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Company information / Capital composition

Quantity of shares (Thousand)	Current quarter 03/31/2020
Paid-up capital	
Common	669,798
Preferred	0
Total	669,798
Treasury	
Common	2,098
Preferred	0
Total	2,098

Individual financial statements / Balance sheet - Assets

(In thousands of reais)

Code of account	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
1	Total assets	2,876,137	2,884,951
1.01	Current assets	334,206	392,670
1.01.01	Cash and cash equivalents	106,994	108,462
1.01.02	Interest earning bank deposits	102,121	159,067
1.01.02.01	Interest earning bank deposits measured at fair value through profit or loss	102,121	159,067
1.01.02.01.02	Fair value securities	102,121	159,067
1.01.03	Accounts receivable	81,212	81,352
1.01.03.01	Trade accounts receivable	81,212	81,352
1.01.04	Inventories	19,261	19,156
1.01.06	Recoverable taxes	4,278	3,446
1.01.06.01	Current taxes recoverable	4,278	3,446
1.01.08	Other Current assets	20,340	21,187
1.01.08.03	Other	20,340	21,187
1.01.08.03.01	Dividends receivable / proposed	3,632	3,632
1.01.08.03.03	Other accounts receivable	16,708	17,555
1.02	Non-current assets	2,541,931	2,492,281
1.02.01	Long-term assets	356,759	344,137
1.02.01.07	Deferred taxes	57,757	51,222
1.02.01.07.01	Deferred income tax and social contribution	57,757	51,222
1.02.01.10	Other non-current assets	299,002	292,915
1.02.01.10.04	Judicial deposits	279,580	274,770
1.02.01.10.05	Others Assets	19,422	18,145
1.02.02	Investments	398,860	398,460
1.02.02.01	Equity interest	398,860	398,460
1.02.02.01.02	Interest in subsidiaries	398,860	398,460
1.02.03	Property, plant and equipment	90,674	87,924
1.02.03.01	Property, plant and equipment in operation	60,951	62,513
1.02.03.03	Constructions in progress	29,723	25,411
1.02.04	Intangible assets	1,695,638	1,661,760
1.02.04.01	Intangible assets	1,695,638	1,661,760
1.02.04.01.01	Concession contract	1,452,465	1,474,570
1.02.04.01.02	Other intangible assets	243,173	187,190

Individual financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
2	Total liabilities	2,876,137	2,884,951
2.01	Current liabilities	180,261	171,119
2.01.01	Social and labor obligations	31,274	26,077
2.01.01.01	Social charges	4,247	5,073
2.01.01.02	Labor obligations	27,027	21,004
2.01.02	Suppliers	34,643	35,386
2.01.02.01	Domestic suppliers	32,930	33,746
2.01.02.02	Foreign suppliers	1,713	1,640
2.01.03	Tax liabilities	8,353	7,577
2.01.03.01	Federal tax liabilities	4,832	4,686
2.01.03.01.01	Income tax and social contribution payable	466	0
2.01.03.01.02	Other federal tax liabilities	4,366	4,686
2.01.03.02	State tax liabilities	26	55
2.01.03.03	Municipal tax liabilities	3,495	2,836
2.01.04	Loans and financing	41,251	44,749
2.01.04.01	Loans and financing	41,037	40,104
2.01.04.01.01	In domestic currency	41,037	40,104
2.01.04.02	Debentures	214	4,645
2.01.05	Other liabilities	64,740	57,330
2.01.05.02	Other	64,740	57,330
2.01.05.02.01	Dividends and interest on own capital	3,665	3,665
2.01.05.02.05	Obligations with the Concession Grantor	61,029	53,619
2.01.05.02.06	Other liabilities	46	46
2.02	Non-current liabilities	1,356,019	1,361,448
2.02.01	Loans and financing	315,560	315,379
2.02.01.01	Loans and financing	20,019	20,039
2.02.01.01.01	In domestic currency	20,019	20,039
2.02.01.02	Debentures	295,541	295,340
2.02.02	Other liabilities	1,011,452	1,016,905
2.02.02.02	Other	1,011,452	1,016,905
2.02.02.02.04	Actuarial liabilities - Supplementary Health Care Plan	53,665	52,291
2.02.02.02.05	Suppliers	15,021	15,021
2.02.02.02.06	Taxes on billing - TRA	54,865	53,572
2.02.02.02.07	Obligations with the Concession Grantor	887,901	896,021
2.02.04	Provisions	29,007	29,164
2.02.04.01	Tax, social security, labor and civil provisions	29,007	29,164
2.02.04.01.01	Tax provisions	10,395	11,168
2.02.04.01.02	Social security and labor provisions	16,525	16,124
2.02.04.01.04	Civil provisions	1,723	1,508
2.02.04.01.05	Provisions - Others	364	364
2.03	Shareholders' equity	1,339,857	1,352,384
2.03.01	Realized capital	1,081,907	1,081,907
2.03.02	Capital reserves	85,030	84,458
2.03.02.02	Goodwill special reserve in the merger	18,897	18,897
2.03.02.04	Options granted	67,941	67,378
2.03.02.07	Income (loss) from disposal of treasury shares	-1,808	-1,817

Individual financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
2.03.04	Profit reserves	210,464	210,342
2.03.04.01	Legal reserve	55,364	55,364
2.03.04.08	Additional dividend proposed	8,033	8,033
2.03.04.10	Legal reserve for investments	153,849	153,849
2.03.04.11	Repurchase of shares	-6,776	-6,898
2.03.04.12	Buybacks expenses	-6	-6
2.03.05	Retained earnings / losses	-13,221	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	Accumulated of the current year 01/01/2020–03/31/2020	Accumulated of the prior year 01/01/2019–03/31/2019
3.01	Income from sales of goods and/or services	133,006	137,202
3.02	Cost of goods and/or services sold	-110,012	-120,515
3.03	Gross income	22,994	16,687
3.04	Operating expenses / income	-26,317	-20,601
3.04.01	Sales expenses	-10,674	-11,717
3.04.02	General and administrative expenses	-21,453	-17,032
3.04.02.01	Amortization of goodwill	-872	-872
3.04.02.02	Other general and administrative expenses	-20,581	-16,160
3.04.04	Other operating income	5,386	2,134
3.04.05	Other operating expenses	124	-113
3.04.06	Equity in earnings of subsidiaries	300	6,127
3.05	Income (loss) before financial income and taxes	-3,323	-3,914
3.06	Financial income (loss)	-15,967	-12,019
3.06.01	Financial income	408	8,181
3.06.02	Financial expenses	-16,375	-20,200
3.07	Income (loss) before income tax	-19,290	-15,933
3.08	Income tax and social contribution	6,069	6,879
3.08.01	Current	-466	0
3.08.02	Deferred assets	6,535	6,879
3.09	Net income (loss) from continued operations	-13,221	-9,054
3.11	Income / loss for the period	-13,221	-9,054
3.99	Earnings per share - (Reais / Share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	-0.01980	-0.01363
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	-0.01970	-0.01349

Individual financial statements / Statement of comprehensive income
(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–03/31/2020	01/01/2019–03/31/2019
4.01	Net income for the period	-13,221	-9,054
4.03	Comprehensive income for the period	-13,221	-9,054

Individual financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–03/31/2020	Accumulated of the prior year 01/01/2019–03/31/2019
6.01	Net cash from operational activities	10,221	5,428
6.01.01	Cash generated in operations	31,345	24,130
6.01.01.01	Income before taxes and sharing	-19,290	-15,933
6.01.01.02	Stock option plan / long-term incentive	563	1,088
6.01.01.03	Equity in net income of subsidiaries	-300	-6,127
6.01.01.04	Inflation adjustment and exchange rate change	0	-424
6.01.01.05	Depreciation and amortization	24,621	23,938
6.01.01.06	Interest on debentures	3,106	0
6.01.01.07	Calculated interests on loans and borrowings	727	3,470
6.01.01.10	Formation (reversal) of provision for contingencies	3,481	1,555
6.01.01.11	Write-offs and income in the sale of permanent assets	93	0
6.01.01.12	Post-employment benefit – health care plans	1,374	930
6.01.01.13	Provision / reversal for expected credit losses and bad debt losses	5,015	3,967
6.01.01.14	Interest on obligations with the Concession Grantor	11,488	11,666
6.01.01.15	Interest on interest earning bank deposits	467	0
6.01.02	Changes in assets and liabilities	-4,995	-3,191
6.01.02.01	(Increase) decrease in accounts receivable	-4,875	-3,775
6.01.02.02	(Increase) decrease in inventories	-105	56
6.01.02.03	(Increase) decrease in current taxes recoverable	-832	-397
6.01.02.05	(Increase) decrease in judicial deposits	-4,810	-4,028
6.01.02.07	(Increase) decrease in other assets	-430	-1,508
6.01.02.09	Increase (decrease) in suppliers	-743	1,039
6.01.02.10	Increase (decrease) in wage and social charges	5,197	4,067
6.01.02.11	Increase (decrease) in taxes, rates and contributions	310	-40
6.01.02.14	Increase (decrease) in taxes on billing - TRA	1,293	1,395
6.01.03	Other	-16,129	-15,511
6.01.03.04	Write-off of payment contingencies	-3,638	-3,183
6.01.03.05	Payments - Obligations with the Concession Grantor	-12,491	-12,328
6.02	Net cash used in investment activities	-3,587	-13,365
6.02.01	Acquisition of property, plant and equipment	-4,312	-13,725
6.02.02	Sale of property, plant and equipment	150	0
6.02.03	Increase in intangible assets	-56,887	0
6.02.04	Increase of investments in subsidiaries	-100	0
6.02.05	Interest earnings bank deposits	56,479	0
6.02.07	Interest on capitalized loans	1,083	360
6.03	Net cash from financing activities	-8,102	-6,984
6.03.01	Borrowings	-14	0
6.03.02	Payments of debentures, loans and financing	-19	-10,019
6.03.04	Receipt of exercised options	131	4,026
6.03.06	Interest paid to debentures, loans and financing	-8,200	-991
6.05	Increase (decrease) in cash and cash equivalents	-1,468	-14,921
6.05.01	Opening balance of cash and cash equivalents	108,462	189,069
6.05.02	Closing balance of cash and cash equivalents	106,994	174,148

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020–03/31/2020 (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	0	572	122	0	0	694
5.04.03	Recognized options granted	0	563	0	0	0	563
5.04.08	Stock options exercised	0	0	122	0	0	122
5.04.09	Income (loss) from disposal of treasury shares	0	9	0	0	0	9
5.05	Total comprehensive income	0	0	0	-13,221	0	-13,221
5.05.01	Net income for the period	0	0	0	-13,221	0	-13,221
5.07	Closing balances	1,081,907	85,030	210,464	-13,221	-24,323	1,339,857

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019–03/31/2019

(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	2,740	1,133	1,241	0	0	5,114
5.04.03	Recognized options granted	0	1,088	0	0	0	1,088
5.04.09	Stock options exercised	2,740	0	1,241	0	0	3,981
5.04.10	Income (loss) from disposal of treasury shares	0	45	0	0	0	45
5.05	Total comprehensive income	0	0	0	-9,054	0	-9,054
5.05.01	Net income for the period	0	0	0	-9,054	0	-9,054
5.07	Closing balances	1,074,497	83,793	198,349	-9,054	-10,398	1,337,187

Individual financial statements / Statement of added value

(In thousands of reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–03/31/2020	Accumulated of the prior year 01/01/2019–03/31/2019
7.01	Income	150,809	152,965
7.01.01	Sale of merchandise, products and services	150,438	154,798
7.01.02	Other income	5,386	2,134
7.01.04	Provision / reversal of allowance for doubtful accounts	-5,015	-3,967
7.02	Inputs acquired from third parties	-47,990	-54,654
7.02.01	Cost of products, merchandise and services sold	-16,285	-30,617
7.02.02	Materials, energy, third-party services and other	-31,829	-23,924
7.02.04	Other	124	-113
7.03	Gross added value	102,819	98,311
7.04	Retentions	-24,621	-23,938
7.04.01	Depreciation, amortization and depletion	-24,621	-23,938
7.05	Net added value produced	78,198	74,373
7.06	Added value received as transfer	708	14,308
7.06.01	Equity income (loss)	300	6,127
7.06.02	Financial income	408	8,181
7.07	Total added value payable	78,906	88,681
7.08	Distribution of added value	78,906	88,681
7.08.01	Personnel	57,526	58,168
7.08.01.01	Direct remuneration	42,164	44,597
7.08.01.02	Benefits	12,492	10,882
7.08.01.03	Severance Pay Fund (FGTS)	2,870	2,689
7.08.02	Taxes, rates and contributions	17,373	18,342
7.08.02.01	Federal	9,685	10,645
7.08.02.02	State	54	55
7.08.02.03	Municipal	7,634	7,642
7.08.03	Third-party capital remuneration	17,228	21,225
7.08.03.01	Interest	16,375	20,200
7.08.03.02	Rentals	853	1,025
7.08.04	Remuneration of own capital	-13,221	-9,054
7.08.04.03	Retained earnings / loss for the period	-13,221	-9,054

Consolidated financial statements / Balance sheet - Assets

(In thousands of reais)

Code of account	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
1	Total assets	3,198,691	3,196,122
1.01	Current assets	545,612	598,035
1.01.01	Cash and cash equivalents	270,776	266,376
1.01.02	Interest earning bank deposits	102,121	159,067
1.01.02.01	Interest earning bank deposits measured at fair value through profit or loss	102,121	159,067
1.01.02.01.02	Fair value securities	102,121	159,067
1.01.03	Accounts receivable	121,004	120,432
1.01.03.01	Trade accounts receivable	121,004	120,432
1.01.04	Inventories	22,864	22,771
1.01.06	Recoverable taxes	8,523	7,476
1.01.06.01	Current taxes recoverable	8,523	7,476
1.01.08	Other current assets	20,324	21,913
1.01.08.03	Other	20,324	21,913
1.01.08.03.02	Other accounts receivable	20,324	21,913
1.02	Non-current assets	2,653,079	2,598,087
1.02.01	Long term assets	389,646	376,866
1.02.01.07	Deferred taxes	71,797	65,637
1.02.01.07.01	Deferred income tax and social contribution	71,797	65,637
1.02.01.10	Other non-current assets	317,849	311,229
1.02.01.10.04	Judicial deposits	289,042	284,401
1.02.01.10.05	Court-ordered debt. payments receivable	5,694	5,605
1.02.01.10.06	Others assets	23,113	21,223
1.02.03	Property, plant and equipment	219,940	220,055
1.02.03.01	Property, plant and equipment in operation	186,005	189,978
1.02.03.03	Construction in progress	33,935	30,077
1.02.04	Intangible assets	2,043,493	2,001,166
1.02.04.01	Intangible assets	2,043,493	2,001,166
1.02.04.01.01	Concession contract	1,749,096	1,764,566
1.02.04.01.02	Other intangible assets	294,397	236,600

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
2	Total liabilities	3,198,691	3,196,122
2.01	Current liabilities	246,175	235,712
2.01.01	Social and labor obligations	40,648	34,841
2.01.01.01	Social charges	5,907	7,096
2.01.01.02	Labor obligations	34,741	27,745
2.01.02	Suppliers	58,328	60,834
2.01.02.01	Domestic suppliers	56,578	59,752
2.01.02.02	Foreign suppliers	1,750	1,082
2.01.03	Tax liabilities	13,494	13,280
2.01.03.01	Federal tax liabilities	7,529	8,155
2.01.03.01.01	Income tax and social contribution payable	568	628
2.01.03.01.03	Other federal liabilities	6,961	7,527
2.01.03.02	State tax liabilities	399	353
2.01.03.03	Municipal tax liabilities	5,566	4,772
2.01.04	Loans and financing	52,033	54,076
2.01.04.01	Loans and financing	46,092	44,387
2.01.04.01.01	In domestic currency	41,664	40,731
2.01.04.01.02	In foreign currency	4,428	3,656
2.01.04.02	Debentures	5,941	9,689
2.01.05	Other liabilities	81,672	72,681
2.01.05.02	Other	81,672	72,681
2.01.05.02.01	Dividends and interest on own capital	3,665	3,665
2.01.05.02.08	Obligations with the Concession Grantor	68,386	60,139
2.01.05.02.09	Leases	9,575	8,830
2.01.05.02.10	Other accounts payable	46	47
2.02	Non-current liabilities	1,612,659	1,608,026
2.02.01	Loans and financing	384,017	382,320
2.02.01.01	Loans and financing	34,378	33,538
2.02.01.01.01	In domestic currency	21,252	21,423
2.02.01.01.02	In foreign currency	13,126	12,115
2.02.01.02	Debentures	349,639	348,782
2.02.02	Other liabilities	1,183,632	1,179,715
2.02.02.02	Other	1,183,632	1,179,715
2.02.02.02.07	Actuarial liabilities - Supplementary Health Care Plan	69,543	67,593
2.02.02.02.08	Suppliers	15,021	15,021
2.02.02.02.09	Taxes on billing - TRA	54,865	53,572
2.02.02.02.10	Obligations with the Concession Grantor	1,016,892	1,015,847
2.02.02.02.11	Leases	21,616	22,075
2.02.02.02.12	Other liabilities	5,695	5,607
2.02.03	Deferred taxes	7,754	8,498
2.02.03.01	Deferred income tax and social contribution	7,754	8,498
2.02.04	Provisions	37,256	37,493
2.02.04.01	Tax, social security, labor and civil provisions	37,256	37,493
2.02.04.01.01	Tax provisions	16,342	17,103
2.02.04.01.02	Social security and labor provisions	18,812	18,491
2.02.04.01.04	Civil provisions	1,730	1,528

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 03/31/2020	Prior year 12/31/2019
2.02.04.01.05	Provisions - Others	372	371
2.03	Consolidated shareholders' equity	1,339,857	1,352,384
2.03.01	Realized capital	1,081,907	1,081,907
2.03.02	Capital reserves	85,030	84,458
2.03.02.02	Goodwill special reserve in the merger	18,897	18,897
2.03.02.04	Options granted	67,941	67,378
2.03.02.07	Income (loss) from disposal of treasury shares	-1,808	-1,817
2.03.04	Profit reserves	210,464	210,342
2.03.04.01	Legal reserve	55,364	55,364
2.03.04.08	Additional dividend proposed	8,033	8,033
2.03.04.10	Legal reserve for investments	153,849	153,849
2.03.04.11	Repurchase of shares	-6,776	-6,898
2.03.04.12	Buybacks expenses	-6	-6
2.03.05	Retained earnings / losses	-13,221	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	Accumulated of the current year 01/01/2020–03/31/2020	Accumulated of the prior year 01/01/2019–03/31/2019
3.01	Income from sales of goods and/or services	223,817	227,220
3.02	Cost of goods and/or services sold	-174,039	-180,834
3.03	Gross income	49,778	46,386
3.04	Operating expenses / income	-46,299	-46,059
3.04.01	Sales expenses	-27,620	-28,462
3.04.02	General and administrative expenses	-24,954	-20,188
3.04.02.01	Amortization of goodwill	-872	-872
3.04.02.02	Other general and administrative expenses	-24,082	-19,316
3.04.04	Other operating income	6,237	2,787
3.04.05	Other operating expenses	38	-196
3.05	Income (loss) before financial income and taxes	3,479	327
3.06	Financial income (loss)	-22,445	-13,003
3.06.01	Financial income	1,611	10,024
3.06.02	Financial expenses	-24,056	-23,027
3.07	Income (loss) before income tax	-18,966	-12,676
3.08	Income tax and social contribution	5,745	3,622
3.08.01	Current	-1,159	-2,647
3.08.02	Deferred assets	6,904	6,269
3.09	Net income (loss) from continued operations	-13,221	-9,054
3.11	Income / loss for the period	-13,221	-9,054
3.11.01	Attributed to the parent company's partners	-13,221	-9,054
3.99	Earnings per share - (Reais / Share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	-0.01980	-0.01363
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	-0.01970	-0.01349

Consolidated financial statements / Statement of comprehensive income
(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–03/31/2020	01/01/2019–03/31/2019
4.01	Consolidated net income for the period	-13,221	-9,054
4.03	Consolidated comprehensive income for the period	-13,221	-9,054
4.03.01	Attributed to the Parent company's partners	-13,221	-9,054

Consolidated financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–03/31/2020	Accumulated of the prior year 01/01/2019–03/31/2019
6.01	Net cash from operational activities	22,896	21,893
6.01.01	Cash generated in operations	50,646	44,888
6.01.01.01	Income before taxes and sharing	-18,966	-12,676
6.01.01.02	Inflation adjustment and exchange rate change	4,772	-682
6.01.01.03	Depreciation and amortization	35,061	32,491
6.01.01.05	Formation / (reversal) of provisions for contingencies	3,795	1,832
6.01.01.06	Stock option plan / long-term incentive	563	1,088
6.01.01.07	Write-offs and income in the sale of permanent assets	-169	3
6.01.01.08	Interest on debentures	3,777	0
6.01.01.09	Calculated interests on loans and borrowings	973	3,527
6.01.01.14	Post-employment benefit – health care plans	1,950	1,176
6.01.01.15	Provision / reversal for expected credit losses and bad debt losses	5,036	4,556
6.01.01.16	Interest on obligations with the Concession Grantor	12,858	13,076
6.01.01.17	Interest on lease - rents	529	497
6.01.01.18	Interest on interest earning bank deposits	467	0
6.01.02	Changes in assets and liabilities	-6,824	-1,544
6.01.02.01	(Increase) decrease in accounts receivable	-5,608	-196
6.01.02.02	(Increase) decrease in inventories	-93	-17
6.01.02.03	(Increase) decrease in current taxes recoverable	-1,047	484
6.01.02.05	(Increase) decrease in judicial deposits	-4,641	-4,229
6.01.02.06	(Increase) decrease in other assets	-390	-4,544
6.01.02.07	Increase (decrease) in suppliers	-2,506	1,611
6.01.02.08	Increase (decrease) in wage and social charges	5,807	4,094
6.01.02.09	Increase (decrease) in taxes, rates and contributions	274	-198
6.01.02.10	Increase (decrease) in accounts payable	88	56
6.01.02.11	Increase (decrease) in taxes on billing - TRA	1,293	1,395
6.01.02.12	Increase (decrease) in other liabilities	-1	0
6.01.03	Other	-20,926	-21,451
6.01.03.01	Income tax and social contribution paid	-1,219	-2,883
6.01.03.04	Write-off of payment contingencies	-4,032	-3,417
6.01.03.05	Payments on Obligations with the Concession Grantor	-15,675	-15,151
6.02	Net cash used in investment activities	-4,853	-15,218
6.02.01	Acquisition of property, plant and equipment	-4,268	-15,742
6.02.02	Disposal of property, plant and equipment	594	0
6.02.03	Increase in intangible assets	-58,741	0
6.02.04	Interest earnings bank deposits	56,479	0
6.02.05	Interests on capitalized loans capitalized	1,083	524
6.03	Net cash from financing activities	-13,643	-11,021
6.03.01	Receipt of exercised share purchase options	131	4,026
6.03.02	Borrowings	-244	0
6.03.03	Payments of debentures, loans and financing	-2,117	-12,079
6.03.06	Interest paid to debentures, loans and financing	-8,590	-1,389
6.03.09	Lease payments - Leases	-2,823	-1,579
6.05	Increase (decrease) in cash and cash equivalents	4,400	-4,346

**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
		01/01/2020–03/31/2020	01/01/2019–03/31/2019
6.05.01	Opening balance of cash and cash equivalents	266,376	253,663
6.05.02	Closing balance of cash and cash equivalents	270,776	249,317

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020–03/31/2020 (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	0	572	122	0	0	694	0	694
5.04.03	Recognized options granted	0	563	0	0	0	563	0	563
5.04.08	Stock options exercised	0	0	122	0	0	122	0	122
5.04.09	Income (loss) from disposal of treasury shares	0	9	0	0	0	9	0	9
5.05	Total comprehensive income	0	0	0	-13,221	0	-13,221	0	-13,221
5.05.01	Net income for the period	0	0	0	-13,221	0	-13,221	0	-13,221
5.07	Closing balances	1,081,907	85,030	210,464	-13,221	-24,323	1,339,857	0	1,339,857

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019–03/31/2019

(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	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	2,740	1,133	1,241	0	0	5,114	0	5,114
5.04.03	Recognized options granted	0	1,088	0	0	0	1,088	0	1,088
5.04.09	Stock options exercised	2,740	0	1,241	0	0	3,981	0	3,981
5.04.10	Income (loss) from disposal of treasury shares	0	45	0	0	0	45	0	45
5.05	Total comprehensive income	0	0	0	-9,054	0	-9,054	0	-9,054
5.05.01	Net income for the period	0	0	0	-9,054	0	-9,054	0	-9,054
5.07	Closing balances	1,074,497	83,793	198,349	-9,054	-10,398	1,337,187	0	1,337,187

Consolidated financial statements / Statement of added value (In thousands of reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–03/31/2020	Accumulated of the prior year 01/01/2019–03/31/2019
7.01	Income	258,226	258,708
7.01.01	Sale of merchandise, products and services	257,025	260,477
7.01.02	Other income	6,237	2,787
7.01.04	Provision / reversal of allowance for doubtful accounts	-5,036	-4,556
7.02	Inputs acquired from third parties	-98,221	-101,462
7.02.01	Cost of products, merchandise and services sold	-37,207	-50,124
7.02.02	Materials, energy, third-party services and other	-61,052	-51,142
7.02.04	Other	38	-196
7.03	Gross added value	160,005	157,246
7.04	Retentions	-35,061	-32,491
7.04.01	Depreciation, amortization and depletion	-35,061	-32,491
7.05	Net added value produced	124,944	124,755
7.06	Added value received as transfer	1,611	10,024
7.06.02	Financial income	1,611	10,024
7.07	Total added value payable	126,555	134,779
7.08	Distribution of added value	126,555	134,779
7.08.01	Personnel	79,001	79,591
7.08.01.01	Direct remuneration	56,503	58,994
7.08.01.02	Benefits	18,638	16,631
7.08.01.03	Severance Pay Fund (FGTS)	3,860	3,966
7.08.02	Taxes, rates and contributions	34,789	38,689
7.08.02.01	Federal	20,917	24,984
7.08.02.02	State	1,508	1,359
7.08.02.03	Municipal	12,364	12,346
7.08.03	Third-party capital remuneration	25,986	25,553
7.08.03.01	Interest	24,056	23,027
7.08.03.02	Rentals	1,930	2,526
7.08.04	Remuneration of own capital	-13,221	-9,054
7.08.04.03	Retained earnings / loss for the period	-13,221	-9,054

Performance comment

OPERATING INDICATORS

Consolidated

Units	1Q20	1Q19	Var, %
PORT TERMINALS			
Quay operations - containers	265,321	254,929	4.1%
Full Containers	204,757	200,651	2.0%
Empty Containers	60,564	54,278	11.6%
Quay operations – general cargo (ton)	16,725	68,425	-75.6%
Warehousing operations – containers	34,620	29,738	16.4%
LOGISTICS			
Warehousing operations – containers	12,109	13,262	-8.7%
VEHICLES TERMINAL			
Vehicles handled	48,422	48,948	-1.1%
Exports	37,268	43,025	-13.4%
Imports	11,154	5,923	88.3%

Port terminals

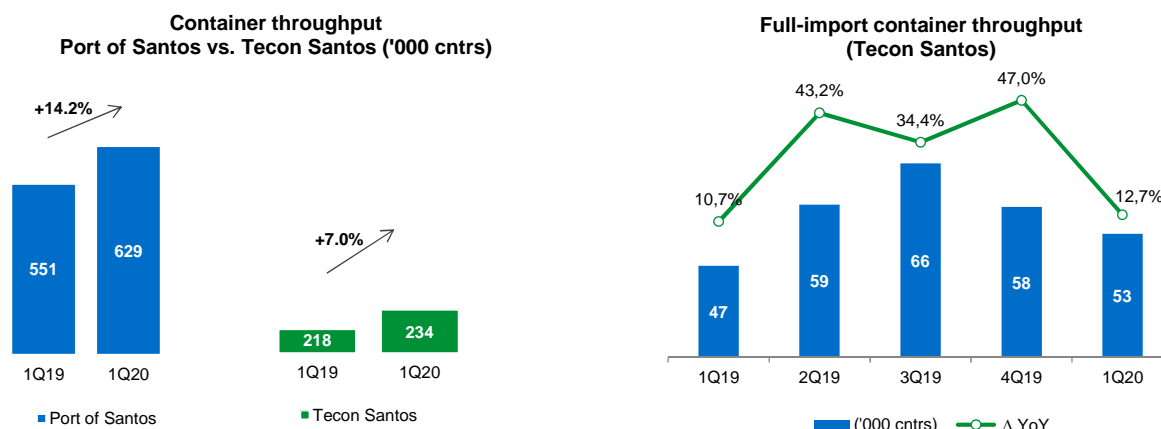
Units	1Q20	1Q19	Var, %
PORT TERMINALS			
Tecon Santos	233,779	218,533	7.0%
Full containers	184,699	179,609	2.8%
Empty containers	49,080	38,924	26.1%
General cargo (ton)	-	-	-
Tecon Imbituba	10,211	12,649	-19.3%
Full containers	6,711	7,288	-7.9%
Empty containers	3,500	5,361	-34.7%
General cargo (ton)	16,698	68,425	-75.6%
Tecon Vila do Conde	21,331	23,747	-10.2%
Full containers	13,347	13,754	-3.0%
Empty containers	7,984	9,993	-20.1%
General cargo (ton)	27.0	-	0.0%

The effects of the new coronavirus (COVID-19) pandemic on the global economy marginally affected the operating performance of Santos Brasil's business units in 1Q20, including the terminals' container throughput, warehousing operations at Tecon Santos and at the bonded warehouses (CLIA), as well as operations at Santos Brasil Logística and the Vehicles Terminal. Tecon Santos' operations continued to grow in 1Q20 in spite of the intensification of the impacts of the crisis from March and the challenges in the global ground transportation and port logistics chain, on the back of lockdowns, social isolation policies and quarantine determined in practically all regions of the world, especially in China.

Tecon Santos handled 233,779 containers in 1Q20, up 7.0% YoY. With the volume handled in the quarter, capacity utilization at Tecon Santos stood at 75% on an annualized basis, and the terminal achieved 36.9% market share in the Port of Santos (vs. 39.7% in 1Q19).

Performance comment

The volume of full containers handled at Tecon Santos grew 2.8% YoY in 1Q20, totaling 184,699 units. Of this total, 53,129 units were import containers, up 12.7% YoY, representing an improvement in the terminal mix, despite the cancellations (blank sailing), in March, of five ships that compound the Asian services that operate at the terminal. In February, Tecon Santos operated an extra ship from Maersk, handling 2,288 containers. On a YoY comparison, another highlight was the suppression, in 1Q20, of the volume derived from the export (eastbound) sling of Maersk Asian service, which operated in Tecon Santos from February, 2019 to June, 2019, with a throughput of 17,316 containers in 1Q19.



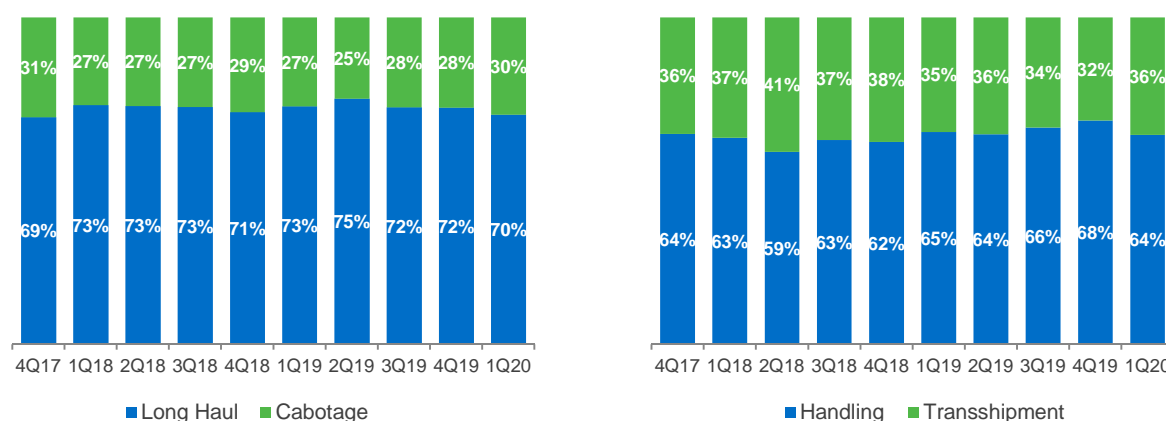
Tecon Imbituba handled 10,211 containers in 1Q20, down 19.3% from 1Q19, due to the reduction in long-haul container handling, which still had the Asian ASAS service in January 2019, discontinued at the end of the month, and also due to the reduction in cabotage volume. However, the volume drop in the quarter was sharper in empty container throughput (-34.7% YoY). In 1Q20, long-haul container throughput accounted for 3.1% of the terminal's total volume handled (vs. 9.1% in 1Q19). Cabotage operations, represented by ALCT2 service led by Maersk's subsidiary Aliança, decreased 13.9% and accounted for 96.9% of the total volume handled at the terminal (vs. 90.9% in 1Q19). Operations at Imbituba General Cargo Terminal ("TCG Imbituba") also decelerated, with 16.7 thousand tons handled in 1Q20, down 75.6% from 1Q19, mainly on the back of postponement, to the coming months, in wood-log shipments for export.

At Tecon Vila do Conde, container throughput dropped 10.2% YoY in 1Q20 to 21,331 units. This performance is mainly explained by a sharp decline in empty container throughput in January and February. In March, the volume of empty container handled resumed at Vila do Conde, an anticipation of shipments expected for the upcoming months. Long-haul operations accounted for 60.0% of total volume (65.3% in 1Q19) and presented a decrease of 17.4% YoY. Exports fell 20.8% YoY in 1Q20, still affected by lower manganese shipments due to sluggish demand from China, and by the low price of the commodity, which stimulates ore exports in break-bulk ships instead of container. However, manganese sales to China showed signs of recovery in 1Q20 in relation to the previous quarter, while ship-owners have apparently been keen in reducing freight prices to attract this type of cargo. Another highlight in exports was the increase in shipment of refrigerated container, mainly of frozen beef from slaughterhouses located in Pará state. The shipment of reefer containers, despite the lower share in total volume handled at Tecon Vila do Conde, has higher added value due to ancillary services provided (i.e. plug-in/plug-out, monitoring and others). Tecon Vila do Conde's import container throughput was 11.3% lower YoY, impacted by a decrease in empty-container throughput, partially offset by growth in imported-full container throughput. The higher import volume was mainly led by project cargo and inputs for mining companies and, chiefly, by fertilizers. Cabotage was another highlight in 1Q20 at Tecon Vila do Conde, accounting for 40.0% of the terminal's throughput (vs. 34.7% in 1Q19), up 3.3% YoY. Empty-container cabotage volume decreased, but was offset by a 44.2% growth in full container throughput. Unloading of food items transported from South and Southeast regions increased due to the higher penetration of cabotage in the transportation of this type of cargo in Brazil. Cabotage southbound shipments also increased, with growing volume of aluminum transported to the Port of Santos and the Plate region (Argentina and Uruguay).

Performance comment

Consolidated volume of the three container terminals in 1Q20 grew 4.1%. In long-haul operations, which accounted for 70.2% of total volume handled, import container throughput grew 13.2% YoY, while export container volume decreased 13.0% in relation to 1Q19. Cabotage operations grew 14.0% in 1Q20 and accounted for 29.8% of the total volume of containers handled (27.2% in 1Q19). Transshipment operations (long-haul + cabotage) increased 6.5% in the quarter, corresponding to 35.9% of total throughput (vs. 35.1% in 1Q19). Full-empty container mix slightly deteriorated, with full containers corresponding to 77.2% of consolidated throughput in 1Q20 (vs. 78.7% in 1Q19). On a quarterly comparison, full-empty container mix improved (76.2% in 4Q19).

Historical container mix of long-haul vs. cabotage, and handling vs. transshipment, is shown as below:



Total container warehousing volume at the port terminals grew 16.4%, explained by higher volume of full-import containers at Tecon Santos and the Port of Santos. The full-import-container retention rate for warehousing remained high, at 58%, in 1Q20, compared to 56% in 1Q19 and 57% in 4Q19. Dwell time (average time of stay of full-import containers) at Tecon Santos' backyard was 12.0 days in 1Q20, higher than the 10.9 days in 4Q19, but slightly below the 12.8 days registered in 1Q19. This YoY reduction in dwell time in 1Q20 can be partially attributed to an increase in the volume of containers under the "OEA Despacho sobre Águas" regime, an instrument that allows the registration of import declaration before the container is unloaded at the port of destination. As such, the cargo is cleared through customs during maritime transportation, arriving at the port already nationalized and ready to be taken by the importer within 48 hours. The Company estimates that this customs regime has helped reduce average dwell time of imported full containers at Tecon Santos by about 0.3 days in 1Q20. On the other hand, the YoY growth in dwell time can be explained by the exchange rate volatility in 1Q20, encouraging the postponement in cargo customs clearance, and also by the impacts of COVID-19 on importers' logistics chain.

Logistics

Santos Brasil Logística's container warehousing volume dropped 8.7% in 1Q20 YoY. The main causes were a decrease in the base of containers to be picked-up on the right bank of the Port of Santos, due to the migration of long-haul services that operated in the Libra Santos terminal to DPW Santos, and the retraction in the volume of import containers in all Asian services that operate in the Port of Santos, reflecting the cancellations (blank sailings) carried out by ship-owners due to the impacts of COVID-19. However, part of the decrease in CLIA Santos' warehousing volume was offset by the migration of customers from services that operated in Libra Santos to shipping lines that call Tecon Santos, which increased warehousing volume at the terminal's backyard. In the road transportation segment, SBLog signed a contract with two new customers, which should increase the volume transported in the coming months.

Performance comment

Vehicles Terminal

TEV handled 48,422 vehicles in 1Q20, 1.1% less than in 1Q19. The highlight in the quarter was a 88.3% growth in vehicle imports, improving TEV's mix. On the other hand, exports fell 13.4%, accounting for 77.0% of total throughput (87.9% in 1Q19). Dwell time of vehicles at TEV's backyard increased from 6.4 days in 1Q19 to 9.5 days in 1Q20, due to growth in vehicle imports. Heavy vehicles accounted for 6.8% of TEV's throughput in 1Q20, compared to 7.5% in 1Q19 and 13.1% in 4Q19.

FINANCIAL RESULTS

GROSS REVENUE

R\$ million	1Q20	1Q19	Var, %
PORT TERMINALS	179.9	181.7	-1.0%
Quay operations	93.7	99.3	-5.6%
Warehousing operations	86.2	82.5	4.5%
LOGISTICS	68.4	69.0	-0.9%
VEHICLES TERMINAL	15.3	15.7	-2.5%
Eliminations	-2.4	-2.2	9.1%
Consolidated	261.2	264.2	-1.1%

NET REVENUE

R\$ million	1Q20	1Q19	Var, %
PORT TERMINALS	157.2	160.0	-1.8%
Quay operations	84.0	89.5	-6.1%
Warehousing operations	73.2	70.5	3.8%
LOGISTICS	55.8	56.4	-1.1%
VEHICLES TERMINAL	13.0	12.8	1.6%
Eliminations	-2.2	-2.0	10.0%
Consolidated	223.8	227.2	-1.5%

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 1Q20 and 1Q19. 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.

Port Terminals' warehousing net revenue increased 3.8% YoY in 1Q20 to R\$73.2 million, mainly as result of the increase in import container volume stored at Tecon Santos' backyard. Tecon Santos' net revenue remained practically flat in 1Q20 YoY (-0.9%) and accounted for 81% of Port Terminals' net revenue (vs. 80% in 1Q19). Tecon Imbituba's net revenue fell 35% YoY in 1Q20, mainly due to the end of the long-haul Asian service and lower general cargo volume handled at TCG (Imbituba General Cargo Terminal). Tecon Vila do Conde's net revenue dropped 6% YoY in 1Q20, with the 10.2% YoY container throughput drop. At Vila do Conde, lower container volume was offset by better mix of imports and full containers, in addition to the warehousing revenue from the handling of project cargo for mining companies in the Northern region, given the high added value of imported mining equipment.

Performance comment

Logistics

SBLLog's net revenue fell marginally in 1Q20 compared to 1Q19 (-1.1%), despite the lower warehousing volume at the bonded warehouses (CLIA). Higher average warehousing price, better mix of cargo per shipping route, with lower imports from Asia, whose products have lower added value than those imported from other regions (i.e. Europe and USA), and a better import mix in the warehousing operation of CLIA Guarujá, with diversification and a greater exposure to higher added value goods, were the main drivers that mitigated a larger revenue drop.

Vehicles Terminal

TEV's net revenue grew 1.6% in 1Q20 vs. 1Q19, amounting to R\$13.0 million. The reduction in total vehicles handled and the worsening of heavy vehicle mix were offset by an increase in vehicle imports in the quarter, which resulted in growth of TEV's warehousing revenue, whose operating margin is higher than the vehicle handling operation.

COST OF SERVICES RENDERED

R\$ million	1Q20	1Q19	Var, %
PORT TERMINALS			
Handling Costs	17.5	31.6	-44.6%
Personnel Costs	58.3	60.2	-3.2%
Depreciation and Amortization	26.1	23.5	11.1%
Other Costs	24.4	20.7	17.9%
Total	126.3	136.0	-7.1%
LOGISTICS			
Handling Costs	16.1	14.8	8.8%
Personnel Costs	13.6	12.5	8.8%
Depreciation and Amortization	4.0	4.3	-7.0%
Other Costs	7.2	6.0	20.0%
Total	41.0	37.6	9.0%
VEHICLES TERMINAL			
Handling Costs	3.8	3.7	2.7%
Depreciation and Amortization	4.0	3.8	5.3%
Other Costs	1.1	1.7	-35.3%
Total	8.9	9.2	-3.3%
Eliminations	-2.2	-2.0	10.0%
Consolidated	174.0	180.8	-3.8%

Port Terminals

In March 2019, the end of compulsory hiring of third-party unionized labor for stowage operations in Tecon Santos reduced variable cost related to the hiring of temporary workers. In return, headcount slightly increased to compensate the end of intermittent workforce hiring, increasing labor costs, although less than variable cost savings obtained. This change has been generating productivity gains in port operations, reducing the cost per container handled. Another change in variable costs was the end of port tariff (TUP) collection in August 2019, which has since been charged by Santos Port Authority directly to the ship-owners.

Due to the aforementioned effects, the YoY comparison of handling costs in 1Q20 is adversely affected. In regard to other operating costs, there was an increase in costs with equipment maintenance, IT and civil lawsuits.

Performance comment

Logistics

Variable handling costs increased 8.8% in 1Q2, due to higher freight costs. Personnel costs increased 8.8% YoY in 1Q20, explained by higher labor indemnity costs. In "other costs", the YoY difference is due to increase in costs with maintenance, IT and machine and equipment rental.

Vehicles Terminal

TEV's variable costs in 1Q20 increased 2.7% YoY due to increase in imported light vehicle throughput and imported and exported heavy vehicles (buses, trucks, machinery and equipment). In "other costs", the reduction is due to lower labor costs.

OPERATING EXPENSES

R\$ million	1Q20	1Q19	Var, %
PORT TERMINALS			
Selling	11.1	12.1	-8.3%
General, Administrative and other	4.5	4.5	0.0%
Depreciation and Amortization	-	-	-
Total	15.6	16.6	-6.0%
LOGISTICS			
Selling	15.6	15.7	-0.6%
General, Administrative and other	1.4	1.7	-17.6%
Depreciation and Amortization	-	-	-
Total	17.0	17.4	-2.3%
VEHICLES TERMINAL			
Selling	1.0	0.6	66.7%
General, Administrative and other	0.2	0.2	0.0%
Depreciation and Amortization	-	-	-
Total	1.2	0.8	50.0%
CORPORATE			
General, Administrative and other	11.7	10.3	13.6%
Depreciation and Amortization	0.9	0.9	0.0%
Total	12.6	11.2	12.5%
Consolidated	46.4	46.0	0.9%

Port Terminals

Selling expenses decreased YoY in 1Q20 with less sales commission payments. General and administrative expenses remained flat YoY. However, there was an increase in expenses with personnel and consulting/legal advisory services, offset by a non-recurring revenue of R\$2.8 million from the favorable exchange rate variation on the indemnification to be paid by Shangai Zhenhua as established in a court settlement in 4Q19, and by a non-recurring positive effect of R\$0.7 million related to a correction in the Accident Prevention Factor (FAP) calculation, with part of the effect allocated in Corporate expenses.

Logistics

Selling expenses slightly fell due to lower spending with sales commission, reflection of drop in warehousing volumes at the bonded warehouses (CLIA). General and administrative expenses decreased 17.6% YoY, driven by a R\$0.3 million revenue with the sale of semi-trailers that are no longer used in the Company's operations. Even excluding the non-recurring gain, general and administrative expenses would have decreased as result of lower expenses with shared services.

Performance comment

Vehicles Terminal

TEV's operating expenses increased 50.0% in 1Q20, in relation to 1Q19, due to the higher volume of imported vehicles handled at the terminal, which led to an increase in expenses with sales commission.

Corporate

General and administrative operating expenses increased 13.6% YoY in 1Q20 due to non-recurring expenses with strategic consulting services, totaling R\$1.8 million. There was also a non-recurring positive effect of R\$0.3 million related to the aforementioned FAP calculation adjustment, which was partially allocated at Port Terminals' expenses.

EBITDA and EBITDA MARGIN

R\$ million	1Q20	Margin %	1Q19	Margin %	% YoY
Port Terminals	41.4	26.3%	30.9	19.3%	34.0%
Logistics ²	1.9	3.4%	5.6	9.9%	-66.1%
Vehicles Terminal	6.9	53.4%	6.6	51.5%	4.5%
Corporate	-11.7	-	-10.3	-	13.6%
Consolidated	38.5	17.2%	32.8	14.4%	17.4%
Non-recurring items	-2.2	-	3.8	-	-157.9%
Consolidated (recurring)	36.3	16.2%	36.6	16.1%	-0.8%

EBITDA in 1Q20 totaled R\$38.5 million, up 17.4% YoY, with margin of 17.2%. In the quarter, the Company incurred in non-recurring items in the net amount of R\$2.2 million, positively impacting the result. Extraordinary revenues totaled R\$4.0 million, resulting from the following: (i) exchange rate variation on the reimbursement related to the court settlement with Zhenhua, regarding the indemnity for the improper occupation of Tecon Santos quay, (ii) sale of semi-trailers and (iii) calculation adjustment and change in FAP index. Non-recurring expenses totaled R\$1.8 million and were related to strategic consulting services. Excluding these non-recurring items, recurring 1Q20 EBITDA was R\$36.3 million, with margin of 16.2%.

Port Terminals

Port terminals' recurring EBITDA was R\$37.9 million in 1Q20 (up 12.6% YoY), with margin of 24.2%. The increase in container throughput and warehousing volume at Tecon Santos, combined with the better mix of imports, were the key drivers for recurring EBITDA growth in the quarter.

Logistics

Excluding non-recurring items, Santos Brasil Logística's 1Q20 EBITDA was R\$1.6 million (vs. R\$6.2 million in 1Q19). The Logistics business was mainly affected by lower warehousing volume.

Vehicles Terminal

TEV posted EBITDA of R\$6.9 million in 1Q20 (flat YoY), with margin of 53.4%. The main drivers that affected TEV's operating result were lower exports to Argentina, offset by increase in vehicle imports.

Corporate

Represented by corporate expenses, Corporate recurring EBITDA came to a negative R\$10.1 million in 1Q20, practically flat compared to 1Q19.

Performance comment

NET INCOME

R\$ million	1Q20	1Q19	Var, %
EBITDA	38.5	32.8	17.4%
Depreciation and Amortization	35.1	32.5	8.0%
EBIT	3.4	0.3	1033.3%
Financial Result	-22.4	-13.0	-72.3%
Income and Social Contribution Taxes	5.7	3.6	58.3%
Net income	-13.3	-9.1	-46.2%

The Company posted net loss of R\$13.3 million in 1Q20, compared to a net loss of R\$9.1 million in 1Q19.

DEBT, CASH AND CASH EQUIVALENTS

R\$ million	Currency	03/31/2020	03/31/2019	Var. %
Short term	BRL	47.6	108.0	-55.9%
	Foreign	4.4	34.6	-87.3%
Long term	BRL	370.9	61.9	499.2%
	Foreign	13.1	13.4	-2.2%
Total Debt		436.0	217.9	100.1%
Cash and cash equivalents		372.9	249.3	49.6%
Net Debt		63.1	-31.4	-
Net Debt / pro-forma EBITDA LTM*		0.50x	-0.35x	

* Last-twelve-month;

The Company ended 1Q20 with cash and cash equivalents of R\$372.9 million, net debt of R\$63.1 million and leverage ratio of 0.5x times net debt/pro-forma last-twelve-month EBITDA (deducted of lease and rental costs).

Notes to the financial statements

SANTOS BRASIL PARTICIPAÇÕES S.A. AND SUBSIDIARIES

NOTES TO THE QUARTERLY INFORMATION INDIVIDUAL AND CONSOLIDATED FOR THE PERIOD ENDED MARCH 31, 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 – %	
	03/31/2020	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 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.

This involves the temporary exploration of an area of 42,000 m² for 180 days, where the Company will handle general cargo, 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.

The Company is awaiting the legal process of conclusion of the selection process for signing the contract.

Notes to the financial statements

Coronavírus (COVID-19)

On January 31, 2020, the World Health Organization (WHO) announced that the coronavirus (COVID-19) is a global health emergency. The epidemic triggered major decisions by governments and private sector entities, which coupled with the potential impact, increased the degree of uncertainty for economic agents and can impact the amounts recognized in the financial statements.

Considering the current situation of the spread of COVID-19, the Company and its subsidiaries, if required, may review the projection of revenues and operating cash flows for the year 2020. However, considering that the COVID-19 scenario is constantly changing, the quantification of the adverse impacts over a longer period on global trade, on the Brazilian economic activity and on the businesses of the Company and its subsidiaries is uncertain and inaccurate, even after the health crisis.

On March 18, 2020, the tangible impacts at Tecon Santos were communicated to the market, such as the cancellation of some cruise ship between the months of March and April 2020, with an estimated reduction in volume between 6,000 to 8,000 containers.

Moreover, as disclosed in Note 5, interest earning bank deposits were directly impacted, causing the Company to take the appropriate actions in early April, thus migrating investments in investment funds to Bank Deposit Certificates - CDBs.

Management evaluates 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 quarter ended March 31, 2020, there were no changes in the operating environment or commitments made by the Company and its subsidiaries in relation to the information disclosed in the financial statements for the year ended December 31, 2019.

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 accounting information was authorized by the Executive Board on May 06, 2020.

Notes to the financial statements

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, 2020, disclosed as of March 05, 2020.

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

3. MAIN ACCOUNTING POLICIES

In the quarter ended March 31, 2020, no changes in accounting policies applied by the Company and its subsidiaries occurred, as detailed in financial statements as of December 31, 2019, and the same consistency is maintained for the period presented in this quarterly information.

4. RELATED PARTY TRANSACTIONS

a) Dividends receivable - parent company

	03/31/2020	12/31/2019
Current assets:		
Dividends receivable:		
Direct subsidiaries:		
Pará Empreendimentos Financeiros S.A.	1,322	1,322
Terminal de Veículos de Santos S.A.	2,310	2,310
	<u>3,632</u>	<u>3,632</u>

b) Other significant balances

	Parent company		Consolidated (*)	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current assets:				
Trade accounts receivable (I)	349	428	1,519	1,258
Checking accounts (II)	1,055	1,035	1,055	1,035
	<u>1,404</u>	<u>1,463</u>	<u>2,574</u>	<u>2,293</u>
Current liabilities:				
Suppliers	1,170	830	1,519	1,258
Checking accounts (II)	-	-	1,055	1,035
	<u>1,170</u>	<u>830</u>	<u>2,574</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.

Notes to the financial statements

c) Rendering of port service

Operating branch Tecon Santos provided the following port services to the subsidiary Santos Brasil Logistics from January to March 2020: (i) immediate delivery of containers in the amount of R\$184 (R\$197 on March 31, 2019) referring to 702 containers handled (814 containers on March 31, 2019); (ii) non-intrusive inspection of containers, amounting to R\$197 (R\$130 on March 31, 2019) referring to 1,988 containers (1,309 containers on March 31, 2019); (iii) reefers monitoring in the amount of R\$2 (R\$4 on March 31, 2019) referring to 4 containers (7 containers on March 31, 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 services, in the amount of R\$1,994 (R\$1,855 on March 31, 2019) referring to 2,381 containers handled (2,132 containers on March 31, 2019); (i) freight forwarding service in the amount of R\$12 (R\$23 on March 31, 2019) referring to 440 containers (870 containers on March 31, 2019). In March 31, 2019, in addition to these services, we had others in the amount of R\$7.

d) Remuneration of key personnel

	Parent company			
	03/31/2020		03/31/2019	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Short-term benefits	459	2,408	459	3,335
Other benefits	-	107	-	140
Stock option plan / Share-based incentive plan	-	563	-	1,086
Total	459	3,078	459	4,561

	Consolidated			
	03/31/2020		03/31/2019	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Short-term benefits	464	2,471	464	3,458
Other benefits	-	107	-	140
Stock option plan / Share-based incentive plan	-	563	-	1,086
Total	464	3,141	464	4,684

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 0.39% 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. In March 31, 2020, the above benefits represented an expense of R\$13,885 (R\$12,820 on March 31, 2019), corresponding to 6.20% and 5.64% 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 March 31, 2020, the Company and other subsidiaries had provided the amount of R\$2,079 (R\$1,377 on March 31, 2019). In 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\$20,815;
- Joint debtor of full containers forklift truck acquisition for Tecon Vila do Conde, in the amount of EUR 678, equivalent to R\$3,884;
- Joint debtor of empty containers forklift truck acquisition for Tecon Vila do Conde, in the amount of EUR 271, equivalent to R\$1,552.

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

a) Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cash and balance in banks	1,072	2,550	3,246	5,991
Interest earnings bank deposits	105,922	105,912	267,530	260,385
Total	<u>106,994</u>	<u>108,462</u>	<u>270,776</u>	<u>266,376</u>

Notes to the financial statements

b) Other interest earning bank deposits

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Interest earning bank deposits	<u>102,121</u>	<u>159,067</u>	<u>102,121</u>	<u>159,067</u>

c) Nature of interest earning bank deposits

	Average rates - % CDI	Maturity	Parent company	
			03/31/2020	12/31/2019
Investment funds (*)	(2.13)	Undetermined	<u>208,043</u>	<u>264,979</u>

(*) Non-exclusive fund

	Average rates - % CDI	Maturity	Consolidated	
			03/31/2020	12/31/2019
Investment funds (*)	28.61	Undetermined	<u>369,651</u>	<u>419,452</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.

The average rates of financial investments, previously mentioned, refer to interest earned from January to March 2020 and are related to the Certificate of Interbank Deposit - CDI rate.

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. The new investments are highly liquid and are readily convertible into a known cash amount.

Notes to the financial statements**6. TRADE ACCOUNTS RECEIVABLE**Current

	Parent company	
	03/31/2020	12/31/2019
Domestic	90,966	90,739
To be billed	4,110	3,112
Related parties (Note 4.b))	349	428
(-) Provision for expected credit losses	(14,213)	(12,927)
Total	81,212	81,352

	Consolidated	
	03/31/2020	12/31/2019
Domestic	129,346	129,694
To be billed	7,221	5,072
(-) Provision for expected credit losses	(15,563)	(14,334)
Total	121,004	120,432

On March 31, 2020, three clients have balance between 9% and 6% each.

In March 31, 2020, the amount of R\$1,519 (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	
	03/31/2020	12/31/2019
Loans falling due	50,281	45,692
Past due receivables - up to 60 days	14,804	22,629
Past due receivables - from 61–90 days	2,173	6,231
Past due receivables - from 91–180 days	14,341	9,971
Past due receivables - from 181–360 days	8,951	5,607
Past due receivables for more than 361 days	4,875	4,149
Total	95,425	94,279

	Consolidated	
	03/31/2020	12/31/2019
Loans falling due	83,786	75,492
Past due receivables - up to 60 days	18,693	29,523
Past due receivables - from 61–90 days	2,595	7,098
Past due receivables - from 91–180 days	15,713	11,165
Past due receivables - from 181–360 days	9,440	5,899
Past due receivables for more than 361 days	6,340	5,589
Total	136,567	134,766

Notes to the financial statements

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.

	Parent company	Consolidated
Balance at 12/31/2019	12,927	14,334
Additions, net of reversals	5,015	5,036
Write-offs	(3,729)	(3,807)
Balance at 03/31/2020	<u>14,213</u>	<u>15,563</u>

	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	<u>12,927</u>	<u>14,334</u>

7. INVENTORIES

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Maintenance material	17,958	17,724	21,077	20,839
Administrative material	328	308	453	418
Security material	195	271	375	470
Other	780	853	959	1,044
	<u>19,261</u>	<u>19,156</u>	<u>22,864</u>	<u>22,771</u>

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

	03/31/2020	12/31/2019
Non-current assets:		
Court-ordered debt payments receivable	<u>5,694</u>	<u>5,605</u>
Non-current liabilities:		
Court-ordered debt payments to be transferred to the former shareholders, net of attorney's fees (*)	<u>4,555</u>	<u>4,484</u>

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

Notes to the financial statements

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 March 31, 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.

In the quarter ended March 31, 2020, the amount of non-current liabilities was adjusted, considering the correction mentioned in the previous paragraph. 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	
	03/31/2020	12/31/2019
Withholding income tax - IRRF	3,616	3,395
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	522	47
Other	140	4
Total current	<u>4,278</u>	<u>3,446</u>
	Consolidated	
	03/31/2020	12/31/2019
Withholding income tax - IRRF	3,688	3,492
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	1,622	910
Recoverable credit from Fund for Development and Management of Collection and Inspection - FUNDAF	976	969
Credits from Social Integration Program - PIS / Contribution for the Financing of Social Security - COFINS	1,866	1,850
Other	371	255
Total current	<u>8,523</u>	<u>7,476</u>

Consolidated IRRF credits, in the amount of R\$3,688 (R\$3,492 on December 31, 2019) were mainly from financial investments of prior years.

Consolidated credits from Corporate Income Tax and Social Contribution in the amount of R\$1,622 (R\$910 on December 31, 2019), were mainly from advances in monthly calculations. These credits will be offset in future year calculations.

The consolidated PIS and COFINS credits, in the amount of R\$1,866 (R\$1,850 on December 31, 2019), 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.

Notes to the financial statements

FUNDAF's consolidated credits, in the amount of R\$976 (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.

10. INVESTMENTS - PARENT COMPANY

a) Composition of balances

	03/31/2020	12/31/2019
Non-current assets:		
Interest in subsidiaries	398,860	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	-	-	-	-	100
Equity in net income of subsidiaries	(39)	(2)	574	(1,650)	1,417	300
Balance at March 31, 2020	268	32	94,780	134,099	169,681	398,860

(*) 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 as of March 31, 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	460	84,484	126,374	128,751
Number of shares held:					
Common	986,986	460,000	84,484,349	115,935,256	204,269,217
Preferred shares	443,014	-	-	115,935,255	-
(Loss) Net income for the year	(39)	(2)	574	(1,650)	1,417
Shareholders' equity	268	32	94,780	134,099	169,681
Interest in capital - %	100	100	100	100	100
Interest in the shareholders' equity	268	32	94,780	134,099	169,681
Current assets	263	33	117,293	52,580	47,443
Non-current assets	6	-	97,664	170,629	241,709
Total assets	269	33	214,957	223,209	289,152
Current liabilities	1	1	26,659	33,938	11,521
Non-current liabilities	-	-	93,518	55,172	107,950
Total liabilities	1	1	120,177	89,110	119,471
Net income	-	-	24,170	55,833	12,976
(Loss) income for the year	(39)	(2)	574	(1,650)	1,417

(a) Company with shutdown operations.

Notes to the financial statements

11. PROPERTY, PLANT AND EQUIPMENT

	Parent company										
	Leasehold improvements	Cargo handling equipment	Construction in progress (*)	IT equipment	Land	Machinery, equipment and accessories	Facilities, furniture and fixtures	Vehicles	Real estate	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)
Depreciation	(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	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	-	-	4,312	-	-	-	-	-	-	-	4,312
Write-offs	-	(106)	-	(1)	-	-	-	-	-	-	(107)
Depreciation	(8)	(545)	-	(268)	-	(476)	(109)	(34)	(8)	(7)	(1,455)
Net balances at March 31, 2020	72	10,636	29,723	1,542	39,943	5,171	1,183	463	1,852	89	90,674
Balances at March 31, 2020											
Cost	4,092	56,408	29,723	37,807	39,943	27,135	9,530	1,988	1,955	347	208,928
Accumulated depreciation	(4,020)	(45,772)	-	(36,265)	-	(21,964)	(8,347)	(1,525)	(103)	(258)	(118,254)
Net balances at March 31, 2020	72	10,636	29,723	1,542	39,943	5,171	1,183	463	1,852	89	90,674

(*) 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)
Depreciation	(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	18.5 - 37.5	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	137	-	3,858	2	-	271	-	-	-	2,580	-	6,848
Write-offs	-	(288)	-	(1)	-	-	-	-	-	-	-	(289)
Depreciation	(121)	(1,780)	-	(394)	-	(720)	(1,062)	(34)	(134)	(2,420)	(9)	(6,674)
Net balances at March 31, 2020	3,632	37,834	33,935	3,639	66,368	9,194	14,882	463	19,811	30,067	115	219,940
Balances at March 31, 2020												
Cost	13,017	143,692	33,935	48,662	66,368	45,485	57,564	2,176	27,136	40,894	763	479,692
Accumulated depreciation	(9,385)	(105,858)	-	(45,023)	-	(36,291)	(42,682)	(1,713)	(7,325)	(10,827)	(648)	(259,752)
Net balances at March 31, 2020	3,632	37,834	33,935	3,639	66,368	9,194	14,882	463	19,811	30,067	115	219,940

(*) 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 quarter ended March 31, 2020 totaled R\$1,083, referring to loans and financing not directly attributable to the Company's fixed assets with an average interest rate of 5.20% p.a. On December 31, 2019, they totaled R\$3,243, and consisted of: (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 March 31, 2020, was stated as R\$598.

Notes to the financial statements

12. INTANGIBLE ASSETS

	Parent company							
	Defined useful life							
	Exploration right			Goodwill in acquisitions			Software	Other intangible assets
	Tecon Santos	Tecon Imbituba	TCG Imbituba	Shares of Santos-Brasil S.A.	Pará Empreendimentos	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
Changes								
Acquisitions / Transfers	39,352	38,626	268	-	-	-	75	79,635
Reclassifications (*)	(1,153)	28	(1)	-	-	-	4	22,102
Amortizations	(37,889)	(46,277)	(912)	(2,486)	(172)	(828)	(149)	-
Net balances at December 31, 2019	848,190	615,065	11,315	69,398	2,365	10,209	361	104,857
Balances at December 31, 2019								
Cost	1,604,227	1,001,328	19,566	321,264	37,760	18,983	22,518	104,857
Accumulated amortization	(756,037)	(386,263)	(8,251)	(251,866)	(35,395)	(8,774)	(22,157)	-
Net balances at December 31, 2019	848,190	615,065	11,315	69,398	2,365	10,209	361	104,857
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
Changes								
Acquisitions / Transfers	-	-	294	-	-	-	-	56,886
Write-off	(136)	-	-	-	-	-	-	-
Amortizations	(10,273)	(11,760)	(230)	(621)	(43)	(207)	(32)	-
Net balances at March 31, 2020	837,781	603,305	11,379	68,777	2,322	10,002	329	161,743
Balances at March 31, 2020								
Cost	1,568,413	1,001,328	19,860	321,264	37,760	18,983	22,518	161,743
Accumulated amortization	(730,632)	(398,023)	(8,481)	(252,487)	(35,438)	(8,981)	(22,189)	-
Net balances at March 31, 2020	837,781	603,305	11,379	68,777	2,322	10,002	329	161,743

(*) Reclassifications of property, plant and equipment.

Notes to the financial statements

	Consolidated											
	Defined useful life										Undefined useful life	
	Exploration right					Goodwill in acquisitions			Software	Other intangible assets	Goodwill in acquisitions	
Tecon Santos	Tecon Imituba	TCG Imituba	Tecon Vila do Conde	Vehicle Terminal/TEV	Shares of Santos-Brasil S.A.	Pará Empreendimentos	TCG Imituba	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	-	-	294	641	11,175	-	-	-	-	58,740	-	70,850
Write-off	(136)	-	-	-	-	-	-	-	-	-	-	(136)
Amortizations	(10,273)	(11,760)	(230)	(1,232)	(3,949)	(621)	(43)	(207)	(72)	-	-	(28,387)
Net balances at March 31, 2020	837,781	603,305	11,379	59,830	236,801	68,777	2,322	10,002	1,019	172,812	39,465	2,043,493
Balances at March 31, 2020												
Cost	1,568,413	1,001,328	19,860	104,300	371,428	321,264	37,760	18,983	32,202	172,812	47,576	3,695,926
Accumulated amortization	(730,632)	(398,023)	(8,481)	(44,470)	(134,627)	(252,487)	(35,438)	(8,981)	(31,183)	-	(8,111)	(1,652,433)
Net balances at March 31, 2020	837,781	603,305	11,379	59,830	236,801	68,777	2,322	10,002	1,019	172,812	39,465	2,043,493

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

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

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
				03/31/2020	12/31/2019	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	96	115	R\$
NCE (a)	1.85% p.a.	CDI	Semi-annual	60,960	60,028	R\$
				<u>61,056</u>	<u>60,143</u>	
Total				<u>61,056</u>	<u>60,143</u>	
(-) Short term installments				(41,037)	(40,104)	
Long term installments				20,019	20,039	
	Interest	Restatements	Amortization	Consolidated		Transaction currency
				03/31/2020	12/31/2019	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	96	115	R\$
FINAME	TLP + 4.60% p.a.	UMSELIC	Monthly	1,860	2,011	R\$
NCE (a)	1.85% p.a.	CDI	Semi-annual	60,960	60,028	R\$
				<u>62,916</u>	<u>62,154</u>	
Foreign currency:						
FINIMP (*)	EURIBOR + 3.02% p.a.	Exchange-rate change	Semi-annual	17,554	15,771	€
				<u>17,554</u>	<u>15,771</u>	
Total				<u>80,470</u>	<u>77,925</u>	
(-) Short term installments				(46,092)	(44,387)	
Long term installments				34,378	33,538	

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

- (a) On June 22, 2018, parties entered into an addendum for NCE (Export Credit Note) Itaú operation, 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.

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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Opening balance	60,143	205,347	77,925	227,395
Funding	-	-	-	-
Recognized interest and costs	727	9,291	973	9,828
Compound interest	208	2,920	208	3,243
Inflation adjustment and exchange rate change	-	2,176	3,874	2,581
(-) Debt amortization	(19)	(142,380)	(2,117)	(147,006)
(-) Interest paid ^(*)	(3)	(17,211)	(393)	(18,116)
Closing balance	61,056	60,143	80,470	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.

In March 31, 2020, the index (“covenants”) was being addressed as follows:

	Consolidated 03/31/2020
Assets	
Cash and cash equivalents	270,776
Interest earnings bank deposits	102,121
Liabilities	
Loans and financing	80,470
Debentures	355,580
Leases	31,191
Net debt	94,344
EBITDA in the last 12 months	227,358
Net debt / EBITDA equal or less than 2.5 times	0.4

Guarantees

- Guarantees granted

	Maturity	Currency	Guarantees
FINAME	June 2021	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 March 31, 2020, the Company had no guarantee given to outstanding transactions or any other existing transaction.

On March 31, 2020, the long-term debt had the following maturity structure:

	Parent company	
	2021	Total
NCE	20,000	20,000
FINAME	19	19
Total	20,019	20,019

	Consolidated				
	2021	2022	2023	2024	Total
NCE	20,000	-	-	-	20,000
FINAME	483	619	150	-	1,252
FINIMP	2,188	4,375	4,375	2,188	13,126
Total	22,671	4,994	4,525	2,188	34,378

14. DEBENTURES

	Interest	Restatements	Amortization	Parent company	
				03/31/2020	12/31/2019
Debentures	0.70% - 1.00% p.a.	CDI	Annual	295,755	299,985
(-) Short term installments				(214)	(4,645)
Long term installments				295,541	295,340

	Interest	Restatements	Amortization	Consolidated	
				03/31/2020	12/31/2019
Debentures	0.70% - 1.00% p.a.	CDI	Annual	295,755	299,985
Debentures	4.20% p.a.	IPCA	Semi-annual	59,825	58,486
				355,580	358,471
(-) Short term installments				(5,941)	(9,689)
Long term installments				349,639	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.

Notes to the financial statements

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

- (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, in 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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Opening balance	299,985	-	358,471	-
Funding	-	300,000	-	360,000
(-) Funding cost	(14)	(5,228)	(244)	(7,234)
Net amount raised	299,971	294,772	358,227	352,766
Recognized interest and costs	3,106	13,885	3,777	14,086
Compound interest	875	-	875	-
Inflation adjustment over principal	-	-	898	291
(-) Interest paid (*)	(8,197)	(8,672)	(8,197)	(8,672)
Closing balance	295,755	299,985	355,580	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.

In March 31, 2020, the financial index was being addressed as follows:

Notes to the financial statements

	<u>Consolidated</u> <u>03/31/2020</u>
Assets	
Cash and cash equivalents	270,776
Interest earnings bank deposits	102,121
Liabilities	
Loans and financing	80,470
Debentures	355,580
Leases	31,191
Net debt	94,344
Adjusted EBITDA (*)	123,510
Net debt / Adjusted EBITDA equal or less than 3.0 times	0.8

(*) 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>03/31/2020</u>	<u>12/31/2019</u>
Labor provision (a)	16,525	16,124
Provision for the Accident Prevention Factor - FAP lawsuit (b)	8,780	9,554
Other proceedings (d)	3,702	3,486
Total	<u>29,007</u>	<u>29,164</u>

	<u>Consolidated</u>	
	<u>03/31/2020</u>	<u>12/31/2019</u>
Labor provision (a)	18,812	18,491
FAP provision for profit sharing (b)	11,265	12,026
Other proceedings (d)	7,179	6,976
Total	<u>37,256</u>	<u>37,493</u>

Notes to the financial statements

The amounts of court deposits were:

	Parent company	
	03/31/2020	12/31/2019
Related to contingencies:		
Labor proceedings (a)	4,281	4,365
FAP Lawsuit (b)	5,673	5,639
CADE Lawsuit - fine (c)	2,320	2,310
CADE Lawsuit - billing bonded warehouses (c)	204,320	200,802
Other proceedings (d)	1,053	1,053
Other judicial deposits (e)	41,755	41,610
Subtotal	259,402	255,779
Related to supplier:		
SCPar Porto de Imbituba S.A. ("SCPar") (f)	15,083	15,083
OGMO - Labor Management Body (g)	5,095	3,908
Subtotal	20,178	18,991
Total	279,580	274,770

	Consolidated	
	03/31/2020	12/31/2019
Related to contingencies:		
Labor proceedings (a)	5,255	5,386
FAP Lawsuit (b)	7,123	7,080
CADE Lawsuit - fine (c)	2,320	2,310
CADE Lawsuit - billing bonded warehouses (c)	204,320	200,802
Other proceedings (d)	1,053	1,053
Other judicial deposits (e)	48,793	48,779
Subtotal	268,864	265,410
Related to supplier:		
SCPar (f)	15,083	15,083
OGMO (g)	5,095	3,908
Subtotal	20,178	18,991
Total	289,042	284,401

- (a) Refer to liability lawsuits: (i) of the operating branch Tecon Santos, provisioned in the amount of R\$16,525, for which there are judicial deposits of R\$4,281 and 32 insurance policies guaranteeing the amount of R\$55,632; (ii) the subsidiary Santos Brasil Logistics, with provisions in the amount of R\$2,149, for which there are judicial deposits of R\$934; and (iii) of subsidiary Tecon Vila do Conde, provisioned in the amount of R\$138, for which there are judicial deposits of R\$40 and 4 insurance policies guaranteeing the amount of R\$4,808.

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\$5,673, comprised of: (i) R\$1,357 - 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 CADE (Administrative Council of Economic Defense) 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\$138,803 and R\$2,320, 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\$65,517 already deposited. Taxes levied on TRA billing bonded warehouse, in the amount of R\$54,865 (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.

Notes to the financial statements

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.

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.

Notes to the financial statements

- (d) The consolidated provision of R\$7,179 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\$1,337; (ii) the Municipal property tax (IPTU) of the Municipal Government of Santos, in the amount of R\$3,063; (iii) tax assessment notice from the Federal Government, amounting to R\$200; (iv) action for annulment of tax debits, in the amount of R\$1,614; and (v) other lawsuits, in the amount of R\$965.
- (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\$1,504 and R\$9,532, respectively, the provisions for which were reversed; (ii) discussion about CPMF on loan transfer during the merger, amounting to R\$2,896; (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\$17,296; (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\$8,842. 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\$1,398; (ii) at the subsidiary Tecon Vila do Conde, relate to labor lawsuits amounting to R\$666, 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. In 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.

Notes to the financial statements

- (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 March 31, 2020, these deposits represented the amount of R\$5,095.

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\$3,069 was recorded in non-current assets under "Other Assets".

Changes in provisions for contingencies in the quarter ended March 31, 2020 and year ended December 31, 2018 are shown in the tables below:

	Parent company				
	Balance at 12/31/2019	Additions	Payment of award	Other movements (*)	Balance at 03/31/2020
Labor provision	16,124	230	(1,192)	1,363	16,525
Provision for FAP	9,554	58	-	(832)	8,780
Other proceedings	3,486	-	(2,446)	2,662	3,702
Total	29,164	288	(3,638)	3,193	29,007

	Parent company				
	Balance at 12/31/2018	Additions	Payment of award	Other movements (*)	Balance at 12/31/2019
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 12/31/2019	Additions	Payment of award	Other movements (*)	Balance at 03/31/2020
Labor provision	18,491	230	(1,557)	1,648	18,812
Provision for FAP	12,026	71	-	(832)	11,265
Other proceedings	6,976	-	(2,475)	2,678	7,179
Total	37,493	301	(4,032)	3,494	37,256

Notes to the financial statements

	Balance at 12/31/2018	Additions	Payment of award	Other movements (*)	Balance at 12/31/2019
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\$ 602,223, and in this case, no provision for loss was recorded in the interim financial information.

Changes in possible lawsuits in the quarter ended March 31, 2020 are shown below:

<u>Nature of the lawsuit</u>	Balance at 12/31/2019	Additions	Other movements (*)	Balance at 03/31/2020
Customs	15,169	-	3	15,172
Civil	39,418	-	(805)	38,613
Labor	77,600	3,960	(1,300)	80,260
Tax	441,871	4,377	14,251	460,499
Other	7,712	-	(33)	7,679
Total	581,770	8,337	12,116	602,223

(*) 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%).

Notes to the financial statements

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 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 the 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.

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 CARF's 1st Section 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 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 *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.

Notes to the financial statements

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

PIS/COFINS proceeding

On October 8, 2019, the Company received the 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 will file a Voluntary Appeal with CARF.

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 12/31/2019	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	Book balance at 03/31/2020
<u>Agreements</u>					
Lease:					
Tecon Santos	559,583	7,989	-	(10,621)	556,951
Tecon Imbituba	36,683	375	-	(919)	36,139
	<u>596,266</u>	<u>8,364</u>	<u>-</u>	<u>(11,540)</u>	<u>593,090</u>
MMC:					
Tecon Imbituba	347,591	3,070	-	(905)	349,756
TCG Imbituba	5,783	54	293	(46)	6,084
	<u>353,374</u>	<u>3,124</u>	<u>293</u>	<u>(951)</u>	<u>355,840</u>
Obligations with the Concession Grantor	<u>949,640</u>	<u>11,488</u>	<u>293</u>	<u>(12,491)</u>	<u>948,930</u>
(-) Short-term	(53,619)				(61,029)
Long-term	896,021				887,901

(*) 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 03/31/2020
	Book balance at 12/31/2019	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Lease:					
Tecon Santos	559,583	7,989	-	(10,621)	556,951
Tecon Imbituba	36,683	375	-	(919)	36,139
Tecon Vila do Conde	11,483	162	-	(308)	11,337
Vehicles Terminal/TEV	47,186	474	5,066	(1,164)	51,562
	<u>654,935</u>	<u>9,000</u>	<u>5,066</u>	<u>(13,012)</u>	<u>655,989</u>
MMC:					
Tecon Imbituba	347,591	3,070	-	(905)	349,756
TCG Imbituba	5,783	54	293	(46)	6,084
Tecon Vila do Conde	10,651	160	641	(306)	11,146
Vehicles Terminal/TEV	57,026	574	6,109	(1,406)	62,303
	<u>421,051</u>	<u>3,858</u>	<u>7,043</u>	<u>(2,663)</u>	<u>429,289</u>
Obligations with the Concession Grantor	<u>1,075,986</u>	<u>12,858</u>	<u>12,109</u>	<u>(15,675)</u>	<u>1,085,278</u>
(-) Short-term	(60,139)				(68,386)
Long-term	1,015,847				1,016,892

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

Notes to the financial statements

	Consolidated				
	Book balance at 12/31/2018	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	Book balance at 12/31/2019
<u>Agreements</u>					
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.

In March 31, 2020, the commitment with the Concession Grantor had the following maturity structure:

	Parent company				Total
	2021	2022	2023	2024 - End of contract	
Tecon Santos	8,167	11,127	11,423	515,560	546,277
Tecon Imbituba	17,046	23,272	23,953	272,247	336,518
TCG Imbituba	280	383	395	4,048	5,106
	<u>25,493</u>	<u>34,782</u>	<u>35,771</u>	<u>791,855</u>	<u>887,901</u>
	Consolidated				Total
	2021	2022	2023	2024 - End of contract	
Tecon Santos	8,167	11,127	11,423	515,560	546,277
Tecon Imbituba	17,046	23,272	23,953	272,247	336,518
TCG Imbituba	280	383	395	4,048	5,106
Tecon Vila do Conde	920	1,275	1,334	17,774	21,303
Vehicles Terminal/TEV	4,723	6,430	6,596	89,939	107,688
	<u>31,136</u>	<u>42,487</u>	<u>43,701</u>	<u>899,568</u>	<u>1,016,892</u>

Notes to the financial statements

Validity 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
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 2019 - April 2020
Tecon Imbituba	July 2019 - July 2020
Tecon Vila do Conde	July 2019 - July 2020
Vehicles Terminal/TEV	July 2019 - July 2020

In agreements, the Company and its subsidiaries have commitments to pay amounts based on their operating changes. These amounts were in effect on March 31, 2019 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)	41.55	-	-
Tecon Santos (b)	20.69	-	-
Tecon Imbituba (c)	97.97	-	-
TCG Imbituba (d)	-	3.16	-
TCG Imbituba (e)	-	6.99	-
TCG Imbituba (f)	-	4.21	-
Tecon Vila do Conde (g)	26.10	-	-
Tecon Vila do Conde (h)	5.22	-	-
Tecon Vila do Conde (i)	-	2.61	-
Vehicles Terminal/TEV (j)	-	-	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 due by full container and also when the MMC is not achieved, limited to the MMC.
- (h) Amount due by empty container.
- (i) Amount due per ton.
- (j) Amount due by vehicle and also when the MMC is not achieved, limited to the MMC.

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

<u>Right-of-use (Asset)</u>	Consolidated			Book balance at 03/31/2020
	Book balance at 12/31/2019	Additions / Write-offs	Depreciation	
Santos Brasil Logistics				
Property	25,528	2,580	(1,544)	26,564
Tecon Vila do Conde				
Machinery and equipment	4,379	-	(876)	3,503
Total assets	29,907	2,580	(2,420)	30,067

<u>Right-of-use (Asset)</u>	Consolidated			Book balance at 12/31/2019
	Initial adoption 01/01/2019	Additions / Write-offs	Depreciation	
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

<u>Leases (Liability)</u>	Consolidated					
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	Book balance at 03/31/2020
Santos Brasil Logistics (I)	26,408	-	460	2,580	(1,886)	27,562
Tecon Vila do Conde (II)	4,497	-	69	-	(937)	3,629
Total liabilities	30,905	-	529	2,580	(2,823)	31,191
(-) Short-term	(8,830)					(9,575)
Long-term	22,075					21,616

Notes to the financial statements

<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 (I)	31,308	-	2,060	-	(6,960)	26,408
Tecon Vila do Conde (II)	-	7,006	303	-	(2,812)	4,497
Total liabilities	<u>31,308</u>	<u>7,006</u>	<u>2,363</u>	<u>-</u>	<u>(9,772)</u>	<u>30,905</u>
(-) 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 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, with maturity in May 2024, applying a discount rate of 7.47% p.a.
- (II) 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.

The discount rate for the quarter ended March 31, 2020, of 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.

In March 31, 2020, the balance of long-term had the following maturity structure:

	Consolidated			
	2021	2022	2023	2024 - End of contract Total
Santos Brasil Logistics	<u>4,720</u>	<u>6,666</u>	<u>7,120</u>	<u>3,110</u> <u>21,616</u>

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:

Cash flow	03/31/2020		12/31/2019	
	Nominal	Adjustment to present value	Nominal	Adjustment to present value
Lease consideration	35,184	31,191	35,428	30,905
Potential PIS / COFINS (9.25%)	3,255	2,885	3,277	2,859

b) Operational lease

The Company and its subsidiary Vehicles Terminal/TEV also have rent contracts for administrative areas maturing on short-term basis, that, in the quarter ended March 31, 2020 generated expenses of R\$333 (R\$287 on March 31, 2019).

Notes to the financial statements

18. SHAREHOLDERS' EQUITY – PARENT COMPANY

a) Capital

	Common shares	
	03/31/2020	12/31/2019
Existing at the beginning of the year	669,798,378	666,317,880
Stock options exercised during the year	-	3,480,498
Issued / authorized with no par value	669,798,378	669,798,378

Out of the total shares, 665,120,993 were outstanding on March 31, 2020, of which all are common shares.

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\$64,074 as of March 31, 2020 (R\$63,909 on December 31, 2019) and share-based incentive plan: performance share in the amount of R\$3,191 (R\$2,916 on December 31, 2019) and share matching in the amount of R\$676 (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, shareholders' 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.

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).

Notes to the financial statements

Up to March 31, 2020, stock options were exercised, and the Company delivered shares which were under treasury, generating a result of R\$(1,808).

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 year, 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 quarter ended March 31, 2020, 37,680 treasury shares were delivered regarding options exercised, generating an income (loss) of R\$122.

Shares acquired by the Company as of March 31, 2020 are as follows:

	Quantity of Common Shares	Amount	Market value (*)	Price		
				Weighted average	Minimum	Maximum
Original balance	6,138,745	19,844	27,625	3.23	2.90	3.70
(-) Delivered shares	(4,041,236)	(13,062)				
Current balance	<u>2,097,509</u>	<u>6,782</u>	9,439			

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

Notes to the financial statements

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 quarters ended March 31, 2020 and 2019, as well as breakdown of revenue, as follows:

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Gross revenue	152,659	155,696	261,244	264,221
Port Terminals	152,659	155,696	179,530	181,404
Port operations	73,811	77,726	91,018	95,208
Customs Warehousing	76,882	74,530	86,001	82,330
General Cargo	1,966	3,440	2,511	3,866
Logistics	-	-	66,365	67,158
Transportation	-	-	10,331	10,831
Customs Warehousing	-	-	45,358	45,834
Distribution Center	-	-	8,439	9,344
Logistics Terminals	-	-	2,237	1,149
Vehicles Terminal/TEV	-	-	15,349	15,659
Customs Warehousing	-	-	15,349	15,659
Deductions from revenue:				
Sales taxes	(17,432)	(17,596)	(33,208)	(33,256)
Other	(2,221)	(898)	(4,219)	(3,745)
Total	133,006	137,202	223,817	227,220

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

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Outsourced Labor	(4,078)	(7,991)	(4,191)	(8,094)
Rates - Companhias Docas	(1,733)	(12,869)	(2,450)	(13,351)
Electric power	(2,273)	(2,077)	(2,924)	(2,901)
Fuels and lubricants	(4,595)	(5,129)	(7,717)	(8,449)
Freight	(2,605)	(2,071)	(10,708)	(8,882)
Changes in vehicles	-	-	(4,710)	(4,391)
Other services and materials	(772)	(422)	(3,076)	(2,539)
Personnel expenses	(64,220)	(66,478)	(87,312)	(89,535)
Consulting, Advisory and Auditing	(7,569)	(2,986)	(8,041)	(3,376)
Other third-party services	(6,343)	(5,178)	(9,144)	(7,682)
Operational maintenance	(7,768)	(6,574)	(10,341)	(8,827)
Depreciation and amortization	(24,621)	(23,938)	(35,061)	(32,491)
Rents / condominium - operating areas	-	-	(1,638)	(1,579)
Commissions on sales of services	(4,388)	(6,426)	(20,283)	(21,179)
Provision for expected credit losses and bad debt losses	(5,015)	(3,967)	(5,036)	(4,556)
Other expenses	(6,159)	(3,158)	(13,981)	(11,652)
Total	(142,139)	(149,264)	(226,613)	(229,484)
Classified as:				
Cost of goods and/or services rendered	(110,012)	(120,515)	(174,039)	(180,834)
Sales expenses	(5,659)	(7,750)	(22,584)	(23,906)
Provision for expected credit losses and bad debt losses	(5,015)	(3,967)	(5,036)	(4,556)
General and administrative expenses and amortization of goodwill	(21,453)	(17,032)	(24,954)	(20,188)
Total	(142,139)	(149,264)	(226,613)	(229,484)

21. OTHER OPERATING INCOME (EXPENSES)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Other operating income:				
Adjustment of advances for dredging fund	184	220	184	220
Judicial deposits adjustment	1,704	1,540	1,712	1,553
Restatement of credit recoverable - FUNDAF	-	-	7	120
Gain in the sale of assets	43	-	305	-
Income from non-identified deposits	111	270	299	450
Recovery of expenses	-	-	-	200
Recovery of electricity generation	209	79	209	79
Recovery of INSS - Payroll	139	-	139	-
Reimbursement of berth occupation	2,805	-	2,805	-
Other income	191	25	577	165
Total	5,386	2,134	6,237	2,787

Notes to the financial statements

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Other operating expenses:				
Gains and losses in the sale of assets	(136)	-	(136)	(3)
Restatement of provisions	260	(113)	248	(143)
Court-ordered debt payments	-	-	(71)	(45)
Other expenses	-	-	(3)	(5)
Total	124	(113)	38	(196)

22. FINANCIAL INCOME (EXPENSES)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Financial income:				
Yield from financial investments	79	2,561	1,178	3,527
Monetary and foreign-exchange variations active	-	4,035	-	4,806
Fair value of the swap transaction	-	1,149	-	1,149
Restatement of taxes recoverable	214	290	230	290
Judicial deposits adjustment	31	5	32	22
Other income	84	141	171	230
Total	408	8,181	1,611	10,024
Financial expenses:				
Interest on debentures and loans	(3,833)	(3,470)	(4,750)	(3,527)
Monetary and foreign-exchange variations in liabilities	-	(4,243)	(4,772)	(4,756)
Fair value of the swap transaction	-	(517)	-	(517)
Tax on Financial Operations - IOF on administrative operations	(54)	(15)	(64)	(21)
Interest on obligations with the Concession Grantor	(11,488)	(11,666)	(12,858)	(13,076)
Interest on lease	-	-	(529)	(497)
Commissions and financial rates	(785)	(38)	(803)	(38)
Other expenses	(215)	(251)	(280)	(595)
Total	(16,375)	(20,200)	(24,056)	(23,027)

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, by a Committee comprised of three members, provided that one of these members (effective or alternate) is also a member 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 Stock option Agreement, entered into by the Company and each Beneficiary.

Prices of Units to be acquired by Beneficiaries upon option exercise ("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 as of exercise date of each annual batch.

In March 31, 2020, prevailing Programs were those listed in the table below:

Notes to the financial statements

Plans	Strike prices R\$/units (*)	Number of granted units	Grace periods	Exercise terms	Option value R\$/units (*)	Number of units exercised units	Number of overdue / expired units	Number of units - balance
2006-2014 programs		8,204,124				2,098,155	6,105,969	-
02/05/2015 - Program 2015	12.85	1,377,596			4.40	730,023	647,573	-
1st Annual Lot		459,199	02/05/2016	02/05/2018		294,993	164,206	-
2nd Annual Lot		459,199	02/05/2017	02/05/2019		210,375	248,824	-
3rd Annual Lot		459,198	02/05/2018	02/05/2020		224,655	234,543	-
Total options granted		9,581,720				2,828,178	6,753,542	-

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

In March 2 and 3, 2016, the exercise price for the Stock Option Plan 2016 was approved by the Board of Directors' Meeting and the Board also resolved to submit the same to the prior review and recommendation of the Compensation Committee of the Board of Directors for further examination and approval of the Board of Directors.

As of 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	499,875	124,321
1st Annual Lot		965,798	03/02/2017	03/02/2019		806,371	159,427	-
2nd Annual Lot		965,798	03/02/2018	03/02/2020		769,288	196,510	-
3rd Annual Lot		965,799	03/02/2019	03/02/2021		697,540	143,938	124,321
08/23/2017 - Program 2017	2.02	6,609,811			0.71	1,479,913	2,916,132	2,213,766
1st Annual Lot		2,203,270	08/23/2018	08/23/2021		1,070,238	1,133,032	-
2nd Annual Lot		2,203,270	08/23/2019	08/23/2022		409,675	882,473	911,122
3rd Annual Lot		2,203,271	08/23/2020	08/23/2023		-	900,627	1,302,644
02/28/2018 - Program 2018	3.51	2,914,885			1.61	159,011	774,280	1,981,594
1st Annual Lot		971,628	02/28/2019	02/28/2022		159,011	241,189	571,428
2nd Annual Lot		971,628	02/28/2020	02/28/2023		-	266,546	705,082
3rd Annual Lot		971,629	02/28/2021	02/28/2024		-	266,545	705,084
Total options granted		12,422,091				3,912,123	4,190,287	4,319,681

(*) 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 as of the ends of annual batches' initial grace periods.

Notes to the financial statements

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 year ended March 31, 2020, in the amount of R\$165 (R\$649 on March 31, 2019).

Of options prevailing up to March 31, 2020, those that were exercised represented a dilution in the interest of shareholders of 2.72% 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 0.64%.

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	-	322,436	1,648,007
- Annual lot	1,970,443	08/23/2020		-	322,436	1,648,007
Total shares granted	<u>1,970,443</u>			<u>-</u>	<u>322,436</u>	<u>1,648,007</u>

(*) Original values on Stock Option Programs.

The Company recognized the effect in income (loss) for the quarter ended March 31, 2020, in the amount of R\$276 (R\$379 as of March 31, 2019).

Notes to the financial statements

Of options prevailing up to March 31, 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 0.25%.

- 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.

Plans	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		2.31	200,674	703,222	-
- Annual Lot	903,896	3 years		200,674	703,222	-
02/28/2018 - Program 2018	615,369		3.71	277,678	337,691	-
- Annual Lot	615,369	3 years		277,678	337,691	-
Total shares granted	<u>1,519,265</u>			<u>478,352</u>	<u>1,040,913</u>	<u>-</u>

(*) Original values on Stock Option Programs.

The Company recognized the effect in income (loss) for the quarter ended March 31, 2020, in the amount of R\$122 (R\$60 on March 31, 2019), because of the Adhesion contract of such Program.

Up to March 31, 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 (IRPJ) and Social Contribution (CSLL) current and deferred.

IRPJ and CSLL reconciliation recognized in income is as follows:

Notes to the financial statements

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
(Loss) before taxation	(19,290)	(15,933)	(18,966)	(12,676)
Exclusion of equity in investees	(300)	(6,127)	-	-
(Loss) before adjusted taxation	(19,590)	(22,060)	(18,966)	(12,676)
I - Base value - IRPJ and CSLL:	6,667	7,506	6,455	4,316
Rates of 15% income tax and 9% social contribution	4,702	5,294	4,552	3,042
Additional rate of 10% income tax with deduction of R\$60	1,965	2,212	1,903	1,274
II - Effects of permanent additions and exclusions of expenses and income	(606)	(627)	(693)	(707)
Permanent additions:				
Variable remuneration of Executive Board	(186)	(311)	(186)	(311)
Stock option plan / Performance Share	(191)	(370)	(191)	(370)
Other	(271)	(304)	(358)	(384)
Permanent exclusions:				
Exercised options	42	358	42	358
Variable remuneration of Executive Board	-	-	-	-
III - Effects of tax incentives:	8	-	14	28
Tax incentives	8	-	14	28
IV - Effective rate:				
Adjusted IRPJ and CSLL (I + II + III)	6,069	6,879	5,776	3,637
Effective rate	30.98%	31.18%	30.45%	28.69%
V - Effects of deferred IRPJ and CSLL:	-	-	(1)	4
Non-recognition of tax losses and temporary differences (*)	-	-	(1)	4
VI - Extraordinary adjustments:	-	-	(30)	(19)
Income and social tax contribution of the prior year	-	-	(30)	(19)
Effects of IRPJ and CSLL on profit figures (IV + V + VI)	6,069	6,879	5,745	3,622
Income and social contribution taxes - Current	(466)	-	(1,159)	(2,647)
Income and social contribution taxes - Deferred	6,535	6,879	6,904	6,269
Total	6,069	6,879	5,745	3,622

(*) It refers to subsidiaries Numeral 80, Santos Brasil Logistics, TPV and Pará, for which deferred tax assets are recorded upon the generation of future positive results.

Notes to the financial statements

b) Composition of deferred tax assets and liabilities

<u>Assets (liabilities)</u>	Parent company					
	03/31/2020			12/31/2019		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and the negative social contribution base	18,742	7,092	25,834	18,894	7,147	26,041
Temporary differences:						
Provision for expected credit losses	3,553	1,279	4,832	3,232	1,163	4,395
Provision for contingencies	25,446	9,161	34,607	24,439	8,798	33,237
Amortization of goodwill	(17,194)	(6,190)	(23,384)	(17,350)	(6,246)	(23,596)
Depreciation	(39,160)	(14,098)	(53,258)	(40,025)	(14,409)	(54,434)
Loss for devaluation of assets	5,782	2,081	7,863	5,892	2,121	8,013
Obligations with the Concession Grantor	25,780	9,281	35,061	25,182	9,066	34,248
Other	11,976	4,538	16,514	9,905	3,725	13,630
Actuarial losses	7,125	2,563	9,688	7,125	2,563	9,688
Total	42,050	15,707	57,757	37,294	13,928	51,222
Assets	42,050	15,707	57,757	37,294	13,928	51,222

<u>Assets (liabilities)</u>	Consolidated					
	03/31/2020			12/31/2019		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and the negative social contribution base	31,961	11,850	43,811	31,803	11,794	43,597
Temporary differences:						
Provision for expected credit losses	3,890	1,401	5,291	3,584	1,290	4,874
Provision for contingencies	26,641	9,591	36,232	25,654	9,235	34,889
Amortization of goodwill	(27,060)	(9,742)	(36,802)	(27,216)	(9,798)	(37,014)
Depreciation	(45,138)	(16,250)	(61,388)	(46,028)	(16,570)	(62,598)
Loss for devaluation of assets	5,782	2,081	7,863	5,892	2,121	8,013
Obligations with the Concession Grantor	29,219	10,519	39,738	28,563	10,283	38,846
Other	13,588	5,118	18,706	11,581	4,329	15,910
Court-ordered debt payments receivable	(1,422)	(514)	(1,936)	(1,400)	(506)	(1,906)
Actuarial losses	9,212	3,316	12,528	9,212	3,316	12,528
Total	46,673	17,370	64,043	41,645	15,494	57,139
Assets	52,374	19,423	71,797	47,893	17,744	65,637
Liabilities	(5,701)	(2,053)	(7,754)	(6,248)	(2,250)	(8,498)

In March 31, 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 March 31, 2020 and 2019 and their average number of common shares outstanding in these years, as per table below:

Notes to the financial statements

	03/31/2020	03/31/2019
	Common	Common
Loss for the period	(13,221)	(9,054)
Weighted average of shares	667,700,869	664,017,051
Basic earnings per share	(0.01980)	(0.01363)

b) Diluted earnings per share

On the Company's earnings (loss) for the quarters ended March 31, 2020 and 2019, diluted income per share was calculated as follows:

	03/31/2020	03/31/2019
	Common	Common
Loss for the period	(13,221)	(9,054)
Weighted average of shares	667,700,869	664,017,051
Possible effects of stock option subscription	3,329,013	6,923,118
Diluted earnings per share	(0.01970)	(0.01349)

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 supplementary health care, which reflects the cost of health care plan 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 quarter ended March 31, 2020 and for the year ended December 31, 2019:

Assumptions

Economic 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

Notes to the financial statements

Assumptions

Hypotheses for Retirement	Women: 62 years
Stay in Retirement	100% at firstt eligibility
	40%

Other assumptions

Family Composition	<u>Active Participants</u>
	90% are married
	Holder Age Difference / Wife - 4 years
	<u>Assisted participants</u>
	Actual Family

Pursuant to the independent actuary's reports prepared which contain the sums of the projected expenses, the Company and its subsidiaries recorded provisions in proportion for the quarter ended March 31, 2020 and the year ended December 31, 2019:

	<u>Parent company</u>	
	<u>03/31/2020</u>	<u>12/31/2019</u>
Present value of the actuarial obligations	1,374	3,969
Calculated actuarial losses	52,291	48,322
Total net actuarial liability to be provisioned	<u>53,665</u>	<u>52,291</u>
	<u>Consolidated</u>	
	<u>03/31/2020</u>	<u>12/31/2019</u>
Present value of the actuarial obligations	1,950	5,031
Calculated actuarial losses	67,593	62,562
Total net actuarial liability to be provisioned	<u>69,543</u>	<u>67,593</u>

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			
		03/31/2020		12/31/2019		03/31/2020		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	-	1,072	1,072	2,550	2,550	3,246	3,246	5,991	5,991
		1,072	1,072	2,550	2,550	3,246	3,246	5,991	5,991
Measured at the amortized cost:									
Accounts receivable	2	81,212	81,212	81,352	81,352	121,004	121,004	120,432	120,432
Dividends receivable	2	3,632	3,632	3,632	3,632	-	-	-	-
Court-ordered debt payments receivable	2	-	-	-	-	5,694	5,694	5,605	5,605
		84,844	84,844	84,984	84,984	126,698	126,698	126,037	126,037
Fair value through profit or loss:									
Investment Funds	2	105,922	105,922	105,912	105,912	267,530	267,530	260,385	260,385
Other interest earning bank deposits	2	102,121	102,121	159,067	159,067	102,121	102,121	159,067	159,067
		208,043	208,043	264,979	264,979	369,651	369,651	419,452	419,452
Liabilities:									
Measured at the amortized cost:									
Loans and financing	2	61,056	61,035	60,143	60,603	80,470	80,449	77,925	78,386
Debentures	2	295,755	277,215	299,985	302,757	355,580	331,880	358,471	364,588
Suppliers	2	49,664	49,664	50,407	50,407	73,349	73,349	75,855	75,855
Dividends and interest on own capital payable	2	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665
Obligations with the Concession Grantor	2	948,930	1,340,631	949,640	1,178,446	1,085,278	1,508,510	1,075,986	1,332,112
Court-ordered debt payments payable*	2	-	-	-	-	4,556	4,556	4,484	4,484
		1,359,070	1,732,210	1,363,840	1,595,878	1,602,898	2,002,409	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 statements

Fair 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 are also analyzed.

b.1) Exchange risk and sensitivity analysis

Transactions linked to foreign currencies, US dollar and Euro, which closed the quarter ended March 31, 2020 with an appreciation of US Dollar and Euro in relation to Brazilian Real by 29.0% and 26.4%, respectively, in relation to December 31, 2019.

The Company's policy is to manage its exposures considering the flows foreseen for the period of 12 months on average. Thus, the net exposure presented above refers to amortization exceeding the stipulated period in policy.

As of March 31, 2020, as well as on December 31, 2019, the Company and its subsidiaries did not have a derivative contract in force. Its subsidiaries have loans financing denominated in foreign currency and Management considers them as the only financial instruments that may offer relevant coverage risks.

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 March 31, 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.

Notes to the financial statements

				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	€	5.73	17,554	-	4,389	8,777	(4,389)	(8,777)
Net debt			17,554	-	4,389	8,777	(4,389)	(8,777)

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

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, 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 rates accumulated in the last 12 months. 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 III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial assets:								
Interest earnings bank deposits	CDI	3.65%	105,922	3,866	4,833	5,799	2,900	1,933
Other interest earning bank deposits	CDI	3.65%	<u>102,121</u>	<u>3,727</u>	<u>4,659</u>	<u>5,591</u>	<u>2,796</u>	<u>1,864</u>
Financial liabilities:								
Loans and financing	CDI	3.65%	60,960	2,225	2,781	3,338	1,669	1,113
Debentures	CDI	3.65%	295,755	10,795	13,494	16,193	8,096	5,398
Obligations with the Concession Grantor	IGP-M	6.82%	942,846	64,302	80,378	96,453	48,227	32,151
Obligations with the Concession Grantor	INPC	3.31%	<u>6,084</u>	<u>201</u>	<u>252</u>	<u>302</u>	<u>151</u>	<u>101</u>
Net debt			1,097,602	69,930	87,413	104,896	52,447	34,966

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 earnings bank deposits	CDI	3.65%	267,530	9,765	12,202	14,647	7,324	4,882
Other interest earning bank deposits	CDI	3.65%	<u>102,121</u>	<u>3,727</u>	<u>4,659</u>	<u>5,591</u>	<u>2,796</u>	<u>1,864</u>
Financial liabilities:								
Loans and financing	CDI	3.65%	60,960	2,225	2,781	3,338	1,669	1,113
Debentures	CDI	3.65%	295,755	10,795	13,494	16,193	8,096	5,398
Debentures	IPCA	3.30%	59,825	1,974	2,468	2,961	1,481	987
Obligations with the Concession Grantor	IGP-M	6.82%	1,079,194	73,601	92,002	110,402	55,201	36,801
Obligations with the Concession Grantor	INPC	3.31%	<u>6,084</u>	<u>201</u>	<u>252</u>	<u>302</u>	<u>151</u>	<u>101</u>
Net debt			1,132,167	75,304	94,136	112,958	56,478	37,654

c) Credit risk

The allowance for doubtful accounts as at March 31, 2020, was R\$15,563, representing 11.40% of the outstanding balance of accounts receivable. In 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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Assets:				
Cash and cash equivalents	106,994	108,462	270,776	266,376
Other interest earning bank deposits	102,121	159,067	102,121	159,067
Accounts receivable	81,212	81,352	121,004	120,432
Dividends receivable	3,632	3,632	-	-
Court-ordered debt payments receivable	-	-	5,694	5,605
Total	293,959	352,513	499,595	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 03/31/ 2020	Payment flow				
		Expected flow	Up to 1 year	1–3 years	3–5 years	5–30 years
<u>Liabilities</u>						
Loans and financing	61,056	63,380	42,824	20,556	-	-
Debentures	295,755	384,920	12,856	98,104	165,704	108,256
Suppliers	49,664	49,664	34,643	15,021	-	-
Dividends and interest on own capital payable	3,665	3,665	3,665	-	-	-
Obligations with the Concession Grantor	948,930	1,676,975	106,499	157,472	157,472	1,255,532
Total	1,359,070	2,178,604	200,487	291,153	323,176	1,363,788

	Consolidated					
	Book balance at 03/31/2020	Payment flow				
		Expected flow	Up to 1 year	1–3 years	3–5 years	5–30 years
<u>Liabilities</u>						
Loans and financing	80,470	82,084	48,059	30,105	3,920	-
Debentures	355,580	476,114	20,355	113,420	181,070	161,269
Suppliers	73,349	73,349	58,328	15,021	-	-
Dividends and interest on own capital payable	3,665	3,665	3,665	-	-	-
Obligations with the Concession Grantor	1,085,278	1,861,547	119,220	182,912	182,912	1,376,503
Court-ordered dept payments payable	4,556	4,556	-	4,556	-	-
Total	1,602,898	2,501,315	249,627	346,014	367,902	1,537,772

e) Capital management

In the quarter ended March 31, 2020, the same policy described in the financial statements on December 31, 2019 was maintained by the Company and its subsidiaries.

The debt in relation to the capital in the quarter ended March 31, 2020 and year ended December 31, 2019 is as follows:

	Parent company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Total liabilities current and non-current	1,536,280	1,532,567	1,858,834	1,843,738
(-) Cash and cash equivalents and other investments	(209,115)	(267,529)	(372,897)	(425,443)
Net debt	1,327,165	1,265,038	1,485,937	1,418,295
 Total shareholders' equity	 1,339,857	 1,352,384	 1,339,857	 1,352,384
Net debt-to-equity ratio over shareholders' equity	0.99053	0.93541	1.10903	1.04874

Notes to the financial statements

28. NON-CASH EFFECTS

Effects in these statements that did not affect the cash in the quarters ended March 31, 2019 and 2018, if the operation had affected the cash, it would be stated under “Cash flow” caption as follows:

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
(Increase) in intangible assets of obligations with the Concession Grantor	(293)	(268)	(12,109)	(9,886)
(Increase) in property, plant and equipment of lease	-	-	(2,580)	(28,412)
Investment activities' transactions	(293)	(268)	(14,689)	(38,298)

29. INSURANCE COVERAGE

In March 31, 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\$	
<u>Branch - Tecon Santos</u>			
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\$	
Transportation of goods	2,000	US\$	
Passenger transportation in vessels - RC and moral damages	1,000	US\$	

Notes to the financial statements

	Parent company and Consolidated		
	Coverage	Currency	Maturity
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
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\$	

Notes to the financial statements

	Parent company and Consolidated		
	Coverage	Currency	Maturity
<u>Vehicles Terminal/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 2020
Nominated Risks - Santos and São Paulo offices	4,392	R\$	April 2020

30. CAPITAL COMMITMENT

In March 31, 2020, there were requests (purchase orders) linked to the future acquisition of property, plant and equipment items in the amount of R\$26,352 (R\$2,084 as of March 31, 2019) which are not recorded in this quarterly information.

31. OPERATING SEGMENTS

In the quarter ended March 31, 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.

Consolidated statement of income per operating segment - January to March 2020

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	179,913	68,371	15,349	-	(2,389)	261,244
Deductions from income	(22,737)	(12,538)	(2,373)	-	221	(37,427)
Net operating income	157,176	55,833	12,976	-	(2,168)	223,817
Cost of services rendered	(126,269)	(41,034)	(8,904)	-	2,168	(174,039)
Variable / fixed costs	(100,160)	(37,000)	(4,929)	-	2,168	(139,921)
Depreciation / amortization	(26,109)	(4,034)	(3,975)	-	-	(34,118)
Gross income	30,907	14,799	4,072	-	-	49,778
Operating expenses	(15,629)	(16,967)	(1,113)	(12,590)	-	(46,299)
Sales expenses	(11,096)	(15,560)	(960)	-	-	(27,616)
General and administrative expenses	(9,534)	(2,021)	(156)	(12,304)	-	(24,015)
Depreciation / amortization	(29)	(19)	-	(895)	-	(943)
Other	5,030	633	3	609	-	6,275
EBIT	15,278	(2,168)	2,959	(12,590)	-	3,479
Depreciation / amortization	26,138	4,053	3,975	895	-	35,061
EBITDA	41,416	1,885	6,934	(11,695)	-	38,540
Financial income (loss)	-	-	-	-	(22,445)	(22,445)
Equity in net income of subsidiaries	-	-	-	300	(300)	-
Income tax and social contribution	-	-	-	5,745	-	5,745
Net income	N/A	N/A	N/A	N/A	N/A	(13,221)

Notes to the financial statements**Consolidated statement of income per operating segment – From January to March 2019**

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	181,736	69,043	15,659	-	(2,217)	264,221
Deductions from income	(21,717)	(12,650)	(2,839)	-	205	(37,001)
Net operating income	160,019	56,393	12,820	-	(2,012)	227,220
Cost of services rendered	(135,995)	(37,651)	(9,200)	-	2,012	(180,834)
Variable / fixed costs	(112,511)	(33,389)	(5,398)	-	2,012	(149,286)
Depreciation / amortization	(23,484)	(4,262)	(3,802)	-	-	(31,548)
Gross income	24,024	18,742	3,620	-	-	46,386
Operating expenses	(16,630)	(17,428)	(818)	(11,183)	-	(46,059)
Sales expenses	(12,107)	(15,713)	(634)	-	-	(28,454)
General and administrative expenses	(6,283)	(2,173)	(199)	(10,598)	-	(19,253)
Depreciation / amortization	(28)	(18)	-	(897)	-	(943)
Other	1,788	476	15	312	-	2,591
EBIT	7,394	1,314	2,802	(11,183)	-	327
Depreciation / amortization	23,512	4,280	3,802	897	-	32,491
EBITDA	30,906	5,594	6,604	(10,286)	-	32,818
Financial income (loss)	-	-	-	(13,003)	-	(13,003)
Equity in net income of subsidiaries	-	-	-	6,127	(6,127)	-
Income tax and social contribution	-	-	-	3,622	-	3,622
Net loss	N/A	N/A	N/A	N/A	N/A	(9,054)

In March 31, 2020, income from a client of the Port Terminal segment represent approximately R\$30,604 (R\$31,007 on March 31, 2019), representing 16.8% of total consolidated gross revenue.

**Consolidated statement of capital invested per operating segment -
March 31, 2020**

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Invested capital</u>						
Current assets	130,799	26,225	8,847	382,315	(2,574)	545,612
Cash and cash equivalents	-	-	-	270,776	-	270,776
Other interest earning bank deposits	-	-	-	102,121	-	102,121
Other	130,799	26,225	8,847	9,418	(2,574)	172,715
Non-current assets	2,038,044	161,519	237,564	614,812	(398,860)	2,653,079
Other	281,937	7,072	27	100,610	-	389,646
Investment	-	-	-	398,860	(398,860)	-
Property, plant and equipment	70,436	114,526	736	34,242	-	219,940
Intangible assets	1,685,671	39,921	236,801	81,100	-	2,043,493
Current liabilities	(82,329)	(27,796)	(2,896)	(2,069)	2,574	(112,516)
Suppliers	(40,242)	(17,778)	(1,798)	(29)	1,519	(58,328)
Other	(42,087)	(10,018)	(1,098)	(2,040)	1,055	(54,188)
Non-current liabilities	(99,515)	(7,400)	(115)	(13,561)	-	(120,591)
Suppliers	(15,021)	-	-	-	-	(15,021)
Provision to tax, labor, civil risks	(29,629)	(7,400)	(115)	(112)	-	(37,256)
Other	(54,865)	-	-	(13,449)	-	(68,314)
Total	1,986,999	152,548	243,400	981,497	(398,860)	2,965,584

Notes to the financial statements

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Capital sources</u>						
Current liabilities	-	-	-	-	-	133,659
Loans and financing	-	-	-	-	-	52,033
Dividends / Interest on own capital payable	-	-	-	-	-	3,665
Obligations with the Concession Grantor	-	-	-	-	-	68,386
Leases	-	-	-	-	-	9,575
Non-current liabilities	-	-	-	-	-	1,492,068
Loans and financing	-	-	-	-	-	384,017
Obligations with the Concession Grantor	-	-	-	-	-	1,016,892
Leases	-	-	-	-	-	21,616
Actuarial liability	-	-	-	-	-	69,543
Shareholders' equity	-	-	-	-	-	1,339,857
Shareholders' equity	-	-	-	-	-	1,364,180
Actuarial liability	-	-	-	-	-	(24,323)
Total	N/A	N/A	N/A	N/A	N/A	2,965,584

Consolidated 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

Capital sources

Current liabilities	-	-	-	-	-	126,710
Loans and financing	-	-	-	-	-	54,076
Dividends / Interest on own capital payable	-	-	-	-	-	3,665
Obligations with the Concession Grantor	-	-	-	-	-	60,139

Notes to the financial statements

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
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 - Chief 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 of 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 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 March 31, 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	29.70	198,897,030	29.70
PW237 PARTICIPAÇÕES S.A.	149,382,595	22.30	149,382,595	22.30
MULTI STS PARTICIPAÇÕES S.A.	36,661,100	5.47	36,661,100	5.47
RICHARD KLIEN	17,239,675	2.57	17,239,675	2.57
RK EXCLUSIVE FIA	8,604,625	1.28	8,604,625	1.28
Treasury shares	2,097,509	0.31	2,097,509	0.31
Other	256,915,844	38.36	256,915,844	38.36
Total	669,798,378	100.00	669,798,378	100.00

2) Securities held by Controlling Shareholders, Directors, members of the Board of Directors and members of the Tax Council of the Company, on March 31, 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	0.05	305,924	0.05
Executive board	2,273,952	0.34	2,273,952	0.34
Tax Council	-	-	-	-
Treasury shares	2,097,509	0.31	2,097,509	0.31
Other Shareholders	665,120,993	99.30	665,120,993	99.30
Total	669,798,378	100.00	669,798,378	100.00
Shares in circulation	665,120,993	99.30	665,120,993	99.30

3) We inform that, on March 31, 2020, the number of outstanding shares was 665,120,993, i.e., 99.30% 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 March 31, 2020, which comprise the balance sheet as of March 31, 2020 and related statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the three-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 three-month period ended March 31, 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, May 12, 2020

KPMG Auditores Independentes
CRC 2SP014428/O-6

Opinions and Statements / Special Review Report - Unqualified

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 March 31, 2020 and the draft of "Report on Review of the Quarterly Information," issued by KPMG Auditores Independentes on May 06, 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, May 06, 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, sub-item VI, CVM Instruction No. 480 dated December 07, 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 Street Dr. Eduardo de Souza Aranha, 387, 2o floor, part, São Paulo, SP hereby state that they reviewed, discussed, and agree with the presented financial statements.

São Paulo, May 06, 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 07, 2009, the Executive Officer and Economic-Financial Director of Finances and Relations with Investors of SANTOS BRASIL PARTICIPAÇÕES S.A., publicly-held corporation enrolled in CNPJ (Corporate Taxpayer's Registry) No. 02.762.121/0001-04, headquartered at Street Dr. Eduardo de Souza Aranha, 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, May 12, 2020.

Antonio Carlos Duarte Sepúlveda

Chief Executive Officer and Chief Operating Officer

Daniel Pedreira Dorea

Economic-Financial Director of Finances and Relations with Investors