

**SIMPAR S.A.**

Publicly-Held Company with Authorized Capital  
CNPJ/ME No. 07.415.333/0001-20  
State Registry NIRE 35.300.323.416

**MOVIDA PARTICIPAÇÕES S.A.**

Publicly-Held Company  
CNPJ/ME No. 21.314.559/0001-66  
State Registry NIRE 35.300.472.101

**CS BRASIL PARTICIPAÇÕES E LOCAÇÕES S.A.**

CNPJ/ME No. 35.502.310/0001-99  
State Registry 35.300.559.631

SIMPAR S.A. ("SIMPAR"), Movida Participações S.A. ("Movida") and CS Brasil Participações e Locações S.A. ("CS Participações"), under Section 157, paragraph 4, of Law no 6,404/76, as amended ("Corporations Law"), in the Brazilian Securities and Exchange Commission (CVM) 358/02 ("ICVM 358") and CVM Norm 565/15 ("ICVM 565"), hereby announces to its shareholders and the market in general that the Boards of Directors of Movida and CS Participações have approved the final documents of the corporate restructuring aimed at merging the businesses of Movida and CS Frotas, as initially disclosed in the Material Facts of February 3, 2021 ("Merger of Shares").

The Merger of Shares and related documents will be submitted for approval to Movida shareholders at an Extraordinary General Meeting convened for July 26, 2021 ("EGM"), as well as for approval to CS Participações shareholders at an Extraordinary General Meeting convened for the same date.

The information on the Merger of Shares follows below, as per the provisions of Attachment 3 of ICVM 565:

**1. COMPANIES INVOLVED IN THE OPERATION AND THEIR ACTIVITIES****1.1. MOVIDA**

(a) Identification. Movida Participações S.A., a publicly-held company headquartered in the city and state of São Paulo, at Rua Doutor Renato Paes de Barros, 1017, conj. 91, Itaim Bibi, CEP 04530-001, and registered as a Corporate Taxpayer under CNPJ/ME No. 21.314.559/0001-66.

(b) Activities. Movida's main activities are the rent-a-car business (RAC) and fleet management and outsourcing (GTF), and the consequent sale of used cars through its own points of sale, particularly those under the *Movida Seminovos* brand, which encompass a variety of makes and models. Movida stands out as one of the largest car rental companies in Brazil in fleet size according to public market information provided by ABLA and the industry companies.

**1.2 CS PARTICIPAÇÕES**

Identification. CS Brasil Participações e Locações S.A., a publicly-held company with class B shares, headquartered in the city of Mogi das Cruzes, State of São Paulo, at Avenida Saraiva, 400, sala 10ª, Bairro Vila Cintra, CEP 08745-900, and registered as a Corporate Taxpayer under CNPJ/MF no. 35.502.310/0001-99.

(b) Activities. CS Participações is a subsidiary of SIMPAR that operated as the holding of the companies responsible for offering the Group's service portfolio to public and mixed-ownership entities. After the partial spin-off of CS Participações to be conducted before the Merger of Shares, CS Participações will only control its wholly-owned subsidiary CS Brasil Frotas Ltda. ("CS Frotas"), an operating company focused on the rental of light motor vehicles without driver ("Light GTF") for public sector clients or mixed-ownership companies. After the aforementioned spin-off, the remaining wholly-owned subsidiaries of CS

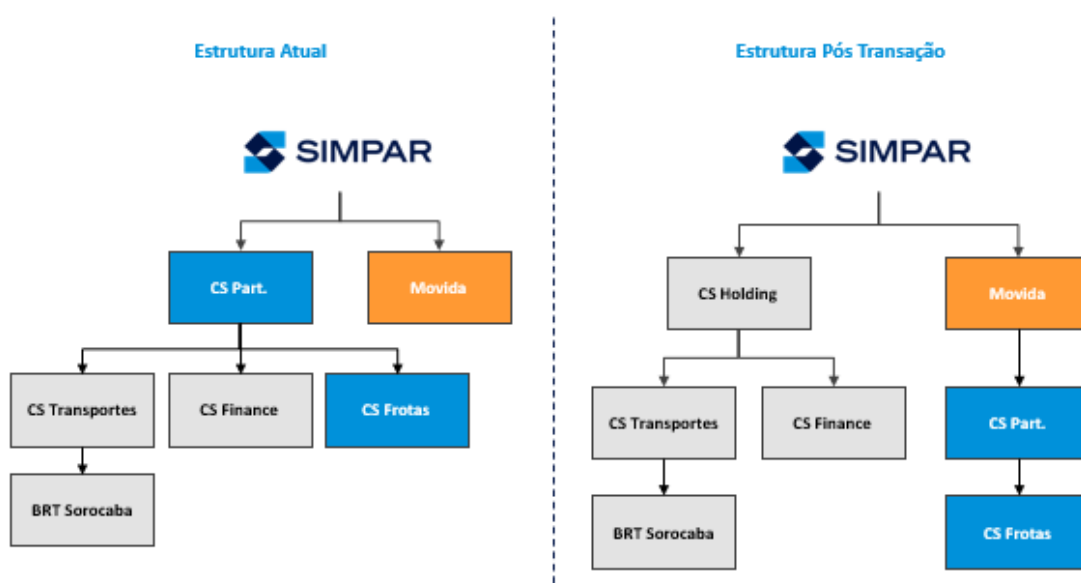
Participações will be spun off into CS Brasil Holding e Locação Ltda. (CS Holding"). These subsidiaries include CS Finance S.A r.l. ("CS Finance"), whose main activity is to foster fundraising operations abroad, and CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda ("CS Transportes"), which serves public and mixed-ownership entities, offering (i) fleet management and outsourcing services (GTF) of light vehicles with driver and (ii) GTF of heavy assets with and without driver, (iii) city passenger transportation, (iv) urban cleaning, besides operating (v) port terminals and (vi) highways.

## 2. DESCRIPTION AND PURPOSE OF THE OPERATION

### 2.1. Description.

As proposed by SIMPAR to Movida's Board of Directors, and pursuant to the Protocol and Justification of the Merger of Shares of CS Brasil Participações e Locações S.A. into Movida Participações S.A. ("Protocol and Justification") disclosed on this date, the Merger of Shares will consist of the merger of the shares issued by CS Participações by Movida, at the value of its Shareholder's Equity at market prices, with Movida issuing new book-entry shares, without par value, to be assigned to the shareholders of CS Participações, under article 252 of the Corporations Law. As a result of the Merger of Shares, CS Participações will become a wholly-owned subsidiary of Movida. It will also grant Movida full indirect control over CS Frotas.

The organization chart below shows a simplified illustration of the corporate structure on the date of the transaction and the intended structure after the Restructuring (as defined below):



As steps prior and subject to the merger of Shares, CS Participações will be object of a partial spin-off.

As a result of the partial spin-off, whose base date will be that of the Merger of Shares (March 31<sup>st</sup>, 2021), CS Participações will hold, at the Merger of Shares, (i) 100% of the quotas issued by CS Frotas; and (ii) approximately 21 thousand vehicles ("CS Participações Spin-off", and, together with the Merger of Shares, "Restructuring"). On the base date of May 31<sup>st</sup>, 2021, CS Participações will have a net debt of approximately BRL 600 million (which represents a leverage of roughly 2.5x (Net Debt/EBITDA ratio) for CS Participações, considering the 12-month period immediately before May 31<sup>st</sup>, 2021.)

The remaining assets, rights, and obligations (including all the quotas of CS Brasil Transportes de Passageiros e Serv. Ambientais Ltda.) owned by CS Participações and not related to the scope of the merger of Shares, will be, as a result of CS Participações spin-off, transferred to CS Holding ("C.S. Holding"), a company of SIMPAR Group that will remain as a wholly-owned subsidiary by SIMPAR.

Consummation of the Merger of Shares is subject to the applicable corporate approvals.

## **2.2. Purpose of the Operation.**

As of November 30, 2016, JSL S.A. ("JSL"), which then acted as the holding company of the SIMPAR Group and Movida entered into the Commercial Agreement and Other Covenants, whereby Movida agreed not to compete with JSL or its subsidiaries, for an indefinite term, among others, in the activity of leasing vehicles to the public sector ("Commercial Agreement"). Thus, Movida is currently prevented from competing with CS Frotas and cannot make investments and operate in the Light GTF sector for public sector clients and mixed-ownership companies.

The Restructuring, more than a business combination between Movida and CS Participações, represents the offer to Movida, by means of an amendment to the Commercial Agreement to be entered into in the context of the Restructuring, the exclusivity to operate in the Light GTF market for public clients, which is currently operated by CS Frotas within the SIMPAR Group. Thus, Movida, if the Restructuring is implemented, would become SIMPAR's exclusive vehicle for investments in the sector and the 2<sup>nd</sup> largest Public-Sector Light GTF company in Brazil.

The amendment to the Commercial Agreement to be entered into (which is attached to the Merger of Shares Protocol) will enable Movida to explore the Public-Sector Light GTF segment. Also, it provides for other updates to the non-compete clause due to the new reality of the SIMPAR Group. These are, in summary:

- i. Extension from 3 to 5 years of the additional non-compete terms between Movida, SIMPAR and SIMPAR's subsidiaries should Movida no longer be controlled by SIMPAR;
- ii. Inclusion of activities that are currently explored by other Group companies in the non-compete clause with Movida; and
- iii. Inclusion of some exceptions to the prohibition on exploring the light vehicle rental without driver sector in the non-compete clause concerning SIMPAR and its subsidiaries.

## **3. KEY BENEFITS, COSTS, AND RISKS OF THE RESTRUCTURING**

### **3.1. Key Benefits.**

The Restructuring aims at the following strategic benefits for all Movida shareholders and, consequently, SIMPAR's:

- i. Consolidate CS Frotas, a relevant player in the Brazilian Light GTF market, in Movida through CS Participações. This is a unique opportunity to acquire an asset with such scale and profitability. Besides, it will reduce Movida's leverage and increase the investment capacity of the combined company;
- ii. Allow Movida to operate in a relevant market, with huge room for growth in Brazil. CS Frotas é absolute leader in Light GTF for the public sector in the country, a market which is extremely pulverized,

and has an estimated potential of approximately 600 thousand vehicles<sup>1</sup>. After the Restructuring, Movida will be better equipped to face the competition that already operates in this market; and

iii. Improve Movida's business mix, with the substantial expansion of its Light GTF operation and diversification of its client base. CS Frotas has vehicles of higher unit value and, consequently, higher revenue per car and higher profitability, addition to a focus on long-term contracts, which contributes to increase revenue predictability, cash generation, and profitability.

The Restructuring also offers several operational and financial synergies, as well as greater competitiveness and increased ROIC (return on invested capital) for the combined company, including:

i. Higher profitability in resale, using Movida's sales channels for the sale of assets related to CS Frotas' contracts;

ii. Greater flexibility in fleet allocation, allowing for shorter implementation time and, consequently, greater competitiveness in bids and commercial flexibility vis-à-vis suppliers;

iii. Dilution of fixed costs, including synergies from affiliate body shops, operational bases and administrative expenses;

iv. General improvement of the combined company's credit profile due to greater revenue predictability and increase in scale; and

v. Increased bargaining power before 100% of the suppliers.

In addition, CS Participações has a high level of governance focused on the public sector, which will add to the governance already in place at Movida, more focused on the private sector. The combination of the companies will have control and transparency in operations, with several voluntary measures not seen in other companies in the segment, which will bring competitive advantages and minimize risks, such as: (i) a bidding policy applicable to all employees, which defines guidelines, prohibitions and regulations; (ii) a bidding room with a secure and monitored environment created exclusively to house the dispute phases of the public bidding processes; (iii) a system to trace the bidding process, from the procurement notice to contract signing or end of process. Systematization will allow the process to be fully and independently audited; (iv) a transparency portal, which provides information about current contracts with the public administration.

As a result of the Restructuring, Movida is expected to grow 57% in its net revenue from the Light GTF operation, from BRL517.1 million to BRL810.5 million, based on 2020 figures.

### **3.2. Costs.**

The Management of Movida and CS Participações estimate the Merger of Shares costs at approximately BRL 10 million, including expenses with publications, auditors, appraisers, attorneys, and other professionals hired to advise on the Merger of Shares.

### **3.3. Restructuring Risks.**

The Management of Movida and CS Participações do not foresee any relevant risks for the Merger of Shares, other than those typically part of the daily activities of the companies involved and compatible with their sizes and operations.

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<sup>1</sup> Average fleet per client at CS Brasil (by segment of operation and number of inhabitants per city) applied over the base of public sector companies by segment of operation and number of inhabitants per city.

The market value of Movida shares may vary upon completion of the Merger of Shares due to several factors beyond the control of the companies involved.

The success of the transaction will depend, in part, on whether the Management of the companies involved will be able to create opportunities, savings, and new businesses arising from the expansion of the businesses to be developed by Movida and its subsidiaries as a result of the Merger of Shares and the synergies generated by the Merger of Shares. If such objectives are not successfully achieved, the benefits expected from the Merger of Shares may not fully or entirely take place or may take longer than expected.

#### **4. SHARE SWAP RATIO**

Assuming that (i) the total capital of CS Participações is represented, on the date of the Merger of Shares, and after Spin-Off of CS Participações, by 365,458.477 common shares; and (ii) the total capital of Movida on the date of the Merger of Shares, by 298,921.014 common shares, the shareholders of CS Participações shall receive, for each 1 common share issued by CS Participações that they own on such date, 0.1734289283 common share issued by Movida ("Swap Ratio"), adjusted in the manner provided for in the Protocol and Justification. Thus, SIMPAR, as the sole shareholder of CS Participações, will be assigned 63.381.072 new common shares issued by Movida under the Merger of Shares – which will increase SIMPAR's current stake from the current 55.11% to approximately 62.96% of the total share capital of Movida.

As provided for in the Protocol and Justification, the amounts described above will be proportionally adjusted by any and all splits, groupings, buy back, stock dividends, interest on equity, or capital reduction to occur in the companies from the present date until the date of the Merger of Shares.

#### **5. SWAP RATIO CRITERION**

The Swap Ratio was proposed by SIMPAR's management given the nature of their respective activities and following a set of economic, operational, and financial assumptions applicable to both companies.

The swap was proposed by SIMPAR directly to Movida's minority shareholders and was not subject to negotiation with Movida's management. No special independent committee was constituted, as provided for in CVM Guidance Opinion 35/08.

In line with SIMPAR Group's commitment to the highest governance standards, the independent members of Movida's Board of Directors were responsible for approaching and analyzing the matter.

Accordingly, upon the recommendation of the independent members, Banco Itaú BBA S.A. ("Itaú") was engaged to produce to the Board of Directors a fairness opinion that concluded, based on the assumptions and other provisions contained in the fairness opinion, that the Swap Ratio in the context of the Merger of Shares (and considering CS Frotas as the only controlled company and wholly-owned subsidiary of CS Participações) was fair to Movida from a strictly financial point of view.

Thus, in possession of the fairness opinion and having analyzed the other documents related to the Merger of Shares, the independent members of Movida's Board of Directors agreed with its strategic rationale and the benefits to all Movida's shareholders, attested its merits and commutativity, and thus unanimously approved its submission to the EGM.

The Merger of Shares proposal was also unanimously approved by SIMPAR's Board of Directors, including its independent members.

As stated in the proposal presented by SIMPAR, to ensure the highest standards of corporate governance, SIMPAR has undertaken to follow the votes of the majority of the minority shareholders of Movida

present at the EGM on the Merger of Shares. The Merger of Shares will be thus conditioned to the approval of its terms and conditions by the majority of the minority shareholders of Movida present at the EGM. Voting will proceed as follows:

- i. The Merger of Shares approval will be submitted for consideration and resolution of all Movida shareholders at the EGM, except for SIMPAR, which will not disclose its vote at this initial voting stage;
- ii. If the Merger of Shares is approved at the EGM by the majority of Movida's outstanding shares (i.e., excluding those owned by its managers and controlling shareholders) ("Outstanding Shares") present at the EGM, SIMPAR will cast its vote in favor of the Merger of Shares;
- iii. If the Merger of Shares is rejected by the majority of the Outstanding Shares present at the EGM, SIMPAR will cast its vote against the Transaction.

## 6. MERGER SUBMISSION FOR APPROVAL BY BRAZILIAN OR FOREIGN AUTHORITIES

The Merger of Shares does not depend on approval by Brazilian or foreign authorities.

## 7. SWAP RATIO CALCULATED UNDER SECTION 264 OF THE CORPORATIONS LAW

In compliance with Section 264 of the Brazilian Corporations Law, Apsis Consultoria e Avaliações Ltda. ("Apsis") was hired, *ad referendum* of the Extraordinary Shareholders' Meeting, to prepare the valuation report of the economic value of the shares of Movida and CS Participações based on the discounted cash flow methodology (with base date of March 31, 2021, adjusted for future material fact releases) and by the same criteria ("Economic Value Valuation Report").

The comparative swap ratio is the result of dividing (a) the economic value by share pf CS Participações by (b) the economic value per share of Movida, as follows:

	CS Participações	Movida
Net equity adjusted to market prices (A)	R\$1,706,049,000.00	R\$5,413,934,000.00
Number of shares (B)	365,458,477	298,921,014
Equity value at share market prices (A)/(B)	R\$4.67	R\$18.11
Swap Ratio – CS Participações/Movida	0.257749	

## 8. RIGHT OF WITHDRAWAL AND REFUND AMOUNT

As provided for in Sections 137 and 252, paragraph 2, of the Corporations Law, if the Merger of Shares is completed, the merger of the shares of CS Participações into Movida will give rise to rights of withdrawal to the holders of shares issued by CS Participações and Movida. The right of withdrawal shall be assured to shareholders owning shares issued by Movida on an uninterrupted basis, from the date of this Material fact until the Merger of Shares completion, who do not vote in favor of the Restructuring, who abstain from voting or who do not attend the EGM, and who expressly manifest their intention to exercise the right of withdrawal within thirty (30) days from the date of publication of the minutes of the EGM that approves the Merger of Shares.

The reimbursement amount for dissenting Movida shareholders will be BRL 7.90 per share, calculated based on the equity book value, according to the financial statements for the fiscal year ending December 31, 2020. The right to draw up a special balance sheet as provided for in article 45, paragraph 2, of the Corporations Law is granted. According to the Shareholder's Equity Valuation Report, the theoretical swap ratio established between the shares issued by CS Participações and Movida according to their respective Shareholder's Equity at market prices is less advantageous than the Swap Ratio provided for in this Protocol. Thus, as provided for in Section 264, paragraph 3 of the Corporations Law, since it is less advantageous, the Dissenting Shareholders may not opt for the reimbursement amount according to the Shareholder's Equity Valuation Report.

Since SIMPAR will be the sole shareholder of CS Participações on the date of the General Meeting of CS Participações to resolve on the Merger of Shares, there will be no dissenting shareholders or rights of withdrawal within CS Participações.

## **9. OTHER RELEVANT INFORMATION**

### **9.1. Corporate Approvals**

The Restructuring effectiveness will depend on the respective corporate approvals, all interdependent, which shall be coordinated to occur all on the same date. The Extraordinary General Meetings of Movida and CS Participações will be held on first call on July 26, 2021, as per Call Notices disclosed on this date.

The Merger of Shares is also conditioned to the approval and execution of CS Participações Spin-off.

Shareholders of the companies should consult their legal and tax advisors for legal, foreign exchange, and tax implications arising from the Merger of Shares.

Finally, it should be clear that – despite the preference now granted to Movida to take over the Light GTF operation for the public sector within the SIMPAR Group – SIMPAR is considering exploring alternative strategies for CS Participações, such as the potential launch of its initial public offering, if the Restructuring is not implemented.

### **9.2. Operational Continuity**

After the Restructuring, Movida and CS Frotas will continue to operate normally, so customers, suppliers, employees, and other stakeholders should not expect any change in management, business relationships, and service offerings.

The merger of shares will not result in Movida absorbing the assets, rights, possessions, obligations, and liabilities of CS Participações or CS Frotas, which will keep their respective legal personalities intact. There will be no succession.

### **9.3. Dependent Businesses**

The events related to the Restructuring, including the matters to be submitted to the shareholders of Movida and CS Participações in the respective General Meetings that will decide on the Restructuring are mutually dependent legal businesses. The companies intend that one business does not take effect without the others.

#### **9.4. Document Availability**

The documents related to the Merger of Shares are available following applicable law and regulations as of this date and may be consulted at the Companies' headquarters. Such documents will also be available on CVM ([www.cvm.gov.br](http://www.cvm.gov.br)), B3 ([www.b3.com.br](http://www.b3.com.br)), and Movida Investor Relations websites ([ri.movida.com.br](http://ri.movida.com.br)). For further clarifications, please contact the investor relations areas of the companies.

São Paulo, June 25<sup>th</sup>, 2021

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