Bradesco</i>	-	-	<i>Banco do Brasil</i>	-	<i>Bradesco</i>	<i>BTG Pactual</i>	<i>Banco do Brasil</i>
1 <sup>st</sup> series amount	1,000	52,394	-	-	-	64,894	-	-	100,000	-	-	-	-
2 <sup>nd</sup> series amount	23,870	6,283	-	-	-	60,060	-	-	-	-	84,500	138,112	150,000
3 <sup>rd</sup> series amount	40,234	30,873	-	-	-	-	-	-	-	-	-	-	-
<i>Financial institution</i>	<i>Santander</i>	<i>Santander</i>	-	-	-	<i>Itaú</i>	-	-	-	-	<i>Bradesco</i>	<i>BTG Pactual</i>	<i>XP Investimentos</i>
1 <sup>st</sup> series amount	54,480	81,594	-	-	-	196,281	-	-	-	-	-	-	-
2 <sup>nd</sup> series amount	19,074	2,000	-	-	-	36,000	-	-	-	-	97,000	-	-
3 <sup>rd</sup> series amount	4,189	14,000	-	-	-	-	-	-	-	-	-	247,410	300,000
<i>Financial institution</i>	<i>Votorantim</i>	-	-	-	-	-	-	-	-	-	<i>Bradesco</i>	-	-
1 <sup>st</sup> series amount	6,200	-	-	-	-	-	-	-	-	-	-	-	-
2 <sup>nd</sup> series amount	5,850	-	-	-	-	-	-	-	-	-	-	-	-
3 <sup>rd</sup> series amount	67,879	-	-	-	-	-	-	-	-	-	130,250	-	-
Total amount of the debt	400,000	400,000	352,000	400,000	600,000	450,000	250,000	100,000	200,000	400,000	450,000	600,000	700,000
Total amount received in checking account	401,910	400,390	352,000	400,000	600,000	450,000	250,000	100,000	200,000	400,000	450,000	600,000	700,000
Issuance	7/15/2013 7/30 and 8/01/2013	6/15/2014	3/20/2017	6/20/2017	12/20/2018	5/20/2019	4/13/2018	10/31/2018	6/27/2019	7/4/2017	6/7/2018	1/4/2019	6/27/2019
Funding	7/31/2013 and 8/01/2013	6/18/2014	3/29/2017	6/30/2017	12/6/2018	5/30/2019	4/13/2018	10/31/2018	6/27/2019	7/27/2017	6/7/2018	1/4/2019	6/27/2019
Maturity	7/15/2020	6/15/2021	12/20/2023	6/20/2021	12/20/2023	5/20/2026	3/29/2023	10/10/2021	1/24/2024	7/15/2020 and 7/15/2022	6/7/2023	6/7/2024	7/27/2027
Type	Unsecured	Unsecured	Unsecured	Floating	Floating	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
Identification of the asset with CETIP	JSML16/26/36	JSML 18/28/38	JSML 10	JSML A1	JSML A2	CRC A3/B3	MVLV11	MVLV12	MVLV13	MOVI 11/21	MOVI 12/22/32	MOVI 13/23/33	MOVI 14/24/34
<b>b. Transaction costs incurred</b>	<b>914</b>	<b>71</b>	<b>122</b>	<b>99</b>	<b>81</b>	<b>128</b>	<b>113</b>	<b>113</b>	<b>20</b>	<b>111</b>	<b>72</b>	<b>111</b>	<b>53</b>
<b>c. Premiums</b>													
Additional due to settlement	7/30 and 7/31/2013 and 8/01/2013	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	1,910	390	-	-	-	-	-	-	-	-	-	-	-
<b>d. Effective interest rate (IRR) p.a. %</b>													
1 <sup>st</sup> series	CDI + 1.80%	116% of CDI	125.0% of CDI	127.50% of CDI	124.0% of CDI	CDI+1.90%	CDI + +2.00%	CDI + +1.80%	CDI + +1.60%	CDI + +1.55%	CDI + +1.60%	CDI + +1.85%	CDI + +1.25%
2 <sup>nd</sup> series	CDI + 2.20%	IPCA + 8.0%	-	-	-	CDI + 2.20%	-	-	-	CDI+2.70%	CDI + 2.20%	CDI + 2.05%	CDI + +1.60%
3 <sup>rd</sup> series	IPCA + 7.5%	118.5% of CDI	-	-	-	-	-	-	-	-	CDI+1.90%	CDI + +2.05%	CDI + +2.10%
<b>e. Amount of costs and premiums to be apportioned until maturity</b>	<b>776</b>	<b>539</b>	<b>6,077</b>	<b>3,080</b>	<b>9,255</b>	<b>3,622</b>	<b>253</b>	<b>415</b>	<b>1,122</b>	<b>404</b>	<b>404</b>	<b>13,092</b>	<b>3,120</b>

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019****In thousands of Brazilian Reais, unless otherwise stated**

The Debentures issued by the JSL Group are all simple debentures, non-secured, except for the 11<sup>th</sup> and 12<sup>th</sup> issuances that were issued as debentures of the floating guarantee type. All debentures have clauses of maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to earnings before interest, taxes, depreciation and amortization, plus cost of sale of assets in rendering services, calculated over the last 12 months (EBITDA-A).

All commitments described in the contracts were complied with at June 30, 2019, including the maintenance of financial ratios, as shown in note 15.

For the 11<sup>th</sup> issuance of debentures of the JSL Group, there is the requirement to maintain at least 125% of the debt balance, amount equivalent to assets free of burden and debt, complied with at June 30, 2019.

The repayment schedule of debentures is as follows:

				<b>6/30/2019</b>	
				<b>Parent company</b>	<b>Consolidated</b>
	<b>Maturity of installments</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Total current liabilities	Up to Jun/2020	556,467	25	691,379	15
	Jul to Dec/2020	303,309	13	348,443	8
	2021	484,689	21	834,326	18
	2022	328,202	15	930,956	20
	2023	363,496	16	910,243	20
	After 2024	218,775	10	864,245	19
<b>Total non-current liabilities</b>		<b>1,698,471</b>	<b>75</b>	<b>3,888,213</b>	<b>85</b>
<b>Total</b>		<b>2,254,938</b>	<b>100</b>	<b>4,579,592</b>	<b>100</b>

Analysis of credit and market risk is shown in note 4.3.

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**17. Finance leases payable**

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

Type	Annual average rate	Average rate structure	Maturity	Parent company									
				6/30/2019			Movements				12/31/2018		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency													
Leases	9.16%	CDI + 2.76%	Mar/23	39,388	43,125	82,513	16,868	(18,596)	(2,930)	3,883	35,755	47,533	83,288

Type	Annual average rate	Average rate structure	Maturity	Parent company									
				6/30/2018			Movements				12/31/2017		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency													
Leases	9.88%	Floating	Mar/23	37,025	41,275	78,300	10,941	(20,052)	(5,590)	4,262	41,588	47,151	88,739
				37,025	41,275	78,300	10,941	(20,052)	(5,590)	4,262	41,588	47,151	88,739

Type	Annual average rate	Average rate structure	Maturity	Consolidated									
				6/30/2019			Movements				12/31/2018		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency													
Leases	9.68%	CDI+3.28%	Jun/24	89,875	140,656	230,531	30,724	(46,395)	(8,313)	11,601	91,402	151,512	242,914

Type	Annual average rate	Average rate structure	Maturity	Consolidated									
				6/30/2018			Movements				12/31/2017		
				Current	Non-current	Total	New contracts	Amortization	Interest paid	Interest	Current	Non-current	Total
In local currency													
Finance leases	9.61%	Floating	Mar/23	105,870	82,369	188,239	53,172	(70,626)	(16,850)	9,765	142,329	70,448	212,777
				105,870	82,369	188,239	53,172	(70,626)	(16,850)	9,765	142,329	70,448	212,777

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**17.1 Amortization schedule**

Amortization schedules for the Parent Company and Consolidated are presented below, by year of maturity:

				6/30/2019	
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Up to Jun/2020	39,388	48	89,875	39
	Jul to Dec/2020	22,421	27	47,723	21
	2021	8,634	10	76,231	33
	2022	9,646	12	12,718	6
	2023	2,424	3	3,984	2
Total non-current liabilities		<b>43,125</b>	<b>52</b>	<b>140,656</b>	<b>61</b>
Total		<b>82,513</b>	<b>100</b>	<b>230,531</b>	<b>100</b>

Analysis of credit and market risk is shown in note 4.3.

**18. Right-of-use lease**

Right-of-use lease was recognized according to note 2.4, and had the following movements:

	Parent company	Consolidated
<b>Lease liabilities at 12/31/2018</b>	-	-
Initial adoption of CPC 06 (R2) / IFRS 16	179,413	504,788
<b>Lease liabilities at 1/1/2019</b>	<b>179,413</b>	<b>504,788</b>
New contracts (Note 29)	11,774	72,990
written-off	-	(13,071)
Amortization	(12,592)	(50,742)
Interest paid	(3,725)	(10,867)
Interest	5,484	14,107
<b>Lease liabilities at 6/30/2019</b>	<b>180,354</b>	<b>517,205</b>
Current	23,381	105,424
Non-current	156,973	411,781
<b>Total</b>	<b>180,354</b>	<b>517,205</b>

**18.1 Amortization schedule**

Amortization schedules for the Parent Company and Consolidated are presented below, by year of maturity:

				6/30/2019	
		Parent company		Consolidated	
	Maturity of installments	Total	%	Total	%
Total current liabilities	Up to Jun/2020	<b>23,381</b>	<b>13</b>	<b>105,424</b>	<b>20</b>
	Jul to Dec/2020	13,090	7	47,570	9
	2021	23,667	13	75,056	15
	2022	19,626	11	63,031	12
	2023	16,552	9	51,517	10
	2024	15,781	9	50,739	10
	After 2025	68,257	38	123,868	24
Total non-current liabilities		<b>156,973</b>	<b>87</b>	<b>411,781</b>	<b>80</b>
Total		<b>180,354</b>	<b>100</b>	<b>517,205</b>	<b>100</b>

Analysis of credit and market risk is shown in note 4.3.



**19. Assignment of receivables**

In 2017, the subsidiary Vamos assigned part of its future receivables arising from rental agreements and related services. The assignment included agreements whose assets for rental were delivered, with proper acknowledgment of the rental and service rendered by the customer. Vamos is responsible for operating the collection of these receivables, however, there is no regression claim or co-obligation for the receivables, and it will not be responsible for the solvency of the contracting customer. The future value of the portfolio assigned was R\$ 40,077, the amount received by Vamos was R\$ 30,214, and the interest paid will be recognized as finance costs in the statement of profit or loss over the agreement period. This transaction has a period of 60 months, with maturity in December 2022. The balances recorded at June 30, 2019 and December 31, 2018 are as follows:

	<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>
Sale of receivables	28,054	33,428
Interest to be accrued	(6,904)	(9,257)
<b>Total</b>	<b>21,150</b>	<b>24,171</b>
Total current	6,043	7,410
Total non-current	15,107	16,761
<b>Total</b>	<b>21,150</b>	<b>24,171</b>

Analysis of credit and market risk is shown in note 4.3.

**20. Provision for judicial and administrative litigation and judicial deposits**

In the normal course of its business, the Company and its subsidiaries are subject to judicial deposits and civil, tax and labor litigation at the administrative and judicial levels, as well as judicial deposits and assets freezing as collateral in connection with such litigation. Based on the opinion of its legal advisors, provisions were recorded to cover probable losses related to these litigations, and, as applicable, they are presented net of respective judicial deposits as shown below:

	<b>Parent company</b>				<b>Consolidated</b>			
	<b>Judicial deposits</b>		<b>Provisions</b>		<b>Judicial deposits</b>		<b>Provisions</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>
Labor	27,428	26,088	(34,370)	(35,964)	51,853	48,428	(49,360)	(51,201)
Civil	9,800	9,818	(18,472)	(17,089)	12,179	12,085	(25,348)	(24,024)
Tax	9,648	9,915	(298)	(298)	12,713	12,887	(840)	(338)
	<b>46,876</b>	<b>45,821</b>	<b>(53,140)</b>	<b>(53,351)</b>	<b>76,745</b>	<b>73,400</b>	<b>(75,548)</b>	<b>(75,563)</b>

**20.1 Judicial deposits**

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

**20.2 Provision for judicial and administrative litigation**

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

The Group’s Management believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial litigation.

The movements in the six-month periods ended June 30, 2019 and 2018 are as follows:

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In thousands of Brazilian Reais, unless otherwise stated

	Parent company			
	Labor	Civil	Tax	Total
At December 31, 2017	35,477	15,016	761	51,254
Additions	5,019	433	-	5,452
Reversal	(5,806)	(651)	-	(6,457)
At June 30, 2018	34,690	14,798	761	50,249

	Parent company			
	Labor	Civil	Tax	Total
At December 31, 2018	35,964	17,089	298	53,351
Additions	7,519	5,761	-	13,280
Reversal	(9,114)	(4,377)	-	(13,491)
At June 30, 2019	34,369	18,473	298	53,140

	Consolidated			
	Labor	Civil	Tax	Total
At December 31, 2017	51,431	19,231	801	71,463
Additions	7,216	3,389	-	10,605
Reversal	(9,788)	(2,407)	-	(12,195)
At June 30, 2018	48,859	20,213	801	69,873

	Consolidated			
	Labor	Civil	Tax	Total
At December 31, 2018	51,201	24,024	338	75,563
Additions	12,465	11,105	-	23,570
Reversal	(14,425)	(9,160)	-	(23,585)
At June 30, 2019	49,241	25,969	338	75,548

**Labor**

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

**Civil**

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

**Tax**

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

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

At June 30, 2019, the Company and its subsidiaries are parties to tax, civil and labor lawsuits in progress (judicial and administrative) with losses considered possible by Management and its legal counsel, as shown in the table below:

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Labor	112,327	116,852	127,953	133,829
Civil	120,791	106,031	174,192	150,899
Tax	252,997	211,147	273,617	230,244
Total	486,115	434,030	575,762	514,972

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019****In thousands of Brazilian Reais, unless otherwise stated****Labor**

The labor lawsuits are related to claims for labor-related indemnities as well as mentioned in Note 20.2 filed by former employees the JSL Group.

**Civil**

The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of the JSL Group, as well as mentioned in Note 20.2 and also annulment actions and claims for breach of contract.

**Tax**

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>
IRPJ and CSLL	106,545	93,347	107,805	115,644
ICMS	65,699	41,504	70,270	39,125
INSS	7,055	16,131	7,055	17,881
PER/DCOMP	21,799	16,661	22,904	18,705
PIS and COFINS	39,304	35,492	39,310	25,383
Others	12,595	8,012	26,273	13,506
<b>Total</b>	<b>252,997</b>	<b>211,147</b>	<b>273,617</b>	<b>230,244</b>

**21. Income tax and social contribution****21.1 Deferred income tax and social contribution**

Deferred income tax (IRPJ) and social contribution on net income (CSLL) assets and liabilities were calculated based on the balances of tax losses and temporary differences for income tax and social contribution that are deductible or taxable in the future.

Their origins are comprised as follows:

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	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>12/31/2018</b>	<b>6/30/2019</b>	<b>12/31/2018</b>
<b>Tax credits</b>				
Tax loss and social contribution tax loss	63,210	64,435	186,392	198,353
Provision for judicial and administrative litigation	25,789	25,861	48,590	47,506
(-) Expected credit losses ("impairment") of trade receivables	13,095	6,539	53,865	51,741
Other provisions	48,683	32,987	27,909	37,648
Disposal of investment	7,974	7,974	7,974	7,974
Provision for transaction costs related to issuance of shares	6,187	5,873	6,465	6,114
Surplus value of property and equipment	22,023	21,872	22,023	21,872
Impact of right-of-use lease	1,895	-	4,154	-
Provision for adjustment to market value and obsolescence	1,898	1,812	4,215	4,087
<b>Total tax credits - gross</b>	<b>190,754</b>	<b>167,353</b>	<b>361,587</b>	<b>375,295</b>
<b>Tax debits</b>				
Present value adjustment	(2,947)	(2,839)	(3,075)	(2,839)
Gain on bargain purchase	(10,829)	(10,829)	(10,829)	(10,829)
Deferred net income from sales to public authorities	(1,281)	(1,287)	(36,621)	(30,146)
Swap <i>agreement</i>	(15,870)	(15,622)	(17,463)	(15,138)
Fair value of cash flow hedge	(57,465)	(14,748)	(57,465)	(15,570)
Accounting vs. tax depreciation	(49,648)	(64,822)	(390,595)	(391,941)
Property and equipment - finance leases	(9,529)	(6,695)	(36,444)	(67,294)
Gains on equity interests in subsidiaries	(69,169)	(60,547)	(68,313)	(59,640)
Realization of goodwill	(62,297)	(58,859)	(61,773)	(59,512)
<b>Total tax debits - gross</b>	<b>(279,035)</b>	<b>(236,248)</b>	<b>(682,578)</b>	<b>(652,909)</b>
<b>Total tax debits - net</b>	<b>(88,281)</b>	<b>(68,895)</b>	<b>(320,991)</b>	<b>(277,614)</b>
Deferred tax assets	-	-	96,370	83,620
Deferred tax liabilities	(88,281)	(68,895)	(417,361)	(361,234)
<b>Total tax debits - net</b>	<b>(88,281)</b>	<b>(68,895)</b>	<b>(320,991)</b>	<b>(277,614)</b>

The movements in deferred tax assets for the six-month period ended June 30, 2019 are as follows:

	<b>Parent company</b>	<b>Consolidated</b>
<b>At December 31, 2018</b>	<b>(68,895)</b>	<b>(277,614)</b>
Deferred income tax and social contribution recognized in the statement of profit or loss	17,015	(5,823)
Income tax and social contribution on cash flow hedge	(42,055)	(42,055)
Reclassifications between deferred and current	5,654	4,501
<b>At June 30, 2019</b>	<b>(88,281)</b>	<b>(320,991)</b>

	<b>Parent company</b>	<b>Consolidated</b>
<b>Net balance of deferred income tax and social contribution as of December 31, 2017</b>	<b>(70,897)</b>	<b>(228,267)</b>
Deferred income tax and social contribution recognized in the statement of profit or loss	29,542	(19,173)
Deferred income tax and social contribution recognized in the statement of comprehensive income	42,812	42,812
Deferred income tax and social contribution arising from new IFRS	1,110	10,101
Deferred income tax and social contribution arising from gains on equity interest in subsidiaries	(26,710)	(26,710)
Deferred income tax and social contribution recognized derived from other movements	(1,423)	370
<b>Net balance of deferred income tax as of June 30, 2018</b>	<b>(25,566)</b>	<b>(220,867)</b>

**21.2 Estimated realization schedule**

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

Tax losses can be carried forward indefinitely and, as of June 30, 2019 and December 31, 2018, deferred income tax and social contribution were recognized for all tax loss carryforwards, except for the deferred tax assets of JSL Holding and Vamos Seminovos in the amount of R\$ 4,638 and R\$ 19,976, respectively, due to the lack of appropriate evidence and support of their expectation of future taxable income.

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

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The realization of these credits related to the balance for the year ended December 31, 2018 is shown in the annual individual and consolidated financial statements, published on March 11, 2019.

**21.3 Reconciliation of income tax and social contribution (expense) income**

Current amounts are calculated based on the current rates levied on taxable profit before income tax and social contribution, as adjusted by respective additions, deductions and offsets allowed by the prevailing legislation:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Profit before income tax and social contribution	<b>92,547</b>	<b>24,730</b>	<b>190,547</b>	<b>119,502</b>
Statutory rates	34%	34%	34%	34%
<b>Income tax and social contribution calculated at the standard rates</b>	<b>(31,466)</b>	<b>(8,408)</b>	<b>(64,786)</b>	<b>(40,631)</b>
<b>Permanent (additions) exclusions</b>				
Equity results from subsidiaries	55,210	43,159	(332)	60
Tax incentives - Workers Meal Program ("PAT")	50	30	298	184
Interest on capital remuneration - received	(13,895)	(11,317)	(16,689)	1,530
Interest on capital remuneration - paid	-	-	20,493	-
Deferred credits not set up on tax losses abroad	-	-	(5,307)	(3,824)
Non-deductible expenses and other permanent (additions) deductions	4,257	(1,302)	7,696	(2,306)
<b>Income tax and social contribution calculated</b>	<b>14,156</b>	<b>22,162</b>	<b>(58,627)</b>	<b>(44,987)</b>
Current	(2,859)	(7,380)	(52,804)	(25,814)
Deferred	17,015	29,542	(5,823)	(19,173)
<b>Income tax and social contribution on results</b>	<b>14,156</b>	<b>22,162</b>	<b>(58,627)</b>	<b>(44,987)</b>
Effective rate	15.30%	89.61%	-30.77%	-37.64%

The Company's and its subsidiaries' income tax returns are open to review by tax authorities for five years from the filing of the return. As a result of these reviews, additional taxes and penalties may arise, which would be subject to interest. However, Management believes that all taxes have either been properly paid or provided for.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

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**22. Related parties****22.1 Related-party balances (assets and liabilities)**

In the table below, the line items marketable securities, trade receivables, other credits, trade payables and advances from customers include the balances receivable and payable of intercompany transactions of the JSL Group that are eliminated in consolidation:

Assets	Cash and cash equivalents (Note 5)		Advances to third parties and other credits <sup>(i)</sup>		Trade receivables (Note 7)		Related parties		Parent company	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018	Relationship	Specification
<b>Related parties</b>										
Avante Veículos	-	-	-	-	69	3	-	-	Subsidiary	Sale of assets
Borgato Máquinas	-	-	-	-	142	141	-	-	Subsidiary	Operating lease
Borgato Serviços	-	-	-	-	9	14	-	-	Subsidiary	Operating lease
Cíclius Ambiental	-	-	-	-	37,779	22,597	-	-	Related parties	Operating lease
Consórcio Sorocaba	-	-	-	-	-	50	-	-	Consortium	Reimbursement of expenses
CS Brasil Frotas	-	-	-	-	15,350	761	3,225	3,091	Subsidiary	Operating lease / Loan
CS Brasil Transportes	-	-	-	-	26,419	2,691	12,087	11,961	Subsidiary	Sale of assets / Operating lease / Loan
Instituto Júlio Simões	-	-	-	-	3	40	-	-	Related parties	Reimbursement of expenses / CSA
Joseense Transporte	-	-	-	-	4	-	-	-	Subsidiary	Operating lease
JSL Arrendamento	45,830	19,909	-	-	453	-	-	-	Subsidiary	Reimbursement of expenses / JSL Card / Finance Leases Bill
JSL Corretora	-	-	-	-	33	18	-	-	Subsidiary	Reimbursement of expenses
JSL Empreendimentos Imobiliários	-	-	-	-	5,001	5,001	142	63	Subsidiary	Sale of assets (property) / Loan
JSL Europe	-	-	-	8,771	-	-	-	-	Subsidiary	Reimbursement of expenses
Medlogística	-	-	-	-	3	284	-	-	Subsidiary	Operating lease
Mogipasses	-	-	-	-	15	19	-	-	Subsidiary	Reimbursement of expenses
Movida Locação	-	-	-	-	5,201	3,063	-	-	Subsidiary	Sale of assets / Operating lease / Reimbursement of expenses
Movida Participações	-	-	-	-	371	1,015	-	-	Subsidiary	Operating lease / Reimbursement of expenses
Movida Premium	-	-	-	-	30	34	-	-	Subsidiary	Reimbursement of expenses
Original Distribuidora	-	-	-	-	6	-	-	-	Subsidiary	Reimbursement of expenses
Original Veículos	-	-	-	-	1,057	52	10,375	18,481	Subsidiary	Sale of assets / Loan
Ponto Veículos	-	-	-	-	168	6	-	-	Subsidiary	Operating lease
Quick Armazéns	-	-	-	-	2	-	-	-	Subsidiary	Reimbursement of expenses
Quick Logística	-	-	-	13,393	18,757	4,724	5,405	5,717	Subsidiary	Operating lease / Loan / Reimbursement of expenses
Ribeira Imóveis	-	-	-	-	19	9	-	-	Related parties	Reimbursement of expenses
Simpár	-	-	-	-	53	103	-	-	Parent company	Reimbursement of expenses
Transrio	-	-	-	-	1,566	2,224	-	-	Subsidiary	Operating lease
Vamos Seminovos	-	-	-	-	6	7	-	-	Subsidiary	Operating lease
Vamos <sup>(i)</sup>	-	-	20,583	5,290	101,552	68,160	17	17	Subsidiary	Sale of assets / Reimbursement of expenses / Operating lease / Advancing receivables
Yolanda	-	-	-	-	4,310	4,413	1,040	-	Subsidiary	Operating lease
Others	-	-	-	-	-	369	61	-		
<b>Total</b>	<b>45,830</b>	<b>19,909</b>	<b>20,583</b>	<b>27,454</b>	<b>218,378</b>	<b>115,798</b>	<b>32,352</b>	<b>39,330</b>		
Current	45,830	19,909	20,583	27,454	218,378	115,798	-	-		
non current	-	-	-	-	-	-	32,352	39,330		
<b>Total</b>	<b>45,830</b>	<b>19,909</b>	<b>20,583</b>	<b>27,454</b>	<b>218,378</b>	<b>115,798</b>	<b>32,352</b>	<b>39,330</b>		

(i) Includes an advance to Vamos made in April 2019 in the amount of R\$ 7,870, related to advance on receivables from operating lease agreements of heavy vehicles held between the parties. This advance was made with a discount of 4.76% p.a., equivalent to a finance income of R\$ 304, incurred for the number of months of the contract period.

Amounts corresponding to loan agreements with related parties are subject to contractual charges of 100% of the CDI plus 2.5% p.a., which are recognized in the finance results of the respective entities. Related-party transactions were contracted at rates compatible with those used with third parties, prevailing at the transaction dates, taking into consideration the reduction of risk, except for reimbursement of expenses that are transferred at cost.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

Liabilities					Parent company	
	Other payables		Trade payables (Note 13)		Relationship	Specification
	6/30/2019	12/31/2018	6/30/2019	12/31/2018		
<b>Related parties</b>						
Avante Veículos	1	-	-	3	Subsidiary	Reimbursement of expenses / Services rendering
Borgato Caminhões	-	2,014	-	-	Subsidiary	Purchase of assets
CS Brasil Frotas	1	-	-	28	Subsidiary	Reimbursement of expenses / Operating lease
CS Brasil Transportes	5,701	-	-	-	Subsidiary	Reimbursement of expenses / Operating lease
JSL Arrendamento	-	-	5,619	5,828	Subsidiary	JSL Card
JSL Corretora	5	-	-	15	Subsidiary	Reimbursement of expenses / Services rendering
Movida Locação	69	-	53	27	Subsidiary	Reimbursement of expenses / Operating lease
Movida Participações	50	6	-	-	Subsidiary	Reimbursement of expenses
Original Veículos	375	-	-	368	Subsidiary	Reimbursement of expenses / Purchase of assets
Ponto Veículos	6	-	-	6	Subsidiary	Reimbursement of expenses / Operating lease
Quick Logística	1,211	-	2	74	Subsidiary	Reimbursement of expenses / Operating lease
Ribeira Imóveis	604	-	-	221	Related parties	Reimbursement of expenses / Operating lease
Transrio	137	-	122	669	Subsidiary	Reimbursement of expenses / Services rendering
Vamos	512	-	625	43	Subsidiary	Reimbursement of expenses / Operating lease
<b>Total</b>	<b>8,672</b>	<b>2,020</b>	<b>6,421</b>	<b>7,282</b>		

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

Assets							Consolidated
	Trade receivables (Note 7)		Other credits		Related parties		Specification
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018	
<b>Related parties</b>							
Ciclus Ambiental	37,779	22,597	-	-	-	306	Related parties
Consórcio 123	1	-	-	-	-	-	Reimbursement of expenses
Borgato Family	-	-	-	6,000	-	-	Related parties
Instituto Julio Simões	3	-	-	-	-	3	Reimbursement of expenses
Ribeira Imóveis	19	-	-	-	-	11	Related parties
Simpar	-	-	-	-	-	26	Parent company
Others	2	-	-	-	60	-	Reimbursement of expenses
<b>Total</b>	<b>37,804</b>	<b>22,597</b>	<b>-</b>	<b>6,000</b>	<b>60</b>	<b>346</b>	

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019****In thousands of Brazilian Reais, unless otherwise stated**

Liabilities	Trade payables (Note 13)		Related parties		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	Relationship	Specification
<b>Related parties</b>						
Ribeira Imóveis	604	-	-	226	Related parties	Operating lease
Consórcio Sorocaba	-	-	3,040	-	Related parties	Loan
Other (i)	-	-	-	20	Board of Directors' representative	Services rendered
<b>Total</b>	<b>604</b>	<b>-</b>	<b>3,040</b>	<b>246</b>		

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



**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**22.2 Related-party transactions with effects on profit or loss for the period**

The table below presents the results from transactions between the JSL Group companies in the line items of revenues, costs, deductions and other operating revenues and expenses:

	Consolidated															
Results	Services rendered		Contracted services		Sale of assets		Purchase of assets		Administrative expenses		Other operating income (expenses), net		Finance income		Finance costs	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Transactions eliminated in profit or loss																
JSL S.A.	2,510	7,185	(3,866)	(10,151)	51,925	12,197	(51,988)	(12,837)	(22)	(25)	652	1,280	1,684	4,389	(1)	-
Avante Veículos	-	570	-	(806)	-	-	-	-	-	-	-	-	-	-	-	-
Borgato Máquinas	523	8,645	(523)	-	-	1,856	-	-	-	-	-	-	-	6	-	(1,637)
Borgato Serviços	-	-	-	(1,400)	-	650	(1,358)	(1,856)	-	-	-	-	-	3	-	-
CS Brasil Frotas	-	-	-	(6)	1,188	4,414	-	-	-	-	-	-	-	-	(231)	(50)
CS Brasil Transportes	20	376	-	(9,587)	-	1,718	-	(2,678)	-	-	-	-	-	50	(624)	-
JSL Arrendamento	-	3,201	-	(16)	-	-	-	-	-	-	-	-	-	-	-	(3,453)
JSL																
Empreendimentos																
Imobiliários	-	114	-	-	-	-	-	-	-	-	-	-	-	-	(3)	-
JSL Europe	-	-	-	-	-	-	-	-	-	-	-	-	25,153	12,072	-	-
JSL Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,153)	(12,072)
JSL Holding	-	-	-	-	-	-	-	-	-	(176)	-	-	-	2,468	(280)	-
JSL Investimentos	-	-	-	-	-	-	-	-	-	(1,277)	-	-	-	-	-	-
Medlogística	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Mogipasses	-	643	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movida GTF (merged into Movida																
Participações)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,446)
Movida Locação	-	72,302	(19)	(1,247)	-	9,056	-	(9,056)	-	-	-	-	-	-	-	-
Movida Participações	199	1,883	(10)	(78,557)	-	1,167	-	(464)	-	(2)	-	-	-	-	-	-
Movida Premium	-	-	-	(1,200)	-	1,099	-	(1,099)	-	-	-	-	-	-	-	-
Original Veículos	2	2,709	-	(1,616)	-	-	-	-	-	-	-	-	-	-	(398)	(48)
Ponto Veículos	-	1,605	-	(1,970)	-	-	-	-	-	-	-	-	-	-	-	(126)
Quick Armazéns	-	-	-	(225)	-	-	-	-	-	-	-	-	144	-	-	(71)
Quick Logística	-	-	(622)	(1,639)	-	-	-	(3,438)	-	-	-	-	-	71	(291)	(146)
Transrio	328	2,536	(122)	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Vamos	1,632	19,984	(2,027)	(13,387)	-	1,485	(26,687)	(846)	-	(2)	2,231	-	-	-	-	(9)
Vamos Seminovos	-	-	-	(2,795)	-	-	-	-	-	-	-	1,700	-	-	-	-
Yolanda	-	-	(227)	-	26,686	-	-	-	(425)	-	-	-	-	-	-	-
	2,704	114,568	(3,550)	(114,468)	27,874	21,445	(28,045)	(19,437)	(425)	(1,457)	2,231	1,700	25,297	14,670	(26,980)	(19,059)
Related-party transactions																
Ciclus Ambiental	43,077	50,836	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(14,282)	(13,487)	-	-	-	-	-	-	-	-	-	-	-	-
Others (i)	-	-	(835)	(1,197)	-	-	-	-	-	-	-	-	-	-	-	-
	43,077	50,836	(15,117)	(14,684)	-	-	-	-	-	-	-	-	-	-	-	-
Total	45,781	165,404	(18,667)	(129,152)	27,874	21,445	(28,045)	(19,437)	(425)	(1,457)	2,231	1,700	25,297	14,670	(26,980)	(19,059)

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

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**22.3 Transactions or relationships with shareholders related to property leasing**

The JSL Group has operating and administrative lease contracts for properties with the associate Ribeira Imóveis Ltda. The rent amount recognized in the profit or loss for the six-month period ended June 30, 2019 was R\$ 14,282 (R\$ 13,487 as of June 30, 2018). The agreements have conditions in line with market values and have maturities until 2023.

**22.4 Administrative services center (CSA)**

In order to better apportion common expenses between the companies that use corporate services, the JSL Group conducts studies of expenses attributable to the entities that share the same structure and back office. For the six-month period ended June 30, 2019, the amount related to recovery of expenses in the Parent company was R\$ 23,397 (R\$ 10,559 as of June 30, 2018). The Administrative services center does not charge management fees nor applies profitability margin on services rendered. Only the costs are shared.

**22.5 Management compensation**

The Company's Management include the Board of Directors and the Board of Executive Officers and the compensation of officers and management includes all benefits, which are recognized in line item "Administrative expenses", and are summarized below:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Fixed compensation	(2,907)	(3,157)	(5,587)	(5,358)
Variable compensation	(4,011)	(1,344)	(8,869)	(9,394)
Payroll charges and benefits	(80)	(68)	(173)	(110)
Shared-based compensation	(789)	-	(789)	(182)
<b>Total</b>	<b>(7,787)</b>	<b>(4,569)</b>	<b>(15,418)</b>	<b>(15,044)</b>

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

The managers are included in the Company's share-based payment plan. For the six-month period ended June 30, 2019 there were exercise stock options by the managers as described in Note 23.2.

The compensation paid to key management personnel is within the limit approved by the Shareholders' Meeting held in 2019.

**23. Equity****23.1 Share capital**

The Company's fully subscribed and paid-in capital as of June 30, 2019 is R\$ 683,255 (R\$ 681,202 as of December 31, 2018), less the transaction costs incurred in the process of IPO in the amount of R\$ 16,219. The shares are registered common shares without par value.

On June 6, 2019 the company increased its capital by R\$ 2,053 divided into 253,725 common shares. After this capital increase, the Company's fully paid-in capital is divided into 205,791,225 registered shares (205,537,500 as of December 31, 2018), with no par value, of which 205,748,967 are common shares with voting rights (205,114,532 as of December 31, 2018) and 42,258 are non-voting treasury shares (422,968 as of December 31, 2018).

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

<i>Number of shares</i>	<b>Common shares</b>	<b>(%)</b>
<b>Shareholders</b>		
Owners of the Company	135,354,193	66
Simpar S.A.	114,451,301	56
Fernando Antonio Simões	20,902,892	10
Other members of the Simões family	14,530,355	7
Management	68,355	-
Treasury shares	42,258	-
Outstanding shares traded on the stock exchange	55,796,064	27
<b>Total</b>	<b>205,791,225</b>	<b>100</b>

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

**23.2 Capital reserves****a) Share-based payment**

For the six-month period ended June 30, 2019, no new shares were granted, and R\$ 789 (R\$ 2,556 at June 30, 2018) was recognized in the statement of profit or loss in line item "Administrative expenses", and the accumulated balance in the capital reserve account related to "share-based payment" in equity is R\$ 23,647 as of June 30, 2019 (R\$ 22,858 as of December 31, 2018).

These share-based payment plans are managed by the Company's Board of Directors and are comprised as follows:

	<b>Stock options</b>	<b>Restricted shares</b>	<b>Total</b>
<b>At December 31, 2017</b>	<b>15,751</b>	<b>-</b>	<b>15,751</b>
Allocation for the year	5,932	1,175	7,107
<b>At December 31, 2018</b>	<b>21,683</b>	<b>1,175</b>	<b>22,858</b>
Allocation for the period	789	-	789
<b>At June 30, 2019</b>	<b>22,472</b>	<b>1,175</b>	<b>23,647</b>

The following table presents the quantity and weighted average exercise price and the movements of stock options during the period:

	<b>Consolidated</b>
<b>Number of options outstanding at 12/31/2017</b>	<b>4,519,870</b>
<b>Canceled – 2018</b>	
January 2018	(3,513)
<b>Number of options outstanding as of 12/31/2018</b>	<b>4,516,357</b>
Exercise of stock options	(171,080)
<b>Number of options outstanding as of 6/30/2019</b>	<b>4,345,277</b>

Complete information on the share-based payment plan is presented in Note 23.2 to the individual and consolidated annual financial statements for the year ended December 31, 2018, published on March 11, 2019.

**b) Government grants**

The JSL Group through its subsidiary Quick Logística is entitled to a tax benefit grant related to the value added tax on sales and services (ICMS) in the state of Goiás, and during the six-month period ended June 30, 2019 the amount utilized was R\$ 1,612 (2018 - R\$ 40). At the parent company, due to the calculation of the ICMS being calculated through the presumed credit method, there was use in the amount of R\$ 15,562, for the six-month period ended June 30, 2019, registered as a reserve of government grants, according to Law 12.973/14 Art. 30, paragraph 4. As of June 30, 2019, the accumulated amount of government grants reserve is R\$ 28,047 (R\$ 10,873 as of December 31, 2018).

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019****In thousands of Brazilian Reais, unless otherwise stated**

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**23.3 Treasury shares**

As of June 30, 2019, the Company and its subsidiaries have a balance of R\$ 23,643 (R\$ 103,925 as of December 31, 2018), representing 42,258 common shares held in treasury.

In April, 2019 the subsidiary Vamos has cancelled part of their own treasury shares in the amount of R\$ 82,685.

**23.4 Interest on capital and distribution of dividends**

Pursuant to the Company's Bylaws, shareholders are entitled to annual mandatory dividends equal to or higher than 25% of the Company's annual profit, as adjusted by the following additions or deductions:

- i. 5% allocated to the legal reserve; and
- ii. Amount for the contingency reserve and reversal of the same reserves set up in prior years. A portion of the profit may also be retained based on a capital budget for contribution of a statutory earnings reserve named "investment reserve".

The amount to be distributed is approved at the Annual General Meeting ("AGM") that also approves Management accounts related to the prior year, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are distributed in accordance with the resolution of this AGM, held in the first four months of each year. The Company's Bylaws also allow for the distribution of interim dividends, which can be included in the mandatory dividend.

Interest on capital is calculated on equity accounts, except for the unrealized revaluation reserves, even if capitalized, by applying the variation of the long-term interest rate (TLP) for the period. The payment is contingent on the existence of profits in the year before the deduction of interest on capital, or of retained earnings and earnings reserve.

For purposes of the interim financial information, interest on capital is stated as allocation of profit directly in equity.

The Company stated interest on capital as allocation of profit for the year ended December 31, 2018 in the amount of R\$ 27,541, net of income tax and social contribution, as recorded under line item "Dividends and interest on capital payable", which were fully paid in May 2019. Additionally, the subsidiary Movida Participações S.A. distributed interest on capital, being R\$ 11,191 regarding to the period of six months ended on June 30, 2019 and R\$ 8,077 of previous years, totaling R \$19,268, as recorded under line item "Dividends and interest on capital payable" on June 30, 2019, for non-controlling shareholders.

**23.5 Equity valuation adjustments**

The equity valuation adjustments balance refers to a gain of R\$ 4,634 from certain fixed assets valued in accordance to the deemed cost method, to the gain of R\$ 60,715 earned in Movida's Initial Public Offering - IPO concluded in 2017 raised on primary and secondary offerings, as well to the gain attributed by the business combination of Borgato companies of R\$ 30,951, as a result of the part of payment for acquisition of 9% participation of Vamos shares in 2017, and R \$ 36,269 originated from the repurchase of the same 9% shares in 2018, totaling a balance of R \$ 132,569 as of December 31, 2018.

As informed in the note 23.3, a portion of treasury shares of subsidiary Vamos was canceled in the equivalent amount of R \$ 82,685, reducing in the same amount the balance of equity valuation adjustments. Also, during 2019, other adjustments of equity movements in the Company's subsidiaries resulted in the reduction of R\$ 329 in this account.

## **23.6 Non-controlling interests**

The JSL Group treats transactions with non-controlling interests as transactions with owners of the Group's assets. For non-controlling interests, the difference between any consideration paid and the acquired portion of the book value of the subsidiary's net assets is recorded in equity.

As of June 30, 2019, the Company has R\$ 508,201 (R\$ 495,354 as of December 31, 2018) related to non-controlling interests.

Additionally, there was a distribution of dividends to non-controlling shareholders in the amount of R\$ 11,191 of subsidiary Movida Participações.

## **24. Insurance coverage**

The Company and its subsidiaries have insurance coverage at amounts deemed sufficient by Management to cover potential risks related to their assets and/or responsibilities. The insurance coverage can be summarized as follows:

*i. Cargo transport - vehicles*

Vehicle transportation operations are insured directly by the customers. For all other cases, the contracted insurance coverage varies according to the value of the vehicles.

*ii. Cargo transport - products*

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported. Effective between July 2018 and July 2019, this has an indemnity limit per trip of US\$ 900 thousand (equivalent to R\$ 3,500), damage coverage and maximum guarantee per trip of US\$ 180 thousand (equivalent to R\$ 700).

*iii. Fleet*

The Company and its subsidiaries take out insurance for their fleet as required by contract and for coverage of third-party damage, however for the most part self-insure their fleet in view of the high cost against the premium benefit.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**Third-party property liability**

The insurance on third-party property is presented as follows:

Insured services	Effective period	Consolidated
		Coverage
Fire, lightning and explosion	12/2018 to 12/2019	59,300
Electrical damage	12/2018 to 12/2019	1,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/2018 to 12/2019	3,000
Broken glass	12/2018 to 12/2019	10
Aggravated theft	12/2018 to 12/2019	500
Stationery equipment	12/2018 to 12/2019	500
Civil liability – operations	12/2018 to 12/2019	1,500
Tank or pipe disruption / leakage	12/2018 to 12/2019	3,000
Cargo transportation	12/2018 to 12/2019	350
Building and content	12/2018 to 12/2019	59,300
<b>Total coverage</b>		<b>128,460</b>

**iv. Insurance for guarantees of public obligations**

The JSL Group has insurance for guarantees of public obligations with insurance companies through its subsidiary CS Brasil as of June 30, 2019, as shown below:

Beneficiary	Guarantee	Location (State)	Insured amount	Effective period
Agencies linked to the Government of the State of São Paulo	Vehicle rental / management and maintenance	São Paulo	7,624	5/25/2018 to 4/28/2021
Agencies linked to the Government of the State of Rio de Janeiro	Vehicle rental / management and maintenance	Rio de Janeiro	11,899	6/3/2013 to 4/23/2024
Agencies linked to the Government of the State of Minas Gerais	Vehicle rental / management and maintenance	Minas Gerais	3,433	12/22/2015 to 2/1/2022
Agencies linked to the Government of the State of Rio Grande do Sul	Vehicle rental / management and maintenance	Rio Grande do Sul	2,261	7/26/2018 to 2/8/2021
Agencies linked to the Government of the State of Paraná	Vehicle rental / management and maintenance	Paraná	4,071	3/26/2018 to 12/14/2020
Agencies linked to the Government of the State of Bahia	Vehicle rental / management and maintenance	Bahia	1,359	5/29/2015 to 1/18/2020
Agencies linked to the Government of the State of Piauí	Vehicle rental / management and maintenance	Piauí	702	9/19/2018 to 12/19/2019
Agencies linked to the Government of the State of Santa Catarina	Vehicle rental / management and maintenance	Santa Catarina	163	6/19/2018 to 3/25/2020
Agencies linked to the Government of the Pernambuco	Vehicle rental / management and maintenance	Pernambuco	691	9/21/2018 to 3/25/2020
Agencies linked to the Government of the State of Ceará	Vehicle rental / management and maintenance	Ceará	1,380	9/19/2018 to 12/20/2020
Agencies linked to the Government of the State of Mato Grosso	Vehicle rental / management and maintenance	Mato Grosso	1,633	11/1/2018 to 2/13/2021
Agencies linked to the Government of the District Capital	Vehicle rental / management and maintenance	District Capital	497	5/31/2019 to 11/28/2021
Agencies linked to the Government of the Espírito Santo	Vehicle rental / management and maintenance	Espírito Santo	52	1/1/2019 to 4/1/2020

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**25. Net revenue from sale, rental, rendering of services and sale of assets used in services rendered****a) Revenue flows**

The JSL Group generates revenue mainly from the rendering of services, sale of new and used vehicles, parts, rental and sale of decommissioned assets.

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Revenue from services rendered	1,299,562	1,268,526	1,492,830	1,493,500
Revenue from rental	114,737	123,318	1,283,982	1,028,176
Revenue from sale of new vehicles	-	-	286,539	255,123
Revenue from sale of used vehicles	-	-	159,802	142,069
Revenue from sale of parts and accessories	-	-	98,967	82,241
Other revenues	-	-	47,726	31,401
<b>Net revenue from sale, rental and rendering of services</b>	<b>1,414,299</b>	<b>1,391,844</b>	<b>3,369,846</b>	<b>3,032,510</b>
Revenue from sale of decommissioned assets	113,835	74,220	1,230,882	842,525
<b>Total net revenue</b>	<b>1,528,134</b>	<b>1,466,064</b>	<b>4,600,728</b>	<b>3,875,035</b>

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

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
<b>Gross revenue</b>	<b>1,842,644</b>	<b>1,785,415</b>	<b>5,201,689</b>	<b>4,402,171</b>
<b>Less:</b>				
Taxes on sales	(260,952)	(263,377)	(479,965)	(420,874)
Returns	(30,159)	(30,982)	(55,905)	(59,006)
Toll rates	(23,373)	(24,870)	(24,795)	(26,540)
Discounts granted	(26)	(122)	(40,296)	(20,716)
<b>Total net revenue</b>	<b>1,528,134</b>	<b>1,466,064</b>	<b>4,600,728</b>	<b>3,875,035</b>

**b) Breakdown of revenue from contracts with customers by segment**

The following table presents the analytical composition of the revenue from contracts with customers of the main business lines and the timing of revenue recognition. It also includes reconciliation of the analytical composition of revenue with the Group's reportable segments:

	<b>Parent company</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>
<b>Main products and services</b>		
Revenue from dedicated services	625,225	302,151
Revenue from passengers transportation	97,729	108,176
Revenue from general cargo	576,608	858,199
Revenue from rental	114,737	123,318
<b>Total net revenue from sale, rental and rendering of services</b>	<b>1,414,299</b>	<b>1,391,844</b>
Revenue from sale of decommissioned assets	113,835	74,220
<b>Total net revenue</b>	<b>1,528,134</b>	<b>1,466,064</b>
<b>Timing of revenue recognition</b>		
Products transferred at a specific point in time	788,172	1,040,595
Products and services transferred over time	739,962	425,469
<b>Total net revenue</b>	<b>1,528,134</b>	<b>1,466,064</b>

**JSL S.A.**
**Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

	<b>JSL Logística</b>		<b>Movida</b>		<b>Vamos</b>		<b>CS Brasil</b>		<b>Consolidated</b>
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	
Revenue from dedicated services	633,375	311,150	-	-	24,622	34,178	29,352	42,016	
Revenue from transport of passengers	97,729	108,176	-	-	-	-	87,904	110,882	
Revenue from general cargo	619,848	879,700	-	-	-	-	-	-	
Revenue from rental	113,981	128,518	682,669	543,589	266,891	214,917	242,355	180,842	
Revenue from sale of new heavy vehicles	-	-	-	-	121,224	119,857	-	-	
Revenue from sale of used heavy vehicles	-	-	-	-	16,054	10,832	-	-	
Revenue from sale of parts and accessories	-	-	-	-	55,174	47,356	-	-	
Other revenues	-	-	-	-	-	-	-	-	
<b>Net revenue from sale, rental and rendering of services</b>	<b>1,464,933</b>	<b>1,427,544</b>	<b>682,669</b>	<b>543,589</b>	<b>483,965</b>	<b>427,140</b>	<b>359,611</b>	<b>333,740</b>	
Revenue from sale of decommissioned assets	114,617	82,702	1,086,043	670,424	90,773	29,041	59,474	85,005	
<b>Total net revenue</b>	<b>1,579,550</b>	<b>1,510,246</b>	<b>1,768,712</b>	<b>1,214,013</b>	<b>574,738</b>	<b>456,181</b>	<b>419,085</b>	<b>418,745</b>	
<b>Timing of revenue recognition</b>									
Products transferred at a specific point in time	832,194	1,070,578	1,086,043	670,424	283,225	207,086	147,378	195,887	
Products and services transferred over time	747,356	439,668	682,669	543,589	291,513	249,095	271,707	222,858	
<b>Total net revenue</b>	<b>1,579,550</b>	<b>1,510,246</b>	<b>1,768,712</b>	<b>1,214,013</b>	<b>574,738</b>	<b>456,181</b>	<b>419,085</b>	<b>418,745</b>	
	<b>Original Concessionárias</b>		<b>BBC Leasing</b>		<b>Eliminations</b>		<b>Total</b>		
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	
Revenue from dedicated services	-	-	-	-	-	-	687,349	387,344	
Revenue from transport of passengers	-	-	-	-	-	-	185,633	219,058	
Revenue from general cargo	-	-	-	-	-	-	619,848	879,700	
Revenue from rental	-	-	-	-	(21,691)	(32,658)	1,284,205	1,035,208	
Revenue from sale of new heavy vehicles	165,315	135,266	-	-	-	-	286,539	255,123	
Revenue from sale of used heavy vehicles	143,748	131,237	-	-	-	-	159,802	142,069	
Revenue from sale of parts and accessories	50,010	37,705	-	-	(6,216)	(2,820)	98,968	82,241	
Other revenues	28,879	16,586	18,803	14,826	(180)	355	47,502	31,767	
<b>Net revenue from sale, rental and rendering of services</b>	<b>387,952</b>	<b>320,794</b>	<b>18,803</b>	<b>14,826</b>	<b>(28,087)</b>	<b>(35,123)</b>	<b>3,369,846</b>	<b>3,032,510</b>	
Revenue from sale of decommissioned assets	6,389	4,413	-	-	(126,414)	(29,060)	1,230,882	842,525	
<b>Total net revenue</b>	<b>394,341</b>	<b>325,207</b>	<b>18,803</b>	<b>14,826</b>	<b>(154,501)</b>	<b>(64,183)</b>	<b>4,600,728</b>	<b>3,875,035</b>	
<b>Timing of revenue recognition</b>									
Products transferred at a specific point in time	365,462	308,621	-	-	(132,630)	(31,880)	2,581,672	2,420,716	
Products and services transferred over time	28,879	16,586	18,803	14,826	(21,871)	(32,303)	2,019,056	1,454,319	
<b>Total net revenue</b>	<b>394,341</b>	<b>325,207</b>	<b>18,803</b>	<b>14,826</b>	<b>(154,501)</b>	<b>(64,183)</b>	<b>4,600,728</b>	<b>3,875,035</b>	



**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

**26. Expenses by nature**

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

	Parent company		Consolidated	
	6/30/2019 <sup>(i)</sup>	6/30/2018 <sup>(i)</sup>	6/30/2019 <sup>(i)</sup>	6/30/2018 <sup>(i)</sup>
Cost of sales of new vehicles	-	-	(277,404)	(244,758)
Cost of sales of used vehicles	-	-	(138,591)	(121,879)
Fleet costs / expenses	(21,370)	(21,163)	(101,186)	(80,030)
Cost of sale of assets used in services rendered	(113,196)	(74,993)	(1,214,236)	(814,249)
Cost of sales of parts	-	-	(61,973)	(46,730)
Personnel	(437,880)	(425,336)	(796,535)	(732,464)
Related and third parties	(441,843)	(455,542)	(468,705)	(486,951)
Depreciation and amortization	(113,153)	(98,147)	(416,009)	(288,280)
Parts, tires and maintenance	(137,967)	(122,415)	(248,331)	(212,193)
Fuels and lubricants	(69,582)	(72,318)	(117,187)	(122,206)
Reversal for judicial and administrative litigation	211	1,005	15	1,590
Advertising and publicity	(573)	(672)	(5,912)	(3,016)
Services rendered	(39,958)	(45,244)	(129,282)	(113,922)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	5,112	(2,131)	(11,998)	(7,980)
Court-ordered indemnities	(10,488)	(7,496)	(19,272)	(12,076)
Electric power	(10,612)	(8,806)	(16,043)	(13,041)
Packaging material	(2,814)	(6,104)	(2,814)	(6,106)
Communication	(671)	(931)	(13,095)	(20,189)
Travel, meals and accommodation	(2,765)	(1,916)	(8,647)	(5,811)
Property leasing (Note 2.4 (e))	(3,840)	(19,980)	(31,956)	(80,153)
Rent of vehicles, machinery and equipment	(10,295)	(16,107)	(3,335)	(17,949)
Revenue from sale of damaged vehicles (ii)	227	358	(9,805)	(38,147)
Recovery of PIS and COFINS (iii)	65,538	64,118	159,716	139,249
Extemporaneous tax credits	3,846	27,227	29,214	62,789
Tax expenses	(1,285)	(4,255)	(3,180)	(8,955)
Other costs	(32,803)	(66,975)	(116,484)	(144,935)
	<b>(1,376,161)</b>	<b>(1,357,823)</b>	<b>(4,023,035)</b>	<b>(3,418,392)</b>
Cost of sale, rentals and services rendered	(1,206,293)	(1,219,665)	(2,417,125)	(2,218,781)
Cost of sales of decommissioned assets	(113,196)	(74,993)	(1,214,236)	(814,249)
Administrative expenses	(51,962)	(62,415)	(302,243)	(227,917)
Selling expenses	(9,492)	(10,035)	(115,011)	(128,558)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	5,112	(2,131)	(11,998)	(7,980)
Other operating expenses	(13,358)	(9,070)	(33,458)	(54,358)
Other operating income	13,028	20,486	71,036	33,451
	<b>(1,376,161)</b>	<b>(1,357,823)</b>	<b>(4,023,035)</b>	<b>(3,418,392)</b>

- (i) The amounts as of June 30, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of profit or loss for the six-month period ended June 30, 2018 is not being restated. Note 2.4 (b) presents the effects of the adoption of CPC 06 (R2) / IFRS 16;
- (ii) Refers to the cost of damaged and casualty vehicles written off, net of the respective amount recovered through sale, in the amounts of R\$ 773 and R\$ 29,855 in Parent Company and Consolidated, respectively (R\$ 707 and R\$ 42,895 as of June 30, 2018, Parent Company and Consolidated, respectively); and
- (iii) Refers to PIS and COFINS credits on acquisition of inputs and depreciation charges recorded as reducers of the costs of the products and services sold, to better reflect the natures of the respective credits and expenses.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reals, unless otherwise stated

**27. Finance income (costs)**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
<b>Finance income</b>				
Financial investments	26,217	47,580	133,290	142,476
Monetary variation income	20,581	37,788	11,225	38,429
Exchange rate changes	-	-	-	270,304
Other finance income	1,430	2,618	8,403	11,796
Interest received	3,752	3,313	9,309	9,313
<b>Total finance income</b>	<b>51,980</b>	<b>91,299</b>	<b>162,227</b>	<b>472,318</b>
<b>Finance costs</b>				
<b>Debt service costs</b>				
Interest on loans and borrowings and debentures	(230,137)	(234,232)	(460,841)	(397,806)
Interest and bank fees on finance leases	(3,883)	(4,262)	(11,601)	(9,765)
Interest on suppliers financing – car makers	-	(484)	-	(18,676)
Exchange rate changes	5,595	(299,406)	12,644	(610,965)
Net gains (losses) on swap agreements	(8,681)	250,457	(13,520)	252,422
<b>Total debt service costs</b>	<b>(237,106)</b>	<b>(287,927)</b>	<b>(473,318)</b>	<b>(784,790)</b>
Interest on right-of-use lease	(5,484)	-	(14,107)	-
Interest payable	(6,860)	(5,626)	(13,328)	(6,852)
Other finance costs	(24,337)	(8,196)	(47,645)	(17,992)
<b>Total finance costs</b>	<b>(273,787)</b>	<b>(301,749)</b>	<b>(548,398)</b>	<b>(809,634)</b>
<b>Net financial result</b>	<b>(221,807)</b>	<b>(210,450)</b>	<b>(386,171)</b>	<b>(337,316)</b>

**28. Earnings per share****28.1 Basic**

The calculation of basic and diluted earnings per share was based on the profit attributable to the holders of common shares and on the weighted average number of common shares outstanding.

The calculation of basic earnings per share is presented below:

	<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>
<b>Numerator:</b>		
Profit for the period attributable to owners of the Company	106,703	46,892
<b>Denominator:</b>		
Weighted average number of outstanding shares	205,223,260	201,583,834
<b>Basic and diluted earnings per share - R\$</b>	<b>0.5199</b>	<b>0.2326</b>
<b>(i) Weighted average number of outstanding shares</b>		
	<b>6/30/2019</b>	<b>6/30/2018</b>
<b>Common shares - January 1</b>		
Effect of shares issued	205,223,260	202,583,834
<b>Weighted average number of outstanding common shares</b>	<b>205,223,260</b>	<b>202,583,834</b>

**28.2 Diluted**

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

The JSL Group has a category of common shares which could potentially cause dilution: stock options. In the case of stock options, the number of shares that could be purchased at fair value is determined (fair value being the annual average market price for the JSL Group shares), based on the monetary value of the subscription rights for outstanding options. The number of shares calculated as mentioned before is compared with the number of shares outstanding, assuming that all the options are exercised.

**JSL S.A.****Notes to the individual and consolidated interim financial information for the period ended June 30, 2019**

In thousands of Brazilian Reais, unless otherwise stated

	<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>
Profit for the period attributable to owners of the Company	106,703	46,892
Weighted average number of outstanding shares	205,223,260	201,583,834
Adjustments for:		
Stock options	5,176,124	4,517,319
<b>Weighted average of number of shares to diluted earnings per share</b>	<b>210,399,384</b>	<b>206,101,153</b>
<b>Basic earnings per share - R\$</b>	<b>0.5071</b>	<b>0.2275</b>

**29. Supplemental information to the statement of cash flows**

The statements of cash flows under the indirect method are prepared and presented in accordance with the accounting pronouncement CPC 03 (R2) / IAS 7 – Statement of Cash Flows.

The JSL Group made acquisitions of vehicles for renewal and expansion of its fleet, and part of these vehicles do not affect cash because they are financed. These acquisitions without cash outflow effect are as follows:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Total additions to property and equipment (Note 11)	212,496	118,391	3,046,564	1,739,736
Raising of finance leases and Finame for the acquisition of operating property and equipment	(50,633)	(56,655)	(146,876)	(262,777)
<b>Additions for the period settled with cash flows</b>				
Addition of right-of-use lease (Note 18)	(11,774)	-	(72,990)	-
Payment of suppliers financing – car makers for the acquisition of PP&E in prior years	-	3,623	-	260,836
Payment (acquisition) of property and equipment directly financed by suppliers in prior years	(7,214)	(6,555)	(717,287)	10,164
<b>Total cash flows for purchase of property and equipment</b>	<b>142,875</b>	<b>58,804</b>	<b>2,109,411</b>	<b>1,747,959</b>
<b>Statements of cash flows:</b>				
Operating property and equipment	131,824	49,334	2,077,287	1,729,646
Property and equipment for investment	11,051	9,470	32,124	18,313
<b>Total</b>	<b>142,875</b>	<b>58,804</b>	<b>2,109,411</b>	<b>1,747,959</b>
<b>Other non-cash transactions:</b>				
Initial adoption of CPC 06 (R2) / IFRS 16 – Leases (Note 2.4)	(179,413)	-	(504,788)	-

**30. Subsequent events****30.1 Subsidiary Movida****30.1.1 Follow-on (Subsequent Public Offering of Shares)**

On July 12, 2019, the public offering (“offering”) of primary and secondary distribution of common shares was approved, all of them registered, book-entry and without par value, free and clear from any liens or encumbrances, issued by the subsidiary Movida Participações S.A. and held by the selling shareholder, with restricted placement efforts, pursuant to CVM Instruction 476.

At a meeting of the Subsidiary's Board of Directors held on July 25, 2019, the following were approved: (i) the price per share of R\$ 15.00; (ii) the capital increase of the subsidiary Movida Participações S.A. in the total amount of R\$ 532,500, equivalent to the issuance of 35,500,000 new shares of the Subsidiary, as well as its homologation, within the scope of the public offering of primary and secondary distribution of 20,000,000 shares (considering the additional shares).

The new share capital of Movida Participações S.A. will be R\$ 2,046,642, divided into 298,921,014 common shares, all registered, book-entry and without par value. The new shares object of the Offering are now traded at B3 S.A. - *Brasil, Bolsa, Balcão* (“B3”) since July 29, 2019, and the physical and financial settlement of the shares occurred on July 30, 2019, in the net amount of R\$ 517,244.

The Company's equity interest in Movida Participações S.A. changed from 70.1% to 55.1%, after the settlement of the Offering.

**30.1 Parent company**

**30.1.1 CRA's issuance**

On July 5, 2019 the Company launched an offer of 850,000 *Certificados de Recebíveis do Agronegócio* – CRA notes (Agribusiness Receivables Certificates) distributed in two series of issuance by Eco Securitizadora de Crédito do Agronegócio S.A., backed by Agribusiness Credit Rights Certificate ("CDCA") issued by the Company, totalizing an offer of R\$ 850,000, which may be increased with additional lots of bonds, with due maturity on November 18, 2025, and a maximum placement period of 6 months beginning in the launch of the offer, which may be closed with a minimum captation of R\$ 50,000.

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## **Report on Review of Quarterly Information**

*(A free translation of the original report in Portuguese, as filled with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB)*

To the Board of Directors and Shareholders of

**JSL S.A.**

São Paulo - SP

### **Introduction**

We have reviewed the individual and consolidated interim financial information of JSL S.A. ("the Company"), included in the Quarterly Information Form – ITR for the quarter ended June 30, 2019, comprising the statement of financial position as at June 30, 2019 and the respective statements of profit or loss and comprehensive income (loss) for the three and six-month period then ended and changes in shareholder's equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB, such as for the presentation of these information in accordance with the standards issued by the Brazilian Securities Commission - CVM, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on these interim financial information based on our review.

### **Review scope**

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

**Conclusion on the interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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, as issued by the IASB applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

**Other matters****Statements of added value**

Individual and consolidated statements of added value (DVA) for the six-month period ended at June 30, 2019, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes, were submitted to review procedures carried out together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled with the interim financial information and accounting records, as applicable, and its form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that those statements were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 14, 2019

KPMG Auditores Independentes  
CRC 2SP014428/O-6  
(Original report in Portuguese signed by)  
Ulysses M. Duarte Magalhães  
Accountant CRC RJ-092095/O-8

JSL S.A.

PUBLICLY-HELD COMPANY

CNPJ/MF n° 52.548.435/0001-79

NIRE 35.300.362.683

## **Statement of Fiscal Council**

The Fiscal Council of JSL S.A ("Company"), in the exercise of the competence provided for in article 163 of Law 6.404/76, at a meeting held on this date, after examining the performance comments and interim financial information for the six-month period ended June 30, 2019, concludes, based on the examinations made and considering also the Independent Auditors' Report on Review, unanimously, that these documents adequately reflect the Company's financial condition.

São Paulo, August 12, 2019.

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Luiz Augusto Marques Paes

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Luciano Douglas Colaudo

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Rafael Ferraz Dias de Moraes

## **Statement of Executive Board on Interim Financial Information of JSL S.A.**

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed to the interim financial information of JSL S.A. for six-month period ended June 30, 2019, authorizing the conclusion on this date.

São Paulo, August 14, 2019.

Fernando Antonio Simões  
Chief Executive Officer

Denys Marc Ferrez  
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira  
Controller Director



## **Statement of the Executive Board on the Independent Auditors' Report on Review**

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that reviewed, discussed and agreed with the conclusions expressed on the Independent Auditors' Report on Review of the interim financial information of JSL S.A., for the six-month period ended June 30, 2019 issued on this date.

São Paulo, August 14, 2019.

Fernando Antonio Simões  
Chief Executive Officer

Denys Marc Ferrez  
Chief Administrative, Financial and Investors' Relations Officer

Samir Moises Gilio Ferreira  
Controller Director