# JSL S.A. and its subsidiaries

Quarterly information – ITR related to the quarter ended March 31, 2019 and independent auditor's report on review of quarterly information

## 1Q19 PERFORMANCE COMMENTS

### Operational and Financial Highlights
### Grupo JSL – Consolidated

### Record Net Income of R$60.8 million in 1Q19

- **Net Income of R$60.8 million in 1Q19, versus R$25.1 million in 1T18 (142% YoY).** The fifth consecutive quarter with superior results demonstrates the continuous evolution of the group's performance. This result reflects the benefits of the platform formed by synergic companies, operating in an independent manner and with management focused on each business;

- **EBITDA of R$474.6 million, a YoY increase of 34%**, with an EBITDA Margin of 28.6%, 5.2 p.p. higher than in 1Q18, mainly due to gains in scale and efficiency of the businesses in which the Company operates;

- **Consolidated Net Revenue of R$2.2 billion, a 14% growth versus 1Q18.** JSL holds a leadership position in sectors with great potential for growth and low concentration that offer opportunities to expand and diversify business with an extensive customer base and sectors of the economy;

- **JSL Logística and CS Brasil achieved an EBITDA of R$ 194.2 million, a YoY increase of 35%**, even with the revenue from services growing 1.9% for the same period, given the focus on efficiency as well as contracts with better returns;

- **VAMOS reached R$ 2.2 billion in Contracted Revenue (backlog) in 1Q19**, a 22% growth compared to 4Q18 and an EBTIDA of R$ 121,2 million (+17% YoY);

- **Movida** presented an **EBITDA of R$ 149.6 million (+46% YoY)** and **record volumes of Used Car Sales, with 12,700 cars in 1Q19**, a YoY growth of revenues of cars sold of 39%.

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 1Q19 managerial information excluding the effects resulting from IFRS16 for the 1Q19.**

| | JSL - Consolidated | | | | | |
|---|---|---|---|---|---|---|
| **Financial Statements (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲YoY** | **▲QoQ** | **LTM** |
| **Gross Revenue** | **2,194.3** | **2,447.1** | **2,520.6** | **14.9%** | **3.0%** | **9,529.8** |
| **Net Revenue** | **1,936.8** | **2,131.5** | **2,211.8** | **14.2%** | **3.8%** | **8,350.4** |
| Logística + CS Brasil | 952.7 | 992.1 | 994.1 | 4.3% | 0.2% | 4,012.8 |
| Vamos | 222.7 | 267.2 | 273.8 | 22.9% | 2.5% | 1,034.5 |
| Movida | 604.2 | 713.0 | 812.5 | 34.5% | 14.0% | 2,747.0 |
| Original | 162.3 | 192.9 | 186.1 | 14.7% | -3.5% | 726.2 |
| Leasing | 7.3 | 8.7 | 9.0 | 23.3% | 3.4% | 33.6 |
| Intercompany Elimination | (12.3) | (42.5) | (63.8) | - | - | (203.7) |
| **Net Revenue from Services** | **1,512.6** | **1,694.9** | **1,659.9** | **9.7%** | **-2.1%** | **6,564.7** |
| **Net Revenue of Asset Sales** | **424.2** | **436.6** | **551.9** | **30.1%** | **26.4%** | **1,785.7** |
| **EBITDA** | **353.9** | **432.5** | **474.6** | **34.1%** | **9.7%** | **1,718.2** |
| *Margin (% NR from Services)* | 23.4% | 25.5% | 28.6% | +5.2 p.p. | +3.1 p.p. | 26.2% |
| **Net Result** | **25.1** | **60.6** | **60.8** | **142.2%** | **0.3%** | **224.8** |

## I. Message from Management

Despite the environment with no growth in the Brazilian economy, JSL Group keeps operating with focus on its long-term **perpetuation** plan, **growth** and **profitability of all companies**, as demonstrated in one more quarter.

JSL Consolidated posted **record Net Income of R$60.8 million in 1Q19, 142% higher** than the net income of R$25.1 million in the same period of the previous year. The consistency of delivering yet another quarter with superior results demonstrates the continuous evolution of the group's performance, which was organized in a platform of independent companies, with a focused management effort on each business over the past 3 years.

JSL reached a **Consolidated Net Revenue of R$2.2 billion in 1Q19**, **a 14.2% YoY growth**, reflecting the strength of our performance in various services and clients in 16 different sectors of the economy. Grupo JSL continues to focus on gaining market share in segments with great potential for organic growth through Movida and Vamos, in addition to benefiting from a possible recovery of logistics volume in Brazil through a lighter and more efficient platform at JSL Logística. Therefore, the Group continues to focus on higher-yielding, long-term contracts and first-line customers to ensure the business in the long run.

**Consolidated EBITDA totaled R$474.6 million in 1Q19 (+34.1% YoY)** and EBITDA Margin reached 34.1%, up by 5.2 p.p. YoY. When compared to 4Q18, Consolidated EBITDA increased by 9.7% QoQ and the EBITDA Margin increased by 3.1 p.p. QoQ, proving Grupo JSLs focus on profitability and efficiency.

**JSL Logística and CS Brasil** jointly achieved a Net Revenue of R$994.1 million, a growth of 4.3%, in addition to an EBITDA of R$194.2 million, 35.4% higher than the same period of the previous year with EBITDA Margin of 21.5% (+5.3 p.p. YoY). Logística has reinforced its results through greater efficiency, reduced costs and a rebalancing in prices aiming at a more adequate profitability, focusing on contracts with higher returns.

**VAMOS** remains focused on delivering its business plan based on **resilience** and **predictability of future revenue**, **balancing growth, service quality and profitability.** The Company posted a Total Net Revenue of R$273.8 million (+22.9% YoY), with highlights in the Rental segment. Consolidated EBITDA reached R$121.2 million in 1Q19, (+17.3% YoY), while EBITDA Margin from services reached 50.6%, stable in the annual comparison. Net Income totaled R$31.5 million in 1Q19 (+18.4% YoY and +46.5% QoQ).

The JSL S.A.'s Board of Directors decided to cancel the IPO of its subsidiary VAMOS due to the market conditions that affected the transaction during the process; however, we gained interest and confidence from high quality and relevant long-term investors. We reiterate that our **plans for developing JSL businesses is preserved**, as it doesn't depend on this offer.

**Movida's** 1Q19 results demonstrates the **effectiveness of its profitability strategy in a sustainable way**. We highlight the evolution of the company's profitability indicators, with ROE at 11.8% and ROIC exceeding the cost of debt by +5.6 p.p. EBITDA totaled R$149.6 million (+46.2% YoY), while EBITDA Margin from services increased by 5.3 p.p., reaching 43.5%. Net Income totaled R$42.0 million (+56.1% YoY), due to operational gains, dilution of administrative costs and expenses, and optimized financial funding.

**Net Financial Expenses** totaled R$180.1 million in 1Q19 versus R$169.5 million in 1Q18 (+6.3% YoY). The increase in the annual comparison reflects the growth in net debt, which totaled R$7.1 billion in 1Q19 (+18.4% YoY), partially offset by the decrease in the average cost of debt from 9.2% to 8.9% and non-recurring financial income from monetary variation of past tax credits.

The **group's ROIC stood at 9.2% in 1Q19**, an 0.2p.p. improvement compared to 9.0% in 2018.

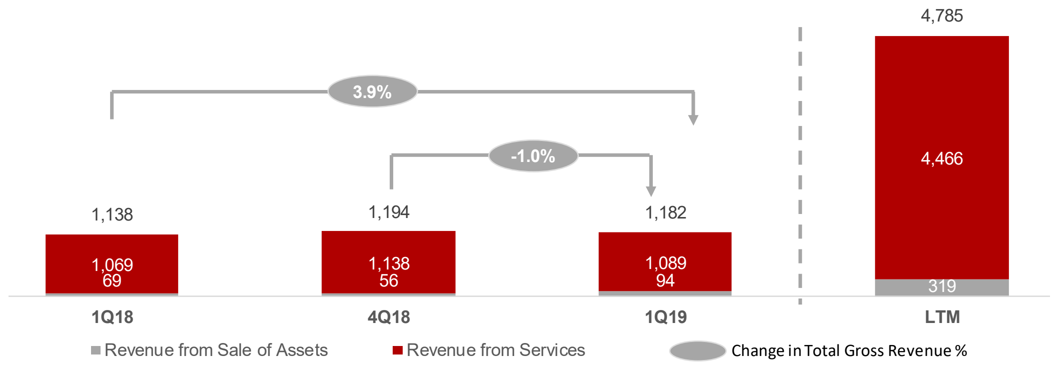
## II. Logística (JSL Logística + CS Brasil)

**Gross Revenue**

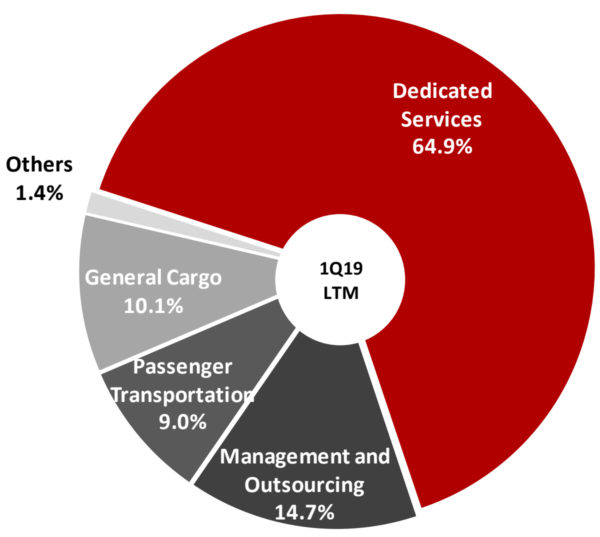
| Gross Revenue (R$ million) | Logística + CS Brasil 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| **Gross Revenue** | **1,137.9** | **1,193.7** | **1,182.3** | **3.9%** | **-1.0%** | **4,785.3** |
| Revenue from Services | 1,069.2 | 1,137.9 | 1,088.6 | 1.8% | -4.3% | 4,465.8 |
| Revenue from Sale of Assets | 68.7 | 55.8 | 93.7 | 36.4% | 67.9% | 319.4 |

In 1Q19, Total Gross Revenue reached R$1.2 billion (+3.9% YoY), driven by Gross Revenue from Services of R$1.1 billion (+1.8% YoY), and Gross Revenue from Sale of Assets of R$93.7 million (+36.4%). This growth is mainly explained by rebalancing in prices of our contracts during the year, aiming at a more adequate profitability in a business environment still in recovery.

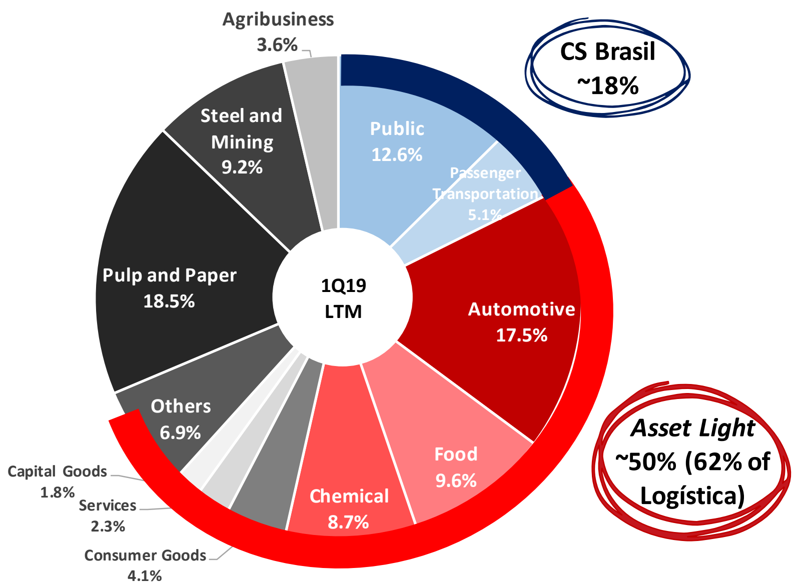
When compared to 4Q18, the Gross Revenue declined 1.0% QoQ, as the Gross Revenue from Services reduced 4.3% QoQ, mainly due to seazonality in the sugar and alcohol sector and reassessment of our portfolio of contracts, such as the sale of our concession rights related to Itaquaquecetuba operations in the 4Q18. The Gross Revenue from Sale of Assets, however, grew 67.9%, due to asset sales and migration of logistics operations to Vamos in January 2019, finishing the uncrossing of assets and operations of the companies.




**Revenue Breakdown by Business Line**




**Revenue Breakdown by Economic Sector**



## RSC – Revenue from Same Contracts

| RSC (R$ million) | 1Q18 | 1Q19 | ▲Y o Y |
|---|---|---|---|
| **Gross Revenue from Services** | **992.0** | **1,004.6** | **1.3%** |
| Dedicated Services | 647.5 | 670.8 | 3.6% |
| Management and Outsourcing (Vehic./Mach./Equip.)* | 150.8 | 132.3 | -12.3% |
| Passenger Transportation | 88.7 | 90.3 | 1.7% |
| General Cargo transportation | 90.8 | 96.3 | 6.0% |
| Others | 14.2 | 15.0 | 5.8% |

* With adition of services

Revenue from Same Contracts (RSC) increased by 1.3% YoY in 1Q19. The highlight was the increase in General Cargo transportation, which grew by 6.1% due to the rebalancing of prices implemented by the Company throughout 2018. We presented, however, a 12.3% YoY decline in Management and Outsourcing, as we had a R$15 million non-recurring effect in 1Q18 and conclusion of some CS Brasil agreements in 2018.

## Net Revenue

| | Logística + CS Brasil | | | | | |
|---|---|---|---|---|---|---|
| **Net Revenue (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲Y o Y** | **▲Q o Q** | **LTM** |
| **Net Revenue** | **952.7** | **992.1** | **994.1** | **4.3%** | **0.2%** | **4,012.8** |
| Net Revenue from Services | 885.0 | 938.3 | 902.1 | 1.9% | -3.9% | 3,700.4 |
| Net Revenue from Sale of Assets | 67.7 | 53.8 | 92.1 | 36.0% | 71.2% | 312.3 |

## Costs

| | Logística + CS Brasil | | | | | |
|---|---|---|---|---|---|---|
| **Costs (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲ Y-o-Y** | **▲ Q-o-Q** | **LTM** |
| **Cost of Services** | **(758.7)** | **(811.0)** | **(759.5)** | **0.1%** | **-6.4%** | **(3,171.8)** |
| Personnel | (245.0) | (263.9) | (252.7) | 3.1% | -4.2% | (1,044.3) |
| Independent contractors / third parties | (246.2) | (246.2) | (229.6) | -6.7% | -6.7% | (980.1) |
| Fuel and lubricants | (54.6) | (60.1) | (51.9) | -4.9% | -13.6% | (237.5) |
| Parts / tires / maintenance | (77.8) | (87.2) | (86.4) | 11.1% | -0.9% | (339.3) |
| Depreciation / amortization | (71.4) | (78.9) | (83.3) | 16.7% | 5.6% | (306.2) |
| Others | (63.8) | (74.7) | (55.6) | -12.9% | -25.6% | (264.4) |
| **Costs of Sales of Assets** | **(66.0)** | **(59.6)** | **(95.5)** | **44.7%** | **60.2%** | **(326.1)** |
| Sale of Assets | (66.0) | (59.6) | (95.5) | 44.7% | 60.2% | (326.1) |
| **Total** | **(824.8)** | **(870.6)** | **(855.0)** | **3.7%** | **-1.8%** | **(3,497.8)** |
| **Total (as % of Total Net Revenue)** | **86.6%** | **87.7%** | **86.0%** | **-0.6 p.p.** | **-1.7 p.p.** | **87.2%** |

In 1Q19, Costs of Services totaled R$759.5 million, an increase of 0.1% YoY and lower than the increase in Net Revenue from Services of +1.9% YoY.

In the annual comparison against 4Q18, we had a 6.4% drop in Costs of Services, while Net Revenue from Services fell by 3.9%. This reduction was mainly due to costs with third parties in contracts related to Dedicated Services and General Cargo, as a result of efficiency gain in logistics operations.

### Gross Profit

| Gross Profit (R$ million) | Logística + CS Brasil 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| **Gross Profit from Services** | **126.3** | **127.4** | **142.6** | **12.9%** | **11.9%** | **528.7** |
| *Margin (% NR from Services)* | 14.3% | 13.6% | 15.8% | +1.5 p.p. | +2.2 p.p. | 14.3% |
| **Gross Profit from Sale of Assets** | **1.7** | **(5.8)** | **(3.4)** | **-** | **-41.4%** | **(13.7)** |
| *Margin (% NR from Sale of Assets)* | 2.5% | -10.8% | -3.7% | -6.2 p.p. | +7.1 p.p. | -4.4% |
| **Total Gross Profit** | **127.9** | **121.6** | **139.2** | **8.8%** | **14.5%** | **514.9** |
| *Margin (% Total NR)* | 13.4% | 12.3% | 14.0% | +0.6 p.p. | +1.7 p.p. | 12.8% |

In 1Q19, Total Gross Profit came in at R$139.2 million (+8.8% YoY), while Gross Margin was 14.0%, representing an increase by 0.6 p.p. YoY.

When compared to 4Q18, Total Gross Profit increased by 14.5%, with a 1.7 p.p. expansion in Gross Margin, mainly due to the price normalization efforts throughout 2018 and adjustments to operational costs, as previously mentioned.

### Operating Expenses before Financial Result

| Operating Expenses (R$ million) | Logística + CS Brasil 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| Administrative and Sales Expenses | (51.9) | (51.6) | (33.8) | -34.9% | -34.5% | (181.7) |
| Tax Expenses | (4.2) | (2.2) | 0.8 | -119.0% | -136.4% | (3.8) |
| Other Operating Expenses | (4.0) | 24.0 | (3.5) | -12.5% | -114.6% | 30.9 |
| Equity in Subsidiaries | (0.4) | (1.8) | (0.5) | 25.0% | -72.2% | (1.0) |
| **Total** | **(60.5)** | **(31.6)** | **(37.0)** | **-38.8%** | **17.1%** | **(155.8)** |
| **Total (as % of Total Net Revenue fro** | **6.8%** | **3.4%** | **4.1%** | **-2.7 p.p.** | **+0.7 p.p.** | **4.2%** |

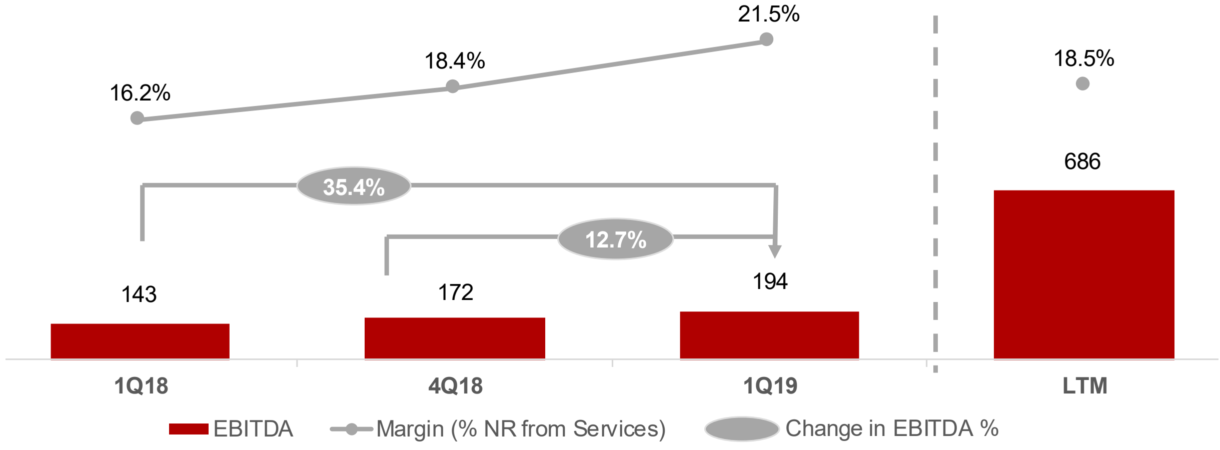
In 1Q19, Operating Expenses fell by 38.8% YoY, while Net Revenue from Services increased by 1.9% YoY, as a result of expense reduction process of the Company. We highlight the R$6.6 million reduction in consulting and third-party expenses compared to last quarter, the reversal of loss provision of R$6.5 million in 1Q19 and also R$1.5 million reversal in tax contingencies in 1Q19.

When compared to 4Q18, we posted a slight increase in expenses (+17.1% QoQ), mainly due to R$ 25.6 million non-recurring revenues from the sale of the Itaquaquecetuba bus concession rights, which positively affected Other Operating Expenses in 4Q18.

### EBIT, EBITDA and EBITDA-A

| EBIT, EBITDA & EBITDA-A (R$ million) | Logística + CS Brasil 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| **EBIT** | **67.4** | **89.9** | **102.2** | **51.6%** | **13.7%** | **359.2** |
| *Margin (% NR from Services)* | 7.6% | 9.6% | 11.3% | +3.7 p.p. | +1.7 p.p. | 9.7% |
| **EBITDA** | **143.4** | **172.3** | **194.2** | **35.4%** | **12.7%** | **685.7** |
| *Margin (% NR from Services)* | 16.2% | 18.4% | 21.5% | +5.3 p.p. | +3.1 p.p. | 18.5% |
| **EBITDA-A** | **209.5** | **231.9** | **289.7** | **38.3%** | **24.9%** | **1,011.8** |
| *Margin (% Total NR)* | 22.0% | 23.4% | 29.1% | +7.1 p.p. | +5.7 p.p. | 25.2% |

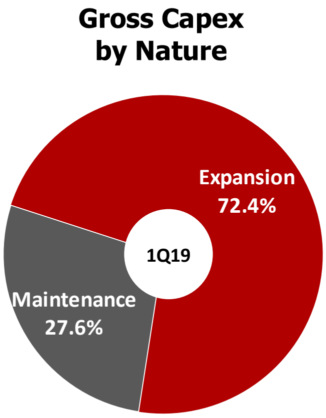
In 1Q19, EBITDA totaled R$194.2 million (+35.4% YoY) while EBITDA Margin came in at 21.5% (+5.3 p.p. YoY). We highlight that 1Q19 figures were adjusted according to CPC 06 (R2)/IFRS16 new accounting standards, which includes the leasing expenses of our branches as amortization. Even not considering the IFRS16 adoption effects in 1Q19 results, the EBITDA Margin would have been higher (19.9% in 1Q19, or +3,7% p.p. YoY and +1.5% p.p. QoQ), as a result of better operational efficiency in cost and expenses management.

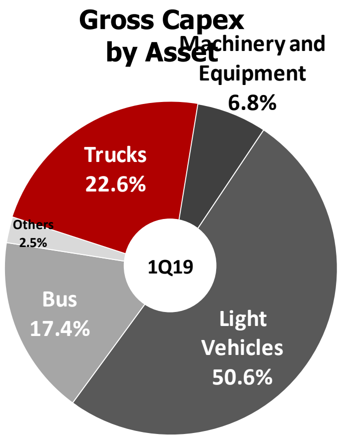


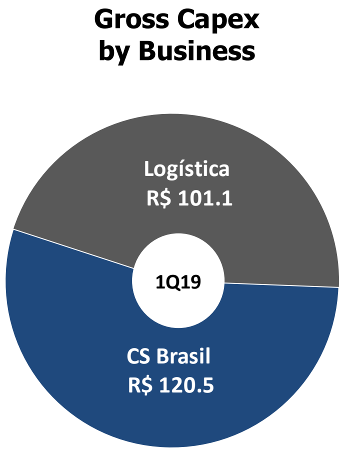

**Capex**

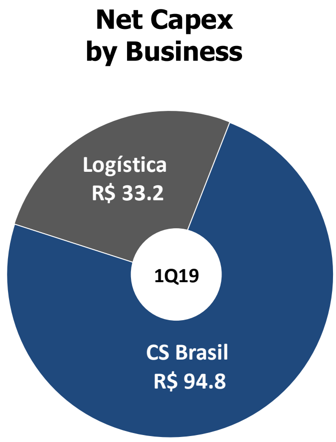
| | Logística + CS Brasil | | | | | |
|---|---|---|---|---|---|---|
| **Capex (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲YoY** | **▲QoQ** | **LTM** |
| **Gross capex by nature** | **139.6** | **290.9** | **221.6** | **58.7%** | **-23.8%** | **935.4** |
| Expansion | 95.2 | 244.6 | 160.6 | 68.7% | -34.3% | 749.7 |
| Maintenance | 44.3 | 46.2 | 61.1 | 37.9% | 32.3% | 185.7 |
| Others | - | - | - | - | - | - |
| **Gross capex by type** | **139.6** | **290.9** | **221.6** | **58.7%** | **-23.8%** | **935.4** |
| Trucks | 28.8 | 50.5 | 50.1 | 74.0% | -0.8% | 161.6 |
| Machinery and Equipment | 17.9 | 12.1 | 15.1 | -15.6% | 24.8% | 38.6 |
| Light Vehicles | 80.2 | 191.7 | 112.3 | 40.0% | -41.4% | 628.5 |
| Bus | 8.5 | 25.7 | 38.6 | - | 50.2% | 71.2 |
| Others | 4.3 | 10.8 | 5.6 | 30.2% | -48.1% | 35.5 |
| **Usual sale of assets** | **(68.7)** | **(55.8)** | **(93.7)** | **36.4%** | **67.9%** | **(319.4)** |
| Maintenance | (52.0) | (41.3) | (48.4) | -6.9% | 17.2% | (217.3) |
| End of contract | (19.9) | (9.1) | (5.0) | -74.9% | -45.1% | (46.5) |
| Exchange of operational scope | (2.0) | (5.5) | (36.5) | - | - | (47.9) |
| Cancellations and sales return | 5.2 | 0.0 | (3.8) | -173.1% | - | (7.8) |
| **Total net capex** | **70.9** | **235.0** | **127.9** | **80.4%** | **-45.6%** | **615.9** |

Net Capex totaled R$127.9 million in 1Q19. Funds were mainly allocated towards investments in expansion of new contracts at CS Brasil, in fleet management and outsourcing contracts of light assets that should strengthen future cash generation, narrowing its focus on mixed capital companies with their own cash flow and long-term contracts.


Gross Capex
by Nature
Expansion
72.4%
Maintenance
27.6%
1Q19


Gross Capex
by Asset
Machinery and
Equipment
6.8%
Trucks
22.6%
Others
2.5%
Bus
17.4%
Light
Vehicles
50.6%
1Q19


Gross Capex
by Business
Logística
R$ 101.1
CS Brasil
R$ 120.5
1Q19


Net Capex
by Business
Logística
R$ 33.2
CS Brasil
R$ 94.8
1Q19

1Q18 and 4Q18 financial data presented below are based on carve-out combined numbers. From 1Q19, there are no differences between consolidated results and carve-out combined numbers as the uncrossing processes were already finished as of 2019.

| | Vamos | | | | | |
|---|---|---|---|---|---|---|
| **Financial Information (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲YoY** | **▲QoQ** | **LTM** |
| **Gross Revenue** | **247.1** | **299.7** | **301.8** | **22.1%** | **0.7%** | **1,155.3** |
| **Net Revenue** | **222.7** | **267.2** | **273.8** | **22.9%** | **2.5%** | **1,034.5** |
| **Net Revenue from Services** | **203.3** | **228.0** | **239.5** | **17.8%** | **5.0%** | **919.7** |
| Rental | 109.7 | 127.7 | 129.0 | 17.6% | 1.0% | 513.1 |
| Dealerships | 93.6 | 100.3 | 110.5 | 18.1% | 10.2% | 406.7 |
| **Net Rev. from Sale of Assets** | **19.4** | **39.3** | **34.3** | **76.8%** | **-12.7%** | **114.8** |
| **EBITDA** | **103.3** | **111.6** | **121.2** | **17.3%** | **8.6%** | **470.0** |
| *Margin (% NR from Services)* | 50.8% | 49.0% | 50.6% | -0.2 p.p. | +1.6 p.p. | 51.1% |
| **Net Income** | **26.6** | **21.5** | **31.5** | **18.4%** | **46.5%** | **121.2** |
| *Margin (% NR from Services)* | 13.1% | 9.4% | 13.1% | +0.0 p.p. | +3.7 p.p. | 13.2% |

NOTE: VAMOS' EBTIDA would have been R$ 117.8 million in 1Q19 disregarding CPC 06 (R2)/IFRS16 accounting rules.

"We delivered 1Q19 results in line with our growth plan. We signed new contracts with 51 clients in the period, representing 11 different sectors of the economy and generating R$605 million additional Contracted Revenue, an important portion of that including maintenance services. We will keep our growth pace, increase the penetration in current client's business and prospecting new clients in several sectors of the economy. We also saw an important improvement of our dealership business results, with a 10.2% increase of net revenues compared to 4Q18. We had access to credit lines that will help us to optimize our capital structure with expected positive effects for 2019. Among the new opportunities that deserve our attention for next months, we highlight the increase of penetration in current clients, the growth of the base of rental agreements including maintenance services and pre-owned assets sales increase. VAMOS (let's go) ahead!" (Gustavo Couto, Vamos Group CEO).

VAMOS, a leading company in the rental and commercialization of trucks, machinery and equipment in Brazil, which has a complete and unique structure in its segment, with approximately 11,300 assets and a network of 40 own stores that sells 100% of its assets in 10 Brazilian states, of which 14 Volkswagen/Man truck and bus dealerships, the largest in Brazil; a network of 15 Valtra dealerships of agricultural machines and equipment; and 11 stores that sell used vehicles. The long-term nature of its 360 customized rental contracts (5 years average) with top-tier customers throughout several sectors of the economy, mainly agribusiness, energy, logistics and food, guarantees revenue resilience, cash generation with low volatility and predictability of future revenues.

In 1Q19, VAMOS recorded Total Net Revenue of R$273.8 million (+22.9% YoY), with growth in all its businesses and highlights to the Rental segment, which registered a Net Revenue from Rental Services of R$129.0 million, representing an organic growth of 17.6% YoY. The increase is explained by organic growth in this segment, in line with VAMOS's strategy to expand this business model based on efficiency and quality in customer service, expanding its portfolio of contracts to take advantage of the growing trend of companies aiming (i) the reduction of asset immobilization, (ii) costs cutting and (iii) a greater focus on its core business, in a market still lacking of taylor-made and customer-focused services.

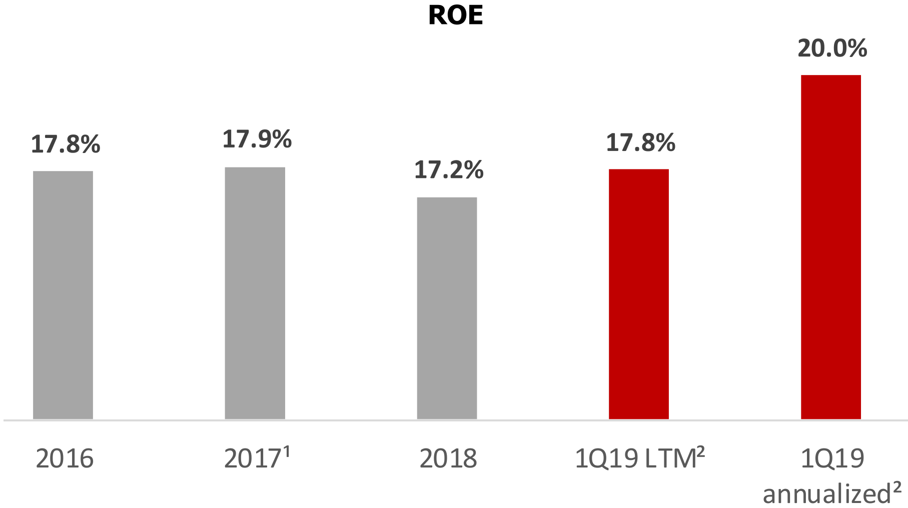
Net Revenue from the sale of assets totaled R$34.1 million, a 76.8% growth versus the sale of assets in 1Q18, with a 1.6% margin on sales, in line with the Company's strategy.

Net Revenue from the dealership segment also had positive results in 1Q19, growing by 18.1% YoY and 10.2% QoQ, with revenue growth from truck and bus dealerships, VW/Man, and agriculture machinery, through Valtra.

VAMOS' Consolidated EBITDA totaled R$121.2 million in 1Q19, increasing by +17.3% YoY and EBITDA Margin from Services reached 50.6%, a 1.6 p.p. growth against 4Q18, demonstrating VAMOS's high profitability and cash generation capacity.

VAMOS' Net Income totaled R$31.5 million in 1Q19, a significant increase of 18.4% YoY and 46.5% QoQ. Net Margin reached 13.1% in the first quarter of 2019, stable when compared to the same period of last year.

In terms of Capital Structure, VAMOS ended the quarter with a net debt of R$938 million, representing a net leverage of 2.0x, with healthy returns of ROE at 20.0% and ROIC at 11.9% in 1Q19.



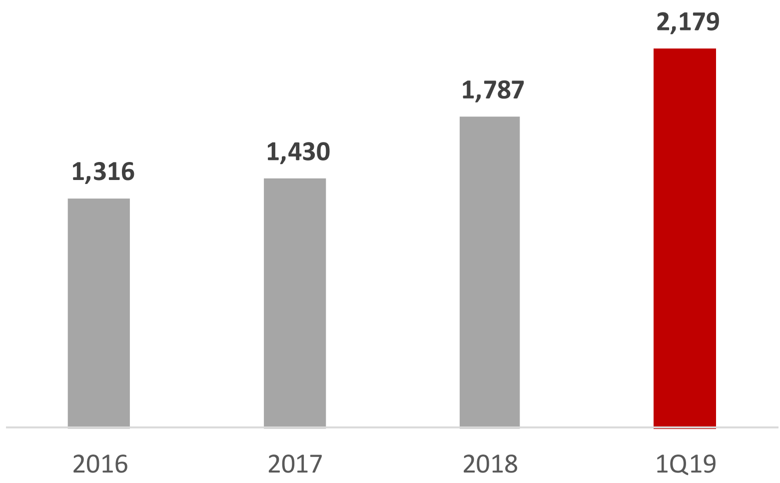

NOTE: (1) R$113 million capital increase for Borgato acquisition were excluded for ROE of 2017 calculation. This adjustment was not made for ROE of 2018. (2) R$150 million in declared dividends were excluded from 1Q19 Equity calculation, hence this amount was added back to Equity for ROE calculation.

| | Vamos | | | | | |
|---|---|---|---|---|---|---|
| **Capex (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲YoY** | **▲QoQ** | **LTM** |
| **Gross capex by type** | **122.3** | **96.0** | **187.4** | **53.2%** | **95.2%** | **549.2** |
| Trucks | 69.1 | 94.8 | 130.3 | 88.6% | 37.4% | 312.1 |
| Machinery and Equipment | 53.2 | 1.3 | 57.1 | 7.3% | - | 237.0 |
| **Usual sale of assets** | **(20.5)** | **(41.1)** | **(34.4)** | **67.8%** | **-16.3%** | **(117.3)** |
| **Total net capex** | **101.8** | **54.9** | **152.9** | **50.2%** | **178.5%** | **431.9** |

In 1Q19, Gross Capex for VAMOS totaled R$187.4 million, while Net Capex totaled R$152.9 million, versus R$101.8 million in 1Q18. The increase is explained by higher expansion investments for new agreements, in line with the Company's expansion strategy for the rental business.

Considering all agreements signed in the 1Q19, VAMOS registered a contracted CAPEX of R$432.8 million, partially paid in 1Q19 and with implementation scheduled for next months, generating a Contracted Revenue of R$ 604.7 million. It is important to highlight that a great part of this CAPEX was related to contracts with maintenance services, in line with VAMOS strategy of increasing the representativeness of this type of agreements, that add more value to our clients and have higher profitability.

**Backlog of Contracted Revenue (R$ million)**




It is worth mentioning that the 360 active agreements in march 2019, VAMOS reached Contracted Revenue of R$2.2 billion (+22% QoQ), confirming the subsidiary's growth and expansion strategy, keeping the quality and efficiency levels when serving its clients and the profitability of the contracts. This amount represents almost 4 years of future rental revenue when compared to the rental gross revenue from services of R$ 574.8 million in the last 12 months.

## IV. Movida

| | Movida | | | | | |
|---|---|---|---|---|---|---|
| **Financial Information (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲YoY** | **▲QoQ** | **LTM** |
| **Gross Revenue** | **650.2** | **760.0** | **861.9** | **32.6%** | **13.4%** | **2,928.9** |
| RAC | 231.7 | 279.6 | 278.1 | 20.0% | -0.5% | 1,043.7 |
| GTF | 81.9 | 101.3 | 115.0 | 40.4% | 13.5% | 398.6 |
| Used Vehicles | 336.5 | 379.2 | 468.7 | 39.3% | 23.6% | 1,486.5 |
| **Net Revenue** | **604.2** | **713.0** | **812.5** | **34.5%** | **14.0%** | **2,747.0** |
| Net Revenue from Services | 268.0 | 334.1 | 344.1 | 28.4% | 3.0% | 1,262.4 |
| Net Revenue from Sale of Assets | 336.1 | 379.0 | 468.4 | 39.4% | 23.6% | 1,484.5 |
| **EBIT** | **83.3** | **107.3** | **99.2** | **19.1%** | **-7.5%** | **395.6** |
| *Margin (% NR from Services)* | 31.1% | 32.1% | 28.8% | -2.3 p.p. | -3.3 p.p. | 31.3% |
| **EBITDA** | **102.3** | **141.9** | **149.6** | **46.2%** | **5.4%** | **529.0** |
| *Margin (% NR from Services)* | 38.2% | 42.5% | 43.5% | +5.3 p.p. | +1.0 p.p. | 41.9% |
| **Net Income** | **26.9** | **51.7** | **42.0** | **56.1%** | **-18.8%** | **174.9** |
| *Margin (% NR from Services)* | 10.0% | 15.5% | 12.2% | +2.2 p.p. | -3.3 p.p. | 13.9% |

Movida's results in 1Q19 proves the **effectiveness of its profitability strategy in a sustainable way**. The Company initiated 2019 with a reinforced structure, and with processes and controls that were strengthened throughout 2018, all of which positively impacted results. We highlight the evolution of the profitability indicators, with ROE at 11.8% and ROIC exceeding the cost of debt by +5.6 p.p.

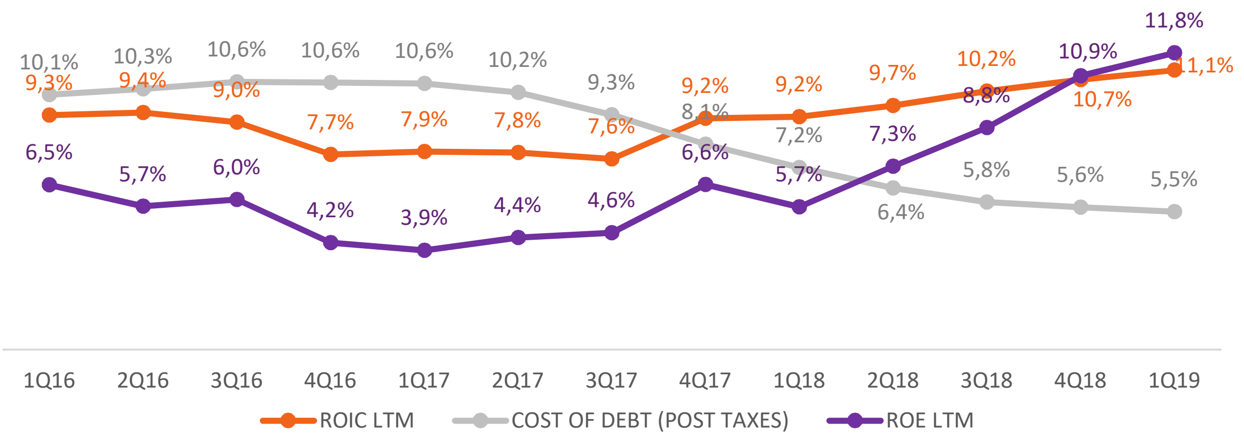
In the **RAC** business, gross revenue in 1Q19 increased by 20.8% YoY, mainly due to its larger fleet, which was 11% higher in the period. The fundamentals of the RAC business continue solid, enabling the Company's daily rent volume to increase by 17% when compared to 1Q18. Competition remained healthy during the quarter, with Movida increasing its average daily rental ticket by 3% which, along with an improved average occupancy of 76.5% (+2 p.p. YoY), resulted in an increase of the Company's average revenue per car by 5%.

In **GTF**, the operational fleet expanded by over 9,000 cars. Total volumes increased by 48%, with a 1% increase in revenue per car. In 1Q19, Net Revenue grew by 53.1% YoY, with EBITDA Margin at 67%. There is a balance of more than 3,600 cars in this quarter that are already part of total fleet, most of which will become operational in the coming months, indicating a growth in the 2019 contracted revenue. The Company continues to focus its commercial efforts in this segment towards profitable growth.

In **Seminovos**, 12,763 cars were sold, 42% higher YoY and 27% higher QoQ. The increase in volume was consecutive, month after month, mainly due to the Company's focused execution, which includes everything ranging from the change in color of its brand to the restructuring of the pricing and distribution methodologies. The average ticket fell by 1.7% due to the mix in fleet and the Company's focus towards accelerating asset turnover through gains in volume. Sale prices were influenced by older-than-average vehicles with higher mileages than what we had in the past, and our current inventory already contemplates a younger fleet that reduced the average age of RAC cars to under 9 months.

In 1Q19, Movida posted a consolidated **EBITDA of R$149.6 million** (+46.2% YoY). The consolidated EBITDA from Rental Services Margin grew by 5.3 p.p. mainly due to gains in scale, reaching 43.5% in 1Q19, being 40.0% disregarding the adoption of CPC 06 (R2) / IFRS16, or +1.8 p.p YoY. **Net Income totaled R$42.0 million** (+56.1% YoY), while net margin expanded by 2.2 p.p. versus 1Q18 as a result of the Company's operational gains, dilution of administrative costs and expenses, and optimized financial funding.

**Profitability and Cost of Debt**




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 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| **Fleet** | **512.3** | **603.4** | **704.5** | **37.5%** | **16.8%** | **2,522.4** |
| **RAC** | **378.3** | **358.9** | **583.1** | **54.1%** | **62.5%** | **1,920.6** |
| Expansion | 44.0 | - | 50.3 | 14.3% | - | 265.4 |
| Maintenance | 334.3 | 358.9 | 532.8 | 59.4% | 48.5% | 1,655.2 |
| **GTF** | **134.0** | **244.5** | **121.4** | **-9.4%** | **-50.3%** | **601.8** |
| Expansion | 91.7 | 174.6 | 108.7 | 18.5% | -37.7% | 448.3 |
| Maintenance | 42.3 | 70.0 | 12.7 | -70.0% | -81.9% | 153.4 |
| **Stores** | **2.6** | **2.5** | **3.0** | **15.4%** | **20.0%** | **13.2** |
| New | 0.1 | 1.0 | 0.6 | - | -40.0% | 3.3 |
| Former | 2.5 | 1.6 | 2.4 | -4.0% | 50.0% | 9.9 |
| **Others** | **3.2** | **14.4** | **22.2** | **-** | **54.2%** | **57.2** |
| **Total Gross Capex** | **518.1** | **620.4** | **729.7** | **40.8%** | **17.6%** | **2,592.8** |
| **Sale of Assets** | **(336.5)** | **(379.2)** | **(468.7)** | **39.3%** | **23.6%** | **(1,486.5)** |
| **Total Net Capex** | **181.6** | **241.2** | **261.0** | **43.7%** | **8.2%** | **1,106.2** |

Movida's Gross Capex totaled R$729.7 million in 1Q19, 40.8% higher than the same period in 2018. Investments were mainly allocated towards the asset renewal for the RAC business and market expansion for GTF.

We highlight that the recovery in volume of asset sales (+39.3% YoY) reaching similar levels to the increase in Gross Capex resulted the same trend in Net Capex, which increased by 43.7% YoY. When compared to 4Q18, the increase in revenues for the Seminovos business (23.6% YoY) surpassed Gross Capex (17.6%), resulting in an increase of Net capex by 8.2% in the period.

## V. Original Concessionárias

| Financial Information (R$ million) | Original Concessionárias 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| **Total Net Revenue** | **162.3** | **192.9** | **186.1** | **14.7%** | **-3.5%** | **726.2** |
| Light Vehicles | 139.6 | 162.6 | 155.4 | 11.3% | -4.4% | 615.3 |
| Direct Sales | 2.3 | 3.7 | 4.5 | 95.7% | 21.6% | 15.1 |
| F&I | 4.1 | 6.2 | 4.7 | 14.6% | -24.2% | 20.1 |
| Post Sales | 16.3 | 20.4 | 21.4 | 31.3% | 4.9% | 75.7 |
| **Total Volume (units)** | **6,439** | **10,788** | **9,238** | **43.5%** | **-14.4%** | **35,585** |
| Light Vehicles | 3,108 | 3,642 | 3,441 | 10.7% | -5.5% | 13,443 |
| Direct Sales Light Vehicles | 3,331 | 7,146 | 5,797 | 74.0% | -18.9% | 22,142 |
| **Gross Profit** | **25.4** | **28.9** | **29.9** | **17.7%** | **3.5%** | **112.6** |
| *Margin* | 15.6% | 15.0% | 16.1% | +0.5 p.p. | +1.1 p.p. | 15.5% |
| **EBIT** | **1.8** | **2.6** | **3.0** | **66.7%** | **15.4%** | **15.3** |
| *Margin* | 1.1% | 1.4% | 1.6% | +0.5 p.p. | +0.2 p.p. | 2.1% |
| **EBITDA** | **3.1** | **4.1** | **7.2** | **132.3%** | **75.6%** | **23.7** |
| *Margin* | 1.9% | 2.1% | 3.9% | +2.0 p.p. | +1.8 p.p. | 3.3% |

Original Concessionárias posted a Total Net Revenue of R$186.1 million in 1Q19 (+14.7% YoY), supported by the increase in new and used vehicle volumes, in addition to a 74% increase in direct sales. When compared to 4Q18, Total Net Revenue fell by 3.5% due to seasonality factors. However, we highlight that given the improvements in costs and expenses, we recorded better operational results, with EBIT increasing by 66.7% YoY and 15.4% QoQ. EBITDA totaled R$7.2 million (+132% YoY and +76% QoQ), positively impacted by efficiency gains and the adoption of accounting standard CPC 06 (R2)/IFRS16.

## VI. JSL Leasing

| Results (R$ million) | JSL Leasing 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| **Total Gross Revenue** | **7.9** | **9.1** | **9.4** | **19.0%** | **3.3%** | **35.7** |
| Deductions from Revenue | (0.6) | (0.5) | (0.5) | -16.7% | 0.0% | (2.1) |
| **Net Revenue** | **7.3** | **8.7** | **9.0** | **23.3%** | **3.4%** | **33.6** |
| **Total of Costs** | **(2.5)** | **(2.8)** | **(2.8)** | **12.0%** | **0.0%** | **(10.6)** |
| **Gross Profit** | **4.8** | **5.8** | **6.2** | **29.2%** | **6.9%** | **22.9** |
| Administrative and Sales Expenses | (2.8) | (2.8) | (3.8) | 35.7% | 35.7% | (12.5) |
| Tax Expenses | (0.1) | (0.1) | (0.1) | 0.0% | 0.0% | (0.3) |
| Other Op. Revenues (Expenses) | (0.0) | (0.0) | 0.0 | - | - | 0.1 |
| **EBITDA** | **2.1** | **3.1** | **2.5** | **19.0%** | **-19.4%** | **10.9** |
| **Operations (Qty.)** | **416** | **578** | **743** | **78.6%** | **28.5%** | **1,982** |

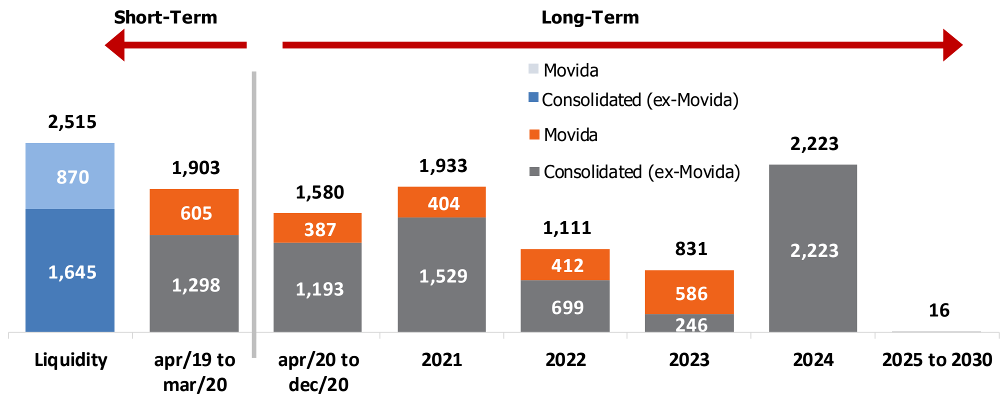
In 1Q19, JSL Leasing posted Net Revenue of R$9.4 million, a 19.0% growth in the annual comparison. Throughout the quarter, the Company carried out 743 loan transactions, and the balance of the loan portfolio at the end of the period totaled R$118.1 million (+46.9% YoY). As a result of the growth in the loan portfolio, EBITDA increased from R$2.1 million in 1Q18 to R$2.5 million in 1Q19, due to a higher operating leverage. JSL Leasing continues to offer financial alternatives to acquire used trucks, buses, cars, machinery and equipment, benefiting from a gradual recovery of the industry.

## VII. Capital Structure - JSL Consolidated

We emphasize the continuity of the group's liability management. In 1Q19, Movida carried out its third Debentures issuance, in the amount of R$600 million, concluded in January 2019 and with final maturity in 2024. On March 18, VAMOS started the first issuance of a continued CRA (Certificate of Agribusiness Receivable) in the amount of up to R$300 million, with a 9-month grace period and quarterly amortization, and final maturity in 2024, at the cost of CDI + 0.9% p.a. By the end of 1Q19, R$107 million had already been issued.

At the end of 1Q19, JSL's consolidated cash position was equivalent to debt maturities up to the middle of 2020, or 1.3x short-term debt, which we believe that is an adequate cash level. We also note that JSL already have firm guarantees for around R$1 billion to the ongoing liability management of the Company, focusing on the lengthening of the tenors.

**Gross Debt Amortization Schedule [1] (R$ million)**

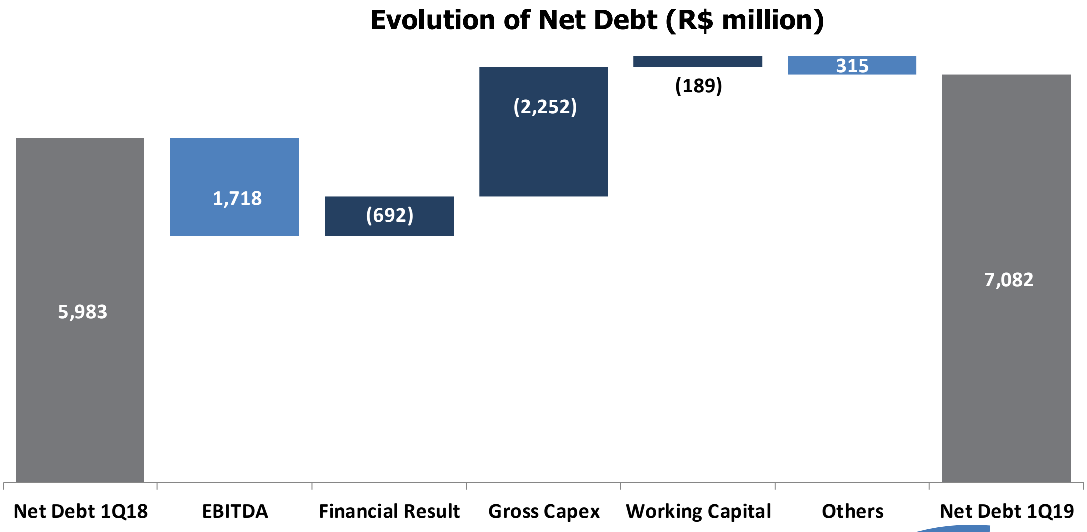


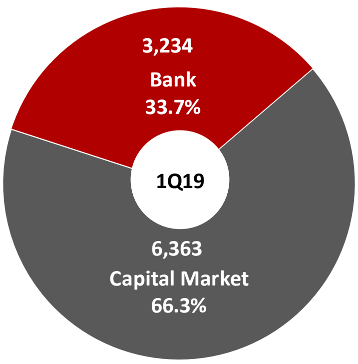

[1] Excluding R$1.863 billion from the Bond proceeds structure, which impacts cash and gross debt equally

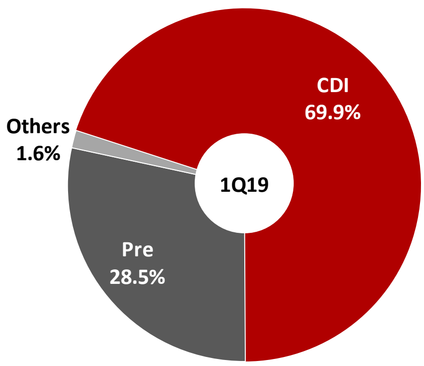
Net Debt totaled R$7.1 billion in March 2019, while the average cost of gross debt fell from 9.2% in 1Q18 to 8.9% in 4Q18.

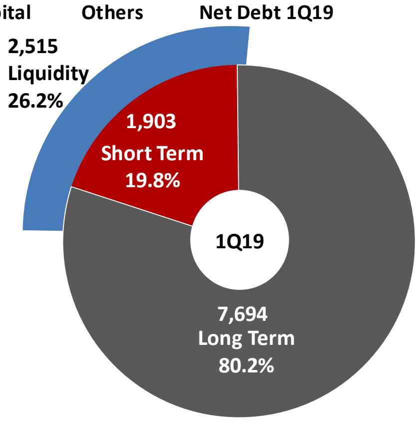
| Indebtedness - JSL Consolidated (R$ million) | 03/31/2018 | 06/30/2018 | 09/30/2018 | 12/31/2018 | 03/31/2019 |
|---|---|---|---|---|---|
| **Cash and Investments [1]** | **2,278.2** | **2,500.4** | **2,267.1** | **2,980.8** | **2,515.1** |
| Cash and Investments - Book value | 3,839.7 | 4,340.1 | 4,149.3 | 4,831.8 | 4,378.5 |
| Credit note - CLN [2] | (1,561.4) | (1,839.7) | (1,882.2) | (1,851.0) | (1,863.4) |
| **Gross debt [1]** | **8,260.9** | **8,916.0** | **8,778.8** | **9,690.2** | **9,596.6** |
| Gross debt - Book value | 9,822.4 | 10,755.7 | 10,661.0 | 11,541.2 | 11,460.0 |
| Credit note - CLN [2] | (1,561.4) | (1,839.7) | (1,882.2) | (1,851.0) | (1,863.4) |
| Borrowings [1] | 5,973.5 | 6,386.3 | 6,527.6 | 6,736.7 | 6,457.0 |
| Local Bonds | 2,014.5 | 2,610.2 | 2,475.4 | 3,170.7 | 3,400.1 |
| Finance lease payable | 210.1 | 188.2 | 178.0 | 242.9 | 233.9 |
| Confirming payable | 139.5 | 4.0 | - | - | - |
| Debt Swap MTM [2] | (76.7) | (272.9) | (402.2) | (460.2) | (494.4) |
| **Net Debt** | **5,982.7** | **6,415.6** | **6,511.7** | **6,709.4** | **7,081.6** |
| **Short-term gross debt** | **1,571.1** | **1,973.4** | **1,370.6** | **2,013.1** | **1,902.7** |
| **Long-term gross debt [1]** | **6,689.8** | **6,942.6** | **7,408.2** | **7,677.1** | **7,693.9** |
| **Average Cost of Net Debt (p.a.)** | **10.5%** | **10.1%** | **10.1%** | **10.1%** | **10.2%** |
| **Average Cost of Gross Debt (p.a.)** | **9.2%** | **8.8%** | **8.8%** | **8.8%** | **8.9%** |

[1] Excludes R$1.863 billion from the Bonds proceed structure, which impacts cash and gross debt equally;
[2] 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.



**Financial Result**

| Financial Result (R$ million) | 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| | JSL - Consolidated | | | | | |
| Financial Revenues | 67.5 | 67.1 | 111.3 | 64.9% | 65.9% | 361.6 |
| Financial Expenses | (241.9) | (239.0) | (286.1) | 18.3% | 19.7% | (1,027.4) |
| Derivatives Result | 31.7 | (72.4) | 48.9 | 54.3% | -167.5% | 310.9 |
| Net Exchange Variation | (26.7) | 71.5 | (47.7) | 78.7% | -166.7% | (325.2) |
| Interest on right of use (IFRS 16) | - | - | (6.9) | - | - | (6.9) |
| **Total** | **(169.5)** | **(172.6)** | **(180.1)** | **6.3%** | **4.3%** | **(691.8)** |

**Net Financial Expenses** totaled R$180.1 million in 1Q19 compared to R$169.5 million in the 1Q18 (+6,3% YoY). The annual increase reflects the impact net debt increase to R$7.1 billion in the 1Q19 (+18.4% YoY), partially compensated by the reduction of average cost of debt from 9.2% to 8.9% and non-recurring financial revenue related to interest on tax credits.

**Leverage Indicators**

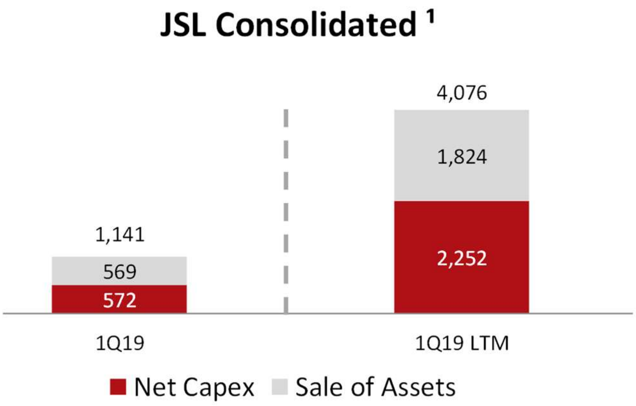
| Leverage Indicators | 06/30/2018 | 03/31/2018 | 09/30/2018 | 12/31/2018 | 03/31/2019 | Covenants |
|---|---|---|---|---|---|---|
| Net Debt / EBITDA-A | 2.0x | 2.1x | 2.2x | 2.1x | 2.0x | Max 3.5x |
| Net Debt / EBITDA | 4.4x | 4.5x | 4.4x | 4.2x | 4.1x | Max 4.6x |
| EBITDA-A / Net interest expenses | 4.9x | 5.0x | 5.0x | 5.4x | 5.6x | Min 2.0x |

The net debt/EBITDA ratio went down to 4.1x in 1Q19 versus 4.4x in 1Q18. The deleveraging was mainly due to the R$367.9 million increase in EBITDA, in line with the operational improvement and growth of all group companies.

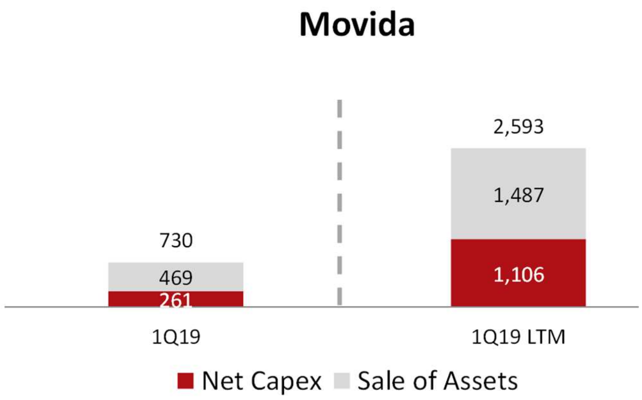
Meanwhile, the net debt/EBITDA–A ratio stood at 2.0x in 1Q19, versus 2.0x in 1Q18.

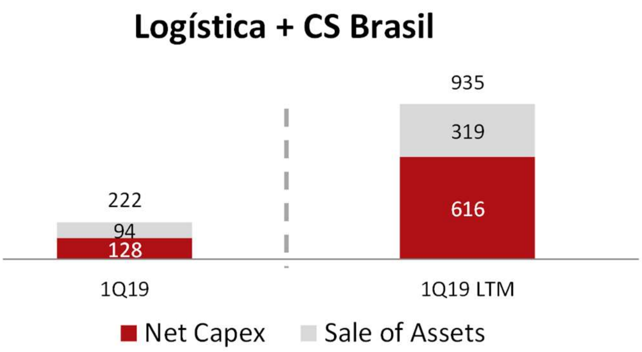
The indicators above reflect the net debt calculation methodology in the bond issuances covenants (R$7,081.6 million). In turn, EBITDA and EBITDA-A for last 12 months were calculated according to CPC 06 (R2)/ IFRS16 in the 1Q19, being R$ 1,718.2 million and R$3,475.0 million respectively.

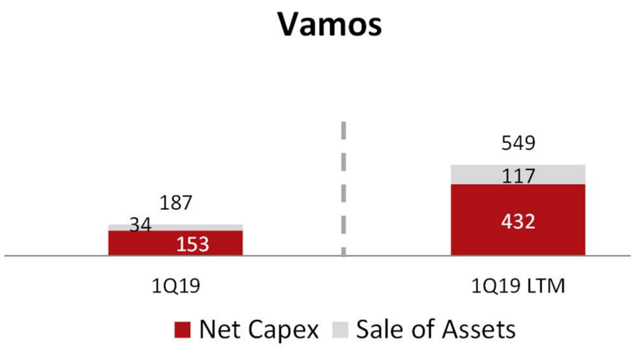
## VIII. Capex – JSL Consolidated




Notes: (1) Considers Original Concessionárias, JSL Leasing and intercompany eliminations




Net Capex reached R$572 million in 1Q19, allocated mainly to expansion with the following breakdown: Movida (R$261 million), VAMOS (R$153 million), CS Brasil (R$95 million) and JSL Logística (R$33 million). We highlight that the 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.

| | JSL - Consolidated | | | | | |
|---|---|---|---|---|---|---|
| **Capex (R$ million)** | **1Q18** | **4Q18** | **1Q19** | **▲YoY** | **▲QoQ** | **LTM** |
| **Gross capex by nature** | **781.5** | **1,008.5** | **1,140.8** | **46.0%** | **13.1%** | **4,075.7** |
| Expansion | 311.6 | 510.2 | 483.1 | 55.0% | -5.3% | 1,930.8 |
| Maintenance | 466.8 | 483.9 | 635.5 | 36.1% | 31.3% | 2,087.6 |
| Others | 3.2 | 14.4 | 22.2 | - | 54.2% | 57.2 |
| **Usual sale of assets** | **(426.7)** | **(451.7)** | **(569.1)** | **33.4%** | **26.0%** | **(1,823.8)** |
| **Total net capex** | **354.9** | **556.8** | **571.7** | **61.1%** | **2.7%** | **2,251.9** |

## IX. Free Cash Flow to Firm and EBITDA - JSL Consolidated

| | Free Cashflow Generation - R$ million | 2018 | 1Q19 LTM |
|---|---|---|---|
| Operation | **EBITDA** | **1,597.5** | **1,718.2** |
| | Net Revenue from Sale of Light/Heavy Vehicles, Machinery and Equipment | (1,658.0) | (1,785.7) |
| | Depreciated Cost of Light/Heavy Vehicles, Machinery and Equipment Sold | 1,609.9 | 1,756.8 |
| | (-) Income Tax and Social Contribution | (86.0) | (88.7) |
| | Changes in Working Capital | 90.9 | (100.1) |
| | **Free Cashflow Generated by Rental Activities and Services Rendered** | **1,554.2** | **1,500.5** |
| Maintenance Capex | Net Revenue Sale of Light/Heavy Vehicles, Machinery and Equipment - Fleet Maintenance | 1,658.0 | 1,785.7 |
| | Capex for Light/Heavy Vehicles, Machinery and Equipment - Fleet Maintenance | (1,918.9) | (2,087.6) |
| | **Net Capex for Fleet Maintenance** | **(260.9)** | **(301.9)** |
| **Capex, other PP&E and Intangible Assets** | | **(38.2)** | **(57.2)** |
| **Operational Free Cashflow before Growth** | | **1,255.1** | **1,141.3** |
| Growth Capex | Capex for Light/Heavy Vehicles, Machinery and Equipment | (1,759.3) | (1,930.8) |
| | Acquisition of Companies | (104.1) | (92.5) |
| | **Net Capex for Fleet Growth** | **(1,863.4)** | **(2,023.3)** |
| **Free Cashflow Generated (Consumed) after Growth and before Interest** | | **(608.3)** | **(882.0)** |

### Capex Reconciliation to the Cashflow of the Financial Statements

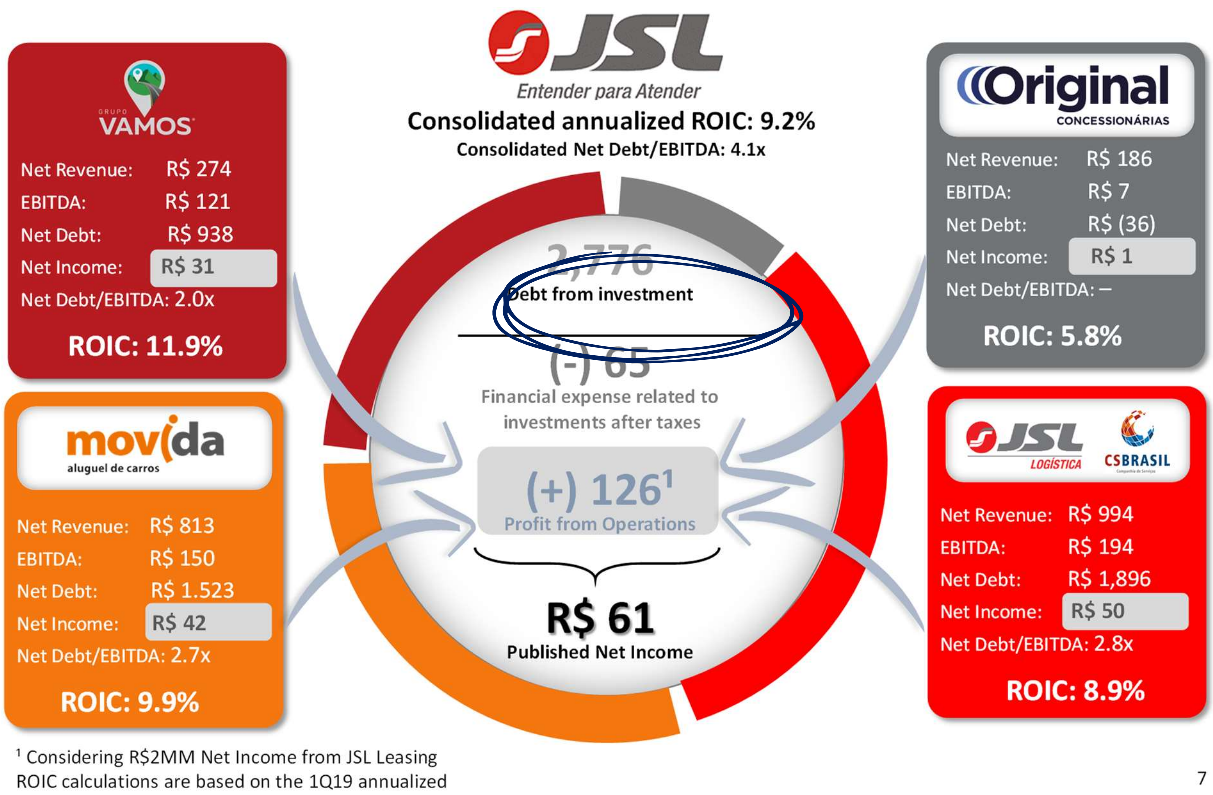
| | Reconciliation to Cash Flow of FS | 2018 | 1Q19 LTM |
|---|---|---|---|
| Capex Maintenance + Growth + Others | Capex for Light/Heavy Vehicles, Machinery and Equipment - Maintenance | (1,918.9) | (2,087.6) |
| | Capex for Light/Heavy Vehicles, Machinery and Equipment - Growth | (1,759.3) | (1,930.8) |
| | Capex for other PP&E and Intangible Assets | (38.2) | (57.2) |
| **Total Capex - Accrual Method** | | **(3,716.4)** | **(4,075.7)** |
| Cashflow FS | Leasing and Finame Raised for Acquisition of Fixed Assets | 567.6 | 539.3 |
| | Changes in Balance of Suppliers Financing | (269.1) | (147.3) |
| | Purchases of PP&E to be Financed | 258.9 | 594.2 |
| Note 11 FS | Vehicles in Progress | (103.8) | (114.6) |
| | Other Additions (Non-Capex) | 47.9 | (129.6) |
| **Supplemental Information to the Statement of Cashflow and Fixed Assets Note** | | **501.6** | **742.0** |
| **Total Investment - FS Cashflow** | | **(3,214.8)** | **(3,333.7)** |
| Cashflow FS | Purchase of Fixed Assets for Rental | 3,066.0 | 3,166.0 |
| | Additions to PP&E for Capex and Intangible Assets | 148.8 | 167.7 |

Free cashflow before expansion investments at JSL Consolidated totaled R$1.1 billion in the last 12 months, 9% lower when compared to the previous period, mainly due to R$41 million increase on net investments for fleet renew. Net Capex in fleet growth amounted to R$2.0 billion, mainly focused on Movida, VAMOS and CS Brasil. As a result, free cash flow after expansion and before interest totaled a negative R$882 million, given the more significant investments in the last quarters, which did not reach their full revenue and cash generation potential for the same period.

| EBITDA Reconciliation (R$ million) | JSL - Consolidated 1Q18 | 4Q18 | 1Q19 | ▲YoY | ▲QoQ | LTM |
|---|---|---|---|---|---|---|
| Net Result | 25.1 | 60.6 | 60.8 | 142.2% | 0.3% | 224.8 |
| Financial Result | 169.5 | 172.6 | 180.1 | 6.3% | 4.3% | 691.8 |
| Income tax and Social contribution | 17.1 | 18.7 | 26.9 | 57.3% | 43.9% | 100.1 |
| Depreciation / Amortization | 142.2 | 180.6 | 179.8 | 26.4% | -0.4% | 674.5 |
| Amortization (IFRS 16) | - | - | 27.0 | - | - | 27.0 |
| **EBITDA** | **353.9** | **432.5** | **474.6** | **34.1%** | **9.7%** | **1,718.2** |
| Costs of Sales of Assets | 401.7 | 437.3 | 548.6 | 36.6% | 25.5% | 1,756.8 |
| **EBITDA-A** | **755.6** | **869.8** | **1,023.1** | **35.4%** | **17.6%** | **3,475.0** |

## X. Profitability– JSL Consolidated

**Profitability Breakdown (1Q19 – R$ million)**




The debt relative to JSL´s investments of R$2,776 million in its subsidiaries can be reconciled by the explanatory note #10 in the financial statements as demonstrated below:

| Breakdown of Investments of JSL S.A. | 1Q19 |
|---|---|
| **Note of Investments (FS JSL S.A.)** | **2,776.1** |
| Movida | 1,178.7 |
| CS Brasil | 869.6 |
| Vamos | 463.7 |
| Original | 166.9 |
| Leasing and Others | 97.1 |

| ROIC 1Q19 annualized (R$ million) | JSL Consolidated [1] | Logística + CS Brasil | Vamos | Movida | Original Concessionárias |
|---|---|---|---|---|---|
| **EBIT 1Q19 annualized** | **1,071.0** | **408.8** | **244.0** | **396.7** | **11.9** |
| Taxes | (321.3) | (122.7) | (62.3) | (85.2) | (4.1) |
| **NOPLAT** | **749.7** | **286.2** | **181.7** | **311.5** | **7.8** |
| **Average Net Debt [2]** | **6,895.5** | **1,611.2** | **900.7** | **1,488.5** | **(31.5)** |
| **Average Dividends [2]** | **-** | **-** | **75.0** | **-** | **-** |
| **Average Equity [2]** | **1,287.5** | **1,610.0** | **553.3** | **1,669.9** | **166.2** |
| **Average Invested Capital [2]** | **8,183.0** | **3,221.3** | **1,529.1** | **3,158.4** | **134.8** |
| **ROIC 1Q19 annualized** | **9.2%** | **8.9%** | **11.9%** | **9.9%** | **5.8%** |

[1] Considers elimination between companies and Holding debt
[2] Considers the average between the current period and december 2018

## XI. Summary of Operations – JSL Consolidated

Total Common Shares
205,537,500

NOVO MERCADO BM&FBOVESPA — 26.9% → JSL Entender para Atender — Debt from investments R$ 2,776

NOVO MERCADO BM&FBOVESPA

100% | 100% | 100% | 100% | 70.1% | 29.9% | 100%

| 1T19 LTM (R$ million) | JSL Logística | CS Brasil | VAMOS | Original Concessionárias | Movida aluguel de carros | JSL Leasing | JSL CONSOLIDATED [1] |
|---|---|---|---|---|---|---|---|
| Market positioning | Integration that improves productivity and efficiency | | Rental and sale of heavy vehicles | Purchase and sale of vehicles, adding synergy to JSL group | Innovation in urban mobility solutions | Financial Services | -- |
| Net Revenue | 3,192 | 821 | 1,035 | 726 | 2.747 | 34 | 8,350 |
| EBITDA | 474 | 212 | 470 | 24 | 529 | 11 | 1,718 |
| Net Debt | 1,896 | | 938 | (36) | 1,523 | (45) | 7,082 |
| PP&E | 2,288 | | 1,516 | 31 | 3,990 | 1 | 8,128 |
| Service Portfolio | • Dedicated services<br>• Freight<br>• Cargo transport. | • Public fleet<br>• Urban mobility, pass transp.<br>• Urban cleaning | • Trucks, machinery, equip. rental,<br>• Dealership of trucks, mach., equipment<br>• Used vehicle sales | • Light vehicle dealerships<br>• Insurance broker | • Rent-a-car<br>• Private Fleet management<br>• Used car sales | • Operational leasing<br>• Financial leasing<br>• Institution of Electronic payment of freight | • Broad portfolio of services with high synergy among the businesses |

[1] Includes intercompany elimination

**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., Medlogistica Prestação de Serviços de Logística S.A. and Yolanda Logística Armazém, Transportes e Serviços Gerais Ltda. The financial statements of JSL Logística also consolidate 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 are used to provide services to the public sector.

**VAMOS:** Comprises the rental and sale of trucks, machinery and equipment, in addition to MAN truck dealerships and Valtra tractor 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.

**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.

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

**JSL 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. The results are consolidated in JSL S.A. numbers above.

**JSL S.A. and its subsidiaries**
**Balance sheets**
**As at March 31, 2019 and December 31, 2018**
**In thousands of Brazilian reais**

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| **Assets** | **Note** | **03/31/2019[1]** | **12/31/2018[1]** | **03/31/2019[1]** | **12/31/2018[1]** |
| **Current** | | | | | |
| Cash and cash equivalents | 5 | 75,181 | 227,290 | 367,814 | 690,324 |
| Marketable securities | 6 | 660,715 | 991,629 | 4,004,643 | 4,136,909 |
| Derivative financial instruments | 4.4 | - | 22,013 | - | 22,013 |
| Trade receivables | 7 | 754,273 | 646,038 | 1,554,325 | 1,334,813 |
| Inventories | 8 | 28,077 | 29,307 | 253,472 | 261,987 |
| Taxes recoverable | | 65,823 | 37,326 | 154,496 | 117,507 |
| Income tax and social contribution recoverable | | 51,877 | 64,787 | 100,429 | 110,149 |
| Prepaid expenses | | 17,609 | 11,125 | 93,835 | 25,583 |
| Dividends receivable | 23.4 | 255,423 | 93,331 | - | - |
| Fixed assets available for sale | 9 | 41,463 | 41,869 | 548,944 | 397,784 |
| Advance to third parties | | 69,550 | 21,669 | 114,414 | 58,763 |
| Other credits | | 29,134 | 30,562 | 35,153 | 35,488 |
| | | **2,049,125** | **2,266,946** | **7,227,525** | **7,191,320** |
| **Non-current** | | | | | |
| **Long-term assets** | | | | | |
| Marketable securities | 6 | 2,615 | 1,215 | 6,007 | 4,532 |
| Derivative financial instruments | 4.4 | 482,768 | 433,279 | 494,401 | 438,160 |
| Trade receivables | 7 | 7,183 | 24,516 | 114,967 | 111,868 |
| Taxes recoverable | | 60,944 | 60,944 | 118,272 | 114,222 |
| Income tax and social contribution recoverable | | 20,513 | 20,494 | 24,166 | 24,312 |
| Judicial deposits | 20 | 46,666 | 45,821 | 74,812 | 73,400 |
| Deferred income tax and social contribution | 21.1 | - | - | 88,389 | 83,620 |
| Related parties | 22 | 30,602 | 39,330 | 30 | 346 |
| Other credits | | 2,008 | 2,394 | 47,970 | 64,437 |
| | | **653,299** | **627,993** | **969,014** | **914,897** |
| Investments | 10 | 2,879,431 | 2,938,419 | 2,757 | 3,754 |
| Property and equipment | 11 | 1,574,356 | 1,406,841 | 8,128,047 | 7,279,407 |
| Intangible assets | 12 | 249,096 | 250,557 | 494,992 | 484,576 |
| | | **5,356,182** | **5,223,810** | **9,594,810** | **8,682,634** |
| **Total assets** | | **7,405,307** | **7,490,756** | **16,822,335** | **15,873,954** |

(1) The amounts as of March 31, 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 2.5 (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. and its subsidiaries
## Balance sheets
## As at March 31, 2019 and December 31, 2018
**In thousands of Brazilian reais**

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| **Liabilities and equity** | **Note** | **03/31/2019[(1)]** | **12/31/2018[(1)]** | **03/31/2019[(1)]** | **12/31/2018[(1)]** |
| **Current** | | | | | |
| Trade payables | 13 | 91,555 | 93,516 | 1,557,041 | 1,195,407 |
| Floor plan | 14 | - | - | 107,965 | 93,588 |
| Loans and borrowings | 15 | 553,820 | 847,737 | 1,298,800 | 1,495,151 |
| Debentures | 16 | 407,608 | 366,590 | 519,977 | 483,667 |
| Finance leases payable | 17 | 35,852 | 35,755 | 83,963 | 91,402 |
| Right of use lease | 18 | 16,570 | - | 79,388 | - |
| Assignment of receivables | 19 | - | - | 6,043 | 7,410 |
| Labor liabilities | | 133,990 | 124,921 | 252,251 | 238,034 |
| Income tax and social contribution payable | | - | - | 13,214 | 12,356 |
| Tax liabilities | | 34,930 | 37,183 | 79,376 | 75,856 |
| Dividends and interest on capital payable | 23.4 | 27,541 | 27,541 | 48,889 | 27,541 |
| Advances from customers | | 18,406 | 23,034 | 160,329 | 139,345 |
| Related parties | 22 | - | - | - | 246 |
| Other payables | | 30,990 | 32,939 | 176,874 | 175,475 |
| | | **1,351,262** | **1,589,216** | **4,384,110** | **4,035,478** |
| **Non-current** | | | | | |
| Loans and borrowings | 15 | 3,243,668 | 3,253,656 | 7,021,590 | 7,092,551 |
| Debentures | 16 | 1,555,111 | 1,586,417 | 2,880,163 | 2,687,075 |
| Finance leases payable | 17 | 41,856 | 47,533 | 149,937 | 151,512 |
| Right of use lease | 18 | 156,145 | - | 410,814 | - |
| Assignment of receivables | 19 | - | - | 16,618 | 16,761 |
| Tax liabilities | | 841 | 841 | 1,059 | 1,103 |
| Provision for judicial and administrative litigation | 20 | 53,618 | 53,351 | 75,844 | 75,563 |
| Deferred income tax and social contribution | 21.1 | 57,240 | 68,895 | 364,630 | 361,234 |
| Other payables | | 121,295 | 137,702 | 191,095 | 204,178 |
| | | **5,229,774** | **5,148,395** | **11,111,750** | **10,589,977** |
| **Total liabilities** | | **6,581,036** | **6,737,611** | **15,495,860** | **14,625,455** |
| **Equity** | | | | | |
| Share capital | 23.1 | 681,202 | 681,202 | 681,202 | 681,202 |
| Capital reserves | 23.2 | 42,959 | 33,731 | 42,959 | 33,731 |
| Treasury shares | 23.3 | (103,925) | (103,925) | (103,925) | (103,925) |
| Earnings reserve | | 56,763 | 17,841 | 56,763 | 17,841 |
| Other comprehensive income | | 15,350 | (8,273) | 15,350 | (8,273) |
| Equity valuation adjustments | 23.5 | 131,922 | 132,569 | 131,922 | 132,569 |
| **Equity attributable to the owners of the Company** | | **824,271** | **753,145** | **824,271** | **753,145** |
| Noncontrolling interests | 23.6 | - | - | 502,204 | 495,354 |
| **Total equity** | | **824,271** | **753,145** | **1,326,475** | **1,248,499** |
| **Total liabilities and equity** | | **7,405,307** | **7,490,756** | **16,822,335** | **15,873,954** |

(1) The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 / IFRS 16 - Leases, and the statement of financial position as at December 31, 2018 is not being restated. Note 2.5 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

# JSL S.A. and its subsidiaries
## Statements of income
## Periods ended March 31, 2019 and 2018
**In thousands of Brazilian reais, except for earnings per share**

| | Note | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| | | 03/31/2019[1] | 3/31/2018[1] (Reclassified note 2.4) | 03/31/2019[1] | 3/31/2018[1] (Reclassified note 2.4) |
| **Net revenue from sale, rental, rendering of services and sale of assets used in services rendered** | **25** | **770,110** | **720,911** | **2,211,784** | **1,936,812** |
| Total cost of sales, rentals and services rendered | 26 | (597,456) | (596,066) | (1,184,368) | (1,115,629) |
| Cost of sales of decommissioned assets | 26 | (67.889) | (25,745) | (548,559) | (401,663) |
| **Total cost of sales, rentals, services rendered and decommissioned assets** | | **(665,345)** | **(621,811)** | **(1,732,927)** | **(1,517,292)** |
| **Gross profit** | | **104,765** | **99,100** | **478,857** | **419,520** |
| Selling expenses | 26 | (5,057) | (7,395) | (55,806) | (65,639) |
| Administrative expenses | 26 | (24,414) | (29,536) | (148,145) | (111,951) |
| Reversal / (provision) of of expected credit losses of trade receivables | 26 | 5,735 | (3,219) | (5,753) | (9,267) |
| Other operating income (expenses), net | 26 | (73) | (6,718) | (1,053) | (20,491) |
| Equity results from subsidiaries | 10.1 | 68,789 | 47,360 | (362) | (439) |
| **Profit before finance income, costs and taxes** | | **149,745** | **99,592** | **267,738** | **211,733** |
| Finance income | 27 | 36,576 | 27,717 | 111,263 | 67,454 |
| Finance costs | 27 | (141,191) | (128,573) | (291,341) | (236,973) |
| **Profit (loss) before income tax and social contribution** | | **45,130** | **(1,264)** | **87,660** | **42,214** |
| Income tax and social contribution - current | 21.3 | (1,764) | - | (21,334) | (10,661) |
| Income tax and social contribution - deferred | 21.3 | 4,562 | 14,840 | (5,566) | (6,462) |
| **Total income tax and social contribution** | | **2,798** | **14,840** | **(26,900)** | **(17,123)** |
| **Profit for the period** | | **47,928** | **13,576** | **60,760** | **25,091** |
| | | | | | |
| **Attributable to:** | | | | | |
| Owners of the Company | | 47,928 | 13,576 | 47,928 | 13,576 |
| Non-controlling interests | | - | - | 12,832 | 11,515 |
| | | | | | |
| ( = ) Basic earnings per share (in Reais) | 28 | - | - | 0.2371 | 0.0673 |
| ( = ) Diluted earnings per share (in Reais) | 28 | - | - | 0.2280 | 0.0660 |

[1]The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement or profit or loss for the three-month period ended March 31, 2018 is not being restated. Note 2.5 (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. and its subsidiaries
### Statements of comprehensive income
### Periods ended March 31, 2019 and 2018
**In thousands of Brazilian reais**

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2019[1] | 3/31/2018[1] | 03/31/2019[1] | 3/31/2018[1] |
| **Profit for the period** | **47,928** | **13,576** | **60,760** | **25,091** |
| **Items that may be subsequently reclassified to profit or loss:** | | | | |
| Losses on cash flow hedge | (1,307) | (67,310) | (1,307) | (67,310) |
| Gains on cash flow hedge in subsidiaries | 939 | - | 939 | - |
| Income tax and social contribution on cash flow hedge | 125 | 22,885 | 125 | 22,885 |
| Unrealized gains (losses) on debt instruments measured at fair value through other comprehensive income | 23,866 | (8,064) | 23,866 | (8,064) |
| **Total other comprehensive income (loss)** | **23,623** | **(52,489)** | **23,623** | **(52,489)** |
| **Comprehensive income (loss) for the period** | **71,551** | **(38,913)** | **84,383** | **(27,398)** |
| Attributable to: | | | | |
| Owners of the Company | 71,551 | (38,913) | 71,551 | (38,913) |
| Noncontrolling interests | - | - | 12,832 | 11,515 |

[1]The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of comprehensive income for the three-month period ended March 31, 2018 is not being restated. Note 2.5 (d) presents the effects of the adoption of CPC 06 (R2) / IFRS 16.

# JSL S.A. and its subsidiaries
## Statements of changes in equity
## Periods ended March 31, 2019 and 2018
### In thousands of Brazilian reais

| | | | Capital reserves | | | Earnings reserves | | | Other comprehensive income (loss) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Share capital | Share-based payment transactions | Government grant reserve | Treasury shares | Retention of earnings | Legal reserve | Retained earnings (accumulated losses) | Hedge reserve | Unrealized losses on available-for-sale investments | Total other comprehensive income (loss) | Equity valuation adjustments | Total equity of owners of the Company | Noncontrolling interests | Total equity |
| **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** |
| Changes with the initial adoption of CPC 48 / IFRS 9 and CPC 47 / 15 (1) | | - | - | - | - | - | - | (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 | | - | - | - | - | - | - | 13,576 | - | - | - | - | **13,576** | 11,515 | **25,091** |
| Other comprehensive income (loss) for the period, net of taxes | | - | - | - | - | - | - | - | (44,425) | (8,064) | **(52,489)** | - | **(52,489)** | - | **(52,489)** |
| **Total other comprehensive income (loss), net of taxes** | | **-** | **-** | **-** | **-** | **-** | **-** | **13,576** | **(44,425)** | **(8,064)** | **(52,489)** | **-** | **(38,913)** | **11,515** | **(27,398)** |
| Shared-based compensation | 23.2 | - | 1,833 | - | - | - | - | - | - | - | - | - | **1,833** | - | **1,833** |
| Repurchase of shares | 23.3 | - | - | - | (3,686) | - | - | 2,819 | - | - | - | - | **(867)** | - | **(867)** |
| Gain on equity interests in subsidiaries | 23.5 | - | - | - | - | - | - | - | - | - | - | 13,679 | **13,679** | 442 | **14,121** |
| Government grants | | - | - | 529 | - | - | | (529) | - | - | - | - | - | - | - |
| **Balance at March 31, 2018** (1) | | **660,395** | **17,584** | **6,739** | **(4,146)** | **-** | **-** | **(69,043)** | **(45,362)** | **(12,527)** | **(57,889)** | **96,300** | **649,940** | **509,233** | **1,159,173** |
| | | | | | | | | | | | | | | | |
| **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 | | - | - | - | - | - | - | 47,928 | - | - | - | - | **47,928** | 12,832 | **60,760** |
| Other comprehensive income (loss) for the period, net of taxes | | - | - | - | - | - | - | - | (243) | 23,866 | **23,623** | - | **23,623** | - | **23,623** |
| **Total other comprehensive income (loss) for the period, net of taxes** | | **-** | **-** | **-** | **-** | **-** | **-** | **47,928** | **(243)** | **23,866** | **23,623** | **-** | **71,551** | **12,832** | **84,383** |
| Shared-based payment | 23.2 (a) | - | 222 | - | - | - | - | - | - | - | - | - | **222** | - | **222** |
| Gains on equity interests in subsidiaries | 23.5 | - | - | - | - | - | - | - | - | - | - | (647) | **(647)** | - | **(647)** |
| Government grants | 23.2 (b) | - | - | 9.006 | - | - | - | (9.006) | - | - | - | - | - | - | - |
| Distribution of dividends (interest on capital) | 23.6 | - | - | - | - | - | - | - | - | - | - | - | - | (5,982) | **(5,982)** |
| **Balance at March 31, 2019** | | **681,202** | **23,080** | **19,879** | **(103,925)** | **15,192** | **2,649** | **38,922** | **27,175** | **(11,825)** | **15,350** | **131,922** | **824,271** | **502,204** | **1,326,475** |

(1) The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of changes in equity for the three-month period ended March 31, 2018 is not being restated. Note 2.5 (d) presents the effects of the adoption of CPC 06 (R2)/ IFRS 16.

# JSL S.A. and its subsidiaries
## Statements of cash flows – indirect method
## Periods ended March 31, 2019 and 2018
### In thousands of Brazilian reais

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2019[1] | 3/31/2018[1] | 03/31/2019[1] | 3/31/2018[1] |
| **Cash flows from operating activities** | | (Restated note 2.4) | | (Restated note 2.4) |
| Profit (loss) before income tax and social contribution | 45,130 | (1,264) | 87,660 | 42,214 |
| **Adjustments to:** | | | | |
| Depreciation and amortization (Notes 10, 11 and 12) | 54,686 | 51,117 | 206,836 | 141,748 |
| Cost of sales of decommissioned assets (Note 26) | 67,889 | 25,745 | 548,559 | 401,663 |
| Realization of surplus value of assets (note 10.1) | 404 | 4,472 | - | - |
| Equity results from subsidiaries (Note 10) | (68,789) | (47,360) | 362 | - |
| Write-off of other assets | 1,824 | 1,161 | 6,042 | 6,573 |
| Present value adjustment of assets and liabilities | (3,537) | (1,731) | (3,537) | (1,731) |
| (Reversal) provision for impairment of assets, contingencies and other losses | (4,248) | 3,522 | 23,997 | 39,710 |
| Extemporaneous tax credits (note 26) | (3,846) | (852) | (8,529) | (1,332) |
| Shared-based payment (note 23.2) | 85 | 966 | 222 | 966 |
| Gains on fair value of derivative financial instruments | (43,796) | (31,664) | (48,928) | (31,664) |
| Interest and exchange variations on loans and borrowings, finance leases, use of right leases, debentures and suppliers financing - car makers. | 164,079 | 153,100 | 289,113 | 230,212 |
| | **209,881** | **157,212** | **1,101,797** | **828,359** |
| **Changes in net working capital** | | | | |
| Trade receivables | (85,167) | 66,064 | (228,364) | (118,228) |
| Inventories | 1,156 | (4,288) | 10,739 | 8,665 |
| Taxes recoverable | (13,525) | (5,329) | (17,868) | 1,805 |
| Trade payables | 8,732 | 7,391 | 15,915 | 15,951 |
| Floor plan | - | - | 14,377 | 12,005 |
| Labor and tax liabilities | 6,816 | 11,124 | 17,693 | 15,369 |
| Other current and non-current assets and liabilities | (76,815) | (126,788) | (70,279) | (2,415) |
| **Changes in net working capital** | **(158,803)** | **(51,826)** | **(257,787)** | **(66,848)** |
| Income tax and social contribution paid | - | - | (18,712) | (16,004) |
| Interest paid on loans and borrowings, finance leases, use of right leases, debentures and suppliers financing - car makers. | (127,790) | (83,962) | (285,131) | (128,443) |
| Acquisition of operational property and equipment for rental (note 29) | (82,270) | (27,770) | (794,121) | (694,141) |
| **Net cash from (used in) operating activities before investments in marketable securities** | **(158,982)** | **(6,346)** | **(253,954)** | **(77,077)** |
| Redemptions of (investments in) in marketable securities | 353,380 | (505,353) | 211,861 | (1,430,010) |
| **Net cash generated by (used in) operating activities** | **194,398** | **(511,699)** | **(42,093)** | **(1,507,087)** |
| **Cash flows from investing activities** | | | | |
| Gain on equity interests in subsidiaries | - | - | - | 21,168 |
| Acquisition of property and equipment for investment and intangible assets | (4,339) | (3,966) | (29,118) | (10,223) |
| Purchase of receivables | - | (99,842) | - | - |
| Capital contribution (note 10.1) | (31,430) | - | - | - |
| Dividends and interest on capital (paid) received | 1,934 | 3,101 | - | - |
| **Net cash (used in) generated by investing activities** | **(33,835)** | **(100,707)** | **(29,118)** | **10,945** |
| **Cash flows from financing activities** | | | | |
| Payment for the acquisition of companies | (193) | (33,292) | (21,710) | (33,332) |
| New loans and borrowings and debentures | 2,997 | 977,301 | 720,682 | 1,954,602 |
| Payments of loans and borrowings, finance leases, right of use leases and debentures. | (380,489) | (235,941) | (964,603) | (442,134) |
| Derivative financial instruments paid (received) | 15,013 | (4,096) | 14,332 | (4,096) |
| **Net cash (used in) generated by financing activities** | **(362,672)** | **703,972** | **(251,299)** | **1,475,040** |
| **Net (decrease) increase in cash and cash equivalents** | **(202,109)** | **91,566** | **(322,510)** | **(21,102)** |
| **Cash and cash equivalents** | | | | |
| At the beginning of the period | 277,290 | 116,487 | 690,324 | 714,734 |
| At the end of the period | 75,181 | 208,053 | 367,814 | 693,632 |
| **Net (decrease) increase in cash and cash equivalents** | **(202,109)** | **91,566** | **(322,510)** | **(21,102)** |
| **Main non-cash transactions** | | | | |
| Raising of finance leases and Finame for the acquisition of operational property and equipment | (34,758) | (32,920) | (109,341) | (137,656) |
| Addition of right of use lease (note 2.5) | (179,387) | - | (516,668) | - |

[1]The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of cash flows for the three-month period ended March 31, 2018 is not being restated. Note 2.5 (d) presents the effects of the adoption of CPC 06 (R2)/ IFRS 16.

## JSL S.A. and its subsidiaries
### Statements of value added
### Periods ended March 31, 2019 and 2018
**In thousands of Brazilian reais**

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| | **Note** | **03/31/2019[(1)]** | **3/31/2018[(1)]** | **03/31/2019[(1)]** | **3/31/2018[(1)]** |
| Sales, services rendered and sale of assets used in services rendered | 25 | 927,691 | 879,549 | 2,520,643 | 2,194,330 |
| (Reversal) / provision of expected losses (impairment) of trade receivables | 26 | 5,735 | (3,219) | (5,753) | (9,267) |
| Other operating income (expenses) | | 9,432 | (1,622) | 32,945 | (20,491) |
| | | **942,858** | **874,708** | **2,547,835** | **2,164,572** |
| **Inputs acquired from third parties** | | | | | |
| Cost of sales and services rendered | | (455,619) | (399,407) | (1,340,428) | (745,685) |
| Materials, electric power, services provided by third parties and others | | (26,202) | (14,275) | (149,263) | (384,452) |
| | | **(481,821)** | **(413,682)** | **(1,489,691)** | **(1,130,137)** |
| **Gross value added** | | **461,037** | **461,026** | **1,058,144** | **1,034,435** |
| **Retentions** | | | | | |
| Depreciation and amortization | 26 | (54,686) | (51,117) | (206,836) | (141,748) |
| **Net value added produced** | | **406,351** | **409,909** | **851,308** | **892,687** |
| **Value added received through transfer** | | | | | |
| Equity results from subsidiaries | 10 | 68,789 | 47,360 | (362) | (439) |
| Finance income | 27 | 36,576 | 27,717 | 111,263 | 67,454 |
| | | **105,365** | **75,077** | **110,901** | **67,015** |
| **Total value added to distribute** | | **511,716** | **484,986** | **962,209** | **959,702** |
| **Distribution of value added** | | | | | |
| Personnel and payroll charges | 26 | 211,287 | 204,536 | 387,029 | 350,738 |
| Federal taxes | | 45,614 | 68,106 | 107,769 | 160,339 |
| State taxes | | 43,299 | 47,799 | 81,164 | 96,269 |
| Municipal taxes | | 15,985 | 14,527 | 22,946 | 20,765 |
| Interest and bank fees | 27 | 141,191 | 128,573 | 291,341 | 236,975 |
| Rentals | | 6,412 | 7,869 | 11,200 | 69,525 |
| Retained earnings (accumulated losses) for the period | | 47,928 | 13,576 | 60,760 | 25,091 |
| | | **511,716** | **484,986** | **962,209** | **959,702** |

[(1)]The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of value added for the three-month period ended March 31, 2018 is not being restated. Note 2.5 (d) presents the effects of the adoption of CPC 06 (R2)/ IFRS 16.

**In thousands of Brazilian reais, unless otherwise stated**

## 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.

The Company and its subsidiaries (collectively referred to as “Group” or “JSL Group”) operate in five main segments: transportation and logistics, authorized vehicle dealerships of light vehicles (“Original”), rental of light vehicles (“Movida”), rental of trucks, machinery and equipment (“Vamos”), and financial services. The activities in these segments basically consist of:

(i) Transportation and logistics: predominantly, road transportation of cargo, public transport, storage, collection and transportation of household, commercial or industrial waste;

(ii) Original: sale of light vehicles, resale of used cars, parts, machinery and accessories, providing mechanical services, bodywork and painting services, and brokerage services for automotive insurance sales;

(iii) 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;

(iv)(iv) 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; and

(v) (v) Financial services: finance and/or operating lease transactions for the purchase of vehicles and equipment defined by Law 6099/74 in compliance with prevailing legal and regulatory provisions.

## 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:

| | | | | % interest | |
|---|---|---|---|---|---|
| **Corporate Name** | **Subsidiary / Associate** | **Headquarter country** | **Segment** | **3/31/2019** | **12/31/2018** |
| Medlogística Prestação de Serviços de Logística S.A. | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| Yolanda Logística Armazém Transportes e Serviços Gerais Ltda. | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| Agrolog Transportadora de Cargas em Geral Ltda. (i) | Direct | Brazil | Transportation and logistics | 99.80 | 99.80 |
| Riograndense Navegação Ltda. (i) | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| Quick Armazéns Gerais - Eirelli – ME | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| Quick Logística Ltda. | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (ii) | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| CS Brasil Frotas Ltda. | Direct | Brazil | Transportation and logistics | 88.86 | 88.86 |
| Mogipasses Comércio de Bilhetes Eletrônicos Ltda. | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| Consórcio 123 (ii) | Indirect | Brazil | Transportation and logistics | 33.00 | 33.00 |
| Consórcio Sorocaba (ii) | Indirect | Brazil | Transportation and logistics | 50.00 | 50.00 |
| BRT Sorocaba Concessionárias | Associate | Brazil | Transportation and logistics | 49.25 | 49.25 |
| Servim Serviços Logísticos Ltda. (i) | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |
| JSL Empreendimentos Imobiliários Ltda. | Direct | Brazil | Transportation and logistics | 99.99 | 99.99 |

**In thousands of Brazilian reais, unless otherwise stated**

| | | | | | |
|---|---|---|---|---|---|
| JSL Europe | Direct | Luxembourg | Transportation and logistics | 100.00 | 100.00 |
| JSL Finance S.a.r. | Direct | Luxembourg | Transportation and logistics | 100.00 | 100.00 |
| Movida Participações S.A. | Direct | Brazil | Movida | 70.12 | 70.12 |
| Movida Locação de Veículos S.A. | Indirect | Brazil | Movida | 70.12 | 70.12 |
| Movida Locação de Veículos Premium Ltda. | Indirect | Brazil | Movida | 70.12 | 70.12 |
| Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. | Direct | Brazil | Vamos | 99.99 | 99.99 |
| Vamos Máquinas S.A. (new name of Borgato Máquinas S.A.) | Indirect | Brazil | Vamos | 99.99 | 99.99 |
| Borgato Serviços Agrícolas S.A. | Indirect | Brazil | Vamos | 99.99 | 99.99 |
| Borgato Caminhões S.A. | Indirect | Brazil | Vamos | 99.99 | 99.99 |
| Transrio Caminhões, Ônibus, Máquinas e Motores Ltda. | Indirect | Brazil | Vamos | 99.99 | 99.99 |
| Clicca Atividades de Internet Ltda. (i) | Indirect | Brazil | Vamos | 99.99 | 99.99 |
| JSLF1 Participações Ltda. | Direct | Brazil | Financial services | 99.99 | 99.99 |
| JSL Holding Financeira Ltda. | Indirect | Brazil | Financial services | 99.90 | 99.90 |
| JSL Arrendamento Mercantil S.A. | Indirect | Brazil | Financial services | 99.90 | 99.90 |
| Avante Veículos Ltda. | Direct | Brazil | Original | 99.99 | 99.99 |
| JSL Corretora e Administradora de Seguros Ltda. | Direct | Brazil | Original | 99.99 | 99.99 |
| Original Veículos Ltda. | Direct | Brazil | Original | 99.99 | 99.99 |
| Ponto Veículos Ltda. | Direct | Brazil | Original | 99.99 | 99.99 |
| Original Distribuidora de Peças e Acessórios Ltda. | Direct | Brazil | Original | 99.99 | 99.99 |

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

(ii) The subsidiary CS Brasil Transportes consolidates proportionally in its statement of financial position the percentage of its interest in the following entities: Consórcio 123 (33.33%) and Consórcio Sorocaba (50%).

## 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 the Avis Budget Group, represented by Avis Budget Brasil SA. The decision of CADE is final and has already become final.

## 2. Basis of preparation and presentation of the individual and consolidated interim financial information

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

The individual and consolidated 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 does not include all the information required for a complete set of financial statements prepared in accordance with IFRS and accounting practices adopted in Brazil (BR GAAP). However, the interim financial information contains selected explanatory notes that explain significant events and transactions, as well as changes in accounting policies due to the adoption of new standards and interpretations that were adopted in the three-month period ended March 31, 2019, as described in note 2.5, which allow the understanding of the changes occurred in the Company's financial position and performance since its last annual financial statements for the year ended December 31, 2018, issued on march,11 2019.

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

The issuance of this individual and consolidated interim financial information was authorized by the Board of Directors on May 8, 2019.

## 2.2 Statement of value added ("DVA")

The preparation of the individual and consolidated statement of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to listed companies.

The IFRS do not require the presentation of such statement. Accordingly, under the IFRS this statement is presented as supplementary information, and not as part of the set of individual and consolidated 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 2.5.

## 2.4 Restatement of corresponding amounts

**a) Reclassification on statements of profit or loss – breakdown of expected credit losses of trade receivables – Parent Company and Consolidated**

CPC 48 / IFRS 9 - Financial Instruments requires the presentation of expected losses ("impairment") of trade receivable in a specific line item in the statement of profit or loss; therefore, with the purpose of segregating the presentation and disclosure of the comparative information, without impacting the total amount of net operating expenses, the Group made a breakdown of the line item of expected losses ("impairment") of trade receivables in the amounts of R$ 3,219 and R$ 9,267, in the Parent Company and Consolidated, respectively, for the three-month period ended March 31, 2018.

**b) Restatement of statements os cash flow – Parent company and Consolidated**

For the improvement in presentation, the balance related to payables for acquisition of companies of prior years, in the amounts of R$ 33,292 and R$ 33,332, Parent company and Consolidated, respectively, were restated in the statement of cash flows for the three-month period ended on March 31, 2018 from investing activities to financing activities.

## 2.5 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 current 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 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 the inception of the contract whether it 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 lease definition. According to CPC 06 (R2) / IFRS 16, a contract is or contains a lease if it transfers the right to control an identified asset for a period of time in exchange for consideration.

In the 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 the inception or revaluation of a lease component, the Group allocates the lease consideration to each component of lease rather than lease based on its individual prices. However, for rentals of properties in which it is a lessee, the Group chose not to separate non-lease components and will recognized them 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 were 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 on lease agreements** – finance charge is recognized as a finance cost and allocated to each period during the term of the lease. Contingent payments are recognized 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 right-of-use asset** – the Group's lease agreements 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; and

- **Leases previously classified as finance leases** – the Group chose to maintain in the line item of property, plant and equipment and lease liabilities at the amounts immediately prior to the date of adoption.

**c) Group as a lessor**

The accounting policies applicable to the Group as lessor do not differ from those of CPC 06 (R1) / IAS 17. However, when the Group is an intermediary lessor, the sub-leases are classified with reference to the right-of-use asset arising from the main 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 the 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 effects of the adoption of CPC 16 (R2) / IFRS 6 - Leases as of January 1, 2019, net of PIS and COFINS, since the Group elected to recognize the net impacts of the tax credits on leases entered into with corporate lessors, with impacts on the opening statement of financial position, are presented below:

**In thousands of Brazilian reais, unless otherwise stated**

| | 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** |
| **Assets** | | | | | | |
| **Total current assets** | **2,266,946** | **-** | **2,266,946** | **7,191,320** | **-** | **7,191,320** |
| Property and equipment | 1,406,841 | 179,387 | 1,586,228 | 7,279,407 | 470,785 | 7,750,192 |
| Other non-current assets | 3,816,969 | - | 3,816,969 | 1,403,227 | - | 1,403,227 |
| **Total non-current assets** | **5,223,810** | **179,387** | **5,403,197** | **8,682,634** | **470,785** | **9,153,419** |
| **Total assets** | **7,490,756** | **179,387** | **7,670,143** | **15,873,954** | **470,785** | **16,344,739** |
| **Liabilities and equity** | | | | | | |
| **Current** | | | | | | |
| 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 |
| **Total current liabilities** | **1,589,216** | **16,570** | **1,605,786** | **4,035,478** | **102,353** | **4,137,831** |
| Finance leases payable | 47,533 | - | 47,533 | 151,512 | - | 151,512 |
| Right of use lease | - | 162,817 | 162,817 | - | 368,432 | 368,432 |
| Other current liabilities | 5,100,862 | - | 5,100,862 | 10,438,465 | - | 10,438,465 |
| **Total non-current liabilities** | **5,148,395** | **162,817** | **5,311,212** | **10,589,977** | **368,432** | **10,958,409** |
| **Total equity** | **753,145** | **-** | **753,145** | **1,248,499** | **-** | **1,248,499** |
| **Total liabilities and equity** | **7,490,756** | **179,387** | **7,670,143** | **15,873,954** | **470,785** | **16,344,739** |

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

In the three-month period ended March 31, 2019, the Company recognized the amounts of R$ 177 and R$ 8.425 in Parent Company and Consolidated, respectively, related 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.

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.

The JSL Group businesses are divided into five operating segments, named business units: Transportation and logistics, Original, Movida, Vamos and Financial services. See details of the operations of each segment in note 1.

No customer accounted for more than 10% of the gross operating revenue for the three-month periods ended March 31, 2019 and 2018.

The segment information is presented based on internal managerial information utilized by the JSL Group chief decision-makers, as presented below:

**In thousands of Brazilian reais, unless otherwise stated**

| | | | | | | | **3/31/2019** |
|---|---|---|---|---|---|---|---|
| | **Transportation and logistics** | **Original** | **Movida** | **Vamos** | **Financial services** | **Eliminations** | **Consolidated** |
| **Net revenue from rendering of services and sale of assets used in services rendered** | **994,143** | **186,087** | **812,529** | **273,821** | **8,974** | **(63,770)** | **2,211,784** |
| ( - ) Cost of sales, rentals and services rendered | (759,478) | (154,466) | (136,801) | (149,144) | (2,845) | 18,274 | (1,184,368) |
| ( - ) Cost of sales of decommissioned assets | (95,500) | (1,744) | (463,421) | (33,780) | - | 45,886 | (548,559) |
| **(=) Gross profit** | **139,165** | **29,877** | **212,307** | **90,897** | **6,129** | **482** | **478,857** |
| Administrative expenses | (33,175) | (24,576) | (64,815) | (23,002) | (2,610) | 33 | (148,145) |
| Selling expenses | (5,845) | (2,040) | (41,542) | (7,195) | (160) | 976 | (55,806) |
| Expected credit losses (impairment) of trade receivables | 6,032 | (132) | (7,048) | (3,477) | (1,128) | - | (5,753) |
| Other operating income (expenses), net | (3,477) | (154) | 272 | 3,778 | 19 | (1,491) | (1,053) |
| Equity results from subsidiaries | (362) | - | - | - | - | - | (362) |
| **Operating profit before finance income and costs and taxes** | **102,338** | **2,975** | **99,174** | **61,001** | **2,250** | **-** | **267,738** |
| Finance income | | | | | | | 111,263 |
| Finance costs | | | | | | | (291,341) |
| **Profit before income tax and social contribution** | | | | | | | **87,660** |
| Income tax and social contribution | | | | | | | (26,900) |
| **Profit (loss) for the year** | | | | | | | **60,760** |
| **Attributable to:** | | | | | | | |
| Owners of the Company | | | | | | | 47,928 |
| Non-controlling interests | | | | | | | |
| Total assets per segment | 11,535,059 | 316,014 | 5,878,790 | 2,299,657 | 180,080 | (3,387,265) | 16,822,335 |
| Total liabilities per segment | 9,834,982 | 157,658 | 4,197,965 | 1,835,949 | 95,705 | (626,399) | 15,495,860 |
| Depreciation and amortization | (95,215) | (4,253) | (50,377) | (56,811) | (180) | - | (206,836) |

| | | | | | | | **3/31/2018** |
|---|---|---|---|---|---|---|---|
| | **Transportat ion and logistics** | **Original** | **Movida** | **Vamos** | **Financial services** | **Eliminations (i)** | **Consolidated** |
| | | | | | | | **(Restated note 2.4)** |
| **Net revenue from sale, rental, rendering of services and sale of assets used in services rendered** | **959,033** | **162,345** | **604,151** | **221,410** | **7,274** | **(17,401)** | **1,936,812** |
| ( - ) Cost of sales, rentals and services rendered | (766,056) | (135,333) | (103,604) | (124,858) | (2,520) | 16,742 | (1,115,629) |
| ( - ) Cost of sales of decommissioned assets | (65,661) | (1,619) | (318,039) | (17,003) | - | 659 | (401,663) |
| **(=) Gross profit** | **127,316** | **25,393** | **182,508** | **79,549** | **4,754** | **-** | **419,520** |
| Selling expenses | (7,257) | (15,718) | (39,097) | (1,347) | (2,220) | - | (65,639) |
| Administrative expenses | (41,985) | (7,868) | (38,678) | (23,420) | | | (111,951) |
| Impairment of trade receivables | (5,886) | (13) | (3,301) | 418 | (485) | - | (9,267) |
| Other operating income (expenses), net | (4,018) | (610) | (18,111) | 2,263 | (15) | - | (20,491) |
| Equity results from subsidiaries | (439) | - | - | - | - | - | (439) |
| **Operating profit before finance income and costs** | **67,731** | **1,184** | **83,321** | **57,463** | **2,034** | **-** | **211,733** |
| Finance income | | | | | | | 67,454 |
| Finance costs | | | | | | | (236,973) |
| **( = ) Profit before income tax and social contribution** | | | | | | | **42,214** |
| Income tax and social contribution | | | | | | | (17,123) |
| **( = ) Profit for the period** | | | | | | | **25,091** |
| Attributable to: | | | | | | | |
| Owners of the Company | | | | | | | 13,576 |
| Non-controlling interests | | | | | | | 11,515 |
| Total assets per segment — as of 12/31/2018 | 11,340,835 | 283,457 | 5,192,301 | 2,091,476 | 164,541 | (3,198,656) | 15,873,954 |
| Total liabilities per segment —as of 12/31/2018 | 9,800,866 | 117,828 | 3,533,459 | 1,448,512 | 81,662 | (360,321) | 14,622,006 |
| Depreciation and amortization | (78,759) | (1,368) | (18,974) | (42,469) | (178) | - | (141,748) |

(i) Elimination of transactions between the segments

The period ended March 31, 2018 is being restated to reflect the JSL Group’s current segments.

**In thousands of Brazilian reais, unless otherwise stated**

# 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 statements. 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:

| | | | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 3/31/2019 | | | | | 12/31/2018 |
| **Assets, as per the statement of financial position** | **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 | 350,903 | - | - | 16,911 | 367,814 | 642,094 | - | - | 48,230 | 690,324 |
| Marketable securities | 3,326,226 | - | 684,424 | - | 4,010,650 | 3,506,386 | - | 635,055 | - | 4,141,441 |
| Derivative financial instruments | 81,421 | 412,980 | - | - | 494,401 | 98,007 | 362,166 | - | - | 460,173 |
| Trade receivables | - | - | - | 1,669,292 | 1,669,292 | - | - | - | 1,446,681 | 1,446,681 |
| Related parties | - | - | - | 30 | 30 | - | - | - | 346 | 346 |
| Other credits | - | - | - | 83,123 | 83,123 | - | - | - | 99,925 | 99,925 |
| | 3,758,550 | 412,980 | 684,424 | 1,769,356 | 6,625,310 | 4,246,487 | 362,166 | 635,055 | 1,595,182 | 6,838,890 |

| **Liabilities, as per the statement of financial position** | **Liabilities at fair value through profit or loss** (3/31/2019) | **Amortized cost** (3/31/2019) | **Total** (3/31/2019) | **Liabilities at fair value through profit or loss** (12/31/2018) | **Amortized cost** (12/31/2018) | **Total** (12/31/2018) |
|---|---|---|---|---|---|---|
| Trade payables | - | 1,557,041 | 1,557,041 | - | 1,195,407 | 1,195,407 |
| *Floor plan* | - | 107,965 | 107,965 | - | 93,588 | 93,588 |
| Loans and borrowings | - | 8,320,390 | 8,320,390 | 112,121 | 8,475,581 | 8,587,702 |
| Debentures | 378,198 | 3,021,942 | 3,400,140 | 366,423 | 2,804,319 | 3,170,742 |
| Finance leases payable | - | 233,900 | 233,900 | - | 242,914 | 242,914 |
| Right-of-use lease | - | 490,202 | 490,202 | - | - | - |
| Assignment of receivables | - | 22,661 | 22,661 | - | 24,171 | 24,171 |
| Related parties | - | - | - | - | 246 | 246 |
| Other payables | - | 367,969 | 367,969 | - | 379,653 | 379,653 |
| | 378,198 | 14,122,070 | 14,500,268 | 478,544 | 13,215,879 | 13,694,423 |

**In thousands of Brazilian reais, unless otherwise stated**

## 4.2 Fair value of financial assets and liabilities

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

| | | | | Consolidated |
|---|---|---|---|---|
| | Carrying amount | | Fair value | |
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| **Financial assets** | | | | |
| Cash and cash equivalents | 367,814 | 690,324 | 367,814 | 690,324 |
| Marketable securities | 4,010,650 | 4,141,441 | 4,010,650 | 4,141,441 |
| Derivative financial instruments | 494,401 | 460,173 | 494,401 | 460,173 |
| Trade receivables | 1,669,292 | 1,446,681 | 1,669,292 | 1,446,681 |
| Related parties | 30 | 346 | 30 | 346 |
| Other credits | 83,123 | 99,925 | 83,123 | 99,925 |
| **Total** | **6,625,310** | **6,838,890** | **6,625,310** | **6,838,890** |
| **Financial liabilities** | | | | |
| Trade payables | 1,557,041 | 1,195,407 | 1,557,041 | 1,195,407 |
| Floor plan | 107,965 | 93,588 | 107,965 | 93,588 |
| Loans and borrowings | 8,320,390 | 8,587,702 | 8,347,397 | 8,635,798 |
| Debentures | 3,400,140 | 3,170,742 | 3,401,637 | 3,172,341 |
| Finance leases payable | 233,900 | 242,914 | 233,032 | 242,421 |
| Right-of-use lease | 490,202 | - | 490,202 | - |
| Assignment of receivables | 22,661 | 24,171 | 22,661 | 24,171 |
| Related parties | - | 246 | - | 246 |
| Other payables | 367,969 | 379,653 | 367,969 | 379,653 |
| **Total** | **14,500,268** | **13,694,423** | **14,527,904** | **13,743,625** |

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. This category includes investments allocated to investment funds such as Financial Treasury Bills (“LFT”), National Treasury Bills (“LTN”), Units of Funds and other securities, as well as sovereign and corporate securities;

**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. This level includes bank deposit certificates (“CDBs”), Repurchase Agreements, Financial Bills, Credit Linked Notes (“CLN”), loans and borrowings, debentures, finance leases payable and derivative financial instruments.

**Level 3** - Instruments with unobservable significant inputs. The Group does not have 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:

**In thousands of Brazilian reais, unless otherwise stated**

| | | | | | | **Consolidated** |
|---|---|---|---|---|---|---|
| | | | **3/31/2019** | | | **12/31/2018** |
| | **Level 1** | **Level 2** | **Total** | **Level 1** | **Level 2** | **Total** |
| | | | | **(Restated (1))** | | |
| **Assets at fair value through profit or loss** | | | | | | |
| **Cash and cash equivalents** | | | | | | |
| Bank deposit certificates ("CDB") | - | 121,383 | 121,383 | - | 435,380 | 435,380 |
| Repurchase agreements | - | 80,431 | 80,431 | - | 97,073 | 97,073 |
| Financial bills | - | 114,510 | 114,510 | - | 73,519 | 73,519 |
| Units of other funds | 2,054 | - | 2,054 | 5,085 | - | 5,085 |
| Others | - | 32,525 | 32,525 | 31,037 | - | 31,037 |
| **Marketable securities** | | | | | | |
| Financial Treasury Bills ("LFT") | 181,071 | - | 181,071 | 254,329 | - | 254,329 |
| National Treasury Bills ("LTN") | 142,112 | - | 142,112 | 218,774 | - | 218,774 |
| Credit Linked Notes ("CLN") | - | 1,863,414 | 1,863,414 | - | 1,850,987 | 1,850,987 |
| Units of other funds | 1,139,629 | - | 1,139,629 | 1,176,550 | - | 1,176,550 |
| Others | - | - | - | 5,746 | - | 5,746 |
| **Derivative financial instruments** | | | | | | |
| Swap agreement | - | 491,368 | 491,368 | - | 460,173 | 460,173 |
| IDI options | - | 3,033 | 3,033 | - | - | - |
| | **1,464,866** | **2,706,664** | **4,171,530** | **1,691,521** | **2,917,132** | **4,608,653** |
| **Assets at fair value through other comprehensive income – FVOCI** | | | | | | |
| **Marketable securities** | | | | | | |
| Sovereign securities (in USD) | 289,771 | - | 289,771 | 382,796 | - | 382,796 |
| Corporate securities (in USD) | 394,653 | - | 394,653 | 252,259 | - | 252,259 |
| | **684,424** | **-** | **684,424** | **635,055** | **-** | **635,055** |
| | **2,149,290** | **2,706,664** | **4,855,954** | **2,326,576** | **2,917,132** | **5,243,708** |
| **Liabilities at fair value through profit or loss** | | | | | | |
| Loans and borrowings | - | - | - | - | 112,121 | 112,121 |
| Debentures | - | 378,198 | - | - | 366,423 | 366,423 |
| **Financial liabilities not measured at fair value – with difference between the carrying amount and the fair value** | | | | | | |
| Loans and borrowings | - | 8,320,390 | 8,320,390 | - | 8,473,528 | 8,473,528 |
| Debentures | - | 3,021,942 | 3,021,942 | - | 2,804,319 | 2,804,319 |
| Finance leases payable | - | 233,900 | 233,900 | - | 242,914 | 242,914 |
| | **-** | **11,954,430** | **11,576,232** | **-** | **11,999,305** | **11,999,305** |

(1) For the improvement in presentation and consistence with current period, the cash balance and cash equivalents, referring to others, in the amount of R $31,037 on December 31, 2018, were restated 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 March 31, 2019 was as follows:

| **Interest curve - Brazil** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Vertex | 1M | 6M | 1Y | 2Y | 3Y | 5Y | 10Y |
| Rate (p.a.) - % | 6.42 | 6.48 | 6.58 | 7.30 | 7.89 | 8.58 | 9.23 |

Source: "B3 S.A. - Brasil, Bolsa, Balcão" 3/31/2019

## 4.3 Financial risk management

The main non-derivative financial liabilities of the JSL Group are trade payables, floor plan, suppliers financing – car makers, loans and borrowings, debentures, finance leases payable, 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 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 losses 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).

## 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, the lease of which can be broken down further into commodities, stocks, among other risks.

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, right of use lease, 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 fluctuations 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 Reais, 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.

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

## 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:

In thousands of Brazilian reais, unless otherwise stated

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | Carrying amount 3/31/2019 | Contractual flow | Up to 1 year | Up to 2 years | 3 to 10 years |
| **Financial assets** | | | | | |
| Cash and cash equivalents | 367,814 | 367,814 | 367,814 | - | - |
| Marketable securities | 4,010,650 | 4,010,650 | 4,004,643 | 6,007 | - |
| Derivative financial instruments | 494,401 | 494,401 | - | 81,421 | 412,980 |
| Trade receivables | 1,669,292 | 1,669,292 | 1,554,325 | 34,071 | 80,896 |
| Related parties | 30 | 30 | - | 30 | - |
| Other credits | 83,123 | 83,123 | 35,153 | 47,970 | - |
| **Total** | **6,625,310** | **6,625,310** | **5,961,935** | **169,499** | **493,876** |

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | Carrying amount 3/31/2019 | Contractual flow | Up to 1 year | Up to 2 years | 3 to 8 years |
| **Financial liabilities** | | | | | |
| Trade payables | 1,557,041 | 1,557,041 | 1,557,041 | - | - |
| Floor plan | 107,965 | 107,965 | 107,965 | - | - |
| Loans and borrowings | 8,320,390 | 10,584,026 | 1,778,814 | 1,171,847 | 7,633,365 |
| Debentures | 3,400,140 | 4,122,848 | 740,039 | 981,838 | 2,400,971 |
| Finance leases payable | 233,900 | 256,871 | 100,040 | 111,519 | 45,312 |
| Right-of-use lease | 490,202 | 599,202 | 104,188 | 99,707 | 395,307 |
| Assignment of receivables | 22,661 | 30,058 | 8,015 | 8,015 | 14,028 |
| Other payables | 367,969 | 371,030 | 177,894 | 179,606 | 13,530 |
| **Total** | **14,500,268** | **17,629,041** | **4,573,996** | **2,552,532** | **10,502,513** |

### 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 and finance leases payable. 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 6.58%, based on the future interest rate curve of B3 (*Brasil, Bolsa, and 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 4.58% p.a. (source: (BACEN) at March 31, 2019. For TLP the probable scenario is 6.92% p.a. (source: BNDES), SELIC of 6.50% p.a. (source: Bacen) and U.S. dollar ("dollar") rate of R$ 4.02 (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 of 25% (Scenario II) and 50% (Scenario III).

**In thousands of Brazilian reais, unless otherwise stated**

| Operation | Exposure | Risk | Probable rate | Scenario I probable | Scenario II depreciation of 25% | Scenario III + depreciation of 50% |
|---|---|---|---|---|---|---|
| **Derivatives designated as hedge accounting** | | | | | | |
| Swap agreement | USD503,500 | USD increase | 4.02 | 2,024,070 | 2,530,088 | 3,036,105 |
| NCE (hedged item) | USD(463,500) | USD increase | 4.02 | (1,863,270) | (2,329,088) | (2,794,905) |
| International credit (hedged item) | USD(40,000) | USD increase | 4.02 | (160,800) | (201,000) | (241,200) |
| **Net exposure** | - | | | - | - | - |
| Debentures (hedged item) | (369,631) | IPCA increase | 12.22% | (45,169) | (56,461) | (67,753) |
| Swap long position | 369,631 | IPCA increase | 12.22% | 45,169 | 56,461 | 67,753 |
| Swap short position | (288,210) | CDI increase | 7.16% | (20,636) | (25,795) | (30,954) |
| **Net exposure** | **(288,210)** | | | **(20,636)** | **(25,795)** | **(30,954)** |
| Loans and borrowings - international credit | (161,576) | FIXED RATE | 3.73% | (6,027) | (6,027) | (6,027) |
| Loans and borrowings - NCE | (1,864,098) | CDI increase | 7.75% | (144,468) | (144,468) | (144,468) |
| Swap long position - international credit | 161,576 | FIXED RATE | 3.73% | 6,027 | 6,027 | 6,027 |
| Swap long position - NCE | 1,864,098 | CDI increase | 7.75% | 144,468 | 144,468 | 144,468 |
| Swap short position | (1,671,435) | CDI increase | 9.88% | (165,138) | (206,422) | (247,707) |
| **Net exposure of hedge accounting operations** | **(1,671,435)** | | | **(165,138)** | **(206,422)** | **(247,707)** |
| **Other operations - Floating rate** | | | | | | |
| Financial investments | 350,903 | DCI increase | 6.69% | 23,475 | 29,344 | 35,213 |
| Marketable securities | 865,495 | SELIC increase | 6.50% | 56,257 | 70,321 | 84,386 |
| Loans and borrowings | (5,016,573) | CDI increase | 8.62% | (432,429) | (540,536) | (648,643) |
| Debentures | (3,030,509) | CDI increase | 8.40% | (254,563) | (318,203) | (381,844) |
| Finance leases payable | (233,900) | CDI increase | 9.46% | (22,127) | (27,659) | (33,190) |
| Payables for the acquisition of companies (i) | (123,909) | CDI increase | 6.58% | (8,153) | (10,192) | (12,230) |
| Payables for the acquisition of companies (i) | (5,554) | IGPM increase | 3.10% | (172) | (215) | (258) |
| Loans and borrowings | (156,164) | IPCA increase | 8.77% | (13,696) | (17,119) | (20,543) |
| Loans and borrowings | (533,735) | TLP increase | 9.85% | (52,573) | (65,716) | (78,859) |
| Loans and borrowings | (134,922) | SELIC increase | 10.68% | (14,410) | (18,012) | (21,615) |
| **Net exposure and impact on finance costs - floating rate** | **(9,978,513)** | | | **(904,165)** | **(1,130,204)** | **(1,356,244)** |
| **Others derivatives** | | | | | | |
| Call option IDI ( Position purchased in call option "Call") | 140,458 | FIXED RATE | 7.70% | 10,815 | 10,815 | 10,815 |
| **Total others derivatives** | **140,458** | | | **10,815** | **10,815** | **10,815** |
| **Other operations - Fixed rate** | | | | | | |
| Marketable securities | 3,145,155 | FIXED RATE | 8.23% | 258,846 | 258,846 | 258,846 |
| Right of use lease | (490,202) | FIXED RATE | 6.28% | (30,785) | (30,785) | (30,785) |
| Loans and borrowings | (453,322) | FIXED RATE | 6.32% | (28,650) | (28,650) | (28,650) |
| **Net exposure and impact on finance costs - fixed rate** | **2,342,089** | | | **210,226** | **210,226** | **210,226** |
| **Net exposure and total impact of finance costs on the statement of profit or losss** | **(7,636,424)** | | | **(693,939)** | **(919,978)** | **(1,146,018)** |

(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. 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 hedge against market risks. In accordance with the Group's policy, the operations that may adversely affect the JSL Group's statement of 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 March 31, 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 contract.

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.

**In thousands of Brazilian reais, unless otherwise stated**

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 March 31, 2019, a negative variation of R$ 243 (at March 31, 2018 negative variation of R$ 44,425) was computed. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. During the three-month periods ended March 31, 2019 and 2018, 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 (for example, 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 three-month period ended March 31, 2019, the gains on swap transactions were R$ 43,796 (gain of R$ 31,664 at March 31, 2018) and R$ 48,928 (gain of R$ 61,664 at March 31, 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 March 31, 2019 are the following:

| | | | | | | | | **Consolidated** | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Balance of the hedged debt as of 03/31/2019** | |
| **Company** | **Instrument** | **Type of derivative financial instrument** | **Operation** | **Notional amount** | **Maturity** | **Hedge index** | **Average contracted rate** | **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 | 161,100 | 161,100 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 60,000 | Jul/24 | Fixed rate + Exchange rate | 149.59% of CDI | 241,300 | 241,300 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 60,000 | Jul/24 | Fixed rate + Exchange rate | 152.26% of CDI | 241,298 | 241,298 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 60,000 | Jul/24 | Fixed rate + Exchange rate | 153.90% of CDI | 241,265 | 241,265 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 75,000 | Jul/24 | Fixed rate + Exchange rate | 152.50% of CDI | 301,582 | 301,582 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 50,000 | Jul/24 | Fixed rate + Exchange rate | 151.65% of CDI | 201,054 | 201,054 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 50,000 | Jul/24 | Fixed rate + Exchange rate | 150.65% of CDI | 201,054 | 201,054 |
| JSL | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 68,500 | Jul/24 | Fixed rate + Exchange rate | 149.45% of CDI | 275,445 | 275,445 |
| JSL | Swap agreement | *Fair value option* | *Swap* IPCA X CDI | R$ 115,089 | Jul/20 | IPCA + Fixed rate | 108.85% of CDI | 145,896 | 150,292 |
| JSL | Swap agreement | *Fair value option* | *Swap* IPCA X CDI | R$ 98,723 | Jul/20 | IPCA + Fixed rate | 108.85% of CDI | 124,138 | 128,992 |
| JSL | Swap agreement | *Fair value option* | *Swap* IPCA X CDI | R$ 71,751 | Jun/21 | IPCA + Fixed rate | CDI + 2.53% | 99,597 | 104,004 |
| Vamos | Swap agreement | Cash flow hedge | *Swap* USD X CDI | USD 40,000 | May/21 | Fixed rate + Exchange rate | 130.15% of CDI | 161,576 | 167,816 |
| | | | | | | | **Total** | **2,395,305** | **2,415,202** |

**Purchase option** — **Parent company and Consolidated**

| **Description** | **Counterpart** | **Beginning date** | **Maturity** | **Quantity** | **Notional amount** | **Indexer** | **Agreed upon rate 22, january** | **Exercise price** | **Market value** |
|---|---|---|---|---|---|---|---|---|---|
| Purchase of IDI purchase option | B3 | 02/25/2019 | 01/03/2022 | 525 | R$140,558 | Pre | 7,70% | 329 | R$3,033 |

The outstanding balances are as follows:

| | | | | | | **Parent company** |
|---|---|---|---|---|---|---|
| | | | **3/31/2019** | | | **12/31/2018** |
| **Operation** | **Notional amountº** | **Assets** | **Liabilities** | **Notional amount** | **Assets** | **Liabilities** |
| Swap – USD x DI | USD 463,500 | 401,347 | - | USD 493,500 | 379,298 | - |
| Swap – IPCA x DI | R$ 285,562 | 81,421 | - | R$ 285,562 | 75,994 | - |
| **Total** | | **482,768** | **-** | | **455,292** | **-** |
| | | | | | | |
| Current | | - | - | | 22,013 | - |
| Non-current | | 482,768 | - | | 433,279 | - |
| **Total** | | **482,768** | **-** | | **455,292** | **-** |

**In thousands of Brazilian reais, unless otherwise stated**

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| | | 3/31/2019 | | | 12/31/2018 | |
| **Operation** | **Notional amount** | **Assets** | **Liabilities** | **Notional amount** | **Assets** | **Liabilities** |
| Swap – USD x DI | USD 503,500 | 412,980 | - | USD 533,500 | 384,179 | - |
| Swap – IPCA x DI | R$ 285,562 | 81,421 | - | R$ 285,562 | 75,994 | - |
| **Total** | | **494,401** | **-** | | **460,173** | **-** |
| Current | | - | - | | 22,013 | - |
| Non-current | | 494,401 | - | | 438,160 | - |
| **Total** | | **494,401** | **-** | | **460,173** | **-** |

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 March 31, 2019 Company | | | Parent |
|---|---|---|---|---|---|
| | | Expected cash flow | | | |
| | **Accrual** | **Total** | **1-6 months** | **6-12 months** | **Over 1 year** |
| **Swap** | | | | | |
| Long position | 1,864,098 | 2,584,357 | 67,736 | 67,736 | 2,448,885 |
| Short position | (1,503,703) | (2,525,641) | (71,042) | (74,697) | (2,379,902) |
| | **360,995** | **58,716** | **(3,306)** | **(6,961)** | **68,983** |

| | | At March 31, 2019 Consolidated | | | |
|---|---|---|---|---|---|
| | | Expected cash flow | | | |
| | **Accrual** | **Total** | **1-6 months** | **6-12 months** | **Over 1 year** |
| **Swap** | | | | | |
| Long position | 2,395,305 | 3,176,514 | 261,726 | 72,605 | 2,842,183 |
| Short position | (1,959,645) | (3,028,910) | (226,152) | (81,234) | (2,721,524) |
| | **435,660** | **147,604** | **35,574** | **(8,629)** | **120,659** |

## 5. Cash and cash equivalents

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** |
| Cash | 305 | 322 | 10,964 | 2,426 |
| Banks | 1,341 | 11,632 | 5,947 | 45,804 |
| **Total cash and banks** | **1,646** | **11,954** | **16,911** | **48,230** |
| CDB (Bank Deposit Certificate) | 32,490 | 232,781 | 121,383 | 435,380 |
| Repurchase agreements | 1,501 | - | 80,431 | 97,073 |
| Financial bills | 9,186 | 11,924 | 114,510 | 73,519 |
| Units of other funds | 1,125 | 722 | 2,054 | 5,085 |
| Finance Leases Bill - related parties (note 22.1) | 29,225 | 19,909 | - | - |
| Others | 8 | - | 32,525 | 31,037 |
| **Total financial investments** | **73,535** | **265,336** | **350,903** | **642,094** |
| **Total** | **75,181** | **277,290** | **367,814** | **690,324** |

During the three-month period ended March 31, 2019, the average income from these investments was 101.62% of the CDI, equivalent to 0.53% p.m., and in the year ended December 31, 2018 the average income was 99.48% of the CDI, equivalent to 0.52% p.m.

In thousands of Brazilian reais, unless otherwise stated

## 6. Marketable securities

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| **Government securities - exclusive funds (i)** | | | | |
| Financial Treasury Bills ("LFT") | 69,744 | 121,594 | 181,071 | 254,329 |
| National Treasury Bills ("LTN") | 55,412 | 109,536 | 142,112 | 218,774 |
| Units of other funds | 538,174 | 760,499 | 1,139,629 | 1,176,550 |
| Others | - | 1,215 | - | 5,746 |
| **Other securities** | | | | |
| Credit linked notes ("CLN") (iii) | - | - | 1,863,414 | 1,850,987 |
| Sovereign securities (in USD) (ii) | - | - | 289,771 | 382,796 |
| Corporate securities (in USD) (ii) | - | - | 394,653 | 252,259 |
| **Total** | **663,330** | **992,844** | **4,010,650** | **4,141,441** |
| Current assets | 660,715 | 991,629 | 4,004,643 | 4,136,909 |
| Non-current assets | 2,615 | 1,215 | 6,007 | 4,532 |
| **Total** | **663,330** | **992,844** | **4,010,650** | **4,141,441** |

(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 three-month period ended March 31, 2019, the average income from these investments was 0.53% p.m. (December 31, 2018 – 0.52% p.m.). T 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 16. The remuneration from these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. At March 31, 2019, the weighted average income of these transactions was 4.75% p.a. (5.78% p.a. at December 31, 2018).

(iii) CLN refers to the Credit Linked Note applied by the subsidiary of Luxembourg, JSL Europe, at Santander Bank in dollar currency and was remunerated in the three-month period ended March 31, 2019 at 6.95% (7.02% at December 31, 2018).

## 7. Trade receivables

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Receivables from services and rentals | 438,703 | 398,024 | 1,268,249 | 1,110,654 |
| Unbilled revenue from services rendered and rentals | 212,230 | 188,953 | 370,627 | 304,528 |
| Leases receivable | - | - | 143,883 | 132,216 |
| Commission on sales of used vehicles | - | - | 13,911 | 37,308 |
| Receivables from related parties (note 22) | 158,043 | 115,798 | 43,078 | 22,597 |
| Receivables from credit cards | - | - | 3,165 | 1,623 |
| Other receivables | 12,606 | 33,650 | 84,056 | 89,679 |
| (-) Expected credit losses (impairment) of trade receivables | (60,136) | (65,871) | (257,677) | (251,924) |
| **Total** | **761,456** | **670,554** | **1,669,292** | **1,446,681** |
| Current assets | 754,273 | 646,038 | 1,554,325 | 1,334,813 |
| Non-current assets | 7,183 | 24,516 | 114,967 | 111,868 |
| **Total** | **761,456** | **670,554** | **1,669,292** | **1,446,681** |

In thousands of Brazilian reais, unless otherwise stated

## 7.1 Aging list and expected credit losses of trade receivables

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| **Current (not past due)** | **664,786** | **598,307** | **1,363,204** | **1,151,103** |
| 1-30 days past due | 32,862 | 35,476 | 54,362 | 98,209 |
| 31-90 days past due | 27,482 | 25,720 | 95,249 | 88,800 |
| 91-180 days past due | 29,511 | 8,858 | 40,083 | 33,862 |
| 181-365 days past due | 7,675 | 5,989 | 55,002 | 36,776 |
| More than 365 days past due | 59,276 | 62,075 | 319,069 | 289,855 |
| **Total past due** | **156,806** | **138,118** | **563,765** | **547,502** |
| (-) Expected credit losses (impairment) of trade receivables | (60,136) | (65,871) | (257,677) | (251,924) |
| **Total** | **761,456** | **670,554** | **1,669,292** | **1,446,681** |

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

| | Parent company | Consolidated |
|---|---|---|
| **Balance as at December 31, 2017** | **(68,986)** | **(223,098)** |
| Remeasurement (CPC 48 / IFRS 9) | 6,766 | (19,680) |
| **At January 1, 2018** | **(62,220)** | **(242,778)** |
| ( - ) Additions | (5,816) | (25,412) |
| ( + ) Reversals | 2,597 | 16,145 |
| **At March 31, 2018** | **(65,439)** | **(252,045)** |
| | | |
| **At December 31, 2018** | **(65,871)** | **(251,924)** |
| ( - ) Additions | (2,346) | (25,672) |
| ( + ) Reversals | 8,081 | 19,919 |
| **At March 31, 2019** | **(60,136)** | **(257,677)** |

## 8. Inventories

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| New vehicles | - | - | 90,066 | 91,345 |
| Used vehicles | - | - | 37,675 | 49,206 |
| Parts for resale | - | - | 67,568 | 84,715 |
| Materials for use and consumption | 33,483 | 34,638 | 65,622 | 45,996 |
| Others | - | - | 4,661 | 364 |
| (-) Estimated losses on impairment of inventories (i) | (5,406) | (5,331) | (12,120) | (9,639) |
| **Total** | **28,077** | **29,307** | **253,472** | **261,987** |

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

## 8.1. Movement in estimated losses on impairment of inventories

| | Parent company | Consolidated |
|---|---|---|
| **At December 31, 2017** | **(6,744)** | **(10,216)** |
| ( - ) Additions | (1,399) | (2,176) |
| ( + ) Reversals | 1,447 | 1,736 |
| **At March 31, 2018** | **(6,696)** | **(10,656)** |
| | | |
| **At December 31, 2018** | **(5,331)** | **(9,639)** |
| ( - ) Additions | (1,472) | (5,069) |
| ( + ) Reversals | 1,397 | 2,588 |
| **At March 31, 2019** | **(5,406)** | **(12,120)** |

In thousands of Brazilian reais, unless otherwise stated

## 9. Fixed assets available for sale

The movements in fixed assets for sale in the year ended December 31, 2018 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019.

The movements in the three-month period ended March 31, 2019 are as follows:

| | Parent company | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | Vehicles | Machinery and equipment | Total | Vehicles | Machinery and equipment | Total |
| **Cost:** | | | | | | |
| **At December 31, 2018** | **61,901** | **6,108** | **68,009** | **436,749** | **147,862** | **584,611** |
| Assets transferred from property and equipment | 105,102 | 8,025 | 113,127 | 779,130 | 65,536 | 844,666 |
| Assets written off due to sale | (106,625) | (9,455) | (116,080) | (596,746) | (59,693) | (656,439) |
| Assets transferred to the segment of authorized vehicle dealerships | - | - | - | - | (6,900) | (6,900) |
| **At March 31, 2019** | **60,378** | **4,678** | **65,056** | **619,133** | **146,805** | **765,938** |
| **Accumulated depreciation:** | | | | | | |
| **At December 31, 2018** | **(20,783)** | **(5,357)** | **(26,140)** | **(82,413)** | **(104,414)** | **(186,827)** |
| Assets transferred from property and equipment | (40,430) | (5,214) | (45,644) | (88,628) | (51,615) | (140,243) |
| Assets written off due to sale | 40,811 | 7,380 | 48,191 | 57,099 | 50,781 | 107,880 |
| Assets transferred to the segment of authorized vehicle dealerships | - | - | - | - | 2,196 | 2,196 |
| **At March 31, 2019** | **(20,402)** | **(3,191)** | **(23,593)** | **(113,942)** | **(103,052)** | **(216,994)** |
| **Net value:** | | | | | | |
| **At December 31, 2018** | **41,118** | **751** | **41,869** | **354,336** | **43,448** | **397,784** |
| **At March 31, 2019** | **39,976** | **1,487** | **41,463** | **505,191** | **43,753** | **548,944** |

**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 for the three-month period ended March 31, 2019, as follows:

| | | | | | | Parent company | | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Investments** | **Equity at 3/31/2019** | **Interest %** | **Equity results from subsidiaries** | **Asset balance 3/31/2019** | **Negative equity 3/31/2019 (ii)** | **Asset balance 12/31/2018** | **Asset balance 3/31/2019** | **Asset balance 12/31/2018** |
| Avante Veículos | 20,303 | 99.99 | 260 | 20,303 | - | 20,043 | - | - |
| BRT Sorocaba Concessionárias (iv) | 4,494 | 49.25 | - | - | - | - | 1,985 | 2,715 |
| CS Brasil | 565,086 | 99.99 | 356 | 565,086 | - | 563,691 | - | - |
| CS Brasil Frotas | 334,550 | 88.86 | 10,486 | 297,298 | - | 287,750 | - | - |
| JSL Corretora | 8,514 | 99.99 | 200 | 8,514 | - | 8,314 | - | - |
| JSL Empreendimentos Imobiliários | 4,353 | 99.99 | (364) | 4,353 | - | 4,717 | - | - |
| JSL Europe | 37,170 | 100.00 | 257 | 37,170 | - | 5,480 | - | - |
| JSL Finance | (35,214) | 100.00 | (5,978) | - | (35,214) | - | - | - |
| JSLF1 | 84,339 | 99.99 | 1,498 | 84,339 | - | 82,946 | - | - |
| Medlogística | 987 | 99.99 | 43 | 987 | - | 944 | - | - |
| Mogipasses | 7,203 | 99.99 | 400 | 7,203 | - | 6,803 | - | - |
| Movida Participações | 1,680,825 | 70.12 | 29,442 | 1,178,746 | - | 1,163,402 | - | - |
| Original Distribuidora | (49) | 99.99 | (28) | - | (49) | - | - | - |
| Original Veículos | 105,172 | 99.99 | (386) | 105,172 | - | 105,558 | - | - |
| Ponto Veículos | 32,930 | 99.99 | 1,196 | 32,930 | - | 31,734 | - | - |
| Quick Armazéns | 5,287 | 99.99 | 72 | 5,287 | - | 5,215 | - | - |
| Quick Logística | 20,464 | 99.99 | (1,269) | 20,464 | - | 21,733 | - | - |
| Servim | 4 | 99.99 | - | 4 | - | 4 | - | - |
| Vamos | 463,708 | 99.99 | 31,466 | 463,708 | - | 581,483 | - | - |
| Yolanda | 24,880 | 99.99 | 1,138 | 24,880 | - | 23,742 | - | - |
| Surplus value of property and equipment | - | - | - | 16,506 | - | 18,379 | - | - |
| Goodwill on business acquisition (i) | - | - | - | 6,481 | - | 6,481 | - | - |
| Others (iii) | - | - | - | - | - | - | 772 | 1,039 |
| **Total investments** | | | **68,789** | **2,879,431** | **(35,263)** | **2,938,419** | **2,757** | **3,754** |

(i) Goodwill arising on the acquisition of companies and businesses, classified as investment in the parent company, in accordance with CPC 18 (R2) / IFRS 10 - 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 mutual contracts received from JSL Europe.
(iii) Refers to investment of subsidiary Movida in company E-moving, which is not consolidated into the JSL Group; and
(iv) As mentioned in note 1.1, refers to investment of subsidiary CS Brasil in consortium BRT Sorocaba, which is not consolidated into the JSL Group.

**In thousands of Brazilian reais, unless otherwise stated**

## 10.1 Changes in investments

| | | | | | | | | **Parent company** |
|---|---|---|---|---|---|---|---|---|
| **Investments** | **12/31/2018** | **Capital contribution** | **Equity results from subsidiaries** | **Realization of surplus value of assets (i)** | **Amortization of surplus value (ii)** | **Dividends and interest on capital** | **Other changes (iii)** | **3/31/2019** |
| Avante Veículos | 20,043 | - | 260 | - | - | - | - | 20,303 |
| CS Brasil | 563,691 | - | 356 | - | - | - | 1,039 | 565,086 |
| CS Brasil Frotas | 287,750 | - | 10,486 | - | - | - | (938) | 297,298 |
| JSL Corretora | 8,314 | - | 200 | - | - | - | - | 8,514 |
| JSL Empreendimentos Imobiliários | 4,717 | - | (364) | - | - | - | - | 4,353 |
| JSL Europe | 5,480 | 31,430 | 257 | - | - | - | 3 | 37,170 |
| JSLF1 | 82,946 | - | 1,498 | - | - | - | (105) | 84,339 |
| Medlogística | 944 | - | 43 | - | - | - | - | 987 |
| Mogipasses | 6,803 | - | 400 | - | - | - | - | 7,203 |
| Movida Participações | 1,163,402 | - | 29,442 | - | - | (14,026) | (72) | 1,178,746 |
| Original Veículos | 105,558 | - | (386) | - | - | - | - | 105,172 |
| Ponto Veículos | 31,734 | - | 1,196 | - | - | - | - | 32,930 |
| Quick Armazéns | 5,215 | - | 72 | - | - | - | - | 5,287 |
| Quick Logística | 21,733 | - | (1,269) | - | - | - | - | 20,464 |
| Servim | 4 | - | - | - | - | - | - | 4 |
| Vamos | 581,483 | - | 31,466 | - | - | (150,000) | 759 | 463,708 |
| Yolanda | 23,742 | - | 1,138 | - | - | - | | 24,880 |
| Surplus value of property and equipment | 18,379 | - | - | (404) | (1,095) | - | (374) | 16,506 |
| Goodwill on business acquisition | 6,481 | - | - | - | - | - | - | 6,481 |
| **Total investments** | **2,938,419** | **31,430** | **74,795** | **(404)** | **(1,095)** | **(164,026)** | **312** | **2,879,431** |
| **Provision for investment losses** | | | | | | | | |
| JSL Finance | (53,102) | - | (5,978) | - | - | - | 23,866 | (35,214) |
| Original Distribuidora | (21) | - | (28) | - | - | - | - | (49) |
| **Total investments, net of provision for losses** | **2,885,296** | **31,430** | **68,789** | **(404)** | **(1,095)** | **(164,026)** | **24,178** | **2,844,168** |

(i) Refers to write-off of surplus value of property and equipment arising from the business combination due to sale of the related assets;
(ii) **Refers to amortization of surplus value arising from the business combination; and**
(iii) Refers to the effect of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans and the mark to market of investments classified as at fair value through other comprehensive income, which were recognized in the equity of subsidiaries JSL Finance and Vamos.

**In thousands of Brazilian reais, unless otherwise stated**

## 10.2 Balances of assets and liabilities and results of investees and subsidiaries

The share of assets, liabilities, revenues and expenses in subsidiaries for the three-month period ended March 31, 2019 is presented below

| | | | | | | | | 3/31/2019 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Parent company |
| **Investments** | **Current assets** | **Non-current assets** | **Current liabilities** | **Non-current liabilities** | **Equity** | **Revenues** | **Costs, expenses and net finance costs** | **Profit (loss) for the period** |
| Avante Veículos | 24,037 | 8,251 | 9,476 | 2,509 | 20,303 | 12,316 | (12,056) | 260 |
| CS Brasil | 295,874 | 658,363 | 206,773 | 182,378 | 565,086 | 144,027 | (143,671) | 356 |
| CS Brasil Frotas | 160,732 | 389,618 | 139,006 | 76,794 | 334,550 | 70,021 | (58,220) | 11,801 |
| JSL Corretora | 9,070 | 78 | 611 | 23 | 8,514 | 1,261 | (1,061) | 200 |
| JSL Empreendimentos Imobiliários | 379 | 9,082 | 5,009 | 99 | 4,353 | (5) | (359) | (364) |
| JSL Europe | 1,865,564 | 717,839 | 47,000 | 2,499,233 | 37,170 | - | 257 | 257 |
| JSL Finance | 682,625 | - | - | 717,839 | (35,214) | - | (5,978) | (5,978) |
| JSLF1 | 57,694 | 26,989 | 344 | - | 84,339 | - | 1,498 | 1,498 |
| Medlogística | 2,346 | 16,522 | 4,104 | 13,777 | 987 | 2,389 | (2,346) | 43 |
| Mogipasses | 38,441 | 250 | 9,979 | 21,509 | 7,203 | 649 | (249) | 400 |
| Movida Participações | 1,759,669 | 4,119,121 | 2,192,999 | 2,004,966 | 1,680,825 | 812,529 | (759,063) | 53,466 |
| Original Distribuidora | 1,189 | 903 | 1,404 | 737 | (49) | 745 | (773) | (28) |
| Original Veículos | 113,189 | 104,134 | 77,309 | 34,842 | 105,172 | 136,809 | (137,195) | (386) |
| Ponto Veículos | 38,053 | 26,258 | 23,366 | 8,015 | 32,930 | 36,443 | (35,247) | 1,196 |
| Quick Armazéns | 1,805 | 3,508 | 26 | - | 5,287 | 20 | 52 | 72 |
| Quick Logística | 31,435 | 32,645 | 30,901 | 12,715 | 20,464 | 18,924 | (20,193) | (1,269) |
| Servim | 4 | - | - | - | 4 | - | - | - |
| Vamos | 556,195 | 1,743,462 | 787,396 | 1,048,553 | 463,708 | 273,821 | (231,559 | 42,262 |
| Yolanda | 2,220 | 43,660 | 7,448 | 13,552 | 24,880 | 1,960 | (822) | 1,138 |

**In thousands of Brazilian reais, unless otherwise stated**

## 11. Property and equipment

The movements in property and equipment for the year ended December 31, 2018 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019.

The movements for the three-month period ended March 31, 2019 are as follows:

| | | | | | | | | | Parent company |
|---|---|---|---|---|---|---|---|---|---|
| | Vehicles | Machinery and equipment | Leasehold improvements | Computers and peripherals | Furniture and fixtures | Others | Construction in progress | Right of use (ii) | Total |
| **Cost:** | | | | | | | | | |
| **At December 31, 2018** | **1,342,046** | **412,382** | **178,104** | **24,291** | **28,988** | **188,987** | **20,521** | **-** | **2,195,319** |
| Additions | 94,951 | 11,384 | - | 940 | 881 | 1 | 2,349 | 179,387 | 289,893 |
| Transfers | (15) | 32 | - | (38) | (17) | - | - | - | (38) |
| Transfer to available-for-sale assets | (105,102) | (8,025) | - | - | - | - | - | - | (113,127) |
| Assets write-off and others (i) | (2,806) | (530) | - | - | - | (6) | - | - | (3,342) |
| **At March 31, 2019** | **1,329,074** | **415,243** | **178,104** | **25,193** | **29,852** | **188,982** | **22,870** | **179,387** | **2,368,705** |
| **Accumulated depreciation:** | | | | | | | | | |
| **At December 31, 2018** | **(412,987)** | **(236,060)** | **(51,369)** | **(14,535)** | **(14,467)** | **(59,060)** | **-** | **-** | **(788,478)** |
| Depreciation expense for the period | (25,989) | (9,996) | (2,164) | (809) | (695) | (3,994) | - | (8,297) | (51,944) |
| Transfers | 1 | (1) | - | - | - | - | - | - | - |
| Transfer to available-for-sale assets | 40,430 | 5,214 | - | - | - | - | - | - | 45,644 |
| Assets write-off and others (i) | 183 | 242 | - | - | - | 4 | - | - | 429 |
| **At March 31, 2019** | **(398,362)** | **(240,601)** | **(53,533)** | **(15,344)** | **(15,162)** | **(63,050)** | **-** | **(8,297)** | **(794,349)** |
| **Net value:** | | | | | | | | | |
| **At December 31, 2018** | **929,059** | **176,322** | **126,735** | **9,756** | **14,521** | **129,927** | **20,521** | **-** | **1,406,841** |
| **At March 31, 2019** | **930,712** | **174,642** | **124,571** | **9,849** | **14,690** | **125,932** | **22,870** | **171,090** | **1,574,356** |
| **Average depreciation rate (%) – for the period:** | | | | | | | | | |
| Light | 10.7% | - | - | - | - | - | - | - | |
| Heavy | 10.7% | 9.5% | - | - | - | - | - | - | |
| Others | - | - | 8.2% | 18.3% | 9.9% | 8.9% | - | 4.6% | |

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R$ 1,145; and
(ii) Refers to adoption of CPC 06 (R2) / IFRS 16 – Leases, see note 2.5.

**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 | Others | Land | Construction in progress | Right of use (ii) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | | | | |
| **At December 31, 2018** | **6,904,064** | **124,263** | **1,144,867** | **352,917** | **48,488** | **56,671** | **20,771** | **208,981** | **15,917** | **43,183** | **-** | **8,920,122** |
| Additions | 1,076,578 | 114,615 | 57,988 | 56 | 3,390 | 3,146 | - | 599 | - | 6,775 | 516,668 | 1,779,815 |
| Transfers | 120,524 | (124,388) | 3,799 | 738 | (12) | 76 | - | - | - | (737) | - | - |
| Transfer to available-for-sale assets | (779,130) | - | (65,536) | - | - | - | - | - | - | - | - | (844,666) |
| Assets write-off and others (i) | (20,578) | - | (4,897) | - | (102) | (86) | - | (604) | - | - | - | (26,267) |
| **At March 31, 2019** | **7,301,458** | **114,490** | **1,136,221** | **353,711** | **51,764** | **59,807** | **20,771** | **208,976** | **15,917** | **49,221** | **516,668** | **9,829,004** |
| **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 | (124,453) | - | (33,139) | (7,402) | (1,391) | (1,393) | (550) | (4,080) | - | - | (29,712) | (202,120) |
| Transfer to available-for-sale assets | 88,628 | - | 51,615 | - | - | - | - | - | - | - | - | 140,243 |
| Assets write-off and others (i) | 1,191 | - | 243 | - | 68 | 49 | 79 | 5 | - | - | - | 1,635 |
| **At March 31, 2019** | **(960,024)** | **-** | **(428,771)** | **(144,017)** | **(34,541)** | **(28,630)** | **(7,914)** | **(67,348)** | **-** | **-** | **(29,712)** | **(1,700,957)** |
| **Net value:** | | | | | | | | | | | | |
| **At December 31, 2018** | **5,978,674** | **124,263** | **697,377** | **216,302** | **15,270** | **29,385** | **13,328** | **145,708** | **15,917** | **43,183** | **-** | **7,279,407** |
| **At March 31, 2019** | **6,341,434** | **114,490** | **707,450** | **209,694** | **17,223** | **31,177** | **12,857** | **141,628** | **15,917** | **49,221** | **486,956** | **8,128,047** |
| **Average depreciation rate (%) – for the period:** | | | | | | | | | | | | |
| Light | 4.6% | - | - | - | - | - | - | - | - | - | - | |
| Heavy | 8.6% | - | 9.5% | - | - | - | - | - | - | - | - | |
| Others | - | - | - | 8.2% | 18.3% | 9.9% | 9.0% | 8.9% | - | - | 5,8% | |

(i) Refers mainly to write-offs due to damages and damaged assets amounting to R$ 15,678; and
(ii) Refers to adoption of CPC 06 (R2) / IFRS 16 – Leases, see note 2.5.

**In thousands of Brazilian reais, 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 | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Cost - capitalized finance leases | 72,901 | 72,465 | 247,683 | 217,090 |
| Accumulated depreciation | (15,210) | (13,982) | (32,173) | (29,138) |
| **Net balance** | **57,691** | **58,483** | **215,510** | **187,952** |

## 12. Intangible assets

The movements in intangible assets for the year ended December 31, 2018 2017 are presented in the annual individual and consolidated annual financial statements for that year, published on March 11, 2019.

The movements for three-month period ended March 31, 2019 are as follows:

| | | | | Parent company |
|---|---|---|---|---|
| | Goodwill | *Software* | Others | Total |
| **Cost:** | | | | |
| **At December 31, 2018** | **232,609** | **51,092** | **1,157** | **284,858** |
| Additions | - | 168 | - | 168 |
| Transfers | - | 38 | - | 38 |
| Write-offs | - | (29) | - | (29) |
| **At March 31, 2019** | **232,609** | **51,269** | **1,157** | **285,035** |
| **Accumulated amortization:** | | | | |
| **At December 31, 2018** | **-** | **(33,971)** | **(330)** | **(34,301)** |
| Amortization expense for the period | - | (1,641) | (6) | (1,647) |
| Write-offs | - | 9 | - | 9 |
| **At March 31, 2019** | **-** | **(35,603)** | **(336)** | **(35,939)** |
| **Net value:** | | | | |
| **At December 31, 2018** | **232,609** | **17,121** | **827** | **250,557** |
| **At March 31, 2019** | **232,609** | **15,666** | **821** | **249,096** |
| **Average amortization rate for the period** | | 11.4% | 10.0% | |

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| | Goodwill | Non-compete agreement and customer list | *Software* | Commercial fund (i) | Others (ii) | Total |
| **Cost:** | | | | | | |
| **At December 31, 2018** | **336,377** | **54,904** | **91,608** | **54,306** | **14,704** | **551,899** |
| Additions | - | - | 15,148 | - | 4 | 15,152 |
| Write-offs | - | - | (29) | - | - | (29) |
| **At March 31, 2019** | **336,377** | **54,904** | **106,727** | **54,306** | **14,708** | **567,022** |
| **Accumulated amortization:** | | | | | | |
| **At December 31, 2018** | **-** | **(17,945)** | **(40,844)** | **(3,720)** | **(4,814)** | **(67,323)** |
| Amortization expense for the period | - | (2,505) | (2,060) | - | (151) | (4,716) |
| Write-offs | - | - | 9 | - | - | 9 |
| **At March 31, 2019** | **-** | **(20,450)** | **(42,895)** | **(3,720)** | **(4,965)** | **(72,030)** |
| **Net value:** | | | | | | |
| **At December 31, 2018** | **336,377** | **36,959** | **50,764** | **50,586** | **9,890** | **484,576** |
| **At March 31, 2019** | **336,377** | **34,454** | **63,832** | **50,586** | **9,743** | **494,992** |
| **Average amortization rate for the period** | | 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 in 2018 the acquisition of rights to use the Valtra brand in the amount of R$ 10,800, allocated to CGU Valtra; and

(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.

**In thousands of Brazilian reais, unless otherwise stated**

## 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 three-month period ended March 31, 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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Suppliers of vehicles, machinery and equipment | 19,048 | 29,741 | 1,370,180 | 1,024,461 |
| Parts and maintenance | 7,463 | 9,067 | 37,986 | 47,730 |
| Trade payables - related parties (note 22.) | 14,008 | 7,282 | 219 | - |
| Inventory | 22,816 | 16,298 | 26,853 | 23,934 |
| Contracted services | 14,666 | 23,524 | 58,725 | 28,624 |
| Property leasing | 2,406 | 3,028 | 3,948 | 4,646 |
| Others | 11,148 | 4,576 | 59,130 | 66,012 |
| **Total** | **91,555** | **93,516** | **1,557,041** | **1,195,407** |

## 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 ranging from 150 to 180 days after the invoice issuance, subject to interest of up to 100% of the CDI plus interest of up to 0.5% p.m. after the grace period, which is usually of 180 days. The balance in the Consolidated is R$ 107,965 at March 31, 2019 (R$ 93,588 at December 31, 2018).

**In thousands of Brazilian reais, unless otherwise stated**

## 15. Loans and borrowings

The movements in loans and borrowings for the year ended December 31, 2018 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019. The movements for three-month period ended March 31, 2019 are as follows:

| | | | | | | | | | | | | | | Parent company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | **3/31/2019** | | | **Changes** | | | | | **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) | 8.97% | CDI+2.57% | Mar/23 | 8,727 | 986,124 | 994,851 | - | (243,579) | (22,188) | 25,426 | - | 170,397 | 1,064,795 | 1,235,192 |
| CRA (ii) | 7.18% | CDI+0.8% | Jun/20 | 238,830 | 134,557 | 373,387 | - | - | - | 7,544 | - | 231,949 | 133,894 | 365,843 |
| Finame (iii) | 6,36% | Fixed rate | Dec/2019 | 46,180 | 198,598 | 244,778 | 25,485 | (3,596) | (2,990) | 3,588 | - | 43,697 | 178,594 | 222,291 |
| Finame (iii) | 10.17% | SELIC/TLP | Dec/23 | 15,965 | 54,472 | 70,437 | 7,144 | (4,004) | (1,499) | 1,777 | - | 16,241 | 50,778 | 67,019 |
| FINEM (v) | 7.74% | TLP/IPCA | Jun/21 | 9,137 | 9,382 | 18,519 | - | (2,505) | (282) | 494 | - | 10,434 | 10,378 | 20,812 |
| FNO | 4.94% | Fixed rate/IPCA | Jan/24 | 2,461 | 16,611 | 19,072 | 2,997 | (466) | (145) | 182 | - | 1,868 | 14,636 | 16,504 |
| NP | 7.87% | 123%CDI | Jun/19 | 204,780 | - | 204,780 | - | - | - | 3,748 | - | 201,032 | - | 201,032 |
| Working capital (CDC) (viii) | 12.55% | Fixed rate | Sep/23 | 83 | 720 | 803 | - | - | (25) | 24 | - | 43 | 761 | 804 |
| | | | | **526,163** | **1,400,464** | **1,926,627** | **35,626** | **(254,150)** | **(27,129)** | **42,783** | **-** | **675,661** | **1,453,836** | **2,129,497** |
| **In foreign currency** | | | | | | | | | | | | | | |
| NCE (iv) | 7,75% | USD +7.75% | Jul/24 | 24,837 | 1,839,261 | 1,864,098 | - | - | (64,206) | 31,721 | 43,291 | 57,323 | 1,795,969 | 1,853,292 |
| International credit (4131) - USD (x) | 3.73% | 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 | 2,820 | 3,943 | 6,763 | - | - | - | 126 | 154 | 2,632 | 3,851 | 6,483 |
| | | | | **27,657** | **1,843,204** | **1,870,861** | **-** | **(111,390)** | **(64,388)** | **31,997** | **42,746** | **172,076** | **1,799,820** | **1,971,896** |
| | | | | **553,820** | **3,243,668** | **3,797,488** | **35,626** | **(365,540)** | **(91,517)** | **74,780** | **42,746** | **847,737** | **3,253,656** | **4,101,393** |

| | | | | | | | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | **3/31/2019** | | | **Changes** | | | | | **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) | 8.81% | CDI+2.41% | Aug/25 | 135,065 | 1,156,426 | 1,291,491 | - | (292,247) | (26,697) | 31,965 | - | 241,940 | 1,336,530 | 1,578,470 |
| CRA (ii) | 7.21% | CDI+0.81% | Feb/24 | 251,587 | 226,444 | 478,031 | 104,394 | - | - | 7,794 | - | 231,949 | 133,894 | 365,843 |
| Finame (iii) | 7.45% | Fixed rate/TLP | Jan/29 | 130,078 | 543,361 | 673,439 | 74,200 | (47,017) | (9,302) | 10,739 | - | 125,844 | 518,975 | 644,819 |
| Finame (iii) | 10.68% | TJLP/SELIC | Jan/29 | 97,305 | 200,202 | 297,507 | 22,108 | (22,975) | (6,811) | 7,614 | - | 97,169 | 200,402 | 297,571 |
| FINEM (v) | 7.74% | TJLP/IPCA | Jun/21 | 9,138 | 9,382 | 18,520 | - | (2,506) | (280) | 494 | - | 10,435 | 10,377 | 20,812 |
| FNO | 5.37% | Fixed rate/IPCA | Jan/24 | 2,461 | 16,611 | 19,072 | 2,997 | (466) | (145) | 182 | - | 1,868 | 14,636 | 16,504 |
| NP (vi) | 7.75% | CDI+1.35% | Aug/21 | 532,225 | 230,355 | 762,580 | - | (2,812) | (110) | 13,843 | - | 438,419 | 313,240 | 751,659 |
| FNE (vii) | 8.73% | Fixed rate/IPCA | Jul/22 | 67,142 | 128,052 | 195,194 | - | (54,353) | (5,625) | 4,081 | - | 82,877 | 168,214 | 251,091 |
| FINEP | 6.76% | TJLP+0.5% | Jul/30 | 14 | 9,621 | 9,635 | - | - | (141) | 166 | - | 26 | 9,584 | 9,610 |
| Working capital (CDC) (viii) | 11.33% | Fixed rate | Mar/24 | 6,026 | 30,147 | 36,173 | 13,291 | (7,619) | (743) | 1,866 | - | 4,997 | 24,381 | 29,378 |
| Others | 10.40% | Fixed rate | Jul/25 | 8,240 | 13,600 | 21,840 | - | (370) | (494) | - | - | 11,473 | 11,231 | 22,704 |
| | | | | **1,239,281** | **2,564,201** | **3,803,482** | **216,990** | **(430,365)** | **(50,348)** | **78,744** | **-** | **1,246,997** | **2,741,464** | **3,988,461** |
| **In foreign currency** | | | | | | | | | | | | | | |
| Senior Notes " BOND" (ix) | 7.75% | USD+7.75% | Jul/24 | 29,014 | 2,455,457 | 2,484,471 | - | - | (90,452) | 45,021 | 58,375 | 75,253 | 2,396,274 | 2,471,527 |
| NCE (iv) | 7.75% | USD +7,75% | Jul/24 | 24,837 | 1,839,261 | 1,864,098 | - | - | (64,207) | 31,721 | 43,291 | 57,323 | 1,795,970 | 1,853,293 |
| International credit (4131) - USD (x) | 3.73% | USD+3.73% | May/21 | 2,848 | 158,728 | 161,576 | - | (111,390) | (183) | 2,173 | 3,038 | 112,946 | 154,992 | 267,938 |
| International credit (4131) - USD (x) | 7.60% | Fixed rate | Apr/21 | 2,820 | 3,943 | 6,763 | - | - | - | 125 | 155 | 2,632 | 3,851 | 6,483 |
| | | | | **59,519** | **4,457,389** | **4,516,908** | **-** | **(111,390)** | **(154,842)** | **79,040** | **104,859** | **248,154** | **4,351,087** | **4,599,241** |
| | | | | **1,298,800** | **7,021,590** | **8,320,390** | **216,990** | **(541,755)** | **(205,190)** | **157,784** | **104,859** | **1,495,151** | **7,092,551** | **8,587,702** |

(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 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 assets used in rendering the services (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. These financing agreements do not have covenants.

(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).

(v) **FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. These transactions do not have covenants.

(vi) **Promissory notes (‘NPs**’) refer to commercial notes of promise to pay signed by the Parent Company and the subsidiary Movida Participações S.A. 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** refer to transactions of the Constitutional Fund for Financing the Northeast. These transactions do not have 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 and finance costs 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 (three hundred and twenty-five million dollars), 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 U$ 300,000 (three hundred million dollars) 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 index 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 (“USD” or “dollar”) and is naturally hedged by financial investments in the same amount also indexed to the dollar; and

(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 and finance costs in relation to earnings before interest, taxes, depreciation and amortization (EBITDA).

All commitments described in the contracts were complied with at March 31, 2019, including the maintenance of the financial indexes, as shown below:

**In thousands of Brazilian reais, unless otherwise stated**

| | | Vamos (i) | | Movida | | Consolidated | |
|---|---|---|---|---|---|---|---|
| | | 12 months ended | | 12 months ended | | 12 months ended | |
| **Covenant** | **Limits** | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** |
| Net Debt / Added EBITDA | Less than 3.5 | 2.04 | 2.08 | - | - | 2.04 | 2.08 |
| Net Debt / Adjusted *EBITDA* | Less than 3.5 | - | - | 2.70 | 2.80 | - | - |
| Net Debt / Adjusted *EBITDA* | Less than 4.75 | 4.12 | 4.18 | - | - | 4.12 | 4.18 |
| Added EBTIDA / Net Finance Costs | Greater than 2.0 | 5.61 | 5.48 | - | - | 5.61 | 5.48 |
| Net Debt / Adjusted EBITDA | Greater than 1.5 | - | - | 3.70 | 3.40 | - | - |

The contracts of the subsidiary Vamos have restrictive clauses relating to international credit and issuance of CRA ´ s, which are calculated quarterly on the basis of the annualised consolidated financial information of its JSL S. A Controller, Guarantees of such contracts. However, in relation to the CRA ´ s, according to the private instrument of writing of the first issuance of debentures, the first verification of the financial indices will be made after the disclosure of the financial statement for the year to be ended on December 31 2019. After this period, the financial index will be monitored every six months by the CRA's fiduciary agent within fifteen calendar days after receipt of these financial statements. If the company has the shares of its issuance admitted to stock trading, the monitoring will be carried out quarterly by the CRA fiduciary agent within fifteen calendar days after receiving the ITRs.

**Net Debt for covenant purposes**: means the total balance of JSL's current and noncurrent loans and borrowings, including debentures and any other debt securities, less: (a) the amounts of cash and short-term investments, i.e. those with daily liquidity of up to 360 days; 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 in subsidiaries, plus impairment losses.

**Added EBITDA for covenant purposes**: means earnings before interest, taxes, depreciation, amortization, impairment of assets and equity in subsidiaries, plus cost of sale of decommissioned assets, calculated over the last 12 months.

**Net Finance Costs:** 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.

## 15.1 Amortization schedule

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

| | | 3/31/2019 | | | |
|---|---|---|---|---|---|
| | | Parent company | | Consolidated | |
| | **Maturity of installments** | **Total** | **%** | **Total** | **%** |
| **Total current liabilities** | **Up to Mar/2020** | **553,820** | **15** | **1,298,800** | **16** |
| | Apr to Dec/2020 | 388,561 | 10 | 833,184 | 10 |
| | 2021 | 622,076 | 16 | 1,115,017 | 13 |
| | 2022 | 314,335 | 8 | 520,011 | 6 |
| | 2023 | 104,998 | 3 | 218,840 | 3 |
| | 2024 | 1,813,649 | 48 | 4,317,407 | 52 |
| | 2025 | 49 | - | 5,970 | 0.1 |
| | 2026 | - | - | 11,161 | 0.1 |
| **Total non-current liabilities** | | **3,243,668** | **85** | **7,021,590** | **84** |
| **Total** | | **3,797,488** | **100** | **8,320,390** | **100** |

## 15.2 Guarantees and bank guarantees

At March 31 , 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.

**In thousands of Brazilian reais, unless otherwise stated**

## 16. Debentures

The movements in intangible assets for the year ended December 31, 2018 2017 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019. The movements for the three-month period ended March 31, 2019 are as follows:

**Parent company**

| | | | 3/31/2019 | | | Changes | | | | 12/31/2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Type** | **Annual average rate** | **Maturity** | **Current** | **Non-current** | **Total** | **New contracts** | **Amortization** | **Interest paid** | **Interest** | **Current** | **Non-current** | **Total** |
| **In local currency** | | | | | | | | | | | | |
| 6th issuance | 8.9% | Jul/20 | 161,043 | 155,551 | 316,594 | - | - | - | 8,936 | 153,151 | 154,507 | 307,658 |
| 8th issuance | 8.0% | Jun/21 | 164,125 | 146,945 | 311,070 | - | - | - | 6,956 | 157,941 | 146,173 | 304,114 |
| 10th issuance | 8.0% | Dec/23 | 48,660 | 297,497 | 346,157 | - | - | (14,018) | 6,784 | 55,498 | 297,893 | 353,391 |
| 11th issuance | 8.0% | Jun/21 | - | 398,125 | 398,125 | - | - | (6,341) | 7,607 | - | 396,859 | 396,859 |
| 12th issuance | 7.9% | Dec/23 | 33,780 | 556,993 | 590,773 | - | - | (11,486) | 11,274 | - | 590,985 | 590,985 |
| | | | **407,608** | **1,555,111** | **1,962,719** | **-** | **-** | **(31,845)** | **41,557** | **366,590** | **1,586,417** | **1,953,007** |

**Consolidated**

| | | | 3/31/2019 | | | Changes | | | | 12/31/2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Type** | **Annual average rate** | **Maturity** | **Current** | **Non-current** | **Total** | **New contracts** | **Amortization** | **Interest paid** | **Interest** | **Current** | **Non-current** | **Total** |
| **In local currency** | | | | | | | | | | | | |
| 6th issuance | 8.9% | Jul/20 | 161,043 | 155,550 | 316,593 | - | - | - | 8,935 | 153,151 | 154,507 | 307,658 |
| 8th issuance | 8.0% | Jun/21 | 164,125 | 146,945 | 311,070 | - | - | - | 6,956 | 157,941 | 146,173 | 304,114 |
| 10th issuance | 8.0% | Dec/23 | 48,660 | 297,497 | 346,157 | - | - | (14,018) | 6,784 | 55,498 | 297,893 | 353,391 |
| 11th issuance | 8.0% | Jun/21 | - | 398,125 | 398,125 | - | - | (6,341) | 7,607 | - | 396,859 | 396,859 |
| 12th issuance | 7.9% | Dec/23 | 33,780 | 556,993 | 590,773 | - | - | (11,486) | 11,275 | - | 590,984 | 590,984 |
| 1st issuance - Movida Locação | 8.4% | Mar/23 | 62,160 | 186,481 | 248,641 | - | - | (10,019) | 5,102 | 4,662 | 248,896 | 253,558 |
| 2nd issuance - Movida Locação | 8.2% | Oct/21 | 23,107 | 79,768 | 102,875 | - | - | - | 2,015 | 21,129 | 79,731 | 100,860 |
| 1st issuance - Movida Participações | 7.6% | Jul/22 | 7,985 | 19,873 | 27,858 | - | (370,532) | (15,970) | 983 | 89,796 | 323,581 | 413,377 |
| 2nd issuance - Movida Participações | 8.3% | Jun/23 | 10,459 | 448,622 | 459,081 | - | - | - | 9,140 | 1,490 | 448,451 | 449,941 |
| 3rd issuance - Movida Participações | 8.4% | Jun/24 | 8,658 | 590,309 | 598,967 | 600,000 | - | (12,412) | 11,379 | - | - | - |
| | | | **519,977** | **2,880,163** | **3,400,140** | **600,000** | **(370,532)** | **(70,246)** | **70,176** | **483,667** | **2,687,075** | **3,170,742** |

**In thousands of Brazilian reais, unless otherwise stated**

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

| Description | 6th issuance | 8th issuance | 10th issuance | 11th issuance | 12th issuance | 1st issuance - Movida Locação | 2nd issuance - Movida Locação | 1st issuance - Movida Participações | 2nd issuance - Movida Participações | 3rd issuance - Movida Participações |
|---|---|---|---|---|---|---|---|---|---|---|
| **a. Identification of the process by nature** | | | | | | | | | | |
| *Financial institution* | *BTG Pactual* | *Votorantim* | *Brazil* | *Brazil* | *Brazil* | *Bradesco* | *BOCOM BBM* | *Bradesco* | *Banco Bradesco Investimento S.A.* | *BTG Pactual* |
| 1st series amount | 90,749 | 31,187 | 352,000 | 400,000 | 600,000 | 250,000 | 100,000 | 150,000 | 138,250 | 214,478 |
| 2nd series amount | 13,678 | 63,468 | - | - | - | - | - | 250,000 | - | - |
| 3rd series amount | 72,797 | 118,201 | - | - | - | - | - | - | - | - |
| *Financial institution* | *Caixa Geral* | *Bradesco (former HSBC)* | - | - | - | *Banco Bradesco Investimento S.A.* | *BOCOM BBM* | - | *Banco Bradesco Investimento S.A.* | *BTG Pactual* |
| 1st series amount | 1,000 | 52,394 | - | - | - | - | - | - | - | - |
| 2nd series amount | 23,870 | 6,283 | - | - | - | - | - | - | 84,500 | 138,112 |
| 3rd series amount | 40,234 | 30,873 | - | - | - | - | - | - | - | - |
| *Financial institution* | *Santander* | *Santander* | - | - | - | - | - | -. | *Banco Bradesco BBI* | *BTG Pactual* |
| 1st series amount | 54,480 | 81,594 | - | - | - | - | - | - | - | - |
| 2nd series amount | 19,074 | 2,000 | - | - | - | - | - | - | 97,200 | - |
| 3rd series amount | 4,189 | 14,000 | - | - | - | - | - | - | - | 247,410 |
| *Financial institution* | *Votorantim* | - | - | - | - | - | - | - | *Banco Bradesco BBI* | *BTG Pactual* |
| 1st series amount | 6,200 | - | - | - | - | - | - | - | - | - |
| 2nd series amount | 5,850 | - | - | - | - | - | - | - | - | - |
| 3rd series amount | 67,879 | - | - | - | - | - | - | - | 130,250 | - |
| Total | 400,000 | 400,000 | 352,000 | 400,000 | 600,000 | 250,000 | 100,000 | 400,000 | 450,000 | 600,000 |
| Total amount received in checking account | 401,910 | 400,390 | 352,000 | 400,000 | 600,000 | 250,000 | 100,000 | 400,000 | 450,000 | - |
| Issuance | 7/15/2013 | 6/15/2014 | 3/20/2017 | 6/20/2017 | 12/20/2018 | 4/13/2018 | 10/31/2018 | 7/4/2017 | 6/7/2018 | 1/4/2019 |
| Funding | 07/30/2013 and 07/31/2013 and 08/01/2013 | 6/18/2014 | 3/29/2017 | 6/30/2017 | 12/6/2018 | 4/13/2018 | 10/31/2018 | 7/4/2017 | 6/7/2018 | 1/4/2019 |
| Maturity | 7/15/2020 | 6/15/2021 | 12/20/2023 | 6/20/2021 | 12/20/2023 | 3/29/2023 | 10/10/2021 | 7/15/2020 and 7/15/2022 | 6/7/2023 | 6/7/2024 |
| Type | Unsecured | Unsecured | Unsecured | Floating | 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 | MVLV11 | MVLV12 | MOVI 11/21 | MOVI 12/22/32 | MOVI 13/23/33 |
| **b. Transaction costs incurred** | **(914)** | **(71)** | **(122)** | **(99)** | **(81)** | **(113)** | **(113)** | **(111)** | **(72)** | **(111)** |
| **c. Premiums** | | | | | | | | | | |
| Additional due to settlement | 07/30/2013 and 07/31/2013 and 08/01/2013 | N.A. | N.A. | N.A. | N.A. | N.A | N.A. | N.A. | N.A. | N.A. |
| Amount of settlement | 1,910 | 390 | - | - | - | - | - | - | - | - |
| **d. Effective interest rate p.a. % %** | | | | | | | | | | |
| 1st series | CDI + 1.80% | 116% of CDI | 125.0% of CDI | 127.50% of CDI | 124.0% of CDI | CDI + 2.00% | CDI +1.80% | CDI + 1.55% | CDI +1.60% | CDI +1.85% |
| 2nd series | CDI + 2.20% | IPCA + 8.0% | - | - | - | - | - | CDI + 2.70% | CDI+2.20% | CDI+2.05% |
| 3rd series | IPCA + 7.5% | 118.5% of CDI | - | - | - | - | - | - | CDI+1.90% | CDI+2.05% |
| **e. Amount of costs and premiums to be apportioned until maturity** | **716** | **281** | **1,225** | **1,607** | **2.057** | **253** | **415** | **404** | **404** | **13,092** |

The Debentures issued by the JSL Group are all simple debentures, non-unsecured, except for the 11th issuance that was issued as debentures of the floating guarantee type. All debentures have clauses of maintenance of certain financial indexes 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 March 31, 2019, including the maintenance of financial indexes, as shown in note 15.

For the 11th 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 March 31, 2019.

The repayment schedule of debentures is as follows:

**In thousands of Brazilian reais, unless otherwise stated**

| | | | | | 3/31/2019 |
|---|---|---|---|---|---|
| | | Parent company | | Consolidated | |
| | Maturity of installments | Total | % | Total | % |
| **Total current liabilities** | **Up to mar/2020** | **407,608** | **21** | **519,977** | **15** |
| | Apr to dec/2020 | 607,637 | 31 | 685,234 | 20 |
| | 2021 | 484,688 | 25 | 766,534 | 23 |
| | 2022 | 213,746 | 11 | 595,936 | 18 |
| | 2023 | 249,040 | 12 | 633,099 | 19 |
| | After 2024 | - | - | 199,360 | 5 |
| **Total non-current liabilities** | | **1,555,111** | **79** | **2,880,163** | **85** |
| **Total** | | **1,962,719** | **100** | **3,400,140** | **100** |

**In thousands of Brazilian reais, unless otherwise stated**

## 17. Finance leases payable

Finance lease agreements including Finame leases and finance leases for the acquisition of vehicles and assets of the JSL Group operating activity which have annual floating charges. The movements in finance leases for the year ended December 31, 2018 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019. The movements for the three-month period ended March 31, 2019 are as follows:

**Parent company**

| | | | | | | 3/31/2019 | Changes | | | | | | 12/31/2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Type | Annual average rate | Average rate structure | Maturity | Current | Non-current | Total | New contracts | Amortization | Interest paid | Interest | Current | Non-current | Total |
| In local currency | | | | | | | | | | | | | |
| Leases | 9.04% | CDI+2.64% | Mar/2023 | 35,852 | 41,856 | 77,708 | 2,129 | (6,963) | (2,770) | 2,024 | 35,755 | 47,533 | 83,288 |

**Consolidated**

| | | | | | | 3/31/2019 | Changes | | | | | | 12/31/2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Type | Annual average rate | Average rate structure | Maturity | Current | Non-current | Total | New contracts | Amortization | Interest paid | Interest | Current | Non-current | Total |
| In local currency | | | | | | | | | | | | | |
| Leases | 9.28% | CDI+2.88% | Mar/2023 | 83,963 | 149,937 | 233,900 | 13,033 | (23,755) | (4,888) | 6,596 | 91,402 | 151,512 | 242,914 |

**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:

| | | | | | 3/31/2019 |
|---|---|---|---|---|---|
| | | Parent company | | Consolidated | |
| | Maturity of installments | Total | % | Total | % |
| **Total current liabilities** | **Up to Mar/2020** | **35,852** | **46** | **83,963** | **36** |
| | Apr to Dec/2020 | 32,700 | 42 | 72,221 | 31 |
| | 2021 | 4,591 | 6 | 70,532 | 30 |
| | 2022 | 2,179 | 3 | 4,798 | 2 |
| | 2023 | 2,386 | 3 | 2,386 | 1 |
| **Total non-current liabilities** | | **41,856** | **54** | **149,937** | **64** |
| **Total** | | **77,708** | **100** | **233,900** | **100** |

## 18. Right of use lease

As mentioned in note 2.5, lease liabilities are distributed as follows:

| | Parent company | Consolidated |
|---|---|---|
| **Lease liabilities at 12/31/2018** | **-** | **-** |
| Addition from adoption of CPC 06 (R2) / IFRS 16 (note 2.5) | 179,387 | 470,785 |
| **Lease liabilities at 1/01/2019** | **179,387** | **470,785** |
| New contracts | - | 45,883 |
| Amortization | (7,986) | (28,561) |
| Interest paid | (1,658) | (4,807) |
| Interest | 2,972 | 6,902 |
| **Lease liabilities at 3/31/2019** | **172,715** | **490,202** |
| Current | 16,570 | 79,388 |
| Non-current | 156,145 | 410,814 |
| **Total** | **172,715** | **490,202** |

## 18.1 Amortization schedule

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

| | | | | | 3/31/2019 |
|---|---|---|---|---|---|
| | | Parent company | | Consolidated | |
| | Maturity of installments | Total | % | Total | % |
| **Total current liabilities** | **Up to Mar/2020** | **16,570** | **10** | **79,388** | **16** |
| | Apr to Dec/2020 | 20,356 | 12 | 53,041 | 11 |
| | 2021 | 23,971 | 14 | 65,628 | 13 |
| | 2022 | 19,986 | 12 | 60,643 | 12 |
| | 2023 | 16,630 | 10 | 49,244 | 10 |
| | 2024 | 15,341 | 9 | 36,596 | 7 |
| | From 2025 on | 59,861 | 33 | 145,662 | 31 |
| **Total non-current liabilities** | | **156,145** | **90** | **410,814** | **84** |
| **Total** | | **172,715** | **100** | **490,202** | **100** |

**In thousands of Brazilian reais, unless otherwise stated**

## 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. his transaction has a period of 60 months, with maturity in December 2022. The balances recorded at March 31, 2019 and December 31, 2018 are as follows:

| | Consolidated | |
|---|---|---|
| | 3/31/2019 | 12/31/2018 |
| Sales of receivables | 30,058 | 33,428 |
| Interest to be recognized | (7,397) | (9,257) |
| **Total** | **22,661** | **24,171** |
| Total current | 6,043 | 7,410 |
| Total non-current | 16,618 | 16,761 |
| **Total** | **22,661** | **24,171** |

## 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:

| | Parent company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | Judicial deposits | | Provisions | | Judicial deposits | | Provisions | |
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Labor | 27,156 | 26,088 | (36,263) | (35,964) | 50,021 | 48,428 | (50,769) | (51,201) |
| Civil | 9,862 | 9,818 | (17,057) | (17,089) | 12,124 | 12,085 | (24,235) | (24,024) |
| Tax | 9,648 | 9,915 | (298) | (298) | 12,667 | 12,887 | (840) | (338) |
| | **46,666** | **45,821** | **(53,618)** | **(53,351)** | **74,812** | **73,400** | **(75,844)** | **(75,563)** |

### 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

In the normal course of its business, the Company and its subsidiaries are involved in certain legal matters, which include civil, administrative, tax, social security and labor lawsuits.

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, as shown below.

In thousands of Brazilian reais, unless otherwise stated

The movements in the provision for judicial and administrative litigation for the year ended December 31, 2018 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019. The movements for the three-month period ended March 31, 2019 are as follows:

| | Parent company | | | |
|---|---|---|---|---|
| | Labor | Civil | Tax | Total |
| **At December 31, 2017** | **35,477** | **15,016** | **761** | **51,254** |
| Additions | 2,919 | 42 | - | 2,961 |
| Reversals | (2,172) | (580) | - | (2,752) |
| **At March 31, 2018** | **36,224** | **14,478** | **761** | **51,463** |
| **At December 31, 2018** | **35,964** | **17,089** | **298** | **53,351** |
| Additions | 3,842 | 2,803 | - | 6,645 |
| Reversal | (3,543) | (2,835) | - | (6,378) |
| **At March 31, 2019** | **36,263** | **17,057** | **298** | **53,618** |

| | Consolidated | | | |
|---|---|---|---|---|
| | Labor | Civil | Tax | Total |
| **At December 31, 2017** | **51,431** | **19,231** | **801** | **71,463** |
| Additions | 4,378 | 2,215 | - | 6,593 |
| Reversals | (4,992) | (1,760) | - | (6,752) |
| **At March 31, 2018** | **50,817** | **19,686** | **801** | **71,304** |
| **At December 31, 2018** | **51,201** | **24,024** | **338** | **75,563** |
| Additions | 5,920 | 5,187 | 502 | 11,609 |
| Reversal | (6,352) | (4,976) | - | (11,328) |
| **At March 31, 2019** | **50,769** | **24,235** | **840** | **75,844** |

**Labor**
The provision for labor lawsuits was recognized to cover losses on lawsuits claiming labor related indemnities filed by former employees of the JSL Group.

**Civil**
The provision for civil lawsuits is related to indemnity claims for damages due to several reasons against the companies of the JSL Group, and also annulment actions and claims for breach of contract.

**Tax**
The provision for tax lawsuits refers to administrative proceedings and certain tax assessment notices issued, and other lawsuits filed to challenge the legality of certain taxes charged.

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

At March 31, 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 | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Labor | 113,412 | 116,852 | 129,304 | 133,829 |
| Civil | 102,884 | 106,031 | 147,047 | 150,899 |
| Tax | 226,450 | 211,147 | 245,675 | 230,244 |
| **Total** | **442,746** | **434,030** | **522,026** | **514,972** |

**Labor**
The labor lawsuits are related to claims for labor-related indemnities filed by former employees of the JSL Group.

**In thousands of Brazilian reais, unless otherwise stated**

**Civil**
The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of the JSL Group, 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.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| IRPJ and CSLL | 99,638 | 93,347 | 122,837 | 115,644 |
| ICMS | 43,025 | 41,504 | 41,764 | 39,125 |
| INSS | 15,851 | 16,131 | 18,404 | 17,881 |
| PER / DCOMP | 16,222 | 16,661 | 20,702 | 18,705 |
| PIS and COFINS | 34,931 | 35,492 | 27,610 | 25,383 |
| Others | 16,783 | 8,012 | 14,358 | 13,506 |
| **Total** | **226,450** | **211,147** | **245,675** | **230,244** |

# 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:

The movements in deferred tax assets for the year ended December 31, 2018 are presented in the annual individual and consolidated financial statements for that year, published on March 11, 2019. The movements for the three-month period ended March 31, 2019 are as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** |
| **Tax credits** | | | | |
| Tax loss and social contribution tax loss | 63,663 | 64,435 | 189,818 | 198,353 |
| Provision for judicial and administrative litigation | 25,952 | 25,861 | 47,516 | 47,506 |
| Expected credit losses (impairment) of trade receivables | 12,975 | 6,539 | 43,841 | 51,741 |
| Property and equipment - finance leases | 14,391 | - | 14,391 | |
| Other provisions | 22,072 | 32,987 | 26,815 | 37,648 |
| Disposal of investment | 7,974 | 7,974 | 7,974 | 7,974 |
| Provision for transaction costs related to issuance of shares | 6,053 | 5,873 | 6,315 | 6,114 |
| Surplus value of property and equipment | 21,913 | 21,872 | 21,913 | 21,872 |
| Impact of right of use lease | 553 | - | 1,057 | - |
| Provision for adjustment to market value and obsolescence | 1,838 | 1,812 | 4,079 | 4,087 |
| **Total tax credits - gross** | **177,384** | **167,353** | **363,719** | **375,295** |
| **Tax debits** | | | | |
| Present value adjustment | (3,780) | (2,839) | (3,859) | (2,839) |
| Gain on bargain purchase | (10,829) | (10,829) | (10,829) | (10,829) |
| Deferred net income from sales to public authorities | (1,407) | (1,287) | (31,922) | (30,146) |
| Swap agreement | (18,197) | (15,622) | (18,516) | (15,138) |
| Fair value of cash flow hedge | (13,971) | (14,748) | (13,971) | (15,570) |
| Accounting vs. tax depreciation | (57,341) | (64,822) | (364,088) | (391,941) |
| Property and equipment - finance leases | - | (6,695) | (68,201) | (67,294) |
| Equity valuation | (3,596) | - | (3,596) | - |
| Gain on equity interests in subsidiaries | (64,925) | (60,547) | (64,925) | (59,640) |
| Realization of goodwill | (60,578) | (58,859) | (60,053) | (59,512) |
| **Total tax debts - gross** | **(234,624)** | **(236,248)** | **(639,960)** | **(652,909)** |
| **Total tax debts - net** | **(57,240)** | **(68,895)** | **(276,241)** | **(277,614)** |
| Deferred tax assets | - | - | 88,389 | 83,620 |
| Deferred tax liabilities | (57,240) | (68,895) | (364,630) | (361,234) |
| **Total tax debts - net** | **(57,240)** | **(68,895)** | **(276,241)** | **(277,614)** |

**In thousands of Brazilian reais, unless otherwise stated**

The movements in deferred tax assets are as follows:

| | Parent company | Consolidated |
|---|---|---|
| **At December 31, 2018** | **(68,895)** | **(277,614)** |
| Deferred income tax and social contribution recognized in the statement of profit or loss | 4,562 | (5,566) |
| Deferred income tax and social contribution recognized in the statement of comprehensive income | 125 | 125 |
| Reclassifications between deferred and current | 6,968 | 6,814 |
| **At March 31, 2019** | **(57,240)** | **(276,241)** |

## 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, at March 31, 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 Borgato Caminhões for which future realization is not expected.

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

The realization of these credits related to the balance for the year ended December 31, 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.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **3/31/2019** | **3/31/2018** | **3/31/2019** | **3/31/2018** |
| Profit (loss) before income tax and social contribution | **45,130** | **(1,264)** | **87,660** | **42,214** |
| Statutory rates | 34% | 34% | 34% | 34% |
| **Income tax and social contribution calculated at the standard rates** | **(15,344)** | **429** | **(29,804)** | **(14,353)** |
| **Permanent (additions) exclusions** | | | | |
| Equity results from subsidiaries | 23,388 | 16,102 | (123) | (149) |
| Tax incentives - Workers Meal Program (“PAT”) | (419) | - | (621) | 106 |
| Interest on capital remuneration - received | (4,769) | (1,054) | (7,562) | - |
| Interest on capital remuneration - paid | - | - | 9,594 | 553 |
| Deferred credits not set up on tax losses abroad | - | - | (1,593) | (2,811) |
| Non-deductible expenses and other permanent (additions) deductions | (58) | (637) | 3,209 | (469) |
| **Income tax and social contribution calculated** | **2,798** | **14,840** | **(26,900)** | **(17,123)** |
| Current | (1,764) | - | (21,334) | (10,661) |
| Deferred | 4,562 | 14,840 | (5,566) | (6,462) |
| **Income tax and social contribution on results** | **2,798** | **14,840** | **(26,900)** | **(17,123)** |
| Effective rate | 6.20% | (1,174.05%) | (30.69%) | (40.56%) |

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.

**In thousands of Brazilian reais, unless otherwise stated**

## 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:

| | | | | | | | | | | Parent company |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | **Cash and cash equivalents (note 5)** | | **Advances to third parties and other credits** | | **Trade receivables (note 7)** | | **Related parties** | | | |
| | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** | **Relationship** | **Specification** |
| **Related parties** | | | | | | | | | | |
| Avante Veículos | - | - | - | - | 38 | 3 | - | - | Subsidiary | Sale of assets |
| Borgato Caminhões | - | - | - | - | 26 | 7 | - | - | Subsidiary | Operating lease |
| Vamos Máquinas | - | - | - | - | 194 | 141 | - | - | Subsidiary | Operating lease |
| Borgato Serviços | - | - | - | - | 13 | 14 | - | - | Subsidiary | Operating lease |
| Ciclus Ambiental | - | - | - | - | 43,058 | 22,597 | - | - | Associate | Operating lease |
| Consórcio Sorocaba | - | - | - | - | - | 50 | - | - | Consortium | Reimbursement of expenses |
| CS Brasil | - | - | - | - | 20,964 | 2,691 | 11,888 | 11,961 | Subsidiary | Sale of assets / Operating lease /Loan |
| CS Brasil Frotas | - | - | - | - | 4,880 | 761 | 3,161 | 3,091 | Subsidiary | Operating lease / Loan |
| Instituto Júlio Simões | - | - | - | - | - | 40 | - | - | Associate | Reimbursement of expenses / CSA |
| JSL Arrendamento | 29,225 | 19,909 | 6,832 | - | 639 | - | - | - | Subsidiary | Reimbursement of expenses / JSL Card / CSA |
| JSL Corretora | - | - | - | - | 41 | 18 | - | - | Subsidiary | Sale of assets / Operating lease |
| JSL Empreendimentos Imobiliários | - | - | - | - | 5,002 | 5,001 | 100 | 63 | Subsidiary | Sale of assets (property) / Loan |
| JSL Europe | - | - | 8,771 | 8,771 | - | - | - | - | Subsidiary | Reimbursement of expenses |
| Medlogística | - | - | - | - | 4 | 284 | - | - | Subsidiary | Operating lease |
| Mogipasses | - | - | 2 | - | - | 19 | - | - | Subsidiary | Reimbursement of expenses / CSA |
| Movida Locação | - | - | 4,452 | - | 23 | 3,063 | - | - | Subsidiary | Sale of assets / Operating lease / Reimbursement of expenses / CSA |
| Movida Participações | - | - | 603 | - | 10 | 1,015 | - | - | Subsidiary | Operating lease / reimbursement of expenses / CSA |
| Movida Premium | - | - | 48 | - | - | 34 | - | - | Subsidiary | Reimbursement of expenses / CSA |
| Original Veículos | - | - | - | - | 413 | 52 | 10,123 | 18,481 | Subsidiary | Sale of assets / Loan |
| Ponto Veículos | - | - | - | - | 103 | 6 | - | - | Subsidiary | Sale of assets |
| Quick Armazéns | - | - | 2 | - | - | - | - | - | Subsidiary | Reimbursement of expenses / CSA |
| Quick Logística | - | - | 13,033 | 13,393 | 4,774 | 4,724 | 5,313 | 5,717 | Subsidiary | Operating lease / reimbursement of expenses / CSA / Loan |
| Ribeira Imóveis | - | - | - | - | 18 | 9 | - | - | Related parties | Reimbursement of expenses |
| Simpar | - | - | - | - | 34 | 103 | - | - | Parent Company | Reimbursement of expenses |
| Transrio | - | - | - | - | 2,163 | 2,224 | - | - | Subsidiary | Operating lease |
| Vamos | - | - | 63,467 | 5,290 | 71,121 | 68,160 | 17 | 17 | Subsidiary | Sale of assets / Operating lease / Reimbursement of expenses / CSA / Loan |
| Yolanda | - | - | - | - | 4,446 | 4,413 | - | - | Subsidiary | Operating lease |
| Others | - | - | - | - | 79 | 369 | - | - | | |
| **Total** | **29,225** | **19,909** | **97,210** | **27,454** | **158,043** | **115,798** | **30,602** | **39,330** | | |
| Current | 29,225 | 19,909 | 97,210 | 27,454 | 158,043 | 115,798 | - | - | | |
| Non-current | - | - | - | - | - | - | 30,602 | 39,330 | | |
| **Total** | **29,225** | **19,909** | **97,210** | **27,454** | **158,043** | **115,798** | **30,602** | **39,330** | | |

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.

**In thousands of Brazilian reais, unless otherwise stated**

**Parent company**

| Liabilities | Other payables | | Trade payables (note 13) | | | |
|---|---|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | Relationship | Specification |
| **Related parties** | | | | | | |
| Avante Veículos | - | - | - | 3 | Subsidiary | Services rendered |
| Borgato Caminhões | - | 2,014 | 1,122 | - | Subsidiary | Purchase of assets |
| Vamos Máquinas | - | - | 278 | - | Subsidiary | Purchase of assets |
| CS Brasil Frotas | - | - | - | 28 | Subsidiary | Operating lease |
| JSL Arrendamento | - | - | 6,270 | 5,828 | Subsidiary | JSL Card |
| JSL Corretora | - | - | - | 15 | Subsidiary | Sale of assets / Operating lease |
| Movida Locação | - | - | 62 | 27 | Subsidiary | Operating lease |
| Movida Participações | - | - | 17 | - | Subsidiary | Operating lease |
| Movida Premium | 5 | 6 | - | - | Subsidiary | Reimbursement of expenses |
| Original Veículos | - | - | - | 368 | Subsidiary | Discounts on purchase of vehicles |
| Ponto Veículos | - | - | - | 6 | Subsidiary | Sale of assets / Operating lease |
| Quick Logística | - | - | - | 74 | Subsidiary | Operating lease |
| Ribeira Imóveis | - | - | 218 | 221 | Related parties | Operating lease |
| Transrio | - | - | 178 | 669 | Subsidiary | Services rendered |
| Vamos | - | - | 5,863 | 43 | Subsidiary | Operating lease |
| **Total** | **5** | **2,020** | **14,008** | **7,282** | | |

Management, by means of an Administrative Services Center (CSA), share the corporate expenses between members of the JSL Group business group through the apportionment and reimbursement of expenses. In the table below are the balances of intercompany transactions that are not eliminated in consolidation:

**Consolidated**

| Assets | Trade receivables | | Other credits | | Related parties | | | |
|---|---|---|---|---|---|---|---|---|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | Relationship | Specification |
| **Related parties** | | | | | | | | |
| Ciclus Ambiental | 43,078 | 22,597 | - | - | - | 306 | Associate | CSA/Reimbursement of expenses/ Operating lease |
| Borgato family | - | - | 1,500 | 6,000 | - | - | Related parties | Sale of aircraft |
| Instituto Júlio Simões | - | - | - | - | - | 3 | Associate | CSA/Reimbursement of expenses |
| Ribeira Imóveis | - | - | - | - | 21 | 11 | Related parties | Reimbursement of expenses |
| Simpar | - | - | - | - | - | 26 | Parent company | Reimbursement of expenses |
| Others | - | - | - | - | 9 | - | | Reimbursement of expenses / Operating lease/ CSA |
| **Total** | **43,078** | **22,597** | **1,500** | **6,000** | **30** | **346** | | |

In thousands of Brazilian reais, unless otherwise stated

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| **Liabilities** | **Trade payables (note 13)** | | **Related parties** | | | |
| | **3/31/2019** | **12/31/2018** | **3/31/2019** | **12/31/2018** | **Relationship** | **Specification** |
| **Related parties** | | | | | | |
| Ribeira Imóveis | 219 | - | - | 226 | Related parties | Operating lease |
| Others (i) | - | - | - | 20 | Representative Board of Directors | Services rendered |
| **Total** | **219** | **-** | **-** | **246** | | |

(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.

**In thousands of Brazilian reais, unless otherwise stated**

## 22.2 Related-party transactions with effect on profit or loss for the year

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 and selling expenses | | Other operating income/ expenses | | Finance income | | Finance cost | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 |
| **Transactions eliminated in profit or loss** | | | | | | | | | | | | | | | | |
| JSL S.A. | 1,086 | 4,530 | (2,412) | (4,688) | 32,325 | 82 | (32,325) | (721) | (22) | - | 425 | 640 | 960 | 793 | (1) | - |
| Avante Veículos | 246 | 334 | (277) | (342) | - | - | - | - | - | - | - | - | - | - | - | - |
| Borgato Caminhões | 163 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vamos Máquinas | 597 | - | (870) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borgato Serviços | 33 | - | (99) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CS Brasil | 4,424 | 91 | (9,648) | (4,732) | 1,896 | 453 | (1,896) | (1,414) | - | - | - | - | 14 | - | (455) | - |
| CS Brasil Frotas | 2,351 | - | (4,294) | - | 8,025 | 1,266 | (8,025) | (289) | - | - | - | - | - | - | (190) | - |
| JSL Arrendamento | - | 1,592 | (4) | (16) | - | - | - | - | - | - | - | - | 1,398 | - | - | (2,012) |
| JSL Corretora | - | - | (78) | (84) | - | - | - | - | - | - | - | - | - | - | - | - |
| JSL Empreendimentos Imobiliários | - | 57 | - | - | - | - | - | - | - | - | - | - | - | - | (2) | - |
| JSL Europe | - | - | - | - | - | - | - | - | - | - | - | - | 12,316 | - | - | - |
| JSL Finance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (12,316) | - |
| JSL Holding | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,219 | (1,398) | - |
| Medlogística | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mogipasses | 403 | 365 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Movida GTF (merged into Movida Participações) | - | 1,242 | - | (37,156) | - | - | - | (16) | - | - | - | - | - | - | - | - |
| Movida Locação | 47,999 | 34,896 | (2,667) | (699) | 1,641 | - | (1,641) | - | - | - | - | - | - | 402 | - | - |
| Movida Participações | 707 | - | (49,633) | (1) | 493 | - | (493) | - | - | - | - | - | - | - | - | - |
| Movida Premium | - | - | (4,011) | (488) | - | - | - | - | - | - | - | - | - | - | - | - |
| Original Distribuidora | 794 | - | 46 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Original Veículos | 563 | 1,479 | (500) | (869) | - | - | - | - | - | - | - | - | - | - | (253) | - |
| Ponto Veículos | 2,639 | 978 | (679) | (1,185) | - | - | - | - | - | - | - | - | - | - | - | - |
| Quick Armazéns | - | - | - | - | - | - | - | - | - | - | - | - | 72 | - | - | - |
| Quick Logística | - | - | (367) | (1,175) | - | - | - | - | - | - | - | - | - | - | (145) | - |
| Transrio | 380 | 997 | (10) | (427) | - | - | - | - | - | - | - | - | - | - | - | - |
| Vamos | 13,336 | 8,893 | (1,623) | (3,591) | 8,419 | 640 | (8,419) | - | - | - | 1,427 | - | - | - | - | - |
| Yolanda | - | - | - | (641) | - | - | - | - | (425) | - | - | - | - | - | - | - |
| | **75,721** | **55,454** | **(77,126)** | **(56,094)** | **52,799** | **2,441** | **(52,799)** | **(2,440)** | **(447)** | **-** | **1,852** | **640** | **14,760** | **2,414** | **(14,760)** | **(2,012)** |
| **Related-party transactions** | | | | | | | | | | | | | | | | |
| Almeida Prado (i) | - | - | (35) | (35) | - | - | - | - | - | - | - | - | - | - | - | - |
| Ciclus Ambiental | 21,648 | 27,742 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Radio Calil (i) | - | - | (528) | (542) | - | - | - | - | - | - | - | - | - | - | - | - |
| Ribeira Imóveis | 2 | - | (1,677) | (3,482) | - | - | - | - | - | - | - | - | - | - | - | - |
| | **21,650** | **27,742** | **(2,240)** | **(4,059)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **97,371** | **83,196** | **(79,366)** | **(60,153)** | **52,799** | **2,441** | **(52,799)** | **(2,440)** | **(447)** | **-** | **1,852** | **640** | **14,760** | **2,414** | **(14,760)** | **(2,012)** |

(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.

**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 agreements for properties with the associate Ribeira Imóveis Ltda. The rent amount recognized in the statement of profit or loss for the three-month period ended March 31, 2019 was R$ (1.677) and in the year ended December 31, 2018 the amount recognized was R$ (3.482). The agreements have conditions in line with market values and have maturities until 2023.

## 22.4 Administrative services center

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 three-month period ended March 31, 2019, the amount related to recovery of expenses in the parent company was R$ 11,093 (R$ 4,501 at March 31, 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:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 |
| Fixed compensation | (3,852) | (3,141) | (6,399) | (6,580) |
| Variable compensation | - | - | (90) | (333) |
| Benefits | (81) | (59) | (161) | (103) |
| Shared-based compensation | (85) | (1,096) | (222) | (2,001) |
| **Total** | **(4,018)** | **(4,296)** | **(6,872)** | **(9,016)** |

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

The managers are included in the Company's share-based compensation plan. During the three-month periods ended March 31, 2018 and 2017, there was no exercise of stock options by the managers.

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

### a) Share-based payment

The Company's fully subscribed and paid-in capital at March 31, 2019 and December 31, 2018 is R$ 681,202, 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.

At March 31, 2019 and December 31, 2018, the Company's fully paid-in capital stock is divided into 205,537,500 registered shares, with no par value, of which 205,114,432 are common shares with voting rights and 422,968 non-voting treasury shares.

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 the approval by the Fiscal Council.

**In thousands of Brazilian reais, unless otherwise stated**

| | Amount | Common shares |
|---|---|---|
| **At December 31, 2017** | **660,395** | **202,500,000** |
| Capital increase | 20,807 | 3,037,500 |
| **At December 31, 2018** | **681,202** | **205,537,500** |
| Capital increase | - | - |
| **At March 31, 2019** | **681,202** | **205,537,500** |

The following table presents the quantity and weighted average exercise price and the movement os stock options during the year:

| | Consolidated |
|---|---|
| **Number of options outstanding at 12/31/2016** | **3,521,895** |
| **Issued – 2017 Grants** | |
| April 2017 | 997,975 |
| **Number of options outstanding at 12/31/2017** | **4,519,870** |
| **Cancelled – 2018** | |
| January 2018 | (3,513) |
| **Number of options outstanding at 12/31/2018** | **4,516,357** |
| **Number of options outstanding at 3/31/2019** | **4,516,357** |

### b) Government grants

The JSL Group through its subisdiary Quick Logística is entitled to a tax benefit grant related to the valuaded tax on sales and services (ICMS) in the state of Goias, and during the three-month periods ended March 31, 2019 the amount utilized was R$ 1.040 (2018 - R$ 529). At the parent company, due to the calculation of the ICMS being effected through the presumed credit method, there was use in the amount of R $7,966, for the three-month periods ended March 31, 2019, registered as a reserve of government grants, according to the Law No. 12.973/14 Art. 30th paragraph 4. On March 31, 2019 the accumulated amount of government grants reserve is R$19,879 (R$10,873 on December 31, 2018).

## 23.2 Capital reserves

### c) Share-based payment

For the three-month period ended March 31, 2019, no new shares were granted, and R$ 222 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 payments" in equity is R$ 23,080 at March 31, 2019 (R$ 22,858 at December 31, 2018).

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

| | Stock options (i) | Restricted shares (ii) | Total |
|---|---|---|---|
| **At December 31, 2017** | **15,751** | **-** | **15,751** |
| Allocation for the year | 5,932 | 1,175 | 7,107 |
| **At December 31, 2018** | **21,683** | **1,175** | **22,858** |
| Allocation for the year | - | 222 | 222 |
| **At March 31, 2019** | **21,683** | **1,397** | **23,080** |

## 23.3 Treasury shares

At March 31, 2019, the Company and its subsidiaries have a balance of R$ 103,925 (R#$ 103,925 at December 31, 2018),representing 422,968 common shares held in treasury.

## 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 individual and consolidated interim financial information, interest on capital is stated as allocation of profit directly in equity.

At March 31, 2019, the parent company has a balance of R$ 255,423 (At December 31, 2018 - R$ 93,331) related to dividends receivable from its subsidiaries Movida Participações, Vamos and CS Frotas.

At March 31, 2019 and December 31, 2018, the Company has recognized in its liabilities the amount of R $ 48,889 related to interest on capital:

## 23.5 Equity valuation adjustments

### a) Deemed costs of assets

The deemed cost of assets refers to acquisitions of prior years in the amount of R$ 4,634.

### b) Gain on equity interest in subsidiaries – IPO of subsidiary Movida Participações S.A.

On February 8, 2017, the subsidiary Movida concluded its Initial Public Offering (IPO). As a result of this offering, the primary distribution of 71,460,674 shares and the secondary distribution of 6,741,573 shares were carried out, all of them no-par, registered, book-entry common shares, free and clear from any liens or encumbrances.

As a result of the subscription and payment of the new shares, the JSL Group recorded equity adjustments of R$ 49,564, net of taxes, reflecting capital gain without losing control in Movida.

As a result of the sale of part of the investment in the secondary distribution, the JSL Group recorded equity adjustments of R$ 11,151, net of taxes, considering the maintenance of control over the investee.

### c) Gains on interests in subsidiaries – Borgato Companies

During 2017, Vamos acquired the total shares of the Borgato Companies and part of the payment was made with 9% of the Vamos shares. This transaction generated a capital gain of R$ 30,951, net of taxes, of which R$ 17,272 recorded in Equity Adjustments in the year ended December 31, 2017, due to the revaluation of the shares. During the period ended September 30, 2018, a complement of the gain in the amount of R$ 13,679 was recorded.

On June 8, 2018, the Company repurchased the Vamos shares held by non-controlling shareholders, as described in note 1.2 (c) of the annual individual and consolidated financial statements as of December 31, 2018, published on March 11, 2019, resulting together with the gain on the transaction above in an equity gain and other movements of R$ 35,622.

### 23.6 Noncontrolling 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.

At March 31, 2019, the Company has R$ 505,203 (R$ 495,354 at December 31, 2018) related to non-controlling interests.

Additionally, there was a distribution of dividends to non-controlling shareholders in the amount of R$ 5,985 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 (equivalent to R$3,500), damage coverage and maximum guarantee per trip of US$ 180 (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.

*iv.* *Third-party property liability*

**In thousands of Brazilian reais, unless otherwise stated**

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

| | | **Consolidated** |
|---|---|---|
| **Insured services** | **Effective period** | **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 |
| Landslides | 12/2018 to 12/2019 | 60 |
| Aggravated theft | 12/2018 to 12/2019 | 500 |
| Stationery equipment | 12/2018 to 12/2019 | 500 |
| Mobile equipment | 12/2018 to 12/2019 | 570 |
| Civil liability – operations | 12/2018 to 12/2019 | 1,520 |
| Loss of profit | 12/2018 to 12/2019 | 600 |
| Theft of assets inside an establishment | 12/2018 to 12/2019 | 30 |
| Theft of assets in transit | 12/2018 to 12/2019 | 10 |
| Lease payment or loss | 12/2018 to 12/2019 | 900 |
| Cargo transportation | 12/2018 to 12/2019 | 350 |
| Building and content | 12/2018 to 12/2019 | 59,300 |
| **Total coverage** | | **127,650** |

v. *Insurance for guarantees of public obligations*

The JSL Group has insurance for guarantees of public obligations with insurance companies through its subsidiary CS Brasil at March 31, 2019, as shown below:

| **Beneficiary** | **Guarantee** | **Location (State)** | **Total coverage** | **Effective period** |
|---|---|---|---|---|
| Agencies linked to the Government of the State of São Paulo | Vehicle rental / management and maintenance | São Paulo | 17,853 | 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 | 18,357 | 6/3/2013 to 4/23/2024 |
| Agencies linked to the Government of the Minas Gerais | Vehicle rental / management and maintenance | Minas Gerais | 3,819 | 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 | 2,220 | 7/26/2018 to 2/8/2021 |
| Agencies linked to the Government of the State of Paraná | Vehicle rental / management and maintenance | Paraná | 2,439 | 3/26/2018 to 12/14/2020 |
| Agencies linked to the Government of the State of Bahia | Vehicle rental / management and maintenance | Bahia | 382 | 5/29/2015 to 1/18/2020 |
| Agencies linked to the Government of the State of Piauí | Vehicle rental / management and maintenance | Ceará | 1,067 | 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 | 229 | 6/19/2018 to 3/25/2020 |
| Agencies linked to the Government of the State of Pernambuco | Vehicle rental / management and maintenance | Pernambuco | 726 | 9/21/2018 to 3/25/2020 |

**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.

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **3/31/2019** | **3/31/2018** | **3/31/2019** | **3/31/2018** |
| Revenue from services rendered | 600,440 | 582,736 | 679,673 | 683,180 |
| Revenue from rental | 102,644 | 111,109 | 681,103 | 568,508 |
| Revenue from sale of decommissioned assets | 67,026 | 27,066 | 551,847 | 424,246 |
| Revenue from sale of new vehicles | - | - | 143,374 | 125,320 |
| Revenue from sale of used vehicles | - | - | 72,624 | 71,751 |
| Revenue from sale of parts and accessories | - | - | 40,658 | 36,631 |
| Other revenues | - | - | 42,505 | 27,176 |
| **Total net revenue** | **770,110** | **720,911** | **2,211,784** | **1,936,812** |

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **3/31/2019** | **3/31/2018** | **3/31/2019** | **3/31/2018** |
| **Gross revenue** | **927,691** | **879,549** | **2,520,643** | **2,194,330** |
| Less: | | | | |
| Taxes on sales | (132,228) | (132,170) | (243,277) | (212,965) |
| Returns | (14,115) | (14,075) | (29,846) | (25,926) |
| Toll rates | (11,212) | (12,384) | (11,921) | (13,230) |
| Discounts granted | (26) | (9) | (23,815) | (5,397) |
| **Total net revenue** | **770,110** | **720,911** | **2,211,784** | **1,936,812** |

### b) Breakdown of revenue from contracts with customers

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:

| | Parent company | |
|---|---|---|
| **Main products and services** | **3/31/2019** | **3/31/2018** |
| Revenue from dedicated services | 338,973 | 393,075 |
| Revenue from general cargo | 261,467 | 189,661 |
| Revenue from rental | 102,644 | 111,109 |
| Revenue from sale of decommissioned assets | 67,026 | 27,066 |
| **Total net revenue** | **770,110** | **720,911** |
| | | |
| **Timing of revenue recognition** | | |
| Products transferred at a specific point in time | 703,084 | 693,845 |
| Products and services transferred over time | 67,026 | 27,066 |
| **Total net revenue** | **770,110** | **720,911** |

### In thousands of Brazilian reais, unless otherwise stated

| | | | | | | | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Transportation and logistics | | Original | | Movida | | Vamos | | Financial services | | Eliminations | | Total | |
| | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 |
| Revenue from dedicated services | 355,394 | 418,731 | - | - | - | - | - | - | - | - | - | - | 355,394 | 418,731 |
| Revenue from transport of passengers | 39,924 | 46,899 | - | - | - | - | - | - | - | - | - | - | 39,924 | 46,899 |
| Revenue from general cargo | 284,355 | 217,551 | - | - | - | - | - | - | - | - | - | - | 284,355 | 217,551 |
| Revenue from rental | 222,410 | 213,404 | - | - | 344,113 | 267,748 | 129,363 | 105,985 | - | - | (14,444) | (16,070) | 681,442 | 571,067 |
| Revenue from sale of decommissioned assets | 92,060 | 71,666 | 2,931 | 2,306 | 468,416 | 336,403 | 34,326 | 15,458 | - | - | (45,886) | (1,587) | 551,847 | 424,246 |
| Revenue from sale of new vehicles | - | - | 78,725 | 67,550 | - | - | 64,649 | 57,770 | - | - | - | - | 143,374 | 125,320 |
| Revenue from sale of used vehicles | - | - | 67,643 | 67,422 | - | - | 4,981 | 4,329 | - | - | - | - | 72,624 | 71,751 |
| Revenue from sale of parts and accessories | - | - | 15,915 | 12,424 | - | - | 28,183 | 24,206 | - | - | (3,440) | - | 40,658 | 36,630 |
| Other revenues | - | - | 20,873 | 12,643 | - | - | 12,319 | 4,699 | 8,974 | 7,275 | - | - | 42,166 | 24,617 |
| **Total net revenue** | **994,143** | **968,251** | **186,087** | **162,345** | **812,529** | **604,151** | **273,821** | **212,447** | **8,974** | **7,275** | **(63,770)** | **(17,657)** | **2,211,784** | **1,936,812** |
| **Timing of revenue recognition** | | | | | | | | | | | | | | |
| Products transferred at a specific point in time | 416,339 | 336,116 | 165,214 | 149,702 | 468,416 | 336,403 | 132,139 | 101,763 | - | - | (49,326) | (1,587) | 1,132,782 | 922,397 |
| Products and services transferred over time | 577,804 | 632,135 | 20,873 | 12,643 | 344,113 | 267,748 | 141,682 | 110,684 | 8,974 | 7,275 | (14,444) | (16,070) | 1,079,002 | 1,014,415 |
| **Total net revenue** | **994,143** | **968,251** | **186,087** | **162,345** | **812,529** | **604,151** | **273,821** | **212,447** | **8,974** | **7,275** | **(63,770)** | **(17,657)** | **2,211,784** | **1,936,812** |

***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 | |
|---|---|---|---|---|
| | **03/31/2019 (i)** | **03/31/2018 (i) (Reclassified note 2.4)** | **03/31/2019 (i)** | **03/31/2018 (i) (Reclassified note 2.4)** |
| Cost of sale of new vehicles | - | - | (134,225) | (116,839) |
| Cost of sale of used vehicles | - | - | (71,741) | (61,856) |
| Fleet costs / expenses | (10,756) | (9,500) | (52,288) | (40,759) |
| Cost of sale of assets used in services rendered | (67,889) | (25,745) | (548,559) | (401,663) |
| Cost of sales of parts | - | - | (25,457) | (24,241) |
| Personnel | (211,287) | (204,536) | (387,029) | (350,738) |
| Related and third parties | (217,979) | (231,172) | (230,196) | (246,284) |
| Depreciation and amortization | (54,686) | (51,117) | (206,836) | (141,748) |
| Parts, tires and maintenance | (70,989) | (59,356) | (108,805) | (117,021) |
| Fuels and lubricants | (34,566) | (32,735) | (56,301) | (58,750) |
| (Provision) reversal for judicial and administrative litigation | (267) | (209) | (281) | 159 |
| Advertising and publicity | (480) | (417) | (2,926) | (1,422) |
| Services rendered | (21,437) | (21,783) | (68,059) | (51,176) |
| Reversal (provision) for expected credit losses (impairment) of trade receivables | 5,735 | (3,219) | (5,753) | (9,267) |
| Court-ordered indemnities | (4,861) | (2,530) | (9,647) | (4,365) |
| Electric power | (5,261) | (4,193) | (8,200) | (6,279) |
| Packaging material | (1,249) | (2,472) | (1,259) | (2,472) |
| Communication | (292) | (405) | (2,004) | (9,526) |
| Travel, meals and accommodation | (1,134) | (987) | (8,932) | (2,454) |
| Property leasing (note 2.5 (e)) | (177) | (9,860) | (8,425) | (40,883) |
| Rent of vehicles, machinery and equipment | (6,235) | (7,872) | (2,775) | (11,625) |
| Result in the sale of damaged vehicles (ii) | 243 | 270 | (1,530) | (18,684) |
| Recovery of PIS and COFINS | 32,016 | 32,850 | 76,303 | 68,495 |
| Extemporaneous tax credits | 3,846 | 852 | 8,529 | 1,332 |
| Tax expenses | (701) | (3,484) | (802) | (6,743) |
| Other costs | (20,748) | (31,059) | (86,486) | (69,831) |
| | **(689,154)** | **(668,679)** | **(1,943,684)** | **(1,724,640)** |
| Cost of sales, rentals and services rendered | (597,456) | (596,066) | (1,184,368) | (1,115,629) |
| Cost of sales of decommissioned assets | (67,889) | (25,745) | (548,559) | (401,663) |
| Selling expenses | (5,057) | (7,395) | (55,806) | (65,639) |
| Administrative expenses | (24,414) | (29,536) | (148,145) | (111,951) |
| Reversal (provision) for expected credit losses (impairment) of trade receivables | 5,735 | (3,219) | (5,753) | (9,267) |
| Other operating expenses | (9,505) | (9,785) | (33,998) | (28,219) |
| Other operating income | 9,432 | 3,067 | 32,945 | 7,728 |
| | **(689,154)** | **(668,679)** | **(1,943,684)** | **(1,724,640)** |

(i) The amounts as of March 31, 2019 reflect the impacts of the adoption of CPC 06 (R2) / IFRS 16 - Leases, and the statement of profit or loss for the three-month period ended March 31, 2018 is not being restated. Note 2.5 (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 amount of R$ 1,388 and R$ 14,148 in Parent Company and Consolidated, respectively (R$ 412 and R$ 11,478 at March 31, 2018, Parent Company and Consolidated, respectively); and;

(iii) The amounts as of March 31, 2019 considers losses on the sale of decommissioned assets in the amount of R$ 863, of which R$ 67,026 is related to revenue from sale and R$ 67,889 refers to the write-off of the cost of the asset in the Parent Company and Consolidated.

***In thousands of Brazilian reais, unless otherwise stated***

## 27. Finance income (costs)

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **3/31/2019** | **3/31/2018** | **3/31/2019** | **3/31/2018** |
| **Finance income** | | | | |
| Financial investments | 15,279 | 21,602 | 70,310 | 52,854 |
| Monetary variation income | 19,662 | 5,227 | 20,247 | 5,371 |
| Other finance income | 1,003 | 330 | 16,965 | 6,643 |
| Interest received | 632 | 558 | 3,741 | 2,586 |
| **Total finance income** | **36,576** | **27,717** | **111,263** | **67,454** |
| **Finance costs** | | | | |
| **Debt service costs** | | | | |
| Interest on loans and borrowings and debentures | (116,337) | (114,915) | (227,960) | (184,170) |
| Interest and bank fees on finance leases | (2,024) | (2,255) | (6,596) | (5,160) |
| Interest on suppliers financing - car makers | - | (241) | - | (14,193) |
| Exchange rate changes | (42,746) | (35,689) | (47,655) | (26,689) |
| Net gains (losses) on swap agreements | 43,796 | 31,664 | 48,928 | 31,664 |
| **Total debt service costs** | **(117,311)** | **(121,436)** | **(233,283)** | **(198,548)** |
| Interest on right-of-use lease | (2,972) | - | (6,902) | |
| Interest payable | (3,380) | (3,294) | (4,310) | (16,659) |
| Other finance costs | (17,528) | (3,843) | (46,846) | (21,766) |
| **Total finance costs** | **(141,191)** | **(128,573)** | **(291,341)** | **(236,973)** |
| **Net financial result** | **(104,615)** | **(100,856)** | **(180,078)** | **(169,519)** |

## 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:

| | Consolidated | |
|---|---|---|
| | **3/31/2019** | **3/31/2018** |
| **Numerator:** | | |
| Profit for the period attributable to owners of the Company | 47,928 | 13,576 |
| **Denominator:** | | |
| Weighted average number of outstanding shares | 202,151,929 | 201,583,834 |
| **Basic earnings per share – R$** | **0.2371** | **0.0673** |

### Weighted average number of outstanding shares

| | **3/31/2019** | **3/31/2018** |
|---|---|---|
| Common shares – January 1 | 202,151,929 | 201,583,834 |
| **Weighted average number of outstanding shares** | **202,151,929** | **201,583,834** |

### 28.2 Diluted

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

***In thousands of Brazilian reais, unless otherwise stated***

| | Consolidated | |
|---|---|---|
| | **3/31/2019** | **3/31/2018** |
| Profit for the period attributable to owners of the Company | 47,928 | 13,576 |
| Weighted average number of outstanding shares | 205,114,532 | 201,583,834 |
| Adjustments for: | | |
| Stock options | 5,057,980 | 4,246,452 |
| Weighted average number of shares for diluted earnings per share | 210,172,512 | 205,830,286 |
| **Diluted earnings per share - R$** | **0.2280** | **0.0660** |

## 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:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **3/31/2019** | **3/31/2018** | **3/31/2019** | **3/31/2018** |
| **Reconciliations between additions to property and equipment and additions to cash flows:** | | | | |
| Total additions to property and equipment | 289,893 | 68,917 | 1,779,815 | 728,189 |
| Raising of finance leases and Finame for the acquisition of operating property and equipment | (34,758) | (32,920) | (109,341) | (137,656) |
| Addition of right of use lease | (179,387) | - | (516,668) | - |
| Changes in the balance of suppliers financing – car makers | - | 1,264 | - | 121,784 |
| Changes in the balance of trade payables for property and equipment and car makers | 10,693 | (5,836) | (345,719) | (10,498) |
| | **86,441** | **31,425** | **808,087** | **701,819** |
| Statements of cash flows: | | | | |
| Operating property and equipment | 82,270 | 27,770 | 794,121 | 694,141 |
| Property and equipment for investment | 4,171 | 3,655 | 13,966 | 7,678 |
| Total additions to property and equipment | **86,441** | **31,425** | **808,087** | **701,819** |

## 30. Subsequent events

### 30.1 Subsidiary Vamos

On April 08, 2019, in the Extraordinary General Assembly, were approved the reformulation of the Social Capital and the cancellation of 21,553,895 shares, currently in treasury and reflect the grouping of shares in the ratio of 3 to 1.

On April 29, 2019, the subsidiary filed the request for cancellation of the public offering for primary and secondary distribution of common shares, considered the current conditions of the market. The CVM granted registration of publicy traded company in category "A", which allows the issuance of securities including shares.

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## Statement of Fiscal Council

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 interim financial information for the three-month period ended March 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, May 6, 2019.

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Luiz Augusto Marques Paes

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Luciano Douglas Colauto

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Rafael Ferraz Dias de Moraes

## Statement of the Executive Board on the Financial Statements

STATEMENT OF EXECUTIVE BOARD ON INTERIM FINANCIAL INFORMATION

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

São Paulo, May 8, 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

STATEMENT OF THE EXECUTIVE BOARD ON THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

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 the Company, for the three-month period ended March 30, 2019 issued on this date.

São Paulo, May 8, 2019.

Fernando Antonio Simões
Chief Executive Officer

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

Samir Moises Gilio Ferreira
Controller Director