SIMPAR

Simpar S.A.

Individual and consolidated financial statements as at December 31, 2020, Management report, Supervisory Board's report and Independent auditor's report

Contents

SIMPAR S.A.
Publicly Held Company
Corporate Taxpayer's ID (CNPJ/ME): 07.415.333/0001-20
Company Registry (NIRE): 35.300.323.416

2020 Management Report

Adjusted Net Income[1] of R$522 million in 2020
up by 67% year-on-year

RECORDE **Gross Revenue :**
R$10.9 bn | +1.3% YoY

RECORDE **Adjusted EBITDA[1] :**
R$2.3 bn | +9.6% YoY | 33.4% margin[2]

RECORDE **Adjusted Net Income[1] :**
R$522 mn | +66.8% YoY | 5.3% margin

Leverage (Net Debt/EBITDA):
Reduction from 3.6x in 2019 **to 3.5x in 2020**
despite having made **Net Capex** of **R$2.9 billion** in the period

Average Term of Net Debt:
Extending from 4.1 years **to 8.5 years[3]**

Notes: (1) Reconciliation of the amounts adjusted in item 5; (2) Margin on Net Revenue from Services; (3) Considers the liability management carried out at the beginning of 2021, which increases net debt maturity from 4.3 years in 2020 to 8.5 years.

Strategic Highlights

- **Approval of the reorganization of the SIMPAR Group by unanimous minority shareholders** in August 2020, within high standards of governance, evidencing quality and value of the proposal presented and the launch of SIMPAR, which began exercising the holding activity;
- **SIMPAR was the first company in the industry, worldwide, to issue a Sustainability-Linked Bond (SLB),** in January 2021, raising U$$625 million maturing in 2031, and also completed the **first BRL-denominated SLB with settlement in Brazilian dollars** in February 2021, raising R$450 million maturing in 2028, both contributing to the improvement of the capital structure with the commitment to reduce Greenhouse Gas (GHG) intensity by 15% by 2030;
- **IPO of the subsidiary JSL** with 100% primary funding of R$694 mm, in November 2020. **JSL completed the acquisitions of Transmoreno and Fadel** at the end of 2020, as well as announced the acquisition of **TPC and Rodomeu** in early 2021, which increase its share as a logistics operator and add new segments, customers, services, management model and technology;
- **IPO of the subsidiary VAMOS** in January 2021**,** with primary funding of R$890 million and secondary funding of R$415 million, which strengthens its capital structure and prepares it to operate in a market with high growth potential;

- **Movida has acquired VOX,** a fleet management company with about 1,800 cars, strengthening it in specific niche markets. **Movida was the first company in the car rental industry, in the world, to issue an SLB** in January 2021, raising US$500 million due in 2031, making a commitment to reduce GHG intensity by 30% by 2030;
- **CS Brasil wins two port concession auctions promoted by ANTAQ** in December 2020, to provide handling and warehousing services in Aratu-BA, in line with its focus on long-term contracts, positioning in key sectors in Brazil, preserving its capital discipline.

Message From Management

The year 2020 was **transformational** for SIMPAR and its subsidiaries. That year, we completed our **corporate reorganization** and delivered **growth with increased profitability**, even amid the context of the COVID-19 pandemic, which tested and proved the resilience and fundamentals of all our companies.

We emphasize that, even amidst the challenges imposed by COVID-19, we were able to make **strategic moves to generate sustainable value** for clients, shareholders, creditors, suppliers, employees and other interested parties, while not losing focus on the quality of the services provided to our customers and the well-being of our employees and society.

Besides our concern with the physical and emotional health of our employees, we have intensified our focus on the operations of our subsidiaries, which are largely essential for the mobility and logistics of items needed by society. Thus, we sought a **quick adaptation to this new scenario**, which allowed the continuity of the activities, preserving employees' health and the efficiency in the execution of services, for which we are recognized. After all, Devotion to Serve is part of our DNA.

In this scenario, we carried out operational and financial actions that ensured the achievement of the strategic objectives outlined for the period. As a citizen company, committed to the United Nations Global Compact since 2014 and to generating social value, we also carried out **emergency initiatives and donations to fight COVID-19** - which resulted in the transfer of resources in the order of **R$13.7 million**, benefiting about **5 million people**. This amount includes logistics actions, through which we take food and supplies to the most distant and vulnerable towns in the state of São Paulo.

During the year, we not only maintained dedication to operations and short-term deliveries, but also **completed strategic projects** impacting the generation of sustainable value. Even in the midst of this extremely challenging scenario, we concluded in August 2020 the **corporate reorganization of the Group**, within high governance standards, delegating the approval to minority shareholders, which occurred by unanimity of the voting shareholders, evidencing the quality and value of the proposal presented. Thus, we started a **new cycle of development**, with the **launching of SIMPAR**, which now performs the *holding* activity of all its subsidiaries. Immediately following, and **aligned with our planning**, we carried out the **IPO of JSL**, which was born as the largest road logistics company in Brazil.

SIMPAR (*ticker*: SIMH3), **as well as the subsidiaries** Movida (*ticker*: MOVI3), **JSL** (*ticker*: JSLG3) and **Vamos** (*ticker*: VAMO3) are **listed on B3's Novo Mercado**, the highest level of corporate governance on the Brazilian stock exchange. The subsidiaries have **independent management**, with **own governance structures –** including sustainability committees –, which promotes focus on business and agility in the transformation process with a focus on creating lasting value and acting in line with economic, social and governance principles. SIMPAR's attributions include **collaborating, supporting and monitoring the planning, execution and achievement of the strategic goals of all the subsidiaries**. We are close enough to execute actions that contribute, but far away as necessary not to interfere in the individuality, management focus and operational routines of each of the companies.

ESG principles have been rooted in SIMPAR's culture since its foundation, through the development of the regions where it operates, serving as a reference for all the Group's companies. In January 2020, **Movida received its Company B certificate** and became the second publicly held company in Brazil and the first in the industry worldwide to achieve this seal of class and global recognition. In September 2020, we also received with enthusiasm the news that **SIMPAR shares** joined the debut portfolio of the **S&P/B3 Brazil ESG Index**.

SIMPAR was also the world's **first company in the sector to issue a Sustainability-Linked Bond (SLB)**, in January 2021, raising US$625 million with maturity in 2031. Thus, we assumed the commitment to reduce the intensity of Greenhouse Gases (GHG) at SIMPAR by 15% by 2030, which reinforces our commitment to positive environmental impacts for society. In February 2021, SIMPAR, also completed the **first Real-denominated SLB with settlement in dollars of Brazil.** The operation totaled R$450 million, maturing in 2028, contributing to the improvement of SIMPAR's capital structure.

We are also proud to have received **two *upgrades* from MSCI ESG**, one of the most reputable *ratings* of ESG, elevated **to AA** in January 2021 (from "BBB" in September 2018 and "A" in December 2019), which strengthens our confidence in treading our path with consistency, using market best practices as a reference.

We recorded a Gross Revenue of R$10.9 billion and Adjusted EBITDA of R$2.3 billion for the year, increasing by 1.3% and 9.6%, respectively, in relation to the previous year, with an EBITDA Margin of 33.4% over Net Revenue from Services. Our Adjusted Net Income was R$522.1 million, up 66.8%from the R$313.0 million in 2019, while our net debt/EBITDA leverage ratio was 3.5x, down from 3.6x in 2020 despite having made net investments for growth (Capex) in the amount of R$2.9 billion in 2020.

The year 2020 and the beginning of 2021 were of great **transformation** for **all SIMPAR companies**:

JSL held its IPO in September 2020, became a company exclusively focused on logistics and started a **new growth cycle that includes acquisitions**. We are working so that the accelerated rhythm of organic and inorganic growth will continue in the coming years, with a capital structure that is adequate to the consolidation of the logistics sector in Brazil, always in line with our culture and values.

JSL was already born as the largest road logistics company in Brazil, ready to lead the consolidation movement of an extremely fragmented market with great growth opportunities, having concluded the **acquisitions of Transmoreno and Fadel in** 2020. These acquisitions are based on cross-selling opportunities, synergies by complementarity of client portfolio and services, and, above all, are aligned with the values of JSL, which considers people as its main competitive differential.

In January 2021, maintaining the accelerated pace of its inorganic growth agenda, **JSL announced the acquisition of TPC,** which increases its client base in segments such as health and telecomunications, the expertise in management model and full commerce technology of our service portfolio and its participation as a last mile logistics operator. The conclusion of this acquisition is subject to compliance with obligations and usual conditions precedent for this type of transaction.

In February 2021, **JSL announced the acquisition of Rodomeu,** enabling us to enter the compressed gas segment, bringing greater industry diversification and allowing us to capture a series of synergies. Additionally, it increases the Company's participation as a road carrier of highly complex cargo, such as chemical products, machinery and equipment, and inputs and finished products from the mining and pulp and paper sectors, among others. The conclusion of this acquisition is subject to compliance with obligations and usual conditions precedent for this type of transaction.

Movida has optimized its capital structure to **support more growth with profitability** by investing in digital transformation and customer experience with its innovative products and services. The year was one of transformation and maturation for Movida, which demonstrated **agility** in adapting to the pandemic scenario, adjusting its size according to demand and **resuming the growth trajectory** at the end of the year, being **ready to accelerate even more** in the coming periods.

In January 2021, **Movida acquired VOX,** a fleet management company with about 1,800 cars, which strengthens it in specific niche markets, as well as further enhancing the ability to delight the customer. That same month, **Movida** made a US$500 million issue maturing in 2031, being the **first**

car rental company in the world to issue a Sustainability-Linked Bond, committing to a 30% reduction in GHG intensity by 2030.

Vamos concluded its IPO in January 2021**,** in line with the best market practices, with an initial public offering that moved R$1.3 billion and that strengthens its capital structure and prepares it to operate in a market with high growth potential. Vamos created and deployed new systems and digital platforms that **further strengthened the operational foundations for business scalability**, providing agility in decision making, better management, control and security to accelerate its growth. Vamos has a unique Brazilian rental platform that stands out for customized services for trucks, machinery, and equipment. Market leadership, scale, and expertise bring us the responsibility to be the developer in this market and also bring us great opportunities.

CS Brasil revisited its portfolio of clients and services in 2020, **transforming the profitability of its business.** Over the past few years, CS Brasil has been increasing its focus on the **fleet management activity for light vehicles**, which recorded a **14.8% growth** in Net Revenue in 2020 over 2019, contributing with **83% of the EBITDA in 2020.** CS has been occupying a prominent position in its segment, mainly through **electronic bids**, which represented 91% of the total bids it disputed. CS **won 53% of the bids it disputed for fleet management in 2020 and renewed 83% of its contract base.**
In line with its existing focus on **long-term contracts** to provide services in operations with attractive returns and resilient revenues, CS Brasil won two concession auctions for port terminal operations in Aratu-BA, **in line with its capital discipline**. In December 2020, the National Agency for Waterway Transport (ANTAQ) declared **winning the proposals submitted by CS Brasil**, concerning the concession to provide handling and storage services at **two port terminals in the Aratu Port Complex**, with a focus on agribusiness and mining import and export flows. The term of the concessions is 25 years and 15 years, with the possibility of contract extension until 2091, if there is a consensus between the parties.

Original adapted readily to the new market conditions imposed by the pandemic and achieved record profitability in the second half of the year.

BBC expanded its leasing offer for group customers and **intensified the development of its digital platform and started offering credit lines to the truck drivers**, with the aim of becoming the main means of payment for the freight transport ecosystem and applications in Brazil.

We continuously seek the perpetuation of development, in a sustainable way. As such, we operate in segments in which we are leaders and that have great growth potential, with an important differential: our people. Our professionals have distinct and complementary profiles, age brackets, and knowledge, which engage us to continue investing in training and diversity as competitive advantages. **Another intangible asset is the corporate culture, formed over 64 years of dedication, and the commitment to employees, customers, shareholders, and society.** We are proud to have our origins as a family company, but fully professionalized and with strict ethical, governance, safety and efficiency standards.

Our people begin a new cycle much more mature, united, with a renewed feeling of constant care and solidarity. Therefore, we thank our employees for their work, dedication, and commitment, and our customers, suppliers, shareholders, and creditors for their trust, which are fundamental in the achievement of the results we are so proud of. We are happy with everything we have achieved and for being able to help those in need amidst this challenging scenario.

SIMPAR is ready to support a new development cycle for its subsidiaries with focus on the expected return on its business and preserving its capital discipline, based on a solid culture and people aligned with our values. We are prepared to maintain our development in 2021, whatever the context, because we can adjust to different variables, perpetuating the values and culture that set us apart.

Thank you,

Adalberto Calil
Chairman of SIMPAR S.A.'s Board of Directors

Fernando Antonio Simões
Chief Executive Officer of SIMPAR S.A.

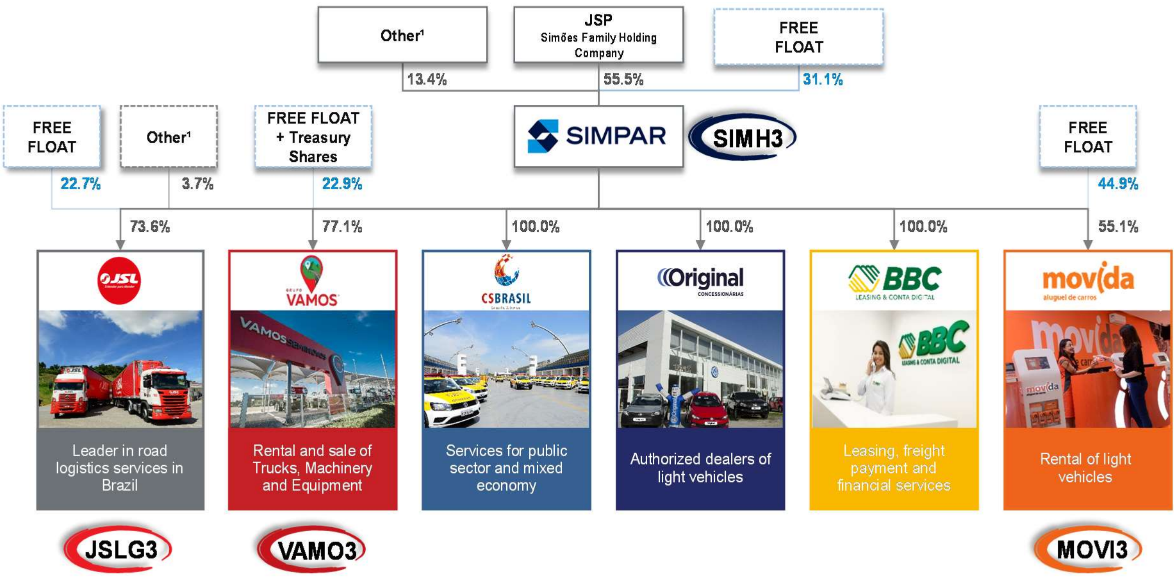
1) About SIMPAR

SIMPAR is a *holding company* that controls and manages six independent businesses, sourcing assets and providing value-added logistics and mobility services, with a focus on long-term contracts. We buy, rent, maintain, operate, and sell vehicles, machinery and equipment.

The Simpar Group has been operating for over 60 years with a wide range of services, sectors and customers. Our business is: Movida (vehicle rental and fleet management), Vamos (truck and equipment rental), JSL (logistics services), CS Brasil (mobility and logistics for tenders), Original (vehicle dealers), and BBC (auxiliary financial services). Our business model is focused on long-term contracts with a wide variety of customers, and strong revenue and cash flow generation. The combination of our scale as one of the largest buyers of automotive vehicles and parts in Brazil, the experience of decades managing and operating such assets, and a wide distribution of used vehicles, allows us to be in a unique position to ensure a highly efficient fleet and asset management. These assets are essential to our customers' operations and highly liquid when sold to individuals in our retail network.

Our management model was built over more than six decades of experience, with high standards of corporate governance. We enable our customers to focus on their core business and strengths, thus increasing their efficiency. Our business model is based on four main pillars: (i) excellence in the delivery of our services under our philosophy of "understand to serve" - understanding our clients, their businesses and their needs to quickly meet their expectations in a dynamic and ever-changing business environment; (ii) efficient pricing, implementation, management and execution of our services and fulfillment of our contracts; (iii) flexible growth strategy, linking investments to customized and profitable contracts; and (iv) maximizing the value of our assets through efficient resale channels.

We control all the companies we operate and have the ability to define their investments, dividend policies, and ultimately our own cash flow, in each case in compliance with applicable laws and regulations.



2) Business Portfolio

JSL – Logistics services

Our logistics service operations are carried out through JSL, the market leader in Brazil since 2002, both in the *asset heavy* model and in the *asset light* model providing road transport services, according to Transporte Moderno magazine. JSL offers customized solutions all over the country for a wide variety of clients, which makes its business model resilient and predictable, even during economic crises. JSL is three times larger than Brazil's second largest logistics operator in net revenue.

JSL provides services through the following lines of business:

Road Cargo Transport: Road transport of a full truck load of raw materials or finished products, from the point of supply to the final destination, by means of a "point-to-point system", with 95% of the cargo being transported by third parties or contracted carriers.

Urban distribution: This segment comprises the last mile distribution with the supply of points of sale located in large urban centers, in closed or fractioned loads, and the management and return of packages. The segment is focused on B2B with contracts lasting an average of 1 to 2 years. Depending on the profile of the operation, we hire third party and aggregate truck drivers with specific vehicles for the distribution of each type of product, or we use our own fleet, as is the case with Fadel's operation. In 2020, this segment accounted for 13% of net service revenue.

Dedicated Logistics Operations: These are closed-loop operations linked to the client's production process or service provision that require a high level of specialization and customization, with contracts of 3 to 5 years, high added value, and high specialization index. This segment includes, usually through its own assets and real-time monitoring software, commodities logistics and the studies and dimensioning of activities to identify the best options for our customers, define customized logistic flows, loading of raw materials and products, supply of raw materials, flow of finished products, internal and port area handling, road maintenance, waste management and waste discharge. The segment also includes chartering and leasing with manpower for transporting the client's employees and internal logistics at the client's assets, which comprises a vast niche of customized services for each operation and consists of moving raw materials, products, and supplying assembly lines. In 2020, this segment accounted for 39% of net service revenue.

Storage Services: These are the operations that connect to the urban distribution service, managing 137,000m2 of dry, refrigerated and frozen warehouses focused on the storage and transshipment of goods. In 2020, this segment accounted for 3% of net service revenue.

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, which we believe is one of the three largest car rental companies in Brazil in terms of fleet size and revenue. Furthermore, Movida is focused on innovation, offering solutions that seek to provide an exclusive experience to the client, through differentiated services and products and strategic alliances with car manufacturers, car dealers, and car rental companies.

Movida's activities are divided into two business lines:

Rent-a-car, or RAC: comprises car rental services on a daily, monthly, and yearly basis for individuals and businesses at strategically located stores. Movida offers different brands and models of vehicles for renting services for leisure or business, directly or through travel agencies, tour operators, and commercial partnerships. Movida also rents cars to insurance companies that offer their clients a replacement car in case of an accident.

Fleet outsourcing and management or GTF: It comprises the leasing of vehicles to corporate customers through long-term contracts, mostly of 12 to 36 months.

In addition, in order to allow a continuous, efficient and profitable fleet renewal, closing the cycle of each acquired vehicle, Movida also trades used cars in the RAC and GTF business lines as a complementary activity. Movida seeks to operate with a fleet of high quality vehicles, in excellent condition and with low mileage. As such, Movida constantly renews the size of its operational fleet, reselling the vehicles as "semi-new" cars 12 months after purchase. The sales are made at Movida's own stores, mainly of the Movida Seminovos brand, involving several makes and models of cars.

As of December 31, 2020, Movida's fleet consisted of 118,285 cars. Movida has an extensive service network, with stores and commercial offices strategically located in all Brazilian states. As of December 31, 2020, Movida had 194 RAC branches and a network of 70 company-owned used car stores throughout Brazil.

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 2018 data from the Brazilian Association of Car Rental Companies (Associação Brasileira das Locadoras de Automóveis).

Vamos's business model is based on long-term (usually five-year) leasing contracts for trucks, machines, and heavy equipment that guarantee fleet availability for customers and allow them to increase their productivity by focusing investment on core activities. It operates in several sectors, mainly agribusiness, energy, transportation, and food, and has a diversified portfolio of clients and leased assets. This equipment is critical to our customers' operations and therefore essential for business continuity and resilience.

As of December 31, 2020, Vamos had a fleet of 15,128 owned assets leased to third parties, In addition, as of December 31, 2020, Vamos operated a network of 42 dealers and stores with broad coverage in 11 Brazilian states, including the largest network of VW / MAN truck and bus dealers with 14 dealers, 15 Valtra agricultural machinery and equipment dealers, two Komatsu heavy machinery dealers, and 11 used vehicle stores.

Vamos's operations are integrated and provide synergies across all its business lines. Vamos buys, rents, sells, and maintains its assets. Vamos's operational structure includes its own stores and a network of 2,487 accredited stores throughout Brazil to provide efficient maintenance services to its customers and guarantee the availability of leased 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.

CS Brasil - Mobility and logistics with focus on tenders

Through CS Brasil we operate in the public sector and in state-owned companies, offering mainly management and outsourcing services for light and heavy vehicles, with and without a driver. Although less relevant, it is also active in urban cleaning services and municipal passenger transportation.

Since 2009, CS Brasil has focused its services on core businesses in the public sector or utilities (energy, sanitation), in order to mitigate the risk of government spending contingencies. CS Brasil has been intensifying its focus on fleet management and outsourcing services in recent years, which will represent 70% and 82% of its net service revenue in 2019 and 2020,respectively.

In the year ended December 31, 2020, CS Brasil participated in 180 public bids, of which 92% were conducted through electronic auctions. Furthermore, CS Brazil pioneered 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 Brasil 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.

In December 2020, CS Brasil won two port concession auctions promoted by ANTAQ to provide handling and storage services in Aratu-BA, in line with its focus on long-term contracts, positioning in key sectors in Brazil. The signing of the lease contract is subject to the approval and award of the object by the granting authority.

Original - Light vehicle dealerships

Our light vehicle dealership segment is managed by Original, which operates authorized dealerships of light vehicles, new and used, auto parts, machinery, and accessories, operating for more than 25 years in this sector.

Original is one of the largest networks of authorized dealers of new and used Volkswagen cars in Brazil, with 11 Volkswagen dealerships as of December 31, 2020. It also has three Fiat stores and a Ford dealership. All of these 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.

Original also has a large after-sales portfolio and insurance brokerage through Madre Corretora de Seguros, with great synergy with the other companies in the SIMPAR Group. The operations are segmented by sales channel and products, with managers specialized in insurance for: light vehicles, trucks, agricultural machinery, homes, life, warranties, transportation, among others. We have dedicated operations for Original, Movida, and Movida Seminovos dealers, and Vamos dealers.

BBC - Auxiliary financial services

Through BBC, we provide vehicle and equipment leasing, freight payment, and financial services to the customers of our light vehicle and truck dealerships. Through BBC, we also operate a digital financial services platform for truck drivers and digital applications dedicated to drivers in Brazil.

3) Sector Scenario

SIMPAR - Business group with diversified operations in different services, sectors and customers

2020 started with a positive outlook after a slight improvement of the Brazilian economy in 2019. However, in the first half of 2020, the global economic scenario was marked by uncertainties after the evolution and the outbreak of the novel coronavirus.

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.

Given the dispersion of the main sectors of activity, we remain confident and prepared to meet the demands of our clients and address growth opportunities through independent companies.

JSL – Logistics services

JSL has expanded through an ongoing process of gains in scale with logistical services to customers in over 16 economic sectors, including the food, automotive, pulp and paper, steel and mining industries, among others.

In 2020, the world faced a global health crisis due to the COVID-19 pandemic, including Brazil. The logistics sector suffered with the reduction in transported volumes, which was partly reflected in JSL's lower revenue for the year when compared to 2019. The automotive sector was the most impacted as manufacturing plants of the main automakers in Brazil were stopped in April 2020, gradually resuming their activities as of mid May. Despite the challenging scenario, the monthly evolution of Net Revenue from Logistics Services began a positive recovery path in May 2020, with monthly growth until evenutally surpassing the levels reported at the beginning of the year. In the fourth quarter of 2020, JSL's gross service revenue was 10.8% higher than in 4Q19, demonstrating that an economic recovery of the logistics sector was underway.

Brazil is dependent on the transportation of cargo by trucks, since it represents more than half of everything that circulates in the country, especially all the items indispensable to the consumer, such as food and fuel. However, the railway and waterway systems, still under development, offer a growth opportunity for JSL since around 80% of our transport has an average route of 600km. We believe that the increase in the circulation of goods will benefit cargo transportation in Brazil.

The logistics market is highly pulverized, with more than 150,000 players in Brazil according to ANTT – Agencia Nacional de Transportes Terrestres, mostly comprised by small trucking companies, self-employed truckers and players focused only on one or few steps of the logistics chain in specific sectors of the economy. In this context, the market share of Logistics Service Providers (LSPs) in Brazil's logistics GDP is roughly 2% if we consider the 10 largest players, a small percentage compared to more structured markets such as the United States and Europe, where this market share is higher than 30% according to ILOS and the Transportation Intelligence of 2019, respectively.

JSL continues its organic growth strategy, aiming to add services to its current client portfolio, and the Company's inorganic growth strategy will be carried out through acquisitions in sectors that do not have representativity in its operations, such as the Fadel and Transmoreno transactions announced in 2020. This strategy has been developed over the years, maintaining its market leadership position in the Road Freight Transport sector, according to the ranking of Transporte Moderno magazine.

Movida - Light vehicle rental (RAC) and fleet management and outsourcing (GTF)

Some sectors were considered essential (including car rental), allowing the continuity of part of Movida's operations. Consumer behavior changed, making adaptation and digital transformation fundamental to the business. These changes enabled car rental companies to offer fully digital solutions, disseminating an innovative *mindset*.

The competitive dynamics remains healthy, and some segments within the car rental sector are essential to the business' resilience, such as monthly rentals and individual customers. We adapted to the restrictions of the pandemic, which allowed us, for example, to extend the car rental time on weekends due to the work-from-home boom. The second half of 2020 was affected by the carmakers' low production capacity and the new level of occupancy in the rental sector, which raised average tickets, both in car rentals and Used Cars Sales. The development of the COVID-19 vaccine and the beginning of the immunization of part of the population may allow a gradual resumption of the RAC market as a whole, in addition to showing a trend towards the normalization of carmakers' deliveries throughout 2021.

Concerning the Fleet Management and Outsourcing market, according to the Brazilian Car Rental Association (ABLA), only 20% of private companies have outsourced fleets, while in Europe this number nears 60%. The dispersal of the GTF market allows it to continue growing at full throttle. The trend also applies to leasing, creating an opportunity to expand Zero Km in 2021.

According to the National Federation of Automobile Dealers' Associations (FENAUTO), the Used Cars Sales market ended 2020 with 12,821,908 used vehicles sold, down 12.0% over 2019, mainly due to the coronavirus pandemic. Despite caution, the National Federation of Automotive Vehicles Distribution (FENABRAVE) projects a recovery for 2021, with a 15% increase in licenses, 9% in exports and 25% in production.

Movida quickly adapted to the different scenarios, ending 2020 stronger and ready for a new growth cycle and with a positive vision for the future.

Vamos – Rental of trucks, heavy machinery and equipment

According to public data from the Fenabrave 2019 annual report, Brazil had a fleet of 4.1 million trucks and buses, of which 3.4 million were trucks and 0.7 million were buses. In 2019, the average age of trucks was 20 years compared to an average heavy vehicle age of 8.3 years in developed countries including France, Germany, the United Kingdom, and the United States. 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 amidst an economic scenario unfavorable to investments in Brazil, especially considering that investment is not related to the core activities of potential customers.

According to ABLA, in June 2020 there were about 10.1 thousand leased trucks tied to private enterprise in Brazil, representing a penetration of 0.6% in relation to the approximately 1.6 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 leasing companies represent approximately 0.7% of the total fleet in circulation in Brazil.

CS Brasil - Mobility and logistics with focus on tenders

CS Brasil focuses on the management and outsourcing of light and heavy vehicle fleets to public entities. As in the private sector, we understand that there is an increasing tendency for fleet outsourcing due to the increased efficiency in the use of public resources. Our services are differentiated and range from fleet management to complete service management, including customization, maintenance and replacement of damaged vehicles. In addition to the availability of the vehicle, it also includes the driver.

There is no public data to prove CS Brasil's market share. In fleet management and outsourcing, which represents about 80% of CS Brasil's 2020 net revenue, we find major car rental companies that also compete with CS Brasil with public sector customers, such as Localiza and Unidas, as well as others regional companies in a pulverized manner.

Original - Light vehicle dealerships

We operate in the light and dealership segment, which is composed of several different groups. Original dealerships sold in 2020 less than 1% of the total light vehicles sold in Brazil - according to the National Association of Motor Vehicle Manufacturers - ANFAVEA. In light vehicle dealership services, we face competition from the Itavema Group, HBW Group, Rodobens Group, Sorana Group, Comeri, Sinal Group, Amazon and Vigorito.

According to ANFAVEA, in the year-to-date, the numbers showed sharp drops, but not as drastic as projected at the beginning of the pandemic. The large injection of emergency resources in the economy and the strength of agribusiness helped to soften the losses in the second quarter, when most factories and stores remained closed. Sales to the domestic market closed with 2,058,437 units, down 26.2%, returning to the level of 2016, the peak of the last Brazilian economic crisis. ANFAVEA also presented its estimates for the sector this year. The entity foresees an increase of 15% in the licensing of vehicles, 9% in exports, and 25% in production, indexes that are insufficient for the resumption of the pre-pandemic levels of 2019.

BBC - Auxiliary financial services

According to the publication of the journal Transporte Moderno de 2019, the BBC occupies the 22nd financial institution in the Leasing sector, a market that is dominated by large financial institutions. The digital business line, started in 2019, is still not very representative, however, with great potential for transformation given the synergies with the SIMPAR Group.

The largest leasing providers in the market are the large Brazilian financial institutions, such as Bradesco, Santander, Safra, BV, among others.

4) **Financial Performance Analysis**

JSL

	JSL		
(R$ million)	**2019**	**2020**	**▲Y o Y**
Gross Revenue	**3,699.6**	**3,387.0**	**-8.4%**
Deductions	(597.6)	(560.2)	-6.3%
Net Revenue	**3,102.0**	**2,826.8**	**-8.9%**
Net Revenue from Services	2,936.4	2,656.3	-9.5%
Net Revenue from Asset Sales	165.6	170.5	3.0%
Costs	**(2,689.3)**	**(2,525.2)**	**-6.1%**
Cost of Services	(2,528.0)	(2,358.4)	-6.7%
Cost of Selling Assets	(161.4)	(166.8)	3.3%
Gross Profit	**412.7**	**301.6**	**-26.9%**
Gross Margin	*13.3%*	*10.7%*	*-2.6 p.p.*
Operating Expenses	**(128.7)**	**(106.2)**	**-17.5%**
EBIT	**284.0**	**195.4**	**-31.2%**
Margin (% NR from Services)	*9.7%*	*7.4%*	*-2.3 p.p.*
Financial Result	(268.5)	(184.8)	-31.2%
Taxes	12.7	30.3	138.6%
Net Income	**28.2**	**41.0**	**45.4%**
Margin (% NR)	*0.9%*	*1.4%*	*+0.5 p.p.*
EBITDA	**514.0**	**431.5**	**-16.1%**
Margin (% NR)	*16.6%*	*15.3%*	*-1.3 p.p.*

Net Revenue amounted to R$2.8 billion, an decrease of 8.9% compared to 2019. JSL remains well positioned in sectors with great growth potential in Brazil, however the impact on transported volumes due to the COVID-19 pandemic impacted the JSL's revenues in the period.

EBITDA totaled R$431.5 million, reducing by 16.1% over 2019. EBITDA margin was 16.1%, down by 1.3 p.p. This decrease is mainly explained by lower revenues due to the COVID-19 pandemic, mostly in the automotive sector, as well as the anticipation of the off-season harvest in the sugar and ethanol sector.

JSL reported a Net Income of R$41.0 million in 2020, increasing by 45.4% in comparison with the previous year. The growth occurred due to the reduction in net debt, which reduced financial expenses, and the search for greater operational efficiency within the 2020 scenario.

Movida

	Movida		
(R$ million)	**2019**	**2020**	**▲Y o Y**
Gross Revenue	**4,056.4**	**4,319.7**	**6.5%**
Deductions	(220.3)	(234.4)	6.4%
Net Revenue	**3,836.0**	**4,085.3**	**6.5%**
Net Revenue from Services	1,621.5	1,645.4	1.5%
Net Revenue from Asset Sales	2,214.5	2,439.9	10.2%
Costs	**(2,896.4)**	**(3,219.8)**	**11.2%**
Cost of Services	(759.3)	(999.5)	31.6%
Cost of Selling Assets	(2,137.1)	(2,220.3)	3.9%
Gross Profit	**939.6**	**865.5**	**-7.9%**
Gross Margin	*24.5%*	*21.2%*	*-3.3 p.p.*
Operating Expenses	**(471.4)**	**(561.2)**	**19.0%**
EBIT	**468.2**	**304.3**	**-35.0%**
Margin (% NR from Services)	28.9%	18.5%	*-10.4 p.p.*
Financial Result	(187.3)	(165.3)	-11.7%
Taxes	(53.0)	-	-100.0%
Net Income	**227.8**	**139.0**	**-39.0%**
Margin (% NR)	*5.9%*	*3.4%*	*-2.5 p.p.*
EBITDA	**746.6**	**717.2**	**-3.9%**
Margin (% NR)	*19.5%*	*17.6%*	*-1.9 p.p.*

Movida's total net revenue was R$4.1 billion, 6.5% up over 2019, R$1.6 billion of which from the net rental revenue and R$2.4 billion from the net revenue of the sale of assets.

Total EBITDA was R$717 million, 3.5% down in the year, with an EBITDA margin of 17.6%. Results fell due to the effects of the COVID-19 pandemic, especially in the RAC and Used Cars Sales operations.

In 2020, Movida's total net income was R$109 million, 52.2% down from 2019, with a decrease of 3.2 p.p. in net margin, reaching 2.7% in the year.

Vamos

	Vamos		
(R$ milhões)	**2019**	**2020**	**▲Y o Y**
Gross Revenue	**1,321.7**	**1,661.6**	**25.7%**
Deductions	(110.2)	(148.4)	34.7%
Net Revenue	**1,211.5**	**1,513.2**	**24.9%**
Net Revenue from Services	999.4	1,339.6	34.0%
Net Revenue from Asset Sales	212.1	173.6	-18.2%
Costs	**(798.4)**	**(995.5)**	**24.7%**
Cost of Services	(593.8)	(832.9)	40.3%
Cost of Selling Assets	(204.6)	(162.6)	-20.5%
Gross Profit	**413.1**	**517.7**	**25.3%**
Gross Margin	*34.1%*	*34.2%*	*+0.1 p.p.*
Operating Expenses	**(120.4)**	**(148.2)**	**23.0%**
EBIT	**292.7**	**369.6**	**26.3%**
Margin (% NR from Services)	29.3%	27.6%	*-1.7 p.p.*
Financial Result	(93.5)	(112.1)	19.9%
Taxes	(57.4)	(78.2)	36.3%
Net Income	**141.8**	**179.2**	**26.4%**
Margin (% NR)	*11.7%*	*11.8%*	*+0.1 p.p.*
EBITDA	**527.6**	**638.8**	**21.1%**
Margin (% NR)	*43.6%*	*42.2%*	*-1.4 p.p.*

In 2020, Net Service Revenue grew by 34.0% when compared to 2019. Total Net Revenue (including sale of assets) reported growth of 24.9% compared to 2019, with growth in all business segments.

Consolidated EBITDA totaled R$638.8 million in 2020, representing growth of 21.1% compared to 2019. In 2020 there was an improvement in profitability, even in an adverse economic environment, since Vamos implemented several cost reduction initiatives and controls to improve management, with focus and discipline in execution, which ensured growth with profitability.

In 2020, Vamos reached the mark of R$179.2 million in Net Profit (26.4% growth), due to the strong organic growth in all segments.

CS Brasil

	CS Brasil		
(R$ million)	**2019**	**2020**	**▲Y o Y**
Gross Revenue	**944.1**	**933.6**	**-1.1%**
Deductions	(93.2)	(87.8)	-5.8%
Net Revenue	**851.0**	**845.8**	**-0.6%**
Net Revenue from Services	718.9	670.2	-6.8%
Net Revenue from Asset Sales	132.0	175.6	33.0%
Costs	**(698.1)**	**(640.4)**	**-8.3%**
Cost of Services	(558.9)	(469.2)	-16.0%
Cost of Selling Assets	(139.2)	(171.2)	23.0%
Gross Profit	**152.9**	**205.4**	**34.3%**
Gross Margin	*18.0%*	*24.3%*	*+6.3 p.p.*
Operating Expenses	**(15.2)**	**(39.2)**	**157.9%**
EBIT	**137.7**	**166.2**	**20.7%**
Margin (% NR from Services)	*19.2%*	*24.8%*	*+5.6 p.p.*
Financial Result	(23.2)	(62.1)	167.7%
Taxes	(38.4)	(35.5)	-7.6%
Net Income	**76.1**	**68.6**	**-9.9%**
Margin (% NR)	*10.6%*	*10.2%*	*-0.4 p.p.*
EBITDA	**279.8**	**330.4**	**18.1%**
Margin (% NR)	*32.9%*	*39.1%*	*+6.2 p.p.*

In 2020, CS Brazil's Total Net Revenue totaled R$845.8 million, down 0.6% year-on-year, mainly due to the divestiture of a passenger transport concession and the negative impact of the COVID-19 pandemic.

EBITDA totaled R$330.4 million in 2020, while the EBITDA margin was 39.1% in 2020 (+6.2 p.p. year-on-year). The improvement of operating indicators is the focus of the light vehicle leasing business (GTF), improving the margin of contracts, divestments made in the municipal transportation of passengers and reduction of administrative cost

Net income totaled R$68.6 million in 2020, down 9.9% year on year. The retraction is mainly explained by the non-recurring effect of the divestment of the concession of a municipal transportation line in November 2019, whose positive impact was R$9.8 million in 2019; disregarding this non-recurring effect, Net Income would have grown by 14.3% year-on-year. We also emphasize that there was a 2.9-fold increase in average net debt, which totaled R$825.5 million in 2020 versus R$283.0 in 2019, with a consequent impact on net financial expenses, which totaled R$62.1 million, vis-à-vis R$23.2 million in 2019.

Original Concessionárias

	Original Concessionárias		
(R$ million)	**2019**	**2020**	**▲Y o Y**
Gross Revenue	**851.4**	**652.0**	**-23.4%**
Deductions	(29.9)	(34.2)	14.4%
Net Revenue	**821.5**	**617.8**	**-24.8%**
Net Revenue from Services	810.9	609.6	-24.8%
Net Revenue from Asset Sales	10.5	8.2	-21.9%
Costs	**(694.8)**	**(510.5)**	**-26.5%**
Gross Profit	**126.7**	**107.3**	**-15.3%**
Gross Margin	15.4%	17.4%	*+2.0 p.p.*
Operating Expenses	**(104.0)**	**(87.2)**	**-16.2%**
EBIT	**22.6**	**20.1**	**-11.1%**
Margin (% NR from Services)	2.8%	3.3%	*+0.5 p.p.*
Financial Result	(5.5)	(7.2)	30.9%
Taxes	(5.9)	(4.2)	-28.8%
Net Income	**11.2**	**8.7**	**-22.3%**
Margin (% NR)	1.4%	1.4%	*+0.0 p.p.*
EBITDA	**37.6**	**37.7**	**0.3%**
Margin (% NR)	*4.6%*	*6.1%*	*+1.5 p.p.*

In the accumulated period of 2020, the Net Revenue of Original Concessionaires was R$617.8 million, a decline of 24.8% year-on-year, mainly due to the restrictions imposed by the pandemic in Brazil for the operation of stores and the lower flow of customers from April onward.

In 2020, EBITDA totaled R$37.7 million (+0.3 p.p. year-on-year), while EBITDA Margin reached 6.1% (+1.5 p.p. year-on-year). The performance mainly reflects a higher average ticket, which was positively impacted by the lower supply of vehicles caused by the COVID-19 pandemic, thereby causing a drop in discounts granted, and by the favorable mix of vehicles sold. In turn, Net Income was R$8.7 million, 22.3% lower than in 2019.

BBC

	BBC		
(R$ million)	2019	2020	▲Y o Y
Gross Revenue	**42.9**	**49.7**	**15.9%**
Deductions	(2.8)	(4.2)	**50.0%**
Net Revenue	**40.0**	**45.4**	**13.5%**
Costs	**(11.3)**	**(10.9)**	**-3.5%**
Gross Profit	**28.7**	**34.6**	**20.6%**
Operating Expenses	**(15.7)**	**(18.7)**	**19.1%**
EBIT	**13.0**	**15.8**	**21.5%**
Margin (% NR from Services)	*32.5%*	*34.9%*	*+2.4 p.p.*
Financial Result	(2.3)	(5.0)	117.4%
Taxes	(3.8)	(3.9)	2.6%
Net Income	**7.0**	**6.9**	**-1.4%**
Margin (% NR)	*17.4%*	*15.2%*	*-2.2 p.p.*
EBITDA	**13.8**	**16.2**	**17.4%**
Margin (% NR)	*34.4%*	*35.8%*	*+1.4 p.p.*

In 2020, BBC recorded a Net Revenue of R$45.4 million, an increase of 13.5% in the annual comparison. The institution carried out 1,811 credit operations in the year.

EBITDA totaled R$16.2 million, an increase of 17.4% in the annual comparison.

Net Income of R$6.9 million, up by -1.4% YoY. BBC continues to offer financial alternatives to facilitate access to semi-new trucks, buses, cars, machinery and equipment, as well as electronic means of payment for freight.

SIMPAR - Consolidated

	SIMPAR - Consolidated		
(R$ million)	**2019**	**2020**	**▲Y o Y**
Gross Revenue	**10,734.4**	**10,874.9**	**1.3%**
Deductions	(1,048.1)	(1,067.8)	1.9%
Net Revenue	**9,686.2**	**9,807.1**	**1.2%**
Net Revenue from Services	7,082.9	6,945.5	-1.9%
Net Revenue from Asset Sales	2,603.3	2,861.5	9.9%
Costs	**(7,626.8)**	**(7,787.0)**	**2.1%**
Cost of Services	(5,102.6)	(5,168.9)	1.3%
Cost of Selling Assets	(2,524.2)	(2,618.1)	3.7%
Gross Profit	**2,059.4**	**2,020.1**	**-1.9%**
Gross Margin	21.3%	20.1%	*-1.2 p.p.*
Operating Expenses	**(860.2)**	**(990.1)**	**15.1%**
EBIT	**1,199.2**	**1,030.0**	**-14.1%**
Margin (% NR from Services)	*16.9%*	*14.8%*	*-2.1 p.p.*
Financial Result	(768.0)	(374.8)	-51.2%
Taxes	(112.5)	(229.2)	103.7%
Loss from discontinued operations	(5.7)	(28.5)	-
Net Income	**313.0**	**397.5**	**27.0%**
Margin (% NR)	*3.2%*	*4.1%*	*+0.9 p.p.*
EBITDA	**2,115.9**	**2,141.9**	**1.2%**
Margin (% NR)	*21.8%*	*21.8%*	*+0.0 p.p.*

Note: [1] Includes the consolidation between Vamos, JSL, CS Brasil, Original Concessionárias, BBC and Movida, already considering the eliminations between the businesses.

Net Revenue

Net Revenue totaled R$9.8 billion, a 1.2% growth over 2019, testing and proving the resilience of the business model in the face of the challenging scenario imposed by the COVID-19 pandemic. The SIMPAR Group keeps well positioned in sectors of great potential for growth in Brazil, which offer opportunities for business expansion and diversification with different customers and sectors of the economy.

Gross Profit

In 2020, the Company's Total Costs were R$7.8 billion, +2.1% year-over-year. In turn, Total Gross Profit for 2020 was R$2.0 billion, down 1.9% from 2019, with a gross margin of 20.1%, down 1.2 p.p. year-on-year.

Operating Expenses

Operating expenses totaled R$990.1 million, an increase of 15.1% year-on-year. The increase is mainly explained by the impacts of the pandemic on the operations of JSL in the automotive sector and Movida in the RAC, which presented lower volumes and consequently a lower dilution of operating expenses.

EBITDA

EBITDA totaled R$2.1 billion in 2020, an increase of 1.2% over 2019. The EBITDA margin totaled 21.8%, the same EBITDA margin as the previous year, showing stability even in the face of the challenging scenario imposed by the COVID-19 pandemic.

Net Financial Result

Net Financial Expenses amounted to R$374.8 million, down 51.2% compared to the R$768.0 million recorded in 2019. The decrease is explained by the drop in the interest rate (average CDI) and the liability management performed by the Company, as well as the accounting of the revenue of R$277.5 million from the early settlement of swaps of bonds issued by JSL Europe (currently SIMPAR Europe) in the second quarter of 2020, due to the process of reorganization and allocation of obligations between JSL and SIMPAR. The Company carried out 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

SIMPAR Consolidated reported record net income of R$397.5 million in 2020, 27.0% higher than in 2019. The expansion of results was sustained mainly by the better performance of our companies, which, after the organizational transformation carried out over the last few years, began to operate independently with management models based on serving the client with customized solutions, perpetuating commercial relationships, and generating value for shareholders.

Indebtedness

	SIMPAR - Consolidated		
Indebtedness (R$ million)	**2019**	**2020**	**▲Y o Y**
Cash and Investments	**5,774.5**	**8,477.9**	**46.8%**
Bank and Capital Market Gross Debt - Short Term	2,007.7	2,008.4	0.0%
Confirming Payable (Automakers) - Short Term	12.1	157.9	-
Bank and Capital Market Gross Debt - Long Term	11,987.7	15,197.1	26.8%
Financial Instruments and Derivatives	(670.6)	(415.0)	-38.1%
Bank and Capital Market Gross Debt	**13,336.8**	**16,948.5**	**27.1%**
Bank and Capital Market Net Debt	**7,562.3**	**8,470.6**	**12.0%**

Net debt totaled R$8.5 billion in December 2020, an increase of 12.0% when compared to December 2019. As a result of the Company's liabilities management process, we extended our net debt maturity profile from 4.1 years to 4.3 years. The average cost of net post-tax debt decreased by 260 bps year on year, from 5.7% p.a. in 4Q19 to 3.1% p.a. in 4Q20, reflecting the drop in the average SELIC rate when compared to the previous period and the Company's liability management.

Considering SIMPAR's consolidated cash at the end of 2020, we will have enough funds to cover the repayment of short-term debt at 3.0x due to the scenario of caution and liquidity actions established to face the pandemic, which shows that the subsidiaries are prepared to finance a new growth cycle.

Net debt to EBITDA ratio totaled 3.5x in 2020, falling from the 3.6x ratio seen at the end of 2019, even with a net investment of R$2.9 billion over the year that will translate into growth in the coming quarters. The net debt/EBITDA–A ratio totaled 1.7x in December 2020, versus 1.6x in December 2019.

Capex

1. **SIMPAR Consolidated's gross investment was R$5.8 billion, of which R$3.4 billion in expansion and R$2.4 billion in renovation. Meanwhile, net investments, after the sale of assets, totaled R$2.9 billion, which was divided between: Movida (R$1.2 billion), CS Brasil (R$424 million), Vamos (R$967 million), and JSL (R$154 million). We emphasize that most of these investments were directed to contracts in the management and outsourcing of heavy fleets at Vamos, and light fleets at Movida and CS Brasil. The benefits of these investments in terms of revenue growth and margin increase and cash generation were not fully felt in 2020.**

5) Reconciliation of EBITDA and Net Income

EBITDA Reconciliation (R$ million)	2019	2020	▲Y o Y
Accounting Net Income	**313.0**	**397.5**	**27.0%**
Loss from discontinued operations	5.7	28.5	-
Financial Result	768.0	374.8	-51.2%
Income tax and Social contribution	112.5	229.2	103.7%
Depreciation / Amortization	813.8	982.4	20.7%
Amortization (IFRS 16)	102.9	129.5	25.9%
Accounting EBITDA	**2,115.9**	**2,141.9**	**1.2%**
Movida - Impairment of Assets	-	145.2	-
Movida - Impairment of trade receival	-	32.4	-
Adjusted EBITDA	**2,115.9**	**2,319.6**	**9.6%**
(+) Cost of Selling Assets	2,524.2	2,618.1	3.7%
Adjusted EBITDA-A	**4,640.1**	**4,937.7**	**6.4%**

Net Income Reconciliation (R$ million)	2019	2020	▲Y o Y
Accounting Net Income	**313.0**	**397.5**	**27.0%**
Movida - Impairment of Assets	-	145.2	-
Movida - Impairment of trade receival	-	32.4	-
IR / CS on adjustments	-	(53.1)	-
Adjusted Net Income	**313.0**	**522.1**	**66.8%**

6) Dividend Payment

In accordance with the Company's Bylaws, shareholders are assured the right to receive a minimum mandatory dividend not below 25% (twenty-five percent) of the net profit in the fiscal year, deducted or added of the following: (i) 5% of legal reserve; and (ii) the amount established for contingency reserve and reversal of reserves formed in previous fiscal years. A portion of net income may also be retained based on a capital budget for a statutory profit reserve called "investment reserve". The amount to be effectively distributed is approved in the Annual Shareholders' Meeting ("ASM") that approves accounts rendered by managers concerning the previous fiscal year based on the proposal presented by the Management Board and approved by the Board of Directors. Dividends are distributed according to the resolutions taken at the ASM held until April of each year. The Company's Bylaws also provides for the distribution of interim dividends, which can be attributed to the mandatory dividend.

At a Meeting of the Company's Board of Directors held on December 29, 2020, the Board members approved the payment of interest on equity to shareholders, as per article 30 of the Bylaws, subject to the following conditions: Holders of Company shares will be entitled to interest on equity, in accordance with the shareholding position of January 6, 2021. Total gross amount of R$24,000,000.00 corresponding to R$0.116607945 per share. The payment date was January 29, 2021, *ad referendum* of the Annual General Meeting to be held on April 30, 2021.

7) Relevant Corporate Events

Corporate reorganization: On January 21, 2020, a shareholders' meeting was approved, and on July 13, 2020 the segregation of the equity interests held by JSL in the companies Ciclus and Ribeira, as well as other assets and liabilities unrelated to JSL, by means of a capital split, was put into effect. On August 05, 2020, at an extraordinary general meeting, SIMPAR's corporate reorganization was approved. The merger of shares of the subsidiary JSL was approved, and for each merged share of the non-controlling shareholders one SIMPAR share will be delivered, maintaining the same stake previously held in JSL for all shareholders. The Company replaced JSL at this time as a listed company in the Novo Mercado segment of the São Paulo Stock Exchange - B3, starting to trade its shares with the ticker SIMH3 as of September 18, 2020. Subsequently, the spin-off of JSL was approved, followed by the incorporation by the Company of the net assets and liabilities originated from operations considered as non-logistics, including the stakes held in the companies Movida, Vamos, CS Brasil Participações e Locações Ltda., Original Veículos Ltda. and BBC Arrendamento Mercantil S.A., as well as loans and debentures payable. With this, JSL became a company focused exclusively on its operational activities in logistics. The corporate reorganization is part of SIMPAR's strategy of creating value through the segregation of its activities into dedicated companies.

Restricted offering of shares in the subsidiary JSL: On September 9, 2020, the subsidiary JSL concluded a public offering of its common shares, with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offering"), following the completion of its corporate reorganization, at which time it became a wholly-owned subsidiary of Simpar. The offer consisted of the primary public distribution of 72,255,762 new shares issued by JSL, subscribed and paid up at a value of R$9.60 (nine reais and sixty centavos), traded on B3 under the ticker JSLG3.

Acquisition of companies by subsidiary JSL - Fadel Holding Ltda. ("Fadel"): On November 17, 2020, the subsidiary JSL completed the acquisition of 75% of the shares issued by Fadel for R$173.1 million, approved by CADE on September 29, 2020 without restrictions, with its co-founder Ramon Alcatraz remaining as a partner with 25%, who remains as the main executive. Fadel operates as a carrier in the beverage, food, and consumer goods sectors and has started activities in electronic commerce ("e-commerce").

Moreno Holding Ltda. ("Transmoreno"): On October 30, 2020, subsidiary JSL completed the acquisition of 100% of the ownership interest in TransMoreno and its subsidiaries for R$312.7

million, approved by CADE on October 8, 2020 without restrictions. Transmoreno engages in the transportation of vehicles in car carrier trailers and the provision of automotive logistics services.

8) Subsequent Events

Subsidiary Simpar Europe - Issue of Sustainability Linked Bond: On January 14, 2021 the subsidiary SIMPAR Europe announced through a material fact the issue of debt securities in the international market, in the total amount of US$625 million, bearing interest at the rate of 5.2% per year and maturing on January 26, 2031, which will be guaranteed by Simpar. We point out that Simpar was the first company of the sector in the world to issue a Sustainability Linked Bond. The Company has made a commitment to reduce its Greenhouse Gas (GHG) intensity by 15% by 2030.

Subsidiary Simpar Finance - Issue of Sustainability Linked Bond: The subsidiary SIMPAR Finance priced, on February 9, 2021, its issue of debt securities in the international market, denominated in Brazilian reais, in the total amount of R$450million, remunerated at a rate of 10.750% per year and maturing on February 12, 2028, guaranteed by SIMPAR. SIMPAR simultaneously entered into a swap agreement so that the fixed remuneration of 10,750% per annum of the Notes would be pegged to the CDI variation, resulting in a remuneration equivalent to 149.81% of the CDI. The company has made a commitment to reduce its GHG emissions by 7.8% by 2025.

Subsidiary Movida - Acquisition of Vox Frotas Locadoras S.A ("Vox"): On January 17, 2021, according to a material fact disclosed to the market, the subsidiary Movida entered into a purchase and sale agreement aimed at the acquisition of VOX at the book value of its fleet verified on the closing date, plus a premium of 12.5% (twelve point five percent), which should be adjusted to reduce net debt, reflect working capital adjustments and other adjustments on the closing date of the transaction. Based on October 2020 information, the resulting amount would be equivalent to R$89 million. The price will be paid in cash: 50% upfront and 50% on the first anniversary of the transaction.

Subsidiary Movida - Issue of Sustainability Linked Bond: On January 28, 2021, the financial subsidiary Movida Europe, priced its first issue of debt securities in the international market, in the total amount of US$500 million, bearing interest at a rate of 5.250% per annum and maturing on February 8, 2031, guaranteed by Movida, Movida Locação de Veículos S.A. and Movida Locação de Veículos Premium Ltda. Movida intends to use the funds raised through the Notes for corporate purposes as a whole, including capital expenditures (CAPEX) and the refinancing of its existing indebtedness. The Subsidiary Movida has made a commitment to reduce its GHG emissions by 30% by 2030.

Business combination of GTF - Movida and CS Frotas: On February 04, 2021, Simpar informed the market through a Material Fact that it is evaluating the opportunity to present a proposal to integrate the business of the indirect subsidiary CS Frotas into the subsidiary Movida. The potential operation will consolidate all of SIMPAR's Light GTF activity in Movida It is expected that, with this, Movida (i) will present an important growth in the net revenue of its Light GTF operation and (ii) will be able to operate without restrictions on the customer profile, better positioning it to face its competitors in Brazil that already operate this manner.

Subsidiary JSL - Acquisition of Pronto Express Logística S.A ("TPC"): On January 26, 2021, a purchase and sale agreement was signed aiming at the acquisition of TPC, which operates bonded and non-bonded warehouses, dedicated in house logistics, cross docking and integrated distribution management, including last mile and reverse logistics. The agreement provides for the acquisition of 100% of TPC for R$288.6 million, an amount that will be adjusted on the closing date of the transaction. The implementation of the contract is conditioned to the fulfillment of obligations and conditions precedent usual to this type of operation, including its submission for CADE's approval.

Acquisition of Transportadora Rodomeu Ltda and Unileste Transportes Ltda ("Rodomeu"): On February 24, 2021, a purchase and sale agreement was signed aiming at the acquisition of Rodomeu, which is specialized in road transport of highly complex cargo. The Agreement provides for the acquisition of 100% of Rodomeu for R$97 million in cash by JSL. The amount may be adjusted upon implementation of the transaction, which is subject to compliance with obligations and usual conditions precedent for this type of transaction, including its submission for approval by the Administrative Council for Economic Defense - CADE.

Subsidiary Vamos - Public offering for the primary distribution of common shares: On March 1, SIMPAR informed the market of the final result of the Restricted Offering of the subsidiary Vamos, which consisted of the total distribution of 50,182,480 Shares, as follows: (i) 34,215,328 new common shares issued by Vamos; and (ii) 15,967,152 common shares issued by Vamos and held by the Company (considering the Supplementary Shares, as defined in the Material Facts of the Offering) offered at a price per Share of R$26.00. The Company will now hold 77.1% of the share capital of Vamos after the conclusion of the Restricted Offering.

Parent Company - Cancellation of common treasury shares, termination of the buyback program and new share buyback program: On February 04, 2021, the Company's Board of Directors approved: (i) the cancellation of 347,813 common shares of the Company, currently held in treasury; (ii) the termination of the share buyback program opened on September 21, 2020; and (iii) the new share buyback program of the Company itself, which may acquire up to 7,000,000 shares of its own issue, subject to legal limitations. The program will last 18 months, beginning on February 04, 2021 and ending on August 04, 2022.

9) Capital Markets

Share Performance: SIMPAR is listed on B3's Novo Mercado and its shares are part of the following indexes:

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

On December 31, 2020, SIMH3’s shares were priced at R$35.47, up by 32.5% when compared to December 31, 2019. At the end of 2020, the Company had a total of 206,165,692 shares, of which 205,817,879 are outstanding and 347.813 are treasury shares. During 2020, there was no cancellation of shares held in treasury. The Company’s shareholder base evolved from 13,014 to 20,802 individual and institutional investors, increasing by 59.8% in the annual comparison.

10) Corporate Governance

SIMPAR maintains a robust corporate governance structure and, since 2010, through JSL S.A. and currently through SIMPAR S.A., has been part of the New Market of B3, the Brazilian stock exchange. Thus, it follows the highest standards of transparency, fairness, corporate responsibility, and integrity. This commitment, besides enabling the preservation of values and of the differentiated management model, qualifies the decision making and allows a modern strategic planning, aligned to the best market practices.

For the company, maintaining recognized standards of governance is an inducer for professionalism, innovation, and the achievement of organizational values and strategic objectives - and is therefore fundamental to the sustainability of the business. Thus, in its corporate reorganization, SIMPAR also endowed its subsidiaries with the necessary independence to perform the different activities, which includes their own Board of Directors and support committees, including Sustainability, in the different companies in the portfolio.

SIMPAR's corporate governance structure is composed of the Board of Directors, the highest governance body, the Executive Board and the Fiscal Council. Qualifying the management, support organs are maintained, which report directly to the Board of Directors: Finance and Procurement Committee, Sustainability Committee, Audit Committee, Internal Controls and Risks Committee, and Ethics and Compliance Committee. In addition to this complete structure, the Company follows differentiated practices, such as the broad participation of independent members in the instances. With this structure, SIMPAR aims to encourage and promote the constant improvement of governance in its portfolio.

The corporate guidelines, goals, and strategies are always guided and approved by the Board of Directors of each company. The person responsible for the execution and delivery of the plan, approved by the Board of Directors, will always be the CEO (business owner) and his or her business leaders (business owners). In addition, SIMPAR's CEO and leaders are always close enough to support, charge and monitor the business plan and contribute to the business transformation of all businesses in a sustainable way, through people, strategic planning, capital and controls that ensure value generation for customers, employees, society and shareholders.

11) Ethics and compliance

Continuously strengthening ethical principles and transparency standards is SIMPAR's commitment, which extends to all controlled companies, as well as a non-negotiable value in all its relationships. Since 1997, the Company has adopted corporate mechanisms that aim to ensure compliance in its business, which includes preventive actions and a focus on training and communication for its workforce. In addition, it has an independent Internal Controls, Risks and Compliance (CRC) Department, which reports to the Audit Committee, and maintains the advisory support of the Ethics and Compliance and Internal Controls and Risks committees.

SIMPAR is a signatory to the Business Pact for Integrity and Against Corruption, of the Ethos Institute - in 2020, all operations of SIMPAR and its subsidiaries were assessed for corruption risks - and maintains updated policies that govern the actions of all subsidiaries.

12) Human Capital

The search for professionals aligned to SIMPAR's values begins with selection and recruitment. In 2020, with a focus on perpetuating the culture, the *holding* company's People Committee promoted alignments with those responsible for the search for new professionals in all controlled companies to highlight the importance of hiring professionals engaged in values such as Devotion to Serve, People, Simplicity, and Ownership Attitude. The *holding* company also directed the subsidiaries to work on the communication of the values that have governed the companies for more than 60 years, to maintain the essence that has enabled the sustainable development of the business over the past decades. Our People Management area also conducted periodic evaluations of new employees and post-termination interviews to assess the reasons behind voluntary departure. Additionally, the Family Appreciation Program is maintained, focused on the hiring of family labor, emphasizing the bonds established between the employees and the companies.

To guarantee an attractive and favorable environment for development, benefits are offered, some of which can be extended to family members: life insurance, health plan, and extended maternity/paternity leave, with no distinction between full-time and part-time employees. In 2020, 728 employees took maternity/paternity leave, including 161 women and 567 men. The return rate (percentage of those who returned after the leave period) was 96% for men and 86% for women. The retention rate in 2020 - the percentage of employees who were still employed 12 months after returning - was 82% for men and 69% for women.

Considering the subsidiaries, we ended 2020 with a staff of more than 21,000 employees - 83% of whom are men and 17% women - and 844 third-parties. Of the total number of own employees, 99% were contracted on an open-ended basis and 95% on a full-time basis. The majority, 63%, operate in Brazil's Southeast Region, while 14% were in the Northeast and 9% in the Central-West.

Valuing people is one of SIMPAR's priority themes. As such, March 2020 saw the launch of the Respect for Diversity Program, aimed at promoting a more inclusive and diverse work environment, with an initial focus on women.

Because of the atypical year due to the COVID-19 pandemic, SIMPAR has concentrated its efforts on ensuring the health and well-being of its employees. However, it has maintained investments in employee training, an action that begins in the on-boarding process, which took place virtually during the year and addresses ethical, compliance, and safety issues, in addition to the fundamental requirements of each operation. An annual training calendar is maintained, which combines behavioral and socio-emotional aspects with technical training. Durign the year, an average of 0.24 hours of training was offered per employee, for a total of about 127,000 hours of training.

The SIMPAR Group continued to adjust its Information Security in 2020. To ensure the physical security of its employees, the Group allowed, through a change in technology, all employees to work via VPN to access the Company's systems. We update our policies and procedures, performed more timely vulnerability corrections on users' servers and machines, implemented more enhanced security tools, such as double authentications, identity management, firewalls and content management for Internet access.

With the corporate reorganization and the creation of the People Committee, the goal is to structure career paths and a leadership development plan over the next few years. In the short term, the focus is on the elaboration of a development and training plan for the professionals at the base, to prepare them to rise to new leadership positions, growing together with the subsidiaries and the *holding* company itself. Therefore, there is also the intention of instituting internship and *trainee* programs - the latter already in place at Movida - in all the companies. For 2021, the programs have already been designed: the internship program is expected to fill 50 vacancies. The trainee program will have 35 placements in all controlled companies.

13) Social Management

Through Instituto Julio Simões, SIMPAR and its subsidiaries channel social investments, strengthening the relationship with communities and promoting value generation in the locations where they are present. In 2020, the Institute, with this commitment, acted in several actions to help fight COVID-19.

Besides this valuable support in emergency actions, there is a series of projects of its own, such as Julio Cidadão (Clown Doctors), which since 2007 has aimed to encourage social engagement and the exercise of citizenship among the employees of subsidiaries by training "Hospital Humanizers". The volunteers visit hospitals and long-stay institutions for the elderly (ILPI). During the year, so as not to interrupt these activities, the humanization actions were carried out via video, benefiting a total of 720 people.

Another important program is Natal de Emoções, which aims to involve the employees of the portfolio companies in social projects, encouraging volunteer work and solidarity. During the year, through the campaign, the professionals from the subsidiaries and the holding company made donations of non-perishable food and resources, by means of a QR Code, to buy basic food baskets. SIMPAR doubled the volume collected and, in total, 2,538.35 kilos of food were destined to social institutions and families in situations of social vulnerability. An estimated 670 people were impacted by the donations.

For the effectiveness of its actions, SIMPAR adopts engagement plans and promotes impact assessments in 100% of its Group's operations, in addition to maintaining channels of complaints and grievances for communication with local communities.

SIMPAR and its subsidiaries are signatories to commitments that aim to generate socio-environmental value and adhere to institutions and initiatives with which they share sustainable development ideals.

- Global Compact and the UN: The Company became a signatory to the United Nations Global Compact in 2014 and, in 2020, the subsidiaries JSL, Movida, CS Brasil, Vamos Locação de Caminhões, Máquinas e Equipamentos and Original Veículos also joined the United Nations initiative. Furthermore, SIMPAR participates in the Integrity Work Group of the UN Global Compact - Brazil Network; and the director of the Internal Controls, Risks and Compliance area, Erika Eggers Wiikmann, sits on the Advisory Board for Collective Actions of the UN Global Compact - Brazil Network.
- Women 360 Movement: In 2019, SIMPAR joined the Women 360 Movement, which aims to contribute to the economic empowerment of Brazilian women by fostering, systematizing and disseminating advances in business policies and practices, with a focus on engaging the Brazilian business community and society in general on the topic.
- Corporate Sustainability Index (ISE): Movida was announced to join the 16th ISE B3 portfolio on 12/1/2020; the portfolio will be in effect from January 4, 2021 to December 30, 2021.
- Sistema B: In January 2020, Movida became the first car rental company in the world to receive Company B Certification, as the second publicly traded company on B3 in São Paulo.
- Business Pact for Integrity and Against Corruption: SIMPAR will formalize adhesion to the Business Pact for Integrity and Against Corruption of the Ethos Institute in 2021. Since 2018, the companies JSL, Movida, Vamos, CS Brasil and Original Concessionaires have been signatories

to the commitment that aims to promote a market with more integrity and ethics and to eradicate bribery and corruption. Furthermore, SIMPAR participates in the Integrity Working Group of the Ethos Institute.

- Sector Integrity Pact for Urban Cleaning, Solid Waste and Wastewater: CS Brasil signed the Urban Cleaning, Solid Waste and Wastewater Integrity Sector Pact in 2019. This is a collective action of the companies in the Solid Waste, Urban Cleaning, and Wastewater sector, and of trade associations (Selurb, Abetre, ABLP, Abrager, and Abrelpe), coordinated by the UN Global Compact and the Ethos Institute.
- GHG Protocol: In 2019, SIMPAR became a member of the GHG Protocol. The program provides a tool used to understand, quantify, and manage GHG emissions. SIMPAR's inventory is available for consultation by the general public, reinforcing transparency in the disclosure of its subsidiaries' emissions.
- "Na Mão Certa" (On the Right Track) Program: Since 2007, JSL has been a signatory to the Na Mão Certa Program, which aims to join efforts to end the sexual exploitation of children and adolescents on Brazilian highways.
- Instituto Liberta: SIMPAR is a partner of Instituto Liberta, whose mission is to combat the sexual exploitation of children and adolescents in Brazil.
- In 2019, Movida also joined "Capitalismo Consciente" (Conscious Capitalism) and, in the pandemic period, some specific initiatives on the ESG agenda created to address the economic recovery with a focus on a more conscious and sustainable economy:
- Reset Capitalism and Imperative 21: Movida was the first Brazilian publicly traded company to support the Reset Capitalism and Imperative 21 initiatives, an international initiative led by Sistema B.
- Recover Better Statement: Movida was one of the more than 150 large companies that signed the statement "Uniting companies and governments to recover better", a sustainable recovery letter produced by the UN Global Compact, with an invitation to companies that are members of the Science Based Targets (SBTi) and Business Ambitions for 1.5ºC initiatives.
- CoVIDA Fund: The subsidiary directed resources and participated in the creation of the fund for financing positive impact businesses.
- In 2020, Movida also became a signatory to initiatives related to climate change - Business Ambition for 1.5ºC (linked to the Global Compact), Action4Climate, Science Based Targets (linked to CDP and the Global Compact) and Net Zero 2030 (linked to Sistema B) - and diversity - WEPS (linked to UN Women) and Equality is a priority (linked to the Global Compact).

14) Natural Capital

SIMPAR, in its activities as a *holding* company, has no significant environmental interferences. However, due to the operations of the portfolio companies, the company maintains corporate processes, guidelines, and programs that aim at the mitigation of negative impacts on the environment and the adoption of best practices by the subsidiaries.

We developed the Environmental Management System, with a corporate manual to guide the managers of the different units in relation to points of weakness and risk, as well as opportunities for continuous improvement by adjusting and improving processes that aim to reduce, mitigate or offset negative environmental impacts. The first step of the environmental survey consists in the elaboration of the diagnoses of the units, with the survey of negative environmental aspects and impacts, the legislation, and the necessary management measures. Afterwards, the Environmental Control Plan is prepared, which consists of the systematization of all the processes, with the insertion of resource consumption data (water, electric power, fuel etc.), generation and destination of residues and effluents, in addition to its control and monitoring processes. Monthly data must be sent to SIMPAR by the subsidiaries.

Among the impacts resulting from the operations of its portfolio, SIMPAR understands that the most sensitive is related to climate change. For this reason, the theme is included in the Sustainability Policy, with a focus on strategic discussions, promoted monthly by the sustainability committees and presented quarterly to the Board of Directors. The management of the theme occurs mainly in the scope of the Greenhouse Gas Emissions (GGE) Program. The Company's goal is to measure the real environmental impact of its business, especially in the context of discussions about emission reduction plans in various forums around the world. As such, measures were adopted in 2020 to mitigate impacts, such as the rational use of fuels, continuous renewal of the fleet, and monitoring of indicators by means of an inventory of emissions based on the GHG Protocol international methodology. In addition to the publication of the study, there are reduction targets, considering scopes 1, 2, and 3 - the last one quite challenging, as it relates to emissions from outsourced fleets. Therefore, the aim is to improve influence, monitoring, and dialog with the entire value chain.

Based on these scenarios, investments and efforts are included in the strategy, which covers:

- Potential for purchasing electric vehicles and biomethane-powered vehicles;
- Migration of fuel consumption from gasoline to ethanol;
- Implementation of mechanisms to encourage and ensure that Movida clients use ethanol instead of gasoline;
- Implementation of telemetry technology in most of the fleet, promoting better driver performance, and reducing fuel consumption;
- Increased participation of renewable energy sources in the energy matrix, allowing emissions to be substantially reduced;
- Promoting the reduction of CO2 emissions, through the implementation of new technologies, such as diffuser for installation in diesel vehicles, allowing a clean combustion in the engine;
- Optimizing operations, making them more efficient, investing in better technologies and maintenance.

Additionally, climate-related risks and opportunities also influence SIMPAR's financial planning. Spending, allocation and access to capital, as well as acquisitions and divestments, are evaluated at the time of planning and are related to climate risks.

15) Independent Audit

In compliance with CVM Instruction 381/03, we inform that the Company, as a formal procedure, consults the independent auditors KPMG Auditores Independentes (KPMG) to ensure that the hiring of additional services does not affect their independence and objectivity, necessary for the audit services as an independent auditor. The Company's policy for hiring external audit services ensures that there is no conflict of interest, loss of objectivity or independence. For the fiscal year ended December 31, 2020, KPMG Auditores Independentes audited the financial statements, in addition to audit-related services for the issue of previously agreed procedure reports, with fees of R$1,657 thousand, accounting for 49% of the external audit service fees. We understand that these services do not represent a conflict of interest, loss of independence or objectivity of our independent auditors.

16) Statement from Management

In compliance with CVM Instruction 480/09, the Executive Board declares that it discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and with the individual and consolidated financial statements for the fiscal year ended December 31, 2020.

17) Arbitration Clause

The Company is bound to arbitration in the Market Arbitration Chamber, according to the arbitration clause contained in its 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
Chief Executive Officer

Denys Marc Ferrez
Chief Financial, Administrative and Investor Relations Officer

Samir Moises Gilio Ferreira
Officer

Antônio da Silva Barreto Junior
Officer

www.simpar.com.br/ri

Simpar S.A.
Statements of financial position
as at December 31, 2020 and 2019
In thousands of Brazilian reais

		Parent company		Consolidated	
Assets	**Note**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Current assets					
Cash and cash equivalents	7	273,844	616	409,601	592,431
Marketable securities and financial investments	8	866,692	-	7,918,780	5,182,010
Derivative financial instruments	6.3 (b)(ii)	66,213	-	80,380	32,233
Trade receivables	9	-	-	1,934,446	1,754,840
Inventories	10	-	-	213,017	306,037
Assets held for sale	11	-	-	320,879	541,188
Taxes recoverable	12	67	-	160,490	155,284
Income tax and social contribution recoverable	26.3	18,519	9,416	298,451	156,682
Prepaid expenses		610	614	58,314	43,488
Dividends receivable	13.3	47,290	21,732	-	-
Related parties	27.1	62,365	-	-	-
Advances to third parties		71	-	43,689	82,420
Other receivables		28,576	503	57,825	55,074
		1,364,247	**32,881**	**11,495,872**	**8,901,687**
Assets held for distribution to owners of the Company	1,1 (a) (a,i)	-	204,272	-	911,800
		1,364,247	**237,153**	**11,495,872**	**9,813,487**
Noncurrent					
Long-term receivables					
Marketable securities and financial investments	8	108,273	-	149,483	655
Derivative financial instruments	6.3 (b)(ii)	150,918	-	334,642	638,400
Trade receivables	9	-	-	104,684	88,321
Taxes recoverable	12	-	-	151,909	138,466
Income tax and social contribution recoverable	26.3	-	-	66,664	34,929
Judicial deposits	25	-	-	75,532	76,353
Deferred income tax and social contribution	26.1	-	-	161,215	138,431
Related parties	27.1	45,189	48,961	-	36
Indemnification assets due to business combination	1.1 (d) (d,iii)	-	-	103,783	-
Other receivables		14,691	1,071	82,984	83,462
		319,071	**50,032**	**1,230,896**	**1,199,053**
Investments	13.1	3,403,225	745,456	16,584	6,716
Property and equipment	14	70,416	1,880	11,747,476	9,616,885
Intangible assets	15	902	4	1,071,420	537,738
		3,793,614	**797,372**	**14,066,376**	**11,360,392**
Total assets		**5,157,861**	**1,034,525**	**25,562,248**	**21,173,879**

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

Simpar S.A.
Statements of financial position
as at December 31, 2020 and 2019
In thousands of Brazilian reais

		Parent company		Consolidated	
Liabilities	**Note**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Current liabilities					
Trade payables	16	642	51	2,135,298	1,691,764
Floor plan	17	-	-	71,844	106,735
Suppliers financing - car makers	18	-	-	157,923	12,051
Loans and borrowings	19	76,879	55,297	1,284,761	1,227,285
Debentures	20	51,277	-	592,595	694,901
Leases payable	21	-	-	131,092	140,850
Right-of-use leases	22	-	-	101,600	113,869
Assignment of receivables	23	-	-	6,043	6,043
Social and labor liabilities	24	7,516	254	270,006	231,628
Income tax and social contribution payable	26.3	8,586	624	18,679	3,718
Tax liabilities		-	2,129	103,291	85,291
Dividends and interest on capital payable	28.4 (a)	72,622	15,165	97,856	64,020
Advances from customers		-	-	177,170	175,700
Related parties	27.1	-	13,184	550	3,056
Other payables		7,978	-	376,150	173,845
		225,500	**86,704**	**5,524,858**	**4,730,756**
Liabilities held for distribution to owners of the Company	1.1 (a) (a,i)	-	-	-	669,837
		225,500	**86,704**	**5,524,858**	**5,400,593**
Noncurrent					
Loans and borrowings	19	2,408,670	-	9,046,647	7,050,051
Debentures	20	546,724	-	5,968,161	4,676,855
Leases payable	21	-	-	182,314	260,762
Right-of-use leases	22	-	-	390,965	403,831
Assignment of receivables	23	-	-	6,043	12,085
Tax liabilities		-	-	15,992	1,095
Provision for judicial and administrative litigation	25	-	-	181,865	67,829
Deferred income tax and social contribution	26.1	61,909	-	621,467	574,120
Related parties	27.1	528	32,347	528	13,999
Other payables		21,932	-	399,558	162,675
		3,039,763	**32,347**	**16,813,540**	**13,223,302**
Total liabilities		**3,265,263**	**119,051**	**22,338,398**	**18,623,895**
Equity					
Share capital	28.1	713,975	163,601	713,975	163,601
Capital reserves	28.2	575,114	-	575,114	-
Treasury shares	28.3	(10,503)	-	(10,503)	-
Earnings reserves	28.4	262,336	255,260	262,336	255,260
Other comprehensive income (loss)		2,103	-	2,103	-
Equity valuation adjustments		470,044	496,613	470,044	496,613
Other equity adjustments related to subsidiaries		(120,471)	-	(120,471)	-
Equity attributable to the owners of the Company		**1,892,598**	**915,474**	**1,892,598**	**915,474**
Non-controlling interests	28.5	-	-	1,331,252	1,634,510
Total equity		**1,892,598**	**915,474**	**3,223,850**	**2,549,984**
Total liabilities and equity		**5,157,861**	**1,034,525**	**25,562,248**	**21,173,879**

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

Simpar S.A.
Statements of profit or loss
For the years ended December 31, 2020 and 2019
In thousands of Brazilian reais, except for earnings per share

	Note	Parent company 12/31/2020	Parent company 12/31/2019	Consolidated 12/31/2020	Consolidated 12/31/2019
Net revenue from sale, lease, services rendered and sale of decommissioned assets	**30**	**-**	**-**	**9,807,057**	**9,686,209**
Cost of sales, leases and services rendered	31	-	-	(5.168.883)	(5.102.646)
Cost of sales of decommissioned assets	31	-	-	(2.618.101)	(2.524.180)
Total cost of sales, leases, services rendered and sale of decommissioned assets		**-**	**-**	**(7.786.984)**	**(7.626.826)**
Gross profit		**-**	**-**	**2,020,073**	**2,059,383**
Selling expenses	31	-	-	(328.770)	(293.107)
Administrative expenses	31	(15.633)	-	(567.922)	(571.098)
Provision of expected credit losses (“impairment”) of trade receivables	31	-	-	(78.667)	(32.527)
Other operating income (expenses), net	31	2,064	-	(14.217)	37,715
Equity results from investees	13.1	353,963	125,015	(515)	(1.201)
Profit before finance income and costs		**340,394**	**125,015**	**1,029,982**	**1,199,165**
Finance income	32	14,413	-	679,426	365,336
Finance costs	32	(56.265)	-	(1.054.202)	(1.133.375)
Profit before income tax and social contribution from continuing operations		**298,542**	**125,015**	**655,206**	**431,126**
Income tax and social contribution - current	26.2	-	-	(177.605)	(68.869)
Income tax and social contribution - deferred	26.2	6,018	-	(51.562)	(43.632)
Total income tax and social contribution		**6,018**	**-**	**(229.167)**	**(112.501)**
Profit for the year from continuing operations		**304,560**	**125,015**	**426,039**	**318,625**
Discontinued operations					
Loss after taxes from discontinued operations	1.1.(a) (a.ii)	(28.539)	(5.662)	(28.539)	(5.662)
Loss from discontinued operations		**(28.539)**	**(5.662)**	**(28.539)**	**(5.662)**
Profit for the year		**276,021**	**119,353**	**397,500**	**312,963**
Attributable to:					
Owners of the Company		276,021	119,353	276,021	119,353
Non-controlling interests		-	-	121,479	193,610
(=) Basic earnings per share (in Reais)	34.1	-	-	3.201	1.275
(=) Diluted earnings per share (in Reais)	34.2	-	-	3.201	1.275
(=) Basic earnings per share from continuing operations (in Reais)	34.1	-	-	3.532	1.336
(=) Diluted earnings per share from continuing operations (in Reais)	34.2	-	-	1.071	1.336

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

Simpar S.A.
Statements of comprehensive income
For the years ended December 31, 2020 and 2019
In thousands of Brazilian reais

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Profit for the year	**276,021**	**119,353**	**397,500**	**312,963**
Items that are or may be subsequently reclassified to profit or loss:				
Loss (gains) on cash flow hedge	(32.701)	-	45,135	164,181
(Losses) gains on cash flow hedge in subsidiaries	(111.149)	92,368	-	-
Income tax and social contribution on cash flow hedge	48,909	-	(15.346)	(61.814)
Unrealized gains on marketable securities measured at FVOCI in subsidiaries	23,077	-	23,077	55,201
	(71.864)	**92,368**	**52,866**	**157,568**
Cash flow hedge gains (losses) in subsidiaries reclassified to profit or loss	-	-	(281.440)	-
Income tax and social contribution on cash flow hedge (note 26.1)	-	-	95,690	-
Total other comprehensive income (loss)	**(71.864)**	**92,368**	**(132.884)**	**157,568**
Total comprehensive income for the year	**204,157**	**211,721**	**264,616**	**470,531**
Operations				
Continuing	232,696	217,383	293,155	476,193
Discontinued	(28.539)	(5.662)	(28.539)	(5.662)
	204,157	**211,721**	**264,616**	**470,531**
Attributable to:				
Owners of the Company	204,157	211,721	204,157	211,721
Non-controlling interests	-	-	60,459	258,810

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

Simpar S.A.
Statements of changes in equity
For the years ended December 31, 2020 and 2019
In thousands of Brazilian reais

		Capital reserves			Earnings reserves				Other comprehensive income (loss)					
	Share capital	Share-based payment transactions	Special reserve	Treasury shares	Retention of earnings	Investment reserve	Legal reserve	Retained earnings	Hedge reserve	Equity valuation adjustments	Other equity adjustments related to subsidiaries	Total equity of owners of the Company	Non-controlling interests	Total equity
Balance at December 31, 2018	**163,601**	**-**	**-**	**-**	**67,503**	**77,303**	**19,503**	**-**	**-**	**270,977**	**-**	**598,887**	**829,149**	**1,428,036**
Profit for the year	-	-	-	-	-	-	-	119,353	-	-	-	**119,353**	193,611	**312,964**
Other comprehensive income (loss) for the year, net of tax	-	-	-	-	-	-	-	-	-	92,368	-	**92,368**	74,541	**166,909**
Total comprehensive income for the period, net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**119,353**	**-**	**92,368**	**-**	**211,721**	**268,152**	**479,873**
Retention of earnings	-	-	-	-	109,983	-	5,968	(115,951)	-	-	-	**-**	-	**-**
Gain (loss) on equity interests in indirect subsidiaries, net of tax	-	-	-	-	-	-	-	-	-	131,087	-	**131,087**	80,962	**212,049**
Gain in charge in the percentage of equity interest	-	-	-	-	-	-	-	-	-	2,503	-	**2,503**	(2,144)	**359**
Share-based payment	-	-	-	-	-	-	-	-	-	4,339	-	**4,339**	3,502	**7,841**
Dividends and interest on capital for distribution	-	-	-	-	(25,000)	-	-	(3,402)	-	-	-	**(28,402)**	(70,876)	**(99,278)**
Capital contribution	-	-	-	-	-	-	-	-	-	-	-	**-**	533,668	**533,668**
Repurchase of shares	-	-	-	-	-	-	-	-	-	(3,878)	-	**(3,878)**	(7,903)	**(11,781)**
Other changes	-	-	-	-	-	-	-	-	-	(783)	-	**(783)**	-	**(783)**
At December 31, 2019	**163,601**	**-**	**-**	**-**	**152,486**	**77,303**	**25,471**	**-**	**-**	**496,613**	**-**	**915,474**	**1,634,510**	**2,549,984**
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 (loss) for the year, net of tax	-	-	-	-	-	-	-	-	(10,368)	-	(61,496)	**(71,864)**	(61,020)	**(132,884)**
Total comprehensive income (loss) for the year, net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**276,021**	**(10,368)**	**-**	**(61,496)**	**204,157**	**60,459**	**264,616**
Capital contribution (Note 28.1)	278,995	-	123,257	-	(145,000)	(54,790)	-	-	-	-	-	**202,462**	(223,689)	**(21,227)**
Merger of shares (note 28.1)	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 (note 1.1(a))	(101,024)	-	-	-	-	-	-	-	-	(74,010)	-	**(175,034)**	-	**(175,034)**
Share-based payment (note 28.2 (a))	-	465	-	-	-	-	-	-	-	-	(1,332)	**(867)**	(2,309)	**(3,176)**
Gain on equity interests in indirect subsidiaries, net of tax	-	-	-	-	-	-	-	-	-	49,615	-	**49,615**	40,447	**90,062**
Repurchase of shares (note 28.3)	-	-	-	(10,503)	-	-	-	-	-	-	(24,244)	**(34,747)**	(19,004)	**(53,751)**
Offer of shares from subsidiary (note 28.2(b))	-	-	408,352	-	-	-	-	-	-	-	-	**408,352**	266,424	**674,776**
Dividends and interest on capital (note 28.4 (a))	-	-	-	-	-	-	-	(69,155)	-	-	-	**(69,155)**	(28,783)	**(97,938)**
Non-controlling interests due to business combination (note 28.5)											-	**-**	1,632	**1,632**
Retention of earnings	-	-	-	-	(7,486)	200,551	13,801	(206,866)	-	-	-	**-**	-	**-**
Other changes in investments	-	-	-	-	-	-	-	-	-	(2,174)	(705)	**(2,879)**	(3,215)	**(6,094)**
Balances 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**

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

Simpar S.A.
Statements of cash flows - indirect method
For the years ended December 31, 2020 and 2019
In thousands of Brazilian reais

	Note	Parent company 12/31/2020	Parent company 12/31/2019	Consolidated 12/31/2020	Consolidated 12/31/2019
Cash flows from operating activities					
Profit before income tax and social contribution from continuing operations		298,542	125,015	655,206	431,126
Adjustments to:					
Equity results from investees	13.1	(353,963)	(125,015)	515	1,201
Depreciation and amortization	14 e 15	3,991	-	1,111,953	916,744
Provision for impairment of non-financial assets	1.4.(c) (iii)	-	-	145,249	-
Cost of sales of decommissioned assets	11	-	-	2,618,101	2,524,180
Provision for losses, write-off of other assets and extemporaneous tax credits		1,882	-	180,724	107,846
Share-based payment	28.2.(a)	465	-	(3,176)	7,841
Gain on fair value of derivative financial instruments	32	34,529	-	(723,440)	(172,610)
Exchange rate on loans and borrowings	32	(63,129)	-	637,087	175,092
Interest and monetary variations on loans and borrowings, financing, leases, debentures and suppliers financing	32	84,126	-	1,097,615	1,042,281
		6,443	**-**	**5,719,834**	**5,033,701**
Changes in operating net working capital					
Trade receivables		-	-	(179,769)	(449,303)
Inventories		-	-	137,984	108,386
Trade payables and floor plan		590	-	167,099	35,312
Labor and tax liabilities, and taxes recoverable		6,690	-	56,064	(7,376)
Other current and noncurrent assets and liabilities		(102,697)	(2,554)	20,479	(15,348)
		(95,417)	**(2,554)**	**201,857**	**(328,329)**
Income tax and social contribution paid and withheld		(518)	-	(348,247)	(122,774)
Interest paid on loans and borrowings, leases payable, debentures and suppliers financing - car makers		(16,141)	-	(1,134,427)	(1,018,425)
Acquisition of operational property and equipment for leasing	35	-	-	(4,460,520)	(4,583,850)
Redemptions of (investments in) marketable securities and financial investments		90,689	-	(2,155,846)	(982,425)
Net cash generated by operating activities		**(14,944)**	**(2,554)**	**(2,177,349)**	**(2,002,102)**
Cash flows from investing activities					
Capital contribution in subsidiaries	13.1	(7,000)	-	(10,114)	(7,632)
Acquisitions of companies, net of cash in the consolidated	1.1 (d) (d.iv)	-	-	(150,357)	-
Acquisition of property and equipment and intangible assets		(1,157)	-	(224,817)	(201,780)
Dividends and interest on capital received	13.3	191,545	-	-	-
Net cash from absorption of net assets	1.1 (b)	87,280	-	-	-
Sale of investment in subsidiary, net of cash		-	-	-	(7,641)
Net cash generated by (used in) investing activities		**270,668**	**-**	**(385,288)**	**(217,053)**
Cash flows from financing activities					
Treasury shares acquired	28.3	(10,503)	-	(53,751)	(11,781)
Capital increase		1,149	-	6,264	13,867
Payment for the acquisition of companies		-		(9,183)	(60,207)
Payment for assignment of receivables		-		(6,042)	(6,043)
New loans, borrowings and debentures		-	-	7,567,346	5,062,001
Payment of loans and borrowings, leases payable, debentures and suppliers financing - car makers		(25,000)	-	(6,538,002)	(3,756,151)
Derivative financial instruments received		51,858	-	789,532	126,331
Dividends paid		-	-	(12,828)	(52,800)
Interest on capital paid	28.4 (a)	-	-	(36,028)	-
Capital increase in subsidiaries through share subscription, net	1.1 (c)	-	-	672,499	802,875
Net cash (used in) generated by financing activities		**17,504**	**-**	**2,379,807**	**2,118,092**
Net increase (decrease) in cash and cash equivalents		**273,228**	**(2,554)**	**(182,830)**	**(101,063)**
Cash and cash equivalents					
At the beginning of the year		616	3,170	592,431	693,494
At the end of the year		273,844	616	409,601	592,431
Net increase (decrease) in cash and cash equivalents		**273,228**	**(2,554)**	**(182,830)**	**(101,063)**
Balance variation, without affecting cash					
Raising of leases payable and Finame for the acquisition of property and equipment	35	-	-	(782,521)	(405,678)
Change in the balance of trade payables and suppliers financing – car makers	35	-	-	(220,732)	(596,740)
Additions to right-of-use leases	35	-	-	(247,470)	(120,302)
Initial adoption of CPC 06 (R2)/IFRS 16 - Leases	35	-	-	-	(504,788)

The statements of cash flows include continuing operations. The amounts related to discontinued operations are presented in Note 1.1. (a) (iii).

Simpar S.A.
Statements of value added
For the years ended December 31, 2020 and 2019
In thousands of Brazilian reais

	Note	Parent company 12/31/2020	Parent company 12/31/2019	Consolidated 12/31/2020	Consolidated 12/31/2019
Sales, lease, services rendered and sale of decommissioned assets	30	-	-	10,874,860	10,734,355
Provision of expected credit losses ("impairment") of trade receivables	31	-	-	(78,667)	(32,527)
Other operating income (expenses)	31	2,064	-	98,396	108,944
		2,064	**-**	**10,894,589**	**10,810,772**
Inputs acquired from third parties					
Cost of sales and services rendered		-	-	(6,094,036)	(3,249,185)
Materials, electric power, services provided by third parties and others		(6,826)	-	(198,726)	(2,968,632)
Provision for impairment of non-financial assets	1.4.(c) (iii)	-	-	(145,249)	-
		(6,826)	**-**	**(6,438,011)**	**(6,217,817)**
Gross added value		**(4,762)**	**-**	**4,456,578**	**4,592,955**
Retentions					
Depreciation and amortization	31	(3,991)	-	(1,111,953)	(916,744)
Net value added generated by the Group		**(8,753)**	**-**	**3,344,625**	**3,676,211**
Value added received through transfer					
Profit (loss) of equity-result from investees continuing operations	13.1	353,963	125,015	(515)	(1,201)
Results from discontinued operations	1.1.(a) (a.ii)	(28,539)	(5,662)	(28,539)	(5,662)
Finance income	32	14,413	-	679,426	365,336
		339,837	**119,353**	**650,372**	**358,473**
Total value added to distribute		**331,084**	**119,353**	**3,994,997**	**4,034,684**
Distribution of value added					
Personnel and payroll taxes	31	4,309	-	1,477,812	1,603,040
Federal taxes		(6,018)	-	514,102	415,602
State taxes		506	-	421,555	404,199
Municipal taxes		1	-	82,144	93,303
Interest and bank fees	32	56,265	-	1,054,202	1,133,375
Leases	31	-	-	47,682	72,202
Dividends and interest on capital for the year		69,155	25,000	97,938	101,680
Retained earnings for the year		206,866	94,353	299,562	211,283
		331,084	**119,353**	**3,994,997**	**4,034,684**

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

1. Reporting entity

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

As disclosed in Note 1.1.(b), on August 5, 2020, at an extraordinary general meeting, the corporate restructuring of the Parent company JSL S.A. and its investees was approved, separating from JSL S.A. ("JSL") certain debts, in addition to the assets and liabilities not related to logistics operations, including investments in subsidiaries, which were transferred to Simpar S.A., which became the Group's holding company.

The Company and its subsidiaries (collectively referred to as "Simpar") operate in six main business 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 in the retail through the 'Movida' brand stores, light vehicles fleet management to the private sector. As consequence and aiming at the continuity of the leasing activities, Movida constantly renews its fleet, replacing used vehicles with new vehicles through sales;

(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 vehicle to the public sector, municipal passenger transport and urban cleaning. At the end of the contracts, vehicles and machines returned by customers are decommissioned and sold;

(v) Original Concessionárias: 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;

(vi) BBC: lease transactions for the purchase of vehicles and equipment defined by Law 6,099/74 and card issuance and management.

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

The Company also owned the operations of subsidiaries Ciclus and Ribeira. These operations were discontinued, in connection with the restructuring mentioned in note 1.1 (a).

In thousands of Brazilian reais, unless otherwise stated

1.1. Main events during 2020

a) Corporate restructuring and discontinued operations

During 2019, the Company decided to continue its corporate restructuring, which is part of its strategy of generating value through the segregation of its activities in dedicated companies, as occurred with Movida Participações S.A. ("Movida") and Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos"). This strategy also allows each company to better position itself strategically when it starts to operate with its own management, with an independent budget, greater agility and focus exclusively on its business segment. As part of the restructuring, the direct subsidiaries "Ciclus" and "Ribeira" were transferred to another corporate structure.

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, and of other assets and liabilities not related to JSL, through a spin-off of capital.

The book net assets from the spin-off of capital were appraised by a specialized company as at May 31, 2020, resulting in the following movement:

	Parent company - Simpar 05/31/2020	Spun-off assets	Simpar after spin-off
Cash and cash equivalents	9,886	-	9,886
Recoverable taxes	7,361	-	7,361
Other receivables	1,760	-	1,760
Total current assets	**19,007**	**-**	**19,007**
Related parties	27,937	-	27,937
Investments	904,861	175,034	729,827
Property and equipment	1,715	-	1,715
Total noncurrent assets	**934,513**	**175,034**	**759,479**
Total assets	**953,520**	**175,034**	**778,486**
Loans and borrowings	55,127	-	55,127
Trade payables	122	-	122
Labor liabilities	695	-	695
Dividends payable	15,166	-	15,166
Total current liabilities	**71,110**	**-**	**71,110**
Related parties	13,409	-	13,409
Total noncurrent liabilities	**13,409**	**-**	**13,409**
Total liabilities	**84,519**	**-**	**84,519**
Net assets	**869,001**	**175,034**	**693,967**

Discontinued operations

At December 31, 2019, the investments held by the Parent company in "Ciclus" and "Ribeira" were reclassified to the "Assets held for distribution to owners of the Company" group. The results are shown in a single line item in the statement of profit or loss, for a better presentation and comparability of the information.

In thousands of Brazilian reais, unless otherwise stated

a.i Assets and liabilities held for distribution to owners

			Consolidated
			12/31/2019
Assets	**Ribeira**	**Ciclus**	**Total**
Cash and cash equivalents	16,762	14,320	31,082
Trade receivables	20	78,419	78,439
Carbon credits	-	8,571	8,571
Taxes recoverable	655	4,750	5,405
Other receivables	50	5,958	6,008
Judicial deposits	-	465	465
Deferred taxes	-	56,584	56,584
Marketable securities	-	21,230	21,230
Investments	3,052	-	3,052
Property and equipment	245,774	363,101	608,875
Intangible assets	4	92,085	92,089
Total assets	**266,317**	**645,483**	**911,800**
Liabilities			
Trade payables	(479)	(15,760)	(16,239)
Loans and borrowings	(95,940)	(363,060)	(459,000)
Securitization	(92,319)	-	(92,319)
Sale of real estate call option	(15,000)	-	(15,000)
Labor and social liabilities	(428)	(2,135)	(2,563)
Income tax and social contribution payable	(1,375)	-	(1,375)
Taxes payable	-	(14,020)	(14,020)
Advances from customers	-	(141)	(141)
Related parties	-	(7)	(7)
Provision for contingencies	-	(9,626)	(9,626)
Provision for decommissioning costs	-	(3,260)	(3,260)
Deferred taxes	(39,251)	(17,036)	(56,287)
Total liabilities	**(244,792)**	**(425,045)**	**(669,837)**
Net assets	**21,525**	**220,438**	**241,963**

The reconciliation between the main classes of assets and liabilities from discontinued operations with the amounts reported in the consolidated financial statements is as follows:

				Consolidated
	Assets	**Liabilities**	**Goodwill**	**Net assets**
Ribeira	356,511	(244,792)	-	111,719
Ciclus	573,390	(540,848)	60,011	92,553
Total	**929,901**	**(785,640)**	**60,011**	**204,272**
Eliminations / Reclassifications (i)	(18,101)	115,803	(60,011)	37,691
Total	**911,800**	**(669,837)**	**-**	**241,963**

(i) The main adjustments refer to the elimination of asset and liability operations with related parties and the reclassification of goodwill, customer portfolio, provision for contingencies and deferred taxes, linked to the operation of acquisition of Ciclus, from the Parent company's statement of financial position accounts for the line item of discontinued operations (assets and liabilities).

In thousands of Brazilian reais, unless otherwise stated

a.ii Profit from discontinued operations

Statement of profit or loss	Parent company Simpar 12/31/2020	Parent company Simpar 12/31/2019	Ribeira 12/31/2020	Ribeira 12/31/2019	Ciclus 12/31/2020	Ciclus 12/31/2019	Eliminations 12/31/2020	Eliminations 12/31/2019	Consolidated Total 12/31/2020	Consolidated Total 12/31/2019
Net revenue from sale, lease, services rendered and sale of decommissioned assets	-	-	15,275	30,698	139,268	261,842	(52,148)	(116,169)	102,395	176,371
Cost of sales, leases and services rendered	-	-	(3,582)	(7,566)	(96,513)	(216,866)	36,873	85,471	(63,222)	(138,961)
Gross profit	**-**	**-**	**11,693**	**23,132**	**42,755**	**44,976**	**(15,275)**	**(30,698)**	**39,173**	**37,410**
Administrative expenses	(3,602)	(8,712)	(3,485)	(4,505)	(6,536)	(11,571)	15,275	30,698	1,652	5,910
Equity results from investees	-	-	(11)	(37)	-	-	-	-	(11)	(37)
Other operating (expenses) income, net	(5,368)	2,353	-	-	158	2,933	-	-	(5,210)	5,286
Finance costs, net	(1,782)	(4,861)	(25,206)	(10,352)	(38,095)	(32,756)	-	-	(65,083)	(47,969)
Equity results from subsidiaries	(17,787)	5,829	-	-	-	-	17,787	(5,829)	-	-
Loss before income tax and social contribution from discontinued operations	**(28,539)**	**(5,391)**	**(17,009)**	**8,238**	**(1,718)**	**3,582**	**17,787**	**(5,829)**	**(29,479)**	**600**
Income tax and social contribution (current and deferred)	-	(271)	406	(4,420)	534	(1,571)	-		940	(6,262)
(Loss) profit from discontinued operations	**(28,539)**	**(5,662)**	**(16,603)**	**3,818**	**(1,184)**	**2,011**	**17,787**	**(5,829)**	**(28,539)**	**(5,662)**

In thousands of Brazilian reais, unless otherwise stated

a.iii Cash flow generated by discontinued operations

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Net cash (used in) generated by operating activities	(4,573)	(14,893)	33,432	85,671
Net cash generated by (used in) investing activities	24,740	33,511	(9,716)	(30,434)
Net cash (used in) generated by financing activities	(11,468)	(21,172)	43,764	(30,058)
Net increase in cash and cash equivalents	**8,699**	**(2,554)**	**67,480**	**25,179**
Cash and cash equivalents				
At the beginning of the year	616	3,170	31,698	6,519
At the end of the year	9,315	616	99,178	31,698
Net increase in cash and cash equivalents	**8,699**	**(2,554)**	**67,480**	**25,179**

a.iv Accounting policy

A discontinued operation is a component of a business, the operations and cash flows of which can be clearly distinguished from the rest of Simpar and which:

– represents a separate major line of business or geographic area of operations;

– is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

– is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and of comprehensive income, and the statements of value added are restated as if the operation had been discontinued from the beginning of the comparative period.

The statements of cash flows were presented considering the continuing operations. The statements of cash flows of discontinued operations are presented in Note 1.1.(a) (a.iii).

b) Merger of shares and spun-off net assets of JSL

On August 5, 2020, the extraordinary general meeting approved the corporate restructuring of Simpar, announced on April 1, 2020, through a material fact.

(i) The merger of shares of the subsidiary JSL was approved, at the ratio of one (1) merged share held by non-controlling shareholders to one (1) share of Simpar, maintaining for all shareholders the same equity interest previously held in JSL. At that time, the Company replaced JSL as a company listed on the New Market segment, a special segment of B3, starting to trade its shares under the ticker SIMH3 as of September 18, 2020.

(ii) On the same date, the spin-off of JSL was approved, followed by the incorporation into the Company of the net assets comprising assets and liabilities originating from operations considered not related to logistics, including equity interests held in Movida, Vamos, CS Brasil Participações, Original Veículos and BBC Arrendamento Mercantil, as well as borrowings and debentures payable. As a result, JSL became a company focused on its exclusive operating activities of logistics.

The net assets spun-off by JSL and merged into the Company was appraised by a specialized company on June 30, 2020, resulting in the following movement:

In thousands of Brazilian reais, unless otherwise stated

	Simpar	Assets received	Reclassification of the investment through the assets received (i)	Simpar after the merger
Cash and cash equivalents	9,315	87,280	-	96,595
Marketable securities and financial investments	-	1,154,195	-	1,154,195
Trade receivables	-	-	-	-
Dividends receivable	-	20,977	-	20,977
Income tax and social contribution	7,440	-	-	7,440
Other current assets	1,518	33,376	-	34,894
Assets from discontinued operations	184,485	-	-	184,485
Total current assets	**202,758**	**1,295,828**	**-**	**1,498,586**
Derivative financial instruments	-	333,936	-	333,936
Investments	772,630	2,534,320	(772.630)	2,534,320
Property and equipment	1,681	75,293	-	76,974
Intangible assets	-	-	-	-
Related parties	28,053	-	-	28,053
Other noncurrent assets	-	42,966	-	42,966
Total noncurrent assets	**802,364**	**2,986,515**	**-**	**3,016,249**
Total assets	**1,005,122**	**4,282,343**	**(772.630)**	**4,514,835**
Trade payables	52	-	-	52
Loans and borrowings	25,259	84,735	-	109,994
Debentures	-	51,896	-	51,896
Leases payable	-	-	-	-
Right-of-use lease	-	-	-	-
Labor liabilities	337	-	-	337
Taxes payable	422	-	-	422
Dividends payable	14,873	-	-	14,873
Other current liabilities	-	9,293	-	9,293
Total current liabilities	**40,943**	**145,924**	**-**	**186,867**
Loans and borrowings	-	2,522,182	-	2,522,182
Debentures	-	571,262	-	571,262
Leases payable	-	-	-	-
Right-of-use lease	-	-	-	-
Related parties	43,448	-	-	43,448
Other noncurrent liabilities	-	24,294	-	24,294
Total noncurrent liabilities	**43,448**	**3,117,738**	**-**	**3,161,186**
Total liabilities	**84,391**	**3,263,662**	**-**	**3,348,053**
	-			-
Total equity	**920,731**	**1,018,681**	**(772.630)**	**1,166,782**
Total liabilities and equity	**1,005,122**	**4,282,343**	**(772.630)**	**4,514,835**

(i) Refers to the portion of the investment in JSL referring to the equity of the other investees, which is eliminated to avoid duplication of the respective balances.

The corporate restructuring is part of Simpar's strategy to generate value through the segregation of its activities in dedicated companies.

Pursuant to the spin-off justification protocol and its subsequent merger by the Company, the variation between the date of the net assets on June 30, 2020, based on the appraisal report issued by a specialized company, and the effective date of the operation, August 5, 2020, according to a Shareholders' Meeting, was added to the net assets involved in the restructuring.

During the process, the transfer to the Company of certain debts and debentures obtained by the then Parent company JSL was negotiated with banks and creditors to encourage and support the growth of subsidiaries from operations not related to logistics. Other debts and debentures, although obtained for the same purpose, were not transferred to the Company, and remain in the subsidiary JSL. These obligations were defined as part of the subsidiary JSL's treasury operations.

In thousands of Brazilian reais, unless otherwise stated

c) Restricted public offering of shares of subsidiary JSL

On September 9, 2020, the subsidiary JSL concluded an initial public offering of common shares of its issuance, with restricted placement efforts, pursuant to CVM Instruction 476 (“Restricted Offer”), after the conclusion of the corporate restructuring mentioned in note 1.1.(b), when it became a wholly-owned subsidiary of Simpar.

The offer consisted of the primary public distribution of 72,255,762 new shares issued by JSL, subscribed and paid-up for R$ 9.60, traded on B3 under the ticker JSLG3.

The total offer capitalized R$ 672,9499, net of the offer costs, net of income tax and social contribution of R$ 21,156, 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$ 408,352.

d) Acquisitions of companies by subsidiary JSL

i. Fadel Holding Ltda. (“Fadel”)

On November 17, 2020, subsidiary JSL concluded the acquisition of 75% of the shares issued by Fadel, with the approval of the Administrative Council for Economic Defense (CADE) on September 29, 2020, without restrictions, and its co-founder, Ramon Alcatraz, remained as a shareholder, holding 25% interest and continuing as the main executive, leading the Company’s activities and development plan. Fadel operates with transportation in the sectors of beverage, food and consumer goods and initiated activities in electronic commerce (e-commerce), with a fleet of more than 1,600 operating assets of its own (including trucks, mechanical horses, trucks and light commercial vehicles) and having 25 branches in Brazil and 4 units in Paraguay. JSL believes that Fadel’s management model and customer base synergy will bring a great opportunity for development of JSL’s operations in the urban distribution segment, given the expertise introduced to the portfolio of services already rendered by the subsidiary and the opportunity of cross selling between the customers and the services portfolio of both companies.

The transaction price was R$ 173,125, which was comprised as follows:

	Amounts of the consideration
Acquisition price (i)	109,375
Contingent consideration (ii)	50,000
Price supplement (iii)	13,750
Total price (consideration) as per the agreement	**173,125**

(i) This amount is recorded in “Payables for the acquisition of companies”, of which R$ 79,687 was paid in cash and the residual balance is payable in 6 installments until May 2021;

(ii) The amount of R$ 50,000 will be retained as collateral for any contingencies (“Escrow”) and is recorded in line item “payables for the acquisition of companies”;

(iii) Such price was increased by R$ 13,750 due to the achievement of certain goals in 2020.

The subsidiary JSL recorded a financial liability at fair value referring to the option to sell the remaining 25% held by the non-controlling interests, calculated at the present access method, in accordance with CPC 39.

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:

In thousands of Brazilian reais, unless otherwise stated

Assets	**Carrying amount**	**Fair value adjustment**	**Fair value at the acquisition date**
Cash and cash equivalents	27,519	-	27,519
Trade receivables	79,087	-	79,087
Judicial deposits	5,576	-	5,576
Deferred income tax and social contribution	11,227	-	11,227
Other assets	39,166	-	39,166
Indemnification assets due to business combination	-	73,085	73,085
Property and equipment	237,110	4,471	241,581
Intangible assets	1,289	46,054	47,343
Total assets	**400,974**	**123,610**	**524,584**
Liabilities			
Borrowings	39,256	-	39,256
Trade payables	16,064	-	16,064
Labor liabilities	33,775	-	33,775
Taxes payable	21,866	-	21,866
Income tax and social contribution payable	12,722	-	12,722
Provision for judicial and administrative proceedings	17,999	73,085	91,084
Deferred income tax and social contribution	31,458	17,179	48,637
Loans with related parties	92,000	-	92,000
Other liabilities	10,605	-	10,605
Total liabilities	**275,745**	**90,264**	**366,009**
Total net assets			**158,575**
Fair value of the consideration paid			**173,125**
Goodwill			**14,550**
Financial liability for the option to sell non-controlling interest (25%)			**58,584**
Total goodwill			**73,134**

These arose from the acquisition in the amount of R$ 33,346, related to the net assets and liabilities acquired, comprising R$ 4,471 relating to the surplus of property and equipment, R$ 46,054 to the net intangible assets less R$ 17,179 of deferred taxes on surplus value indemnified and allocated as customer list, non-compete agreement and trademark, profit for the year after acquisition is R$ 2,639. The goodwill arising on the acquisition is R$ 73,134.
As part of the negotiation, the parties defined purchase and sale options of the 25% remaining interest, which can be exercised from the third year with regard to purchase options by the Company and as from the fifth year with regard to sales options by the counterparty, both up to the eighth year at the minimum price defined as 25% of R$ 212,500, which may reach a maximum of 4.8 times the EBTIDA for the year of the option. This option was recorded based on the anticipated acquisition method, in the amount of R$ 58,584.

This business combination contributed to the profit or loss for the year ended December 31, 2020 of subsidiary JSL, with profit of R$ 2,639 generated by Fadel Holding and its subsidiaries, as of November 17, 2020, date on which JSL assumed control. Had the acquisition of Fadel Holding and its subsidiaries occurred on January 1, 2020, the Group's net revenue and profit for the year would be increased by R$ 484,623 and R$ 56,038, respectively (unaudited amounts).

d.i.i <u>Fair value measurement</u>

The valuation techniques used 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 considers the present value of expected net cash flows from customer relationships, less any cash flows associated to contributory assets.
Assets held 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.

d.i.ii Acquisition cost

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

ii. Moreno Holding Ltda ("TransMoreno").

On October 30, 2020, the subsidiary JSL completed the acquisition of 100% of 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$ 312,676, which was paid as follows:

	Amounts of the consideration
Acquisition price (i)	242,676
Contingent consideration (ii)	60,000
Price supplement (iii)	10,000
Total price (consideration) as per the agreement	**312,676**

(i) This amount is recorded in "Payables for the acquisition of companies", of which R$ 111,318 was paid in cash on the date of acquisition, and the remaining balance will be paid in semiannual installments over 5 years.

(ii) The amount of R$ 60,000 will be retained as collateral for any contingencies ("Escrow") and is recorded in "Payables for the acquisition of companies", to be paid over 5 years.

(iii) The price may be increased by R$ 10,000 if TransMoreno reaches certain goals between 2021 and 2024.

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:

In thousands of Brazilian reais, unless otherwise stated

Assets	**Carrying amount**	**Fair value adjustment**	**Fair value at the acquisition date**
Cash and cash equivalents	13,129	-	13,129
Trade receivables	15,781	-	15,781
Judicial deposits	733	-	733
Other assets	2,697	-	2,697
Indemnification assets due to business combination (c.iii)	-	33,257	33,257
Property and equipment	907	3,965	4,872
Intangible assets	12	162,544	162,556
Total assets	**33,259**	**199,766**	**233,025**
Liabilities			
Trade payables	4,748	-	4,748
Labor liabilities	3,000	-	3,000
Taxes payable	26,088	-	26,088
Provision for judicial and administrative proceedings	9,290	33,257	42,547
Deferred income tax and social contribution	-	56,613	56,613
Other liabilities	1,327	-	1,327
Total liabilities	**44,453**	**89,870**	**134,323**
Total net assets			**98,702**
Fair value of the consideration paid			**312,676**
Goodwill			**213,974**

These arose from the acquisition in the amount of R$ 109,896 related to the - surplus value on the net assets acquired, comprising R$ 3,965 relating to the fair value adjustment of property and equipment and R$ 162,544 to the net intangible assets identified less R$ 56,613 of deferred taxes on surplus value identified and allocated as customer list, non-compete agreement and trademark. The goodwill arising on the acquisition is R$ 213,974.

This business combination contributed to the profit or loss for the year ended December 31, 2020 of the Company, with R$ 4,343 of profit generated by TransMoreno, as of October 30, 2020, date on which JSL assumed control. Had the acquisition of Moreno Holding and its subsidiary occurred on January 1, 2020, the consolidated net revenue of TransMoreno Group for the year would be increased by R$ 140,837 and the consolidated profit for the year would be increased by R$ 757 (unaudited amounts).

d.ii.i Fair value measurement

The valuation techniques used 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 considers the present value of expected net cash flows from customer relationships, less any cash flows associated to contributory assets.
Assets held 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.

d.ii.ii Acquisition cost

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

d.iii Indemnification assets and contingent liabilities

During the purchase price allocation process of the acquired companies, contingent liabilities were identified for which the former owners contractually agree to indemnify JSL in the event of a financial disbursement. Accordingly, in the allocation of the prices paid, a provision for administrative and judicial proceedings was established, and indemnification assets were recorded in the total amount of R$ 106,342 plus acquisitions of Fadel and TransMoreno.

The amounts calculated are in process of statutes of limitation and after the initial record for the acquisitions, R$ 2,559 was written-off from indemnification assets and contingent liabilities according to note 25.2.
At December 31, 2020, the net balances of indemnification and contingent liabilities are presented in the Company's consolidated financial statements and are as follows:

	Fadel	TransMoreno	Total
Indemnification assets	73,085	33,257	**106,342**
(-) Amortization of escrow by combination due to statute of limitation	(1,823)	(736)	**(2,559)**
Provision for judicial and administrative proceedings (i)	(73,085)	(33,257)	**(106,342)**
(-) Amortization of the provision for judicial and administrative proceedings due to statute of limitation	1,823	736	**2,559**
Net balance	-	-	-

(i) The contingent liabilities identified during the acquisitions process were considered as a provision for judicial and administrative proceedings, according to note 25.2.

d.iv Cash flows from acquisitions

	Fadel	TransMoreno	Total
Amount in cash	79,687	111,318	191,005
(-) Cash and cash equivalents of acquirees	(27,519)	(13,129)	(40,648)
Net cash flows of acquisitions	**52,168**	**98,189**	**150,357**

1.2. Main events during 2019

a) Follow-on of subsidiary Movida Participações

On July 25, 2019, the subsidiary Movida Participações carried out a follow-on (subsequent public offering of shares), primary and secondary, the primary consisting of the issuance of 35,500,000 new shares for R$ 15.00 per share, totaling R$ 532,500 from non-controlling interests, and a secondary offering carried out directly by the Parent company JSL S.A. with the disposal of 20,000,000 shares also for R$ 15,00 per share, totaling R$ 300,000 for the sale, which reduced its interest in the subsidiary to 55.11%.

The total cost of the offers was R$ 18,949 and R$ 10,676 in primary and secondary, respectively, totaling R$ 29,625, which reflected a consolidated net cash inflow in the amount of R$ 289,324 by the Company and R$ 802,875 in the Consolidated.

As a result of these events, the Company recorded a gain of R$ 131,087, net of income tax and social contribution effects in its "equity valuation adjustments" account in the statement of changes in equity.

In thousands of Brazilian reais, unless otherwise stated

b) Disposal of subsidiary Joseense Transportes

On November 1, 2019, the Company disposed of its subsidiary Joseense, with the following impacts:

	Amounts of the consideration
Amount of the consideration received in cash	15,000
Amount of the consideration receivable in installments	21,070
Total price (consideration) as per the agreement	**36,070**
(-) Cost of write-off of the asset sold	(13,388)
Gain on capital	**22,682**
Reconciliation of the cash flow effect	
Amount received in cash	**16,459**
(-) Net cash transferred at the contract date	(24,100)
Net cash outflow	**(7,641)**

The consideration receivable was agreed be received in 59 installments between January 2020 and November 2024, recognized in line item “other credits”. The amount of each of the installments will be increased by charges corresponding to the positive variation of the IPCA/IBGE, always in the closing month of each year following the contract date.

c) Strategic alliance with Avis Budget Car Rental. LLC

On August 30, 2018, the subsidiary Movida Participações S, A signed a non-binding letter of intent with AVIS BUDGET CAR RENTAL. LLC. one of the leading global providers of mobility solutions operating through its Avis and Budget brands, the goal is to form a strategic alliance. which includes:

(i) make Movida the Master Franchisor in Brazil for 10 years renewable for an additional 10 years;
(ii) cooperation agreement between brands in which Movida can include Avis and Budget brands in its service points in Brazil and Avis can add the Movida logo in the main destinations of Brazilians in the world; and
(iii) asset acquisitions of approximately 4,400 cars. 3,500 in Rent a Car (RAC) and 900 in Fleet Management and Outsourcing (GTF), with an estimated value of R $ 150,000, with payment in installments in one year, which will be subject to a financing agreement with a local financial institution. On January 15, 2019, the General Superintendence of the Administrative Council for Economic Defense (“CADE”) approved, no restrictions, under the Concentration Act No. 08700.006055 / 2018-85, Movida's acquisition of assets held by the Avis Group Budget, represented by Avis Budget Brasil S. A. CADE's decision is final and has already become final.

1.3 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:

a) Continuing operations

Corporate name	Headquarter country	Segment	12/31/2020 Direct %	12/31/2020 Indirect %	12/31/2019 Direct %	12/31/2019 Indirect %
JSL S.A. (“JSL”)	Brazil	JSL	74.04	-	55.34	-
Agrolog Transportadora de Cargas em Geral Ltda. ("Agrolog Transportadoras") (i)	Brazil	JSL	-	74.04	-	55.34
Medlogística Prestação de Serviços de Logística S.A. ("Medlogística")	Brazil	JSL	-	74.04	-	55.34
Quick Armazéns Gerais - Eireli - ME ("Quick Armazéns")	Brazil	JSL	-	74.04	-	55.34
Quick Logística Ltda. ("Quick Logística")	Brazil	JSL	-	74.04	-	55.34
Riograndense Navegação Ltda. ("Riograndense") (i)	Brazil	JSL	-	74.04	-	55.34
Sinal Serviços de Integração Industrial Ltda. ("Sinal Serviços")	Brazil	JSL	-	74.04	-	55.34
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda. ("Yolanda")	Brazil	JSL	-	74.04	-	55.34
Moreno Holding Ltda. (Moreno Holding")	Brazil	JSL		74.04	-	-
Transmoreno Transporte e Logística Ltda. ("TransMoreno")	Brazil	JSL	-	74.04	-	-
Fadel Holding Ltda. ("Fadel Holding")	Brazil	JSL	-	55.53	-	-

In thousands of Brazilian reais, unless otherwise stated

Fadel Transportes e Logística Ltda. ("Fadel Transportes")	Brazil	JSL	-	55.53	-	-
Fadel Soluções em Logística ("Fadel Soluções")	Brazil	JSL	-	55.53	-	-
Locadel Veículos Ltda ("Locadel")	Brazil	JSL	-	55.53	-	-
Mercosur Factory Sociedad Anónima (Fadel Paraguay)	Paraguay	JSL	-	55.53	-	-
Movida Participações S.A. ("Movida Participações")	Brazil	Movida	55.34	-	-	30.50
Movida Locação de Veículos Premium Ltda. ("Movida Premium")	Brazil	Movida	-	55.34	-	30.50
Movida Locação de Veículos S.A. ("Movida Locação")	Brazil	Movida	-	55.34	-	30.50
Vamos Locação de Caminhões, Máquinas e Equipamentos S.A. ("Vamos")	Brazil	Vamos	99.99	0.01	-	55.34
Vamos Máquinas S.A. ("Vamos Máquinas")	Brazil	Vamos	-	100.00	-	55.34
Vamos Seminovos S.A ("Vamos Seminovos")	Brazil	Vamos	-	100.00	-	55.34
Vamos Comércio de Máquinas Linha Amarela Ltda. ("Vamos Linha Amarela")	Brazil	Vamos	-	100.00	-	55.34
Borgato Serviços Agrícolas S,A, ("Borgato Serviços")	Brazil	Vamos	-	100,00	-	55,34
Vamos Comércio de Máquinas Agrícolas Ltda.("Vamos Agrícolas")	Brazil	Vamos	-	100.00	-	55.34
Transrio Caminhões, Ônibus, Máquinas e Motores Ltda. ("Transrio")	Brazil	Vamos	-	100.00	-	55.34
CS Brasil Participações e Locações S.A. ("CS Brasil Participações")	Brazil	CS Brasil	99.99	0.01	-	55.34
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. ("CS Brasil Transportes")	Brazil	CS Brasil	-	100.00	-	55.34
CS Brasil Frotas Ltda. ("CS Brasil Frotas")	Brazil	CS Brasil	-	100.00	-	55.34
BRT Sorocaba Concessionárias	Brazil	CS Brasil	-	49.75	-	27.25
Consórcio Sorocaba (ii)	Brazil	CS Brasil	-	50.00	-	27.67
Mogipasses Comércio de Bilhetes Eletrônicos Ltda. ("Mogipasses")	Brazil	CS Brasil	99.99	0.01	-	55.34
Mogi Mob Transporte de Passageiros Ltda. ("Mogi Mobi")	Brazil	CS Brasil	99.99	0.01	-	55.34
TPG Transporte de Passageiros Ltda. ("TPG Transporte")	Brazil	CS Brasil	99.99	0.01	-	55.34
Avante Veículos Ltda. ("Avante Veículos")	Brazil	Original Concessionárias	99.99	0.01	-	55.34
JSL Corretora e Administradora de Seguros Ltda. ("JSL Corretora")	Brazil	Original Concessionárias	99.99	0.01	-	55.34
Original Distribuidora de Peças e Acessórios Ltda. ("Original Distribuidora")	Brazil	Original Concessionárias	99.99	0.01	-	55.34
Original Veículos Ltda. ("Original Veículos")	Brazil	Original Concessionárias	99.99	0.01	-	55.34
Ponto Veículos Ltda. ("Ponto Veículos")	Brazil	Original Concessionárias	99.99	0.01	-	55.34
JSL Holding Financeira Ltda. ("JSL Holding")	Brazil	BBC	99.99	0.01	-	55.34
BBC Adminstradora de Consórcios Ltda.	Brazil	BBC	99.99	0.01	-	-
BBC Leasing S.A. Arrendamento Mercatil ("BBC Leasing")	Brazil	BBC	-	100.00	-	55.34
BBC Pagamentos Ltda. ("BBC Pagamentos")	Brazil	Holding and other	99.99	0.01	-	55.34
BBC Leasing S.A. Leases ("BBC Leasing").	Brazil	Holding and other	99.99	0.01	-	55.34
Simpar Europe (formerly JSL Europe)	Luxembourg	Holding and other	100.00	-	-	55.34
Simpar Finance S.a.r. ("Simpar Finance", formerly JSL Finance)	Luxembourg	Holding and other	100.00	-	-	55.34

b) Discontinued operations

Corporate name	Headquarter country	Segment	12/31/2020 Direct %	12/31/2020 Indirect %	12/31/2019 Direct %	12/31/2019 Indirect %
Ciclus Ambiental do Brasil S.A. ("Ciclus") (iii)	Brazil	Holding and other	-	-	100.00	-
Ribeira Empreendimentos Imobiliários Ltda. ("Ribeira") (iii)	Brazil	Holding and other	-	-	100.00	-

(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) These investments were discontinued as a result of the corporate restructuring mentioned in note 1.1.(a).

1.4 Situation due to COVID-19

On January 30, 2020, the World Health Organization (WHO) declared a global state of emergency due to the spread of COVID-19. On March 11, 2020, it declared COVID-19 as a pandemic outbreak. From March 2020 to December 31, 2020, government authorities in various jurisdictions imposed confinement or other restrictions to contain the virus, causing the suspension or reduction of business activities in various sectors of the economy. The final impact on the global economy and financial markets was the decrease in the Gross Domestic Products - GDP in most countries, and in Brazil a decrease of 3.29% in GDP, according to the Central Bank of Brazil's Focus bulletin of February 26, 2021.

In Brazil, the main market in which Simpar operates, the restriction measures included the closing of part of the trade and services considered as non-essential.

Management created a multidisciplinary crisis management committee specific to deal with the COVID-19 issue, and through this committee the evolution of the crisis is monitored on a daily basis, applying actions in line with WHO guidelines highlighting the following aspects:

a. Care for employees

Adoption of work on a home office basis for part of employees, including people over 60 years old and others that are considered as a risk group, flexible entry and exit times to avoid agglomeration of employees during their circulation in the offices of the companies of Simpar; adaptation of physical facilities to ensure bigger spacing between people and facilitate their circulation; availability of vehicles for employees who use public transport; collective vacations and use of the hour bank; and the introduction of massive cleaning, sterilization and physical sanitation routines for furniture and building premises. A plan for the gradual return of employees to their bases was established, preserving those considered as a risk group.

In addition, to ensure the security of information in the Simpar's systems and network environment, given the adoption of teleworking, a committee was created to assess the risks of unauthorized access and data collection, and thus define and implement actions to mitigate them.

b. Support to communities

Provision of its structure and operations in support of the communities where the Company is present, mainly by donating essential and basic products to families, logistics services for circulation and delivery of donations received from government institutions.

Additionally, Simpar continues with its initiatives and projects linked to socio-environmental programs.

c. Economic and financial impacts

Most of the Simpar Group's activities are considered essential, which, therefore, are kept operating, such as road freight transport, urban distribution, vehicle rental, outsourcing of fleets of light and heavy vehicles used in the provision of essential services, such as agribusiness, basic services, and government institutions. Therefore, these activities kept their operations in full service.

Simpar has a solid financial condition appropriate for the maintenance of its operations and already presents recovery of its revenues at pre-crisis levels.

(i) The economic and financial situation

- Positive current liquidity, that is, current assets greater than current liabilities of 6.0 times in Parent company and 2.1 times in Consolidated, and a quick ratio, that is, cash balance, cash equivalents, marketable securities, financial investments and short-term derivative financial instruments greater than current liabilities by 5.4 times in Parent company and 1.5 times in the Consolidated.

- Most of the services provided, mainly in the logistics and fleet outsourcing segments, are supported by long-term agreements, ensuring more than 57% of the Simpar's revenue.

- Implementation of cost reduction and control programs to adapt their structure to the changes in revenue and its cash generation.

(ii) Impairment testing of financial assets

Simpar carried out a review of its financial assets, including trade receivables, to assess the need to recognize additional impairment provisions. This testing was conducted considering the credit risk and current default situation known to date.

For trade receivables, as a result of the analysis, there was no need to set up additional provisions in the operations included in the segments JSL, CS Brasil, Vamos, Original Concessionárias and BBCs. An additional allowance for expected credit losses (impairment) of R$ 50,304 was set up for Movida and, at December 31, 2020, Movida reassessed the expected credit losses on its customer list individually and decided for the reversal of part of the allowance recorded, in the amount of R$ 17,872. The balance of expenses with expected credit losses (impairment) of trade receivables at December 31, 2020 was R$ 78,667 in the Consolidated (R$ 32,527 at December 31, 2019), as mentioned in Note 9.1.

(iii) Impairment testing of non-financial assets

Simpar carried out an analysis of its non-financial assets, which are concentrated in inventories, assets held for sale, property and equipment and intangible assets.

In thousands of Brazilian reais, unless otherwise stated

As a result, no provision for any of the related assets was identified, except for the segment Movida, which recorded an allowance for the impairment of assets of R$ 195,394 at March 31, 2020.

In December 2020, as a result of the recovery and increase in the selling prices of its decommissioned vehicles, the subsidiary Movida performed a new impairment study of non-financial assets and recorded the reversal of R$ 50,145.

	Amount recorded	Portion	Total amount of the provision
Assets held for sale	(97,854)	-	(97,854)
Property and equipment	(97,540)	50,145	(47,395)
Total provision recognized	**(195,394)**	**50,145**	**(145,249)**
Deferred income tax and social contribution	66,434	(17,049)	49,385
Net impact on profit or loss for the year	**(128,960)**	**33,096**	**(95,864)**

As a result of the sale of part of these assets, the corresponding portion of the provision in the amount of R$ 135,814 was written off together with the respective residual balance in cost of sales of assets used in lease and services rendered.

At December 31, 2020, the provision for impairment of fixed assets held for sale is R$ 7,380 and the provision for impairment of fixed assets is R$ 711.

The assumptions used in the respective analyses are described in notes 11 - Assets held for sale, 14 - Property and equipment and 15 - Intangible assets.

(iv) Analysis of recovery of deferred income tax and social contribution

The Company and its subsidiaries updated their deferred income tax and social contribution recovery studies, with the support of the outsourced specialized consulting firm on the base date September 30, 2020.

For December 31, 2020, the Company and its subsidiaries compared the study's projections with the amounts realized to date and concluded that there were no material deviations.

As a result, no need for the derecognition of deferred income tax and social contribution was identified.

(v) Concessions announced by municipal, state and federal governments

Municipal, state and federal governments have announced several measures to combat the negative impacts of COVID-19. Principally, the Federal Government issued provisional measures, decrees and laws granting discounts and extensions of payments of taxes and social contributions. The Group partially adhered to these programs, so it is paying part of these taxes as usual and part of some contributions will be paid according to the special schedule established by the Federal Government. All related accounting effects are properly reflected in the financial statements as taxes payable and respective expenses in the results for the year ended December 31, 2020.

(vi) Analysis of benefits in right-of-use leases - CPC 6 (R2) / IFRS 16 - Leases

As a result of the crisis, Simpar negotiated discounts on its lease agreements, in the amount of R$ 6,004 in Consolidated, in addition to certain maturity extensions.

Pursuant to resolution n° 859, of June 7, 2020, issued by the Securities and Exchange Commission of Brazil - CVM and with the opinion on the Review of Technical Pronouncements nº 16/2020, issued by the Brazilian Accounting Pronouncements Committee (amendment to IFRS 16 issued by the International Accounting Standards Board - IASB), Management evaluated these concessions and elected to adopt the practical expedient and not treat these benefits as modification of the respective lease agreements.

The discounts obtained were recognized directly in profit or loss for the year ended December 31, 2020.

Management continues to constantly assess the evolution of the pandemic, and also considers: (i) the stage of spread of the virus in Brazil (ii) it is a new and unprecedented event, never seen in contemporary world history; and (iii) all municipal, state and federal governments still continue to announce and test actions to combat, close and reopen trade in general, which makes it uncertain how many measures will be adopted and their extent.

Therefore, adjustments may be necessary in the future in order to address the impacts that may occur.

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 International Financial Reporting Standards - IFRS and standards from the Accounting Pronouncements Committee - CPC)

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 financial statements was approved and authorized by the Board of Directors on March 10, 2021.

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 annual 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, when applicable.

2.2 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.

2.3 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 Fadel Paraguay, whose functional currency is the Guarani, 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 Brazilian reais 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 Real, are presented in the statement of profit or loss as finance income or expenses.

c) Group companies with a different functional currency

The financial statements of the subsidiary Fadel Paraguay, a company recently acquired by JSL, included in the consolidation, were prepared in Guarani ("₲" or "PYG"), which is its functional currency. The profit or loss and financial position of Fadel Paraguay, whose functional currency differs from the presentation currency are translated into the Company's presentation currency, as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(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	12/31/2020
Guarani	Average	0.0007463
Guarani	Closing	0.0007516

The amounts presented in the cash flows are extracted from the translated movements of assets, liabilities and profit or loss, as detailed above.

2.4 Consolidation and combination basis

a) Business combinations

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

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.

All accounting practices related to consolidation of financial statements have been applied, when applicable, for the companies described in note 1.3, including, but not limited to, the elimination of the transactions between the consolidated entities.

c) Subsidiaries

The Group controls an entity when it is exposed to, or has rights to, variable returns from 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

Simpar elected to measure non-controlling interests initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in Simpar'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 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 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.

2.5 Financial instruments

2.5.1 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 Company 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 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 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 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 Simpar’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 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 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 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 Group's access 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

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

2.5.2 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 Group derecognizes a financial liability when its contractual obligation is discharged, canceled or expired. The 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.

2.5.3 Offset

The financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the 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.

2.5.4 Derivative financial instruments and hedge accounting

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for the hedge instrument. The 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 immediately in profit or loss.

The Group designates only the changes in fair value of the spot element of forward exchange contracts as the hedge instrument in cash flow hedge relationships. The change in fair value of the forward element of forward exchange contracts (‘forward points’) is separately accounted for as a cost of hedging and recognized in costs of hedge reserve within equity.

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.

2.5.5 Impairment of financial assets

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

Simpar measures loss allowances at an amount equal to lifetime ECLs.

Simpar 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 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 written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing-off 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 Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

2.6 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 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 Group's own credit risk.

A number of the 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 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 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 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 initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the 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.

2.7 Inventories

The inventories held by the 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.

2.8 Assets held for sale (Fleet renewal)

In order to comply with its service agreements, the Group constantly renews its fleet. The vehicles, machinery and equipment available for replacement are reclassified from property and equipment to "Assets held 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.

2.9 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 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, 2020 and 2019 are disclosed in note 14.

The Group periodically reviews 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.

2.10 Intangible assets

2.10.1 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.

2.10.2 *Software*

Software licenses are capitalized on the basis of 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, 2020 and 2019 are disclosed in note 15.

2.10.3 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.

2.10.4 Non-compete agreement and customer portfolio

When acquired in a business combination, they are recognized at fair value at the acquisition date. Clauses of customer relationship / customer portfolio 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.

2.10.5 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.

2.10.6 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.

2.11 Leases

At inception of a contract, the 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 Group uses the definition of lease in CPC 06 (R2) / IFRS 16.

This policy is applied to the contracts entered into as from January 1, 2019.

(i) As lessee

At inception or on reassessment of a contract that contains a lease component, the 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 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 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 Simpar's incremental borrowing rate. Simpar 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 liabilities 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 Simpar 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.

Simpar 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 leases” and “leases payable" in the statement of financial position.

Leases of short-term and low-value assets

The Group classifies its operating leases pursuant to the criteria presented in CPC 06 (R1) / IAS 17, such as:

- does not recognize right-of-use assets and liabilities for leases whose lease term expires within 12 months from the initial application date;
- does not recognize right-of-use assets and liabilities for leases of low-value assets (e.g., IT equipment);
- excludes initial direct costs for the measurement of right-of-use assets at the initial application date; and

- uses it retrospectively in determining the lease term.

(ii) As lessor

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

When Simpar 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, Simpar 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, Simpar considers certain indicators, such as whether the lease term is equivalent to most of the economic life of the underlying asset.

When Simpar 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 Simpar, 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, Simpar will apply CPC 47/IFRS 15 to allocate the consideration in the contract.

Simpar applies the derecognition and impairment requirements in CPC 48 / IFRS 9 to the net investment in the lease (see notes 2.5.1 (c) and 2.5.5).

Simpar also regularly reviews the estimated unguaranteed residual values used in the calculation of the gross investment in the lease.

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

2.12 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 income.

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 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 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.

In business combinations, the tax legislation permits the deductibility 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, Simpar 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, as Simpar will merge the acquiree, there will be deductibility of the amortization and depreciation of the assets acquired.

2.13 Provisions

2.13.1 General

A provision is recognized when the 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 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.

2.13.2 Provision for judicial and administrative litigation

The 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 assessment made 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.

2.14 Revenue from contracts with customers

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

Information on the nature and timing of performance of customer performance obligations is described below:

2.14.1 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.

2.14.2 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 (GTF).

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

b) Recognition of revenue 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.

2.14.3 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.

2.14.4 Revenue from sale of decommissioned assets

a) Nature of revenue, including significant payment conditions

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

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.

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.

2.14.5 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.

2.14.6 Revenue from financial leasing services for vehicles and equipment

a) Nature of revenue, including guaranteed payment terms

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

b) Recognition of revenue 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.

2.15 Employee benefits

2.15.1 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 Simpar 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.

2.15.2 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.

2.16 Share capital

2.16.1 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.

2.16.2 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.

2.16.3 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.

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 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 Judgements

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 2.4;
b) Revenue from contracts with customers: if revenue from lease and rendered services is recognized over time or at a specific point in time - note 2.14.2.(b).

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 ending 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 – note 1.1 (d);
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 carried forward can be used - note 26;
c) Property and equipment (definition of residual value and useful life) - note 14;
d) Assets held for sale (definition of residual value) – note 11;
e) Impairment losses of intangible assets – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts - note 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 - note 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 - note 25.2;
h) Share-based payment transactions (probability of exercise of option) - note 28.2.(a); and
i) Derivative financial instruments: determination of fair values - note 2.5.4.

4. New standards and interpretations not yet effective

Some new accounting standards are effective for annual periods beginning after January 1, 2021. The Group did not adopt those standards in preparing these financial statements.

4.1 Onerous Contracts - cost of fulfilling a contract (amendments to CPC 25 / IAS 37)

The amendments specify what costs an entity includes when determining the cost of performing a contract in order to assess whether the contract is onerous. The amendments apply to annual periods beginning on or after January 1, 2022 for existing contracts on the date the amendments are applied for the first time. On the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment to the opening balance in retained earnings or other equity components, as appropriate. Comparatives are not restated. The Group analyzed all existing contracts at December 31, 2020 and the expectation is that they will be completed before the amendments take effect.

4.2 Other standards

The following new and amended standards and interpretations are not expected to have a significant impact on Simpar's individual and consolidated financial statements:

- COVID-19-Related Rent Concessions (amendments to CPC 06 / IFRS 16)
- Property and equipment: Revenue before Intended Use (amendments to CPC 27 / IAS 16).
- Reference to the Conceptual Framework (amendments to CPC 15 / IFRS 3).
- Classification of Liabilities in Current or Noncurrent (amendments to CPC 26 / IAS 1).

5. Segment information

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

The profit or loss 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.

In the year ended December 31, 2020, there are 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. In 2019, there was only one customer in JSL segment, which accounted for 11.5% of net revenue from services, or R$ 339.

The business segment information for the years ended December 31, 2020 and 2019 is as follows:

In thousands of Brazilian reais, unless otherwise stated

									12/31/2020
	JSL	**Movida**	**Vamos**	**CS Brasil**	**Original Concessionárias**	**BBC**	**Holding and other**	**Eliminations[(i)]**	**Consolidated**
Net revenue from sale, lease, services rendered 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 services rendered	(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)
(Reversal) provision for 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 investees	-	-	-	(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)

In thousands of Brazilian reais, unless otherwise stated

									12/31/2019
	JSL	**Movida**	**Vamos**	**CS Brasil**	**Original Concessionárias**	**BBC**	**Holding and other**	**Eliminations (i)**	**Consolidated**
Net revenue from sale, lease, services rendered and sale of decommissioned assets	**3,101,978**	**3,836,044**	**1,211,508**	**850,951**	**821,472**	**40,031**	**-**	**(175,775)**	**9,686,209**
(-) Cost of sales, leases and services rendered	(2,527,961)	(759,290)	(593,774)	(558,867)	(688,206)	(11,295)	-	36,747	(5,102,646)
(-) Cost of sales of decommissioned assets	(161,250)	(2,137,145)	(204,633)	(139,194)	(6,611)	-	-	124,653	(2,524,180)
(=) Gross profit	**412,767**	**939,609**	**413,101**	**152,890**	**126,655**	**28,736**	**-**	**(14,375)**	**2,059,383**
Selling expenses	(17,855)	(205,806)	(52,807)	(3,658)	(16,460)	(340)	(27)	3,846	(293,107)
Administrative expenses	(114,375)	(231,002)	(80,416)	(31,369)	(89,599)	(11,697)	(4,863)	(7,777)	(571,098)
Reversal (provision) of expected credit losses (“impairment”) of trade receivables	2,916	(23,308)	(6,024)	(1,246)	(944)	(3,921)	-	-	(32,527)
Other operating income (expenses), net	530	(11,305)	18,799	22,262	2,990	271	(3,618)	7,786	37,715
Equity results from investees	-	-	-	(1,201)	-	-	-	-	(1,201)
Operating profit (loss) before finance income and costs and taxes	**283,983**	**468,188**	**292,653**	**137,678**	**22,642**	**13,049**	**(8,508)**	**(10,520)**	**1,199,165**
Finance income									365,336
Finance costs									(1,133,375)
Profit before income tax and social contribution from continuing operations									**431,126**
Income tax and social contribution									(112,501)
Profit for the year from continuing operations									**318,625**
Discontinued operations									
Loss after taxes from discontinued operations									(5.662)
Loss from discontinued operations									**(5,662)**
Profit for the year									**312,963**
Total assets per segment	3,661,867	7,290,565	3,185,959	1,979,151	347,129	251,703	8,366,123	(4,820,418)	20,262,079
Total liabilities per segment	2,436,349	5,110,922	5,110,922	1,550,116	170,205	159,434	8,303,913	(23,511,698)	(669,837)
Depreciation and amortization	(61,004)	(107,222)	(59,088)	(41,101)	(4,166)	(181)	(2,919)	-	(275,681)

(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

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

							Parent company
				12/31/2020			12/31/2019
Assets, as per the statement of financial position	**Assets at fair value through profit or loss**	**Fair value of hedge instruments**	**Amortized cost**	**Total**	**Assets at fair value through profit or loss**	**Amortized cost**	**Total**
Cash and cash equivalents	273,832	-	12	273,844	580	36	616
Marketable securities and financial investments	974,965	-	-	974,965	-	-	-
Derivative financial instruments	-	217,131	-	217,131	-	-	-
Related parties	-	-	107,554	107,554	-	48,961	48,961
Other receivables	-	-	42,361	42,361	-	-	-
	1,248,797	**217,131**	**149,927**	**1,615,855**	**580**	**48,997**	**49,577**

		12/31/2020		12/31/2019
Liabilities, as per the statement of financial position	**Amortized cost**	**Total**	**Amortized cost**	**Total**
Trade payables	642	642	51	51
Loans and borrowings	2,485,549	2,485,549	55,297	55,297
Debentures	598,001	598,001	-	-
Related parties	528	528	45,531	45,531
Other payables	5,522	5,522	-	-
	3,090,242	**3,090,242**	**100,879**	**100,879**

In thousands of Brazilian reais, unless otherwise stated

										Consolidated
					12/31/2020					12/31/2019
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	382,718	-	-	26,883	409,601	579,643	-	-	12,788	592,431
Marketable securities and financial investments	7,144,866	-	923,397	-	8,068,263	4,464,771	-	717,894	-	5,182,665
Derivative financial instruments	134,444	280,578	-	-	415,022	63,986	606,647	-	-	670,633
Trade receivables	-	-	-	2,039,130	2,039,130	-	-	-	1,843,161	1,843,161
Related parties	-	-	-	-	-	-	-	-	36	36
Other receivables	-	-	-	76,629	76,629	-	-	-	53,431	53,431
	7,662,028	**280,578**	**923,397**	**2,142,642**	**11,008,645**	**5,108,400**	**606,647**	**717,894**	**1,909,416**	**8,342,357**

			12/31/2020			12/31/2019
Liabilities, as per the statement of financial position	**Liabilities at fair value through profit or loss**	**Amortized cost**	**Total**	**Liabilities at fair value through profit or loss**	**Amortized cost**	**Total**
Trade payables	-	2,135,298	2,135,298	-	1,691,764	1,691,764
Floor plan	-	71,844	71,844	-	106,735	106,735
Suppliers financing - car makers	-	157,923	157,923	-	12,051	12,051
Loans and borrowings	1,618,827	8,712,581	10,331,408	-	8,277,336	8,277,336
Debentures	36,511	6,524,245	6,560,756	213,811	5,157,945	5,371,756
Leases payable	-	313,406	313,406	-	401,612	401,612
Right-of-use leases	-	492,565	492,565	-	517,700	517,700
Assignment of receivables	-	12,086	12,086	-	18,128	18,128
Related parties	-	1,078	1,078	-	17,055	17,055
Other payables	-	684,510	684,510	-	336,520	336,520
	1,655,338	**19,105,536**	**20,760,874**	**213,811**	**16,536,846**	**16,750,657**

(i) As mentioned in Note 6.3 (b) (ii), the Group elected to designate part of the debentures and loans at fair value through profit or loss (fair value option).

In thousands of Brazilian reais, unless otherwise stated

6.2. Fair value of financial assets and liabilities

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

				Parent company
	Carrying amount		**Fair value**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Financial assets				
Cash and cash equivalents	273,844	616	273,844	616
Marketable securities and financial investments	974,965	-	974,965	-
Derivative financial instruments	217,131	-	217,131	-
Related parties	107,554	48,961	107,554	48,961
Other receivables	42,361	-	42,361	-
Total	**1,615,855**	**49,577**	**1,615,855**	**49,577**
Financial liabilities				
Trade payables	642	51	642	51
Loans and borrowings	2,485,549	55,297	3,020,408	55,297
Debentures	598,001	-	602,233	-
Related parties	528	45,531	528	45,531
Other payables	5,522	-	5,522	-
Total	**3,090,242**	**100,879**	**3,629,333**	**100,879**

				Consolidated
	Carrying amount		**Fair value**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Financial assets				
Cash and cash equivalents	409,601	592,431	409,601	592,431
Marketable securities and financial investments	8,068,263	5,182,665	8,068,263	5,182,665
Derivative financial instruments	415,022	670,633	415,022	670,633
Trade receivables	2,039,130	1,843,161	2,039,130	1,843,161
Related parties	-	36	-	36
Other receivables	76,629	53,431	76,629	53,431
Total	**11,008,645**	**8,342,357**	**11,008,645**	**8,342,357**
Financial liabilities				
Trade payables	2,135,298	1,691,764	2,135,298	1,691,764
Floor plan	71,844	106,735	71,844	106,735
Suppliers financing - car makers	157,923	12,051	157,923	12,051
Loans and borrowings	10,331,408	8,277,336	11,755,472	8,285,070
Debentures	6,560,756	5,371,756	6,552,008	5,401,654
Leases payable	313,406	401,612	313,493	402,082
Right-of-use leases	492,565	517,700	492,565	517,700
Assignment of receivables	12,086	18,128	12,086	18,128
Related parties	1,078	17,055	1,078	17,055
Other payables	684,510	336,520	684,510	336,520
Total	**20,760,874**	**16,750,657**	**22,176,277**	**16,788,759**

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

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:

In thousands of Brazilian reais, unless otherwise stated

							Parent company
				12/31/2020			12/31/2019
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Total
Assets at fair value through profit or loss							
Cash and cash equivalents							
Bank deposit certificates (“CDB”)	-	181,105	-	181,105	-	580	580
Lease bills	-	79,524	-	79,524	-	-	-
Financial bills	-	13,203	-	13,203	-	-	-
Marketable securities and financial investments					-	-	-
Financial Treasury Bills (“LFT”)	420,294	-	-	420,294	-	-	-
National Treasury Bills (“LTN”)	446,398	-	-	446,398	-	-	-
Bank deposit certificates (“CDB”)	-	50,303	-	50,303	-	-	-
Units of funds	57,970	-	-	57,970	-	-	-
	924,662	**324,135**	**-**	**1,248,797**	**-**	**580**	**580**
Assets at fair value through other comprehensive income - FVOCI							
Derivative financial instruments							-
Cash flow swap	-	217,131	-	217,131	-	-	-
	-	**217,131**	**-**	**217,131**	**-**	**-**	**-**
	924,662	**541,266**	**-**	**1,465,928**	**-**	**580**	**580**
Financial liabilities not measured at fair value							
Loans and borrowings	-	3,020,408	-	3,020,408	-	55,297	55,297
Debentures	-	602,233	-	602,233	-	-	-
	-	**3,622,641**	**-**	**3,622,641**	**-**	**55,297**	**55,297**

							Consolidated
				12/31/2020			12/31/2019
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Total
Assets at fair value through profit or loss							
Cash and cash equivalents							
Bank deposit certificates (“CDB”)	-	247,109	-	247,109	-	374,591	374,591
Repurchase agreements	-	3,367	-	3,367	-	121,092	121,092
Financial bills	-	44,641	-	44,641	-	63,904	63,904
Units of other funds	27,027	-	-	27,027	17,455	-	17,455
Other	-	60,574	-	60,574	-	2,601	2,601
Marketable securities and financial investments							
Credit Linked Notes (“CLN”)	-	2,483,344	-	2,483,344	-	1,925,460	1,925,460
Bank deposit certificates (“CDB”)	-	80,543	-	80,543	-	-	-
Financial Treasury Bills (“LFT”)	2,476,269	-	-	2,476,269	1,736,780	-	1,736,780
National Treasury Bills (“LTN”)	2,027,589	-	-	2,027,589	792,795	-	792,795
Units of other funds	68,920	-	-	68,920	9,080	-	9,080
Other	-	8,201	-	8,201	656	-	656
Derivative financial instruments	-	1,129	-	1,129			
Cash flow swap					-	63,986	63,986
IDI options	-	133,315	-	133,315	-	1,098	1,098
	4,599,805	**3,062,223**	**-**	**7,662,028**	**2,556,766**	**2,552,732**	**5,109,498**
Assets at fair value through other comprehensive income - FVOCI							
Marketable securities and financial investments							
Sovereign securities (in USD)	470,570	-	-	470,570	366,709	-	366,709
Corporate securities (in USD)	452,827	-	-	452,827	351,185	-	351,185
Derivative financial instruments							
Cash flow swap	-	280,578	-	280,578	-	606,647	606,647
	923,397	**280,578**	**-**	**1,203,975**	**717,894**	**606,647**	**1,324,541**
	5,523,202	**3,342,801**	**-**	**8,866,003**	**3,274,660**	**3,159,379**	**6,434,039**
Liabilities at fair value through profit or loss							
Loans and borrowings	-	1,618,827	-	1,618,827	-	-	-
Debentures	-	36,511	-	36,511	-	213,811	213,811
Payables for the acquisition of companies (iii)	-	-	58,584	58,584	-	-	-
	-	**1,655,338**	**58,584**	**1,713,922**	**-**	**213,811**	**213,811**
Financial liabilities not measured at fair value							
Loans and borrowings	-	10,136,645	-	10,136,645	-	8,277,336	8,277,336
Debentures	-	6,515,497	-	6,515,497	-	5,157,945	5,157,945
Leases payable	-	313,493	-	313,493	-	401,612	401,612
	-	**16,965,635**	**-**	**16,965,635**	**-**	**13,836,893**	**13,836,893**
	-	**18,620,973**	**58,584**	**18,679,557**	**-**	**14,050,704**	**14,050,704**

(i) The fair value refers to the purchase option of the interest of 25% of the non-controlling shareholder of acquiree Fadel. This option can be exercised up to 2028 and was calculated based on the binomial model, and recognized under the anticipated acquisition method.

Financial instruments with carrying amounts that equate fair values are classified in Level 2 in the fair value hierarchy.

In thousands of Brazilian reais, unless otherwise stated

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, 2020 is as follows:

Interest curve - Brazil							
Vertex	1M	6M	1Y	2Y	3Y	5Y	10Y
Rate (p. a) - %	1.92	2.10	2.83	4.16	5.05	6.03	7.18
Source: B3 - 12/31/2020							

6.3. Financial risk management

Simpar is exposed to market risk, credit 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. Simpar 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 Simpar, 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 Simpar 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:

In thousands of Brazilian reais, unless otherwise stated

Rating in Local Scale "Br"			Rating in Global Scale "G"		
Nomenclature		**Quality**	**Nomenclature**		**Quality**
Br	AAA	Prime	G	AAA	Prime
Br	AA+, AA, AA-	High Investment Grade	G	AA+, AA, AA-	High Investment Grade
Br	A+, A, A-	High Average Investment Grade	G	A+, A, A-	High Average Investment Grade
Br	BBB+, BBB, BBB-	Low Average Investment Grade	G	BBB+, BBB, BBB-	Low Average Investment Grade
Br	BB+, BB, BB-	Non-Speculative Investment Grade	G	BB+, BB, BB-	Non-Speculative Investment Grade
Br	B+, B, B-	Non-highly Speculative Investment Grade	G	B+, B, B-	Non-highly Speculative Investment Grade
Br	CCC	Extremely Speculative Non-Investment Grade	G	CCC	Extremely Speculative Non-Investment Grade
Br	DDD, DD, D	Non-Speculative Moratorium Investment Grade	G	DDD, DD, D	Non-Speculative Moratorium Investment Grade

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

	Parent company	Consolidated
	12/31/2020	12/31/2020
Demand and short-term deposits	**12**	**26,887**
Br AAA	194,308	326,886
Br AA+	79,524	20,751
Br AA	-	33,413
Br AA-	-	1,668
Total financial investments	**273,832**	**382,718**
Total cash and cash equivalents	**273,844**	**409,605**

	Parent company	Consolidated
	12/31/2020	12/31/2020
Marketable securities and financial investments		
Br AAA	916,995	4,308,758
Br AA+		57,970
Br AA	57,970	295,420
G AAA	-	57,366
G BB+	-	32,711
G BB-	-	2,898,902
G BB	-	417,762
Total marketable securities and financial investments	**974,965**	**8,068,889**

ii. Trade receivables

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

Simpar writes off its financial assets when there is no reasonable expectation of recovery, according to the recoverability study of each Simpar 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 variations in market interest rates.

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

To mitigate part of this exposure, the 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. Simpar seeks to apply the hedge accounting to manage the volatility of profit or loss.

The balances exposed, the respective hedge derivatives and the sensitivity analysis are presented in note 6.4.

ii. Foreign exchange currency risk

Simpar 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 currency equivalent to the cash flows generated by trade operations, mainly in Reais. However, there are also contracts in US Dollars (“Dollars”) and Euro (“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 sensitivity analysis is presented in note 6.4.

iii. Market risk hedge derivative instruments

For the management of these risks, at December 31, 2020 and 2019, Simpar had derivative financial instruments (swaps and long position of interest rate options) treated as hedge accounting, whose negative variations in their fair values of R$ 71,684 in the Parent company and negative variations of R$ 132,884 in the Consolidated for the year ended December 31, 2020 (at December 31, 2019, positive variation of R$ 92,368 and R$ 157,558 in Parent company and Consolidated, respectively), were recorded in “other comprehensive income”. In the same period, there were no gains or losses arising from an ineffective hedge portion. The amounts accumulated in OCI, net of taxes, are reclassified to the statement of profit or loss for the periods when the hedged item affects profit or loss (for example, when the settlement of the hedged item occurs).

On March 18 and between June 24 and 29, 2020, the subsidiary JSL made an early settlement of six foreign exchange hedge swap instruments, with interest rate spread, with the notional value of USD 463.5 million, receiving the amount net of withholding income tax (“IRRF”) of R$ 754,268. The hedged debt instruments were settled on the same date and replaced by new instruments under the same conditions as the previous ones. As a result, hedge accounting contracts were discontinued, and the respective hedge reserve balance of R$ 277,494 was reclassified to profit or loss.

On the same dates, new swap instruments were contracted to hedge the foreign exchange exposure and interest rate spread, with the same maturities and with an average rate of 153% of the CDI, in the same notional amount of USD 463.5 million. In this transaction, a premium of R$ 278,788 was paid to financial institutions as part of the negotiation of the new instruments.

On March 20, 2020, the subsidiary Vamos, due to the renegotiation of International Credit Loan (4131), replaced the swap to have the same conditions as the renegotiated debt. When settling the previous swap, the balance of R$ 3,946 was reclassified from the hedge reserve to profit or loss. Vamos received R$ 40,833, net of IRRF, for the settlement.

In thousands of Brazilian reais, unless otherwise stated

Simpar has other derivative financial instruments (swap agreements) that were classified as fair value hedge pursuant to CPC 48/IFRS 9 – Financial Instruments, the resulting gains and losses of which arising from changes in the fair value of these transactions are recognized in profit or loss, as well as financial instrument liabilities, part of the debentures and CRAs, which were designated as liabilities at fair value through profit or loss (fair value option). During the year ended December 31, 2020, the result from swap operations was a loss of R$ 34,529 and a gain of R$ 723,440 in Parent company and Consolidated, respectively (at December 31, 2019, a gain of R$ 172,610 in Consolidated). These gains offset losses on the related hedged instruments.

The outstanding contracts at December 31, 2020 are the following:

								Parent company and Consolidated	
								Balance of the hedged debt at 12/31/2020	
Company	**Instrument**	**Type of derivative financial instrument**	**Operation**	**Notional amount**	**Maturity**	**Hedge index**	**Average contracted rate**	**At amortized cost**	**At fair value**
Simpar	Swap agreement	Cash flow hedge	Swap USD X CDI	USD 278,500	Jul/24	Fixed rate + Exchange rate	152.42% of CDI	1,494,385	1,817,575
Simpar	Swap agreement	Cash flow hedge	Swap USD X CDI	USD 185,000	Jul/24	Fixed rate + Exchange rate	CDI + 4.50%	991,164	1,203,044
							Total Parent company	**2,485,549**	**3,020,619**
JSL	Swap agreement	Fair value hedge	Swap IPCA X CDI	R$ 362,685	Nov/25	IPCA + Fixed rate	CDI + 0.65%	385,071	415,704
JSL	Swap agreement	Fair value hedge	Swap IPCA X CDI	R$ 47,834	Jun/21	IPCA + Fixed rate	CDI + 2.53%	34,926	36,511
Vamos	Swap agreement	Fair value hedge	Swap Fixed X CDI	R$ 98,036	Nov/24	Fixed rate	139.00% of CDI	98,952	100,559
Vamos	Swap agreement	Fair value hedge	Swap Fixed X CDI	R$ 121,964	Nov/26	Fixed rate	133.80% of CDI	123,162	128,639
Vamos	Swap agreement	Fair value hedge	Swap IPCA + Fixed rate X CDI	R$ 502,652	Jun/27	IPCA + Fixed rate	165.00% of CDI	521,119	551,657
Vamos	Swap agreement	Fair value hedge	Swap USD + Fixed rate X CDI	R$ 400,000	Nov/30	IPCA + Fixed rate	133.6% of CDI	406,896	422,268
Vamos	Swap agreement	Cash flow hedge	Swap USD + Fixed rate X CDI	US$ 40,000	Sep/23	Fixed + FX	134.99% of CDI	209,314	214,515
Movida	Swap agreement	Cash flow hedge	Swap EUR X CDI	EUR 42,000	Mar/25	Fixed rate + Exchange rate	CDI + 2.07%	269,013	282,366
							Total Consolidated	**4,534,002**	**5,172,838**

										Consolidated
Company	**Description**	**Counterparty**	**Beginning date**	**Maturity**	**Quantity**	**Notional amount - R$**	**Indexer**	**Contracted rate p.a.**	**Exercise price**	**Market value**
Vamos	Purchase of IDI call option	B3	2/25/2019	1/3/2022	525	139,799	Fixed rate	7.70%	329	-
Vamos	Purchase of IDI call option	B3	8/28/2019	1/2/2023	670	184,011	Fixed rate	7.13%	985	53
Vamos	Purchase of IDI call option	B3	12/19/2019	1/3/2022	1,840	513,628	Fixed rate	6.51%	917	-
Vamos	Purchase of IDI call option	B3	8/12/2020	7/3/2023	990	282,290	Fixed rate	6.17%	962	1,051
Vamos	Purchase of IDI call option	B3	12/3/2020	1/3/2021	110	31,551	Fixed rate	4.60%	301	25

The outstanding balances are as follows:

		Parent company
		12/31/2020
Operation	**Notional amount**	**Assets**
Swap - USD x CDI	USD 463500	217,131
Total		**217,131**
Current		66,213
Noncurrent		150,918
Total		**217,131**

				Consolidated
	12/31/2020		**12/31/2019**	
Operation	**Notional amount**	**Assets**	**Notional amount**	**Assets**
Swap - USD x CDI	USD 503,500	236,473	USD 503,500	605,549
Swap - EUR x CDI	EUR42,000	44,105	EUR 42,000	-
Swap - IPCA x CDI	R$1,313,171	124,857	R$648,247	63,986
Swap CDI Fixed X CDI	R$220,000	8,458	R$220,000	-
Call option IDI	R$1,151,279	R$1,151,279	R$892,367	1,098

In thousands of Brazilian reais, unless otherwise stated

Total	**415,022**	**670,633**
Current	80,380	32,233
Noncurrent	334,642	638,400
Total	**415,022**	**670,633**

Outstanding balances and cash flows associated with swap contracts impact the profit or loss and the respective carrying amount of these instruments.

					Parent company
		At December 31, 2020			
		Expected cash flow			
	Carrying amount	**Total**	**1-6 months**	**7-12 months**	**Over 1 year**
Cash flow swap					
Asset	3,020,619	3,117,083	88,930	88,663	2,939,490
Liability	(2,803,488)	(3,304,142)	(53,360)	(57,775)	(3,193,007)
	217,131	**(187,060)**	**35,569**	**30,888**	**(253,517)**

					Consolidated
		At December 31, 2020			
		Expected cash flow			
	Carrying amount	**Total**	**1-6 months**	**7-12 months**	**Over 1 year**
Cash flow swap					
Asset	5,172,838	5,376,446	137,798	172,051	5,066,597
Liability	(4,758,944)	(5,458,850)	(74,254)	(113,441)	(5,271,154)
	413,894	**(82,404)**	**63,543**	**58,610**	**(204,557)**

c) Liquidity risk

Simpar monitors risks associated with funding shortages on an ongoing basis through a current liquidity planning. JSL'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
					12/31/2020
	Carrying amount	**Contractual flow**	**Up to 1 year**	**Up to 2 years**	**Over 3 years**
Financial assets					
Cash and cash equivalents	273,844	273,844	273,844	-	-
Marketable securities and financial investments	974,965	974,965	866,692	-	108,273
Derivative financial instruments	217,131	(187,059)	66,458	(14,831)	(238,686)
Related parties	107,554	107,554	62,365	45,189	-
Other receivables	42,361	42,361	28,574	13,787	-
Total	**1,615,855**	**1,211,665**	**1,297,933**	**44,145**	**(130,413)**

					Parent company
					12/31/2020
	Carrying amount	**Contractual flow**	**Up to 1 year**	**Up to 2 years**	**Over 3 years**
Financial liabilities					
Trade payables	642	642	642	-	-
Loans and borrowings	2,485,549	3,384,745	192,570	192,570	2,999,605
Debentures	598,001	696,150	71,619	184,850	439,681
Other payables	5,522	5,522	5,522	-	-
Total	**3,089,714**	**4,087,059**	**270,353**	**377,420**	**3,439,286**

In thousands of Brazilian reais, unless otherwise stated

					Consolidated
					12/31/2020
	Carrying amount	**Contractual flow**	**Up to 1 year**	**Up to 2 years**	**Over 3 years**
Financial assets					
Cash and cash equivalents	409,601	409,601	409,601	-	-
Marketable securities and financial investments	8,068,263	8,068,263	7,918,780	41,210	108,273
Derivative financial instruments	415,022	(39,743)	122,153	(42,180)	(119,716)
Trade receivables	2,039,130	2,039,130	1,934,446	38,866	65,818
Other receivables	76,629	77,950	54,071	15,705	8,174
Total	**11,008,645**	**10,555,201**	**10,439,051**	**53,601**	**62,549**

					Consolidated
					12/31/2020
	Carrying amount	**Contractual flow**	**Up to 1 year**	**Up to 2 years**	**Over 3 years**
Financial liabilities					
Trade payables	2,135,298	2,135,298	2,135,298	-	-
Floor plan	71,844	71,844	71,844	-	-
Suppliers financing - car makers	157,923	157,923	157,923	-	-
Loans and borrowings	10,331,408	12,657,280	1,655,322	1,288,074	9,713,884
Debentures	6,560,756	7,427,164	819,103	1,372,966	5,235,095
Leases payable	313,406	330,443	140,752	127,524	62,167
Right-of-use leases	492,565	743,298	210,047	146,336	386,915
Assignment of receivables	12,086	16,032	8,016	8,016	-
Related parties	1,078	1,078	550	528	-
Other payables	684,510	648,390	347,239	114,313	186,839
Total	**20,760,874**	**24,188,750**	**5,546,094**	**3,057,757**	**15,584,900**

6.4. Sensitivity analysis

Simpar's management performed a sensitivity analysis in accordance with its policies and judgments, in order to demonstrate 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 2.83% p.a., based on the future yield curve (source: B3);
- TLP of 6.59% p.a. (source: BNDES);
- IPCA 4.49% p.a. (source: B3);
- IGP-M 4.58% p.a. (source: Central Bank of Brazil);
- SELIC of 2.83% p.a. (source: B3);
- Euro rate of R$ 6.53 (source: B3); and
- US Dollar (“Dollar”) rate of R$ 5.28 (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):

In thousands of Brazilian reais, unless otherwise stated

Parent company

Operation	Exposure 12/31/2020	Risk	Probable rate	Scenario I probable	Scenario II + depreciation of 25%	Scenario III + depreciation of 50%-
Exchange rate risk						
Derivatives designated as hedging accounting						
Cash flow swap	USD 463,500	USD increase	5,28	2,447,280	3,059,100	3,670,920
CCB FX (hedged item)	USD(463,500)	USD increase	5,28	(2,447,280)	(3,059,100)	(3,670,920)
Net effect of exchange rate risk	-			-	-	-
Loans and borrowings – CCB FX	(2,485,549)	Fixed rate	7,75%	(192,630)	(192,630)	(192,630)
Swap long position - CCB FX	2,485,549	Fixed rate	7,75%	192,630	192,630	192,630
Swap short position	(2,803,488)	CDI increase	5,25%	(147,171)	(183,964)	(220,757)
Net effect of exchange rate risk	**(2,803,488)**			**(147,171)**	**(183,964)**	**(220,757)**
Net effect of hedge accounting operations	**(2,803,488)**			**(147,171)**	**(183,964)**	**(220,757)**
Interest rate risk						
Other operations - Floating rate						
Financial investments	273,832	CDI increase	2,73%	7,463	9,329	11,195
Marketable securities and financial investments	108,273	CDI increase	2,75%	2,972	3,715	4,458
Marketable securities and financial investments	420,294	SELIC increase	2,83%	11,894	14,868	17,841
Debentures	(598,001)	CDI increase	4,35%	(26,021)	(32,527)	(39,032)
Payables for the acquisition of companies (i)	(75,344)	IGPM increase	5,58%	(4,204)	(5,255)	(6,306)
Net effect of interest rate exposure	**129,054**			**(7,896)**	**(9,870)**	**(11,844)**
Net exposure and impact on finance costs - floating rate	**(2,674,434)**			**(155,067)**	**(193,834)**	**(232,601)**
Other operations - Fixed rate						
Marketable securities and financial investments	446,398	Fixed rate	2,05%	9,151	9,151	9,151
Net exposure and impact on finance costs - fixed rate	**446,398**			**9,151**	**9,151**	**9,151**
Net exposure and total impact of finance costs in profit or loss	**(2,228,036)**			**(145,916)**	**(184,683)**	**(223,450)**

Consolidated

Operation	Exposure 12/31/2020	Risk	Probable rate	Scenario I probable	Scenario II + depreciation of 25%	Scenario III + depreciation of 50%-
Derivatives designated as hedging accounting						
Cash flow swap	USD 503,500	USD increase	5,28	2,658,480	3,323,100	3,987,720
Cash flow swap	EUR 42,000	EUR increase	6,74	283,080	353,850	424,620
CCB FX (hedged item)	USD (463,500)	USD increase	5,28	(2,447,280)	(3,059,100)	(3,670,920)
International credit (hedged item)	USD (40,000)	USD increase	5,28	(211,200)	(264,000)	(316,800)
International credit (hedged item)	EUR (42,000)	EUR increase	6,74	(283,080)	(353,850)	(424,620)
Net effect of exposure	-			-	-	-
Cash flow swap	400,000	IPCA increase	4,05%	16,200	20,250	24,300
CRA (hedged item)	(400,000)	IPCA increase	4,05%	(16,200)	(20,250)	(24,300)
Net effect of exposure	-			-	-	-
Cash flow swap	722,652	IPCA increase	3,68%	26,594	33,242	39,890
CRA (hedged item)	(722,652)	IPCA increase	3,68%	(26,594)	(33,242)	(39,890)
Net effect of exposure	-			-	-	-
IDI call option (Position purchased in call option "Call" - liability)	(1,151,279)	Fixed rate	6,18%	(71,149)	(88,936)	(106,724)
IDI call option (Position purchased in call option "Call" - asset)	1,151,279	CDI increase	6,18%	71,149	88,936	106,724
Net effect of exposure	-			-	-	-
Loans and borrowings – CCB FX (hedged item)	(2,485,549)	Fixed rate	7,75%	(192,630)	(192,630)	(192,630)
Swap long position - CCB FX	2,485,549	Fixed rate	7,75%	192,630	192,630	192,630
Loans and borrowings – international credit (hedged item)	(473,769)	Fixed rate	2,04%	(9,665)	(9,665)	(9,665)
Swap long position - international credit	429,047	Fixed rate	2,07%	8,890	8,890	8,890
Swap short position	(3,267,674)	CDI increase	5,07%	(165,671)	(165,671)	(165,671)
Net effect of exposure	**(3,312,396)**			**(166,446)**	**(166,446)**	**(166,446)**
Other derivative financial instruments						
Debentures (hedged item)	(34,926)	IPCA increase	12,49%	(4,362)	(5,453)	(6,543)
Swap long position - Debentures	34,926	IPCA increase	12,49%	4,362	5,453	6,543
Loans and borrowings – CDCA (hedged item)	(385,071)	IPCA increase	8,04%	(30,960)	(38,700)	(46,440)
Swap long position	385,071	IPCA increase	8,04%	30,960	38,700	46,440
Loans and borrowings – CRA (hedged item)	(1,143,233)	Fixed rate	4,20%	(48,013)	(60,016)	(72,019)
Swap long position - CRA	1,143,233	Fixed rate	4,20%	48,013	60,016	72,019
Swap short position	(1,491,271)	CDI increase	2,98%	(44,446)	(55,557)	(66,669)
Net effect of exposure	**(1,491,271)**			**(44,446)**	**(55,557)**	**(66,669)**
Net effect of hedge accounting operations	**(4,803,667)**			**(210,892)**	**(222,003)**	**(233,115)**
Other operations - Floating rate						
Financial investments	382,718	CDI increase	2,73%	10,431	13,039	15,647
Marketable securities and financial investments	149,463	CDI increase	2,73%	4,074	5,092	6,111
Marketable securities and financial investments	2,484,470	SELIC increase	2,83%	70,311	87,888	105,466
Receivables from sale of companies - Joseense (ii)	15,077	IPCA increase	4,49%	677	846	1,015
Receivables from sale of companies - Quataí (ii)	16,951	CDI increase	2,83%	480	600	720
Loans and borrowings	(3,627,237)	CDI increase	4,69%	(170,117)	(212,647)	(255,176)
Debentures	(6,525,830)	CDI increase	4,96%	(323,681)	(404,601)	(485,522)
Leases payable	(313,406)	CDI increase	5,12%	(16,046)	(20,058)	(24,070)
Payables for the acquisition of companies (i)	(211,494)	CDI increase	4,00%	(8,470)	(10,587)	(12,704)
Payables for the acquisition of companies (i)	(76,761)	IGPM increase	5,58%	(4,283)	(5,354)	(6,425)
Loans and borrowings	(190,806)	IPCA increase	6,34%	(12,093)	(15,116)	(18,139)
Loans and borrowings	(30,048)	TLP/TLP increase	4,55%	(1,367)	(1,709)	(2,051)
Net effect of exposure	**(7,926,903)**			**(450,084)**	**(562,607)**	**(675,128)**
Net exposure and impact on finance costs - floating rate	**(12,730,570)**			**(660,976)**	**(784,610)**	**(908,243)**
Other operations - Fixed rate						
Marketable securities and financial investments	4,510,933	Fixed rate	2,05%	92,474	92,474	92,474
Marketable securities and financial investments - Corporate and sovereign bonds	923,397	Fixed rate	4,43%	40,906	40,906	40,906
Right-of-use leases	(492,565)	Fixed rate	8,53%	(42,016)	(42,016)	(42,016)
Suppliers financing - car makers	(157,923)	Fixed rate	1,66%	(2,621)	(2,621)	(2,621)
Loans and borrowings - Senior Notes "Bond"	(3,329,600)	Fixed rate	7,75%	(258,044)	(258,044)	(258,044)
Loans and borrowings	(78,340)	Fixed rate	5,81%	(4,552)	(4,552)	(4,552)
Net exposure and impact on finance costs - fixed rate	**1,375,902**			**(173,853)**	**(173,853)**	**(173,853)**
Net exposure and total impact of finance costs in profit or loss	**(11,354,668)**	USD increase		**(834,829)**	**(958,463)**	**(1,082,096)**

(i) Payables for the acquisition of companies are recorded in the line item of other payables.
(ii) The rights receivable for sale of companies are recorded in the "other credits" line item.

The objective of this sensitivity analysis is to measure the impact of changes in market variables on Simpar's financial instruments, 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	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash	-	-	4,445	1,832
Banks	12	36	22,438	10,956
Total cash on hand	**12**	**36**	**26,883**	**12,788**
Bank deposit certificates ("CDB")	181,105	580	247,109	374,591
Repurchase agreements, debenture-backed	-	-	3,367	121,092
Financial bills	13,203	-	44,641	63,904
Units of other funds	-	-	27,027	17,455
Finance Leases Bill – related parties (note 27.1)	79,524	-	-	-
Others	-	-	60,574	2,601
Total financial investments	**273,832**	**580**	**382,718**	**579,643**
Total	**273,844**	**616**	**409,601**	**592,431**

During the year ended December 31, 2020 the average income from the funds was 2.61% p.a. (at December 31, 2019 the average income was 5.91% p.a.).

8. Marketable securities and financial investments

	Parent company		Consolidated	
Operations	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Government securities - exclusive funds (i)				
Financial Treasury Bills ("LFT")	420,294	-	2,476,269	1,736,780
National Treasury Bills ("LTN")	446,398	-	2,027,589	792,795
Bank deposit certificates ("CDB")	50,303		80,543	-
Units of funds	57,970	-	68,920	9,080
Other securities				
Sovereign securities (in USD) (ii)	-	-	470,570	366,709
Corporate securities (in USD) (ii)	-	-	452,827	351,185
Credit linked notes ("CLN") (iii)	-	-	2,483,344	1,925,460
Sundry	-	-	8,201	656
Total	**974,965**	**-**	**8,068,263**	**5,182,665**
Current assets	866,692	-	7,918,780	5,182,010
Noncurrent assets (iv)	108,273	-	149,483	655
Total	**974,965**	**-**	**8,068,263**	**5,182,665**

(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, 2020, the average income from these investments was 2.05 % p.a. (5.94 % p.a. at December 31, 2019).

(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, as disclosed in note 19. The remuneration from these securities is defined based on the coupon of each issuance and on the yield rate at the acquisition date. At December 31, 2020, the average income from these investments was 4.43% p.a. (4.54 % p.a. at December 31, 2019).

(iii) CLN refers to the Credit Linked Note applied by the subsidiary Simpar Europe at Santander Bank in US Dollar currency and was remunerated in the year ended December 31, 2020 at 6.99% p.a. (6.99% p.a. at December 31, 2019).

In thousands of Brazilian reais, unless otherwise stated

(iv) The Company has long-term investments in the amount of R$ 50,303 to support swap operations and R$ 57,970 paid in quotas of the Credit Rights Investment Fund (FIDC), as mentioned in note 27.6. Additionally, in the Consolidated, it holds R$ 40,375 as collateral for borrowings (note 19.1) and R$ 835 in long-term investments redeemable in over 12 months.

9. Trade receivables

	Consolidated	
	12/31/2020	**12/31/2019**
Customers and credit card companies	1,686,894	1,405,574
Commission on sales of used vehicles	4,116	38,109
Leases receivable	183,886	167,651
Unbilled revenue from services rendered and leases	394,874	338,315
Related parties (note 27.1)	6,827	26,978
Other receivables	85,613	116,415
Expected credit losses (“impairment”) of trade receivables	(323,080)	(249,881)
Total	**2,039,130**	**1,843,161**
Current	1,934,446	1,754,840
Noncurrent	104,684	88,321
Total	**2,039,130**	**1,843,161**

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

	Consolidated	
	12/31/2020	**12/31/2019**
Current (not past due)	**1,740,735**	**1,521,052**
Up to 30 days past due	120,546	120,181
31 to 90 days past due	83,013	85,233
91 to 180 days past due	60,991	39,234
181 to 365 days past due	61,386	39,972
More than 365 days past due	295,539	287,370
Total past due	**621,475**	**571,990**
Expected credit losses (“impairment”) of trade receivables	(323,080)	(249,881)
Total	**2,039,130**	**1,843,161**

The movement in expected credit losses (“impairment”) of trade receivables is shown below:

	Consolidated
At December 31, 2018	**(251,924)**
(-) additions	(84,597)
(+) reversals	52,070
(-/+) Reclassifications and write-off to losses (i)	34,570
At December 31, 2019	**(249,881)**
(-) Company acquisitions	(619)
(-) Additions (ii)	(119,884)
(+) reversals	41,217
(-) write-off to losses	6,087
Balances at December 31, 2020	**(323,080)**

(i) Refers mainly to securities written off as actual losses net of reclassifications of balances previously presented in the same line item of the respective securities issued. There is no impact on the net balance of trade receivables.

(ii) From the addition of R$ 119,884, a portion of R$ 32,432 in the year ended December 31, 2020, refers to the additional provision recorded by the subsidiary, Movida, as mentioned in note 1.4.c (iii), based on the expectation, considered by the most recent data assessed, of possible losses due the deterioration of defaults and individual customer credit risk, arising from the COVID-19 crisis.

In thousands of Brazilian reais, unless otherwise stated

10. Inventories

	Consolidated	
	12/31/2020	**12/31/2019**
New vehicles	75,900	159,650
Used vehicles	24,511	62,507
Parts for resale	47,124	47,056
Consumables	67,748	43,613
Other	10,016	4,021
(-) Estimated losses on impairment of inventories (i)	(12,282)	(10,810)
Total	**213,017**	**306,037**

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

Movements in estimated losses on impairment of inventories:

	Consolidated
At December 31, 2018	**(9,639)**
(-) additions	(11,630)
(+) reversals	10,459
At December 31, 2019	**(10,810)**
(-) additions	(6,943)
(+) reversals	5,471
At December 31, 2020	**(12,282)**

11. Assets held for sale

The movements in the years ended December 31, 2020 and 2019 are as follows:

			Consolidated
	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 (i)	(97,854)	-	(97,854)
Company acquisitions	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
Company acquisitions	(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**

In thousands of Brazilian reais, unless otherwise stated

(i) As mentioned in note 1.4.c (iii), based on the estimates of the sale prices of part of the vehicles made available for sale, given the impact of COVID-19 on the used car sales segment, the subsidiary Movida recorded in March 2020 a provision for impairment of part of its vehicles available for sale in the amount of R$ 97,854. Up to December 31, 2020, the amount of R$ 90,474 of this provision was realized due to the sale of vehicles.

			Consolidated
	Vehicles	**Machinery and equipment**	**Total**
Cost:			
At December 31, 2018	**436,749**	**147,862**	**584,611**
Assets transferred from property and equipment	3,098,668	217,350	3,316,018
Assets written off due to sale	(2,767,978)	(230,932)	(2,998,910)
Transfer to the Original Concessionárias segment's inventories	(166,664)	-	(166,664)
At December 31, 2019	**600,775**	**134,280**	**735,055**
Accumulated depreciation:			
At December 31, 2018	**(82,413)**	**(104,414)**	**(186,827)**
Assets transferred from property and equipment	(342,245)	(153,159)	(495,404)
Assets written off due to sale	307,893	166,837	474,730
Transfer to the Original Concessionárias segment's inventories	13,634	-	13,634
At December 31, 2019	**(103,131)**	**(90,736)**	**(193,867)**
Net value:			
At December 31, 2018	**354,336**	**43,448**	**397,784**
At December 31, 2019	**497,644**	**43,544**	**541,188**

12. Taxes recoverable

	Parent company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
PIS and COFINS (i)	-	-	104,133	126,566
INSS (ii)	11	-	115,599	84,465
ICMS	-	-	46,559	42,928
Withholding Income Tax (IRRF) and others	56	-	46,108	39,791
Total	**67**	**-**	**312,399**	**293,750**
Current	67	-	160,490	155,284
Noncurrent	-	-	151,909	138,466
Total	**67**	**-**	**312,399**	**293,750**

(i) PIS and COFINS balances comprise credits taken on expenses considered as inputs, which are fundamental and relevant for the performance its operations. Management, supported by its legal counselors, considers these credits adequate considering the legislation and case law.

(ii) The INSS balance comprises R$ 48,847 of extemporaneous credits related to the recovery of contributions paid in prior periods, which refer to non-taxable labor amounts already approved at the administrative or judicial levels. It also includes R$ 26,378 of extemporaneous credits on employee compensation discounts. In addition, R$ 40,374 from retentions of customers' invoices is also considered.

In thousands of Brazilian reais, unless otherwise stated

13. Investments

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

13.1 Changes in investments

Movement in the years ended December 31, 2020 and 2019 are as follows:

											Parent company
Investments	**12/31/2019**	**Capital contribution**	**Assets received (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) Equity gain generated restating the Company's equity 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, as mentioned in note 1.1.(c).
(ii) Net assets from the spin-off of the subsidiary JSL merged into the Company, as mentioned in note 1.1.(b).
(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 (note 1.1.(b).
(iv) Refer to the provision for losses on subsidiaries with negative equity that were classified in the group of "Other payables". As part of the bonds raising process, Simpar Finance is one of the vehicle entities used for managing the fundraising. 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 the mark to market of investments classified as at fair value through other comprehensive income, 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 15 (R1)/IFRS 3 - Business combinations.

In thousands of Brazilian reais, unless otherwise stated

	Parent company
Investment balance - JSL	
At December 31, 2018	419,349
Dividends and interest on capital	(24,970)
Equity results from subsidiaries	125,015
Equity movement in subsidiaries	
Shared-based payments	4,339
Gain on equity interests in indirect subsidiaries, net of tax	131,087
Gain on subscription of new shares	5,062
Hedge reserve	59,828
Unrealized gain on available-for-sale investments	32,540
Repurchase of shares	(3,878)
Changes in equity interest	(2,559)
Other changes	(357)
At December 31, 2019	745,456

Consolidated

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

Consolidated

Investments	**12/31/2018**	**Capital contribution**	**Other changes**	**Goodwill**	**Equity results from subsidiaries**	**12/31/2019**
BRT Sorocaba Concessionárias	2,715	7,632	(3,537)	-	(1,201)	5,609
Other	1,039	-	68	-	-	1,107
Total investments	**3,754**	**7,632**	**(3,469)**	**-**	**(1,201)**	**6,716**

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 in subsidiaries at December 31, 2020 are presented below:

Investments	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenues	Costs and expenses	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
JSL Corretora	2,594	613	398	-	2,809	3,610	(2,827)	783
JSL 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)
JSL 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, 2020 and 2019 are as follows:

	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**

	Parent company
At December 31, 2018	**15,077**
Dividends and interest on capital declared in the year	40,166
Dividends and interest on capital received in the year	(33,511)
At December 31, 2019	**21,732**

In thousands of Brazilian reais, unless otherwise stated

14. Property and equipment

The movements in the years ended December 31, 2020 and 2019 are as follows:

					Parent company
	Vehicles	**Leasehold improvements**	**Computers and peripherals**	**Other**	**Total**
Cost:					
At December 31, 2019	**88**	**3,986**	**1**	**3**	**4,078**
Additions	-	-	23	210	233
Receipt of JSL spun-off net assets 1.1 (b) (ii)	-	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 1.1 (b) (ii)	-	(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 value:					
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:					
Other	-	2.5%	-	7.6%	

In thousands of Brazilian reais, unless otherwise stated

					Parent company
	Vehicles	Leasehold improvements	Computers and peripherals	Other	Total
Cost:					
At December 31, 2018	**667**	**3,986**	**9**	**3**	**4,665**
Assets written off	(579)	-	(8)	-	**(587)**
At December 31, 2019	**88**	**3,986**	**1**	**3**	**4,078**
Accumulated depreciation:					
At December 31, 2018	**(167)**	**(1,710)**	**(9)**	**-**	**(1,886)**
Depreciation expense for the year	-	(399)	-	-	(399)
Assets written off and others	79	-	8	-	87
At December 31, 2019	**(88)**	**(2,109)**	**(1)**	**-**	**(2,198)**
Net value:					
At December 31, 2018	**500**	**2,276**	**-**	**3**	**2,779**
At December 31, 2019	**-**	**1,877**	**-**	**3**	**1,880**
Average depreciation rate (%) – for the year:					
Other	10.0%	20.0%	10.0%	-	

In thousands of Brazilian reais, unless otherwise stated

Consolidated

	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Land	Constructions in progress	Right of use	Other	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 company acquisitions	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 assets held for sale	(3,045,502)	(74,531)	-	-	-	-	-	-	-	-	(3,120,033)
Assets written off and others (i)	(160,619)	(9,292)	(42,676)	(2,064)	(441)	-	-	(812)	(185,078)	(6,143)	(407,125)
Provision for impairment (Note 14.2)	(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 company acquisitions	(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 assets held for sale	528,947	49,599	-	-	-	-	-	-	-	-	578,546
Assets written off and others (i)	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 value:											
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%	-	-	-	-	-	-	-	-	-	
Other	-	10.9%	14.4%	20.0%	10.0%	8.5%	-	-	19.9%	7.7%	

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

In thousands of Brazilian reais, unless otherwise stated

Consolidated

	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fixtures	Buildings	Constructions in progress	Land	Right of use	Other	Total
Cost:											
At December 31, 2018	**7,029,671**	**1,165,108**	**397,327**	**49,921**	**61,869**	**142,738**	**187,050**	**191,067**	**-**	482,054	**9,706,805**
Initial adoption of CPC 05 (R2)/IFRS 16 (ii)	-	-	-	-	-	-	-	-	504,788	-	504,788
Balances at January 1, 2019	**7,029,671**	**1,165,108**	**397,327**	**49,921**	**61,869**	**142,738**	**187,050**	**191,067**	**504,788**	482,054	**10,211,593**
Additions	5,309,530	221,374	3,819	12,550	16,349	928	82,684	3	85,152	7,314	5,739,703
Remeasurement	-	-	-	-	-	-	-	-	46,066	-	46,066
Transfers	(5,408)	5,780	16,708	598	(803)	-	(47,461)	(3)	-	30,589	-
Transfers to / return of assets held for sale	(3,098,668)	(217,350)	-	-	-	-	-	-	-	-	(3,316,018)
Discontinued operations	(676)	(30,933)	(46,390)	(1,527)	(1,257)	(122,892)	(156,522)	(175,057)	-	(310,580)	(845,834)
Assets written off and others (i)	(155,299)	(1,761)	(405)	(3,039)	(824)	(17)	(831)	(90)	(21,205)	(1,924)	(185,395)
At December 31, 2019	**9,079,150**	**1,142,218**	**371,059**	**58,503**	**75,334**	**20,757**	**64,920**	**15,920**	**614,801**	207,453	**11,650,115**
Accumulated depreciation:											
At December 31, 2018	**(926,233)**	**(455,689)**	**(156,880)**	**(34,428)**	**(29,735)**	**(56,452)**	**-**	**(1,200)**	**-**	(185,783)	**(1,846,400)**
Depreciation expense for the year	(585,505)	(123,723)	(35,347)	(6,317)	(6,596)	(7,143)	-	-	(127,308)	(38,400)	(930,339)
Transfers	103	(130)	(271)	7	19	-	-	-	-	274	2
Transfers to / return of assets held for sale	342,245	153,159	-	-	-	-	-	-	-	-	495,404
Discontinued operations	676	10,393	24,070	1,286	844	53,958	-	1,200	-	144,532	236,959
Assets written off and others (i)	6,728	1,213	-	1,747	-	85	-	-	99	1,272	11,144
At December 31, 2019	**(1,161,986)**	**(414,777)**	**(168,428)**	**(37,705)**	**(35,468)**	**(9,552)**	**-**	**-**	**(127,209)**	(78,105)	**(2,033,230)**
Net balances:											
Balance at December 31, 2018	**6,103,438**	**709,419**	**240,447**	**15,493**	**32,134**	**86,286**	**187,050**	**189,867**	**-**	**296,271**	**7,860,405**
Balance at December 31, 2019	**7,917,164**	**727,441**	**202,631**	**20,798**	**39,866**	**11,205**	**64,920**	**15,920**	**487,592**	**129,348**	**9,616,885**
Average depreciation rate (%) - for the year:											
Light vehicles	4.8%	-	-	-	-	-	-	-	-	-	
Heavy vehicles, machinery and equipment	8.9%	11.8%	-	-	-	-	-	-	-	-	
Other	-	-	8.5%	20.0%	8.9%	10.6%	-	-	22.7%	7.3%	

(i) Includes write-offs of cost and depreciation due to damages and damaged assets in the residual amount of R$ 100,993 and write-off due to sale of the indirect subsidiary Joseense in the residual amount of R$ 13,796.

(ii) Refers to the initial adoption of CPC 06 (R2)/IFRS 16. Such right-of-use refers entirely to property lease agreements.

In thousands of Brazilian reais, unless otherwise stated

14.1 Leases of property and equipment items

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

	Consolidated	
	12/31/2020	**12/31/2019**
Cost - capitalized leases	454,686	500,983
Accumulated depreciation	(71,790)	(60,338)
Net balance	**382,896**	**440,645**

14.2 Impairment testing of property and equipment items

As mentioned in note 1.4.(c)(iii), given the impacts brought about and known up to the moment by the crisis caused by the pandemic of COVID-19, Simpar made an assessment of the indications of the existence or not of impairment of property and equipment, mainly regarding vehicle fleet, machinery and equipment.

The analysis of indications considered the following premises:

a. Comparison between the residual balances of the assets, individually or jointly by model, and their estimated sales values, based on market prices and expectations of Management and experts regarding future pricing; and

b. For items whose market values were lower than the respective net values, the estimated cash generation for these assets was added during the term of the contracts that these assets provide services, up to the limit of the expectation of their decommissions.

Based on this analysis, evidence of impairment was identified, and for this reason detailed tests were applied with calculations for Movida's vehicle fleet, which resulted in the recognition of a provision of R$ 97,540 in March 2020. In December 2020, due to recovery of the market and respective selling prices of vehicles, the impairment studies were reviewed and the amount of R$ 50,145 of the provisioned balance was reversed.

At December 31, 2020, the amount of R$ 7,380 was transferred to fixed assets held for sale and written-off due to the effective sale from the provision for impairment, incorporating the residual balance of the respective vehicles sold.

For other subsidiaries, according to the results of the analyses, Management concluded that there are no indications of impairment to be recorded.

15. Intangible assets

Movements in the years ended December 31, 2020 and 2019 are as follows:

	Consolidated					
	Goodwill	**Non-compete agreement and customer portfolio**	***Software***	**Commercial rights (i)**	**Others (ii)**	**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)
Company acquisitions	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

In thousands of Brazilian reais, unless otherwise stated

Company acquisitions	-	-	(2,165)	-	(23)	(2,188)
At December 31, 2020	**-**	**(31,006)**	**(62,294)**	**(3,819)**	**(7,038)**	**(104,157)**
Net balances:						
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%	-

(i) Refers mainly to: R$ 8,972 paid on the acquisition of points of sales used for Movida stores, allocated to CGU Movida; R$ 30,814 related to rights to use the MAN brand, allocated to CGU Transrio; and the acquisition of rights to use the Valtra brand in the amount of R$ 10,800, allocated to CGU Valtra;

(ii) Refers mainly to the concession rights to provide urban transportation services in the municipality of Sorocaba - SP, acquired in 2011, valid until November 2027,

15.1 Goodwill on business combinations

As mentioned in note 1.1.(d) (i) and (ii), subsidiary JSL acquired control of the companies Fadel and TrasMoreno, resulting in the recognition of goodwill of R$ 73,133 and R$ 214,329, respectively, allocated to the JSL segment.

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

	Consolidated	
Goodwill arising on business combinations by segment	**12/31/2020**	**12/31/2019**
JSL	519,717	232,609
Original Concessionárias	6,481	6,481
Movida	4,049	4,049
Vamos	86,877	86,877
BBC	7,583	6,361
Total	**624,707**	**336,377**

15.2 Impairment testing

During the year ended December 31, 2020, the Group conducted the annual impairment testing for its CGUs and did not determine any losses on its goodwill.

The main assumptions used in calculations of the value at December 31, 2020 are presented below:

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

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

For comparative purposes, the main assumptions used to calculate the value in use at June 30, 2020 are presented below:

Cash generating units	**JSL**	**Movida**	**BBC**	**Original Concessionárias**	**Vamos**	**Valtra**	**Transrio**
Discount rates (WACC)	11.20%	10.20%	15.60%	10.90%	9.17%	10.13%	9.17%
Growth rate in perpetuity	3.50%	3.50%	3.55%	3.50%	3.55%	3.55%	3.55%
Estimated growth rate for EBITDA (i) - average for the following five years	8.35%	13.01%	60.38%	6.12%	6.00%	13.70%	8.60%

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;

In thousands of Brazilian reais, unless otherwise stated

- Cash flows projections prepared by Management, with periods beginning in January 2021 through December 2025.

- All projections were made on a nominal basis, that is, considering the effect of inflation;

- The cash flows were discounted considering the mid period convention, assuming that the cash flows are generated throughout the year.

The estimated recoverable amounts for the CGUs exceeded their carrying amounts. Management identified the key assumption 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	BBC	Original Concessionárias	Vamos	Valtra	Transrio
Discount rate (*WACC*) - 12/31/2020	0.60%	0.11%	17.30%	0.05%	0.65%	0.63%	0.53%
Discount rate (*WACC*) - 12/31/2019	0.50%	0.60%	21.39%	0.70%	4.19%	0.28%	3.93%

16. Trade payables

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Vehicles, machinery and equipment	-	-	1,636,065	1,500,092
Trade payables - trucks, machinery and equipment for leasing - reverse factoring (i)	-	-	84,759	-
Parts and maintenance	22	-	160,756	50,299
Related parties (note 27.1)	-	-	-	222
Inventory	-	-	65,527	16,512
Contracted services	620	-	65,210	54,284
Other	-	51	122,981	70,355
Total	**642**	**51**	**2,135,298**	**1,691,764**

(i) During the year of 2020, the amount of R $ 12,967 was settled through reverse factoring and which is included in the variation of suppliers but supplementary cash flow information. according to note 35

17. Floor plan

Part of the purchases of new vehicles for the Original Concessionárias segment and the company Transrio of Vamos segment 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 Simpar 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. During the year ended December 31, 2020, Simpar used the interest-free period only. The balance payable at December 31, 2020 is R$ 71,844 (R$ 106,735 at December 31, 2019).

18. Suppliers financing - car makers

Simpar entered into "suppliers 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

The movements in the years ended December 31, 2020 and 2019 are as follows:

								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								
Suppliers financing	1.66%	Mar/21	157,923	639,481	(494,472)	(23,390)	24,253	12,051

								Consolidated
			12/31/2019	**Movement**				**12/31/2018**
Type	**Annual average rate**	**Maturity**	**Total**	**New contracts**	**Amortization**	**Interest paid**	**Interest incurred**	**Total**
In local currency								
Suppliers financing	6.7%	Sep/20	12,051	24,939	(11,247)	(1,827)	186	-

In thousands of Brazilian reais, unless otherwise stated

19. Loans and borrowings

The movements in the years ended December 31, 2020 and 2019 are as follows:

Parent company

Type	Annual average rate	Average rate structure	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 (i)	Movement: Exchange rate changes	12/31/2019 Current	12/31/2019 Noncurrent	12/31/2019 Total
In local currency														
Direct Consumer Credit (CDC) (ix)	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**

(i) Of this amount, R$ 1,604 refers to interest incurred in discontinued operations

Parent company

Type	Annual average rate	Average rate structure	Maturity	12/31/2019 Current	12/31/2019 Noncurrent	12/31/2019 Total	Movement: New contracts	Movement: Amortization	Movement: Interest paid	Movement: Interest incurred	Movement: Exchange rate changes	12/31/2018 Current	12/31/2018 Noncurrent	12/31/2018 Total
In local currency														
Direct Consumer Credit (CDC) (ix)	7.99%	134% of CDI	Dec/21	30,039	-	30,039	-	-	(2,290)	2,198	-	23,277	6,854	30,131
Direct Consumer Credit (CDC) (ix)	9.76%	CDI + 3.80	Dec/21	25,258	-	25,258	-	(5,000)	(2,933)	2,764	-	30,427	-	30,427
				55,297	**-**	**55,297**	**-**	**(5,000)**	**(5,223)**	**4,962**	**-**	**53,704**	**6,854**	**60,558**

In thousands of Brazilian reais, unless otherwise stated

Consolidated

Type	Annual average rate	Average rate structure	Maturity	12/31/2020 Current	12/31/2020 Noncurrent	12/31/2020 Total	Movement Company acquisitions	Movement New contracts	Movement Amortization	Movement Interest paid	Movement Adjustment to market value	Movement Interest incurred (xii)	Movement Exchange rate changes	12/31/2019 Current	12/31/2019 Noncurrent	12/31/2019 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
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 (vii)	3.50%	Fixed rate	Jan/24	2,380	4,924	7,304	-	-	(32,227)	(1,234)	-	1,830	-	9,908	29,027	38,935
NCEs (iv)	3.40%	CDI + 1.50 %	Apr/21	14,981	-	14,981	-	-	-	-	-	760	-	555	13,666	14,221
NPs (vi)	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 (viii)	4.91%	TJLP + 0.5 %	Jul/30	24	30,023	30,047	-	-	-	(1,485)	-	1,507	-	37	29,988	30,025
Direct Consumer Credit (CDC) (ix)	4.95%	CDI + 3.05 %	Sep/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	-	-	-	-
Other	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” (x)	-	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 (iv)	-	-	-	-	-	-	-	-	(2,472,407)	(149,358)	-	89,728	604,178	59,629	1,868,230	1,927,859
CCB FX (xii)	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 (xi)	7.60%	-	-	-	-	-	-	-	(3,717)	(2,110)	-	253	1,523	2,716	1,335	4,051
International credit (4131) - USD (xi)	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 (xi)	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**

(xii) Of this amount, R$ 1,604 refers to interest incurred in discontinued operations

In thousands of Brazilian reais, unless otherwise stated

															Consolidated
						12/31/2019				Movement					12/31/2018
Type	Annual average rate	Average rate structure	Maturity	Current	Noncurrent	Total	Write-off from disposal of investment	New contracts	Amortization	Interest paid	Interest incurred	Exchange rate changes	Current	Noncurrent	Total
In local currency															
CCBs (i)	6.28%	Fixed rate / CDI	Aug/25	408,460	967,546	1,376,006	-	425,000	(634.318)	(109.910)	116,764	-	241,940	1,336,530	1,578,470
CRAs (ii)	5.69%	Fixed rate / CDI	Nov/26	204,102	880,752	1,084,854	-	970,727	(251.667)	(44.706)	44,657	-	231,949	133,894	365,843
Finame (iii)	4.64%	Fixed rate	Jan/25	51,256	136,208	187,464	(1.576)	69,133	(525.810)	(32.917)	33,815	-	125,844	518,975	644,819
Finame (iii)	9.97%	TLP / SELIC / TLP	Apr/24	3,373	12,331	15,704	-	63,609	(348.790)	(16.389)	19,703	-	97,169	200,402	297,571
FINEM (v)	7.16%	TLP/ IPCA	May/21	7,456	3,347	10,803	-	-	(9.557)	(2.028)	1,576	-	10,435	10,377	20,812
FNO (vii)	8.53%	Fixed rate/IPCA	Jan/24	9,908	29,027	38,935	-	36,939	(14.650)	(1.362)	1,504	-	1,868	14,636	16,504
NCEs (iv)	5.90%	CDI + 1.50%	Apr/21	555	13,666	14,221	-	176,300	(162.600)	(1.853)	2,374	-	-	-	-
NPs (vii)	5.87%	CDI + 1.47%	Sep/22	285,176	312,875	598,051	-	250,000	(416.999)	(46.755)	60,146	-	438,419	313,240	751,659
FNE (viii)	8.98%	Fixed rate / IPCA	Jul/22	46,421	113,617	160,038	-	47,973	(137.656)	(11.666)	10,296	-	82,877	168,214	251,091
FINEP (viii)	6.07%	TJLP + 0.5%	Jul/30	37	29,988	30,025	-	20,597	-	(889)	707	-	26	9,584	9610
Direct Consumer Credit (CDC) (ix)	8.06%	Fixed rate	Apr/23	64,463	15,471	79,934	-	194,479	(205.545)	(7.998)	12,062	-	58,701	31,235	89,936
Other	6.10%	Fixed rate	Dec/24	4,638	5,964	10,602	-	44	(12.146)	-	-	-	11,473	11,231	22,704
				1,085,845	**2,520,792**	**3,606,637**	**(1.576)**	**2,254,801**	**(2.722.738)**	**(276.473)**	**303,604**	**-**	**1,300,701**	**2,748,318**	**4,049,019**
In foreign currency															
Senior Notes "Bond" (ix)	7.75%	USD + 7.75%	Jul/24	78,281	2,498,466	2,576,747	-	-	-	(182.791)	190,589	97,422	75,253	2,396,274	2,471,527
NCE (iv)	7.75%	USD + 7.75%	Jul/24	59,629	1,868,230	1,927,859	-	-	-	(128.257)	130,563	72,260	57,323	1,795,970	1,853,293
International credit (4131) - USD (xi)	3.73%	USD + 3.73%	May/21	814	161,228	162,042	-	-	(111.390)	(8.629)	8,941	5,182	112,946	154,992	267938
International credit (4131) - USD (xi)	7.60%	USD + 7.60%	Apr/21	2,716	1,335	4,051	-	-	(2.478)	(617)	435	228	2,632	3,851	6,483
				141,440	**4,529,259**	**4,670,699**	**-**	**-**	**(113.868)**	**(320.294)**	**330,528**	**175,092**	**248,154**	**4,351,087**	**4,599,241**
				1,227,285	**7,050,051**	**8,277,336**	**(1.576)**	**2,254,801**	**(2.836.606)**	**(596.767)**	**634,132**	**175,092**	**1,548,855**	**7,099,405**	**8,648,260**

(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 several maturities, either monthly, quarterly, semi-annually or bullet and some CCBs have covenants, including the maintenance of certain financial ratios linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA-A).

(ii) **CRAs** are Agribusiness Receivables Certificates issued to raise funds in order to finance the agribusiness sector chain, backed by Agribusiness Credit Rights Certificates ("CDCA") and Debentures, issued by the 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.

(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 USD, have covenants, have a bullet maturity at the end of the contractual term and semiannual payment of interest, and are 100% hedged through swap agreements, as mentioned in note 6.3.(b). Between June 25 and 30, 2020, JSL settled the balance of R$ 2,550,261, and in the same period, it signed new CCB contracts, in the same amounts settled. See item (xii) below.

(v) **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.

(vi) **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.

(vii) **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'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 period and have no covenants.

(viii) **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 period and have no covenants.

(ix) **Direct Consumer Credit (CDC)** is a type of working capital financing for purchase of products, vehicles, machinery and equipment in general, including services. In some cases, these are short-term operations used to manage the JSL Group's cash. In some cases, these are short-term operations used to manage the Simpar's cash. These agreements have several maturities, either monthly, quarterly, semi-annually or bullet.

(x) **Senior Notes "Bond"** refer to debt bonds issued by the indirect subsidiary Simpar Europe in the international market, in the amount of US$ 325,000 thousand, with maturity on July 26, 2024 and semi-annual payment of interest of 7.75% p.a., beginning on January 26, 2018. On January 8, 2018, Simpar Europe made a "Retap" offering in the amount of U$ 300,000 thousand keeping the same characteristics from the original issuance. These bonds were issued with a rate of 6.75% p.a., where Simpar Europe recognized a gain in the amount of R$ 49,400, related to the balancing in the original rate of 7.75% p.a., This gain will be recognized in profit or loss over the maturity of the transaction. These transactions have covenants, including the maintenance of a financial ratio linked to the percentage of debt in relation to earnings before interest, taxes, depreciation and amortization (EBITDA). The balance payable is indexed to the US Dollar and is naturally hedged by financial investments in the same amount also indexed to the Dollar.

(xi) **International credit** refers to borrowing transactions with foreign institutions. These transactions have covenants, including the maintenance of certain financial ratios linked to the percentage of debt and finance costs in relation to EBITDA-A. On March 20, 2020, the subsidiary Vamos renegotiated this debt, changing the maturity from May 2021 to September 2023 and the contracted rate from 5.05% to 2.48%. With this renegotiation, the previously contracted exchange rate of R$ 3.77 was R$ 4.85. This transaction is 100% protected through swap contracting, as mentioned in note 6.3 (b);

(xii) **CCB - FX (Foreign Exchange)**, as mentioned in item (iv) above, these were contracted between June 25 and 30, replacing the NCEs that had been settled by the subsidiary JSL and that, after the corporate restructuring, were transferred to Simpar. These borrowings have covenants, have 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).

(xiii) **NCE - in national currency.** These contracts expire at the end of the transaction and have no commitment clauses.

For the purpose of reading the above references, the following definitions are considered:

- **Net debt for covenant purposes**: means the total balance of the Issuer's current and non-current loans and borrowings, including debentures and any other debt securities, positive and/or negative results of the hedge transactions, less: (a) the amounts of cash and financial investments; and (b) borrowings arranged under the program for financing inventories of new and used vehicles, locally made or imported, and automotive parts, under revolving credit facilities from financial institutions linked to the car makers.

- **EBITDA for covenant purposes**: means earnings before interest, taxes, depreciation and, amortization, impairment of assets and equity in subsidiaries calculated over the last twelve (12) months, including Added-EBITDA for the last twelve (12) months of companies merged and/or acquired by the Issuer.

- **Added EBITDA (EBITDA-A) for covenant purposes**: means earnings before finance income (costs), taxes, depreciation, amortization, impairment of assets and equity results from subsidiaries, plus cost of sale of assets used in the provision of services, calculated for the last 12 months, including Added-EBITDA for the last twelve (12) months of companies merged and/or acquired, by the Issuer.

- **Net Finance Costs for covenant purposes:** means borrowing costs plus monetary adjustments, less income from financial investments, all relating to the items described in the above definition of "Net Debt", and calculated on an accrual basis over the last 12 months.

19.1. Guarantees, intervening guarantor and bank guarantees

At December 31, 2020, Simpar has certain guarantees for loans and financing transactions, as follows:

✓ **FINAME, FNO, CDC and leases payable -** guaranteed by the respective financed vehicles, machinery and equipment;

✓ **FNE -** bank guarantees;

✓ **CCBs** - the subsidiary Vamos has CCB operations and consortia guaranteed by the respective vehicles, machinery and equipment financed; the subsidiary CS Brasil Transportes has an assignment of trade notes of 20% of the debt balance of the transactions; and the subsidiary Movida has financial investments of R$ 40,375 pledged as collateral;

✓ **CRAs** of the subsidiaries Vamos (issued on February 15, 2019) and JSL (issued on August 9, 2019 and May 18, 2020), after the corporate restructuring, have Simpar as the consenting intervening party (JSL) and guarantor (Vamos).

The other transactions do not have any guarantees.

In thousands of Brazilian reais, unless otherwise stated

20. Debentures

The movements in the years ended December 31, 2020 and 2019 are as follows:

												Parent company
					12/31/2020	Movement						12/31/2019
Type	**Annual average rate**	**Maturity**	**Current**	**Noncurrent**	**Total**	**Transfer from spin-off**	**Amortization**	**Interest paid**	**Interest incurred**	**Current**	**Noncurrent**	**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**	**-**	**-**	**-**

												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

												Consolidated
					12/31/2019	Movement						12/31/2018
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	161,509	-	161,509	-	(119.203)	(54.058)	27,112	153,151	154,507	307,658
8th issuance - JSL	5.99%	Jun/21	75,633	75,915	151,548	-	(149.287)	(23.471)	20,192	157,941	146,173	304,114
10th issuance - JSL	5.61%	Dec/23	73,765	223,594	297,359	-	(50.001)	(32.776)	26,745	55,498	297,893	353,391
11th issuance - JSL	5.61%	Jun/21	1,117	392,569	393,686	-	-	(36.581)	33,408	-	396,859	396,859
12th issuance - JSL	5.46%	Dec/23	139,883	452,653	592,536	-	-	(44.028)	45,580	-	590,984	590,984
13th issuance - JSL	6.37%	May/26	2,775	447,164	449,939	450,000	-	(20.633)	20,572	-	-	-
14th issuance - JSL	5.08%	Nov/23	50,343	148,636	198,979	200,000	-	(1.926)	905	-	-	-
1st issuance - Movida Locação	6.40%	Mar/23	66,544	186,736	253,280	-	-	(20.476)	20,198	4,662	248,896	253,558
2nd issuance - Movida Locação	6.20%	Oct/21	41,034	39,878	80,912	-	(20.000)	(7.669)	7,721	21,129	79,731	100,860
3rd issuance - Movida Locação	6.00%	Jan/24	7,055	199,228	206,283	200,000	-	(1.167)	7,450	-	-	-
1st issuance - Movida Participações	6.64%	Jul/22	8,447	11,957	20,404	-	(378.937)	(17.416)	3,380	89,796	323,581	413,377
2nd issuance - Movida Participações	6.38%	Jun/23	33,608	416,536	450,144	-	-	(35.896)	36,099	1,490	448,451	449,941
3rd issuance - Movida Participações	6.38%	Jun/24	-	591,874	591,874	600,000	-	(57.663)	49,537	-	-	-
4th issuance - Movida Participações	6.01%	Jul/27	20,008	698,345	718,353	700,000	-	(7.951)	26,304	-	-	-
2nd issuance - Vamos	6.21%	Aug/26	13,180	791,770	804,950	789,942	-	-	15,008	-	-	-
			694,901	**4,676,855**	**5,371,756**	**2,939,942**	**(717.428)**	**(361.711)**	**340,211**	**483,667**	**2,687,075**	**3,170,742**

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)**		**CS Brasil Participações**	
Description	**8th issuance**	**10th issuance**	**11th issuance**	**12th issuance**	**13th issuance**	**14th issuance**	**1st issuance**	**2nd issuance**
a. Identification of process by nature								
1st series amount	165,175	352,000	400,000	600,000	344,940	200,000	600,000	150,000
2nd series amount	71,751	-	-	-	105,060	-	-	
3rd series amount	163,074	-	-	-	-	-	-	
Issuance amount	400,000	352,000	400,000	600,000	450,000	200,000	600,000	150,000
Total amount received in checking account	400,390	352,000	400,000	600,000	450,000	200,000	600,000	150,000
Issuance	6/15/2014	3/20/2017	6/20/2017	12/20/2018	5/20/2019	11/20/2019	12/10/2020	12/15/2020
Funding	6/18/2014	3/29/2017	6/30/2017	12/6/2018	5/30/2019	12/2/2019	12/21/2020	12/17/2020
Maturity	6/15/2021	12/20/2023	11/20/2025	4/20/2025	5/20/2026	11/20/2023	12/10/2025	12/15/2025
Type	Unsecured	Unsecured	Floating	Floating	Unsecured	Unsecured	Unsecured	Floating
Identification with CETIP	JSML 18/28/38	JSML 10	JSML A1	JSML A2	JSML A3/B3	JSML A4	CSBR 11	CSBR 12
b. Transaction costs	**2,625**	**9,271**	**12,479**	**17,159**	**3,709**	**1,338**	**7,704**	**1,880**
c. Premiums								
Additional due to settlement	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Amount of settlement	390	-	-	-	-	-	-	
d. Effective interest rate (IRR) p.a. %								
1st series	116% of CDI	125.0% of CDI	127.50% of CDI	CDI + 1.95%	CDI + +1.90%	115.20% of CDI	CDI + +3.70%	CDI + +2.90%
2nd series	IPCA + 8.0%	-	-	-	CDI + +2.20%		-	-
3rd series	118.5% of CDI	-	-	-	-	-	-	-
e. Amount of costs and premiums to be apportioned until maturity	**187**	**4,251**	**7,566**	**11,833**	**2,768**	**1,338**	**7,704**	**1,880**

Issuer	**Movida Locação**					**Movida Participações**					**Vamos**
Description	**1st issuance**	**2nd issuance**	**3rd issuance**	**4th issuance**	**5th issuance**	**1st issuance**	**2nd issuance**	**3rd issuance**	**4th issuance**	**5th issuance**	**2nd issuance**
a. Identification of process by nature											
1st series amount	250,000	100,000	200,000	200,000	200,000	150,000	138,250	214,478	250,000	250,000	382,500
2nd series amount	-	-	-			250,000	181,500	138,112	166,000	350,000	417,500
3rd series amount	-	-	-			-	130,250	247,410	284,000	-	-
Issuance amount	250,000	100,000	200,000	200,000	200,000	400,000	450,000	600,000	700,000	600,000	800,000
Total amount received in checking account	250,000	100,000	200,000	200,000	200,000	400,000	450,000	600,000	700,000	600,000	-
Issuance	4/13/2018	10/31/2018	6/27/2019	4/30/2020	11/24/2020	7/4/2017	6/7/2018	1/4/2019	6/27/2019	11/6/2020	8/16/2019
Funding	4/13/2018	10/31/2018	6/27/2019	4/30/2020	11/24/2020	7/27/2017	6/7/2018	1/4/2019	6/27/2019	11/6/2020	9/20/2019
Maturity	3/29/2023	10/10/2021	1/24/2024	4/20/2022	11/18/2023	07/15/2020 and 07/15/2022	6/7/2023	6/7/2024	7/27/2027	10/15/2023 and 10/15/2025	8/20/2024 and 8/20/2026
Type	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
Identification with CETIP	MVLV11	MVLV12	MVLV13	MVLV14	MVLV15	MOVI 11/21	MOVI 12/22/32	MOVI 13/23/33	MOVI 14/24/34	MOVI 15/25	VAMO12 and VAMO22
b. Transaction costs	**2,439**	**452**	**1,178**	**2,110**	**1,107**	**3,436**	**2,987**	**13,127**	**3,120**	**3,312**	**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
Amount of settlement	-	-	-			-	-	-	-	-	-
d. Effective interest rate (IRR) p.a. %											
1st series	CDI + +2.05%	CDI + +1.80%	CDI + +1.60%	CDI + +4.20%	CDI + +2.75%	CDI + +1.55%	CDI + +1.60%	CDI + +1.85%	CDI + +1.25%	CDI+2.50	CDI+ 1.60%
2nd series	-	-	-			CDI + +2.70%	CDI + +2.20%	CDI + +2.05%	CDI + +1.60%	CDI + 2.95	CDI+ 2.00%
3rd series	-	-	-			-	CDI + +2.00%	CDI + +2.05%	CDI + +2.10%	-	

In thousands of Brazilian reais, unless otherwise stated

e. Amount of costs and premiums to be apportioned until maturity	1,331	122	782	1,318	1,047	886	1,184	7,674	2,107	3,202	9,341

In thousands of Brazilian reais, unless otherwise stated

The Debentures issued by Simpar are all simple, non-convertible debentures, unsecured, except, in subsidiary JSL, for the 11th issuance, which is issued as debentures of the floating guarantee type, and 12th issuance, which is issued as debentures of the floating guarantee type and additional fidejussory guarantee. All debentures have clauses of maintenance of financial ratios linked to the percentage of debt and finance costs in relation to EBITDA-A.

For the 11th and 12th issuances of debentures, JSL maintains at least 130% of the debt balance, amount equivalent to assets free of burden and debt.

Additionally, after the corporate restructuring, Simpar became jointly liable with JSL for the 10th, 11th and 12th issuances of Debentures.

21. Leases payable

Lease agreements for the acquisition of vehicles and assets of the Simpar operating activity which have annual fixed charges, and are distributed as follows:

	Consolidated	
	12/31/2020	**12/31/2019**
Lease liabilities at the beginning of the year	**401,612**	**242,914**
New contracts	73,962	247,997
Amortization	(163.323)	(96.607)
Interest paid	(14.681)	(15.849)
Interest incurred	15,836	23,157
Lease liabilities at the end of the year	**313,406**	**401,612**
Current	131,092	140,850
Noncurrent	182,314	260,762
Total	**313,406**	**401,612**
Annual average rate	**4.16%**	**7.16%**
Average rate structure p.a.	**CDI + 2.26%**	**CDI + 2.68%**
Maturity	**Feb/25**	**Mar/23**

22. Right-of-use leases

Information regarding right-of-use assets is included in note 14.

	Consolidated	
	12/31/2020	**12/31/2019**
Lease liabilities at the beginning of the year	**517,700**	**-**
Initial adoption of CPC 06 (R2) / IFRS 16	-	504,788
Remeasurement	-	46,066
New contracts	247,470	85,152
Write-offs	(167,881)	(21,106)
Amortization	(110,842)	(99,263)
Interest paid	(49,308)	(47,494)
Interest incurred	52,448	49,557
Company acquisitions	2,978	-
Lease liabilities at the end of the year	**492,565**	**517,700**
Current	101,600	113,869
Noncurrent	390,965	403,831
Total	**492,565**	**517,700**

The 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 Group is prevented from entering into any sub-lease contract.

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:

In thousands of Brazilian reais, unless otherwise stated

Contracts by term and discount rate	
Contracted terms	**Rate % p.a.**
1	5.99%
2	6.75%
3	7.61%
5	8.61%
8	9.47%
10	9.74%
15	10.08%
20	10.26%

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	759,479	492,567
PIS/COFINS	63,631	42,574

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 flow, the effect on right-of-use assets and leases would have been an increase of approximately R$ 31,833.

23. Assignment of receivables

		Consolidated
	12/31/2020	**12/31/2019**
Sale of receivables	16,032	25,412
Interest to be accrued	(3,946)	(7,284)
Total	**12,086**	**18,128**
Current	6,043	6,043
Noncurrent	6,043	12,085
Total	**12,086**	**18,128**

In December 2017, the 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 be 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.

24. Social and labor liabilities

	Parent company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Provision for vacation	368	54	107,957	78,716
Salaries	715	109	50,601	68,801
Bonus and profit sharing	6,206	-	42,869	28,676
INSS	210	38	57,997	45,362
FGTS (Severance pay fund)	17	6	8,422	7,512
Other	-	47	2,160	2,561
	7,516	**254**	**270,006**	**231,628**

In thousands of Brazilian reais, unless otherwise stated

25. Judicial deposits and provision for judicial and administrative litigation

In the normal course of its business, Simpar 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, which are presented below:

				Consolidated
	Judicial deposits		**Provision**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Labor	41,638	50,689	(93,694)	(45,827)
Civil	14,572	12,805	(15,507)	(21,923)
Tax	19,322	12,859	(72,664)	(79)
	75,532	**76,353**	**(181,865)**	**(67,829)**

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

Simpar classifies the risks 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. The movements in the years ended 12/31/2020 and 2019 are as follows:

				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)
Company acquisitions - opening balance (i)	13,921	676	12,691	27,288
Company acquisitions - PPA effects (ii)	45,911	-	60,431	106,342
Write-off due to statutes of limitation	(1,073)	-	(1,486)	(2,559)
Balances at December 31, 2020	**93,271**	**16,324**	**72,270**	**181,865**

				Consolidated
	Labor	**Civil**	**Tax**	**Total**
Balance at December 31, 2018	**51,201**	**24,024**	**338**	**75,563**
Additions	25,900	28,517	39	54,456
Reversals	(31,274)	(30,355)	(298)	(61,927)
Write-off from sale of investment	-	(263)	-	(263)
Balance at December 31, 2019	**45,827**	**21,923**	**79**	**67,829**

(i) Amounts of provision for contingencies accrued in the balance sheets of the acquired companies at the acquisition date.

(ii) During the purchase price allocation process of the acquired companies, contingent liabilities were identified in the PPA report (price per acquisition), in which the sellers contractually agree to indemnify the Parent company JSL in the event of a financial disbursement; these amounts have an indemnification asset, as mentioned in note 1.1.(e).

In thousands of Brazilian reais, unless otherwise stated

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 provision for tax lawsuits refers to administrative lawsuits filed against Simpar challenging certain tax assessment notices issued in the inspection process, and other lawsuits filed challenging the lawfulness of the collection of certain taxes.

25.3 Possible losses, not provided for in the statement of financial position

At December 31, 2020, Simpar 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	
	12/31/2020	**12/31/2019**
Labor	182,124	137,010
Civil	174,631	190,750
Tax	378,700	292,499
Total	**735,455**	**620,259**

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 Simpar.

Simpar is legally responsible in certain judicial claims of responsibility of other subsidiaries of Simpar, transferred to these entities due to the corporate restructuring carried out in prior periods. The amount of these proceedings, whose loss is classified as possible, is R$ 1,303, and will be reimbursed if losses are effectively incurred.

The increase was due to possible contingencies of the companies acquired Fadel and TransMoreno by the subsidiary JSL.

Civil

The civil lawsuits are related to claims for indemnity related to damages for several reasons against the companies of Simpar, 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; (v) challenges related to the recognition of ICMS credits; and (vi) INSS refers to challenges made by the authorities related to PER/DCOMP used in the offset of INSS. The amounts involved are as follows:

In thousands of Brazilian reais, unless otherwise stated

	Consolidated	
	12/31/2020	**12/31/2019**
IRPJ and CSLL	110,913	109,764
ICMS	152,561	89,636
INSS	7,729	7,858
PER/DCOMP	41,239	22,805
PIS/COFINS	11,520	33,747
Others	54,738	28,689
Total	**378,700**	**292,499**

The increase was due to possible contingencies of the companies acquired Fadel and TransMoreno by the subsidiary JSL.

25.4 Contingent assets

Simpar filed lawsuits requesting the exclusion of ICMS from the PIS and COFINS calculation bases, as well as the recognition of the right to offset credits raised in the 5 years prior to the filing, comprising the period from 2002 to 2017. These lawsuits are pending a final decision in favor of Simpar, since they a had final and unappealable decisions during 2018 and 2019, recognizing the right postulated.

The calculations of part of the respective credits were concluded during 2020, and for the final and unappealable decisions, Simpar recognized credits of R$ 37,554 in the Consolidated at December 31, 2020. Simultaneously, due to the acquisition agreement of subsidiary Quick Logística, which provides that certain benefits and expenses originating before the acquisition date, in February 2016, must be passed on to former partners, accounts payable in the amount of R$ 15,940 were recognized in relation to the portion to be passed on to them. As a result, the net amount recognized in the 2020 profit or loss was R$ 21,614, recorded in other revenue and finance income, which is related to the inflation adjustment.

In connection with the Simpar's final and unappealable decision, Management estimates credits of up to R$ 135,000 at December 31, 2020, depending on the definitions resulting from the final and unappealable decisions, and the possible modulation arising from the Federal Supreme Court (STF) judgment on the motions for clarification filed by the Federal Government with the STF, claiming the modulation of the effects of the decision issued by the same court, which determined the exclusion of ICMS from the PIS and COFINS tax base.

Management understands the effects of the judgment of the motions for clarification may have on the lawsuits, both in the final and unappealable decisions and in that that has not yet been finally issued, since, depending on any modulation resulting from STF judgment, there may be the filing by the counterparty of termination lawsuits within two years of the final and unappealable decision. If this occurs, Management will assess the impacts of these new lawsuits to determine the recognition of a provision for losses of the credits already recognized.

Simpar continues to gather the supporting documents for the most remote periods in order to ratify information on the amounts of the benefits for any requirement related to the pending lawsuit.

In thousands of Brazilian reais, unless otherwise stated

26. Income tax and social contribution

26.1 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	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Deferred tax asset				
Tax losses (i)	14,442	-	270,267	243,151
Provision for judicial and administrative litigation	-	-	55,031	49,822
(-) Expected credit losses (“impairment”) of trade receivables		-	71,905	45,919
Provision for adjustment to market value and obsolescence	-	-	4,107	3,115
Provision for impairment of assets	-	-	2,751	-
Share-based payment plan	6,849	-	7,233	6,711
Amortization and write-off of intangible assets from business combinations	-	-	17,879	17,062
Depreciation of right-of-use leases	-	-	11,992	10,696
Exchange rate changes			15,858	2,867
Accounting vs. tax depreciation	3,132	-	-	-
Other provisions	(768)	-	48,860	39,479
Total deferred tax assets	**23,655**	**-**	**505,883**	**418,822**
Deferred tax liabilities				
Income tax and social contribution on goodwill of shares contributed by owners of the Company	(63,496)	-	(63,496)	-
Present value adjustment	-	-	(3,733)	(2,085)
Deferred net income from sales to public authorities	-	-	(34,278)	(32,855)
Hedge derivatives (swap)	(15,498)	-	(14,723)	(79,078)
Accounting vs. tax depreciation	-	-	(597,754)	(501,973)
Property and equipment - finance leases	(6,570)	-	(94,614)	(79,658)
Gains on equity interests in subsidiaries	-	-	-	(89,852)
Surplus value of company acquisitions	-	-	(72,336)	-
Revaluation of assets	-	-	(13,719)	(2,686)
Realization of goodwill	-	-	(71,482)	(66,324)
Total deferred tax liabilities	**(85,564)**	**-**	**(966,135)**	**(854,511)**
Total deferred tax liabilities, net	**(61,909)**	**-**	**(460,252)**	**(435,689)**
Deferred tax assets	-	-	161,215	138,431
Deferred tax liabilities	(61,909)	-	(621,467)	(574,120)
Total deferred tax liabilities, net	**(61,909)**	**-**	**(460,252)**	**(435,689)**

(i) JSL recorded unrecognized credits of R$ 22,805 for loss of deferred income tax and social contribution credits on tax losses, in connection with the loss of this proportion of tax losses due to the corporate restructuring mentioned in note 1.1.(a).

The movements in deferred income tax and social contribution for the years ended December 31, 2020 and 2019 are as follows:

In thousands of Brazilian reais, unless otherwise stated

	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/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 (i)	(13,127)	-
Deferred income tax and social contribution on equity valuation adjustments	-	90,062
Deferred income tax/social contribution on deductible transaction expenditures incurred in the restricted share offering	-	10,996
Company acquisitions	-	(19,294)
Deferred income tax/social contribution on surplus value of company acquisitions against the respective goodwill	-	(73,792)
Reclassifications between deferred and current	(2,422)	2,179
Balances at December 31, 2020	**(61,909)**	**(460,252)**

(i) These amounts make up the balance of the net assets from the spin-off described in note 1.1.(a)(i).

	Consolidated
At December 31, 2018	**(277,614)**
Deferred income tax and social contribution recognized in profit or loss	(43,632)
Deferred income tax and social contribution on cash flow hedge, in other comprehensive income	(56,072)
Deferred income tax and social contribution arising from gains on equity interest in subsidiaries, in equity valuation adjustments	(79,429)
Reclassifications between deferred and current	17,816
Deferred income tax and social contribution arising from sale of investment in subsidiary	3,242
At December 31, 2019	**(435,689)**

26.1.1 Estimated realization schedule

Deferred tax assets arising from temporary differences will be used as the respective differences are settled or realized.

Tax losses can be carried forward indefinitely and, at December 31, 2020 and 2019 deferred income tax and social contribution were recognized for all tax loss carryforwards, except for income tax and social contribution tax losses of Vamos Seminovos in the amount of R$ 20,161 (R$ 19,921 at December 31, 2019), due to the lack of appropriate evidence and support of their expectation of future taxable profits.

As mentioned in note 1.4.(c)(iv), Management concluded that there is no indication of the need to write off deferred assets in the year ended December 31, 2020, given the economic and financial impacts caused by the crisis of the COVID-19 pandemic; Simpar made projections of results, updating the current measurable assumptions, indicators and expectations after the crisis began, and did not identify any need to write off the recorded amounts of deferred assets.

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	
	12/31/2020	**12/31/2019**
Simpar	14,442	-
Movida Participações	104,442	64,394
Movida Locação	64,725	78,885
JSL	32,663	61,452
BBC Leasing	21,680	16,828
Yolanda	10,798	10,705
Others	21,517	10,887
	270,267	**243,151**

At December 31, 2020, 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
						12/31/2020
	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**Over 4 years**	**Total**
Total net amounts	17,229	26,733	34,077	41,209	151,019	**270,267**

26.2 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**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Profit before income tax and social contribution	**298,542**	**125,015**	**655,206**	**431,126**
Statutory rates	34%	34%	34%	34%
Income tax and social contribution calculated at the standard rates	**(101,504)**	**(42,505)**	**(222,770)**	**(146,583)**
Permanent (additions) exclusions				
Equity results from subsidiaries	120,347	42,505	(175)	(2,759)
Tax incentives - Workers Meal Program ("PAT")	-	-	2,347	2,074
Effects of interest on capital - received and paid	(13,503)	-	16,045	27,044
Provision for deferred tax credits on tax losses carried forward	-	-	(22,806)	-
Unconstituted deferred credits on tax losses carried forward	-	-	(11,673)	(8,988)
ICMS credit granted	-	-	10,057	10,732
Non-deductible expenses and other permanent deductions	678	-	(192)	5,979
Income tax and social contribution calculated	**6,018**	**-**	**(229,167)**	**(112,501)**
Current	-	-	(177,605)	(68,869)
Deferred	6,018	-	(51,562)	(43,632)
Income tax and social contribution on results	**6,018**	**-**	**(229,167)**	**(112,501)**
Effective rate	2.02%	0.00%	-34.98%	-26.09%

Simpar’s 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.

In thousands of Brazilian reais, unless otherwise stated

26.3 Income tax and social contribution recoverable and payable

The movements in current income tax and social contribution for the years ended December 31, 2020 and 2019 are as follows:

	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 company acquisitions	-	(12,722)
Balances at December 31, 2020	**9,933**	**346,436**
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)
Balances at December 31, 2020	**9,933**	**346,436**

	Parent company	Consolidated
Income tax and social contribution recoverable - current	9,275	119,424
Income tax and social contribution recoverable - noncurrent	-	24,312
Income tax and social contribution payable	(568)	(13,818)
At December 31, 2018	**8,707**	**129,918**
Provision for income tax and social contribution payable	197	(68,869)
Advances, offsets and payments in the year	(112)	126,844
At December 31, 2019	**8,792**	**187,893**
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**

In thousands of Brazilian reais, unless otherwise stated

27. Related parties

27.1 Related-party balances (assets and liabilities)

The nature of the related-party balances in the balance sheet accounts is as follows:

(i) Cash and cash and cash equivalents, marketable securities and financial investments: these are financial securities, such as leasing bills and financial promissory notes.
(ii) Other credits: balances arising from reimbursements of miscellaneous expenses and reimbursements of apportionment of common expenses paid to the Company.
(iii) Dividends receivable: balances receivable from dividends proposed and approved by the Company's subsidiaries.
(iv) Receivable and payable parties: refer to loan agreements held between the Company and its subsidiaries.
(v) Other payables: balances payable for reimbursement of the Company's expenses borne by the subsidiaries.
(vi) Trade payables: balances arising from commercial transactions for the purchase and sale of assets, leasing of assets and provision of services.

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 financial statements.

The following table presents the balances of transactions between the Company and related parties:

Parent company

Assets	Cash and cash equivalents (note 7)		Other credits		Dividends and interest on capital receivable		Receivable from related parties		Other payables		Payable to related parties		Dividends and interest on capital payable	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Related parties														
BBC Pagamentos	-	-	1,441	-	-	-	2,000	-	-	-	-	-	-	-
BBC Leasing	79,524	-	-	-	-	-	-	-	-	-	-	-	-	-
Borgato Serviços	-	-	3	-	-	-	-	-	-	-	-	-	-	-
Ciclus	-	-	-	-	-	-	-	48,925	-	-	-	-	-	-
CS Brasil Frotas	-	-	2,298	-	2,348	-	-	-	-	-	-	-	-	-
CS Brasil Participações	-	-	51	-	-	-	1,145	-	-	-	-	-	-	-
CS Brasil Transportes	-	-	4,013	-	-	-	-	-	1,274	-	-	-	-	-
JSL Corretora	-	-	14	-	-	-	-	-	-	-	-	-	-	-
JSL Empreendimentos (i)	-	-	5,002	-	-	-	23,393	-	-	-	-	-	-	-
JSP Holding	-	-	-	-	-	-	-	-	-	-	528	-	36,449	-
JSL (ii)	-	-	3,213	-	24,331	21,732	63,899	-	846	-	-	13,184	-	-
Mogi Mob	-	-	110	-	-	-	-	-	883	-	-	-	-	-
Mogipasses	-	-	11	-	-	-	-	-	-	-	-	-	-	-
Movida Locação	-	-	463	-	-	-	-	-	-	-	-	-	-	-
Movida Participações	-	-	133	-	20,611	-	-	-	-	-	-	-	-	-
Movida Premium	-	-	11	-	-	-	-	-	-	-	-	-	-	-
Original Veículos (iii)	-	-	-	-	-	-	17,117	-	13	-	-	-	-	-
Quick Logística	-	-	39	-	-	-	-	-	-	-	-	-	-	-
Ribeira	-	-	-	-	-	-	-	-	228	-	-	18,348	-	-
Simpar Finance	-	-	8,771	-	-	-	-	-	-	-	-	-	-	-
TPG Transportes	-	-	22	-	-	-	-	-	-	-	-	-	-	-
Transrio	-	-	81	-	-	-	-	-	-	-	-	-	-	-
Vamos	-	-	16,638	-	-	-	-	-	-	-	-	-	-	-
Vamos Máquinas	-	-	136	-	-	-	-	-	-	-	-	-	-	-
Vamos Seminovos	-	-	4	-	-	-	-	-	-	-	-	-	-	-
Yolanda	-	-	3	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	36	-	-	-	13,999	-	-
Total	**79,524**	**-**	**42,457**	**-**	**47,290**	**21,732**	**107,554**	**48,961**	**3,244**	**-**	**528**	**45,531**	**36,449**	**-**
Current	79,524	-	28,588	-	47,290	21,732	62,365	-	3,244	-	-	13,184	36,449	
Noncurrent	-	-	13,869	-	-	-	45,189	48,961	-	-	528	32,347	-	
Total	**79,524**	**-**	**42,457**	**-**	**47,290**	**21,732**	**107,554**	**48,961**	**3,244**	**-**	**528**	**45,531**	**36,449**	**-**

In thousands of Brazilian reais, unless otherwise stated

(i) The balance of receivables from related parties from JSL Empreendimentos refers to a loan agreement subject to interest at the rate of 100% of DI p.a. + 2.05% p.a. This balance is eliminated is eliminated in the consolidated financial statements.

(ii) The balance receivable of the subsidiary JSL refers to the remaining balance of the corporate restructuring mentioned in Note 1.1.(a), which relates to the movement of items transferred by the subsidiary JSL to Simpar between the base date of the appraisal report and the effective date of the spin-off on August 5, 2020. No interest bear on this balance and it does not have a maturity date.

(iii) The balance of receivables from related parties from Original Veículos refers to a loan agreement subject to interest at the rate of 100% of DI p.a. + 2.05% p.a. This balance is eliminated is eliminated in the consolidated financial statements.

The table below presents the balances of intercompany transactions that are not eliminated in consolidation:

										Consolidated
	Assets				**Liabilities**					
	Trade receivables (Note 9)		**Receivable from related parties**		**Trade payables (Note 16)**		**Dividends and interest on capital payable**		**Payable to related parties**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Related parties										
JSP Holding	-	-	-	-	-	-	36,449	-	528	-
Ciclus	6,827	-	-	-	-	-	-	-	-	-
Consórcio Sorocaba	-	-	-	-	-	-	-	-	453	3,056
Ribeira	-	-	-	-	-	-	-	-	-	-
Other	-	26,978	-	36	-	222	-	-	97	13,999
Total	**6,827**	**26,978**	**-**	**36**	**-**	**222**	**36,449**	**-**	**1,078**	**17,055**
Current	6,827	26,978	-	-	-	222	36,449	-	550	3,056
Noncurrent	-	-	-	36	-	-	-	-	528	13,999
Total	**6,827**	**26,978**	**-**	**36**	**-**	**222**	**36,449**	**-**	**1,078**	**17,055**

In thousands of Brazilian reais, unless otherwise stated

27.2 Related-party transactions with effects on profit or loss for the year

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) Services rendered refer to any contracted services, mainly those related to cargo transport or intermediation of decommissioned assets and direct sales of carmakers;
(iii) Sale 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 were near the market value;
(iv) The Company shares certain administrative services with the subsidiaries of Simpar. 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 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 between the Company, its subsidiaries and other related parties during the years ended December 31, 2020 and 2019:

Consolidated

Results	Rent and services rendered		Contracted rents and services		Revenue from sale of assets		Cost of sale of assets		Administrative and selling expenses, and recovery of expenses		Other operating income (expenses)		Finance income		Finance costs	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Transactions eliminated in profit or loss			-													
Avante Veículos	3,465	1,567	(969)	(1,495)	4,034	-	(4,013)	(23)	150	(275)	-	-	-	-	-	-
BBC Leasing	1,688	-	(956)	(13)	6,849	-	(6,849)	-	612	(708)	383	-	1,023	567	(4,663)	1,323
BBC Pagamentos	-		-		-		-		255		-		-		-	
Borgato Serviços	-	33	(298)	(341)	-	-	-	-	47	(47)	(432)	-	-	-	-	-
CS Brasil Frotas	21,932	9,304	(674)	(31,376)	4,260	53,865	(4,332)	(53,778)	9,591	(4,462)	185	-	-	-	-	(291)
Centro de Memoria	-		-		-		-		2		-		-		-	
CS Brasil Participações	-	1,727	(19,366)	-	-	-	-	-	97	-	420	-	20,013	-	(1,276)	(88)
CS Brasil Transportes	7,979	30,654	(7,843)	(33,989)	9,954	77,055	(10,142)	(77,113)	5,087	7,191	792	-	(29)	33	(3,667)	(709)
Instituto Júlio Simões	-		-		-		-		4		-		-		-	
JSL	3,607	13,441	(5,348)	(3,628)	28,843	75,337	(28,561)	(75,367)	(1,345)	33,135	6,027	1,986	6	3,009	(20,436)	(1)
JSL Corretora	118	-	(24)	(162)	-	-	-	(3)	83	(133)	3	-	-	-	(33)	-
JSL Empreendimentos	3	-	-	-	-	-	-	-	2	(9)	-	-	183	-	-	(10)
JSL Holding	-	-	-	-	-	-	-	-	-	-	-	-	4,663	(1,781)	1,065	(389)
Medlogística	188	-	-	(68)	-	-	-	-	871	(604)	-	-	-	-	-	(5)
Mogi Mob	1,839	-	(4)	(280)	632	-	(557)	-	1,672	(47)	(63)	-	-	-	-	-
Mogipasses	4	1,259	(1,208)	-	-	-	-	-	167	(136)	-	-	-	-	-	-
Movida Locação	11,578	257,765	(282,368)	(8,240)	2,955	526	(2,952)	(526)	18,294	(22,942)	1,645	-	-	-	(19,001)	-
Movida Participações	271,175	630	(3,379)	(221,275)	48	5,577	30	(5,509)	(2,563)	(2,128)	(334)	-	-	-	-	-
Movida Premium	29,745	-	(83)	(41,252)	-	-	-	-	135	(179)	33	-	-	-	-	-
Original Distribuidora	2,629	2,136	(6,980)		-	-	-	-	20	(18)	-	-	70	-	-	(75)
Original Veículos	4,958	3,202	(5,053)	(2,779)	40,367	57	(40,517)	-	1,274	(1,626)	3	-	1,325	-	(37)	(1,121)
Ponto Veículos	2,414	8,209	(12,022)	(1,910)	8,977	-	(8,950)	(30)	358	(666)	-	-	-	-	-	-
Quick Armazéns	-	-	-	-	-	-	-	-	17	(25)	-	-	-	287	(209)	-
Quick Logística	998	-	(37)	(1,526)	-	-	-	-	670	(1,533)	5	-	822	-	-	(663)
Simpar	-		-		-		-		(43,370)		-		-		(940)	
Simpar Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	42,697	(68,407)	-
Simpar Finance	-	-	-	-	-	-	-	-	-	-	-	-	68,407	-	-	(42,697)
Sinal Serviços	-		-		-		-		-		-		1		-	
TPG Transportes	-		-		-		-		225		16		-		-	
Transrio	375	1,173	(3,776)	(379)	9,227	-	(9,227)	-	1,231	(1,681)	2	51	-	-	-	-
TransMoreno	6		-		-		-		-		-		-		-	
Vamos	6,509	24,236	(4,454)	(7,513)	10,882	9,102	(10,961)	(9,102)	(2,042)	(5,552)	910	4,174	-	-	(276)	-
Vamos Máquinas	1,706	1,092	(1,674)	(1,527)	144	-	(144)	-	925	(750)	(452)	-	-	-	-	-
Vamos Seminovos	312	507	(241)	-	-	-	-	-	90	(38)	-	-	-	-	-	-
Vamos Linha Amarela	8		-		-		-		-		1		-		-	
Yolanda	-	-	(73)	(2,008)	-	-	-	-	101	(220)	2,893	-	296	-	-	(86)
	373,236	**356,935**	**(356,830)**	**(359,761)**	**127,172**	**221,519**	**(127,175)**	**(221,451)**	**(7,340)**	**(3,453)**	**12,037**	**6,211**	**96,780**	**44,812**	**(117,880)**	**(44,812)**
Related-party transactions																
Ciclus	76,019	85,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ribeira Imóveis	-	-	(9,499)	**(14,764)**	-	-	-	-	-	-	-	-	-	-		
Others (i)	-	-	(6,327)	(3,315)	-	-	-	-	38	-	-	-	-	-	-	-
	76,019	**85,741**	**(15,826)**	**(18,079)**	**-**	**-**	**-**	**-**	**38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**449,255**	**442,676**	**(372,656)**	**(377,840)**	**127,172**	**221,519**	**(127,175)**	**(221,451)**	**(7,302)**	**(3,453)**	**12,037**	**6,211**	**96,780**	**44,812**	**(117,880)**	**(44,812)**

(i) Refers to tax consulting services rendered by a tax law firm where members of the Board of Directors and the Fiscal Council are partners.

In thousands of Brazilian reais, unless otherwise stated

27.3 Transactions or relationships with shareholders related to guarantor operations

As a result of the corporate restructuring mentioned in note 1.1.(a), Simpar and its subsidiary JSL remain together as guarantors in some operations raised by other companies of the Parent Simpar, in the amount of R$ 479,000.

27.4 Transactions or relationships with shareholders related to property leasing

Simpar has operating and administrative lease contracts for properties with the associate Ribeira Imóveis Ltda., company under common control. The lease amount recognized in the profit or loss for the year ended December 31, 2020 was R$ 9,499 (R$ 14,764 at December 31, 2019). The agreements have conditions in line with market values and have maturities until 2027.

27.5 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	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Fixed compensation	(4,573)	(1,936)	(35,219)	(22,569)
Variable compensation	(2,539)	-	(23,235)	(10,613)
Payroll charges and benefits	(73)	(31)	(669)	(521)
Shared-based payments	(465)	-	(7,342)	(1,256)
Total	**(7,650)**	**(1,967)**	**(66,465)**	**(34,959)**

The managers are included in the Company's share-based payment plan. For the year ended December 31, 2020 stock options were exercised by managers, as described in note 28.2 (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 2020.

27.6 Credit Rights Investment Fund ("FIDC")

In December 2020, the Company established FIDC, pursuant to Law No. 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 will be supported by the Company and/or 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.

On December 28, 2020, the Company made an investment of R $ 57,970 as disclosed in note 8.

28. Equity

28.1 Share capital

The Company's fully subscribed and paid-in capital at December 31, 2020 is R$ 713,975 (R$ 163,601 at December 31, 2019). The shares are common shares without par value.

In thousands of Brazilian reais, unless otherwise stated

The following movements occurred during 2020.

- The Company increased its capital by R$ 278,995, through the following events:

i. On January 15, the Company increased its capital by R$ 145,000 by issuing 13,900,542 paid-up shares through the capitalization of earnings reserves.

ii. On July 13, 2020, the Company increased its capital by R$ 54,790 by issuing 6,773,233 shares through the capitalization of earnings reserves.

iii. On July 20, 2020, the Company had a capital increase due to: (i) payment for declared and unpaid dividends of R$ 7,805 with the issuance of 2,968,141 shares; (ii) payment of credits held by the Company arising from a loan in the amount of R$ 28,200 and issuance of 10,723,620 shares and (iii) payment of R$ 42,051 with the issuance of 15,990,332 shares, through the assignment of 33,640,406 registered common shares with no par value shares issued by JSL, generating goodwill on the subscription of shares of R$ 123,257 net of taxes recorded in a special reserve. On that same date, there was a stock split, from 130,666,389 to 148,091,707, generating 17,425,318 new shares.

iv. On October 5, 2020, the Company increased its Capital by exercising the rights of beneficiaries of the stock option plan, through the subscription and payment of 133,611 new shares issued, corresponding to R$ 1,149.

v. On August 5, 2020, the Company carried out the merger of shares as mentioned in note 1.1.(b), increasing the share capital by R$ 372,403 with the issuance of 57,940,374 shares through the merger of shares of JSL. This increase resulted in goodwill on subscription of shares of R$ 22,817 recorded in a special reserve.

vi. On July 20, 2020, the Company spun off of its capital, generating a spun-off installment of R$ 101,024, comprised by investments in the investees Ciclus and Ribeira, and canceled 13,283,997 shares on that same date, in connection with the corporate restructuring described in note 1.1.(a).

After movements, the Company's paid-up capital is divided into 206,165,692 registered shares (93,590,528 at December 31, 2019) with no par value, and 347,813 non-voting treasury shares. At December 31, 2020, share capital is held as follows:

	2020	
Number of shares	**Common shares**	**(%)**
Shareholders		
Owners of the Company	127,759,520	62.0
JSP Holding	114,451,301	55.5
Fernando Antonio Simões	13,308,219	6.5
Other members of the Simões family	13,314,813	6.5
Managers and Officers	792,488	0.4
Treasury shares	347,813	0.2
Outstanding shares traded on the stock exchange	63,951,058	31.0
Total	**206,165,692**	**100.0**

The Company is authorized to increase its capital up to R$ 40,000, 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 Fiscal Council.

28.2 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.

In thousands of Brazilian reais, unless otherwise stated

These share-based payment plans are managed by the Company's Board of Directors and are comprised as follows:

i. Stock Option Plans:

The established criteria are: (i) granting stock options to Management, employees in executive positions and individuals providing services to Simpar 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 Simpar during the vesting period.

These plans are calculated based on the average quote of Simpar S.A. shares at B3 S.A., weighted by the trading volume over the past 30 trading sessions preceding the year of the date of grant, which shall be restated 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 JSL Group.

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	Expected dividends	Option lifetime	Vesting period	Exercise period
VII	2017	249,493	1	9.03	2.02	42.31%	11.02%	0.00%	5.2 years	4/01/2017 to 4/01/2020	04/2020 to 06/2022
VII	2017	249,493	2	9.03	2.55	42.31%	11.15%	0.00%	5.2 years	4/01/2017 to 4/1/2021	04/2020 to 06/2022
VII	2017	498,989	3	9.03	3.03	42.31%	11.30%	0.00%	5.2 years	4/01/2017 to 4/1/2022	04/2020 to 06/2022

Movement during the years

The following table presents the number, weighted average exercise price and the movement of stock options granted during the years ended December 31, 2020 and 2019:

	Number of stock options				
	Granted	Canceled	Transferred	Stock options outstanding	Average exercise price (R$)
Position as at December 31, 2018	**4,943,806**	**(3,513)**	**-**	**4,940,293**	**7.55**
Transfer to beneficiaries	-	-	(1,212,294)	(1,212,294)	7.19
Options canceled	-	(11,470)	-	(11,470)	7.19
Position as at December 31, 2019	**4,943,806**	**(14,983)**	**(1,212,294)**	**3,716,529**	**7.19**
Transfer to beneficiaries	-	-	(1,074,477)	(1,074,477)	10.78
Position as at December 31, 2020	**4,943,806**	**(14,983)**	**(2,286,771)**	**2,642,052**	**8.98**

The movement considers cancellations and transfers occurred while the plan referred to the subsidiary JSL up to the corporate restructuring date mentioned in note 1.1.(b). In the corporate restructuring process, the plan was transferred to the Company.

ii. Restricted share plan and matching

The restricted share plan consists of the delivery of shares of the Company (restricted shares) to employees of the 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 a 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.

In thousands of Brazilian reais, unless otherwise stated

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.

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	3	8.12	7.68	36.70%	5.42%	2.22%	4 years	4/23/2020 to 4/23/2021	4/23/2021
VIII	2018	83,619	4	8.12	7.66	36.70%	5.82%	2.22%	4 years	4/23/2021 to 4/23/2022	4/23/2022
IX	2019	189,534	2	6.52	6.17	41.16%	5.82%	2.22%	4 years	5/2/2020 to 5/1/2021	5/1/2021
IX	2019	189,534	3	6.52	6.17	41.16%	5.82%	2.22%	4 years	5/2/2021 to 5/1/2022	5/1/2022
IX	2019	189,534	4	6.52	6.17	41.16%	5.82%	2.22%	4 years	5/2/2022 to 5/1/2023	5/1/2023
X	2020	61,926	1	23.54	23.36	86.85%	6.10%	18.58%	4 years	5/4/2020 to 5/3/2021	5/3/2021
X	2020	61,926	2	23.54	23.36	86.85%	6.10%	18.58%	4 years	5/4/2021 to 5/3/2022	5/3/2022
X	2020	61,926	3	23.54	23.36	86.85%	6.10%	18.58%	4 years	5/4/2022 to 5/3/2023	5/3/2023
X	2020	61,905	4	23.54	23.36	86.85%	6.10%	18.58%	4 years	5/4/2023 to 5/3/2024	5/3/2024
XI	2020	14,985	1	23.54	23.36	86.85%	6.10%	18.58%	3 years	4/28/2020 to 4/27/2021	4/27/2021
XI	2020	14,985	2	23.54	23.39	86.85%	5.25%	18.58%	3 years	4/28/2021 to 4/27/2022	4/27/2022
XI	2020	15,005	3	23.54	23.39	86.85%	5.25%	18.58%	3 years	4/28/2022 to 4/27/2023	4/27/2021

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, 2020 and 2019:

	Number of shares				
	Granted	**Canceled**	**Transferred**	**Stock options outstanding**	**Average exercise price (R$)**
Position as at December 31, 2018	**334,476**	**-**	**-**	**334,476**	**8.12**
Options granted	758,136	-	-	758,136	6.52
Position as at December 31, 2019	**1,092,612**	**-**	**-**	**1,092,612**	**7.32**
Options granted	507,378	-	-	507,378	6.92
Transfer to beneficiaries	-	-	(824,114)	(824,114)	6.79
Options canceled	-	(120,959)	-	(120,959)	6.77
Position as at December 31, 2020	**1,599,990**	**(120,959)**	**(824,114)**	**654,917**	**6.95**

The Company absorbed the spun-off assets of the subsidiary JSL S.A., where R$ 20,223 was absorbed in the capital reserve account together with the transfer of the share-based plans of Simpar's Management. The movement considers cancellations and transfers occurred while the plan referred to the subsidiary JSL up to the corporate restructuring date mentioned in note 1.1.(b).

In the year ended December 31, 2020 the amount of R$ 465 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$ 20,688 at December 31, 2020. Additionally, through its subsidiaries JSL, Movida and Vamos, the amount of R$ 1,332 was recognized under "Other equity adjustments from subsidiaries", referring to "share-based payment transactions", in the shareholders' equity, and R$ 2,309 in non-controlling interests, totaling R$ 3,176 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 a special reserve, as described in note 28.1. On September 9, 2020, with the offering of shares of the subsidiary JSL, as mentioned in note 1.1. (c), there was an equity gain of R$ 408,352 recorded in a special reserve. At December 31, 2020, the balance recorded in the special reserve is R$ 554,426.

In thousands of Brazilian reais, unless otherwise stated

28.3 Treasury shares

During the year ended December 31, 2020, the Company repurchased its own shares for R$ 10,503, equivalent to 347,813 common shares held in treasury.

During the year ended December 31, 2020, the subsidiary JSL repurchased 1,661,441 shares at a weighted average price of R$ 24.22 in the amount of R$ 40,241, with the Company holding equity interest of 74.04% allocated to “other equity adjustments related to subsidiaries”.

The subsidiary Movida repurchased 200,646 shares at a weighted average price of R$ 14.99, in the amount of R$ 3,007. As a result, the balance of treasury shares at December 31, 2020 is R$23,306, with the Company holding interest of 55.11% allocated to "other equity adjustments related to subsidiaries".

The shares were acquired for treasury maintenance, to cover the possible exercise of options in the scope of share-based compensation plans.

28.4 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, 2020, the calculations and movements of dividends and interest on capital are as follows:

	Parent company	
	12/31/2020	**12/31/2019**
Profit for the year	276,021	119,353
Profit for the year, basis for proposing the legal reserve	**276,021**	**119,353**
(-) Legal reserve (5%)	(13,801)	(5,968)
Profit for the year, basis for proposing dividends	**262,220**	**113,385**
Minimum dividends (25% in 2020 and 3% in 2019)	**65,555**	**3,402**

In thousands of Brazilian reais, unless otherwise stated

The portion of mandatory minimum dividends, of R$ 20,400, net of withholding income tax, was recorded as interest on capital on December 29, 2020, with full payment on January 29, 2021.

Movement in dividends and interest on capital payable balances for the years ended December 31, 2020 and 2019 are as follows:

	Parent company			Consolidated		
	Interest on capital	Dividends	Total	Interest on capital	Dividends	Total
At December 31, 2018	**-**	**15,919**	**15,919**	**15,230**	**16,072**	**31,302**
Distributed dividends	-	28,401	**28,401**	-	34,755	**34,755**
Interest on capital	-	-	-	66,925	-	**66,925**
Withholding Income Tax (IRRF)	-	-	-	(9,927)	-	**(9,927)**
Dividends paid	-	(29,155)	**(29,155)**	-	(30,720)	**(30,720)**
Interest on capital paid	-	-	-	(28,315)	-	**(28,315)**
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**

b) Legal reserve

The legal reserve is recognized annually as an 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 Group reports loss for the year, no legal reserve is recognized. In the year ended December 31, 2020, R$ 39,272 in legal reserve was recognized (R$ 25,471 at December 31, 2019).

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 net income 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. The amount of R$ 223,064 was recognized as allocation of the remaining balance of profit for the year ended December 31, 2020 after the recognition of legal and statutory reserves.

d) Investment grant

At the subsidiary JSL, due to the calculation of the ICMS through the presumed credit method (ICMS 106/96), the amount of R$ 31,564 for the year ended December 31, 2019 was transferred to the reserve for investment grants within “Earnings Reserves”, according to Law 12,973/14 Art. 30º § 4. In the year ended December 31, 2020 the amount of R$ 29,579 was recognized. Additionally, through the indirect subsidiary Quick Logística it is entitled to a tax benefit grant related to ICMS in the state of Goiás, and during the year ended December 31, 2020 the amount utilized was R$ 1,005 recorded in “Other equity adjustments from subsidiaries”.

28.5 Non-controlling interests

Simpar treats transactions with non-controlling interests as transactions with owners of the 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.

On August 8, 2020, 72,255,762 new shares were distributed by the subsidiary JSL, through an initial public offering of common shares, resulting in non-controlling interests.

In thousands of Brazilian reais, unless otherwise stated

As at December 31, 2020, the Company has R$ 1,331,252 (R$ 1,634,510 at December 31, 2019) related to non-controlling interests.

29. 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 2020 and July 2021, this has an indemnity limit per trip of US$ 900 thousand (equivalent to R$ 3,500), damage coverage and maximum guarantee per trip of US$ 180 thousand (equivalent to R$ 700).

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.

Third-party property liability

The insurance on third-party property is presented as follows:

		Consolidated
Insured services	**Effective period**	**Coverage**
Fire, lightning and explosion, building and content	12/31/2020 to 12/31/2021	R$ 66,900,000
Electrical damage	12/31/2020 to 12/31/2021	R$ 1,500,000
Windstorms, hurricanes, cyclones, tornados, hailstorms and vehicle impacts	12/31/2020 to 12/31/2021	R$ 5,000,000
Broken glass	12/31/2020 to 12/31/2021	R$ 10,000
Landslides	12/31/2020 to 12/31/2021	R$ 60,000
Deterioration of products in refrigerated environments	12/31/2020 to 12/31/2021	R$ 1,500,000
Aggravated theft	12/31/2020 to 12/31/2021	R$ 1,000,000
Stationery equipment	12/31/2020 to 12/31/2021	R$ 500,000
Mobile equipment	12/31/2020 to 12/31/2021	R$ 1,120,000
Civil liability – operations	12/31/2020 to 12/31/2021	R$ 1,767,000
Loss of profit	12/31/2020 to 12/31/2021	R$ 600,000
Flooding	12/31/2020 to 12/31/2021	R$ 3,000,000
Internal movement of products	12/31/2020 to 12/31/2021	R$ 350,000
Civil liability - employer	12/31/2020 to 12/31/2021	R$ 1,525,000
Total coverage		**R$ 84,832,000**

In thousands of Brazilian reais, unless otherwise stated

iv. *Insurance for guarantees of public obligations*

Simpar has insurance for guarantees of public obligations with insurance companies through its subsidiary CS Brasil Participações as of December 31, 2020, as shown below:

Beneficiary	Guarantee	Location (State)	Insured amount	Effective period
Agencies linked to the Government of the State of Bahia	Vehicle lease / management and maintenance	Bahia	1,514,401	11/18/2019 to 5/6/2023
Agencies linked to the Government of the State of Ceará	Vehicle lease / management and maintenance	Ceará	2,084,653	11/16/2018 to 6/15/2023
Agencies linked to the Government of the District Capital	Vehicle lease / management and maintenance	District Capital	690,017	1/27/2020 to 6/30/2023
Agencies linked to the Government of the Espírito Santo	Vehicle lease / management and maintenance	Espírito Santo	57,086	4/1/2020 to 4/22/2022
Agencies linked to the Government of the State of Goiás	Vehicle lease / management and maintenance	Goiás	2,407,511	1/6/2020 to 4/11/2025
Agencies linked to the Government of the State of Mato Grosso	Vehicle lease / management and maintenance	Mato Grosso	1,266,920	6/16/2019 to 10/31/2021
Agencies linked to the Government of the State of Mato Grosso do Sul	Vehicle lease / management and maintenance	Mato Grosso do Sul	49,056	5/29/2021 to 5/28/2022
Agencies linked to the Government of the State of Minas Gerais	Vehicle lease / management and maintenance	Minas Gerais	6,756,260	4/11/2019 to 3/20/2026
Agencies linked to the Government of the State of Paraíba	Vehicle lease / management and maintenance	Paraíba	106,321	12/28/2020 to 3/31/2022
Agencies linked to the Government of the State of Paraná	Vehicle lease / management and maintenance	Paraná	10,813,029	9/13/2019 to 4/14/2023
Agencies linked to the Government of the Pernambuco	Vehicle lease / management and maintenance	Pernambuco	303,063	10/24/2019 to 1/4/2023
Agencies linked to the Government of the State of Rio de Janeiro	Vehicle lease / management and maintenance	Rio de Janeiro	1,145,114	10/31/2019 to 5/4/2024
Agencies linked to the Government of the State of Rio Grande do Sul	Vehicle lease / management and maintenance	Rio Grande do Sul	2,906,787	5/14/2019 to 1/19/2022
Agencies linked to the Government of the Roraima	Vehicle lease / management and maintenance	Roraima	58,741	6/19/2020 to 9/17/2021
Agencies linked to the Government of the State of Santa Catarina	Vehicle lease / management and maintenance	Santa Catarina	1,084,065	8/27/2019 to 9/25/2021
Agencies linked to the Government of the State of São Paulo	Vehicle lease / management and maintenance	São Paulo	11,770,909	10/4/2018 to 10/21/2025
Agencies linked to the Government of the Sergipe	Vehicle lease / management and maintenance	Sergipe	104,300	10/29/2020 to 10/29/2021
Agencies linked to the Government of the Tocantins	Vehicle lease / management and maintenance	Tocantins	329,882	9/2/2019 to 10/31/2021

30. Net revenue from sale, lease, rendering of services and sale of decommissioned assets

a) Revenue flows

Simpar generates revenue mainly from the rendering of services, sale of new and used vehicles, parts, lease and sale of decommissioned assets.

	Consolidated	
	12/31/2020	**12/31/2019**
Revenue from services rendered (b)	2,587,623	2,910,063
Revenue from lease of vehicles, machinery and equipment (a)	3,029,457	2,898,590
Revenue from sale of new vehicles (b)	752,435	621,376
Revenue from sale of used vehicles (b)	235,038	330,752
Revenue from sale of parts and accessories (b)	169,809	201,237
Other revenues (b)	171,793	120,967
Net revenue from sale, lease and rendering services	**6,946,155**	**7,082,985**
Revenue from sale of decommissioned assets (b)	2,860,902	2,603,224
Total net revenue	**9,807,057**	**9,686,209**

In thousands of Brazilian reais, unless otherwise stated

The reconciliation between gross revenue for tax purposes and the revenue presented in the statement of profit or loss is shown below:

	Consolidated	
	12/31/2020	12/31/2020
Gross revenue	**10,874,860**	**10,734,355**
Less:		
Taxes on sales	(930,940)	(934,814)
Returns and cancellations	(82,328)	(56,281)
Toll rates	(39,526)	(50,376)
Discounts granted	(15,009)	(6,675)
Total net revenue	**9,807,057**	**9,686,209**

(a) Revenue recognition in accordance with CPC 06 (R2) / IFRS 16 - Leases.
(b) Revenue recognition in accordance with CPC 47 (R2) / IFRS 15 - Revenue from Contracts with Customers.

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 the Simpar's reportable segments.

In thousands of Brazilian reais, unless otherwise stated

	JSL		Movida		Vamos		Consolidated CS Brasil	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Revenue from dedicated services	1,212,407	1,987,678	-	-	-	-	-	-
Revenue from passengers transportation	196,347	195,075	-	-	-	-	79,899	186,218
Revenue from general cargo	1,099,870	541,125	-	-	-	-	-	-
Revenue from lease of vehicles, machinery and equipment	147,714	212,475	1,645,407	1,621,499	650,399	565,585	590,280	532,720
Revenue from sale of new vehicles	-	-	-	-	453,566	229,220	-	-
Revenue from sale of used vehicles	-	-	-	-	55,405	45,839	-	-
Revenue from sale of parts and accessories	-	-	-	-	127,152	111,169	-	-
Other revenues	-	-	-	-	53,099	47,704	-	-
Net revenue from sale, lease and services rendered	**2,656,338**	**2,936,353**	**1,645,407**	**1,621,499**	**1,339,621**	**999,517**	**670,179**	**718,938**
Revenue from sale of decommissioned assets	170,459	165,625	2,439,852	2,214,545	173,566	211,991	175,631	132,013
Total net revenue	**2,826,797**	**3,101,978**	**4,085,259**	**3,836,044**	**1,513,187**	**1,211,508**	**845,810**	**850,951**
Timing of revenue recognition								
Products and services transferred at a specific point in time	170,459	165,625	2,439,852	2,214,545	809,689	598,219	255,530	318,231
Products and services transferred over time	2,656,338	2,936,353	1,645,407	1,621,499	703,498	613,289	590,280	532,720
Total net revenue	**2,826,797**	**3,101,978**	**4,085,259**	**3,836,044**	**1,513,187**	**1,211,508**	**845,810**	**850,951**

	Original Concessionárias		BBC		Eliminations		Total	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Revenue from dedicated services	-	-	-	-	(900)	(944,771)	1,211,507	1,042,907
Revenue from transport of passengers	-	-	-	-	-	193,580	276,246	574,873
Revenue from general cargo	-	-	-	-	-	751,158	1,099,870	1,292,283
Revenue from lease of vehicles, machinery and equipment	-	-	-	-	(4,343)	(33,689)	3,029,457	2,898,590
Revenue from sale of new vehicles	300,987	392,156	-	-	(2,118)	-	752,435	621,376
Revenue from sale of used vehicles	180,871	285,150	-	-	(1,238)	(237)	235,038	330,752
Revenue from sale of parts and accessories	53,852	99,849	-	-	(11,195)	(9,781)	169,809	201,237
Other revenues	73,898	33,776	45,426	40,031	(630)	(544)	171,793	120,967
Net revenue from sale, lease and services rendered	**609,608**	**810,931**	**45,426**	**40,031**	**(20,424)**	**(44,284)**	**6,946,155**	**7,082,985**
Revenue from sale of decommissioned assets	8,169	10,541	-	-	(106,775)	(131,491)	2,860,902	2,603,224
Total net revenue	**617,777**	**821,472**	**45,426**	**40,031**	**(127,199)**	**(175,775)**	**9,807,057**	**9,686,209**
Timing of revenue recognition								
Products and services transferred at a specific point in time	543,879	787,696	-	-	(121,326)	(141,509)	4,098,083	3,942,807
Products and services transferred over time	73,898	33,776	45,426	40,031	(5,873)	(34,266)	5,708,974	5,743,402
Total net revenue	**617,777**	**821,472**	**45,426**	**40,031**	**(127,199)**	**(175,775)**	**9,807,057**	**9,686,209**

In thousands of Brazilian reais, unless otherwise stated

31. Expenses by nature

Simpar's statements of profit or loss are presented by function. Expenses by nature are as follows:

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cost of sales of new and used vehicles and parts (v)	-	-	(1,019,754)	(991,980)
Fleet costs / expenses (i)	-	-	(279,687)	(271,440)
Cost of sales of decommissioned assets (iv)	-	-	(2,618,101)	(2,524,180)
Personnel and payroll taxes	(4,309)	-	(1,477,812)	(1,603,040)
Related and third parties	-	-	(854,451)	(952,975)
Depreciation and amortization	(3,991)	-	(1,111,953)	(916,744)
Parts, tires and maintenance	-	-	(489,633)	(498,789)
Fuels and lubricants	-	-	(214,393)	(236,111)
Communication, advertising and publicity	(1,068)	-	(43,158)	(39,039)
services rendered	(2,977)	-	(285,556)	(271,413)
Reversal (provision) of expected credit losses ("impairment") of trade receivables	-	-	(78,667)	(32,527)
Provision for judicial and administrative litigation	-	-	(56,253)	(48,635)
Electric power	-	-	(29,820)	(33,047)
Revenue from sale of damaged vehicles	-	-	114,305	105,970
Cost from sale of damaged vehicles	-	-	(151,440)	(148,571)
Property lease	-	-	(21,769)	(45,151)
Lease of vehicles, machinery and equipment	-	-	(25,913)	(27,051)
Provision for impairment (note 1.4 (c) (iii))	-	-	(145,249)	-
PIS and COFINS credits on inputs (ii)	-	-	398,061	366,861
Extemporaneous tax credits (iii)	-	-	59,819	47,706
Other costs	(1,224)	-	(445,136)	(365,687)
	(13,569)	**-**	**(8,776,560)**	**(8,485,843)**
Cost of sales, leases and services rendered	-	-	(5,168,883)	(5,102,646)
Cost of sales of decommissioned assets (iv)	-	-	(2,618,101)	(2,524,180)
Selling expenses	-	-	(328,770)	(293,107)
Administrative expenses	(15,633)	-	(567,922)	(571,098)
Provision for expected credit losses ("impairment") of trade receivables (Note 9.1)	-	-	(78,667)	(32,527)
Other operating expenses	-	-	(112,613)	(71,229)
Other operating income (expenses)	2,064	-	98,396	108,944
	(13,569)	**-**	**(8,776,560)**	**(8,485,843)**

(i) Includes expenses with IPVA, maintenance, toll rates of fleets used in operations;

(ii) PIS and COFINS credits on acquisition of inputs and depreciation charges recorded as reducers of the costs of sales and services, in order to better reflect the nature of the respective credits and expenses.

(iii) During 2020, Simpar and its subsidiaries recognized extemporaneous tax credits of INSS amounting to R$ 24,870 related to certain labor amounts accepted in judicial decisions and of employee compensation discounts, supported by its tax experts. It also recognized R$ 34,392 of PIS and COFINS credits on expenses considered inputs, which are essential and relevant in its operations. Management, supported by its legal counselors, considers these credits adequate considering the legislation and case law.

(iv) The cost of sales of decommissioned assets refers to vehicles that were used in the rendering of logistics services and leases.

In thousands of Brazilian reais, unless otherwise stated

32. Finance result

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Finance income				
Financial investments	9,395	-	345,166	295,995
Monetary variation income	158	-	12,880	24,623
Gains on early settlement of swaps	-	-	28,408	-
Interest received	-	-	281,440	26,784
Other finance income	4,860	-	11,532	17,934
Total finance income	**14,413**	**-**	**679,426**	**365,336**
Finance costs				
Interest on loans, borrowings and debentures	(84,126)	-	(1,005,078)	(969,381)
Interest and bank charges on leases payable	-	-	(15,836)	(23,157)
Interest on suppliers financing – car makers	-	-	(24,253)	(186)
Exchange rate changes	63,129	-	(637,087)	(175,092)
Net gains (losses) on swap agreements	(34,529)	-	723,440	172,610
Total debt service costs	**(55,526)**	**-**	**(958,814)**	**(995,206)**
Interest on right-of-use leases	-	-	(52,448)	(49,557)
Interest payable	(76)	-	(21,276)	(23,203)
Other finance costs	(663)	-	(21,664)	(65,409)
Total finance costs	**(56,265)**	**-**	**(1,054,202)**	**(1,133,375)**
Net financial result	**(41,852)**	**-**	**(374,776)**	**(768,039)**

33. Operating leases

33.1 Group as lessor

The 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	903,809	791,997	608,477	452,211	256,724	103,646	3,116,864
Movida	464,733	263,382	68,745	6,229	69	-	803,158
CS Brasil	697,189	631,608	504,462	325,682	119,231	58	2,278,230
Total	**2,065,731**	**1,686,987**	**1,181,684**	**784,122**	**376,024**	**103,704**	**6,198,252**

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 calculation of basic earnings per share is presented below:

		Consolidated
	12/31/2020	**12/31/2019**
Numerator:		
Profit from continued operations for the year attributable to owners of the Company	304,560	125,015
(Loss) / Profit from discontinued operations for the year attributable to owners of the Company	(28,539)	(5,662)
Denominator:		
Weighted average number of outstanding shares	86,227,987	93,590,528
(=) Basic earnings per share (in Reais)	**3.201**	**1.275**
Basic earnings per share from continuing operations - R$	**3.532**	**1.336**
Basic loss per share from discontinued operations - R$	**(0.331)**	**(0.060)**

In thousands of Brazilian reais, unless otherwise stated

Weighted average number of common shares outstanding

	12/31/2020	12/31/2019
Common shares - January 1	31,336,881	93,590,528
Effect of shares issued in the year	54,978,963	-
Effect of treasury shares	(87,857)	-
Weighted average number of common shares outstanding	**86,227,987**	**93,590,528**

34.2 Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to presume the conversion of all potential common shares for potential dilution.

Simpar has a category of common shares which could potentially cause dilution: stock options. In the case of stock options, the number of shares that could be purchased at fair value is determined (fair value being the annual average market price for the Simpar shares), based on the monetary value of the subscription rights for outstanding options. The number of shares calculated as previously mentioned is compared with the number of shares outstanding, assuming that all the options are exercised.

	Consolidated	
	12/31/2020	12/31/2019
Profit from continued operations for the year attributable to owners of the Company	304,560	125,015
(Loss) Profit from discontinued operations for the year attributable to owners of the Company	(28,539)	(5,662)
Weighted average number of outstanding shares	148,481,634	93,590,528
Adjustments for:		
Stock options (weighted)	(8,752)	-
Weighted average of number of shares for diluted earnings per share	**148,472,882**	**93,590,528**
(=) Diluted earnings per share (in Reais)	**1.859**	**1.275**
Diluted earnings per share from continuing operations - R$	**2.244**	**1.336**
Diluted loss per share from discontinued operations - R$	**(0.192)**	**(0.060)**

35. 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.

Simpar 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:

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Total additions to property and equipment in the year	**233**	**-**	**5,875,196**	**5,675,787**
Additions without cash disbursement:				**-**
Purchases of property and equipment by leases payable, FINAME and suppliers financing - car makers	-	-	(782,521)	(405,678)
Addition of right-of-use leases (note 14)	-	-	(247,470)	(85,152)
Additions for the year settled with cash flows				-
Movement in the balance of trade payables, reverse factoring and suppliers financing – car makers	-	-	(220,732)	(475,631)
Total cash flows for purchase of property and equipment	**233**	**-**	**4,624,473**	**4,709,326**
Statements of cash flows:				
Operating property and equipment for leasing	-	-	4,460,520	4,583,850
Property and equipment	233	-	163,953	125,476
Total	**233**	**-**	**4,624,473**	**4,709,326**
Other non-cash transactions:				
Initial adoption of CPC 06 (R2) / IFRS 16	-	-	-	(504,788)

36. Events after the reporting period

36.1 Subsidiary Simpar Europe

a) Issuance of sustainability linked bond

On January 14, 2021, the subsidiary Simpar Europe, disclosed through a material fact the issuance of debt securities in the international market, in the total amount of US$ 625,000, remunerated at a rate of 5.2% p.a. and maturing on January 26, 2031 ("Notes"), which will be guaranteed by Simpar. Notes are scheduled to be settled on January 20, 2021.

Simpar Europe intends to use the funds raised through these Notes to repurchase Notes issued by the Company, in the principal amount of US$ 625,000, remunerated at a rate of 7.75% p.a. and maturing in 2024, guaranteed by Simpar, within the scope of the public offering of shares disclosed to the market on January 11, 2021, and subject to its terms and conditions, and to cover any remaining balances of its general activities.

We emphasize that Simpar was the first company of the sector in the world to issue a sustainability linked bond. The Company made a commitment to reduce its Greenhouse Gas (GHG) emissions by 15% up to 2030. In addition to the inclusion of scope 1 and 2 emissions, both directly related to the Company, scope 3 emissions were also included, which reinforces our commitment to leading initiatives with positive environmental impacts for society. More information is detailed in the framework available on the Company's Investor Relations website.

The operation received a foreign currency risk rating of "BB-" by Standard & Poors ("S&P") and "BB-" by Fitch Ratings.

Bonds maturing in 2031 were issued with an interest rate reduction of 2.55 p.p. when compared to the existing bonds, contributing to cost reduction and improvement in the Company's capital structure.

36.2 Subsidiary Simpar Finance

a) Issuance of sustainability linked bond

The subsidiary Simpar Finance priced, on February 9, 2021, the issuance of debt securities 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 and guaranteed by Simpar ("Notes"). The Company also states that Simpar simultaneously entered into a swap agreement, so that the fixed remuneration of 10.75% p.a. of the Notes would be linked to the CDI (Interbank Deposit Certificate) variation, thus resulting in a remuneration equivalent to 149.81% of the CDI.

The subsidiary Simpar Finance intends to use the funds raised through these Notes to refinance its existing debts and for general corporate purposes. The Company made a commitment to reduce its GHG emissions by 7.8% up to 2025 (tCO^2e for R$ million in net revenue). If this goal is not achieved in 2025, there will be an increase of 25 bps in the Notes' yield beginning on February 12, 2027 and totaling 11.00% p.a. until maturity in 2028. It should be noted that, in addition to including scope 1 and 2 GHG emissions both directly related to the Company, scope 3 GHG emissions (originated from sources not directly controlled by the entity, mainly generated by vehicles rented by customers and transport and distribution services based on subcontracting) were also included, which reinforces our commitment to leading initiatives with positive environmental impacts for society.

The securities were offered to qualified institutional investors in accordance with the United States capital market law and subsequent amendments (Rule 144A under the US Securities Act of 1933) and to non-US persons in international operations outside the United States (Regulation S of the Securities Act). The securities were not registered under the Securities Act or any other state regulations, and must not be offered or sold in the United States, or to US citizens, without registration or with any applicable exemption.

The issuance of Notes was not and will not be registered with the CVM. The Notes will not be issued in Brazil, except under circumstances that do not constitute a public offering pursuant to Brazilian legal and regulatory provisions.

36.3 Subsidiary Movida

a) Acquisition of Vox Frotas Locadoras S.A ("Vox")

On January 17, 2021, according to a material fact disclosed to the market, the subsidiary Movida entered into a purchase and sale agreement for the acquisition of VOX Frotas Locadoras S.A. ("Vox").

The agreement provides for the acquisition by the subsidiary Movida of all the shares issued by Vox at the book value of its fleet at the closing date, plus a premium of 12.5%, resulting in an Enterprise Value (EV), which shall be adjusted to reduce the net debt, reflect working capital adjustments and other adjustments at the transaction closing date. Based on information from October 2020, the resulting EV would be equivalent to R$ 89 million. The price will be paid in cash, 50% in cash and 50% on the 1st anniversary of the transaction.

b) Issuance of sustainability linked bond

On January 25, according to a material fact disclosed to the market, the subsidiary Movida informed its shareholders and the market in general that its subsidiary Movida Europe S.A., a company established under the laws of the Grand Duchy of Luxembourg (Issuer), is assessing the feasibility of carrying out an issuance of debt securities in the international market, within its ordinary financial management, aiming at allocating its resources for corporate purposes in general and refinancing its existing indebtedness.

On January 28, 2021, the Company informed its shareholders and the market in general, in line with the material fact disclosed on January 25, 2021, that at that date its subsidiary Movida Europe priced its first issuance of debt securities in the international market in the total amount of US$ 500,000, remunerated at the rate of 5.250% p.a. and maturing on February 8, 2031, guaranteed by Movida, Movida Locação and Movida Premium ("Notes"). Notes were settled on February 8, 2021.

Movida Europe intends to use the funds raised through the Notes for corporate purposes in general, including capital expenditures (CAPEX) and refinancing of its existing indebtedness.

We emphasize that Movida is the first car rental company in the world to issue a sustainability linked bond. The subsidiary Movida made a commitment to reduce GHG emissions by 30% up to 2030 (tCO^2e for R$ million in net revenue). If this goal is not achieved in 2025, there will be an increase of 25 bps in the Notes' yield, totaling 5,500% p.a. until maturity in 2031. In addition to the inclusion of scope 1 emissions (GHG emissions from sources owned or controlled by Movida) and scope 2 emissions (GHG emissions originating from the generation of electricity imported from the Brazilian distribution network, which are mainly due to the purchase of electricity), both directly related to the Company, scope 3 emissions (GHG emissions from sources not directly controlled by the entity, mainly generated by vehicles rented by customers and transport and distribution services to customers) were also included, which reinforces our commitment to leading initiatives with positive environmental impacts for society. More information is detailed in the framework available on the Company's Investor Relations website.

The operation received a foreign currency risk rating of "BB-" by Fitch Ratings and "B+" by Standard & Poors (S&P).

The Company emphasizes that this material fact does not constitute an offer to sell or a request for purchase orders, nor does it allow the sale of Notes in any state or jurisdiction where an offer, solicitation or sale is illegal. The securities were offered to qualified institutional investors in accordance with the United States capital market law and subsequent amendments (Rule 144A under the US Securities Act of 1933) and to non-US persons in international operations outside the United States (Regulation S of the Securities Act). The securities were not registered under the Securities Act or any other state regulations, and must not be offered or sold in the United States, or to US citizens, without registration or with any applicable exemption. The issuance of Notes was not and will not be registered with the CVM. The Notes will not be issued in Brazil, except under circumstances that do not constitute a public offering pursuant to Brazilian legal and regulatory provisions.

c) Business combination GTF - Movida and CS Frotas

On February 4, 2021, according to a material fact disclosed to the market, Simpar is assessing the opportunity to present a proposal to integrate the business of the indirect subsidiary CS Frotas into the subsidiary Movida.
The potential operation will consolidate all the Light GTF activities of Simpar into Movida. As a result, Movida will be able to act without restrictions on the customer's profile, in a better position to face its competitors in Brazil that already have similar operations.

d) Early settlement of loans

On February 22, 2021, the subsidiary Movida made an early settlement of FNE in the amount of R$ 158,656, which was contracted with maturity in July 2022.

On February 23, 2021, the subsidiary Movida made an early settlement of CCB in the amount of R$ 48,542, which was contracted with maturity in October 2023.

On March 1, 2021, the subsidiary Movida made an early settlement of CCB in the amount of R$ 169,140, which was contracted with maturity in August 2021.

36.4 Subsidiary JSL

(i) Acquisition of Pronto Express Logística S.A. (“TPC”)

On January 26, 2021, a purchase and sale agreement was entered into for the acquisition of 100% of TPC by JSL.

TPC is a company that operates in an asset-light model focused on the operation of 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. It operates 850,000 m2 of warehouses in 24 Brazilian states with more than 5,000 employees.

The agreement provides for the acquisition by JSL of 100% of TPC for R$ 288,600, which will be adjusted based on net debt, working capital and other adjustments at the transaction closing date. The amount of R$ 66,000 will be paid at the transaction closing date and the remainder in the 3rd and 6th months following the closing date. In addition, sellers will be entitled to a premium of R$ 16,650 as of 2024, if certain conditions are met.

The signature of the contract is subject to compliance with obligations and precedent conditions usual for this type of operation, including its submission for approval by the Administrative Council for Economic Defense - CADE.

(ii) Acquisition of Transportadora Rodomeu Ltda. and Unileste Transportes Ltda. (“Rodomeu”)

On February 24, 2021, as announced in the material fact, a purchase and sale agreement was entered into to acquire Rodomeu.

Rodomeu was founded in 1971, in the city of Piracicaba (state of São Paulo), and is specialized in the road transportation of highly-complex cargo, including (i) Gases and Chemicals; it operates in the transfer and distribution of chemical products (LPG, ammonia, propane, propylene, butane, butene, butadiene, hydrogen peroxide, among others), (ii) Machinery and equipment, transporting machines for the civil construction, machinery and agricultural implements, metallurgical and steel products, among others; (iii) dedicated transportation of inputs and finished products in the paper and pulp, steel, and food segments. Rodomeu works in special operations, and for 12 years has been the official carrier of the Brazilian Formula 1 Grand Prix.

The agreement provides for the acquisition by the Company of 100% of Rodomeu for R$ 97 million in cash, as Equity Value; it counts Net Cash of R$ 20 million, a cash of R$ 34 million and a gross indebtedness of R$ 14 million, as well as an estimated asset value of R$ 55 million. The amount may be adjusted upon implementation of the Transaction based on annual adjustments for this type of operation. The amount of R$ 29.1 million will be paid on the Transaction closing date, and the remainder will be paid in 24 monthly installments.

The signature of the contract is subject to compliance with obligations and precedent conditions usual for this type of operation, including its submission for approval by the Administrative Council for Economic Defense - CADE.

36.5 Subsidiary Vamos

a) Public offering for the primary distribution of common shares

On January 27, 2021, at the Board of Directors' Meeting, within the scope of the public offering for the primary distribution of common shares, registered, book-entry and with no par value, issued by the subsidiary Vamos, all of them free and clear of any liens or encumbrances ("Shares"), with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offer"), the price per share of R$ 26.00 ("Price per Share") was approved, totaling R$ 889,599, before deduction of commissions and expenses for issuing shares. Of this amount, R$ 150,000 was allocated to the capital increase of subsidiary Vamos, through the issue of 34,215,328 new shares and the remainder of R$ 739,599 was allocated to the formation of capital reserve, in the line item of share subscription premium.

The shares object of the Offering are now traded on B3 S.A. – Brasil, Bolsa, Balcão ('B3") since January 29, 2021, and the physical and financial settlement of the shares occurred on February 1, 2020 ("Settlement Date").

b) Early settlement of loans

On February 19, 2021, the subsidiary Vamos made an early settlement of CDC in the amount of R$ 26,026, which was contracted with maturity in April 2023.

On February 12, 2021, the subsidiary Vamos made an early settlement of CCB in the amount of R$ 150,689 that was contracted with maturity in August 2025, and on February 10, 2021, R$ 208,029 of the same debt was settled.

36.6 Parent Company

a) Cancellation of common shares held in treasury, closing of share repurchase program and establishment of a new share repurchase program

At the meeting held on February 4, 2021, as disclosed in a material fact, the Company's Board of Directors approved the following: (i) cancellation of 347,813 of the Company's common shares, currently held in treasury; (ii) closing of the share repurchase program opened on September 21, 2020; and (iii) establishment of a new program for repurchase of the Company's shares, pursuant to art. 30, paragraph 1, "b", of Law No. 6,404/76 and CVM Instruction No. 567/2015, which will have the following characteristics and conditions:

- Purpose: The purpose of the Program is to maximize value to the shareholder without reducing the Company's capital; the shares acquired will be used for treasury maintenance, cancellation, disposal and/or to cover the obligations assumed by the Company before the beneficiaries of the share-based compensation plans.

- Number of shares outstanding in the market and number of shares to be purchased: Under the Program, the Company may acquire up to 7,000 registered common shares, with no par value, of its own issue, with due regard for legal restrictions, being understood that the actual repurchase of the total number of shares approved herein will depend, among other factors, on the balance of available reserves, so that the Company will be able to comply with the limits set forth in article 8 of ICVM 567/2015 and other applicable standards.

- Term of the Program: The Program will be in effect for 18 months, beginning on February 4, 2021 and ending on August 4, 2022.

The transactions for purchase of shares under the Share Repurchase Program will be supported by the overall amount of earnings reserves and capital reserves available, included in the Company's latest financial statements disclosed prior to the effective transfer to the Company of the ownership of the shares issued, which may be annual or interim financial information, subject to the provisions of ICVM 567/2015.

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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 Management Report and the Individual and Consolidated Financial Statements for the year ended December 31, 2020, concludes, based on the examinations made and considering also the Independent Auditors' Review Report, unanimously, that these documents properly reflect the Company's financial situation.

São Paulo, March 10, 2021.

Luiz Augusto Marques Paes

Luciano Douglas Colauto

Rafael Ferraz Dias de Moraes

Statement of the Executive Board on Simpar S.A. Individual and Consolidated Financial Statements

In accordance with item VI of article 25 of CVM Instruction 480 of December 7, 2009, the Executive Board declares that it reviewed, discussed and agreed with the Individual and Consolidated Financial Statements of Simpar S.A. for the year ended December 31, 2020, authorizing its issue on this date.

São Paulo, March 10, 2021.

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 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, 2020.

São Paulo, March 10 2021.

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