**Lucas Barbosa, Santander:**

Good morning. Thank you for taking my question. I would like to talk about the Seminovos, the used cars. So when we look at Localiza, a recurring drop of 280 bps and the recurring margin EBITDA, I believe that many aspects explain the drop in margins. Some are explained in the press release, a higher number of fleets and sale and provisioning because of a higher dilution of SG&A, and even preparing a higher volume of cars in the 2Q that affected the cost, but has not affected the revenue yet.

So my question is, can you give us some more flavor in order of magnitude for this quarter and then in the next quarter? If we do not see any changes in the used car prices, should we expect a recovery in the EBITDA margin of the used cars? That is my first question.

**Rodrigo Tavares:**

Thanks, Lucas. You mentioned most of the effects already when we look at it quarter-over-quarter. So in fact, we do have an impact. When you look at this quarter-over-quarter, you can see an impact of 2.6 points to the margin. And actually, the preparation is valid in this case. And we had a high volume of preparation in that 2Q. So the cars have higher mileage, so we are spending more in getting these cars ready. And afterwards, they will be sold. In addition, we had an effect of approximately 0.5 p.p. in maintenance, so in third-party services.

For SG&A, you can see that there is an effect of 0.7 points in G&A. So how can we explain that? There is a part of that SG&A in after sales. But mainly, the reason is because we are getting ready for a new volume in the renewal of the combined Company. So the volume sold in this quarter was relatively small based on what we expect for the quarter.

In the 2H, in the 3Q, we will see two effects taking place together. The first one is, in fact, we do have a used car market that is a bit more challenging, but at the same time, that higher volume will enable us to dilute the fixed costs even more that we have from the stores. So about the margin, the dynamic of those two effects will determine the margin going forward.

**Nora Lanari:**

Lucas, I would like to add. I would like to stress the fact that, by receiving more cars, we prepare to decommission the older cars in the fleet with a higher mileage, and that will affect the cost, but that mismatch of what we have decommissioned now and what we will sell in the quarter. So I am very confident that we will speed up the fleet renewal, improve the backlog and speed up RAC and fleet.

**Lucas Barbosa:**

Thank you, Nora and Rodrigo, for the question. Second question is the R$23 million, R$24 million in expenses in the mobility ecosystem, how relevant were those expenses in the previous quarters? And are there any expenses of those R$23 million or R$24 million that will be nonrecurring in that, such as software, or anything else that is one-off that you won't carry going forward? Or should we imagine that those expenses in the next quarters will be approximately R$23 million, R$24 million?

**Rodrigo Tavares:**

Lucas, those expenses in the other quarters were much lower. But as we had mentioned before, there are many different initiatives that we have, and we believe that are very important, and they are focusing on being customer-centric. So at the end of the day, we are looking at investments in the order of 2% of our profit before taxes.

In our strategy, when we think of the growth avenues in the long term, when we think about the investments of the 2% will bring in the future.

So that said, all the investment is rigorously allocated in terms of capital, also understanding the feasibility of these tests, speeding up the initiatives that seem more promising and slowing down the initiatives that we believe that will not bring back results.

So for the upcoming quarters, we should continue with investments in the initiatives that we believe will truly add value to the future.

**Nora Lanari:**

Lucas, I would like to add. Obviously, that you have the setup effect of that initiative such as consulting. But we do have many initiatives that are in different stages of maturity. So as we gain scale and grow those initiatives, those costs will definitely be diluted given the effect of growth that should take place.

That said, these are mid- and long-term initiatives. And we can handle that according to our discipline of capital allocation.

**Lucas Barbosa:**

Clear. Thank you very much, Nora and Rodrigo. Have a great day.

**Lucas Marquiori, BTG:**

Thank you. Good morning. Two questions from my side. First of all, I am curious about the RAC rates dynamics. So quarter-over-quarter, Rodrigo mentioned in his presentation that there is still an effect of transferring the rate for the long-term products. So 2H22, can you tell us about how people are receiving the rate increases for leisure we see the competition, focusing on prices and even given that your fleet is more expensive, would you think of increasing rates as well? Can you talk about RAC and all of that the mix? That is the first one.

And the second one is more about strategy since everyone is present here. Can you mention the priorities of the combined company? There is a lot on the table now, the integration and new initiatives, new segments, new product lines, maybe even internationalization. So could you help us understand how you would be allocating time, capital of the Company, any strategic objectives in the very short-term integration? And then what comes next and then maybe expand it to new initiatives, so we can understand the prioritization of the human capital in the Company. That is what I have.

**Nora Lanari:**

Lucas, thank you for your question. I think it is worth noting that in the 1Q, we have an important effect of seasonality. We have summer vacation. We go into the 2Q with some additional price transfers in the longer duration segments, but our pricing considers 3 components: The willingness to pay from our customers; the return that we demand; and obviously, the competitive environment. And we believe that being in this position now that we are receiving cars again, we can price considering those levers.

When we look at the utilization rate, it grows in the 2Q vis-a-vis the first. So we see a very robust, resilient demand in certain segments that we have awaiting line. That means that we expect growth in RAC. So normal seasonality was mitigated given the transfer in the longer segments at the end of the 1Q, beginning of the 2Q.

Second point is that the average rates aren't necessarily comparable because it depends on numerous criteria, but they are affected by the fleet mix, higher or lower concentration in premium cars and segment mix, such as individuals and longer duration segments.

**Rodrigo Tavares:**

Just to add, of course, we still have a price dynamics, but our needs to increase rates is much lower than our competitors. In addition, we also have all potential synergies to create value. So in a context with more availability of cars and better mix, we will try to understand the best way to move forward with the increase in rates and take advantage of the market at the moment.

**Bruno Lasansky:**

Thank you, Lucas, for your question. And now, talking a little bit about priorities, I would like to list three of them that we have in this context. First, certainly, it is to maintain external focus, or in other words, keep high performance of the business, look at the clients, of course, taking care of our employees, our people, in this scenario where we see this very competitive dynamics and fleet. So our first focus is certainly to maintain our high performance.

Second is to lead planning and execution of our integration with 3 major elements. One is the actual the investments that we are looking at during this process and the actual integration between Unidas and Localiza in the next few quarters. So these are certainly our major goals to maintain high business performance as we have been doing and also integration. And there is a third point here, which is to effectively create the plan for the combined companies to access full information, and we will only have this information as of July 1.

So we are still deepening our view in the medium and long term to actually create the strategic plan and at the right time, communicate this to the market in terms of our priority.

The positive side is that we now find a company with a double scale, even more solid scale with great potential to capture these financial and operational synergies, and also from the strategic standpoint, a very robust products portfolio to delight customers even further and grow where there with a very robust capital structure in a scenario with better and more availability of the fleet. So this is a bit of our scenario.

And finally, I would like to mention that we also have the double talent pool due to these high-performance teams from both companies. And I would also like to mention the high level of engagement from both companies, we are among the top 10% in terms of engagement, which allows us to have a very well-connected team with everything that is going on to capture all these opportunities.

**Lucas Marquiori:**

Thank you for the answers.

**Bruno Amorim, Goldman Sachs:**

Good morning. I would like to talk a little bit about the view in the next 3 to 5 years, to hear this from senior management from both companies. In the pre-pandemic scenario, we had very strong growth from the major players in the industry with consolidation, especially in the RAC market. We saw price incentives with a capital cost drop, we saw Uber coming in as a business line.

So I would like to hear from you what you think your perspectives from now on, of course, in the very short term, you also have the lower supply issue. But for the medium and long term, 3 to 5 years, imagining that the car supply will not be an issue any longer, what do you think will be the main contributors for growth? Do you think you can gain share an Uber from the drivers that already rent vehicles?

Can we increase the spaces in RAC? Can we gain more market share or market share that is still not in the hands of the major players? Are you looking at this segment, the fleet segment is less consolidated than RAC, do you see any reason for not having convergence and the greater market share that we see in RAC. Of course, Localiza, and Unidas have similar initiatives, this is a growth avenue. So I would like to hear from you what you believe this next cycle will look like. I would like to hear your view.

And just a last question, in the last cycle between 2016 and 2019, we saw a very strong drop in interest rates that allowed the industry to accommodate with lower returns. And now we see this sea of cars with a much higher level of prices after the pandemic. And looking at Selic low single digits again, I would like to hear if you believe this might be a headwind moving forward?

**Bruno Lasansky:**

Thank you, Bruno, for your question. I would like to start by saying that we do understand that there is a great potential for growth in three major blocks. We see our businesses consolidating in Fleet Management and Car Rental with a great potential for growth.

I would like to mention the example in third-party fleets. Approximately 8 of every 10 cars of companies that have more than 10 cars are in their statements. So we still have a great market. And I would also like to say that production, or the number of signed contracts in the last quarter, and now with the combined company is at a record high. So we see a market with more than 20 years of, at least, for Localiza was launched in 1999, but with a great growth potential and for car rentals also, when we think about penetration for car rental products for short term, for leisure, as well as everything that has to do with flexible monthly rentals for individuals.

So this is the first vector. And we also need to unfold and to discover this market and at the same time, bring in more convenience, more ease and closeness to the client.

And I would also like to mention that there are groups of segments with a very large addressable market. And our products are more recent. And I would like to highlight two of them. On the one side, we have Zarp Localiza, which is the most complete solution in the market for app drivers. We have more than 600,000 drivers, and we believe that there is still a lot of room to grow in addition to the subscription vehicles with small and medium companies, these are 3.2 million cars with small and medium companies and only 0.5% are subscription.

So we see that, once again, we have a huge market to be explored. And we are very excited. Rodrigo mentioned this with the combined Localiza with very relevant values for new subscriptions with a very high NPS. And there is a third group connected to these new initiatives, we have a solutions platform that is very complete. And as I mentioned, the Company management and Board are looking at the strategic plan, but we have telemetry solutions, solutions that Unidas is bringing into the new company that are also being assessed so that we can communicate this to the market.

And I would also like to say that, of course, all of this makes us very optimistic in terms of continue to grow. But there is a particular in the scenario. As Rodrigo mentioned, there is a return of availability of fleets with better availability for us to actually grow and to renew our fleet. And there is a competitive position that is even more set apart for the Company because we have greater scale, we have a leverage level, as I mentioned, that will allow us to take that course.

And we have an opportunity to capture different synergies to continue managing ROIC and spread with the elements in mind. First, the client's willingness to pay for our solutions; second, our needs, or our goal to continue generating spreads and EVAs for our shareholders; and the competitive dynamics.

So we understand that we are coming in very well prepared leveraging an even greater scale and an even better competitive position to capture this new cycle with the medium term in mind, as you mentioned.

**Bruno Amorim:**

Thank you so much.

**Pedro Bruno, XP:**

Good morning. Thank you for the opportunity. I would like to ask if you could please talk a little bit more in detail about the new initiatives in the mobility ecosystem you mentioned. This impacts the three business divisions according to your disclosures in the release. If the math is correct, around R$24 million in this quarter. So we want to understand if the stages of these investments are already mature, or if we could look at this type of investment impacting more or less the results in the next quarters, considering the whole strategic contracts you have already mentioned?

And lastly, are there any different ways? How will these investments, specifically in the mobility segment you mentioned, impact each of the three divisions, given what you mentioned about the impact for each of the three divisions?

**Rodrigo Tavares:**

Thanks, Pedro. Conceptually speaking, most of these initiatives are on the fleet side. So most of the impacts or almost all of the impacts of these newest initiatives will affect the operational results in the Fleet Management's division. But in Seminovos, there is still an even lower share at Rent a Car. And so these initiatives are mostly concentrated within Fleet Management.

Most of these initiatives are also still in their early stages, and feel a little bit more mature than others, but we are constantly looking at the possibility of accelerating or discontinue or halt these initiatives thinking about value creation in the long-term and the customer centricity.

We are also going to continue investing. As I mentioned, our view is the long-term view with these initiatives, but with discipline to generate to create value, which is inherent to Localiza's management. So this will be our guiding light.

**Nora Lanari:**

Pedro, if I could add just taking a step back, I think it is worth talking about the criteria for these initiatives. We need to think that larger markets with a very specific client pain, we need to be competent. We have the competency to be leaders in this market, and we need to present competitive advantage for that.

And lastly, we need to reinforce our core. So we believe that there will be a combined effect on the platform with these new initiatives. We are at the early stages. There might be some negative impact on the results. But this has been happening for a while, and the core needs to be able to fund these new initiatives. So we are certain that we have had some acquiring back in March 2020, so we have been gaining capabilities to grow, thinking on the Localiza’s side.

When we talk about Unidas, we also see telemetry that really strengthens the platform. So at the end of the day, we want our customer at the center of all of our decisions and an end-to-end view to have a sustainable ecosystem. But these will still impact results in the next quarters and will calibrate the amount of resources that will be required according to each delivery and results they will bring us.

Of course, targets and goals are different. We have a core business and the new fronts with different levels of profitability. And of course, volumes, conversion, et cetera, will be more demanded at first.

**Rodrigo Tavares:**

In the short term.

**Pedro Bruno:**

Perfect. Thank you very much.

**Filipe Nielsen, Citi:**

Good afternoon. Thank you for taking my question. Actually, I have a couple on my side, one more specific and the other one is more conceptual. First one, very specific, I would like to know how much of the margin impact was given from the PIS/COFINS tax credit?

And the second question is more generic. I would like to know to what extent do you believe that the discounts from rental companies, given now that you are a bigger company, a company that has higher scale, but on the other hand, we may see the car makers a little more resistant in giving the same discounts that they gave in the past. I would like to know to what extent would we see discounts of new cars being lower compared to historical levels? I will start off with the two, and I might ask a third one.

**Rodrigo Tavares:**

Thank you, Filipe. First of all, about the PIS/COFINS tax credits, when you see them in the balance sheet in the 1Q and 2Q, you will see that the credit lowered. So we did not have any additional opinions in the first or 2Q. We actually had a higher debit of PIS/COFINS than the credit. That means that we have a lower amount in the balance sheet in the taxes recoverable when you compare it to the other balance sheet.

So I can say that in the 1Q or the 2Q, we did not have any recurring impact of additional reports. Obviously, the expedited depreciation increase the recurring PIS/COFINS taxes there.

About the car dynamic in a more comprehensive manner, the improvements began in May. In June, we saw very strong volume of car deliveries, but with a more premium mix. In July and August, in addition to a stronger volume, we see a car mix that is more suitable for the demand with more mainstream cars, economic cars and less premiums, so more appealing even. So up to the 1H year, we see a gradual recovery of volume. And as of the 3Q, the volume not only goes up but we also have a positive impact in terms of mix.

In terms of our relationship with the carmakers, I believe we are very good. Relating to the combined company, we have long-term partnerships. We do not have an expectation of having worser terms because the scale that we provide could, in fact, contribute for us to maintain the competitive advantages that we have built in the past.

**Luiz Fernando Porto:**

To add to that, Rodrigo, about the PIS/COFINS credit, Rodrigo, you mentioned something interesting for Localiza and Unidas. It is pretty much the same thing. We had reported in the 4Q, and we did not benefit from any additional credits in the first and 2Q, quite on the contrary. You have a backlog where you could have an additional credit, but we do not have that.

**Filipe Nielsen:**

Perfect. I have a third question, more encompassing as well. You mentioned that you have a huge appetite for growth in many different fronts, considering what you mentioned about future expectations. I would like to understand because we see a Localiza fleet that has to be renewed that you already said that you will begin renewing stronger now in the upcoming quarters, lower leverage.

But now together with Unidas, leverage will go up a little, the fleet age might drop. So I would like to understand how you see these two companies together going forward, how you see that balance between fleet renewal, fleet growth to service these new markets, and leverage going forward, 1, 2 years from now? How do you see that?

**Rodrigo Tavares:**

First of all, let me take a step back. The first immediate benefit that we see is streamlining the purchase plan. What does that mean? When you take the backlog for both companies in fleet and their purchase plan for both companies, you have a better match, because I had cars in my backlog where Unidas has more availability and vice-versa.

So going forward, in terms of the purchase plan, we can expect speeding up revenues and a gradual reduction of the backlog. So you will probably see stronger growth here given this backlog being streamlined with the plan.

In terms of renewal, we will start to renew our fleet when it is more favorable. So I am talking about a moment where production is getting back to normal, I have higher availability of cars with a better mix, a more favorable mix, there is still signs of challenge and competitive dynamic in direct sales, where some players are even decreasing growth at this time.

So we are going to start to renew our fleet the best time possible, when it is available. When we can streamline the mix of both.

When you look at the leverage, at 2.5x combined, it is good. In addition, we have a significant trend of funds that will come from the 49,000 cars that we are selling. So that will strengthen our cash flow and enable us to renew the fleet under favorable conditions with a strong balance sheet.

By speeding up the used cars and renewal, which did not happen in the first, 2Qs last year, also increases the dividend mass that comes from the Seminovos division, given those cars that will be sold at that time. So you will see a growing EBITDA coming from the Seminovos division, and that will enable us to grow without increasing our leverage too much.

**Nora Lanari:**

Filipe, I would like to add a mismatch of what is being bought and sold. As Rodrigo mentioned, up to June, we are buying a car mix that is still more premium, we will see the entry level as of July, but we are selling cars with higher mileage. So it is worth noting that the CAPEX of renewal is excessively high. And we believe that as we buy again, the entry-level cars and manage that fleet, the CAPEX should go down, and that will enable the Company to go back to growing the fleet with relevant cash flow generation.

**Rodrigo Tavares:**

And actually, I did not add to the previous answer from Bruno. When you look at the purchase plan for the combined companies, we no longer see at least in the short term and based on the information that we have any fleet restriction for growth in renewal.

**Filipe Nielsen:**

Perfect. Thank you very much, everyone. What is the target for leverage in all of that dynamics?

**Rodrigo Tavares:**

We do not determine that. We monitor it constantly, the benefit of leverage versus the return that we have in associated risk. Obviously, within higher interest rates, that level would be lower. But we are still far from that. So we constantly monitor that.

**Regis Cardoso, Credit Suisse:**

Thank you. Good afternoon. There are two topics that I want to touch on. One is that you completed the merger. Are you planning on formally announcing the strategic plan of the combined company to the market? A vision about synergies? And if you are not planning on doing that, what can you mention? What can you talk about now, about what investors should expect of any changes or any news with the combined company? You mentioned in the beginning in the call that you had excess to information that both companies were able to unite pursuing synergies. So that is the first one.

The second one is mainly about rates, prices. Rodrigo mentioned earlier that Localiza does not have the same needs to transfer prices. I would like to get a deeper understanding in that. Because as you renew the fleet, obviously, you will have more capital invested per vehicle because new vehicles have higher prices than the book value of the current ones. So if you want to maintain your ROIC, increasing your rates is practically inevitable. It is just math.

On the other hand, it is also true that Localiza currently has a spread ROIC KD that is much higher than you used to in the past. So it seems to me that the ROIC KD will drop anyways, given the effect of not only invested capital, but also the increase of the average cost of debt and the decrease of the margin of the Seminovos division. So my doubt is, as you renew the fleet, you would also have to transfer the prices to maintain the same levels of return. Those two questions. That is what I have. Thank you.

**Bruno Lasansky:**

Thank you, Regis. I will start off with the second question. In fact, the way we think about pricing, and I mentioned the three levers, so customer's willingness to pay, our objective in ROIC spread in generating value for shareholders, and the competitive dynamic that in the short, medium and long term. We could, as we have done in the past, have bigger or smaller appetite, depending on the competitive dynamic.

In terms of capital allocation, which is very disciplined in the Company, is thinking of the replenishment ROIC. And in that sense, you definitely have a price lever. But I would like to talk about 5 levers that we use when we consider that dynamic because, definitely, we have the interest rate and depreciation for that new fleet that is coming in that has a higher invested capital and higher potential for depreciation than what we see in the balance sheet today.

So what are we thinking? First of all, we are talking about price increase like-for-like, we monitor that all the time. And we still have room to work on that. And the other lever, we can also increase additional revenues where you have in each of the rentals offering more value to customers based on some products that could increase the average ticket, and we can't forget that we can combine the best practices in both companies in that sense.

The second lever is allocating capital in the different areas. And then, for strategic reasons, we can allocate and place in segments with higher profitability or that we are pursuing and still pay attention to the mid- and long-term risks when you decide to leave certain segments. So capital allocation at a time where you have a higher cost of capital, we are even more disciplined in that case, and we are able to work on what we mentioned.

The third is definitely efficiency and productivity. So based on the initiatives that are more mature now, such as delinquency and theft and robberies, we see that in some cities like Sao Paulo, there is still levels of attention or high, but there is occupancy and attempts to prevent accidents because the entire fleet is connected and so on. And then, we also have to remember that we have an opportunity to capture synergies as a result of the business combination, and that will contribute as well.

So we balance out all those elements to pursue the replenishment ROIC, with the expectation of return that is strategic to the Company. And once again, I would like to remind you that, based on the union of the two companies, we will have a competitive position in all levers that is more advanced, be it fleet depreciation or other aspects.

About your first question, yes, we are organizing ourselves to inform the market in the 4Q, during the Investor Day. And like I mentioned, we just opened up the screen for both companies, and we are going through that process. Obviously, for reasons of competitive regulation, we did not have the break down the details of each company's figures, but what we see is very good.

We are very excited with what we are seeing in terms of opportunities for operating and financial synergies for the Company in the main areas that we have already mentioned to the market and the depreciation in both sides, the purchase and the sale, variable costs, operating costs, G&A, cost of debt and also the tax aspects. That is our perspective at this time, and we will offer more robust information. We are not planning on giving an estimate of synergies. We do not give guidance, but we like what we are seeing. We like what we see now that we see the breakdown.

**Regis Cardoso:**

Thank you, Bruno.

**Guilherme Mendes, JPMorgan:**

Thank you. Good afternoon. So I have two questions about two specific segments. First is on the heavy-duty. It is a segment that Unidas was very robust until some time ago and then started reporting separately. So I would like to understand the strategy in this segment, now thinking about the consolidated, the combined company, when you are thinking about rentals of trucks and machinery, if this is going to be a relevant segment.

And with Localiza Meoo thinking about a potential deadline for this segment, could you mention the ramp-up for the product? We know we have had a lot of information on this, but can you tell us if you have been able to assess the evolution of the implementation of this product that started a few years ago? And what do you see today and the potential for this business in this short term? So these are my two questions. Thank you.

**Bruno Lasansky:**

Thank you very much for your question. As for the heavy-duty vehicles, one of the benefits we see now is that we have access to all of the different aspects of the different businesses, be them more consolidated or new initiatives. Unidas has already a great track record for this, and we are looking at all aspects of the business, be it the competitive advantages that we have and could expand or the ROIC and spread we could leverage or the NPS of the business.

So we are really looking at the full portfolio of the combined company to continue with our great disciplined focus to allocate capital and decide which initiatives will be accelerated, which will just be looked at more carefully and which ones will be discontinued to release capital to those we believe have more capital generation potential. So in that sense, we are not still ready to provide a definition on this. But of course, everything is being very deeply and thoroughly assessed.

As for Localiza Meoo, our theory has been confirmed. We see an acceleration for the product with value creation and an engagement level from the clients measured through NPS. It is very high, which motivates us, which drives us to have the leading platform. And now with the combination of the 2 companies, we will have a product with an addressable market that is very great with an attractive ROIC in spread and with clear competitive advantages that will be expanded in the merger scenario.

So when we look at the 2Q in contracts, we see an acceleration. And as Rodrigo said, as we accelerate revenue and fleet acquisition, we expect that this will also be translated into rented fleet as of 3Q.

**Rodrigo Tavares:**

Just an additional point here is that we see the competitivity of the product of Meoo compared to other substitutes. Something that happened when we look at the market from scratch, we see retraction of funding of financing. It used to be 2/3 of financed cars. Now it is only 35%. So most of this flow came in to try the subscription cars because once the car belongs to Localiza, we are able to attract, to monitor and control default very efficiently, and this is what we have seen in practice.

So even if we see in the market that it is retracting, this might be an opportunity for solutions that can be very competitive for the customer in terms of product, in terms of experience and in terms of convenience.

**Guilherme Mendes:**

Very clear, Bruno and Rodrigo. Thank you very much.

**Anku Agarwal, HSBC (via webcast):**

Are the challenges in the supply chain less relevant for premium cars? As you mentioned, will the mix in this quarter be even stronger for these more premium cars due to the stronger CAPEX?

**Nora Lanari:**

Yes. I would like to reinforce that since the beginning of the pandemic, with the restrictions, the OEMs prioritize the higher value-added cars. But what we see is the beginning of production acceleration for this mix going back to normal levels, and we expect to see this in the 2H.

**Ankur Agarwal:**

Can you talk about the one-off costs that impacted the margins on fleet for this quarter?

**Nora Lanari:**

We have one-off costs, definitely. And these are costs related to the business combination costs. We have had R$12 million as costs for the merger and acquisitions. The other costs mentioned are cost for new initiatives. These are not one-off costs. We have been investing in new initiatives because we believe this will reinforce, this will strengthen the core business of the Company with the growth potential and increase engagement and frequency with our customers.

**Ankur Agarwal:**

In the medium term, how do you see the greater exposure to Fleet Management segment might impact margins and returns on invested capital?

**Rodrigo Tavares:**

As Nora said, in the 1H, but especially in the 2Q, we had more premium cars purchased. We have always been very strict in terms of acquisition of these cars because there is less flexibility than a popular car. Popular cars can be used in the ridesharing segment, in the monthly segment or the daily rental replacements with insurance companies, while premium cars are not as flexible.

With that, when we look at the 2H, and the purchase plan from the combined company, it is a much heavier mix in terms of the economy cars. So looking at the overall mix for Localiza, what we can say is that accelerating renewal of the premium car fleet, we will almost reach the pre-pandemic levels in terms of the average age of the premium cars, not the 1.0 cars.

But now with a better mix in the 2H, we will accelerate renewal of the 1.0 cars, the economy cars that will provide benefits for the customers, increase the capital base, and this will be offset by the initiatives Bruno mentioned, either to improve efficiency or synergies or extra products that we might sell and eventually rate increases.

**Alejandro Demichellis, Nau Securities (via webcast):**

Could you inform a range of synergies you see for the enlarged company and the timeline for capturing these synergies?

**Bruno Lasansky:**

Thank you, Alejandro. As for the synergy levels, we have this in the disclosure of our main categories, but not guidance in terms of values. But I would like to talk a little bit about the timing. I mentioned that, in August, we have a very important landmark, which is the beginning of the separate operations of the assets that will be decommissioned, and we expect to close this operation with the new buyer throughout 4Q.

In parallel, we are also planning and executing execution to accelerate after we actually deliver the assets to the new buyer. And that is why we expect a more specific deadline starting 2023. And all the quick wins will have quicker captures. But as I mentioned, our focus is high performance of the business. This implies growth with value creation and client focus with this very robust integration process.

**Thiago Duarte (via webcast):**

Congratulations for the business combination. My question is about this. In the transaction with Ouro Verde, only cars were sold? Is the Unidas brand going to continue with Localiza? If possible, could you give us more detail with the CADE agreement? Is there any way, a new player that will retain the Unidas brand in case it is sold?

**Rodrigo Tavares:**

Thank you, Thiago. This is divestment package includes an operational company with the Unidas brand on all its divisions. So we are talking about an alienated package for Brookfield Ouro Verde, 49 thousand vehicles alongside a large set of agencies, Seminovos stores and the right to use of all of the brands that made up Unidas before.

**Rodrigo Faria, SulAmérica:**

Good afternoon. I would like to congratulate you for this deal. I wish you great success. And I have some very quick questions on the operational side. I would like to know if you have any updates on the possibility of recognizing the use of PIS/COFINS to acquire fleet and about the credit lines from you needed that you have the funds who were able to use this benefit, but several others due to regulatory issues could not.

And I believe that not all individuals were able to access this benefit. So could you let us know if there is any update on this and how much this amount actually shrunk for the net debt settlement?

**Rodrigo Tavares:**

Thank you. Your first question, we are assessing. We are looking into the reports from the PIS/COFINS credit lines and to believe what is the most appropriate useful life for a specific segment. So this is our ongoing. This is being assessed, and we will only be applying this once the reports are officially issued, and we are sure that we can use the credits to acquire fleet.

**Nora Lanari:**

Could you please repeat the second question?

**Rodrigo Faria:**

About the credit lines, the Unidas ones, who would ask for loans or capital loans. Because due to regulatory issues, many individuals were not able to access this credit line, and I believe that not everyone actually used this benefit. So I would like to know from you, how much this will represent in terms of debt for the Company? And how much this might have shrunk, and how many people actually took advantage of this right?

**Rodrigo Tavares:**

It was a matter there that was clear. It was approved twice by the shareholders' meeting because of the payment and when you incorporate shares, you have capital gain. And then we have to balance out a proposal that would make sense. As you well said, not all individuals accepted that.

And about the funds, we are always going to comply with the decisions, and that was authorized, not all funds took the loan, and we are talking about R$1.6 billion. And once again, that does not affect our debt. We are talking about the short term. And you have a credit, it is a loan that we are giving. But the total that we are making available is R$1.6 billion.

**Nora Lanari:**

Rodrigo means it does not affect the debt. It will affect the cost of carryover at the rate of 3.5%.

**Victor Mizusaki, Bradesco:**

Good afternoon. I have a couple of questions. The first one, you mentioned about the fleet renewal, that you practically concluded the renewal of the more premium fleet. Looking forward, when we see the car production going back to normal and carmakers delivering more in direct sales, do you think that for the other models you can consider the average age 7, 8 months is a historical one in 1, 2 years that Localiza had, is that what you are going to consider?

And the second one about RAC depreciation in the release and its 30% quarter-over-quarter. But when we look at the average fleet value, the average fleet value grew less than RAC. My doubt is, in terms of depreciation, if you went back to depreciating the cars within a higher average age, because in the Seminovos division, you had a higher cost for preparation. And so it is probably explained by that scenario.

**Rodrigo Tavares:**

Thank you, Victor. The first answer, well, the first period that you mentioned from 1 to 2 years, let's think of throughout 2023 and renewing. We have the option of optionality. So we learned how to operate the fleet with an extended life. So we can consider opportunities of mix and conditions. So it is up to us to decide. We see a good opportunity with a higher availability and a more favorable mix. But in 2023, that renewal should speed up.

The other point is that it also depends a lot on the Seminovos division. We need to see the balance of supply and demand so we do not put more pressure on the system and that eventually you would have to give more discounts in the used cars. So we balance out all those variables in our decision for renewal.

About depreciation, now the older cars did not depreciate again. So the cost of preparation at this time up to April, May, where you still had a strong demand and a strong distance from the retail price to wholesale price, it would make sense to spend more in preparing a car that would be for wholesale would be for retail instead. So that was a decision that we made based on the market conditions. And the situation of demand has been more challenging, and we have to assess that.

But in depreciation, it usually comes from depreciation of new cars and the old ones continue with a very low book value, without a need for additional depreciation.

**Nora Lanari:**

And as we were saying, the changes in the result, the Company does not really depend on the Seminovos division result that ROIC spread of 11 p.p. is something you are looking in the rearview mirror with the thinking of the replenishment cost of the cars that are going to coming in and see few dependence of Seminovos in that cycle. And we need operating results that would cover higher depreciation, higher financial result even without growing.

So the Company will start to grow, dilute the fixed cost and have a dilution of synergies. So we trust these results based on that fleet.

**Victor Mizusaki:**

Great. Thank you.

**Heloísa Cruz, Stoxos (via webcast):**

Good morning. Could you please discuss car acquisition, how much has already been confirmed with automakers? In the 3Q, do we already see the lower average ages? Is there an expectation of going back to under 12 months? And how long?

**Nora Lanari:**

We just answered something very similar to that, but I wanted to make sure we answered Heloísa's question. So we do see a stronger movement in purchases in the 2H, better management on the mix side and conditions. So we are starting to talk about growth.

Obviously, we started to see that in the 2Q, but mobilization costs impacted the results of the quarter. Revenue did not come in, and we will see that in the 3Q. There is an expectation of lowering the average age. It will be done gradually. But as new cars come into these, average age will start to drop and then we will have the maintenance aspects.

With that, we close our earnings call. I would like to hand over to Bruno for his final remarks.

**Bruno Lasansky:**

Once again, I would like to thank everyone for your presence and special thank you to Luís Fernando, Carlos Sarkis, Marco and everyone from Unidas. We are really excited to start this journey together.

I would also like to thank everyone for your presence, and our Investor Relations team is at your disposal for any further clarification. Have a great afternoon.