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Company information / Capital composition

Quantity of shares (Thousand)	Current quarter 09/30/2020
Paid-up capital	
Common	862,478
Preferred	0
Total	862,478
Treasury	
Common	1,684
Preferred	0
Total	1,684

Individual financial statements / Balance sheet - Assets

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2020	Prior year 12/31/2019
1	Total assets	3,888,967	2,884,951
1.01	Current assets	1,039,588	392,670
1.01.01	Cash and cash equivalents	489,463	108,462
1.01.02	Interest earning bank deposits	424,662	159,067
1.01.02.01	Interest earning bank deposits measured at fair value through profit or loss	424,662	159,067
1.01.02.01.02	Fair value securities	424,662	159,067
1.01.03	Accounts receivable	88,001	81,352
1.01.03.01	Trade accounts receivable	88,001	81,352
1.01.04	Inventories	20,372	19,156
1.01.06	Recoverable taxes	4,852	3,446
1.01.06.01	Current taxes recoverable	4,852	3,446
1.01.08	Other Current assets	12,238	21,187
1.01.08.03	Other	12,238	21,187
1.01.08.03.01	Dividends receivable / proposed	0	3,632
1.01.08.03.03	Other accounts receivable	12,238	17,555
1.02	Non-current assets	2,849,379	2,492,281
1.02.01	Long-term assets	378,144	344,137
1.02.01.07	Deferred taxes	70,421	51,222
1.02.01.07.01	Deferred income tax and social contribution	70,421	51,222
1.02.01.10	Other non-current assets	307,723	292,915
1.02.01.10.04	Judicial deposits	287,723	274,770
1.02.01.10.05	Others Assets	20,000	18,145
1.02.02	Investments	402,072	398,460
1.02.02.01	Equity interest	402,072	398,460
1.02.02.01.02	Interest in subsidiaries	402,072	398,460
1.02.03	Property, plant and equipment	90,218	87,924
1.02.03.01	Property, plant and equipment in operation	67,846	62,513
1.02.03.03	Constructions in progress	22,372	25,411
1.02.04	Intangible assets	1,978,945	1,661,760
1.02.04.01	Intangible assets	1,978,945	1,661,760
1.02.04.01.01	Concession contract	1,734,178	1,474,570
1.02.04.01.02	Other intangible assets	244,767	187,190

Individual financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2020	Prior year 12/31/2019
2	Total liabilities	3,888,967	2,884,951
2.01	Current liabilities	211,183	171,119
2.01.01	Social and labor obligations	43,136	26,077
2.01.01.01	Social charges	8,308	5,073
2.01.01.02	Labor obligations	34,828	21,004
2.01.02	Suppliers	50,884	35,386
2.01.02.01	Domestic suppliers	47,686	33,746
2.01.02.02	Foreign suppliers	3,198	1,640
2.01.03	Tax liabilities	9,418	7,577
2.01.03.01	Federal tax liabilities	6,661	4,686
2.01.03.01.02	Other federal tax liabilities	6,661	4,686
2.01.03.02	State tax liabilities	45	55
2.01.03.03	Municipal tax liabilities	2,712	2,836
2.01.04	Loans and financing	20,980	44,749
2.01.04.01	Loans and financing	20,881	40,104
2.01.04.01.01	In domestic currency	20,881	40,104
2.01.04.02	Debentures	99	4,645
2.01.05	Other liabilities	86,765	57,330
2.01.05.02	Other	86,765	57,330
2.01.05.02.01	Dividends and interest on own capital	18	3,665
2.01.05.02.05	Obligations with the Concession Grantor	86,538	53,619
2.01.05.02.06	Leases	162	0
2.01.05.02.07	Other liabilities	47	46
2.02	Non-current liabilities	1,593,578	1,361,448
2.02.01	Loans and financing	335,971	315,379
2.02.01.01	Loans and financing	40,000	20,039
2.02.01.01.01	In domestic currency	40,000	20,039
2.02.01.02	Debentures	295,971	295,340
2.02.02	Other liabilities	1,226,839	1,016,905
2.02.02.02	Other	1,226,839	1,016,905
2.02.02.02.04	Actuarial liabilities - Supplementary Health Care Plan	56,411	52,291
2.02.02.02.05	Suppliers	15,021	15,021
2.02.02.02.06	Taxes on billing - TRA	56,810	53,572
2.02.02.02.07	Obligations with the Concession Grantor	1,098,541	896,021
2.02.02.02.08	Leases	56	0
2.02.04	Provisions	30,768	29,164
2.02.04.01	Tax, social security, labor and civil provisions	30,768	29,164
2.02.04.01.01	Tax provisions	10,503	11,168
2.02.04.01.02	Social security and labor provisions	18,030	16,124
2.02.04.01.04	Civil provisions	1,883	1,508
2.02.04.01.05	Provisions - Others	352	364
2.03	Shareholders' equity	2,084,206	1,352,384
2.03.01	Realized capital	1,871,895	1,081,907
2.03.02	Capital reserves	60,926	84,458
2.03.02.02	Goodwill special reserve in the merger	18,897	18,897
2.03.02.04	Options granted	68,228	67,378

Individual financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2020	Prior year 12/31/2019
2.03.02.07	Income (loss) from disposal of treasury shares	-1,522	-1,817
2.03.02.08	Cost for the issue of new shares	-24,677	0
2.03.04	Profit reserves	203,767	210,342
2.03.04.01	Legal reserve	55,364	55,364
2.03.04.08	Additional dividend proposed	0	8,033
2.03.04.10	Legal reserve for investments	153,849	153,849
2.03.04.11	Repurchase of shares	-5,441	-6,898
2.03.04.12	Buybacks expenses	-5	-6
2.03.05	Retained earnings / losses	-28,059	0
2.03.08	Other comprehensive income	-24,323	-24,323

Individual financial statements / Statement of income

(In thousands of reais)

Code of account	Account description	Current quarter 07/01/2020–09/30/2020	Accumulated of the current year 01/01/2020–09/30/2020	Same quarter of the prior year 07/01/2019–09/30/2019	Accumulated of the prior year 01/01/2019–09/30/2019
3.01	Income from sales of goods and/or services	121,580	392,260	145,466	448,078
3.02	Cost of goods and/or services sold	-113,023	-337,728	-111,141	-359,877
3.03	Gross income	8,557	54,532	34,325	88,201
3.04	Operating expenses / income	-8,362	-56,296	-15,358	-54,001
3.04.01	Sales expenses	-8,702	-29,387	-11,332	-31,567
3.04.02	General and administrative expenses	-15,404	-54,757	-15,202	-55,619
3.04.02.01	Amortization of goodwill	-872	-2,615	-872	-2,615
3.04.02.02	Other general and administrative expenses	-14,532	-52,142	-14,330	-53,004
3.04.04	Other operating income	4,499	14,629	1,013	5,452
3.04.05	Other operating expenses	-79	-1,160	-94	242
3.04.06	Equity in earnings of subsidiaries	11,324	14,379	10,257	27,491
3.05	Income (loss) before financial income and taxes	195	-1,764	18,967	34,200
3.06	Financial income (loss)	-14,377	-45,494	-13,427	-39,452
3.06.01	Financial revenues	1,046	2,287	10,976	26,396
3.06.02	Financial expenses	-15,423	-47,781	-24,403	-65,848
3.07	Income (loss) before income tax	-14,182	-47,258	5,540	-5,252
3.08	Income tax and social contribution	8,736	19,199	2,173	10,255
3.08.01	Current	807	0	0	0
3.08.02	Deferred assets	7,929	19,199	2,173	10,255
3.09	Net income (loss) from continued operations	-5,446	-28,059	7,713	5,003
3.11	Income/loss for the period	-5,446	-28,059	7,713	5,003
3.99	Earnings per share - (Reais / Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0.00809	-0.04169	0.01159	0.00752
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	-0.00805	-0.04149	0.01152	0.00747

Individual financial statements / Statement of comprehensive income

(In thousands of reais)

Code of account	Account description	Current quarter	Accumulated of the	Same quarter of the	Accumulated of the
		07/01/2020–09/30/2020	current year 01/01/2020–09/30/2020	prior year 07/01/2019–09/30/2019	prior year 01/01/2019–09/30/2019
4.01	Net income for the period	-5,446	-28,059	7,713	5,003
4.03	Comprehensive income for the period	-5,446	-28,059	7,713	5,003

Individual financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–09/30/2020	01/01/2019–09/30/2019
6.01	Net cash from operational activities	47,231	5,513
6.01.01	Cash generated in operations	95,169	107,202
6.01.01.01	Income before taxes and sharing	-47,258	-5,252
6.01.01.02	Stock option plan / long-term incentive	1,065	2,179
6.01.01.03	Equity in net income of subsidiaries	-14,379	-27,491
6.01.01.04	Inflation adjustment and exchange rate change	0	-985
6.01.01.05	Depreciation and amortization	78,876	72,666
6.01.01.06	Interest on debentures	6,926	9,247
6.01.01.07	Calculated interests on loans and borrowings	1,762	8,478
6.01.01.09	Interest on interest earning bank deposits	1,047	-6,217
6.01.01.12	Formation (reversal) of provision for contingencies	14,057	6,250
6.01.01.13	Write-offs and income in the sale of permanent assets	1,241	-229
6.01.01.14	Interest on lease - rents	10	0
6.01.01.18	Post-employment benefit - health care plans	4,120	2,790
6.01.01.19	Provision / reversal for expected credit losses and bad debt losses	12,050	10,897
6.01.01.20	Interest on obligations with the Concession Grantor	35,652	34,869
6.01.02	Changes in assets and liabilities	6,825	-12,603
6.01.02.01	(Increase) decrease in accounts receivable	-18,699	-16,899
6.01.02.02	(Increase) decrease in inventories	-1,216	94
6.01.02.03	(Increase) decrease in current tax assets recoverable	-1,406	1,012
6.01.02.05	(Increase) decrease in judicial deposits	-12,953	-12,623
6.01.02.07	(Increase) decrease in other assets	3,462	-4,426
6.01.02.08	Increase (decrease) in suppliers	15,498	4,408
6.01.02.09	Increase (decrease) in wage and social charges	17,059	9,745
6.01.02.10	Increase (decrease) in taxes, rates and contributions	1,841	1,372
6.01.02.12	Increase (decrease) in taxes on billing - TRA	3,238	4,714
6.01.02.13	Increase (decrease) in other liabilities	1	0
6.01.03	Other	-54,763	-89,086
6.01.03.03	Write-off of payment contingencies	-12,453	-9,942
6.01.03.04	Payments - Obligations with the Concession Grantor	-42,310	-79,144
6.02	Net cash used in investment activities	-406,100	-295,231
6.02.01	Acquisition of property, plant and equipment	-8,571	-74,782
6.02.02	Sale of property, plant and equipment	158	292
6.02.03	Increase in intangible assets	-148,766	0
6.02.04	Increase (decrease) of investments in subsidiaries	-130	-375
6.02.06	Interest earnings bank deposits	-266,642	-240,339
6.02.07	Dividends and interest on own capital received	14,529	17,865
6.02.11	Interest on capitalized loans	3,322	2,108
6.03	Net cash from financing activities	739,870	224,127
6.03.01	Borrowings	-15	294,772
6.03.02	Payments of debentures, loans and financing	-57	-60,057
6.03.03	Dividends and interest on own capital paid	-11,680	-2,830
6.03.04	Receipt of exercised options	1,538	11,317
6.03.06	Interest paid to debentures, loans and financing	-15,115	-19,075

Individual financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the	Accumulated of the
		current year 01/01/2020–09/30/2020	prior year 01/01/2019–09/30/2019
6.03.12	Capital increase (decrease)	789,988	0
6.03.13	Cost for the issue of new shares	-24,677	0
6.03.14	Lease payments - Leases	-112	0
6.05	Increase (decrease) in cash and cash equivalents	381,001	-65,591
6.05.01	Opening balance of cash and cash equivalents	108,462	189,069
6.05.02	Closing balance of cash and cash equivalents	489,463	123,478

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020–09/30/2020
(In thousands of reais)

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384
5.03	Adjusted opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384
5.04	Capital transactions with partners	789,988	-23,532	-6,575	0	0	759,881
5.04.01	Capital increases	789,988	0	0	0	0	789,988
5.04.02	Expenses with issuance of shares	0	-24,677	0	0	0	-24,677
5.04.03	Recognized options granted	0	850	0	0	0	850
5.04.06	Dividends	0	0	-8,033	0	0	-8,033
5.04.08	Stock options exercised	0	0	1,458	0	0	1,458
5.04.13	Income (loss) from disposal of treasury shares	0	295	0	0	0	295
5.05	Total comprehensive income	0	0	0	-28,059	0	-28,059
5.05.01	Net income for the period	0	0	0	-28,059	0	-28,059
5.07	Closing balances	1,871,895	60,926	203,767	-28,059	-24,323	2,084,206

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019–09/30/2019
(In thousands of reais)

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	1,071,757	82,660	197,108	0	-10,398	1,341,127
5.03	Adjusted opening balances	1,071,757	82,660	197,108	0	-10,398	1,341,127
5.04	Capital transactions with partners	8,650	1,485	1,238	0	0	11,373
5.04.01	Capital increases	8,650	0	0	0	0	8,650
5.04.03	Recognized options granted	0	1,771	0	0	0	1,771
5.04.06	Dividends	0	0	-2,123	0	0	-2,123
5.04.08	Stock options exercised	0	0	3,361	0	0	3,361
5.04.13	Income (loss) from disposal of treasury shares	0	-286	0	0	0	-286
5.05	Total comprehensive income	0	0	0	5,003	0	5,003
5.05.01	Net income for the period	0	0	0	5,003	0	5,003
5.07	Closing balances	1,080,407	84,145	198,346	5,003	-10,398	1,357,503

Individual financial statements / Statement of added value

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–09/30/2020	01/01/2019–09/30/2019
7.01	Income	446,113	499,150
7.01.01	Sale of merchandise, products and services	443,534	504,595
7.01.02	Other income	14,629	5,452
7.01.04	Provision / reversal of allowance for doubtful accounts	-12,050	-10,897
7.02	Inputs acquired from third parties	-138,502	-167,669
7.02.01	Cost of products, merchandise and services sold	-54,160	-84,669
7.02.02	Materials, energy, third-party services and other	-83,182	-83,242
7.02.04	Other	-1,160	242
7.03	Gross added value	307,611	331,481
7.04	Retentions	-78,876	-72,666
7.04.01	Depreciation, amortization and depletion	-78,876	-72,666
7.05	Net added value produced	228,735	258,815
7.06	Added value received as transfer	16,666	53,887
7.06.01	Equity income (loss) of subsidiaries	14,379	27,491
7.06.02	Financial income	2,287	26,396
7.07	Total added value payable	245,401	312,702
7.08	Distribution of added value	245,401	312,702
7.08.01	Personnel	172,642	170,619
7.08.01.01	Direct remuneration	129,563	127,691
7.08.01.02	Benefits	35,095	33,242
7.08.01.03	Severance Pay Fund (FGTS)	7,984	9,686
7.08.02	Taxes, duties and contributions	50,424	68,191
7.08.02.01	Federal	27,823	42,873
7.08.02.02	State	54	60
7.08.02.03	Municipal	22,547	25,258
7.08.03	Third-party capital remuneration	50,394	68,889
7.08.03.01	Interest	47,781	65,848
7.08.03.02	Rents	2,613	3,041
7.08.04	Remuneration of own capital	-28,059	5,003
7.08.04.03	Retained earnings / loss for the period	-28,059	5,003

Consolidated financial statements / Balance sheet - Assets

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2020	Prior year 12/31/2019
1	Total assets	4,228,912	3,196,122
1.01	Current assets	1,269,007	598,035
1.01.01	Cash and cash equivalents	664,134	266,376
1.01.02	Interest earning bank deposits	424,662	159,067
1.01.02.01	Interest earning bank deposits measured at fair value through profit or loss	424,662	159,067
1.01.02.01.02	Fair value securities	424,662	159,067
1.01.03	Accounts receivable	129,447	120,432
1.01.03.01	Trade accounts receivable	129,447	120,432
1.01.04	Inventories	24,053	22,771
1.01.06	Recoverable taxes	9,945	7,476
1.01.06.01	Current taxes recoverable	9,945	7,476
1.01.08	Other current assets	16,766	21,913
1.01.08.03	Other	16,766	21,913
1.01.08.03.02	Other accounts receivable	16,766	21,913
1.02	Non-current assets	2,959,905	2,598,087
1.02.01	Long term assets	407,438	376,866
1.02.01.07	Deferred taxes	82,437	65,637
1.02.01.07.01	Deferred income tax and social contribution	82,437	65,637
1.02.01.10	Other non-current assets	325,001	311,229
1.02.01.10.04	Judicial deposits	296,468	284,401
1.02.01.10.05	Court-ordered debt payments receivable	5,740	5,605
1.02.01.10.06	Other assets	22,793	21,223
1.02.03	Property, plant and equipment	233,778	220,055
1.02.03.01	Property, plant and equipment in operation	199,980	189,978
1.02.03.03	Construction in progress	33,798	30,077
1.02.04	Intangible assets	2,318,689	2,001,166
1.02.04.01	Intangible assets	2,318,689	2,001,166
1.02.04.01.01	Concession contract	2,020,692	1,764,566
1.02.04.01.02	Other intangible assets	297,997	236,600

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2020	Prior year 12/31/2019
2	Total liabilities	4,228,912	3,196,122
2.01	Current liabilities	288,918	235,712
2.01.01	Social and labor obligations	56,298	34,841
2.01.01.01	Social charges	11,086	7,096
2.01.01.02	Labor obligations	45,212	27,745
2.01.02	Suppliers	77,975	60,834
2.01.02.01	Domestic suppliers	74,775	59,752
2.01.02.02	Foreign suppliers	3,200	1,082
2.01.03	Tax liabilities	19,525	13,280
2.01.03.01	Federal tax liabilities	14,347	8,155
2.01.03.01.01	Income tax and social contribution payable	1,853	628
2.01.03.01.03	Other federal liabilities	12,494	7,527
2.01.03.02	State tax liabilities	424	353
2.01.03.03	Municipal tax liabilities	4,754	4,772
2.01.04	Loans and financing	32,564	54,076
2.01.04.01	Loans and financing	26,617	44,387
2.01.04.01.01	In domestic currency	21,509	40,731
2.01.04.01.02	In foreign currency	5,108	3,656
2.01.04.02	Debentures	5,947	9,689
2.01.05	Other liabilities	102,556	72,681
2.01.05.02	Other	102,556	72,681
2.01.05.02.01	Dividends and interest on own capital	18	3,665
2.01.05.02.08	Obligations with the Concession Grantor	93,987	60,139
2.01.05.02.09	Leases	8,503	8,830
2.01.05.02.10	Other Accounts payable	48	47
2.02	Non-current liabilities	1,855,788	1,608,026
2.02.01	Loans and financing	401,247	382,320
2.02.01.01	Loans and financing	53,559	33,538
2.02.01.01.01	In domestic currency	40,927	21,423
2.02.01.01.02	In foreign currency	12,632	12,115
2.02.01.02	Debentures	347,688	348,782
2.02.02	Other liabilities	1,408,796	1,179,715
2.02.02.02	Other	1,408,796	1,179,715
2.02.02.02.07	Actuarial liabilities - Supplementary Health Care Plan	73,440	67,593
2.02.02.02.08	Suppliers	15,021	15,021
2.02.02.02.09	Taxes on billing - TRA	56,810	53,572
2.02.02.02.10	Obligations with the Concession Grantor	1,223,784	1,015,847
2.02.02.02.11	Leases	34,001	22,075
2.02.02.02.12	Other liabilities	5,740	5,607
2.02.03	Deferred taxes	7,621	8,498
2.02.03.01	Deferred income tax and social contribution	7,621	8,498
2.02.04	Provisions	38,124	37,493
2.02.04.01	Tax, social security, labor and civil provisions	38,124	37,493
2.02.04.01.01	Tax provisions	16,137	17,103
2.02.04.01.02	Social security and labor provisions	19,727	18,491
2.02.04.01.04	Civil provisions	1,898	1,528

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2020	Prior year 12/31/2019
2.02.04.01.05	Provisions - Others	362	371
2.03	Consolidated shareholders' equity	2,084,206	1,352,384
2.03.01	Realized capital	1,871,895	1,081,907
2.03.02	Capital reserves	60,926	84,458
2.03.02.02	Goodwill special reserve in the merger	18,897	18,897
2.03.02.04	Options granted	68,228	67,378
2.03.02.07	Income (loss) from disposal of treasury shares	-1,522	-1,817
2.03.02.08	Cost for the issue of new shares	-24,677	0
2.03.04	Profit reserves	203,767	210,342
2.03.04.01	Legal reserve	55,364	55,364
2.03.04.08	Additional dividend proposed	0	8,033
2.03.04.10	Legal reserve for investments	153,849	153,849
2.03.04.11	Repurchase of shares	-5,441	-6,898
2.03.04.12	Costs in repurchase of shares	-5	-6
2.03.05	Retained earnings / losses	-28,059	0
2.03.08	Other comprehensive income	-24,323	-24,323

Consolidated financial statements / Statement of income

(In thousands of reais)

Code of account	Account description	Current quarter 07/01/2020–09/30/2020	Accumulated of the current year 01/01/2020–09/30/2020	Same quarter of the prior year 07/01/2019–09/30/2019	Accumulated of the prior year 01/01/2019–09/30/2019
3.01	Income from sales of goods and/or services	220,268	668,934	250,142	742,279
3.02	Cost of goods and/or services sold	-173,420	-522,211	-176,934	-549,234
3.03	Gross income	46,848	146,723	73,208	193,045
3.04	Operating expenses / income	-36,475	-127,172	-47,143	-140,706
3.04.01	Sales expenses	-25,412	-79,907	-30,560	-83,225
3.04.02	General and administrative expenses	-18,112	-64,448	-17,711	-64,280
3.04.02.01	Amortization of goodwill	-872	-2,615	-872	-2,615
3.04.02.02	Other general and administrative expenses	-17,240	-61,833	-16,839	-61,665
3.04.04	Other operating income	7,444	18,913	1,260	6,772
3.04.05	Other operating expenses	-395	-1,730	-132	27
3.05	Income (loss) before financial income and taxes	10,373	19,551	26,065	52,339
3.06	Financial income (loss)	-18,584	-58,935	-15,161	-43,082
3.06.01	Financial income	1,993	5,291	12,882	31,546
3.06.02	Financial expenses	-20,577	-64,226	-28,043	-74,628
3.07	Income (loss) before income tax	-8,211	-39,384	10,904	9,257
3.08	Income tax and social contribution	2,765	11,325	-3,191	-4,254
3.08.01	Current	-3,171	-6,352	-4,406	-11,060
3.08.02	Deferred assets	5,936	17,677	1,215	6,806
3.09	Net income (loss) from continued operations	-5,446	-28,059	7,713	5,003
3.11	Income / loss for the period	-5,446	-28,059	7,713	5,003
3.11.01	Attributed to the parent company's partners	-5,446	-28,059	7,713	5,003
3.99	Earnings per share - (Reais / Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0.00809	-0.04169	0.01159	0.00752
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	-0.00805	-0.04149	0.01152	0.00747

Consolidated financial statements / Statement of comprehensive income

(In thousands of reais)

Code of account	Account description	Current quarter 07/01/2020–09/30/2020	Accumulated of the current year 01/01/2020–09/30/2020	Same quarter of the prior year 07/01/2019–09/30/2019	Accumulated of the prior year 01/01/2019–09/30/2019
4.01	Consolidated net income for the period	-5,446	-28,059	7,713	5,003
4.03	Consolidated comprehensive income for the period	-5,446	-28,059	7,713	5,003
4.03.01	Attributed to the Parent company's partners	-5,446	-28,059	7,713	5,003

Consolidated financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–09/30/2020	01/01/2019–09/30/2019
6.01	Net cash from operational activities	108,165	74,394
6.01.01	Cash generated in operations	166,108	186,750
6.01.01.01	Income (loss) before taxes and sharing	-39,384	9,257
6.01.01.02	Inflation adjustment and exchange rate change	7,633	-547
6.01.01.03	Depreciation and amortization	110,844	98,586
6.01.01.05	Formation (reversal) of provisions for contingencies	15,597	9,424
6.01.01.06	Stock option plan / long-term incentive	1,065	2,179
6.01.01.07	Write-offs and income in the sale of permanent assets	-1,012	-229
6.01.01.08	Interest on debentures	8,920	9,247
6.01.01.09	Calculated Interests on loans and borrowings	2,457	8,827
6.01.01.10	Interest on interest earning bank deposits	1,047	-6,217
6.01.01.14	Post-employment benefits - health care plans	5,847	3,526
6.01.01.15	Provision / reversal for expected credit losses and bad debt losses	11,596	12,198
6.01.01.16	Interest on obligations with the Concession Grantor	39,725	39,067
6.01.01.17	Interest on lease - rents	1,773	1,432
6.01.02	Changes in assets and liabilities	14,002	-2,541
6.01.02.01	(Increase) decrease in accounts receivable	-20,611	-20,453
6.01.02.02	(Increase) decrease in inventories	-1,282	-124
6.01.02.03	(Increase) decrease in current tax assets recoverable	-2,469	10,343
6.01.02.05	(Increase) decrease in judicial deposits	-12,067	-12,957
6.01.02.06	(Increase) decrease in other assets	3,442	-9,451
6.01.02.08	Increase (decrease) in suppliers	17,141	11,374
6.01.02.09	Increase (decrease) in wage and social charges	21,457	11,791
6.01.02.10	Increase (decrease) in taxes, rates and contributions	5,019	2,064
6.01.02.11	Increase (decrease) in accounts payable	133	154
6.01.02.12	Increase (decrease) in taxes on billing - TRA	3,238	4,714
6.01.02.13	Increase (decrease) in other liabilities	1	4
6.01.03	Other	-71,945	-109,815
6.01.03.01	Income tax and social contribution paid	-5,126	-11,052
6.01.03.03	Write-off of payment contingencies	-14,966	-11,150
6.01.03.04	Payments on Obligations with the Concession Grantor	-51,853	-87,613
6.02	Net cash used in investment activities	-432,076	-324,423
6.02.01	Acquisition of property, plant and equipment	-19,693	-86,816
6.02.02	Disposal of property, plant and equipment	3,845	301
6.02.03	Increase in intangible assets	-152,908	0
6.02.04	Interest earnings bank deposits	-266,642	-240,339
6.02.05	Interests on capitalized loans	3,322	2,431
6.03	Net cash from financing activities	721,669	214,051
6.03.01	Receipt of exercised share purchase options	1,538	11,317
6.03.02	Loans obtained	-317	294,772
6.03.03	Payments of debentures, loans and financing	-7,533	-64,529
6.03.04	Dividends and interest on own capital paid	-11,680	-2,830
6.03.07	Interest paid to debentures, loans and financing	-17,067	-19,942
6.03.10	Lease payments - Leases	-8,583	-4,737

Consolidated financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–09/30/2020	01/01/2019–09/30/2019
6.03.11	Capital increase (decrease)	789,988	0
6.03.12	Cost for the issue of new shares	-24,677	0
6.05	Increase (decrease) in cash and cash equivalents	397,758	-35,978
6.05.01	Opening balance of cash and cash equivalents	266,376	253,663
6.05.02	Closing balance of cash and cash equivalents	664,134	217,685

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020–09/30/2020
(In thousands of reais)

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384	0	1,352,384
5.03	Adjusted opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384	0	1,352,384
5.04	Capital transactions with partners	789,988	-23,532	-6,575	0	0	759,881	0	759,881
5.04.01	Capital increases	789,988	0	0	0	0	789,988	0	789,988
5.04.02	Expenses with issuance of shares	0	-24,677	0	0	0	-24,677	0	-24,677
5.04.03	Recognized options granted	0	850	0	0	0	850	0	850
5.04.06	Dividends	0	0	-8,033	0	0	-8,033	0	-8,033
5.04.08	Stock options exercised	0	0	1,458	0	0	1,458	0	1,458
5.04.13	Income (loss) from disposal of treasury shares	0	295	0	0	0	295	0	295
5.05	Total comprehensive income	0	0	0	-28,059	0	(28,059)	0	-28,059
5.05.01	Net income for the period	0	0	0	-28,059	0	(28,059)	0	-28,059
5.07	Closing balances	1,871,895	60,926	203,767	-28,059	-24,323	2,084,206	0	2,084,206

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019–09/30/2019
(In thousands of reais)

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other compre hensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	1,071,757	82,660	197,108	0	-10,398	1,341,127	0	1,341,127
5.03	Adjusted opening balances	1,071,757	82,660	197,108	0	-10,398	1,341,127	0	1,341,127
5.04	Capital transactions with partners	8,650	1,485	1,238	0	0	11,373	0	11,373
5.04.01	Capital increases	8,650	0	0	0	0	8,650	0	8,650
5.04.03	Recognized options granted	0	1,771	0	0	0	1,771	0	1,771
5.04.06	Dividends	0	0	-2,123	0	0	-2,123	0	-2,123
5.04.08	Stock options exercised	0	0	3,361	0	0	3,361	0	3,361
5.04.13	Income (loss) from disposal of treasury shares	0	-286	0	0	0	-286	0	-286
5.05	Total comprehensive income	0	0	0	5,003	0	5,003	0	5,003
5.05.01	Net income for the period	0	0	0	5,003	0	5,003	0	5,003
5.07	Closing balances	1,080,407	84,145	198,346	5,003	-10,398	1,357,503	0	1,357,503

Consolidated financial statements / Statement of added value

(In thousands of reais)

Code of Account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–09/30/2020	01/01/2019–09/30/2019
7.01	Income	774,977	844,079
7.01.01	Sale of merchandise, products and services	767,660	849,505
7.01.02	Other income	18,913	6,772
7.01.04	Provision / reversal of allowance for doubtful accounts	-11,596	-12,198
7.02	Inputs acquired from third parties	-280,845	-317,528
7.02.01	Cost of products, merchandise and services sold	-107,129	-151,436
7.02.02	Materials, energy, third-party services and other	-171,986	-166,119
7.02.04	Other	-1,730	27
7.03	Gross added value	494,132	526,551
7.04	Retentions	-110,844	-98,586
7.04.01	Depreciation, amortization and depletion	-110,844	-98,586
7.05	Net added value produced	383,288	427,965
7.06	Added value received as transfer	5,291	31,546
7.06.02	Financial income	5,291	31,546
7.07	Total added value payable	388,579	459,511
7.08	Distribution of added value	388,579	459,511
7.08.01	Personnel	237,370	234,697
7.08.01.01	Direct remuneration	173,031	170,567
7.08.01.02	Benefits	53,473	50,484
7.08.01.03	Severance Pay Fund (FGTS)	10,866	13,646
7.08.02	Taxes, rates and contributions	108,934	137,619
7.08.02.01	Federal	67,875	92,839
7.08.02.02	State	4,109	4,129
7.08.02.03	Municipal	36,950	40,651
7.08.03	Third-party capital remuneration	70,334	82,192
7.08.03.01	Interest	64,226	74,628
7.08.03.02	Rentals	6,108	7,564
7.08.04	Remuneration of own capital	-28,059	5,003
7.08.04.03	Retained earnings / loss for the period	-28,059	5,003

Performance comment

OPERATING INDICATORS

Consolidated

Units	3Q20	3Q19	Var. %	9M20	9M19	Var. %
PORT TERMINALS						
Quay operations - containers	254,211	304,143	-16.4%	776,257	879,151	-11.7%
Full Containers	185,389	234,865	-21.1%	577,660	677,253	-14.7%
Empty Containers	68,822	69,278	-0.7%	198,597	201,898	-1.6%
Quay operations – general cargo (ton)	84,802	11,059	666.8%	182,613	174,161	4.9%
Warehousing operations – containers	26,750	38,125	-29.8%	89,305	104,841	-14.8%
LOGISTICS						
Warehousing operations – containers	10,144	13,988	-27.5%	32,473	41,965	-22.6%
VEHICLE TERMINAL						
Vehicles handled	38,701	39,660	-2.4%	101,020	142,043	-28.9%
Exports	36,726	35,823	2.5%	87,573	122,826	-28.7%
Imports	1,975	3,837	-48.5%	13,447	19,217	-30.0%

Port terminals

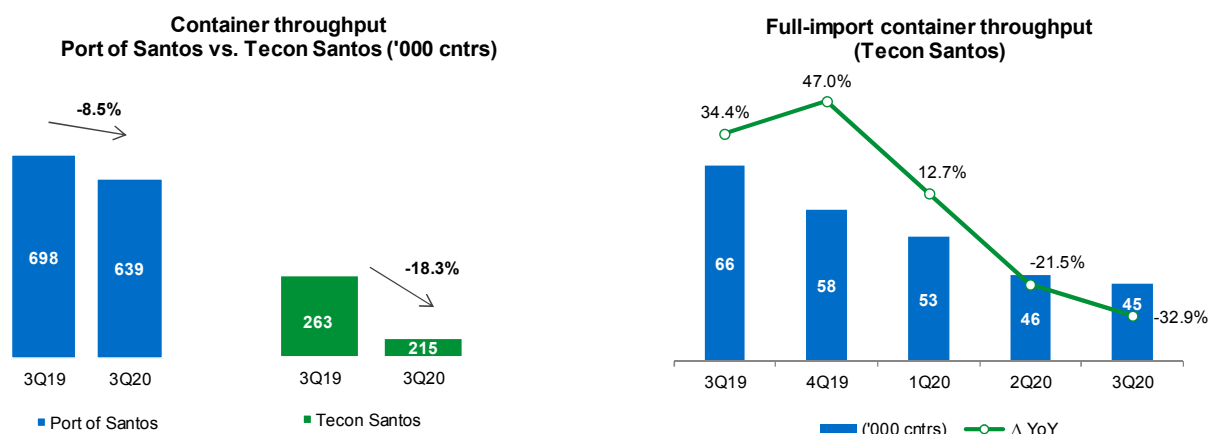
Units	3Q20	3Q19	Var. %	9M20	9M19	Var. %
PORT TERMINALS						
Tecon Santos	214,857	262,993	-18.3%	668,998	764,022	-12.4%
Full containers	162,656	211,968	-23.3%	514,304	612,246	-16.0%
Empty containers	52,201	51,025	2.3%	154,694	151,776	1.9%
General cargo (ton)	-	-	-	-	-	-
Tecon Imbituba	13,005	11,740	10.8%	34,005	34,702	-2.0%
Full containers	7,417	7,272	2.0%	20,298	20,557	-1.3%
Empty containers	5,588	4,468	25.1%	13,707	14,145	-3.1%
General cargo (ton)	84,802	11,042	668.0%	182,586	174,143	4.8%
Tecon Vila do Conde	26,349	29,410	-10.4%	73,254	80,427	-8.9%
Full containers	15,316	15,625	-2.0%	43,058	44,450	-3.1%
Empty containers	11,033	13,785	-20.0%	30,196	35,977	-16.1%
General cargo (ton)	-	18	-100.0%	27	18	47.8%

The effects of the new coronavirus (COVID-19) on the domestic economy continued to affect the operational performance of Santos Brasil's business units in 3Q20, considering the terminal's container throughput, warehousing at Tecon Santos and the Customs Industrial Logistics Centers (CLIAs), as well as operations of Santos Brasil Logística and the Vehicle Terminal. The gradual resumption of economic activity due to a greater flexibility in quarantine in Brazil slightly improved import volumes at Tecon Santos, especially in August and September compared to the previous months. Exports, which proved resilient in the first half of the year due to its concentration in essential commodities, grew once again in 3Q20.

Tecon Santos handled 214,857 containers in 3Q20, down 18.3% from 3Q19. Apart from the impacts of the pandemic on the domestic economy, especially on imports and cabotage/feeder operations, Tecon Santos has reduced its exposure to exports since August 2019, which have proven more resilient to the COVID-19 crisis, with the exit of the export sling of the Asia service led by the Maersk group. With the volume handled in the first nine months of 2020, Tecon Santos registered annualized utilization capacity of 71%. Its market share at the Port of Santos was 34.3% in 3Q20 (vs. 38.5% in 3Q19).

Performance comment

The volume of full containers handled at Tecon Santos decreased 23.3% YoY in 3Q20, totaling 162,656 units. Of this total, 44,533 units were full-import containers, which declined 32.9% in the quarter compared to 3Q19, due to a delay in the peak season (seasonal peak volume) of imports, which, under normal conditions, starts in the second fortnight of July, but this year should be concentrated in October and November. On the other hand, with sound exports, there was an increase in the repositioning of empty containers by the shipowners, which resulted in a 100.9% growth in the unloading of empty import containers in 3Q20 compared to 3Q19.

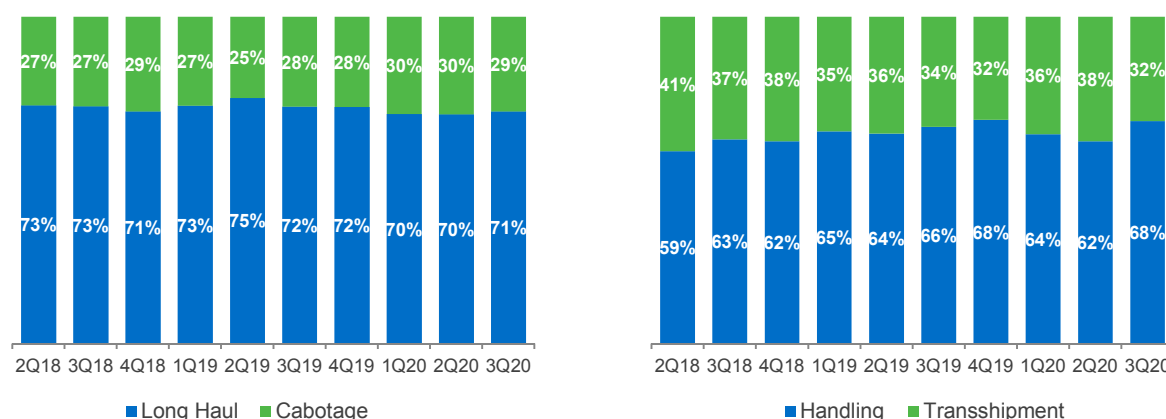


Tecon Imbituba handled 13,005 containers in 3Q20, 10.8% higher YoY. Cabotage operations, represented by the ALCT2 service, led by Aliança, increased 13.2% YoY and accounted for 98.9% of total volume handled at the terminal in 3Q20 (vs. 96.8% in 3Q19). The volume growth at the terminal in 3Q20 was sharper in empty container handling (+25.1% YoY), although full container handling increased as well (+2.0% vs. 3Q19), driven by shipment of rice, wood and ceramics. Long-haul operations accounted for 1.1% of total volume at the terminal (3.2% in 3Q19), decreasing 60.8% YoY. Imbituba General Cargo Terminal ("TCG Imbituba") posted a 668.0% growth in volume handled in 3Q20 compared to 3Q19, totaling 84.8 thousand tons, driven by the shipment of pulp, agro commodities and project cargo.

At **Tecon Vila do Conde**, throughput in 3Q20 was 26,349 containers, down 10.4% from 3Q19, mainly due to lower volume of empty container. Long-haul operations accounted for 71.2% of total volume (73.3% in 3Q19), and presented a decrease of 10.5% YoY. Exports fell 10.8% YoY, due to delays on forest cargo shipment. However, exports of refrigerated cargo (reefer) grew, driven by beef, in addition to manganese recovering shipments. Volume of import containers decreased 15.4% in relation to 3Q19, but higher-added-value project cargo volume was a positive highlight in the quarter, thus generating additional revenue. Cabotage volume fell 10.3% in 3Q20 compared to 3Q19, still reflecting the decline in domestic consumption due to the impacts of COVID-19 on Brazil's Northern region, which reduced the shipment of products transported from the Southern and Southeastern regions.

Consolidated volume of the three container terminals dropped 16.4% in 3Q20. Long-haul operations registered a decline in imports (-22.7% YoY) and exports (-9.1%) volumes, and their share in the total volume of handled containers declined to 70.8% (72.5% in 3Q19). Cabotage operations were more resilient in 3Q20, declining 11.2% from 3Q19. Transshipment operations (long-haul + cabotage) decreased 20.4% in the quarter, in line with the drop in imports, and accounted for 32.1% of total volume handled (33.7% in 3Q19). Due to the effects of the COVID-19 pandemic, which affected imports the most, the full-empty container mix worsened in the annual and quarterly comparisons, with full containers accounting for 72.9% of total containers handled in 3Q20 (77.2% in 3Q19 and 73.0% in 2Q20). The quarterly history of container mix in long-haul vs. cabotage and handling vs. transshipment operations is shown below:

Performance comment



Total container warehousing volume at the port terminals decreased 29.8% in 3Q20 due to the impacts of the pandemic, mainly the reduction in the volume of full-import containers at the Port of Santos. However, retention rate of full-import containers for warehousing remained high, at 54% in 3Q20, compared to 55% in 3Q19 and 57% in 2Q20. Dwell time (average time of stay of full-import containers) at Tecon Santos decreased to 9.5 days in 3Q20, from 12.8 days in 2Q20 and 10.5 days in 3Q19. The decrease in dwell time in 3Q20 was due to the gradual reopening of industries and operations of logistics service providers, which increased the demand for cargo stored in the port zone, consequently accelerating its removal. The “On the Water Clearance for AEOs” regime, which enables the registration of import declaration before the container is unloaded at the port of destination, once again had no impact on the dwell time of full-import containers at Tecon Santos in 3Q20.

Logistics

Volume of containers stored at SBLog declined 27.5% in 3Q20 compared to 3Q19, mainly caused by the drop in import container volume at the Port of Santos due to the impacts of COVID-19. The automotive industry started to normalize production due to the rebound in domestic vehicle sales in the quarter, after the sharp decline in May and June 2020. With the interruption in the productive chain of sectors where SBLog has greater exposure, such as automotive and chemical, the Company sought greater diversification in the provision of logistical services, such as cross-docking and customs warehousing operations, in order to minimize the logistical impact of customers, mainly due to the increase in inventories in transit. In addition, there was greater diversification in logistics operations, both in segments and customers, as well as in import and export cargo, reducing the concentration in cargoes and sectors that were more impacted. The BRL devaluation, despite the negative impact on imports, fostered more fragmentation in containerized cargo, increasing the mix of LCL (less-than-container-load), which has a higher average ticket compared to FCL (full-container-load).

Vehicle Terminal

TEV handled 38,701 vehicles in 3Q20, down 2.4% from 3Q19, but 174.6% up compared to the previous quarter. Exports grew 2.5% and vehicle imports were 48.5% lower in 3Q20 compared to 3Q19, with demand being affected by the weaker Brazilian real. The increase in light vehicle exports and the decrease in heavy vehicle imports worsened TEV mix in the quarter, with the share of heavy vehicles falling to 9.0% in 3Q20, from 11.8% in 3Q19 and 15.8% in 2Q20.

Performance comment

FINANCIAL RESULTS

GROSS REVENUE

R\$ million	3Q20	3Q19	Var. %	9M20	9M19	Var. %
PORT TERMINALS	179.0	202.1	-11.4%	548.3	602.5	-9.0%
Quay operations	97.1	110.2	-11.9%	288.3	339.0	-15.0%
Warehousing operations	81.9	91.9	-10.9%	259.9	263.5	-1.4%
LOGISTICS	68.8	79.7	-13.7%	205.7	220.4	-6.7%
VEHICLE TERMINAL	12.1	16.8	-28.0%	35.3	51.8	-31.9%
Eliminations	-2.7	-2.7	-	-8.2	-7.9	3.8%
Consolidated	257.2	295.9	-13.1%	781.1	866.8	-9.9%

NET REVENUE

R\$ million	3Q20	3Q19	Var. %	9M20	9M19	Var. %
PORT TERMINALS	156.4	174.7	-10.5%	478.7	527.4	-9.2%
Quay operations	86.8	99.1	-12.4%	258.3	305.2	-15.4%
Warehousing operations	69.7	75.7	-7.9%	220.4	222.2	-0.8%
LOGISTICS	56.1	64.7	-13.3%	167.7	179.5	-6.6%
VEHICLE TERMINAL	10.3	13.2	-22.0%	29.9	42.5	-29.6%
Eliminations	-2.5	-2.5	-	-7.4	-7.2	2.8%
Consolidated	220.3	250.1	-11.9%	668.9	742.2	-9.9%

Port Terminals

In August 2019, Santos Port Authority (formerly CODESP) started collecting the port tariff ("TUP") directly from ship-owners, earlier charged from port terminals. The Company deducted the port tariff amount from the box rate charged, related to the container quay operation in Tecon Santos. This affects the quay operations' revenue comparison between 3Q20 and 3Q19. However, since the port tariff no longer impacts the terminal's handling costs – practically in the same proportion as the decline in revenues - there was no impact on Port Terminals' gross profit as result of the aforementioned change in the tariff regime.

Tecon Santos' net revenue decreased 18.8% in 3Q20 compared to 3Q19 and represented 72% of the Port Terminals' net revenue (vs. 80% in 3Q19). Tecon Imbituba posted 36.3% YoY growth in net revenue in 3Q20, driven by the higher volume at the General Cargo Terminal, which signed pulp and agro commodities export agreements in late 2Q20. Tecon Vila do Conde's net revenue grew 19.0% year-on-year, driven by the strong pace of project cargo imports, which also generates warehousing revenue, and exports of refrigerated cargo, mainly beef.

Warehousing operations at the Port Terminals registered a 7.9% decline in net revenue in 3Q20 from 3Q19, totaling R\$69.7 million, reflecting the lower import volume at the Port of Santos. The 29.8% drop in warehousing volume was partially offset by the increase in the average ticket due to contract renegotiations and the stronger US dollar vs. BRL, which increased cargo value in local currency.

Logistics

Despite the 27.5% drop of warehousing volume at the bonded warehouses, reflecting the decrease of import container volumes at Port of Santos, SBLog's net revenue presented lower YoY decline, of 13.3%, explained by higher average ticket, due to better mix of fragmented cargo (LCL), renegotiation of contracts and a larger array of logistics services provided. (i.e. cross docking and customs warehousing).

Performance comment

Vehicle Terminal

In 3Q20, TEV's net revenue totaled R\$10.3 million, down 22.0% from 3Q19 due to the worse mix of imported vehicles, generating less warehousing revenue, and heavy vehicles, whose average ticket is higher than that of light vehicles.

COST OF SERVICES RENDERED

R\$ million	3Q20	3Q19	Var. %	9M20	9M19	Var. %
PORT TERMINALS						
Handling Costs	20.7	22.2	-6.8%	58.2	88.4	-34.2%
Personnel Costs	56.7	56.9	-0.4%	175.5	178.6	-1.7%
Depreciation and Amortization	29.9	24.7	21.1%	83.4	72.1	15.7%
Other Costs	22.9	23.9	-4.2%	71.1	67.4	5.5%
Total	130.3	127.6	2.1%	388.1	406.5	-4.5%
LOGISTICS						
Handling Costs	12.3	19.5	-36.9%	41.8	51.7	-19.1%
Personnel Costs	13.2	13.0	1.5%	41.1	39.3	4.6%
Depreciation and Amortization	4.3	3.8	13.2%	12.5	12.2	2.5%
Other Costs	7.1	6.9	2.9%	22.0	19.5	12.8%
Total	37.1	43.2	-14.1%	117.3	122.7	-4.4%
VEHICLE TERMINAL						
Handling Costs	3.3	3.9	-15.4%	8.8	12.1	-27.3%
Depreciation and Amortization	4.0	3.9	2.6%	12.0	11.6	3.4%
Other Costs	1.2	0.9	33.3%	3.3	3.5	-5.7%
Total	8.6	8.6	0.0%	24.2	27.2	-11.0%
Eliminations	-2.5	-2.5	0.0%	-7.4	-7.2	2.8%
Consolidated	173.4	176.9	-2.0%	522.2	549.3	-4.9%

Port Terminals

Starting from August 2019, the port tariff (TUP) is being charged by the Santos Port Authority directly from ship-owners, therefore, the comparison between variable costs in 3Q20 and 3Q19 was affected. Despite the distortion in the comparison of variable costs, the Company has adopted cost cutting measures to mitigate the impacts of the COVID-19 pandemic, which include optimizing the preventive inspection of equipment due to lower volume operated than earlier estimated, and increasing operational efficiency to reduce fuel consumption.

Personnel costs fell slightly by 0.4% in relation to 3Q19, reflecting efforts to curb the impacts of the pandemic. One of the actions taken by the Company was to reduce working hours/ wages and suspend employment contracts temporarily, as permitted by Federal Law 14,020/2020.

As for other operating costs, IT expenses and maintenance expenses declined due to the lower volume handled. The increase in depreciation was due to the write-off of equipment and vehicles.

Logistics

In 3Q20, variable handling costs decreased 36.9%, due to lower expenses with freight, fuel and container pick-up services, impacted by lower volume of imported containers at the Port of Santos. Personnel costs increased 1.5% in 3Q20 compared to 3Q19, due to higher expenses with labor lawsuits and vacations. As for "other costs," the increase YoY was due to higher costs with third-party services (cleaning and security services).

Performance comment

Vehicle Terminal

TEV's variable costs in 3Q20 decreased 15.4% in relation to 3Q19, due to lower vehicle handling volume in the quarter as result of the impacts of COVID-19 on the domestic economy.

OPERATING EXPENSES

R\$ million	3Q20	3Q19	Var. %	9M20	9M19	Var.%
PORT TERMINALS						
Selling	8.8	11.5	-23.5%	30.1	32.7	-8.0%
General, Administrative and other	2.5	6.2	-59.7%	11.9	23.6	-49.6%
Depreciation and Amortization	0.1	-	100.0%	0.2	0.1	100.0%
Total	11.4	17.7	-35.6%	42.2	56.4	-25.2%
LOGISTICS						
Selling	16.2	18.4	-12.0%	48.0	48.5	-1.0%
General, Administrative and other	1.0	1.4	-28.6%	3.9	4.4	-11.4%
Depreciation and Amortization	-	-	-	0.1	0.1	-
Total	17.2	19.8	-13.1%	52.0	53.0	-1.9%
VEHICLE TERMINAL						
Selling	0.4	0.6	-33.3%	1.7	2.0	-15.0%
General, Administrative and other	0.2	0.1	100.0%	0.6	0.4	50.0%
Depreciation and Amortization	-	-	-	-	-	-
Total	0.6	0.7	-14.3%	2.3	2.4	-4.2%
CORPORATE						
General, Administrative and other	6.4	7.9	-19.0%	28.0	26.2	6.9%
Depreciation and Amortization	0.9	0.9	0.0%	2.7	2.7	-
Total	7.3	8.8	-17.0%	30.7	28.9	6.2%
Consolidated	36.5	47.0	-22.3%	127.2	140.7	-9.6%

Port Terminals

In 3Q20, selling expenses decreased 23.5% YoY due to lower allowance for doubtful accounts. General and administrative expenses decreased sharply by 59.7%, due to lower expenses with payroll, consulting and advisory services and a positive non-recurring effect with: (i) the sale of an MHC crane and warehouse material by Tecon Vila do Conde (net result of R\$1.7 million); and (ii) the change in the calculation of the Accident Prevention Factor - FAP - (R\$1.3 million), with a portion of which was allocated to Corporate expenses.

Logistics

Selling expenses decreased 12.0% in 3Q20, due to lower expenses with sales commissions. General and administrative expenses also decreased (28.6%) due to lower expenses with personnel and shared services. There was also a positive impact of R\$0.2 million resulting from the change in the Accident Prevention Factor calculation.

Vehicle Terminal

In 3Q20, operating expenses at TEV fell 14.3% YoY, due to lower volume of imported vehicles handled at the terminal, which resulted in lower sales commissions.

Corporate

General and administrative expenses fell 19.0% YoY in 3Q20, mainly due to lower personnel and travel expenses.

Performance comment

EBITDA and EBITDA MARGIN

R\$ million	3Q20	Margin %	3Q19	Margin %	% Var.
Port Terminals	44.7	28.6%	54.1	30.9%	-17.4%
Logistics ²	6.2	11.0%	5.5	8.5%	12.7%
Vehicle Terminal	5.2	50.3%	7.7	58.6%	-32.5%
Corporate	-6.4	-	-7.9	-	-19.0%
Consolidated	49.7	22.5%	59.4	23.7%	-16.3%
Non-recurring items	-3.2		6.5		-
Consolidated (recurring)	46.5	21.1%	65.9	26.3%	-29.5%

R\$ million	9M20	Margin %	9M19	Margin %	% Var.
Port Terminals	132.0	27.6%	136.7	25.9%	-3.4%
Logistics ²	10.9	6.5%	16.1	9.0%	-32.3%
Vehicle Terminal	15.5	51.7%	24.3	57.3%	-36.2%
Corporate	-28.0	0.0	-26.2	0.0	6.9%
Consolidated	130.4	19.5%	150.9	20.3%	-13.6%
Non-recurring items	-5.8		17.9		-
Consolidated (recurring)	124.6	18.6%	168.8	22.7%	-26.2%

In 3Q20, EBITDA totaled R\$49.7 million, down 16.3% YoY, with margin of 22.5%. The quarter was impacted by non-recurring items in the net amount of R\$3.2 million, which positively affected the result. Extraordinary revenues totaled R\$3.7 million, resulting from: (i) the sale of an MHC crane and warehouse material by Tecon Vila do Conde; and (ii) the change in the calculation of FAP (Accident Prevention Factor). The non-recurring negative effect totaled R\$0.5 million and related to: (i) the exchange variation on the reimbursement amount related to the judicial settlement with the Chinese crane manufacturer Zhenhua; and (ii) the cost of sale of warehouse material by Tecon Vila do Conde. Excluding these non-recurring items, recurring EBITDA in 3Q20 was R\$46.5 million, with margin of 21.1%.

Port Terminals

Port Terminals' recurring EBITDA was R\$41.7 million in 3Q20 (down 17.5% YoY), with margin of 26.7%. The decrease in quay and warehousing volumes at Tecon Santos and the worse import mix were the main drivers for the decline in recurring EBITDA in the quarter. It is worth mentioning that, because of COVID-19 pandemic, it is expected that the peak season in 2020 should be concentrated in October and November, not in 3Q20 as would occur in normal conditions.

Logistics

SBLLog's EBITDA, excluding non-recurring items, totaled R\$6.0 million in 3Q20 (up 6.0% YoY), with margin of 10.7%. The positive results of the Logistics business were mainly impacted by the increase in the array of logistics services provided to clients, which increased the average ticket per container.

Vehicle Terminal

In 3Q20, TEV's EBITDA totaled R\$5.2 million in 3Q20 (down 33.2% YoY), with margin of 50.3%. The main factors that affected its operating results were the lower volumes of imports, caused by the weakening in the domestic economy, and of heavy vehicles handled.

Corporate

Represented by corporate expenses, corporate EBITDA in 3Q20 came to a negative R\$6.4 million, 19.0% lower YoY, due to lower personnel, consulting, advisory and travel expenses.

Performance comment

NET INCOME

R\$ million	3Q20	3Q19	Var. %	9M20	9M19	Var. %
EBITDA	49.7	59.4	-16.3%	130.4	150.9	-13.6%
Depreciation and Amortization	39.3	33.3	18.0%	110.8	98.6	12.4%
EBIT	10.4	26.1	-60.2%	19.6	52.3	-62.5%
Financial Result	-18.6	-15.2	-22.4%	-58.9	-43.1	-36.7%
Income and Social Contribution Taxes	2.8	-3.2	187.5%	11.3	-4.3	362.8%
Net income	-5.4	7.7	-170.1%	-28.0	4.9	-671.4%

The Company posted net loss of R\$5.4 million in 3Q20, compared to a net income of R\$7.7 million in 3Q19.

DEBT, CASH AND CASH EQUIVALENTS

R\$ million	Currency	09/30/2020	09/30/2019	Var. %
Short term	BRL	27.5	73.6	-63.1%
	Foreign	5.1	37.6	-86.4%
Long term	BRL	388.6	337.6	15.4%
	Foreign	12.6	12.1	4.1%
Total Debt		433.8	460.9	-5.9%
Cash and cash equivalents		1,088.8	464.2	134.6%
Net Debt		-655.0	-3.3	-
Net Debt / pro-forma EBITDA LTM*		-7.04x	-0,03x	

* Last-twelve-month;

The Company ended 3Q20 with cash and cash equivalents of R\$1,088.8 million, negative net debt of R\$655.0 million and leverage ratio of -7.04 times net debt/proforma EBITDA (considering leasing and rental costs) of the last 12 months. The substantial increase in the cash position in 3Q20 was due to the raise of c.R\$790 million through a follow-on offering in September 2020.

Notes to the financial statements**SANTOS BRASIL PARTICIPAÇÕES S.A. AND SUBSIDIARIES**

NOTES TO THE QUARTERLY INFORMATION
 INDIVIDUAL AND CONSOLIDATED
 FOR THE PERIOD ENDED SEPTEMBER 30, 2020
 (Amounts expressed in thousands of reais – R\$)

1. OPERATIONS

Santos Brasil Participações S.A. (Company), domiciled in Brazil, headquartered in São Paulo, is engaged in holding interest, as partner or shareholder, in the capital of other Brazilian or foreign entities and in consortium, as well as the commercial exploration of integrated port and logistics solutions, with the movement of containers and alike, that are carried out by operating branches: Tecon Santos and Tecon Imbituba.

The quarterly information includes information from the Company and the following fully-controlled subsidiaries:

	Interest – %	
	09/30/2020	12/31/2019
Direct subsidiaries:		
Numeral 80 Participações S.A. (“Numeral 80”) *	100	100
Pará Empreendimentos Financeiros S.A. (“Pará Empreendimentos”) **	100	100
Santos Brasil Logística S.A. (“Santos Brasil Logistics”)	100	100
Terminal Portuário de Veículos S.A. (“TPV”)	100	100
Terminal de Veículos de Santos S.A. (“Vehicles Terminal/TEV”)	100	100
Indirect subsidiary:		
Convicon Contêineres de Vila do Conde S.A. (“Tecon Vila do Conde”)	100	100

* Dormant company;

** Holding company.

Exploration of the area at the Saboó quay

On November 19, 2019, the Company communicated to shareholders and the market that under the Simplified Selection Process Notice No. 01/2019 to provisionally explore three areas on the Saboó quay, on the right bank of the Port of Santos – its final offer for Area 2 was considered the most advantageous for the Port of Santos and, therefore, obtained the best classification.

On May 15, 2020, the DIPRE-DINEG/09.2020 Transition Contract was entered between the Autoridade Portuária de Santos S.A. - Santos Port Authority – SPA and the Company, whose object is the lease for temporary exploration of an area of 42,000 m² for 180 days, where the Company will handle general cargo (containerized or not of pulp and vehicles), reinforcing its participation in the Port of Santos and expanding the services offered to its current and potential customer base, also on the right bank of the port.

Main commitments arising from the Saboó transitional exploration contract:

The Saboó Terminal is committed to a minimum monthly handling of 47,000 tons of pulp and 1,000 units of vehicles during the contractual term. Failure to meet this minimum handling volume shall require the entity to pay an additional amount, as shown in note 16.

Notes to the financial statements

Coronavírus (COVID-19)

In the 3Q20, the Company maintained the measures taken since the start of the quarantine period in the country, in various spheres to face the effects of COVID-19, with the preservation of the health of its employees and other stakeholders being the most important one. The Company reaffirms that strategic actions and decisions already taken, as well as those in progress, supersede the purpose of mitigating the impacts caused by the pandemic in the operational and financial spheres, also seeking to fight and minimize its effects on people with whom the Company relates, including employees, clients, suppliers and other partners.

Internally, the main actions taken by the Company involving its employees were as follows: (i) delivery of hygiene kits and PPE's to operators at the beginning and end of the workday, followed by awareness and monitoring campaigns; (ii) suspension of trips, external visits, corporate events and classroom training; and (iii) isolation of risk groups and administrative employees in the home office modality (>400 employees).

The following measures were implemented in the relationship with the Company's clients: (i) Business Continuity Plan; (ii) maintaining high productivity with all the prevention measures in the business units (i.e. MPH > 100 - moves per hour in Tecon Santos' quay operation); and (iii) access control using an infrared thermometer to check body temperature and deliver of hygiene kits to the crew.

Prevention and assistance actions were also extended to the communities in which Santos Brasil operations are located, the main ones being the following: (i) support in the transport of donations to hospitals and social institutes in the cities of Santos and Guarujá; (ii) donation of mineral water bottles, thermometers and hygiene kits to institutions; and (iii) donation of PPE's – boots, aprons and masks – to the Santo Amaro hospital, in the city of Guarujá.

Regarding the actions directly linked to the Company's businesses, Management maintained work streams started in the 2Q20 with the purpose of seeking new sources of revenue, controlling and reducing costs and expenses and revisiting the investment plan, prioritizing the continuity of strategic projects. In terms of revenue, the Company aims to diversify the business and increase the share-of-wallet in the client value chain through the following commercial actions: (i) increase in DEPOT activities (container repair and maintenance service) for shipowner clients at Tecon Santos and Tecon Vila do Conde; (ii) capture of new cargo at the Imbituba General Cargo Terminal; (iii) new contracts in the logistics operations of the CLIA's and the São Bernardo do Campo Distribution Center; (iv) capturing project cargo at Tecon Vila do Conde; and (v) capturing new volumes at the TEV - Vehicles Terminal.

Regarding actions to reduce costs and expenses, with the assumption of increasing operational and administrative efficiency, the Company seeks to continue obtaining savings through the following measures and results: (i) renegotiation and scope review of contracts with suppliers; (ii) reduce administrative expenses with trips, space occupation, marketing, among others; (iii) temporary workday/salary reduction and suspension of employment contracts (Law No. 14020/2020); (iv) full automation of the entrance gates of Tecon Santos, under approval by the Brazilian Federal Revenue Service; (v) reduction in fuel consumption due to the increase in operational efficiency, coupled with the drop in the input price; (vi) optimization of preventive equipment reviews due to the slowdown in volumes operated; and (vii) decrease in variable costs due to the lower volume operated (i.e. electricity, agency fees, outsourced labor and truck transport).

Notes to the financial statements

Consolidated cash preservation and strengthening (R\$1.1 billion on September 31, 2020) continued being the main focus of the actions performed, with working capital management by increasing the average payment term, controlling defaulting receipts and reducing inventory (i.e. equipment replacement parts), as well as the deferral and suspension of taxes and the replacement of judicial deposits with other guarantees. In September 2020, the Company raised R\$790 million through a primary share offering (follow-on), and such funds will be used to grow the Company's businesses.

Although there are signs of an economic recovery in the domestic market, even if it is slow and its sustainability is uncertain, the Management continues evaluating the impact of COVID-19 on the operations and financial position of the Company and its subsidiaries on an ongoing and timely basis, taking actions and measures that seek to ensure the continuity of its operations, and ensuring the safety, health and integrity of employees and other stakeholders. Until the date of authorization for the issuance of this interim financial information, the Company and its subsidiaries continue operating regularly, without any interruptions or disruptions.

During the period ended September 30, 2020, there were no other changes in the operating context or in the commitments assumed by the Company and by its subsidiaries, in relation to the information disclosed in the financial statements, related to the year ended December 31, 2019, except for the inclusion in the context and commitments of the Company in Saboó are transitional exploration.

2. PREPARATION BASIS

Compliance statement

This individual and consolidated interim financial information of the Company was prepared according to IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and also in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement as accounting practices adopted in Brazil.

All relevant information in interim financial information, and only them, are being evidenced and correspond to that used by Management.

Issuance of individual and consolidated interim financial information was authorized by the board on November 05, 2020.

No changes occurred in the measurement basis, functional and presentation currencies and in the use of estimates and judgments, in comparison with those presented in financial statements for the year ended December 31, 2019, disclosed on March 05, 2020.

Accordingly, this interim financial information should be read together with the financial statements of that year.

3. MAIN ACCOUNTING POLICIES

During the period ended September 30, 2020, there were no changes in accounting policies adopted by the Company and its subsidiaries as detailed in financial statements on December 31, 2019, except for the CVM Resolution No. 859 published on July 07, 2020 that approved the review of Technical Pronouncement CPC 06 (R2) / IFRS 16 - Leases due to Benefits related to Covid-19.

Notes to the financial statements

Review of Technical Pronouncements No. 16 that provides for amendments to Technical Pronouncement CPC 06 (R2) - Leases due to Benefits Related to Covid-19 granted to Lessees in Lease Agreements.

The resolution came into force on the date of its publication in the Federal Official Gazette, applicable to years beginning on or after January 1, 2020, and to those whose financial statements were not authorized for disclosure on the date of publication of this Resolution.

The Company and its subsidiaries concluded that the review of the standard has no impact on the interim financial information.

Thus, this individual and consolidated interim financial information should be read together with financial statements on December 31, 2019 that was previously disclosed.

4. RELATED PARTY TRANSACTIONS**a) Dividends receivable - parent company**

	<u>09/30/2020</u>	<u>12/31/2019</u>
Current assets:		
Dividends receivable:		
Direct subsidiaries:		
Pará Empreendimentos Financeiros S.A.	-	1,322
Terminal de Veículos de Santos S.A.	-	2,310
	<u>-</u>	<u>3,632</u>

b) Other significant balances

	<u>Parent company</u>		<u>Consolidated (*)</u>	
	<u>09/30/2020</u>	<u>12/31/2019</u>	<u>09/30/2020</u>	<u>12/31/2019</u>
Current assets:				
Trade accounts receivable (I)	423	428	1,549	1,258
Checking accounts (II)	1,142	1,035	1,142	1,035
	<u>1,565</u>	<u>1,463</u>	<u>2,691</u>	<u>2,293</u>
Current liabilities:				
Suppliers	1,126	830	1,549	1,258
Checking accounts (II)	-	-	1,142	1,035
	<u>1,126</u>	<u>830</u>	<u>2,691</u>	<u>2,293</u>

(*) Values eliminated in the consolidation

(I) The Company and its subsidiaries provide port and transportation services to each other, as explained in Note 4.c);

(II) Refer to provision of expenses with shared administrative services provided by the Company to its subsidiaries. They are presented as "Other accounts receivable".

Notes to the financial statements**c) Rendering of port service**

Operating branch Tecon Santos provided, in the period from January to September 2020, port services to the subsidiary Santos Brasil Logistics concerning: (i) immediate delivery of containers in the amount of R\$580 (R\$1,106 on September 30, 2019), referring to 2,217 containers (4,605 containers on September 30, 2019); (ii) non-intrusive inspection of containers, amounting to R\$621 (R\$774 on September 30, 2019) referring to 6,258 containers (7,795 containers on September 30, 2019); (iii) reefers monitoring in the amount of R\$2 (R\$22 on September 30, 2019), referring to 6 containers (41 containers on September 30, 2019); and (iv) connection and disconnection of reef containers, in the amount of R\$1.

In the same period, subsidiary Santos Brasil Logistics provided the operational branch Tecon Santos with: (i) container transportation service, in the amount of R\$6,952 (R\$5,912 on September 30, 2019), referring to 8,171 containers (6,857 containers on September 30, 2019); (ii) freight forwarding service, in the amount of R\$22 (R\$44 on September 30, 2019), referring to 824 containers (1,620 containers on September 30, 2019). On September 30, 2019, in addition to these services, we had others in the amount of R\$7.

d) Remuneration of key personnel

	Parent company			
	09/30/2020		09/30/2019	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Short-term benefits	1,376	7,357	1,376	8,031
Other benefits	-	327	-	402
Stock option plan / Share-based incentive plan	-	1,065	-	2,178
Total	1,376	8,749	1,376	10,611

	Consolidated			
	09/30/2020		09/30/2019	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Short-term benefits	1,393	7,547	1,393	8,217
Other benefits	-	327	-	402
Stock option plan / Share-based incentive plan	-	1,065	-	2,178
Total	1,393	8,939	1,393	10,797

Statutory directors and other directors are included in the executive board's amounts.

Certain directors are signatories to the Confidentiality and non-Competition Agreement, approved by the Board of Directors. Upon termination, no benefits and obligations set out in this agreement.

Directors have 0.37% of the Company's voting shares.

Notes to the financial statements

e) Benefits to collaborators - Consolidated

The Company and its subsidiaries provide their employees with benefits including basically private pension plan with defined contribution managed by Brasilprev, life insurance, health insurance, basic food basket, food stamps, meal voucher and ready meals. On September 30, 2020, the above benefits represented an expense of R\$39,463 (R\$38,855 on September 30, 2019), corresponding to 5.90% and 5.24% of consolidated net revenue, respectively.

Operating branch Tecon Santos and subsidiaries Santos Brasil Logistics and Vehicles Terminal/TEV include the Profit Sharing Plan - PPR in its human resources policies, and all employees with formal employment relationship not included in any other variable remuneration program offered by those companies are eligible. The goals and criteria for distribution of funds and awards are agreed to between the parties, including unions representing employees, with the goals of increased productivity, competitiveness and motivation and engagement among participants. On September 30, 2020, the Company and other subsidiaries had provided the amount of R\$6,200. On September 30, 2019, the Company and its subsidiaries, as they did not meet these goals and/or criteria, did not have provision for profit sharing plan. On December 31, 2019, only the subsidiary Santos Brasil Logistics had an amount of R\$164 provisioned for reaching the goals and/or criteria for the provision for the profit sharing plan.

f) Sureties and guarantees

The Company has guaranteed certain obligations of its subsidiaries as follows:

- Surety for the acquisition of trailers to Tecon Vila Conde, in the amount of R\$1,227;
- Surety for the acquisition of trucks to Tecon Vila Conde, in the amount of R\$1,482;
- Joint debtor of crane acquisition for Tecon Vila do Conde, in the amount of EUR 3,635, equivalent to R\$24,039;
- Joint debtor of full containers forklift truck acquisition for Tecon Vila do Conde, in the amount of EUR 678, equivalent to R\$4,485;
- Joint debtor of empty containers forklift truck acquisition for Tecon Vila do Conde, in the amount of EUR 271, equivalent to R\$1,792.

5. CASH AND CASH EQUIVALENTS, OTHER FINANCIAL INVESTMENTS AND INVESTMENT NATURE

a) Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and balance in banks	2,180	2,550	4,825	5,991
Interest earning bank deposits	487,283	105,912	659,309	260,385
Total	489,463	108,462	664,134	266,376

Notes to the financial statements

b) Other interest earning bank deposits

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Interest earning bank deposits	424,662	159,067	424,662	159,067

c) Nature of interest earning bank deposits

• Interest earning bank deposits

	Average rates -		Parent company	
	% CDI	Maturity	09/30/2020	12/31/2019
Investment funds (*)	(35.07)	Undetermined	-	105,912
	97.00	09/04/2025	63,181	-
	98.00	03/23/2023	10,086	-
	99.25	08/02/2021	1,205	-
	99.50	09/30/2021	154,800	-
Bank deposit bill - CDB	101.50	01/04/2021	19,881	-
	102.00	04/01/2021	77,211	-
	102.50	04/08/2021	9,038	-
	103.00	09/30/2021	141,831	-
	104.00	07/06/2021	10,050	-
			487,283	105,912

(*) Non-exclusive fund

	Average rates -		Consolidated	
	% CDI	Maturity	09/30/2020	12/31/2019
Investment funds (*)	1.64	Undetermined	-	260,385
	97.00	09/04/2025	63,181	-
	98.00	03/23/2023	10,086	-
	99.25	08/02/2021	10,839	-
	99.50	09/30/2021	167,300	-
Bank deposit bill - CDB	101.50	01/04/2021	19,881	-
	102.00	04/01/2021	77,211	-
	102.50	04/08/2021	158,930	-
	103.00	09/30/2021	141,831	-
	104.00	07/06/2021	10,050	-
			659,309	260,385

(*) Non-exclusive fund

Notes to the financial statements

- Other interest earning bank deposits

	Average rates - % CDI	Maturity	Parent company and Consolidated	
			09/30/2020	12/31/2019
Investment funds (*)	(35.07)	Undetermined	-	159,067
	102.50	04/01/2021	77,212	-
Bank deposit bill - CDB	103.50	04/01/2021	154,422	-
	106.00	10/30/2020	77,211	-
	108.00	11/30/2020	115,817	-
			<u>424,662</u>	<u>159,067</u>

(*) Non-exclusive fund

Highly liquid short-term interest earning bank deposits, considered as cash equivalents are promptly convertible into a known sum of cash and subject to an insignificant risk of change of value.

Average investment rates presented above refer to remunerations obtained in the period from January to September 2020 and are related to the CDI (Interbank Deposit Certificate) rate.

The “Cash and cash equivalents” and “Interest earning bank deposits” are maintained with first-tier banks with ratings between BB- and AAA assigned by Standard & Poor's.

Amid the uncertainties caused by the Covid-19 spread, the global economic impacts are generating a lot of volatility in the market, impacting the performance of private credit assets in the domestic market.

The risk aversion around this event has caused the opening of spreads in the market, which coupled with the low liquidity in the secondary market, has brought negative mark-to-markets to credit funds. Even DI Referenced Funds with private credit, indicated for clients with a conservative profile, suffered a strong impact on their quotas and profitability.

Aiming to minimize these impacts, the Company migrated the funds allocated in investment funds to Bank Deposit Certificates (CDBs) in early April.

6. TRADE ACCOUNTS RECEIVABLECurrent

	Parent company	
	09/30/2020	12/31/2019
Domestic	98,118	90,739
To be billed	2,622	3,112
Related parties (Note 4.b))	423	428
(-) Provision for expected credit losses	(13,162)	(12,927)
Total	<u>88,001</u>	<u>81,352</u>

Notes to the financial statements

	Consolidated	
	09/30/2020	12/31/2019
Domestic	138,825	129,694
To be billed	4,925	5,072
(-) Provision for expected credit losses	(14,303)	(14,334)
Total	129,447	120,432

On September 30, 2020, three clients have balance between 14% and 6% each.

On September 30, 2020, the amount of R\$1,549 (R\$1,258 on December 31, 2019) was eliminated for consolidation purposes; such amount refers to amounts receivable between the Company and its subsidiaries and derives from billing of service rendering and shared administrative services, as explained in Note 4.b).

The table below summarizes the balances receivable by maturity:

	Parent company	
	09/30/2020	12/31/2019
Credits falling due:	49,824	45,692
Past due receivables - up to 60 days	12,681	22,629
Past due receivables - from 61–90 days	4,019	6,231
Past due receivables - from 91–180 days	20,766	9,971
Past due receivables - from 181–360 days	8,582	5,607
Past due receivables for more than 361 days	5,291	4,149
Total	101,163	94,279

	Consolidated	
	09/30/2020	12/31/2019
Credits falling due	83,994	75,492
Past due receivables - up to 60 days	17,732	29,523
Past due receivables - from 61–90 days	4,650	7,098
Past due receivables - from 91–180 days	21,441	11,165
Past due receivables - from 181–360 days	9,095	5,899
Past due receivables for more than 361 days	6,838	5,589
Total	143,750	134,766

Impairment

The provision for expected credit losses expected is recorded on a forward-looking basis, through analysis of the credit risk and delinquency history. Therefore, the calculation and constitution of the provision consider the credits falling due and overdue.

The following charts reflect the changes in the allowance for expected credit losses and the securities written-off of profit or loss of the parent company and consolidated.

Notes to the financial statements

	Parent company	Consolidated
Balance at 12/31/2019	12,927	14,334
Additions, net of reversals	12,050	11,596
Write-offs	(11,815)	(11,627)
Balance at 09/30/2020	13,162	14,303

	Parent company	Consolidated
Balance at 12/31/2018	14,347	15,976
Additions, net of reversals	13,705	14,986
Write-offs	(15,125)	(16,628)
Balance at 12/31/2019	12,927	14,334

7. INVENTORIES

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Maintenance material	18,919	17,724	22,098	20,839
Administrative material	340	308	495	418
Security material	245	271	411	470
Other	868	853	1,049	1,044
	20,372	19,156	24,053	22,771

Materials maintained in inventory are used mainly for maintenance of operating equipment and are recognized in income for the year, when used.

8. COURT-ORDERED DEBT PAYMENTS ("PRECATÓRIOS") - CONSOLIDATED

	09/30/2020	12/31/2019
Non-current assets:		
Court-ordered debt payments receivable	5,740	5,605
Non-current liabilities:		
Court-ordered debt payments to be transferred to the former shareholders, net of attorney's fees (*)	4,592	4,484

(*) These court-ordered debt payments are classified in the balance sheet under "Other liabilities", in non-current liabilities.

In 1993, subsidiary Santos Brasil Logistics filed a collection lawsuit referring to storage services provided to and not paid by the São Paulo State Financial Department. In 2001, said lawsuit was finally judged valid to be received in ten annual installments and, on September 30, 2020, only one installment remained to be received, adjusted to inflation according to legal debt adjustment rate of the São Paulo State Justice Court and recognized in assets.

Notes to the financial statements

In the period ended September 30, 2020, the non-current liabilities were adjusted principally considering the adjustment mentioned in the paragraph above. Purchase agreement of Santos Brasil Logistics sets forth that the amounts from the judicial bonds received shall be transferred to the former controlling shareholders. These amounts are transferred net of legal fees associated with them.

9. CURRENT TAX ASSETS

	Parent company	
	09/30/2020	12/31/2019
Withholding income tax - IRRF	3,900	3,395
Corporate Income Tax -IRPJ and Social Contribution on Net Income - CSLL	944	47
Other	8	4
Total current	<u>4,852</u>	<u>3,446</u>

	Consolidated	
	09/30/2020	12/31/2019
Withholding income tax - IRRF	3,985	3,492
Corporate Income Tax -IRPJ and Social Contribution on Net Income - CSLL	2,747	910
Recoverable credit from Fund for Development and Management of Collection and Inspection - FUNDAF	986	969
Credits from Social Integration Program - PIS / Contribution for the Financing of Social Security - COFINS	1,900	1,850
Other	327	255
Total current	<u>9,945</u>	<u>7,476</u>

Consolidated IRRF credits, in the amount of R\$3,985 (R\$3,492 on December 31, 2019) were mainly from Company's financial investments of prior years.

Consolidated credits from Corporate Income Tax and Social Contribution in the amount of R\$2,747 (R\$910 on December 31, 2019), were mainly from advances in monthly calculations of the Company and its subsidiaries Santos Brasil Logistics and Vehicles Terminal/TEV. These credits will be offset in future year calculations.

The consolidated PIS and COFINS credits, in the amount of R\$1,900 (R\$1,850 on December 31, 2019), mainly related to the subsidiary Tecon Vila do Conde, which filed a writ of mandamus to exclude the ISS from the PIS and COFINS calculation basis. The lawsuit was upheld, generating the credit right for the period from October 2012 to December 2019. These credits are being offset in monthly calculations of contributions themselves.

FUNDAF's consolidated credits, in the amount of R\$986 (R\$969 on December 31, 2019) were related to undue collection in subsidiary Tecon Vila do Conde, according to article 6 of Decree-Law No. 1437/75, resulting from payments made from January 2014 to April 2017.

Notes to the financial statements**10. INVESTMENTS - PARENT COMPANY****a) Composition of balances**

	09/30/2020	12/31/2019
Non-current assets:		
Interest in subsidiaries	402,072	398,460

b) Changes in balances - as from December 31, 2019

	Numeral 80 Participações S.A.	Terminal Portuário de Veículos S.A.	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.	Total
Balance at December 31, 2019	207	34	94,206	135,749	168,264	398,460
Capital contribution	100	30	-	-	-	130
Equity in net income of subsidiaries	(117)	(21)	16,059	(2,121)	579	14,379
Additional dividend as Annual Shareholder's Meeting on April 30, 2020 ^(*)	-	-	(3,966)	-	(6,931)	(10,897)
Balance at September 30, 2020	190	43	106,299	133,628	161,912	402,072

(*) The dividends received are being presented in the "Statement of Cash Flow" under "Financing activity" caption.

c) Changes in balances - as from December 31, 2018

	Numeral 80 Participações S.A.	Terminal Portuário de Veículos S.A.	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.	Total
Balance at December 31, 2018	142	22	70,112	147,428	166,986	384,690
Capital contribution	200	40	135	-	-	375
Equity in net income of subsidiaries	(135)	(28)	26,246	(991)	9,727	34,819
Additional dividend as Annual Shareholder's Meeting on April 30, 2019 ^(*)	-	-	-	(7,302)	(6,097)	(13,399)
Minimum mandatory dividends ^(*)	-	-	(1,322)	-	(2,310)	(3,632)
Actuarial liabilities -Supplementary Health Care	-	-	(965)	(3,386)	(42)	(4,393)
Balance at December 31, 2019	207	34	94,206	135,749	168,264	398,460

(*) The dividends received are being presented in the "Statement of cash flow" under "Financing activity" caption.

Notes to the financial statements

d) Information of the subsidiaries - Position on September 30, 2020

	Numeral 80 Participações S.A. ^(a)	Terminal Portuário de Veículos S.A. ^(a)	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.
Capital	1,430	490	84,484	126,374	128,751
Number of shares held:					
Common	986,986	490,000	84,484,349	115,935,256	204,269,217
Preferred shares	443,014	-	-	115,935,255	-
(Loss) net income for the period	(117)	(21)	16,059	(2,121)	579
Shareholders' equity	190	43	106,299	133,628	161,912
Interest in capital - %	100	100	100	100	100
Interest in the shareholders' equity	190	43	106,299	133,628	161,912
Current assets	185	43	127,973	61,547	42,362
Non-current assets	7	-	98,004	180,681	233,906
Total assets	192	43	225,977	242,228	276,268
Current liabilities	2	-	29,614	41,278	9,532
Non-current liabilities	-	-	90,064	67,322	104,824
Total liabilities	2	-	119,678	108,600	114,356
Net income	-	-	86,465	167,692	29,938
(Loss) net income for the period	(117)	(21)	16,059	(2,121)	579

(a) Company with shutdown operations.

Notes to the financial statements

11. PROPERTY, PLANT AND EQUIPMENT

	Parent company											
	Leasehold improvement s	Cargo handling equip ment	Construction in progress (*)	IT equipment	Land	Machinery, equipment and accessories	Facilities, furniture and fixtures	Vehicles	Real estate	Right-of- use - Rents	Other items	Total
Depreciation rate (% p.a.)	9.5	8.6	-	20	-	10	10	20	1.7	-	10	
Net balances at January 1, 2019	43	13,036	28,503	3,264	39,943	7,415	1,640	89	1,893	-	21	95,847
Changes												
Acquisitions / Transfers	-	876	19,926	258	-	166	103	455	-	-	96	21,880
Write-offs	-	(75)	-	(1)	-	(1)	(2)	-	-	-	-	(79)
Reclassifications (**)	2,038	(2)	(23,018)	1	-	-	-	-	-	-	-	(20,981)
Depreciations	(2,001)	(2,548)	-	(1,711)	-	(1,933)	(449)	(47)	(33)	-	(21)	(8,743)
Net balances at December 31, 2019	80	11,287	25,411	1,811	39,943	5,647	1,292	497	1,860	-	96	87,924
Balances at December 31, 2019												
Cost	4,092	56,683	25,411	37,807	39,943	27,135	9,530	1,988	1,955	-	347	204,891
Accumulated depreciation	(4,012)	(45,396)	-	(35,996)	-	(21,488)	(8,238)	(1,491)	(95)	-	(251)	(116,967)
Net balances at December 31, 2019	80	11,287	25,411	1,811	39,943	5,647	1,292	497	1,860	-	96	87,924
Depreciation rate (% p.a.)	9.5	8.6	-	20	-	10	10	20	1.7	50	10	
Net balances at January 1, 2020	80	11,287	25,411	1,811	39,943	5,647	1,292	497	1,860	-	96	87,924
Changes												
Acquisitions / Transfers	-	66	(1,478)	9,959	-	-	24	-	-	320	-	8,891
Write-offs	-	(106)	-	(1)	-	-	-	-	-	-	-	(107)
Reclassifications	-	-	(1,561)	-	-	-	-	-	-	-	-	(1,561)
Depreciations	(23)	(1,633)	-	(1,291)	-	(1,419)	(319)	(93)	(25)	(107)	(19)	(4,929)
Net balances at September 30, 2020	57	9,614	22,372	10,478	39,943	4,228	997	404	1,835	213	77	90,218
Balances at September 30, 2020												
Cost	4,092	56,225	22,372	47,762	39,943	27,115	9,530	1,988	1,955	320	347	211,649
Accumulated depreciation	(4,035)	(46,611)	-	(37,284)	-	(22,887)	(8,533)	(1,584)	(120)	(107)	(270)	(121,431)
Net balances at September 30, 2020	57	9,614	22,372	10,478	39,943	4,228	997	404	1,835	213	77	90,218

(*) The value of additions in "Construction in progress" caption, is net of transfers, upon entry of assets into the groups that represent them.

(**) Reclassifications, mainly to intangible assets.

Notes to the financial statements

	Consolidated											
	Leasehold improvements	Cargo handling equipment	Construction in progress (*)	IT equipment	Land	Machinery, equipment and accessories	Facilities, furniture and fixtures	Vehicles	Real estate	Right-of-use - Rents	Other items	Total
Depreciation rate (% p.a.)	5.9 - 9.5	8.6 - 12.6	-	20	-	10	10	20	1.7 - 2.2	18.5 - 37.5	10	
Net balances at January 1, 2019	4,052	42,607	69,163	3,645	66,368	11,682	20,161	89	20,484	-	24	238,275
Changes												
Acquisitions / Transfers	-	5,485	21,733	2,255	-	390	139	455	-	38,314	127	68,898
Write-offs	-	(83)	-	(1)	-	(2)	(2)	-	-	-	-	(88)
Reclassifications (**)	2,038	(2)	(60,819)	1	-	554	-	-	-	-	-	(58,228)
Depreciations	(2,474)	(8,105)	-	(1,868)	-	(2,981)	(4,354)	(47)	(539)	(8,407)	(27)	(28,802)
Net balances at December 31, 2019	3,616	39,902	30,077	4,032	66,368	9,643	15,944	497	19,945	29,907	124	220,055
Balances at December 31, 2019												
Cost	12,880	144,874	30,077	48,661	66,368	45,212	57,564	2,176	27,136	38,314	763	474,025
Accumulated depreciation	(9,264)	(104,972)	-	(44,629)	-	(35,569)	(41,620)	(1,679)	(7,191)	(8,407)	(639)	(253,970)
Net balances at December 31, 2019	3,616	39,902	30,077	4,032	66,368	9,643	15,944	497	19,945	29,907	124	220,055
Depreciation rate (% p.a.)	5.9 - 9.5	8.6 - 12.6	-	20	-	10	10	20	1.7 - 2.2	15.1 - 50	10	
Net balances at January 1, 2020	3,616	39,902	30,077	4,032	66,368	9,643	15,944	497	19,945	29,907	124	220,055
Changes												
Acquisitions / Transfers	217	767	5,772	12,352	-	487	97	-	-	18,409	1	38,102
Write-offs	-	(1,241)	-	(1)	-	-	-	-	-	-	-	(1,242)
Reclassifications	-	-	(2,051)	-	-	-	-	-	-	-	-	(2,051)
Depreciations	(363)	(5,133)	-	(1,818)	-	(2,158)	(3,156)	(93)	(404)	(7,936)	(25)	(21,086)
Net balances at September 30, 2020	3,470	34,295	33,798	14,565	66,368	7,972	12,885	404	19,541	40,380	100	233,778
Balances at September 30, 2020												
Cost	13,097	140,686	33,798	61,009	66,368	45,680	57,636	2,176	27,136	56,723	763	505,072
Accumulated depreciation	(9,627)	(106,391)	-	(46,444)	-	(37,708)	(44,751)	(1,772)	(7,595)	(16,343)	(663)	(271,294)
Net balances at September 30, 2020	3,470	34,295	33,798	14,565	66,368	7,972	12,885	404	19,541	40,380	100	233,778

(*) The value of additions in "Construction in progress" caption, is net of transfers, upon entry of assets into the groups that represent them.

(**) Reclassifications, mainly to intangible assets.

Notes to the financial statements

Capitalized loans and financing costs for the period ended September 30, 2020 totaled R\$3,322, referring to loans and financing not directly attributable to the Company's property, plant and equipment with an average interest rate of 4.24% p.a. On December 31, 2019, the amount of R\$3,243 , was comprised by: (i) R\$323 related to loans and financing directly attributable to fixed assets of the subsidiary Tecon Vila do Conde; and (ii) R\$2,920 related to amounts not directly attributable to the Company, with an average interest rate of 7.30% p.a.

The Company has equipment which was provided as guarantee to the financing of the respective acquisition (Financing Fund for Acquisition of Industrial Machineries and Equipment - FINAME). The cost value of these assets was R\$298. In addition to these guarantees, the Company also has a Rubber Tyred Gantry - RTG pledged in guarantee of ongoing Labor Lawsuit No. 369/03 which, on September 30, 2020, had the book value of R\$546.

Notes to the financial statements

12. INTANGIBLE ASSETS

	Parent company									
	Defined useful life									
	Exploration right						Software	Other intangible assets		
	Tecon Santos	Tecon Imbituba	TCG Imbituba	Saboó (**)	Concession of Santos-Brasil S.A.	Concession of Pará Empreendimentos	Concession of TCG Imbituba	System data processing	Intangible in progress	Total
Amortization rate (% p.a.)	5.3	4.7	4.6	-	3.1	6.3	4.4	20	-	
Net balances at January 1, 2019	847,880	622,688	11,960	-	71,884	2,537	11,037	431	3,120	1,571,537
Changes										
Acquisitions / Transfers	39,352	38,626	268	-	-	-	-	75	79,635	157,956
Reclassifications (*)	(1,153)	28	(1)	-	-	-	-	4	22,102	20,980
Amortizations	(37,889)	(46,277)	(912)	-	(2,486)	(172)	(828)	(149)	-	(88,713)
Net balances at December 31, 2019	848,190	615,065	11,315	-	69,398	2,365	10,209	361	104,857	1,661,760
Balances at December 31, 2019										
Cost	1,604,227	1,001,328	19,566	-	321,264	37,760	18,983	22,518	104,857	3,130,503
Accumulated amortization	(756,037)	(386,263)	(8,251)	-	(251,866)	(35,395)	(8,774)	(22,157)	-	(1,468,743)
Net balances at December 31, 2019	848,190	615,065	11,315	-	69,398	2,365	10,209	361	104,857	1,661,760
Amortization rate (% p.a.)	5.3	4.7	4.6	-	3.1	6.3	4.4	20	-	
Net balances at January 1, 2020	848,190	615,065	11,315	-	69,398	2,365	10,209	361	104,857	1,661,760
Changes										
Acquisitions / Transfers	297,338	31,835	294	2,319	-	-	-	5,684	53,393	390,863
Write-off	(1,292)	-	-	-	-	-	-	-	-	(1,292)
Reclassifications	-	-	-	-	-	-	-	-	1,561	1,561
Amortizations	(32,109)	(36,299)	(700)	(1,778)	(1,863)	(129)	(621)	(448)	-	(73,947)
Net balances at September 30, 2020	1,112,127	610,601	10,909	541	67,535	2,236	9,588	5,597	159,811	1,978,945
Balances at September 30, 2020										
Cost	1,864,593	1,033,163	19,860	2,319	321,264	37,760	18,983	28,202	159,811	3,485,955
Accumulated amortization	(752,466)	(422,562)	(8,951)	(1,778)	(253,729)	(35,524)	(9,395)	(22,605)	-	(1,507,010)
Net balances at September 30, 2020	1,112,127	610,601	10,909	541	67,535	2,236	9,588	5,597	159,811	1,978,945

(*) Reclassifications of property, plant and equipment.

(**) Exploration right for six (6) months.

Notes to the financial statements

	Consolidated												
	Defined useful life											Undefined useful life	
	Exploration righ									Software	Other intangible assets	Goodwill in acquisitions	
	Tecon Santos	Tecon Imbituba	TCG Imbituba	Saboó (***)	Tecon Vila do Conde	Vehicles Terminal/ TEV	Concession of Santos-Brasil S.A.	Concession of Pará Empreendimentos	Concession of TCG Imbituba	System data processing	Intangible in progress	Santos Brasil Logistics (*)	Total
Amortization rate (% p.a.)	5.3	4.7	4.6	-	7.4	4.2	3.1	6.3	4.4	20	-	-	
Net balances at January 1, 2019	847,880	622,688	11,960	-	17,356	235,736	71,884	2,536	11,037	650	3,120	39,465	1,864,312
Changes													
Acquisitions / Transfers	39,352	38,626	268	-	8,901	9,618	-	-	-	75	88,635	-	185,475
Reclassifications (**)	(1,153)	28	(1)	-	36,941	(554)	-	-	-	649	22,317	-	58,227
Amortizations	(37,889)	(46,277)	(912)	-	(2,777)	(15,225)	(2,486)	(171)	(828)	(283)	-	-	(106,848)
Net balances at December 31, 2019	848,190	615,065	11,315	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Balances at December 31, 2019													
Cost	1,604,227	1,001,328	19,566	-	103,659	360,253	321,264	37,760	18,983	32,202	114,072	47,576	3,660,890
Accumulated amortization	(756,037)	(386,263)	(8,251)	-	(43,238)	(130,678)	(251,866)	(35,395)	(8,774)	(31,111)	-	(8,111)	(1,659,724)
Net balances at December 31, 2019	848,190	615,065	11,315	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Amortization rate (% p.a.)	5.3	4.7	4.6	-	7.4	4.2	3.1	6.3	4.4	20	-	-	
Net balances at January 1, 2020	848,190	615,065	11,315	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Changes													
Acquisitions / Transfers	297,338	31,835	294	2,319	1,055	11,175	-	-	-	5,684	57,121	-	406,821
Write-off	(1,292)	-	-	-	(299)	-	-	-	-	-	-	-	(1,591)
Reclassifications	-	-	-	-	261	-	-	-	-	229	1,561	-	2,051
Amortizations	(32,109)	(36,299)	(700)	(1,778)	(3,701)	(11,973)	(1,863)	(129)	(621)	(585)	-	-	(89,758)
Net balances at September 30, 2020	1,112,127	610,601	10,909	541	57,737	228,777	67,535	2,236	9,588	6,419	172,754	39,465	2,318,689
Balances at September 30, 2020													
Cost	1,864,593	1,033,163	19,860	2,319	99,136	371,429	321,264	37,760	18,983	38,115	172,754	47,576	4,026,952
Accumulated amortization	(752,466)	(422,562)	(8,951)	(1,778)	(41,399)	(142,652)	(253,729)	(35,524)	(9,395)	(31,696)	-	(8,111)	(1,708,263)
Net balances at September 30, 2020	1,112,127	610,601	10,909	541	57,737	228,777	67,535	2,236	9,588	6,419	172,754	39,465	2,318,689

(*) Accumulated amortization up to December 31, 2008.

(**) Reclassifications of property, plant and equipment.

(***) Exploration right for six (6) months.

Notes to the financial statements

There were no changes in conditions of exploration rights and of goodwill acquisition with defined and undefined useful lives, in comparison with those presented in financial statements for the year ended December 31, 2019.

13. LOANS AND FINANCING

	Interest	Restatements	Amortization	Parent company		Transaction currency
				09/30/2020	12/31/2019	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	58	115	R\$
NCE (a)	2.75% p.a.	CDI	Semi-annual	60,823	60,028	R\$
				<u>60,881</u>	<u>60,143</u>	
Total				<u>60,881</u>	<u>60,143</u>	
(-) Short term installments				(20,881)	(40,104)	
Long term installments				40,000	20,039	
	Interest	Restatements	Amortization	Consolidated		Transaction currency
				09/30/2020	12/31/2019	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	58	115	R\$
FINAME	TLP + 4.60% p.a.	UMSELIC	Monthly	1,555	2,011	R\$
NCE (a)	2.75% p.a.	CDI	Semi-annual	60,823	60,028	R\$
				<u>62,436</u>	<u>62,154</u>	
Foreign currency:						
FINIMP (*)	EURIBOR + 3.02% p.a.	Exchange-rate change	Semi-annual	17,740	15,771	€
				<u>17,740</u>	<u>15,771</u>	
Total				<u>80,176</u>	<u>77,925</u>	
(-) Short term installments				(26,617)	(44,387)	
Long term installments				53,559	33,538	

(*) The FINIMP of the subsidiary Tecon Vila do Conde contains covenants.

- (a) On June 22, 2018, parties entered into an addendum for Export Credit Note - NCE operation with Banco Itaú, changing amortization maturity from June 2020 para to June 2021, referring to the raising of R\$100,000 held on June 21, 2017. There was also change in percentage rate added of CDI, from 2.00% p.a. to 1.85% p.a.

On June 22, 2020, the second amendment to the Export Credit Note - NCE operation was signed with Banco Itaú, extending the debt's maturity from June 2021 to June 2022. The rate plus CDI changed also from 1.85% p.a. to 2.75% p.a.

Loans and financing in foreign currency have increased the interest of the Income Tax Withholding on consignment as contractual provision.

Changes in loans and financing are shown in the following table:

Notes to the financial statements

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Opening balance	60,143	205,347	77,925	227,395
Funding	-	-	-	-
Recognized interest and costs	1,762	9,291	2,457	9,828
Compound interest	699	2,920	699	3,243
Inflation adjustment and exchange rate change	-	2,176	6,607	2,581
(-) Debt amortization	(57)	(142,380)	(5,009)	(147,006)
(-) Interest paid (*)	(1,666)	(17,211)	(2,503)	(18,116)
Closing balance	60,881	60,143	80,176	77,925

(*) Interest paid are presented in the “Statement of Cash Flow” under “Financing activity” caption.

FINIMP of the subsidiary Tecon Vila do Conde has a covenant, to be determined by the Company, resulting from the division of Net Debt by EBITDA, whose quotient shall be equal to or lower than 2.5 times, based on the Company’s audited Consolidated Financial Statements.

On September 30, 2020, the index (“covenants”) was being addressed as follows:

	Consolidated 09/30/2020
Assets	
Cash and cash equivalents	664,134
Other interest earning bank deposits	424,662
Liabilities	
Loans and financing	80,176
Debentures	353,635
Leases	42,504
Net debt	(612,481)
EBITDA in the last 12 months	201,106
Net debt / EBITDA equal or less than 2.5 times	(3.0)

Guarantees

- Guarantees granted

	Maturity	Currency	Guarantees
FINAME	June 2021	R\$	Equipment object of transaction (a)
FINAME	February 2023	R\$	Equipment object of transaction (a)
FINAME	April 2023	R\$	Equipment object of transaction (a)

(a) According to Note 11.

Other loans and financing do not have guarantees.

Notes to the financial statements

- Obtained guarantees

On the reference date of September 30, 2020, the Company had no guarantee given to outstanding transactions or any other existing transaction.

On September 30, 2020, the long-term debt had the following maturity structure:

		Parent company		
		2021	2022	Total
NCE		20,000	20,000	40,000

		Consolidated				
		2021	2022	2023	2024	Total
NCE		20,000	20,000	-	-	40,000
FINAME		155	621	150	-	926
FINIMP		-	5,053	5,053	2,527	12,633
Total		20,155	25,674	5,203	2,527	53,559

14. DEBENTURES

	Interest	Restatements	Amortization	Parent company	
				09/30/2020	12/31/2019
Debentures	0.70% - 1.00% p.a.	CDI	Annual	296,070	299,985
(-) Short term installments				(99)	(4,645)
Long term installments				295,971	295,340

	Interest	Restatements	Amortization	Consolidated	
				09/30/2020	12/31/2019
Debentures	0.70% - 1.00% p.a.	CDI	Annual	296,070	299,985
Debentures	4.20% p.a.	IPCA	Semi-annual	57,565	58,486
				353,635	358,471
(-) Short term installments				(5,947)	(9,689)
Long term installments				347,688	348,782

- (a) On February 20, 2019, the Board of Directors approved the 4th issue by the Company of simple non-convertible debentures in up to 2 series, unsecured, in the total amount of R\$300,000.

On April 26, 2019, the Bookbuilding Procedure was completed, and on April 30, 2019 the transaction was settled. The table below shows a summary containing the final conditions obtained and the allocation of Debentures among the series of Issue:

Series	Maturity	Final rate (Bookbuilding)	Allocated volume (R\$)
Series 1	March 25, 2024	CDI + 0.70% p.a.	100,000
Series 2	March 25, 2026	CDI + 1.00% p.a.	200,000

Notes to the financial statements

- (b) On October 25, 2019, the extraordinary general meeting of shareholders of the indirect subsidiary Tecon Vila do Conde approved the first 1st issue of unsecured single and non-convertible debentures in the amount total of R\$60,000. The debentures will have the incentive under article 2, Law No.12431, on June 24, 2011.

On August 26, 2019, the Board of Directors of the parent company Santos Brasil decided to grant the guarantee for this issue. The operation was settled on December 03, 2019.

The table below shows a summary containing the final conditions of debentures:

Series	Maturity	Final rate	Allocated volume (R\$)
Single series	November 17, 2031	IPCA + 4.20% p.a.	60,000

Changes in debentures are shown in the following table:

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Opening balance	299,985	-	358,471	-
Funding	-	300,000	-	360,000
(-) Funding cost	(15)	(5,228)	(317)	(7,234)
Net amount raised	299,970	294,772	358,154	352,766
Recognized interest and costs	6,926	13,885	8,920	14,086
Compound interest	2,623	-	2,623	-
Inflation adjustment over principal	-	-	1,026	291
(-) Debt amortization	-	-	(2,524)	-
(-) Interest paid (*)	(13,449)	(8,672)	(14,564)	(8,672)
Closing balance	296,070	299,985	353,635	358,471

(*) Interest paid are presented in the "Statement of Cash Flow" under "Financing activity" caption.

Based on clause 6.27.2, item XXI, of the Fourth Issue Indenture of Santos Brasil and in clause 7.1.2, item II of First Issue Indenture of Convicon, the non-compliance by the with the financial ratio of Net Debt to adjusted EBITDA (as defined below), which shall be equal to or lower than 3.0 times, may cause the acceleration of the obligations arising from the Debentures. The financial ratio shall be quarterly determined, based on the Company's Consolidated Financial Statements.

On September 30, 2020, the financial ratio was being complied with, as follows:

Notes to the financial statements

	<u>Consolidated</u> <u>09/30/2020</u>
Assets	
Cash and cash equivalents	664,134
Other interest earning bank deposits	424,662
Liabilities	
Loans and financing	80,176
Debentures	353,635
Leases	42,504
Net debt	(612,481)
Adjusted EBITDA (*)	133,541
Net debt / Adjusted EBITDA equal or less than 3.0 times	(4.6)

(*) For purposes of determining the financial ratio, "Adjusted EBITDA" means, based on the Company's Consolidated Financial Statements for the four (4) immediately prior quarters, the result of EBITDA less the payments on obligations with Concession Grantor (statement of cash flows) related to the fixed and minimum variable installments of lease contracts.

15. PROVISION TO TAX, LABOR, CIVIL RISKS AND JUDICIAL DEPOSITS

The Company and its subsidiaries are exposed to certain risks represented in tax, labor and civil lawsuits for which there is a provision recognized in the interim financial information, as they were evaluated with a likelihood of probable loss. The procedure for determining the provisioned proceedings were considered by Management as adequate based on several factors, including (but not limited to) the opinion of the legal advisors of the Company and its subsidiaries, nature of lawsuits and historic experience.

Provisioned amounts for contingencies being discussed in court are as follows:

	<u>Parent company</u>	
	<u>09/30/2020</u>	<u>12/31/2019</u>
Labor provision (a)	18,030	16,124
Provision for the Accident Prevention Factor - FAP lawsuit (b)	8,859	9,554
Other proceedings (d)	3,879	3,486
Total	<u>30,768</u>	<u>29,164</u>

	<u>Consolidated</u>	
	<u>09/30/2020</u>	<u>12/31/2019</u>
Labor provision (a)	19,727	18,491
FAP provision for profit sharing (b)	11,372	12,026
Other proceedings (d)	7,025	6,976
Total	<u>38,124</u>	<u>37,493</u>

The amounts of court deposits were:

Notes to the financial statements

	Parent company	
	09/30/2020	12/31/2019
Related to contingencies:		
Labor proceedings (a)	4,278	4,365
FAP lawsuit (b)	5,720	5,639
CADE lawsuit - fine (c)	2,333	2,310
CADE lawsuit - billing bonded warehouses (c)	208,628	200,802
Other proceedings (d)	1,157	1,053
Other judicial deposits (e)	40,497	41,610
Subtotal	262,613	255,779
Related to supplier:		
SCPar Porto de Imbituba S.A. ("SCPar") (f)	15,083	15,083
OGMO - Labor Management Body (g)	10,027	3,908
Subtotal	25,110	18,991
Total	287,723	274,770

	Consolidated	
	09/30/2020	12/31/2019
Related to contingencies:		
Labor proceedings (a)	4,881	5,386
FAP lawsuit (b)	7,181	7,080
CADE lawsuit - fine (c)	2,333	2,310
CADE lawsuit - billing bonded warehouses (c)	208,628	200,802
Other proceedings (d)	1,157	1,053
Other judicial deposits (e)	47,178	48,779
Subtotal	271,358	265,410
Related to supplier:		
SCPar (f)	15,083	15,083
OGMO (g)	10,027	3,908
Subtotal	25,110	18,991
Total	296,468	284,401

- (a) Refer to liability lawsuits: (i) of the operating branch Tecon Santos, provisioned in the amount of R\$18,030, for which there are judicial deposits of R\$4,278 and 39 insurance policies guaranteeing the amount of R\$62,165; (ii) the subsidiary Santos Brasil Logisitics, with provisions in the amount of R\$1,572, for which there are judicial deposits of R\$ 583 and 1 insurance plan guaranteeing the amount of R\$190; and (iii) of subsidiary Tecon Vila do Conde, provisioned in the amount of R\$125, for which there are judicial deposits of R\$20 and 4 insurance policies guaranteeing the amount of R\$3,813.

Notes to the financial statements

- (b) The provisions refer to administrative appeals filed with the National Institute of Social Security - INSS, due to the new system of calculating social security contributions, based on the creation of so-called FAP multiplier index mainly calculated based on the number of occupational accidents in companies and leaves of employees compared to companies engaged in the same economic activity (National Classification of Economic Activities - NCEA). As the charge was maintained, an injunction was filed requiring authorization to the court deposit and suspension of the tax credit related to the FAP for 2010. The injunction was accepted authorizing the full deposit of the Parent company's and its subsidiaries' credit of R\$5,720, comprised of: (i) R\$1,368 - Santos Brasil Logistics; (ii) R\$66 - Tecon Vila do Conde; and (iii) R\$27 - Vehicles Terminal/TEV. Later, a lawsuit was filed to dispute the constitutionality and legality of FAP. Also, lawsuits were filed regarding FAP for 2011 of Santos Brasil Logistics and FAP for 2012 of Santos Brasil Participações S.A., aiming at the suspension of debt enforceability upon judicial deposits.
- (c) Deposits related to Administrative Council of Economic Defense - CADE refer to the lawsuit filed in the agency on the charge of possible actions not complying with the economic order, involving several companies exploring leased quays or private management, including operating branch Tecon Santos.

The matter under discussion referred to the legality of the charge made to Bonded Warehouses (BWs) by container separation and delivery services. This lawsuit was judged and the Company was convicted in the ambit of CADE to: (i) pecuniary fine; and (ii) interruption of charges made to the bonded warehouse. Operating branch Tecon Santos filed a lawsuit and obtained an injunction to resume the charge through a judicial deposit for the full charged amount and a deposit of the full pecuniary fine amount applied by CADE, resulting in judicial deposits in the amount of R\$141,009 and R\$2,333, respectively. Operating branch Tecon Santos filed two other lawsuits to cancel the payment of taxes arising from billing: (i) a lawsuit at the Federal Court, which comprises PIS, COFINS, IRPJ and CSLL taxes; and (ii) other lawsuit that is ongoing in the city of Guarujá, including the Tax on Services of Any Nature - ISSQN, with total amounts of R\$67,619 already deposited. Taxes levied on bonded warehouse billing, in the amount of R\$56,810 (R\$53,572 on December 31, 2019), are stated in non-current liabilities.

On September 4, 2013, the mentioned lawsuit was judged by the lower court, which rendered a sentence partially favorable to the Company, since the decision made by the Administrative Council for Economic Defense - CADE of hindering the charge of segregation and delivery services was annulled, while the fine was maintained, based on the court understanding that CADE has exercised its ruling authority. As for the prohibition of the charges, the order said that CADE's decision was void, because the jurisdiction to regulate the port sector belongs to ANTAQ only. Such jurisdiction was properly exercised by CODESP through DIREXE Orders No. 371.2005 and No. 50.2006, setting the maximum amounts of the services to which the dispute relate to.

The Company filed motions for clarification requiring the continuity of judicial deposits of charges for services to be assessed by the final judgment of the lawsuit and judicial deposits of the taxes, in addition to other related issues. The motions for clarification were judged and published on November 4, 2013 and the decision authorized only to continue with the deposits of taxes incurred on the charge of services, but it did not authorize the judicial deposits of the amounts of invoices issued by the Company.

This court decision resulted in the following effects on the Company: (i) now it has the invoiced amounts, which shall no more be deposited; (ii) charged retroactively the invoiced amounts that were stuck; and (iii) court required the search of judicial deposits of services. Additionally, the Company's legal advisors in the lawsuit began to classify the lawsuit as "remote loss" until the final judgment, especially considering that the decision of first court referred to CADE's regulatory non-jurisdiction on the matter.

Notes to the financial statements

As for the search of judicial deposits of services billed and received until the court order, the first court judge ruled against it, which was upheld by the Federal Court to deny the preliminary injunction in the Interlocutory Appeal by understanding that, at this point of the lawsuit, there is no "*periculum in mora*", explaining: (i) the possibility of appeals by the parties; and (ii) not be affecting the liquidity situation and the non-availability of these amounts to the Company.

Thus, due to the above and considering that services provided to three bonded warehouse, two joint parties in the process and the third contesting the charge in court, the Company, in 2013, made the partial reversal of the provision for contingencies recorded until the court order, excluding the reversal of amounts related to these bonded warehouse.

On March 26, 2015, it was published the ruling where the 4th Panel of the Federal Regional Court of the 3rd Region, in São Paulo, judged the reexamination necessary (appeal of the Judge himself) and the appeals filed by the parties, unanimously decided: (i) to uphold the official delivery, to partially uphold the Company's appeal so as to cancel the CADE's decision and the consequent fine; (ii) to refuse CADE's appeals; (iii) to uphold the Federal Government's appeal to exclude it from the dispute; and (iv) to judge impaired the request filed by CODESP.

Motions for Clarification were filed by the Company, CADE and Marimex, and in May 2016 it was published a decision partially accepting the motions filed by Marimex and rejecting the ones filed by the Company and CADE. The Company, CADE and Marimex filed Special Appeal and Marimex also filed an extraordinary appeal. The Special Appeals lodged by Marimex and CADE were accepted and await the respective decisions from the Superior Court of Justice. The Special Appeal and the Extraordinary Appeal lodged by the Company and Marimex, respectively, were rejected. Currently, the decision on the Order Overruling the Extraordinary Appeal lodged by Marimex is being awaited.

Regarding precautionary measure 0008783-19.2005.4.03.6100, on December 7, 2017, the lawsuit was considered terminated, without prejudice, due to the supervening lack of interest in the claim, in compliance with article 267, VI, of CPC/1973, appeals dismissed. The judgment was published on April 25, 2018, with the final decision rendered on December 11, 2018.

Accordingly, based on the above-mentioned facts and considering the remote likelihood of loss by its external legal counsel, the Company reversed the remaining portion of the provision for risks recognized in the year 2015 through the issue of the above-mentioned decision.

- (d) The consolidated provision of R\$7,025 refers mainly to: (i) the Recourse Action filed by the insurance company responsible for paying the claim to the client, because of damages caused to the stored cargo amounting to R\$1,418; (ii) the Municipal property tax - IPTU of the Municipal Government of Santos, in the amount of R\$2,723; (iii) tax assessment notice from the Federal Government, amounting to R\$ 200; (iv) action for annulment of tax debits, in the amount of R\$1,643; and (v) other lawsuits, in the amount of R\$1,041.

Notes to the financial statements

- (e) Judicial deposits classified as Other, related to the Parent company, are comprised as follows: (i) deposit referring to the expansion of PIS and COFINS calculation basis in years from 1999 to 2003, in the amounts of R\$1,511 and R\$9,575, respectively, the provisions for which were reversed; (ii) discussion about CPMF on loan transfer during the merger, amounting to R\$2,914; (iii) deposit referring to federal taxes that prevented the issuance of a Joint Tax Debt Certificate with Clearance Effects on Federal Taxes and Debts to the Federal Government, in the amount of R\$17,416; (iv) INSS and IR on Voluntary Termination Plan - PDV deposit and the Non-salary Fund of SINDESTIVA (Dockworkers Union of Santos, São Vicente, Guarujá and Cubatão) in the amount of R\$1,685; and (v) other deposits in the tax and civil spheres, in the amount of R\$7,396. Judicial deposits classified as Other in subsidiaries are related to: (i) subsidiary Santos Brasil Logistics, refer to fiscal executions of federal taxes that prevented obtaining the Tax Debt Clearance Certificate in the amount of R\$3,383 and labor lawsuits in the amount of R\$1,134; (ii) at the subsidiary Tecon Vila do Conde, relate to labor lawsuits amounting to R\$573, other deposits at tax and civil levels, of R\$1,578, and court-ordered blocked accounts of R\$7; and (iii) the subsidiary Numeral 80, relate to court-ordered blocked accounts of R\$6.
- (f) On November 26, 2012, the Delegation Agreement No. 01/2012 was concluded between the Federal Government and the State of Santa Catarina, by which the Federal Government has delegated the management and operation of the Port of Imbituba to SCPAR, a Special Purpose Company - SPE, from December 25, 2012. Companhia Docas de Imbituba S.A., former manager, filed a lawsuit against ANTAQ and the Federal Government, asking to maintain the effectiveness of its concession agreement until December 2016. The Company, in this situation, decided to make payments of its obligations related to its agreements of exploration in the Container Terminal and General Cargo Terminal at that port and proposed a consignment in payment suit for deposit in the amount of R\$23,774. In July 2014, the SCPAR - Port of Imbituba, through judicial approval raised the amount of R\$8,691. On December 31, 2017, these deposits totaled R\$15,083. The amount of R\$15,021 relating to such deposit is recognized in non-current liabilities, in line item "Trade payables". On August 27, 2018, the lawsuit was deemed valid, extinguishing the Company's obligation, and acknowledging SCPAR as creditor of the amounts deposited relating to the contractual period after December 25, 2013, and Companhia Docas de Imbituba as creditor of the amounts relating to the contractual period that preceded the termination of the concession. In view of the decision rendered, SCPAR and Companhia Docas de Imbituba filed motions for clarification. The motions filed by Companhia Docas de Imbituba were accepted, and the Contract termination date was corrected from December 25, 2013 to December 25, 2012. At present, the lawsuit is pending judgment of Appeal.
- (g) On March 30, 2019, the contribution paid by Port Operators to the Labor Management Body - OGMO, for costing its administrative and operating expenses, as well as the liability of existing lawsuits, started to be calculated based on the volume of moved tons by each Port Operator. This new model differs from the criterion effective thus far, which considered the amount of freelance labor requested to the OGMO for moving cargo. On April 1, 2019, the Ordinary Action No. 10063282820198260562, filed for annulling the Meeting which established the new contribution type and recognizing the illegality of such criterion. In view of urgent protection, the Justice of the 8th Lower Civil Court of Santos, suspended the effects of such Meeting, determining that Santos Brasil to start to deposit, in court, the disputed surplus, maintaining the payment according to the previous criterion, directly to the OGMO. This lawsuit is in factfinding stage. On September 30, 2020, these deposits represented the amount of R\$10,027.

Lawsuits referring to subsidiary Santos Brasil Logistics, mentioned in (a) item, the origin of which is prior to acquisition date, as contractual definition, will be the responsibility of its former shareholders. Thus, the amount of R\$ 2,730 was recorded in non-current assets under "Other Assets".

Changes in provisions for contingencies in the period ended September 30, 2020 and year ended December 31, 2019 are shown in the tables below:

Notes to the financial statements

	Parent company				Balance at 09/30/2020
	Balance at 12/31/2019	Additions	Payment of award	Other movements (*)	
Labor provision	16,124	284	(9,810)	11,432	18,030
Provision for FAP	9,554	137	-	(832)	8,859
Other proceedings	3,486	-	(2,643)	3,036	3,879
Total	29,164	421	(12,453)	13,636	30,768

	Parent company				Balance at 12/31/2019
	Balance at 12/31/2018	Additions	Payment of award	Other movements (*)	
Labor provision	19,067	1,340	(11,775)	7,492	16,124
Provision for FAP	11,117	389	-	(1,952)	9,554
Other proceedings	2,006	32	(1,051)	2,499	3,486
Total	32,190	1,761	(12,826)	8,039	29,164

	Consolidated				Balance at 09/30/2020
	Balance at 12/31/2019	Additions	Payment of award	Other movements (*)	
Labor provision	18,491	317	(12,280)	13,199	19,727
Provision for FAP	12,026	178	-	(832)	11,372
Other proceedings	6,976	-	(2,686)	2,735	7,025
Total	37,493	495	(14,966)	15,102	38,124

	Consolidated				Balance at 12/31/2019
	Balance at 12/31/2018	Additions	Payment of award	Other movements (*)	
Labor provision	22,120	1,590	(13,627)	8,408	18,491
Provision for FAP	13,839	511	-	(2,324)	12,026
Other proceedings	2,360	99	(1,079)	5,596	6,976
Total	38,319	2,200	(14,706)	11,680	37,493

(*) Refer to reversal of provision, cases closed, and contingency additions and reductions or changes in the probability of loss.

In addition to the lawsuits abovementioned, the Company and its subsidiaries have administrative and lawsuits in progress, and the evaluations carried out by legal advisors showed a likelihood of loss in the amount of R\$747,992, and in this case, no provision for loss was recorded in the interim financial information.

Changes in possible lawsuits in the period ended September 30, 2020 are shown below:

Notes to the financial statements

<u>Nature of the lawsuit</u>	<u>Balance at 12/31/2019</u>	<u>Additions</u>	<u>Other movements (*)</u>	<u>Balance at 09/30/2020</u>
Customs	15,169	-	(6,478)	8,691
Civil	39,418	22,595	4,136	66,149
Labor	77,600	16,115	(10,636)	83,079
Tax	441,871	21,177	115,119	578,167
Other	7,712	4,020	174	11,906
Total	<u>581,770</u>	<u>63,907</u>	<u>102,315</u>	<u>747,992</u>

(*) Refer to reversal of provision, cases closed, and contingency additions and reductions or changes in the probability of loss.

Goodwill process

On December 14, 2012, the Company and its subsidiary Numeral 80 received tax assessment from Federal Revenue Service that were filed for collection of IRPJ and CSLL related to base years from 2006 to 2011, with interest on arrears, compounded ex-officio fine and isolated fine, in the amount of R\$334,495. Contingency was classified in prior chart as having tax nature. According to said tax assessment notice, Numeral 80 did not add expenses with goodwill amortization deriving from merger of entities that acquired shares issued by it to taxable income and CSLL calculation basis.

The Management of the Company and its subsidiary Numeral 80 objected such tax assessment notice within the statutory term, reaffirming its understanding that the goodwill recorded on the acquisition of equity interests held in Numeral 80 (then Santos-Brasil S.A) and transferred thereto through the merger was recognized appropriately, strictly in compliance with the tax and corporate legislation.

On October 17, 2013, a subpoena was received informing Federal Tax office (1st Panel of Federal Tax Office in São Paulo-I, SP) decision of considering impugnation presented as partially proceeding, with reduction of applied ex-officio fine to 75%. This subpoena also informs that Federal Revenue Service filed a mandatory appeal related to fine reduction (from 150% to 75%).

The Company and its subsidiary Numeral 80 objected the voluntary appeals within the statutory term, and the appeal of the appeal of subsidiary Numeral 80, which by majority of votes by the judges of the 2nd Ordinary Panel of the 3rd Chamber of the 1st Section of Administrative Council of Tax Appeals - CARF, was granted at session held on September 14, 2016. In the same session, an appeal to of National Treasury was denied.

On December 5, 2016, the National Treasury Attorney's Office - PGFN filed amendments of judgement that were decided on April 11, 2017, and accepted with no infringing effects, only to clarify that the Company's Voluntary Appeal (joint liability) was considered harmed, as all requirements for main debtor's Voluntary Appeal reasons were cancelled (Numeral 80).

On June 12, 2017, the General Attorney's Office of the National Treasury - PGFN to the CARF's Higher Court, claiming the reform of the decision made by the 2nd Ordinary Panel of the 3rd Chamber of the 1st Section of Administrative Council of Tax Appeals and presented by the Company and Numeral 80 its reasons. The Company, on its turn, required in counter-reasons that, in case tax assessment is re-established, records be submitted to the 2nd Ordinary Panel of the 3rd Chamber of the 1st Section of CARF for analysis of arguments referring to impossibility of imputation of joint liability to the Company.

Notes to the financial statements

On April 5, 2018, CARF's Superior Chamber, by a vote of quality, accepted Special Appeal filed by PGFN that re-establishes disallowance of goodwill tax amortization expenses. On the other hand, decision acknowledged definitive cancellation of qualified fine of 150%, considering that this matter was not the object of PGFN's Special Appeal. In this context, value of penalty that is the object of tax assessment was reduced from R\$334,495 to R\$259,001 (values in December 2012).

In addition, CARF's Superior Chamber determined that proceedings should be sent to the 2nd Ordinary Panel of the 3rd Chamber of the 1st Section of CARF's so that arguments presented in Voluntary Appeal filed by Numeral 80 and the Company, which were not analyzed in session held on September 14, 2016 due to full acceptance of Voluntary Appeal filed by subsidiary Numeral 80, are analyzed.

On November 12, 2019, the 2nd Ordinary Panel of the 3rd Chamber of the 1st Section of CARF partially upheld the appeals of Numeral 80 and the Company to only accept the preliminary decay for the year 2006.

On March 24, 2020, Numeral 80 was notified of the decision handed down on November 12, 2019, with the amount of the tax assessment notice recalculated and updated by the Brazilian Federal Revenue in the amount of R\$374,860.

On March 27, 2020, Numeral 80 filed a Special Appeal claiming: (i) nullity of tax assessment notices - tax credit illiquidity and uncertainty; (ii) inexistence of a legal provision for the addition of the goodwill amortization expense to the CSLL calculation basis, considered non-deductible by the inspection; (iii) impossibility to demand an isolated fine after the end of the base year; and (iv) impossibility of cumulating the isolated fine with the ex-officio fine.

Moreover, the Company filed a Special Appeal claiming the same aforementioned arguments, as well as also claiming that decision No. 1302-004.104 would differ from other decisions issued by the Administrative Board of Tax Appeals - CARF with respect to the following matters: (i) lack of legal provision in article 132 of the National Tax Code - CTN for tax liability in the case of a spin-off; and (ii) legal impossibility of tax liability in the case of partial spin-off - lack of extinction of the spun-off company for classification within article 132 of the CTN.

On July 30, Numeral 80 filed an interlocutory appeal against the Special Appeal Admissibility Order, which followed up the Special Appeal regarding the following matters: (i) Inexistence of a legal provision for the addition of the goodwill amortization expense to the CSLL calculation basis, considered non-deductible by the Inspection; (ii) Impossibility to demand an isolated fine after the end of the base year; and (iii) impossibility of cumulating the isolated fine with the ex officio fine.

In turn, Santos Brasil Participações filed an interlocutory appeal against the Special Appeal Admissibility Order, which followed up the Special Appeal regarding the following matters: (i) Inexistence of a legal provision for the addition of the goodwill amortization expense to the CSLL calculation basis, considered non-deductible by the Inspection; (ii) Impossibility to demand an isolated fine after the end of the base year; (iii) Impossibility of cumulating the isolated fine with the ex officio fine; and (iv) Lack of legal provision in article 132 of the National Tax Code - CTN for Tax Liability in the case of a spin-off.

The updated amount on September 30, 2020 is R\$378,251. Firm responsible for defending the Company evaluates likelihood of loss as possible and that time for lawsuit conclusion is uncertain.

Notes to the financial statements***PIS / COFINS proceeding***

On October 8, 2019, the Company received the Tax Assessment Notice No. 0816500.2018.00316 filed by the Special Inspection Office of the Brazilian Federal Revenue of Foreign Trade, in the amount of R\$18,742, related to the collection of PIS and COFINS, base date 2015. The Federal Revenue Service understands that the Company unduly used the credit of some inputs. On November 1, 2019, the Company filed an appeal, since all credits were generated in accordance with the current legislation.

On March 24, 2020, the Federal Revenue Service Judgment Office partially upheld the challenge presented by the Company, canceling approximately, 85% (eighty-five percent) of the Tax Assessment Notice, and an appeal may be filed with CARF. Regarding the maintained disallowances, the Company filed a Voluntary Appeal with CARF and waits for the trial.

Firm responsible for defending the Company evaluates likelihood of loss as possible and that time for lawsuit conclusion is uncertain.

16. OBLIGATIONS WITH THE CONCESSION GRANTOR

The Company and its subsidiaries recognize fixed and variable installments (minimum contractual changes) in liabilities, and installments were brought to present value on lease contracts' initial date.

	Parent company					Book balance at 09/30/2020
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
<u>Agreements</u>						
Lease:						
Tecon Santos	559,583	-	23,924	207,651	(32,498)	758,660
Tecon Imbituba	36,683	-	1,118	3,287	(2,881)	38,207
Saboó	-	1,980	1,135	-	(2,626)	489
	<u>596,266</u>	<u>1,980</u>	<u>26,177</u>	<u>210,938</u>	<u>(38,005)</u>	<u>797,356</u>
MMC:						
Tecon Imbituba	347,591	-	9,121	28,548	(3,222)	382,038
TCG Imbituba	5,783	-	159	293	(733)	5,502
Saboó	-	338	195	-	(350)	183
	<u>353,374</u>	<u>338</u>	<u>9,475</u>	<u>28,841</u>	<u>(4,305)</u>	<u>387,723</u>
Obligations with the Concession Grantor	<u>949,640</u>	<u>2,318</u>	<u>35,652</u>	<u>239,779</u>	<u>(42,310)</u>	<u>1,185,079</u>
(-) Short-term	(53,619)					(86,538)
Long-term	896,021					1,098,541

(*) The contra-entry to this amount is the right of exploration in intangible asset, as Note 12.

Notes to the financial statements

<u>Agreements</u>	Parent company				Book balance at 12/31/2019
	Book balance at 12/31/2018	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Lease:					
Tecon Santos	529,955	32,090	39,099	(41,561)	559,583
Tecon Imbituba	34,789	1,537	3,960	(3,603)	36,683
	<u>564,744</u>	<u>33,627</u>	<u>43,059</u>	<u>(45,164)</u>	<u>596,266</u>
MMC:					
Tecon Imbituba	346,594	12,556	34,466	(46,025)	347,591
TCG Imbituba	6,012	220	268	(717)	5,783
	<u>352,606</u>	<u>12,776</u>	<u>34,734</u>	<u>(46,742)</u>	<u>353,374</u>
Obligations with the Concession Grantor	<u>917,350</u>	<u>46,403</u>	<u>77,793</u>	<u>(91,906)</u>	<u>949,640</u>
(-) Short-term	(63,548)				(53,619)
Long-term	853,802				896,021

(*) The contra-entry to this amount is the right of exploration in intangible asset, as Note 12.

<u>Agreements</u>	Consolidated					
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	Book balance at 09/30/2020
Lease:						
Tecon Santos	559,583	-	23,924	207,651	(32,498)	758,660
Tecon Imbituba	36,683	-	1,118	3,287	(2,881)	38,207
Saboó	-	1,980	1,135	-	(2,626)	489
Tecon Vila do Conde	11,483	-	483	-	(923)	11,043
Vehicles Terminal/TEV	47,186	-	1,410	5,066	(3,491)	50,171
	<u>654,935</u>	<u>1,980</u>	<u>28,070</u>	<u>216,004</u>	<u>(42,419)</u>	<u>858,570</u>
MMC:						
Tecon Imbituba	347,591	-	9,121	28,548	(3,222)	382,038
TCG Imbituba	5,783	-	159	293	(733)	5,502
Saboó	-	338	195	-	(350)	183
Tecon Vila do Conde	10,651	-	475	641	(911)	10,856
Vehicles Terminal/TEV	57,026	-	1,705	6,109	(4,218)	60,622
	<u>421,051</u>	<u>338</u>	<u>11,655</u>	<u>35,591</u>	<u>(9,434)</u>	<u>459,201</u>
Obligations with the Concession Grantor	<u>1,075,986</u>	<u>2,318</u>	<u>39,725</u>	<u>251,595</u>	<u>(51,853)</u>	<u>1,317,771</u>
(-) Short-term	(60,139)					(93,987)
Long-term	1,015,847					1,223,784

(*) The contra-entry to this amount is the right of exploration in intangible asset, as Note 12.

Notes to the financial statements

<u>Agreements</u>	Consolidated				Book balance at 12/31/2019
	Book balance at 12/31/2018	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Lease:					
Tecon Santos	529,955	32,090	39,099	(41,561)	559,583
Tecon Imbituba	34,789	1,537	3,960	(3,603)	36,683
Tecon Vila do Conde	6,959	663	4,776	(915)	11,483
Vehicles Terminal/TEV	45,206	1,928	4,369	(4,317)	47,186
	<u>616,909</u>	<u>36,218</u>	<u>52,204</u>	<u>(50,396)</u>	<u>654,935</u>
MMC:					
Tecon Imbituba	346,594	12,556	34,466	(46,025)	347,591
TCG Imbituba	6,012	220	268	(717)	5,783
Tecon Vila do Conde	6,841	653	4,125	(968)	10,651
Vehicles Terminal/TEV	54,661	2,333	5,249	(5,217)	57,026
	<u>414,108</u>	<u>15,762</u>	<u>44,108</u>	<u>(52,927)</u>	<u>421,051</u>
Obligations with the Concession Grantor	<u>1,031,017</u>	<u>51,980</u>	<u>96,312</u>	<u>(103,323)</u>	<u>1,075,986</u>
(-) Short-term	(68,660)				(60,139)
Long-term	962,357				1,015,847

(*) The contra-entry to this amount is the right of exploration in intangible asset, as Note 12.

On September 30, 2020, the commitment with the Concession Grantor had the following maturity structure:

	Parent company				Total
	2021	2022	2023	2024 - End of contract	
Tecon Santos	4,644	18,747	19,043	697,811	740,245
Tecon Imbituba	6,327	25,705	26,386	294,958	353,376
TCG Imbituba	94	383	395	4,048	4,920
	<u>11,065</u>	<u>44,835</u>	<u>45,824</u>	<u>996,817</u>	<u>1,098,541</u>
	Consolidated				Total
	2021	2022	2023	2024 - End of contract	
Tecon Santos	4,644	18,747	19,043	697,811	740,245
Tecon Imbituba	6,327	25,705	26,386	294,958	353,376
TCG Imbituba	94	383	395	4,048	4,920
Tecon Vila do Conde	310	1,275	1,334	17,774	20,693
Vehicles Terminal/TEV	1,583	6,430	6,596	89,941	104,550
	<u>12,958</u>	<u>52,540</u>	<u>53,754</u>	<u>1,104,532</u>	<u>1,223,784</u>

Notes to the financial statementsValidity period of contracts

<u>Agreements</u>	<u>Start of contract</u>	<u>Contract termination</u>
Tecon Santos	November 1997	November 2047
Tecon Imbituba	April 2008	April 2033
TCG Imbituba	June 2007	June 2032
Saboó	May 2020	November 2020
Tecon Vila do Conde	September 2003	September 2033
Vehicles Terminal/TEV	January 2010	January 2035

Guarantee insurance

<u>Agreements</u>	<u>Maturity</u>
Tecon Santos	April 2020 - April 2021
Tecon Imbituba	July 2019 - July 2020
Tecon Vila do Conde	July 2019 - July 2020*
Vehicles Terminal/TEV	July 2020 - July 2021

(*) The Tecon Vila do Conde guarantee insurance is in the process of renewal.

In agreements, the Company and its subsidiaries have commitments to pay amounts based on their operating changes. These amounts were in effect on September 30, 2020 and are updated annually in accordance with the lease agreements, the IGP-M / INPC:

<u>Agreements</u>	<u>In reais - R\$</u>		
	<u>Cost by container handled</u>	<u>Cost by ton handled</u>	<u>Cost by vehicle handled</u>
Tecon Santos (a)	49.00	-	-
Tecon Santos (b)	24.40	-	-
Tecon Imbituba (c)	104.65	-	-
TCG Imbituba (d)	-	3.16	-
TCG Imbituba (e)	-	6.99	-
TCG Imbituba (f)	-	4.21	-
Saboó (g)	-	2.10	-
Saboó (h)	-	-	10.48
Tecon Vila do Conde (i)	26.10	-	-
Tecon Vila do Conde (j)	5.22	-	-
Tecon Vila do Conde (k)	-	2.61	-
Vehicles Terminal/TEV (l)	-	-	20.66

(a) Amount due when the MMC is not reached, limited to the MMC.

(b) Amount due when the changes exceed MMC.

(c) Amount due for the use of the land infrastructure and also when the MMC is not reached, limited to the MMC.

(d) Amount by use of the leased area and also when the MMC is not achieved, limited to the MMC.

(e) Amount due by use of terrestrial infrastructure (quay), referring to cargo handling from the ship.

Notes to the financial statements

- (f) Amount due by use of terrestrial infrastructure (yard) relating to cargo handling from unitization and non-unitization of containers.
- (g) Amount per ton of pulp handled, as a variable lease (handling).
- (h) Amount per vehicle handled, as a variable lease (handling).
- (i) Amount due by full container and also when the MMC is not achieved, limited to the MMC.
- (j) Amount due by empty container.
- (k) Amount due per ton.
- (l) Amount due by vehicle and also when the MMC is not achieved, limited to the MMC.

17. LEASE - CONSOLIDATED**a) Lease - rentals**

	Parent company			
<u>Right-of-use (Asset)</u>	Book balance at 12/31/2019	Additions / Write-offs	Depreciation	Book balance at 09/30/2020
Santos Brasil Participações				
Property	-	320	(107)	213
Total assets	-	320	(107)	213

	Consolidated			
	Book balance at 12/31/2019	Additions / Write-offs	Depreciation	Book balance at 09/30/2020
<u>Right-of-use (Asset)</u>				
Santos Brasil Participações				
Property	-	320	(107)	213
Santos Brasil Logistics				
Property	25,528	18,089	(5,201)	38,416
Tecon Vila do Conde				
Machinery and equipment	4,379	-	(2,627)	1,752
Total assets	29,907	18,409	(7,935)	40,381

	Consolidated			
	Initial adoption 01/01/2019	Additions / Write-offs	Depreciation	Book balance at 12/31/2019
<u>Right-of-use (Asset)</u>				
Santos Brasil Logistics				
Property	31,308	-	(5,780)	25,528
Tecon Vila do Conde				
Machinery and equipment	-	7,006	(2,627)	4,379
Total assets	31,308	7,006	(8,407)	29,907

Notes to the financial statements

<u>Leases (Liability)</u>	Parent company					Book balance at 09/30/2020
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Santos Brasil Participações (I)	-	320	10	-	(112)	218
Total liabilities	-	320	10	-	(112)	218
(-) Short-term	-					(162)
Long-term	-					56

<u>Leases (Liability)</u>	Consolidated					Book balance at 09/30/2020
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Santos Brasil Participações (I)	-	320	10	-	(112)	218
Santos Brasil Logistics (II)	26,408	15,509	1,600	2,580	(5,658)	40,439
Tecon Vila do Conde (III)	4,497	-	163	-	(2,813)	1,847
Total liabilities	30,905	15,829	1,773	2,580	(8,583)	42,504
(-) Short-term	(8,830)					(8,503)
Long-term	22,075					34,001

<u>Leases (Liability)</u>	Consolidated					Book balance at 12/31/2019
	Initial adoption 01/01/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Santos Brasil Logistics (II)	31,308	-	2,060	-	(6,960)	26,408
Tecon Vila do Conde (III)	-	7,006	303	-	(2,812)	4,497
Total liabilities	31,308	7,006	2,363	-	(9,772)	30,905
(-) Short-term	(4,900)					(8,830)
Long-term	26,408					22,075

(*) The contra-entry to this amount is the fixed assets in non-current assets.

- (I) On March 9, 2020, the Company signed a lease agreement, referring to the lease of business rooms, which matures on January 31, 2022, applying a discount rate of 5.91% p.a.
- (II) On January 1, 2019, the subsidiary Santos Brasil Logistics made the first-time adoption of CPC 06 (R2) - Lease Operations, regarding the lease of the Distribution Center - SBC, with maturity in May 2024, applying a discount rate of 7.47% p.a.

On February 20, 2020, the subsidiary Santos Brasil Logistics signed a lease agreement related to the lease of Centro de Distribuição - Imigrantes, with effectiveness period on June 1, 2020 and maturity on May 27, 2031, applying a discount rate of 5.91% p.a.

- (III) On April 1, 2019, the subsidiary Tecon Vila do Conde signed a lease agreement, referring to the lease of a quay mobile crane (MHC), which matures in March 2021, using the discount rate of 7.47% p.a.

Notes to the financial statements

The discount rate for the quarter ended September 30, 2020, of 5.91% and 7.47% p.a. (7.47% on December 31, 2019) for contracts maturing in up to 5 years, was based on risk-free interest rates observed in the Brazilian market and adjusted to the reality of subsidiaries.

On September 30, 2020, the balance of long-term had the following maturity structure:

	Parent company				Total
	2021	2022	2023	2024 - End of contract	
Santos Brasil Participações	56	-	-	-	56

	Consolidated				Total
	2021	2022	2023	2024 - End of contract	
Santos Brasil Participações	56	-	-	-	56
Santos Brasil Logistics	1,909	7,945	8,466	15,625	33,945
	1,965	7,945	8,466	15,625	34,001

Tax credits were not highlighted in the measurement of cash flows from leases, and the potential PIS / COFINS effects are presented in the table below:

	Parent company	
	09/30/2020	
Cash flow	Nominal	Adjustment to present value
Lease consideration	226	218
Potential PIS / COFINS (9.25%)	21	20

	Consolidated			
	09/30/2020		12/31/2019	
Cash flow	Nominal	Adjustment to present value	Nominal	Adjustment to present value
Lease consideration	50,632	42,504	35,428	30,905
Potential PIS / COFINS (9.25%)	4,683	3,932	3,277	2,859

b) Operational lease

The Company and its subsidiary Vehicles Terminal/TEV also have rental contracts for administrative areas, with short-term maturities, which, in the period ended September 30, 2020, gave rise to expenses in the amount of R\$987 (R\$999 on September 30, 2019).

Notes to the financial statements**18. SHAREHOLDERS' EQUITY – PARENT COMPANY****a) Capital**

	Common shares	
	09/30/2020	12/31/2019
Existing at the beginning of the period	669,798,378	666,317,880
Stock options exercised during the period	-	3,480,498
Stock issuance	192,680,000	-
Issued / authorized with no par value	<u>862,478,378</u>	<u>669,798,378</u>

Out of the total shares, 857,995,212 were outstanding on September 30, 2020, of which all are common shares.

On September 14, 2020, the public offering of initial 192,680,000 common shares, nominative, book-entry and with no par value, for the issue of the Company, all free and unencumbered from any burdens or grievances was approved during the Meeting of the Board of Directors.

On September 24, 2020, the Board of Directors' Meeting approved the price per share of R\$4.10, the Company's effective capital increase under the "Restricted Offer", in the amount of R\$789,988, through the issue 192,680,000 common shares, as well as its approval, within the scope of the public offering with restricted efforts for primary distribution of Shares, pursuant to CVM Instruction No. 476 ("Restricted Offer"). The shares subject to the Restricted Offer were traded on B3 - Brasil Bolsa Balcão on September 28, 2020, with their physical and financial settlement carried out on September 29, 2020.

The Company is authorized to increase its capital independently from a decision of the Shareholders' Meeting, up to the limit of 2,000,001,000 shares, through a resolution of the Board of Directors, which will establish issuance and placement conditions of said securities.

Each common share entitles holders to one vote on general meeting resolutions.

b) Capital reserve

- Stock option plan / Share-based incentive plan

Represented by the book record of the stock option plan in the amount of R\$65,321 on September 30, 2020 (R\$63,909 on December 31, 2019) and share-based incentive plan: performance share in the amount of R\$1,903 (R\$2,916 on December 31, 2019) share matching in the amount of R\$1,004 (R\$553 on December 31, 2019) in compliance with the determinations of Technical Pronouncement CPC 10 - Share-based payments.

- Other

The merger of shares, the value of the shareholders' equity of the then subsidiary Santos-Brasil S.A., on the base date of December 31, 2006, was taken under the heading "Capital" of the parent company, as provided for in the Protocol and Justification of Merger of Shares. The value of net income, equity in the former subsidiary Santos-Brasil S.A., represented by the results of its operations in the period between that date and the base date of the merger, in October 2007, net of distributions made to shareholders, R\$28,923, was classified in this group of Capital Reserve.

Notes to the financial statements

On April 30, 2010, the Company made the purchase of an indirect interest of its subsidiary Pará, in its direct subsidiary, Nara Valley, at the time, ranging from 75% shareholding to 87.67%. This operation resulted in the change in interest in the amount of R\$(4,548).

On April 20, 2011, subsidiary Nara Valley Participações S.A. acquired, pursuant to a share purchase and sales agreement and other covenants, 12.327% of shareholding interest of its direct subsidiary Pará Empreendimentos, for the amount of R\$4,500, and it now holds 100% of interest. This operation resulted in the change in interest in the amount of R\$(5,478).

Up to September 30, 2020, stock options were exercised, and the Company delivered shares which were under treasury, generating a result of R\$(1,522).

Up to September 30, 2020, the Company recorded costs with complementary issue of shares referring to the new shares issued for the Restricted Offer, according to note 18.a), in the amount of R\$24,677.

c) Profit reserve

- Legal reserve

In compliance with article 193 of Law No.6404/76, the reserve is recorded at the rate of 5% of the net income (loss) for the year, up to the limit of 20% of the capital.

- Reserve for investment and expansion

Represented by Management proposals for the retention of net income for the period, and prior years, remaining balances, after retentions provided for in the law or approved by shareholders to face investment plans in subsidiaries' expansion, according to Capital Budgets.

- Repurchase of shares

On December 17, 2013, the Program of Share Buyback was approved by the Board of Directors' Meeting, with the objective of maximizing the returns to shareholders.

The program authorized the purchase of up to 4,215,556 units being 4,215,556 common shares and 16,862,225 preferred shares, within a maximum period of 365 days to purchase the shares, beginning on December 20, 2013 and ending on December 20, 2014.

On August 22, 2016, with migration to B3 - Brasil Bolsa Balcão New Market, units were canceled and converted from preferred shares into common shares.

Up to December 31, 2018, 2,879,414 treasury shares were delivered regarding options exercised, generating an income (loss) of R\$9,306.

In the year ended December 31, 2019, 1,124,142 treasury shares were delivered regarding options exercised, generating an income (loss) of R\$3,634.

In the period ended on September 30, 2020, 451,213 treasury shares were delivered, related to exercised options, generating a profit of R\$1,458.

Shares acquired by the Company on September 30, 2020 are as follows:

Notes to the financial statements

	Quantity of Common Shares	Amount	Market value (*)	Price		
				Weighted average	Minimum	Maximum
Original balance	6,138,745	19,844	24,740	3.23	2.90	3.70
(-) Delivered shares	(4,454,769)	(14,398)				
Current balance	<u>1,683,976</u>	<u>5,446</u>	6,786			

(*) Market value based on the last quotation prior to the period end.

d) Shareholders' compensation

Shareholders are entitled to annual minimum dividends of 25% of profit, adjusted in accordance with Corporate Law and the Company's bylaws.

e) Equity evaluation adjustment

- Supplementary health care

Represented by the book record of the Actuarial calculation of supplementary health care (Note 26), in compliance with the determinations of Technical Pronouncement CPC 33 (R1) - Employee Benefits.

19. OPERATING INCOME

We present below the reconciliation between gross income for tax purposes and the income presented in the statement of income for the periods ended September 30, 2020 and 2019, as well as breakdown of revenue, as follows:

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Gross revenue	450,922	513,000	781,102	866,794
Port Terminals	450,922	513,000	547,074	600,598
Port operations	214,769	266,200	270,399	324,072
Customs Warehousing	224,552	236,708	259,309	262,753
General Cargo	11,601	10,092	17,366	13,773
Logistics	-	-	198,681	214,443
Transportation	-	-	30,890	34,800
Customs Warehousing	-	-	135,548	145,015
Distribution Center	-	-	24,999	30,356
Logistics Terminals	-	-	7,244	4,272
Vehicles Terminal/TEV	-	-	35,347	51,753
Customs Warehousing	-	-	35,347	51,753
Deductions from revenue:				
Sales taxes	(51,273)	(56,518)	(98,726)	(107,226)
Other	(7,389)	(8,404)	(13,442)	(17,289)
Total	<u>392,260</u>	<u>448,078</u>	<u>668,934</u>	<u>742,279</u>

Notes to the financial statements**20. OPERATING EXPENSES BY TYPE**

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Outsourced Labor	(17,527)	(18,024)	(17,887)	(18,281)
Rates - Companhias Docas	(6,640)	(33,238)	(9,939)	(35,289)
Electric power	(6,800)	(7,305)	(8,528)	(9,716)
Fuels and lubricants	(11,865)	(16,761)	(20,069)	(27,799)
Freight	(8,684)	(7,264)	(27,466)	(30,951)
Changes in vehicles	-	-	(10,593)	(14,322)
Other services and materials	(2,163)	(1,846)	(8,486)	(9,476)
Personnel expenses	(193,161)	(194,706)	(262,377)	(263,615)
Consulting, Advisory and Auditing	(16,322)	(14,287)	(17,875)	(15,420)
Other third-party services	(18,356)	(14,882)	(27,148)	(22,492)
Operational maintenance	(21,007)	(23,263)	(28,845)	(30,559)
Depreciation and amortization	(78,876)	(72,666)	(110,844)	(98,586)
Rents / condominium - operating areas	-	-	(5,038)	(4,737)
Commissions on sales of services	(14,033)	(17,376)	(61,666)	(64,019)
Provision for expected credit losses and bad debt losses	(12,050)	(10,897)	(11,596)	(12,198)
Other expenses	(14,388)	(14,548)	(38,209)	(39,279)
Total	(421,872)	(447,063)	(666,566)	(696,739)
Classified as:				
Cost of goods and/or services rendered	(337,728)	(359,877)	(522,211)	(549,234)
Sales expenses	(17,337)	(20,670)	(68,311)	(71,027)
Provision for expected credit losses and bad debt losses	(12,050)	(10,897)	(11,596)	(12,198)
General and administrative expenses and amortization of goodwill	(54,757)	(55,619)	(64,448)	(64,280)
Total	(421,872)	(447,063)	(666,566)	(696,739)

21. OTHER OPERATING INCOME (EXPENSES)

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Other operating income:				
Adjustment of advances for dredging fund	1,572	417	1,572	417
Judicial deposits adjustment	3,686	3,258	3,706	3,296
Restatement of credit recoverable - FUNDAF	-	-	17	220
Adjustment of court-ordered debt payments	-	-	134	153
Gain in the sale of assets	52	112	2,586	124
Income from non-identified deposits	380	775	861	1,257
Recovery of expenses	-	-	-	200
Recovery of electricity generation	490	569	498	569
Recovery of INSS - Payroll	1,302	-	1,676	-
Insurance reimbursement	3,772	-	3,772	-
Reimbursement of berth occupation	2,920	-	2,920	-
Other income	455	321	1,171	536
Total	14,629	5,452	18,913	6,772

Notes to the financial statements

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Other operating expenses:				
Gains and losses in the sale of assets	(1,293)	(49)	(1,574)	(52)
Restatement of provisions	181	291	142	211
Court-ordered debt payments	-	-	(108)	(122)
Cost from sale of inventory material	(39)	-	(169)	-
Other expenses	(9)	-	(21)	(10)
Total	<u>(1,160)</u>	<u>242</u>	<u>(1,730)</u>	<u>27</u>

22. FINANCIAL INCOME (EXPENSES)

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Financial income:				
Yield from financial investments	1,412	12,567	4,054	15,776
Monetary and foreign-exchange variations active	-	9,834	6	11,479
Fair value of the swap transaction	-	2,479	-	2,479
Restatement of taxes recoverable	458	847	487	848
Judicial deposits adjustment	97	36	116	78
Other income	320	633	628	886
Total	<u>2,287</u>	<u>26,396</u>	<u>5,291</u>	<u>31,546</u>
Financial expenses:				
Interest on debentures and loans	(8,688)	(17,725)	(11,377)	(18,074)
Monetary and foreign-exchange variations in liabilities	-	(10,394)	(7,639)	(12,477)
Fair value of the swap transaction	-	(934)	-	(934)
Tax on Financial Operations - IOF on administrative operations	(78)	(89)	(88)	(96)
Interest on obligations with the Concession Grantor	(35,652)	(34,869)	(39,725)	(39,067)
Interest on lease	(10)	-	(1,773)	(1,432)
Commissions and financial rates	(2,626)	-	(2,673)	-
Other expenses	(727)	(1,837)	(951)	(2,548)
Total	<u>(47,781)</u>	<u>(65,848)</u>	<u>(64,226)</u>	<u>(74,628)</u>

23. STOCK OPTION PLAN AND SHARE-BASED INCENTIVE PLAN - PARENT COMPANY

On August 4, 2017, the Special Shareholders' Meeting approved the change of the Stock Option Plan approved by the Special Shareholders' Meeting held on January 9, 2008, amended on April 1, 2015 and the creation of the Share-Based Incentive Plan of the Company (Plan of Performance Shares and Matching of Shares).

Notes to the financial statements

The purpose of Company's Share-Based Incentive Plan is to regulate the possibility of granting incentives linked to Company's common shares to the directors and employees with whom it has employment or statutory relationship, aiming to: (i) increase the capacity to attract talents; (ii) strengthen the culture of sustainable performance and search for the development of certain directors and employees, aligning their interests to the interests of the shareholders; (iii) allow the Company to maintain its professionals, offering them as additional advantage and incentive, the opportunity of becoming shareholders; and (iv) foment the expansion of and attain and exceed its corporate targets, allowing greater integration of its administrators and employees, in the capacity of shareholders of the Company.

The shares granted as incentive under the programs of the Stock Option Plan and Share-Based Incentive Plan cannot exceed the maximum limit of 4.5% of the shares of the subscribed and paid-up capital of the Company.

a) Stock option plan

In the Special Shareholders' Meeting held on September 22, 2006, shareholders of the then subsidiary Santos-Brasil S.A. approved the Stock Option Plan ("Plan") for management and high level employees. At a Special General Meeting, held on January 9, 2008, the Plan was transferred to the Company.

The Plan is managed by the Board of Directors or, at its discretion, at the board's, by a Committee comprised of three members, being at least one of them a member(holder or alternate) of the Board of Directors.

The Board of Directors or the Committee periodically create Stock Option Programs ("Programs"), grouped in units to determine the beneficiaries that will receive the options, the number of Company's units that each beneficiary will be authorized to subscribe or acquire with the exercise of the option, the subscription price, the initial grace period, over which the option cannot be exercised, and the limit dates for total or partial exercise. Terms and conditions are defined in a Share Purchase Option Contract, entered into by the Company and each Beneficiary.

Prices of Units to be acquired by Beneficiaries upon strike price are equivalent to the average value of Units in the last 30 trading sessions of B3 - Brasil Bolsa Balcão, prior to the option grant date, and may be added of inflation adjustment based on a price index change and also of interest, at the discretion of the Board of Directors or the Committee, which may also grant to Beneficiaries a discount of up to 15% in strike price.

The Company's Units that were acquired within the Plan may only be disposed of if the minimum unavailability period defined in the Program for each batch of Units, is complied with. This period should never be lower than three years, counting on exercise date of each annual batch.

On September 30, 2020, prevailing Programs were those listed in the table below:

Plans	Strike prices - R\$/units (*)	Number of granted units	Grace periods	Exercise terms	Option value R\$/units (*)	Number of exercised units	Number of overdue / expired units	Number of units - balance
2006-2015 programs		9,581,720				2,828,178	6,753,542	-
Total options granted		9,581,720				2,828,178	6,753,542	-

(*) Original amounts on options grant programs' dates.

Notes to the financial statements

On March 2 and 3, 2016, Board of Directors' meeting approved exercise price for the 2016 Stock Option Plan and decided to submit it to prior appreciation and recommendation of the Board of Directors' Remuneration Committee to be subsequently analyzed and approved by the Board itself.

On August 22, 2016, with cancellation of units, in case program's options are exercised up to 2015, five common shares will be issued to the beneficiary.

Plans	Strike prices - R\$/shares (*)	Number of shares granted	Grace periods	Exercise terms	Option value - R\$/shares (*)	Number of exercised shares	Number of overdue / expired shares	Number of shares - balance
03/02/2016 - Program 2016	2.29	2,897,395			1.18	2,273,199	556,663	67,533
1 st Annual Lot		965,798	03/02/2017	03/02/2019		806,371	159,427	-
2 nd Annual Lot		965,798	03/02/2018	03/02/2020		769,288	196,510	-
3 rd Annual Lot		965,799	03/02/2019	03/02/2021		697,540	200,726	67,533
08/23/2017 - Program 2017	2.02	6,609,811			0.71	1,575,034	2,952,213	2,082,564
1 st Annual Lot		2,203,270	08/23/2018	08/23/2021		1,070,238	1,133,032	-
2 nd Annual Lot		2,203,270	08/23/2019	08/23/2022		409,675	882,473	911,122
3 rd Annual Lot		2,203,271	08/23/2020	08/23/2023		95,121	936,708	1,171,442
02/28/2018 - Program 2018	3.51	2,914,885			1.61	380,134	858,155	1,676,596
1 st Annual Lot		971,628	02/28/2019	02/28/2022		221,123	264,749	485,756
2 nd Annual Lot		971,628	02/28/2020	02/28/2023		159,011	326,861	485,756
3 rd Annual Lot		971,629	02/28/2021	02/28/2024		-	266,545	705,084
02/19/2019 - Program 2019	4.39	1,143,048			1.52	97,289	36,903	1,008,856
1 st Annual Lot		381,016	02/19/2020	02/19/2023		97,289	36,903	246,824
2 nd Annual Lot		381,016	02/19/2021	02/19/2024		-	-	381,016
3 rd Annual Lot		381,016	02/19/2022	02/19/2025		-	-	381,016
Total options granted		13,565,139				4,325,656	4,403,934	4,835,549

(*) Original amounts on options grant programs' dates.

Grace period reflect conditions established in Programs, according to which options may be exercised in three annual batches, each equivalent to 33.3333% of total option granted in each Program.

Annual batches exercise prices will be adjusted at IGP-M/FGV, at the lowest permitted periodicity, up to the options exercise dates.

Exercise term reflects the period of 24 months for the Plans up to 2016 and Plans on 2017, shows the period of 36 months, and they are all counted in the ends of annual batches' initial grace periods.

Cost of granted options is calculated during their respective grant period, based on options values determined by the Black-Scholes evaluation method on the date of programs. As a result of low historic turnover of management and high-level employees that are the beneficiaries of stock option plan, 100% of options in said calculation are considered as vested.

As determined by Technical Pronouncement CPC 10, the Company and its subsidiaries recognized, to the extent services were provided in share-based payment transactions, the effect in the income (loss) for the period ended September 30, 2020, in the amount of R\$1,627 (R\$1,270 on September 30, 2019).

In 2020, part of 2017, 2018 and 2019 programs were delivered and having withholding income tax and INSS in the amount of R\$215, both recorded in capital reserves.

Notes to the financial statements

Of options prevailing up to September 30, 2020, those that were exercised represented a dilution in the interest of shareholders of 2.77% and were not exercised, in case they were fully exercised under certain conditions provided in agreements, would represent a dilution of the interest of current shareholders by 0.56%.

b) Share-incentive plan

- Performance shares

The beneficiaries will be entitled to receive, on free basis, common shares of the Company, if the targets are attained by the beneficiaries. The transfer of the ownership of the Company's common shares granted to the beneficiaries as Performance Shares will be made in a single lot, after 3 (three) years ("Grace Period"), from the date defined for each beneficiary in the respective Admission Agreement ("Start Date"). The Board of Directors, however, may, at its sole discretion, anticipate the transfer of ownership of the Company's common shares granted to the Beneficiaries as Performance Shares, in case the targets described in the program have been attained before 3 years, when the end of the Grace Period may be anticipated. In case of employee termination (rescission or dismissal) the options granted and not yet exercised will be automatically extinguished.

On August 23, 2017, it was approved the granting of 1,970,443 common shares to the Performance Shares Program within the limit established in the Share-Based Incentive Plan.

Plans	Number of shares granted	Grace periods	Value of shares - R\$ (*)	Number of exercised shares	Number of overdue / expired shares	Number of shares - balance
08/23/2017 - Program 2017	1,970,443		2.31	-	1,146,440	824,003
- Annual Lot	1,970,443	08/23/2020		-	1,146,440	824,003
Total shares granted	<u>1,970,443</u>			<u>-</u>	<u>1,146,440</u>	<u>824,003</u>

(*) Original values on Stock Option Programs.

The Company recognized the effect in income (loss) for the period ended September 30, 2020, in the amount of R\$(1,012) (R\$584 on September 30, 2019).

Of options prevailing up to September 30, 2020, options were not exercised and those that were not exercised, in case they were fully exercised under certain conditions provided in agreements, would represent a dilution of the interest of current shareholders by 0.10%.

- Matching of shares

The beneficiaries will be entitled to receive, on free basis, one (1) common share of the Company for each common share of the Company acquired through the Brokerage Firm (Matching), up to the limit established in their respective Admission Agreement and observing the period of fifteen (15) days to transfer the shares acquired under this Program to a deposit account for the shares held by the Company, maintained by Itaú Corretora de Valores S.A., institution responsible for the bookkeeping of the Company's shares ("Bookkeeping Agent"), as well as to authorize the blocking, by the Bookkeeping Agent, of these shares due to the joining to the present Program.

Notes to the financial statements

Software	Number of shares granted	Grace periods	Value of shares - R\$ (*)	Number of adhered/delivered shares	Number of overdue / expired shares	Number of shares - balance
08/23/2017 - Program 2017	903,896	3 years	2.31	200,774	703,122	-
- Annual Lot	903,896			200,774	703,122	-
02/28/2018 - Program 2018	615,369	3 years	3.71	277,678	337,691	-
- Annual Lot	615,369			277,678	337,691	-
02/19/2019 - Program 2019	523,485	3 years	4.11	156,537	366,948	-
- Annual Lot	523,485			156,537	366,948	-
Total shares granted	<u>2,042,750</u>			<u>634,989</u>	<u>1,407,761</u>	-

(*) Original values on Stock Option Programs.

The Company recognized the effect in income (loss) for the period ended September 30, 2020, in the amount of R\$450 (R\$325 on September 30, 2019), because there was the Contract for Adherence to such Program.

Up to September 30, 2020, there was the adherence of 468,200 shares, in case such adherence remains until the end of the grace period, from the adherence date, its dilution percentage would be 0.07%.

In 2019, 10,152 shares of 2017 and 2018 programs were delivered and having withholding income tax in the amount of R\$23, both recorded in capital reserves. The shares delivered showed a dilution in shareholding of less than 0.01%.

24. INCOME TAX AND SOCIAL CONTRIBUTION

- a) Reconciliation of Corporate Income Tax (IRRF) and Social Contribution (CSLL) current and deferred.

IRPJ and CSLL reconciliation recognized in income is as follows:

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
(Loss) before taxation	(47,258)	(5,252)	(39,384)	9,257
Exclusion of equity in investees	(14,379)	(27,491)	-	-
(Loss) before adjusted taxation	(61,637)	(32,743)	(39,384)	9,257
I - Base value - IRPJ and CSLL:	<u>20,975</u>	<u>11,150</u>	<u>13,408</u>	<u>(3,130)</u>
Rates of 15% income tax and 9% social contribution	14,793	7,858	9,452	(2,222)
Additional rate of 10% income tax with deduction of R\$180	6,182	3,292	3,956	(908)

Notes to the financial statements

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
II - Effects of permanent additions and exclusions of expenses and income	(1,776)	(895)	(2,116)	(1,143)
Permanent additions:				
Variable remuneration of Executive Board	(477)	(421)	(477)	(421)
Stock option plan / Performance Share	(362)	(741)	(362)	(741)
Other	(1,105)	(885)	(1,445)	(1,133)
Permanent exclusions:				
Exercised options	168	1,152	168	1,152
Variable remuneration of Executive Board	-	-	-	-
III - Effects of tax incentives:	-	-	79	71
Tax incentives	-	-	79	71
IV - Effective rate:				
Adjusted IRPJ and CSLL (I + II + III)	19,199	10,255	11,371	(4,202)
Effective rate	(31.15)%	(31.32)%	(28.87)%	(45.39)%
V - Extraordinary adjustments:	-	-	(46)	(52)
IRPJ and CSLL of the prior period	-	-	(46)	(52)
Effects of IRPJ and CSLL in income (loss) (IV + V)	19,199	10,255	11,325	(4,254)
Income and social contribution taxes - Current	-	-	(6,352)	(11,060)
Income and social contribution taxes - Deferred	19,199	10,255	17,677	6,806
Total	19,199	10,255	11,325	(4,254)

b) Composition of deferred tax assets and liabilities

	Parent company					
	09/30/2020			12/31/2019		
<u>Assets (liabilities)</u>	<u>IRPJ</u>	<u>CSLL</u>	<u>Total</u>	<u>IRPJ</u>	<u>CSLL</u>	<u>Total</u>
Tax losses and the negative social contribution base	21,368	8,166	29,534	18,894	7,147	26,041
Temporary differences:						
Provision for expected credit losses	3,292	1,185	4,477	3,232	1,163	4,395
Provision for contingencies	26,337	9,481	35,818	24,439	8,798	33,237
Amortization of goodwill	(16,883)	(6,078)	(22,961)	(17,350)	(6,246)	(23,596)
Depreciation	(39,263)	(14,135)	(53,398)	(40,025)	(14,409)	(54,434)
Loss for devaluation of assets	5,561	2,002	7,563	5,892	2,121	8,013
Obligations with the Concession						
Grantor	26,741	9,627	36,368	25,182	9,066	34,248
Other	17,007	6,325	23,332	9,905	3,725	13,630
Actuarial losses	7,125	2,563	9,688	7,125	2,563	9,688
Total	51,285	19,136	70,421	37,294	13,928	51,222
Assets	51,285	19,136	70,421	37,294	13,928	51,222

Notes to the financial statements

<u>Assets (liabilities)</u>	Consolidated					
	09/30/2020			12/31/2019		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and the negative social contribution base	32,391	12,134	44,525	31,803	11,794	43,597
Temporary differences:						
Provision for expected credit losses	3,577	1,288	4,865	3,584	1,290	4,874
Provision for contingencies	27,393	9,861	37,254	25,654	9,235	34,889
Amortization of goodwill	(26,750)	(9,630)	(36,380)	(27,216)	(9,798)	(37,014)
Depreciation	(45,243)	(16,288)	(61,531)	(46,028)	(16,570)	(62,598)
Loss for devaluation of assets	5,561	2,002	7,563	5,892	2,121	8,013
Obligations with the Concession						
Grantor	30,321	10,916	41,237	28,563	10,283	38,846
Other	19,487	7,220	26,707	11,581	4,329	15,910
Court-ordered debt payments receivable	(1,434)	(518)	(1,952)	(1,400)	(506)	(1,906)
Actuarial losses	9,212	3,316	12,528	9,212	3,316	12,528
Total	54,515	20,301	74,816	41,645	15,494	57,139
Assets	60,119	22,318	82,437	47,893	17,744	65,637
Liabilities	(5,604)	(2,017)	(7,621)	(6,248)	(2,250)	(8,498)

On September 30, 2020, deferred tax credits on temporary differences were recorded by the Company and its subsidiaries Tecon Vila do Conde, Santos Brasil Logistics and Vehicles Terminal/TEV.

25. EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per share was calculated based on the Company's results for the quarters ended September 30, 2020 and 2019 and their average number of common shares outstanding in these years, as per table below:

	09/30/2020	09/30/2019
	Common	Common
Loss for the period	(28,059)	5,003
Weighted average of shares	673,109,809	665,196,808
Basic earnings per share	(0.04169)	0.00752

b) Diluted earnings per share

On the Company's earnings (loss) for the periods ended September 30, 2020 and 2019, the diluted earnings (losses) per share was calculated as follows:

	09/30/2020	09/30/2019
	Common	Common
Loss for the period	(28,059)	5,003
Weighted average of shares	673,109,809	665,196,808
Possible effects of share option subscription	3,203,789	4,415,186
Diluted earnings per share	(0.04149)	0.00747

Notes to the financial statements

Diluted earnings per share is calculated considering the instruments that may have potential dilutive effect in the future.

26. ACTUARIAL LIABILITIES - SUPPLEMENTARY HEALTH CARE PLAN

Refer to a provision for medical assistance plan, which reflects the cost of health care to employees and statutory officers who will be entitled to the benefit in the post-retirement period, as prescribed by Law No. 9656/98 and technical pronouncement CPC 33 (R1), determined based on an actuarial study.

Actuarial calculations, carried out by independent actuary Ernst & Young Serviços Atuariais S/S, had the following basic assumptions in the period ended September 30, 2020 and for the year ended December 31, 2019:

AssumptionsEconomic assumptions:

Discount rate	3.38% p.a.
Economic Inflation	3.50% p.a.
Health Care inflation (HCCTR)	3.00% p.a.
Aging factor	3.50% p.a.
Evolution of Medical Cost	Economic Inflation + Medical Inflation + Age Factor
Evolution of the contribution	Economic Inflation + Medical Inflation

Biometric assumptions:

Mortality Table	AT-2000, segregated by gender
Turnover	10% (Santos Brasil Logística S.A.) and 5% (Other companies)
Age to Entry into retirement	Men: 65 years Women: 62 years
Hypotheses for Retirement	100% at first eligibility
Stay in Retirement	40%

Other assumptions

Family Composition	<u>Active Participants</u> 90% are married Holder Age Difference / Wife - 4 years <u>Assisted participants</u> Actual Family
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Pursuant to the independent actuary's reports prepared which contain the sums of the projected expenses, the Company and its subsidiaries recorded proportional provisions for the period ended September 30, 2020 and year ended December 31, 2019:

Notes to the financial statements

	Parent company	
	09/30/2020	12/31/2019
Present value of the actuarial obligations	4,120	3,969
Calculated actuarial losses	52,291	48,322
Total net actuarial liability to be provisioned	56,411	52,291
	Consolidated	
	09/30/2020	12/31/2019
Present value of the actuarial obligations	5,847	5,031
Calculated actuarial losses	67,593	62,562
Total net actuarial liability to be provisioned	73,440	67,593

27. FINANCIAL INSTRUMENTS

The policy of contracting financial instruments, methods and assumptions adopted to determine fair values, as well as criteria for recording and classifying are the same as those disclosed in financial statements for the year ended December 31, 2019.

Notes to the financial statements

a) Classification of financial instruments

	Hierarchy level	Parent company				Consolidated			
		09/30/2020		12/31/2019		09/30/2020		12/31/2019	
		Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Assets:									
Cash and balance in banks	-	2,180	2,180	2,550	2,550	4,825	4,825	5,991	5,991
		2,180	2,180	2,550	2,550	4,825	4,825	5,991	5,991
Measured at the amortized cost:									
Accounts receivable	2	88,001	88,001	81,352	81,352	129,447	129,447	120,432	120,432
Dividends receivable	2	-	-	3,632	3,632	-	-	-	-
Court-ordered debt payments receivable	2	-	-	-	-	5,740	5,740	5,605	5,605
		88,001	88,001	84,984	84,984	135,187	135,187	126,037	126,037
Fair value through profit or loss:									
Interest earning bank deposits	2	487,283	487,283	105,912	105,912	659,309	659,309	260,385	260,385
Other interest earning bank deposits	2	424,662	424,662	159,067	159,067	424,662	424,662	159,067	159,067
		911,945	911,945	264,979	264,979	1,083,971	1,083,971	419,452	419,452
Liabilities:									
Measured at the amortized cost:									
Loans and financing	2	60,881	61,609	60,143	60,603	80,176	80,904	77,925	78,386
Debentures	2	296,070	288,909	299,985	302,757	353,635	348,955	358,471	364,588
Suppliers	2	65,905	65,905	50,407	50,407	92,996	92,996	75,855	75,855
Dividends and interest on own capital payable	2	18	18	3,665	3,665	18	18	3,665	3,665
Obligations with the Concession Grantor	2	1,185,079	1,339,361	949,640	1,178,446	1,317,771	1,510,038	1,075,986	1,332,112
Court-ordered debt payments payable*	2	-	-	-	-	4,592	4,592	4,484	4,484
		1,607,953	1,755,802	1,363,840	1,595,878	1,849,188	2,037,503	1,596,386	1,859,090

* The court-ordered debts are classified in the balance sheets under “Other liabilities”, under non-current liabilities.

Notes to the financial statementsFair value

For financial assets without an active market or public quotation, the Company established the fair value through valuation techniques. These techniques include the use of recent operations contracted with third parties, and reference to other instruments that are substantially similar, the analysis of discounted cash flows and the swap pricing model that makes the greatest possible use of information generated by the market and has the minimum amount of information possible generated by the Management of the Company itself.

b) Market risk

The Company's income is liable to changes due to effects of foreign exchange rate volatility and interest rate on financial instruments.

The Company maintains constant mapping of risks, threats and opportunities, with a basis on the projection of the scenarios and their impacts on the results. In addition, any other risk factors and the possibility of conducting hedge transactions for said risks is also analyzed.

b.1) Exchange risk and sensitivity analysis

Transactions linked to foreign currencies, mainly Euro, which closed the nine-month period ended September 30, 2020 appreciated in relation to Brazilian Real by 45.95% in relation to December 31, 2019.

The Company uses financial instruments to protect the oscillations of short-term liabilities denominated in foreign currency related to loans and financing; therefore, without speculative purposes.

On September 30, 2020, the Company and its subsidiaries did not have a derivative contract in force. Its subsidiaries have financing denominated in foreign currency and the Company considers them as the only financial instruments that may offer coverage risk.

Sensitivity analysis of changes in foreign currency

In the chart below we considered five risk scenarios for the currency indexes of these financial liabilities, whereas the probable scenario is that adopted by the Company and its subsidiaries. In addition to this scenario, CVM, through Instruction No. 475/08, determined the presentation of another two scenarios with increase or decrease of 25% and 50% of the risk variables considered, for which September 30, 2020 was appointed the base date. Scenarios II and III were estimated as an additional devaluation of 25% and 50%, for rates in the probable scenario. While scenarios IV and V have estimated additional devaluation of 25% and 50%, for the probable scenario rates.

				Consolidated				
Operation	Risk	Rate	Exposure	Probable scenario I	Scenario II (+) 25%	Scenario III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial liabilities:								
Loans and financing	€	6.61	17,740	-	4,435	8,870	(4,435)	(8,870)
Net debt			17,740	-	4,435	8,870	(4,435)	(8,870)

(*) The amount showed refers to the nominal amount regarding the contracts in force.

Notes to the financial statements**b.2) Interest exposure and sensitivity analysis**

The Company manages this risk considering the floating and fixed rates. These agreements are exposed to the risk of fluctuations in interest rates due to the liability of the debt referenced operations in CDI. The balance of cash and cash equivalents and other investments, indexed at CDI, neutralizes the interest rate risk.

The liability portion of payables to the concession grantor is exposure to the risk of fluctuation in the General Market Price Index (IGP-M) and Brazilian Consumer Price Index (INPC).

Balances which are exposed to practiced interest rate volatility are being presented in the "Sensitivity Analysis of interest rate changes" chart as follows:

Sensitivity analysis of changes in the interest rates

For the sensitivity analysis of changes in the interest rates, Management adopted, for the probable scenario, the rate disclosed by B3 regarding the debt operations referenced in CDI and rates accumulated in the last 12 months for liabilities linked to IPCA, IGP-M (General market price index) and INPC. Scenarios II and III were estimated with additional valuation of rates of 25% and 50% respectively, for the next year, while scenarios IV and V have estimated additional devaluation of 25% and 50%, respectively, for the next year, for the probable scenario.

Operation	Risk	Rate	Exposure	Parent company				
				Probable scenario I	Scenario II (+) 25%	Scenario II (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial assets:								
Interest earning bank deposits	CDI	1.90%	487,283	9,258	11,573	13,888	6,944	4,629
Other interest earning bank deposits	CDI	1.90%	<u>424,662</u>	<u>8,069</u>	<u>10,086</u>	<u>12,103</u>	<u>6,051</u>	<u>4,034</u>
Financial liabilities:								
Loans and financing	CDI	1.90%	60,823	1,156	1,445	1,733	867	578
Debentures	CDI	1.90%	296,070	5,625	7,032	8,438	4,219	2,813
Obligations with the Concession Grantor	IGP-M	17.94%	1,178,905	211,496	264,370	317,244	158,622	105,748
Obligations with the Concession Grantor	INPC	3.89%	<u>5,502</u>	<u>214</u>	<u>267</u>	<u>321</u>	<u>160</u>	<u>107</u>
Net debt			<u>629,355</u>	<u>201,164</u>	<u>251,455</u>	<u>301,745</u>	<u>150,873</u>	<u>100,583</u>

Notes to the financial statements

Operation	Risk	Rate	Exposure	Consolidated				
				Probable scenario I	Scenario II (+) 25%	Scenario III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial assets:								
Interest earning bank deposits	CDI	1.90%	659,309	12,527	15,659	18,790	9,395	6,263
Other interest earning bank deposits	CDI	1.90%	<u>424,662</u>	<u>8,069</u>	<u>10,086</u>	<u>12,103</u>	<u>6,051</u>	<u>4,034</u>
Financial liabilities:								
Loans and financing	CDI	1.90%	60,823	1,156	1,445	1,733	867	578
Debentures	CDI	1.90%	296,070	5,625	7,032	8,438	4,219	2,813
Debentures	IPCA	3.14%	57,565	1,808	2,259	2,711	1,356	904
Obligations with the Concession Grantor	IGP-M	17.94%	1,311,597	235,301	294,126	352,951	176,476	117,650
Obligations with the Concession Grantor	INPC	3.89%	<u>5,502</u>	<u>214</u>	<u>267</u>	<u>321</u>	<u>160</u>	<u>107</u>
Net debt			647,586	223,508	279,384	335,261	167,632	111,755

c) Credit risk

The allowance for doubtful accounts as at September 30, 2020, was R\$14,303, representing 9.95% of the outstanding balance of accounts receivable. On December 31, 2019, this allowance was R\$14,334, equivalent to 10.64%.

Moreover, aiming to minimize the credit risks linked to financial institutions, Management aims to diversify its operations in high class institutions.

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
<u>Assets:</u>				
Cash and cash equivalents	489,463	108,462	664,134	266,376
Other interest earning bank deposits	424,662	159,067	424,662	159,067
Accounts receivable	88,001	81,352	129,447	120,432
Dividends receivable	-	3,632	-	-
Court-ordered debt payments receivable	-	-	5,740	5,605
Total	1,002,126	352,513	1,223,983	551,480

d) Liquidity risk

Management considers that the Company has no liquidity risk, considering their ability to generate cash and its capital structure with low participation of third party capital.

Additionally, they mechanisms are periodically analyzed aiming to raise funds to reverse positions that could affect the liquidity of the Company.

Notes to the financial statements

	Parent company					
	Book balance at 09/30/2020	Expected flow	Up to 1 year	1-3 years	3-5 years	5-30 years
Liabilities						
Loans and financing	60,881	64,686	22,972	41,714	-	-
Debentures	296,070	365,523	9,344	92,964	159,283	103,932
Suppliers	65,905	65,905	50,884	15,021	-	-
Dividends and interest on own capital payable	18	18	18	-	-	-
Obligations with the Concession Grantor	1,185,079	1,890,714	132,026	177,580	177,580	1,403,528
Total	1,607,953	2,386,846	215,244	327,279	336,863	1,507,460

	Consolidated					
	Book balance at 09/30/2020	Expected flow	Up to 1 year	1-3 years	3-5 years	5-30 years
Liabilities						
Loans and financing	80,176	84,126	28,990	52,740	2,396	-
Debentures	353,635	453,635	16,885	108,130	174,615	154,005
Suppliers	92,996	92,996	77,975	15,021	-	-
Dividends and interest on own capital payable	18	18	18	-	-	-
Obligations with the Concession Grantor	1,317,771	2,068,926	144,747	203,020	203,020	1,518,139
Court-ordered dept payments payable	4,592	4,592	-	4,592	-	-
Total	1,849,188	2,704,293	268,615	383,503	380,031	1,672,144

e) Capital management

In the period ended September 30, 2020, the Company and its subsidiaries maintained the same policy described in the financial statements on December 31, 2019.

The debt in relation to the capital in the period ended September 30, 2020 and year ended December 31, 2019 is as follows:

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Total liabilities current and non-current	1,804,761	1,532,567	2,144,706	1,843,738
(-) Cash and cash equivalents and other investments	(914,125)	(267,529)	(1,088,796)	(425,443)
Net debt	890,636	1,265,038	1,055,910	1,418,295
Total shareholders' equity	2,084,206	1,352,384	2,084,206	1,352,384
Net debt-to-equity ratio liquid-	0.42733	0.93541	0.50662	1.04874

Notes to the financial statements**28. NON-CASH EFFECTS**

Effects in these statements that did not affect the cash in the periods ended September 30, 2020 and 2019, if the operation had affected the cash, it would be stated under "Cash flow" caption as follows:

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
(Increase) in intangible assets of obligations with the Concession Grantor	(242,097)	(77,793)	(253,913)	(87,411)
(Increase) in property, plant and equipment of lease	(320)	-	(18,409)	(28,412)
Investment activities' transactions	(242,417)	(77,793)	(272,322)	(115,823)

29. INSURANCE COVERAGE

On September 30, 2020, the following insurance policies were valid:

	Parent company and Consolidated		
	Coverage	Currency	Maturity
<u>Branch - Tecon Imbituba</u>			
Port Operator Insurance - SOP:			July 2021
Civil liability	20,000	US\$	
Movable property and real estate	16,000	US\$	
Employer Civil Liability -RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Income loss due to blockage of berth and channel	600	US\$	
Electrical damages	250	US\$	
Vehicles fleet insurance (passenger vehicle):			October 2020
Hull	100% FIPE table	R\$	
Personal accidents of passengers - APPs	10	R\$	
Material damages to third-parties	200	R\$	
Bodily injury to third-parties	200	R\$	
Moral damages	50	R\$	
Vehicles fleet insurance (trucks):			October 2020
Material damages to third-parties	500	R\$	
Bodily injury to third-parties	500	R\$	
Moral damages	100	R\$	

Branch - Tecon Santos

SOP:			July 2021
Civil liability	20,000	US\$	
Movable property and real estate	17,850	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	

Notes to the financial statements

	Parent company and Consolidated		
	Coverage	Currency	Maturity
Transportation of goods	2,000	US\$	
Passenger transportation in vessels - RC and Pain and Suffering	1,000	US\$	
Income loss due to blockage of berth	4,000	US\$	
Electrical damages	250	US\$	
Vehicles fleet insurance (passenger vehicle):			October 2020
Hull	100% FIPE table	R\$	
APPs	10	R\$	
Material damages to third-parties	200	R\$	
Bodily injury to third-parties	200	R\$	
Moral damages	50	R\$	
<u>Santos Brasil Logistics</u>			
SOP:			July 2021
Civil liability	20,000	US\$	
Movable property and real estate	20,000	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Transportation of goods	2,000	US\$	
Broad civil liability for CD - São Bernardo do Campo	50,000	US\$	
Electrical damages	250	US\$	
Cargo Road Transportation - RCTR-C	10,000	R\$	December 2020
Cargo Robbery and Deviation - RCF-DC	10,000	R\$	December 2020
Vehicles fleet insurance (trucks):			October 2020
Material damages to third-parties	500	R\$	
Bodily injury to third-parties	700	R\$	
Moral damages	100	R\$	
<u>Tecon Vila do Conde</u>			
SOP:			July 2021
Civil liability	20,000	US\$	
Movable property and real estate	7,600	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Income loss due to blockage of berth and channel	600	US\$	
Electrical damages	250	US\$	

Vehicles fleet insurance (passenger vehicle):

October 2020

Notes to the financial statements

	Parent company and Consolidated		
	Coverage	Currency	Maturity
Hull	100% FIPE table	R\$	
APPs	10	R\$	
Material damages to third-parties	200	R\$	
Bodily injury to third-parties	200	R\$	
Moral damages	50	R\$	
Vehicles fleet insurance (trucks):			October 2020
Material damages to third-parties	500	R\$	
Bodily injury to third-parties	500	R\$	
Moral damages	100	R\$	
Vehicles Terminal/ <u>TEV</u>			
SOP:			July 2021
Civil liability	20,000	US\$	
Movable property and real estate	1,000	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Income loss due to blockage of berth and channel	600	US\$	
Electrical damages	250	US\$	
<u>Institutional</u>			
Civil liability - Management and Directors	40,000	R\$	June 2021
Nominated Risks - Santos and São Paulo offices	4,392	R\$	April 2021

30. CAPITAL COMMITMENT

On September 30, 2020, there were requests (purchase orders) linked to the future acquisition of property, plant and equipment items in the amount of R\$2,984 (R\$2,084 on December 31, 2019) which are not recorded in this quarterly financial information.

31. OPERATING SEGMENTS

In the period ended September 30, 2020, no conceptual changes were made to operating segment, statement of income and invested capital definitions, and those described in financial statements on December 31, 2019 were maintained.

Notes to the financial statements

Consolidated statement of income by operating segment - January - September 2020

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	548,277	205,656	35,347	-	(8,178)	781,102
Deductions from income	(69,552)	(37,964)	(5,409)	-	757	(112,168)
Net operating income	478,725	167,692	29,938	-	(7,421)	668,934
Cost of services rendered	(388,127)	(117,335)	(24,170)	-	7,421	(522,211)
Variable / fixed costs	(304,760)	(104,827)	(12,123)	-	7,421	(414,289)
Depreciation / amortization	(83,367)	(12,508)	(12,047)	-	-	(107,922)
Gross income	90,598	50,357	5,768	-	-	146,723
Operating expenses	(42,158)	(51,997)	(2,326)	(30,691)	-	(127,172)
Sales expenses	(30,131)	(48,018)	(1,744)	-	-	(79,893)
General and administrative expenses	(25,100)	(5,379)	(632)	(30,429)	-	(61,540)
Depreciation / amortization	(177)	(58)	-	(2,687)	-	(2,922)
Other	13,250	1,458	50	2,425	-	17,183
EBIT	48,440	(1,640)	3,442	(30,691)	-	19,551
Depreciation / amortization	83,544	12,566	12,047	2,687	-	110,844
EBITDA	131,984	10,926	15,489	(28,004)	-	130,395
Financial income (loss)	-	-	-	(58,935)	-	(58,935)
Equity in net income of subsidiaries	-	-	-	14,379	(14,379)	-
Income tax and social contribution	-	-	-	11,325	-	11,325
Net loss	N/A	N/A	N/A	N/A	N/A	(28,059)

Consolidated statement of income by operating segment - January - September 2019

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	602,501	220,405	51,753	-	(7,865)	866,794
Deductions from income	(75,109)	(40,895)	(9,240)	-	729	(124,515)
Net operating income	527,392	179,510	42,513	-	(7,136)	742,279
Cost of services rendered	(406,524)	(122,655)	(27,191)	-	7,136	(549,234)
Variable / fixed costs	(334,390)	(110,544)	(15,683)	-	7,136	(453,481)
Depreciation / amortization	(72,134)	(12,111)	(11,508)	-	-	(95,753)
Gross income	120,868	56,855	15,322	-	-	193,045
Operating expenses	(56,383)	(52,927)	(2,490)	(28,906)	-	(140,706)
Sales expenses	(32,686)	(48,472)	(2,046)	-	-	(83,204)
General and administrative expenses	(28,101)	(5,308)	(469)	(27,590)	-	(61,468)
Depreciation / amortization	(89)	(53)	-	(2,691)	-	(2,833)
Other	4,493	906	25	1,375	-	6,799
EBIT	64,485	3,928	12,832	(28,906)	-	52,339
Depreciation / amortization	72,223	12,164	11,508	2,691	-	98,586
EBITDA	136,708	16,092	24,340	(26,215)	-	150,925
Financial income (loss)	-	-	-	(43,082)	-	(43,082)
Equity in net income of subsidiaries	-	-	-	27,491	(27,491)	-
Income tax and social contribution	-	-	-	(4,254)	-	(4,254)
Net loss	N/A	N/A	N/A	N/A	N/A	5,003

On September 30, 2020, the income from a client of the Port Terminal segment represented approximately R\$79,898 (R\$103,032 on September 30, 2019), representing 14.6% of total consolidated gross income.

Notes to the financial statementsConsolidated statement of capital invested per operating segment -
September 30, 2020

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Invested capital</u>						
Current assets	142,685	25,536	7,957	1,095,520	(2,691)	1,269,007
Cash and cash equivalents	-	-	-	664,134	-	664,134
Other interest earning bank deposits	-	-	-	424,662	-	424,662
Other	142,685	25,536	7,957	6,724	(2,691)	180,211
Non-current assets	2,333,669	172,169	229,509	626,630	(402,072)	2,959,905
Other	289,967	6,468	27	110,976	-	407,438
Investment	-	-	-	402,072	(402,072)	-
Property, plant and equipment	73,084	125,764	705	34,225	-	233,778
Intangible assets	1,970,618	39,937	228,777	79,357	-	2,318,689
Current liabilities	(109,378)	(34,587)	(3,017)	(9,555)	2,691	(153,846)
Suppliers	(52,077)	(19,637)	(1,849)	(5,961)	1,549	(77,975)
Other	(57,301)	(14,950)	(1,168)	(3,594)	1,142	(75,871)
Non-current liabilities	(103,208)	(6,519)	(117)	(13,472)	-	(123,316)
Suppliers	(15,021)	-	-	-	-	(15,021)
Provision to tax, labor, civil risks	(31,377)	(6,519)	(117)	(111)	-	(38,124)
Other	(56,810)	-	-	(13,361)	-	(70,171)
Total	<u>2,263,768</u>	<u>156,599</u>	<u>234,332</u>	<u>1,699,123</u>	<u>(402,072)</u>	<u>3,951,750</u>
<u>Capital sources</u>						
Current liabilities	-	-	-	-	-	135,072
Loans and financing	-	-	-	-	-	32,564
Dividends / Interest on own capital payable	-	-	-	-	-	18
Obligations with the Concession Grantor	-	-	-	-	-	93,987
Leases	-	-	-	-	-	8,503
Non-current liabilities	-	-	-	-	-	1,732,472
Loans and financing	-	-	-	-	-	401,247
Obligations with the Concession Grantor	-	-	-	-	-	1,223,784
Leases	-	-	-	-	-	34,001
Actuarial liability	-	-	-	-	-	73,440
Shareholders' equity	-	-	-	-	-	2,084,206
Shareholders' equity	-	-	-	-	-	2,108,529
Actuarial liability	-	-	-	-	-	(24323)
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>3,951,750</u>

Notes to the financial statementsConsolidated statement of capital invested per operating segment -
December 31, 2019

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Invested capital</u>						
Current assets	134,040	22,959	9,505	433,824	(2,293)	598,035
Cash and cash equivalents	-	-	-	266,376	-	266,376
Other interest earning bank deposits	-	-	-	159,067	-	159,067
Other	134,040	22,959	9,505	8,381	(2,293)	172,592
Non-current assets	1,995,386	163,644	230,363	607,154	(398,460)	2,598,087
Other	277,126	7,243	26	92,471	-	376,866
Investment	-	-	-	398,460	(398,460)	-
Property, plant and equipment	68,589	116,453	762	34,251	-	220,055
Intangible assets	1,649,671	39,948	229,575	81,972	-	2,001,166
Current liabilities	(76,511)	(28,225)	(3,096)	(3,463)	2,293	(109,002)
Suppliers	(40,683)	(19,221)	(2,113)	(75)	1,258	(60,834)
Other	(35,828)	(9,004)	(983)	(3,388)	1,035	(48,168)
Non-current liabilities	(98,404)	(7,456)	(114)	(14,217)	-	(120,191)
Suppliers	(15,021)	-	-	-	-	(15,021)
Provision to tax, labor, civil risks	(29,811)	(7,456)	(114)	(112)	-	(37,493)
Other	(53,572)	-	-	(14,105)	-	(67,677)
Total	1,954,511	150,922	236,658	1,023,298	(398,460)	2,966,929
<u>Capital sources</u>						
Current liabilities	-	-	-	-	-	126,710
Loans and financing	-	-	-	-	-	54,076
Dividends / Interest on own capital payable	-	-	-	-	-	3,665
Obligations with the Concession Grantor	-	-	-	-	-	60,139
Leases	-	-	-	-	-	8,830
Non-current liabilities	-	-	-	-	-	1,487,835
Loans and financing	-	-	-	-	-	382,320
Obligations with the Concession Grantor	-	-	-	-	-	1,015,847
Leases	-	-	-	-	-	22,075
Actuarial liability	-	-	-	-	-	67,593
Shareholders' equity	-	-	-	-	-	1,352,384
Shareholders' equity	-	-	-	-	-	1,376,707
Actuarial liability	-	-	-	-	-	(24,323)
Total	N/A	N/A	N/A	N/A	N/A	2,966,929

Notes to the financial statements

Board of Directors

Verônica Valente Dantas (President)
Maria Amalia Delfim de Melo Coutrim (Vice-president)
Valdecyr Maciel Gomes (Independent)
Eduardo de Britto Pereira de Azevedo (Independent)
Luiz Sergio Fisher de Castro (Independent)
José Luis Bringel Vidal (Independent)
Felipe Villela Dias (Independent)

Executive Board

Antonio Carlos Duarte Sepúlveda - Chief Executive Officer and Chief Operating Officer
Daniel Pedreira Dorea - Economic-Financial Director of Finances and Relations with Investors
Ricardo dos Santos Buteri - Commercial Director

Tax Council

Gilberto Braga (President)
Leonardo Guimarães Pinto
Luis Fernando Moran de Oliveira

Thiago Otero Vasques – CRC 1 SP 238735/O-0
Accountant

Comments on the Behavior of the Business Projections

2020 business projections

In the year 2020, the container terminal market in Brazil is expected to suffer impacts due to the new coronavirus (COVID-19) pandemic in the world. The volume of containers handled at the ports in which the Company operates will face a challenging operational, economic and competitive scenario. Moreover the uncertain pace of recovery in port activity after the end of the crisis makes it even more complex to carry out projections related to the flow of containers, both long-haul and cabotage, which leads the Company not to provide any guidance for 2020.

Legal Notice

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

Exceptions to statements and information on the future also include information on possible or assumed operating results, as well as statements that are preceded, followed or that include the words "believes", "may", "will", "continues", "waits", "provides", "intends", "plans", "estimates" or similar expressions.

Statements and information on the future are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, thus depending on circumstances that may or may not occur. Future results and the creation of value for shareholders may significantly differ from those expressed or suggested by statements on the future. Many of the factors that will determine these results and values are beyond Santos Brasil control or foresight capacity.

Other information of the Company deems to be relevant

The company is subject to arbitration in the court of arbitration of the market, pursuant to an arbitration clause contained in its bylaws.

In compliance with the Differentiated Corporate Governance Practices Regulation ("New Market"), we present the following information (not reviewed by Independent Auditors):

1) Statement of shareholding position of each investor or shareholder that holds more than 5% of shares of each species and class, directly or indirectly, up to individual level on September 30, 2020:

BREAKDOWN OF EQUITY CAPITAL OF LEGAL ENTITIES (COMPANY SHAREHOLDERS), UP TO THE LEVEL OF INDIVIDUAL.				
Corporate name: SANTOS BRASIL PARTICIPAÇÕES S.A.			(In unit - Shares)	
Shareholder	Common shares		Total shares	
	Quantity	%	Quantity	%
THE BANK OF NEW YORK ADR DEPARTMENT	198,897,030	23.06	198,897,030	23.06
PW237 PARTICIPAÇÕES S.A.	149,382,595	17.32	149,382,595	17.32
OPPORTUNITY	65,609,193	7.61	65,609,193	7.61
RICHARD KLIEN	32,526,674	3.77	32,526,674	3.77
RK EXCLUSIVE FIA	14,086,147	1.63	14,086,147	1.63
Treasury shares	1,683,976	0.20	1,683,976	0.20
Others	400,292,763	46.41	400,292,763	46.41
Total	862,478,378	100.00	862,478,378	100.00

2) Securities held by Controlling Shareholders, Directors, Board members of the Board of Directors and members of the Tax Council of the Company, on September 30, 2020:

CONSOLIDATED SHAREHOLDING POSITION OF THE CONTROLLING SHAREHOLDERS AND DIRECTORS AND OFFICERS AND SHARES IN CIRCULATION				
Shareholder	Number of common shares (In units)	%	Total number of shares (In units)	%
Controlling shareholders	-	-	-	-
Directors				
Board of Directors	305,924	0.04	305,924	0.04
Executive board	2,493,266	0.29	2,493,266	0.29
Tax Council	-	-	-	-
Treasury shares	1,683,976	0.20	1,683,976	0.20
Others shareholders	857,995,212	99.48	857,995,212	99.48
Total	862,478,378	100.00	862,478,378	100.00
Shares in circulation	857,995,212	99.48	857,995,212	99.48

3) We inform that, on September 30, 2020, the number of outstanding shares was 857,995,212, i.e. 99.48% of the total capital, which is comprised by all common shares.

Opinions and Statements / Special Review Report - Unqualified

To the Board Members and Shareholders of
Santos Brasil Participações S.A.
São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Santos Brasil Participações S.A. ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended September 30, 2020, which comprise the balance sheet as of September 30, 2020 and related statements of income, of comprehensive income for the three and nine-month periods then ended, of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of the interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

Our review was carried out in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with audit standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters**Statements of added value**

The interim financial information referred to above includes the individual and consolidated of added value (DVA) for the nine-month period ended September 30, 2020, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to review procedures carried out jointly with the audit of Company's quarterly information to form a conclusion whether these statements are reconciled with interim financial information and book records, as applicable, and whether their forms and contents are in accordance with criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any other event that make us believe that these statements of added value were not prepared, in all material respects, in accordance with individual and consolidated interim financial information taken as a whole.

São Paulo, November 05, 2020

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by
Wagner Petelin
Accountant CRC 1SP142133/O-7

Opinions and Statements / Tax Council opinion or equivalent body

The Fiscal Council of Santos Brasil Participações S.A. examined the Separate and Consolidate Interim Financial Statements in the Quarterly Information Form ITR for the quarter ended September 30, 2020 and the draft of "Report on Review of the Quarterly Information," issued by KPMG Auditores Independentes on November 05, 2020 and, if there is no future change to the submitted draft, in accordance with Official Letter CVM/SEP/CVM 02/2020, item 3.3.4, stated that such interim information is in accordance with the accounting practices adopted in Brazil, applicable to its preparation, and in accordance with the rules issued by the Securities and Exchange Commission of Brazil.

São Paulo, November 05, 2020.

Gilberto Braga
President of the Tax Council

Leonardo Guimarães Pinto
Tax Council Member

Luis Fernando Moran de Oliveira
Tax Council Member

Opinions and Statements / Statement of the Executive Officers on the Financial Statements

Pursuant to the provisions contained in Article 25, Clause VI, CVM Instruction No. 480 dated December 7, 2009, the Chief Executive Officer and Economic-Financial Director of Finances and Relations with Investors of **SANTOS BRASIL PARTICIPAÇÕES S.A.**, an incorporated publicly-held company, enrolled with the CNPJ (Corporate Taxpayer's Registry) No. 02.762.121/0001-04, with headquarters at Rua Dr. Eduardo de Souza Aranha, nº 387, 2º floor, part, São Paulo, SP hereby state that they reviewed, discussed, and agree with the presented financial statements.

São Paulo, November 05, 2020.

Antonio Carlos Duarte Sepúlveda
Chief Executive Officer and Chief Operating Officer

Daniel Pedreira Dorea
Economic-Financial Director of Finances and Relations with Investors

Opinions and Statements / Statement of the Executive Officers on Independent Auditor's Report

In compliance with the provisions of Article 25, sub-item V, of CVM Instruction No. 480 of December 7, 2009, the Chief Executive Officer and Economic-Financial Director of Finances and Relations with Investors of **SANTOS BRASIL PARTICIPAÇÕES S.A.**, publicly-held corporation enrolled in the CNPJ (Corporate Taxpayer's Registry) No. 02.762.121/0001-04, headquartered at Rua Dr. Eduardo de Souza Aranha, nº 387, 2º floor, part, São Paulo, SP hereby state that they reviewed, discussed and agree with the opinions expressed in independent auditors' report.

São Paulo, November 05, 2020.

Antonio Carlos Duarte Sepúlveda
Chief Executive Officer and Chief Operating Officer

Daniel Pedreira Dorea
Economic-Financial Director of Finances and Relations with Investors