



TELECONFERENCE OF THE 4Q20 RESULTS

Operator:

Good morning, and welcome to Movida's conference call to discuss the 4Q20 results. Today, these gentlemen are present with us: Renato Franklin, Chief Executive Officer, and Edmar Neto, Administrative and Financial Director and IR Director.

At this time, all participants are in a listen-only mode. Later, we will begin a Q&A session, when further instructions will be provided. If you need any assistance during the conference call, please ask an operator to help you by dialing *0.

Before proceeding, we would like to clarify that any statements that may be made during this conference call regarding the Company's business prospects, projections and operating and financial targets are based on the beliefs and assumptions of Movida's Management, as well as on information currently available to the Company.

Future considerations are not guarantees of performance, they involve risks, uncertainties and assumptions because they refer to future events and therefore depend on circumstances that may or may not occur.

General economic conditions, industry conditions and other operating factors may affect the Company's future earnings and could lead to earnings that differ materially from those expressed in such future considerations. I would now like to turn the floor over to Mr. Renato Franklin. Please, Mr. Renato, you may proceed.

Renato Franklin: Thank you very much. Good morning to everyone. Welcome to our conference call to talk about the 4Q results and also the year 2020.

Just to start by making an observation, the year 2020 was a year that transformed humanity. I think everybody understands that. I always like to look at what remains positive. And what remains positive was that it transformed relationships, putting people even more at the center of attention and care.

So I start this conference call by first thanking our people, our people and the family of these people who have maintained our operations, considered an essential service, safely, with empathy, taking care of our people and taking care of our customers.

Having said this, we talk about Movida. For Movida, this year was also a year of very strong transformation. A year in which, besides gaining maturity and maturing the company, we also had the acceleration of several initiatives.

Just as the pandemic accelerated the cultural transformation and the change of habits and digitalization, it was no different at Movida. That is why the main message of today's conference call is the consolidation of a new level. This is the message we will convey during our presentation.

I exemplify this new level with some highlights on page three. Let's get to them. First, even in a pandemic year, growth of 8,600 cars. We'll talk about growth a little further ahead, but the recovery was strong and a very good 4Q for the company, the best quarter in Movida's history, consolidating a new quarter.



Revenue of BRL \$4.1 billion, revenue growth over 2019, even with some quarters, like 2Q, with lockdown and everything that happened here. EBITDA of almost BRL 900 million, reinforcing our commitment to efficiency gains, cost discipline, margin improvement, 20% higher than 2019. Rental EBITDA margin hitting 54%.

And when we look at net income, it's almost 5x higher than 3Q. That's right, it's more than double 4Q19, a record level of BRL 184 million. If we take the recurring net income - Edmar will give more details later - we reached BRL 139 million, which is already another bottom line level for the Company.

We highlight on the right side of the slide two important milestones, which, in the medium term, will make a lot of difference for the Company. The first one is the issuance of a bond, the Company's first capture in the foreign market, in the debt market, with a bond linked to sustainability.

So, US\$500 million, 10 years, extremely supported by investors, with good demand, a rate of 5.25% per year and with a commitment to reduce our emissions by 30% in 10 years, the first sustainability-linked bond in the sector. Once again, Movida is ahead of the industry, driving new trends and opening new sources of funds to support the company's growth plan.

That said, I invite you to go to slide four, to talk a little bit more about growth. We always show this fleet growth slide, again, reinforcing that we have a strong track record of growth. Even with the pandemic, we grew by 8,600 cars, very different from the market outside of Brazil, showing the potential for growth that the country has, the strong fundamentals of this sector, which I reinforce here again.

But the most important point is that we've had a CAGR of 16% since the IPO. Even with the pandemic, we have a strong CAGR. But this new level that we have reached gives us even more capacity for growth. Those who had the opportunity to see it, at our Movida Day, when we held the Investor Day with APIMEC at the end of last year, we showed the parent company, talking about our growth potential according to margin improvement.

Today, we have a strong balance sheet to grow, more mature processes, maturity of our operations, and an even better execution. So, we will talk a little further ahead, but we are seeing a very positive year for Movida in this year that starts in 2021.

Talking a little bit about each business, I invite you to turn to page five, so that we start with the rent-a-car, RAC. RAC had a record net revenue of BRL 359 million, mainly with a record occupancy rate, 5 p.p. more of occupancy rate. This is also reflected in the healthy competition. Again, a lot of demand makes the competition rational.

We are focused on the individual and we had a record revenue per car again, BRL 2,268 monthly revenue per car, 12.5% higher than T419, which had already been a strong quarter. From a daily rate standpoint, we are also growing, by 7.6%.

And on the right-hand side at the bottom of the page, we reinforced our commitment to cost efficiency gains, reaching BRL 500 in 2020, a cost reduction since 2017. On the quarter-on-quarter comparison, I would just like to remind you that in 4Q19 we had a PIS and COFINS credit that impacted this cost per car.



But we are very confident with rent-a-car, fundamentals are still very positive, the market continues to grow, so our view is very positive for the RAC from 2021 on.

Let's turn to page six to talk a little about GTF, fleet management and outsourcing, reinforcing here the brand new of individuals, which is the same as GTF, only with individuals. It's in here and has already contributed to the growth in 4Q20.

Remembering that we relaunched it in July, today with the fully digital platform, being the only company that is delivering the car in a practically ready delivery period, with an average delivery time of two days, very different from the other products in the market, having another scale of growth.

We are here with BRL 141 million in net revenue. The revenue per car, due to the impact of the brand new car, drops a little. It's not that the ticket is smaller. If you enter in the ads - I invite you to enter our brand new car site and take the chance to look at a car, because there will be interesting cars for all of you - we have promotions that, in the first three months, we give a 50% discount on the monthly car note.

Of course this is not priced, but for the client, it is an important attraction for him to make the transition, and this impacts the revenue per car in the beginning. You can see that the number of daily rates had a 16% growth, but we have a higher contracted revenue ahead than the one we are incurring today.

And here, we also have cost discipline. We are replicating all the trading improvements we are making from a cost and operating expense standpoint and reducing cost per car year after year, generating a new level of margin for our business and GTF as well.

Let's turn to page seven to talk about semi-new cars. Semi-new cars had a very positive highlight. We were able, during 2020, to confirm the maturity gain in this business area, the area that resells our assets, with a record net revenue in 2020.

When we look at quarter against quarter, we have to remember our strategy of prioritizing RAC. When we say that we sold 9,869 cars in 4Q, it was because our decision was to keep more cars in the rent-a-car operation and serve our customers, maintain the growth of the RAC and hold the cars in the operation.

Remembering that it does have a very positive margin. We see, in the third quadrant, an average ticket of BRL 50,000 and 19% of gross margin in semi-new cars, that is, we have an earning saved in the sale of the car.

Our decision was coming later, the prices are still strong, even with a price increase, due to the inflation of the brand new car, which passes on to the semi-new car. And we are going to see very strong margins in the sale of semi-new cars during the whole year of 2020, given the increase of the brand new car at the end of 2020, which passes on to the semi-new car.

In terms of dilution, the SG&A for 2020 was 6%, in line with our expectations, even with the pandemic year, again, reinforcing the maturity of the semi-new car, which has evolved a lot, now has a different sales capacity and is much more prepared to support the Company's growth.



I will now hand it over to Edmar, to give a little more color on the financial numbers and also talk about our capacity for growth, showing how we are better positioned. Edmar.

Edmar Neto: Good morning to everyone. Thank you, Renato. I invite you to turn to page number eight, where we talk about depreciation. As we had already announced, in 4Q, we reduced the depreciation per car in both RAC and GTF. In the RAC, this decrease was approximately 10%. In GTF, it was higher, at 36%, mainly due to the fact that we are increasingly selling our GTF cars in the store and therefore getting better margins.

When we talk about LTM, we are still at BRL 3,400 for the RAC and BRL 3,800 for the GTF, but they are already starting to give way. Our goal here is to be cautious when making this landing, looking at the market the way we are seeing it today. Renato will talk a bit about this later.

About our balance sheet, we have shown here that, starting in 2020, we are already running with accumulated depreciation of around 5%, which seems to us a very adequate level for a moment of high volatility in car prices.

Inviting you to turn to page nine, I will talk about the 4Q results. The highlight here is the consolidated EBITDA and EBIT that were records. Even though one or another line of business has had a margin involution, in the case of 4Q, the positive highlight is semi-new cars for sure.

Speaking of RAC, we delivered a margin of 45%. Again, the effect of the PIS and COFINS credit, which Renato mentioned, last year favors the comparison in the case of 2019. In GTF, we have 61%, which has to do certainly and clearly with our zero km growth, as we still have some inventory and some additional expenses in this beginning of the operation.

And the part of semi-new cars, where there was an evolution of BRL 51 million in EBITDA from one quarter to the next. In other words, in our consolidated, we captured almost 4 p.p. of margin and BRL 43 million in the quarterly comparison.

Speaking of EBIT, the difference is that the additional burden of depreciation is felt, but, once again, the highlight is semi-new cars, with an EBIT margin evolution of approximately 11 p.p., an evolution, in the case of EBIT, quarterly. A new record of BRL 220 million, with BRL 62 million over 4Q19, and a margin of 44% as well, a very strong margin.

To talk about 2020, we present the numbers on page 10. RAC margin and EBITDA practically stable, even with the pandemic and having a 2Q that was well below the average that we delivered.

In the case of GTF, in the year, we had an important growth of 3 p.p. of margin and more than BRL 50 million of EBITDA growth. In the semi-new car segment, we delivered a full year, with a positive EBITDA margin, practically BRL 90 million of EBITDA in the case of semi-new cars. So, BRL 895 million of annualized EBITDA, BRL 148 million over 2019, a 20% growth.



On the EBIT part, I want to remind you that we brought a load of higher depreciation over the year and the EBIT points this out for each line of business, but when you go to the consolidated, we show a margin evolution of 0.4 p.p. and an evolution in absolute numbers, leading to a record EBIT also of BRL 482 million, and a record EBITDA of BRL 895 million.

On page 11, we present the consolidated results. As Renato said, we have consolidated the new level of earnings in the company in this 4Q, and this result is important for us. So, the revenue grows to BRL 4.1 billion, the revenue in the quarter is a little lower, due to the lower number of cars sold.

When we talk about EBITDA, on the right side of the slide at the top, as I had already mentioned, we had a 20% growth, to BRL 895 million, a quarterly record of BRL 305 million EBITDA in 4Q, BRL 43 million more than in 2019.

EBIT, which is on the left side of the page, at the bottom, showed the same thing, a new high of BRL 220 million in our recurring result, a 44% margin.

And net income also had a very important force in the recovery starting from the middle of 3Q, consolidating in 4Q. So, our profit for the quarter - on the bottom right side of the page - was BRL 139 million in recurring profit, for a record quarterly accounting profit of BRL 184 million, with a 28% rental margin, again, representing new heights for the Company.

I wanted to talk a little bit about cash and debt schedule, because that was a very important theme for us during 2020. We ended the year with more than BRL 1.7 billion in cash and with a profile that, if not ideal, was one that we could align and handle, as we had been doing in times past.

However, in January, with liquidation in February, there was an issuance of bonds. The bond is transformational for Movida in terms of the duration of its debt, access to new markets and markets with a very important depth and, once again, Movida came out ahead, being the first rent-a-car company in Brazil to issue a bond and the first rent-a-car company in the world to issue a bond with this sustainability aspect, the so-called sustainability-linked bond.

So you see that, in this way, we address the next seven years of maturity with bond resources.

Turning to page 13, I would like to bring up some important aspects in this new scenario. The first one is indebtedness. We continue with a very strong discipline and very positive indicators. A highlight for leverage, which already comes with the growth we showed in the 4Q and has the number of 2.7x, a little more than 4Q19 and still a long way from our covenant.

The highlight here is the interest coverage, both in terms of EBITDA and yield, which are indicators that have been growing every quarter, once again breaking new records.

On the right side, and this is an important point when we look ahead, we highlight what we can grow in Movida, maintaining all the financial discipline we have had so far.



When we look at the EBITDA of a little over BRL 300 million that we have delivered now in 4Q, a growth that we foresee for 2021, it is very easy to expect that we will have an increase in our EBITDA of at least 36%, leading to BRL 1.2 billion of EBITDA. It is a very different level in relation to what we have been running before.

Additionally, the numbers also show, in a comparison between 2020 and 2019, that there was a margin improvement of 3 p.p., that is, more room for the Company to grow, whether from the nominal point of view, through EBITDA growth, or from the point of view of margin improvement.

There we refer to the Investor Day table, of sensitivity, which we showed in November. The table already shows that, looking at the consolidated margin of 22% or/and an EBITDA of BRL 1.2 billion, we can imagine the Company growing 30,000 or 35,000 cars, without stressing the balance sheet.

At the bottom of this slide, and it is a slide we are going to keep for the sake of our bond investors, and we deal with EBITDA here exactly as it is dealt with in the bond indenture and documentation, we do the reconciliation, leaving the accounting EBITDA, eliminating the impairment effects, reaching BRL 960 million, which is the EBITDA that counts for measuring the covenants for Movida.

It is important to register this here, the profit and accounting profit, and recurring profit we are extracting two positive adjustments that we had in the quarter which were the reverses of accounting receivables of 17 million and also assets that were about 51 million, that so, net of taxes, that is the difference that we have of the result of 1.2 and 900.

Moving on to the cash flow part, once again, this was a very important theme during 2020. Clearly here, we see the evolution that happened during 2020 during the pandemic. Coming out of the EBITDA of BRL 895 million, we do the reconciliation here with car buying and selling activity.

Clearly, you see that we are generating cash, yes, in the fleet renewal, close to BRL 400 million. This brings us the company an operational cash generation of about. BRL 1.5 billion.

When we talk about cash generated before growth, and we are already taking into account the financial result and other CAPEX, 1.2 billion in cash generation, an evolution of 1 billion reais, compared to 2019.

With this, we were able to anchor our growth and show that, in fact, our cash is much better than 2019, mainly because of the evolution of the operations.

Having said that, I'll give the floor back to Renato for him to make the closing remarks of our presentation.

Renato Franklin: Thank you, Edmar. We will move on to page 15, to talk a little bit about the 2020 recognitions. 2020 was a challenging year, but we had several recognitions



and we highlight one in each dimension. First rental company by IstoÉ The Best of Money, so we won as the first rental company in Brazil.

On the customer side, we had two important awards. First, leader in social responsibility and, second, best internal call center in Brazil, which is an important award that values our operation focused on customer service. Congratulations to our call center people, I take this opportunity to recognize everyone.

On the investor relations side, at Institutional Investor, we were elected first among small caps, with the honor of receiving the best CEO and best CFO. So, we thank everybody for the evaluation.

I also had the honor of being recognized as Executive of Value, an award from Valor Econômico, and an important certification that, in fact, reflects the those truly responsible for this recognition, which is Great Place to Work, recognizing our people and our work environment. This is also sustainability.

Already making a link with sustainability, I will go to page 16 so that we can also talk about the recognitions we had regarding ESG.

Before that, remembering the three pillars of our strategy, we have the pillar of Best Company, so we have a lot of diversity here, with empowerment, but with a commitment to profit and generation of value for all stakeholders.

We deliver, through Best Mobility, a lot of inclusion, and this also gives growth, because we reach more audiences. We reach Class C and work for all audiences, seeking to have solutions for all minorities that help the minority to even become the majority today, growing a lot.

And with the commitment to have a Better Planet, reinforcing our commitment to be carbon neutral by 2030, carbon positive by 2040, aligned with all the goals of the United Nations.

We highlight the recognitions at the bottom. The first of them, just remembering the beginning of 2020, is the B Certification, being the first publicly traded company in the world to receive the B Certification, the second publicly traded company in Brazil to have a B Certification. It has given us a lot of visibility and recognition for strategic alliances and partnerships.

I bring at the side the second recognition, when we speak of the United Nations. There was the COP26 meeting of the United Nations now at the end of the year and Movida was the only Brazilian company, and I was the only Brazilian invited to participate in the meeting, celebrating the fifth anniversary of the Paris Agreement, with the heads of state of the main countries of the world.

And Movida as a case of commitment to a better planet, commitment to a more sustainable planet, and with globally recognized governance practices.

Furthermore, on the right side, we joined the ICO2 of B3 and had the maintenance of the ISE B3, then we participated in the ISE B3 in 2020 and now we are in the ISE B3 again



for 2021, stamps that show that we are in the right direction, although we are sure that we still have much more to do when we talk about ESG.

I invite you now to the last slide, number 17, to talk a little bit about what we see ahead, what our growth avenues are. We see growth, yes.

Taking the pillars, our first pillar is assembler, because I know there will come a question and people will ask. How are we seeing this? First, we reached good agreements for 2021, so today we already have a commitment with the automakers signed so we can deliver a good growth in 2021. We are already having long-term discussions with the automakers to discuss 2022, a positive vision for 2022.

We do see a supply bottleneck, especially in the supply chain of the automakers, which has impacted production a bit, with some more optimistic automakers saying that it will be resolved by March, for others in April and for others in June.

So, as Edmar said, it may be the 2Q or the middle of the year, but everything fits into our business plan, it will only depend on how much we step on the accelerator in the 2Q, if it is a little more than now or if we can step on it a little more, and the rest will be in the second semester.

Moreover, an important pillar of our new cycle is this austere management of cost discipline. Since the beginning, and we have reinforced this, we have been a low cost company. This is our differential, this gives us agility, more speed, and also brings margin gains, focusing a lot on the digital to deliver efficiency, with a better experience for the customer.

I will now go into each of the business units to talk a little about each of them. RAC, as I said, has a very strong demand and a market with positive fundamentals. We will see the market growing 15% or 20% a year, depending on the growth capacity of the players in this market, but with a rational demand, price pressure upwards, and Movida very well positioned with the individual final customer.

Each player, each one is more focused on a certain segment. We focus a lot on the individual, we deliver average daily rate, we are leaders in most cities when it comes to online sales to individuals, and it is a market that will continue to grow for a long time, delivering growth in RAC with a better and better margin.

Second, the fleet management, which we have already talked about, has a lot of room to continue growing the corporate, an underpenetrated market that has been gaining penetration. Our positioning in the fleet management is to grow in two main avenues. One is the zero km, which is the fleet management for individuals, in which we are growing a lot and we believe strongly in this market. I reinforce that, for me, it's going to be the largest rental market in the future.

And, with our digital cell that sells digitally to small and medium-sized companies, where the margin is also good, we will also grow a lot, there is a lot of room to work with small and medium-sized companies, with good credit, with good margins and, again, with contracted profitability and a lot of visibility for the Company, in terms of cash generation.



And, on the right side of the page, semi-new cars. In semi-new cars, we entered a new cycle. Now we no longer need to prove anything, maturity is there and capable of delivering. This new cycle is more digital. Our idea is to increase the retail capacity even more, improving the digital tools that will give us scale to sell at another level and allow the company to grow without any bottlenecks in the sales of semi-new cars.

It was a very important and positive experience that we had during the pandemic. Today, we have a very high NPS for semi-new cars, every month with NPS above 83%, which is very good, reinforcing our digital tools as a great differential for Movidá in the semi-new car sales market.

That said, what do we see going forward? I reinforce, it is this new positioning. As Edmar said, we have a very strong balance sheet, reinforced cash, with a very long duration. If we take what we have in cash today, with debt maturing in 10 years, we are very calm from the point of view of duration and still have access to several sources of capital to finance us.

Second, the annualized EBITDA, as you have seen, of BRL 1.2 billion, already with a 22% margin, which gives us the 30,000 or 35,000 cars that Edmar mentioned, without tampering with the leverage. So, we have a lot of growth there.

And, obviously, when we grow, each car starts to bring EBITDA one or two months later. In the case of the brand new, when the margin is very high in the GTF, its contribution is even stronger. So, this growth is exponential, you will grow and it allows you to grow more.

We have no bottlenecks from the process point of view, we have a much stronger structure, much more mature and prepared for this growth cycle, and with a market foundation that allows this rational competition, pricing that can capture a little more margin and scale gains, yes, because we also have scale gains.

The 1Q is already going well. Just remembering, we are already finishing the second month of the Q1, so we already have Q1 visibility. I can assure you that there is nothing different from Q4. We have an opportunity and the price of semi-new cars is still very strong.

We are going to look at the semi-new car margin and we have a conservative view, because we don't know what is going to happen with the price of a semi-new car after the recovery of the entire automotive industry, so we have a conservative view of depreciation, as Edmar put it.

But what we are seeing from the numbers and the 1Q sales is a very strong margin on semi-new cars, which will contribute to positive results. Depreciation, for me, is just a matter of time. So if we re a little more conservative now, the profit comer a little further ahead, and we chose to have this conservative discipline.

We are seeing a very strong year for the industry as a whole, and Movidá positioning itself more and more differentiated, in terms of the digital relationship with our clients and with very solid and strong growth avenues to generate value for all stakeholders.



That's all we had to say. Now we open it up for questions. We can go into more detail if you would like. Thank you all very much.

Lucas Marquiori, BTG Pactual: Hello, everyone. Good morning, Renato and Edmar. Thanks for the call and congratulations for the quarter and the year as well. I have two questions from my side. First, Renato, you commented in the final part of the presentation about industry normalization and this is really a point that we are trying to see better.

What are your thoughts on normalization? You commented between Q2 and Q3, but we have been hearing, in a way, a postponement movement from the automakers. Is that already creeping into the second half of the year?

And if you could also comment, maybe Edmar as well, about the conditions that the automakers have been requesting in these negotiations that you said you have already closed. How much has the price increase eventually been on a year against year basis? Just so we understand how this dynamic is and when the car supply should normalize.

And about the second question, in the consolidation movements that you have made, and I highlight two, both Vox and CS Frotas itself, let's put it here also as an example of growth, first, how has the consolidation of Vox been? Is it already concluded? Should it be something easy?

And if you have already defined how the integration of CS Frotas will be. What is the payment model, since it was being discussed, including the issue of equity? What can you say about the integration of the CS? These are the points, folks. Good morning to everyone.

Renato Franklin: Thank you, Lucas. As for the first question about the automakers, I'll give a little more color, because it really has some unpredictability, but how are we doing? We closed the agreements as recently as the end of 2020, so with scheduling for the whole year.

All the automakers have either fulfilled or delivered a little bit more than was our commitment on a month-to-month basis. So, no one is skipping. We do have this bottleneck and the chip problem and some other supplies that eventually affect some versions and we end up having flexibility and changing the mix a little to be able to have the quantity of cars.

But this week we had a meeting with an automaker and the people are saying that they expect the supply issue will already be normalized by March, April at the latest.

We have a ramp at the automaker that is not so fast, not so short term. So, what we see is really a resumption of production throughout the 2Q. The big point is to ask is, are we going to be able to buy the quantity we would like to buy as early as April, or in May or June? It may delay a month or two, but I don't think it would be much more than that, being very transparent.

We have had the opportunity to close some different alliances with the automakers. We have been recognized as a player that is more present in the individual and in retail with a strong innovation positioning, and this has allowed us to negotiate also using our ability



to enable a launch of the model and a different car, just like it was with leasing, in which we did and are doing a very different action.

So, we see it this way, going well and under control. I don't see any major issues. Now, everything depends. We don't know yet what the pandemic will be like going forward. I am talking about a normal scenario, going the way that it is, vaccination is going, in a slower way than we would like, but everything is happening gradually, this is how we are seeing it. I don't see the issue of automakers' production extending too much.

About the second question, Vox integrated us. It's a player that, in a moment like this, in which we have to focus first on small acquisitions, which make a little more sense, as long as they are for a fair value.

Now, it is part of our fleet management operation, it is a company that has a differentiated service provision, it has a slightly more premium niche, it has the recognition of some customers, including, for which we were fighting together, and that complements us.

Could there be more of this? We are always evaluating. There might be. Our business plan is based on organic growth, we are talking about this specific case in the case of organic growth, adding scale gain. But we are always looking into the market. If there is an opportunity that makes sense, things of this small size that aggregate, that have a niche, that adds a different service and value positioning equal to ours, we will consider it, yes.

About CS, I'll let Edmar give a little more color. We don't have a definition, but just to give a little more depth for you.

Edmar Neto:

Hi, Lucas. Good morning. Thank you for the question. I'll take advantage of it, because on the web there are several questions about this potential transaction.

Preliminarily, I remind you that the movement must come from Simpar, which announced the contracting of a bank to do evaluation. So, preliminarily, we have to wait for Simpar's movement. Everything indicates that it should be a 100% equity transaction, but I have to wait. I still haven't seen detailed numbers from CS, I haven't seen anything yet. So, at this moment, we are just, let's say, warming up to start moving in a more effective way from the proposal.

What is important to register here, as stated in Simpar's own press release, is that the structure of the decision will be a structure in which the Company will listen to its independent advisers and those who will vote will be the minority shareholders, voting specifically for this transaction. So, we will be looking to observe the highest levels of governance that the market advocates for this type of related party transaction.

Lucas Marquiori: That's great. It's clear, guys. Thank you, Renato and Edmar. Good morning.



Victor Mizusaki, Bradesco BBI: Hi, Renato Good morning. Congratulations on the results. I would like to ask two questions. The first one, Renato, you mentioned during the call the issue of a change in Movida's earnings level. With the trend of 1Q and, looking ahead, the quarterly result, does it make sense to consider that in this change of level, in a summarized way, we are talking about quarterly net income above BRL 100 million?

And the second question is a follow-up on this discussion of consolidation in the sector. It was reported in the media that CADE asked some companies to comment on the transaction between Localiza and Unidas, including Movida. Could you tell us a little about your opinion on this process? Thank you.

Renato Franklin: Thank you, Victor. About your first question, we are really seeing a strong 1Q. As you commented, we can't consider that we will maintain the same level. 4Q has a strong seasonality in recurring profit, as Edmar put it, around BRL139 million.

So, we imagine that 1Q is going well, with the same margins. There's no reason for it to be much different. The month of February has 28 days, which impacts a little, but apart from that, there is not much difference. Everything continues as it is: strong pricing, semi-new cars with a strong margin, fleet management growing and delivering results.

We see a strong year looking forward, with growing margins and us exploring all these business lines, with marginal margin growth little by little.

On the second question, I reinforce our view. Our view is that there is indeed a scale gain on the other side, but for us it is neutral. It has a very strong positive side for us, which is to reduce competition and, with less competition, the price goes up. If the price goes up, it improves the margin for us.

So, the whole market with less competition ends up having a little more price, which is good for us.

Victor Mizusaki: Great, thank you.

Regis Cardoso, Credit Suisse: Good morning everyone. Congratulations on the results. Thanks for the opportunity to ask questions, Renato, Edmar, and others present. One of the topics I wanted to address is precisely the penetration of brand new. At the beginning of your presentation, the comment that this is already representative of the growth of the fleet management drew our attention.

So, I would like to know if you could, as much as possible, share how much it is already representative of the fleet or how much this can explain the future growth and what the level of demand you already see for this product is.

And, regarding this normalization of the industry, you also gave a guidance for fleet growth throughout the year. I would like to understand, between today and the fleet expected for the end of the year, how you imagine this distribution of cars over time. Is it something that is slower in 1Q, normalizes in 2Q and maintains the same pace in the second half? Or do you expect an acceleration throughout the year?



And maybe go back to the last point that you yourselves have already commented on at the end of the presentation about the relative depreciation comparison with peers, of which you say you have adopted this more conservative stance.

I just wanted to understand the following: why do you imagine that this more conservative stance is necessary vis-à-vis a semi-new car price that has already gone up? Therefore, for the current fleet, one would imagine that you should achieve less depreciation. Thank you.

Renato Franklin: Thanks for the questions. First, about the brand new, just adding a little more color, we are not giving disclosure of the volume we are selling monthly, but I can say that we are rotating all the stock. We are working with bought cars that we are placing and we are selling.

So, really, I think we already have today a much higher sales capacity than what we are selling today. As soon as we have the supply normalized, we will see an even stronger growth in this line of business.

What do I see here that I can tell you about? I really see a very large market. When we take the 1 million to 1.2 million cars sold per year to individuals brand new, if you take the leasing penetration abroad, it is 40% in the United States. In countries where it is low, it is 30%. When you do it in countries where it is high, it is 50% or 60%.

If we do an average fleet for Brazil, we will have a potential market of almost 480,000 cars per year. This is a lot of cars to be sold. If today we have a few players working, still on a scale that, even though it moves the pointers within our business, is still small near the market, we will see much more concession of operational capacity, from buying cars for all businesses, delivering, having a very nice NPS, than market limitation.

So, it's going to be strong growth, I think for all players in this industry, and for me, again, it's going to be the biggest market in the industry there ahead. I think it's not difficult for us to think, five years from now, that we will have more than a million cars in the brand new segment alone. I think there will be even more. I think that in 10 years, having 10 million cars is something.

Obviously, it is difficult to predict anything for 5 or 10 years nowadays, but just to give a little bit of grandeur to what I believe in a market like this that has a very good return and that, with the scale that we have for rent a car, we can be very competitive and have the capillarity that we have today to do the post-sales all over Brazil. This is what differentiates us from the specific initiatives that exist from players that don't have this capillarity and that, sometimes, start and stop.

This is a business that emerged abroad at the same time, so there were several cases abroad exploring this initiative, but several of them have already suspended it. The average term is lasting from two to three years because the post-sale is important.

When you come to a country like Brazil, besides the post-sales of maintenance and service, you also have the issue of theft and fraud prevention, of recovering the cars, all of this that is a know-how developed by us here and that prevented international players



from operating successfully and with scale here in Brazil. So we really see a very healthy market to explore for a long time.

On the second question, how will the fleet operate quarter by quarter? That's what I said, if you take our plan, we have two scenarios. One scenario is where we step in stronger starting in 2Q and we see this more distributed into some growth in 1Q which is smaller, and then strong in 2Q, 3Q and 4Q.

It could be that we have some delay and see growth in 2Q already higher than in 1Q, but still lower than we can do in 3Q and 4Q. But it's a bit along these lines. You can't be very exact because it will depend on supply.

I think the big point is that we are able to deliver results and give discretion to size decision of the Company. We can buy more cars or buy fewer cars.

It was important during the pandemic to be able to reduce the Company quickly, generate cash and keep the Company always healthy, and in the same way now to be able to grow and take advantage of the resumption, to support the automakers also to be able to reconnect more shifts. So we are going to experience a scenario with possibly even positive surprises further ahead.

Speaking of the third item, Edmar can give more color on the issue of depreciation, but I just want to give my vision first. First, back then, we were calculating depreciation at zero for that business, with everybody a little bit suspicious. So we decided to put in some safety margin. That is the first point, there is margin to give a positive margin.

Second, it's really a strong price. I don't believe that the price will fall. We are selling relative to zero, but I want to be prepared if it falls. Nobody can say that nothing is going to happen, nobody can say anything for sure today. So, we have a robust and very strong balance sheet, knowing that if we take a little bit of earnings maybe from 4Q, bringing it to 3Q or 4Q of the other year. It's part of life. It doesn't change the pointer.

For me, this discussion about depreciation in a business like ours, where the cycle is very short, shouldn't even exist. Because you have to do it, and you can quickly see the result.

So, we will soon see much stronger earnings in semi-new cars, and then we will be able to reduce the depreciation a little and it will remain, but always being cautious, because I think that being more conservative avoids any noise and the result after 12 months will be normalized, because we will start to see normal results, because the terminal margin of stabilization will be stronger as well.

Edmar Neto: Just complementing, Regis, I want to talk about two important points. First, clearly, in our evaluation, we are experiencing what we internally call a semi-new car bubble, and this has everything to do with supply and demand. A reduced supply pulls prices up. To the extent that there is the regularization that Renato just mentioned, we may experience a scenario in which the prices of semi-new cars lose strength. This is the first comment and it is structural.

From the Company's point of view, we are not worried about the cars that will be sold in the next three or six months. The scenario is already given, the car is already depreciated



and the price scenario is already there, it's strong. What worries us and makes us take a more cautious attitude at this moment are the cars that we will sell in 2022 and entered the fleet from the middle of last year and we don't know what will happen.

Why don't we know? Just look at the balance sheet for 2020. The price volatility was enormous and had consequences from the point of view of the gross margin of semi-new cars, the result of the semi-new cars in all companies.

That is why, at this moment, we prefer to be a little more cautious and eventually sacrifice results in the short term to make sure that the company is prepared for whatever the scenario may be, which is already 2022 when we are talking about depreciation.

Ricardo Peixinho, Tagus Investimentos (question via webcast): At the end of 2020, the automotive market was unbalanced with relation to supply and demand due to the lack of supplies. The normalization of new car deliveries was forecasted for late March and early April. How is this situation today? Are the automakers delivering the new cars according to orders?

Renato Franklin: Thank you for the question. As we said, they are delivering Everything that was ordered according to the agreed upon schedule is being delivered and we see this normalization occurring from now on in a regular way, as we said, more towards 2Q.

Renato Ramos Hallgren, Banco do Brasil (question via webcast): Can you comment on the proposed acquisition of the GTF fleet of CS Brasil? What is the approximate value of this transaction and what are the sources of funds for the acquisition?

Edmar Neto: Just reinforcing, preliminarily, we are imagining a 100% equity transaction. We do not have elements at this stage to comment on value or on timing and other processes.

Ricardo Peixinho, Tagus Investimentos (question via webcast): Good morning, Renato, Edmar and Camila. Congratulations on the results. I have two questions, please. Could you tell us a little about the evolution of SG&A in GTF and the increase in its representativeness in relation to net revenue?

And the second one: given the still difficult scenario for the delivery of vehicles by the carmakers, are you having any worsening in the delivery bottleneck of brand new vehicles, with the acceleration of investments made in advertising?

Renato Franklin: Thank you for the question. This increase in SG&A is the entire brand new structure that is being reported in there, so we have already created a structure to sell brand new, and reinforcement of the fleet management structure, since we expect more growth. So, we increased the sales strength, created a digital B2B cell, reinforced the premium car cell to be able to also attack this segment in a different way and that is what there is in the G&A.

The result is coming. In the short term, it appears from the sales point of view, but there is a mobilization and implementation period, there is a whole pipeline of car implementation in the GTF. But it's just this structural change.



Edmar Neto: In the press release we also highlighted the issue that, in this year 2020, the provisioning of bonds only happened in Q4. This ended up impacting the business lines. We only commented on it, we didn't highlight it from the point of view of earnings comparison. It's another register that helps to understand the evolution of one quarter against another.

So, when you look at the year 2020, as Renato said, the structure was very thin, with the brand new starting, and now it's already more robust. I think that's the commentary.

Jorge Lourenção, Morgan Stanley: Good morning, everyone. Renato and Edmar, congratulations on the results and thanks for the question space. My question is specifically related to the growth strategy in RAC, already speaking of a scenario in which we would already have a normalized supply of automakers. Including also having the perception that this level of growth can and should be even higher than what we saw in the pre-COVID period on the RAC side.

So, I would just like you to comment, if possible, a little bit on how this would converse with the premium fleet of the RAC mix and, more specifically, if for Uber it could mean you guys having an increase in significance of that segment and going more towards the other competitors in terms of how much Uber represents of the top line of RAC. Thank you very much.

Renato Franklin: Thank you for the question, Jorge. I'll give a little bit more detail about our strategy. Starting at the end, our idea is not to increase the share of Uber. Uber, to me, is there, it's an important market and it's a growth and occupancy booster. We have been growing in the other segments.

We prioritize individuals, as I said, working both on Monthly Flex and eventual daily rates. And here we have an important gain. We have reduced tourism travel, but short distance travel has increased a lot with the home office. This also increased the weekend, which is no longer two days, but three, four, five days, there are people who take the whole week and work home office from another region, generating another avenue for us.

When we take versus pre-pandemic, I have reduced tourism, but I have several other avenues growing.

Corporate is a business that in Brazil was not even considered. There was practically no car travel in the corporate sector. This has started to happen, and we have feedback from several clients, in which we have more rented cars per day in the corporate segment than we had before the pandemic. And one client gave us feedback saying that it is faster to sometimes go by car than by plane to where he was going, because they are short trips and he has more time flexibility. This is a business that stays and that will grow a bit.

We also have the shared niches, from the shared Monthly Flex and the prepaid package, which has also been growing. All these products of ours have been growing a lot and will continue to grow a lot. We are gaining a little share in the corporate segment. When we take the Abracorp numbers, we gained a little share. There is still a lot of space to gain. Again, we start with individuals and go down.



And, after the vaccination, with the resumption of corporate tourism and leisure tourism, we will have that niche that has always been very important and that lost its activities coming back as well. So, giving even more growth to this market.

That's why we believe that the top line will have an important growth with a mix that is even healthier than what it was before, from the point of view of margin and from the point of view of average price. What changes the average price is only the issue of the monthly, which also grows, but has more margin. When we look at return, the mix is better.

Jorge Lourenção: That's clear. Thank you, everyone.

Alexandre Kogake, Eleven: Good morning, everyone. My question is regarding the bond. First, congratulations for pioneering in the issuance. Actually, there are two questions. The first one is about the destination of the resources. What do you imagine would be the percentage destined to the anticipated amortization of some debts?

And second, do you already have a strategy for exchange protection? Are you going to do a swap, place a cap or some specific strategy for this part of the currency position? Thank you.

Edmar Neto: Alexandre, thank you for the question. Regarding the bond resources, approximately 40% should be destined to our CAPEX in expansion, which is in the base of 25,000 cars, and the other 60% would be for debt repayment.

At this moment, we are discussing internally, already using some third parties, about what is more interesting for the Company to pre-pay or pay, looking from the standpoint of carrying cost, pre-payment cost and how this would impact our amortization profile. So, we are already in discussion and I believe that in the coming weeks we will be able to have a very positive result.

Regarding the hedge, what is defined at this moment is that we will protect the principal in interest in full. We are still in a final discussion about the modalities, be it of internment or of hedge, and this should happen as of March.

So, the message is that everything is going to be protected, the instruments are under discussion, but always looking at the term of the bond, additionally trying to capture something on the curve now, currency coupon, interest, this is very volatile, so we have to look at this with great care. I think that's what you wanted.

I'm going to use the opportunity here to pull up some other questions that came in from the web. I will ask Alexandre's permission. Basically, speaking of fleet management, what is the growth guidance from the fleet point of view in this product line of ours. I'll pass it on to Renato.

Renato Franklin: They're asking what the main growth guidance for fleet management is. We are focusing a lot on GTF, yes, but we have been saying the following: today, the RAC is still responsible for almost 60% of our EBITDA. We want to bring even more stability to the company and we see the brand new as a very big growth avenue. So, we will see fleet management gaining representation from the EBITDA point of view.



From the fleet allocation and investment point of view, it should be more or less half and half, because we see the RAC still with a lot of growth potential in the short term. Looking more to the mid-term, yes, we have another potential market already there in the brand new that allows us to have more predictability and security in the growth of the fleet management in the strong medium term, but RAC also grows significantly.

Giovanni di Pasquale, GDP Investimentos (question via webcast): How are you seeing the evolution of the cost of capital this year?

Edmar Neto: Giovanni, clearly, looking in retrospect, at the height of the crisis, there was an important increase of the spreads. Since the end of the year, we see spreads already pointing down, starting to close. The very issuances we made at the end of the year, compared to the issuances made during the pandemic, already show this.

But, again, in initial conversations, we clearly see that the fact that we have access to a new deep market, which was the bond issue, will help the Company not in the very short term, but in the short term, to improve its profile and achieve an important evolution in the cost of capital, especially on the debt side.

So, it has improved marginally when compared to a year ago, but I have a personal perception that there will be advances here at Movida in the next six months, including a general improvement in the capital structure as a whole.

Matheus (question via webcast):

I wanted to know more about the issue of app drivers.

Edmar Neto: Just to leave this well recorded, and reinforcing what Renato has already said, there is no intention to increase Uber's share relative to what it represents in the RAC. It is used as a growth booster and as a seasonal tool.

Additionally, on the issue of competition, basically, we are talking about a market in which there are three big players, Localiza, Unidas and us, and it is a business that ends up restricting any other small one because of its representation.

Operator: There being no further questions, I would like to pass the floor to the Company's management for their closing remarks. Please, you may proceed.

Renato Franklin: Thank you very much for everyone's presence. We have broken yet another record of people. It was a quarter full of records. We are, once again, consolidating a new level, we started 1Q very well and we are very excited for 2021. I want to say thanks for the trust of everyone who made it possible for Movida to get here. And today, without a doubt, we have a very positive trajectory ahead of us. So, we are with you.

Whoever hasn't rented a car yet, rent with us, try our products. We have several modalities and several products to meet different needs. Let's go for it. A great day to everybody and a big embrace.

Operator: The Movida conference call is now closed. We thank you all for participating and have a good afternoon.



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