



SIMPAR S.A.

Publicly Held Company with Authorized Capital
Corporate Taxpayer's ID (CNPJ/ME): 07.415.333/0001-20
Company Registry (NIRE): 35.300.323.416

MATERIAL FACT

SIMPAR S.A. ("SIMPAR" or "Company"), in compliance with the provisions of paragraph 4 of article 157 of Law No. 6,404/76 and CVM Instruction No. 358/02, hereby informs its shareholders and the market in general, that is evaluating the opportunity to submit a proposal to integrate the businesses of CS Brasil Frotas Ltda. ("CS Frotas") to its subsidiary Movida Participações S.A. ("Potential Operation" and "Movida", respectively).

About CS Frotas

CS Frotas is an independent entity, directly controlled by CS Brasil Participações e Locações S.A. (which has other activities) and indirectly by the Company. CS Frotas is focused on the leasing of light vehicles without drivers ("GTF Leves") for state-owned or mixed capital companies. The lease agreements signed with their customers have a duration between 12 to 60 months, which at the end of 2020 encompassed 17.3 thousand vehicles, of which 14.5 thousand already implemented. CS Frotas has operational bases in 22 states with 3,895 partner workshops. In the last 9 months ended in September 30, 2020, CS Frotas had a Net Revenue from Rentals of R\$ 214.1 million, 1,595 vehicles sold, EBITDA of approximately R\$ 151 million and ROIC above 11%, with the largest share (41%) of its fleet allocated to the public utility sector (energy and sanitation), composed of mixed-capital companies.

CS Frotas has been occupying a prominent position in its segment, mainly through electronic bids, which represented around 91% of the disputed bids. CS Frotas won 55% of the bids in terms of the fleet disputed in 2020 and renewed 83% of its contract base, in addition to having 2,909 vehicles to be implemented, based on bids won in 2021.

About Movida

Movida is a car rental company that generated R\$ 1,646 million in Net Revenue from Rentals, with a fleet of over 118 thousand vehicles, 190 car rental stores and 67 stores to sell pre-owned cars, offering innovative urban mobility solutions for all types of needs. It was the first public-traded car rental company in the world to receive the B Company Certification, being part of a select group of companies whose business model is socio-environmental developer. In Brazil, it was the first to have a program like Carbon Free, which neutralizes the CO2 bases of its rental customers, and already has electric cars for rental.

Strategic Rationale

The Potential Operation will consolidate into Movida, all SIMPAR's group GTF light vehicles activity. It is expected that, with this, Movida (i) will show an important growth in the net revenue of its GTF Light operation (considering the net revenues of both companies, Movida's Light GTF revenue would have a growth of around 57%); and (ii) it will be able to act without restrictions on the customer's profile, with a better positioning in order to face its competitors in Brazil that are already acting in this way.

The Company understands that the transaction is in line with the growth and value creation agenda for its direct shareholders and its subsidiaries, via several financial and operational synergies, including:

- i. Increased scale, bargaining power and competitiveness
- ii. Dilution of fixed costs including synergies of affiliated workshops, operational bases and administrative expenses
- iii. Greater predictability of revenue due to the increase in long-term light vehicles GTF contracts
- iv. Diversification of the customer base; and
- v. Increased investment capacity of the combined company

Transaction Governance

SIMPAR, as the controlling shareholder of Movida, informs that the decision on the approval of the Potential Transaction, if proposed, **after the appreciation of the independent Board of Directors' members of SIMPAR and Movida, it will be submitted to the minority shareholders of Movida for its final decision. This conduct is in line with the SIMPAR Group's commitment to the highest standards of corporate governance.**

SIMPAR also clarifies that up to the present date there is no definition of the general conditions for its realization (including structure, price and date) nor any guarantee that the Potential Transaction will be proposed or concluded. However, it anticipates that it has engaged a financial institution to carry out an economic-financial assessment for the transaction.

The Company will keep its shareholders and the market in general informed of any new developments regarding the matter.

São Paulo, February 4, 2021.

Denys Marc Ferrez

Executive Vice-President of Corporate Finance
and Investor Relations Officer

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