Simpar S.A.
Individual and consolidated financial statements at December 31, 2021 and independent auditor's report

Contents

Management Report 2021

Value Generation with Growth and Profitability
All-Time High Net Income reaching BRL 1.3 billion in 2021, 155% higher year-on-year

	Net Income	EBITDA	Net Revenue from Services
4Q21	BRL367 mn +70.6% YoY	BRL1.3 bn (All-time high) +89.3% YoY	BRL3.3 bn (All-time high) +58.1% YoY
2021	BRL1.3 bn (All-time high) +154.5% YoY	BRL4.2 bn (All-time high) +80.6% YoY	BRL11.0 bn (All-time high) +58.4% YoY

Acquisitions in 2021 – Additional Net Revenue from Services

BRL 3.9 bn	BRL 0.7 bn	BRL 3.2 bn
Total	in 2021	to capture in 2022 / 2023

Net Revenue from Services Growth

+58.4%	47.9%	10.5%
Total	Organic	Acquisitions

Net Capex	Net Debt/EBITDA²	ROIC	ROE
BRL 8.8 bn	3.4x	13.2%	29.4%
+307% YoY	3.5x 4Q20	+5.7 p.p. YoY	+10.8 p.p. YoY

Notes: (1) Margin as a percentage of the Net Revenue from Services; (2) Following the methodology included in the covenants of the executed issues, leverage disregards impairment effects and includes the EBITDA LTM of the acquired companies

HIGHLIGHTS 2021

- **Net Income of BRL 1.3 billion,** 155% higher than 2020, **the best result in our history**;
- **58% increase in Net Revenue from Services**, with **organic growth of 48%**. We are focused on core services in the real economy, which ensure solid demand, resilience, and growth;
- **Eleven acquisitions** in twelve months, expanding the diversification of the business and adding People aligned to our Culture and Values. The acquired companies will add another **BRL 3.2 billion** to the Net Revenue from Services;
- **Merger** of **CS Frotas** into Movida and of **CS Infra (Ciclus)** into SIMPAR, delegated to the respective **minority shareholders** and approved **unanimously** in line with the highest standards of corporate governance;
- **Net CAPEX of BRL 8.8 billion,** 3.1x higher than in 2020, mostly directed to the expansion of the rented fleet. The 2021 result does not reflect the new level of investments made in recent quarters;
- **Reduction of leverage to 3.4x** compared to 3.5x at the end of 2020, reinforcing our commitment to the gradual deleveraging of the Company year-on-year, even as we accelerated the level of investments in assets and acquisitions in 2021;
- **More than BRL 21 billion raised** in the local and international fixed income markets, as well as in the stock market, with **Vamos' IPO and follow on** promoting a profound change in our debt profile. SIMPAR's **average net debt maturity increased to 8 years** compared to 4.3 years in 2020, allowing for continued accelerated growth with profitability and financial discipline;
- **S&P Global Ratings changed SIMPAR's corporate credit outlook from stable to positive,** on a global and country scale, and reaffirmed our BB- and brAA+ ratings, highlighting the group's increased scale and diversification, improved profitability, and commitment with deleveraging; If the rating upgrade materialize, SIMPAR will join the select group of companies with ratings above Brazil's sovereign rating;
- **SIMPAR joined the Corporate Sustainability Index (ISE B3)** and stood out in the sustainability indexes Corporate Sustainability Assessment (CSA) - highest score of the sector among Brazilian companies - and Carbon Disclosure Project (CDP), with a score above the transportation and logistics sector in the world.

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Message From The Management

We are very happy with the results we achieved in 2021: **the best result in the history of SIMPAR and of our companies!** This is a special moment that reflects the transformational movement started by the company a few years ago and that was led by **our People** - **our great differential** - ending the year with **operational and financial records for the year**.

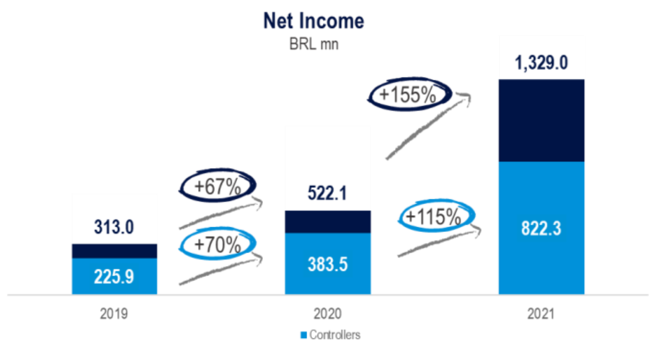
With great discipline, we have, over the past few years, defined the pillars of development and, with determination, we have executed our strategic planning creating a unique business ecosystem that, quarter after quarter, has been materializing more strongly, as can be seen in the transformation and in the results of each of our companies and **SIMPAR** in 2021.

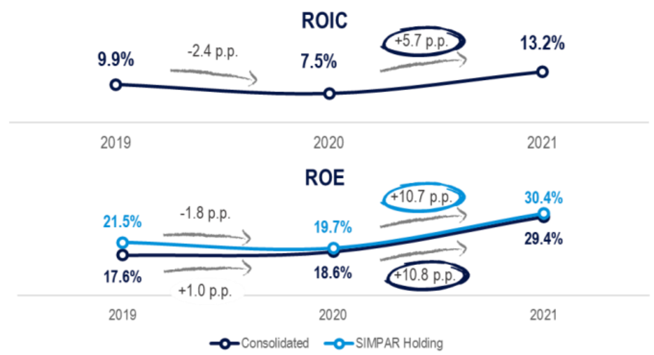
In 2021, we further expanded the diversification of our business into sectors of the real economy with revenue resilience and reduced level of replacement. Thus, we strengthen our management model with independent companies and complementary activities, contributing to the sustainable growth of our entire ecosystem, generating value for our clients, employees, suppliers, shareholders, and all those who directly and indirectly relate to us.

SIMPAR is a business group that distinguishes itself by the quality and commitment of our **People** - who have complementary profiles and experiences aligned by a strong Culture and solid values. Our companies have a **unique management model, solid capital structure**, and **multiple avenues for growth**, essentially linked to the increase in productivity of several economic sectors in Brazil. With these characteristics, we have in SIMPAR the necessary and relevant strategic differentials for the development of the group and its companies even in the face of economic, social, and environmental challenges.

These factors were crucial for us to be able to close the year 2021 with **excellent result improvement,** supported by **pillars developed over our 65 years** and consisting of businesses that are present in essential sectors of the economy, capable of enabling new cycles of future development.

As a result of our work and as a demonstration of our focus on **value creation through growth with profitability,** we present below the evolution of net income and profitability:





2021 Net Income
BRL mn

JSL	Movida	Vamos	CS Brasil	Original	BBC
272.5	819.4	402.4	69,7	38.1	6.2
+565.2%	+250.8%	+124.6%	+1.6%	+337.9%	-10.1%
2021 vs. 2020	2021 vs. 2020	2021 vs. 2020	2021 vs. 2020	2021 vs. 2020	2021 vs. 2020

We closely monitor our subsidiaries' execution of strategies, while contributing to their development and **independent performance,** with **agility** and excellence in **execution** and focus on the **quality of** the services provided to our **clients**. We enable our subsidiaries to take **reference, leadership, and central role** in each of the sectors in which they operate.

In line with the discipline in execution of our strategic planning, SIMPAR has contributed to its companies to **accelerate their plan to develop and grow with profitability**. We diversify companies with businesses in the real economy, a low level of replacement, high resilience, and great growth potential. This year, we made **11 acquisitions** that **will add more than BRL 3.2 billion** to SIMPAR's Net Revenue, **expanding our service portfolio, as well as our scale, capillarity, and diversification in sectors, clients, and contracts.** I would like to highlight the quality of the acquisitions, which are increasingly strategic for their financial and operational aspects, and especially **because they add competent and experienced people who are aligned with our Culture and Values**.

At **JSL** **(JSLG3)**, the **three acquisitions completed** in 2021 (Rodomeu, TPC and Marvel) expanded our service portfolio in the compressed gases, healthcare, telecommunications, and frozen and refrigerated cargo segments. Additionally, we have identified **synergies** with the acquired companies resulting in the **generation of additional value**, mainly in the reduction of financial cost, purchase of inputs and cross-selling.

In addition to growth through acquisitions, JSL has been evolving organically. In total, in 2021, **BRL 4.1 billion was invested in new contracts with** an average term of 42 months, paving the way for future **growth** with the **loyalty** of fair and sustainable commercial relationships. In the fourth quarter of 2021, the company showed organic growth of 18% (without acquisitions) and 23% for the five acquired companies over the same period of the previous year.

In 2021, JSL maintained **healthy operating margins**, even in the face of the significant increase in inflation and pressure on input costs - a factor that negatively impacted various sectors of the economy - which demonstrates our commitment to process optimization, cost reduction, and negotiating capacity.

Movida **(MOVI3)** has reached a new level of growth and profitability, supported by a structural transformation and adherence to new consumer habits. Movida expanded its fleet by **58% vs. 2020** - a **growth above the market average** - reaching **187,000 cars,** a portfolio that reflects a new fleet profile, higher average ticket, and greater presence of more complete cars and SUVs. The Company has further strengthened its performance in light fleet management and outsourcing through the **merger of CS Frotas**, a process delegated to **its minority shareholders** and **unanimously approved**, in line with the highest standards of corporate governance. In addition, Movida acquired **Vox Frotas and Marbor**, complementary to its portfolio of contracts and clients in the segment.

With a focus on execution and ability to adapt fast and effectively, Movida remains prepared for the challenging scenario of inflationary pressures and supply restrictions in the automotive industry, with a smart pricing strategy, being more efficient in asset turnover and utilization, and investing in technological innovation, with total focus on clients.

Vamos **(VAMO3)** shows a real transformation in size that is reflected in its development potential. The company continues determined in its plan to develop the rental market for trucks, machinery, and equipment in the country. In early 2021, it **went public (IPO)**, as **SIMPAR's third subsidiary listed on B3,** with a **follow on** in September, **totaling BRL 2 billion of primary funding** for growth, ensuring the appropriate capital structure for business expansion in a market still underdeveloped, which represents a unique opportunity and at an early stage of expansion in Brazil.

With a solid commercial and technological structure to continue gaining scale while maintaining the quality of the services provided, the **Vamos' rented fleet reached 26,481 assets** and the **future contracted revenue** (backlog) evolved to **BRL 6.9 billion -** a **122% increase** over December 2020 - ensuring strong growth in the future.

In the Dealership segment, Vamos has promoted a **transformation in size,** with net revenue **growth of 146%** compared to 2020. Vamos is strategically positioned in the Midwest, Brazil's agribusiness fastest growing and developing region. In 2021, we completed the **acquisitions of Monarca, BMB and HM Empilhadeiras**, which respectively: (i) strengthen our agricultural machinery and implements dealership business; (ii) position Vamos strategically in truck customization; and (iii) transform Vamos into the largest intralogistics equipment rental platform in the country.

SIMPAR continues to **develop its unlisted companies**, defining the strategic planning and clear goals for each of them, which rely on independent managers, "Business Owners," aligned with the Group's objectives, prioritizing growth, profitability and sustainability.

SIMPAR strengthened its position in concessions with the **merger of CS Infra**, a holding company that will consolidate all the Group's concessions and allow the Group to operate in solid waste management and recovery through its wholly-owned subsidiary Ciclus. Once again, the merger process counted with the **unanimous approval of the minority shareholders**. The controlling shareholder voted with the minority shareholders in a clear demonstration of the best governance practices and respect to shareholders.

CS Infra expands our capacity to move towards a low-carbon economy and the plan to **concentrate SIMPAR's concessions on infrastructure services**, represented by Ciclus, and port terminals of Aratu (BA), Transcerrados Highway (PI) and BRT Sorocaba (SP), strengthening the long-term concessions platform.

At CS Brasil, we remain focused on providing services of excellence to state-owned or mixed-ownership organizations, in a highly predictable cash flow model.

At **Original** holding we made the **acquisitions of UAB Motors[1] and Sagamar[2]**, which **expand the capillarity and the brand mix** offered in the segment of new and used light vehicle sales in the Northeast and Center-South regions of the country. Through the acquisitions, Original **increases the number of brands** sold **from 2 to 18** in **47 points of sale and 16 cities**. Sagamar's shareholder and executive, Mr. Alessandro Soldi, will take over, as of the closing date of the acquisition, the position of CEO of Original Holding, intensifying the focus on our plan to **grow significantly in the** extremely fragmented **dealership sector in Brazil**.

In December **BBC** received **authorization from the Central Bank to operate as a multiple bank**, a service born with great opportunities for business origination within the SIMPAR ecosystem. The holding's companies, in turn, can now count on a complete financial institution to contribute to their business and services, expanding the offer of financial solutions and products and building closer relationships with clients, employees, and contractors.

The investments made in our subsidiaries give us **confidence that the pace of growth will be sustainable over the next few years**. We allocate capital according to **clear assumptions regarding return on investment** and the **highest level of excellence in the solutions and services provided**, which has contributed to the productivity and results of our customers, as well as their loyalty in long-term contracts.

In 2021, we recorded **Net CAPEX of BRL 8.8 billion** (after the sale of assets), a record volume and a substantial growth of 3.1x over 2020, fundamentally aimed at the expansion of our businesses, with emphasis on the fleet expansion of the Rental business, responsible for 91% of the investments. The investments made in 2021 impacted the result for the year by only about **25% of its potential**, since the acquisitions of operational assets were more concentrated in the second half of the year. Therefore, **we have already contracted a substantial expansion of cash generation for 2022**.

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[1] Pending approval by Brazilian Antitrust Agency (CADE) and the OEMs

[2] Pending approval by the OEMs and approved by CADE without restrictions

At the end of 2021, we announced our **investment guidance (Net Capex) for 2022 between BRL 10 billion and 12 billion.** The resources will be mostly directed to the expansion of the light and heavy vehicle fleet and do not include acquisitions, supported by the respective cash generation and pursuant to the planned capital structures, without the need for stock offerings in the market (follow on).

We delivered, for another consecutive year since 2016, a **reduction in leverage YoY** even having made robust net investments. Net debt/EBITDA was **3.4 times in 2021** compared to 3.5 times in 2020, in line with our commitment to maintain a balanced capital structure.

At the end of 2021, we recorded a **cash position of BRL 3.0[3] billion in the holding company** and gross debt of BRL 5.4 billion with maturity concentrated in 2031, which allows for the continuity of **accelerated growth with profitability and controlled leverage**, while giving us flexibility in any scenario we may have in 2022.

In 2021, **we raised more than BRL 21 billion** in the local and international equity and fixed income markets, focused on growth, promoting a profound change in our debt amortization profile. **SIMPAR's average net debt maturity was lengthened to 8 years in 2021,** from 4.3 years in 2020, allowing for the maintenance of our accelerated growth, with profitability and financial discipline;

We emphasize that **SIMPAR** and **Movida** issued the **first Sustainability Linked Bonds of their sectors in the world**, in the amount equivalent to BRL 8 billion. **Vamos has its IPO and follow on,** with BRL 2 billion of primary funding, strengthening both companies to address growth in the coming years.

By the end of 2021, the risk rating agency **S&P Global Ratings changed SIMPAR's corporate credit outlook from stable to positive,** on a global and country scale, and reaffirmed our BB- and brAA+ ratings, highlighting the group's increased scale and business diversification, with improved profitability and maintenance of a prudent approach to leverage; If the positive outlook and rating upgrade materialize, SIMPAR will join the select group of companies with ratings above Brazil's sovereign, which is currently rated BB- by S&P with stable outlook;

A performance marked by continuous evolution and all-time highs encourages us to move faster on the sustainability agenda. In 2021, we advanced with our **Emissions Management Program**, with investments in programs such as Carbon Free, from Movida, and actions to evaluate the electrification of our light and heavy vehicles fleet. In the area of diversity, JSL's **Women Behind the Wheel** program completed 360 hours of training and started inserting the workers in their new job activities.

In People management, we provided **more than 3,500 consultations** by the **Connected to You** program, focused on health and psychosocial care of employees and their families, and **trained more than 580 employees** in **topics such as emissions, waste, climate change, and diversity**. In the relations with our partners, we highlight our pilot program **Vamos Fleet Renewal for Independent Truck Drivers**, a pioneering study for the removal and replacement of old vehicles from the roads, supporting the professionals to modernize their assets.

The work done has already yielded good results. SIMPAR was selected to make up the **portfolio of the Corporate Sustainability Index (ISE B3),** standing out in other sustainability indexes such as the Corporate Sustainability Assessment (**CSA**), **with the highest score in the sector among Brazilian companies,** together **with Movida**, and the Carbon Disclosure Project (**CDP**), with a B score, **above the average of the transportation and logistics sector in the world**.

We emphasize that our investments in EESG are not only relevant for society and the environment, but also strategic for our businesses. In our vision, the circular economy, the climate change agenda, and the assumptions on sustainable development will transform economic and social relations in the coming years.

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[3] Cash position and gross debt do not consider credit linked notes (CLN) in the amount of BRL 2,646,3 million from the structure to internalize SIMPAR's Bond proceeeds

The year 2022 will be challenging, but fortunately, thanks to the pillars built over the past years and the quality of our planning execution, we will continue to reap the robust results of our work and generate value to our shareholders. We understand that by establishing **relationships of trust with our customers, our People, and all those who relate to us**, we develop the competitive advantages that translate 65 years of a **journey consistent with our Culture, Values, and our Way of Being and Doing Business**. We will keep investing intensively and responsibly to **capture new opportunities and further accelerate** the Group's **development**.

Directed by a **solid governance, with focus and discipline in generating and sharing value in a responsible manner**, we continue confident to move on to another step in the development cycle of SIMPAR's ecosystem of businesses and companies. **We are grateful for** the work done by **our People** and for the trust of our **Shareholders, Suppliers, Financial Institutions, Investors**, and especially the partnership with **Our Clients**.

Thank you very much,

Adalberto Calil
Chairman of the Board of Directors of SIMPAR S.A

Fernando Antonio Simões
CEO of SIMPAR S.A.

1) About SIMPAR

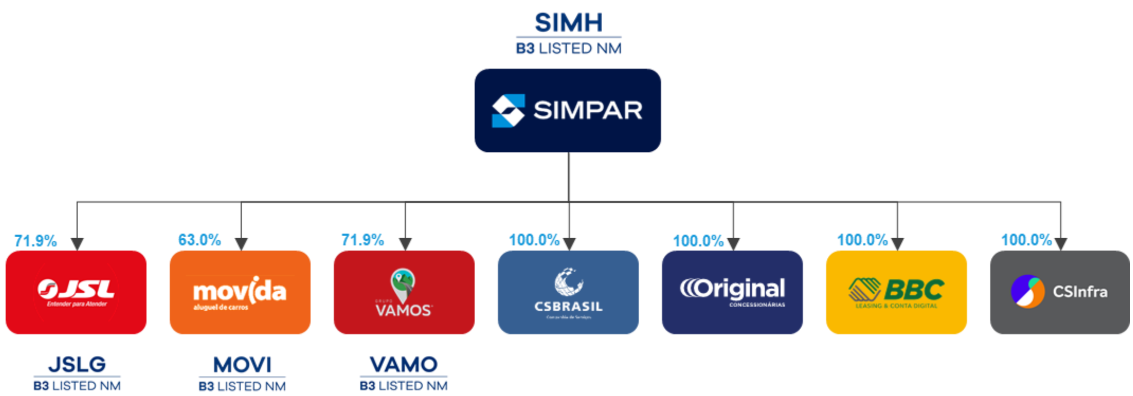
SIMPAR is a diversified and active holding company that controls and manages seven independent businesses in Brazil's logistics and mobility ecosystem and that is present in the country's real economy. Since its establishment in 1956, the Group has been active in developing a broad portfolio of services and creating new businesses while respecting the discipline of capital structure and return.

SIMPAR Group has been operating for over 60 years with a wide diversity of services, sectors, and customers. Our businesses are: Movida (light vehicle rental and fleet management), Vamos (rental of trucks, machinery and equipment), JSL (logistics services), CS Brasil (mobility and logistics for the public sector and mixed-ownership companies), Original holding (light vehicle dealerships), BBC (financial services) and CS Infra (infrastructure concessions). Our business model is focused on providing services through long-term contracts with strong revenue and cash generation, with a focus on serving our clients. The combination of our scale as one of the largest buyers of automotive vehicles and auto parts in Brazil, the experience of decades managing and operating such assets, and a strong and broad national footprint in the sale of used vehicles, allows us to be in a unique position to guarantee a highly efficient fleet and assets. The assets are essential to our customers' operations and highly liquid when sold in our retail network throughout the country.

Our management model was built over more than six decades of experience and has as its main pillar our skilled People at the head of independent businesses, with clear goals and guidelines, aligned by a solid culture and shared values.

SIMPAR remains focused on ensuring expedite management and execution to deliver even stronger results ahead, leading the development of its markets based on the following key pillars: (i) Control and active management of independent companies that allow for agility in execution; (ii) Diversification in sectors, clients, and contracts; (iii) A differentiated team of managers ("business owners") and employees extremely dedicated and focused on customer services; and (iv) Culture and values polished and solidified for 65 years, which assure that we will not steer away from our trajectory of creating sustainable value.

SIMPAR will continue to control and support the growth of the group's companies, focusing on the expected returns on its businesses and preserving its capital discipline, based on a solid culture and people aligned with our values, sustaining the values and culture that set us apart.



2) Business Portfolio

JSL - Logistics Services

Our logistics service operations are carried out through JSL, the largest road logistics company in the country since 2002, according to Transporte Moderno magazine, and three times larger than Brazil's second largest logistics operator in net revenue.

With 65 years of history and with the largest and most integrated portfolio of logistics services in Brazil, JSL - listed on the B3 Novo Mercado - offers customized services with long-term contracts and unique operational capillarity for more than 16 sectors of the economy in Brazil and six other countries: Chile, Uruguay, Paraguay, Peru, Argentina, and South Africa. The company operates both in the asset heavy model (asset and labor intensive) and in the asset light model.

JSL provides services through the following lines of business:

Dedicated Logistics Operations: Closed-circuit operations as part of the client's production process, with a high level of specialization and customization and a high degree of technological integration and monitoring. Contracts in this segment have terms of 3 to 5 years and involve own assets and real time monitoring software, commodity logistics, and studies and sizing of activities to identify the best options for the clients, raw material and product loading, raw material supply, finished product shipment, internal and port area movement, road maintenance, waste management, and waste disposal. The segment also includes chartering and rental with driver services for transportation of the clients' employees and internal logistics at the client's assets. Dedicated operations volumes relate to the performance of commodities and the country's industrial activity. The main sectors of activity include pulp and paper and mining.

Road Freight Transportation: Road freight of inputs or finished products, including new vehicles, from the supply location to their final destination, that is, the flow of products in the site-to-site system through the full cargo modality. It is based on long-term B2B contracts (24 to 36 months) mostly focused on Asset Light operations and requires low investment for asset replacement and operation expansion. We have a network of more than 55,000 registered third-party and independent truck drivers, which confers capillarity and technology that integrates our clients to our truck drivers and our clients' clients. The main sectors served by road freight are Food and Beverages, Automotive, Consumer Goods, and Compressed Gas transportation.

Urban Distribution: The last-mile distribution, with the supply to POS (Points of Sale) located in large urban centers, in closed or fractioned loads, and packaging management and return. The company operates with dry, chilled or frozen cargo with online temperature control and outbound and return deliveries from/to warehouses operated by JSL or not, or directly from industry to retail. The segment is focused on B2B with contracts lasting an average of one to two years. Depending on the profile of the operation, we hire third-party and independent truck drivers with specific vehicles, or we use our own fleet, working mainly in the Food and Beverage and Consumer Goods sectors.

Warehousing Services: Managing about 1,000,000 m² of dedicated, multi-client warehouses, JSL handles receiving, dry, chilled and frozen storage, production line sequencing, and supply of packaging and packers with client sales systems connected to JSL for delivery within 24 hours, and connecting to the urban distribution service, if applicable. The main sectors served by the segment are Consumer Goods, Food and Beverages, Cosmetics, Telecommunications, and Pharmaceuticals.

Movida - Light vehicle rental (RAC) and Fleet Management and Outsourcing (GTF)

We operate in the light vehicle rental and fleet management and outsourcing business through Movida, one of the largest car rental companies in Brazil in fleet size and revenue. The company is listed on B3's Novo Mercado and is part of the Corporate Sustainability Index (ISE), a segmented portfolio of the Brazilian stock exchange. It is also the first publicly traded rental company in the world to obtain the B Company certification - evidence of the Company's commitment to generating positive impact and benefits for the business and all of its stakeholders.

The focus on innovation, convenience, and excellence for clients has led us in recent years to invest in the expansion of our car rental and used car sales stores and to consolidate the Fleet Management and Outsourcing (GTF) segment - which grew in 2021 with the merger of CS Frotas, which belonged to CS Brasil, by and into Movida--a process approved unanimously by the minority shareholders present at the meeting,

As of December 31, 2021, Movida's fleet accounted for more than 187.0 thousand vehicles. Movida has an extensive service network, with stores and commercial offices strategically located in all Brazilian states.

Movida's operations are based on two business lines - RAC and GTF - integrated by the permanent renewal process of its operational fleet, with the removal of assets from operation and the consequent sale of the used vehicles through its own points of sale, mainly under the Seminovos Movida brand.

Rent-a-car, or RAC: Light, daily, and monthly car rental services for individuals and companies. The segment ended the year 2021 with 207 service locations, with a footprint in all of the country's states and main airports. Movida offers different brands and models of rental vehicles for leisure or business, directly or through travel agencies and operators, and commercial partnerships. Movida also rents cars to insurance companies that offer their clients a replacement car in case of an accident.

Fleet Management and Outsourcing or GTF: Car rental services based on long-term contracts with corporate clients and individuals, which vary from 24 to 36 months, with an average duration of 30 months. The expansion is selected and focused on a differentiated fleet profile, in line with the purchasing pattern of the RAC operation to optimize the asset cycle.

Movida has the Movida Zero Km product - a subscription-based rental service for individuals with contracts for over 12 months - which continues to revolutionize the patterns of usage as opposed to ownership of a new car, maximizing the experience by reducing the bureaucracy related to the purchase of a car. The proposal is innovative for the complete package offered, which includes taxes, fees, insurance, and maintenance. Seeking to offer the shortest delivery times, Movida has developed an e-commerce service that enables 100% online contracting.

In 2021, GTF has a relevant fleet expansion for the segment through the merger of CS Frotas. The result of a corporate restructuring of CS Brasil Frotas, Movida incorporated another 25 thousand light vehicles (with no driver services) for state-owned and mixed ownership clients, diversifying the company's portfolio of corporate clients.

Vamos - Rental of trucks, heavy machinery and equipment

We operate in the rental of trucks, machinery and heavy equipment through Vamos, a leading company in fleet and revenue in a segment in an early stage of development in Brazil, according to 2020 data from the Brazilian Association of Car Rental Companies. Vamos's truck, machinery, and heavy equipment rental and sales segment is estimated to have only 1% penetration in the potential addressable Brazilian market, with ample ground to be explored by the company.

Vamos's operational structure includes its own stores and a network of 2,600 certified stores throughout Brazil to provide efficient maintenance services to its customers and guarantee the availability of rented assets. Vamos's network of stores allows it to serve its customers throughout Brazil with the support of developed systems and applications, such as the Customer Portal, which provides control and quality assurance of its services.

The business covers three segments: Rental of trucks, machinery and equipment; Truck, machinery and equipment dealerships; and Truck customization, industrialization and transformation. They cover solutions to renew, modernize, and actively manage the fleet and processes of clients from different industries, with special focus on the agribusiness and basic industry sectors, thereby contributing to improve company results and fleet renewals. Vamos's business model also includes the sale of its operational assets, through 11 own points of sale under the *Vamos Seminovos* brand.

Rental of trucks, machinery and equipment: As of December 31, 2021, Vamos had a fleet of 20,177 trucks and similar, and a fleet of 6,304 machines and equipment, totaling 26,481 rented assets. Our rental contracts are long-term, lasting 5 years on average, and can include maintenance services, always without manpower. Vamos therefore ensures fleet availability for clients, enabling greater productivity with fewer assets, and allowing them to focus their investments on core business activities.

Truck, machinery, and equipment dealerships: Throughout 2021, the dealership business underwent a transformation of scale through organic growth and acquisitions. Vamos has a total of 40 branded dealerships with high-quality products, consisting of 4 Fendt stores, 16 Valtra stores, 14 MAN stores, 3 Komatsu stores, and 3 Toyota intralogistics machine stores. The company is strategically positioned in Brazil's fastest-growing and developing agribusiness region (Midwest) and has extensive geographic capillarity in the truck segment. Both markets are in high demand and show strong growth.

***Customization, industrialization, and transformation of trucks*:** As of 3Q21, Vamos started to consolidate the BMB operations, a truck and bus customization center acquired by the company. BMB Brasil was founded 20 years ago and was the first Volkswagen/MAN truck and bus customization center in Brazil. In 2017, BMB Mexico was founded, with the goal of performing customization of Volkswagen/MAN heavy-duty vehicles in Mexico.

CS Brazil - mobility and logistics directed to state-owned and mixed-ownership companies

CS Brasil provides services to state-owned and mixed-ownership companies, offering mainly management and outsourcing services for heavy vehicles, with and without a driver. Although less relevant, it is also active in urban cleaning services and municipal passenger transportation.

With long-term contracts of a diversified nature, the company operates in about 20 states. The business stands out for its resilient and diversified revenues, and profitability allied to cash generation.

CS Brazil was pioneer in the creation of a monitored bidding room, with secure and controlled access, in which the bidding process is validated and monitored by external auditors (Baker Tilly). The use of the CS Brasil bidding room is exclusive to the dispute phases of the bidding process. CS Brazil was also a pioneer in the development of a transparency portal, with updated information on all its current agreements, reinforcing the criteria of excellence in management, traceability, compliance, governance, and business transparency.

CS Brasil operates in three business segments:

***Fleet Management and Outsourcing (GTF)*:** Complete service management, including fleet customization, maintenance, and operation, with or without manpower. Currently, the company offer GTF heavy vehicles, GTF with manpower, and GTF light vehicles (residual activity from CS Frotas that was not approved by the clients to be merged into Movida).

Passenger Transportation: Concessions for three city urban lines and electronic credit management for urban transportation.

Urban Cleaning: Services of collection, manual and mechanized sweeping, compacting, washing and sanitization of street markets, weeding, transport of domestic and hospital garbage, and selective collection.

In addition, CS Brasil also has a portfolio of brownfield concessions focused on long-term services, comprising the Aratu port concessions (ATU12 and ATU-18), the Transcerrados highway, and the BRT Sorocaba. SIMPAR is considering transferring CS Brasil's concessions portfolio to CS Infra, which will be the holding company within the SIMPAR Group focused on long-term concession contracts.

Original Holding - Authorized light vehicle dealerships

Our light vehicle dealership segment is managed by Original Holding, which was established in 2021 to consolidate SIMPAR's light vehicle sales activities, develop and improve the management and governance of this business, and maintain the independence of its brands and dealerships. SIMPAR has been selling light vehicles since 1995 by means of Original Concessionárias.

Original Concessionárias is one of the largest networks of authorized Volkswagen car dealers in Brazil, with 11 dealerships as of December 31, 2021, in addition to two Fiat stores. All stores are located between the eastern part of the city of São Paulo and the Vale do Paraíba region in the state of São Paulo. In addition to selling new and used light vehicles, Original Concessionárias also sells auto parts and accessories, having operated in this segment for more than 25 years.

At the end of 2021, Original Holding announced the acquisition of two dealership networks, UAB Motors and Sagamar. The transactions are conditioned to the fulfillment of obligations and conditions precedent usual to this type of operation, including the approval of the OEMs' for both and, in the case of UAB Motors, pending approval of the Brazilian Antitrust Agency - CADE. Sagamar already received the CADE approval.

UAB Motors is one of the top light vehicle sales groups in the country and has 20 stores that sell brand new light vehicles from Honda, Toyota, Jaguar, Land Rover, BMW, BMW Motorrad, and Mini, located in 11 cities in the states of São Paulo, Paraná, and Santa Catarina. UAB Motors also sells used vehicles and provides after-sales services such as mechanics, bodywork, painting, and the sale of auto parts and accessories.

Sagamar has 12 stores to sell brand-new light vehicles from Chevrolet, Fiat, Renault, Peugeot, BMW, BMW Motorrad, Hyundai, Citroën, Kia, Jeep, Chery, and Volvo, and two stores for used vehicles, all located in São Luis (MA).

After the consolidation of the acquired companies, Original Holding will have 47 stores in 16 different cities, operating in 4 Brazilian states.

Original Holding will maintain the independence of the companies, employing a diverse management and sales structure divided by brand. The operations will follow SIMPAR's management model, based on an absolute focus on the customer, supported by professionals who are recognized and experienced in their fields of operation, aligned by a Strong Culture, Solidi Values, and a high level of governance. It will strengthen the sector through excellence in the level of services provided, a broad mix of products, and customer loyalty, similarly to what is already performed in other segments in which the SIMPAR Group operates.

BBC - Financial Services

Through the BBC Bank, SIMPAR operates in the financial services sector, which supports the clients of all SIMPAR group businesses by offering leasing and digital account services, using the benefit of scale and generating new business, such as financing light and heavy assets and offering financial products to employees and professional drivers.

On December 16, 2021, the Central Bank of Brazil approved the creation of a Multiple Bank portfolio, allowing BBC Bank to expand its operations by offering additional and complementary financial services to SIMPAR's ecosystem, including products such as direct consumer credit - CDC, personal credit, checking account, floor plan, working capital, and advances to suppliers.

CS Infra - Infrastructure Concessions

In 2021, in a process approved unanimously by the minority shareholders present at the meeting, SIMPAR announced the merger of the totality of shares of CS Infra, a company dedicated to concession services.

Currently, CS Infra owns Ciclus, a company responsible for one of the largest waste management and recovery operations in Latin America, disposing of and treating in an environmentally correct manner about 10 thousand tons/day of solid and commercial waste with state-of-the-art solutions and technology and sustainable operations.

With CS Infra, SIMPAR strengthens its position in providing infrastructure services, including mobility, ports, roads, and sanitation. Today, CS Brasil manages the portfolio of brownfield infrastructure concessions focused on long-term services - consisting of the concession of the ATU-12 and ATU-18 port terminals, the Transcerrados highway, and the BRT Sorocaba. SIMPAR plans to transfer the portfolio to CS Infra, with strategy and expertise dedicated to the segment.

After the transfer of these concessions is completed, CS Infra will become a holding company with a more robust and diversified operation and with the potential to operate in multiple and diversified concessions, as well as to take advantage of new avenues for growth and possible investments in the Concessions area. Thus, CS Infra will have its own capital structure to operate in Concessions, which will allow strategic movements with the objective of generating greater additional value for all of SIMPAR's shareholders.

3) Sectoral Scenario

SIMPAR - Holding company with active management of independent companies that operate in the Logistics and Mobility ecosystem

In 2021 we faced a challenging scenario in the world and in Brazil. The year was marked by uncertainties and volatility in interest, inflation, and exchange rates, consequently impacting the real growth of the economy. We also face the continuation of the Coronavirus pandemic, which, while not severely reducing mobility as it did in 2020, notably still slows the recovery of more input-dependent global chains that have to deal with shortages, such as in the automotive sector.

Since going public, through JSL S.A. in April 2010, the current SIMPAR Group has grown by developing all its companies, with relevant scale, in sectors of great opportunity for expansion. Our business is based on companies that serve essential sectors of the economy and are driven by a strategy capable of enabling new cycles of development. SIMPAR concluded 2021 with operating and financial records, particularly due to its resilience and flexibility - strategic differentials relevant to the group's development even in the face of economic, social, and environmental challenges.

Given the fragmentation of our main sectors of activity, we remain confident and prepared to meet the demands of our customers and address new growth opportunities through independent companies, whatever the scenario ahead may be.

JSL - Logistics Services

JSL has expanded through a continuous process of gaining scale by supplying logistics services to clients from more than 16 sectors of the economy, such as: food, automotive, pulp and paper, steel and mining, among others.

In 2020 the world went through a global health crisis scenario due to the COVID-19 pandemic. It was no different in Brazil. The logistics sector experienced a reduction in shipped volumes, which in part was reflected in JSL's lower revenue year-to-date when compared to 2019. In 2021, due to the absence of components for the manufacture of cars and trucks, the automotive sector was the most impacted since the plants of the main OEMs in the country ran below their real capacity.

Brazil is dependent on road freight by trucks, which represents more than half of everything that is shipped in the country, especially all essential goods such as food and fuel. The railway and waterway system, still under development, however, presents a growth opportunity for JSL since about 80% of our shipment has an average route of 600km. We understand that the increased circulation of goods will benefit cargo transportation in Brazil.

The logistics market is highly fragmented, with more than 150 thousand players in Brazil according to ANTT - National Agency for Land Transportation, mostly small carriers, besides independent truck drivers and players focused on a few stages of the logistics chain in specific sectors of the economy. In this context, the share of Logistics Service Providers (LSPs) in Brazil's logistics GDP is about 2% if we consider the top 10 players, small compared to more structured markets such as the United States and Europe, where this same percentage is over 30% according to ILOS and Transportation Intelligence 2019, respectively.

JSL continues its strategy of organic growth, aimed at adding services to its current portfolio of clients, and inorganic growth, in sectors of the economy where they are not yet representative of our operation. This strategy was developed throughout the years, reinforcing the market leadership position in the Road Freight sector, according to the ranking of the Transporte Moderno magazine.

Movida - Light vehicle rental (RAC) and Fleet Management and Outsourcing (GTF)

Expectations about Brazil's macroeconomic performance fluctuated significantly over the year 2021 especially due to the evolution of the pandemic caused by COVID-19, which started in 2020. The approval of the vaccines has raised expectations of recovery in the global economy.

Some sectors, as in 2020, continued to be considered essential, among them the car rental sector, enabling Movida to continue and resume operations. Consumer behavior has changed, making digital adaptation and transformation essential for business. The changes have enabled car rental companies to offer 100% digital solutions, acting as multipliers of the innovation mindset.

The competitive dynamics remain healthy, with some segments within the rental sector being key to the business continuing to expand, such as monthly rentals and individual customers. There has been an adaptation to the constraints imposed by the pandemic, making it possible, for example, to extend rental time on weekends due to the spread of home office. The year 2021 started affected by the OEMs' low production capacity, a reflection of the previous year, with a relevant non-linear recovery, in line with Movida's expectations for the year. The new level of average tickets and occupancy in the rental sector continued to grow, raising margins in both car rental and used car sales.

As for Fleet Management and Outsourcing, according to ABLA (Brazilian Association of Car Rentals) only 20% of private companies have outsourced fleets, while in Europe this number is close to 60%. The large and fragmented GTF market allows the industry to remain in full expansion. The trend also applies to leasing, already widespread in the United States and Europe, which has become more attractive this year, driving the growth of Movida Zero Km. This product will continue to contribute to the Company's growth in 2022.

The Seminovos market, according to FENAUTO (National Federation of Automotive Vehicle Dealers Associations), will end the year 2021 with 15,106,724 used vehicles sold, up 17.8% over 2020, explained by the reduction in production of new vehicles. This scarcity has raised the price of new cars, due to the high costs of inputs and parts, consequently pressuring used car prices. According to FIPE in the YTD 2021 used car prices increased 19.4%.

However, the growth should be temporary and, still according to FENAUTO, there should be a progressive return to normality as the OEMs resume production throughout 2022. FENABRAVE (National Federation of Automotive Vehicle Distributors) has registered an increase in vehicle sales of 10.5% in 2021 compared to 2020, and projects a growth of 5.2% for 2022.

Movida made the strategic moves to continue expanding its fleet with profitability in challenging scenarios that the industry and the economic environment experienced in the year 2021 and will continue stronger to follow its growth path in 2022.

Vamos - Rental of trucks, heavy machinery and equipment

According to public data from the Fenabrave annual report, by June 30, 2021, Brazil had a fleet of 4.2 million trucks and buses, of which 3.5 million were trucks and 0.7 million were buses. In 2020, the average age of trucks was 20.8 years compared to an average age of heavy vehicles of 8.0 years in developed countries such as France, the Netherlands, Germany, and Austria. The high average age of trucks in Brazil shows the need for fleet renewal, which represents great opportunities for the rental market, as companies must choose to renew their fleet in the midst of an economic scenario that is unfavorable to investments in Brazil, especially considering that investment is not related to the core activities of our potential clients.

According to ABLA, in June 2020 private companies in Brazil rented about 15.9 thousand trucks, representing a share of 1.0% in relation to the approximately 2.1 million trucks owned by companies. In this extremely fragmented market, we believe we are the largest company in quantity of assets, with a significantly larger fleet compared to our main competitors, since the four largest rental companies represent approximately 1.0% of the total fleet in circulation in Brazil.

CS Brazil - Mobility and logistics with focus on bids

CS Brasil focuses on the management and outsourcing of light and heavy vehicle fleets for public agencies. There is no public data to prove CS Brazil's market share. As in the private sector, we understand that there is a growing trend to outsource fleets due to the increased efficiency in the use of public resources. Our services are distinguished and range from fleet sizing to complete service management, including customization, maintenance, and replacement of damaged vehicles. Our services include the vehicle and also the driver.

Original - Light Vehicle Dealerships

We operate in the light vehicle dealership sector, which comprises several distinct groups. Original dealerships sold in 2021 less than 1% of the total of light vehicles sold in Brazil - according to the National Association of Automotive Vehicle Manufacturers - ANFAVEA. Adding the UAB Motors and Sagamar dealerships, still pending the usual conditions precedent for this type of operation for their effective consolidation, we could reach about 1.7% of the sales volume of light assets in Brazil. In this sector, we face competition from Itavema Group, HBW Group, Rodobens Group, Sorana Group, Comeri, Sinal Group, Amazon, and Vigorito.

According to ANFAVEA, despite the global crisis of electronic components, the Brazilian automotive industry closes 2021 with a slight recovery and projects another year of slight improvement compared to the critical year of 2020, but still short of the potential domestic and foreign demand for vehicles: "The global semiconductor crisis caused several plant shutdowns throughout the year due to lack of electronic components, leading to an estimated loss of 300,000 vehicles. For this year, the forecast is still for supply constraints due to lack of components, but to a lesser degree than in 2021, which projects another step for recovery." For 2022, we expect a 9.4% increase, with 2.46 million units produced and domestic sales of 2.3 million vehicles, which means an 8.5% increase over 2021.

BBC - Auxiliary Financial Services

According to the 2021 publication of Transporte Moderno magazine, BBC Bank ranks 9th in the Leasing sector, a market that is dominated by large financial institutions. The largest leasing providers in the market are the large Brazilian financial institutions, such as Bradesco, Santander, and others. The digital business, in turn, which started in 2019, is still not very representative. However, it shows great transformation potential given the synergies with the SIMPAR Group.

The transformation into a Multiple Bank allows the expansion of operations by offering additional and complementary financial services to SIMPAR's ecosystem, including products such as direct consumer credit - CDC, personal credit, checking account, working capital, advances to suppliers, among others, using the benefit of scale and generating new business, such as financing light and heavy assets and offering financial products to employees and professional drivers.

CS Infra - Infrastructure Concessions

CS Infra is well positioned and has distinguished governance and expertise to build a robust portfolio of long-term service concessions in Brazil.

Infrastructure Concessions In 2021, according to the Ministry of Infrastructure, the government delivered 108 infrastructure projects, a record compared to 2020 and 2019. A total of 39 assets were granted to the private sector, totaling about BRL 160 billion in investments. The total includes 2,050 km of renewed highways, with more than BRL 37.6 billion of investments by the private sector in railroads, airports, highways, ports, and waterways. The Minister of Infrastructure, Tarcísio Gomes de Freitas, said that the government should auction 50 new assets in 2022, with an estimated BRL 165 billion in investments. The planning includes 14 highways, 18 airport concessions, 2 railroad renewals and a new concession, as well as 4 ports, a canal, and 24 port terminals. Adding railroad concessions and authorizations, made possible by the ProTrilhos Provisional Measure and by the Marco das Ferrovias (Railroad Framework), the estimate is BRL 300 billion in investments in 2022.

Solid waste management: Currently, few private players participate in this market. In 2021 there were 140 public consortia registered in solid waste management. Many of these concessions have short-term contracts, which generates several opportunities for business expansion, turning these short-term concessions into long-term contracts.

There is an untapped potential in the waste management industry in Brazil. According to ABRELPE (Brazilian Association of Waste and Wastewater Treatment Companies), today 40.5% of the urban waste collected in Brazil is still inadequately disposed of. The new Sanitation Law (Law No. 14.026/2020), approved in July 2020, established that municipalities must create a garbage fee or tariff, while environmental control agencies increased audits of public managers, generating additional pressures for the adequacy of environmentally correct solutions to urban solid waste. This pressure has also been intensified by social pressures, led by a generation that is more connected and engaged with environmental issues.

Brazil generates approximately 79 million tons of waste per year. Of the amount generated, ~92% is collected, but there are still ~3 thousand open dumpsites in the country. The new regulatory framework indicates that the volume sent to dumpsites and uncontrolled landfills should represent +R$30 million tons of additional waste. Besides, the per capita waste generation in Brazil is lower than in more developed countries, highlighting the opportunities that the Brazilian market provides. The waste management sector presents strong entry barriers because of the environmental permits required and the technical capacity needed to perform this type of service. This results in a highly fragmented industry, where the top 5 competitors only account for 28% of the total market share.

4) Financial Performance Analysis

SIMPAR - Consolidated

Financial Highlights (R$ million)	2020	2021	▲ Y o Y
Gross Revenue	**10,874.9**	**15,453.4**	**+42.1%**
Deductions	(1,067.8)	(1,587.2)	+48.6%
Net Revenue	**9,807.1**	**13,866.2**	**+41.4%**
Net Revenue from Services	6,945.5	11,005.6	+58.5%
Net Revenue of Asset Sales	2,861.5	2,860.6	-0.0%
Costs	**(7,787.0)**	**(9,382.3)**	**+20.5%**
Cost of Services	(5,168.9)	(7,304.5)	+41.3%
Cost of Selling Assets	(2,618.1)	(2,077.8)	-20.6%
Gross Profit	**2,020.1**	**4,483.9**	**+122.0%**
Gross Margin	*20.6%*	*32.3%*	*+11.7 p.p.*
Operating Expenses	**(990.1)**	**(1,353.4)**	**+36.7%**
EBIT	**1,030.0**	**3,130.6**	**+203.9%**
Margin (% NR from Services)	*14.8%*	*28.4%*	*+13.6 p.p.*
Net Financial Result	**(374.8)**	**(1,217.6)**	**+224.9%**
Taxes	**(229.2)**	**(584.0)**	**+154.8%**
Loss from discontinued operations	**(28.5)**	**-**	**-**
Net Income	**397.5**	**1,329.0**	**+234.3%**
Margin (% NR)	*4.1%*	*9.6%*	*+5.5 p.p.*
Net Income (controllers)	**276.0**	**822.3**	**+197.9%**
Margin (% NR)	*2.8%*	*5.9%*	*+3.1 p.p.*
EBITDA	**2,141.9**	**4,189.7**	**+95.6%**
Margin (% NR from Services)	*21.8%*	*30.2%*	*+8.4 p.p.*

Net Revenue

Net Revenue totaled BRL 13.9 billion, up 41.4% over 2020, mainly due to the expansion of businesses that are well positioned in resilient sectors and with great development potential in Brazil. The growth is explained both on an organic basis, with the addition of new service contracts and investments in rented assets, and by acquisitions, which increased diversification in clients, services, and sectors.

Gross Income

In 2021, the Company's Total Costs totaled BRL 9.4 billion, +20.5% year-on-year. In turn, the Total Gross Income for 2021 was BRL 4.5 billion, an increase of 122.0% over 2020, with a gross margin of 32.3%, which means an increase of 11.7 p.p. in the yearly comparison. The gross margin expansion is a result of the gain in scale from the business expansion, the gross profit on the sale of assets given the new market price level, as well as recovery from margins compressed by the mobility restrictions imposed by Covid-19 in 2020.

Operating Expenses

Operating expenses totaled BRL 1.4 billion, an increase of 36.7% year-on-year. The increase is mainly explained by the growth in expenses with salaries and social charges on account of a larger number of employees, which are essential to support the accelerated growth in the SIMPAR Group's companies. However, we point out that the expenses as a percentage of Net Revenue showed a reduction from 10.1% to 9.8% in 2021, illustrating the gains in efficiency in the period.

EBITDA

EBITDA totaled BRL 4.2 billion in 2021, a 95.6% growth over 2020. The EBITDA margin totaled 30.2%, a growth of 8.4 p.p., sustained by the improved operational performance and growth of our businesses.

Net Financial Profit & Loss

Net Financial Expenses totaled BRL 1.2 billion, up 224.9% compared to the BRL 374.8 million in 2020. The increase is mainly explained by the increase in net debt as a reflection of investments made for the Group's growth, as well as the increase in the average cost of debt, which accompanied the recent rise in interest rates in the country. Year-on-year, average net debt increased by 74%, while the average cost of debt (before taxes) rose by 146% (from 4.6% in 4Q20 to 11.4% in 4Q21).

In the second quarter of 2020, we accounted for revenues of BRL 277.5 million from the early settlement of bond swaps issued by JSL Europe (currently SIMPAR Europe), following the restructuring process and allocation of obligations between JSL and SIMPAR, positively impacting the financial expenses in the period. The Company conducted the early settlement of six swap instruments and the respective hedged debt instruments, which were settled on the same date and replaced by new instruments under the same conditions as the previous ones, continuing to be protected against exchange rate variations (principal and interest).

Net Income

Consolidated SIMPAR figures showed record Net Income of BRL 1.3 billion in 2021, 234.3% higher than in 2020, while SIMPAR Holding recorded an all-time high Net Income (Parent Company) of BRL 822.3 million, 197.9% higher than in 2020. SIMPAR ended 2021 with operating and financial records sustained by solid pillars built throughout our history, mainly based on businesses that operate in essential sectors of the economy and guided by a strategy capable of enabling new development cycles.

Indebtedness

SIMPAR - Consolidado			
Indebtedness (R$ million)	**2020**	**2021**	**▲ Y o Y**
Cash and Investments	**8,477.9**	**18,661.5**	**120.1%**
Bank and Capital Market Gross Debt - Short Term	2,008.4	1,546.1	-23.0%
Confirming Payable (Automakers) - Short Term	157.9	-	-100.0%
Bank and Capital Market Gross Debt - Long Term	15,197.1	31,973.7	110.4%
Financial Instruments and Derivatives	(415.0)	621.4	-
Bank and Capital Market Gross Debt	**16,948.5**	**34,141.1**	**101.4%**
Bank and Capital Market Net Debt	**8,470.6**	**15,479.6**	***+82.7%***

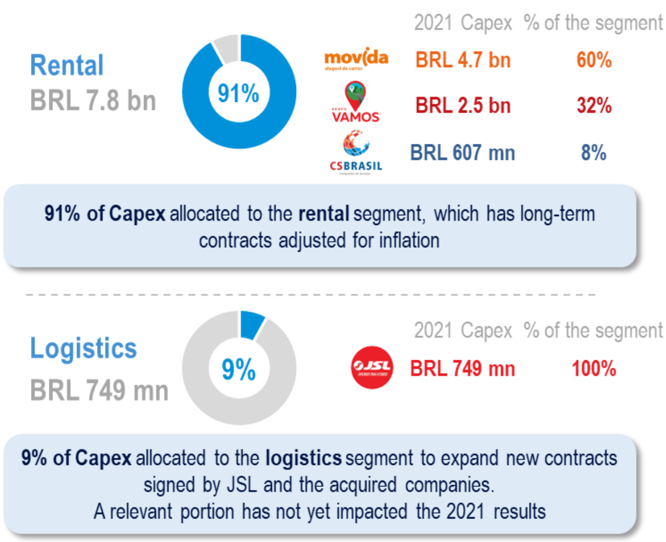
Net debt totaled BRL 15.5 billion in December 2021, an increase of 82.7% when compared to December 2020. SIMPAR reinforced its capital structure throughout 2021 by raising more than BRL 21 billion in 2021. Investment capacity was enhanced by the company's debt amortization profile, which lengthened the average net debt term to 8.0 years at the end of 2021 (4.3 years in 2020), as well as by its recurrent access to the stock market reflected in four listed companies.

Cash kept strong, sufficient to cover the amortization of short-term debt at 9.4x and that covers our debts until mid-2026. In turn, the average cost of the post-tax net debt increased by 440 bps YoY, from 3.1% p.a. in 4Q20 to 7.5% p.a. in 4Q21.

Net debt/Ebitda ratio totaled 3.4x in 2021, below the 3.5x ratio at the end of 2020, reinforcing our commitment to the gradual deleveraging of the Company year-on-year, even as we accelerated the level of investments in operating assets and in acquisitions in 2021; Net debt/EBITDA-A ratio, in turn, totaled 2.3x in December 2021, compared to 3.5x in December 2020.

Investments

Capex Allocation by Segment in 2021



SIMPAR's consolidated gross investment was BRL 11.7 billion, of which BRL 7.5 billion in expansion and BRL 4.2 billion in renewal. Net Capex, after the sale of assets, reached BRL 8.8 billion, 3.1x higher than the entire investment made along 2020, in line with our focus to accelerate capital deployment in new contracts that offer consistent returns. Investments were mainly directed at rental of light and heavy assets.

5) Reconciliation of EBITDA and Net Income

SIMPAR - Consolidado			
EBITDA Reconciliation (R$ million)	**2020**	**2021**	**▲ Y o Y**
Accounting Net Income	**397.5**	**1,329.0**	**+234.3%**
Loss from discontinued operations	28.5	-	-
Financial Result	374.8	1,217.6	+224.9%
Income tax and Social contribution	229.2	584.0	+154.8%
Depreciation / Amortization	982.4	764.0	-22.2%
Amortization (IFRS 16)	129.5	295.1	+127.9%
Accounting EBITDA	**2,141.9**	**4,189.7**	**+95.6%**
Movida - Impairment of Assets	145.2	-	-
Movida - Impairment of trade receivables	32.4	-	-
Adjusted EBITDA	**2,319.6**	**4,189.7**	**+80.6%**
(+) Cost of Selling Assets	2,618.1	2,077.8	-20.6%
Adjusted EBITDA-A	**4,937.7**	**6,267.4**	***+26.9%***

SIMPAR - Consolidado			
Net Income Reconciliation (R$ million)	**2020**	**2021**	**▲ Y o Y**
Accounting Net Income	**397.5**	**1,329.0**	**+234.3%**
Movida - Impairment of Assets	145.2	-	-
Movida - Impairment of trade receivables	32.4	-	-
IR / CS on adjustments	(53.1)	-	-
Holding - Call Bond 2024 future premium provision	-	-	-
Adjusted Net Income	**522.1**	**1,329.0**	***+154.6%***

6) Dividend Payout

Pursuant to the Company's Bylaws, the shareholders are entitled to receive annual mandatory dividends of not less than 25% of the net income for the year, decreased or increased by: i) 5% of the legal reserve; ii) Amount set aside for a contingency reserve and reversal of such reserves set aside in previous years. A portion of the net income may also be retained based on the capital budget of a statutory profit reserve called the "investment reserve". The amount to be effectively paid out is approved at the Annual General Meeting ("AGO") that approves the management accounts for the previous year, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are paid out as resolved by the AGO, held in the first four months of each year. The Company's Bylaws also allow for the payment of interim and intermediary dividends, which may be imputed to the mandatory dividend.

At the Company's Board of Directors Meeting held on December 16, 2021, the Board of Directors approved the payment of interest on equity to shareholders, as provided for in Article 30 of the Bylaws, based on the shareholding position as of December 22, 2021. Total gross amount of BRL 84,273,602.67 corresponding to BRL 0,105112556 per share. The payment was made on January 31, 2022, *ad referendum* of the Ordinary General Assembly to be held on April 30, 2022.

The balance sheet and statements of changes in equity as of December 31, 2021, recorded the minimum mandatory dividend payout of BRL 206.595 million, discounting the Withholding Tax on the payout of interest on shareholders' equity decided on December 16, 2021.

On February 21, 2022 the Management's proposal for allocation of net income for the year ending December 31, 2021 was approved, establishing the payout of dividends in the total amount of BRL 510.912 million. The total interest on equity of BRL 84.274 million will be subtracted from this amount, leaving an amount of BRL 426.638 million to be paid.

7) Relevant Corporate Movements

Issuance of Sustainability Linked Bonds and redemption of previous issues: On January 20, 2021, through its subsidiary Simpar Europe, the Company issued sustainable debt securities in the international market, in the total amount of US$625 million, bearing interest at a rate of 5.2% per year and maturing on January 26, 2031. Simpar Europe used the funds raised to repurchase debt securities issued in 2017 and related retap in 2018, with principal of $625 million, originally bearing interest at 7.75% per year and maturing in 2024. We made certain sustainable emission commitments, the main one being to reduce our Greenhouse Gas (GHG) intensity by 15% by 2030. In addition, the subsidiary Simpar Finance issued debt securities in the international market in the total amount of BRL 450 million, bearing interest at a rate of 10.75% per year and maturing on February 12, 2028. Simpar Finance simultaneously entered into an interest rate swap contract for the variation equivalent to 149.81% of the CDI (Interbank Deposit Certificate). On March 29, 2021, these securities were assigned to the subsidiary CS Finance, a wholly-owned subsidiary of CS Brasil, with the transfer of the respective swaps.

Merger of CS Infra by SIMPAR: On November 29, 2021, the Company's shareholders meeting approved the merger of all shares issued by CS Infra S.A. into and by the Company. CS Infra is a holding company that controls 100% of Ciclus Ambiental do Brasil Ltda., the company that operates the sanitary landfill in the city of Rio de Janeiro and surrounding cities. The transaction entered into effect on December 31, 2021. As a result, the Company's capital stock was increased by BRL 449.2 million, through the issue of 23,010,721 new common, registered, book-entry shares with no par value, subscribed and paid-in with all the shares of CS Infra, pursuant to the Protocol and Justification. Thus, CS Infra became a wholly-owned subsidiary of the Company. Additionally, as part of the approved deal, JSP Holding, CS Infra's assignor and the Company's parent company, was awarded a subscription bonus that will allow it to subscribe for up to 32,084,167 new common, registered and no-par value shares of the Company. The bonus is conditional and can be exercised in exchange for the release, by the Audit Court of the City of Rio de Janeiro, of the collection of the price readjustment established in the contract with Comlurb.

Acquisition of Rodomeu by the subsidiary JSL: On May 14, 2021, JSL completed the acquisition of 100% of Rodomeu, a company specialized in road transport of highly complex cargoes, which include Gases and Chemicals, Machinery and Equipment for civil construction, and dedicated transport of inputs and finished products in the pulp and paper, steel, and food sectors. The transaction amounted to BRL 97 million, of which BRL 29.1 million in cash and the rest in installments corrected by the CDI.

Acquisition of TPC by the subsidiary JSL: On June 14, 2021, JSL completed the acquisition of 100% of TPC, a company that operates, in an asset-light model, bonded or non-bonded warehouses, dedicated in-house logistics, cross-docking, and integrated distribution management, including the last-mile and reverse logistics. TPC is mainly present in the cosmetics, fashion, retail, electronics, telecommunications, pharmaceutical, hospital equipment, consumer goods, oil & gas, and petrochemical sectors. The transaction amounted to BRL 185.5 million, of which BRL 66 million in cash and the rest in installments corrected by the CDI.

Acquisition of Marvel by the subsidiary JSL: On July 30, 2021 JSL, through its subsidiary Rio Grandense Logística Ltda., completed the acquisition of 100% of Marvel, a company that operates in road transport of high added value frozen and refrigerated cargo, in Brazil and in other countries in South America. The transaction amounted to BRL 245 million, of which BRL 100 million in cash and the rest in installments corrected by the CDI.

Issuance of Sustainability Linked Bonds by the subsidiary Movida: On January 28, 2021, through its subsidiary Movida Europe S.A., Movida carried out its first issue of 'Sustainable' debt securities in the international market, in the total amount of US$ 500 million bearing interest at a rate of 5.25% per year and maturing on February 8, 2031. On August 23, 2021, Movida carried out a complementary issuance (Retap) to the debt securities offering in the international market, in the total amount of US$ 300 million under the same terms as the original offering. The Company made certain sustainable emission commitments, the main one being to reduce its Greenhouse Gas (GHG) intensity by 15% by 2030.

Acquisition of Vox Frotas by the subsidiary Movida: On March 19, 2021, Movida entered into an agreement to acquire 100% of Vox Frotas Locadora S.A., a fleet management and outsourcing company founded in 1999. Its fleet comprises approximately 1.8 thousand vehicles with an average age of 1.2 years, distributed among its clients in a portfolio with luxury vehicles, a good part of which are armored and light cargo vehicles. The transaction price was BRL 31.9 million, of which BRL 16.1 was paid in cash and the remaining amount on the first anniversary of the transaction was updated to 100% of the CDI.

Acquisition of Marbor Frotas by the subsidiary Movida: On December 16, 2021, Movida signed a purchase and sale agreement for the acquisition of 100% of Marbor's shares for BRL 130 million, amount which will be adjusted based on the net debt and other adjustments usual to this type of transaction on the transaction closing date, to occur after the conclusion of certain usual conditions precedent, including approval by the Administrative Council for Economic Defense - CADE. Marbor has operated in Fleet Management and Outsourcing since 1996. The transaction will add 1.8 thousand vehicles under lease contracts, which have an average age of approximately 1.4 years and are distributed among more than 100 corporate clients with contracts with an average term of 2.7 years.

Merger of CS Brasil Participações by the subsidiary Movida: The subsidiaries Movida and CS Brasil Participações, in compliance with the provisions of the extraordinary general shareholders' meetings held on July 26, 2021, approved: (i) the partial spin-off of CS Brasil Participações with transfer of the spun-off portion to the subsidiary CS Brasil Holding; and (ii) the merger of all shares issued by CS Brasil Participações into Movida. As a result, Movida's capital stock was increased by BRL 583.5 million, through the issue of 63,381,072 new common, registered, book-entry shares with no par value, subscribed by the Company, and paid up with all the shares of CS Brasil Participações pursuant to the Protocol and Justification. Thus, CS Brasil Participações became a wholly-owned subsidiary of Movida Participações, as well as under indirect control of CS Brasil Frotas Ltda.

IPO of the subsidiary Vamos: On January 27, 2021, the subsidiary Vamos completed a public offering of its common shares. The offer consisted of the primary public placement of 34,215,328 new shares issued by Vamos, subscribed and paid up at the amount of BRL 26.00, traded on B3 under the ticker VAMO3. The Company also held a secondary offering of 11,405,109 shares plus an additional lot of 4,562,043 extra shares of the Company for BRL 26.00.

Follow on of the subsidiary Vamos: On September 23, 2021, the subsidiary Vamos concluded a subsequent offering of 65,584,010 new shares, common shares of its issue, in a primary public placement with restricted placement efforts, pursuant to CVM Instruction 476. These shares were subscribed and paid in at BRL 16.75 per share.

Stock Split of the subsidiary Vamos: On August 13, 2021, Vamos performed a 1:4 stock split (one to four), with no change in the Company's capital stock.

Acquisition of Monarca by the subsidiary Vamos: On May 10, 2021, Vamos, through its subsidiary Vamos Máquinas e Equipamentos S.A., completed the acquisition of 100% of Monarca, a Valtra dealer network that has a footprint in Mato Grosso, selling machinery, agricultural implements, parts, and providing maintenance services through four stores located in the cities of Sorriso, Sinop, Matupá, and Alta Floresta, serving a region of 32 municipalities in the state. The transaction amount was BRL 16.8 million, paid on December 28, 2021 plus interest calculated at 0.6% per month from the acquisition date.

Acquisition of BMB by the subsidiary Vamos: On June 22, 2021, Vamos, through its subsidiary Vamos Seminovos completed the acquisition of 70% of BMB and, concomitantly, the put option of the remaining 30% by the former owners as of the third year. Founded 20 years ago, BMB is the first Volkswagen/MAN truck and bus customization center in Brazil. The transaction amounted to BRL 63.5 million, of which BRL 15.4 million in cash and the rest in installments corrected by the CDI.

Acquisition of HM Empilhadeiras by the subsidiary Vamos: On December 08, 2021, Vamos signed a purchase and sale agreement for the acquisition of 100% of the shares of HM Empilhadeiras for BRL 150 million (one hundred and fifty million reais), an amount that will be adjusted based on net debt and other adjustments customary in this type of transaction on the closing date of the transaction, to occur upon the completion of certain usual conditions precedent, including approval by the Administrative Council for Economic Defense - CADE. Of the agreed-upon purchase price, BRL 50.1 million will be paid in cash, with the remainder in CDI-adjusted installments.

New concessions for the subsidiary CS Brasil: On March 25, 2021 CS Brasil signed the lease contracts for the port terminals named ATU12 and ATU18, located in the cities of Aratu and Candeias in the state of Bahia. The Company was awarded the contracts in a bidding process, with concession values of BRL 48,900 and BRL 23,900, and concession terms of 25 and 15 years, respectively. On July 26, 2021, the Company signed a concession contract for the provision of public services of conservation, recovery, maintenance, implementation of improvements, and operation of the highways PI-397 and PI-262 for a period of 30 years, obtained through a bidding process held by the Piauí State Government, through its Superintendency of Partnerships and Concessions - SUPARC.

Acquisition of UAB Motors by the subsidiary Original Holding: On November 12, 2021, the Company entered into a purchase and sale agreement to acquire 100% of UAB Motors. The acquisition will significantly expand the Company's operations in the light vehicle dealership sector, adding new business with seven new vehicle brands operated by dealerships present in 6 cities and 20 stores. UAB Motors was valued at BRL 510 million of which BRL 395 million will be paid in cash on the closing date of the Transaction, and the remaining balance will be retained to deduct any adjustments. The completion of the acquisition is conditioned to the fulfillment of obligations and conditions precedent usual to this type of operation, including its approval by the Administrative Council for Economic Defense - CADE and the OEMs' consent.

Acquisition of Sagamar Motors by the subsidiary Original Holding: In December 2021, the Company entered into purchase and sale agreements to acquire 100% of Sagamar, a company that operates light vehicle dealerships in the state of Maranhão and will add new businesses that operate nine new vehicle brands through 14 stores. Sagamar was valued at BRL 306 million, an amount that will be adjusted based on net debt, working capital and other adjustments on the closing date of the transaction, to occur after the conclusion of certain usual precedent conditions, including approval by the Administrative Council for Economic Defense - CADE and the OEMs' consent. The payment of the price will be 51% in cash and 49% converted into shares that will result in a relative share of 12.60% in the capital stock of the subsidiary Original Holding.

8) Capital Market

SIMPAR is listed on B3's Novo Mercado, and its shares are included in:

- S&P/B3 Brazil ESG Index
- S&P/B3 Brazil BMI
- IGCX (Special Corporate Governance Stock Index)
- IGC-NM (Corporate Governance Index - Novo Mercado)
- ITAG (Special Tag-Along Stock Index)
- IBRA (Brazil Broad-Based Index)
- IGCT (Corporate Governance Trade Index)
- SMLL (Índice Small Caps)
- ISE (Corporate Sustainability Index)
- MSCI Brazil Small Cap Index
- MSCI Emerging Markets Small Cap Index

On December 30, 2021, SIMH3 shares were valued at BRL 11.68, a 31.7% appreciation when compared to December 30, 2020. At the end of 2021, the Company had a total of 837,122,143 shares, consisting of 824,757,017 outstanding and 12,365,126 in treasury. On August 10, 2021, there was a 1:4 stock split. In addition, during the year 2021, shares that were held in treasury were cancelled on two dates: 347,813 shares were cancelled on February 4th (pre-split) and 12,335,570 shares on August 10th (post-split). The investor base grew from 21,168 to 29,950, including individual and institutional investors, a 41.5% year-on-year increase.

Buyback of own-issued securities

During the year ended December 31, 2021 the Company bought back BRL 287,618 million at a weighted average price of BRL 11.68 of its own shares, equivalent to 25,375,310 (after the split) common shares, which are held in treasury.

In February and August 2021, the Company cancelled 13,726,822 (after the split) common shares corresponding to BRL 146.488 million, which were held in treasury. SIMPAR's overseas subsidiary, SIMPAR Europe made an optional early redemption and full cancellation of the Senior Notes bearing 7.750% p.a. and maturing in 2024 ("Notes"), outstanding in the international market, in the principal amount of US$625 million, in connection with the issue of new debt securities linked to sustainability targets, being US$389.9 million on January 22, 2021 and US$183.7 million on June 25, 2021. The US$51.4 million held by the Company were also cancelled.

9) Corporate Governance

As a listed company in the Brazilian stock exchange Novo Mercado (B3) since 2010, SIMPAR focuses on ensuring the highest standards of transparency, corporate responsibility, integrity and fairness in its decision-making processes and in those of its subsidiaries. The guidelines of the Code of Best Corporate Governance Practices, from the Brazilian Institute of Corporate Governance (IBGC), are the reference for the Company's model. Within the Group, the role of the holding company is to define strategic guidelines for business planning and development, in addition to ensuring professionalism, independence, and the prevention of conflicts of interest, with special attention to topics such as related parties transactions, the presence of independent members in governance bodies, integrity, and assurance of minority shareholder rights.

Between 2020 and 2021, SIMPAR continued its mission as a holding company. The controlled companies have been given the necessary independence to conduct their activities, based on strategic lines and guidelines at the corporate level. Today, JSL, CS Brasil, Vamos and Movida have their own Boards of Directors, executives and support committees - with highlight to the Sustainability committees present in the holding company, JSL, CS Brasil, Vamos and Movida.

During the year, two strategic moves developed according to good corporate governance practices - the merger of CS Frotas, which operates in the Light GTF segment, by Movida, and the merger of CS Infra by SIMPAR. To put them into effect, the controlling shareholder delegated the decision and voted with the minority shareholders, who approved the mergers in a General Meeting. This is an example of how the Company seeks to constantly evolve in its decision-making processes and protect the interests of its shareholders.

In Group governance, business goals and strategies go through the approval of the Board of Directors of each organization, and then must be fulfilled and delivered by the CEO and their executive leadership team. SIMPAR is responsible for collaborating, encouraging and promoting governance improvement, providing expertise, monitoring and providing support to the subsidiaries, particularly in the areas of planning, internal controls, risk management, compliance, and management of culture and human and intellectual capital.

In line with these guidelines, SIMPAR has a governance structure comprising the Board of Directors, the Executive Board, and the Fiscal Council, in addition to five advisory committees to the Board (Finance and Supplies; Sustainability; Audit; Internal Controls and Risks; and Ethics and Compliance).

10) Compliance and transparency

As a holding company based on its People and Culture - pillars that ensure the group's long-term survival and relevance - SIMPAR's guideline is to be the guardian of values and organizational identity for all its businesses. Ethical behavior is the core element and shows in our management policies, communication channels, public commitments, training and refresh programs, and disciplinary measures. With clear governance in the analysis of potential non-compliance, the Group shares best practices with its subsidiaries, mitigates risks, and ensures the reputation of the business and its alignment with the best market practices.

SIMPAR's ethics and compliance management structure begins at the top leadership level, with advisory committees to the Board of Directors that cover auditing activities, internal controls, and the pillars that sustain the Compliance Program. At the corporate level, the Internal Controls, Risks and Compliance Department (CRC) operates in SIMPAR's businesses, with independence and direct reporting to the Audit Committee, defining tactical plans, projects and investments in the subject.

As a signatory of the Business Pact for Integrity and Against Corruption, of the Ethos Institute and the United Nations Global Pact, SIMPAR monitors particular and specific risks of its sector and mitigates them through continuous risk assessments, training, communications, continuous monitoring, and enforcement of its program policies.

A robust set of management policies is maintained by the Group to guide the actions, conduct, and behavior of leaders, employees, and business partners. In addition to the Code of Conduct, a document that guides all employees and third parties, the Anti-Corruption Policy comprises a set of documents that covers:

- Public Bidding Participation Policy;

- Donations and Sponsorship Policy;

- Policy on Gifts, Entertainment and Hospitalities;

- Policy of Interaction with Public Authorities.

SIMPAR's Code of Conduct was updated in 2020 following the corporate restructuring and is intended to communicate all ethical and compliance standards mandatory for those acting for, with, or on behalf of the Group.

Regarding data protection, SIMPAR has formal policies related to compliance with the General Data Protection Law and the Right to Privacy, such as the Privacy Policy, Information Security Policy, Personal Data Sharing Policy, Use and Consent Management Policy, Security Incident Response Procedure, etc. Also, in the Code of Conduct, there are contact channels for the Internal Controls, Risks and Compliance area, either for complaints or for questions and reports to the area, with the purpose of meeting anti-corruption policies. It is worth pointing out that these channels are open to both internal and external audiences, and everyone is oriented to clear any doubts or questions before taking action.

11) Human Capital

The more than 36,000 employees differentiate, strengthen, and ensure the success of SIMPAR's business. They are professionals from different generations, with complementary knowledge and experience, who encourage the emergence of innovations aimed at the continuous improvement of the company. For 65 years, SIMPAR has been based on a strong Culture, based on solid values - Devotion to Serve, People, Simplicity, Owner Attitude, Sustainability and Profit - which is valued and spread throughout the employee's journey, ensuring the pillars for their development and for the Company's long-term survival.

With a focus on long-term relationships, SIMPAR invests in the professional development of its employees through training, development and performance evaluations that, in 2021, were responsible for the promotion of over 3 thousand employees. The employee development policy begins with the hiring when the integration process takes place. other courses cover the themes of Compliance, LGPD, Manager/Employee Portal, Docnix, Sustainability, Occupational Safety, among others. By means of an annual calendar, training sessions are held as requested by the manager of each area, according to the role played by the employee.

The People Cycle is the central tool for the topic, from analyst positions to leadership. It evaluates behavioral competencies and performance data, with feedbacks and Individual Development Plans (IDPs). The People Management area, besides periodic reviews of new employees, conducts post-dismissal interviews to monitor the reasons for voluntary departures. Another important front is the construction of close ties with the team through actions such as the Family Appreciation Program - whose focus is to hire labor from family members and thus strengthen relations between people and SIMPAR, in addition to expanding the generation of employment and its benefits to families.

The safety of employees and third parties receives special and continuous attention from SIMPAR and its subsidiaries, with the aim of achieving zero accidents and full protection of life. With the adoption of corporate health and safety management, the Health, Safety and Environment (HSE) and Integrated Management areas of the holding support the controlled companies. The Company maintains the Integrated Management System (SGI) - certified by ISO 9001 and ISO 14001, mapping all processes in the different operations, guidelines and policies, as well as preventive and corrective actions.

Focused on accident reduction, the Company invests in safe driving training and good practices programs for drivers, in parallel with its commitment to fleet maintenance and periodic renewal. Efficiency indicators and results in health and safety are analyzed and controlled on a monthly basis by the managers, besides being part of the agenda of the top management's critical analysis meetings.

The Respect for Diversity Program, launched in 2020, meets one of SIMPAR's culture priorities: valuing people. The strategies and practices aim to promote a diverse and inclusive work environment for women, blacks, people with disabilities, and professionals over the age of 55 in different positions and operations. Some of our diversity actions include:

- Leadership, managers and drivers trained in unconscious biases

- Workshop with Mano Down

- Training of vulnerable young people to enter the job market

- Hiring trainees through JSL's Women Behind the Wheel program

12) Social Management

To run its business, maintain its reputation and build bonds of trust with its various stakeholders, SIMPAR relies on a complex, capillary and diverse network of dialogue and relationships throughout the country, including surrounding communities, business partners, contractors, and material, services and equipment suppliers.

Suppliers

To manage its complex supply chain of inputs, equipment and services - from tires and lubricants to the acquisition of vehicles from OEMs, fleet maintenance, equipment and office supplies - SIMPAR adopts socio-environmental requirements, such as respect for human rights, labor and tax issues, relationship with public authorities, and compliance with federal and local legislation. To assess corruption and image risks, one of the tools used by the Company for screening is the G-Certifica third-party due diligence approval system. Supplier management prioritizes local partnerships, with companies established in the states where the subsidiaries maintain branches. 71.5% of all suppliers are local suppliers, i.e., from the states where the subsidiaries that make the purchase are located.

Investments in society

Investments in social action plans by SIMPAR and its subsidiaries rely on a strong ally to achieve impact in the communities: the socioeconomic mapping of municipalities carried out in 2020 under the coordination of the Sustainability Committee, as well as the development of the Social Vulnerability Index for each location. Based on the data collected, priority action themes were defined: road safety, youth training, professional qualification, and the fight against sexual exploitation.

In addition to proprietary projects that meet local specificities, the holding company acts in the communities through the Julio Simões Institute, created in 2006, in Mogi das Cruzes (SP), which is focused on channeling the social investments of SIMPAR Group's companies and ensuring the relationship with the community. Besides donations and aid actions, the institute develops its own projects such as "If you Want it, You can do it!" (Você quer, você pode); Julio Cidadão (Clown Doctors), and Christmas Solidarity (until 2020, called a Christmas of Emotions). SIMPAR also supports projects using the incentive laws. The total amount invested in 2021, including contributions from the subsidiaries, exceeded the BRL 5 million mark. The Company's Corporate Sustainability area is responsible for monitoring the socio-environmental programs, projects, and actions.

Government and institutions

SIMPAR's institutional relations are guided by high compliance, ethics and transparency requirements, based on policies dedicated to the subject. CS Brazil, for example, maintains contracts with public or mixed-ownership companies and organizations, a series of good practices, with emphasis on the Transparency Portal - in which detailed information about all the concessions obtained by the company is published. In 2021, the Transparency Portal was mentioned as an example of good governance practice, in a tool launched by the United Nations Global Compact. Another action on this front is the bidding room, a monitored space with safe and controlled access, with the process validated and monitored by external auditors in order to ensure the conformity of CS' participations in these processes.

13) Natural Capital

SIMPAR maintains programs, initiatives and corporate investments aimed at efforts to reduce, mitigate or compensate negative impacts on the environment inherent to the businesses of its subsidiaries. The Holding's Environmental Management System brings the guidelines of the objectives and goals to be followed in all operations. The information is sent monthly to SIMPAR and evaluated by the Sustainability Committee.

Climate change

The management of climate change policies and initiatives is defined in the Greenhouse Gas Emissions Program. Besides measuring the emissions from the subsidiaries' businesses, according to emission reduction plans debated in different global forums, measures are adopted to mitigate impacts, such as rational use of fuels, continuous fleet renewal, and monitoring of indicators in emission inventories based on the international GHG Protocol methodology.

In the company's governance system, the Sustainability Committee is responsible for the monthly verification of compliance with the established objectives, commitments, indicators, and targets related to greenhouse gas emissions. Based on the analysis, initiatives, actions, and good market practices are suggested and evaluated to help the company to satisfactorily meet its climate impact commitments in a sustainable way for business. The projects and results are periodically presented to the Board of Directors, the body responsible for monitoring social and environmental performance, defining policies, authorizing financial operations, evaluating balance sheets, and setting performance targets.

Paths to decarbonization

- Potential for purchasing electric and biomethane-powered vehicles.
- Migration of fuel consumption from gasoline to ethanol.
- Implementation of mechanisms to encourage and guarantee the use of ethanol as a substitute for gasoline.
- Implementation of telemetry technology in most of the fleet, with improved driver performance and reduced fuel consumption.
- Increased share of renewable energy sources in the energy matrix, favoring the reduction of emissions.
- Implementation of new technologies aiming at less fuel burning.
- Optimizing operations, making them more efficient, investing in better technologies and maintenance.

14) Independent Auditing

In compliance with CVM Instruction 381/03, we inform that the Company adopts the formal procedure of consulting the independent auditors PricewaterhouseCoopers Auditores Independentes (PwC), in order to ensure that the rendering of other services will not affect its independence and objectivity necessary for the performance of independent audit services. The Company's policy when contracting the services of independent auditors ensures that there is no conflict of interest or loss of independence or objectivity. In the fiscal year ending December 31, 2021, PwC provided auditing services for the financial statements, as well as audit-related services for issuing reports on previously agreed-upon procedures, with fees of BRL 4,706 thousand, which represented 56% of the external audit services fees. We understand that these services do not represent a conflict of interest, loss of independence or objectivity of our independent auditors.

15) Statement from the Executive Board

In compliance with the provisions of CVM Instruction 480/09, the Executive Board states that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and the individual and consolidated financial statements for the fiscal year ended December 31, 2021.

16) Arbitration Clause

The Company is bound to arbitration at the Market Arbitration Chamber, according to the Arbitration Clause in the Bylaws.

Board of Directors

Adalberto Calil Chairman	**Fernando Antonio Simões** Board Member	**Fernando Antonio Simões Filho** Board Member	**Álvaro Pereira Novis** Independent Board Member	**Augusto Marques da Cruz Filho** Independent Board Member

Executive Board

Fernando Antonio Simões CEO	**Denys Marc Ferrez** Administrative, CFO and Investor Relations Officer	**Samir Moises Gilio Ferreira** Executive Officer	**Antônio da Silva Barreto Junior** Executive Officer	**Marcelo Augusto Machado Arantes** Executive Officer

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Simpar S.A.
Statements of financial position
As at December 31, 2021 and 2020
In thousands of Brazilian Reais

		Parent company		Consolidated	
Assets	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Current					
Cash and cash equivalents	7	259,342	273,844	1,029,383	409,601
Marketable securities and financial investments	8	1,909,030	866,692	17,622,842	7,918,780
Derivative financial instruments	6.3 (b)(ii)	-	66,213	147	80,380
Trade receivables	9	9,241	-	3,260,329	1,934,446
Inventories	10	-	-	525,950	213,017
Fixed assets available for sale	11	-	-	431,962	320,879
Taxes recoverable	12	-	67	325,496	160,490
Income tax and social contribution recoverable	27.3	17,151	18,519	227,643	298,451
Prepaid expenses		1,241	610	67,977	58,314
Dividends receivable	28.1	151,042	47,290	-	-
Related parties	28.1	-	62,365	-	-
Advances to third parties		953	71	69,140	43,689
Other credits		1,830	28,576	381	57,825
		2,349,830	**1,364,247**	**23,561,250**	**11,495,872**
Noncurrent					
Long-term assets					
Marketable securities and financial investments	8	60,441	108,273	9,264	149,483
Derivative financial instruments	6.3 (b)(ii)	2,954	150,918	58,733	334,642
Trade receivables	9	-	-	134,627	104,684
Taxes recoverable	12	-	-	231,145	151,909
Income tax and social contribution recoverable	27.3	65,286	-	127,733	66,664
Judicial deposits	25	-	-	103,303	75,532
Deferred income tax and social contribution	27.1	113,687	-	407,120	161,215
Related parties	28.1	304,319	45,189	-	-
Indemnification assets due to business combination	25.2	-	-	281,432	103,783
Other credits		9,820	14,691	108,782	82,984
		556,507	**319,071**	**1,462,139**	**1,230,896**
Investments	13.1	5,641,516	3,403,225	30,248	16,584
Property and equipment	14	173,990	70,416	21,567,720	11,747,476
Intangible assets	15	1,375	902	1,346,837	1,071,420
		6,373,388	**3,793,614**	**24,406,944**	**14,066,376**
Total assets		**8,723,218**	**5,157,861**	**47,968,194**	**25,562,248**

The accompanying notes are an integral part of the individual and consolidated financial statements.

In thousands of Brazilian Reais

		Parent company		Consolidated	
Liabilities and equity	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Current					
Trade payables	16	6,814	642	3,374,264	2,135,298
Floor plan	17	-	-	175,536	71,844
Supplier financing - car makers	18	-	-	-	157,923
Loans and borrowings	19	63,874	76,879	765,352	1,284,761
Debentures	20	206,118	51,277	661,877	592,595
Leases payable	21	19,626	-	118,833	131,092
Right-of-use leases	22	-	-	197,769	101,600
Assignment of receivables	23	-	-	6,043	6,043
Social and labor liabilities	24	12,246	7,516	408,154	270,006
Income tax and social contribution payable	27.3	-	8,586	45,865	18,679
Derivative financial instruments		376		271,251	
Tax liabilities		22,591	-	220,213	103,291
Dividends and interest on capital payable	28.1	198,900	72,622	263,280	97,856
Advances from customers		-	-	207,720	177,170
Related parties	28.1	-	-	453	550
Other payables		7,082	7,978	420,724	376,150
		537,627	**225,500**	**7,137,334**	**5,524,858**
Noncurrent					
Loans and borrowings	19	2,584,628	2,408,670	17,962,499	9,046,647
Debentures	20	1,854,611	546,724	13,874,041	5,968,161
Leases payable	21	76,532	-	137,126	182,314
Right-of-use leases	22	-	-	660,011	390,965
Assignment of receivables	23	-	-	-	6,043
Derivative financial instruments	6.3 (b)(ii)	65,337	-	409,000	-
Tax liabilities		-	-	26,995	15,992
Provision for judicial and administrative litigation	25.2	-	-	356,544	181,865
Deferred income tax and social contribution	27.1	-	61,909	1,038,582	621,467
Related parties	28.1	528	528	528	528
Landfill – decommissioning cost	26	-	-	105,024	-
Other payables		87,877	21,932	436,250	399,558
		4,669,513	**3,039,763**	**35,006,600**	**16,813,540**
Total liabilities		**5,207,140**	**3,265,263**	**42,143,934**	**22,338,398**
Equity					
Share capital	29.1	1,164,330	713,975	1,164,330	713,975
Capital reserves	29.2	1,633,343	575,114	1,633,343	575,114
Treasury shares	29.3	(151,633)	(10,503)	(151,633)	(10,503)
Earnings reserves	29.4	877,940	262,336	877,940	262,336
Other comprehensive income		(255,956)	2,103	(255,956)	2,103
Equity adjustments	29.6	517,257	470,044	517,257	470,044
Other equity adjustments related to subsidiaries		(269,203)	(120,471)	(269,203)	(120,471)
Equity attributable to the owners of the Company		**3,516,078**	**1,892,598**	**3,516,078**	**1,892,598**
Non-controlling interests	29.5	-	-	2,308,182	1,331,252
Total equity		**3,516,078**	**1,892,598**	**5,824,260**	**3,223,850**
Total liabilities and equity		**8,723,218**	**5,157,861**	**47,968,194**	**25,562,248**

Simpar S.A.
Statements of profit or loss
Years ended December 31, 2021 and 2020
In thousands of Brazilian Reais, except for earnings per share

	Note	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2020	12/31/2020
Net revenue from sale, lease, rendering services and sale of decommissioned assets	**31**	**-**	**-**	**13,866,219**	**9,807,057**
Cost of sales, leases and rendering services	32	-	-	(7,304,534)	(5,168,883)
Cost of sale of decommissioned assets	32	-	-	(2,077,780)	(2,618,101)
Total cost of sales, leases, rendering services and sale of decommissioned assets		**-**	**-**	**(9,382,314)**	**(7,786,984)**
Gross profit		**-**	**-**	**4,483,905**	**2,020,073**
Selling expenses	32	-	-	(472,614)	(328,770)
Administrative expenses	32	(55,801)	(15,633)	(925,841)	(567,922)
Provision for expected credit losses (“impairment”) of trade receivables	32	-	-	(56,164)	(78,667)
Other operating income (expenses), net	32	6,370	2,064	102,799	(14,217)
Equity results from subsidiaries	13.1	1,021,250	353,963	(1,534)	(515)
Profit before finance income and costs		**971,819**	**340,394**	**3,130,551**	**1,029,982**
Finance income	33	51,977	14,413	736,362	679,426
Finance costs	33	(276,418)	(56,265)	(1,953,955)	(1,054,202)
Profit before income tax and social contribution from continuing operations		**747,378**	**298,542**	**1,912,958**	**655,206**
Income tax and social contribution - current	27.2	52,122	-	(126,774)	(177,605)
Income tax and social contribution - deferred	27.2	22,755	6,018	(457,234)	(51,562)
Total income tax and social contribution		**74,877**	**6,018**	**(584,008)**	**(229,167)**
Profit for the year from continuing operations		**822,255**	**304,560**	**1,328,950**	**426,039**
Discontinued operations					
Loss after taxes from discontinued operations	1.3	-	(28,539)	-	(28,539)
Loss from discontinued operations		**-**	**(28,539)**	**-**	**(28,539)**
Profit for the year		**822,255**	**276,021**	**1,328,950**	**397,500**
Attributable to:					
Owners of the Company		822,255	276,021	822,255	276,021
Non-controlling interests		-	-	506,695	121,479
(=) Basic earnings per share (in R$)	34.1	-	-	1,0228	3,201
(=) Diluted earnings per share (in R$)	34.2	-	-	1,0085	1,859
(=) Basic earnings per share from continuing operations (in R$)	34.1	-	-	1,0228	3,532
(=) Diluted earnings per share from continuing operations (in R$)	34.2	-	-	1,0085	2,244

The accompanying notes are an integral part of the individual and consolidated financial statements.

Simpar S.A.
Statements of comprehensive income
Years ended December 31, 2021 and 2020
In thousands of Brazilian Reais

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Profit for the year	**822,255**	**276,021**	**1,328,950**	**397,500**
Items that are or may be subsequently reclassified to profit or loss:				
Losses (gains) on cash flow hedge	(390,998)	(32,701)	(731,909)	45,135
Losses on cash flow hedge in subsidiaries	(217,288)	(111,149)	-	-
Income tax and social contribution on cash flow of loss hedge	206,817	48,909	248,849	(15,346)
Gains on the conversion of operations abroad - related to subsidiaries	2,292	-	3,119	-
Unrealized (losses) gains on marketable securities measured at fair value through other comprehensive income in subsidiaries	(32,345)	23,077	(32,345)	23,077
	(431,522)	**(71,864)**	**(512,286)**	**52,866**
Cash flow hedge (losses) gains in subsidiaries reclassified to profit or loss	-	-	-	(281,440)
Income tax and social contribution on cash flow hedge	-	-	-	95,690
Total other comprehensive income	**(431,522)**	**(71,864)**	**(512,286)**	**(132,884)**
Total comprehensive income for the year	**390,733**	**204,157**	**816,664**	**264,616**
Operations				
Continuing	390,733	232,696	816,664	293,155
Discontinued	-	(28,539)	-	(28,539)
	390,733	**204,157**	**816,664**	**264,616**
Attributable to:				
Owners of the Company	390,733	204,157	390,733	204,157
Non-controlling interests	-	-	425,931	60,459

The accompanying notes are an integral part of the individual and consolidated financial statements.

Simpar S.A.
Statements of changes in equity
Years ended December 31, 2021 and 2020
In thousands of Brazilian Reais

		Capital reserves			Earnings reserves				Other comprehensive income					
	Share capital	Share-based payment transactions	Special reserve	Treasury shares	Retention of earnings	Investment reserve	Legal reserve	Retained earnings	Hedge reserve	Equity adjustments	Other equity adjustments related to subsidiaries	Total equity of owners of the Company	Non-controlling interests	Total equity
At December 31, 2019	**163,601**	**-**	**-**	**-**	**152,486**	**77,303**	**25,471**	**-**	**-**	**496,613**	**-**	**915,474**	**1,634,510**	**2,549,984**
Profit (loss) for the year	-	-	-	-	-	-	-	276,021	-	-	-	**276,021**	121,479	**397,500**
Other comprehensive income for the year, net of taxes	-	-	-	-	-	-	-	-	(10,368)	-	(61,496)	**(71,864)**	(61,020)	**(132,884)**
Total comprehensive income for the year, net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**276,021**	**(10,368)**	**-**	**(61,496)**	**204,157**	**60,459**	**264,616**
Transfer to earnings reserves	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
Repurchase of shares	-	-	-	(10,503)	-	-	-	-	-	-	(24,244)	**(34,747)**	(19,004)	**(53,751)**
Capital contribution	278,995	-	123,257	-	(145,000)	(54,790)	-	-	-	-	-	**202,462**	(223,689)	**(21,227)**
Merger of shares	372,403	-	22,817	-	-	-	-	-	-	-	-	**395,220**	(395,220)	**-**
Absorption of net assets spun off from JSL S.A.	-	20,223	-	-	-	-	-	-	12,471	-	(32,694)	**-**	-	**-**
Spin-off due to corporate restructuring	(101,024)	-	-	-	-	-	-	-	-	(74,010)	-	**(175,034)**	-	**(175,034)**
Share-based payment	-	465	-	-	-	-	-	-	-	-	(1,332)	**(867)**	(2,309)	**(3,176)**
Gain on equity interests in indirect subsidiaries, net of taxes	-	-	-	-	-	-	-	-	-	49,615	-	**49,615**	40,447	**90,062**
Offering of shares of subsidiary	-	-	408,352	-	-	-	-	-	-	-	-	**408,352**	266,424	**674,776**
Dividends and interest on capital	-	-	-	-	-	-	-	(69,155)	-	-	-	**(69,155)**	(28,783)	**(97,938)**
Non-controlling interests due to business combination	-	-	-	-	-	-	-	-	-	-	-	**-**	1,632	**1,632**
Retention of earnings	-	-	-	-	(7,486)	200,551	13,801	(206,866)	-	-	-	**-**	-	**-**
Other movements	-	-	-	-	-	-	-	-	-	(2,174)	(705)	**(2,879)**	(3,215)	**(6,094)**
At December 31, 2020	**713,975**	**20,688**	**554,426**	**(10,503)**	**-**	**223,064**	**39,272**	**-**	**2,103**	**470,044**	**(120,471)**	**1,892,598**	**1,331,252**	**3,223,850**
At December 31, 2020	**713,975**	**20,688**	**554,426**	**(10,503)**	**-**	**223,064**	**39,272**	**-**	**2,103**	**470,044**	**(120,471)**	**1,892,598**	**1,331,252**	**3,223,850**
Profit (loss) for the year	-	-	-	-	-	-	-	822,255	-	-	-	**822,255**	506,695	**1,328,950**
Other comprehensive income for the year, net of taxes	-	-	-	-	-	-	-	-	(258,059)	-	(173,463)	**(431,522)**	(80,764)	**(512,286)**
Total comprehensive income for the year, net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**822,255**	**(258,059)**	**-**	**(173,463)**	**390,733**	**425,931**	**816,664**
Capital contribution (note 29.1)	8,231	-	-	-	-	-	-	-	-	-	-	**8,231**	-	**8,231**
Merger of shares (notes 29.1 and note 29.2 (b))	442,124	-	(364,503)	-	-	-	-	-	-	-	-	**77,621**	-	**77,621**
Share-based payment (note 29.2 (a))	-	631	-	-	-	-	-	-	-	-	10,216	**10,847**	5,907	**16,754**
Repurchase of shares (note 29.3)	-	-	-	(287,618)	-	-	-	-	-	-	(2,412)	**(290,030)**	(1,886)	**(291,916)**
Cancellation of treasury shares (note 29.3)	-	-	(146,488)	146,488	-	-	-	-	-	-	-	**-**	-	**-**
Offering of shares of subsidiary (notes 1.1.1 (i) and(iii))	-	-	1,548,688	-	-	-	-	-	-	-	-	**1,548,688**	684,891	**2,233,579**
Dividends and interest on capital	-	-	-	-	-	-	-	(206,651)	-	-	-	**(206,651)**	(159,242)	**(365,893)**
Non-controlling interests due to business combination (note 1.2.2(ii))		-					-				-	**-**	39,458	**39,458**
Retention of earnings	-	-	-	-	574,491	-	41,113	(615,604)	-	-	-	**-**	-	**-**
Deferred taxes on capital gain (note 1.2.1 (ii))	-	-	19,901	-	-	-	-	-	-	-	-	**19,901**	-	**19,901**
Gain on change in the percentage of equity interests in subsidiaries (note 29.6)	-	-	-	-	-	-	-	-	-	47,213	-	**47,213**	(21,413)	**25,800**
Other changes in the year	-	-	-	-	-	-	-	-	-	-	16,927	**16,927**	3,284	**20,211**
At December 31, 2021	**1,164,330**	**21,319**	**1,612,024**	**(151,633)**	**574,491**	**223,064**	**80,385**	**-**	**(255,956)**	**517,257**	**(269,203)**	**3,516,078**	**2,308,182**	**5,824,260**

Simpar S.A.
Statements of cash flows - indirect method
Years ended December 31, 2021 and 2020
In thousands of Brazilian Reais

	Note	Parent company 12/31/2021	Parent company 12/31/2020	Consolidated 12/31/2021	Consolidated 12/31/2020
Cash flows from operating activities					
Profit before income tax and social contribution from continuing operations		747,378	298,542	1,912,958	655,206
Adjustments to:					
Equity results from subsidiaries related to continuing operations	13.1	(1,021,250)	(353,963)	1,534	515
Depreciation and amortization	14 and 15	12,786	3,991	1,059,114	1,111,953
Provision for impairment of non-financial assets		-	-	-	145,249
Cost of sale of decommissioned assets	11	-	-	2,077,780	2,618,101
Provision for losses, write-off of other assets and extemporaneous tax credits		5,646	1,882	172,660	180,724
Share-based payment	29.2.(a)	631	465	16,754	(3,176)
(Gains) losses on fair value of derivative financial instruments	33	(136,065)	34,529	(326,352)	(723,440)
Foreign exchange variation on loans and borrowings	19	171,417	(63,129)	593,255	637,087
Interest and monetary variations on loans and borrowings, leases, debentures and supplier financing – car makers	33	231,161	84,126	2,090,193	1,097,615
		11,704	**6,443**	**7,597,896**	**5,719,834**
Trade receivables		-	-	(940,097)	(179,769)
Inventories		-	-	(268,150)	137,984
Trade payables and floor plan		6,172	590	(40,709)	167,099
Labor and tax liabilities, and taxes recoverable		27,388	6,690	135,498	56,064
Other current and noncurrent assets and liabilities		126,876	(102,697)	136,707	20,479
		160,436	**(95,417)**	**(976,751)**	**201,857**
Income tax and social contribution paid and withheld		(134,850)	(518)	(173,587)	(348,247)
Interest paid on loans and borrowings, leases, debentures and supplier financing - car makers		(183,715)	(16,141)	(1,539,718)	(1,134,427)
Acquisition of operational property and equipment for leasing	36	-	-	(10,084,996)	(4,460,520)
Investments in marketable securities and financial investments		(994,506)	90,689	(9,536,495)	(2,155,846)
Net cash used in operating activities		**(1,140,931)**	**(14,944)**	**(14,713,651)**	**(2,177,349)**
Cash flows from investing activities					
Net cash from absorption of net assets		-	87,280	-	-
Acquisition of credit rights of related companies	28.1	(302,022)	-	(302,022)	-
Capital contribution in subsidiaries	13.1	(262,116)	(7,000)	(15,058)	(10,114)
Acquisition of property and equipment and intangible assets		(22,893)	(1,157)	(310,510)	(224,817)
Dividends and interest on capital received	13.3	238,735	191,545	-	-
Acquisitions of companies, net of cash	36.1	-	-	(142,870)	(150,357)
Cash received from merger of shares of companies	36.1		-	318,443	-
Net cash (used in) generated by investing activities		**(348,296)**	**270,668**	**(452,017)**	**(385,288)**
Cash flow from financing activities					
Primary and secondary offering of shares of subsidiary	1.1.1 (i) and (iii)	401,902	-	2,311,068	672,499
Share issue costs	1.2.4	(7,128)	-	(7,128)	-
Repurchase of treasury shares	29.3	(287,618)	(10,503)	(291,916)	(53,751)
Capital increase	29.1	8,231	1,149	8,231	6,264
Payment for the acquisition of companies		-	-	(511,400)	(9,183)
Payment for assignment of receivables		-	-	(6,043)	(6,042)
New loans, borrowings and debentures		1,472,883	-	21,561,680	7,567,346
Payment of loans and borrowings, leases, debentures and supplier financing - car makers	18, 19, 20, 21 and 22	(56,261)	(25,000)	(7,125,373)	(6,538,002)
Proceeds from derivatives		11,724	51,858	72,904	789,532
Dividends paid	29.4	(48,608)	-	(163,599)	(12,828)
Interest on capital paid	29.4	(20,400)	-	(62,974)	(36,028)
Net cash generated by (used in) financing activities		**1,474,725**	**17,504**	**15,785,450**	**2,379,807**
Net (decrease) increase in cash and cash equivalents		**(14,502)**	**273,228**	**619,782**	**(182,830)**
Cash and cash equivalents					
At the beginning of the year		273,844	616	409,601	592,431
At the end of the year		259,342	273,844	1,029,383	409,601
Net (decrease) increase in cash and cash equivalents		**(14,502)**	**273,228**	**619,782**	**(182,830)**
Balance variation, without affecting cash					
Raising of leases payable and Finame for the acquisition of property and equipment	36	(99,586)	-	(103,852)	(782,521)
Balance variation of suppliers and car makers payable and reverse factoring	36	-	-	(1,257,693)	(220,732)
Additions to right-of-use leases	36	-	-	(500,440)	(247,470)

The statements of cash flows at December 31, 2020 present only continuing operations. The amounts related to discontinued operations are presented in note 1.3.2.

Simpar S.A.
Statements of value added
Years ended December 31, 2021 and 2020
In thousands of Brazilian Reais

	Note	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Sales, lease, rendering services and sale of decommissioned assets	31	-	-	15,453,380	10,874,860
Provision for expected credit losses ("impairment") of trade receivables	32	-	-	(56,164)	(78,667)
Other operating income		6,444	2,064	208,826	98,396
		6,444	**2,064**	**15,606,042**	**10,894,589**
Inputs acquired from third parties					
Cost of sales and rendering services			-	(6,963,162)	(6,094,036)
Materials, electric power, services provided by third parties and others		29,288	(6,826)	(905,432)	(198,726)
Provision for impairment of assets		-	-	-	(145,249)
		29,288	**(6,826)**	**(7,868,594)**	**(6,438,011)**
Gross value added		**35,732**	**(4,762)**	**7,737,448**	**4,456,578**
Retentions					
Depreciation and amortization	32	(12,786)	(3,991)	(1,059,114)	(1,111,953)
Net value added produced by the Simpar Group		**22,946**	**(8,753)**	**6,678,334**	**3,344,625**
Value added received through transfer					
Equity results from subsidiaries related to continuing operations	13.1	1,021,250	353,963	(1,534)	(515)
Equity results from subsidiaries related to discontinued operations	1.3	-	(28,539)	-	(28,539)
Finance income	33	51,977	14,413	736,362	679,426
		1,073,227	**339,837**	**734,828**	**650,372**
Total value added to distribute		**1,096,173**	**331,084**	**7,413,162**	**3,994,997**
Value added distributed					
Personnel and payroll charges	32	66,876	4,309	2,278,160	1,477,812
Federal taxes		(74,878)	(6,018)	982,427	514,102
State taxes		2,619	506	700,611	421,555
Municipal taxes		198	1	123,744	82,144
Interest and bank fees	33	276,418	56,265	1,953,955	1,054,202
Leases	32	2,685	-	45,315	47,682
Dividends and interest on capital for the year	29.4	206,651	69,155	365,893	97,938
Retained earnings for the year		615,604	206,866	963,057	299,562
		1,096,173	**331,084**	**7,413,162**	**3,994,997**

The accompanying notes are an integral part of the individual and consolidated financial statements.

1. Reporting entity

Simpar S.A. ("Company") is a publicly-traded corporation, with its headquarters at Dr. Renato Paes de Barros, 1.017, 10º andar, conjunto 101, Itaim Bibi, São Paulo-SP, and has its shares traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") under the ticker) SIMH3, and controlled by JSP Holding S.A. ("JSP Holding").

The Company and its subsidiaries (collectively referred to as "Simpar Group") operate in seven main segments:

(i) JSL: Road transportation of cargo, dedicated road freight logistics, commodities logistics, internal logistics, urban distribution, storage and charter.

(ii) Movida: Lease of light vehicles, and management and outsourcing of light vehicles fleets to the private and public sector. As a consequence and aiming at the continuity of the leasing activities, Movida constantly renews its fleet, replacing used vehicles with new vehicles.

(iii) Vamos: Rental and fleet management of trucks, machinery and equipment, sale of new and used trucks, machinery and equipment, parts, accessories and providing mechanical services, bodywork and painting services. At the end of the contracts, vehicles and machines returned by customers are decommissioned and sold.

(iv) CS Brasil: Management and outsourcing of fleets of light and heavy vehicles to the public sector, municipal passenger transport, urban cleaning and administration of consortia of ports and highways. At the end of the contracts, vehicles and machines returned by customers are decommissioned and sold.

(v) CS Infra: Treatment of non-hazardous waste, commercialization of biogas, production and commercialization of carbon credits, generation and commercialization of energy through biogas and incineration of waste received; slurry treatment services; installation and operation of industrial landfill, urban cleaning.

(vi) Original : sale of new and used light vehicles, parts, machinery and accessories, providing mechanical services, bodywork and painting services, and brokerage services for automotive insurance sales.

(vii) BBC: financial services for lease of vehicles and equipment, and issuance and management of cards.

The Simpar Group also has entities located abroad used as a vehicle for raising funds for the issuance of Senior Notes (Bonds), other legal entities with non-relevant operations not allocated in any of the segments. These activities are allocated, as disclosed in note 5, Segment information, as Holding and other activities.

1.1 Main events in 2021

1.1.1 Offering of shares of subsidiary Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos")

(i) Restricted offering of shares

On January 27, 2021, subsidiary Vamos concluded a public offering of its common shares, with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offer").

The offering consisted of the primary public distribution of 34,215,328 new shares issued by Vamos subscribed and paid-up for R$ 26.00, traded on B3 under the ticker VAMO3. A secondary offering of 11,405,109 shares plus an additional tranche of 4,562,043 additional shares of the Company was also carried out for R$ 26.00.

At subsidiary Vamos, the primary offering capitalized R$ 830,219, net of the offering costs and payment of income tax and social contribution of R$ 20,189, deducted directly from the share capital account. As a result, the Company recorded an equity gain calculated between the capitalization amount and the cost of its residual interest already diluted on the offering, recorded in a special capital reserve account in the amount of R$ 649,476.

At the Company, the secondary offering resulted in the receipt of cash of R$ 399,695 net of the offering costs and related income tax and social contribution of R$ 103,103. This also resulted in an equity gain calculated between the proceeds from the sale of shares and the cost of the residual interest already diluted on the offering, recorded in a special capital reserve account in the amount of R$ 193,359, net of income tax and social contribution.

The proceeds from the offering was R$ 830,219 in the Company and R$ 1,229,916 in the consolidated. The total gain recorded by the Company was R$ 842,835.

(ii) Stock split

On August 13, 2021, Vamos conducted a 1-to-4 stock split, with no change to the Company's share capital. Considering the approval of the split, for each common share held, shareholders received another three shares of the same type, ultimately holding four common shares of the Company. The purpose of the stock split was to increase the liquidity of the shares, adjusting share prices and, consequently, making them more affordable to investors.

(iii) Subsequent public offering of shares (Follow-on)

On September 23, 2021, subsidiary Vamos concluded a follow-on of 65,584,010 new common shares, in a primary public distribution with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offer"). These shares were subscribed and paid-up for R$ 16.75 and the offering capitalized R$ 1,086,460, net of the offering costs of R$ 12,072, deducted directly from the share capital account.

As a result, the Company recorded an equity gain calculated between the capitalization amount and the cost of its residual interest already diluted on the offering, recorded in a special capital reserve account in the amount of R$ 703,575.

The proceeds from the IPO and the follow-on totaled R$ 2,312,469 in the consolidated. The total gain recorded by the Company was R$ 1,548,688.

1.1.2 Issuance of sustainability linked bond

(i) Issuance of sustainability linked bond and redemption of prior issuances

On January 14, 2021, through its subsidiary Simpar Europe S.A. ("Simpar Europe"), the Company carried out an issuance of sustainability-linked debt securities in the international market in the total amount of US$ 625,000,000, remunerated at the rate of 5.2% p.a. and maturing on January 26, 2031. The issuance of securities was settled on January 20, 2021.

Simpar Europe used part of the proceeds on January 20, 2021 and February 23, 2021 to repurchase part of the debt securities ("Bonds ") issued in 2017 and retap in 2018, in the principal amount of US$ 441,272,000, originally remunerated at a rate of 7.75% p.a. and maturing in 2024.

The Company evaluated the aspects of the transactions and considered the repurchase of the former bonds as exchange of debt, since the present value discounted at the original effective interest rate of the new issuance, including premium and fees paid, was less than 10% of the present value of the original balance payable. As a result, the costs and fees incurred were allocated to the carrying amount of the new Bond and the debt balance was adjusted by the new effective interest rate, according to the guidelines in CPC 48 – Financial Instruments, resulting in an adjustment of R$ 126,230 recognized directly as finance income for the year.

On July 26, 2021, subsidiary Simpar Europe carried out the redemption and cancellation of the remaining bonds from July 2017 to January 2018, in the remaining balance of USD 183,728,000, with early redemption cost of R$ 37,524.

As part of the terms of issuance of sustainability linked bonds, the Company made a commitment to reduce its Greenhouse Gas (GHG) emissions by 15% up to 2030. The sustainability performance shall be measured until December 31, 2025, if the commitment is not met, we will have a spread adjustment of 0.25% in the interest rate of the sustainability linked bonds as from July 26, 2026, with change of remuneration of Simpar Europe securities from 5.20% to 5.45%.

(ii) Issuance of sustainability linked bond by subsidiary Movida Participações S.A. ("Movida")

On January 28, 2021, through its subsidiary Movida Europe S.A. ("Movida Europe"), a company established under the laws of the Grand Duchy of Luxembourg ("Issuer"), Movida carried out its first issuance of sustainability-linked debt securities in the international market ("Notes") in the total amount of US$ 500,000,000, remunerated at the rate of 5.25% p.a. and maturing on February 8, 2031, guaranteed by Movida Locação de Veículos S.A. and Movida Locação de Veículos Premium Ltda. ("Movida Premium"). The issuance of securities was settled on February 8, 2021.

On August 23, 2021, Movida carried out a retap offering to the debt securities issued in the international market, in the amount of US$ 300,000,000, under the same terms as the original offering, consolidated into a single series.

As part of the terms of issuance of sustainability linked bonds, the Company made a commitment to reduce its Greenhouse Gas (GHG) emissions by 15% up to 2030. The sustainability performance shall be measured until December 31, 2025, if the commitment is not met, we will have a spread adjustment of 0.25% in the interest rate of the sustainability linked bonds as from August 5, 2026, with change of remuneration of Movida Europe securities from 5.25% to 5.50%.

(iii) Issuance of Sustainability Linked Bonds by the subsidiary Simpar Finance S.a.r.l ("Simpar Finance")

Subsidiary Simpar Finance S.a.r.l ("Simpar Finance") issued bonds in the international market, denominated in the Company's local currency (Reais), in the total amount of R$ 450,000, remunerated at a rate of 10.75% p.a., maturing on February 12, 2028. Simpar Finance simultaneously entered into an interest rate swap agreement, for a variation equivalent to 149.81% of the CDI (Interbank Deposit Certificate).

On March 29, 2021, these securities were assigned to subsidiary CS Finance S.a.r.l ("CS Finance"), a wholly-owned subsidiary of CS Brasil, with transfer of the respective swaps.

The Company made commitments related to the issuance of sustainability linked bonds; its primary commitment is to reduce its Greenhouse Gas (GHG) emissions by 15% up to 2030. The sustainability performance shall be measured until December 31, 2025, if the commitment is not met, a spread adjustment of 0.25% will occur in the interest rate of the sustainability linked bonds as from July 26, 2026, with change of remuneration of CS Finance securities from 5.20% to 5.45%.

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1.1.3 New port and highway management concessions - Subsidiary CS Brasil Holding and Locação S.A. ("CS Brasil Holding")

(i) Port Management Concessions (Special Purpose Entities - SPEs ATU 12 and ATU 18)

On March 25, 2021, lease agreements were signed for the port terminals named ATU12 and ATU18, located in the municipalities of Aratu and Candeias in the state of Bahia, obtained through bidding, with concession grant amounts of R$48,900 and R$23,900 and concession periods of 25 and 15 years, respectively.

ATU18 Arrendatária Portuária SPE S.A. and ATU12 Arrendatária Portuária SPE S.A., special purpose entities for the ports ATU 18 and ATU 12 respectively, both closed corporations, were created to develop the aforementioned activities, including the improvement of facilities, all of which can be handed over to the grantor at the end of the contracts. Both are in the pre-operational stage.

The area called ATU12 is used for the handling and storage of solid mineral bulk, especially fertilizers, copper concentrate, manganese ore and petroleum coke. The ATU18 area is used for the handling and storage of solid plant grains, especially soybeans.

(ii) Signing of the Transcerrados Concession Contracts

On July 26, 2021, a concession agreement was entered into for the provision of public services for the conservation, recovery, maintenance, implementation of improvements and road operation of the PI-397 and PI-262 highways ("Transcerrados") for a period of 30 years, obtained through a bidding conducted by the Government of the State of Piauí, through its Superintendence of Partnerships and Concessions – SUPARC.

The contract was signed and will be managed by Grãos Do Piauí Concessionária de Rodovias SPE S.A., a special purpose entity in which the Company, through its subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda., holds a 64% interest, still in the pre-operational stage.

1.2 Business combinations

1.2.1 Subsidiary Movida

i) Acquisition of Vox Frotas Locadoras S.A

On March 19, 2021, Movida entered into an agreement for the acquisition of 100% of the shares of Vox Frotas Locadora S.A. ("Vox"), a fleet management and outsourcing company ("GTF") established in 1999, headquartered in the city of São Paulo and operating in all stages of the process: acquisition, management and renewal of the asset. Its fleet is made up of approximately 1.8 thousand vehicles with an average age of 1.2 years, distributed among its customers in a portfolio of luxury cars, a large portion of which are bulletproof, and light cargo vehicles.

In thousands of Brazilian Reais, unless otherwise stated

The transaction price was R$ 31,921, of which R$ 16,096 was paid in cash and the remaining amount is payable on the 1st anniversary of the transaction adjusted at 100% of the CDI, as shown below:

	Amount of the consideration
Amount paid in cash	16,096
Contingency reserve (i)	6,352
Installments payable	9,473
Total price (consideration) as per the agreement	**31,921**

(i) The amount will be retained as collateral for any contingencies ("Escrow") and will be released to sellers after March 19, 2026, net of materialized losses.

In accordance with CPC 15 / IFRS 3 - Business Combination, the fair value of the assets acquired and liabilities assumed for determination of the purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value at the acquisition date
Assets			
Cash and cash equivalents	2,247	-	2,247
Trade receivables	1,813	-	1,813
Property and equipment	79,326	3,679	83,005
Intangible assets	-	10,322	10,322
Other assets	1,886	-	1,886
Total assets	**85,272**	**14,001**	**99,273**
Liabilities			
Trade payables	454	-	454
Loans and borrowings	55,125	-	55,125
Other liabilities	13,926	-	13,926
Total liabilities	**69,505**	**-**	**69,505**
Total fair value of assets net of liabilities			**29,769**
Fair value of the consideration			**31,921**
Goodwill			**2,152**

The purchase price allocation report obtained as a result the allocation of R$ 10,322 to the customer list and R$ 3,679 to surplus value of property and equipment. The goodwill generated on the operation is R$ 2,153.

Result from business combination

This business combination contributed to the Company's result for the year ended December 31, 2021 with net revenue of R$ 48,135 and profit of R$ 15,383 generated as from March 19, 2021, date on which the Company took over the control. Had the acquisition occurred on January 1, 2021, the net revenue would be R$ 59,684 and the profit for the year would be R$ 21,128.

Acquisition costs

Movida incurred costs associated with the acquisition in the amount of R$ 74, related to attorney's fees and due diligence costs. The attorney's fees and due diligence costs of R$99 were recorded as "Administrative expenses" in the statement of profit or loss.

ii) Merger of shares of CS Brasil Participações e Locações S.A. ("CS Brasil Participações")

Subsidiary Movida Participações S.A. and subsidiary CS Brasil Participações, in compliance with the provisions of the extraordinary general meetings held on July 26, 2021, approved the matters related to: (I) the partial spin-off of CS Brasil Participações e Locações S.A. with transfer of the spun-off portion to subsidiary CS Brasil Holding; and (ii) the merger of all shares of CS Brasil Participações into Movida.

As a result, the share capital of Movida was increased by R$ 583,480, through the issuance of 63,381,072 new common shares, registered, book-entry and with no par value, subscribed by the Company and paid in with all shares of CS Brasil Participações pursuant to the Protocol and Justification of Merger. Thus, CS Brasil Participações e Locações became a wholly-owned subsidiary of Movida Participações, which also gave Movida indirect control of CS Brasil Frotas Ltda.

Pursuant to the respective Protocol and Justification of Merger of Shares, an amendment to the Commercial Agreement and Other Covenants between the Company and Movida was approved, through which Movida is now authorized to operate in the management and outsourcing of light vehicle fleets for the Public Sector, previously limited to the indirect operation by the Company through its subsidiary CS Brasil Frotas Ltda. and other subsidiaries.

The transaction was carried out according to governance protocols determined by regulation and additional procedures to provide assurance to non-controlling shareholders, primarily regarding the establishment of an independent committee to assess the transaction and provide support to the board of directors, and the commitment of the controlling shareholder to monitor the non-controlling shareholders' decision.

The restructuring occurred between companies under common control, thus the standard CPC 15 – Business Combinations was not applied. Therefore, for the consolidated financial statements of the Simpar Group, the book balances were considered since the companies remained under the common control of the Company.

However, as a result of the transaction, Simpar recorded deferred income tax and deferred social contribution of R$19,901 on the taxable capital gain earned in this transaction.

iii) Acquisition of Marbor Frotas Corporativas Ltda. ("Marbor")

On December 16, 2021, Movida signed a purchase and sale agreement for the acquisition of 100% of the shares of Marbor for R$130,000, which will be adjusted based on the net debt and other adjustments usual for this type of transaction, at the transaction closing date, to occur after the conclusion of certain usual conditions precedent, including the approval by the Administrative Council for Economic Defense - CADE, which were still in progress until the issuance of these Financial Statements..

Of the agreed price, R$ 65,000 will be paid in cash at the closing date and the remaining amount will be paid on the first anniversary of the transaction.

Marbor has been in Fleet Management and Outsourcing since 1996. The transaction will contribute 1.8 thousand vehicles tied to lease contracts, which have an average age of approximately 1.4 year and are distributed among more than 100 corporate customers with contracts with an average term of 2.7 years.

In thousands of Brazilian Reais, unless otherwise stated

1.2.2 Subsidiary JSL S.A. ("JSL")

i) Acquisition of Moreno Holding Ltda. ("TransMoreno")

On October 30, 2020, the Company completed the acquisition of 100% of the quotas issued by TransMoreno and its subsidiaries, with the approval of CADE on October 30, 2020, without restrictions. TransMoreno operates in the vehicle transport segments on truck tractor car trailer and the provision of automotive logistics services. TransMoreno operates throughout the Brazilian territory, with more than 720,000 m2 in areas and yards for storage and distribution of vehicles for carmakers, with two of the main carmakers in the country in its customer portfolio. Its business model is based on offering logistical solutions through a third-party network thus being considered an asset light company. The Company understands that the acquisition of TransMoreno is in line with its growth, diversification and consolidation strategy as the largest and most integrated platform for logistics services in Brazil, enabling greater participation in services that it believes can offer improvements, adding value to the customer.

The transaction price was R$ 301,920, which was paid as follows:

	Amounts of the consideration
Amount paid in cash	111,318
Amount payable in installments (i)	120,602
Contingent consideration (ii)	60,000
Price supplement (iii)	10,000
Total price (consideration) as per the agreement	**301,920**

(i) This amount is recorded in "Payables for the acquisition of companies" and the amount of R$ 60,000 will be retained as a guarantee for possible contingencies ("Escrow"), plus 100% of the CDI + 1.25% p.a. and will be paid over 5 years.

(ii) The price includes a premium of R$10,000 if TransMoreno achieves certain targets between 2021 and 2024 and will be adjusted at the CDI rate. The Company assessed it as probable and therefore includes it in the determination of consideration for the acquisition.

In thousands of Brazilian Reais, unless otherwise stated

The purchase price allocations were completed in accordance with CPC 15 / IFRS 3, and the fair value of the assets acquired and liabilities assumed for determination of the purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value
Assets			
Cash and cash equivalents	13,129	-	13,129
Trade receivables	15,781	-	15,781
Indemnification asset	-	33,257	33,257
Property and equipment	907	3,965	4,872
Intangible assets	12	90,419	90,431
Other assets	3,431	-	3,431
Total assets	**33,260**	**127,641**	**160,901**
Liabilities			
Trade payables	4,748	-	4,748
Installment payment plans	23,287	-	23,287
Social and labor liabilities	3,000	-	3,000
Provision for contingencies	9,290	33,257	42,547
Other liabilities	4,127	-	4,127
Total liabilities	**44,452**	**33,257**	**77,709**
Total fair value of assets net of liabilities			**83,192**
Fair value of the consideration paid			**301,920**
Goodwill			**218,728**

Fair value measurement

The fair value of the assets assumed, net of liabilities assumed is R$ 83,192 and includes R$ 3,965 related to surplus value of property and equipment, R$ 88,881 to customer list, R$ 539 to software and R$ 33,257 to indemnification asset and contingent liability. The goodwill generated on the operation is R$ 218,728.

Acquisition costs

The Company incurred costs associated with the acquisition in the amount of R$ 1,087, related to attorney's fees and due diligence costs. The attorney's fees and due diligence costs were recorded as "Administrative expenses" in the statement of profit or loss for the year December 31, 2020.

Result from business combination

This business combination contributed to the Company's result for the year ended December 31, 2021, with a net revenue of R$ 162,133 and profit of R$ 24,221.

ii) Acquisition of Fadel Holding S.A. ("Fadel")

On November 17, 2020, JSL acquired 75% of the shares issued by Fadel and entered into an agreement for call and put options between the parties for the acquisition of the remaining 25% from the 3rd. year. In January 2021, the parties agreed to advance the exercise of options, resulting in the acquisition by JSL of the remaining 25% interest.

This acquisition was made through the merger of shares, approved at JSL's Extraordinary General Meeting of shareholders held on September 27, 2021, which approved the merger of shares of Fadel through exchange for 6,440,000 shares of subsidiary JSL. The transaction was carried out at the fair value of R$58,584 (R$39,458 proportional to Simpar's non-controlling interests) which, based on the original agreement, had been classified as a financial liability at December 31, 2020 and with the completion of the transaction in exchange of shares, was reclassified to equity.

In thousands of Brazilian Reais, unless otherwise stated

The acquisition price was R$ 225,370, comprised as follows:

	Amounts of the consideration
Amount paid in cash	54,688
Contingent consideration (ii)	50,000
Installments paid according to the purchase agreement	54,688
Call options for the remaining 25% of the shares	58,584
Price supplement (ii)	7,410
Total price (consideration) as per the agreement	**225,370**

(i) The amount of R$50,000 is deposited in a current account in the name of the sellers and is retained as collateral for any contingencies (“Escrow”).

(ii) Conditional premium paid of R$ 7,410 for the achievement of certain goals in 2020.

The purchase price allocations were completed in accordance with CPC 15 / IFRS 3, the fair value of the assets acquired and liabilities assumed for determination of the purchase price allocation is shown below:

			12/31/2021
	Carrying amount	**Fair value adjustment**	**Fair value**
Assets			
Cash and cash equivalents	27,519	-	27,519
Trade receivables	79,087	-	79,087
Indemnification asset	-	73,085	73,085
Property and equipment	233,550	4,471	238,021
Intangible assets	1,289	63,350	64,639
Other assets	61,691	-	61,691
Total assets	**403,136**	**140,906**	**544,042**
Liabilities			
Loans and borrowings	45,614	-	45,614
Lease liabilities	2,979	-	2,979
Social and labor liabilities	33,775	-	33,775
Provision for contingencies	17,999	73,085	91,084
Other liabilities	181,736	-	181,736
Total liabilities	**282,103**	**73,085**	**355,188**
Total fair value of assets net of liabilities			**188,854**
Fair value of the consideration paid			**225,370**
Goodwill			**36,516**

Fair value measurement

The fair value of the assets and liabilities assumed is R$ 188,854 and includes R$ 4,471 related to surplus value of property and equipment, R$ 63,350 to customer list and R$ 73,085 to indemnification asset and contingent liability. The goodwill generated on the operation is R$ 36,516.

Result from business combination

This business combination contributed to the Company's result for the year ended December 31, 2021, with a net revenue of R$ 602,829 and profit of R$ 74,821.

Acquisition costs

The Company incurred costs associated with the acquisition in the amount of R$ 777, related to attorney’s fees and due diligence costs. The attorney’s fees and due diligence costs were recorded as “Administrative expenses” in the statement of profit or loss.

In thousands of Brazilian Reais, unless otherwise stated

iii) Acquisition of Transportadora Rodomeu Ltda. and Unileste Transportes Ltda. ("Rodomeu")

On May 14, 2021, the Company concluded the acquisition of 100% of the shares issued by Rodomeu and its subsidiary Abaeté Comercio de Veículos Ltda, approved by the Administrative Council for Economic Defense ("CADE") on March 24, 2021 without restrictions.

Rodomeu has its registered office in the city of Piracicaba, state of São Paulo, and is specialized in the road transport of highly-complex cargo, which includes gases and chemicals, machinery and equipment for civil constructionand dedicated transport of inputs and finished products in the paper and pulp, steel and food segments.

The transaction price was R$ 97,000, comprised as follows:

	Amounts of the consideration
Amount paid in cash	29,100
Installments payable (i)	52,900
Installment retained as collateral (ii)	15,000
Total price (consideration) as per the agreement	**97,000**

(i) This amount is recorded in Payables for the acquisition of companies, and will be increased by 100% of the CDI. At December 31, 2021, there are 18 installments payable.

(ii) The amount of R$ 15,000 will be retained as collateral for any contingencies ("Escrow") and is recorded in line item "Payables for the acquisition of companies". The amount will be increased by 100% of the CDI and settled in 24 installments, and will only be released to sellers after May 14, 2027, net of materialized losses.

In accordance with CPC 15 / IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed for determination of the date purchase price allocation is shown below:

Assets	**Carrying amount**	**Fair value adjustment**	**Fair value**
Cash and cash equivalents	33,776	-	33,776
Trade receivables	10,032	-	10,032
Indemnification asset	-	16,611	16,611
Intangible assets	-	6,100	6,100
Property and equipment	16,876	44,446	61,322
Other assets	6,029	-	6,029
Total assets	**66,713**	**67,157**	**133,870**
Liabilities			
Trade payables	1,066	-	1,066
Loans and borrowings	12,066	-	12,066
Provision for contingencies	-	16,611	16,611
Other liabilities	3,711	-	3,711
Total liabilities	**16,843**	**16,611**	**33,454**
Total fair value of assets net of liabilities			**100,416**
Fair value of the consideration			**97,000**
Gain on bargain purchase			**(3,416)**

Fair value measurement on provisional bases

The fair value of the assets assumed, net of liabilities assumed is R$ 100,416 and includes R$ 44,446 related to surplus value of property and equipment, R$ 6,100 to other intangible assets and R$ 16,611 to indemnification asset and contingent liability. A gain on bargain purchase in the amount of R$ 3,416 was generated, which was recorded under other revenues in the statement of profit or loss.

In thousands of Brazilian Reais, unless otherwise stated

The fair value of assets and liabilities was provisionally determined. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date indicates adjustments to the amounts mentioned above, or any additional provision that existed at the acquisition date, the accounting for acquisition will be reviewed.

Result from business combination

This business combination contributed to the Company's result for year ended December 31, 2021 with net revenue of R$ 68,530 and profit of R$ 4,852 generated by Rodomeu as from May 1, 2021, date on which JSL took over the control. Had the acquisition of Rodomeu occurred on January 1, 2021, JSL S.A.'s consolidated net revenue and profit for 2021 would be increased by R$ 96,064 and R$ 7,234.

Acquisition costs

JSL incurred costs associated with the acquisition in the amount of R$ 497, related to attorney's fees and due diligence costs, classified as administrative expenses in the statement of profit or loss.

iv) Acquisition of Pronto Express Logística S.A ("TPC")

On June 14, 2021, the Company concluded the acquisition of 100% of the shares issued by TPC, a company that, together with its subsidiaries, TPC Logística Sudeste S.A. and TPC Logística Nordeste S.A., operates in an asset-light model focused on the bonded or non-bonded warehouses, dedicated in-house logistics, cross docking and integrated distribution management, including the last mile and reverse logistics. It is mainly inserted in the sectors of cosmetics, fashion, retail, electrical and electronics, telecommunications, pharmaceutical, hospital equipment, consumer goods, oil & gas and petrochemicals.

The transaction price was R$ 185,526 and may be adjusted upon confirmation of any variations in net debt and working capital that is being validated by the parties. The amount of the consideration for the acquisition is comprised as follows:

	Amounts of the consideration
Amount paid in cash	66,010
Installments payable (i)	48,203
Installment retained as collateral (ii)	60,663
Price supplement (iii)	16,650
Total price (consideration) as per the agreement	**185,526**

(i) The amount was settled on December 31, 2021.
(ii) The amount of R$ 60,663 will be retained as collateral for any contingencies ("Escrow") and is recorded in "Payables for the acquisition of companies". The amount will be increased by 100% of the CDI, with the amounts being released to sellers after June 14, 2026, net of materialized losses.
(iii) Amount payable for the achievement of business targets measured until 2024.

In thousands of Brazilian Reais, unless otherwise stated

In accordance with CPC 15 / IFRS 3 - Business Combination, the fair value of the assets acquired and liabilities assumed for determination of the purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value
Assets			
Cash and cash equivalents	11,749	-	11,749
Trade receivables	114,048	-	114,048
Marketable securities and financial investments	18,653	-	18,653
Indemnification asset	-	181,132	181,132
Property and equipment	108,786	20,424	129,210
Right-of-use asset	68,906	3,560	72,466
Intangible assets	11,626	75,488	87,074
Other assets	31,930	-	31,930
Total assets	**365,698**	**280,564**	**646,262**
Liabilities			
Loans and borrowings	127,846	-	127,846
Lease liabilities	76,362	-	76,362
Social and labor liabilities	28,704	-	28,704
Taxes payable	31,428	-	31,428
Provision for contingencies	6,906	174,226	181,132
Other liabilities	16,662	-	16,662
Total liabilities	**287,908**	**174,226**	**462,134**
Total fair value of assets net of liabilities			**184,128**
Fair value of the consideration paid			**185,526**
Goodwill			**1,398**

Fair value measurement on provisional bases

The fair value of the assets and liabilities assumed was R$ 184,128 and includes R$ 20,424 related to surplus value of property and equipment, R$ 45,100 to customer list, R$ 13,200 to trademark, R$ 13.148 to “clia” license, R$ 4,000 to software, and R$ 181,132 to indemnification asset and contingent liability. The goodwill generated on the operation is R$ 1,398.

The fair value of assets and liabilities was provisionally determined. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date indicates adjustments to the amounts mentioned above, or any additional provision that existed at the acquisition date, the accounting for acquisition will be reviewed.

Result from business combination

This business combination contributed to the Simpar Group’s result for the year ended December 31, 2021 with net revenue of R$ 278,581 and profit of R$ 20,025 generated by TPC as from June 14, 2021, date on which JSL took over the control. Had the acquisition of TPC occurred on January 1, 2021, JSL S.A.’s consolidated net revenue and profit for 201 would be increased by R$ 482,375 and R$ 29,779.

Acquisition costs

JSL incurred costs associated with the acquisition in the amount of R$ 2,188, related to attorney’s fees and due diligence costs, classified as administrative expenses in the statement of profit or loss.

v) Acquisition of Transportes Marvel Ltda. (“Marvel”)

On July 30, 2021, JSL, through its subsidiary Rio Grandense Logística Ltda., concluded the acquisition of 100% of the shares issued by Marvel, a company that operates in road transport of high value-added frozen and refrigerated cargo, offering services in Brazil and other countries in South America.

In thousands of Brazilian Reais, unless otherwise stated

The transaction price was R$ 245,000, which may be adjusted for variations occurred up to the closing date that had not been agreed and which are under analysis and approval by the parties. The transaction price is comprised as follows:

	Amount of the consideration
Amount paid in cash	100,000
Installments payable (i)	90,000
Installment retained as collateral (ii)	54,100
Total price (consideration) as per the agreement	**245,000**

i. This amount was recorded in "Payables for the acquisition of companies", paid in 12 monthly and consecutive installments; each installment will be subject to 150% of the CDI on a pro rata die basis after deduction of the taxes levied thereon according to the law from the signature date to the actual payment date.. At December 31, 2021, there are 6 installments payable in the amount of R$ 55,908.

ii. The amount of R$ 54,100 will be retained as collateral for any contingencies ("Escrow"), recorded in "Payables for the acquisition of companies", and will be released to sellers after July 30, 2022, following the percentages set forth in the contract, and fully released after July 30, 2026, net of materialized losses. The amount is adjusted based on 120% of the CDI.

In accordance with CPC 15 / IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed for determination of the date purchase price allocation is shown below:

	Carrying amount	Fair value adjustment	Fair value
Assets			
Cash and cash equivalents	26,781	-	26,781
Trade receivables	58,712	-	58,712
Indemnification asset	-	28,433	28,433
Property and equipment	252,805	76,226	329,031
Intangible assets	-	14,500	14,500
Other assets	41,307	-	41,307
Total assets	**379,605**	**119,159**	**498,764**
Liabilities			
Loans and borrowings	171,109	-	171,109
Lease liabilities	55,614	-	55,614
Social and labor liabilities	9,210	-	9,210
Provision for contingencies	2,424	28,433	30,857
Other liabilities	21,091	-	21,091
Total liabilities	**259,448**	**28,433**	**287,881**
Total fair value of assets net of liabilities			**210,883**
Fair value of the consideration paid			**245,000**
Goodwill			**34,117**

Fair value measurement on provisional bases

The fair value of the assets assumed, net of liabilities assumed is R$ 210,883 and includes R$ 76,226 related to surplus value of property and equipment, R$ 14,500 to other intangible assets and R$ 28,433 to indemnification asset and contingent liability. The goodwill generated on the operation is R$ 34,117.

The fair value of assets and liabilities was provisionally determined. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date indicates adjustments to the amounts mentioned above, or any additional provision that existed at the acquisition date, the accounting for acquisition will be reviewed.

In thousands of Brazilian Reais, unless otherwise stated

Result from business combination

This business combination contributed to the Simpar Group's result for the year ended December 31, 2021 with net revenue of R$ 153,891 and profit of R$ 22,105 generated by Marvel as from July 30, 2021, date on which subsidiary JSL took over the control. Had the acquisition of Marvel occurred on January 1, 2021, the net revenue would be R$ 317,298and the profit for the year would be R$32,984.

Acquisition costs

JSL incurred costs associated with the acquisition in the amount of R$ 456, related to attorney's fees and due diligence costs, classified as administrative expenses in the statement of profit or loss.

1.2.3 Subsidiary Vamos

(i) Monarca Máquinas e Implementos Agrícolas Ltda. ("Monarca")

On May 10, 2021, Vamos, through its subsidiary Vamos Máquinas e Equipamentos S.A. ("Vamos Máquinas"), concluded the acquisition of 100% of the shares issued by Monarca, the Valtra brand dealership network that it owns, with presence in the state of Mato Grosso, which sells machinery, agricultural implements, parts and maintenance services, through four stores located in the cities of Sorriso, Sinop, Matupá and Alta Floresta, serving the region of 32 municipalities in the state.

The transaction price was R$ 16,829, paid on December 28, 2021, plus interest of R$ 723, calculated at 0.6% per month from the acquisition date, as provided for in the share purchase and sale agreement. Interest was recognized as finance costs.

Management made the allocation of the fair value of the assets acquired and liabilities assumed for determination of the purchase price allocation:

	Fair value at the acquisition date
Assets	
Cash and cash equivalents	3,373
Trade receivables	27,152
Inventories	29,146
Deferred income tax and social contribution	1,696
Other credits	968
Property and equipment	1,507
Total assets	**63,842**
Liabilities	
Trade payables	32,525
Related parties	7,317
Labor and social liabilities	1,958
Income tax and social contribution payable	893
Advances from customers	4,043
Other payables	573
Total liabilities	**47,309**
Total net assets	**16,533**
Fair value of the consideration	**16,829**
Goodwill	**296**

No significant differences were identified between the carrying amounts and the identifiable fair values of assets and liabilities assumed.

In thousands of Brazilian Reais, unless otherwise stated

Result from business combination

This business combination contributed to the Simpar Group's result for the year ended December 31, 2021 with net revenue of R$ 134,796 and profit of R$ 11,639 generated as from the acquisition date. Had the acquisition of Marvel occurred on January 1, 2021, the net revenue for the year would be R$ 63,418 and the profit for the year would be R$ 795.

Acquisition costs

Vamos incurred costs associated with the acquisition in the amount of R$ 150, related to attorney's fees and due diligence costs. The attorney's fees and due diligence costs were recorded as "Administrative expenses" in the statement of profit or loss.

(ii) BMB Mode Center S.A. and BMB Latin America Sociedade Anonima de Capital Variable (together, "BMB")

On June 22, 2021, Vamos, through its subsidiary Vamos Seminovos, concluded the acquisition of a 70% interest in BMB, founded 20 years ago, as the first Volkswagen/MAN truck and bus customization center in Brazil. Subsequently, the company began to operate in Mexico also for customization of Volkswagen/MAN heavy vehicles.

On that same date, Vamos Seminovos and the former owners of BMB entered into a shareholders' agreement, which provides for a call option for Vamos Seminovos and a put option for the former owners, regarding the ownership interest remaining after the acquisition (30%) beginning in the third year. Between the agreement date and the option exercise date, the amount will be subject to interest calculated at 100% of the CDI. Therefore, considering the nature of the agreement signed between the parties, Vamos Seminovos recognized the liability arising from the call and put options for the BMB shares and considered the acquisition of 100% of the companies' shares for the purpose of accounting for the business combination using the advance acquisition method, in the amount of R$ 18,455.

The transaction price was R$ 63,548, comprised as follows:

	Amounts of the consideration
Amount paid in cash	15,458
Installments payable (i)	29,665
Payables for call and put options	18,425
Total price (consideration) as per the agreement	**63,548**

(i) This amount was recorded in "Payables for the acquisition of companies "and will be paid in 36 monthly installments until June 2024. The installments will be adjusted based on 100% of the CDI up to the payment date.

In thousands of Brazilian Reais, unless otherwise stated

The provisional fair value of the assets acquired and liabilities assumed for determination of the purchase price allocation on the purchase date is presented below:

	Carrying amount	Fair value adjustment	Fair value
Assets			
Cash and cash equivalents	5,868	-	5,868
Trade receivables	11,269	-	11,269
Inventories	11,873	-	11,873
Deferred income tax and social contribution	985	-	985
Other credits	2,097	-	2,097
Indemnification assets	-	8,740	8,740
Property and equipment	8,476	4,132	12,608
Intangible assets	260	42,693	42,953
Total assets	**40,828**	**55,565**	**96,393**
Liabilities			
Trade payables	17,280	-	17,280
Loans and borrowings	172	-	172
Tax, social and labor liabilities	1,771	-	1,771
Income tax and social contribution payable	2,249	-	2,249
Advances from customers	723	-	723
Right-of-use lease	3,340	-	3,340
Dividends payable	2,215	-	2,215
Provision for judicial and administrative litigation (i)	2,520	8,740	11,260
Other payables	159	-	159
Total liabilities	**30,429**	**8,740**	**39,169**
Total fair value of assets net of liabilities			**57,224**
Fair value of the total consideration			**63,548**
Goodwill			**6,324**

(i) As provided for in the purchase and sale agreement, the Company will be fully indemnified by the seller in the event of the materialization of any contingency up to the closing date.

Fair value measurement on provisional bases

The fair value of the assets assumed, net of liabilities assumed is R$ 102,717 and includes R$ 4,132 related to surplus value of property and equipment, R$ 42,393 to other intangible assets and R$ 8,740 to indemnification asset and contingent liability. The goodwill generated on the operation is R$ 6,324.

The fair value of assets and liabilities was provisionally determined. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date indicates adjustments to the amounts mentioned above, or any additional provision that existed at the acquisition date, the accounting for acquisition will be reviewed.

Result from business combination

This business combination contributed to the Simpar Group's result for the year ended December 31, 2021 with profit of R$ 2,688 generated as from July 1, 2021, date on which Vamos took over the control of BMB. Had the acquisition of BMB occurred on January 1, 2021, the Company's consolidated net revenue and profit for 2021 would be increased by R$ 48,932 and R$ 5,910, respectively.

Acquisition costs

Vamos incurred costs associated with the acquisition in the amount of R$ 293, related to attorney's fees and due diligence costs. The attorney's fees and due diligence costs were recorded as "Administrative expenses" in the statement of profit or loss.

(iii) Acquisition of HM Empilhadeiras Ltda. ("HM Empilhadeiras")

On December 8, 2021, Vamos signed a purchase and sale agreement for the acquisition of 100% of the quotas of HM Empilhadeiras for R$150,000, which will be adjusted based on the net debt and other adjustments usual for this type of transaction at the transaction closing date, to occur after the compliance with certain usual conditions precedent, including the approval by the Administrative Council for Economic Defense - CADE,), which were still in progress until the issuance of these Financial Statements.

Of the agreed purchase price, R$ 50,053 will be paid in cash, R$ 15,000 will be retained as collateral for any contingencies ("escrow") and the remaining amount will be paid in 36 monthly installments, adjusted based on 100% of the CDI up to the payment date.

HM Empilhadeiras operates in the lease and sale of new and used intralogistics equipment, with a fleet of 2,854 equipment, including forklifts, pallet trucks and tow trucks, among others. The company also offers after-sales services, corrective and preventive maintenance plans, and sells industrial parts and tires.

HM Empilhadeiras provides leasing services all over Brazil and has three Toyota equipment dealerships, in Ribeirão Preto (State of São Paulo), Pouso Alegre (State of Minas Gerais) and Bauru (State of São Paulo), covering the entire countryside of São Paulo and the Minas Gerais Triangle. The company also has a branch in Cabo de Santo Agostinho (State of Pernambuco), which operates as a commercial and support point.

1.2.4 Merger of shares - CS Infra S.A. ("CS Infra")

At a meeting on November 29, 2021, the Company's shareholders approved the merger of all the shares issued by CS Infra S.A. ("CS Infra") into the Company.

CS Infra is a holding company controlling 100% of Ciclus Ambiental do Brasil Ltda. ("Ciclus"), a company that operates the sanitary landfill in the city of Rio de Janeiro and surrounding cities, including the Solid Waste Treatment Center (CTR), receipt of non-hazardous waste by Waste Stations (ETR) and transfer of waste between them. As part of these activities, biogas and carbon credits are generated and sold, as well as energy through the incineration of the waste received.

The transaction was completed on December 31, 2021 after the conclusion of certain conditions precedent defined in the Protocol and Justification of Merger, including the approval by Companhia Municipal de Limpeza Urbana ("Comlurb").

As a result, the Company's share capital was increased by R$ 449,250, through the issuance of 23,010,721 new common shares, registered, book-entry and with no par value, subscribed and paid in with all shares of CS Infra pursuant to the Protocol and Justification of Merger. Thus, CS Infra became a wholly-owned subsidiary of the Company.

Stock warrant

Additionally, as part of the approved negotiation, JSP Holding, CS Infra's assigning company and Company's parent company, was awarded a stock warrant that will allow it to subscribe up to 32,084,167 new registered common shares with no par value of the Company.

This warrant is conditional and may be exercised in return for the release by the Court of Auditors of the Municipality of Rio de Janeiro of the charging of the price adjustment practiced in the contract with Comlurb. This adjustment was originated by a request for economic rebalancing, approved in accordance with the relevant laws and regulations, and the respective amendment signed and published in the Official Gazette of the Municipality of Rio de Janeiro on November 9, 2021.

The process is under review by the municipality, due to a request for amendment of the decision rendered in favor of Ciclus in December 2021.

The number of shares that may be issued upon exercise of the stock warrant will be established in proportion to the actual amount of the adjustment that is confirmed.

In thousands of Brazilian Reais, unless otherwise stated

The merged book balances at December 31, 2021 are shown below:

Assets	**Merged amount**
Cash and cash equivalents	318,443
Trade receivables	248,867
Marketable securities and financial investments	8,694
Deferred income tax and social contribution	22,622
Inventories	6,310
Intangible assets	87,059
Property and equipment	497,331
Other credits	9,105
Total assets	**1,198,431**
Liabilities	
Loans and borrowings	172,664
Debentures	416,700
Trade payables	18,735
Lease liabilities	5,054
Related parties	302,550
Social and labor liabilities	2,902
Derivative financial instruments	6,499
Installment payment plans	30,288
Provision for decommissioning	105,024
Provision for contingencies	135,948
Total liabilities	**1,098,495**
Total equity	**99,936**

The merged balance was R$ 99,936, which considers R$ 84,749 of equity plus the amount of R$ 25,844 referring to variations between the balance at the appraisal date and at the merger date.

The transaction was carried out according to governance protocols determined by regulation and additional procedures to provide assurance to non-controlling shareholders, primarily regarding the establishment of an independent committee to assess the transaction and provide support to the board of directors, and the commitment of the controlling shareholder to monitor the non-controlling shareholders' decision.

The restructuring occurred between companies under common control, and thus the standard CPC 15 – Business Combinations was not applied, the assets and liabilities were merged at their respective book balances. Therefore, no adjustment was made to the fair values of the assets and liabilities assumed, and no goodwill is being presented.

Result from business combination

Had the acquisition occurred on January 1, 2021, the Simpar Group's consolidated net revenue and profit for 2021 would be increased by R$ 367,127 and R$ 43,831, respectively.

Acquisition costs

The Company incurred costs associated with the acquisition in the amount of R$7,128, related to attorney's fees and due diligence costs. Attorney fees and due diligence costs were recorded in share capital as share issue cost, as mentioned in note 29.1

1.2.5 Subsidiary Original Holding S.A. ("Original Holding")

(i) Acquisition of UAB Motors Participações Ltda. ("UAB Motors")

On November 12, 2021, a purchase and sale agreement was entered into for acquisition of 100% of the shares issued by UAB by the Company. The acquisition will significantly expand the Company's operations in the light vehicle dealership sector, adding new businesses with seven new vehicle brands operated by dealerships present in 6 municipalities and 20 stores.

UAB Motors was valued at R$510,000 - Enterprise Value, of which R$395,000 will be paid in cash at the Transaction closing date and the remaining balance will be retained to deduct any adjustments to net debt, working capital and contingencies.

The conclusion of the acquisition is subject to compliance with obligations and conditions precedent usual for this type of transaction, including the approval by the Administrative Council for Economic Defense – CADE and by the car makers of related dealerships.

(ii) Acquisition of Sagamar Serviços, Administração e Participações Ltda. ("Sagamar")

In December 2021, the Company entered into purchase and sale agreements for acquisition of 100% of the shares issued by Sagamar, a company that operates light vehicle dealerships in the state of Maranhão, and will add new businesses that operate nine new vehicle brands through 14 stores.

Sagamar was valued at R$306,000, which will be adjusted based on the net debt, working capital and other adjustments at the transaction closing date, to occur after the conclusion of certain usual conditions precedent, including the approval by the Administrative Council for Economic Defense - CADE and by the car makers of related dealerships.

The payment of the price will be 51% in cash and 49% converted into shares, which will result in a relative interest of 12.60% in the share capital of subsidiary Original Holding.

In thousands of Brazilian Reais, unless otherwise stated

1.3 Simpar – corporate restructuring and discontinued operations

As part of the Company's strategy to generate value to shareholders, in a meeting on January 21, 2020, the shareholders approved, and on July 13, 2020 they carried out, the segregation of equity interests held in Ciclus and Ribeira, as well as of other assets and liabilities, through a spin-off. These spun-off operations are no longer part of the Company's business and are therefore treated as discontinued operations.

1.3.1 Profit (loss) from discontinued operations

Statement of profit or loss	**Simpar**	**Ribeira**	**Ciclus**	**Eliminations**	**Consolidated Total**
	12/31/2020	**12/31/2020**	**12/31/2020**	**12/31/2020**	**12/31/2020**
Net revenue from sale, lease, rendering services and sale of decommissioned assets	-	15,275	139,268	(52,148)	102,395
Cost of sales, leases and rendering services	-	(3,582)	(96,513)	36,873	(63,222)
Total cost of sales, leases, rendering services and sale of decommissioned assets	**-**	**11,693**	**42,755**	**(15,275)**	**39,173**
Administrative expenses	(3,602)	(3,485)	(6,536)	15,275	1,652
Equity results from subsidiaries	-	(11)	-	-	(11)
Other operating income (expenses), net	(5,368)	-	158	-	(5,210)
Finance costs, net	(1,782)	(25,206)	(38,095)	-	(65,083)
Equity results from subsidiaries	(17,787)	-	-	17,787	-
Loss before income tax and social contribution from discontinued operations	**(28,539)**	**(17,009)**	**(1,718)**	**17,787**	**(29,479)**
Income tax and social contribution (current and deferred)	-	406	534	-	940
Loss from discontinued operations	**(28,539)**	**(16,603)**	**(1,184)**	**17,787**	**(28,539)**

1.3.2 Cash flow from discontinued operations

	Consolidated
	12/31/2020
Net cash generated by operating activities	33,432
Net cash used in investing activities	(9,716)
Net cash used in financing activities	43,764
Net increase in cash and cash equivalents	**67,480**
Cash and cash equivalents	
At the beginning of the year	31,698
At the end of the period	99,178
Net increase in cash and cash equivalents	**67,480**

In thousands of Brazilian Reais, unless otherwise stated

1.4 List of interests in subsidiaries and associates

The Company's equity interests in its subsidiaries and associates at the end of the reporting period are as follows:

Corporate name	Headquarter country	Segment	12/31/2021		12/31/2020	
			Direct %	Indirect %	Direct %	Indirect %
JSL S.A. ("JSL")	Brazil	JSL	72.36	-	74.04	-
Agrolog Transportadora de Cargas em Geral Ltda. ("Agrolog Transportadoras") (i)	Brazil	JSL	-	72.36	-	74.04
Medlogística Prestação de Serviços de Logística S.A. ("Medlogística")	Brazil	JSL	-	72.36	-	74.04
Quick Armazéns Gerais - Eireli - ME ("Quick Armazéns")	Brazil	JSL	-	72.36	-	74.04
Quick Logística Ltda. ("Quick Logística")	Brazil	JSL	-	72.36	-	74.04
Riograndense Navegação Ltda. ("Riograndense") (i)	Brazil	JSL	-	72.36	-	74.04
Sinal Serviços de Integração Industrial Ltda. ("Sinal Serviços")	Brazil	JSL	-	72.36	-	74.04
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda. ("Yolanda")	Brazil	JSL	-	72.36	-	74.04
Moreno Holding Ltda. (Moreno Holding")	Brazil	JSL	-	72.36		74.04
TransMoreno Transporte e Logística Ltda. ("TransMoreno")	Brazil	JSL	-	72.36	-	74.04
Fadel Holding Ltda. ("Fadel Holding")	Brazil	JSL	-	72.36	-	55.53
Fadel Transportes e Logística Ltda. ("Fadel Transportes")	Brazil	JSL	-	72.36	-	55.53
Fadel Soluções em Logística ("Fadel Soluções")	Brazil	JSL	-	72.36	-	55.53
Fadel Logistics South Africa ("Fadel South Africa") (i)	South Africa	JSL	-	72.36	-	-
Locadel Veículos Ltda. ("Locadel")	Brazil	JSL	-	72.36	-	55.53
Mercosur Factory Sociedad Anónima (Fadel Paraguai)	Paraguay	JSL	-	72.36	-	55.53
Pronto Express Logística S.A.	Brazil	JSL	-	72.36	-	-
TPC Logística Sudeste S.A.	Brazil	JSL	-	72.36	-	-
TPC Logística Nordeste S.A.	Brazil	JSL	-	72.36	-	-
Transportadora Rodomeu Ltda.	Brazil	JSL	-	72.36	-	-
Abaete Comércio de Veículos Ltda.	Brazil	JSL	-	72.36	-	-
Unileste Transportes Ltda.	Brazil	JSL	-	72.36	-	-
Transportes Marvel Ltda.	Brazil	JSL	-	72.36	-	-
Movida Participações S.A. ("Movida Participações")	Brazil	Movida	63.13	-	55.34	-
Movida Locação de Veículos Premium Ltda. ("Movida Premium")	Brazil	Movida	-	63.13	-	55.34
Movida Locação de Veículos S.A. ("Movida Locação")	Brazil	Movida	-	63.13	-	55.34
Movida Europe S.A. ("Movida Europe")	Luxembourg	Movida	-	63.13	-	-
CS Brasil Participações e Locações S.A. ("CS Brasil Participações")	Brazil	Movida	-	63.13	99.99	0.01
CS Brasil Frotas Ltda. ("CS Brasil Frotas")	Brazil	Movida	-	63.13	-	100
Vox Frotas Locadoras S.A. ("Vox")	Brazil	Movida	-	63.13	-	-
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos")	Brazil	Vamos	72.52	-	99.99	0.01
Vamos Máquinas S.A. ("Vamos Máquinas")	Brazil	Vamos	-	72.52	-	100
Vamos Seminovos S.A ("Vamos Seminovos")	Brazil	Vamos	-	72.52	-	100
Vamos Comércio de Máquinas Linha Amarela Ltda. ("Vamos Linha Amarela")	Brazil	Vamos	-	72.52	-	100
Vamos Comércio de Máquinas Agrícolas Ltda.("Vamos Agrícolas")	Brazil	Vamos	-	72.52	-	100
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda. ("Transrio")	Brazil	Vamos	-	72.52	-	100
Borgato Serviços Agrícolas S.A. ("Borgato Serviços")	Brazil	Vamos	-	72.52	-	100
Monarca Máquinas e Implementos Agrícolas Ltda.	Brazil	Vamos	-	72.52	-	-
BMB Mode Center S.A.	Brazil	Vamos	-	54.45	-	-
BMB Latin America Sociedade Anonima de Capital Variable	Mexico	Vamos	-	54.45	-	-
CS Infra S.A. . ("CS Infra")	Brazil	CS Infra	100	-	-	-
Ciclus Ambiental do Brasil S.A. ("Ciclus Ambiental")	Brazil	CS Infra	-	100	-	-
CS Brasil Holding e Locação S.A. ("CS Brasil Holding")	Brazil	CS Brasil	100	-	-	-
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. ("CS Brasil Transportes")	Brazil	CS Brasil	-	100	-	100
CS Finance S.a.r. ("CS Finance")	Luxembourg	CS Brasil	-	100	-	-
BRT Sorocaba Concessionárias	Brazil	CS Brasil	-	49.75	-	49.75
Consórcio Sorocaba (ii)	Brazil	CS Brasil	-	50	-	50
Mogipasses Comércio de Bilhetes Eletrônicos Ltda. ("Mogipasses")	Brazil	CS Brasil	99.99	0.01	99.99	0.01
Mogi Mob Transporte de Passageiros Ltda. ("Mogi Mobi")	Brazil	CS Brasil	99.99	0.01	99.99	0.01
TPG Transporte de Passageiros Ltda. ("TPG Transporte")	Brazil	CS Brasil	99.99	0.01	99.99	0.01
ATU18 Arrendatária Portuária SPE S.A.	Brazil	CS Brasil	100	-	-	-
ATU12 Arrendatária Portuária SPE S.A.	Brazil	CS Brasil	100	-	-	-
Grãos do Piauí Concessionária de Rodovias SPE S.A.	Brazil	CS Brasil	64.00	-	-	-
Original Holding S.A. ("Original Holding") (iii)	Brazil	Original	100	-	-	-
Avante Veículos Ltda. ("Avante Veículos")	Brazil	Original	-	100	99.99	0.01
Madre Corretora e Administradora de Seguros Ltda. ("Madre Corretora")	Brazil	Original	99.99	0.01	99.99	0.01
Original Distribuidora de Peças e Acessórios Ltda. ("Original Distribuidora")	Brazil	Original	-	100	99.99	0.01
Original Veículos Ltda. ("Original Veículos")	Brazil	Original		100	99.99	0.01
Ponto Veículos Ltda. ("Ponto Veículos")	Brazil	Original		100	99.99	0.01
BBC Holding Financeira Ltda. ("BBC Holding")	Brazil	BBC	99.99	0.01	99.99	0.01
BBC Administradora de Consórcios Ltda.	Brazil	BBC	99.99	0.01	99.99	0.01
BBC Leasing S.A. Leases ("BBC Leasing")	Brazil	BBC	-	100	-	100
BBC Pagamentos Ltda. ("BBC Pagamentos")	Brazil	Holding and other	99.99	0.01	99.99	0.01
Original Locadora de veículo Ltda.	Brazil	Holding and other	100	-	-	-
Original Seminovos Ltda. ("Original Seminovos") i)	Brazil	Holding and other	100	-	-	-
Simpar Empreendimentos Imobiliários Ltda. ("Simpar Empreendimentos")	Brazil	Holding and other	99.99	0.01	-	-
Simpar Europe (formerly JSL Europe)	Luxembourg	Holding and others	100	-	100	-
Simpar Finance S.a.r.l ("Simpar Finance", formerly JSL Finance)	Luxembourg	Holding and others	100	-	100	-

(i) Company in pre-operational phase or dormant.

(ii) The indirect subsidiary CS Brasil Transportes proportionally consolidates in its statement of financial position the portion of its 50% interest in Consórcio Sorocaba;

(iii) For a better organization of the Original segment, subsidiaries Avante Veículos Ltda., Original Veículos Ltda., Original Distribuidora Ltda. and Ponto Veículos Ltda. were merged into subsidiary Original Holding. Thus, these companies became wholly-owned subsidiaries of Original Holding.

(iv) As described in note 1.2.1 (ii), CS Brasil Participações and CS Brasil Frotas were allocated to the Movida segment through the merger of shares.

1.5 Situation due to COVID-19

The Simpar Group continues monitor the developments of the COVID-19 pandemic regarding the economic, financial, social and health aspects and maintains actions, aligned with the guidelines of the World Health Organization (WHO), which were implemented for the care of its employees.

Management continues to supervise its risk management practices in order to make decisions necessary to continue as a going concern and to neutralize adverse social, financial and economic impacts that may occur.

For the issue of these financial statements, the scenario experienced so far was analyzed to identify any indications of impairment that could impact is estimates, judgments and assumptions, the recoverability of its assets and the measurement of the provisions presented. No indications of impairment were identified.

1.6 Risks related to climate change and the sustainability strategy

The Simpar Group's management promotes the incorporation of sustainability into the group's strategy, decision-making and purpose, preceding the exposure to risks and prioritizing the maximization of positive socio-environmental impacts.

In the year ended December 31, 2021, Management considered the exposure to climate-related risks in order to build a corporate strategy in line with the transition to a low-carbon economy. The risks are:

- regulatory and legal: arising from Brazilian and/or international regulatory changes that encourage the transition to a low-carbon economy and that increase the risk of litigation and/or commercial and/or operating restrictions related to the alleged contribution, even if indirect, for intensification of climate change;

- technological: arising from the emergence of new technologies and innovations towards an economy with greater energy efficiency and low carbon, which could impact cluster's current operating base;

- market: arising from changes in in preference of market participants for certain products and services as climate-related issues are considered in decision-making; and

- reputational: related to change in perceptions of customers and society in general regarding the positive or negative contribution of an organization to a low carbon economy.

Climate change

Among the impacts resulting from the operations of its portfolio, the Simpar Group considers climate change as one of the material issues. Therefore, this is included in the Sustainability Policy, with a focus on strategic discussions, monthly conducted by the sustainability committees, and presented to the Board of Directors on a quarterly basis. The issue is managed mainly within the scope of the Greenhouse Gas Emissions Program (GHG). The Company's objective is to estimate the environmental impact of its business, mainly in the context of emission-reduction plans in various forums around the world.

In this regard, in 2021, measures were reinforced to mitigate impacts, such as the rational use of fuels, continuous fleet renewal and monitoring of indicators, through an emissions inventory based on the international methodology of the GHG Protocol. In this regard, the goal is to improve influence, monitoring and dialogue with the entire value chain.

In 2021, we reaffirmed our commitment to the decarbonization of our operations to combat climate change by signing the document “Entrepreneurs for the Climate” and committing to goals to reduce GHG emissions in Brazil.

In addition, we have a multidisciplinary working group on the subject, we follow the evolution of debates at the national and international levels, in addition to observing regulatory aspects, anticipating any potential impacts.

Management of risks, opportunities and strategy on climate change

The sector, in which the Simpar group operates, generates an impact due to the consumption of fossil fuels, and that resulting from atmospheric emissions, a fact that can have a great impact on climate change. In this regard, in addition to adopting actions to minimize GHG emissions – mainly with the maintenance of a fleet with a low average age, the Simpar Group monitors legislative discussions, carries out internal and external analyses, promotes national and international benchmarking and studies opinions of external agencies in relation to ESG issues. The Simpar Group, therefore, keeps its climate risk structure up to date, with a view to expanding the coverage of risks against extreme events.

Decarbonization strategy

The Simpar Group's strategic plan to reduce its impact on CO_2 emissions includes the following goals:

- Potential for the acquisition of electric or biomethane-powered trucks;
- Migration of fuel consumption from gasoline to ethanol;
- Implementation of mechanisms to encourage and guarantee the use of ethanol as a substitute for gasoline in its own fleet;
- Implementation of telemetry technology in most of the fleet, promoting better driver performance, reducing fuel consumption in the leased fleet;
- Expansion of the share of the renewable energy sources in the energy matrix, allowing emissions to be substantially reduced;
- Reduction of CO_2 emissions through the implementation of new technologies, such as a diffuser for installation in diesel vehicles, allowing a clean explosion in the engine of the leased fleet
- Incentive programs with customers, aimed at optimizing the operations of its leased fleet, making them more efficient, investing in better technologies and maintenance.

Engagement in climate change

The Simpar Group considers its role in the dissemination and promotion of good practices in society essential. In this context, through its subsidiaries, it has programs and initiatives that seek to help customers in mapping emissions and offering opportunities for reduction and neutralization of carbon, such as Movida's Carbon Free Program. At CS Brasil, there is the “Programa Motorista Ouro” Program, which encourages the efficient consumption of fuel and reduction of GHG emissions among drivers. Ciclus Ambiental works with expertise in the integrated management of urban solid waste and with technologies to generate, from innovative treatments, economic assets, that is, methane gas and slurry, both highly polluting, are transformed, respectively, into biogas and demineralized water, promoting the generation of carbon credits. In general, all subsidiaries seek to engage their customers, employees and other stakeholders in Sustainability projects, as it is understood that, from these initiatives, new opportunities for action may arise and generate even more positive impact for society.

Aware of the risks and opportunities in climate change, the Simpar Group seeks to anticipate what, one day, may be a regulation. The Company participates in initiatives and forums in this regard, in addition to adopting voluntary practices, such as the publication of the GHG inventory along the lines of the GHG Protocol.

Natural resource management

The Company has its administrative headquarters and the Intermodal segment certified by the ISO 14001 standard, with key performance indicators and energy efficiency indicators. For rational consumption of electricity, the following are adopted: efficiency guidelines; Environmental Management System manual; and continuous monitoring of electricity consumption, with performance targets based on kilowatts/employees metrics.

Regarding waste management, the Simpar Group has a Solid Waste Management Plan, and the main waste generated in our operations includes tires, contaminated materials and lubricating oil, used in own or third-party workshops. As an internal procedure, we adopted the evaluation of the condition of the tires, in order to identify possibilities for recapping and other forms of reuse. Lubricating oil is submitted to a re-refining process by a specialized company, allowing reuse. Also in 2021, we started a pilot test with the software aimed at waste management in 57 pilot units of the Simpar Group, aiming to increase our performance in relation to this matter.

2. Basis of preparation and presentation of the individual and consolidated financial statements and significant accounting policies.

2.1 Statement of compliance (with regard to the Accounting Pronouncements Committee – CPC and standards from International Financial Reporting Standards – IFRS)

The individual and consolidated financial statements have been prepared in accordance with the accounting practices adopted in Brazil, which comprise the practices included in the Brazilian corporate law and the technical pronouncements, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee (“CPC”), approved by the Brazilian Federal Accounting Council - CFC and Securities and Exchange Commission of Brazil (“CVM”) and in conformity with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The issuance of these financial statements was approved and authorized by the Executive Board on February 23, 2022.

All significant information in the individual and consolidated financial statements, and only this information, is being disclosed and corresponds to that used by Management in its activities.

Basis of measurement

The individual and consolidated financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss, as disclosed in note 6.1.

2.1.1 Statement of value added (“DVA”)

The preparation of the individual and consolidated statements of value added (DVA) is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to listed companies.

The international financial reporting standards (“IFRS”) do not require the presentation of such statement. Accordingly, under the IFRS this statement is presented as supplementary information, and not as part of the set of individual and consolidated financial statements.

In thousands of Brazilian Reais, unless otherwise stated

2.2 Functional currency and translation of foreign currency

a) Functional and presentation currency

These individual and consolidated financial statements are presented in Brazilian reais (R$), which is the functional currency of the Company and its subsidiaries, except for its subsidiaries: Fadel Paraguay, Fadel South Africa and BMB Mexico whose functional currencies are the Guarani, South African Rand and the Mexican peso respectively, as mentioned in item (c) below. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are remeasured.

Foreign exchange gains and losses that relate to financial assets and liabilities, such as loans and borrowings, cash and cash equivalents and marketable securities indexed in a currency different from the functional currency, are presented in the statement of profit or loss as finance income or costs.

c) Group companies with a different functional currency

The financial statements of the indirect subsidiaries Fadel Paraguai, Fadel South Africa and BMB Mexico were translated into Real – R$, presentation currency, as follows:

(i) Assets and liabilities for each statement of financial position are translated at the closing rate at the date of that statement of financial position;
(ii) Income and expenses for each statement of profit or loss are translated at the average exchange rates for the year.

(iii) All differences arising from translation of exchange rates are recognized as a separate component in equity, in the line item "Other equity adjustments related to subsidiaries".

The exchange rates in Reais in effect on the base date of these financial statements are as follows:

Currency	Rate	12/31/2021
Guarani	Average	0.0008293
Guarani	Closing	0.0008138
Mexican Peso	Average	0.266
Mexican Peso	Closing	0.273
South African Rand	Average	0.356
South African Rand	Closing	0.345

The amounts presented in the cash flow statements are derived from the variations measured by the cash and cash equivalents, as mentioned above.

2.3 Consolidation and combination basis

a) Business combinations

Business combinations are recorded using the acquisition method when control is transferred to the Simpar Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at fair value at the acquisition date. The Group recognizes the non-controlling interest in the acquiree, both at its fair value and the proportionate share of the non-controlling interest in the fair value of the acquiree's net assets. The measurement of non-controlling interest is determined in each acquisition made.

The valuation techniques to measure the fair value of the significant assets acquired were as follows:

Assets acquired	**Valuation technique**
Property and equipment	Market comparison technique and cost technique: the valuation model considers the market prices for similar items, when available, and the depreciated replacement cost, when appropriate. The depreciated replacement cost reflects the adjustments for physical depreciation, as well as functional and economic obsolescence.
Intangible assets	Relief-from-royalty method and multi-period excess earnings method: the relief-from royalty method considers the discounted estimated royalty payments that should be avoided as a result of patents or trademarks acquired. The multi-period excess earnings method (MPEEM) considers the present value of expected net cash flows from customer relationships, less any cash flows associated to contributory assets.
Fixed assets available for sale	Market comparison technique: the fair value is determined based on the estimated sale price in the normal course of business, less the estimated costs of completion and sale and a reasonable profit margin based on the effort required to complete and sell the decommissioned assets.

In cases in which the Group acquires a subsidiary with an interest of less than 100% but has a purchase option agreement and, at the same time, a put option, that is, a symmetrical put option with the former owners, of the equity interest remaining after acquisition, the Group considers that the acquisition of 100% of the shares of the subsidiary at the date of the business combination, based on the early acquisition method, and recognizes the liability for the obligation arising from the call and put options of the shares against a reduction in noncontrolling interests. Changes in fair value of options after the acquisition date are recognized in the statement of profit or loss.

In a business combination, tax law permits the deduction of the goodwill and of the fair value of the net asset generated at the acquisition date when a non-substantial action is taken after the acquisition, for example, the Company carries out a merger or spin-off of the businesses acquired and, therefore, the tax and accounting bases of the net assets acquired are the same as those at the acquisition date. Therefore, when the Company merges the acquiree, the amortization and depreciation of the assets acquired is deductible.

Acquisition-related costs are expensed as incurred.

All accounting practices related to consolidation of financial statements have been applied, when applicable, for the companies described in note 1.2, including, but not limited to, the elimination of the transactions between the consolidated entities.

b) Business combination under common control

Business combinations involving entities or businesses under common control are business combinations in which the entities or businesses are controlled by the same party before and after the business combination, and its control is not transitory.

The Company chose to present the business combination under common control by applying its equity value in the financial statements of the entity transferred on the recognition of the assets acquired and liabilities assumed.

c) Subsidiaries

The Simpar Group controls an entity when it is exposed to, or has rights to, variable returns on its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Company obtains the control until the date on which control ceases.

In the Company's individual financial statements, the financial information of subsidiaries is accounted for using the equity method.

d) Joint operations

A joint operation exists when the parties that hold the joint control of the business have rights over the assets and obligations for the liabilities related to the business.

The Company maintains operations in consortia Sorocaba through its subsidiary CS Brasil Transportes, in which the entrepreneurs have a contractual agreement establishing the joint control of the operations. The Consortia have specific regulations for the development of their activities and, despite having individual accounting controls, their entries are made in the accounting books of their participants in the proportion attributed to each of them, thus, they are included in the Company's consolidated financial statements in proportion to their interest.

e) Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Company’s interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

f) Investments in equity-accounted investees

The Simpar Group’s investments in equity-accounted investees comprise its interests in jointly-controlled entities (joint ventures). Joint control exists when decisions regarding significant activities require unanimous consent of the parties sharing control.

These investments are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Simpar Group’s share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which joint control is established.

In the Company's individual financial statements, investments in subsidiaries are also accounted for using this method.

g) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are also eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.4 Financial instruments

2.4.1 Financial assets

a) Recognition and measurement

The trade receivables are initially recognized on the date they were originated. All other financial assets and financial liabilities are initially recognized when the Simpar Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not measured at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable is measured initially at the transaction price.

b) Classification and subsequent measurement

Financial instruments

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL.

The financial assets are not reclassified subsequent to their initial recognition unless the Simpar Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions below and it is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets, as disclosed in note 6.1. On initial recognition, the Simpar Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Simpar Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Simpar Group's Management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated, e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Simpar Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Simpar Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Simpar Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Simpar Group's claim to cash flows of specified assets (for example, based on the performance of an asset).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include additional reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net income, including any interest, are recognized in profit or loss. However, see note 6.3 (b) for derivatives designated as hedge instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Financial instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

c) Derecognition

The Simpar Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Simpar Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Simpar Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2.4.2 Financial liabilities – classification, subsequent measurement and derecognition

The financial liabilities were classified as measured at amortized cost. Liabilities at amortized cost are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Simpar Group derecognizes a financial liability when its contractual obligation is discharged, canceled or expired. The Simpar Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

2.4.3 Offsetting

The financial assets and liabilities are offset and the net amount presented in the financial position when, and only when, the Simpar Group has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.4.4 Derivative financial instruments and hedge accounting

The Simpar Group enters into non-speculative derivative financial instruments to hedge its exposure to changes in indexes, foreign currencies and interest rates arising from certain loans, borrowings and debentures or aiming not being exposed to changes in the fair value of certain financial instruments. Additionally, the Simpar Group opted for hedge accounting, thus avoiding any accounting mismatch in the measurement of these instruments.

At inception of designated hedging relationships, the Simpar Group documents the risk management objective and strategy for the hedge instrument. The Simpar Group also documents the economic relationship between the hedged item and the hedge instrument, including whether the changes in cash flows of the hedged item and hedge instrument are expected to offset each other.

a) Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in Other Comprehensive Income (OCI) and accumulated in the hedge reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized in profit or loss.

The amount accumulated in the hedge reserve and the cost of hedge reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedge reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it its reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedge reserve and the cost of hedge reserve are immediately reclassified to profit or loss.

b) Fair value hedge

When a derivative is designated as a fair value hedge instrument, the changes in its fair value are recognized in profit or loss. These changes are also recorded in the hedged item as a corresponding entry to profit or loss for the year.

c) Monitoring of effectiveness

The effectiveness of the economic relationship between the hedged item and the hedge instrument is assessed at the date of designation, considering the qualitative aspects of the instruments, and the quantitative aspects, when necessary. Usually, the Simpar Group contracts hedge derivative instruments with principal amounts, as well as in amounts equal to the hedged item, thus generating hedge ratios of 1:1.

A method that captures the significant characteristics of the hedge relationship is used, which includes the sources of hedge ineffectiveness. Depending in these factors, the assessment method is qualitative or quantitative.

Accordingly, to maintain basic monitoring levels, the following aspects are observed:

- The term of designation evidencing the hedge ratio between the hedged item(s) and respective hedge instrument(s);
- The term of designation describing the method to be used to measure the hedge relationship prospectively;
- On a monthly basis, the hedged items and hedge instruments are measured for recording; and

- On a quarterly basis, an assessment is carried out to verify the existence of ineffectiveness to be reported and recognized.

2.4.5 Impairment of financial assets

The Simpar Group recognizes loss allowances for expected credit losses (ECLs) on its financial assets measured at amortized cost.

The Simpar Group measures loss allowance at amounts equal to lifetime ECLs.

The Simpar Group uses a simplified "provision matrix" to calculate the expected losses on its trade receivables according to which the amount of expected credit losses is defined on an "ad hoc" basis. The provision matrix is based on the percentages of historical loss observed along the expected life of the receivables and is adjusted for specific customers according to future estimates and qualitative factors such as debtor's financial capacity, guarantees provided, renegotiations in progress, among other factors that are monitored. These qualitative factors are monitored monthly by a committee named Credit and Collection Committee. The percentages of historical loss and the changes in future estimates are reviewed at each reporting period or whenever a significant event occurs indicating that there may be a significant change in these percentages.

For ECLs associated to marketable securities classified as at amortized cost, the methodology of impairment applied depends on the significant increase of the counterparty's credit risk. Note 6.3 (a) provides details on how the Simpar Group determines if there was a significant increase in the credit risk.

The provision for impairment of financial assets measured at amortized cost is presented less the gross carrying amount of the assets.

The gross carrying amount of a financial asset is provisioned when the Simpar Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Simpar Group has a policy of provisioning the gross carrying amount when the financial asset is 12 or 24 months past due based on historical experience of recoveries of similar assets. The Simpar Group expects no significant recovery from the amount provisioned. However, financial assets that are provisioned could still be subject to enforcement activities in order to comply with the Simpar Group's procedures for recovery of amounts due.

2.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Simpar Group has access at that date. The fair value of a liability reflects its non-performance risk. The non-performance risk includes, among others, the Simpar Group's own credit risk.

A number of the Simpar Group's accounting policies and disclosures require the measurement of fair values, using assumptions and estimates, for both financial and non-financial assets and liabilities (see note 3.2).

When one is available, the Simpar Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Simpar Group uses valuation techniques that maximize the use of relevant observable data and minimize the use of unobservable data. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a purchase price and a sale price, the Simpar Group measures assets based on purchase prices and liabilities based on selling prices.

The best evidence of the fair value of a financial instrument on its initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Simpar Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument, but no later than when the valuation is wholly supported by observable market data or the transaction is closed out, whichever occurs first.

2.6 Inventories

The inventories held by the Simpar Group refer substantially to new and used vehicles for sale and resale, through its dealerships, and parts kept in inventory for the maintenance of its vehicles. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is stated at average acquisition cost and includes costs incurred on the purchase of inventories and other costs incurred to bring them to their existing locations and conditions, deducted from the provisions for slow moving and obsolescence, recognized at 100% of the value of the inventory item without movement for more than 12 months.

2.7 Fixed assets available for sale (Fleet renewal)

In order to comply with its service agreements, the Simpar Group constantly renews its fleet. The vehicles, machinery and equipment available for replacement are reclassified from property and equipment to “Fixed assets available for sale”.

Amounts are presented at the lower of the residual value, which is the acquisition cost less accumulated depreciation until the date when assets were made available for sale, and their fair value less the estimated cost to sell the asset. These assets are available for immediate sale in their present condition and are thus very likely to be sold in one year or less.
According to the demand, such as in periods of high seasonality, vehicles, machinery and equipment may again be allocated for use in operations. When this occurs, the assets are returned to the base of property and equipment and their depreciation is recorded again.

2.8 Property and equipment

a) Recognition and measurement

Items of property and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses, when applicable.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Simpar Group. Maintenance and recurring repair costs are recognized in profit or loss when incurred.

c) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Thus, depreciation rates vary according to the date on which the asset was purchased, the type of the purchased asset, the amount paid, and the estimated sale date and price (method of depreciation for use and sale). The depreciation of vehicles is recorded as cost of services rendered and the depreciation of other property and equipment items is recorded as expense.

The average depreciation rates of the assets for the years ended December 31, 2021 and 2020 are disclosed in note 14.

Cells used in the landfill - CS Infra

The cells, units of the landfill drainage system, are depreciated by a criterion based on deposited unit, in which each ton of waste deposited reduces the potential for future landfill deposits in the exact proportion of the material deposited. Consequently, it also reduces ("consumes") proportionally the future economic benefits of the landfill. Depreciation takes into account the relationship between solid waste collected and deposited and the total storage capacity of such waste in each of the three landfills (AS1, AS2 and AS3) inserted into the landfill located in the Seropédica landfill. However, we consider that after the deposit, the residues continue to generate future benefits in the form of gas generation for many years, a portion of the depreciation expense should be allocated to the periods after the deposit.

The depreciation base is formed by the projected cost until the end of the landfill's useful life, discounted from the residual value, equivalent to the future cash flow (until 2050) from the biogas revenue after the landfill is closed. These costs include, in addition to the total capacity of the landfill, construction cost to be incurred and the aforementioned revenues, the costs of maintaining the land after the closure of the landfill.

(i) The buildings are owned by the company and were built on the CTR's own land.

(ii) The improvements made in the implementation of the ETRs are depreciated according to the concession agreement with Comlurb.

Review

The Simpar Group reviews, at least annually, the estimates of the expected market value at the end of the accounting useful lives of its property and equipment and periodically reviews the estimates of their accounting useful lives used for the determination of the depreciation and amortization rates, and whenever necessary, assesses the recoverability of its assets.

2.9 Intangible assets

2.9.1 Goodwill

Goodwill represents the excess of the consideration paid and/or payable for business acquisition over the net fair value of the assets and liabilities of the acquired subsidiary, based on the expected future profitability, associated to the business combination.

Goodwill on acquisitions of subsidiaries is recognized as "Intangible assets" in the consolidated financial statements and measured at cost less accumulated impairment losses. The tests to identify impairment losses are performed annually and any losses identified are recognized in profit or loss for the year and can no longer be reversed. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the entity sold.

For impairment testing purposes, goodwill is allocated to the Cash Generating Units (“CGUs”) that will benefit from the business combination from which goodwill arose.

2.9.2 Software

Software licenses are capitalized on the basis of the costs incurred for their purchase and implementation. These costs are amortized over the estimated useful life of the software.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

The amortization rates of assets for the years ended December 31, 2021 and 2020 are disclosed in note 15.

2.9.3 Commercial rights

Commercial rights are amounts paid for the acquisition of territorial rights for the sale of trucks, machinery and equipment of the Valtra and MAN brands. These rights have indeterminate periods and, therefore, are not amortized and are tested for impairment annually, as described in note 15.2.

2.9.4 Non-compete agreement and customer list

When acquired in a business combination, they are recognized at fair value at the acquisition date. Clauses of customer relationship / customer list and non-compete agreements have finite useful lives and are measured at cost less accumulated amortization. Amortization is calculated under the straight-line method over the estimated useful life, as described in note 15.

2.9.5 Trademarks

Trademarks, when acquired in a business combination, are recognized as intangible assets at fair value at the acquisition date. As they have indefinite useful lives, these assets are not amortized and are tested for impairment annually, as described in note 15.2.

2.9.6 Operation license

Operation licenses are amortized and recorded over their useful lives and the expenses associated with their operation are expensed when incurred. In order for the Company to be able to implement and operate the CTR-Rio in the municipality of Seropédica, some requirements or conditions were stipulated, such as: implementation of urban equipment in the municipality of Seropédica, recovery of the Itaguaí and Seropédica dump, recovery of Seropédica and Itaguaí roads, acquisition of a legal reserve area and donation to the State of Rio de Janeiro, implementation of a library with a computer center for the municipality of Seropédica, and implementation of an environmentally sustainable square in the region.

2.9.7 Amortization and impairment testing

When it has a finite useful life, the asset is amortized over its estimated useful life. The useful lives are disclosed in note 15.

Assets with no finite useful life are not amortized, but are tested annually or more frequently when there is an indication that they may present a reduction in their impairment loss individually or at the level of the cash-generating unit (“CGU”), and any identified losses are recognized in profit or loss and can no longer be reversed.

The recoverable amount of a Cash-Generating Unit (CGU) is determined based on calculations of the value in use. These calculations use pre-income tax and social contribution cash flow projections based on financial budgets.

The growth rate does not exceed the average long-term growth rate of the sectors where each CGU operates.

The assumptions and methodologies for impairment testing of intangible assets with indefinite useful lives are disclosed in note 15.2.

2.10 Leases

At inception of a contract, the Simpar Group determines whether the contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys a right to control the use of an identified asset, the Simpar Group uses the definition of lease in CPC 06(R2)/IFRS 16.

(i) As lessee

At commencement or on reassessment of a contract that contains a lease component, the Simpar Group allocates the consideration in the contract to each lease component on the basis of their stand-alone prices.

However, for leases of properties, the Simpar Group has elected not to separate non-lease components and will instead account for the lease and associated non-lease components as a single lease component.

The Simpar Group recognizes a right-of-use asset and a lease liability at the date of inception of the lease. The right-of-use asset is initially measured at cost, which comprises the value at the initial measurement of the lease liability, adjusted for any lease payments made up to the date of inception, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee in the decommissioning and removal of the underlying asset, restoring the site in which it is located or restoring the asset to the condition required by the lease terms and conditions, less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the date of inception of the lease to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the property and equipment items. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not made at the date of inception, discounted at the interest rate implicit in the lease or, if this rate cannot be readily determined, at the Simpar Group's incremental borrowing rate. The Simpar Group and its subsidiaries use their incremental borrowing rate as the discount rate, which is calculated by obtaining interest rates from various external sources of financing and making certain adjustments to reflect the terms of the contract and the type of the leased asset.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments and PIS/COFINS credits;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate prevailing as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees; and
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of fines for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in an index or a rate, if there is a change in the amounts expected to be paid according to the residual value guarantee, if the Simpar Group and its subsidiaries change their evaluation of whether they will exercise a purchase, extension or termination option or if there is a revised fixed payment in essence.

When the lease liability is remeasured in this manner, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Simpar Group has right-of-use assets and those that were formerly classified as “leases payable”, which do not meet the definition of investment property in "property and equipment" and lease liabilities in "Right-of-use payable leases" and “leases payable” in the statement of financial position.

Leases of short-term and low-value assets

The Simpar Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Simpar Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As lessor

At inception or on reassessment of a contract that contains a lease component, the Simpar Group allocates the consideration in the contract to each lease component on the basis of their stand-alone prices.

When the Simpar Group acts as a lessor, it determines at the commencement of the lease whether each lease is a finance lease or an operating lease. To classify each lease, the Simpar Group makes a general assessment whether the lease transfers substantially all risks and rewards incidental to ownership of the underlying asset. If so, the lease is a finance lease; otherwise, it is an operating lease. As part of this assessment, the Simpar Group considers certain indicators such as whether the lease is equivalent to most of the economic life of the underlying asset.

When the Simpar Group is an intermediate lessor, it accounts for its interests in the head lease and in the sublease separately. It evaluates the sublease classification based on the right-of-use asset resulting from the head lease rather than based on the underlying asset. If a head lease is a short-term lease to which the Simpar Group, as lessee, applies the exemption described above, it classifies the sub-lease as an operating lease.

If a contract contains lease and non-lease components, the Simpar Group will apply CPC 47/IFRS 15 to allocate the consideration in the contract.

The Simpar Group applies the derecognition and impairment requirements in CPC 48 / IFRS 9 to the net investment in the lease (see notes 2.41 (c) and 2.4.5). The Simpar Group also regularly reviews the estimated unguaranteed residual values used in the calculation of the gross investment in the lease.

The Simpar Group recognizes lease receipts arising from operating leases as revenue under the straight-line method over the lease term, as part of its operating income.

2.11 Current and deferred income tax and social contribution

The income tax and social contribution expenses for the year comprise current and deferred taxes. Taxes on profit are recognized in the statement of profit or loss.

The income tax and social contribution charge, current and deferred, is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates the positions taken by the Simpar Group in income tax returns with respect to situations in which the applicable tax regulations are subject to interpretation on the basis of amounts expected to be paid to the tax authorities.

The income tax and social contribution are presented net, separated by taxpaying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date, if there is a legally enforceable right to offset the tax liabilities and assets, and if these are related to taxes levied by the same tax authority.

Deferred income tax and social contribution are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not accounted for if they arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss (tax losses).

A deferred tax asset is recognized against extemporaneous tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available, against which it can be utilized. Future taxable profits are determined based on the reversal of material taxable temporary differences. If the amount of the taxable temporary differences is insufficient to fully recognize a deferred tax asset, the future taxable profits will be considered, adjusted for reversals of existing temporary differences, based on the Simpar Group's business plans.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus a 10% surcharge on the taxable profit exceeding R$ 240 annually for income tax and 9% on the taxable profit for the social contribution on net income, and take into account the offset of income tax and social contribution tax losses, limited to 30% of the actual profit for the year. In addition, in BBC Leasing, income tax is calculated at the rate of 15% of taxable profit, plus 10% surtax. Social contribution on income is calculated at the rate of 15%, pursuant to Law No. 13,169/15,019.

Uncertainty over income tax treatments

The Simpar Group applies technical interpretation ICPC 22 / IFRIC 23, which deals with accounting for income taxes when there is uncertainty about the acceptability of a certain tax treatment. If the entity concludes that the tax authority is not likely to accept the uncertain tax treatment, the entity reflects the effect of the uncertainty in determining the taxable profit.

2.12 Provisions

2.12.1 General

A provision is recognized when the Simpar Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.
When the Simpar Group expects the amount of a provision to be reimbursed, in whole or in part, for example, due to an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is almost certain.

The expenses related to any provision are recognized in the statement of profit or loss, net of any reimbursement.

2.12.2 Provision for judicial and administrative litigation

The Simpar Group is a party to several judicial and administrative proceedings. A provision is established for all contingencies referring to proceedings for which it is probable that an outflow of funds will be required to settle the contingency/obligation, and where a reasonable estimate of this outflow can be made. The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, available case laws, recent court decisions and their relevance in the legal system, as well as the assessments mad by outside counselors. The provision is reviewed and adjusted to account for changes in circumstances, such as the applicable limitation period, completion of tax inspections, or additional exposure identified on the basis of new matters or court decisions.

2.12.3 Revenue from contracts with customers

Revenue is measured based on the consideration specified in the contract with the customer. The Simpar Group recognizes revenues when it transfers control over the product or service to the customer.

Information on the nature and timing of performance of performance obligations in contracts with customers are described below:

2.12.4 Revenue from dedicated services and general cargo

a) Nature of revenue, including significant payment conditions

Services offered in an integrated and customized way to each customer, which include the management of the flow of inputs/raw materials and information from the producing source to the entry into the plant (inbound operation), the flow of exit of the finished product from the plant to the consumption point (outbound operation), and the movement of products and management of internal inventories, reverse logistics and storage.

Services for transferring products in the system from “point A” to “point B”, through full truck load, and are billed according to the contract with each customer.

b) Recognition of revenue according to CPC 47/IFRS 15

Revenue is recognized over time as services are rendered. The amount of revenue to be recognized is assessed based on evaluations of the progress of the work performed.

2.12.5 Revenue from lease and services rendered

a) Nature of revenue, including significant payment conditions

Lease of fleet of heavy vehicles for the transport of load (light and heavy), including preventive and corrective maintenance, lease of agricultural machinery and equipment, lease of light vehicles (rent a car) and management and outsourcing of light fleets (GTS).

Leasing invoices are issued in the subsequent month of services rendered and invoices for technical assistance are issued upon completion of services rendered.

b) Revenue recognition according to CPC 06 (R2)/IFRS 16

Revenue is recognized over time according to the use of the light and heavy vehicles, machinery and/or equipment. The amount of revenue to be recognized is assessed based on the time the customer uses the asset.

2.12.6 Revenue from passengers transportation

a) Nature of revenue, including significant payment conditions

Passenger transportation services for private companies (freight) and municipal public transportation of passengers. The private transportation service occurs when the fleet is made available to the companies, and is invoiced according to the contract with each customer. The public transportation service occurs when the public transport is used by the passenger, and is received up to the 15th of the subsequent month from the Municipal Transportation Department

b) Recognition of revenue according to CPC 47/IFRS 15

Revenue from freight services for companies is recognized over time as services are rendered. The amount of revenue to be recognized is assessed based on the use by the employees of the private companies.

Revenue from municipal public transport of passengers is recognized when the service is rendered, that is, when the passenger uses the transport.

2.12.7 Revenue from sales of decommissioned assets

a) Nature of revenue, including significant payment conditions

After the termination of the lease agreement with its customers, the Simpar Group decommissions and sells the vehicles, machinery and equipment through the used vehicles stores and dealership network of the Simpar Group.

Customers obtain control of decommissioned vehicles, machinery and equipment when products are delivered. Invoices are issued at that time and are settled by debit in account, bank slip and credit card.

Considering the nature of its operation, the cash used in the acquisition of these fixed assets is considered as an operating activity in the statement of cash flows.

b) Recognition of revenue according to CPC 47/IFRS 15

Revenue from decommissioned vehicles, machinery and equipment is recognized when the products are delivered and accepted by the customer.

2.12.8 Revenue from sale of vehicles and parts

a) Nature of revenue, including significant payment conditions

The customers obtain control of new and used vehicles, parts and accessories when the products are delivered. Invoices are issued at that time and are settled by debit in account, bank slip and credit card.

b) Recognition of revenue according to CPC 47 / IFRS 15

Revenue from sales of new vehicles, parts and accessories is recognized when products are delivered and accepted by the customers.

The contracts for sale of used vehicles must comprise warranty for engine and gearbox for 3 months after the sale. For contracts that have warranty for engine and gearbox, revenue is recognized when it is highly probable that a significant reversion in the revenue amount will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns, when applicable. The right to recover the products to be returned is measured at the original carrying amount of the inventory, less the expected costs of recovery, and the returned products are included in inventory.

2.12.9 Revenue from financial leasing services for vehicles and equipment

a) Nature of revenue, including significant payment conditions

As revenues from the provision of electronic money issuing services, in the form of prepaid cards.

b) Recognition of revenue according to CPC 47/IFRS 15

Revenue from finance lease contracts is recognized as finance income over the lease term, appropriated in accordance with the rate of return on payment.

2.12.10 Waste treatment revenue

a) Nature of revenue, including significant payment conditions

The Company performs the integrated management of urban and industrial solid waste from large generators in the city of Rio de Janeiro and other municipalities.

b) Recognition of revenue according to CPC 47/IFRS 15

Revenue is recognized when the service is provided and billed in the immediately following month, in accordance with its service agreements.

2.12.11 Biogas trade

a) Nature of revenue, including significant payment conditions

The operation of final waste disposal in a landfill involves biochemical processes of decomposition of organic matter. Through these biochemical processes, biogas is produced.

b) Recognition of revenue according to CPC 47/IFRS 15

Revenue is recognized when the biogas is sold and the invoice is issued, in accordance with the biogas sale agreement.

2.12.12 Carbon credits

a) Nature of revenue, including significant payment conditions

The Simpar Group has an effective digital system that records data on the amount of gas captured and burned in a given period. After calculating the amount, the Company calculates the amount of credits generated based on the methodology of the United Nations Framework Convention on Climate Change (UNFCCC) applicable to the project, and then calculates the monthly amount of revenue.

b) Recognition of revenue according to CPC 47/IFRS 15

Revenues are recognized only when the payment is received. The process of auditing and validating the credits generated for the issuance of the Certified Emission Reductions (“CER”) is audited by a company accredited with the UNFCCC. The validation of the revenue from the carbon credit occurs after the receipt of the “CER Certificate”, issued by the UNFCCC verification agent.

2.13 Employee benefits

2.13.1 Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for an amount expected to be paid if the Simpar Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.13.2 Share-based payment transactions

The fair value at the date of granting the share-based payment agreements to employees is recognized as personnel expenses, with a corresponding increase in equity, during the period in which employees unconditionally acquire the right to the premiums. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and performance conditions at the vesting date.

2.14 Share capital

2.14.1 Common shares

Additional costs directly attributable to the issuance of shares and stock options are recognized as a reduction to equity. Effects of taxes related to the cost of these transactions are accounted for in accordance with CPC 32 / IAS 12 – Income Taxes.

2.14.2 Repurchase and/or cancellation of shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes any directly attributable costs, is recognized as a deduction of net equity. Repurchased shares are classified as treasury shares and presented as a deduction of net equity. When treasury shares are sold, the amount received is recognized as an increase in equity, and the gain or loss resulting from the transaction is recorded as capital reserve. In the event of cancellation, the reduction is recognized against the share capital.

2.14.3 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's shareholders is recognized as a liability in the Company's financial statements during the reporting period based on the Company's bylaws. Any amounts exceeding the minimum mandatory dividends can only be accrued on the date they are approved by the shareholders at a Shareholders' Meeting. The tax benefit of interest on capital is recognized in the statement of profit or loss.

2.15 Provision for landfill closure - Environmental remediation

The provision for landfill closure costs had its origin in the construction of the landfill, considering the obligation of environmental remediation, slurry treatment and environmental monitoring for a period of 25 years after its closure. Asset retirement costs are accrued based on the present value of expected costs to settle the obligation using estimated cash flows, and are recognized as part of the cost of the corresponding asset. Cash flows are discounted to present value. The financial effect of the discount is expensed as incurred and recognized in the statement of profit or loss as a finance cost. Estimated future asset retirement costs are reviewed annually and adjusted, as appropriate. Changes in estimated future costs or the applied discount rate are added to or deducted from the cost of the asset.

3. Use of estimates and judgments

In preparing these individual and consolidated financial statements, Management has made judgments and estimates that affect the application of the Simpar Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

3.1 Judgments

The information about judgments made in applying the accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

a) Consolidation and business combination: Determination of whether the Company actually has control over an investee - note 2.3;

b) Statements of cash flows – Indirect method (marketable securities and financial investments): the Simpar Group classifies the marketable securities and financial investments as operating activities due to the use of these funds in the short term for the settlement of trade payables and debts. These amounts were not invested for long-term investment purposes and are constantly used in the Company's operating cycle.

3.2 Uncertainties about assumptions and estimates

The information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the year ended December 31, 2021 is included in the following notes:

a) Acquisition of subsidiary: Measurement of the fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed – notes 2.3 (a) and 1.2;
b) Deferred income tax and social contribution - recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax losses can be used - notes 2.11 and 27;
c) Property and equipment (definition of residual value and useful life) - notes 2.8 and 14;
d) Fixed assets available for sale (definition of residual value) - notes 2.7 and 11;
e) Impairment losses of intangible assets – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts - notes 2.9.7 and 15.2;
f) Expected credit losses (““impairment”) of trade receivables: measurement of expected credit losses of trade receivables and contract assets: key assumptions in determining the weighted average rate of loss - notes 2.4.5 and 9;
g) Provision for judicial and administrative litigation - recognition and measurement of provisions and contingencies: key assumptions underlying the likelihood and materiality of resource outflows – notes 2.12.2 and 25.2;
h) Share-based payment transactions (probability of exercise of option) - notes 2.13.2 and 29.2.(a);
i) Derivative financial instruments: determination of fair values - notes 2.4.4 and 6.1.
j) Provision for landfill closure - Environmental remediation: recognition and measurement of provision for landfill closure for environmental remediation - notes 2.8 (c) and 26.
k) Lease: incremental borrowing rate and contract periods – notes 2.10 and 20.

4. New standards and interpretations not yet effective

The following amendments to new standards were issued by the IASB but are not effective for 2021. The early adoption of standards, even though encouraged by IASB, has not been implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

4.1 Amendments to IAS 16 “Property, Plant and Equipment”:

In May 2020, IASB issued an amendment that prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. These revenues and related costs must be recognized in profit or loss. The effective date to apply such amendment is January 1, 2022.

4.2 Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”

In May 2020, IASB issued said amendment to clarify that, for purposes of assessing whether a contract is onerous, the cost of fulfilling the contract includes the incremental costs of fulfilling this contract and an allocation of other costs that directly relate to its fulfillment. The effective date to apply such amendment is January 1, 2022.

4.3 Amendments to IFRS 3 “Business Combinations”:

Issued in May 2020 with the objective of replacing the references of the former version of the conceptual framework with the most recent version. The amendment to IFRS 3 will be effective as from January 1, 2022.

4.4 Annual Improvements - 2018-2020 Cycle:

In May 2020, IASB issued the following amendments as part of the process of annual improvement applicable as from January 1, 2022:

(i) IFRS 9 - "Financial Instruments" - clarifies which rates should be included in the 10% test for the derecognition of financial liabilities.

(ii) **IFRS 16 - "Leases" -** amendment of example 13 to exclude the example of lessor payments related to leasehold improvements.

4.5 Amendments to IAS 1 "Presentation of Financial Statements"

Issued in May 2020, this amendment clarifies that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendment to IAS 1 will be effective as of January 1, 2023.

4.6 Amendments to IAS 1 and IFRS Practice Statement 2 - "Disclosure of Accounting Policies": issued in February 2021, the amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments include the definition of "material accounting policy information" and explain how to identify them. The amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information In order to support this amendment, IASB also amended "IFRS Practice Statement 2 Making Materiality Judgments" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment will be effective as of January 1, 2023.

4.7 Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendment issued in February 2021 clarifies how entities should make a distinction between changes in accounting policies and changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, and changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. The amendment will be effective as of January 1, 2023.

4.8 Amendments to IAS 12 - Income Taxes: the amendment issued in May 2021 requires entities to recognize deferred taxes on transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. This is normally applied to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, for example, and requires the recognition of additional deferred tax assets and liabilities. The amendment will be effective as of January 1, 2023.

There are no other IFRS standards or IFRIC interpretations that are not yet effective that could have a material impact on the Simpar Group's financial statements.

In thousands of Brazilian Reais, unless otherwise stated

5. Segment information

The segment information is presented in relation to the Simpar Group business, which were identified based on the management structure and internal managerial information utilized by its chief decision-makers, and described in note 1.

The results per segment, as well as the assets and liabilities, consider the items directly attributable to the segment, as well as those that may be allocated on reasonable bases.

At December 31, 2020, there were two customers in the JSL segment with revenue greater than 10%, the largest corresponding to 13.8% of net revenue from services, or R$ 366, and the second with 12.1% of net revenue from services, or R$ 322.

The business segment information for the years ended December 31, 2021 and 2020 is as follows:

									12/31/2021
	JSL	**Movida**	**Vamos**	**CS Brasil**	**Original Concessionárias**	**BBC**	**Holding and other**	**Eliminations(i)**	**Consolidated**
Net revenue from sale, leases, rendering services and sale of decommissioned assets	**4,295,978**	**5,332,623**	**2,823,495**	**833,627**	**731,758**	**43,267**	**-**	**(194,529)**	**13,866,219**
(-) Cost of sales, leases and rendering services	(3,571,321)	(1,027,615)	(1,691,838)	(444,164)	(589,455)	(8,190)	-	28,049	(7,304,534)
(-) Cost of sales of decommissioned assets	(63,991)	(1,918,460)	(98,407)	(158,843)	(1,155)	-	-	163,076	(2,077,780)
(=) Gross profit	**660,666**	**2,386,548**	**1,033,250**	**230,620**	**141,148**	**35,077**	**-**	**(3,404)**	**4,483,905**
Selling expenses	(19,408)	(297,143)	(112,903)	(4,290)	(43,502)	(8)	-	4,640	(472,614)
Administrative expenses	(274,937)	(292,954)	(166,185)	(41,322)	(66,412)	(12,736)	(78,506)	7,211	(925,841)
(Provision) reversal of expected credit losses (“impairment”) of trade receivables	(3,517)	(30,499)	(15,741)	160	97	(6,664)	-	-	(56,164)
Other operating income (expenses), net	161,129	(99,215)	15,214	(1,936)	19,126	1,109	21,323	(13,951)	102,799
Equity results from subsidiaries	-	-	-	(1,491)	-	4	-	(47)	(1,534)
Operating profit (loss) before finance income and costs and taxes	**523,933**	**1,666,737**	**753,635**	**181,741**	**50,457**	**16,782**	**(57,183)**	**(5,551)**	**3,130,551**
Finance income									736,362
Finance costs									(1,953,955)
Profit before income tax and social contribution from continuing operations									**1,912,958**
Income tax and social contribution									(584,008)
Profit for the year									**1,328,950**
Total assets per segment at 12/31/2021	7,122,247	21,715,852	10,185,525	1,339,477	372,226	345,912	12,522,816	(5,635,861)	47,968,194
Total liabilities per segment at 12/31/2021	5,792,396	18,431,381	7,545,339	1,134,685	161,849	235,399	9,007,097	(164,212)	42,143,934
Depreciation and amortization at December 31, 2021	(234,139)	(416,251)	(296,109)	(82,446)	(17,494)	(64)	(16,500)	3,889	(1,059,114)

In thousands of Brazilian Reais, unless otherwise stated

									12/31/2020
	JSL	**Movida**	**Vamos**	**CS Brasil**	**Original**	**BBC**	**Holding and other**	**Eliminations[(i)]**	**Consolidated**
Net revenue from sale, leases, rendering services and sale of decommissioned assets	**2,826,797**	**4,085,259**	**1,513,187**	**845,810**	**617,777**	**45,426**	**-**	**(127,199)**	**9,807,057**
(-) Cost of sales, leases and rendering services	(2,358,354)	(1,000,002)	(832,816)	(469,196)	(505,964)	(10,872)	-	8,321	(5,168,883)
(-) Cost of sales of decommissioned assets	(166,788)	(2,219,779)	(162,652)	(171,242)	(4,517)	-	-	106,877	(2,618,101)
(=) Gross profit	**301,655**	**865,478**	**517,719**	**205,372**	**107,296**	**34,554**	**-**	**(12,001)**	**2,020,073**
Selling expenses	(17,748)	(216,627)	(66,153)	(2,557)	(32,038)	(231)	-	6,584	(328,770)
Administrative expenses	(130,685)	(206,327)	(95,891)	(36,106)	(57,039)	(11,019)	(47,407)	16,552	(567,922)
(Provision) reversal of expected credit losses (“impairment”) of trade receivables	(8,554)	(58,415)	(1,016)	(2,122)	581	(9,140)	-	(1)	(78,667)
Other operating income (expenses), net	50,721	(79,808)	14,896	2,101	1,297	1,684	(3,659)	(1,449)	(14,217)
Equity results from subsidiaries	-	-	-	(515)	-	-	-	-	(515)
Operating profit (loss) before finance income and costs and taxes	**195,389**	**304,301**	**369,555**	**166,173**	**20,097**	**15,848**	**(51,066)**	**9,685**	**1,029,982**
Finance income									679,426
Finance costs									(1,054,202)
Profit before income tax and social contribution from continuing operations									**655,206**
Income tax and social contribution									(229,167)
Profit for the year from continuing operations									**426,039**
Discontinued operations									
Loss after taxes from discontinued operations									(28,539)
Loss from discontinued operations									**(28,539)**
Profit for the year									**397,500**
Total assets per segment	4,838,756	8,502,627	4,225,479	2,529,609	304,186	241,139	8,618,704	(3,698,252)	25,562,248
Total liabilities per segment	3,773,610	6,143,947	3,719,241	2,048,104	125,668	136,809	6,750,861	(359,842)	22,338,398
Depreciation and amortization	(235,997)	(412,880)	(269,219)	(164,203)	(17,642)	(394)	(11,618)	-	(1,111,953)

(i) Eliminations of transactions carried out between the segments.

In thousands of Brazilian Reais, unless otherwise stated

6. Financial instruments and risk management

6.1 Financial instruments by category

The Simpar Group's financial instruments are presented in the following accounting classifications:

								Parent company
				12/31/2021				12/31/2020
Assets, as per the statement of financial position	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Amortized cost (i)**	**Total**	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Amortized cost**	**Total**
Cash and cash equivalents	-	-	259,342	259,342	273,832	-	12	273,844
Marketable securities and financial investments	1,969,471	-	-	1,969,471	974,965	-	-	974,965
Derivative financial instruments	-	2,954	-	2,954	-	217,131	-	217,131
Related parties	-	-	304,319	304,319	-	-	107,554	107,554
Other credits	-	-	11,650	11,650	-	-	42,361	42,361
	1,969,471	**2,954**	**575,311**	**2,547,736**	**1,248,797**	**217,131**	**149,927**	**1,615,855**

			12/31/2021		12/31/2020
Liabilities, as per the statement of financial position	**Fair value of hedge instruments**	**Amortized cost**	**Total**	**Amortized cost**	**Total**
Trade payables	-	6,814	6,814	642	642
Loans and borrowings	-	2,648,502	2,648,502	2,485,549	2,485,549
Debentures	-	2,060,729	2,060,729	598,001	598,001
Leases payable	-	96,158	96,158		
Derivative financial instruments	65,337	-	65,337	-	-
Related parties	-	528	528	528	528
Other payables	-	-	-	5,522	5,522
	65,337	**4,812,731**	**4,878,068**	**3,090,242**	**3,090,242**

(i) The amortized cost of cash and cash equivalents is equal to the fair value

In thousands of Brazilian Reais, unless otherwise stated

										Consolidated
					12/31/2021					12/31/2020
Assets, as per the statement of financial position	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Assets at fair value through other comprehensive income - FVOCI**	**Amortized cost**	**Total**	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Assets at fair value through other comprehensive income - FVOCI**	**Amortized cost**	**Total**
Cash and cash equivalents	-	-	-	1,029,383	1,029,383	382,718	-	-	26,883	409,601
Marketable securities and financial investments	17,065,521	-	566,584	-	17,632,105	7,144,866	-	923,397	-	8,068,263
Derivative financial instruments	-	58,880	-	-	58,880	134,444	280,578	-	-	415,022
Trade receivables	-	-	-	3,394,956	3,394,956	-	-	-	2,039,130	2,039,130
Other credits	-	-	-	31,506	31,506	-	-	-	76,629	76,629
	17,065,521	**58,880**	**566,584**	**4,455,845**	**22,146,830**	**7,662,028**	**280,578**	**923,397**	**2,142,642**	**11,008,645**

						12/31/2020
Liabilities, as per the statement of financial position	**Fair value of hedge instruments**	**Amortized cost**	**Total**	**Liabilities at fair value through profit or loss**	**Amortized cost**	**Total**
Trade payables	-	3,374,264	3,374,264	-	2,135,298	2,135,298
Floor plan	-	175,536	175,536	-	71,844	71,844
Supplier financing - car makers	-	-	-	-	157,923	157,923
Loans and borrowings		18,727,851	18,727,851	1,618,827	8,712,581	10,331,408
Debentures		14,535,918	14,535,918	36,511	6,524,245	6,560,756
Leases payable	-	255,959	255,959	-	313,406	313,406
Right-of-use leases	-	857,780	857,780	-	492,565	492,565
Derivative financial instruments	680,251	-	680,251	-	-	-
Assignment of receivables	-	6,043	6,043	-	12,086	12,086
Related parties	-	981	981	-	1,078	1,078
Other payables	-	739,314	739,314	-	684,510	684,510
	680,251	**38,673,646**	**39,353,897**	**1,655,338**	**19,105,536**	**20,760,874**

In thousands of Brazilian Reais, unless otherwise stated

6.2 Fair value of financial assets and liabilities

A comparison by category of the carrying amount and fair value of the Simpar Group's financial instruments is shown below:

				Parent company
	Carrying amount		**Fair value**	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Financial assets				
Cash and cash equivalents	259,342	273,844	259,342	273,844
Marketable securities and financial investments	1,969,471	974,965	1,969,471	974,965
Derivative financial instruments	2,954	217,131	2,954	217,131
Related parties	304,319	107,554	304,319	107,554
Other credits	11,650	42,361	11,650	42,361
Total	**2,547,736**	**1,615,855**	**2,547,736**	**1,615,855**
Financial liabilities				
Trade payables	6,814	642	6,814	642
Loans and borrowings	2,648,502	2,485,549	3,366,877	3,020,408
Leases payable	96,158	-	96,194	-
Derivative financial instruments	65,337	-	65,337	-
Debentures	2,060,729	598,001	2,063,038	602,233
Related parties	528	528	528	528
Other payables	-	5,522	-	5,522
Total	**4,878,068**	**3,090,242**	**5,598,788**	**3,629,333**

				Consolidated
	Carrying amount		**Fair value**	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Financial assets				
Cash and cash equivalents	1,029,383	409,601	1,029,383	409,601
Marketable securities and financial investments	17,632,106	8,068,263	17,632,106	8,068,263
Derivative financial instruments	58,880	415,022	58,880	415,022
Trade receivables	3,394,956	2,039,130	3,394,956	2,039,130
Other credits	31,506	76,629	31,506	76,629
Total	**22,146,831**	**11,008,645**	**22,146,831**	**11,008,645**
Financial liabilities				
Trade payables	3,374,264	2,135,298	3,374,264	2,135,298
Floor plan	175,536	71,844	175,536	71,844
Supplier financing - car makers	-	157,923	-	157,923
Loans and borrowings	18,727,851	10,331,408	21,630,363	11,755,472
Debentures	14,535,918	6,560,756	18,368,996	6,552,008
Leases payable	255,959	313,406	256,062	313,493
Right-of-use leases	857,780	492,565	857,780	492,565
Derivative financial instruments	680,251	-	680,251	-
Assignment of receivables	6,043	12,086	6,043	12,086
Related parties	981	1,078	981	1,078
Other payables	739,314	684,510	739,314	684,510
Total	**39,353,897**	**20,760,874**	**46,089,590**	**22,176,277**

The fair values of financial assets and liabilities are measured in accordance with the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - Quoted prices in active markets for similar instruments, observable prices for identical or similar instruments in non-active markets and valuation models for unobservable inputs; and

In thousands of Brazilian Reais, unless otherwise stated

Level 3 - Instruments with significant inputs that are not observable in the market.

The table below presents the general classification of financial instruments assets and liabilities measured at fair value, according to the fair value hierarchy:

			12/31/2021				12/31/2020
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Nível3**	**Total**
Assets at fair value through profit or loss							
Cash and cash equivalents							
Bank deposit certificates (“CDB”)	-	100,419	100,419	-	181,105	-	181,105
Lease bills	-	143,600	143,600	-	79,524	-	79,524
Financial bills	-	14,694	14,694	-	13,203	-	13,203
Marketable securities and financial investments							
Financial Treasury Bills (“LFT”)	802,993	-	802,993	420,294	-	-	420,294
National Treasury Bills (“LTN”)	991,498	-	991,498	446,398	-	-	446,398
Bank deposit certificates (“CDB”)	-	-	-	-	50,303	-	50,303
Promissory notes - related parties	-	114,539	114,539	-	-	-	-
Units of funds	-	60,441	60,441	57,970	-	-	57,970
Derivative financial instruments							
Swap	-	2,954	2,954	-	-	-	-
	1,794,491	**433,693**	**2,228,184**	**924,662**	**324,135**	**-**	**1,248,797**
Assets at fair value through other comprehensive income - FVOCI							
Derivative financial instruments							-
Cash flow swap	-	-	-	-	217,131	-	217,131
	-	**-**	**-**	**-**	**217,131**	**-**	**217,131**
	1,794,491	**433,693**	**2,228,184**	**924,662**	**541,266**	**-**	**1,465,928**
Liabilities at fair value through profit or loss							
Swap	-	6,925	6,925	-	-	-	-
	-	**6,925**	**6,925**	**-**	**-**	**-**	**-**
Liabilities at fair value through other comprehensive income - FVOCI							
Cash flow swap	-	58,788	58,788	-	-	-	-
	-	**58,788**	**58,788**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value							
Loans and borrowings	-	3,366,877	3,366,877	-	3,020,408	-	3,020,408
Debentures	-	2,063,038	2,063,038	-	602,233	-	602,233
Leases payable	-	96,194	96,194	-	-	-	-
	-	**5,526,109**	**5,526,109**	**-**	**3,622,641**	**-**	**3,622,641**
	-	**5,584,897**	**5,584,897**	**-**	**3,622,641**	**-**	**3,622,641**

In thousands of Brazilian Reais, unless otherwise stated

							Consolidated
			12/31/2021				12/31/2020
	Level 1	Level 2	Total	Level 1	Level 2	Level 3	Total
Assets at fair value through profit or loss							
Cash and cash equivalents							
Bank deposit certificates ("CDB")	-	698,492	698,492	-	247,109	-	247,109
Repurchase agreements	-	45,137	45,137	-	3,367	-	3,367
Financial bills	-	141,286	141,286	-	44,641	-	44,641
Units of funds	2,796	-	2,796	27,027	-	-	27,027
Others	-	26,872	26,872	-	60,574	-	60,574
Marketable securities and financial investments							
Credit Linked Notes ("CLN")	-	2,646,298	2,646,298	-	2,483,344	-	2,483,344
Sovereign securities (in USD)	4,547,161	-	4,547,161	-	-	-	-
Bank deposit certificates ("CDB")	-	-	-	-	80,543	-	80,543
Financial Treasury Bills ("LFT")	4,247,657	-	4,247,657	2,476,269	-	-	2,476,269
National Treasury Bills ("LTN")	5,621,181	-	5,621,181	2,027,589	-	-	2,027,589
Units of funds	3	-	3	68,920	-	-	68,920
Others	-	3,221	3,221	-	8,201	-	8,201
Derivative financial instruments							
Cash flow swap	-	5,914	5,914	-	133,315	-	133,315
IDI options	-	8,115	8,115	-	1,129	-	1,129
	14,418,798	**3,575,335**	**17,994,133**	**4,599,805**	**3,062,223**	**-**	**7,662,028**
Assets at fair value through other comprehensive income - FVOCI							
Marketable securities and financial investments							
Sovereign securities (in USD)	566,584	-	566,584	470,570	-	-	470,570
Corporate securities (in USD)	-	-	-	452,827	-	-	452,827
Derivative financial instruments							
Cash flow swap	-	38,783	38,783	-	280,578	-	280,578
	566,584	**38,783**	**605,367**	**923,397**	**280,578**	**-**	**1,203,975**
	14,985,382	**3,614,118**	**18,599,500**	**5,523,202**	**3,342,801**	**-**	**8,866,003**
Liabilities at fair value through profit or loss							
Loans and borrowings	-	-	-	-	1,618,827	-	1,618,827
Debentures	-	-	-	-	36,511	-	36,511
Payables for the acquisition of companies	-	-	-	-	-	58,584	58,584
Derivative financial instruments							
Cash flow swap	-	221,699	221,699	-	-	-	-
	-	**221,699**	**221,699**	**-**	**1,655,338**	**58,584**	**1,713,922**
Liabilities at fair value through other comprehensive income - FVOCI							
Cash flow swap	-	452,482	452,482	-	-	-	-
	-	**452,482**	**452,482**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value							
Loans and borrowings	-	21,630,363	21,630,363	-	10,136,645	-	10,136,645
Debentures	-	18,368,996	18,368,996	-	6,515,497	-	6,515,497
Leases payable	-	256,062	256,062	-	313,493	-	313,493
	-	**40,255,421**	**40,255,421**	**-**	**16,965,635**	**-**	**16,965,635**
	-	**40,929,602**	**40,929,602**	**-**	**18,620,973**	**58,584**	**18,679,557**

Financial instruments whose carrying amounts are equivalent to their fair values are classified at Level 2 of the fair value hierarchy.

The valuation techniques used to measure all financial instruments assets and liabilities at fair value include:

(i) Quoted market prices or quotations from financial institutions or brokers for similar instruments; and
(ii) Analysis of discounted cash flows.

The curve used in the fair value measurement of agreements indexed to the CDI at December 31, 2021 is as follows:

Interest curve - Brazil							
Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p.a.) - %	9.15	11.20	11.79	11.00	10.61	10.61	10.72

Source: B3 - 12/31/2021

6.3 Financial risk management

The Simpar Group is exposed to credit risk, market risk and liquidity risk on its main financial assets and liabilities. Management manages these risks with the support of a Financial Committee and with the approval of the Board of Directors, which is responsible for authorizing transactions involving any type of derivative financial instrument and any contracts that generate financial assets and liabilities, regardless of the market in which they are traded or registered, whose amounts are subject to fluctuations.

The Company has a policy of not entering into derivative transactions for speculative purposes. These transactions are used only for protection against fluctuations related to market risks.

a) Credit risk

The credit risk involves the potential default of a counterparty to an agreement or financial instrument, resulting in financial loss. The Simpar Group is exposed to credit risk, mainly in respect of trade receivables, deposits with banks, financial investments and other financial instruments held with financial institutions.

i. Cash and cash equivalents, marketable securities and financial investments

The credit risk associated with balances at banks and financial institutions is managed by the treasury area of the Simpar Group, supported by its Financial Committee, in accordance with the guidelines approved by the Board of Directors. The surplus funds are invested only in approved counterparties and within the limit established to each one, in order to minimize the risk concentration, and thus mitigate the financial loss in the event of a potential bankruptcy of a counterparty..

The maximum period considered in the estimate of expected credit loss is the maximum contractual period during which the Simpar Group is exposed to credit risk.

For risk assessment purposes, a local scale ("Br") and a global scale ("G") of credit risk exposure obtained from rating agencies are used, as shown below:

Rating in Local Scale "Br"		
Nomenclature:		Quality
Br	AAA	Prime
Br	AA+, AA, AA-	High Investment Grade
Br	A+, A, A-	Medium-Hight Investment Grade
Br	BBB+, BBB, BBB-	Low-Medium Investment Grade
Br	BB+, BB, BB-	Non-Investment Grade Speculative
Br	B+, B, B-	Non-Investment Grade Highly Speculative
Br	CCC	Non-Investment Grade Extremely Speculative
Br	DDD, DD, D	Non-Investment Grade - Speculative Moratorium

Rating in Global Scale "G"		
Nomenclature:		Quality
G	AAA	Prime
G	AA+, AA, AA-	High Investment Grade
G	A+, A, A-	Medium-High Investment Grade
G	BBB+, BBB, BBB-	Low-Medium Investment Grade
G	BB+, BB, BB-	Non-Investment Grade Speculative
G	B+, B, B-	Non-Investment Grade Highly Speculative
G	CCC	Non-Investment Grade Extremely Speculative
G	DDD, DD, D	Non-Investment Grade - Speculative Moratorium

In thousands of Brazilian Reais, unless otherwise stated

The Simpar Group's cash quality and maximum credit risk exposure to cash and cash equivalents, marketable securities and financial investments are as follows:

	Parent company	Consolidated
	12/31/2021	12/31/2021
Demand and short-term deposits	**629**	**114,800**
Br AAA	115,112	754,108
Br AA+	143,601	156,121
Br AA	-	4,354
Total financial investments	**258,713**	**914,583**
Total cash and cash equivalents	**259,342**	**1,029,383**

	Parent company	Consolidated
	12/31/2021	12/31/2021
Marketable securities and financial investments		
Br AAA	1,969,471	14,325,754
G BB+	-	131,248
G BB-	-	3,175,104
Total marketable securities and financial investments	**1,969,471**	**17,632,106**

ii. Trade receivables

The Simpar Group uses a simplified "provision matrix" to calculate the expected losses on its trade receivables according to its experience of historical credit losses. This provision matrix specifies fixed rates for the provision depending on the number of days in which the receivables are falling due or overdue and is adjusted for specific customers according to future estimates and qualitative factors observed by Management.

The Simpar Group writes off its financial assets when there is no reasonable expectation of recovery, according to the recoverability study of each Simpar Group company. The receivables written off continue in the collection process to recover the receivable amount. When there are recoveries, these are recognized in profit or loss for the year.

The Company recognized an impairment allowance that represents its estimate of expected credit losses on trade receivables, see note 9.

b) Market risk

The market risk involves potential fluctuations in the fair value of future cash flows derived from a given financial instrument in response to changes in its market prices, adversely affecting the profit or loss or cash flows. Market prices typically involve three types of risks: interest rate risk, exchange rate risk and price risk that may be of commodities, stocks, among others.

i. Interest rate risk

Interest rate risk involves potential fluctuation in the fair value of the future cash flows derived from a given financial instrument in response to changes in market interest rates.

The Simpar Group is substantially exposed to interest rate risk on cash and cash equivalents, marketable securities and financial investments, loans, borrowings, debentures, leases payable to financial institutions and right-of-use leases. As a policy, the Simpar Group seeks to concentrate this risk to the DI variation, and uses derivatives for this purpose.

To mitigate part of this exposure, subsidiary Vamos has contracted options on the "Average One-Day Interbank Deposit Rate Index" (IDI) listed on B3. These options act as limiters, ensuring an upper limit of interest rate variation. IDI options are used as a kind of insurance, where the option premium resembles an insurance premium where Vamos bought rights only. Limiters are contracted for the sole and exclusive purpose of cash flow protection.

All these transactions are conducted under the guidelines established by the financial committee, and are approved by the Board of Directors.. The Simpar Group seeks to apply the hedge accounting to manage the volatility of profit or loss.

The Company has interest rate swaps indexed to the IPCA plus fixed spread, to a percentage of the CDI. These instruments were contracted to hedge the Company's results against the volatilities caused by the IPCA variations, which, on the contracting dates, were assessed by Management, with the support of the financial committee, as a major risk. All swaps contracted were approved by the Board of Directors.

These instruments, except for certain agreements entered into by subsidiary Movida, mentioned below, were elected for fair value hedge accounting, pursuant to CPC 48 / IFRS 9 - Financial Instruments; gains and losses arising from changes in the fair value of these transactions are recorded under the respective hedged items, and any ineffectiveness is recognized in profit or loss for the year.

Subsidiary Movida has designated certain agreements of this same nature for cash flow accounting, and the respective changes in fair value were recognized in other comprehensive income in equity.

The respective transactions and balances are presented in item (iii) below.

ii. Foreign exchange risk

The Simpar Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and its functional currency. Borrowings are generally denominated in the same currency as the cash flow generated by the Company's trading operations, mainly in Reais. However, there are also contracts in US Dollars ("Dollars") and "Euro", which have been protected against exchange rate changes by swap instruments, which exchange the indexation of foreign currency and the fixed rate by the Interbank Deposit Certificate (CDI), limiting exposure to possible losses due to exchange rate changes.

The agreements of this nature were designated for cash flow accounting, and the respective changes in fair value were recognized in other comprehensive income in equity.

As mentioned in notes 1.1.2 (i) and (iii), the subsidiaries Movida Europe and Simpar Europe issued debt securities in the international market in the amounts of US$ 800,000 and US$ 625,000, respectively. A portion of these borrowings was officially entered by the Company and Movida through loans from financial institution in Brazil, with the related funds invested in Credit Linked Notes - CLN in the financial institution's branches.

Borrowings in Brazil amount to US$ 425,000 (Movida), US$ 546,000 (Vamos) and US$ 463,500 (the Company), and for these exposures swap instruments were contracted exchanging the exchange rates changes and the spread of the transactions by percentages of the CDI. All foreign exchange exposures hedged by transactions with derivatives in Simpar Group are as follows:

In thousands of Brazilian Reais, unless otherwise stated

The outstanding hedge derivative agreements at December 31, 2021 are the following:

										Parent company and Consolidated		
								Balance of hedge derivative instruments at 12/31/2021				
Company	Instrument	Hedged risk	Type of derivative financial instrument	Operation	Base value of the hedged item	Maturity of the hedging instrument	Hedge item	Average contracted rate	At amortized cost	At fair value	Outstanding balance receivable (payable) as at 12/31/2021	Gains (losses) recognized in profit or loss	Gains (losses) recognized in OCI
Simpar	Swap agreement	Exchange rate risk	Cash flow hedge	Swap USD X CDI	USD 463.500	Jan/31	USD + 5.60%	148,05% of CDI	2,599,915	3,444,980	(58,788)	156,536	(390,998)
Simpar	Swap agreement	Market risk	Fair value hedge	Swap CDI Fixed X CDI	R$ 1,245,000	Sept/31	CDI + 3.50%	133,75% do CDI	1,275,761	1,517,844	(6,549)	3,120	-
Simpar	Swap agreement	Market risk	Fair value hedge	Swap IPCA X CDI	R$ 255,000	Sept/31	IPCA + 7.97%	136,95% of CDI	261,493	318,680	2,954	6,518	-
Simpar	NDF contract	Exchange rate risk	Fair value hedge	*Non-Deliverable Forward*	USD 33.190	Jan/22	Fixed rate + Exchange rate	Forward price - R$ 5.6140	520	376	(376)	(30,109)	-
								Total Parent company	**4,137,689**	**5,281,880**	**(62,759)**	**136,065**	**(390,998)**
JSL	Swap agreement	Market risk	Fair value hedge	Swap IPCA X CDI	R$ 1,289,152	Nov/25	IPCA + Fixed rate	CDI + 0.65% / 134.08% of CDI	1,390,616	1,441,438	2,627	101,857	-
JSL	Swap agreement	Exchange rate risk	Fair value hedge	Swap EUR X CDI	EUR 1.031	Jan/24	Fixed rate + Exchange rate	CDI + 1.13%	1,192	1,324	333	(38)	-
Vamos	Swap agreement	Market risk	Fair value hedge	Swap CDI Fixed X CDI	R$ 98,036	Nov/24	Fixed rate + Exchange rate	139.00% CDI	98,981	93,751	(12,604)	2,494	-
Vamos	Swap agreement	Market risk	Fair value hedge	Swap CDI Fixed X CDI	R$ 121,964	Nov/26	Fixed rate + Exchange rate	133.80% CDI	123,199	114,759	(20,925)	2,972	-
Vamos	Swap agreement	Market risk	Fair value hedge	Swap IPCA X CDI	R$ 1,367,112	Jun/27	IPCA + Fixed rate	146.06% CDI	2,098,406	2,281,872	(65,680)	120,793	
Vamos	Swap agreement	Market risk	Fair value hedge	*Swap* CDI Fixed X CDI	R$ 535,540	Jun/31	CDI x Fixed rate	129.10% of CDI	538,407	608,139	(14,371)	(22)	
Vamos	Swap agreement	Exchange risk	Cash flow hedge	Swap USD + Fixed rate X CDI	USD 546.000	Jan/25	Fixed rate + Exchange rate	123.80% CDI	561,283	572,760	(20,673)	9,868	(28,898)
Movida	Swap agreement	Exchange risk	Cash flow hedge	Swap USD X CDI	USD 850.000	Feb/31	Fixed rate + Exchange rate	CDI + 150.85%	2,439,121	3,156,571	(336,258)	(5,791)	462
Movida	Swap agreement	Exchange risk	Cash flow hedge	Swap EUR X CDI	EUR 42.000	Mar/25	Fixed rate + Exchange rate	CDI + 2.07%	266,811	275,746	38,781	(116,924)	(223,896)
Movida	Swap agreement	Market risk	Cash flow hedge	Swap IPCA X CDI	R$ 1,050,000	Sep/31	IPCA + Fixed rate	109,90% of CDI	1,145,495	1,300,476	(36,763)	62,635	(95,342)
CS Infra	Swap agreement	Market risk	Fair value hedge	*SWAP IPCA X CDI*	R$ 450,000	Jan/31	IPCA + 6.6739%	119,95% of CDI	423,198	429,696	(6,499)	-	-
CS Finance	Swap agreement	Market risk	Cash flow hedge	*Swap Fixed X CDI*	R$ 450,000	Feb/28	Fixed rate	149.81% of CDI	492,866	494,942	(94,695)	12,443	-
Vamos	Purchase of IDI call option	Market risk	Call options	*Call option IDI*	R$ 1,122,725	Jul/23	CDI	6.85%	8,115	8,115	8,115	-	6,763
								Total Consolidated	**13,725,379**	**16,061,469**	**(621,371)**	**326,352**	**(731,909)**
										Current assets	147		
										Noncurrent assets	58,733		
										Current liabilities	(271,251)		
										Noncurrent liabilities	(409,000)		
											(621,371)		

At December 31, 2021, due to the scheduled settlement of the International Credit (4131) for October 4, 2021, subsidiary Vamos made an early settlement of such foreign exchange hedge swap instruments. This settlement generated a fair value gain, which resulted in credit of R$ 16,550, net of withholding income tax (IRRF), to subsidiary Vamos. As a result, the hedge accounting was discontinued, and the respective hedge reserve balance of R$ 3,629, net of deferred income tax, was reclassified to profit or loss for the year.

The total consolidated margin of collateral at December 31, 2021 is R$143,665. Amounts are calculated on a daily basis and may be released or complemented depending on the variation occurred on the day.

In thousands of Brazilian Reais, unless otherwise stated

The table below indicates the expected year that the cash flows associated with the swap agreement will impact the profit or loss and the respective carrying amount of these instruments.

					Parent company
		At December 31, 2021			
		Expected cash flow			
	Carrying amount	**Total**	**1-6 months**	**7-12 months**	**Over 1 year**
Cash flow swap					
Asset	5,261,141	7,117,056	173,977	441,152	6,501,927
Liability	(5,323,900)	(7,879,602)	(211,534)	(730,136)	(6,937,932)
	(62,759)	**(762,546)**	**(37,557)**	**(288,984)**	**(436,005)**

					Consolidated
		At December 31, 2021			
		Expected cash flow			
	Carrying amount	**Total**	**1-6 months**	**7-12 months**	**Over 1 year**
Cash flow swap					
Asset	16,103,785	14,774,940	437,013	485,883	13,852,044
Liability	(16,733,271)	(16,264,264)	(641,242)	(1,072,043)	(14,550,979)
	(629,486)	**(1,489,324)**	**(204,229)**	**(586,160)**	**(698,935)**

In thousands of Brazilian Reais, unless otherwise stated

c) Liquidity risk

The Simpar Group monitors risks associated with funding shortages on an ongoing basis through a current liquidity planning. The Simpar Group's purpose is to maintain in its assets balance of cash and high-liquid investments and maintain flexibility through the use of bank loans and the ability to raise funds through capital markets, in order to ensure its operational continuity. The average indebtedness term is monitored in order to provide short-term liquidity, analyzing installments, charges and cash flows.

Presented below are the contractual maturities of financial assets and liabilities, including estimated interest payment:

					Parent company
					12/31/2021
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	Over 3 years
Financial assets					
Cash and cash equivalents	259,342	259,342	259,342	-	-
Marketable securities and financial investments	1,969,471	1,969,471	1,909,030	60,441	-
Derivative financial instruments	2,954	2,520	1,871	(3,349)	3,998
Related parties	304,319	304,319	-	1,838	302,481
Other credits	11,650	11,650	1,830	9,820	-
Total	**2,547,736**	**2,547,302**	**2,172,073**	**68,750**	**306,479**

					Parent company
					12/31/2021
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	Over 3 years
Financial liabilities					
Trade payables	6,814	6,814	6,814	-	-
Loans and borrowings	2,648,502	3,962,612	144,847	144,847	3,672,918
Derivative financial instruments	65,337	(914,395)	(188,757)	(285,635)	(440,003)
Leases payable	96,158	101,934	21,624	21,624	58,686
Debentures	2,060,729	2,398,327	276,740	219,963	1,901,624
Total	**4,877,540**	**5,555,292**	**261,268**	**100,799**	**5,193,225**

					Consolidated
					12/31/2021
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	over 3 years
Financial assets					
Cash and cash equivalents	1,029,383	1,029,383	1,029,383	-	-
Marketable securities and financial investments	17,632,105	17,632,105	17,587,776	44,329	-
Derivative financial instruments	58,880	60,761	(25,085)	7,766	78,080
Trade receivables	3,394,956	3,394,956	3,260,329	134,627	-
Other credits	31,506	31,506	-	31,506	-
Total	**22,146,830**	**22,148,711**	**21,852,403**	**218,228**	**78,080**

					Consolidated
					12/31/2021
	Carrying amount	Contractual flow	Up to 1 year	Up to 2 years	Over 3 years
Financial liabilities					
Trade payables	3,374,264	3,374,264	3,374,264	-	-
Floor plan	175,536	175,536	175,536	-	-
Loans and borrowings	18,727,851	26,401,733	1,383,781	1,614,436	23,403,516
Debentures	14,535,918	21,625,348	1,723,465	2,932,359	16,969,524
Leases payable	255,959	265,918	123,843	52,242	89,832
Right-of-use leases	857,780	972,944	316,957	227,321	428,666
Derivative financial instruments	680,251	(1,020,480)	(375,210)	(786,674)	141,404
Assignment of receivables	6,043	6,043	6,043	-	-
Related parties	981	981	453	528	-
Other payables	739,314	795,734	353,965	139,251	302,518
Total	**39,353,897**	**52,598,021**	**7,083,097**	**4,179,463**	**41,335,460**

In thousands of Brazilian Reais, unless otherwise stated

6.4 Sensitivity analysis

The Simpar Group's management carried out a sensitivity analysis in accordance with its policies and judgments, in order to show the impacts of interest and exchange rate changes on its financial assets and liabilities, considering for the next 12 months the following probable interest and exchange rates:

- CDI at 11.79 % p.a., based on the future yield curve (source: B3).
- TLP of 9.83% p.a. (Source: Central Bank of Brazil).
- IPCA at 5.20% p.a. (source: B3).
- IGP-M at 6.42% p.a. (source: B3).
- SELIC at 11.79% p.a. (Source: B3).
- Euro rate of R$ 7.04 (source: B3).
- US Dollar (“Dollar”) rate of R$ 6.16 (source: B3).

The table below is presented with the respective impacts on the financial result, considering the probable scenario (Scenario I), with increases of 25% (Scenario II) and 50% (Scenario III):

						Parent company
Operation	**Exposure 12/31/2021**	**Risk**	**Probable rate**	**Scenario I probable**	**Scenario II + deterioration of 25%**	**Scenario III + deterioration of 50%**
Exchange rate risk						
Derivatives designated as hedging accounting						
Swap	USD 463.500	USD increase	6.16	2,855,160	3,568,950	4,282,740
CCB FX (hedged item)	USD (463,500)	USD increase	6.16	(2,855,160)	(3,568,950)	(4,282,740)
Net effect of exchange rate risk	-			-	-	-
Loans and borrowings – CCB FX	(2,648,502)	FIXED RATE	5.60%	(148,316)	(148,316)	(148,316)
Swap long position - CCB FX	2,648,502	FIXED RATE	5.60%	148,316	148,316	148,316
Swap short position	(3,806,056)	CDI increase	17.46%	(664,351)	(830,438)	(996,526)
Net effect of exposure	**(3,806,056)**			**(664,351)**	**(830,438)**	**(996,526)**
Swap	1,245,000	CDI increase	11.79%	54,647	68,308	81,970
Debentures	(1,245,000)	CDI increase	11.79%	(54,647)	(68,308)	(81,970)
Net effect of exposure	-			-	-	-
Debentures	(1,251,420)	FIXED RATE	3.50%	(43,800)	(43,800)	(43,800)
Swap long position - Debentures	1,251,420	FIXED RATE	3.50%	43,800	43,800	43,800
Swap short position	(1,517,844)	CDI increase	15.77%	(239,351)	(299,188)	(359,026)
Net effect of exposure	**(1,517,844)**			**(239,351)**	**(299,188)**	**(359,026)**
Swap	255,000	IPCA increase	5.20%	24,121	30,151	36,181
Debentures	(255,000)	IPCA increase	5.20%	(24,121)	(30,151)	(36,181)
Net effect of exposure	-			-	-	-
Debentures	(256,315)	FIXED RATE	7.97%	(20,428)	(20,428)	(20,428)
Swap long position - Debentures	256,315	FIXED RATE	7.97%	20,428	20,428	20,428
Swap short position	(318,680)	CDI increase	16.15%	(51,455)	(64,319)	(77,183)
Net effect of exposure	**(318,680)**			**(51,455)**	**(64,319)**	**(77,183)**
Net effect of hedge accounting operations	**(5,642,580)**			**(955,157)**	**(1,193,945)**	**(1,432,735)**
Interest rate risk						
Other operations - floating rate						
Financial investments	258,713	CDI increase	11.72%	30,321	37,901	45,481
Marketable securities and financial investments	114,539	CDI increase	11.72%	13,424	16,780	20,136
Marketable securities and financial investments	802,993	SELIC increase	11.79%	94,673	118,341	142,009
Leases payable	(96,158)	CDI increase	14.35%	(13,799)	(17,248)	(20,698)
Debentures	(552,994)	CDI increase	12.30%	(68,044)	(85,055)	(102,066)
Net effect of interest rate exposure	**527,093**			**56,575**	**70,719**	**84,862**
Other operations - Fixed rate						
Marketable securities and financial investments	1,051,939	FIXED RATE	11.01%	115,837	115,837	115,837
Net exposure and impact on finance costs - fixed rate	**1,051,939**			**115,837**	**115,837**	**115,837**
Net exposure and total impact of finance costs in profit or loss	**(4,063,548)**			**(782,745)**	**(1,007,389)**	**(1,232,036)**

In thousands of Brazilian Reais, unless otherwise stated

						Consolidated
Operation	**Exposure 12/31/2021**	**Risk**	**Probable rate**	**Scenario I probable**	**Scenario II + deterioration of 25%**	**Scenario III + deterioration of 50%**
Derivatives designated as hedging accounting						
Swap	USD 888,500	USD increase		5,473,160	6,841,450	8,209,740
Swap	EUR 42,000	EUR increase	6.16	295,667	369,584	443,500
CCB FX (hedged item)	USD (463,500)	USD increase	7.04	(2,855,160)	(3,568,950)	(4,282,740)
International credit (hedged item)	USD (425,000)	USD increase	6.16	(2,618,000)	(3,272,500)	(3,927,000)
International credit (hedged item)	EUR (42,000)	EUR increase	6.16	(295,667)	(369,584)	(443,500)
Net effect of exposure	-		7.04	-	-	-
Loans and borrowings – CCB FX	(2,648,502)	FIXED RATE		(148,316)	(185,395)	(222,474)
Loans and borrowing (4131)	(2,705,370)	FIXED RATE	5.60%	(423,390)	(529,238)	(635,086)
Swap long position - CCB FX	2,648,502	FIXED RATE	15.65%	148,316	185,395	222,474
Swap long position - Loans and borrowings (4131)	2,705,370	FIXED RATE	5.60%	423,390	529,238	635,086
Swap short position	(6,511,426)	CDI increase	15.65%	(1,133,639)	(1,417,049)	(1,700,459)
Net effect of exposure	**(6,511,426)**		17.41%	**(1,133,639)**	**(1,417,049)**	**(1,700,459)**
Senior Notes "BOND" (hedged item)	(379,875)	FIXED RATE		(40,837)	(51,046)	(61,255)
Swap long position - *Senior* Notes "*BOND*"	379,875	FIXED RATE	10.75%	40,837	51,046	61,255
Swap short position	(589,637)	CDI increase	10.75%	(103,582)	(129,478)	(155,373)
Net effect of exposure	**(589,637)**		17.57%	**(103,582)**	**(129,478)**	**(155,373)**
Net effect of hedge accounting operations	**(7,101,063)**			**(1,237,221)**	**(1,546,527)**	**(1,855,832)**
Other derivative financial instruments						
Swap	1,913,768	CDI increase		140,662	140,662	140,662
Loans and borrowings CDCA - CRA (hedged item)	(1,913,768)	CDI increase	7.35%	(140,662)	(140,662)	(140,662)
Loans and financing - CDCA (CRA)	(1,987,568)	FIXED RATE	7.35%	(178,086)	(178,086)	(178,086)
Swap long position - Loans and borrowings CDCA (CRA)	1,987,568	FIXED RATE	8.96%	178,086	178,086	178,086
Swap short position	(1,680,850)	CDI increase	8.96%	(198,172)	(198,172)	(198,172)
Net effect of exposure	**(1,680,850)**		11.79%	**(198,172)**	**(198,172)**	**(198,172)**
Swap	711,790	IPCA increase		37,042	37,042	37,042
Loans and borrowings CDCA - CRA (hedged item)	(711,790)	IPCA increase	5.20%	(37,042)	(37,042)	(37,042)
Loans and financing - CDCA (CRA)	(763,534)	FIXED RATE	5.20%	(136,902)	(136,902)	(136,902)
Swap long position - Loans and borrowings CDCA (CRA)	763,534	FIXED RATE	17.93%	136,902	136,902	136,902
Swap short position	(1,110,222)	CDI increase	17.93%	(130,895)	(130,895)	(130,895)
Net effect of exposure	**(1,110,222)**		11.79%	**(130,895)**	**(130,895)**	**(130,895)**
Swap	1,939,630	CDI increase		228,876	228,876	228,876
Debentures (hedged item)	(1,939,630)	CDI increase	11.80%	(228,876)	(286,095)	(343,315)
Debentures	(1,962,657)	FIXED RATE	11.80%	(157,013)	(196,266)	(235,519)
Swap long position - Debentures	1,962,657	FIXED RATE	8.00%	157,013	196,266	235,519
Swap short position	(2,140,354)	CDI increase	8.00%	(312,492)	(390,615)	(468,738)
Net effect of exposure	**(2,140,354)**		14.60%	**(312,492)**	**(447,834)**	**(583,177)**
Swap	2,908,810	IPCA increase		151,258	151,258	151,258
Debentures (hedged item)	(2,908,810)	IPCA increase	5.20%	(151,258)	(189,073)	(226,887)
Debentures	(3,019,116)	FIXED RATE	5.20%	(295,873)	(369,842)	(443,810)
Swap long position - Debentures	3,019,116	FIXED RATE	9.80%	292,854	366,068	439,281
Swap short position	(3,184,937)	CDI increase	9.70%	(455,446)	(569,307)	(683,169)
Net effect of exposure	**(3,184,937)**		14.30%	**(458,465)**	**(610,896)**	**(763,327)**
Swap	1,171	EUR increase		8,243	10,304	12,365
Loans and borrowings (4131) (hedged item)	(1,171)	EUR increase	7.04	(8,243)	(10,304)	(12,365)
Loans and borrowings (4131)	(1,171)	FIXED RATE	7.04	(42)	(53)	(63)
Swap long position - Loans and borrowings (4131)	1,171	FIXED RATE	3.60%	42	53	63
Swap short position	(1,324)	CDI increase	3.60%	(156)	(195)	(234)
Net effect of exposure	**(1,324)**		11.79%	**(156)**	**(195)**	**(234)**
IDI call option (Position purchased in call option "Call" - liability)	(1,185,141)	FIXED RATE		(86,397)	(107,996)	(129,595)
IDI call option (Position purchased in call option "Call" - asset)	1,185,141	CDI increase	7.29%	86,397	107,996	129,595
Net effect of exposure	-		7.29%	-	-	-
Net effect of hedge operations	**(8,117,687)**			**(1,100,180)**	**(1,387,992)**	**(1,675,805)**
Other operations - floating rate						
Financial investments	914,583	CDI increase		107,189	133,986	160,784
Marketable securities and financial investments	4,268,414	SELIC increase	11.72%	503,246	629,058	754,869
Loans and borrowings	(1,865,453)	CDI increase	11.79%	(292,503)	(365,629)	(438,755)
Debentures	(9,687,478)	CDI increase	15.68%	(1,310,716)	(1,638,395)	(1,966,074)
Leases payable	(255,959)	CDI increase	13.53%	(37,165)	(46,457)	(55,748)
Net exposure and impact on finance costs - floating rate	**(6,625,893)**		14.52%	**(1,029,949)**	**(1,287,437)**	**(1,544,924)**
Other operations - fixed rate						
Marketable securities and financial investments	8,249,947	FIXED RATE		940,288	940,288	940,288
Marketable securities and financial investments - Corporate and sovereign bonds	5,113,745	FIXED RATE	11.40%	206,595	206,595	206,595
Right-of-use leases	(857,780)	FIXED RATE	4.04%	(73,683)	(73,683)	(73,683)
Loans and borrowings - Senior Notes "BOND"	(7,894,342)	FIXED RATE	8.59%	(412,874)	(412,874)	(412,874)
Loans and borrowings	(607,580)	FIXED RATE	5.23%	(82,692)	(82,692)	(82,692)
Net exposure and impact on finance costs - fixed rate	**4,003,990**			**577,634**	**577,634**	**577,634**
Net exposure and total impact of finance costs in profit or loss	**(2,621,903)**			**(452,315)**	**(709,803)**	**(967,290)**

The objective of this sensitivity analysis is to measure the impact of changes in market variables on the Simpar Group's financial instruments on finance income and costs, assuming that all other market factors remain constant. Such amounts may differ from those stated upon their settlement due to the estimates used in their preparation.

In thousands of Brazilian Reais, unless otherwise stated

7. Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash	93	-	8,201	4,445
Banks	536	12	106,599	22,438
Total cash on hand	**629**	**12**	**114,800**	**26,883**
Bank deposit certificates ("CDB")	100,419	181,105	698,494	247,109
Repurchase agreements, debenture-backed	-	-	45,137	3,367
Financial bills	14,694	13,203	141,286	44,641
Units of other funds	-	-	2,796	27,027
Finance Leases Bill – related parties (note 28.1)	143,600	79,524	-	-
Others	-	-	26,870	60,574
Total financial investments	**258,713**	**273,832**	**914,583**	**382,718**
Total	**259,342**	**273,844**	**1,029,383**	**409,601**

In the consolidated, the amount of R$ 143,665 is invested in Bank Deposit Certificates to cover the margin of collateral due to derivative transactions, as mentioned in note 6.3.

In the year ended December 31, 2021, the average return on the cash and cash equivalents balances, in which the operations are allocated, was 4.56% p.a., which is represented by the equivalent to 115% of the CDI (at December 31, 2020 the average return was 2.61%).

8. Marketable securities and financial investments

	Parent company		Consolidated	
Operations	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Government securities - exclusive funds (i)				
Financial Treasury Bills ("LFT")	802,993	420,294	4,265,190	2,476,269
National Treasury Bills ("LTN")	991,498	446,398	5,603,649	2,027,589
Bank deposit certificates ("CDB")	-	50,303	-	80,543
Units of funds	-	57,970	3	68,920
Promissory notes - related parties (note 28.1) (iv)	114,539	-	-	-
Other securities				
Sovereign securities (in USD) (ii)	-	-	4,982,499	470,570
Corporate securities (in USD) (ii)	-	-	131,246	452,827
Credit linked note ("CLN") (iii)	-	-	2,646,298	2,483,344
Others	60,441	-	3,221	8,201
Total	**1,969,471**	**974,965**	**17,632,106**	**8,068,263**
Current assets	1,909,030	866,692	17,622,842	7,918,780
Noncurrent assets (v)	60,441	108,273	9,264	149,483
Total	**1,969,471**	**974,965**	**17,632,106**	**8,068,263**

(i) The average income from government securities allocated to exclusive funds is defined at fixed and floating rates (fixed rate LTN and LFT SELIC). During the year ended December 31, 2021, the average income from these investments was 4.59% p.a. (2.05% p.a. for the year ended December 31, 2020).

(ii) Corporate securities are debt securities issued by Brazilian companies such as bonds, notes and others that have weighted risk rating "BB" in global scale. Sovereign bonds are debt securities issued by the Brazilian and American governments or by entities controlled by the Brazilian government. These securities in foreign currency (USD) are available to be sold according to Management's need for the utilization of these resources. In addition, they are naturally hedged by the respective USD debt amount. The remuneration from these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. During the year ended December 31, 2021 the weighted average income from these investments was 4.04% p.a. (4.54% p.a. for the year ended December 31, 2020).

In thousands of Brazilian Reais, unless otherwise stated

(iii) CLN refers to the Credit Linked Note applied by subsidiary Simpar Europe at Santander Bank in US Dollar currency, and was remunerated in the year ended December 31, 2021 at a rate of 5.20% p.a. (6.99% p.a. In the year ended December 31, 2020).

(iv) Promissory notes are debt securities issued to the market by subsidiary CS Brasil Participações, acquired by the Company, which are eliminated on consolidation. The remuneration for this operation is CDI + 1.91% p.a. and matures up to June 2023.

(v) The Simpar Group has long-term investments in the amount of R$ 60,441 paid in units of the Credit Rights Investment Fund (FIDC), which, as it is exclusive, is consolidated and eliminated from the consolidated statements. In the Consolidated, it holds R$ 9,264 for long-term investments redeemable in over 12 months.

9. Trade receivables

	Parent company		Consolidated
	12/31/2021	12/31/2021	12/31/2020
Customers and credit card companies	-	2,801,438	1,686,894
Commission on sales of used vehicles	-	4,035	4,116
Leases receivable	-	239,086	183,886
Unbilled revenue from services rendered and leases	-	563,233	394,874
Related parties (note 28.1)	9,241	556	6,827
Other receivables	-	99,073	85,613
(-) Expected credit losses ("impairment") of trade receivables	-	(312,465)	(323,080)
Total	**9,241**	**3,394,956**	**2,039,130**
Current	9,241	3,260,329	1,934,446
Noncurrent	-	134,627	104,684
Total	**9,241**	**3,394,956**	**2,039,130**

9.1 Aging list and expected credit losses ("impairment") of trade receivables

								Consolidated
				12/31/2021				12/31/2020
	Trade receivables	Impairment	%	Net total	Trade receivables	Impairment	%	Net total
Total falling due	**2,908,673**	**(43,131)**	**1,48%**	**2,865,542**	**1,740,911**	**(44,583)**	**2,56%**	**1,696,328**
Up to 30 days past due	155,717	(13,071)	8,39%	142,646	120,546	(10,639)	8,83%	109,907
31 to 90 days past due	79,149	(18,082)	22,85%	61,067	83,013	(15,492)	18,66%	67,521
91 to 180 days past due	77,719	(20,169)	25,95%	57,550	60,991	(20,252)	33,20%	40,740
181 to 365 days past due	140,423	(27,618)	19,67%	112,805	61,386	(22,526)	36,70%	38,860
More than 365 days past due	345,740	(190,395)	55,07%	155,346	295,539	(209,716)	70,96%	85,823
Total past due	**798,748**	**(269,334)**	**33,72%**	**529,414**	**621,475**	**(278,625)**	**44,83%**	**342,850**
Total	**3,707,421**	**(312,465)**	**8,43%**	**3,394,956**	**2,362,386**	**(323,208)**	**13,68%**	**2,039,178**

In thousands of Brazilian Reais, unless otherwise stated

Movement in expected credit losses ("impairment") of trade receivables is shown below:

	Consolidated
At December 31, 2019	**(249,881)**
(-) acquisitions of companies	(619)
(-) additions	(119,884)
(+) reversals	41,217
(-/+) Reclassifications and write-off to losses	6,087
At December 31, 2020	**(323,080)**
At December 31, 2020	**(323,080)**
(-) acquisitions of companies	(8,349)
(-) additions	(137,095)
(+) reversals	80,931
(-) write-off to losses (i)	75,128
At December 31, 2021	**(312,465)**

(i) Refers to securities written off as actual losses, which were past due for more than 2 years and were 100% provisioned, however, their administrative and judicial collections will be maintained. There is no impact on the net balance of trade receivables and on the related cash flows.

10. Inventories

	Consolidated	
	12/31/2021	**12/31/2020**
New vehicles	215,064	75,900
Used vehicles	130,148	24,511
Parts for resale	115,502	47,124
Consumables	78,499	67,748
Others	1,565	10,016
(-) Estimated losses on impairment of inventories (i)	(14,828)	(12,282)
Total	**525,950**	**213,017**

(i) The estimated losses on impairment of inventories refers to the lines of materials for use and consumption and parts for resale.

Movements in estimated losses on impairment of inventories:

	Consolidated
At December 31, 2019	**(10,810)**
(-) additions	(6,943)
(+) reversals	5,471
At December 31, 2020	**(12,282)**
At December 31, 2020	**(12,282)**
(-) additions	(21,599)
(+) reversals	19,053
At December 31, 2021	**(14,828)**

11. Fixed assets available for sale

Movements in the years ended December 31, 2021 and 2020 were as follows:

			Consolidated
Year ended 12/31/2021:	**Vehicles**	**Machinery and equipment**	**Total**
Cost:			
At December 31, 2020	**401,712**	**103,672**	**505,384**
Assets transferred from property and equipment	2,737,229	69,364	2,806,593
Assets written off due to sale	(2,631,004)	(50,074)	(2,681,078)
At December 31, 2021	**507,937**	**122,962**	**630,899**

In thousands of Brazilian Reais, unless otherwise stated

Accumulated depreciation:			
At December 31, 2020	**(110,988)**	**(73,517)**	**(184,505)**
Assets transferred from property and equipment	(567,199)	(50,531)	(617,730)
Assets written off due to sale	564,278	39,020	603,298
At December 31, 2021	**(113,909)**	**(85,028)**	**(198,937)**
Net value:			
At December 31, 2020	**290,724**	**30,155**	**320,879**
At December 31, 2021	**394,028**	**37,934**	**431,962**

			Consolidated
Year ended 12/31/2020:	**Vehicles**	**Machinery and equipment**	**Total**
Cost:			
At December 31, 2019	**600,775**	**134,280**	**735,055**
Assets transferred from property and equipment	3,045,502	74,531	3,120,033
Assets written off due to sale	(3,093,629)	(105,139)	(3,198,768)
Transfer to the Original Concessionárias segment’s inventories	(54,584)	-	(54,584)
Provision for impairment	(97,854)	-	(97,854)
Acquisitions of companies	1,502	-	1,502
At December 31, 2020	**401,712**	**103,672**	**505,384**
Accumulated depreciation:			
At December 31, 2019	**(103,131)**	**(90,736)**	**(193,867)**
Assets transferred from property and equipment	(528,947)	(49,599)	(578,546)
Assets written off due to sale	513,849	66,818	580,667
Transfer to the Original Concessionárias segment’s inventories	8,300	-	8,300
Acquisitions of companies	(1,059)	-	(1,059)
At December 31, 2020	**(110,988)**	**(73,517)**	**(184,505)**
Net value:			
At December 31, 2019	**497,644**	**43,544**	**541,188**
At December 31, 2020	**290,724**	**30,155**	**320,879**

12. Taxes recoverable

	Parent company		Consolidated
	12/31/2020	12/31/2021	12/31/2020
PIS and COFINS (i)	-	320,178	104,133
Social security (INSS)	11	102,291	115,599
ICMS	-	98,375	46,559
Withholding Income Tax (IRRF) and others	56	35,797	46,108
Total	**67**	**556,641**	**312,399**
Current	67	325,496	160,490
Noncurrent	-	231,145	151,909
Total	**67**	**556,641**	**312,399**

(i) On May 13, 2021, the Federal Supreme Court (STF) decided on the motions for clarification filed by the Federal Government against the taxpayer's right to refund of PIS and COFINS on the ICMS included in the calculation basis. The right to refund had been granted to the taxpayer in a decision of the STF on March 15, 2017, which at the time decided for the unconstitutionality of the inclusion of ICMS in the calculation basis of PIS and Cofins.

It was decided that amounts paid after March 15, 2017 can be required by the taxpayer through an undue payment claim. In addition, it was decided that companies that filed legal or administrative proceedings claiming the right until March 15, 2017 maintained the right to refund, counted five years prior to the proceeding filing date.

On September 3, 2021, the Simpar Group obtained a favorable final and unappealable court decision in a lawsuit that discussed the right to exclude ICMS from the PIS and COFINS calculation basis. The lawsuit was filed in 2007, guaranteeing the right to recognize the tax credit since the prescription period in 2020. The amount recorded for this lawsuit in the second quarter of 2021, after the STF decision mentioned above, was R$ 90,024 of principal and R$ 55,100 of monetary adjustment, in the Parent Company in the other revenues line item as extemporaneous tax credits, with no levy of IRPJ and CSLL on monetary adjustment, in line with the STF decision of September 24, 2021.

Previously, in 2020, it had recorded R$ 36,686 due to final and unappealable decisions on lawsuits of its subsidiaries. Due to the contract for acquisition of its subsidiary Quick, it was recognized as payables to the former shareholders, R$ 15,940 for the portion of the credits to be passed on to them, as these were credits prior to the acquisition date.

In thousands of Brazilian Reais, unless otherwise stated

13. Investments

These investments are accounted for under the equity method of accounting based on the quarterly information of the investees, as follows:

13.1 Changes in investments

Movements in the years ended December 31, 2021 and 2020 were as follows:

													Parent company
Investments	**12/31/2020**	**Investment reclassification**	**Capital contribution**	**Corporate restructuring (i)**	**Merger of shares(vi)**	**Offering of shares (ii)**	**Equity results from subsidiaries**	**Distribution of dividends**	**Gain on equity interests in subsidiaries (iii)**	**Other movements (iv)**	**12/31/2021**	**Interest %**	**Equity at 12/31/2021**
JSL	787,281	-	-	-	-	-	199,127	(53,553)	7,555	21,870	962,280	72.36	1,329,851
Avante Veículos	20,685	-	-	(23,711)	-	-	3,026	-	-	-	-	-	-
CS Brasil Participações	444,258	-	185,000	(686,401)	-	-	73,873	(16,723)	-	(7)	-	-	-
CS Brasil Holding	-	-	1	161,450	-	-	(5,007)	-	(597)	46	155,893	100.00	155,893
CS Infra	-	-	-	-	84,749	-	-	-	-	25,844	110,593	100.00	110,593
Madre Corretora	2,809	-	-	-	-	-	597	-	-	(63)	3,343	99.99	3,343
Mogi Mobi	17,936	-	6,000	-	-	-	(2,251)	-	-	-	21,685	99.99	21,687
Mogipasses	9,165	-	-	-	-	-	1,573	-	-	-	10,738	99.99	10,739
Movida Participações	1,305,294	-	-	524,948	-	-	488,382	(130,550)	10,123	(124,710)	2,073,487	63.13	3,284,471
Original Holding	-	-	1	198,620	-	-	15,635	(3,880)	-	-	210,376	100.00	210,376
Original Veículos	110,193	-	-	(121,494)	-	-	11,301	-	-	-	-	-	-
Original Distribuidora	249	-	-	(223)	-	-	(26)	-	-	-	-	-	-
Original Locadora	-	-	1,800	-	-	-	1,027	-	-	-	2,827	100.00	2,827
Ponto Veículos	44,641	-	-	(53,189)	-	-	8,548	-	-	-	-	-	-
TPG Transportes	10,099	-	-	-	-	-	2,401	-	-	-	12,500	99.99	12,501
Vamos	506,187	-	-	-	-	1,252,096	305,331	(137,781)	-	(11,170)	1,914,663	72.52	2,640,186
Simpar Empreendimentos	-	(254)	46,943	-	-	-	(2,363)	-	-	-	44,326	99.99	44,330
Simpar Europe	33,627	(33,627)	-	-	-	-	-	-	-	-	-	-	-
BBC Pagamentos	-	(9,395)	22,371	-	-	-	(11,165)	-	-	-	1,811	99.99	1,811
BBC Holding	104,320	-	-	-	-	-	6,183	-	-	10	110,513	99.99	110,524
Goodwill on business acquisition	6,481	-	-	-	-	-	-	-	-	-	6,481		-
Total investments	**3,403,225**	**(43,276)**	**262,116**	**-**	**84,749**	**1,252,096**	**1,096,192**	**(342,487)**	**17,081**	**(88,180)**	**5,641,516**		**7,939,132**
Provisions for investment losses (v)													
Simpar empreendimentos	(254)	254	-	-	-	-	-	-	-	-	-	-	-
Simpar Europe	-	33,627	-	-	-	-	(66,239)	-	-	-	(32,612)	100.00	(32,612)
Simpar Finance	(10,775)	-	-	-	-	-	(8,703)	-	-	(32,345)	(51,823)	100.00	(51,823)
BBC Pagamentos	(9,395)	9,395	-	-	-	-	-	-	-	-	-	-	-
Total investments, net of provision for losses	**3,382,801**	**-**	**262,116**	**-**	**84,749**	**1,252,096**	**1,021,250**	**(342,487)**	**17,081**	**(120,525)**	**5,557,081**		**7,854,697**

(i) The transaction is a result of the corporate restructurings mentioned in note 1.2.1 (ii), in which the partial spin-off of CS Brasil Participações was carried out, with the spun-off assets merged into CS Brasil Holding and the remaining portion transferred to subsidiary Movida, through the merger of shares; and there was also a merger of subsidiaries Avante Veículos, Original Veículos, Original Distribuidora and Ponto Veículo into subsidiary Original Holding.

(ii) Equity gain generated as a result of the capital contribution by non-controlling shareholders at market price and of the sale of interest in the subsidiary, arising from the primary, secondary and follow-on offerings, as mentioned in note 1.1.1 (i) and (iii).

(iii) Equity gain generated as a result of the change in interests held in subsidiaries arising from the repurchase of treasury shares at Movida and merger of shares of Fadel into JSL, as mentioned in note 29.6.
(iv) Refer to the results of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans, and changes through other comprehensive income of cash flow hedges and the mark to market of investments classified as at fair value, which were recognized in the equity of subsidiaries.
(v) Refer to the provision for losses on subsidiaries with negative equity that were classified in the Simpar Group as “Other payables”. As part of the bonds raising process, subsidiary Simpar Finance is one of the vehicle entities used for managing the fund raising. The calculated results are mainly related to interest on debt, net of the interest of the funds used by this entity. This negative balance is covered by the Company through capital contributions in the months of interest payment.
(vi) Equity at book value received for the merger of shares of CS Infra, as mentioned in note 1.2.4.

In thousands of Brazilian Reais, unless otherwise stated

											Parent company
Investments	**12/31/2019**	**Capital contribution**	**Net assets merged (ii)**	**Merger of shares (iii)**	**Gain on equity interests in subsidiaries (i)**	**Equity results from subsidiaries**	**Distribution of dividends**	**Other changes (v)**	**12/31/2020**	**Interest %**	**Equity at 12/31/2020**
JSL	745,456	-	(771,025)	395,220	408,352	113,383	(26,045)	(78,060)	787,281	74.04	1,063,318
Avante Veículos	-	-	20,680	-	-	10	-	(5)	20,685	99.99	20,687
CS Brasil Participações	-	-	414,183	-	-	30,004	-	71	444,258	99.99	444,302
Original Distribuidora	-	-	(203)	-	-	450	-	2	249	99.99	249
JSL Corretora	-	-	9,427	-	-	219	(6,900)	63	2,809	99.99	2,809
Simpar Europe	-	-	36,028	-	-	(2,401)	-	-	33,627	100.00	33,627
Simpar Holding	-	7,000	94,110	-	-	3,220	-	(10)	104,320	99.99	104,330
Mogi Mobi	-	-	17,658	-	-	281	-	(3)	17,936	99.99	17,938
Mogipasses	-	-	9,017	-	-	149	-	(1)	9,165	99.99	9,166
Movida Participações	-	-	1,207,528	-	-	120,802	(24,350)	1,314	1,305,294	55.34	2,358,680
Original Veículos	-	-	106,123	-	-	4,067	-	3	110,193	99.99	110,204
Ponto Veículos	-	-	40,334	-	-	4,306	-	1	44,641	99.99	44,645
TPG Transportes	-	-	10,395	-	-	(295)	-	(1)	10,099	99.99	10,100
Vamos	-	-	581,649	-	-	88,289	(163,571)	(180)	506,187	99.99	506,238
Goodwill on business acquisition (vi)	-	-	6,481	-	-	-	-	-	6,481		-
Total investments	**745,456**	**7,000**	**1,782,385**	**395,220**	**408,352**	**362,484**	**(220,866)**	**(76,806)**	**3,403,225**		**4,726,293**
Provisions for investment losses (iv)											
Simpar Finance	-	-	(32,607)	-	-	(1,245)	-	23,077	(10,775)	100.00	(10,775)
JSL Empreendimentos	-	-	2,385	-	-	(2,638)	-	(1)	(254)	99.99	(254)
BBC Pagamentos	-	-	(4,759)	-	-	(4,638)	-	2	(9,395)	99.99	(9,396)
Total investments, net of provision for losses	**745,456**	**7,000**	**1,747,404**	**395,220**	**408,352**	**353,963**	**(220,866)**	**(53,728)**	**3,382,801**		**4,705,868**

(i) Gain generated by the updating of the Company's interest in the subsidiary, resulting from the capital contribution by non-controlling shareholders at market price, in the primary offering of shares on September 9, 2020.
(ii) Net assets from the spin-off of subsidiary JSL merged into the Company.
(iii) Goodwill from the capital contribution by the owners of the Company with JSL's shares at cost and by the merger of shares of non-controlling shareholders.
(iv) Refer to the provision for losses on subsidiaries with negative equity that were classified in the Simpar Group of "Other payables". As part of the bonds raising process, subsidiary Simpar Finance is one of the vehicle entities used for managing the fund raising. The calculated results are mainly related to interest on debt, net of the interest of the funds used by this entity. This negative balance is covered by the Company through capital contributions in the months of interest payment.
(v) Refer to the results of equity in the capital reserve balances in subsidiaries, deriving from the share-based payment plans, and changes through other comprehensive income of cash flow hedges and the mark to market of investments classified as at fair value, which were recognized in the equity of subsidiaries.
(vi) Goodwill arising on the acquisition of companies and businesses, classified as investment, in accordance with CPC 18 (R2)/IAS 28 - Investments in Associates and Joint Ventures.

In thousands of Brazilian Reais, unless otherwise stated

Investments	12/31/2020	Capital contribution	Other movements	Equity results from subsidiaries	12/31/2021	Consolidated Interest %
BRT Sorocaba Concessionárias	15,533	15,058	-	(1,534)	29,057	49.75
Others	1,051	-	140	-	1,191	-
Total investments	**16,584**	**15,058**	**140**	**(1,534)**	**30,248**	

Investments	12/31/2019	Capital contribution	Other movements	Goodwill	Equity results from subsidiaries	12/31/2020	Consolidated Interest %
BRT Sorocaba Concessionárias	5,609	7,830	325	2,284	(515)	15,533	49.75
Others	1,107	-	(56)	-	-	1,051	-
Total investments	**6,716**	**7,830**	**269**	**2,284**	**(515)**	**16,584**	

In thousands of Brazilian Reais, unless otherwise stated

13.2 Balances of assets and liabilities and results of subsidiaries

The balances of assets, liabilities, revenues and expenses of subsidiaries at December 31, 2021 and 2020 are as follows:

Investments	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenues	Costs and expenses	Profit (loss) for the year
BRT Sorocaba Concessionárias	14,689	249,999	29,991	180,783	53,914	77,400	(80,483)	(3,083)
BBC Holding	40,840	70,645	961	-	110,524	-	1	1
BBC Pagamentos	20,730	-	15,510	3,409	1,811	-	(66,242)	(66,242)
CS Brasil Holding	71,901	714,909	43,761	587,156	155,893	-	(5,007)	(5,007)
CS Infra	-	110,593	-	-	110,593	-	-	-
JSL	2,654,515	4,467,732	1,211,772	4,580,624	1,329,851	4,295,978	(4,023,430)	272,548
Madre Corretora	3,817	87	561	-	3,343	43,267	(36,644)	6,623
Mogi Mobi	30,363	33,163	38,355	3,484	21,687	45,274	(47,525)	(2,251)
Mogipasses	60,269	166	17,707	31,989	10,739	1,715	(142)	1,573
Movida Participações	9,146,958	12,568,894	3,751,193	14,680,188	3,284,471	5,332,623	(4,513,184)	819,439
Original Holding	320	214,256	4,200	-	210,376	-	15,635	15,635
Original Locadora	35,136	85,760	115,981	2,088	2,827	5,503	(4,476)	1,027
Simpar Empreendimentos	2,894	85,204	15,961	27,807	44,330	-	-	-
Simpar Europe	2,742,283	622,130	56,951	3,340,074	(32,612)	-	(4,608)	(4,608)
Simpar Finance	571,629	-	1,323	622,129	(51,823)	2,591	(9,048)	(6,457)
TPG Transportes	19,649	4,367	10,415	1,100	12,501	8,926	(6,525)	2,401
Vamos	4,868,367	5,317,158	1,189,725	6,355,614	2,640,186	2,823,495	(2,421,120)	402,375

In thousands of Brazilian Reais, unless otherwise stated

								12/31/2020
Investments	**Current assets**	**Noncurrent assets**	**Current liabilities**	**Noncurrent liabilities**	**Equity**	**Net revenues**	**Costs, expenses and other revenues**	**Profit (loss) for the year**
JSL	1,900,423	2,938,333	945,637	2,827,973	1,065,146	2,826,797	(2,695,480)	131,317
Avante Veículos	23,078	6,292	7,808	875	20,687	44,130	(43,662)	468
BRT Sorocaba Concessionárias	5,653	207,313	46,313	137,768	28,885	12,678	(13,713)	(1,035)
BBC Pagamentos	9,313	-	12,273	6,436	(9,396)	288	(9,712)	(9,424)
CS Brasil Participações	12,768	1,612,437	270,345	910,558	444,302	22,811	47,603	70,414
Madre Corretora	2,594	613	398	-	2,809	3,610	(2,827)	783
Simpar Empreendimentos	589	86,614	38	87,419	(254)	-	(3,501)	(3,501)
Simpar Europe	2,485,849	934,253	112,951	3,273,524	33,627	-	2,054	2,054
Simpar Finance	924,195	-	717	934,253	(10,775)	-	(32,755)	(32,755)
BBC Holding	59,078	46,357	1,105	-	104,330	-	7,048	7,048
Mogi Mobi	8,674	37,312	20,931	7,117	17,938	39,632	(41,707)	(2,075)
Mogipasses	50,819	163	9,826	31,990	9,166	1,693	(1,136)	557
Movida Participações	2,380,202	6,122,425	2,448,236	3,695,711	2,358,680	4,085,259	(3,976,232)	109,027
Original Distribuidora	2,969	330	1,158	1,892	249	5,723	(5,236)	487
Original Veículos	125,640	82,337	60,035	37,738	110,204	451,437	(450,592)	845
Ponto Veículos	35,392	28,081	13,137	5,691	44,645	126,386	(120,229)	6,157
TPG Transportes	11,350	4,906	4,780	1,376	10,100	4,422	(4,723)	(301)
Vamos	1,291,898	2,933,581	1,000,131	2,719,110	506,238	1,513,187	(1,333,995)	179,192

In thousands of Brazilian Reais, unless otherwise stated

13.3 Dividends receivable

Movements in the years ended December 31, 2021 and 2020 were as follows:

	Parent company
At December 31, 2020	**47,290**
Dividends and interest on capital declared in the year	342,487
Dividends and interest on capital received in the year	(239,625)
At December 31, 2021	**150,152**

	Parent company
At December 31, 2019	**21,732**
Dividends and interest on capital declared in the year	220,866
Dividends and interest on capital absorbed by the JSL spun-off net assets	20,977
Dividends and interest on capital received in the year	(216,285)
At December 31, 2020	**47,290**

In thousands of Brazilian Reais, unless otherwise stated

14. Property and equipment

Movements in the years ended December 31, 2021 and 2020 were as follows:

					Parent company
	Leasehold improvements	**Computers and peripherals**	**Buildings**	**Others**	**Total**
Cost:					
At December 31, 2020	**12,583**	**23**	**46,255**	**58,059**	**116,920**
Additions	-	157	-	122,362	122,519
Assets written off and others	-	-	-	(12,734)	(12,734)
At December 31, 2021	**12,583**	**180**	**46,255**	**167,687**	**226,705**
Accumulated depreciation:					
At December 31, 2020	**(5,893)**	**-**	**(16,677)**	**(23,934)**	**(46,504)**
Depreciation expense for the year	(497)	(27)	(4,626)	(7,428)	(12,578)
Assets written off and others	-	-	-	6,367	6,367
At December 31, 2021	**(6,390)**	**(27)**	**(21,303)**	**(24,995)**	**(52,715)**
Net balances:					
At December 31, 2020	**6,690**	**23**	**29,578**	**34,125**	**70,416**
At December 31, 2021	**6,193**	**153**	**24,952**	**142,692**	**173,990**
Average depreciation rate for the year:					
Others	4.0%	20.0%	10.0%	6.6%	

In thousands of Brazilian Reais, unless otherwise stated

					Parent company
	Vehicles	Leasehold improvements	Computers and peripherals	Others	Total
Cost:					
At December 31, 2019	**88**	**3,986**	**1**	**3**	**4,078**
Additions	-	-	23	210	233
Receipt of JSL spun-off net assets	-	12,583	-	104,103	116,686
Assets written off and others	(88)	(3,986)	(1)	(2)	(4,077)
At December 31, 2020	**-**	**12,583**	**23**	**104,314**	**116,920**
Accumulated depreciation:					
At December 31, 2019	**(88)**	**(2,109)**	**(1)**	**-**	**(2,198)**
Depreciation expense for the year	-	(208)	-	(3,960)	(4,168)
Receipt of JSL spun-off net assets	-	(5,684)	-	(36,651)	(42,335)
Assets written off and others	88	2,108	1	-	2,197
At December 31, 2020	**-**	**(5,893)**	**-**	**(40,611)**	**(46,504)**
Net balance:					
At December 31, 2019	**-**	**1,877**	**-**	**3**	**1,880**
At December 31, 2020	**-**	**6,690**	**23**	**63,703**	**70,416**
Average depreciation rate for the year:					
Others	-	2.5%	-	7.6%	

In thousands of Brazilian Reais, unless otherwise stated

Consolidated

	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Cells	Property and equipment in progress	Provision for decommissioning	Right of use of vehicles	Right-of-use of properties	Others	Total
Cost:														
At December 31, 2020	**11,430,251**	**1,267,577**	**420,309**	**71,705**	**90,671**	**100,893**	**19,220**	**-**	**28,375**	**-**	**-**	**681,390**	**210,769**	**14,321,160**
Additions due to acquisitions of companies	576,378	154,679	107,678	24,556	15,651	21,848	1,747	430,226	93,047	56,152	-	134,823	64,515	1,681,300
Additions	10,907,545	439,410	14,716	21,424	19,894	-	21,211	-	94,947	-	17,055	483,385	142,815	12,162,402
Transfers to / return of fixed assets available for sale	(2,737,229)	(69,364)	-	-	-	-	-	-	-	-	-	-	-	(2,806,593)
Assets written off, transfers and others	(233,019)	36,084	32,054	(13,381)	(6,178)	(80,000)	84,921	-	(59,090)	-	(53)	(124,731)	(38,989)	(402,382)
At December 31, 2021	**19,943,926**	**1,828,386**	**574,757**	**104,304**	**120,038**	**42,741**	**127,099**	**430,226**	**157,279**	**56,152**	**17,002**	**1,174,867**	**379,110**	**24,955,887**
Accumulated depreciation:														
At December 31, 2020	**(1,501,838)**	**(482,921)**	**(175,950)**	**(45,379)**	**(43,517)**	**(12,067)**	**-**	**-**	**-**	**-**	**-**	**(224,261)**	**(87,751)**	**(2,573,684)**
Depreciation arising from acquisitions of companies	(123,060)	(76,423)	(49,384)	(16,558)	(9,151)	(5,339)	(1,177)	(159,345)	-	(24,998)	-	(54,079)	(574)	(520,088)
Depreciation expense for the year	(578,331)	(144,166)	(45,125)	(10,026)	(8,281)	(6,833)	-	-	-	-	(5,672)	(180,711)	(22,014)	(1,001,159)
Transfers to / return of fixed assets available for sale	567,199	50,531	-	-	-	-	-	-	-	-	-	-	-	617,730
Assets written off, transfers and others	(90,819)	74,820	24,890	13,069	4,757	-	-	-	-	-	10	51,528	10,779	89,034
At December 31, 2021	**(1,726,849)**	**(578,159)**	**(245,569)**	**(58,894)**	**(56,192)**	**(24,239)**	**(1,177)**	**(159,345)**	**-**	**(24,998)**	**(5,662)**	**(407,523)**	**(99,560)**	**(3,388,167)**
Net balances:														
At December 31, 2020	**9,928,413**	**784,656**	**244,359**	**26,326**	**47,154**	**88,826**	**19,220**	**-**	**28,375**	**-**	**-**	**457,129**	**123,018**	**11,747,476**
At December 31, 2021	**18,217,077**	**1,250,227**	**329,188**	**45,410**	**63,846**	**18,502**	**125,922**	**270,881**	**157,279**	**31,154**	**11,340**	**767,344**	**279,550**	**21,567,720**
Average depreciation rate for the year:														
Light vehicles	5.2%	-	-	-	-	-	-	-	-	-	-	-	-	
Heavy vehicles, machinery and equipment	8.9%	10.8%	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	11.7%	19.3%	9.4%	4.0%	-	-	-	-	33.3%	20.1%	7.5%	

(i) The cells, units of the landfill drainage system, are depreciated by a criterion based on deposited unit, in which each ton of waste deposited reduces the potential for future landfill deposits in exact proportion to the material deposited. Consequently, it also proportionally reduces ("consumes") the future economic benefits of the landfill. Depreciation takes into account the relationship between solid waste collected and deposited and the total storage capacity of such waste in each of the three landfills (AS1, AS2 and AS3) inserted into the landfill located in the Seropédica landfill. The land for the landfill is owned and registered within the cell account for the amount of R$ 12,152.

(ii) The Property and equipment in progress account comprises advances, inputs to be used in the cell and expenses incurred on the land located in the municipality of Seropédica, for the implementation of the CTR-Rio, referring to the portion of the landfill (AS2) that is not in operation.

In thousands of Brazilian Reais, unless otherwise stated

Consolidated

	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Property and equipment in progress	Right of use Properties	Others	Total
Cost:											
At December 31, 2019	**9,079,150**	**1,142,218**	**371,059**	**58,503**	**75,334**	**20,757**	**15,920**	**64,920**	**614,801**	**207,453**	**11,650,115**
Additions due to acquisitions of companies	346,616	4,090	5,211	4,431	2,457	-	-	-	4,197	3,400	370,402
Additions	5,212,454	251,319	12,819	9,069	13,855	80,136	3,300	39,466	247,470	5,308	5,875,196
Transfers	43,492	(46,227)	75,951	1,766	(534)	-	-	(75,199)	-	751	-
Transfers to/return of fixed assets available for sale	(3,045,502)	(74,531)	-	-	-	-	-	-	-	-	(3,120,033)
Assets written off (i)	(160,619)	(9,292)	(42,676)	(2,064)	(441)	-	-	(812)	(185,078)	(6,143)	(407,125)
Provision for impairment	(45,340)	-	(2,055)	-	-	-	-	-	-	-	(47,395)
At December 31, 2020	**11,430,251**	**1,267,577**	**420,309**	**71,705**	**90,671**	**100,893**	**19,220**	**28,375**	**681,390**	**210,769**	**14,321,160**
Accumulated depreciation:											
At December 31, 2019	**(1,161,986)**	**(414,777)**	**(168,428)**	**(37,705)**	**(35,468)**	**(9,552)**	**-**	**-**	**(127,209)**	**(78,105)**	**(2,033,230)**
Depreciation arising from acquisitions of companies	(110,944)	(1,498)	(4,752)	(2,887)	(1,089)	-	-	-	(575)	(1,001)	(122,746)
Depreciation expense for the year	(761,586)	(131,066)	(34,655)	(6,746)	(7,226)	(2,553)	-	-	(129,146)	(16,111)	(1,089,089)
Transfers	(5,448)	7,374	(5,127)	-	-	38	-	-	-	3,163	-
Transfers to/return of fixed assets available for sale	528,947	49,599	-	-	-	-	-	-	-	-	578,546
Assets written off, transfers and others	9,179	7,447	37,012	1,959	266	-	-	-	32,669	4,303	92,835
At December 31, 2020	**(1,501,838)**	**(482,921)**	**(175,950)**	**(45,379)**	**(43,517)**	**(12,067)**	**-**	**-**	**(224,261)**	**(87,751)**	**(2,573,684)**
Net balances:											
At December 31, 2019	**7,917,164**	**727,441**	**202,631**	**20,798**	**39,866**	**11,205**	**15,920**	**64,920**	**487,592**	**129,348**	**9,616,885**
At December 31, 2020	**9,928,413**	**784,656**	**244,359**	**26,326**	**47,154**	**88,826**	**19,220**	**28,375**	**457,129**	**123,018**	**11,747,476**
Average depreciation rate for the year:											
Light vehicles	5.4%	-	-	-	-	-	-	-	-	-	
Heavy vehicles, machinery and equipment	8.3%	-	-	-	-	-	-	-	-	-	
Others	-	10.9%	14.4%	20.0%	10.0%	8.5%	-	-	19.9%	7.7%	

(iii) Includes write-offs of cost and depreciation of damaged and casualty assets in the residual amount of R$ 109,272 and derecognition of property rental agreements, delivered before maturity in the amount of R$ 134,115.

The Simpar Group reviews annually the estimates of the expected market value at the end of the accounting useful lives of its property and equipment and reviews periodically the estimates of their accounting useful lives used for the determination of the depreciation and amortization rates, and whenever necessary, assesses the recoverability of its assets. The depreciation methods, useful lives and residual values are adjusted, if appropriate.

In thousands of Brazilian Reais, unless otherwise stated

14.1 Leases of property and equipment items

A portion of the assets were acquired by the Simpar Group by means of a lease, and substantially include vehicles, machinery and equipment and others. These balances are part of property and equipment, as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
Cost - capitalized leases	177,296	454,686
Accumulated depreciation	(26,287)	(71,790)
Net balance	**151,009**	**382,896**

14.2 Impairment testing of property and equipment

At December 31, 2021, based on this analysis of the impairment of Simpar Group's companies, Management concluded that there is no evidence of impairment to be recorded.

15. Intangible assets

Movements in the years ended December 31, 2021 and 2020 were as follows:

	Parent company
	Software
Cost:	
At December 31, 2020	**928**
Additions	721
Write-offs	(40)
At December 31, 2021	**1,609**
Accumulated amortization:	
At December 31, 2020	**(26)**
Amortization expense for the year	(208)
At December 31, 2021	**(234)**
Net balance:	
At December 31, 2020	**902**
At December 31, 2021	**1,375**
Average amortization rate for the year:	20.0%

						Consolidated
	Goodwill	**Non-compete agreement and customer list**	**Software**	**Commercial rights (i)**	**Others**	**Total**
Cost:						
At December 31, 2020	**624,707**	**263,503**	**220,808**	**57,078**	**9,481**	**1,175,577**
Additions	-	-	60,749	3,090	31,250	95,089
Disposals, transfers and others	4,451	(3,863)	(591)	(8,564)	(16,453)	(25,020)
Acquisitions of companies	95,952	105,126	29,952	-	79,937	310,967
At December 31, 2021	**725,110**	**364,766**	**310,918**	**51,604**	**104,215**	**1,556,613**
Accumulated amortization:						
At December 31, 2020	**-**	**(31,006)**	**(62,294)**	**(3,819)**	**(7,038)**	**(104,157)**
Amortization expense for the year	-	(27,512)	(30,064)	-	(379)	(57,955)
Write-offs	-	1,418	3,778	-	(379)	4,817
Acquisitions of companies	-	(19,270)	(15,156)	-	(18,055)	(52,481)
At December 31, 2021	**-**	**(76,370)**	**(103,736)**	**(3,819)**	**(25,851)**	**(209,776)**
Net balances:						
At December 31, 2020	**624,707**	**232,497**	**158,514**	**53,259**	**2,443**	**1,071,420**
At December 31, 2021	**725,110**	**288,396**	**207,182**	**47,785**	**78,364**	**1,346,837**
Average amortization rate for the year:	-	8.8%	11.3%	-	0.7%	0.04%

In thousands of Brazilian Reais, unless otherwise stated

						Consolidated
	Goodwill	Non-compete agreement and customer list	Software	Commercial rights	Others	Total
Cost:						
At December 31, 2019	**336,377**	**54,904**	**164,494**	**56,978**	**8,070**	**620,823**
Additions	1,222	-	57,284	100	2,258	60,864
Write-offs	-	-	(4,139)	-	(875)	(5,014)
Acquisitions of companies	287,108	208,599	3,169	-	28	498,904
At December 31, 2020	**624,707**	**263,503**	**220,808**	**57,078**	**9,481**	**1,175,577**
Accumulated amortization:						
At December 31, 2019	**-**	**(22,325)**	**(50,027)**	**(3,720)**	**(7,013)**	**(83,085)**
Amortization expense for the year	-	(8,681)	(11,254)	(99)	(2)	(20,036)
Write-offs	-	-	1,152	-	-	1,152
Acquisitions of companies	-	-	(2,165)	-	(23)	(2,188)
At December 31, 2020	**-**	**(31,006)**	**(62,294)**	**(3,819)**	**(7,038)**	**(104,157)**
Net balance:						
At December 31, 2019	**336,377**	**32,579**	**114,467**	**53,258**	**1,057**	**537,738**
At December 31, 2020	**624,707**	**232,497**	**158,514**	**53,259**	**2,443**	**1,071,420**
Average amortization rate for the year:	-	5.5%	20.0%	1.8%	10.0%	-

15.1 Goodwill on business combinations

As mentioned in note 1.2, subsidiary JSL acquired control of companies Fadel, Marvel, TPC and Rodomeu, subsidiary Movida acquired control of company Vox, and subsidiary Vamos acquired control of companies Monarca and BMB, resulting in the recognition of goodwill of R$ 383,060 in the Consolidated.

The summary of the allocation of goodwill net of impairment is shown below:

	Consolidated	
	12/31/2021	12/31/2020
Goodwill arising on business combinations by segment		
JSL	571,731	519,717
CS infra (i)	35,166	-
Original Concessionárias	6,480	6,481
Movida	13,551	4,049
Vamos	93,497	86,877
BBC(ii)	4,685	7,583
Total	**725,110**	**624,707**

(ii) The Company carried out an assessment of CS Infra's cash flows during the merger process mentioned in note 1.2.4 (i) and as there was no indication of impairment until the merger date, the impairment test was not performed for these CGUs.

(iii) Due to the absence of indication of impairment of these CGUs and the relevance of the goodwill balance, the Company elected not to conduct the impairment test for BBC.

15.2 Impairment testing

During the year ended December 31, 2021, the Simpar Group conducted the annual impairment testing for its CGUs and did not identify impairment of its goodwill.

In thousands of Brazilian Reais, unless otherwise stated

The main assumptions used in the calculations of the value in use at December 31, 2021 are presented below:

Cash generating units	JSL	Movida	Vamos	Valtra	Transrio	Original
Discount rates after taxes (WACC)	11.20%	13.40%	12.66%	12.66%	12.66%	14.90%
Discount rate before taxes (WACC)	14.34%	17.95%	17.96%	18.06%	18.06%	20.78%
Growth rate in perpetuity	5.39%	3.00%	3.00%	3.00%	3.00%	3.00%
Estimated growth rate for EBITDA (ii) - average for the following five and eight years	10.63%	5.25%	7.94%	27.59%	17.33%	5.50%

(i) EBITDA: Earnings before interest, taxes, depreciation and amortization ("EBITDA");

For comparative purposes, the main assumptions used to calculate the value in use at December 31, 2020 are presented below:

Cash generating units	JSL	Movida	Original Concessionárias	Vamos	Valtra	Transrio
Discount rates (WACC)	11.50%	11.80%	12.50%	9.49%	10.21%	9.14%
Growth rate in perpetuity	3.30%	3.50%	3.95%	3.30%	3.30%	3.30%
Estimated growth rate for EBITDA (i) - average for the following five and eight years	11.27%	8.69%	19.36%	6.04%	12.76%	3.80%

Being:

- Utilization of the Weighted Average Cost of Capital (WACC) as appropriate parameter to determine the discount rate to be applied to the free cash flows;
- Cash flow projections prepared by Management, with periods between five and seven years, from January 2022 to December 2028;
- All projections were made on a nominal basis, that is, considering the effect of inflation;
- The final value of cash flows, considered after December 2026 was calculated based on the cash flows perpetuity, considering the assumption of continuity of operations for an indefinite period (perpetuity), and a growth equivalent to the long-term inflation;
- The cash flows were discounted considering the mid period convention, assuming that the cash flows are generated throughout the year.
- The volume of services rendered considers the annual average growth rate over the 5- to 7-year forecast period. It is based on past performance and management's expectations of market development.
- Sales price is the average annual growth rate over the 5- to 7-year forecast period. It is based on current industry trends and includes long-term inflation forecasts.

The estimated recoverable amounts for the CGUs exceeded their carrying amounts. Management identified the key assumptions for which reasonable possible changes may cause impairment. The table below presents the amount by which individual changes in this basic assumption could result in the recoverable amount of the CGU to be equal to the carrying amount.

Change required for the recoverable amount to equal the carrying amount

In percentage points (%)	JSL	Movida	Original	Vamos	Valtra	Transrio
Discount rate (*WACC*) - 12/31/2021	0.61%	0.49%	0.52%	0.66%	0.66%	0.66%
Discount rate (*WACC*) - 12/31/2020	0.60%	0.11%	0.05%	0.65%	0.63%	0.53%

In thousands of Brazilian Reais, unless otherwise stated

16. Trade payables

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Vehicles, machinery and equipment	-	-	2,978,517	1,636,065
Vehicles, machinery and equipment for leasing - reverse factoring	-	-	-	84,759
Parts and maintenance	-	22	94,281	160,756
Related parties (note 28.1)	569	-	58	-
Inventory	-	-	18,900	65,527
Contracted services	6,245	620	75,822	65,210
Others	-	-	206,686	122,981
Total	**6,814**	**642**	**3,374,264**	**2,135,298**

17. Floor plan

Part of the purchases of new vehicles for the Original Concessionárias segment and companies Transrio and Valtra is paid with extended term under the program to finance the inventory of new and used vehicles and automobile parts floor plan, with revolving credit facilities made available by financial institutions, and with the agreement of car makers. These programs generally have an initial period during which they are interest-free until the invoice issuance and with maturities of up to 180 days after the invoice issuance, which exempts the taker of any burden limited to the invoice issuance, if in a shorter period. After this period, these purchases are subject to interest of up to 100% of the CDI plus interest of up to 0.5% p.m.. In the year ended December 31, 2021, the Simpar Group used only the interest-free period of its revolving credit facilities. The balance payable at December 31, 2021 is R$ 175,536 (R$ 71,844 at December 31, 2020).

18. Supplier financing - car makers

The Simpar Group entered into “supplier financing” agreements with financial institutions to manage its payables to car makers related to purchase of vehicles. Through this operation, suppliers transfer the right to receive payment of bills for vehicles sales to financial institutions. The agreements entered into are not guaranteed by the assets (vehicles) linked to the securitized operations.

In thousands of Brazilian Reais, unless otherwise stated

Movements in the years ended December 31, 2021 and 2020 were as follows:

								Consolidated
			12/31/2021	Movement				12/31/2020
Type	Annual average rate	Maturity	Total	New contracts	Amortization	Interest paid	Interest incurred	Total
In local currency								
Supplier financing	-	-	-	3,287	(162,109)	(131)	1,030	157,923

								Consolidated
			12/31/2020	Movement				12/31/2019
Type	Annual average rate	Maturity	Total	New contracts	Amortization	Interest paid	Interest incurred	Total
In local currency								
Supplier financing	1.66%	Mar/21	157,923	639,481	(494,472)	(23,390)	24,253	12,051

In thousands of Brazilian Reais, unless otherwise stated

19. Loans and borrowings

Movements in the years ended December 31, 2021 and 2020 were as follows:

												Parent company
						12/31/2021	Movement					12/31/2020
Type	**Annual average rate**	**Average rate structure**	**Maturity**	**Current**	**Noncurrent**	**Total**	**Interest paid**	**Interest incurred**	**Exchange rate changes**	**Current**	**Noncurrent**	**Total**
In foreign currency												
CCB foreign exchange	5.60%	USD + 5.60%	Jan/31	63,874	2,584,628	2,648,502	(152,193)	143,729	171,417	76,879	2,408,670	2,485,549
				63,874	**2,584,628**	**2,648,502**	**(152,193)**	**143,729**	**171,417**	**76,879**	**2,408,670**	**2,485,549**

													Parent company
						12/31/2020	Movement						12/31/2019
Type	**Annual average rate**	**Average rate structure**	**Maturity**	**Current**	**Noncurrent**	**Total**	**Transfer from spin-off**	**Amortization**	**Interest paid**	**Interest incurred**	**Exchange rate changes**	**Current**	**Total**
In local currency													
Working capital	6.19%	CDI / Fixed rate	Jun/21	-	-	-	-	(55,259)	(1,642)	1,604	-	55,297	55,297
				-	**-**	**-**	**-**	**(55,259)**	**(1,642)**	**1,604**	**-**	**55,297**	**55,297**
In foreign currency													
CCB foreign exchange	7.75%	USD + 7.75%	Jul/24	76,879	2,408,670	2,485,549	2,478,301	-	-	70,377	(63,129)	-	-
				76,879	**2,408,670**	**2,485,549**	**2,478,301**	**-**	**-**	**70,377**	**(63,129)**	**-**	**-**
				76,879	**2,408,670**	**2,485,549**	**2,478,301**	**(55,259)**	**(1,642)**	**71,981**	**(63,129)**	**55,297**	**55,297**

In thousands of Brazilian Reais, unless otherwise stated

																Consolidated
						12/31/2021	**Movement**									**12/31/2020**
Type	**Annual average rate**	**Average rate structure**	**Maturity**	**Current**	**Noncurrent**	**Total**	**Acquisitions of companies**	**New contracts**	**Amortization**	**Interest paid**	**Interest incurred**	**Allocation of fair value hedge variation**	**Exchange rate changes**	**Current**	**Noncurrent**	**Total**
In local currency																
CCBs (i)	7.20%	CDI	Aug/25	65,390	237,820	303,210	288,885	158,858	(1,070,011)	(45,419)	39,796	-	-	463,777	467,324	931,101
CRAs (ii)	10.18%	CDI + 1.65%	May/31	81,621	2,451,571	2,533,192	-	478,451	(66,667)	(189,822)	369,084	(328,663)	-	116,812	2,153,997	2,270,809
Finame (iii)	-	-	-	-	-	-	-	979	(68,299)	(740)	7,174	-	-	27,090	33,796	60,886
FNO (vii)	-	-	-	-	-	-	-	21,140	(28,524)	(476)	556	-	-	2,380	4,924	7,304
NCE (xii)	-	-	-	-	-	-	-	-	(13,700)	(1,397)	116	-	-	14,981	-	14,981
NPs (vii)	8.95%	CDI + 3.05%	Dec/28	238,201	727,574	965,775	-	896,851	(435,507)	(41,034)	47,663	-	-	339,224	158,578	497,802
FNE (vii)	-	-	-	-	-	-	2,090	-	(177,463)	(4,238)	3,330	-	-	111,726	64,555	176,281
FINEP (viii)	5.32%	TLP	Jul/30	1,910	28,183	30,093	-	-	-	46	-	-	-	24	30,023	30,047
FIDC	11.40%	CDI + 3.5%	Nov/25	-	108,040	108,040	-	94,073	-	-	13,967	-	-	-	-	-
Export Credit Notes (NCEs)	-	-	-	-	-	-	3,778	-	(3,778)	(46)	46	-	-	-	-	-
Direct Consumer Credit (CDC) (ix)	8.27%	CDI + 3.46	Feb/25	1,576	699	2,275	47,741	5,566	(94,506)	(1,661)	1,805	-	-	18,529	24,801	43,330
Senior Notes "BOND" (x)	10.85%	10.75%	Feb/28	42,482	337,393	379,875	-	450,000	-	-	40,535	(110,660)	-	-	-	-
Others	12.50%	Fixed rate	Jan/26	554	-	554	-	8,158	(17,754)	(84)	84	-	-	10,150	-	10,150
				431,734	**3,891,280**	**4,323,014**	**342,494**	**2,114,076**	**(1,976,209)**	**(284,871)**	**524,156**	**(439,323)**	**-**	**1,104,693**	**2,937,998**	**4,042,691**
In foreign currency																
Senior Notes "BOND" (x)	5.23%	USD + 5.55%	Jan/31	145,334	7,749,008	7,894,342	-	7,543,692	(3,349,992)	(537,956)	429,780	-	479,218	100,926	3,228,674	3,329,600
CCB FX (xii)	5.60%	USD+5.60%	Jan/31	63,874	2,584,628	2,648,502	-	-	-	(152,193)	143,729	-	171,417	76,879	2,408,670	2,485,549
International credit (4131) - USD and EUR (xi)	5.79%	USD + 4.48% and EUR + 3.60%	Jan/24	82,915	3,540,961	3,623,876	2,905	3,122,696	(1,694)	(63,892)	147,673	-	(57,380)	2,263	471,305	473,568
CDI	6.50%	Fixed rate	Aug/22	27,393	161,973	189,366	6,253	175,204	(6,037)	(284)	14,230	-	-	-	-	-
Others (i)	-	USD + 5.55%	Apr/25	14,102	34,649	48,751	48,751	-	-	-	-	-	-	-	-	-
				333,618	**14,071,219**	**14,404,837**	**57,909**	**10,841,592**	**(3,357,723)**	**(754,325)**	**735,412**	**-**	**593,255**	**180,068**	**6,108,649**	**6,288,717**
				765,352	**17,962,499**	**18,727,851**	**400,403**	**12,955,668**	**(5,333,932)**	**(1,039,196)**	**1,259,568**	**(439,323)**	**593,255**	**1,284,761**	**9,046,647**	**10,331,408**

In thousands of Brazilian Reais, unless otherwise stated

																Consolidated
						12/31/2020	Movement									12/31/2019
Type	Annual average rate	Average rate structure	Maturity	Current	Noncurrent	Total	Acquisitions of companies	New contracts	Amortization	Interest paid	Allocation of fair value hedge variation	Interest incurred (xii)	Exchange rate changes	Current	Noncurrent	Total
In local currency																
CCBs (i)	3.57%	CDI	Jul/30	463,777	467,324	931,101	10,222	714,022	(1,174,380)	(70,553)	-	75,784	-	408,460	967,546	1,376,006
CDCA (CRAs) (ii)	4.17%	CDI / IPCA	Nov/30	116,812	2,153,997	2,270,809	-	1,257,674	(202,467)	(96,149)	67,793	159,104	-	204,102	880,752	1,084,854
Finame (iii)	2.83%	Fixed rate	Jan/24	27,090	33,796	60,886	26,660	3,347	(156,221)	(4,985)	-	4,621	-	51,256	136,208	187,464
Finame (iii)	-	TLP/SELIC/TLP	-	-	-	-	-	65,731	(81,609)	(913)	-	1,087	-	3,373	12,331	15,704
FINEM (v)	7.88%	TLP/IPCA	-	-	-	-	-	-	(10,502)	(932)	-	631	-	7,456	3,347	10,803
FNO (viii)	3.50%	Fixed rate	Jan/24	2,380	4,924	7,304	-	-	(32,227)	(1,234)	-	1,830	-	9,908	29,027	38,935
NCE [iv]	3.40%	CDI + 1.50%	Apr/21	14,981	-	14,981	-	-	-	-	-	760	-	555	13,666	14,221
NPs (vii)	4.07%	CDI + 2.17%	Jun/23	339,224	158,578	497,802	-	765,000	(859,001)	(49,023)	-	42,775	-	285,176	312,875	598,051
FNE (viii)	5.06%	TFC + 2.0766%	Jul/22	111,726	64,555	176,281	-	47,564	(37,947)	(3,936)	-	10,562	-	46,421	113,617	160,038
FINEP (ix)	4.91%	TLP + 0.5%	Jul/30	24	30,023	30,047	-	-	-	(1,485)	-	1,507	-	37	29,988	30,025
Direct Consumer Credit (CDC) (x)	4.95%	CDI + 3.05%	Sept/23	17,558	24,483	42,041	-	251,635	(292,580)	(3,263)	-	6,315	-	64,463	15,471	79,934
Working capital	6.19%	CDI / Fixed rate	Jun/21	971	318	1,289	1,347	-	(55)	(4)	-	1	-	-	-	-
Others	5.10%	Fixed rate	Jul/25	10,150	-	10,150	1,028	9,241	(10,721)	-	-	-	-	4,638	5,964	10,602
				1,104,693	**2,937,998**	**4,042,691**	**39,257**	**3,114,214**	**(2,857,710)**	**(232,477)**	**67,793**	**304,977**	**-**	**1,085,845**	**2,520,792**	**3,606,637**
In foreign currency																
Senior Notes “BOND” (xi)	-	USD + 7.75%	Jul/24	100,926	3,228,674	3,329,600	-	-	-	(225,234)	-	249,337	728,750	78,281	2,498,466	2,576,747
NCEs FX (v)	-	-	-	-	-	-	-	-	(2,472,407)	(149,358)	-	89,728	604,178	59,629	1,868,230	1,927,859
CCB FX (xiii)	USD + 7.36%	USD + 7.36%	Jul/24	76,879	2,408,670	2,485,549	-	2,550,261	-	(87,245)	-	83,317	(60,784)	-	-	-
International credit (4131)- USD (xii)	7.60%	-	-	-	-	-	-	-	(3,717)	(2,110)	-	253	1,523	2,716	1,335	4,051
International credit (4131)- USD (xii)	USD + 2.48%	USD + 2.48%	Sep/23	1,123	203,433	204,556	-	-	-	(10,606)	-	6,480	46,640	814	161,228	162,042
International credit (4131)- EUR (xii)	EUR+1.70%	EUR+1.70%	Mar/25	1,140	267,872	269,012	-	221,949	-	(1,908)	-	3,048	45,923	-	-	-
				180,068	**6,108,649**	**6,288,717**	**-**	**2,772,210**	**(2,476,124)**	**(476,461)**	**-**	**432,163**	**1,366,230**	**141,440**	**4,529,259**	**4,670,699**
				1,284,761	**9,046,647**	**10,331,408**	**39,257**	**5,886,424**	**(5,333,834)**	**(708,938)**	**67,793**	**737,140**	**1,366,230**	**1,227,285**	**7,050,051**	**8,277,336**

(i) **CCBs** are Bank Credit Bills raised with financial institutions for financing working capital and the purchase of vehicles, machinery and equipment used in operations. These agreements have covenants, including the maintenance of certain financial ratios, which are calculated on the consolidated financial information.

(ii) **CRAs** are Agribusiness Receivables Certificates issued for raising funds to finance the agribusiness sector chain, backed by agribusiness credit rights certificates ("CDCA") and Debentures. These CDCAs were issued by subsidiaries Vamos and JSL, as disclosed in the financial statements of each subsidiary, which have various maturities with monthly, quarterly or semiannual interest and have commitment clauses, including the maintenance of financial ratios, which are calculated on the consolidated financial information.

(iii) **FINAME** are financing for investments in vehicles, machinery and equipment used in operations. New contracts are signed monthly, related to the purchase of new assets under the normal fleet expansion and renewal process. Finame agreements have a grace period ranging from six months to two years according to the financed product, payments of interest and principal are monthly after the grace period. These financing agreements have no covenants, but only pledge of assets with financial agents.

(iv) **NCEs** in local currency with purpose and investments in heavy vehicles, in cash management operations. This note has interest and principal with a bullet maturity at the end of the contractual term. These financing agreements have no covenants.

(v) **NCEs** in USD have a bullet maturity at the end of the contractual term and semiannual payment of interest, and are 100% hedged through swap agreements.

(vi) **FINEM** are financing for investments in infrastructure raised for the construction, renovation and installation of operating sites. These agreements have monthly payments of interest and principal and do not have covenants.

(vii) **Promissory notes ('NPs')** refer to commercial notes of promise to pay, issued to reinforce working capital, within the ordinary management of its business. These agreements have several maturities, with payment of interest and principal at the end of the agreement. These transactions have covenants, including the maintenance of financial ratios, which are calculated on the consolidated financial information.

(viii) **FNEs and FNOs** refer to the operations of the Constitutional Fund for Financing of the Northeast and Amazon Banks, to finance and invest in heavy vehicles, light vehicles, machinery and equipment used in the Simpar Group's cash management operations. These agreements have varying maturities, grace periods vary from three months to one year, and some assets may be collateralized in accordance with the financed product. Payments of interest and principal are monthly after the grace year and have no covenants.

(ix) **FINEP** refers to financing agreements with the Financier of Studies and Projects - FINEP, with the purpose of investing in research and development projects for technological innovations. Payments of interest and principal are monthly after the grace year and have no covenants.

(x) **Direct Consumer Credit (CDC)** is a type of working capital financing for purchase of products, vehicles, machinery and equipment in general, including services. These agreements have several maturities, either monthly or semiannual.

(xi) **Senior Notes "Bond"** as mentioned in notes 1.1.2 (i), (ii) and (iii), refer to four issuances of debt securities by subsidiaries Movida Europe, Simpar Europe and Simpar Finance in the international market:

The first issuance of Senior Notes "Bond" took place in 2017, in the amount of US$ 625,000,000 (US$ 325,000,000 in July 2017 and a retap of US$ 300,000,000 in January 2018). It was fully repurchased, US$ 441,272,000 were repurchased in January 2021 and the remaining balance of US$ 183,728,000 was repurchased on July 26, 2021. The bonds had an interest rate of 7.75% per year;

The second issuance of debt securities totaled US$ 625,000,000, with maturity on January 26, 2031, remunerated at an interest rate of 5.2% p.a.;

The third issuance refers to debt securities issued by subsidiary Simpar Finance in the international market, denominated in local currency (reais), totaling R$ 450,000, remunerated at an interest rate of 149.81% p.a., with maturity on February 12, 2028. On March 30, 2021, these debt securities were assigned to CS Finance under the same conditions as prior to the assignment; and

The fourth issuance refers to debt securities issued by subsidiary Movida Europe in the international market, in the amount of US$ 500,000,000, with additional issuance of US$ 300,000,000, totaling US$ 800,000,000, with maturity on February 8, 2031 and semiannual payment of interest of 5.25% p.a. These issuances are 100% hedged by swap agreements, as mentioned in note 6.3 (b).

(xii) **International credit (4131)** refers to borrowings transactions with foreign institutions.

(xiii) **CCB - FX (Foreign Exchange)** - these borrowings have covenants, a bullet maturity at the end of the contractual term and semiannual payment of interest, and are 100% hedged by swap agreements, as mentioned in note 6.3 (b).

(xiv) **FIDC** - Refers to the portion with other quotaholders of the FIDC, already eliminated from the quotas belonging to the Company. The Simpar Group is responsible for operating the collection of these credit rights.

19.1 Guarantees, intervening party and fiduciary assignment of trade notes

At December 31, 2021, the Simpar Group has certain guarantees for loans and financing transactions, as follows:

- ✓ **CDC and leases payable to financial institutions - -** guaranteed by the respective financed vehicles, machinery and equipment;

The Simpar Group monitors the compliance with the covenants on a quarterly basis and the ratios were complied with in all quarters.

Certain contracts have clauses requiring the maintenance of financial ratios calculated based on the net financial debt, EBITDA or EBITDA Added (EBITDA-A) and net financial expenses.

For purposes of reading the financial ratios above, the following definitions are considered:

Net financial debt for covenant purposes: means the total balance of the Issuer's short and long-term loans and financing, including debentures and any other debt securities, the negative and/or positive results of equity hedge operations (hedge) and subtracting: (a) amounts in cash and in financial investments; and (b) the financing contracted as a result of the financing program for the stock of new and used vehicles, domestic and imported vehicles and automotive parts, with revolving credit granted by financial institutions linked to the car makers (floor plan).

EBITDA for covenant purposes: means earnings before financial result, taxes, depreciation and amortization, impairment of assets and equity results from subsidiaries calculated over the last 12 (twelve) months, including the EBITDA of the last 12 (twelve) months of the companies merged and/or acquired by the Issuer.

EBITDA Added (EBITDA-A) for covenant purposes: means the profit before the financial result, taxes, depreciation, amortization, impairment of assets and equity results from subsidiaries, plus cost of sale of assets used in rendering services, calculated over the last 12 (twelve) months, including the EBITDA-Added of the last 12 (twelve) months of the companies merged and/acquired by the Issuer.

Net Financial Expenses for covenant purposes: means the debt charges, plus monetary variations, less income from financial investments, all related to the items described in the definition of net financial debt above and calculated on an accrual basis over the last 12 (twelve) months.

All commitments to maintain financial ratios are fulfilled at December 31, 2021.

In thousands of Brazilian Reais, unless otherwise stated

20. Debentures

Movements in the years ended December 31, 2021 and 2020 were as follows:

Parent company

Type	Annual average rate	Maturity	12/31/2021 Current	12/31/2021 Noncurrent	12/31/2021 Total	Movement New contracts	Movement Amortization	Movement Interest paid	Movement Allocation of fair value hedge variation	Movement Interest incurred	12/31/2020 Current	12/31/2020 Noncurrent	12/31/2020 Total
In local currency													
3rd issuance	11.27%	Sept/31	38,248	1,469,487	1,507,735	1,472,883	-	-	(13,232)	48,084	-	-	-
13th issuance	8.12%	May/26	117,985	334,905	452,890	-	-	(25,162)	-	28,968	1,397	447,687	449,084
14th issuance	7.08%	Nov/23	49,885	50,219	100,104	-	(50,000)	(5,520)	-	6,707	49,880	99,037	148,917
			206,118	**1,854,611**	**2,060,729**	**1,472,883**	**(50,000)**	**(30,682)**	**(13,232)**	**83,759**	**51,277**	**546,724**	**598,001**

Parent company

Type	Annual average rate	Maturity	12/31/2020 Current	12/31/2020 Noncurrent	12/31/2020 Total	Movement Transfer from spin-off	Movement Amortization	Movement Interest paid	Movement Interest incurred	12/31/2019 Current	12/31/2019 Noncurrent	12/31/2019 Total
In local currency												
13th issuance	3.87%	May/26	1,397	447,687	449,084	450,938	-	(12,370)	10,516	-	-	-
14th issuance	2.19%	Nov/23	49,880	99,037	148,917	174,455	(25,000)	(3,771)	3,233	-	-	-
			51,277	**546,724**	**598,001**	**625,393**	**(25,000)**	**(16,141)**	**13,749**	**-**	**-**	**-**

In thousands of Brazilian Reais, unless otherwise stated

Consolidated

			12/31/2021			Movement						12/31/2020		
Type	**Annual average rate**	**Maturity**	**Current**	**Noncurrent**	**Total**	**New contracts**	**Allocation of fair value hedge variation**	**Acquisitions of companies**	**Amortization**	**Interest paid**	**Interest incurred**	**Current**	**Noncurrent**	**Total**
In local currency														
8th issuance - JSL	-	Jun/21	-	-	-	-	-	-	(75,618)	(3,346)	1,958	77,006	-	77,006
10th issuance - JSL	8.85%	Sep/28	3,466	151,940	155,406	-	-	-	(75,500)	(4,765)	12,227	75,576	147,868	223,444
11th issuance - JSL	7.84%	Nov/25	5,352	389,114	394,466	-	-	-	-	(22,560)	23,246	942	392,838	393,780
12th issuance - JSL	8.85%	Sep/28	13,104	542,079	555,183	-	-	-	-	(37,884)	35,905	1,078	556,084	557,162
15th issuance - JSL	8.85%	Oct/28	10,801	706,052	716,853	700,000	-	-	-	-	16,853			
3rd issuance - Simpar	11.27%	Sep/31	38,248	1,469,487	1,507,735	1,472,883	(13,232)	-	-	-	48,084	-	-	-
13th issuance - Simpar	8.12%	May/26	117,985	334,905	452,890	-	-	-	-	(25,162)	28,968	1,397	447,687	449,084
14th issuance - Simpar	7.08%	Nov/23	49,884	50,220	100,104	-	-	-	(50,000)	(5,520)	6,707	49,880	99,037	148,917
1st issuance - CS Brasil Participações	9.85%	Dec/25	2,909	595,278	598,187	-	-	-	-	(46,389)	51,495	921	592,160	593,081
2nd issuance - CS Brasil Participações	9.85%	Dec/25	443	148,863	149,306	-	-	-	-	(8,903)	9,869	254	148,086	148,340
1st issuance - Movida Locação	-	Mar/23	-	-	-	-	-	-	(187,500)	(4,412)	3,871	63,785	124,256	188,041
2nd issuance - Movida Locação	4.29%	Oct/21	-	-	-	-	-	-	(40,000)	(754)	555	40,199	-	40,199
3rd issuance - Movida Locação	6.22%	Jan/24	51,399	159,722	211,121	-	-	-	-	(8,442)	12,362	7,730	199,471	207,201
4th issuance - Movida Locação	5.99%	Apr/22	-	-	-	-	-	-	(200,000)	(4,799)	4,109	954	199,736	200,690
5th issuance - Movida Locação	6.99%	Jun/28	2,316	199,671	201,987	-	-	-	-	(12,499)	14,583	591	199,312	199,903
6th issuance - Movida Locação	7.48%	Jun/28	20,545	739,694	760,239	685,735	-	-	-	(16,871)	91,375	-	-	-
7th issuance - Movida Locação	-	-	2,495	395,591	398,086	394,441	-	-	-	-	3,645	-	-	-
1st issuance - Movida Participações	-	Jul/22	-	-	-	-	-	-	(12,474)	(463)	893	6,120	5,924	12,044
2nd issuance - Movida Participações	-	Jun/23	-	-	-	-	-	-	(416,683)	(8,128)	8,651	170,105	246,055	416,160
3rd issuance - Movida Participações	5.82%	Jun/24	202,245	398,039	600,284	-	-	-	-	(35,731)	40,961	-	595,054	595,054
4th issuance - Movida Participações	-	Jul/27	15,923	449,058	464,981	-	-	-	(250,000)	(29,181)	36,949	83,680	623,533	707,213
5th issuance - Movida Participações	7.01%	Nov/23	12,388	597,957	610,345	-	-	-	-	(34,062)	43,427	3,520	597,460	600,980
6th issuance - Movida Participações	7.22%	Mar/23	11,269	544,580	555,849	543,329	-	-	-	(21,101)	33,621	-	-	-
7th issuance - Movida Participações	-	-	45,356	1,749,654	1,795,010	1,735,725	-	-	-	(488)	59,773	-	-	-
2nd issuance - Vamos	11.13%	Aug/26	22,943	795,417	818,360	-	-	-	-	(35,313)	51,216	8,857	793,600	802,457
3rd issuance - Vamos	12.12%	Jun/31	3,406	954,389	957,795	992,094	(65,387)	-	-	(32,987)	64,075	-	-	-
4th issuance - Vamos	11.84%	Oct/31	26,008	1,986,379	2,012,387	1,982,784	(4,230)	-	-	-	33,833			
1st issuance - CS Brasil Holding	8.05%	Sep/23	2,683	99,962	102,645	100,000	-	-	-	-	2,645	-	-	-
1st issuance - Ciclus	7.40%	Jan/31	709	415,990	416,699	-	-	416,699	-	-	-			
			661,877	**13,874,041**	**14,535,918**	**8,606,991**	**(82,849)**	**416,699**	**(1,307,775)**	**(399,760)**	**741,856**	**592,595**	**5,968,161**	**6,560,756**

In thousands of Brazilian Reais, unless otherwise stated

												Consolidated
					12/31/2020	**Movement**						**12/31/2019**
Type	**Annual average rate**	**Maturity**	**Current**	**Noncurrent**	**Total**	**New contracts**	**Amortization**	**Interest paid**	**Interest incurred**	**Current**	**Noncurrent**	**Total**
In local currency												
6th issuance - JSL	5.04%	Jul/20	-	-	-	-	(119,827)	(50,100)	8,418	161,509	-	161,509
8th issuance - JSL	3.26%	Jun/21	77,006	-	77,006	-	(66,701)	(15,753)	7,912	75,633	75,915	151,548
10th issuance - JSL	2.38%	Dec/23	75,576	147,868	223,444	-	(75,500)	(10,099)	11,684	73,765	223,594	297,359
11th issuance - JSL	2.42%	Nov/25	942	392,838	393,780	-	-	(15,535)	15,629	1,117	392,569	393,686
12th issuance - JSL	3.85%	Apr/25	1,078	556,084	557,162	-	(35,294)	(28,226)	28,146	139,883	452,653	592,536
13th issuance - JSL	3.87%	May/26	1,397	447,687	449,084	-	-	(25,700)	24,845	2,775	447,164	449,939
14th issuance - JSL	2.19%	Nov/23	49,880	99,037	148,917	-	(50,000)	(7,986)	7,924	50,343	148,636	198,979
1st issuance - CS Brasil Participações	5.60%	Dec/25	921	592,160	593,081	600,000	-	(7,887)	968	-	-	-
2nd issuance - CS Brasil Participações	4.80%	Dec/25	254	148,086	148,340	150,000	-	(1,930)	270	-	-	-
1st issuance - Movida Locação	3.99%	Mar/23	63,785	124,256	188,041	-	(62,500)	(15,510)	12,771	66,544	186,736	253,280
2nd issuance - Movida Locação	3.73%	Oct/21	40,199	-	40,199	-	(40,000)	(4,247)	3,534	41,034	39,878	80,912
3rd issuance - Movida Locação	3.53%	Jan/24	7,730	199,471	207,201	-	-	(8,130)	9,048	7,055	199,228	206,283
4th issuance - Movida Locação	6.18%	Apr/22	954	199,736	200,690	200,000	-	(7,813)	8,503	-	-	-
5th issuance - Movida Locação	4.70%	Nov/23	591	199,312	199,903	200,000		(1,047)	950	-	-	-
1st issuance - Movida Participações	4.65%	Jul/22	6,120	5,924	12,044	-	(8,405)	(2,055)	2,100	8,447	11,957	20,404
2nd issuance - Movida Participações	3.94%	Jun/23	170,105	246,055	416,160	-	(32,563)	(22,434)	21,465	33,608	416,536	450,144
3rd issuance - Movida Participações	3.92%	Jun/24	-	595,054	595,054	-	-	(28,445)	31,173	-	591,874	591,874
4th issuance - Movida Participações	3.70%	Jul/27	83,680	623,533	707,213	-	-	(42,757)	31,617	20,008	698,345	718,353
5th issuance - Movida Participações	4.68%	Oct/25	3,520	597,460	600,980	600,000		(3,203)	4,183	-	-	-
2nd issuance - Vamos	3.71%	Aug/26	8,857	793,600	802,457	-	-	(40,895)	38,402	13,180	791,770	804,950
			592,595	**5,968,161**	**6,560,756**	**1,750,000**	**(490,790)**	**(339,752)**	**269,542**	**694,901**	**4,676,855**	**5,371,756**

In thousands of Brazilian Reais, unless otherwise stated

The characteristics of the debentures are presented in the table below:

Issuer	JSL				Simpar (Debentures absorbed by the net assets of JSL)		Simpar	CS Holding	Ciclus	CS Brasil Participações	Vamos	Vamos	Vamos
Description	**10th issuance**	**11th issuance**	**12th issuance**	**15th issuance**	**13th Issuance (1st issuance)**	**14th Issuance (2nd issuance)**	**3rd issuance**	**1st issuance**	**1st issuance(*)**	**2nd issuance**	**2nd issuance**	**3rd issuance**	**4th issuance**
a. Identification of the processes by nature													
1st series amount	352,000	400,000	600,000	700,000	344,940	200,000	1,245,000	100,000	450,000	150,000	382,500	311,790	1,000,000
2nd series amount	-	-	-	-	105,060	-	255,000	-	In progress	-	417,500	223,750	432,961
3rd series amount	-	-	-	-	-	-	-	-	-	-	-	464,460	567,039
Issuance amount	352,000	400,000	600,000	700,000	450,000	200,000	1,500,000	100,000	450,000	150,000	800,000	1,000,000	2,000,000
Total amount received in checking account	352,000	400,000	600,000	700,000	450,000	200,000	1,500,000	100,000	450,000	150,000	-	-	-
Issuance	03/20/2017	06/20/2017	12/06/2018	10/08/2021	05/20/2019	11/20/2019	09/15/2021	09/02/2021	12/22/2021	12/15/2020	08/16/2019	07/08/2021	10/15/2021
Funding	03/29/2017	06/30/2017	12/20/2018	11/05/2021	05/30/2019	12/02/2019	09/30/2021	09/10/2021	12/28/2021	12/17/2020	09/20/2019	07/08/2021	11/12/2021
Maturity	09/20/2028	09/20/2028	09/20/2028	10/20/2028	05/20/2026	11/20/2023	09/15/2031	09/15/2023	01/15/2031	12/15/2025	08/20/2024 and 08/20/2026	06/15/2029 and 06/15/2031	10/15/2018 and 10/15/2031
Type	Unsecured	Floating	Floating	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Floating	Unsecured	Unsecured	Unsecured
Identification with B3	JSML 10	JSML A1	JSML A2	JSLGA5	JSML A3/B3	JSML A4	JSML A5/B5	CSHO11	CCLS11	CSBR 12	VAMO12 and VAMO22	VAMO13, VAMO23 and VAMO33	VAMO14, VAMO24 and VAMO34
b. Transaction costs incurred	**10,698**	**12,787**	**22,369**	**5,392**	**3,709**	**1,926**	**27,117**	**31**	**27,378**	**1,930**	**10,058**	**-**	**-**
c. Premiums													
Additional due to settlement	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Effective interest rate (IRR) p.a. %													
1st series	CDI+2.70%	CDI+2.70%	CDI+2.70%	CDI+2.70%	CDI + 1.90%	115.20% of CDI	CDI+3.50%	CDI+1.90%	IPCA + 6.67%	CDI + 2.90%	CDI1.60%	CDI + 2.30%	CDI + 2.40%
2nd series	-	-	-	-	CDI + 2.20%	-	IPCA+7.9677%	-	-	-	CDI + 2.00%	CDI + 2.75%	CDI + 2.80%
3rd series	-	-	-	-	-	-	-	-	-	-	-	IPCA + 6.3605%	IPCA + 7.6897%
e. Balance of costs and premiums to be recognized until maturity	**3,093**	**9,515**	**14,001**	**5,272**	**2,327**	**913**	**26,382**	**27**	**27,306**	**1,528**	**9,341**	**-**	**-**

(*) In Debentures of Ciclus, we settled only the 1st series of R$450,000 and we will settle the 2nd series of up to R$100,000 after approval by the Ministry as it is an Infrastructure Debenture (Law 12,431)

Issuer	Movida Participações							Movida Locação							CS Brasil Participações	
Description	**1st issuance**	**2nd issuance**	**3rd issuance**	**4th issuance**	**5th issuance**	**6th issuance**	**7th issuance**	**1st issuance**	**2nd issuance**	**3rd issuance**	**4th issuance**	**5th issuance**	**6th issuance**	**7th issuance**	**1st issue**	**2nd issuance**
a. Identification of the processes by nature																
Financial institution	*Bradesco*	*Bradesco*	*BTG Pactual*	*Itaú*	*Santander*	*BTG/ CEF*	*Itaú*	*Bradesco*	*BOCOM BBM*	*BOCOM BBM*	*BB*	*Santander*	*XP*	*Bradesco BBI*	*BTG PACTUAL*	*UBS BRASIL*
1st series amount	150,000	138,250	214,478	250,000	250,000	550,000	1,150,000	250,000	100,000	100,000	200,000	200,000	400,000	400,000	600,000	15,000
2nd series amount	250,000	181,500	138,112	166,000	350,000	-	250,000	-	-	-	-	-	300,000	-	-	-
3rd series amount	-	130,250	247,410	284,000	-	-	350,000	-	-	-	-	-	-	-	-	-
Financial institution	-	-	-	Brazil	-	-	-	-	-	Brazil	Brazil	-	-	-	-	-
1st series amount	-	-	-	-	-	-	-	-	-	100,000	-	-	-	-	-	-
2nd series amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	400,000	450,000	600,000	700,000	600,000	550,000	1,750,000	250,000	100,000	200,000	200,000	200,000	700,000	400	600,000	15,000
Issuance	07/04/2017	06/07/2018	01/04/2019	06/27/2019	11/06/2020	04/23/2021	09/15/2021	04/13/2018	10/31/2018	06/27/2019	04/30/2020	11/24/2020	04/16/2021	11/30/2021	12/10/2020	12/15/2020
Funding	07/27/2017	06/07/2018	01/04/2019	06/27/2019	11/06/2020	04/23/2021	09/15/2021	04/13/2018	10/31/2018	06/27/2019	04/30/2020	11/24/2020	04/16/2021	11/30/2021	12/21/2020	12/17/2020
Maturity	07/15/2020 and 07/15/2022	06/07/2023	06/07/2024	07/27/2027	10/15/2025	04/15/2027	09/15/2031	03/29/2023	10/10/2021	01/24/2024	04/20/2022	11/18/2023	06/15/2028 - 12/15/2025	11/30/2026	12/10/2025	12/15/2025
Type	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Floating
Identification with B3	MOVI 11/21	MOVI 12/22/32	MOVI 13/23/33	MOVI 14/24/34	MOVI 15/25	MOVI16	MOVI 17/27/37	MVLV11	MVLV12	MVLV13	MVLV14	MVLV15	MVLV26	MVLV17	CSBR 11	CSBR 12
b. Unrecognized transaction costs	**-**	**-**	**656**	**791**	**867**	**15,408**	**14,280**	**-**	**-**	**5,409**	**-**	**2,817**	**10,162**	**-**	**7,887**	**1,624**
c. Effective interest rate p.a. %	-	-														
1st series	CDI+1.55%	CDI+1.60%	CDI+1.85%	CDI+1.25%	CDI+2.50%	CDI+3.20%	-	CDI+2.00%	CDI+1.80%	CDI+1.60%	CDI+4.20%	CDI+2.75%	IPCA7.1702%a.a	CDI + 2.90%	CDI + 3.70%	CDI + 2.90%
2nd series	CDI+2.70%	CDI+2.20%	CDI+2.05%	CDI+1.60%	CDI + 2.95%	-	-	-	-	-	-	-	IPCA+7.2413%a.a	-	-	-
3rd series	-	CDI+1.90%	CDI+2.05%	CDI+2.05%	-	-	IPCA + 7.64%	-	-	-	-	-	-	-	-	-
d. Total amount of the debt	**-**	**-**	**600,284**	**464,981**	**1,160,345**	**555,849**	**1,795,010**	**-**	**-**	**211,121**	**-**	**201,987**	**760,239**	**398,086**	**6,253**	**149,306**

In thousands of Brazilian Reais, unless otherwise stated

The Debentures are all simple, non-convertible debentures, unsecured, except in subsidiary JSL for the 11th issuance that is issued as debentures of the floating guarantee type, and the 12th issuance that is issued as debentures of the floating and additional fidejussory guarantee type. All debentures have clauses of maintenance of financial ratios.

For the 11th and 12th issuances of debentures, subsidiary JSL maintains at least 130% of the debt balance, amount equivalent to assets free of burden and debt.

Additionally, the debentures of the 2nd issuance of CS Participações are simple, non-convertible, of the floating guarantee type (in accordance with article 58, paragraph 1 of the Brazilian Corporate Law "Floating Guarantee"), and have additional fidejussory guarantee from the Company, with clauses requiring the maintenance of financial ratios.

All commitments to maintain financial ratios follow the same definitions as mentioned in note 19.

21. Leases payable

Lease agreements in the modality of leases payable to financial institutions for the acquisition of vehicles and assets of the Simpar Group operating activity which have annual fixed charges, and are distributed as follows:

	Parent company		Consolidated
	12/31/2021	12/31/2021	12/31/2020
Lease liabilities at the beginning of the year	-	**313,407**	**401,612**
New contracts	99,586	99,586	73,962
Amortization	(6,261)	(130,377)	(163,323)
Interest paid	(840)	(44,440)	(14,681)
Interest incurred	3,673	17,783	15,836
Lease liabilities at the end of the year	**96,158**	**255,959**	**313,406**
Current	19,626	118,833	131,092
Noncurrent	76,532	137,126	182,314
Total	**96,158**	**255,959**	**313,406**
Annual average rate	**8.90%**	**9.07%**	**4.16%**
Average rate structure p.a.	**CDI+2.56%**	**CDI+2.73%**	**CDI+2.26%**
Maturity	**Aug/26**	**Aug/26**	**Feb/25**

22. Right-of-use leases

Information regarding right-of-use assets is disclosed in note 14.1.

			Consolidated	Consolidated
	Buildings	Vehicles	Total	Buildings
	12/31/2021	12/31/2021	12/31/2021	12/31/2020
Lease liabilities at the beginning of the year	**492,565**	**-**	**492,565**	**517,700**
New contracts	483,385	17,055	500,440	247,470
Write-offs	(42,785)	(43)	(42,828)	(167,881)
Amortization	(185,508)	(5,672)	(191,180)	(110,842)
Interest paid	(55,834)	(357)	(56,191)	(49,308)
Interest incurred	69,426	530	69,956	52,448
Acquisitions of companies	85,018	-	85,018	2,978
Lease liabilities at the end of the year	**846,267**	**11,513**	**857,780**	**492,565**
Current	186,256	11,513	197,769	101,600
Noncurrent	660,011	-	660,011	390,965
Total	**846,267**	**11,513**	**857,780**	**492,565**

The Simpar Group substantially leases properties in which its operating and administrative areas operate. The term of such lease contracts is usually of 9 years. Lease contracts are adjusted annually to reflect the market values and some leases provide additional lease payments based on changes to the general price index. For certain leases, the Simpar Group is prevented from entering into any sub-lease contract.

In thousands of Brazilian Reais, unless otherwise stated

The Company determined its discount rates based on the risk-free interest rates observed in the Brazilian market for the terms of its contracts, adjusted to the Company's reality (credit spread). The spreads were obtained through surveys with potential investors of the Company's debt securities. The table below shows the rates practiced x the contract terms, as required by CPC 12, §33:

Contracts by term and discount rate	
Contracted terms	**Rate % p.a.**
1	9.56%
2	10.31%
3	10.76%
5	11.24%
10	11.83%
15	12.18%
20	12.48%

Below we present a table indicating the potential right to recoverable PIS/COFINS included in the lease consideration, according to the periods set for payment. Undiscounted balances and balances discounted to present value:

Cash flows	**Nominal**	**Adjusted to present value**
Lease consideration	1,085,826	857,778
PIS/COFINS	97,624	77,182

In the measurement and remeasurement of its leases and related assets, the Company's management used the discounted cash flow methodology without considering the projected inflation in the flows to be discounted. Had the Company considered the inflation (substantially IGP-M) in its cash flows, the effect on right-of-use assets and lease liabilities would have been an increase of approximately R$ 107,130.

22.1. Debt repayment schedule

Debt repayment schedule	**2022**	**2023**	**2024**	**2025**	**2026 and thereafter**
Right-of-use leases	172,810	131,855	114,505	86,119	209,822

23. Assignment of receivables

	Consolidated	
	12/31/2021	**12/31/2020**
Sale of receivables	12,086	16,032
Settlement of agreements	(8,016)	-
Interest to be incurred	1,973	(3,946)
Total	**6,043**	**12,086**
Current	6,043	6,043
Noncurrent	-	6,043
Total	**6,043**	**12,086**

In December 2017, subsidiary Vamos assigned part of its future receivables arising from lease agreements and related services. The assignment included agreements whose assets for lease were delivered, with proper acknowledgment of the lease and service rendered by the customer. Vamos will responsible for operating the collection of these receivables, however, there is no regressive claim or co-obligation for the receivables, and it will not be responsible for the solvency of the contracting customer. The future value of the portfolio assigned was R$ 40,077, the amount received by Vamos was R$ 30,214,and the interest paid will be recognized as finance costs in profit or loss over the agreement period. This transaction has a period of 60 months, with maturity in December 2022.

In thousands of Brazilian Reais, unless otherwise stated

24. Social and labor liabilities

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Provision for vacation	3,532	368	157,101	107,957
Salaries	2,282	715	76,366	50,601
Bonus and profit sharing	5,222	6,206	48,125	42,869
Social security (INSS)	967	210	112,478	57,997
Severance pay fund (FGTS)	243	17	12,908	8,422
Others	-	-	1,176	2,160
	12,246	**7,516**	**408,154**	**270,006**

25. Judicial deposits and provision for judicial and administrative litigation

In the normal course of its business, the Simpar Group is subject to civil, tax and labor litigation at the administrative and judicial levels, as well as judicial deposits and assets freezing as collateral in connection with such litigation. Based on the opinion of its legal counsel, provisions were recorded to cover probable losses related to these litigations, and, as applicable, they are presented net of respective judicial deposits as below:

				Consolidated
	Judicial deposits		Provisions	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Labor	44,685	41,638	(164,308)	(93,694)
Civil	23,089	14,572	(24,065)	(15,507)
Tax	35,529	19,322	(168,171)	(72,664)
	103,303	**75,532**	**(356,544)**	**(181,865)**

25.1 Judicial deposits

Judicial deposits and assets freezing refer to amounts deposited in an account or legal freezes on checking accounts, ruled by the court, as guarantee for any payment required by the court, or amounts duly deposited under judicial agreements to replace labor or tax payments or payables that are being discussed in the court.

25.2 Provision for judicial and administrative litigation

The Simpar Group classifies the risk of loss on lawsuits as “probable”, “possible” or “remote”. The provision recognized in respect of these lawsuits is determined by Management, based on the analysis of its legal counsel, and reasonably reflects the estimated probable losses.

Management believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial litigation. Movements in the years ended December 31, 2021 and 2020 are as follows:

In thousands of Brazilian Reais, unless otherwise stated

				Consolidated
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2020	**(93,271)**	**(16,324)**	**(72,270)**	**(181,865)**
Additions	(14,153)	(8,345)	(1,937)	(24,435)
Reversals	24,173	8,236	1,937	34,346
Acquisitions of companies – opening balance	(81,057)	(7,632)	(95,901)	(184,590)
At December 31, 2021	**(164,308)**	**(24,065)**	**(168,171)**	**(356,544)**

				Consolidated
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2019	**(45,827)**	**(21,923)**	**(79)**	**(67,829)**
Additions	(16,363)	(9,537)	(928)	(26,828)
Reversals	27,678	15,812	373	43,863
Acquisitions of companies - opening balance	(13,921)	(676)	(12,691)	(27,288)
Acquisitions of companies - PPA effects	(45,911)	-	(60,431)	(106,342)
Write-off due to prescription	1,073	-	1,486	2,559
At December 31, 2020	**(93,271)**	**(16,324)**	**(72,270)**	**(181,865)**

(iv) During the process of allocating the purchase price of the acquired companies, contingent liabilities were identified for which, contractually, the former controlling shareholders agree to indemnify the acquiring companies, in case of financial disbursement and present the following balance at December 31, 2021:

				Consolidated
	Labor	**Civil**	**Tax**	**Total**
At December 31, 2020	(44,838)	-	(58,945)	(103,783)
Acquisitions of companies	(92,094)	(140)	(125,066)	(217,300)
Prescription	14,089	29	25,533	39,651
At December 31, 2021	**(122,843)**	**(111)**	**(158,478)**	**(281,432)**

Labor

The provision for labor claims was recognized to cover the risks of loss arising from lawsuits claiming compensation for overtime, commute hours, hazardous duty premium, health hazard premium, work accidents and lawsuits filed by employees of third parties due to joint liability

Civil

Civil lawsuits do not involve, individually, material amounts and are mainly related to claims for compensation of traffic accidents and pain and suffering, aesthetic and property damages.

Tax

The tax lawsuits are related to assessment notices discussing the improper collection of ICMS and ISS debits, in addition to tax foreclosure/ motions to stay execution arising from the collection of IPVA, publicity rates and others.

In thousands of Brazilian Reais, unless otherwise stated

25.3 Possible losses, not provided for in the statement of financial position

At December 31, 2021, the Simpar Group is party to tax, civil and labor lawsuits in progress (judicial and administrative) with losses considered possible by Management and its legal counsel, as shown in the table below:

	Consolidated	
	12/31/2021	**12/31/2020**
Labor	191,199	182,124
Civil	198,111	174,631
Tax	356,316	378,700
Total	**745,626**	**735,455**

Labor

The labor lawsuits are related to claims for labor-related indemnities filed for labor claims of the same nature as those mentioned in note 25.2, filed by former employees of the Simpar Group.

Civil

The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of the Simpar Group, of the same nature as those mentioned in note 25.2, and annulment actions and claims for breach of contract.

Tax

The main natures of lawsuits are the following: (i) challenges related to alleged non-payment of ICMS; (ii) challenges of part of PIS and COFINS credits that comprise the negative balance presented in PER/DCOMP; (iii) challenges related to tax credits of IRPJ, CSLL, PIS and COFINS; (iv) challenges related to the offset of IRPJ and CSLL credits and (v) challenges related to the recognition of ICMS credits. The amounts involved are as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
IRPJ and CSLL	120,273	110,913
ICMS	96,186	152,561
INSS	9,624	7,729
PER/DCOMP	51,407	41,239
PIS/COFINS	38,048	11,520
Others	40,778	54,738
Total	**356,316**	**378,700**

26. Landfill – decommissioning cost

The future costs for landfill closure can be understood as a set of measures taken for environmental remediation, since the Company has obligations related to the soil and its maintenance up to 25 years after the end of the contract.

a) Recognition of liability for future costs of landfill closure

A significant part of the operating costs and capital investments can be considered as environmental protection and remediation costs. The nature of the Company's operations, especially with respect to the construction, operation and maintenance of the landfill, is subject to a series of laws and regulations relating to the protection of the environment. Under current laws and regulations, the Company may be liable for environmental damages as a result of the operation of the landfill and for the remediation activity required by environmental authorities. At December 31, 2021, the Company accumulated an environmental remediation liability recorded in the statement of financial position in the amount of R$105,024.

Determining the remediation method and final cost requires various estimates and assumptions that affect the recorded amounts as well as the related disclosure aspects. It should be taken into account that the environmental remediation liability is estimated when such liability is probable and reasonably estimable. However, these estimates and assumptions depend on future events, such as technological, regulatory, inspection and future cost developments.

The provision for environmental remediation is subject to continuous review, in the light of relevant internal and external facts and circumstances, which may result in reviews either increasing or decreasing the amount recorded in the statement of financial position.

Future landfill closure costs refer to the obligation for environmental remediation, slurry treatment and environmental monitoring for a period of 25 years after the landfill closure.

As established in Technical Pronouncement CPC 25, the initial estimate of costs related to the landfill closure shall be accounted for as a cost of the venture.

When calculating the adjustment to present value of the liability for dismantling and closing the landfill, the estimated total cost of dismantling and closing and the disbursement schedule are considered, discounted at a rate that represents the risk of the decommissioning liability.

The provision was estimated at constant prices and based on the projected cash flow using the average real discount rate of 4.6% pa, formed by the spread of NTN-B Principal at December 31, 2021, with the closest maturity to the activity closure date.

In thousands of Brazilian Reais, unless otherwise stated

27. Income tax and social contribution

27.1 Deferred income tax and social contribution

Deferred income tax (IRPJ) and social contribution on net income (CSLL) assets and liabilities were calculated based on the balances of tax losses and temporary differences for income tax and social contribution that are deductible or taxable in the future. Their origins are comprised as follows:

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Tax losses	21,810	14,442	432,243	270,267
Provision for judicial and administrative litigation	-	-	36,994	55,031
Expected credit losses ("impairment") of trade receivables	-	-	43,139	71,905
Provision for adjustment to book value of investments in subsidiaries	19,901	-	19,901	-
Provision for adjustment to market value and obsolescence	-	-	4,944	4,107
Provision for impairment of assets	-	-	43,209	2,751
Share-based payment plan	6,942	6,849	7,083	7,233
Amortization and write-off of intangible assets from business combinations	-	-	29,383	17,879
Depreciation of right-of-use leases	-	-	7,832	11,992
Hedge derivatives (swap) and exchange rate changes under cash basis	146,196	(15,498)	222,859	1,135
Accounting vs. tax depreciation	-	3,132	-	-
Tax provisions	-	-	-	14,687
Other provisions	(8,559)	-	107,265	34,173
Total deferred tax assets	**186,290**	**8,925**	**954,852**	**491,160**
Deferred tax liabilities				
Income tax and social contribution on goodwill of shares contributed by owners of the Company	(63,496)	(63,496)	(63,496)	(63,496)
Present value adjustment	-	-	(1,921)	(3,733)
Deferred income from sales to public authorities	-	-	(31,776)	(34,278)
Accounting vs. tax depreciation	5,313	-	(1,164,058)	(597,754)
Property and equipment - finance leases	(14,420)	(6,570)	(120,648)	(94,614)
Surplus value of acquisitions of companies	-	-	(48,370)	(72,336)
Revaluation of assets	-	-	(68,102)	(13,719)
Realization of goodwill	-	-	(87,943)	(71,482)
Other provisions	-	(768)	-	-
Total deferred tax liabilities	**(72,603)**	**(70,834)**	**(1,586,314)**	**(951,412)**
Total deferred tax assets (liabilities), net	**113,687**	**(61,909)**	**(631,462)**	**(460,252)**
Net deferred taxes, allocated to assets	113,687	-	407,120	161,215
Deferred tax liabilities	-	(61,909)	(1,038,582)	(621,467)
Total deferred tax assets (liabilities), net	**113,687**	**(61,909)**	**(631,462)**	**(460,252)**

In thousands of Brazilian Reais, unless otherwise stated

Movements in deferred income tax and social contribution in the years ended December 31, 2021 and 2020 were as follows:

	Parent company	Consolidated
At December 31, 2020	**(61,909)**	**(460,252)**
Deferred income tax and social contribution recognized in profit or loss	22,755	(457,234)
Deferred income tax and social contribution on cash flow hedge in other comprehensive income	132,940	248,884
Deferred income tax and social contribution added by business acquisition	-	(27,697)
Deferred income tax and social contribution on surplus value	-	23,966
Deferred income tax and social contribution on deductible transaction expenditures incurred in the restricted share offering	-	27,809
Deferred taxes on capital gain (note 1.2.1 (ii))	19,901	19,901
Reclassifications between deferred and current	-	(6,839)
At December 31, 2021	**113,687**	**(631,462)**

	Parent company	Consolidated
At December 31, 2019	**-**	**(435,689)**
Deferred income tax and social contribution recognized in profit or loss	6,018	(51,562)
Income tax and social contribution on shares contributed by owners of the Company	(63,496)	(63,496)
Deferred income tax and social contribution on cash flow hedge in other comprehensive income	11,118	80,344
Deferred income tax and social contribution absorbed due to spin-off	(13,127)	-
Deferred income tax and social contribution on equity adjustments	-	90,062
Deferred income tax and social contribution on deductible transaction expenditures incurred in the restricted share offering	-	10,996
Acquisitions of companies	-	(19,294)
Deferred income tax and social contribution on surplus value of acquisitions of companies against the respective goodwill	-	(73,792)
Reclassifications between deferred and current	(2,422)	2,179
At December 31, 2020	**(61,909)**	**(460,252)**

The Parent company's deferred tax asset will mainly be used through monetization plans that will generate sufficient gains for the realization of its deferred tax assets.

27.1.1 Estimated realization schedule

Deferred tax assets arising from temporary differences will be used as the respective differences are settled or carried out.

Tax losses can be carried forward indefinitely and, at December 31, 2020 deferred income tax and social contribution were recognized for all tax loss carryforwards, except for income tax and social contribution tax losses in the amount of R$ 20,161 at December 31, 2020, due to the lack of appropriate evidence and support of their expectation of future taxable profits. At December 31, 2021, deferred IRPJ and CSLL were recorded for all accumulated tax losses.

Management considers its budget and strategic plan based on the estimated realization schedule of assets and liabilities that gave rise to them, and in earnings projections for the subsequent years.

In thousands of Brazilian Reais, unless otherwise stated

The table below shows the balance of deferred income tax and social contribution recorded on income tax and social contribution tax losses by entity:

	Consolidated	
	12/31/2021	**12/31/2020**
Simpar (i)	21,809	14,442
Movida	204,582	169,167
JSL	121,530	43,461
BBC	-	21,680
CS Infra	24,991	-
Vamos	41,616	-
Others	17,715	21,517
	432,243	**270,267**

(i) Simpar's deferred taxes will be recovered mainly through changes in capital.

At December 31, 2021, the studies of recoverability of deferred income tax and social contribution balances were completed and Management decided to maintain the amounts recorded. These studies counted on the assistance of experts and assumptions, considering the projections for generation of future taxable profits in subsequent periods, and realization is projected as follows:

						Consolidated
						12/31/2021
	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**Over 4 years**	**Total**
Total net amounts	50,427	77,635	83,569	78,727	141,885	**432,243**

27.2 Reconciliation of income tax and social contribution (expense) income

Current amounts are calculated based on the current rates levied on taxable profit before income tax and social contribution, as adjusted by respective additions, deductions and offsets allowed by the prevailing legislation:

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Profit before income tax and social contribution	**747,378**	**298,542**	**1,912,958**	**655,206**
Statutory rates	34%	34%	34%	34%
IRPJ and CSLL at the standard rates	**(254,109)**	**(101,504)**	**(650,406)**	**(222,770)**
Permanent (additions) exclusions				
Equity results from subsidiaries	347,145	120,347	(522)	(175)
Tax incentives - Workers Meal Program ("PAT")	1,487	-	3,536	2,347
Effects of interest on capital - received and paid	(19,302)	(13,503)	51,852	16,045
Provision for deferred tax credits on tax losses carried forward	-	-	(30,157)	(22,806)
Unconstituted deferred credits on tax losses carried forward	-		(4,213)	(11,673)
Monetary adjustment on the exclusion of ICMS from the PIS and COFINS calculate basis	- -	-	5,675	-
Tax benefit of subsidy for ICMS credit granted	-	-	11,848	10,057
Non-deductible expenses and other permanent exclusions	(424)	678	28,379	(192)
Income tax and social contribution calculated	**74,877**	**6,018**	**(584,008)**	**(229,167)**
Current	52,122	-	(126,774)	(177,605)
Deferred	22,755	6,018	(457,234)	(51,562)
Income tax and social contribution on results	**74,877**	**6,018**	**(584,008)**	**(229,167)**
Effective rate	10,02%	2.02%	-30,53%	-34.98%

In the year ended December 31, 2021, the Company reclassified income tax and social contribution expense of R$ 103,103 on the gain earned in the secondary offering of subsidiary Vamos, as mentioned in note 1.1.1 (i), to the account of special reserve for equity gains, together with the respective capital gain. After the reclassification, it was recorded under current income tax credit, in the amount of R$ 49,625.

In thousands of Brazilian Reais, unless otherwise stated

Income tax returns are open to review by tax authorities for five years from the filing of the return. As a result of these reviews, additional taxes and penalties may arise, which would be subject to interest. However, Management believes that all taxes have either been properly paid or provided for.

27.3 Income tax and social contribution recoverable and payable

Movements in current income tax and social contribution for the years ended December 31, 2021 and 2020 are as follows:

	Parent company	Consolidated
Income tax and social contribution recoverable - current	18,519	298,451
Income tax and social contribution recoverable - noncurrent	-	66,664
Income tax and social contribution payable	(8,586)	(18,679)
At December 31, 2020	**9,933**	**346,436**
Provision for income tax and social contribution payable	52,122	(126,774)
IRRF (withholding income tax) on interest on capital distributed	(11,365)	(20,576)
Advances, offsets and payments in the year	134,850	209,699
Income tax and social contribution on gains on share offering	(103,103)	(103,103)
At December 31, 2021	**82,437**	**308,824**
Income tax and social contribution recoverable - current	17,151	227,058
Income tax and social contribution recoverable - noncurrent	65,286	124,858
Income tax and social contribution payable	-	(43,092)
At December 31, 2021	**82,437**	**308,824**

	Parent company	Consolidated
Income tax and social contribution recoverable - current	9,416	156,682
Income tax and social contribution recoverable - noncurrent	-	34,929
Income tax and social contribution payable	(624)	(3,718)
At December 31, 2019	**8,792**	**187,893**
Provision for income tax and social contribution payable	-	(177,605)
Advances, offsets and payments in the year	1,141	348,870
Income tax and social contribution received through acquisitions of companies	-	(12,722)
At December 31, 2020	**9,933**	**346,436**
Income tax and social contribution paid recoverable - current	18,519	298,451
Income tax and social contribution recoverable - noncurrent	-	66,664
Income tax and social contribution payable	(8,586)	(18,679)
At December 31, 2020	**9,933**	**346,436**

28. Related parties

28.1 Related-party balances (assets and liabilities)

Transactions between the Company and its subsidiaries are eliminated for the purpose of presenting the consolidated balances but maintained at the Parent Company in these individual and consolidated financial statements. The nature of these transactions is as follows:

- Cash and cash and cash equivalents, marketable securities and financial investments: these are financial securities, such as leasing bills and financial promissory notes.
- Other credits: balances arising from reimbursements of miscellaneous expenses and reimbursements of apportionment of common expenses paid to the Company.
- Dividends receivable: balances receivable from dividends proposed and approved by the Company's subsidiaries.
- Receivables from and payables to related parties: refer to loan agreements held between the Company and its subsidiaries.
- Other payables: balances payable for reimbursement of the Company's expenses borne by the subsidiaries.
- Dividends payable: balances receivable from dividends proposed and approved by the Company.

In thousands of Brazilian Reais, unless otherwise stated

The following table presents the balances of transactions between the Company and related parties:

	Assets										Liabilities						Parent company
Assets	**Cash and cash equivalents (note 7)**		**Marketable securities and financial investments (note 8)**	**Other credits**		**Trade receivables (note 9)**	**Dividends and interest on capital receivable (note 13.3)**		**Receivables from related parties**		**Other payables**		**Trade payables (note 16)**	**Payables to related parties**		**Dividends and interest on capital payable**	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Related parties																-	
Avante Veículos	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-
BBC Pagamentos	-	-	-	-	1,441	3	-	-	-	2,000	6	-	-	-	-	-	-
BBC Leasing	143,600	79,524	-	160	-	62	-	-	-	-	-	-	4	-	-	-	-
Borgato Serviços	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-
CS Brasil Frotas	-	-	-	-	2,298	-	2,348	2,348	-	-	-	-	-	-	-	-	-
CS Brasil Participações	-	-	-	-	51	-	-	-	-	1,145	-	-	-	-	-	-	-
CS Brasil Transportes	-	-	-	558	4,013	-	-	-	-	-	-	1,274	34	-	-	-	-
CS Holding	-	-	-	-	-	-	16,723	-	678	-	-	-	-	-	-	-	-
Ciclus (i)	-	-	114,539	-	-	-	-	-	302,022	-	4,365	-	-	-	-	-	-
JSL	-	-	-	1,490	3,213	8,978	47,426	24,331	1,619	63,899	526	846	528	-	-	-	-
Simpar Empreendimentos	-	-	-	2	5,002	-	-	-	-	23,393	-	-	-	-	-	-	-
JSP Holding	-	-	-	-	-	-	-	-	-	-	-	-	-	528	528	113,104	36,449
Mogi Mob	-	-	-	-	110	89	-	-	-	-	552	883	-	-	-	-	-
Madre Corretora	-	-	-	-	14	10	-	-	-	-	5	-	-	-	-	-	-
Mogipasses	-	-	-	-	11	-	-	-	-	-	35	-	-	-	-	-	-
Movida Locação	-	-	-	304	463	1	-	-	-	-	-	-	3	-	-	-	-
Movida Participações	-	-	-	203	133	-	80,665	20,611	-	-	-	-	-	-	-	-	-
Movida Premium	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-
Original Veículos	-	-	-	10	-	3	-	-	-	17,117	11	13	-	-	-	-	-
Original Holding	-	-	-	-	-	-	3,880	-	-	-	-	-	-	-	-	-	-
Ponto Veículos	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Quick Logística	-	-	-	-	39	41	-	-	-	-	-	-	-	-	-	-	-
Ribeira	-	-	-	-	-	-	-	-	-	-	-	228	-	-	-	-	-
Simpar Finance	-	-	-	8,771	8,771	-	-	-	-	-	-	-	-	-	-	-	-
TPG Transportes	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-
Transrio	-	-	-	-	81	-	-	-	-	-	-	-	-	-	-	-	-
Vamos	-	-	-	449	16,638	-	-	-	-	-	-	-	-	-	-	-	-
Vamos Máquinas	-	-	-	15	136	-	-	-	-	-	-	-	-	-	-	-	-
Vamos Seminovos	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-
Vamos Linha amarela	-	-	-	28	-	-	-	-	-	-	28	-	-	-	-	-	-
Yolanda	-	-	-	-	3	7	-	-	-	-	14	-	-	-	-	-	-
Outros	-	-	-	-	-	44	-	-	-	-	-	-	-	-	-	85,796	36,173
Total	**143,600**	**79,524**	**114,539**	**11,994**	**42,457**	**9,241**	**151,042**	**47,290**	**304,319**	**107,554**	**5,542**	**3,244**	**569**	**528**	**528**	**198,900**	**72,622**
Circulante	143,600	79,524	114,539	11,994	28,588	9,241	151,042	47,290	-	62,365	5,542	3,244	569	-	-	198,900	72,622
Não circulante	-	-	-	-	13,869	-	-	-	304,319	45,189	-	-	-	528	528	-	-
Total	**143,600**	**79,524**	**114,539**	**11,994**	**42,457**	**9,241**	**151,042**	**47,290**	**304,319**	**107,554**	**5,542**	**3,244**	**569**	**528**	**528**	**198,900**	**72,622**

(i) The balances of related parties of R$ 302,022 refer to the acquisition of credit rights of loans held by Ciclus, payable to JSP and Ribeira, as part of the merger mentioned in note 1.2.4.

In thousands of Brazilian Reais, unless otherwise stated

The table below presents the balances of intercompany transactions that are not eliminated in consolidation:

								Consolidated
	Assets		**Liabilities**					
	Trade receivables (Note 9)		**Trade payables (note 16)**	**Other payables**	**Payables to related parties**		**Dividends payable**	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2021**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Related parties								
JSP Holding	-	-	-	-	528	528	151,380	36,449
Ciclus	-	6,827	-	-	-	-	-	-
Consórcio Sorocaba	-	-	-	-	453	453	-	-
Ribeira	97	-	-	257		-	-	-
Others	474	-	58	8	-	97	111,900	61,407
Total	**571**	**6,827**	**58**	**265**	**981**	**1,078**	**263,280**	**97,856**
Current	571	6,827	58	265	453	550	263,280	97,856
Noncurrent	-	-	-	-	528	528		-
Total	**571**	**6,827**	**58**	**265**	**981**	**1,078**	**263,280**	**97,856**

28.2 Related-party transactions with effects on profit or loss

Related-party transactions refer to:

(i) Leases of vehicles and other assets among the companies, at equivalent market values, the pricing of which varies in accordance with the characteristics of the vehicles, date of contracting and spreadsheet of the costs inherent to the assets, such as depreciation and financing interest;

(ii) Rendering services refer to any contracted services, mainly those related to cargo transport or intermediation of decommissioned assets and direct sales of car makers;

(iii) Sales of decommissioned assets, mainly related to vehicles that used to be leased by these related parties, and as a business strategy were transferred at their residual accounting values, which approximated the market value;

(iv) The Company shares certain administrative services with the subsidiaries of the Company. These expenses are apportioned and transferred from them, being presented in line item Administrative and selling expenses; and

(v) Occasionally, loan transactions and assignment of rights of trade receivables with companies of the Simpar Group are made. Finance costs or finance income arising from these transactions are calculated at rates defined after comparison with the rates practiced by financial institutions.

The table below presents the results by nature corresponding to those transactions carried out in the years ended December 31, 2021 and 2020 between the Company, its subsidiaries and other related parties.

In thousands of Brazilian Reais, unless otherwise stated

Consolidated

Profit or loss	Rent and rendering services		Contracted rents and services		Sale of assets		Purchase of assets		Administrative and selling expenses, and recovery of expenses		Other operating income (expenses)		Finance income		Finance costs	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Transactions eliminated in profit or loss																
Avante Veículos	853	3,465	(1,498)	(969)	34	4,034	(483)	(4,013)	139	150	(2)	-	-	-	-	-
ATU12 Arrend port SPE SA	-	-	-	-	-	-	-	-	(92)	-	-	-	-	-	2	-
ATU18 Arrend port SPE SA	-	-	-	-	-	-	-	-	100	-	-	-	-	-	2	-
BBC Holding	-	-	-	-	-	-	-	-	-	-	-	-	-	4,663	(3,066)	1,065
BBC Leasing	4,367	1,688	(154)	(956)	17,701	6,849	(17,701)	(6,849)	(348)	612	50	383	9,381	1,023	-	(4,663)
BBC Pagamentos	8	-	-	-	-	-	-	-	360	255	-	-	137	-	-	-
BMB Mode Center	257	-	(26)	-	-	-	-	-	(56)	-	-	-	-	-	-	-
Centro de Memória	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-
CS Brasil Frotas	25,344	21,932	(4,037)	(674)	18,383	4,260	(18,383)	(4,332)	(102)	9,591	34	185	-	-	-	-
CS Brasil Participações	-	-	(26,204)	(19,366)	609	-	(609)	-	-	97	-	420	13,481	20,013	(229)	(1,276)
CS Brasil Transportes	6,033	7,979	(3,129)	(7,843)	5,640	9,954	(5,569)	(10,142)	(164)	5,087	549	792	8,317	(29)	(4,374)	(3,667)
CS Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,854)	-
CS Holding	-	-	-	-	-	-	-	-	-	-	-	-	20,398	-	672	-
Fadel Transporte	1,211	-	-	-	-	-	-	-	-	-	(3,181)	-	4,630	-	-	-
Fadel Soluções	1,149	-	-	-	-	-	-	-	-	-	3,365	-	-	-	-	-
Instituto Julio Simões	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-
JSL	18,435	3,607	(21,616)	(5,348)	7,369	28,843	(7,439)	(28,561)	(1,081)	(1,345)	1,502	6,027	(5,681)	6	(1,385)	(20,436)
Locadel	-	-	(1,263)	-	-	-	-	-	-	-	29	-	-	-	-	-
Marvel	-	-	-	-	-	-	-	-	172	-	-	-	-	-	-	-
Madre Corretora	200	118	-	(24)	-	-	-	-	-	83	-	3	-	-	(8)	(33)
Medlogística	30	188	-	-	-	-	-	-	(76)	871	1	-	-	-	-	-
Mogi Mob	-	1,839	(495)	(4)	-	632	-	(557)	(26)	1,672	110	(63)	28	-	(131)	-
Mogipasses	6	4	(1,053)	(1,208)	-	-	-	-	2	167	-	-	-	-	-	-
Movida Europe	-	-	-	-	-	-	-	-	722	-	-	-	-	-	379	-
Movida Locação	16,298	11,578	(252,078)	(282,368)	390	2,955	(339)	(2,952)	(3,992)	18,294	1,198	1,645	-	-	(56)	(19,001)
Movida Participações	225,852	271,175	(20,389)	(3,379)	210	48	(210)	30	(1,964)	(2,563)	2,404	(334)	-	-	10,399	-
"Movida Premium"	22,511	29,745	(60)	(83)	-	-	-	-	(50)	135	110	33	-	-	-	-
Original Holding	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-
Original Distribuidora	-	2,629	-	(6,980)	-	-	-	-	-	20	-	-	13	70	-	-
Original Veículos	4,922	4,958	(10,338)	(5,053)	90,325	40,367	(89,876)	(40,517)	(1,289)	1,274	(8)	3	66	1,325	(1,080)	(37)
Original Locadora	-	-	(5,790)	-	-	-	-	-	-	-	-	-	-	-	(15)	-
Ponto Veículos	9,520	2,414	(11,139)	(12,022)	22,777	8,977	(22,777)	(8,950)	258	358	3,994	-	-	-	(110)	-
Pronto Express Logística	77	-	-	-	-	-	-	-	241	-	-	-	(835)	-	2,029	-
Quick Armazéns	-	-	-	-	-	-	-	-	-	17	-	-	-	-	(337)	(209)
Quick Logística	789	998	(533)	(37)	95	-	(95)	-	55	670	-	5	337	822	-	-
Rodomeu	2,461	-	-	-	-	-	-	-	309	-	-	-	-	-	-	-
Simpar	47	-	-	-	-	-	-	-	743	(43,370)	-	-	10,770	-	(7,523)	(940)
Simpar Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(36,446)	(68,407)
Simpar Finance	-	-	-	-	-	-	-	-	-	-	-	-	36,446	68,407	-	-
Simpar Empreendimentos	-	3	-	-	-	-	-	-	-	2	-	-	1,699	183	-	-
Sinal Serviços	8,211	-	-	-	-	-	-	-	97	-	-	-	23	1	-	-
TPC Logística Nordeste	-	-	-	-	-	-	-	-	-	-	-	-	(671)	-	-	-
TPC Logística Sudeste	14	-	-	-	-	-	-	-	-	-	-	-	1,905	-	-	-
TPG Transportes	693	-	-	-	-	-	-	-	-	225	-	16	-	-	-	-
Transmoreno	6	6	(16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transrio	82	375	(9,084)	(3,776)	2,007	9,227	(2,007)	(9,227)	(223)	1,231	28	2	-	-	-	-
Vamos	12,220	6,509	(9,897)	(4,454)	12,571	10,882	(12,632)	(10,961)	(3,150)	(2,042)	64	910	(4,720)	-	(10,490)	(276)
Vamos Agrícola	324	-	(215)	(298)	-	-	-	-	-	47	5	(432)	-	-	-	-
Vamos Máquinas	3,268	1,706	(1,396)	(1,674)	35	144	(35)	(144)	(1)	925	57	(452)	-	-	-	-
Vamos Seminovos	-	312	(145)	(241)	2,159	-	(2,159)	-	4	90	-	-	-	-	-	-
Vamos Linha Amarela	4	8	(39)	-	1,242	-	(1,242)	-	94	-	1	1	4,720	-	-	-
Vox Frotas	38	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-
Yolanda	-	-	(120)	(73)	-	-	-	-	-	101	2,721	2,893	-	296	958	-
	365,230	**373,236**	**(380,714)**	**(356,830)**	**181,547**	**127,172**	**(181,556)**	**(127,175)**	**(9,319)**	**(7,340)**	**13,031**	**12,037**	**100,444**	**96,780**	**(88,663)**	**(117,880)**
Related party transactions																
Ciclus	59,028	76,019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(14,143)	(9,499)	-	-	-	-	-	-	-	-	-	-	-	-
Others (i)	-	-	(3,479)	(6,327)	-	-	-	-	-	38	-	-	-	-	-	-
	59,028	**76,019**	**(17,622)**	**(15,826)**	**-**	**-**	**-**	**-**	**-**	**38**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**424,258**	**449,255**	**(398,336)**	**(372,656)**	**181,547**	**127,172**	**(181,556)**	**(127,175)**	**(9,319)**	**(7,302)**	**13,031**	**12,037**	**100,444**	**96,780**	**(88,663)**	**(117,880)**

(i) Refers to tax consulting services rendered by a tax law firm where members of the Board of Directors and the Supervisory Board are partners.

In thousands of Brazilian Reais, unless otherwise stated

28.3 Transactions or relationships with subsidiaries related to guarantor operations

The Company and its subsidiary JSL together are guarantors in some operations raised by other companies of the parent company, in the amount of R$ 230,000.

28.4 Transactions or relationships with shareholders related to property leasing

The Simpar Group has operating and administrative lease contracts for properties with the associate Ribeira Imóveis Ltda., company under common control. The lease amount recognized in profit or loss for the year ended December 31, 2021 was R$ 14,143 (R$ 9,499 at December 31, 2020). The agreements have conditions in line with market values and have maturities until 2027.

28.5 Transactions or relationships with shareholders related to monetized credits

As determined in the protocol of merger of shares approved by the Company's and JSL's Meetings held on August 5, 2020, the credit monetized after that date, but that is still accrued by accumulated tax losses by Simpar before the merger, should be reimbursed to JSP S.A., a parent of the Company. On the date established for the measurement of the monetized amount, according to the protocol of merger of shares, the offset of the related income tax payment credits was analyzed and, as a result, the amount of R$ 20,300 was reimbursed to JSP.

28.6 Management compensation

The Company's management includes the Board of Directors and the Board of Executive Officers. Expenses on compensation of the Company's directors and officers, including all benefits, were recognized in line item "Administrative expenses", and are summarized below:

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Fixed compensation	(12,159)	(4,573)	(36,672)	(35,219)
Variable compensation	(9,658)	(2,539)	(36,024)	(23,235)
Payroll charges and benefits	(184)	(73)	(586)	(669)
Share-based payments	(1,569)	(465)	(4,475)	(7,342)
Total	**(23,570)**	**(7,650)**	**(77,757)**	**(66,465)**

The managers are included in the Company's share-based payment plan. In the year ended December 31, 2021 stock options were exercised by managers, as described in note 29.2 (a).

Management does not have post-employment benefits.

The compensation paid to key management personnel is within the limit approved by the Shareholders' Meeting held in 2021.

28.7 Credit Rights Investment Fund ("FIDC")

In December 2020, the Company established FIDC, pursuant to Law 6365/76, as a close-end fund of special nature, in accordance with Art. 1368 - C of the Brazilian Civil Code, with indefinite term, governed by CMN Resolution 2,907 and CVM instruction 356, in order to provide its subsidiaries with financial resources for the acquisition of vehicles. The regulation of this fund is available on the Company's website and the CVM platform.

This fund is supported by the Company and third-party investors, and the resources may be allocated in credit rights arising exclusively from contracts of purchase and sale of vehicle or lease contracts.

In thousands of Brazilian Reais, unless otherwise stated

At December 31, 2021, the Company has invested R$ 60,441 in subordinated shares, which represents approximate 20% of the fund's portfolio and is consolidated for the purposes of the financial statements.

29. Equity

29.1 Share capital

On August 10, 2021, the Company carried out a 1-for-4 stock split of the Company's shares, with no change to the share capital. The effect of the split was presented retroactively, taking into account the new number of shares after the split, in accordance with CPC 41/ IAS 33.

The Company's fully subscribed and paid-in capital at December 31, 2021 is R$ 1,164,330 (R$ 713,975 at December 31, 2020), divided into 837,122,143 common shares with no par value (824,662,768 at December 31, 2020). The Company increased its capital by 8,231 between February 5 and September 1, 2021, through the issue of 4,271,820 shares (after the stock split), by exercising the rights of beneficiaries of the stock option plan. At December 31, 2021, the Company's capital was increased by R$ 445,005 with the issuance of 23,010,721 shares, net of issuance costs of R$ 7,128 already deducting income tax and social contribution, through the merger of CS Infra as described in note 1.2.4.

On February 4 and August 23, 2021, the Company canceled 13,726,822 shares, which were held in treasury.

At December 31, 2021, share capital is held as follows:

	12/31/2021	
Number of shares	**Common shares**	**(%)**
Owners of the Company	534,048,801	63,8%
JSP Holding	480,815,925	57,4%
Fernando Antonio Simões	53,232,876	6,4%
Other members of the Simões family	61,156,948	7,3%
Board of Directors	2,894,684	0,3%
Officers	1,433,332	0,2%
Treasury shares	12,365,126	1,5%
Shares traded on the stock exchange	225,223,252	26,9%
Total	**837,122,143**	**100,0%**

The Company is authorized to increase its capital up to R$ 160,000,000, excluding the shares already issued, without any amendment to its bylaws and according to the decision of the Board of Directors, which is responsible for the establishment of issuance conditions, including price, term and payment conditions, and after the approval by the Supervisory Board.

29.2 Capital reserves

a) Share-based payment transactions

The Company granted share-based payment plans to Group's officers, considering the allocation of the respective amounts beginning on the date these officers became engaged in the Group's operations, pursuant to ICPC 4 / IFRIC 8 - Scope of Technical Pronouncement, CPC 10 / IFRS 2 Share-Based Payment - Group and Treasury Share Transactions, and ICPC 5 / IFRIC 11 - Share-Based Payment.

These share-based payment plans are managed by the Company's Board of Directors and are comprised as follows:

i. <u>Stock Option Plans:</u>

In thousands of Brazilian Reais, unless otherwise stated

The established criteria are: (i) granting stock options to Management, employees in executive positions and individuals providing services to the Company for each category of eligible professionals, defined freely based on the Election of the Stock Option Plan Beneficiaries; (ii) the number of shares to be acquired by each in the exercise of the options; and (iii) the condition for exercise is based on the maintenance of employment of the eligible professionals at the Company during the vesting period.

These plans are calculated based on the average quote of Simpar S.A. shares at B3, weighted by the trading volume over the past 30 trading sessions preceding the year of the date of grant, which shall be adjusted according to the variation of 100% of the CDI, from the grant date to the date on which the beneficiary pays the exercise price to the Company.

The value of each option was estimated on the grant date, based on the Black & Scholes option pricing model, which considers the terms and conditions of the grant.

The options granted under the current plans may be exercised as long as the vesting and exercise periods defined in the grant agreements are complied with, and their features are indicated in the table below:

Plan	Year of grant	Number of options	Tranche	Exercise price	Option's fair value	Volatility	Risk-free interest rate	Option lifetime	Vesting period	Exercise period
VII	2017	249,493	1	9.03	2.02	42.31%	11.02%	5.2 years	04/01/2017 to 04/01/2020	04/2020 to 06/2022
VII	2017	249,493	2	9.03	2.55	42.31%	11.15%	5.2 years	04/01/2017 to 04/01/2021	04/2020 to 06/2022
VII	2017	498,989	3	9.03	3.03	42.31%	11.30%	5.2 years	04/01/2017 to 04/01/2022	04/2020 to 06/2022

The plans do not have expected dividends.

Movement during the years

	Number of stock options				
	Granted	**Canceled**	**Transferred**	**Stock options outstanding**	**Average exercise price (R$)**
Position at December 31, 2019	**19,775,224**	**(59,932)**	**(4,849,176)**	**14,866,116**	**1,80**
Transfers to beneficiaries	-	-	(4,297,908)	(4,297,908)	2,70
Position at 12/31/2020	**19,775,224**	**(59,932)**	**(9,147,084)**	**10,568,208**	**2,25**
Transfers to beneficiaries	-	-	(4,271,820)	(4,271,820)	1,93
Options canceled	-	1,910,888	-	1,910,888	-
Position at December 31, 2021	**19,775,224**	**1,850,956**	**(13,418,904)**	**8,207,276**	**3,04**

ii. Restricted share plan:

The restricted share plan consists of the delivery of shares of the Company (restricted shares) to employees of the Simpar Group consisting of up to 35% of the variable compensation amount of the beneficiaries as bonus, in annual installments for 4 years. In addition, employees may, at their sole discretion, opt to receive an additional portion of the variable compensation amount as a bonus in the Company's shares, and in case the employee opts to receive shares, the Company will deliver to the employee 1 share of matching for each 1 share received by the employee, within the limits established in the program. The granting of the right to receive restricted shares and matching shares is made through the execution of Grant Agreements between the Company and the employee. Thus, the Plan seeks to (a) stimulate the expansion, success and achievement of the social objectives of the Company and its subsidiaries; (b) to align the interests of the shareholders of the Company and its subsidiaries with those of its employees; and (c) enable the Company and its subsidiaries to attract and retain the Beneficiaries. The shares to be delivered from the Company may be acquired by the subsidiaries at market value.

For the calculation of the number of restricted shares to be delivered to the employee, the net amount earned by the employee will be divided by the average share price of the Company on B3, weighted by the trading volume over the past 30 trading sessions preceding each vesting date related to the restricted shares.

In thousands of Brazilian Reais, unless otherwise stated

Restricted and matching shares granted will be redeemed only after the minimum terms stipulated by the plan and according to the characteristics indicated in the following tables:

Plan	Year of grant	Number of shares	Tranche	Exercise price	Fair value of the share on the grant date	Volatility	Risk-free interest rate	Expected dividends	Restricted stock plan life	Acquisition period	Transfer date
VIII	2018	83,619	4	8.12	7.66	36.70%	5.82%	2.22%	4 years	04/23/2021 to 04/23/2022	04/23/2022
IX	2019	189,534	3	6.52	6.17	41.16%	5.82%	2.22%	4 years	05/02/2021 to 05/01/2022	05/01/2022
IX	2019	189,534	4	6.52	6.17	41.16%	5.82%	2.22%	4 years	05/02/2022 to 05/01/2023	05/01/2023
X	2020	61,926	2	23.54	23.36	86.85%	6.10%	18.58%	4 years	05/04/2021 to 05/03/2022	05/03/2022
X	2020	61,926	3	23.54	23.36	86.85%	6.10%	18.58%	4 years	05/04/2022 to 05/03/2023	05/03/2023
X	2020	61,905	4	23.54	23.36	86.85%	6.10%	18.58%	4 years	05/04/2023 to 05/03/2024	05/03/2024
XI	2020	14,985	2	23.54	23.39	86.85%	5.25%	18.58%	3 years	04/28/2021 to 04/27/2022	04/27/2022

Movement during the years

The following table presents the number, weighted average fair value and the movement of restricted share rights granted during the years ended December 31, 2021 and 2020:

	Number of shares				
	Granted	**Canceled**	**Transferred**	**Stock options outstanding**	**Average exercise price (R$)**
Position at December 31, 2019	**4,370,448**	**-**	**-**	**4,370,448**	**1,83**
Options granted	2,029,512	-	-	2,029,512	1,73
Transfers to beneficiaries	-	-	(3,296,456)	(3,296,456)	1,70
Options canceled	-	(483,836)	-	(483,836)	1,69
Position at December 31, 2020	**6,399,960**	**(483,836)**	**(3,296,456)**	**2,619,668**	**1,74**
Transfers to beneficiaries	413,412	-	-	413,412	18,56
Options canceled	-	(544,771)	-	(544,771)	31,62
Position at December 31, 2021	**6,813,372**	**(1,028,607)**	**(3,296,456)**	**2,488,309**	**19,04**

In the year ended December 31, 2021 the amount of R$ 631 was recorded under the line item "Administrative expenses" as remuneration for share-based payment plans, and the accumulated balance in the capital reserve account referring to these plans in equity is R$ 21,319 at December 31, 2021. Additionally, through its subsidiaries Movida and Vamos, the amount of R$ 10,216 was recognized under "Other equity adjustments related to subsidiaries", referring to "share-based payment transactions", in equity attributable to the owners of the Company and R$ 5,907 in non-controlling interests, totaling R$ 16,754 in the Consolidated.

b) Special reserve

During the months from January to August, the Company received capital contributions through the subscription of shares and the merger of shares of JSL, resulting in the appreciation of the average equity price in a total of R$ 146,074 net of taxes, recognized in the special reserve account. At December 31, 2020, with the offering of shares of subsidiary JSL, there was an equity gain of R$ 408,352 recorded in the special reserve. At December 31, 2020, the balance recorded in the special reserve was R$ 554,426.

In February and August 2021, the Company carried out the primary, secondary and follow-on offering of subsidiary Vamos, and recognized an appreciation of the average equity price in a total of R$ 1,548,688 net of taxes, recognized in the special reserve.

In December 2021, through the merger of CS Infra shares, Simpar recorded R$ 364,503 in the special reserve as described in note 1.2.4.

At December 31, 2021, the balance recorded in the special reserve is R$ 1,612,024.

In thousands of Brazilian Reais, unless otherwise stated

29.3 Treasury shares

During the year ended December 31, 2021, the Company repurchased its own shares for R$ 287,618, at a weighted average price of R$ 11.68 equivalent to 25,375,310 (after the stock split) common shares, which are held in treasury.

In February and August 2021, the Company canceled 13,726,822 common shares (after the stock split) corresponding to R$ 146,488, which were held in treasury.

At December 31, 2021, subsidiary Movida repurchased shares in the amount of R$ 4,259. As a result, the balance of treasury shares at December 31, 2021 is R$ 12,509, with the Company holding interest of 63.13% allocated to "other equity adjustments related to subsidiaries".

At December 31, 2021, subsidiary JSL has a balance of treasury shares of R$ 40,701, with the Company holding interest of 74.04% allocated to “Other equity adjustments related to subsidiaries”.

29.4 Earnings reserves

a) Distribution of dividends

Pursuant to the Company’s Bylaws, shareholders are entitled to annual mandatory dividend equal to or higher than 25% of the Company’s annual profit, as adjusted by the following additions or deductions:

i. 5% allocated to the legal reserve; and

ii. Amount for the contingency reserve and reversal of the same reserves recognized in prior years. A portion of the profit may also be retained based on a capital budget for contribution of a statutory earnings reserve named “investment reserve”.

The amount to be distributed is approved at the Annual General Meeting (“AGM”) that also approves the individual and consolidated financial statements related to the prior year, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are distributed in accordance with the resolution of this AGM, held in the first four months of each year. The Company’s Bylaws also allow for the distribution of interim dividends, which can be included in the mandatory dividend.

Interest on capital is calculated on equity accounts, except for the unrealized revaluation reserves, even if capitalized, by applying the variation of the long-term interest rate (TLP) for the year. The payment is contingent on the existence of profits in the year before the deduction of interest on capital, or of retained earnings and earnings reserve.

For purposes of the individual and consolidated financial statements, interest on capital is stated as allocation of profit directly in equity.

For the years ended December 31, 2021 and 2020, the calculations and movements of dividends and interest on capital are as follows:

	Parent company	
	12/31/2021	**12/31/2020**
Profit for the year	822,255	276,021
Profit for the year, basis for proposing the legal reserve	**822,255**	**276,021**
(-) Legal reserve (5%)	(41,113)	(13,801)
Profit for the year, basis for proposing dividends	**781,142**	**262,220**
Minimum dividends (25%)	**195,286**	**65,555**

The portion of mandatory minimum dividends, of R$ 84,273, net of withholding income tax, was recorded as interest on capital on December 29, 2021, with full payment on January 31, 2022.

In thousands of Brazilian Reais, unless otherwise stated

Movement in dividends and interest on capital payable balances for the years ended December 31, 2021 and 2020 are as follows:

	Parent company			Consolidated		
	Interest on capital	**Dividends**	**Total**	**Interest on capital**	**Dividends**	**Total**
At December 31, 2019	**-**	**15,165**	**15,165**	**43,913**	**20,107**	**64,020**
Minimum mandatory dividends	-	45,155	**45,155**	-	69,932	**69,932**
Interest on capital	24,000	-	**24,000**	28,006	**-**	**28,006**
Withholding Income Tax (IRRF)	(3,600)	-	**(3,600)**	(7,148)	-	**(7,148)**
Dividends contributed to capital	-	(7,805)	**(7,805)**	-	(7,805)	**(7,805)**
Dividends paid	-	(293)	**(293)**	-	(13,121)	**(13,121)**
Interest on capital paid	-	-	**-**	(36,028)	-	**(36,028)**
At December 31, 2020	**20,400**	**52,222**	**72,622**	**28,743**	**69,113**	**97,856**
Minimum mandatory dividends	-	122,377	**122,377**	-	206,854	**206,854**
Dividends due to business combinations	-	-	**-**	-	2,144	**2,144**
Interest on capital	84,274	-	**84,274**	159,039	**-**	**159,039**
Withholding Income Tax (IRRF)	(11,365)	-	**(11,365)**	(23,889)	-	**(23,889)**
Dividends paid	-	(48,608)	**(48,608)**	-	(115,750)	**(115,750)**
Interest on capital paid	(20,400)	-	**(20,400)**	(62,974)	-	**(62,974)**
At December 31, 2021	**72,909**	**125,991**	**198,900**	**100,919**	**162,361**	**263,280**

b) Legal reserve

The legal reserve is recognized annually as an to allocation of 5% of the Company's profit for the year, limited to 20% of the share capital. Its purpose is to ensure the integrity of the share capital. It can be used only to offset losses and for capital increase. When the Company reports loss for the year, no legal reserve is recognized. In the year ended December 31, 2021, the legal reserve balance is R$ 80,373 (R$ 39,272 at December 31, 2020).

c) Investment reserve

The investment reserve is intended to finance the expansion of the activities of the Company and/or its subsidiaries and associates, including through subscriptions of capital increases or creation of new enterprises, to which up to 100% of the profit for the year remaining after the legal and statutory deductions may be allocated and whose balance cannot exceed the amount equivalent to 80% of the Company's subscribed capital. In the year ended December 31, 2021, the investment reserve balance is R$ 223,064 (R$ 223,064 at December 31, 2020).

The balance in the retained earnings reserve refers to retained earnings based on the capital budget, established under the terms of article 196 of the Brazilian Corporate Law, and approved at the Annual General Meeting held on April 29, 2021.

During the year ended December 31, 2021, the Company transferred R$ 575,656 for retention of earnings until the definition of the allocation of profits to be resolved at the Annual General Meeting.

29.5 Non-controlling interests

The Company treats transactions with non-controlling interests as transactions with owners of the Simpar Group's assets. For non-controlling interests, the difference between any consideration paid and the acquired portion of the book value of the subsidiary's net assets is recorded in equity.

At December 31, 2021, the Company has R$ 2,308,182 (R$ 1,331,252 at December 31, 2020) related to non-controlling interests.

29.6 Equity adjustments

In the year ended December 31, 2021, the Company recorded equity adjustments in the amount of R$47,393, related to the change in interests arising from the repurchases and transfers of treasury shares of Movida and the merger of Fadel's shares into subsidiary JSL and variation in CS Infra's equity between the date of the appraisal report and the merger date, as described in Note 1.2.4.

At December 31, 2021, the amount of R$ 517,437 (R$ 470,044 at December 31, 2020) is recorded under equity adjustments.

30. Insurance coverage

The Company and its subsidiaries have insurance coverage in amounts deemed sufficient by Management to cover potential risks on their assets and/or liabilities. The insurance coverage can be summarized as follows:

i. Cargo transport - vehicles

Vehicle transportation operations are insured directly by the customers. For all other cases, the contracted insurance coverage varies according to the value of the vehicles.

ii. Cargo transport - products

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported. Effective between July 2019 and July 2022, this has an indemnity limit per trip of US$ 900 thousand (equivalent to R$ 5,022), damage coverage and maximum guarantee per trip of US$ 180 thousand (equivalent to R$ 1,004).

iii. Fleet

The Company and its subsidiaries take out insurance for their fleet as required by contract and for coverage of third-party damage, however for the most part self-insure their fleet in view of the high cost against the premium benefit.

In thousands of Brazilian Reais, unless otherwise stated

<u>Third-party property liability</u>

The insurance on third-party property is presented as follows:

		Consolidated
Insured services	**Effective period**	**Coverage**
Fire, lightning and explosion, building and content	12/31/2021 to 12/31/2022	R$59,300
Electrical damage	12/31/2021 to 12/31/2022	R$1,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/31/2021 to 12/31/2022	R$ 3,000
Broken glass	12/31/2021 to 12/31/2022	R$10
Landslides	12/31/2021 to 12/31/2022	R$60
Deterioration of products in refrigerated environments	12/31/2021 to 12/31/2022	R$1,500
Aggravated theft	12/31/2021 to 12/31/2022	R$1,000
Stationery equipment	12/31/2021 to 12/31/2022	R$500
Mobile equipment	12/31/2021 to 12/31/2022	R$570
Civil liability – operations	12/31/2021 to 12/31/2022	R$1,520
Loss of profit	12/31/2021 to 12/31/2022	R$600
Flooding	12/31/2021 to 12/31/2022	R$3,000
Internal movement of products	12/31/2021 to 12/31/2022	R$350
Civil liability - employer	12/31/2021 to 12/31/2022	R$1,000
Pain and suffering arising from civil liability operations	12/31/2021 to 12/31/2022	R$ 500
Electronic equipment - Damage from external causes	12/31/2021 to 12/31/2022	R$100
Extraordinary expenses	12/31/2021 to 12/31/2022	R$300
Portable equipment	12/31/2021 to 12/31/2022	R$100
Riots, strikes, lock-outs and willful acts	12/31/2021 to 12/31/2022	R$500
Tank or pipe disruption/leakage	12/31/2021 to 12/31/2022	R$300
Loading, unloading, lifting and lowering of insured goods	12/31/2021 to 12/31/2022	R$100
Machinery breakage	12/31/2021 to 12/31/2022	R$150
Rental expenses and/or losses	12/31/2021 to 12/31/2022	R$1,500
Expert's fees - Property damage	12/31/2021 to 12/31/2022	R$200
Spillage of water or other net substance from sprinkler systems	12/31/2021 to 12/31/2022	R$200
Expenses with recomposition of records and documents	12/31/2021 to 12/31/2022	R$100
Total coverage		**R$77,460**

iv. <u>Insurance for guarantees of public obligations</u>

The Simpar Group has insurance for guarantees of obligations arising from vehicle lease agreements for public bodies through CS Brasil at December 31, 2021, as shown below:

In thousands of Brazilian Reais, unless otherwise stated

Beneficiary	Guarantee	Location (State)	Insured amount	Effective period
Agencies linked to the Government of the State of Bahia	Vehicle lease / management and maintenance	Bahia	1,173	08/07/2020 to 05/06/2023
Agencies linked to the Government of the State of Ceará	Vehicle lease / management and maintenance	Ceará	1,351	09/14/2020 to 09/15/2023
Agencies linked to the Government of the District Capital	Vehicle lease / management and maintenance	District Capital	1,011	04/17/2021 to 12/21/2023
Agencies linked to the Government of the State of Espírito Santo	Vehicle lease / management and maintenance	Espírito Santo	19	03/25/2021 to 06/24/2022
Agencies linked to the Government of the State of Goiás	Vehicle lease / management and maintenance	Goiás	816	03/13/2020 to 04/11/2025
Agencies linked to the Government of the State of Minas Gerais	Vehicle lease / management and maintenance	Minas Gerais	4,430	10/14/2020 to 04/18/2026
Agencies linked to the Government of the State of Mato Grosso do Sul	Vehicle lease / management and maintenance	Mato Grosso do Sul	54	05/20/2021 to 08/20/2022
Agencies linked to the Government of the State of Mato Grosso	Vehicle lease / management and maintenance	Mato Grosso	780	05/06/2021 to 10/06/2022
Agencies linked to the Government of the State of Paraíba	Vehicle lease / management and maintenance	Paraíba	189	02/09/2021 to 08/26/2022
Agencies linked to the Government of the State of Pernambuco	Vehicle lease / management and maintenance	Pernambuco	1,939	01/06/2020 to 01/31/2024
Agencies linked to the Government of the State of Paraná	Vehicle lease / management and maintenance	Paraná	10,716	09/16/2019 to 07/09/2024
Agencies linked to the Government of the State of Rio de Janeiro	Vehicle lease / management and maintenance	Rio de Janeiro	11,910	07/26/2018 to 10/07/2024
Agencies linked to the Government of the State of Rio Grande do Norte	Vehicle lease / management and maintenance	Rio Grande do Norte	36	06/10/2021 to 07/10/2022
Agencies linked to the Government of the State of Rondônia	Vehicle lease / management and maintenance	Rondônia	59	06/19/2021 to 09/18/2022
Agencies linked to the Government of the State of Rio Grande do Sul	Vehicle lease / management and maintenance	Rio Grande do Sul	1,836	10/07/2020 to 10/22/2023
Agencies linked to the Government of the State of São Paulo	Vehicle lease / management and maintenance	São Paulo	8,042	04/17/2019 to 04/18/2025
Agencies linked to the Government of the State of Tocantins	Vehicle lease / management and maintenance	Tocantins	832	06/18/2021 to 08/12/2022
Agencies linked to different states	Vehicle lease / management and maintenance	-	939	08/18/2020 to 11/18/2023

31. Net revenue from sale, lease, rendering services and sale of decommissioned assets

a) Revenue flows

The Simpar Group generates revenue mainly from the rendering of services, sale of new and used vehicles, parts, trade of biogas, rental and sale of decommissioned assets.

	Consolidated	
	12/31/2021	12/31/2020
Revenue from rendering services	4,133,213	2,587,623
Revenue from lease of vehicles, machinery and equipment	4,353,751	3,029,457
Revenue from sale of new vehicles	1,616,891	752,435
Revenue from sale of used vehicles	319,810	235,038
Revenue from sale of parts and accessories	296,867	169,809
Other revenues	285,086	171,793
Net revenue from sale, lease and rendering services	**11,005,618**	**6,946,155**
Revenue from sales of decommissioned assets	2,860,601	2,860,902
Total net revenue	**13,866,219**	**9,807,057**

In thousands of Brazilian Reais, unless otherwise stated

The reconciliation between the gross revenues and the net revenue presented in the statement of profit or loss is shown below:

		Consolidated
	12/31/2021	**12/31/2020**
Gross revenue	**15,453,380**	**10,874,860**
Less:		
Taxes on sales	(1,421,906)	(930,940)
Returns and cancellations	(85,188)	(82,328)
Toll rates	(79,370)	(39,526)
Discounts granted	(697)	(15,009)
Total net revenue	**13,866,219**	**9,807,057**

b) Breakdown of revenue from contracts with customers by segment

The following table presents the analytical composition of the revenue from contracts with customers of the main business lines and the timing of revenue recognition. It also includes reconciliation of the analytical composition of revenue with Simpar Group's reportable segments.

In thousands of Brazilian Reais, unless otherwise stated

Consolidated

	JSL		Movida		Vamos		CS Brasil	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Revenue from dedicated services	1,475,114	1,212,407	-	-	-	-	-	-
Revenue from passengers transportation	245,189	196,347	-	-	-	-	91,404	79,899
Revenue from general cargo	2,321,506	1,099,870	-	-	-	-	-	-
Revenue from lease of vehicles, machinery and equipment	170,991	147,714	2,730,866	1,645,407	953,809	650,399	508,585	590,280
Revenue from sale of new vehicles	-	-	-	-	1,240,655	453,566	-	-
Revenue from sale of used vehicles	-	-	-	-	122,299	55,405	-	-
Revenue from sale of parts and accessories	-	-	-	-	245,528	127,152	-	-
Other revenues	224	-	-	-	125,423	53,099	31,058	-
Net revenue from sale, lease and rendering services	**4,213,024**	**2,656,338**	**2,730,866**	**1,645,407**	**2,687,714**	**1,339,621**	**631,047**	**670,179**
Revenue from sales of decommissioned assets	82,954	170,459	2,601,757	2,439,852	135,781	173,566	202,580	175,631
Total net revenue	**4,295,978**	**2,826,797**	**5,332,623**	**4,085,259**	**2,823,495**	**1,513,187**	**833,627**	**845,810**
Timing of revenue recognition								
Products and services transferred at a point in time	82,954	170,459	2,601,757	2,439,852	1,744,263	809,689	293,984	255,530
Products and services transferred over time	4,213,024	2,656,338	2,730,866	1,645,407	1,079,232	703,498	539,643	590,280
Total net revenue	**4,295,978**	**2,826,797**	**5,332,623**	**4,085,259**	**2,823,495**	**1,513,187**	**833,627**	**845,810**

	Original Concessionárias		BBC		Eliminations		Total	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Revenue from dedicated services	-	-	-	-	-	(900)	1,475,114	1,211,507
Revenue from passengers transportation	-	-	-	-	-	-	336,593	276,246
Revenue from general cargo	-	-	-	-	-	-	2,321,506	1,099,870
Revenue from lease of vehicles, machinery and equipment	-	-	-	-	(10,500)	(4,343)	4,353,751	3,029,457
Revenue from sale of new vehicles	383,579	300,987	-	-	(7,343)	(2,118)	1,616,891	752,435
Revenue from sale of used vehicles	198,641	180,871	-	-	(1,130)	(1,238)	319,810	235,038
Revenue from sale of parts and accessories	62,029	53,852	-	-	(10,690)	(11,195)	296,867	169,809
Other revenues	85,868	73,898	43,267	45,426	(754)	(630)	285,086	171,793
Net revenue from sale, lease and rendering services	**730,117**	**609,608**	**43,267**	**45,426**	**(30,417)**	**(20,424)**	**11,005,618**	**6,946,155**
Revenue from sales of decommissioned assets	1,641	8,169	-	-	(164,112)	(106,775)	2,860,601	2,860,902
Total net revenue	**731,758**	**617,777**	**43,267**	**45,426**	**(194,529)**	**(127,199)**	**13,866,219**	**9,807,057**
Timing of revenue recognition								
Products and services transferred at a point in time	645,890	543,879	-	-	(183,275)	(121,326)	5,185,573	4,098,083
Products and services transferred over time	85,868	73,898	43,267	45,426	(11,254)	(5,873)	8,680,646	5,708,974
Total net revenue	**731,758**	**617,777**	**43,267**	**45,426**	**(194,529)**	**(127,199)**	**13,866,219**	**9,807,057**

In thousands of Brazilian Reais, unless otherwise stated

32. Expenses by nature

The Simpar Group's profit or loss are presented by function. Expenses by nature are as follows:

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cost of sales of new and used vehicles and parts	-	-	(1,899,550)	(1,019,754)
Fleet costs / expenses (i)	-	-	(405,447)	(279,687)
Cost of sales of decommissioned assets (ii)	-	-	(2,077,780)	(2,618,101)
Personnel and payroll charges	(66,876)	(4,309)	(2,278,160)	(1,477,812)
Related and third parties	-	-	(1,149,724)	(854,451)
Depreciation and amortization	(12,786)	(3,991)	(1,059,114)	(1,111,953)
Parts, tires and maintenance	-	-	(701,562)	(489,633)
Fuels and lubricants	-	-	(494,957)	(214,393)
Communication, advertising and publicity	(765)	(1,068)	(65,288)	(43,158)
Rendering services	(31,873)	(2,977)	(444,935)	(285,556)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	-	-	(56,164)	(78,667)
Provision for impairment	-	-	-	(145,249)
Provision for judicial and administrative litigation	(73)	-	(41,436)	(56,253)
Electric power	(469)	-	(39,861)	(29,820)
Cost of sales of damaged vehicles	-	-	(58,698)	(37,135)
Property lease	(2,685)	-	(2,215)	(21,769)
Lease of vehicles, machinery and equipment	-	-	(43,100)	(25,913)
PIS and COFINS credits on inputs (iv)	-	-	562,762	398,061
Extemporaneous tax credits (iv)	-	-	149,002	59,819
Reimbursement of shared expenses (iii)	77,963	-	-	-
Other costs	(11,867)	(1,224)	(627,907)	(445,136)
	(49,431)	**(13,569)**	**(10,734,134)**	**(8,776,560)**
Cost of sales, leases and rendering services	-	-	(7,304,534)	(5,168,883)
Cost of sales of decommissioned assets (ii)	-	-	(2,077,780)	(2,618,101)
Selling expenses	-	-	(472,614)	(328,770)
Administrative expenses	(55,801)	(15,633)	(925,841)	(567,922)
Provision for expected credit losses ("impairment") of trade receivables	-	-	(56,164)	(78,667)
Other operating expenses	(74)	-	(106,027)	(112,613)
Other operating income	6,444	2,064	208,826	98,396
	(49,431)	**(13,569)**	**(10,734,134)**	**(8,776,560)**

(i) Includes expenses with IPVA, maintenance, toll rates of fleets used in operations.

(ii) The cost of sales of decommissioned assets refers to vehicles that were used in the rendering of logistics services and leases.

(iii) In order to better apportion common expenses between the companies that use corporate services, the Company makes apportionments based on criteria defined in appropriate technical studies. The amount is fixed and no management fee or profitability margin is applied to the shared services.

(iv) In the year ended December 31, 2021, the Simpar Group recognized extemporaneous credits related to the exclusion of ICMS from the PIS and COFINS calculation basis in the amount of R$ 145,135, of which R$ 90,024 refers to principal and R$ 55,111 to monetary adjustment. Management, supported by its legal counsel, considers these credits adequate according to legislation and case law.

In thousands of Brazilian Reais, unless otherwise stated

33. Finance result

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Finance income				
Financial investments	49,982	9,395	660,349	345,166
Monetary variation income	473	158	13,557	12,880
Interest received	1,520	-	33,229	28,408
Gains on early settlement of swaps	-	-	-	281,440
Other finance income	2	4,860	29,227	11,532
Total finance income	**51,977**	**14,413**	**736,362**	**679,426**
Finance costs				
Interest on loans, borrowings and debentures	(227,488)	(84,126)	(2,001,424)	(1,005,078)
Interest and bank charges on leases payable to financial institutions	(3,673)	-	(17,783)	(15,836)
Interest on supplier financing – car makers	-	-	(1,030)	(24,253)
Exchange rate changes	(171,417)	63,129	(95,625)	(637,087)
Net gains (losses) on swap agreements	136,065	(34,529)	326,352	723,440
Total debt service costs	**(266,513)**	**(55,526)**	**(1,789,510)**	**(958,814)**
Interest on right-of-use leases		-	(69,956)	(52,448)
Interest payable	(1,372)	(76)	(46,006)	(21,276)
Other finance costs	(8,533)	(663)	(48,483)	(21,664)
Total finance costs	**(276,418)**	**(56,265)**	**(1,953,955)**	**(1,054,202)**
Finance income (costs), net	**(224,441)**	**(41,852)**	**(1,217,593)**	**(374,776)**

34. Earnings per share

34.1 Basic

The calculation of basic and diluted earnings per share was based on the profit attributable to the holders of common shares and on the weighted average number of common shares outstanding. The number of shares used to calculate the weighted average number of shares outstanding and the stock option adjustment (weighted) take into account the effect of the stock split mentioned in note 29.1.

The calculation of basic earnings per share is presented below:

	Consolidated	
	12/31/2021	12/31/2020
Numerator:		
Profit for the year from continued operations attributable to owners of the Company	822,255	304,560
Loss from discontinued operations attributable to owners of the Company	-	(28,539)
Denominator:		
Weighted average number of outstanding shares	803,956,618	344,911,948
(=) Basic earnings per share (in R$)	**1,0228**	**0.800**
Basic earnings per share from continuing operations - R$	**1,0228**	**0.883**
Basic loss per share from discontinued operations - R$	**-**	**(0.083)**

Weighted average number of common shares outstanding

	12/31/2021	12/31/2020
Common shares - January 1	823,271,516	125,347,524
Effect of shares issued in the year	2,737,521	219,915,852
Effect of treasury shares	(22,052,419)	(351,428)
Weighted average number of common shares outstanding	**803,956,618**	**344,911,948**

In thousands of Brazilian Reais, unless otherwise stated

34.2 Diluted

	Consolidated	
	12/31/2021	**12/31/2020**
Profit for the year from continued operations attributable to owners of the Company	822,255	304,560
Loss from discontinued operations attributable to owners of the Company	-	(28,539)
Weighted average number of outstanding shares	803,956,618	593,926,536
Adjustments for:		
Stock options (weighted)	11,364,712	(35,008)
Weighted average number of shares for diluted earnings per share	**815,321,330**	593,891,528
(=) Diluted earnings per share (in R$)	**1,0085**	**0.465**
Diluted earnings per share from continuing operations - R$	**1,0085**	**0.561**
Diluted loss per share from discontinued operations - R$	**-**	**(0.048)**

35. Operating leases

Simpar Group as lessor

The Simpar Group, through the segments Vamos, Movida and CS Brasil, has lease agreements of vehicles, machinery and equipment classified as operating leases, with maturities until 2030. These agreements usually have terms varying from one to ten years, with option for renewal after termination of such term. The lease receipts are remeasured by inflation indexes, to reflect the market values.

The following table presents any analysis of the lease payments, showing the undiscounted lease payments that will be received after the reporting date:

	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 6 years**	**Total**
Vamos	1,693,502	1,534,521	-	32,606	1,060,371	1,308,942	5,629,942
Movida	525,100	481,805	375,841	73,234	5,430	239	1,461,650
CS Brasil	331,398	219,684	73,832	3,025	-	-	627,939
Total	**2,550,000**	**2,236,010**	**449,673**	**108,865**	**1,065,801**	**1,309,181**	**7,719,531**

36. Supplemental information to the statement of cash flows

The statements of cash flows under the indirect method are prepared and presented in accordance with the accounting pronouncement CPC 03 (R2) / IAS 7 – Statement of Cash Flows.

The Simpar Group made acquisitions of vehicles for renewal and expansion of its fleet, and part of these vehicles do not affect cash because they are financed. The reconciliation between these acquisitions and the cash flows is as follows:

In thousands of Brazilian Reais, unless otherwise stated

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Total additions to property and equipment in the year	**122,519**	**233**	**12,162,402**	**5,875,196**
Additions without cash disbursement:				
Additions financed by leases payable to financial institutions, FINAME and supplier financing - car makers	(99,586)	-	(103,852)	(782,521)
Property and equipment received from spin-off		-		-
Addition of right-of-use leases (note 22)	-	-	(506,648)	(247,470)
Additions for the year settled with cash flows				
Movement in the balance of trade payables, reverse factoring and supplier financing – car makers	-	-	(1,257,693)	(220,732)
Total cash flows for purchase of property and equipment	**22,933**	**233**	**10,294,209**	**4,624,473**
Statements of cash flows:				
Operating property and equipment for leasing	-	-	10,084,996	4,460,520
Property and equipment for investment	22,933	233	209,213	163,953
Total	**22,933**	**233**	**10,294,209**	**4,624,473**

36.1 Supplemental information to the statement of cash flows – Acquisitions and mergers of companies

Below is the amount paid in cash, net of the cash of the acquirees:

			Consolidated
	Total amount of the price paid in cash	Acquiree's cash and cash equivalents	Acquisitions of companies, net of cash in the consolidated
TPC	66,010	11,749	**54,261**
Rodomeu	29,100	33,776	**(4,676)**
Marvel	100,000	26,781	**73,219**
Vox	16,096	2,247	**13,849**
Monarca	-	3,373	**(3,373)**
BMB	15,458	5,868	**9,590**
Total	**226,664**	**83,794**	**142,870**
Statements of cash flows:			
Acquisitions of companies, net of cash in the consolidated			**142,870**

As shown in note 1.2.4, through the merger of shares of CS infra, cash of R$ 318,443 was received from the exchange of shares of Simpar, therefore, there was no cash disbursement in the transaction.

37. Events after the reporting period

a) Simpar

Approval of additional dividend distribution

Minimum mandatory dividends of R$ 206,595, deducting the withholding income tax on the distribution of interest on capital approved on December 16, 2021, was recorded in the balance sheet and in the statement of changes in equity at December 31, 2021.

On February 21, 2022, management's proposal for the distribution of profit for the year ended December 31, 2021 was approved, which established the distribution of dividends totaling R$ 510,912. The total interest on capital of R$ 84,274 was subtracted from this amount, thus remaining R$ 426,638 to be distributed.

b) Movida

(i) Amendment to the Private Deed Instrument – debentures

The General Meeting of Debenture Holders held on January 5, 2022 approved the transfer by CS Brasil Participações of all and any rights and obligations it has assumed with respect to the Debentures, to CS Brasil Holding, as a result of legal succession, under the terms of the "Protocol and Justification for the Partial Spin-off of CS Brasil Participações e Locações S.A. and Merger of the Spun-off Portion into CS Brasil Holding e Locação S.A." concluded on June 24, 2021 between CS Brasil Participações and CS Brasil Holding ("Partial Spin-off Protocol"), so that (a) CS Brasil Holding will be listed as an issuer of Debentures; and (b) the Issuance will constitute the 2nd issuance of simple debentures, non-convertible, of the type with floating guarantee and additional personal guarantee, in a single series, for public distribution with restricted efforts, of CS Brasil Holding ("Permitted Corporate Restructuring"); (ii) the amendment to the Private Deed Instrument of the 2nd Issuance of Simple Debentures, Non-Convertible, of the Type with Floating Guarantee and Additional Personal Guarantee, in a Single Series, for Public Distribution with Restricted Efforts, by CS Brasil Participações e Locações S.A. ("Issuance Deed") to amend: (i) the title of the Issuance Deed, which will be called "Private Deed Instrument of the 2nd Issuance of Simple Debentures, Non-Convertible, of the Type with Floating Guarantee and Additional Personal Guarantee, in a Single Series, for Public Distribution with Restricted Efforts, by CS Brasil Holding e Locação S.A."; (ii) as well as other references and/or register data throughout the Issuance Deed, in order to reflect the entry of the Entering Issuer as a new Issuer; (iii) Clause 3.1 of the Deed, in order to reflect the corporate purpose of the Entering Issuer as the current Issuer of the Debentures.

(ii) Approval of additional dividend distribution

The Board of Directors meeting held on February 16, 2022 ratified the intent to submit for the approval of the Ordinary General Meeting to be held in April 2022, the distribution of additional dividends to the minimum mandatory dividends of R$ 217,732, totaling dividends of R$ 307,000 to be paid, in addition to the interim dividends distributed during 2021.

c) JSL

Approval of additional dividend distribution

At the Board of Directors meeting held on February 21, 2022, the distribution of profit for the year ended December 31, 2021 was approved, which includes the distribution of dividends totaling R$ 100,000. Of this amount, R$ 38,505 (net of withholding income tax) was allocated for distribution through interest on capital.

d) Original

Acquisitions of UAB Motors Participações Ltda (“UAB Motors”) and Sagamar Serviços, Administração e Participações Ltda. (“Sagamar”).

In November and December 2021, the Company entered into a purchase and sale agreement for the acquisition of 100% of UAB Motors and Sagamar, pursuant to the material fact. There are precedent conditions for the transaction to be completed, which have not been concluded until the issue of these financial statements.

*****

Follow-up of the projections and estimates disclosed by Simpar

The Company informed the market, through a material fact disclosed on May 19, 2021, of constant projections in its public presentation in an event to investors (SIMPAR Day). In the material fact disclosed on December 9, 2021, Simpar disclosed the Consolidated net Capex projections and of the subsidiaries Movida, Vamos, JSL and CS Brasil, as follows:

SIMPAR Consolidated

- Gross revenue of R$ 18,487 million to be reached or exceeded by 2025
- EBITDA of R$ 4,871 million to be reached or exceeded by 2025

In line with Art. 20 of CVM Instruction No. 480, the Company informs that it reached gross revenue of R$ 15,446 million and EBITDA of R$ 4,190 million in the last twelve months ended December 31, 2021, reaching 84% and 86%, respectively, of the guidance stipulated for 2025.

Moreover, the projections of Consolidated Capex to be invested between R$ 10 to R$ 12 billion in 2022, disclosed on December 9, 2021, remains unchanged.

In view of the future consolidation of the acquisitions already completed, the acceleration of investments in operational assets already completed, as well as the perception about the macroeconomic scenario and the dynamics of the markets in which it operates, the Company maintains its above-mentioned projections.

JSL

- New contracted revenue of R$1.6 million in 2021, of which R$336 million to be captured over the year 2021;
- Revenue 3x higher than current revenue, whose financial goal can be reached or exceeded by 2025.

In line with Article 20 of CVM Instruction 480, the Company informs that, regarding the new contracted revenue of R$ 1.6 billion informed on May 19, 2021, we earned R$ 428 million in 2021, reaching 127% of the guidance stipulated for the year, of R$ 336 million.

Furthermore, the Company informs that its consolidated Gross Revenue totaled R$ 5,148 million in the last twelve months, reaching 47% of the guidance stipulated for 2025. The Company emphasizes that it made acquisitions of companies that are not yet fully reflected in the figures for the last twelve months of the Financial Statements for the year.

In addition, the projection of Capex invested between R$ 400 million to R$ 700 million in 2022, disclosed on December 9, 2021, remains unchanged.

In view of the future consolidation of the acquisitions already completed, as well as the perception about the macroeconomic scenario and the dynamics of the markets in which it operates, the Company maintains its above-mentioned projections.

Movida

• Fleet 2-3x above the current fleet until 2025.

In relation to the projection of item 11.1, Movida maintains it unchanged. We point out that the fleet at the end of 2021 already has 186,974 cars. The profit for the year of R$ 276 million, together with the growth presented in 4Q21, reinforces the Company's execution and delivery capacity.

Moreover, the projection of Capex to be invested between R$ 5.1 billion to R$ 6.0 billion for 2022, disclosed on December 9, 2021, remains unchanged.

Vamos

Vamos maintains unchanged the projection of Capex to be invested between R$ 4.3 billion to R$ 4.8 billion in 2022, disclosed on December 9, 2021.

CS Brasil and CS Infra

In the material fact disclosed on October 29, 2021, SIMPAR presented projections of its subsidiary CS Brasil (Aratu port concessions (ATU-12 and ATU-18), Rodovia Transcerrados and BRT Sorocaba).

• Net revenue of R$ 386 million in 2025
• EBITDA of R$ 179 million in 2025
• Profit of R$ 79 million in 2025

Since the concessions are mainly in the pre-operational stage, as well as the perception about the beginning of the operations and the dynamics of the markets in which it operates, the Company maintains its above-mentioned projections.

Moreover, the projection of Capex to be invested between R$ 200 million to R$ 500 million for 2022, disclosed on December 9, 2021, remains unchanged.

The projections disclosed by Simpar are based on the assumptions of the Company’s Management, as well as on currently available information. Future considerations depend substantially on market conditions, government rules, performance of the Brazilian sector and economy, among other factors, operational data may affect Simpar's future performance and may lead to results that differ materially from projections. Projections are subject to risks and uncertainties and do not constitute a promise of future performance.

Simpar S.A.
Publicly-Held Company with Authorized Capital
Corporate Taxpayer's ID (CNPJ/MF) 07.415.333/0001-20
NIRE 35.3.0032341-6

SUPERVISORY BOARD'S REPORT

The Supervisory Board of Simpar S.A. ("Company"), in the exercise of its attributions provided for in article 163 of Law 6,404/76, at a meeting held on this date, after examining the Performance Comments and the Individual and Consolidated Financial Statements for the year ended December 31, 2021, concludes, based on the examinations made and considering also the Independent Auditor's Report, unanimously, that these documents properly reflect the Company's financial position.

São Paulo, February 23, 2022.

Luiz Augusto Marques Paes

Luciano Douglas Colauto

Rafael Ferraz Dias de Moraes

Statement of the Executive Board on the Individual and Consolidated Financial Statements of Simpar S.A

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it has reviewed, discussed and agreed with the Individual and Consolidated Financial Statements of Simpar S.A. for the year ended December 31, 2021, authorizing its issue on this date.

São Paulo, February 23, 2022.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Executive Vice President of Corporate Finance and Investor Relations Officer

Samir Moises Gilio Ferreira
Chief Controlling Officer

Statement of the Executive Board on the Independent Auditor's Report

In accordance with item V of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it has reviewed, discussed and agreed with the conclusions expressed in the Independent Auditor's Report on the Individual and Consolidated Financial Statements of Simpar S.A. for the year ended December 31, 2021 issued on this date.

São Paulo, February 23, 2022.

Fernando Antonio Simões
Chief Executive Officer

Denys Marc Ferrez
Executive Vice President of Corporate Finance and Investor Relations Officer

Samir Moises Gilio Ferreira
Chief Controlling Officer