

# Santos Brasil Participações S.A.

**Report on the Review of  
Quarterly Information – ITR**  
(Convenience Translation into English  
from the Original Previously Issued in Portuguese)

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**Company information / Capital composition**

Quantity of shares (Thousand)	Current quarter 06/30/2020
<b>Paid-up capital</b>	
Common	669,798
Preferred	0
Total	669,798
<b>Treasury</b>	
Common	1,876
Preferred	0
Total	1,876

**Company Information / Cash earnings**

<b>Event</b>	<b>Approval</b>	<b>Profit</b>	<b>Start payment</b>	<b>Stocks type</b>	<b>Action class</b>	<b>Earnings per Share (Reais / Stocks)</b>
Ordinary general Assembly	04/28/2020	Dividends	05/12/2020	Ordinary		0,17499
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## Individual financial statements / Balance sheet - Assets

(In thousands of reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
1	Total assets	2,915,401	2,884,951
1.01	Current assets	321,999	392,670
1.01.01	Cash and cash equivalents	190,543	108,462
1.01.02	Interest earning bank deposits	0	159,067
1.01.02.01	Interest earning bank deposits measured at fair value through profit or loss	0	159,067
1.01.02.01.02	Fair value securities	0	159,067
1.01.03	Accounts receivable	90,351	81,352
1.01.03.01	Trade accounts receivable	90,351	81,352
1.01.04	Inventories	19,464	19,156
1.01.06	Recoverable taxes	4,825	3,446
1.01.06.01	Current taxes recoverable	4,825	3,446
1.01.08	Other Current assets	16,816	21,187
1.01.08.03	Other	16,816	21,187
1.01.08.03.01	Dividends receivable / proposed	0	3,632
1.01.08.03.03	Other accounts receivable	16,816	17,555
1.02	Non-current assets	2,593,402	2,492,281
1.02.01	Long-term assets	364,636	344,137
1.02.01.07	Deferred taxes	62,492	51,222
1.02.01.07.01	Deferred income tax and social contribution	62,492	51,222
1.02.01.10	Other non-current assets	302,144	292,915
1.02.01.10.04	Judicial deposits	283,518	274,770
1.02.01.10.05	Others Assets	18,626	18,145
1.02.02	Investments	390,748	398,460
1.02.02.01	Equity interest	390,748	398,460
1.02.02.01.02	Interest in subsidiaries	390,748	398,460
1.02.03	Property, plant and equipment	87,124	87,924
1.02.03.01	Property, plant and equipment in operation	68,534	62,513
1.02.03.03	Constructions in progress	18,590	25,411
1.02.04	Intangible assets	1,750,894	1,661,760
1.02.04.01	Intangible assets	1,750,894	1,661,760
1.02.04.01.01	Concession contract	1,551,178	1,474,570
1.02.04.01.02	Other intangible assets	199,716	187,190

## Individual financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
2	Total liabilities	2,915,401	2,884,951
2.01	Current liabilities	187,942	171,119
2.01.01	Social and labor obligations	39,633	26,077
2.01.01.01	Social charges	11,042	5,073
2.01.01.02	Labor obligations	28,591	21,004
2.01.02	Suppliers	38,458	35,386
2.01.02.01	Domestic suppliers	36,880	33,746
2.01.02.02	Foreign suppliers	1,578	1,640
2.01.03	Tax liabilities	13,427	7,577
2.01.03.01	Federal tax liabilities	10,377	4,686
2.01.03.01.01	Income tax and social contribution payable	807	0
2.01.03.01.02	Other federal tax liabilities	9,570	4,686
2.01.03.02	State tax liabilities	25	55
2.01.03.03	Municipal tax liabilities	3,025	2,836
2.01.04	Loans and financing	23,266	44,749
2.01.04.01	Loans and financing	20,172	40,104
2.01.04.01.01	In domestic currency	20,172	40,104
2.01.04.02	Debentures	3,094	4,645
2.01.05	Other liabilities	73,158	57,330
2.01.05.02	Other	73,158	57,330
2.01.05.02.01	Dividends and interest on own capital	18	3,665
2.01.05.02.05	Obligations with the Concession Grantor	72,935	53,619
2.01.05.02.06	Leases	159	0
2.01.05.02.07	Other liabilities	46	46
2.02	Non-current liabilities	1,402,484	1,361,448
2.02.01	Loans and financing	335,756	315,379
2.02.01.01	Loans and financing	40,000	20,039
2.02.01.01.01	In domestic currency	40,000	20,039
2.02.01.02	Debentures	295,756	295,340
2.02.02	Other liabilities	1,034,368	1,016,905
2.02.02.02	Other	1,034,368	1,016,905
2.02.02.02.04	Actuarial liabilities - Supplementary Health Care Plan	55,038	52,291
2.02.02.02.05	Suppliers	15,021	15,021
2.02.02.02.06	Taxes on billing - TRA	55,962	53,572
2.02.02.02.07	Obligations with the Concession Grantor	908,250	896,021
2.02.02.02.08	Leases	97	0
2.02.04	Provisions	32,360	29,164
2.02.04.01	Tax, social security, labor and civil provisions	32,360	29,164
2.02.04.01.01	Tax provisions	10,443	11,168
2.02.04.01.02	Social security and labor provisions	19,737	16,124
2.02.04.01.04	Civil provisions	1,829	1,508
2.02.04.01.05	Provisions - Others	351	364
2.03	Shareholders' equity	1,324,975	1,352,384
2.03.01	Realized capital	1,081,907	1,081,907
2.03.02	Capital reserves	86,858	84,458
2.03.02.02	Goodwill special reserve in the merger	18.897	18.897

## Individual financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
2.03.02.04	Options granted	69,506	67,378
2.03.02.07	Income (loss) from disposal of treasury shares	-1,545	-1,817
2.03.04	Profit reserves	203,146	210,342
2.03.04.01	Legal reserve	55,364	55,364
2.03.04.08	Additional dividend proposed	0	8,033
2.03.04.10	Legal reserve for investments	153,849	153,849
2.03.04.11	Repurchase of shares	-6,062	-6,898
2.03.04.12	Buybacks expenses	-5	-6
2.03.05	Retained earnings / losses	-22,613	0
2.03.08	Other comprehensive income	-24.323	-24.323

## Individual financial statements / Statement of income

(In thousands of reais)

Code of account	Account description	Current quarter 04/01/2020–06/30/2020	Accumulated of the current year 01/01/2020–06/30/2020	Same quarter of the prior year 04/01/2019–06/30/2019	Accumulated of the prior year 01/01/2019–06/30/2019
3.01	Income from sales of goods and/or services	137,674	270,680	165,410	302,612
3.02	Cost of goods and/or services sold	-114,693	-224,705	-128,221	-248,736
3.03	Gross income	22,981	45,975	37,189	53,876
3.04	Operating expenses / income	-21,617	-47,934	-18,042	-38,643
3.04.01	Sales expenses	-10,011	-20,685	-8,518	-20,235
3.04.02	General and administrative expenses	-17,900	-39,353	-23,385	-40,417
3.04.02.01	Amortization of goodwill	-871	-1,743	-871	-1,743
3.04.02.02	Other general and administrative expenses	-17,029	-37,610	-22,514	-38,674
3.04.04	Other operating income	4,744	10,130	2,305	4,439
3.04.05	Other operating expenses	-1,205	-1,081	449	336
3.04.06	Equity in earnings of subsidiaries	2,755	3,055	11,107	17,234
3.05	Income (loss) before financial income and taxes	1,364	-1,959	19,147	15,233
3.06	Financial income (loss)	-15,150	-31,117	-14,006	-26,025
3.06.01	Financial revenues	833	1,241	7,239	15,420
3.06.02	Financial expenses	-15,983	-32,358	-21,245	-41,445
3.07	Income (loss) before income tax	-13,786	-33,076	5,141	-10,792
3.08	Income tax and social contribution	4,394	10,463	1,203	8,082
3.08.01	Current	-341	-807	0	0
3.08.02	Deferred assets	4,735	11,270	1,203	8,082
3.09	Net income (loss) from continued operations	-9,392	-22,613	6,344	-2,710
3.11	Income / loss for the period	-9,392	-22,613	6,344	-2,710
3.99	Earnings per share - (Reais / Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0,01406	-0,03386	0,00955	-0,00408
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	-0,01398	-0,03365	0,00946	-0,00404



## Individual financial statements / Statement of comprehensive income

(In thousands of reais)

Code of account	Account description	Current quarter	Accumulated of the current year	Same quarter of the prior year	Accumulated of the prior year
		04/01/2020–06/30/2020	01/01/2020–06/30/2020	04/01/2019–06/30/2019	01/01/2019–06/30/2019
4.01	Net income for the period	-9,392	-22,613	6,344	-2,710
4.03	Comprehensive income for the period	-9,392	-22,613	6,344	-2,710

## Individual financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–06/30/2020	01/01/2019–06/30/2019
6.01	Net cash from operational activities	33,561	-15,757
6.01.01	Cash generated in operations	68,933	63,855
6.01.01.01	Income before taxes and sharing	-33,076	-10,792
6.01.01.02	Stock option plan / long-term incentive	2,260	1,976
6.01.01.03	Equity in net income of subsidiaries	-3,055	-17,234
6.01.01.04	Inflation adjustment and exchange rate change	0	-663
6.01.01.05	Depreciation and amortization	50,492	48,213
6.01.01.06	Interest on debentures	5,390	3,700
6.01.01.07	Calculated interests on loans and borrowings	1,325	6,274
6.01.01.09	Interest on interest earning bank deposits	1,047	-2,059
6.01.01.10	Interest on lease - rents	7	0
6.01.01.16	Formation (reversal) of provision for contingencies	8,241	3,911
6.01.01.17	Write-offs and income in the sale of permanent assets	1,244	-204
6.01.01.18	Post-employment benefit - health care plans	2,747	1,860
6.01.01.19	Provision / reversal for expected credit losses and bad debt losses	8,926	5,583
6.01.01.20	Interest on obligations with the Concession Grantor	23,385	23,290
6.01.02	Changes in assets and liabilities	-4,041	-14,961
6.01.02.01	(Increase) decrease in accounts receivable	-17,925	-22,244
6.01.02.02	(Increase) decrease in inventories	-308	193
6.01.02.03	(Increase) decrease in current taxes recoverable	-1,379	-1,253
6.01.02.05	(Increase) decrease in judicial deposits	-8,748	-8,929
6.01.02.07	(Increase) decrease in other assets	258	-5,546
6.01.02.11	Increase (decrease) in suppliers	3,072	7,123
6.01.02.12	Increase (decrease) in wage and social charges	13,556	12,572
6.01.02.13	Increase (decrease) in taxes, rates and contributions	5,043	116
6.01.02.15	Increase (decrease) in taxes on billing - TRA	2,390	3,007
6.01.03	Other	-31,331	-64,651
6.01.03.04	Write-off of payment contingencies	-5,045	-6,447
6.01.03.05	Payments - Obligations with the Concession Grantor	-26,286	-58,204
6.02	Net cash used in investment activities	69,207	-311,185
6.02.01	Acquisition of property, plant and equipment / intangible assets	-105,459	-55,081
6.02.02	Sale of property, plant and equipment	155	266
6.02.04	Increase of investments in subsidiaries	-130	-375
6.02.05	Interest earnings bank deposits	158,020	-275,000
6.02.06	Dividends and interest on own capital received	14,529	17,865
6.02.07	Interest on capitalized loans	2,092	1,140
6.03	Net cash from financing activities	-20,687	246,530
6.03.01	Borrowings	-15	294,851
6.03.02	Payments of debentures, loans and financing	-38	-40,038
6.03.03	Dividends and interest on own capital paid	-11,680	-2,830
6.03.04	Receipt of exercised options	977	4,541
6.03.06	Interest paid to debentures, loans and financing	-9,860	-9,994
6.03.12	Lease payments - Leases	-71	0
6.05	Increase (decrease) in cash and cash equivalents	82,081	-80,412

## Individual financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–06/30/2020	01/01/2019–06/30/2019
6.05.01	Opening balance of cash and cash equivalents	108,462	189,069
6.05.02	Closing balance of cash and cash equivalents	190,543	108,657

**Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020–06/30/2020**  
**(In thousands of reais)**

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384
5.03	Adjusted opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384
5.04	Capital transactions with partners	0	2,400	-7,196	0	0	-4,796
5.04.03	Recognized options granted	0	2,128	0	0	0	2,128
5.04.08	Additional dividend proposed	0	0	-8,033	0	0	-8,033
5.04.10	Stock options exercised	0	0	837	0	0	837
5.04.13	Income (loss) from disposal of treasury shares	0	272	0	0	0	272
5.05	Total comprehensive income	0	0	0	-22,613	0	-22,613
5.05.01	Net income for the period	0	0	0	-22,613	0	-22,613
5.07	Closing balances	1,081,907	86,858	203,146	-22,613	-24,323	1,324,975

**Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019–06/30/2019**  
**(In thousands of reais)**

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	1,071,757	82,660	197,108	0	-10,398	1,341,127
5.03	Adjusted opening balances	1,071,757	82,660	197,108	0	-10,398	1,341,127
5.04	Capital transactions with partners	2,740	2,022	-368	0	0	4,394
5.04.01	Capital increases	2,740	0	0	0	0	2,740
5.04.03	Recognized options granted	0	1,879	0	0	0	1,879
5.04.06	Dividends	0	0	-2,123	0	0	-2,123
5.04.10	Stock options exercised	0	0	1,755	0	0	1,755
5.04.13	Income (loss) from disposal of treasury shares	0	143	0	0	0	143
5.05	Total comprehensive income	0	0	0	-2,710	0	-2,710
5.05.01	Net income for the period	0	0	0	-2,710	0	-2,710
5.07	Closing balances	1,074,497	84,682	196,740	-2,710	-10,398	1,342,811

## Individual financial statements/ Statement of added value

### (In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–06/30/2020	01/01/2019–06/30/2019
7.01	Income	307,502	339,499
7.01.01	Sale of merchandise, products and services	306,298	340,643
7.01.02	Other income	10,130	4,439
7.01.04	Provision / reversal of allowance for doubtful accounts	-8,926	-5,583
7.02	Inputs acquired from third parties	-94,302	-119,686
7.02.01	Cost of products, merchandise and services sold	-34,969	-63,640
7.02.02	Materials, energy, third-party services and other	-58,252	-56,382
7.02.04	Other	-1,081	336
7.03	Gross added value	213,200	219,813
7.04	Retentions	-50,492	-48,213
7.04.01	Depreciation, amortization and depletion	-50,492	-48,213
7.05	Net added value produced	162,708	171,600
7.06	Added value received as transfer	4,296	32,654
7.06.01	Equity income (loss)	3,055	17,234
7.06.02	Financial income	1,241	15,420
7.07	Total added value payable	167,004	204,254
7.08	Distribution of added value	167,004	204,254
7.08.01	Personnel	117,133	119,494
7.08.01.01	Direct remuneration	87,214	91,445
7.08.01.02	Benefits	24,121	22,022
7.08.01.03	Severance Pay Fund (FGTS)	5,798	6,027
7.08.02	Taxes, rates and contributions	38,445	44,048
7.08.02.01	Federal	22,821	27,072
7.08.02.02	State	54	55
7.08.02.03	Municipal	15,570	16,921
7.08.03	Third-party capital remuneration	34,039	43,422
7.08.03.01	Interest	32,358	41,445
7.08.03.02	Rentals	1,681	1,977
7.08.04	Remuneration of own capital	-22,613	-2,710
7.08.04.03	Retained earnings / loss for the period	-22,613	-2,710

## Consolidated financial statements / Balance sheet - Assets

(In thousands of reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
1	Total assets	3,254,791	3,196,122
1.01	Current assets	536,801	598,035
1.01.01	Cash and cash equivalents	351,962	266,376
1.01.02	Interest earning bank deposits	0	159,067
1.01.02.01	Interest earning bank deposits measured at fair value through profit or loss	0	159,067
1.01.02.01.02	Fair value securities	0	159,067
1.01.03	Accounts receivable	129,430	120,432
1.01.03.01	Trade accounts receivable	129,430	120,432
1.01.04	Inventories	23,220	22,771
1.01.06	Recoverable taxes	9,243	7,476
1.01.06.01	Current taxes recoverable	9,243	7,476
1.01.08	Other current assets	22,946	21,913
1.01.08.03	Other	22,946	21,913
1.01.08.03.02	Other accounts receivable	22,946	21,913
1.02	Non-current assets	2,717,990	2,598,087
1.02.01	Long term assets	395,988	376,866
1.02.01.07	Deferred taxes	76,104	65,637
1.02.01.07.01	Deferred income tax and social contribution	76,104	65,637
1.02.01.10	Other non-current assets	319,884	311,229
1.02.01.10.04	Judicial deposits	292,498	284,401
1.02.01.10.05	Court-ordered debt. payments receivable	5,677	5,605
1.02.01.10.06	Other assets	21,709	21,223
1.02.03	Property, plant and equipment	227,158	220,055
1.02.03.01	Property, plant and equipment in operation	206,139	189,978
1.02.03.03	Construction in progress	21,019	30,077
1.02.04	Intangible assets	2,094,844	2,001,166
1.02.04.01	Intangible assets	2,094,844	2,001,166
1.02.04.01.01	Concession contract	1,842,824	1,764,566
1.02.04.01.02	Other intangible assets	252,020	236,600

## Consolidated financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
2	Total liabilities	3,254,791	3,196,122
2.01	Current liabilities	260,696	235,712
2.01.01	Social and labor obligations	52,109	34,841
2.01.01.01	Social charges	14,519	7,096
2.01.01.02	Labor obligations	37,590	27,745
2.01.02	Suppliers	61,574	60,834
2.01.02.01	Domestic suppliers	59,995	59,752
2.01.02.02	Foreign suppliers	1,579	1,082
2.01.03	Tax liabilities	23,853	13,280
2.01.03.01	Federal tax liabilities	18,515	8,155
2.01.03.01.01	Income tax and social contribution payable	1,606	628
2.01.03.01.03	Other federal liabilities	16,909	7,527
2.01.03.02	State tax liabilities	404	353
2.01.03.03	Municipal tax liabilities	4,934	4,772
2.01.04	Loans and financing	33,983	54,076
2.01.04.01	Loans and financing	25,734	44,387
2.01.04.01.01	In domestic currency	20,796	40,731
2.01.04.01.02	In foreign currency	4,938	3,656
2.01.04.02	Debentures	8,249	9,689
2.01.05	Other liabilities	89,177	72,681
2.01.05.02	Other	89,177	72,681
2.01.05.02.01	Dividends and interest on own capital	18	3,665
2.01.05.02.08	Obligations with the Concession Grantor	80,338	60,139
2.01.05.02.09	Leases	8,775	8,830
2.01.05.02.10	Other Accounts payable	46	47
2.02	Non-current liabilities	1,669,120	1,608,026
2.02.01	Loans and financing	401,985	382,320
2.02.01.01	Loans and financing	55,186	33,538
2.02.01.01.01	In domestic currency	41,080	21,423
2.02.01.01.02	In foreign currency	14,106	12,115
2.02.01.02	Debentures	346,799	348,782
2.02.02	Other liabilities	1,219,446	1,179,715
2.02.02.02	Other	1,219,446	1,179,715
2.02.02.02.07	Actuarial liabilities - Supplementary Health Care Plan	71,492	67,593
2.02.02.02.08	Suppliers	15,021	15,021
2.02.02.02.09	Taxes on billing - TRA	55,962	53,572
2.02.02.02.10	Obligations with the Concession Grantor	1,035,373	1,015,847
2.02.02.02.11	Leases	35,921	22,075
2.02.02.02.12	Other liabilities	5,677	5,607
2.02.03	Deferred taxes	7,224	8,498
2.02.03.01	Deferred income tax and social contribution	7,224	8,498
2.02.04	Provisions	40,465	37,493
2.02.04.01	Tax, social security, labor and civil provisions	40,465	37,493
2.02.04.01.01	Tax provisions	16,408	17,103
2.02.04.01.02	Social security and labor provisions	21,861	18,491
2.02.04.01.04	Civil provisions	1,837	1,528



## Consolidated financial statements / Balance sheet - Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
2.02.04.01.05	Provisions - Others	359	371
2.03	Consolidated shareholders' equity	1,324,975	1,352,384
2.03.01	Realized capital	1,081,907	1,081,907
2.03.02	Capital reserves	86,858	84,458
2.03.02.02	Goodwill special reserve in the merger	18,897	18,897
2.03.02.04	Options granted	69,506	67,378
2.03.02.07	Income (loss) from disposal of treasury shares	-1,545	-1,817
2.03.04	Profit reserves	203,146	210,342
2.03.04.01	Legal reserve	55,364	55,364
2.03.04.08	Additional dividend proposed	0	8,033
2.03.04.10	Legal reserve for investments	153,849	153,849
2.03.04.11	Repurchase of shares	-6,062	-6,898
2.03.04.12	Buybacks expenses	-5	-6
2.03.05	Retained earnings / losses	-22,613	0
2.03.08	Other comprehensive income	-24,323	-24,323

## Consolidated financial statements / Statement of income

(In thousands of reais)

Code of account	Account description	Current quarter 04/01/2020–06/30/2020	Accumulated of the current year 01/01/2020–06/30/2020	Same quarter of the prior year 04/01/2019–06/30/2019	Accumulated of the prior year 01/01/2019–06/30/2019
3.01	Income from sales of goods and/or services	224,849	448,666	264,917	492,137
3.02	Cost of goods and/or services sold	-174,752	-348,791	-191,466	-372,300
3.03	Gross income	50,097	99,875	73,451	119,837
3.04	Operating expenses / income	-44,398	-90,697	-47,504	-93,563
3.04.01	Sales expenses	-26,875	-54,495	-24,203	-52,665
3.04.02	General and administrative expenses	-21,382	-46,336	-26,381	-46,569
3.04.02.01	Amortization of goodwill	-871	-1,743	-871	-1,743
3.04.02.02	Other general and administrative expenses	-20,511	-44,593	-25,510	-44,826
3.04.04	Other operating income	5,232	11,469	2,725	5,512
3.04.05	Other operating expenses	-1,373	-1,335	355	159
3.05	Income (loss) before financial income and taxes	5,699	9,178	25,947	26,274
3.06	Financial income (loss)	-17,906	-40,351	-14,918	-27,921
3.06.01	Financial income	1,687	3,298	8,640	18,664
3.06.02	Financial expenses	-19,593	-43,649	-23,558	-46,585
3.07	Income (loss) before income tax	-12,207	-31,173	11,029	-1,647
3.08	Income tax and social contribution	2,815	8,560	-4,685	-1,063
3.08.01	Current	-2,022	-3,181	-4,007	-6,654
3.08.02	Deferred assets	4,837	11,741	-678	5,591
3.09	Net income (loss) from continued operations	-9,392	-22,613	6,344	-2,710
3.11	Income / loss for the period	-9,392	-22,613	6,344	-2,710
3.11.01	Attributed to the parent company's partners	-9,392	-22,613	6,344	-2,710
3.99	Earnings per share - (Reais / Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0,01406	-0,03386	0,00955	-0,00408
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	-0,01398	-0,03365	0,00946	-0,00404

## Consolidated financial statements / Statement of comprehensive income

(In thousands of reais)

Code of account	Account description	Current quarter 04/01/2020–06/30/2020	Accumulated of the current year 01/01/2020–06/30/2020	Same quarter of the prior year 04/01/2019–06/30/2019	Accumulated of the prior year 01/01/2019–06/30/2019
4.01	Consolidated net income for the period	-9,392	-22,613	6,344	-2,710
4.03	Consolidated comprehensive income for the period	-9,392	-22,613	6,344	-2,710
4.03.01	Attributed to the Parent company's partners	-9,392	-22,613	6,344	-2,710

## Consolidated financial statements / Statement of cash flows - Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–06/30/2020	Accumulated of the prior year 01/01/2019–06/30/2019
6.01	Net cash from operational activities	66,898	24,447
6.01.01	Cash generated in operations	108,606	111,278
6.01.01.01	Income before taxes and sharing	-31,173	-1,647
6.01.01.02	Inflation adjustment and exchange rate change	5,522	-977
6.01.01.03	Depreciation and amortization	71,572	65,286
6.01.01.05	Formation (reversal) of provisions for contingencies	10,017	3,215
6.01.01.06	Stock option plan / long-term incentive	2,260	1,976
6.01.01.07	Write-offs and income in the sale of permanent assets	796	-204
6.01.01.08	Interest on debentures	6,703	3,700
6.01.01.09	Calculated Interests on loans and borrowings	1,780	6,400
6.01.01.10	Interest on interest earning bank deposits	1,047	-2,059
6.01.01.17	Post-employment benefit - health care plans	3,899	2,351
6.01.01.18	Provision / reversal for expected credit losses and bad debt losses	8,971	6,163
6.01.01.19	Interest on obligations with the Concession Grantor	26,112	26,099
6.01.01.20	Interest on lease - rents	1,100	975
6.01.02	Changes in assets and liabilities	188	-9,535
6.01.02.01	(Increase) decrease in accounts receivable	-17,969	-25,329
6.01.02.02	(Increase) decrease in inventories	-449	134
6.01.02.03	(Increase) decrease in current taxes recoverable	-1,767	4,452
6.01.02.05	(Increase) decrease in judicial deposits	-8,097	-9,213
6.01.02.06	(Increase) decrease in other assets	-1,591	-8,396
6.01.02.07	Increase (decrease) in suppliers	740	10,765
6.01.02.08	Increase (decrease) in wage and social charges	17,268	13,961
6.01.02.09	Increase (decrease) in taxes, rates and contributions	9,594	941
6.01.02.10	Increase (decrease) in accounts payable	70	141
6.01.02.11	Increase (decrease) in taxes on billing - TRA	2,390	3,007
6.01.02.12	Increase (decrease) in other liabilities	-1	2
6.01.03	Other	-41,896	-77,296
6.01.03.01	Income tax and social contribution paid	-2,202	-6,574
6.01.03.04	Write-off of payment contingencies	-7,045	-6,873
6.01.03.05	Payments - on Obligations with the Concession Grantor	-32,649	-63,849
6.02	Net cash used in investment activities	51,634	-335,212
6.02.01	Acquisition of property, plant and equipment	-109,844	-61,950
6.02.02	Disposal of property, plant and equipment	1,366	275
6.02.04	Interest earnings bank deposits	158,020	-275,000
6.02.05	Interests on capitalized loans	2,092	1,463
6.03	Net cash from financing activities	-32,946	240,352
6.03.01	Receipt of exercised share purchase options	977	4,541
6.03.02	Borrowings	-317	294,851
6.03.03	Payments of debentures, loans and financing	-4,815	-42,580
6.03.04	Dividends and interest on own capital paid	-11,680	-2,830
6.03.08	Interest paid to debentures, loans and financing	-11,393	-10,472
6.03.11	Lease payments - Leases	-5,718	-3,158
6.05	Increase (decrease) in cash and cash equivalents	85,586	-70,413

## 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
		01/01/2020–06/30/2020	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	351,962	183,250

## Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020–06/30/2020

(In thousands of reais)

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other Comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384	0	1,352,384
5.03	Adjusted opening balances	1,081,907	84,458	210,342	0	-24,323	1,352,384	0	1,352,384
5.04	Capital transactions with partners	0	2,400	-7,196	0	0	-4,796	0	-4,796
5.04.03	Recognized options granted	0	2,128	0	0	0	2,128	0	2,128
5.04.08	Additional dividend proposed	0	0	-8,033	0	0	-8,033	0	-8,033
5.04.10	Stock options exercised	0	0	837	0	0	837	0	837
5.04.13	Income (loss) from disposal of treasury shares	0	272	0	0	0	272	0	272
5.05	Total comprehensive income	0	0	0	-22,613	0	-22,613	0	-22,613
5.05.01	Net income for the period	0	0	0	-22,613	0	-22,613	0	-22,613
5.07	Closing balances	1,081,907	86,858	203,146	-22,613	-24,323	1,324,975	0	1,324,975

## Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019–06/30/2019

(In thousands of reais)

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other Comprehensive income	Shareholders' equity	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	2,022	-368	0	0	4,394	0	4,394
5.04.01	Capital increases	2,740	0	0	0	0	2,740	0	2,740
5.04.03	Recognized options granted	0	1,879	0	0	0	1,879	0	1,879
5.04.06	Dividends	0	0	-2,123	0	0	-2,123	0	-2,123
5.04.10	Stock options exercised	0	0	1,755	0	0	1,755	0	1,755
5.04.13	Income (loss) from disposal of treasury shares	0	143	0	0	0	143	0	143
5.05	Total comprehensive income	0	0	0	-2,710	0	-2,710	0	-2,710
5.05.01	Net income for the period	0	0	0	-2,710	0	-2,710	0	-2,710
5.07	Closing balances	1,074,497	84,682	196,740	-2,710	-10,398	1,342,811	0	1,342,811

## Consolidated financial statements / Statement of added value

(In thousands of reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the prior year
		01/01/2020–06/30/2020	01/01/2019–06/30/2019
7.01	Income	517,488	562,181
7.01.01	Sale of merchandise, products and services	514,990	562,832
7.01.02	Other income	11,469	5,512
7.01.04	Provision / reversal of allowance for doubtful accounts	-8,971	-6,163
7.02	Inputs acquired from third parties	-189,987	-215,706
7.02.01	Cost of products, merchandise and services sold	-71,133	-105,927
7.02.02	Materials, energy, third-party services and other	-117,519	-109,938
7.02.04	Other	-1,335	159
7.03	Gross added value	327,501	346,475
7.04	Retentions	-71,572	-65,286
7.04.01	Depreciation, amortization and depletion	-71,572	-65,286
7.05	Net added value produced	255,929	281,189
7.06	Added value received as transfer	3,298	18,664
7.06.02	Financial income	3,298	18,664
7.07	Total added value payable	259,227	299,853
7.08	Distribution of added value	259,227	299,853
7.08.01	Personnel	161,048	162,256
7.08.01.01	Direct remuneration	116,934	119,886
7.08.01.02	Benefits	36,338	33,536
7.08.01.03	Severance Pay Fund (FGTS)	7,776	8,834
7.08.02	Taxes, rates and contributions	73,335	88,681
7.08.02.01	Federal	45,693	59,213
7.08.02.02	State	2,814	2,630
7.08.02.03	Municipal	24,828	26,838
7.08.03	Third-party capital remuneration	47,457	51,626
7.08.03.01	Interest	43,649	46,585
7.08.03.02	Rentals	3,808	5,041
7.08.04	Remuneration of own capital	-22,613	-2,710
7.08.04.03	Retained earnings / loss for the period	-22,613	-2,710



## Performance comment

## OPERATING INDICATORS

## Consolidated

Units	2Q20	2Q19	Var. %	6M20	6M19	Var. %
<b>PORT TERMINALS</b>						
<b>Quay operations - containers</b>	<b>256,725</b>	<b>320,079</b>	<b>-19.8%</b>	<b>522,046</b>	<b>575,008</b>	<b>-9.2%</b>
Full Containers	187,514	241,737	-22.4%	392,271	442,388	-11.3%
Empty Containers	69,211	78,342	-11.7%	129,775	132,620	-2.1%
<b>Quay operations – general cargo (ton)</b>	<b>81,086</b>	<b>94,676</b>	<b>-14.4%</b>	<b>97,811</b>	<b>163,100</b>	<b>-40.0%</b>
<b>Warehousing operations – containers</b>	<b>27,935</b>	<b>36,978</b>	<b>-24.5%</b>	<b>62,555</b>	<b>66,716</b>	<b>-6.2%</b>
<b>LOGISTICS</b>						
<b>Warehousing operations – containers</b>	<b>10,220</b>	<b>14,715</b>	<b>-30.5%</b>	<b>22,329</b>	<b>27,977</b>	<b>-20.2%</b>
<b>VEHICLE TERMINAL</b>						
<b>Vehicles handled</b>	<b>14,092</b>	<b>53,435</b>	<b>-73.6%</b>	<b>62,514</b>	<b>102,383</b>	<b>-38.9%</b>
Exports	13,581	43,978	-69.1%	50,849	87,003	-41.6%
Imports	511	9,457	-94.6%	11,665	15,380	-24.2%

## Port terminals

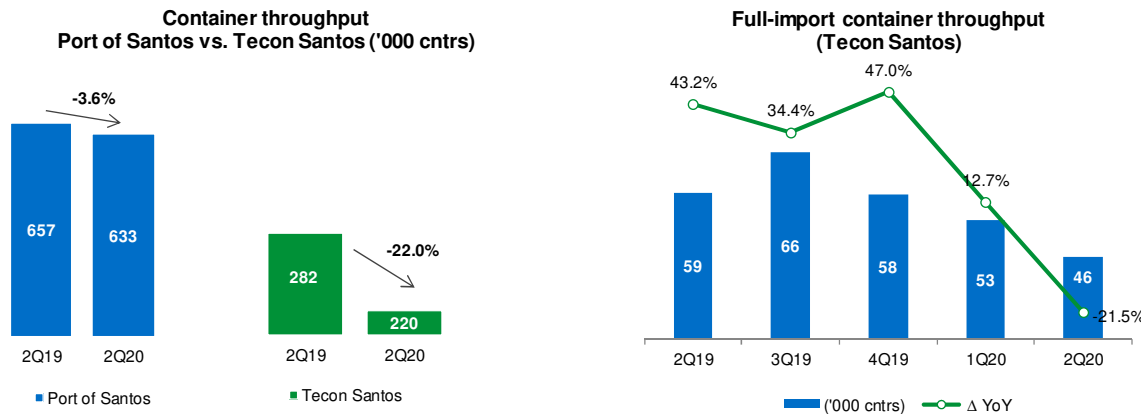
Units	2Q20	2Q19	Var. %	6M20	6M19	Var. %
<b>PORT TERMINALS</b>						
<b>Tecon Santos</b>	<b>220,362</b>	<b>282,496</b>	<b>-22.0%</b>	<b>454,141</b>	<b>501,029</b>	<b>-9.4%</b>
Full containers	166,949	220,669	-24.3%	351,648	400,278	-12.1%
Empty containers	53,413	61,827	-13.6%	102,493	100,751	1.7%
General cargo (ton)	-	-	-	-	-	-
<b>Tecon Imbituba</b>	<b>10,789</b>	<b>10,313</b>	<b>4.6%</b>	<b>21,000</b>	<b>22,962</b>	<b>-8.5%</b>
Full containers	6,170	5,997	2.9%	12,881	13,285	-3.0%
Empty containers	4,619	4,316	7.0%	8,119	9,677	-16.1%
General cargo (ton)	81,086	94,676	-14.4%	97,784	163,100	-40.0%
<b>Tecon Vila do Conde</b>	<b>25,574</b>	<b>27,270</b>	<b>-6.2%</b>	<b>46,905</b>	<b>51,017</b>	<b>-8.1%</b>
Full containers	14,395	15,071	-4.5%	27,742	28,825	-3.8%
Empty containers	11,179	12,199	-8.4%	19,163	22,192	-13.6%
General cargo (ton)	-	-	-	27	-	-

The effects of the new coronavirus (COVID-19) pandemic on the domestic economy intensified since May, consequently affecting the operational performance of Santos Brasil's business units in 2Q20, considering the terminal's container throughput, warehousing at Tecon Santos and the Customs Industrial Logistics Centers (CLIA), as well as operations of Santos Brasil Logística and the Vehicle Terminal. The lockdown in the production chain of diverse industries across the country and the sudden slowdown in consumption of goods and services during the quarantine period had a negative effect on the logistics chain in general, including the port segment, with decline in imports and cabotage operations in Brazil, adversely affecting the terminals' throughput in May and June. Since Brazilian exports are primarily concentrated on essential commodities, these remained resilient in 2Q20, which explains the slower decline in total volume of containers handled at the Port of Santos.

**Tecon Santos** handled 220,362 containers in 2Q20, down 22.0% compared to 2Q19. Besides the impact of the pandemic on the domestic economy, especially on imports and cabotage/feeder operations, Tecon Santos reduced its exposure to exports in 3Q19, more resilient to the crisis, with the exit of the export sling of the Asia service led by Maersk group. The volume arising from this sling in 2Q19 was 31,472 containers. With the volume handled in the first half of 2020, capacity utilization at Tecon Santos stood at 73%, on an annualized basis. Market share in the Port of Santos was 33.4% in 2Q20 (vs. 41.3% in 2Q19).

## Performance comment

The volume of full containers handled at Tecon Santos decreased 24.3% YoY in 2Q20, totaling 166,949 units. Of this total, 45,977 units were import containers, down 21.5% from 2Q19, representing a deterioration of the terminal's mix, with an increase in the share of cabotage services.

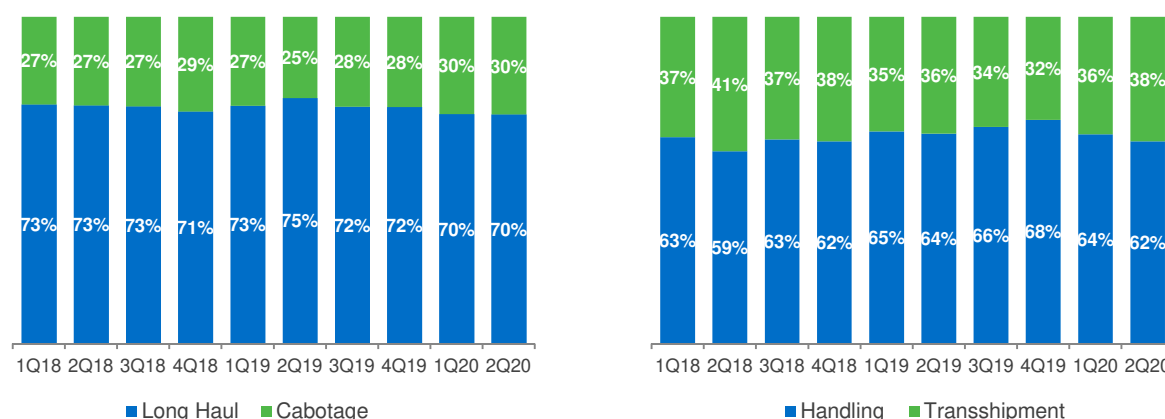


**Tecon Imbituba** handled 10,789 containers in 2Q20, up 4.6% from 2Q19. Cabotage operations, represented by the ALCT2 service led by Aliança, increased 6.4% YoY and corresponded to 98.2% of total volume handled at the terminal in 2Q20 (vs. 96.6% in 2Q19). Volume growth in 2Q20 was sharper in empty container handling (+7.0% YoY), although full container throughput increased as well (+2.9% vs. 2Q19), driven by rice shipments. Long-haul operations accounted for 1.8% of total volume at the terminal (3.4% in 2Q19), decreasing 45.6% YoY. Operations at Imbituba General Cargo Terminal ("TCG Imbituba") decreased 14.4% in 2Q20 compared to 2Q19, with a total of 81.1 thousand tons handled, explained by a decline in wood log exports to Asia. On the other hand, TCG started operating new cargoes in 2Q20, with new agreements for the shipment of pulp and food transported by big bags (i.e. sugar and corn). These operations were initially in trial mode in May and intensified in June, with volumes expected to grow from 3Q20.

At **Tecon Vila do Conde**, container throughput in 2Q20 was 25,574 containers, 6.2% lower than 2Q19. Long-haul operations accounted for 75.5% of total volume (67.1% in 2Q19) and grew 5.5% YoY. Exports fell 3.5%, due to reduction in shipments of forestry products to Europe. Manganese exports, which declined in recent quarters, picked up in 2Q20, though have not yet returned to 2019 levels. Another highlight was the growth frozen beef exports from slaughterhouses located in Pará, driven by the opening of the Chinese market for Brazilian products. Handling 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, inspection and others). Volume of import containers grew 13.6% in 2Q20 compared to 2Q19, driven by inputs for mining and fertilizer sectors (i.e. mill balls, aluminum and copper ingots, and sulfur). Cabotage throughput fell 30.2% in 2Q20 compared to 2Q19, reflecting the decline in local consumption due to severe impacts of COVID-19 in Brazil's Northern region, which reduced coastal transportation of products from the South and Southeast regions.

**Consolidated volume of the three terminals** dropped 19.8% in 2Q20. Long-haul operations registered a decrease in import (-15.7% YoY) and export (-30.3%) volumes, and their share in total container throughput declined to 70.1% (75.1% in 2Q19). Cabotage operations were more resilient in 2Q20, decreasing only 3.4% from 2Q19. Transshipment operations (long-haul + cabotage) decreased 14.4% in the quarter, but represented 38.2% of total volume handled (35.8% in 2Q19). Due to effects of the pandemic, which affected imports the most, the full-empty container mix worsened in the annual and quarterly comparisons, with full containers accounting for 73.0% of total containers handled in 2Q20 (75.5% in 1Q19 and 77.2% in 1Q20). The quarterly history of container mix in long-haul vs. cabotage and handling vs. transshipment operations is shown below:

## Performance comment



**Total container warehousing volume** at the port terminals decreased 24.5% in 2Q20 due to the impacts of the pandemic, mainly the reduction in the volume of full-import containers at the Port of Santos. However, the retention rate of full-import containers for warehousing remained high at 57% in 2Q20, compared to 55% in 2Q19 and 58% in 1Q20. Dwell time at Tecon Santos increased to 12.8 days in 2Q20, compared to 12.0 days in 1Q20 and 11.7 days in 2Q19. The longer dwell time in 2Q20 was due to several factors, notably: (i) logistics constraints faced by clients whose production lines were shut down (lockdown) during the most serious phase of quarantine in the country; (ii) the postponement of cargo nationalization to reduce pressure on importers' working capital; and (iii) exchange rate high volatility. With the logistics challenges imposed by the lockdown, the "OEA Despacho sobre Águas" regime, which enables the registration of import declaration before the container is unloaded at the port of destination, had no impact on dwell time of full-import containers at Tecon Santos in 2Q20, since importers that adopt OEA regime maintained their cargo stored at the terminal yard for a longer period time.

## Logistics

Santos Brasil Logística's container warehousing declined 30.5% in 2Q20 compared to 2Q19, mainly due to the drop in import container volume at the Port of Santos caused by impacts of COVID-19. The auto industry registered the sharpest decline in import volumes due to shutdown of production lines and the resulting impact on inventories of auto parts and components. Another sector with significant exposure for SBLog, the chemicals industry, had a negative impact on imports of raw materials for the auto industry, but positive for agribusiness inputs. Import volumes also decreased in the beverage sector due to the drastic decline in consumption at restaurants and stores. The retail food segment (supermarkets) registered a healthy performance, but it could not offset the volume decline in other industries.

## Vehicle Terminal

TEV handled 14,092 vehicles in 2Q20, 73.6% lower YoY. The economic slowdown caused by the pandemic affected vehicle imports and exports in the country. Exports, which have already been performing poorly due to the weak market in Argentina, declined 69.1% YoY. Vehicle imports decreased 94.6% in 2Q20 compared to 2Q19, also affected by the sharp BRL depreciation. The decline in domestic sales of imported vehicles reduced vehicle turnover at TEV's yard, increasing dwell time at the terminal. Due to higher decline in light vehicles throughput, heavy vehicles share in total vehicles handled rose to 15.8% in 2Q20 (9.4% in 2Q19 and 6.8% in 1Q20).

## FINANCIAL RESULTS

### GROSS REVENUE

R\$ million	2Q20	2Q19	Var. %	6M20	6M19	Var.%
<b>PORT TERMINALS</b>	<b>189.4</b>	<b>218.7</b>	<b>-13.4%</b>	<b>369.3</b>	<b>400.4</b>	<b>-7.8%</b>
Quay operations	97.5	129.5	-24.7%	191.2	228.8	-16.4%
Warehousing operations	91.8	89.2	2.9%	178.0	171.7	3.7%
<b>LOGISTICS</b>	<b>68.5</b>	<b>71.6</b>	<b>-4.3%</b>	<b>136.8</b>	<b>140.7</b>	<b>-2.8%</b>
<b>VEHICLE TERMINAL</b>	<b>7.9</b>	<b>19.3</b>	<b>-59.1%</b>	<b>23.2</b>	<b>35.0</b>	<b>-33.7%</b>
<b>Eliminations</b>	<b>-3.0</b>	<b>-2.9</b>	<b>3.4%</b>	<b>-5.4</b>	<b>-5.2</b>	<b>3.8%</b>
<b>Consolidated</b>	<b>262.8</b>	<b>306.7</b>	<b>-14.3%</b>	<b>523.9</b>	<b>570.9</b>	<b>-8.2%</b>

## Performance comment

### NET REVENUE

R\$ million	2Q20	2Q19	Var. %	6M20	6M19	Var. %
<b>PORT TERMINALS</b>	<b>165.1</b>	<b>192.6</b>	<b>-14.3%</b>	<b>322.3</b>	<b>352.7</b>	<b>-8.6%</b>
Quay operations	87.6	116.6	-24.9%	171.6	206.2	-16.8%
Warehousing operations	77.6	76.0	2.1%	150.7	146.5	2.9%
<b>LOGISTICS</b>	<b>55.8</b>	<b>58.4</b>	<b>-4.5%</b>	<b>111.6</b>	<b>114.8</b>	<b>-2.8%</b>
<b>VEHICLE TERMINAL</b>	<b>6.7</b>	<b>16.5</b>	<b>-59.4%</b>	<b>19.7</b>	<b>29.3</b>	<b>-32.8%</b>
<b>Eliminations</b>	<b>-2.8</b>	<b>-2.7</b>	<b>3.7%</b>	<b>-4.9</b>	<b>-4.7</b>	<b>4.3%</b>
<b>Consolidated</b>	<b>224.8</b>	<b>264.8</b>	<b>-15.1%</b>	<b>448.7</b>	<b>492.1</b>	<b>-8.8%</b>

#### 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 2Q20 and 2Q19. However, since the port tariff no longer impacts the terminal's handling costs – practically in the same proportion as the decline in revenues - there was no impact on Port Terminals' gross profit as result of the aforementioned change in the tariff regime.

Tecon Santos' net revenue decreased 16.9% in 2Q20 compared to 2Q19 and represented 79% of Port Terminals' net revenue (vs. 81% in 2Q19). Tecon Imbituba's net revenue also decreased in 2Q20 – 14.5% down YoY, mainly due to TCG Imbituba's lower general cargo volume. Tecon Vila do Conde's net revenue remained flat in 2Q20 (+0.9% YoY), despite the 6.2% YoY reduction in container throughput. Vila do Conde terminal benefited from 14.9% growth in import container volume and project cargo operations.

As for warehousing operations at the Port Terminals, net revenue grew 2.1% in 2Q20 compared to 2Q19, reaching R\$77.6 million, reflecting the increase in dwell time, caused by lower removal of imported containers due to the effects of the crisis, and the unloading of project cargo at Vila do Conde, which has higher added value and whose CIF value is the basis for charging warehousing services.

#### Logistics

Despite the sharp decline in volume at the bonded warehouses in 2Q20 (-30.5% YoY), SBLog's net revenue decreased only 4.5% YoY. Factors that offset a larger decline in revenue were the increase in warehousing average price, influenced by the longer dwell time, better high-added-value cargo mix and provision of additional logistics services (i.e. cross docking and bonded warehousing services) to some clients that had earlier contracted only warehousing services. The Guarujá bonded warehouse started to provide container warehousing and unstuffing services for clients in the auto industry, minimizing their logistics constraints caused by surplus inventory in transit during the lockdown.

#### Vehicle Terminal

In 2Q20, TEV's net revenue amounted to R\$6.7 million, 59.4% lower than 2Q19. TEV's performance was directly impacted by the downturn in domestic vehicle sales and, especially, the decline in exports.

## Performance comment

## COST OF SERVICES RENDERED

R\$ million	2Q20	2Q19	Var. %	6M20	6M19	Var. %
<b>PORT TERMINALS</b>						
Handling Costs	20.0	34.6	-42.2%	37.5	66.2	-43.4%
Personnel Costs	60.4	61.5	-1.8%	118.7	121.8	-2.5%
Depreciation and Amortization	27.3	23.9	14.2%	53.5	47.4	12.9%
Other Costs	23.8	22.9	3.9%	48.2	43.6	10.6%
<b>Total</b>	<b>131.6</b>	<b>142.9</b>	<b>-7.9%</b>	<b>257.9</b>	<b>278.9</b>	<b>-7.5%</b>
<b>LOGISTICS</b>						
Handling Costs	13.3	17.4	-23.6%	29.4	32.2	-8.7%
Personnel Costs	14.2	13.7	3.6%	27.8	26.2	6.1%
Depreciation and Amortization	4.1	4.1	0.0%	8.2	8.3	-1.2%
Other Costs	7.6	6.6	15.2%	14.8	12.7	16.5%
<b>Total</b>	<b>39.2</b>	<b>41.8</b>	<b>-6.2%</b>	<b>80.3</b>	<b>79.4</b>	<b>1.1%</b>
<b>VEHICLE TERMINAL</b>						
Handling Costs	1.6	4.6	-65.2%	5.4	8.3	-34.9%
Depreciation and Amortization	4.0	3.9	2.6%	8.0	7.7	3.9%
Other Costs	1.0	0.9	11.1%	2.1	2.7	-22.2%
<b>Total</b>	<b>6.7</b>	<b>9.4</b>	<b>-28.7%</b>	<b>15.6</b>	<b>18.6</b>	<b>-16.1%</b>
<b>Eliminations</b>	<b>-2.8</b>	<b>-2.7</b>	<b>3.7%</b>	<b>-4.9</b>	<b>-4.7</b>	<b>4.3%</b>
<b>Consolidated</b>	<b>174.8</b>	<b>191.5</b>	<b>-8.7%</b>	<b>348.8</b>	<b>372.3</b>	<b>-6.3%</b>

## Port Terminals

Starting from August 2019, the port tariff (TUP) is being charged by the Santos Port Authority directly from ship-owners, therefore, the comparison between variable costs in 2Q20 and 2Q19 was affected. Despite the distortion in the comparison of variable costs, it is noteworthy that the Company adopted cost reduction measures to mitigate the financial impacts of the COVID-19 pandemic, including the optimization of equipment preventive maintenance due to lower-than-estimated volumes and operational efficiency increase to reduce fuel consumption.

Personnel costs decreased 1.8% compared to 2Q19 (-2.5% in 6M20 compared to 6M19), reflecting the efforts to mitigate the impacts of COVID-19 pandemic. One of the actions taken was the execution of Law 14.020 / 2020 in the temporary reduction of shift /salary and suspension of employment agreements.

As for other operating cost lines, IT and Personal Protective Equipment (PPE) costs increased in 2Q20. The increase in depreciation was due to accounting write-off of an RTG crane at Tecon Santos.

## Logistics

In 2Q20, variable handling costs decreased 23.6% due to lower expenses with freight, fuel and container pick-up services, the latter affected by lower volume of import containers at the Port of Santos. Personnel costs increased 3.6% in 2Q20 compared to 2Q19, explained by higher expenses with labor lawsuits and salaries. As for "other costs," the difference in relation to 2Q19 is due to increase in costs with shared and third-party services (IT consulting, recruitment and surveillance).

## Vehicle Terminal

TEV's variable costs in 2Q20 decreased 65.2% YoY, due to lower vehicle throughput on the back of COVID-19 impacts on domestic economy and on vehicle exports to Argentina.

## Performance comment

## OPERATING EXPENSES

R\$ million	2Q20	2Q19	Var. %	6M20	6M19	Var.%
<b>PORT TERMINALS</b>						
Selling	10.2	9.0	13.3%	21.3	21.1	0.9%
General, Administrative and other	4.8	12.9	-62.8%	9.4	17.4	-46.0%
Depreciation and Amortization	0.1	-	-	0.1	0.1	-
<b>Total</b>	<b>15.1</b>	<b>21.9</b>	<b>-31.1%</b>	<b>30.8</b>	<b>38.6</b>	<b>-20.2%</b>
<b>LOGISTICS</b>						
Selling	16.2	14.4	12.5%	31.8	30.1	5.6%
General, Administrative and other	1.6	1.3	23.1%	3.0	3.0	0.0%
Depreciation and Amortization	-	-	-	-	-	-
<b>Total</b>	<b>17.8</b>	<b>15.7</b>	<b>13.4%</b>	<b>34.8</b>	<b>33.1</b>	<b>5.1%</b>
<b>VEHICLE TERMINAL</b>						
Selling	0.4	0.8	-50.0%	1.4	1.4	0.0%
General, Administrative and other	0.2	0.1	100.0%	0.4	0.3	33.3%
Depreciation and Amortization	-	-	-	-	-	-
<b>Total</b>	<b>0.6</b>	<b>0.9</b>	<b>-33.3%</b>	<b>1.8</b>	<b>1.7</b>	<b>5.9%</b>
<b>CORPORATE</b>						
General, Administrative and other	9.9	8.0	23.8%	21.6	18.3	18.0%
Depreciation and Amortization	0.9	0.9	0.0%	1.8	1.8	0.0%
<b>Total</b>	<b>10.8</b>	<b>8.9</b>	<b>21.3%</b>	<b>23.4</b>	<b>20.1</b>	<b>16.4%</b>
<b>Consolidated</b>	<b>44.3</b>	<b>47.4</b>	<b>-6.5%</b>	<b>90.8</b>	<b>93.5</b>	<b>-2.9%</b>

## Port Terminals

In 2Q20, selling expenses increased 13.3% YoY due to higher provision for doubtful accounts. General and administrative expenses declined by 62.8%, due to lower expenses with payroll and consulting and advisory services and to a positive effect from insurance reimbursement related to the damage of an RTG crane at Tecon Santos.

## Logistics

Selling expenses increased 12.5% in 2Q20, due to higher expenses with commissions. General and administrative expenses also increased (23.1%) due to higher expenses with personnel and shared services. There was also a positive impact of a net non-recurring revenue of R\$0.2 million from the sale of idle vehicles.

## Vehicle Terminal

In 2Q20, TEV's operating expenses decreased 33.3% compared to 2Q19, due to the lower volume of imported and exported vehicles handled in the terminal, which reduced expenses with sales commissions.

## Corporate

General and administrative expenses increased 23.8% compared to 2Q19, due to higher personnel costs.

## Performance comment

## EBITDA and EBITDA MARGIN

R\$ million	2Q20	Margin %	2Q19	Margin %	% Var.
Port Terminals	45.8	27.7%	51.7	26.9%	-11.4%
Logistics <sup>2</sup>	2.9	5.2%	5.0	8.6%	-42.6%
Vehicle Terminal	3.4	50.7%	10.0	60.6%	-66.1%
Corporate	-9.9	-	-8.0	-	23.3%
<b>Consolidated</b>	<b>42.2</b>	<b>18.8%</b>	<b>58.7</b>	<b>22.2%</b>	<b>-28.1%</b>
Non-recurring items	-0.4		7.7		-
<b>Consolidated (recurring)</b>	<b>41.8</b>	<b>18.6%</b>	<b>66.4</b>	<b>25.1%</b>	<b>-37.0%</b>

R\$ million	6M20	Margin %	6M19	Margin %	% Var.
Port Terminals	87.2	27.1%	82.6	23.4%	5.6%
Logistics <sup>2</sup>	4.8	4.3%	10.6	9.2%	-55.1%
Vehicle Terminal	10.3	52.5%	16.6	56.6%	-37.8%
Corporate	-21.6	-	-18.3	-	17.9%
<b>Consolidated</b>	<b>80.7</b>	<b>18.0%</b>	<b>91.6</b>	<b>18.6%</b>	<b>-11.8%</b>
Non-recurring items	-2.6		11.4		-
<b>Consolidated (recurring)</b>	<b>78.2</b>	<b>17.4%</b>	<b>103.0</b>	<b>20.9%</b>	<b>-24.1%</b>

In 2Q20, EBITDA totaled R\$42.2 million, down 28.1% YoY, with margin of 18.8%. The quarter was impacted by non-recurring items totaling R\$0.4 million, which positively affected the result. Extraordinary revenues totaled R\$0.7 million, resulting from the following: (i) sale of semi-trailers; and (iii) as in the previous quarter, exchange variation on the reimbursement amount related to judicial settlement with the Chinese crane manufacturer Zhenhua. The non-recurring negative effect totaled R\$0.3 million and related to the accounting write-offs of the vehicles sold. Excluding these non-recurring items, recurring EBITDA in 2Q20 was R\$41.8 million, with margin of 18.6%.

## Port Terminals

Port Terminals' recurring EBITDA was R\$45.7 million in 2Q20 (down 21.3% YoY), with margin of 27.7%. The decrease in quay and warehousing volumes at Tecon Santos and worse import mix explain the decline in recurring EBITDA in the quarter.

## Logistics

Excluding non-recurring items, Santos Brasil Logística's 2Q20 EBITDA was R\$2.7 million (vs. R\$6.4 million in 2Q19). SBLog results were mainly affected by lower warehousing volume, caused by the decline of import container at the Port of Santos.

## Vehicle Terminal

In 2Q20, TEV's EBITDA totaled R\$3.4 million (down 66.1% YoY), with margin of 50.7%. The main drivers that affected TEV's operating result were lower exports to Argentina and the sharp decline in vehicle imports due to the downturn in the domestic economy.

## Corporate

Represented by corporate expenses, Corporate 2Q20 EBITDA was negative in R\$9.9 million, 23.3 higher YoY, due to increase in personnel expenses.

## NET INCOME

R\$ million	2Q20	2Q19	Var. %	6M20	6M19	Var. %
<b>EBITDA</b>	<b>42.2</b>	<b>58.7</b>	<b>-28.1%</b>	<b>80.7</b>	<b>91.6</b>	<b>-11.9%</b>
Depreciation and Amortization	36.5	32.8	11.3%	71.6	65.3	9.6%
<b>EBIT</b>	<b>5.7</b>	<b>25.9</b>	<b>-78.0%</b>	<b>9.1</b>	<b>26.3</b>	<b>-65.4%</b>
Financial Result	-17.9	-14.9	-20.1%	-40.3	-27.9	-44.4%
Income and Social Contribution Taxes	2.8	-4.7	159.6%	8.5	-1.1	872.7%
<b>Net income</b>	<b>-9.4</b>	<b>6.3</b>	<b>-249.2%</b>	<b>-22.7</b>	<b>-2.7</b>	<b>-740.7%</b>

## Performance comment

The Company posted net loss of R\$9.4 million in 2Q20, compared to a net income of R\$6.3 million in 2Q19.

## DEBT, CASH AND CASH EQUIVALENTS

R\$ million	Currency	06/30/2020	06/30/2019	Var. %
Short term	BRL	29.0	94.7	-69.4%
	Foreign	4.9	34.5	-85.8%
Long term	BRL	387.9	337.6	14.9%
	Foreign	14.1	13.3	6.0%
<b>Total Debt</b>		<b>435.9</b>	<b>480.1</b>	<b>-9.2%</b>
Cash and cash equivalentes		352.0	460.3	-23.5%
<b>Net Debt</b>		<b>83.9</b>	<b>19.8</b>	<b>323.7%</b>
<b>Net Debt / pro-forma EBITDA LTM*</b>		<b>0.78x</b>	<b>0.17x</b>	

\* Last-twelve-month;

The Company ended 2Q20 with cash and cash equivalents of R\$352.0 million, net debt of R\$83.9 million and leverage ratio of 0.78x 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 JUNE 30, 2020  
(Amounts expressed in thousands of reais - R\$)

**1. OPERATIONS**

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

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

	Interest – %	
	06/30/2020	12/31/2019
Direct subsidiaries:		
Numeral 80 Participações S.A. (“Numeral 80”) *	100	100
Pará Empreendimentos Financeiros S.A. (“Pará Empreendimentos”) **	100	100
Santos Brasil Logística S.A. (“Santos Brasil Logistics”)	100	100
Terminal Portuário de Veículos S.A. (“TPV”)	100	100
Terminal de Veículos de Santos S.A. (“Vehicles Terminal/TEV”)	100	100
Indirect subsidiary:		
Convicon Contêineres de Vila do Conde S.A. (“Tecon Vila do Conde”)	100	100

\* Dormant company;

\*\* Holding company.

**Exploration of the area at the Saboó quay**

On November 19, 2019, the Company communicated to shareholders and the market that under the Simplified Selection Process Notice 01/2019 to provisionally explore three areas on the Saboó quay, on the right bank of the Port of Santos – its final offer for Area 2 was considered the most advantageous for the Port of Santos and, therefore, obtained the best classification.

On May 15, 2020, the DIPRE-DINEG/09.2020 Transition Contract was entered between the Autoridade Portuária de Santos S.A. - Santos Port Authority – SPA and the Company, whose object is the lease for temporary exploration of an area of 42,000 m<sup>2</sup> for 180 days, where the Company will handle general cargo (containerized or not of pulp and vehicles), reinforcing its participation in the Port of Santos and expanding the services offered to its current and potential customer base, also on the right bank of the port.

Main commitments arising from the Saboó transitional exploration contract:

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

## Notes to the financial statements

### Coronavírus (COVID-19)

Over the past few months, the Company has taken several measures in various spheres to face the effects of COVID-19, with the preservation of the health of its employees and other stakeholders being the most important one. The strategic actions and decisions already taken, as well as those in progress, supersede the purpose of mitigating the impacts caused by the pandemic in the operational and financial spheres, also seeking to fight and minimize its effects on people with whom the Company relates, including employees, clients, suppliers and other partners.

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

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

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

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

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

Cash preservation and strengthening (R\$351.9 million on June 30, 2020) was the main focus of the actions performed, with working capital management by increasing the average payment term, controlling defaulting receipts and reducing inventory (i.e. equipment replacement parts), as well as the deferral and suspension of taxes and the replacement of judicial deposits with other guarantees.

Thus, despite the uncertainties and difficulties to project the near future, the Management continues evaluating the impact of COVID-19 on the operations and financial position of the Company and its subsidiaries on an ongoing and timely basis, taking actions and measures that seek to ensure the continuity of its operations, and ensuring the safety, health and integrity of employees and other stakeholders. Until the date of authorization for the issuance of this interim financial information, the Company and its subsidiaries continue operating regularly, without any interruptions or disruptions.

## Notes to the financial statements

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

### 2. PREPARATION BASIS

#### Compliance statement

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

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

Issuance of individual and consolidated interim financial information was authorized by the executive Board on August 05, 2020.

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

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

### 3. MAIN ACCOUNTING POLICIES

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

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

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

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

**Notes to the financial statements****4. RELATED PARTY TRANSACTIONS****a) Dividends receivable - parent company**

	06/30/2020	12/31/2019
Current assets:		
Dividends receivable:		
Direct subsidiaries:		
Pará Empreendimentos Financeiros S.A.	-	1,322
Terminal de Veículos de Santos S.A.	-	2,310
	-	3,632

**b) Other significant balances**

	Parent company		Consolidated (*)	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Current assets:				
Trade accounts receivable (I)	357	428	1,951	1,258
Checking accounts (II)	1,159	1,035	1,159	1,035
	1,516	1,463	3,110	2,293
Current liabilities:				
Suppliers	1,594	830	1,951	1,258
Checking accounts (II)	-	-	1,159	1,035
	1,594	830	3,110	2,293

(\*) Values eliminated in the consolidation

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

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

**c) Rendering of port service**

Operating branch Tecon Santos provided the following port services to the subsidiary Santos Brasil Logistics from January to June 2020: (i) immediate delivery of containers, in the amount of R\$387 (R\$745 on June 30, 2019), referring to 1,484 moved containers (3,112 containers on June 30, 2019); (ii) non-intrusive inspection of containers, amounting to R\$412 (R\$450 on June 30, 2019) referring to 4,154 containers (4,542 containers on June 30, 2019); (iii) reefers monitoring in the amount of R\$2 (R\$20 on June 30, 2019), referring to 6 containers (35 containers on June 30, 2019); and (iv) connection and disconnection of reef containers, in the amount of R\$1.

In the same period, subsidiary Santos Brasil Logistics provided the operating branch Tecon Santos with: (i) container transportation service, in the amount of R\$4,610 (R\$3,898 on September 30, 2019), referring to 5,397 containers (4,515 containers on June 30, 2019); (ii) freight forwarding service, in the amount of R\$21 (R\$30 on June 30, 2019), referring to 789 containers (1,132 containers on June 30, 2019); In June 30, 2019, in addition to these services, we had others in the amount of R\$7.

**Notes to the financial statements**

## d) Remuneration of key personnel

	Parent company			
	06/30/2020		06/30/2019	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Short-term benefits	918	4,912	918	6,581
Other benefits	-	215	-	278
Stock option plan / Share-based incentive plan	-	2,260	-	1,975
Total	918	7,387	918	8,834

	Consolidated			
	06/30/2020		06/30/2019	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Short-term benefits	929	5,039	929	6,827
Other benefits	-	215	-	278
Stock option plan / Share-based incentive plan	-	2,260	-	1,975
Total	929	7,514	929	9,080

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 0.45% of the Company's voting shares.

## e) Benefits to collaborators - Consolidated

The Company and its subsidiaries provide their employees with benefits including basically private pension plan with defined contribution managed by Brasilprev, life insurance, health insurance, basic food basket, food stamps, meal voucher and ready meals. On June 30, 2020, the above benefits represented an expense of R\$26,946 (R\$25,729 on June 30, 2019), corresponding to 6.01% and 5.23% 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 June 30, 2020, the Company and other subsidiaries had provided the amount of R\$4,121 (R\$2,552 on June 30, 2019). On December 31, 2019, only the subsidiary Santos Brasil Logistics had an amount of R\$164 provisioned for reaching the goals and/or criteria for the provision for the profit sharing plan.

## f) Sureties and guarantees

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

- Surety for the acquisition of trailers to Tecon Vila Conde, in the amount of R\$1,227;
- Surety for the acquisition of trucks to Tecon Vila Conde, in the amount of R\$1,482;

**Notes to the financial statements**

- Joint debtor of crane acquisition for Tecon Vila do Conde, in the amount of EUR 3,635, equivalent to R\$22,369;
- Joint debtor of full containers forklift truck acquisition for Tecon Vila do Conde, in the amount of EUR 678, equivalent to R\$4,174;
- Joint debtor of empty containers forklift truck acquisition for Tecon Vila do Conde, in the amount of EUR 271, equivalent to R\$1,668.

**5. CASH AND CASH EQUIVALENTS, OTHER FINANCIAL INVESTMENTS AND INVESTMENT NATURE****a) Cash and cash equivalents**

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash and balance in banks	4,672	2,550	14,636	5,991
Interest earning bank deposits	185,871	105,912	337,326	260,385
Total	190,543	108,462	351,962	266,376

**b) Other interest earning bank deposits**

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Interest earning bank deposits	-	159,067	-	159,067

**c) Nature of interest earning bank deposits**

	Average rates - % CDI		Parent company	
		Maturity	06/30/2020	12/31/2019
Investment funds (*)	(35.07)	Undetermined	-	264,979
Bank deposit bill - CDB	101.71	05/13/2025	185,871	-
			185,871	264,979

(\*) Non-exclusive fund

	Average rates - % CDI		Consolidated	
		Maturity	06/30/2020	12/31/2019
Investment funds (*)	1.64	Undetermined	-	419,452
Bank deposit bill - CDB	102.03	05/13/2025	337,326	-
			337,326	419,452

(\*) 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 June 2020 and are related to the Certificate of Interbank Deposit - CDI rate.

**Notes to the financial statements**

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

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

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

**6. TRADE ACCOUNTS RECEIVABLE**Current

	Parent company	
	06/30/2020	12/31/2019
Domestic	101,318	90,739
To be billed	2,938	3,112
Related parties (Note 4.b))	357	428
(-) Provision for expected credit losses	(14,262)	(12,927)
Total	<u>90,351</u>	<u>81,352</u>
	Consolidated	
	06/30/2020	12/31/2019
Domestic	140,081	129,694
To be billed	4,802	5,072
(-) Provision for expected credit losses	(15,453)	(14,334)
Total	<u>129,430</u>	<u>120,432</u>

On June 30, 2020, three clients have balance between 12% and 6% each.

On June 30, 2020, the amount of R\$1,951 (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	
	06/30/2020	12/31/2019
Loans falling due	47,693	45,692
Past due receivables - up to 60 days	31,456	22,629
Past due receivables - from 61–90 days	4,503	6,231
Past due receivables - from 91–180 days	7,551	9,971
Past due receivables - from 181–360 days	9,001	5,607
Past due receivables for more than 361 days	4,409	4,149
Total	<u>104,613</u>	<u>94,279</u>

## Notes to the financial statements

	Consolidated	
	06/30/2020	12/31/2019
Loans falling due	80,715	75,492
Past due receivables - up to 60 days	35,994	29,523
Past due receivables - from 61–90 days	4,698	7,098
Past due receivables - from 91–180 days	8,187	11,165
Past due receivables - from 181–360 days	9,485	5,899
Past due receivables for more than 361 days	5,804	5,589
Total	144,883	134,766

### Impairment

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

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

	Parent company	Consolidated
Balance at 12/31/2019	12,927	14,334
Additions, net of reversals	8,926	8,971
Write-offs	(7,591)	(7,852)
Balance at 06/30/2020	14,262	15,453

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

## 7. INVENTORIES

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Maintenance material	18,069	17,724	21,328	20,839
Administrative material	314	308	443	418
Security material	241	271	429	470
Other	840	853	1,020	1,044
	19,464	19,156	23,220	22,771

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



**Notes to the financial statements****8. COURT-ORDERED DEBT PAYMENTS ("PRECATÓRIOS") - CONSOLIDATED**

	<u>06/30/2020</u>	<u>12/31/2019</u>
Non-current assets:		
Court-ordered debt payments receivable	<u>5,677</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>4,542</u>	<u>4,484</u>

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

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

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

**9. CURRENT TAX ASSETS**

	<u>Parent company</u>	
	<u>06/30/2020</u>	<u>12/31/2019</u>
Withholding income tax - IRRF	3,747	3,395
Corporate Income Tax -IRPJ and Social Contribution on Net Income - CSLL	937	47
Other	<u>141</u>	<u>4</u>
Total current	<u>4,825</u>	<u>3,446</u>
	<u>Consolidated</u>	
	<u>06/30/2020</u>	<u>12/31/2019</u>
Withholding income tax - IRRF	3,894	3,492
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	2,100	910
Recoverable credit from Fund for Development and Management of Collection and Inspection - FUNDAP	982	969
Credits from Social Integration Program - PIS / Contribution for the Financing of Social Security - COFINS	1,892	1,850
Other	<u>375</u>	<u>255</u>
Total current	<u>9,243</u>	<u>7,476</u>

Consolidated IRRF credits, in the amount of R\$3,894 (R\$3,492 on December 31, 2019) were mainly from Company's financial investments of prior years.

**Notes to the financial statements**

Consolidated credits from Corporate Income Tax and Social Contribution in the amount of R\$2,100 (R\$910 on December 31, 2019), were mainly from advances in monthly calculations of the Company and its subsidiary Vehicles Terminal/TEV. These credits will be offset in future year calculations.

The consolidated PIS and COFINS credits, in the amount of R\$1,892 (R\$1,850 on December 31, 2019), mainly related to the subsidiary Tecon Vila do Conde, which filed a writ of mandamus to exclude the ISS from the PIS and COFINS calculation basis. The lawsuit was upheld, generating the credit right for the period from October 2012 to December 2019. These credits are being offset in monthly calculations of contributions themselves.

FUNDAF's consolidated credits, in the amount of R\$982 (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**

	06/30/2020	12/31/2019
Non-current assets:		
Interest in subsidiaries	390,748	398,460

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

	Numeral 80 Participações S.A.	Terminal Portuário de Veículos S.A.	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.	Total
Balance at December 31, 2019	207	34	94,206	135,749	168,264	398,460
Capital contribution	100	30	-	-	-	130
Equity in net income of subsidiaries	(66)	(17)	5,642	(2,923)	419	3,055
Additional dividend as Annual Shareholder's Meeting on April 30, 2020 <sup>(*)</sup>	-	-	(3,966)	-	(6,931)	(10,897)
Balance at June 30, 2020	241	47	95,882	132,826	161,752	390,748

(\*) 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 <sup>(*)</sup>	-	-	-	(7,302)	(6,097)	(13,399)
Minimum mandatory dividends <sup>(*)</sup>	-	-	(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 on subsidiaries - Position on June 30, 2020

	Numeral 80 Participações S.A. <sup>(a)</sup>	Terminal Portuário de Veículos S.A. <sup>(a)</sup>	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.
Capital	1,430	490	84,484	126,374	128,751
Number of shares held:					
Common	986,986	490,000	84,484,349	115,935,256	204,269,217
Preferred shares	443,014	-	-	115,935,255	-
(Loss) net income for the period	(66)	(17)	5,642	(2,923)	419
Shareholders' equity	241	47	95,882	132,826	161,752
Interest in capital - %	100	100	100	100	100
Interest in the shareholders' equity	241	47	95,882	132,826	161,752
Current assets	238	47	118,559	59,705	39,363
Non-current assets	6	-	95,299	182,154	237,877
Total assets	244	47	213,858	241,859	277,240
Current liabilities	3	-	26,799	39,966	9,096
Non-current liabilities	-	-	91,177	69,067	106,392
Total liabilities	3	-	117,976	109,033	115,488
Net income	-	-	51,636	111,608	19,674
(Loss) net income for the period	(66)	(17)	5,642	(2,923)	419

(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	Right-of-use - Rents	Other items	Total
Depreciation rate (% p.a.)	9.5	8.6	-	20	-	10	10	20	1.7	-	10	
Net balances at January 1, 2019	43	13,036	28,503	3,264	39,943	7,415	1,640	89	1,893	-	21	95,847
Changes												
Acquisitions / Transfers	-	876	19,926	258	-	166	103	455	-	-	96	21,880
Write-offs	-	(75)	-	(1)	-	(1)	(2)	-	-	-	-	(79)
Reclassifications (**)	2,038	(2)	(23,018)	1	-	-	-	-	-	-	-	(20,981)
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	50	10	
Net balances at January 1, 2020	80	11,287	25,411	1,811	39,943	5,647	1,292	497	1,860	-	96	87,924
Changes												
Acquisitions / Transfers	-	-	(5,260)	8,882	-	-	-	-	-	320	-	3,942
Write-offs	-	(106)	-	(1)	-	-	-	-	-	-	-	(107)
Reclassifications	-	-	(1,561)	-	-	-	-	-	-	-	-	(1,561)
Depreciation	(15)	(1,090)	-	(639)	-	(950)	(217)	(66)	(17)	(67)	(13)	(3,074)
Net balances at June 30, 2020	65	10,091	18,590	10,053	39,943	4,697	1,075	431	1,843	253	83	87,124
Balances at June 30, 2020												
Cost	4,092	56,408	18,590	46,685	39,943	27,115	9,506	1,988	1,955	320	347	206,949
Accumulated depreciation	(4,027)	(46,317)	-	(36,632)	-	(22,418)	(8,431)	(1,557)	(112)	(67)	(264)	(119,825)
Net balances at June 30, 2020	65	10,091	18,590	10,053	39,943	4,697	1,075	431	1,843	253	83	87,124

(\*) 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	15.1 - 50	10	
Net balances at January 1, 2020	3,616	39,902	30,077	4,032	66,368	9,643	15,944	497	19,945	29,907	124	220,055
Changes												
Acquisitions / Transfers	217	600	(7,034)	11,167	-	271	7	-	-	18,409	1	23,638
Write-offs	-	(869)	-	(1)	-	-	-	-	-	-	-	(870)
Reclassifications	-	-	(2,024)	-	-	-	-	-	-	-	-	(2,024)
Depreciation	(241)	(3,492)	-	(927)	-	(1,442)	(2,112)	(66)	(270)	(5,074)	(17)	(13,641)
Net balances at June 30, 2020	3,592	36,141	21,019	14,271	66,368	8,472	13,839	431	19,675	43,242	108	227,158
Balances at June 30, 2020												
Cost	13,097	141,908	21,019	59,824	66,368	45,465	57,547	2,176	27,136	56,724	763	492,027
Accumulated depreciation	(9,505)	(105,767)	-	(45,553)	-	(36,993)	(43,708)	(1,745)	(7,461)	(13,482)	(655)	(264,869)
Net balances at June 30, 2020	3,592	36,141	21,019	14,271	66,368	8,472	13,839	431	19,675	43,242	108	227,158

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

(\*\*) Reclassifications, mainly to intangible assets.

**Notes to the financial statements**

Capitalized loans and financing costs for the period ended June 30, 2020 totaled R\$2,092, referring to loans and financing not directly attributable to the Company's fixed assets with an average interest rate of 4.65% 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 June 30, 2020, was stated as R\$572.

## 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 Imituba	TCG Imituba	Saboó (**)	Shares of Santos-Brasil S.A.	Pará Empreendimentos	TCG Imituba	System data processing	Intangible in progress	Total
Amortization rate (% p.a.)	5.3	4.7	4.6	-	3.1	6.3	4.4	20	-	
Net balances at January 1, 2019	847,880	622,688	11,960	-	71,884	2,537	11,037	431	3,120	1,571,537
Changes										
Acquisitions / Transfers	39,352	38,626	268	-	-	-	-	75	79,635	157,956
Reclassifications (*)	(1,153)	28	(1)	-	-	-	-	4	22,102	20,980
Amortizations	(37,889)	(46,277)	(912)	-	(2,486)	(172)	(828)	(149)	-	(88,713)
Net balances at December 31, 2019	848,190	615,065	11,315	-	69,398	2,365	10,209	361	104,857	1,661,760
Balances at December 31, 2019										
Cost	1,604,227	1,001,328	19,566	-	321,264	37,760	18,983	22,518	104,857	3,130,503
Accumulated amortization	(756,037)	(386,263)	(8,251)	-	(251,866)	(35,395)	(8,774)	(22,157)	-	(1,468,743)
Net balances at December 31, 2019	848,190	615,065	11,315	-	69,398	2,365	10,209	361	104,857	1,661,760
Amortization rate (% p.a.)	5.3	4.7	4.6	-	3.1	6.3	4.4	20	-	
Net balances at January 1, 2020	848,190	615,065	11,315	-	69,398	2,365	10,209	361	104,857	1,661,760
Changes										
Acquisitions / Transfers	88,966	31,835	294	2,319	-	-	-	5,126	7,743	136,283
Write-off	(1,292)	-	-	-	-	-	-	-	-	(1,292)
Reclassifications	-	-	-	-	-	-	-	-	1,561	1,561
Amortizations	(20,528)	(23,928)	(465)	(593)	(1,242)	(86)	(414)	(162)	-	(47,418)
Net balances at June 30, 2020	915,336	622,972	11,144	1,726	68,156	2,279	9,795	5,325	114,161	1,750,894
Balances at June 30, 2020										
Cost	1,656,222	1,033,163	19,860	2,319	321,264	37,760	18,983	27,644	114,161	3,231,376
Accumulated amortization	(740,886)	(410,191)	(8,716)	(593)	(253,108)	(35,481)	(9,188)	(22,319)	-	(1,480,482)
Net balances at June 30, 2020	915,336	622,972	11,144	1,726	68,156	2,279	9,795	5,325	114,161	1,750,894

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

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

## Notes to the financial statements

	Consolidated												
	Defined useful life											Undefined useful life	
	Exploration righ					Goodwill in acquisitions			Software	Other intangible assets	Goodwill in acquisitions		
	Tecon Santos	Tecon Imbituba	TCG Imbituba	Saboó (***)	Tecon Vila do Conde	Vehicle Terminal / TEV	Shares of Santos-Brasil S.A.	Pará Empreendimentos	TCG Imbituba	System data processing	Intangible in progress	Santos Brasil Logistics (*)	Total
Amortization rate (% p.a.)	5.3	4.7	4.6	-	7.4	4.2	3.1	6.3	4.4	20	-	-	
Net balances at January 1, 2019	847,880	622,688	11,960	-	17,356	235,736	71,884	2,536	11,037	650	3,120	39,465	1,864,312
Changes													
Acquisitions / Transfers	39,352	38,626	268	-	8,901	9,618	-	-	-	75	88,635	-	185,475
Reclassifications (**)	(1,153)	28	(1)	-	36,941	(554)	-	-	-	649	22,317	-	58,227
Amortizations	(37,889)	(46,277)	(912)	-	(2,777)	(15,225)	(2,486)	(171)	(828)	(283)	-	-	(106,848)
Net balances at December 31, 2019	848,190	615,065	11,315	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Balances at December 31, 2019													
Cost	1,604,227	1,001,328	19,566	-	103,659	360,253	321,264	37,760	18,983	32,202	114,072	47,576	3,660,890
Accumulated amortization	(756,037)	(386,263)	(8,251)	-	(43,238)	(130,678)	(251,866)	(35,395)	(8,774)	(31,111)	-	(8,111)	(1,659,724)
Net balances at December 31, 2019	848,190	615,065	11,315	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Amortization rate (% p.a.)	5.3	4.7	4.6		7.4	4.2	3.1	6.3	4.4	20	-	-	
Net balances at January 1, 2020	848,190	615,065	11,315	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Changes													
Acquisitions / Transfers	88,966	31,835	294	2,319	641	11,175	-	-	-	5,126	10,521	-	150,877
Write-off	(1,292)	-	-	-	-	-	-	-	-	-	-	-	(1,292)
Reclassifications	-	-	-	-	261	-	-	-	-	202	1,561	-	2,024
Amortizations	(20,528)	(23,928)	(465)	(593)	(2,466)	(7,961)	(1,242)	(86)	(414)	(248)	-	-	(57,931)
Net balances at June 30, 2020	915,336	622,972	11,144	1,726	58,857	232,789	68,156	2,279	9,795	6,171	126,154	39,465	2,094,844
Balances at June 30, 2020													
Cost	1,656,222	1,033,163	19,860	2,319	104,562	371,428	321,264	37,760	18,983	37,530	126,154	47,576	3,776,821
Accumulated amortization	(740,886)	(410,191)	(8,716)	(593)	(45,705)	(138,639)	(253,108)	(35,481)	(9,188)	(31,359)	-	(8,111)	(1,681,977)
Net balances at June 30, 2020	915,336	622,972	11,144	1,726	58,857	232,789	68,156	2,279	9,795	6,171	126,154	39,465	2,094,844

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

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

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



## Notes to the financial statements

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

### 13. LOANS AND FINANCING

	Interest	Restatements	Amortization	Parent company		Transaction currency
				06/30/2020	12/31/2019	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	77	115	R\$
NCE (a)	2.75% p.a.	CDI	Semi-annual	60,095	60,028	R\$
				60,172	60,143	
Total				60,172	60,143	
(-) Short term installments				(20,172)	(40,104)	
Long term installments				40,000	20,039	
	Interest	Restatements	Amortization	Consolidated		Transaction currency
				06/30/2020	12/31/2019	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	77	115	R\$
FINAME	TLP + 4.60% p.a.	UMSELIC	Monthly	1,704	2,011	R\$
NCE (a)	2.75% p.a.	CDI	Semi-annual	60,095	60,028	R\$
				61,876	62,154	
Foreign currency:						
FINIMP (*)	EURIBOR + 3.02% p.a.	Exchange-rate change	Semi-annual	19,044	15,771	€
				19,044	15,771	
Total				80,920	77,925	
(-) Short term installments				(25,734)	(44,387)	
Long term installments				55,186	33,538	

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

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

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

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

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

**Notes to the financial statements**

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Opening balance	60,143	205,347	77,925	227,395
Funding	-	-	-	-
Recognized interest and costs	1,325	9,291	1,780	9,828
Compound interest	405	2,920	405	3,243
Inflation adjustment and exchange rate change	-	2,176	5,183	2,581
(-) Debt amortization	(38)	(142,380)	(2,292)	(147,006)
(-) Interest paid <sup>(*)</sup>	(1,663)	(17,211)	(2,081)	(18,116)
Closing balance	60,172	60,143	80,920	77,925

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

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

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

	Consolidated 06/30/2020
Assets	
Cash and cash equivalents	351,962
Liabilities	
Loans and financing	80,920
Debentures	355,048
Leases	44,696
Net debt	128,702
EBITDA in the last 12 months	210,825
Net debt / EBITDA equal or less than 2.5 times	0.6

**Guarantees**

- Guarantees granted

	Maturity	Currency	Guarantees
FINAME	June 2021	R\$	Equipment object of transaction <sup>(a)</sup>

(a) According to Note 11.

Other loans and financing do not have guarantees.

- Obtained guarantees

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

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

**Notes to the financial statements**

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

	Consolidated				
	2021	2022	2023	2024	Total
NCE	20,000	20,000	-	-	40,000
FINAME	310	620	150	-	1,080
FINIMP	2,351	4,702	4,702	2,351	14,106
Total	22,661	25,322	4,852	2,351	55,186

**14. DEBENTURES**

	Interest	Restatements	Amortization	Parent company	
				06/30/2020	12/31/2019
Debentures	0.70% - 1.00% p.a.	CDI	Annual	298,850	299,985
(-) Short term installments				(3,094)	(4,645)
Long term installments				295,756	295,340

	Interest	Restatements	Amortization	Consolidated	
				06/30/2020	12/31/2019
Debentures	0.70% - 1.00% p.a.	CDI	Annual	298,850	299,985
Debentures	4.20% p.a.	IPCA	Semi-annual	56,198	58,486
				355,048	358,471
(-) Short term installments				(8,249)	(9,689)
Long term installments				346,799	348,782

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

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

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

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

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

## Notes to the financial statements

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	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Opening balance	299,985	-	358,471	-
Funding	-	300,000	-	360,000
(-) Funding cost	(15)	(5,228)	(317)	(7,234)
Net amount raised	299,970	294,772	358,154	352,766
Recognized interest and costs	5,390	13,885	6,703	14,086
Compound interest	1,687	-	1,687	-
Inflation adjustment over principal	-	-	339	291
(-) Debt amortization	-	-	(2,523)	-
(-) Interest paid <sup>(*)</sup>	(8,197)	(8,672)	(9,312)	(8,672)
Closing balance	298,850	299,985	355,048	358,471

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

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

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

	Consolidated 06/30/2020
Assets	
Cash and cash equivalents	351,962
Liabilities	
Loans and financing	80,920
Debentures	355,048
Leases	44,696
Net debt	128,702
Adjusted EBITDA (*)	138,700
Net debt / Adjusted EBITDA equal or less than 3.0 times	0.9

(\*) 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.

## Notes to the financial statements

### 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:

	Parent company	
	06/30/2020	12/31/2019
Labor provision (a)	19,737	16,124
Provision for the Accident Prevention Factor - FAP lawsuit (b)	8,828	9,554
Other proceedings (d)	3,795	3,486
Total	32,360	29,164

	Consolidated	
	06/30/2020	12/31/2019
Labor provision (a)	21,861	18,491
FAP provision for profit sharing (b)	11,331	12,026
Other proceedings (d)	7,273	6,976
Total	40,465	37,493

The amounts of court deposits were:

	Parent company	
	06/30/2020	12/31/2019
Related to contingencies:		
Labor proceedings (a)	4,589	4,365
FAP lawsuit (b)	5,701	5,639
CADE lawsuit - fine (c)	2,328	2,310
CADE lawsuit - billing bonded warehouses (c)	205,932	200,802
Other proceedings (d)	1,157	1,053
Other judicial deposits (e)	41,313	41,610
Subtotal	261,020	255,779
Related to supplier:		
SCPar Porto de Imbituba S.A. ("SCPar") (f)	15,083	15,083
OGMO - Labor Management Body (g)	7,415	3,908
Subtotal	22,498	18,991
Total	283,518	274,770

**Notes to the financial statements**

	Consolidated	
	06/30/2020	12/31/2019
Related to contingencies:		
Labor proceedings (a)	5,353	5,386
FAP lawsuit (b)	7,158	7,080
CADE lawsuit - fine (c)	2,328	2,310
CADE lawsuit - billing bonded warehouses (c)	205,932	200,802
Other proceedings (d)	1,157	1,053
Other judicial deposits (e)	48,072	48,779
Subtotal	270,000	265,410
Related to supplier:		
SCPar (f)	15,083	15,083
OGMO (g)	7,415	3,908
Subtotal	22,498	18,991
Total	292,498	284,401

- (a) Refer to liability lawsuits: (i) of the operating branch Tecon Santos, provisioned in the amount of R\$19,737, for which there are judicial deposits of R\$4,589 and 36 insurance policies guaranteeing the amount of R\$61,545; (ii) the subsidiary Santos Brasil Logisitics, with provisions in the amount of R\$1,972, for which there are judicial deposits of R\$716 and 1 insurance plan guaranteeing the amount of R\$190; and (iii) of subsidiary Tecon Vila do Conde, provisioned in the amount of R\$152, for which there are judicial deposits of R\$48 and 4 insurance policies guaranteeing the amount of R\$3,813.
- (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\$5,701, comprised of: (i) R\$1,364 - 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, common shares were claimed regarding the 2011 FAP of Santos Brasil Logistics and 2012 FAP of Santos Brasil Participações S.A., aiming at the suspension of requirement of credit by means of 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\$139,167 and R\$2,328, 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\$66,765 already deposited. Taxes levied on bonded warehouse billing, in the amount of R\$55,962 (R\$53,572 on December 31, 2019), are stated in non-current liabilities.

## Notes to the financial statements

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

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

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

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 4<sup>th</sup> Panel of the Federal Regional Court of the 3<sup>rd</sup> 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.

## Notes to the financial statements

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 contingencies recognized in the year 2015 through the issue of the above-mentioned decision.

- (d) The consolidated provision of R\$7,273 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\$1,371; (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\$1,025.
- (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\$1,508 and R\$9,558, respectively, the provisions for which were reversed; (ii) discussion about CPMF on loan transfer during the merger, amounting to R\$2,907; (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\$17,368; (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\$8,287. 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\$1,212; (ii) at the subsidiary Tecon Vila do Conde, relate to labor lawsuits amounting to R\$573, other deposits at tax and civil levels, of R\$1,578, and court-ordered blocked accounts of R\$7; and (iii) the subsidiary Numeral 80, relate to court-ordered blocked accounts of R\$6.
- (f) On November 26, 2012, the Delegation Agreement No. 01/2012 was concluded between the Federal Government and the State of Santa Catarina, by which the Federal Government has delegated the management and operation of the Port of Imbituba to SCPAR, a Special Purpose Company - SPE, from December 25, 2012. Companhia Docas de Imbituba S.A., former manager, filed a lawsuit against ANTAQ and the Federal Government, asking to maintain the effectiveness of its concession agreement until December 2016. The Company, in this situation, decided to make payments of its obligations related to its agreements of exploration in the Container Terminal and General Cargo Terminal at that port and proposed a consignment in payment suit for deposit in the amount of R\$23,774. In July 2014, the SCPAR - Port of Imbituba, through judicial approval raised the amount of R\$8,691. On December 31, 2017, these deposits totaled R\$15,083. The amount of R\$15,021 relating to such deposit is recognized in non-current liabilities, in line item "Trade payables". On August 27, 2018, the lawsuit was deemed valid, extinguishing the Company's obligation, and acknowledging SCPAR as creditor of the amounts deposited relating to the contractual period after December 25, 2013, and Companhia Docas de Imbituba as creditor of the amounts relating to the contractual period that preceded the termination of the concession. In view of the decision rendered, SCPAR and Companhia Docas de Imbituba filed motions for clarification. The motions filed by Companhia Docas de Imbituba were accepted, and the Contract termination date was corrected from December 25, 2013 to December 25, 2012. At present, the lawsuit is pending judgment of Appeal.



## 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 8<sup>th</sup> 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 June 30, 2020, these deposits represented the amount of R\$7,415.

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 period ended June 30, 2020 and year ended December 31, 2019 are shown in the tables below:

	Parent company				
	Balance at 12/31/2019	Additions	Payment of award	Other movements (*)	Balance at 06/30/2020
Labor provision	16,124	251	(2,523)	5,885	19,737
Provision for FAP	9,554	106	-	(832)	8,828
Other proceedings	3,486	-	(2,522)	2,831	3,795
Total	29,164	357	(5,045)	7,884	32,360

	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 06/30/2020
Labor provision	18,491	257	(4,483)	7,596	21,861
Provision for FAP	12,026	137	-	(832)	11,331
Other proceedings	6,976	-	(2,562)	2,859	7,273
Total	37,493	394	(7,045)	9,623	40,465

	Consolidated				
	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.

## Notes to the financial statements

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\$770,258, and in this case, no provision for loss was recorded in the interim financial information.

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

<u>Nature of the lawsuit</u>	<u>Balance at 12/31/2019</u>	<u>Additions</u>	<u>Other movements (*)</u>	<u>Balance at 06/30/2020</u>
Customs	15,169	-	3	15,172
Civil	39,418	22,595	450	62,463
Labor	77,600	11,073	(4,222)	84,451
Tax	441,871	21,302	136,531	599,704
Other	7,712	612	144	8,468
<b>Total</b>	<b>581,770</b>	<b>55,582</b>	<b>132,906</b>	<b>770,258</b>

(\*) 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 (1<sup>st</sup> Panel of Federal Tax Office in São Paulo-I, SP) decision of considering impugnation presented as partially proceeding, with reduction of applied ex-officio fine to 75%. This subpoena also informs that Federal Revenue Service filed a mandatory appeal related to fine reduction (from 150% to 75%).

The Company and its subsidiary Numeral 80 objected the voluntary appeals within the statutory term, and the appeal of the appeal of subsidiary Numeral 80, which by majority of votes by the judges of the 2<sup>nd</sup> Ordinary Panel of the 3<sup>rd</sup> Chamber of the 1<sup>st</sup> 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 2<sup>nd</sup> Ordinary Panel of the 3<sup>rd</sup> Chamber of the 1<sup>st</sup> Section 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 2<sup>nd</sup> Ordinary Panel of the 3<sup>rd</sup> Chamber of the 1<sup>st</sup> Section of CARF for analysis of arguments referring to impossibility of imputation of joint liability to the Company.

## Notes to the financial statements

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

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

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

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

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

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

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

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

## 16. OBLIGATIONS WITH THE CONCESSION GRANTOR

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

**Notes to the financial statements**

<u>Agreements</u>	Parent company					Book balance at 06/30/2020
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Lease:						
Tecon Santos	559,583	-	15,963	-	(21,242)	554,304
Tecon Imbituba	36,683	-	749	3,287	(1,900)	38,819
Saboó	-	1,980	389	-	(888)	1,481
	<u>596,266</u>	<u>1,980</u>	<u>17,101</u>	<u>3,287</u>	<u>(24,030)</u>	<u>594,604</u>
MMC:						
Tecon Imbituba	347,591	-	6,110	28,548	(1,986)	380,263
TCG Imbituba	5,783	-	107	293	(270)	5,913
Saboó	-	338	67	-	-	405
	<u>353,374</u>	<u>338</u>	<u>6,284</u>	<u>28,841</u>	<u>(2,256)</u>	<u>386,581</u>
Obligations with the Concession Grantor	<u>949,640</u>	<u>2,318</u>	<u>23,385</u>	<u>32,128</u>	<u>(26,286)</u>	<u>981,185</u>
(-) Short-term	(53,619)					(72,935)
Long-term	896,021					908,250

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

<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.

**Notes to the financial statements**

<u>Agreements</u>	Consolidated					Book balance at 06/30/2020
	Book balance at 12/31/2019	Additio ns	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Lease:						
Tecon Santos	559,583	-	15,963	-	(21,242)	554,304
Tecon Imbituba	36,683	-	749	3,287	(1,900)	38,819
Saboó	-	1,980	389	-	(888)	1,481
Tecon Vila do Conde	11,483	-	324	-	(615)	11,192
Vehicles Terminal/TEV	47,186	-	944	5,066	(2,327)	50,869
	<u>654,935</u>	<u>1,980</u>	<u>18,369</u>	<u>8,353</u>	<u>(26,972)</u>	<u>656,665</u>
MMC:						
Tecon Imbituba	347,591	-	6,110	28,548	(1,986)	380,263
TCG Imbituba	5,783	-	107	293	(270)	5,913
Saboó	-	338	67	-	-	405
Tecon Vila do Conde	10,651	-	318	641	(609)	11,001
Vehicles Terminal/TEV	57,026	-	1,141	6,109	(2,812)	61,464
	<u>421,051</u>	<u>338</u>	<u>7,743</u>	<u>35,591</u>	<u>(5,677)</u>	<u>459,046</u>
Obligations with the Concession Grantor	<u>1,075,986</u>	<u>2,318</u>	<u>26,112</u>	<u>43,944</u>	<u>(32,649)</u>	<u>1,115,711</u>
(-) Short-term	(60,139)					(80,338)
Long-term	1,015,847					1,035,373

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

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

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

**Notes to the financial statements**

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

	Parent company				
	2021	2022	2023	2024 - End of contract	Total
Tecon Santos	5,461	11,127	11,423	515,560	543,571
Tecon Imbituba	12,617	25,705	26,386	294,958	359,666
TCG Imbituba	187	383	395	4,048	5,013
	<u>18,265</u>	<u>37,215</u>	<u>38,204</u>	<u>814,566</u>	<u>908,250</u>

	Consolidated				
	2021	2022	2023	2024 - End of contract	Total
Tecon Santos	5,461	11,127	11,423	515,560	543,571
Tecon Imbituba	12,617	25,705	26,386	294,958	359,666
TCG Imbituba	187	383	395	4,048	5,013
Tecon Vila do Conde	616	1,275	1,334	17,774	20,999
Vehicles Terminal/TEV	3,157	6,430	6,596	89,941	106,124
	<u>22,038</u>	<u>44,920</u>	<u>46,134</u>	<u>922,281</u>	<u>1,035,373</u>

Validity period of contracts

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

Guarantee insurance

<u>Agreements</u>	Maturity
Tecon Santos	April 2020 - April 2021
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 June 30, 2020 and are updated annually in accordance with the lease agreements, the IGP-M / INPC:

**Notes to the financial statements**

	In reais - R\$		
	Cost by container handled	Cost by ton handled	Cost by vehicle handled
<u>Agreements</u>			
Tecon Santos (a)	41.55	-	-
Tecon Santos (b)	20.69	-	-
Tecon Imbituba (c)	104.65	-	-
TCG Imbituba (d)	-	3.16	-
TCG Imbituba (e)	-	6.99	-
TCG Imbituba (f)	-	4.21	-
Saboó (g)	-	2.10	-
Saboó (h)	-	-	10.48
Tecon Vila do Conde (i)	26.10	-	-
Tecon Vila do Conde (j)	5.22	-	-
Tecon Vila do Conde (k)	-	2.61	-
Vehicles Terminal/TEV (l)	-	-	20.66

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

(b) Amount due when the changes exceed MMC.

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

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

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

(f) Amount due by use of terrestrial infrastructure (yard) relating to cargo handling from unitization and non-unitization of containers.

(g) Amount per ton of pulp handled, as a variable lease (handling).

(h) Amount per vehicle handled, as a variable lease (handling).

(i) Amount due by full container and also when the MMC is not achieved, limited to the MMC.

(j) Amount due by empty container.

(k) Amount due per ton.

(l) Amount due by vehicle and also when the MMC is not achieved, limited to the MMC.

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

<u>Right-of-use (Asset)</u>	Parent company		
	Book balance at 12/31/2019	Additions / Write-offs	Book Balance at 06/30/2020
Santos Brasil Participações			
Property	-	320	(67)
Total assets	-	320	(67)

## Notes to the financial statements

<u>Right-of-use (Asset)</u>	Consolidated			Book Balance at 06/30/2020
	Book Balance at 12/31/2019	Additions / Write-offs	Depreciation	
Santos Brasil Participações				
Property	-	320	(67)	253
Santos Brasil Logistics				
Property	25,528	18,089	(3,255)	40,362
Tecon Vila do Conde				
Machinery and equipment	4,379	-	(1,752)	2,627
Total assets	29,907	18,409	(5,074)	43,242

<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>	Parent company					Book balance at 06/30/2020
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Santos Brasil Participações (I)	-	320	7	-	(71)	256
Total liabilities	-	320	7	-	(71)	256
(-) Short-term	-					(159)
Long-term	-					97

<u>Leases (Liability)</u>	Consolidated					Book balance at 06/30/2020
	Book balance at 12/31/2019	Additions	Recognized interest	Inflation adjustment / Renovation effects (*)	Payments	
Santos Brasil Participações (I)	-	320	7	-	(71)	256
Santos Brasil Logistics (II)	26,408	15,509	969	2,580	(3,772)	41,694
Tecon Vila do Conde (III)	4,497	-	124	-	(1,875)	2,746
Total liabilities	30,905	15,829	1,100	2,580	(5,718)	44,696
(-) Short-term	(8,830)					(8,775)
Long-term	22,075					35,921



**Notes to the financial statements**

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

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

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

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

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

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

In June 30, 2020, the balance of long-term had the following maturity structure:

	<u>Parent company</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 - End of contract</u>	<u>Total</u>
Santos Brasil Participações	97	-	-	-	97

	<u>Consolidated</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 - End of contract</u>	<u>Total</u>
Santos Brasil Participações	97	-	-	-	97
Santos Brasil Logistics	3,788	7,945	8,466	15,625	35,824
	3,885	7,945	8,466	15,625	35,921

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:

## Notes to the financial statements

	Parent company	
	06/30/2020	
Cash flow	Nominal	Adjustment to present value
Lease consideration	268	256
Potential PIS / COFINS (9.25%)	25	24

	Consolidated			
	06/30/2020		12/31/2019	
Cash flow	Nominal	Adjustment to present value	Nominal	Adjustment to present value
Lease consideration	53,498	44,696	35,428	30,905
Potential PIS / COFINS (9.25%)	4,949	4,134	3,277	2,859

### b) Operating lease

The Company and its subsidiary Vehicles Terminal/TEV also have rental contracts for administrative areas, with short-term maturities, which, in the period ended June 30, 2020, gave rise to expenses in the amount of R\$609 (R\$671 on June 30, 2019).

## 18. SHAREHOLDERS' EQUITY – PARENT COMPANY

### a) Capital

	Common shares	
	06/30/2020	12/31/2019
Existing at the beginning of the period	669,798,378	666,317,880
Stock options exercised during the period	-	3,480,498
Issued / authorized with no par value	669,798,378	669,798,378

Out of the total shares, 665,114,456 were outstanding on June 30, 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\$65,241 on June 30, 2020 (R\$63,909 on December 31, 2019) and share-based incentive plan: performance share in the amount of R\$3,467 (R\$2,916 on December 31, 2019) share matching in the amount of R\$798 (R\$553 on December 31, 2019) in compliance with the determinations of Technical Pronouncement CPC 10 - Share-based payments.

## Notes to the financial statements

- Other

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

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

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

Up to June 30, 2020, stock options were exercised, and the Company delivered shares which were under treasury, generating a result of R\$(1,545).

### c) Profit reserve

- Legal reserve

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

- Reserve for investment and expansion

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

- Repurchase of shares

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

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

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

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

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

In the period ended on June 30, 2020, 258,919 treasury shares were delivered, related to exercised options, generating a profit of R\$837.

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

## Notes to the financial statements

	Quantity of Common Shares	Amount	Market value (*)	Price		
				Weighted average	Minimum	Maximum
Original balance	6,138,745	19,844	33,824	3.23	2.90	3.70
(-) Delivered shares	(4,262,475)	(13,777)				
Current balance	1,876,270	6,067	10,338			

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

### d) Shareholders' compensation

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

### e) Equity evaluation adjustment

- Supplementary health care

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

## 19. OPERATING INCOME

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

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Gross revenue	311,374	343,762	523,934	570,944
Port Terminals	311,374	343,762	368,478	399,221
Port operations	146,418	179,516	181,926	215,637
Customs Warehousing	158,400	155,229	177,624	171,209
General Cargo	6,556	9,017	8,928	12,375
Logistics	-	-	132,209	136,726
Transportation	-	-	20,412	21,759
Customs Warehousing	-	-	91,305	92,726
Distribution Center	-	-	15,862	19,642
Logistics Terminals	-	-	4,630	2,599
Vehicles Terminal/TEV	-	-	23,247	34,997
Customs Warehousing	-	-	23,247	34,997
Deductions from revenue:				
Sales taxes	(35,619)	(38,031)	(66,324)	(70,697)
Other	(5,075)	(3,119)	(8,944)	(8,110)
Total	270,680	302,612	448,666	492,137

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

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Outsourced Labor	(10,759)	(14,184)	(10,960)	(14,356)
Rates - Companhias Docas	(4,003)	(27,316)	(6,115)	(28,456)
Electric power	(4,708)	(4,907)	(5,859)	(6,541)
Fuels and lubricants	(7,984)	(11,487)	(13,459)	(18,696)
Freight	(5,781)	(4,566)	(19,637)	(18,887)
Changes in vehicles	-	-	(6,650)	(9,852)
Other services and materials	(1,461)	(1,022)	(5,793)	(5,806)
Personnel expenses	(131,851)	(135,017)	(178,835)	(181,011)
Consulting, Advisory and Auditing	(11,411)	(10,196)	(12,331)	(10,970)
Other third-party services	(13,188)	(10,106)	(18,951)	(15,279)
Operational maintenance	(15,123)	(15,078)	(20,389)	(19,753)
Depreciation and amortization	(50,492)	(48,213)	(71,572)	(65,286)
Rents / condominium - operating areas	-	-	(3,239)	(3,158)
Commissions on sales of services	(9,425)	(12,345)	(40,930)	(41,583)
Provision for expected credit losses and bad debt losses	(8,926)	(5,583)	(8,971)	(6,163)
Other expenses	(9,631)	(9,368)	(25,931)	(25,737)
<b>Total</b>	<b>(284,743)</b>	<b>(309,388)</b>	<b>(449,622)</b>	<b>(471,534)</b>
Classified as:				
Cost of goods and/or services rendered	(224,705)	(248,736)	(348,791)	(372,300)
Sales expenses	(11,759)	(14,652)	(45,524)	(46,502)
Provision for expected credit losses and bad debt losses	(8,926)	(5,583)	(8,971)	(6,163)
General and administrative expenses and amortization of goodwill	(39,353)	(40,417)	(46,336)	(46,569)
<b>Total</b>	<b>(284,743)</b>	<b>(309,388)</b>	<b>(449,622)</b>	<b>(471,534)</b>

**21. OTHER OPERATING INCOME (EXPENSES)**

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Other operating income:				
Adjustment of advances for dredging fund	479	447	479	447
Judicial deposits adjustment	1,901	2,614	1,916	2,640
Restatement of credit recoverable - FUNDAF	-	-	13	201
Adjustment of court-ordered debt payments	-	-	72	140
Gain in the sale of assets	49	111	659	123
Income from non-identified deposits	262	515	553	865
Recovery of expenses	-	-	-	200
Recovery of electricity generation	349	378	356	378
Recovery of INSS - Payroll	139	-	139	-
Insurance reimbursement	3,772	138	3,772	138
Reimbursement of berth occupation	2,955	-	2,955	-
Other income	224	236	555	380
<b>Total</b>	<b>10,130</b>	<b>4,439</b>	<b>11,469</b>	<b>5,512</b>

**Notes to the financial statements**

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Other operating expenses:				
Gains and losses in the sale of assets	(1,293)	(49)	(1,455)	(52)
Restatement of provisions	212	385	182	330
Court-ordered debt payments	-	-	(57)	(112)
Other expenses	-	-	(5)	(7)
Total	<u>(1,081)</u>	<u>336</u>	<u>(1,335)</u>	<u>159</u>

**22. FINANCIAL INCOME (EXPENSES)**

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Financial income:				
Yield from financial investments	586	7,062	2,429	9,094
Monetary and foreign-exchange variations active	-	5,673	-	6,677
Fair value of the swap transaction	-	1,764	-	1,764
Restatement of taxes recoverable	373	578	397	578
Judicial deposits adjustment	71	16	76	54
Other income	211	327	396	497
Total	<u>1,241</u>	<u>15,420</u>	<u>3,298</u>	<u>18,664</u>
Financial expenses:				
Interest on debentures and loans	(6,715)	(9,974)	(8,483)	(10,100)
Monetary and foreign-exchange variations in liabilities	-	(6,121)	(5,522)	(6,811)
Fair value of the swap transaction	-	(653)	-	(653)
Tax on Financial Operations - IOF on administrative operations	(76)	(88)	(86)	(95)
Interest on obligations with the Concession Grantor	(23,385)	(23,290)	(26,112)	(26,099)
Interest on lease	(7)	-	(1,100)	(975)
Commissions and financial rates	(1,681)	-	(1,714)	-
Other expenses	(494)	(1,319)	(632)	(1,852)
Total	<u>(32,358)</u>	<u>(41,445)</u>	<u>(43,649)</u>	<u>(46,585)</u>

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

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

## Notes to the financial statements

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

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

### a) Stock option plan

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

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

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

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

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

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

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

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

On 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.

## Notes to the financial statements

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

Plans	Strike prices - R\$/shares (*)	Number of shares granted	Grace periods	Exercise terms	Option value - R\$/shares (*)	Number of exercised shares	Number of overdue / expired shares	Number of shares - balance
03/02/2016 - Program 2016	2.29	2,897,395			1.18	2,273,199	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	282,961	821,296	1,810,628
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		123,950	313,562	534,116
3rd Annual Lot		971,629	02/28/2021	02/28/2024		-	266,545	705,084
02/19/2019 - Program 2019	4.39	1,143,048			1.52	97,289	36,903	1,008,856
1st Annual Lot		381,016	02/19/2020	02/19/2023		97,289	36,903	246,824
2nd Annual Lot		381,016	02/19/2021	02/19/2024		-	-	381,016
3rd Annual Lot		381,016	02/19/2022	02/19/2025		-	-	381,016
Total options granted		13,565,139				4,133,362	4,274,206	5,157,571

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

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

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

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

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

As determined by Technical Pronouncement CPC 10, the Company and its subsidiaries recognized, to the extent services were provided in share-based payment transactions, the effect in the statement of income for the period ended June 30, 2020, in the amount of R\$1,464 (R\$1,019 on June 30, 2019).

In 2020, part of 2018 and 2019 programs were delivered and having withholding income tax in the amount of R\$132, both recorded in capital reserves.

Of options prevailing up to June 30, 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 0.76%.



## Notes to the financial statements

### 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	1,970,443			-	322,436	1,648,007

(\*) Original values on Stock Option Programs.

The Company recognized the effect in income (loss) for the period ended June 30, 2020, in the amount of R\$552 (R\$759 on June 30, 2019).

Of options prevailing up to June 30, 2020, options were not exercised and those that were not exercised, in case they were fully exercised under certain conditions provided in agreements, would represent a dilution of the interest of current shareholders by 0.25%.

- 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.

## Notes to the financial statements

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	-
02/19/2019 - Program 2019	523,485		4.11	-	-	523,485
- Annual Lot	523,485	3 years		-	-	523,485
Total shares granted	2,042,750			478,352	1,040,913	523,485

(\*) Original values on Stock Option Programs.

The Company recognized the effect on the profit or loss for the period ended June 30, 2020, in the amount of R\$244 (R\$198 on June 30, 2019), because there was the Contract for Adherence to such Program.

Up to June 30, 2020, there was the adherence of 468,200 shares, in case such adherence remain until the end of the grace period, from the adherence date, its dilution percentage would be 0.07% and those that did not adhere, if they fully adhere under certain conditions provided in agreements, would represent a dilution in the interest of current shareholders of 0.08%.

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

## 24. INCOME TAX AND SOCIAL CONTRIBUTION

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

IRPJ and CSLL reconciliation recognized in income is as follows:

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
(Loss) before taxation	(33,076)	(10,792)	(31,173)	(1,647)
Exclusion of equity in investees	(3,055)	(17,234)	-	-
(Loss) before adjusted taxation	(36,131)	(28,026)	(31,173)	(1,647)
I - Base value - IRPJ and CSLL:	12,296	9,541	10,611	572
Rates of 15% income tax and 9% social contribution	8,671	6,726	7,482	395
Additional rate of 10% income tax with deduction of R\$120	3,625	2,815	3,129	177
II - Effects of permanent additions and exclusions of expenses and income	(1,849)	(1,459)	(2,071)	(1,625)
Permanent additions:				
Variable remuneration of Executive Board	(292)	(530)	(292)	(530)
Stock option plan / Performance Share	(768)	(672)	(768)	(672)
Other	(831)	(650)	(1,053)	(816)
Permanent exclusions:				
Exercised options	42	393	42	393
Variable remuneration of Executive Board	-	-	-	-

**Notes to the financial statements**

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
III - Effects of tax incentives:	16	-	58	45
Tax incentives	16	-	58	45
IV - Effective rate:				
Adjusted IRPJ and CSLL (I + II + III)	10,463	8,082	8,598	(1,008)
Effective rate	(28.96)%	(28.84)%	(27.58)%	61.20%
V - Effects of deferred IRPJ and CSLL:	-	-	(13)	(7)
Non-recognition of tax losses and temporary differences (*)	-	-	(13)	(7)
VI - Extraordinary adjustments:	-	-	(25)	(48)
IRPJ and CSLL of the prior period	-	-	(25)	(48)
Effects of IRPJ and CSLL on profit figures (IV + V + VI)	10,463	8,082	8,560	(1,063)
Income and social contribution taxes - Current	(807)	-	(3,181)	(6,654)
Income and social contribution taxes - Deferred	11,270	8,082	11,741	5,591
Total	10,463	8,082	8,560	(1,063)

(\*) 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.

**b) Composition of deferred tax assets and liabilities**

<u>Assets (liabilities)</u>	Parent company					
	06/30/2020			12/31/2019		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and the negative social contribution base	18,602	7,081	25,683	18,894	7,147	26,041
Temporary differences:						
Provision for expected credit losses	3,566	1,284	4,850	3,232	1,163	4,395
Provision for contingencies	26,559	9,561	36,120	24,439	8,798	33,237
Amortization of goodwill	(17,039)	(6,134)	(23,173)	(17,350)	(6,246)	(23,596)
Depreciation	(39,362)	(14,170)	(53,532)	(40,025)	(14,409)	(54,434)
Loss for devaluation of assets	5,671	2,042	7,713	5,892	2,121	8,013
Obligations with the Concession Grantor	26,319	9,475	35,794	25,182	9,066	34,248
Other	14,128	5,221	19,349	9,905	3,725	13,630
Actuarial losses	7,125	2,563	9,688	7,125	2,563	9,688
Total	45,569	16,923	62,492	37,294	13,928	51,222
Assets	45,569	16,923	62,492	37,294	13,928	51,222

**Notes to the financial statements**

<u>Assets (liabilities)</u>	Consolidated					
	06/30/2020			12/31/2019		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and the negative social contribution base	31,196	11,615	42,811	31,803	11,794	43,597
Temporary differences:						
Provision for expected credit losses	3,863	1,391	5,254	3,584	1,290	4,874
Provision for contingencies	27,718	9,977	37,695	25,654	9,235	34,889
Amortization of goodwill	(26,905)	(9,686)	(36,591)	(27,216)	(9,798)	(37,014)
Depreciation	(45,329)	(16,318)	(61,647)	(46,028)	(16,570)	(62,598)
Loss for devaluation of assets	5,671	2,042	7,713	5,892	2,121	8,013
Obligations with the Concession Grantor	29,830	10,739	40,569	28,563	10,283	38,846
Other	16,428	6,050	22,478	11,581	4,329	15,910
Court-ordered debt payments receivable	(1,418)	(512)	(1,930)	(1,400)	(506)	(1,906)
Actuarial losses	9,212	3,316	12,528	9,212	3,316	12,528
Total	<u>50,266</u>	<u>18,614</u>	<u>68,880</u>	<u>41,645</u>	<u>15,494</u>	<u>57,139</u>
Assets	<u>55,578</u>	<u>20,526</u>	<u>76,104</u>	<u>47,893</u>	<u>17,744</u>	<u>65,637</u>
Liabilities	<u>(5,312)</u>	<u>(1,912)</u>	<u>(7,224)</u>	<u>(6,248)</u>	<u>(2,250)</u>	<u>(8,498)</u>

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

**25. EARNINGS PER SHARE****a) Basic earnings per share**

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

	<u>06/30/2020</u>	<u>06/30/2019</u>
	<u>Common</u>	<u>Common</u>
Loss for the period	(22,613)	(2,710)
Weighted average of shares	667,922,108	663,312,846
Basic earnings per share	(0.03386)	(0.00408)

**b) Diluted earnings per share**

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

	<u>06/30/2020</u>	<u>06/30/2019</u>
	<u>Common</u>	<u>Common</u>
Loss for the period	(22,613)	(2,710)
Weighted average of shares	667,922,108	663,312,846
Possible effects of share option subscription	4,099,143	6,047,884
Diluted earnings per share	(0.03365)	(0.00404)

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

## Notes to the financial statements

### 26. ACTUARIAL LIABILITIES - SUPPLEMENTARY HEALTH CARE PLAN

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

Actuarial calculations, carried out by independent actuary Ernst & Young Serviços Atuariais S/S, had the following basic assumptions in the period ended June 30, 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 Women: 62 years
Hypotheses for Retirement	100% at first eligibility
Stay in Retirement	40%

##### Other assumptions

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

Pursuant to the independent actuary's reports prepared which contain the sums of the projected expenses, the Company and its subsidiaries recorded proportional provisions for the period ended June 30, 2020 and year ended December 31, 2019:

	Parent company	
	06/30/2020	12/31/2019
Present value of the actuarial obligations	2,747	3,969
Calculated actuarial losses	52,291	48,322
Total net actuarial liability to be provisioned	55,038	52,291

**Notes to the financial statements**

	Consolidated	
	06/30/2020	12/31/2019
Present value of the actuarial obligations	3,899	5,031
Calculated actuarial losses	67,593	62,562
Total net actuarial liability to be provisioned	<u>71,492</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			
		06/30/2020		12/31/2019		06/30/2020		12/31/2019	
		Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Assets:									
Cash and balance in banks	-	4,672	4,672	2,550	2,550	14,636	14,636	5,991	5,991
		4,672	4,672	2,550	2,550	14,636	14,636	5,991	5,991
Measured at the amortized cost:									
Accounts receivable	2	90,351	90,351	81,352	81,352	129,430	129,430	120,432	120,432
Dividends receivable	2	-	-	3,632	3,632	-	-	-	-
Court-ordered debt payments receivable	2	-	-	-	-	5,677	5,677	5,605	5,605
		90,351	90,351	84,984	84,984	135,107	135,107	126,037	126,037
Fair value through profit or loss:									
Interest earning bank deposits	2	185,871	185,871	105,912	105,912	337,326	337,326	260,385	260,385
Other interest earning bank deposits	2	-	-	159,067	159,067	-	-	159,067	159,067
		185,871	185,871	264,979	264,979	337,326	337,326	419,452	419,452
Liabilities:									
Measured at the amortized cost:									
Loans and financing	2	60,172	60,595	60,143	60,603	80,920	81,344	77,925	78,386
Debentures	2	298,850	284,883	299,985	302,757	355,048	342,717	358,471	364,588
Suppliers	2	53,479	53,479	50,407	50,407	76,595	76,595	75,855	75,855
Dividends and interest on own capital payable	2	18	18	3,665	3,665	18	18	3,665	3,665
Obligations with the Concession Grantor	2	981,185	1,151,407	949,640	1,178,446	1,115,711	1,298,668	1,075,986	1,332,112
Court-ordered debt payments payable*	2	-	-	-	-	4,542	4,542	4,484	4,484
		1,393,704	1,550,382	1,363,840	1,595,878	1,632,834	1,803,884	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 is also analyzed.

##### b.1) Exchange risk and sensitivity analysis

Transactions linked to foreign currencies, US Dollar and Euro, which closed the period ended June 30, 2020 with an appreciation of US Dollar and Euro in relation to Brazilian Real by 35.9% and 35.8%, 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.

On June 30, 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 June 30, 2020 was appointed the base date. Scenarios II and III were estimated as an additional devaluation of 25% and 50%, for rates in the probable scenario. While scenarios IV and V have estimated additional devaluation of 25% and 50%, for the probable scenario rates.

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 liabilities:								
Loans and financing	€	6.15	19,044	-	4,761	9,522	(4,761)	(9,522)
Net debt			19,044	-	4,761	9,522	(4,761)	(9,522)

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



## Notes to the financial statements

### b.2) Interest exposure and sensitivity analysis

The Company manages this risk considering the floating and fixed rates. These agreements are exposed to the risk of fluctuations in interest rates due to the liability of the debt referenced operations in CDI. The balance of cash and cash equivalents, 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 earning bank deposits	CDI	2.15%	185,871	3,996	4,995	5,994	2,997	1,998
Financial liabilities:								
Loans and financing	CDI	2.15%	60,095	1,292	1,615	1,938	969	646
Debentures	CDI	2.15%	298,850	6,425	8,032	9,638	4,819	3,213
Obligations with the Concession Grantor	IGP-M	7.31%	973,386	71,155	88,943	106,732	53,366	35,577
Obligations with the Concession Grantor	INPC	2.35%	5,913	139	174	208	104	69
Net debt			1,152,373	75,015	93,769	112,522	56,261	37,507

Operation	Risk	Rate	Exposure	Consolidated				
				Probable scenario I	Scenario II (+) 25%	Scenario III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial assets:								
Interest earning bank deposits	CDI	2.15%	337,326	7,253	9,066	10,879	5,439	3,626
Financial liabilities:								
Loans and financing	CDI	2.15%	60,095	1,292	1,615	1,938	969	646
Debentures	CDI	2.15%	298,850	6,425	8,032	9,638	4,819	3,213
Debentures	IPCA	2.13%	56,198	1,197	1,496	1,796	898	599
Obligations with the Concession Grantor	IGP-M	7.31%	1,107,912	80,988	101,236	121,483	60,741	40,494
Obligations with the Concession Grantor	INPC	2.35%	5,913	139	174	208	104	69
Net debt			1,191,642	82,788	103,487	124,184	62,092	41,395

**Notes to the financial statements**

## c) Credit risk

The allowance for doubtful accounts as at June 30, 2020, was R\$15,453, representing 10.67% of the outstanding balance of accounts receivable. On December 31, 2019, this allowance was R\$14,334, equivalent to 10.64%.

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

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Assets:				
Cash and cash equivalents	190,543	108,462	351,962	266,376
Other interest earning bank deposits	-	159,067	-	159,067
Accounts receivable	90,351	81,352	129,430	120,432
Dividends receivable	-	3,632	-	-
Court-ordered debt payments receivable	-	-	5,677	5,605
Total	280,894	352,513	487,069	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.

	Parent company					
	Book balance at 06/30/2020	Payment flow				
		Expected flow	Up to 1 year	1–3 years	3–5 years	5–30 years
<u>Liabilities</u>						
Loans and financing	60,172	64,719	23,037	41,682	-	-
Debentures	298,850	366,392	9,719	89,916	159,640	107,117
Suppliers	53,479	53,479	38,458	15,021	-	-
Dividends and interest on own capital payable	18	18	18	-	-	-
Obligations with the Concession Grantor	981,185	1,699,084	119,501	162,339	162,339	1,254,905
Total	1,393,704	2,183,692	190,733	308,958	321,979	1,362,022

**Notes to the financial statements**

	Book balance at 06/30/2020	Consolidated				
		Expected flow	Up to 1 year	1-3 years	3-5 years	5-30 years
<b>Liabilities</b>						
Loans and financing	80,920	85,983	28,897	52,493	4,593	-
Debentures	355,048	454,441	17,255	105,071	174,961	157,154
Suppliers	76,595	76,595	61,574	15,021	-	-
Dividends and interest on own capital payable	18	18	18	-	-	-
Obligations with the Concession Grantor	1,115,711	1,880,476	132,222	187,779	187,779	1,372,696
Court-ordered dept. payments payable	4,542	4,542	-	4,542	-	-
<b>Total</b>	<b>1,632,834</b>	<b>2,502,055</b>	<b>239,966</b>	<b>364,906</b>	<b>367,333</b>	<b>1,529,850</b>

**e) Capital management**

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

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

	Parent company		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Total liabilities current and non-current	1,590,426	1,532,567	1,929,816	1,843,738
(-) Cash and cash equivalents and other investments	(190,543)	(267,529)	(351,962)	(425,443)
<b>Net debt</b>	<b>1,399,883</b>	<b>1,265,038</b>	<b>1,577,854</b>	<b>1,418,295</b>
 Total shareholders' equity	 1,324,975	 1,352,384	 1,324,975	 1,352,384
<b>Net debt-to-equity ratio liquid</b>	<b>1.05654</b>	<b>0.93541</b>	<b>1.19086</b>	<b>1.04874</b>

**28. NON-CASH EFFECTS**

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

	Parent company		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
(Increase) in intangible assets of obligations with the Concession Grantor	(34,446)	(38,694)	(46,262)	(48,312)
(Increase) in property, plant and equipment of lease	(320)	-	(18,409)	(28,412)
<b>Investment activities' transactions</b>	<b>(34,766)</b>	<b>(38,694)</b>	<b>(64,671)</b>	<b>(76,724)</b>

**Notes to the financial statements****29. INSURANCE COVERAGE**

In June 30, 2020, the following insurance policies were valid:

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

**Notes to the financial statements**

	Parent company and Consolidated		
	Coverage	Currency	Maturity
<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	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):			
Hull	100% FIPE table	R\$	October 2020
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

Vehicles Terminal/TEV

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\$

Institutional

Civil liability - Management and Directors	40,000	R\$	June/2021
Nominated Risks - Santos and São Paulo offices	4,392	R\$	April 2021

**30. CAPITAL COMMITMENT**

On June 30, 2020, there were requests (purchase orders) linked to the future acquisition of fixed asset items in the amount of R\$17,759 (R\$2,084 on December 31, 2019) which are not recorded in this quarterly information.

**31. OPERATING SEGMENTS**

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

Consolidated statement of income per operating segment -January - June 2020

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	369,281	136,840	23,247	-	(5,434)	523,934
Deductions from income	(46,965)	(25,232)	(3,573)	-	502	(75,268)
Net operating income	322,316	111,608	19,674	-	(4,932)	448,666
Cost of services rendered	(257,856)	(80,272)	(15,595)	-	4,932	(348,791)
Variable / fixed costs	(204,398)	(72,114)	(7,584)	-	4,932	(279,164)
Depreciation / amortization	(53,458)	(8,158)	(8,011)	-	-	(69,627)
Gross income	64,460	31,336	4,079	-	-	99,875
Operating expenses	(30,797)	(34,770)	(1,758)	(23,372)	-	(90,697)
Sales expenses	(21,330)	(31,780)	(1,375)	-	-	(54,485)
General and administrative expenses	(17,430)	(3,873)	(386)	(22,712)	-	(44,401)
Depreciation / amortization	(115)	(39)	-	(1,791)	-	(1,945)
Other	8,078	922	3	1,131	-	10,134
EBIT	33,663	(3,434)	2,321	(23,372)	-	9,178
Depreciation / amortization	53,573	8,197	8,011	1,791	-	71,572
EBITDA	87,236	4,763	10,332	(21,581)	-	80,750
Financial income (loss)	-	-	-	(40,351)	-	(40,351)
Equity in net income of subsidiaries	-	-	-	3,055	(3,055)	-
Income tax and social contribution	-	-	-	8,560	-	8,560
Net loss	N/A	N/A	N/A	N/A	N/A	(22,613)

**Notes to the financial statements**Consolidated statement of income per operating segment - January - June 2019

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	400,435	140,661	34,997	-	(5,150)	570,943
Deductions from income	(47,777)	(25,840)	(5,665)	-	476	(78,806)
Net operating income	352,658	114,821	29,332	-	(4,674)	492,137
Cost of services rendered	(278,913)	(79,430)	(18,631)	-	4,674	(372,300)
Variable / fixed costs	(231,484)	(71,117)	(10,976)	-	4,674	(308,903)
Depreciation / amortization	(47,429)	(8,313)	(7,655)	-	-	(63,397)
Gross income	73,745	35,391	10,701	-	-	119,837
Operating expenses	(38,595)	(33,134)	(1,740)	(20,094)	-	(93,563)
Sales expenses	(21,146)	(30,087)	(1,415)	-	-	(52,648)
General and administrative expenses	(21,024)	(3,766)	(340)	(19,567)	-	(44,697)
Depreciation / amortization	(61)	(36)	-	(1,792)	-	(1,889)
Other	3,636	755	15	1,265	-	5,671
EBIT	35,150	2,257	8,961	(20,094)	-	26,274
Depreciation / amortization	47,490	8,349	7,655	1,792	-	65,286
EBITDA	82,640	10,606	16,616	(18,302)	-	91,560
Financial income (loss)	-	-	-	(27,921)	-	(27,921)
Equity in net income of subsidiaries	-	-	-	17,234	(17,234)	-
Income tax and social contribution	-	-	-	(1,063)	-	(1,063)
Net loss	N/A	N/A	N/A	N/A	N/A	(2,710)

In June 30, 2020, income from a client of the Port Terminal segment represent approximately R\$53,683 (R\$67,258 on June 30, 2019), representing 14.5% of total consolidated gross revenue.

Consolidated statement of capital invested per operating segment - June 30, 2020

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Invested capital</u>						
Current assets	141,494	29,145	7,533	361,740	(3,111)	536,801
Cash and cash equivalents	-	-	-	351,962	-	351,962
Other	141,494	29,145	7,533	9,778	(3,111)	184,839
Non-current assets	2,093,097	173,407	233,529	608,705	(390,748)	2,717,990
Other	285,790	6,675	27	103,496	-	395,988
Investment	-	-	-	390,748	(390,748)	-
Property, plant and equipment	65,420	126,792	713	34,233	-	227,158
Intangible assets	1,741,887	39,940	232,789	80,228	-	2,094,844
Current liabilities	(98,487)	(33,899)	(2,865)	(5,441)	3,110	(137,582)
Suppliers	(43,905)	(17,399)	(2,055)	(166)	1,951	(61,574)
Other	(54,582)	(16,500)	(810)	(5,275)	1,159	(76,008)
Non-current liabilities	(103,979)	(7,240)	(116)	(13,014)	-	(124,349)
Suppliers	(15,021)	-	-	-	-	(15,021)
Provision to tax, labor, civil risks	(32,997)	(7,240)	(116)	(112)	-	(40,465)
Other	(55,961)	-	-	(12,902)	-	(68,863)
Total	2,032,125	161,413	238,081	951,990	(390,749)	2,992,860

**Notes to the financial statements**

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Capital sources</u>						
Current liabilities	-	-	-	-	-	123,114
Loans and financing	-	-	-	-	-	33,983
Dividends / Interest on own capital payable	-	-	-	-	-	18
Obligations with the Concession Grantor	-	-	-	-	-	80,338
Leases	-	-	-	-	-	8,775
Non-current liabilities	-	-	-	-	-	1,544,771
Loans and financing	-	-	-	-	-	401,985
Obligations with the Concession Grantor	-	-	-	-	-	1,035,373
Leases	-	-	-	-	-	35,921
Actuarial liability	-	-	-	-	-	71,492
Shareholders' equity	-	-	-	-	-	1,324,975
Shareholders' equity	-	-	-	-	-	1,349,298
Actuarial liability	-	-	-	-	-	(24,323)
Total	N/A	N/A	N/A	N/A	N/A	2,992,860

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
Leases	-	-	-	-	-	8,830
Non-current liabilities	-	-	-	-	-	1,487,835
Loans and financing	-	-	-	-	-	382,320
Obligations with the Concession Grantor	-	-	-	-	-	1,015,847



**Notes to the financial statements**

Accounts	Port Terminals	Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
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 June 30, 2020.

<b>BREAKDOWN OF EQUITY CAPITAL OF LEGAL ENTITIES (COMPANY SHAREHOLDERS), UP TO THE LEVEL OF INDIVIDUAL.</b>				
<b>Corporate name: SANTOS BRASIL PARTICIPAÇÕES S.A.</b>			<b>(In unit - Shares)</b>	
<b>Shareholder</b>	<b>Common shares</b>		<b>Total shares</b>	
	<b>Quantity</b>	<b>%</b>	<b>Quantity</b>	<b>%</b>
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
DYNAMO ADMINISTRAÇÃO DE RECURSOS LTDA	34,243,900	5.11	34,243,900	5.11
RICHARD KLIEN	32,526,674	4.86	32,526,674	4.86
RK EXCLUSIVE FIA	8,604,625	1.28	8,604,625	1.28
Treasury shares	1,876,270	0.28	1,876,270	0.28
Other	244,267,284	36.47	244,267,284	36.47
<b>Total</b>	<b>669,798,378</b>	<b>100.00</b>	<b>669,798,378</b>	<b>100.00</b>

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

<b>CONSOLIDATED SHAREHOLDING POSITION OF THE CONTROLLING SHAREHOLDERS AND DIRECTORS AND OFFICERS AND SHARES IN CIRCULATION</b>				
<b>Shareholder</b>	<b>Number of common shares (In units)</b>	<b>%</b>	<b>Total number of shares (In units)</b>	<b>%</b>
<b>Controlling shareholders</b>	-	-	-	-
<b>Directors</b>				
Board of Directors	305,924	0.05	305,924	0.05
Executive board	2,501,728	0.37	2,501,728	0.37
<b>Tax Council</b>	-	-	-	-
<b>Treasury shares</b>	<b>1,876,270</b>	<b>0.28</b>	<b>1,876,270</b>	<b>0.28</b>
<b>Other shareholders</b>	<b>665,114,456</b>	<b>99.30</b>	<b>665,114,456</b>	<b>99.30</b>
<b>Total</b>	<b>669,798,378</b>	<b>100.00</b>	<b>669,798,378</b>	<b>100.00</b>
<b>Shares in circulation</b>	<b>665,114,456</b>	<b>99.30</b>	<b>665,114,456</b>	<b>99.30</b>

- 3) We inform that, on June 30, 2020, the number of outstanding shares was 665,114.456, 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 June 30, 2020, which comprise the balance sheet as of June 30, 2020 and related statements of income, of comprehensive income for the three and six-month periods then ended, of changes in shareholders' equity and of cash flows for the six-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 six-month period ended June 30, 2020, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to review procedures carried out jointly with the audit of Company's quarterly information to form a conclusion whether these statements are reconciled with interim financial information and book records, as applicable, and whether their forms and contents are in accordance with criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any other event that make us believe that these statements of added value were not prepared, in all material respects, in accordance with individual and consolidated interim financial information taken as a whole.

São Paulo, August 05, 2020

KPMG Auditores Independentes  
CRC 2SP014428/O-6

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

**Opinions and Statements / Tax Council opinion or equivalent body**

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

São Paulo, August 05, 2020.

Gilberto Braga  
President of the Tax Council

Leonardo Guimarães Pinto  
Tax Council Member

Luis Fernando Moran de Oliveira  
Tax Council Member

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

Pursuant to the provisions contained in Article 25, 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 Rua 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, August 05, 2020.

Antonio Carlos Duarte Sepúlveda

Chief Executive Officer and Chief Operating Officer

Daniel Pedreira Dorea

Economic-Financial Director of Finances and Relations with Investors

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

In compliance with the provisions of Article 25, sub-item V, of CVM Instruction No. 480 of December 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 Rua 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, August 05, 2020.

Antonio Carlos Duarte Sepúlveda  
Chief Executive Officer and Chief Operating Officer

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