

# **INTERIM FINANCIAL INFORMATION**

**06/30/20**





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**Company Information / Capital Structure**

<b>Number of Shares (Thousands)</b>	<b>Current Quarter 06/30/2020</b>
<b>Paid-In Capital</b>	
<b>Common Shares</b>	758,467
<b>Preferred Shares</b>	0
<b>Total</b>	758,467
<b>Treasury Shares</b>	
<b>Common Shares</b>	7,291
<b>Preferred Shares</b>	0
<b>Total</b>	7,291

**Individual Financial Statements / Balance Sheet – Assets****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2020</b>	<b>Prior Year 12/31/2019</b>
1	Total Assets	15,764,474	16,202,890
1.01	Current Assets	3,040,016	3,277,819
1.01.01	Cash and Cash Equivalents	1,751,942	1,622,676
1.01.02	Financial Assets	202,824	267,018
1.01.02.01	Financial Assets at fair value through profit or loss	202,824	267,018
1.01.03	Accounts Receivable	533,210	1,095,724
1.01.06	Recoverable Taxes	54,942	29,721
1.01.07	Prepaid Expenses	74,069	10,530
1.01.08	Other Current Assets	423,029	252,150
1.01.08.01	Non-Current Assets Available for Sale	27,299	20,361
1.01.08.03	Other	395,730	231,789
1.01.08.03.01	Dividends Receivable	126,815	72,212
1.01.08.03.02	Derivative instruments	118,026	-
1.01.08.03.03	Other	150,889	159,577
1.02	Non-Current Assets	12,724,458	12,925,071
1.02.01	Long-Term Assets	386,024	93,345
1.02.01.10	Other Non-Current Assets	386,024	93,345
1.02.01.10.03	Escrow Deposits	74,390	75,064
1.02.01.10.04	Derivative instruments	311,551	18,198
1.02.01.10.05	Other	83	83
1.02.02	Investments	1,295,416	1,141,043
1.02.03	Property and Equipment	11,001,444	11,645,968
1.02.03.01	Property and Equipment in Use	10,130,697	10,760,966
1.02.03.02	Leased Right-of-use	856,950	864,202
1.02.03.02.01	Leased Property and Equipment	14	56
1.02.03.02.02	Right-of-use	856,936	864,146
1.02.03.03	Constructions in Progress	13,797	20,800
1.02.04	Intangible Assets	41,574	44,715
1.02.04.01	Intangible Assets	41,574	44,715
1.02.04.01.04	Software	41,574	44,715

**Individual Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2020</b>	<b>Prior Year 12/31/2019</b>
2	Total Liabilities	15,764,474	16,202,890
2.01	Current Liabilities	1,830,983	3,033,744
2.01.01	Payroll and Related Taxes	146,496	139,365
2.01.02	Trade Payables	541,538	2,290,871
2.01.02.01	Domestic Suppliers	540,099	2,290,854
2.01.02.02	Foreign Suppliers	1,439	17
2.01.03	Taxes Payable	4,134	21,735
2.01.03.01	Federal Taxes Payable	1,699	17,295
2.01.03.01.01	Income Tax and Social Contribution Payable	-	12,024
2.01.03.01.02	Other Federal Taxes	1,699	5,271
2.01.03.03	Municipal Taxes Payable	2,435	4,440
2.01.04	Loans and Financing	708,630	33,269
2.01.04.01	Loans and Financing	682,921	30
2.01.04.01.02	In Foreign Currency	682,921	30
2.01.04.02	Debentures	25,709	33,239
2.01.05	Other Payables	430,185	548,504
2.01.05.01	Payables to Related Parties	4,326	16,804
2.01.05.01.02	Payables to Subsidiaries	4,326	16,804
2.01.05.02	Other	425,859	531,700
2.01.05.02.01	Dividends and Interest on Capital Payable	114,497	63,394
2.01.05.02.04	Other Current Liabilities	161,866	332,316
2.01.05.02.05	Derivative instruments	-	4,456
2.01.05.02.06	Unearned Revenue	2,722	3,213
2.01.05.02.07	Lease liability due to right-of-use	146,774	128,321
2.02	Non-Current Liabilities	8,472,495	7,721,614
2.02.01	Loans and Financing	7,472,451	6,595,798
2.02.01.01	Loans and Financing	2,327,404	1,332,425
2.02.01.01.01	In Local Currency	1,210,305	506,191
2.02.01.01.02	In Foreign Currency	1,117,099	826,234
2.02.01.02	Debentures	5,145,047	5,263,373
2.02.02	Other Payables	759,851	769,836
2.02.02.02	Other	759,851	769,836
2.02.02.02.03	Other Non-Current Liabilities	9,789	8,562
2.02.02.02.04	Lease liability due to right-of-use	750,062	761,274
2.02.03	Deferred Taxes	171,878	194,012
2.02.03.01	Deferred Income Tax and Social Contribution	171,878	194,012
2.02.04	Provisions	65,111	159,083
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	65,111	159,083
2.02.06	Unearned Profit and Revenue	3,204	2,885
2.02.06.02	Unearned Revenue	3,204	2,885
2.03	Equity	5,460,996	5,447,532
2.03.01	Paid-In Capital	3,956,889	3,956,889
2.03.01.01	Capital	4,000,000	4,000,000
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-43,111	-43,111

**Individual Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2020</b>	<b>Prior Year 12/31/2019</b>
2.03.02	Capital Reserves	-12,424	163,206
2.03.02.05	Treasury Shares	-188,317	-22,288
2.03.02.07	Share Issuance Premium and Stock Options Granted	175,893	185,494
2.03.04	Earnings Reserves	1,327,437	1,327,437
2.03.04.01	Legal Reserve	220,565	220,565
2.03.04.02	Statutory Reserve	1,106,872	1,106,872
2.03.05	Retained Earnings (Accumulated Losses)	189,094	0

**Individual Financial Statements / Statement of Income****(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	Accumulated for the Current Year 01/01/2020 to 06/30/2020	Equal Quarter for Prior Year 04/01/2019 to 06/30/2019	Accumulated for the Prior Year 01/01/2019 to 06/30/2019
3.01	Revenue from Sales and/or Services	1,127,563	3,391,133	1,902,472	3,855,752
3.02	Cost of Sales and/or Services	-997,973	-2,755,370	-1,492,740	-3,011,933
3.03	Gross Profit	129,590	635,763	409,732	843,819
3.04	Operating Income (Expenses)	-12,305	-182,229	-136,112	-255,117
3.04.01	Selling Expenses	-165,871	-368,851	-151,964	-301,175
3.04.02	General and Administrative Expenses	-56,619	-111,610	-45,087	-82,274
3.04.05	Other Operating Expenses	103,586	89,256	-7,765	-16,324
3.04.06	Equity in the Earnings of Subsidiaries	106,599	208,976	68,704	144,656
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	117,285	453,534	273,620	588,702
3.06	Finance Income (Expenses)	-74,766	-148,925	-58,284	-135,263
3.06.01	Finance Income	17,979	43,064	46,033	84,582
3.06.02	Finance Expenses	-92,745	-191,989	-104,317	-219,845
3.07	Net Income Before Income Taxes	42,519	304,609	215,336	453,439
3.08	Income Tax and Social Contribution on Profit	47,422	16,203	-25,249	-52,572
3.08.01	Current	857	-5,931	0	-36,340
3.08.02	Deferred	46,565	22,134	-25,249	-16,232
3.09	Net Income from Continuing Operations	89,941	320,812	190,087	400,867
3.11	Net Income for the Period	89,941	320,812	190,087	400,867
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.11980	0.42616	0.25197	0.53854
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.11959	0.42547	0.25059	0.53595

**Individual Financial Statements / Statement of Comprehensive Income****(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	Accumulated for the Current Year 01/01/2020 to 06/30/2020	Equal Quarter for Prior Year 04/01/2019 to 06/30/2019	Accumulated for the Prior Year 01/01/2019 to 06/30/2019
4.01	Net Income for the Period	89,941	320,812	190,087	400,867
4.03	Comprehensive Income for the Period	89,941	320,812	190,087	400,867



**Individual Financial Statements / Statement of Cash Flows – Indirect Method****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 06/30/2020	Prior Year 01/01/2019 to 06/30/2019
6.01	Net Cash Provided by Operating Activities	-641,116	-929,132
6.01.01	Cash Provided by Operations	2,540,675	3,145,087
6.01.01.01	Net Income for the Period	320,812	400,867
6.01.01.02	Depreciation and Amortization	342,522	213,819
6.01.01.03	Residual Value of Property and Equipment Written Off	1,979,832	2,408,351
6.01.01.04	Deferred Income Tax and Social Contribution	-22,134	16,232
6.01.01.05	Equity in the Earnings of Subsidiaries	-208,976	-144,656
6.01.01.06	Other	28,868	11,813
6.01.01.07	Provisions for contingencies	-93,972	22,787
6.01.01.08	Interest on Loans, Financing, Debentures and Derivatives	148,430	179,348
6.01.01.09	Lease interest	41,672	33,022
6.01.01.10	Other provisions	3,621	3,504
6.01.02	Changes in Assets and Liabilities	-3,078,115	-3,680,536
6.01.02.01	Trade Receivables	535,258	-41,044
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-3,307,399	-3,586,961
6.01.02.03	Escrow Deposits	674	-5,137
6.01.02.04	Recoverable Taxes	-24,372	-607
6.01.02.05	Prepaid Expenses	-63,539	-47,817
6.01.02.06	Other Current and Non-Current Assets	10,866	-40,656
6.01.02.07	Trade Payables (Except Car Manufacturers)	-46,383	21,997
6.01.02.08	Payroll and Related Taxes	7,131	838
6.01.02.09	Income Tax and Social Contribution	5,931	36,340
6.01.02.11	Insurance Premiums	-107,954	7,125
6.01.02.12	Other Current and Non-Current Liabilities	-88,328	-24,614
6.01.03	Other	-103,676	-393,683
6.01.03.01	Income Tax and Social Contribution Paid	-18,802	-31,858
6.01.03.02	Interest on Loans, Financing and Debt Paid	-132,881	-242,539
6.01.03.03	Short-term financial assets	64,194	-119,286
6.01.03.04	Lease interest paid	-16,187	0
6.02	Net Cash Provided by Investing Activities	-27,216	21,135
6.02.01	Purchase of Other Property and Equipment	-23,206	-12,153
6.02.02	Purchase of Intangible Assets	-4,010	-2,974
6.02.04	Dividends from Subsidiaries	0	36,262
6.03	Net Cash Provided by Financing Activities	797,598	936,996
6.03.01	Loans and Financing - funding	1,250,312	0
6.03.02	Loans and Financing - repayments	0	-650,000
6.03.03	Debentures - funding	0	994,706
6.03.04	Debentures – repayments/ buyback	-129,682	-975,000
6.03.05	Dividends	0	-7,223
6.03.06	Interest on Capital	-71,783	-118,499
6.03.09	Exercise of stock options with treasury shares, net	-770	20,115
6.03.11	Lease liability - repayments	-69,999	-85,990
6.03.12	Capital increase – with subscription of shares	0	1,821,600
6.03.13	Expenses on the issuance of shares	0	-65,320

**Individual Financial Statements / Statement of Cash Flows – Indirect Method****(In Thousands of Brazilian Reais)**

6.03.14	Treasury shares sold	4,216	2,607
6.03.15	Purchased treasury shares	-184,696	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	129,266	28,999
6.05.01	Opening Balance of Cash and Cash Equivalents	1,622,676	1,435,459
6.05.02	Closing Balance of Cash and Cash Equivalents	1,751,942	1,464,458

**Individual Financial Statements / Statement of Changes in Equity - 01/01/2020 to 06/30/2020****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	3,956,889	163,206	1,327,437	0	0	5,447,532
5.03	Adjusted Opening Balances	3,956,889	163,206	1,327,437	0	0	5,447,532
5.04	Capital Transactions with Shareholders	0	-175,630	0	-131,718	0	-307,348
5.04.03	Stock Options Granted Recognized	0	5,620	0	0	0	5,620
5.04.04	Purchased Treasury Shares	0	-184,696	0	0	0	-184,696
5.04.05	Treasury shares sold	0	4,216	0	0	0	4,216
5.04.07	Interest on Capital	0	0	0	-131,718	0	-131,718
5.04.08	Exercise of stock options with treasury shares	0	-770	0	0	0	-770
5.05	Total Comprehensive Income	0	0	0	320,812	0	320,812
5.05.01	Net Income for the Period	0	0	0	320,812	0	320,812
5.07	Closing Balances	3,956,889	-12,424	1,327,437	189,094	0	5,460,996

**Individual Financial Statements / Statement of Changes in Equity - 01/01/2019 to 06/30/2019****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	1,500,000	124,974	1,469,528	0	0	3,094,502
5.03	Adjusted Opening Balances	1,500,000	124,974	1,469,528	0	0	3,094,502
5.04	Capital Transactions with Shareholders	1,778,489	27,957	-6,580	-144,659	0	1,655,207
5.04.01	Capital increases	1,821,600	0	0	0	0	1,821,600
5.04.02	Expenses on the issuance of shares	-43,111	0	0	0	0	-43,111
5.04.03	Stock Options Granted Recognized	0	5,235	0	0	0	5,235
5.04.05	Treasury shares sold	0	2,607	0	0	0	2,607
5.04.06	Dividends	0	0	-6,580	0	0	-6,580
5.04.07	Interest on Capital	0	0	0	-144,659	0	-144,659
5.04.08	Exercise of Stock Options with Treasury Shares	0	20,115	0	0	0	20,115
5.05	Total Comprehensive Income	0	0	0	400,867	0	400,867
5.05.01	Net Income for the Period	0	0	0	400,867	0	400,867
5.07	Closing Balances	3,278,489	152,931	1,462,948	256,208	0	5,150,576

# Individual Financial Statements / Statement of Value Added

(In Thousands of Brazilian Reais)

Code	Description	Accumulated for the Current Year 01/01/2020 to 06/30/2020	Accumulated for the Prior Year 01/01/2019 to 06/30/2019
7.01	Revenues	3,520,109	3,998,213
7.01.01	Sales of Goods, Products and Services	3,531,074	3,997,600
7.01.03	Revenues Related to the Construction of Own Assets	12,545	5,904
7.01.04	Allowance for/Reversal of Doubtful Debts	-23,510	-5,291
7.02	Inputs Acquired from Third Parties	-2,509,777	-2,841,638
7.02.01	Cost of Products, Goods and Services Sold	-2,268,270	-2,647,466
7.02.02	Materials, Power, Third-Party Services and Other	-241,507	-194,172
7.03	Gross Value Added	1,010,332	1,156,575
7.04	Retentions	-342,522	-213,819
7.04.01	Depreciation, Amortization and Depletion	-342,522	-213,819
7.05	Net Wealth Created	667,810	942,756
7.06	Wealth Received in Transfer	252,040	229,238
7.06.01	Equity in the Earnings of Subsidiaries	208,976	144,656
7.06.02	Finance Income	43,064	84,582
7.07	Total Wealth for Distribution	919,850	1,171,994
7.08	Wealth Distributed	919,850	1,171,994
7.08.01	Personnel	342,963	286,178
7.08.01.01	Salaries and Wages	256,736	218,597
7.08.01.02	Benefits	58,621	46,719
7.08.01.03	Severance Pay Fund (FGTS)	21,986	15,627
7.08.01.04	Other	5,620	5,235
7.08.02	Taxes, Fees and Contributions	20,579	221,927
7.08.02.01	Federal	-77,177	137,021
7.08.02.02	State	85,460	71,263
7.08.02.03	Municipal	12,296	13,643
7.08.03	Lenders and Lessors	235,496	263,022
7.08.03.01	Interest	191,989	219,845
7.08.03.02	Rentals	29,832	31,429
7.08.03.03	Other	13,675	11,748
7.08.03.03.01	Other Rentals	13,675	11,748
7.08.04	Shareholders	320,812	400,867
7.08.04.01	Interest on Capital	131,718	144,659
7.08.04.03	Retained Earnings (Loss for the Period)	189,094	256,208

**Consolidated Financial Statements / Balance Sheet – Assets****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2020</b>	<b>Prior Year 12/31/2019</b>
1	Total Assets	19,060,636	19,392,960
1.01	Current Assets	4,460,734	4,494,079
1.01.01	Cash and Cash Equivalents	2,880,296	2,220,102
1.01.02	Financial Assets	245,532	610,838
1.01.02.01	Financial Assets at fair value through profit or loss	245,532	610,838
1.01.03	Accounts Receivable	698,916	1,274,723
1.01.06	Recoverable Taxes	62,416	39,850
1.01.07	Prepaid Expenses	92,566	11,757
1.01.08	Other Current Assets	481,008	336,809
1.01.08.01	Non-Current Assets Available for Sale	173,527	141,735
1.01.08.03	Other	307,481	195,074
1.01.08.03.02	Derivative instruments	118,190	-
1.01.08.03.03	Other	189,291	195,074
1.02	Non-Current Assets	14,599,902	14,898,881
1.02.01	Long-Term Assets	561,740	189,366
1.02.01.04	Accounts Receivable	1,535	1,809
1.02.01.07	Deferred Taxes	28,570	32,407
1.02.01.07.01	Deferred Income Tax and Social Contribution	28,570	32,407
1.02.01.10	Other Non-Current Assets	531,635	155,150
1.02.01.10.03	Escrow Deposits	112,704	114,586
1.02.01.10.04	Derivative instruments	396,184	18,198
1.02.01.10.05	Investments in restricted accounts	22,664	22,283
1.02.01.10.07	Other	83	83
1.02.03	Property and Equipment	13,881,689	14,569,571
1.02.03.01	Property and Equipment in Use	13,240,915	13,858,873
1.02.03.02	Right-of-use in Lease	626,913	689,898
1.02.03.02.01	Leased Property and Equipment	14	64,901
1.02.03.02.02	Right-of-use	626,899	624,997
1.02.03.03	Constructions in Progress	13,861	20,800
1.02.04	Intangible Assets	156,473	139,944
1.02.04.01	Intangible Assets	156,473	139,944
1.02.04.01.02	Goodwill on Acquisition of Investments	109,457	89,986
1.02.04.01.05	Software	47,016	49,958



**Consolidated Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2020</b>	<b>Prior Year 12/31/2019</b>
2	Total Liabilities	19,060,636	19,392,960
2.01	Current Liabilities	2,097,001	3,522,249
2.01.01	Payroll and Related Taxes	160,872	161,770
2.01.02	Trade Payables	636,278	2,565,387
2.01.02.01	Domestic Suppliers	634,839	2,565,370
2.01.02.02	Foreign Suppliers	1,439	17
2.01.03	Taxes Payable	46,525	68,688
2.01.03.01	Federal Taxes Payable	42,369	62,729
2.01.03.01.01	Income Tax and Social Contribution Payable	29,095	54,647
2.01.03.01.02	Other Federal Taxes	13,274	8,082
2.01.03.03	Municipal Taxes Payable	4,156	5,959
2.01.04	Loans and Financing	745,769	144,342
2.01.04.01	Loans and Financing	697,483	79,515
2.01.04.01.01	In Local Currency	12,177	78,829
2.01.04.01.02	In Foreign Currency	685,306	686
2.01.04.02	Debentures	48,286	56,552
2.01.04.03	Finance Lease	-	8,275
2.01.05	Other Payables	507,557	582,062
2.01.05.02	Other	507,557	582,062
2.01.05.02.01	Dividends and Interest on Capital Payable	114,497	63,394
2.01.05.02.04	Other Current Liabilities	206,936	369,670
2.01.05.02.05	Derivative instruments	46,767	26,811
2.01.05.02.06	Unearned Revenue	5,769	6,221
2.01.05.02.07	Lease liability due to right-of-use	133,588	115,966
2.02	Non-Current Liabilities	11,502,639	10,423,179
2.02.01	Loans and Financing	10,440,304	9,235,117
2.02.01.01	Loans and Financing	3,306,112	2,125,204
2.02.01.01.01	In Local Currency	1,746,706	967,106
2.02.01.01.02	In Foreign Currency	1,559,406	1,158,098
2.02.01.02	Debentures	7,134,192	7,109,913
2.02.02	Other Payables	624,741	620,174
2.02.02.02	Other	624,741	620,174
2.02.02.02.03	Other Non-Current Liabilities	18,289	8,570
2.02.02.02.04	Derivative instruments	61,822	62,288
2.02.02.02.05	Restricted obligations	22,912	22,549
2.02.02.02.06	Lease liability due to right-of-use	521,718	526,767
2.02.03	Deferred Taxes	340,524	352,699
2.02.03.01	Deferred Income Tax and Social Contribution	340,524	352,699
2.02.04	Provisions	89,284	207,237
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	89,284	207,237
2.02.06	Unearned Profit and Revenue	7,786	7,952
2.02.06.02	Unearned Revenue	7,786	7,952
2.03	Consolidated Equity	5,460,996	5,447,532
2.03.01	Paid-In Capital	3,956,889	3,956,889
2.03.01.01	Capital	4,000,000	4,000,000

**Consolidated Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 06/30/2020</b>	<b>Prior Year 12/31/2019</b>
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-43,111	-43,111
2.03.02	Capital Reserves	-12,424	163,206
2.03.02.05	Treasury Shares	-188,317	-22,288
2.03.02.07	Share Issuance Premium and Stock Options Granted	175,893	185,494
2.03.04	Earnings Reserves	1,327,437	1,327,437
2.03.04.01	Legal Reserve	220,565	220,565
2.03.04.02	Statutory Reserve	1,106,872	1,106,872
2.03.05	Retained Earnings (Accumulated Losses)	189,094	0

**Consolidated Financial Statements / Statement of Income****(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	Accumulated for the Current Year 01/01/2020 to 06/30/2020	Equal Quarter for Prior Year 04/01/2019 to 06/30/2019	Accumulated for the Prior Year 01/01/2019 to 06/30/2019
3.01	Revenue from Sales and/or Services	1,570,102	4,364,734	2,299,802	4,673,790
3.02	Cost of Sales and/or Services	-1,222,821	-3,275,250	-1,722,602	-3,500,593
3.03	Gross Profit	347,281	1,089,484	577,200	1,173,197
3.04	Operating Income (Expenses)	-128,912	-436,753	-235,167	-452,606
3.04.01	Selling Expenses	-186,536	-413,180	-171,072	-334,519
3.04.02	General and Administrative Expenses	-63,966	-127,538	-53,789	-97,871
3.04.05	Other Operating Expenses	121,590	103,965	-10,306	-20,216
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	218,369	652,731	342,033	720,591
3.06	Finance Income (Expenses)	-127,258	-254,891	-97,897	-203,065
3.06.01	Finance Income	18,461	53,967	59,857	112,835
3.06.02	Finance Expenses	-145,719	-308,858	-157,754	-315,900
3.07	Net Income Before Income Taxes	91,111	397,840	244,136	517,526
3.08	Income Tax and Social Contribution on Profit	-1,170	-77,028	-54,049	-116,659
3.08.01	Current	-28,208	-85,366	-22,829	-91,016
3.08.02	Deferred	27,038	8,338	-31,220	-25,643
3.09	Net Income from Continuing Operations	89,941	320,812	190,087	400,867
3.11	Net Income for the Period	89,941	320,812	190,087	400,867
3.11.01	Attributable to the Company's Owners	89,941	320,812	190,087	400,867
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.11980	0.42616	0.25197	0.53854
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.11959	0.42547	0.25059	0.53595

**Consolidated Financial Statements / Statement of Comprehensive Income****(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	Accumulated for the Current Year 01/01/2020 to 06/30/2020	Equal Quarter for Prior Year 04/01/2019 to 06/30/2019	Accumulated for the Prior Year 01/01/2019 to 06/30/2019
4.01	Net Income for the Period	89,941	320,812	190,087	400,867
4.03	Comprehensive Income for the Period	89,941	320,812	190,087	400,867
4.03.01	Attributable to the Company's Owners	89,941	320,812	190,087	400,867

**Consolidated Financial Statements / Statement of Cash Flows – Indirect Method****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 06/30/2020	Prior Year 01/01/2019 to 06/30/2019
6.01	Net Cash Provided by Operating Activities	-214,811	-1,125,777
6.01.01	Cash Provided by Operations	3,317,645	3,802,978
6.01.01.01	Net Income for the Period	320,812	400,867
6.01.01.02	Depreciation and Amortization	414,751	317,503
6.01.01.03	Residual Value of Property and Equipment Written Off	2,369,466	2,707,003
6.01.01.04	Deferred Income Tax and Social Contribution	-8,338	25,643
6.01.01.05	Other	30,723	13,936
6.01.01.06	Provisions for contingencies	-117,953	26,893
6.01.01.07	Interest on Loans, Financing, Debentures and Derivatives	273,643	285,245
6.01.01.08	Lease interest	30,571	22,174
6.01.01.10	Other provisions	3,970	3,714
6.01.02	Changes in Assets and Liabilities	-3,574,057	-4,285,381
6.01.02.01	Trade Receivables	546,729	-71,272
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-3,893,074	-4,190,431
6.01.02.03	Escrow Deposits	1,918	-6,361
6.01.02.04	Recoverable Taxes	-21,227	709
6.01.02.05	Prepaid Expenses	-80,809	-62,378
6.01.02.06	Other Current and Non-Current Assets	16,570	-39,989
6.01.02.07	Trade Payables (Except Car Manufacturers)	-47,827	9,221
6.01.02.08	Payroll and Related Taxes	-1,074	-1,977
6.01.02.09	Income Tax and Social Contribution	85,366	91,016
6.01.02.11	Insurance Premiums	-109,003	8,870
6.01.02.12	Other Current and Non-Current Liabilities	-71,626	-22,789
6.01.03	Other	41,601	-643,374
6.01.03.01	Income Tax and Social Contribution Paid	-112,278	-87,803
6.01.03.02	Interest on Loans, Financing and Debt Paid	-195,191	-321,266
6.01.03.03	Short-term financial assets	365,306	-234,305
6.01.03.04	Lease interest paid	-16,236	0
6.02	Net Cash Provided by Investing Activities	-50,642	-15,263
6.02.01	Purchase of Other Property and Equipment	-37,813	-12,153
6.02.02	Purchase of Intangible Assets	-4,953	-3,110
6.02.04	Purchase of Investment, net of acquired cash	-7,876	0
6.03	Net Cash Provided by Financing Activities	925,647	849,240
6.03.01	Loans and Financing - funding	1,250,312	11,950
6.03.02	Loans and Financing - repayments	-9,986	-762,523
6.03.03	Debentures - funding	988,582	994,706
6.03.04	Debentures – repayments/ buyback	-979,682	-975,000
6.03.05	Dividends	0	-7,223
6.03.06	Interest on Capital	-71,783	-118,499
6.03.08	Exercise of Stock Options with Treasury Shares, Net	-770	20,115
6.03.10	Lease Liability - Repayments	-70,546	-73,173
6.03.11	Capital increase – with subscription of shares	0	1,821,600
6.03.12	Expenses on the issuance of shares	0	-65,320
6.03.13	Treasury shares sold	4,216	2,607
6.03.14	Purchased treasury shares	-184,696	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	660,194	-291,800
6.05.01	Opening Balance of Cash and Cash Equivalents	2,220,102	2,175,302
6.05.02	Closing Balance of Cash and Cash Equivalents	2,880,296	1,883,502

**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2020 to 06/30/2020****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	3,956,889	163,206	1,327,437	0	0	5,447,532	0	5,447,532
5.03	Adjusted Opening Balances	3,956,889	163,206	1,327,437	0	0	5,447,532	0	5,447,532
5.04	Capital Transactions with Shareholders	0	-175,630	0	-131,718	0	-307,348	0	-307,348
5.04.03	Stock Options Granted Recognized	0	5,620	0	0	0	5,620	0	5,620
5.04.04	Purchased Treasury Shares	0	-184,696	0	0	0	-184,696	0	-184,696
5.04.05	Treasury shares sold	0	4,216	0	0	0	4,216	0	4,216
5.04.07	Interest on Capital	0	0	0	-131,718	0	-131,718	0	-131,718
5.04.08	Exercise of stock options with treasury shares	0	-770	0	0	0	-770	0	-770
5.05	Total Comprehensive Income	0	0	0	320,812	0	320,812	0	320,812
5.05.01	Net Income for the Period	0	0	0	320,812	0	320,812	0	320,812
5.07	Closing Balances	3,956,889	-12,424	1,327,437	189,094	0	5,460,996	0	5,460,996



**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2019 to 06/30/2019****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	1,500,000	124,974	1,469,528	0	0	3,094,502	0	3,094,502
5.03	Adjusted Opening Balances	1,500,000	124,974	1,469,528	0	0	3,094,502	0	3,094,502
5.04	Capital Transactions with Shareholders	1,778,489	27,957	-6,580	-144,659	0	1,655,207	0	1,655,207
5.04.01	Capital increase	1,821,600	0	0	0	0	1,821,600	0	1,821,600
5.04.02	Expenses on the issuance of shares	-43,111	0	0	0	0	-43,111	0	-43,111
5.04.03	Stock Options Granted Recognized	0	5,235	0	0	0	5,235	0	5,235
5.04.05	Treasury shares sold	0	2,607	0	0	0	2,607	0	2,607
5.04.06	Dividends	0	0	-6,580	0	0	-6,580	0	-6,580
5.04.07	Interest on Capital	0	0	0	-144,659	0	-144,659	0	-144,659
5.04.08	Exercise of Stock Options with Treasury Shares	0	20,115	0	0	0	20,115	0	20,115
5.05	Total Comprehensive Income	0	0	0	400,867	0	400,867	0	400,867
5.05.01	Net Income for the Period	0	0	0	400,867	0	400,867	0	400,867
5.07	Closing Balances	3,278,489	152,931	1,462,948	256,208	0	5,150,576	0	5,150,576

**Consolidated Financial Statements / Statement of Value Added****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 06/30/2020	Prior Year 01/01/2019 to 06/30/2019
7.01	Revenues	4,554,294	4,869,517
7.01.01	Sales of Goods, Products and Services	4,567,832	4,871,032
7.01.03	Revenues Related to the Construction of Own Assets	12,609	5,904
7.01.04	Allowance for/Reversal of Doubtful Debts	-26,147	-7,419
7.02	Inputs Acquired from Third Parties	-2,972,363	-3,229,009
7.02.01	Cost of Products, Goods and Services Sold	-2,715,122	-3,030,469
7.02.02	Materials, Power, Third-Party Services and Other	-257,241	-198,540
7.03	Gross Value Added	1,581,931	1,640,508
7.04	Retentions	-414,751	-317,503
7.04.01	Depreciation, Amortization and Depletion	-414,751	-317,503
7.05	Net Wealth Created	1,167,180	1,323,005
7.06	Wealth Received in Transfer	53,967	112,835
7.06.02	Finance Income	53,967	112,835
7.07	Total Wealth for Distribution	1,221,147	1,435,840
7.08	Wealth Distributed	1,221,147	1,435,840
7.08.01	Personnel	393,900	338,843
7.08.01.01	Salaries and Wages	297,062	261,817
7.08.01.02	Benefits	65,973	53,183
7.08.01.03	Severance Pay Fund (FGTS)	25,245	18,608
7.08.01.04	Other	5,620	5,235
7.08.02	Taxes, Fees and Contributions	151,580	334,765
7.08.02.01	Federal	26,031	225,478
7.08.02.02	State	108,440	90,263
7.08.02.03	Municipal	17,109	19,024
7.08.03	Lenders and Lessors	354,855	361,365
7.08.03.01	Interest	308,858	315,900
7.08.03.02	Rentals	31,610	33,512
7.08.03.03	Other	14,387	11,953
7.08.03.03.01	Other Rentals	14,387	11,953
7.08.04	Shareholders	320,812	400,867
7.08.04.01	Interest on Capital	131,718	144,659
7.08.04.03	Retained Earnings (Loss for the Period)	189,094	256,208

Dear Investors,

The second quarter of 2020 brought unprecedented challenges to society. The pandemic restricted mobility, directly impacting our business. Even during this period, we have not given up being protagonists and making our choices towards a better path, generating value for all our stakeholders.

Our teams, that inspire and transform, have been challenged and proved to be even more creative, agile and open to changes. Thanks to a solid culture, based on values and principles that take place in the daily routine of employees, we have maintained effective management and extraordinary results in the current context, that bring us perspectives of a resumption of our growth trajectory.

We took care of our team, our customers and operations. Among several initiatives, we have reinvented how to serve, so that the customer could perceive the smile behind the masks and acrylic walls. We also reinforced the car hygiene measures to ensure everyone's safety. Even during this difficult moment, we maintained NPS at high levels.

In addition, we took care of our partners and of the community around us. Reinforcing our role as a company committed to citizenship, we compromise to contribute with R\$10 million in initiatives to support the healthcare system, with hospital infrastructure and equipment, in actions with the most impacted small and medium businesses and also with more vulnerable citizens.

Given the context of restricted mobility, our results were impacted, but on a smaller scale than one could imagine.

The **Car Rental** division had its average rented fleet reduced by 8.0%, from 117 thousand cars in 2Q19 to around 108 thousand cars in 2Q20. The average rental rate also decreased due to extraordinary discounts and a change in the segment mix, resulting in a 30.2% lower net revenue compared to 2Q19. **Seminovos** was strongly impacted by mobility restriction measures and the temporary closing of all stores during most of April. In the quarter, 19,736 cars were sold, down 40.4% over the same period last year. On the other hand, the **Fleet Rental** division proved to be resilient in the crisis, presenting a growth of more than 14% in rented fleet volume, compared to the same quarter of the previous year.

After the initial impact of the social distance measures in April, we resumed activities at most of our branches and stores. Today, of the 529 **Car Rental** branches in Brazil, 393 are open and of the 125 **Seminovos'** stores, 124 are operating.

In May, we reversed the downward trend in volumes in the **Car Rental** division and by the end of June we returned to the level of 120 thousand rented cars, the same level as in June 2019. In addition, the average rental rate per segment had a relevant recovery throughout the quarter. In **Seminovos** we also saw a recovery in sales volumes month after month, with more than 11 thousand cars sold in June, reinforcing our perception that we are gradually returning business to normality.

From a financial point of view, we revisited our cost and expense matrix and made an effort to adjust our operations to the new reality. We had to make difficult decisions, but we are sure that our agility and human approach with which we are dealing with the challenges has further strengthened our culture. We were fast with the cash reinforcement measures and fulfilled all our commitments to suppliers, closing the quarter with approximately R\$3.0 billion in cash and approximately R\$500 million in payables to OEMs. In addition, we were protagonists in the creation of a debenture repurchase program, having already generated results within this quarter.

We reprioritized investments, emphasizing the development of the customer experience, new products and mobility solutions, opening new avenues of growth, always with the intensive use of data and technologies. We are increasingly a digital Company. Looking ahead, we remain optimistic about the future and investing in our team and the skills necessary for a new mobility context.

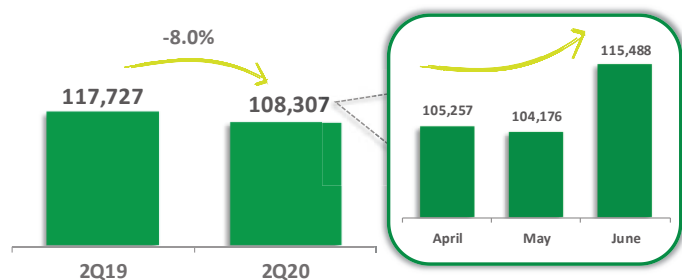
We also had a significant change in our Board with the departure of Director José Galló, after 10 years of history with us, and the entry of Director Irlau Machado. Galló leaves an important legacy for our Board and Company. We are excited about Irlau's entry and with the experience and skills he will bring.

We reinforce our commitment to the theme of sustainability, present for years in our strategic intentions, that has gained new fronts. From the materiality matrix, we have matured and advanced in initiatives with key indicators. In this quarter, we published the third sustainability report, based on the best practices of the Global Reporting Initiative (GRI), with significant advances in the environmental, social and governance pillars. We are aware of the challenges and that we have a lot to evolve, but confident that we are on the right path.

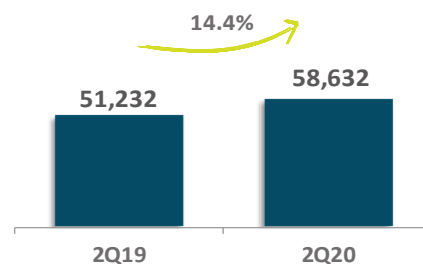
We will continue to lead the main movements through innovative solutions; generating value for our entire business platform, cultivating long-term relationships and being exemplary at leaving a legacy in promoting a more just and responsible society.

## 2Q20 OPERATING HIGHLIGHT

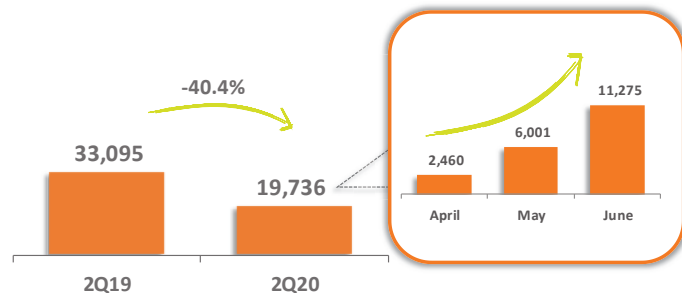
Average rented fleet – Car Rental



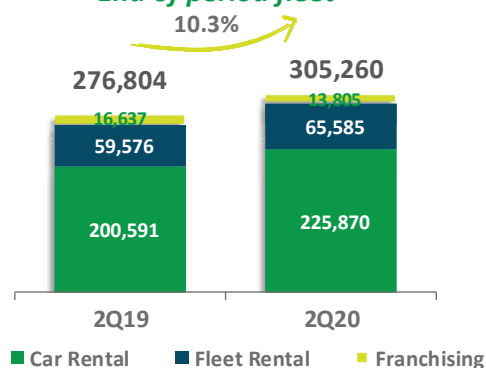
Average rented fleet – Fleet Rental



# Cars sold

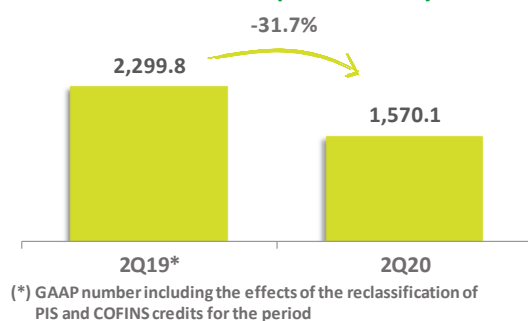


End of period fleet

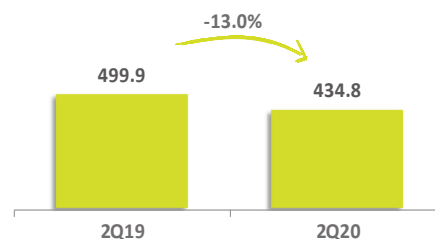


## 2Q20 FINANCIAL HIGHLIGHT

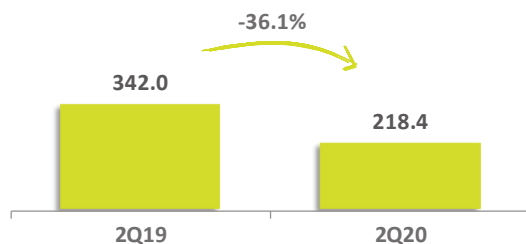
Net revenues (R\$ millions)



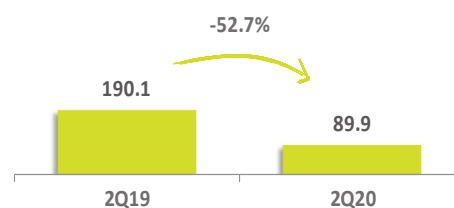
EBITDA (R\$ millions)



EBIT (R\$ millions)

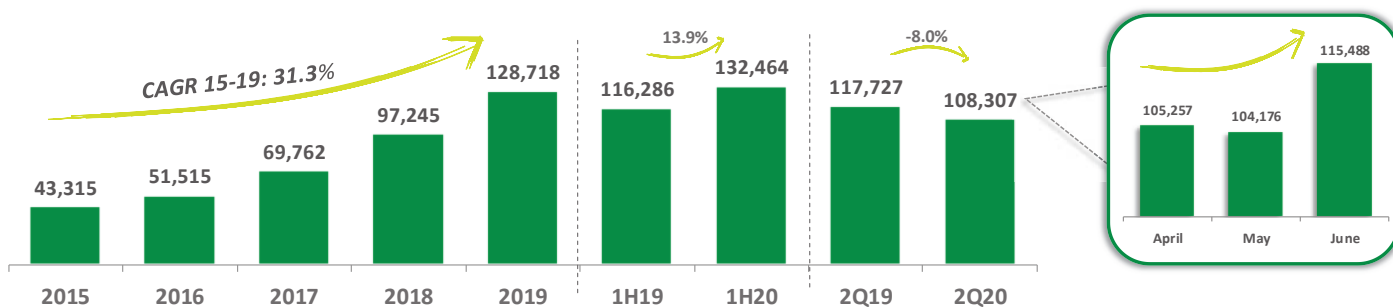


Net Income (R\$ millions)

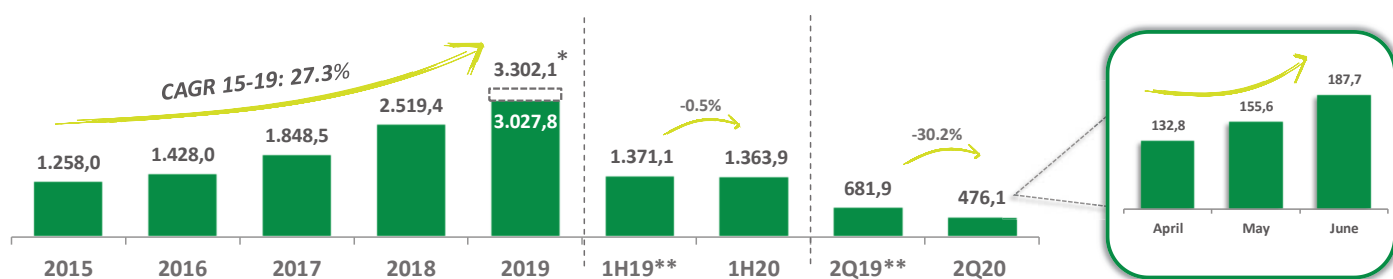


## 1 - Rent a Car

### Average rented fleet



### Net revenues (R\$ million)



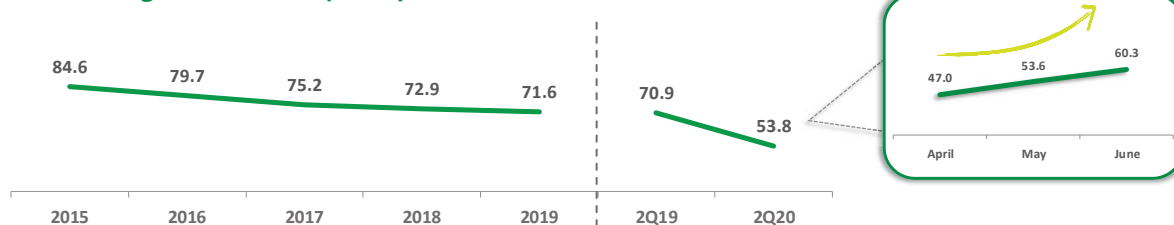
(\*) Excluding the effects of the reclassification of PIS and COFINS credits  
 (\*\*) GAAP number including the reclassification of PIS and COFINS credits for the period

In 2Q20, the **Car Rental** division's average rented fleet decreased 8.0% versus 2Q19. In the same period, net revenues reduced 30.2% mainly due to the 24.0% decrease in the average rental rate, as result of the additional discounts and mix changes.

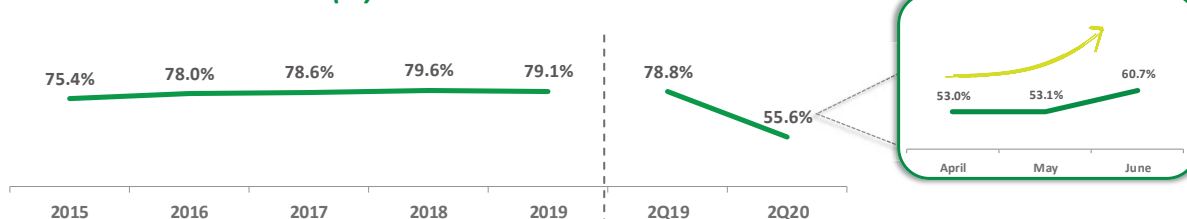
In 1H20, there was an increase of 13.9% in the average fleet and a decrease of 0.5% in the revenue of this division, due to the 13.1% decrease in the average rental rate.

After the initial impacts of mobility restrictions, which resulted in tariff reductions in the most affected segments, we started in May to gradually reduce discount levels. In comparison with April, June showed growth of 9.7% in the average rented fleet, 28.3% in average tariffs and 7.7 percentage points in the utilization rate.

### Average rental rate (in R\$)

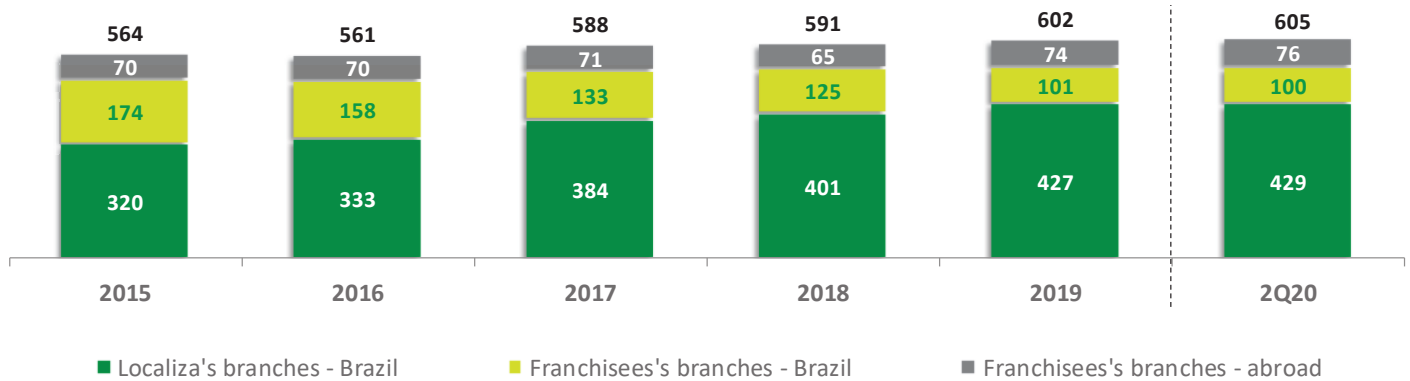


### Utilization rate (%)



## 1.1 - Distribution network

Number of car rental locations - Brazil and abroad

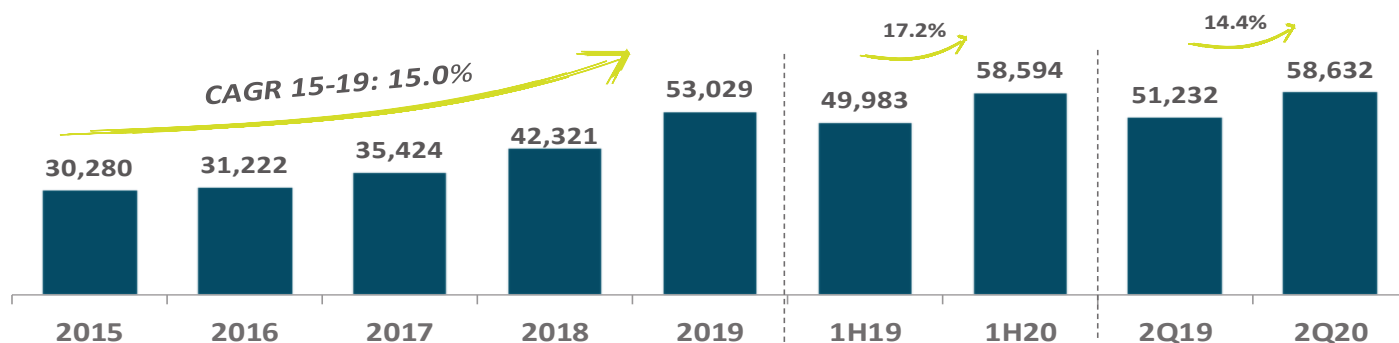


Localiza closed the first half of 2020 with 605 rental locations, being 529 in Brazil and 76 in 5 other South American countries.

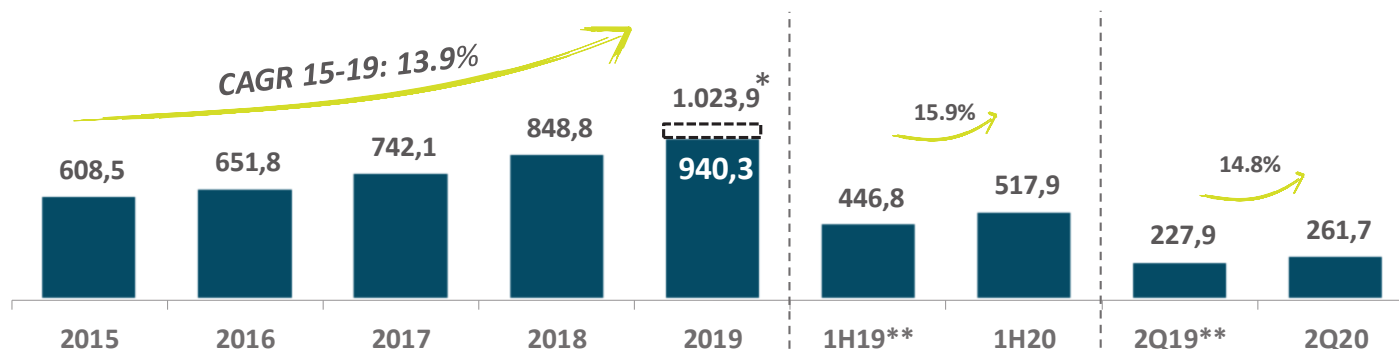


## 2 – Fleet Rental

### — Average rented fleet —



### — Net revenues (R\$ million) —



(\*) Excluding the effects of the reclassification of PIS and COFINS credits

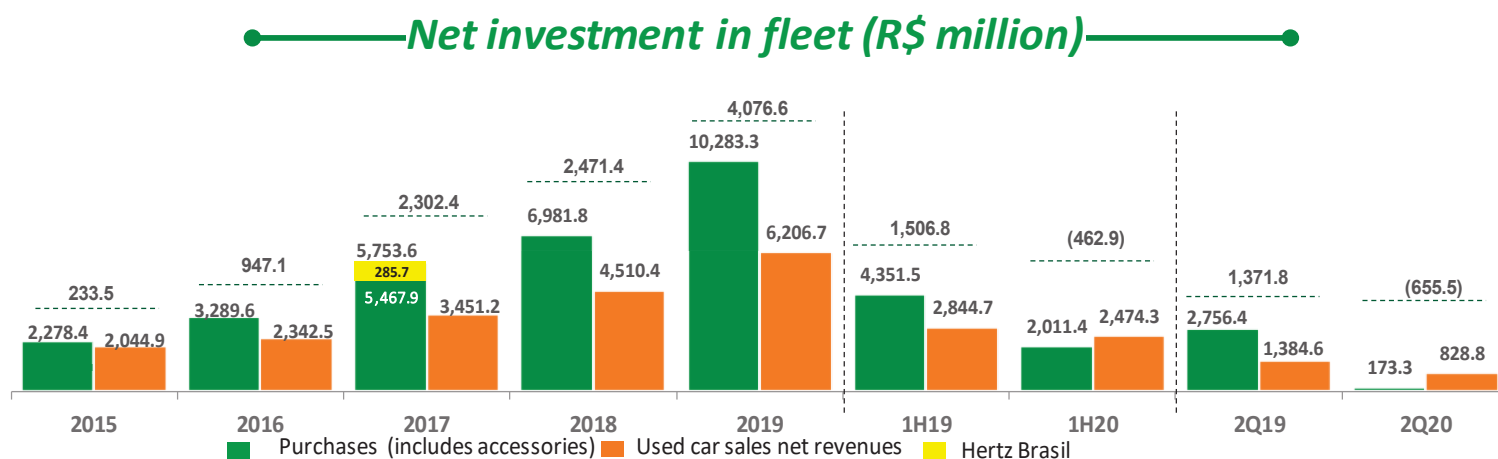
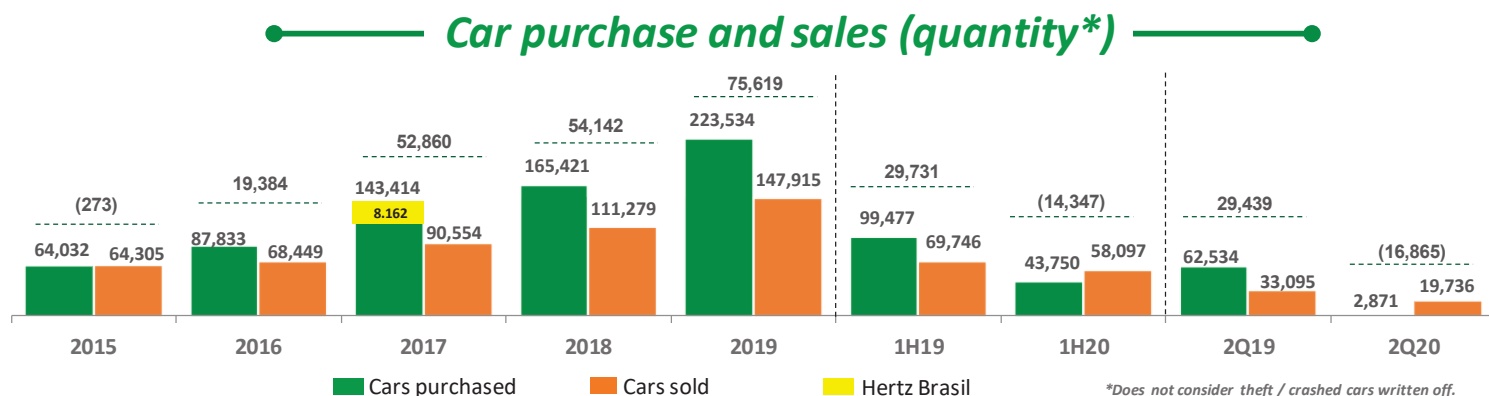
(\*\*) GAAP number including the reclassification of PIS and COFINS credits for the period

In 2Q20, the **Fleet Rental** division registered a 14.4% increase in the average rented fleet and 14.8% in net revenues, compared to the same period of the prior year, with the average rental rate practically stable YoY. In 1H20, there was an increase of 17.2% in the average rented fleet and 15.9% in the revenue of this division.

As we mentioned in the last earnings release, the **Fleet Rental** division proved to be resilient to the crisis. We had a reduction in the entry of new contracts during the months of April and May, but in June we already saw a resumption of negotiations.

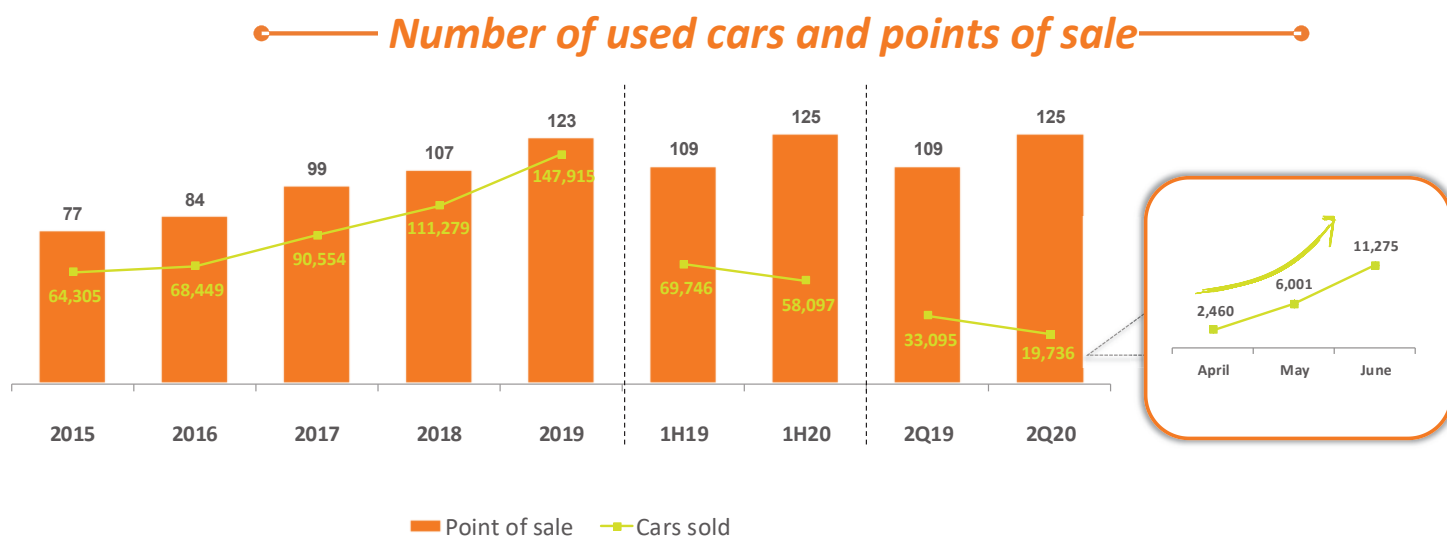
### 3 - Fleet

#### 3.1 – Net investment in the fleet



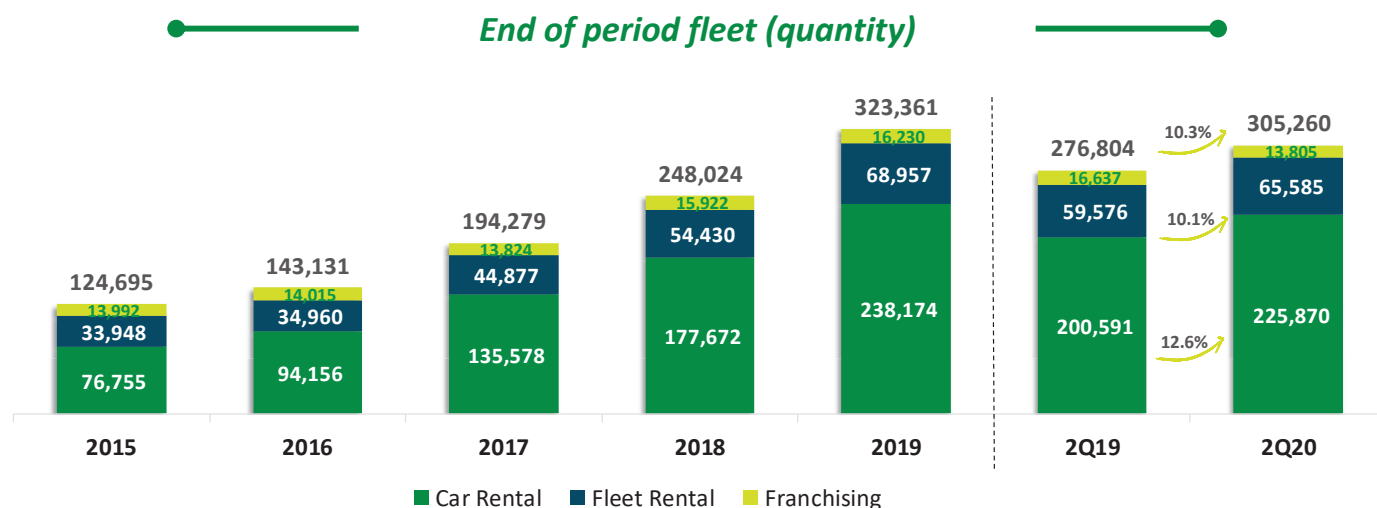
Due to the drop in volumes in the **Car Rental** division and as a mean to adjust the utilization rate of the fleet, we reduced the level of car purchases and kept the sale respecting the restrictions of operations in each city. 19,736 cars were sold, and 2,871 cars were purchased in 2Q20, resulting in a reduction of 16,865 cars in the fleet and a cash generation, before the change in supplier payables balance, of R\$655.5 million.

## 4 – Seminovos – Number of points of sale



The month of April was impacted by the temporary closing of all **Seminovos** stores at the end of March. With the gradual reopening of stores, sales volumes recovered significantly. In 2Q20, we made some adjustments to our network and ended June with 125 **Seminovos** stores in 86 cities in Brazil.

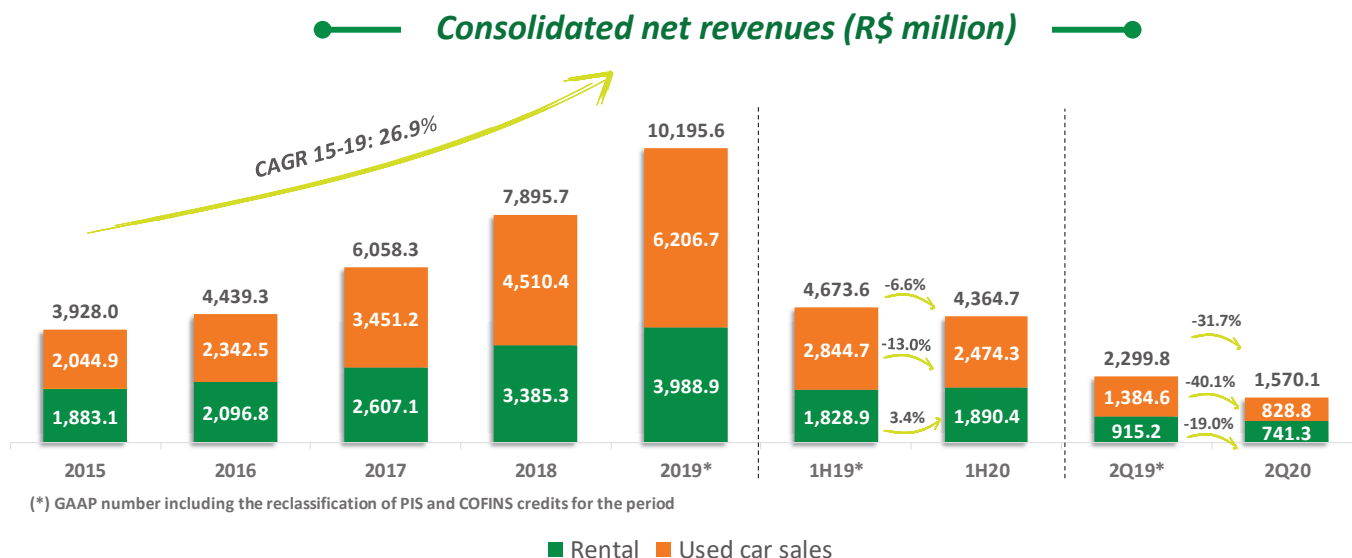
## 5 – End of period fleet



Localiza System (including franchisees) has 305,260 cars, representing an increase of 10.3% over the same period the previous year and a 5.6% reduction compared to the end of 2019.

The fleet will be adjusted according to the rental demand and the pace of car sales, as a mean to optimize capital allocation.

## 6 – Net revenues - consolidated

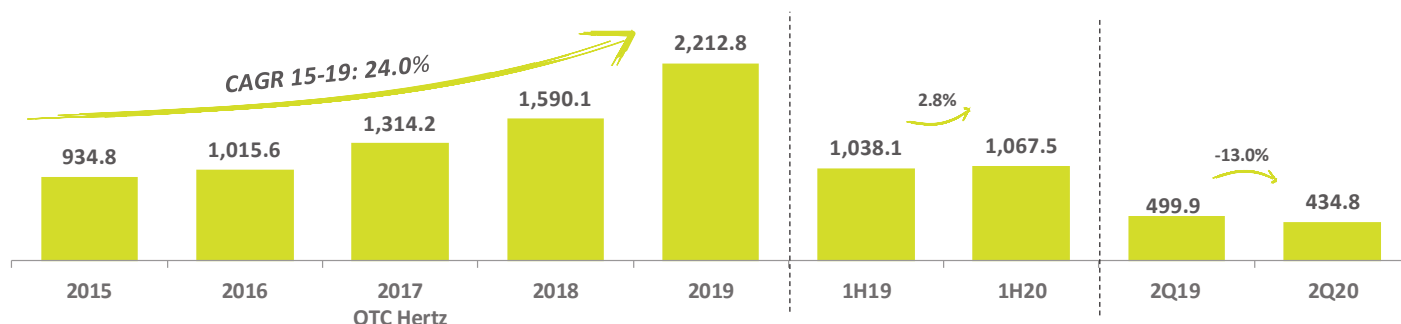


In 2Q20, consolidated net revenues decreased 31.7% compared to 2Q19. Net rental revenues decreased 19.0%, with a 30.2% reduction in the **Car Rental** division and a 14.8% growth in the **Fleet Rental** division. **Seminovos** net revenues in 2Q20 decreased 40.1%, compared to the same period last year, due to a 40.4% decrease in the volumes of cars sold.

In 1H20, consolidated net revenues decreased 6.6% when compared to 1H19. Net rental revenues increased by 3.4%, with a 0.5% decrease in the **Car Rental** division and a 15.9% increase in the **Fleet Rental** division. **Seminovos** net revenues in 1H20 decreased 13.0% when compared to the same period of the previous year, with a 16.7% reduction in the volumes of cars sold.

## 7 - EBITDA

### Consolidated EBITDA (R\$ million)



EBITDA margin:

Activities	2015	2016	2017*	2018	2019**	1H19**	1H20	2Q19**	2Q20
Car Rental	31.8%	32.3%	34.9%	35.9%	45.5%	46.4%	49.7%	43.9%	53.2%
Fleet Rental	62.2%	64.5%	61.9%	64.0%	67.7%	68.8%	75.9%	65.2%	81.4%
Rental Consolidated	41.7%	42.3%	42.6%	43.0%	50.9%	52.0%	56.9%	49.3%	63.1%
Used Car Sales	7.3%	5.5%	5.9%	3.0%	3.0%	3.1%	-0.3%	3.5%	-4.0%

(\*) 2017 adjusted by the one-time costs incurred (OTC) - Hertz Brasil acquisition and Franchisees incorporation

(\*\*) EBITDA margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period, in the Car Rental and Fleet Rental divisions

In 2Q20, consolidated EBITDA totaled R\$434.8 million, 13.0% lower than the same period of the previous year.

In this quarter, the Company reversed the provision related to the difference in PIS and COFINS credits on depreciation, in the regime of 1/48 versus 1/60, which had been booked since 2017, in the amount of R\$126.3 million. This reversal considers the change in the scenario of the law suits in which the Company is a party, with the second ruling favorable to the right to appropriate PIS and COFINS credits related to the depreciation of its vehicles available for rental, at the annual rate of 25%.

On the other hand, EBITDA in the quarter was impacted by extraordinary costs resulting from the technology incident, staff adjustment and donations to support the pandemic, which totaled approximately R\$38.9 million.

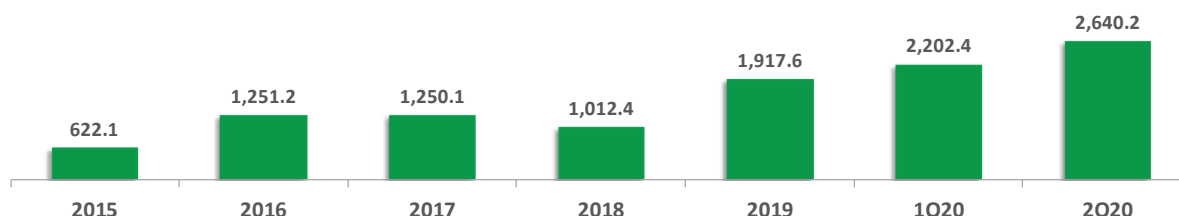
In the **Car Rental** division, the EBITDA margin was 53.2% in 2Q20, an increase of 9.3p.p. compared to 2Q19, impacted by the reversal of the provision for PIS and COFINS credits in the amount of R\$103.4 million.

In the **Fleet Rental** division, the EBITDA margin was 81.4% in 2Q20, an increase of 16.2 pp. when compared to 2Q19, impacted by the reversal of the provision for PIS and COFINS in the amount of R\$22.9 million.

**Seminovos** EBITDA margin was -4.0% in 2Q20, impacted by the drop in sales and the consequent non-dilution of fixed costs, in addition to the extraordinary costs with the staff adjustment. The margins recovered throughout the quarter, from -21.5% in April to -7.6% in May, reaching 1.5% in June.

## 8 - Depreciation

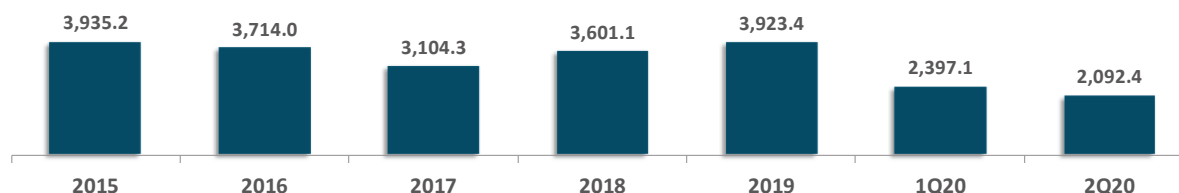
### 8.1 – Average annualized depreciation per car (R\$) - Rent a Car



Depreciation is calculated by the difference between the purchase price of the car and the estimated selling price at the end of its useful life, net of estimated costs and expenses to sell.

In 2Q20, the Company observed stability in the prices of cars sold, however, given the temporary closure of stores and the reduction in sales volumes, the expenses with the **Seminovos** operation increased in percentage terms compared to the sale price. Considering the effects of the pandemic and the gradual resumption of sales volumes, the Company revisited the assumption of estimated sales costs and expenses until the end of the year, which resulted in an increase in depreciation compared to 1Q20.

### 8.2 – Average annualized depreciation per car (R\$) - Fleet Rental

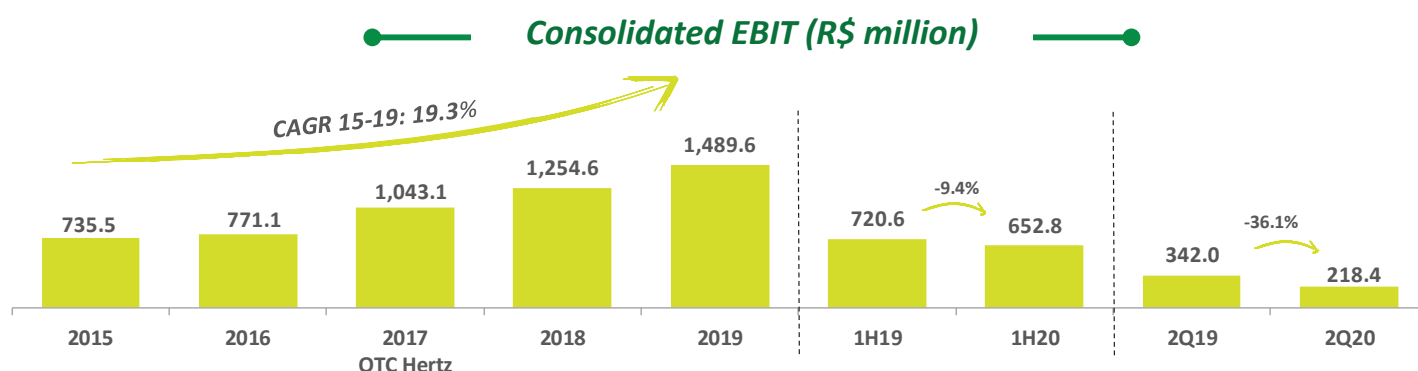


In the **Fleet Rental** division, the average depreciation per car in 2Q20 was R\$2,092.4. We remind you that since last quarter we have changed the depreciation method from SOYD to linear. In the transition period, the average depreciation is benefited due to the cars that were already 100% depreciated before the end of their operational life and the entry of new cars with lower depreciation in the first year, compared to the SOYD method<sup>(1)</sup>.

<sup>(1)</sup> SOYD: Sum-of-the-Years'-Digits – method of calculating depreciation by adding the sum of the years' digits.



## 9 - EBIT



EBIT margins include used car sales results, but is calculated over the rental revenues:

	2015	2016	2017*	2018	2019**	1H19**	1H20	2Q19 **	2Q20
Car Rental	34.3%	30.2%	35.5%	33.2%	33.6%	36.2%	23.2%	34.3%	8.4%
Fleet Rental	48.9%	51.2%	51.4%	48.6%	49.1%	49.0%	64.3%	46.4%	67.9%
Consolidated	39.1%	36.8%	40.0%	37.1%	37.3%	39.4%	34.5%	37.4%	29.5%

(\*) 2017 adjusted by the one-time costs (OTC) incurred - Hertz Brasil acquisition and Franchisees incorporation

(\*\*) EBIT margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period

Consolidated EBIT in 2Q20 totaled R\$218.4 million, representing a decrease of 36.1% compared to 2Q19.

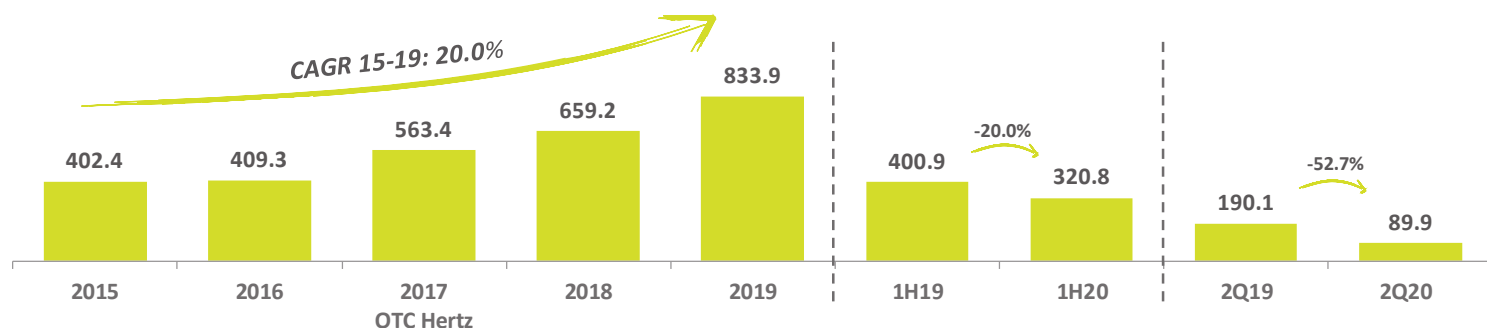
In 2Q20, the EBIT margin of the **Car Rental** division, was 8.4%, representing a reduction of 25.9p.p. compared to 2Q19, reflecting the aforementioned effects of lower revenue, leading to a loss of scale and an increase in depreciation.

In the **Fleet Rental** division, the EBIT margin totaled 67.9%, an increase of 21.5p.p. compared to 2Q19. The improvement in the margin in this division is due to the increase in EBITDA and the drop in the average depreciation per car, as a result of the change in the depreciation method from SOYD<sup>(1)</sup> to straight-line.

<sup>(1)</sup> SOYD: Sum-of-the-Years'-Digits – method of calculating depreciation by adding the sum of the years' digits.

## 10 - Consolidated net income

### Consolidated net income (R\$ million)



Reconciliation EBITDA x Net income	2015	2016	2017*	2018	2019	1H19	1H20	Var. R\$	Var. %	2Q19	2Q20	Var. R\$	Var. %
Consolidated EBITDA	934.8	1,015.6	1,314.2	1,590.1	2,212.8	1,038.1	1,067.5	29.4	2.8%	499.9	434.8	(65.1)	-13.0%
Cars depreciation	(163.6)	(206.3)	(232.0)	(291.6)	(551.5)	(235.1)	(320.7)	(85.6)	36.4%	(118.0)	(167.5)	(49.5)	41.9%
Other property depreciation and amortization	(35.7)	(38.2)	(39.1)	(43.9)	(171.7)	(82.4)	(94.0)	(11.6)	14.1%	(39.9)	(48.9)	(9.0)	22.6%
EBIT	735.5	771.1	1,043.1	1,254.6	1,489.6	720.6	652.8	(67.8)	-9.4%	342.0	218.4	(123.6)	-36.1%
Financial expenses, net	(202.7)	(243.5)	(315.0)	(368.9)	(409.8)	(203.0)	(254.9)	(51.9)	25.6%	(97.9)	(127.3)	(29.4)	30.0%
Income tax and social contribution	(130.4)	(118.3)	(164.7)	(226.5)	(245.9)	(116.7)	(77.1)	39.6	-33.9%	(54.0)	(1.2)	52.8	-97.8%
Net income of the period	402.4	409.3	563.4	659.2	833.9	400.9	320.8	(80.1)	-20.0%	190.1	89.9	(100.2)	-52.7%

(\*) 2017 adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

Net income in 2Q20 was R\$89.9 million, representing a decrease of 52.7% over 2Q19, as a result of:

(-) R\$65.1 million decrease in EBITDA;

(-) R\$58.5 million increase in depreciation;

(-) R\$29.4 million higher net financial expenses, mainly due to the increase in the average balance of net debt in the quarter, partially offset by the lower interest rate; and

(+) R\$52.8 million reduction in income tax and social contribution.

The composition of net income by rental and sales is shown below:

	2015	2016	2017*	2018	2019	1H19	1H20	2Q19	2Q20
Car Rental + franchising	292.5	346.5	483.5	642.0	959.5	444.2	446.9	212.4	146.9
Fleet Rental	285.7	325.8	351.0	401.4	489.8	237.8	263.9	115.5	122.6
Used Car Sales	(175.8)	(263.0)	(271.1)	(384.2)	(615.4)	(281.1)	(390.0)	(137.8)	(179.6)
Consolidated	402.4	409.3	563.4	659.2	833.9	400.9	320.8	190.1	89.9

(\*) 2017 adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchises in incorporation.

## 11 – Free cash flow (FCF)

Free cash flow - R\$ million		2015	2016	2017	2018	2019	1H20
Operations	EBITDA	934,8	1.015,7	1.314,2*	1.590,1	2.212,8	1.067,5
	Used car sale revenue, net from taxes	(2.044,9)	(2.342,6)	(3.451,2)	(4.510,4)	(6.206,7)	(2.474,3)
	Depreciated cost of cars sold	1.769,1	2.102,5	3.106,6	4.198,5	5.863,6	2.369,5
	(-) Income tax and social contribution	(110,7)	(93,3)	(108,3)	(131,2)	(146,1)	(112,3)
	Change in working capital	(30,0)	(40,8)	(47,9)	(117,4)	(268,9)	(129,2)
Cash generated by rental operations		518,3	641,5	813,4	1.029,6	1.454,7	721,2
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2.036,3	2.342,6	3.451,2	4.510,4	6.206,7	1.863,0
	Fleet renewal investment	(2.278,4)	(2.563,6)	(3.660,9)	(4.696,7)	(6.804,6)	(2.011,4)
	Change in accounts payable to car suppliers for fleet renewal	(25,4)	219,8	227,6	250,1	468,7	(1.088,8)
	Net investment for fleet renewal	(267,5)	(1,2)	17,9	63,8	(129,2)	(1.237,2)
Fleet renewal – quantity		64.032	68.449	90.554	111.279	147.915	43.750
Investment, property and intangible		(29,7)	(40,9)	(28,8)	(42,8)	(70,0)	(42,7)
Free cash flow from operations, before growth		221,1	599,4	802,5	1.050,6	1.255,5	(558,7)
Capex - Growth	(Investment) / Divestment in cars for fleet growth	8,6	(726,0)	(1.807,0)	(2.285,1)	(3.478,7)	611,3
	Change in accounts payable to car suppliers for fleet growth	(23,9)	26,8	168,7	509,4	23,6	(943,4)
	Acquisition of Hertz and franchisees (fleet value)	-	-	(285,7)	-	(105,5)	-
	Net investment for fleet growth	(15,3)	(699,2)	(1.924,0)	(1.775,7)	(3.560,6)	(332,1)
Fleet increase / (reduction) – quantity		(273)	19.384	52.860	54.142	75.619	(14.347)
Free cash flow after growth		205,8	(99,8)	(1.121,5)	(725,1)	(2.305,0)	(890,8)
Capex - non-recurring	Acquisitions and franchisees acquisition- except fleet value	-	-	(121,5)	-	(18,2)	(7,9)
	New headquarters construction and furniture	(30,7)	(85,7)	(146,2)	-	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		175,1	(185,5)	(1.389,2)	(725,1)	(2.323,2)	(898,7)
Cash effects of receivables and anticipation of payables to suppliers (**)		(71,9)	98,0	88,3	(113,2)	(131,8)	342,7
Free cash flow before interest		103,2	(87,5)	(1.300,9)	(838,3)	(2.455,0)	(556,0)

In the free cash flow, short-term financial assets were considered as cash.

(\*) 2017 adjusted by one-time costs incurred - Hertz Brasil acquisition and franchisees incorporation.

(\*\*) Discount of credit card receivables and anticipation of accounts payable were demonstrated in a different line so that the Free Cash Flow From Operations considered only the contractual terms, reflecting the Company's operation.

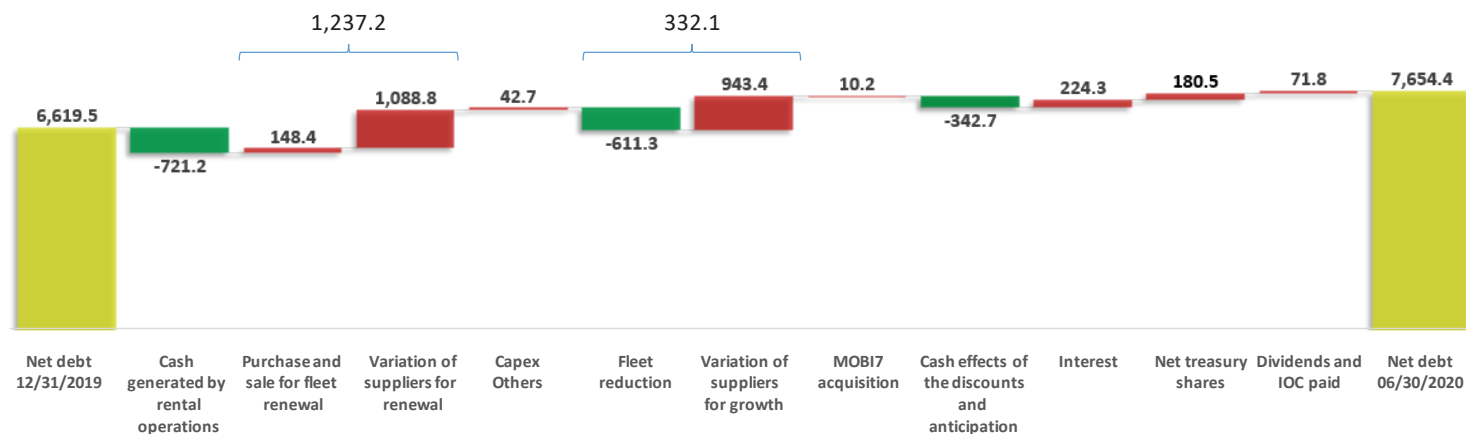
In 1H20, the Company consumed R\$558.7 million in cash before growth, due to the reduction of the suppliers account for fleet renewal by R\$1,088.8 million.

Despite the reduction of the fleet by 14,347 cars, there was a consumption of R\$332.1 million for growth, due to the payment for purchases made in previous quarters.

The automakers account payable, which ended 2019 with a balance of R\$2,407.5 million, presented in 2Q20 a balance of R\$525.8 million.

## 12 – Net debt

### 12.1 – Change in net debt – R\$ million

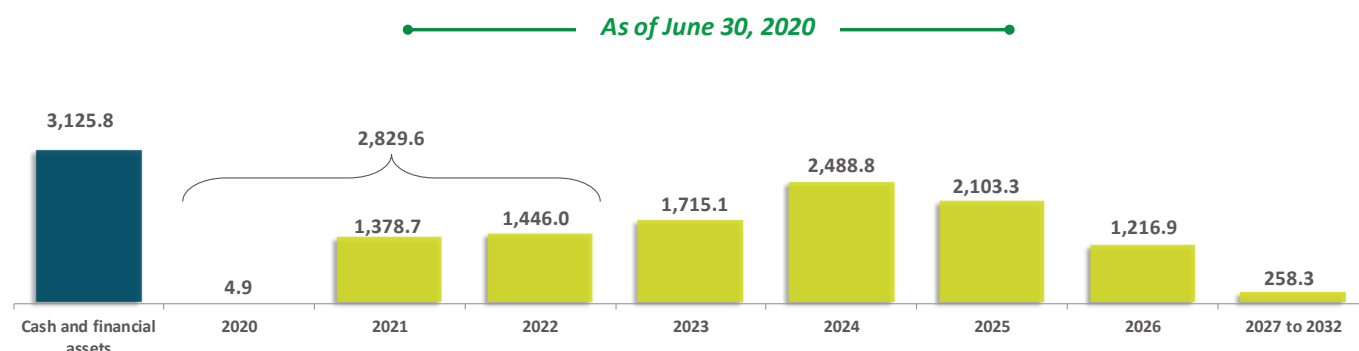


On 06/30/2020, net debt totaled R\$7.7 billion, an increase of 15.6%, or R\$1.0 billion, due to the movements previously explained.

### 12.2 – Debt maturity profile – R\$ million

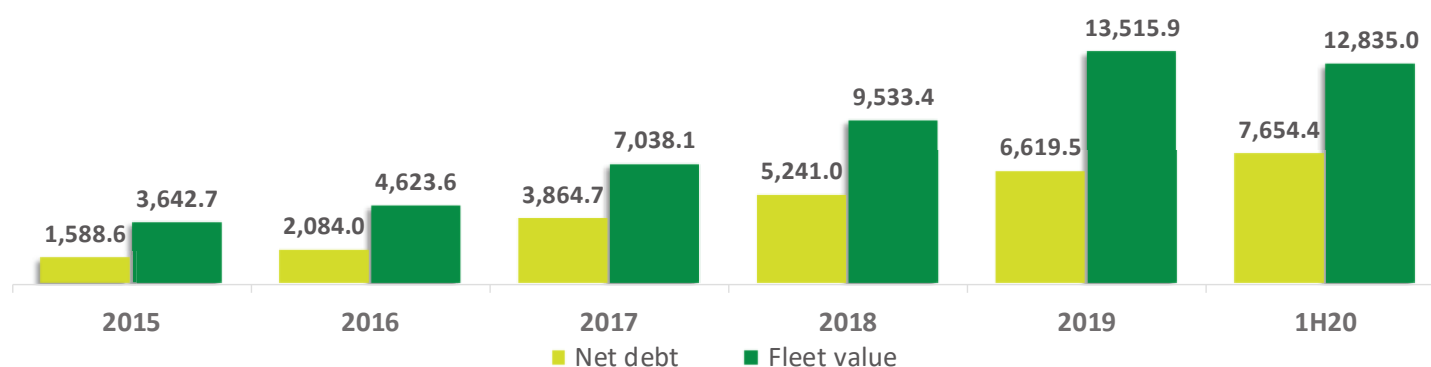
Debt	Issuance	Contract rate	2020	2021	2022	2023	2024	2025 to 2032	Total
Debentures 11th Issuance	12/12/2016	111.50% CDI	-	-	487.5	-	-	-	487.5
Debentures 12th Issuance	5/15/2017	107.25% CDI	-	-	-	-	700.0	-	700.0
Debentures 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	434.5	434.5	-	-	869.0
Debentures 13th Issuance - 2nd serie	12/15/2017	111.30% CDI	-	-	-	-	108.1	108.1	216.2
Debentures 14th Issuance - 1st serie	9/18/2018	107.90% CDI	-	-	-	-	200.0	-	200.0
Debentures 14th Issuance - 2nd serie	9/18/2018	112.32% CDI	-	-	-	-	174.1	548.1	722.2
Debentures 15th Issuance	4/15/2019	107.25% CDI	-	-	-	-	-	968.9	968.9
Debentures 16th Issuance	11/29/2019	CDI + 1.05%	-	-	-	-	333.3	666.7	1,000.0
Debentures 5th Issuance of Localiza Fleet	7/31/2018	112.00% CDI	-	-	-	-	-	300.0	300.0
Debentures 6th Issuance of Localiza Fleet	12/21/2018	110.40% CDI	-	-	-	-	400.0	-	400.0
Debentures 7th Issuance of Localiza Fleet	7/29/2019	109.00% CDI	-	-	-	100.0	100.0	100.0	300.0
Debentures 8th Issuance of Localiza Fleet	2/12/2020	CDI + 1.00%	-	-	-	333.3	333.3	333.3	999.9
Promissory Notes - 7th Issuance	9/24/2019	108.00% CDI	-	500.0	-	-	-	-	500.0
Foreign currency loan with swap	-	Several	-	773.1	215.0	465.0	-	250.0	1,703.1
Real State Receivables Certificate (CRI)	2/26/2018	99.00% CDI	4.3	5.6	9.0	12.3	15.0	303.5	349.7
Working Capital / Others	-	Several	0.6	100.0	300.0	370.0	125.0	-	895.6
Interest accrued	-	-	168.1	-	-	-	-	-	168.1
Cash and cash equivalents on 06/30/2020	-	-	(3,125.8)	-	-	-	-	-	(3,125.8)
<b>Net debt</b>	-	-	<b>(2,952.8)</b>	<b>1,378.7</b>	<b>1,446.0</b>	<b>1,715.1</b>	<b>2,488.8</b>	<b>3,578.6</b>	<b>7,654.4</b>

## 12.3 – Debt profile – R\$ million



The Company ended 1H20 with a strong cash position of R\$3,125.8 million.

## 12.4 – Debt ratios – R\$ million

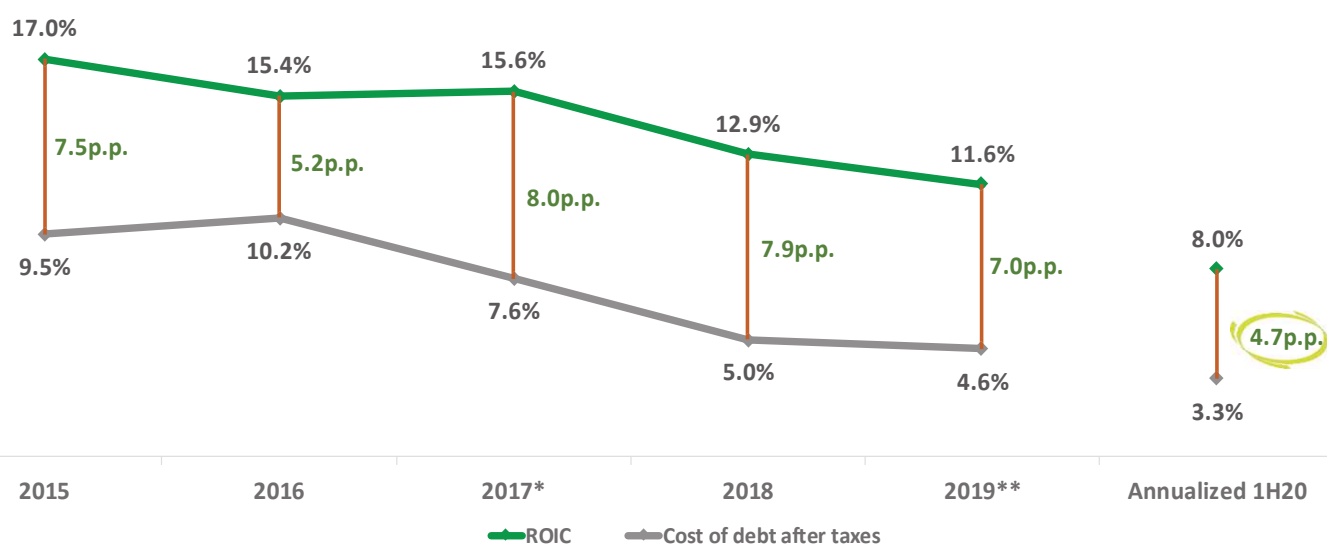


BALANCE AT THE END OF PERIOD	2015	2016	2017	2018	2019	1H20
Net debt / Fleet value	44%	45%	55%	55%	49%	60%
Net debt / annualized EBITDA	1.7x	2.1x	2.9x	3.3x	3.0x	3.6x
Net debt / Equity	0.8x	0.9x	1.5x	1.7x	1.2x	1.4x
EBITDA / Net financial expenses	4.6x	4.2x	4.2x	4.3x	5.4x	4.2x

Our leverage measured by Net Debt / annualized EBITDA peaked in May due to the timeline of OEMs payables. As of June, we started to generate cash from car sales exceeding the amounts disbursed to automakers.

For the purpose of covenants, we ended the quarter with a Net Debt / LTM EBITDA ratio of 3.4x.

## 13 – Spread (ROIC minus cost of debt after taxes)



ROIC considered each year's effective income tax and social contribution rate

\* 2017 adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

\*\* GAAP number including the reclassification of PIS and COFINS credits for the period

### VALUE GENERATION IN AN EXTREMELY ADVERSE SCENARIO

## 14 – Dividends and interest on capital (IOC)

2019 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per Share(*) (R\$)
IOC	2019	03/21/2019	03/26/2019	05/20/2019	69.2	0.091823
IOC	2019	06/18/2019	06/24/2019	08/16/2019	75.5	0.099983
IOC	2019	09/04/2019	09/09/2019	11/08/2019	74.6	0.098744
IOC	2019	12/12/2019	12/17/2019	02/14/2020	71.8	0.094993
Total					291.1	

(\*) Adjusted by the share bonus approved in the Board of Directors meeting held on 12/12/2019.

2020 interest on capital were approved as follow:

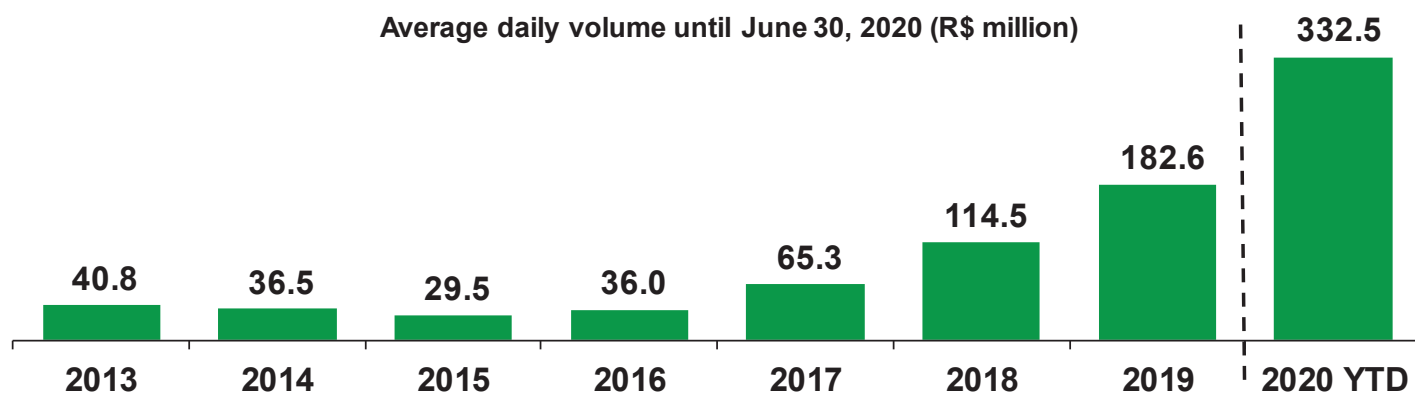
Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per Share (R\$)
IOC	2020	03/10/2020	03/13/2020	01/05/2021	67.0	0.089006
IOC	2020	06/18/2020	06/23/2020	04/05/2021	64.8	0.086217
Total					131.8	

## 15 – RENT3

Up to June 30, 2020, the average daily traded volume of RENT3 was R\$332.5 million, 82.1% higher than the average volume of 2019.

Under the ADR level I program, the Company had 7,268,197 ADRs as of June 30, 2020.

Since January 2020, Localiza integrates the Carbon Efficiency Index, ICO2.



# 16 – Results per division

## 16.1 –Table 1 – Car Rental – R\$ million

CAR RENTAL RESULTS	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Car rental gross revenues, net of discounts and cancellations	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	3,345.6	30.1%	3,345.6	1,514.7	1,508.3	-0.4%	753.5	527.6	-30.0%
Taxes on revenues (*)	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	(43.5)	-15.4%	(317.8)	(143.6)	(144.4)	0.6%	(71.6)	(51.5)	-28.1%
<b>Car rental net revenues</b>	<b>1,258.0</b>	<b>1,428.0</b>	<b>1,848.5</b>	<b>1,848.5</b>	<b>2,519.4</b>	<b>3,302.1</b>	<b>31.1%</b>	<b>3,027.8</b>	<b>1,371.1</b>	<b>1,363.9</b>	<b>-0.5%</b>	<b>681.9</b>	<b>476.1</b>	<b>-30.2%</b>
Car rental costs	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	(1,478.2)	25.3%	(1,105.5)	(494.6)	(474.1)	-4.1%	(260.7)	(179.0)	-31.3%
<b>Gross profit</b>	<b>639.9</b>	<b>720.6</b>	<b>922.1</b>	<b>977.8</b>	<b>1,341.3</b>	<b>1,823.9</b>	<b>36.1%</b>	<b>1,922.3</b>	<b>876.5</b>	<b>889.8</b>	<b>1.5%</b>	<b>421.2</b>	<b>297.1</b>	<b>-29.5%</b>
Operating expenses (SG&A)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	(543.6)	24.3%	(543.6)	(240.2)	(211.5)	-11.9%	(121.7)	(43.6)	-64.2%
Other assets depreciation and amortization	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	(30.8)	15.8%	(106.7)	(50.3)	(58.8)	16.9%	(23.6)	(30.6)	29.7%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>377.7</b>	<b>437.9</b>	<b>551.3</b>	<b>621.9</b>	<b>877.4</b>	<b>1,251.5</b>	<b>42.6%</b>	<b>1,272.0</b>	<b>586.0</b>	<b>619.5</b>	<b>5.7%</b>	<b>275.9</b>	<b>222.9</b>	<b>-19.2%</b>
Financial expenses, net	(2.0)	(1.4)	(5.3)	(5.3)	(23.7)	(12.6)	-46.8%	(42.8)	(20.0)	(23.5)	17.5%	(6.4)	(11.5)	79.7%
Income tax and social contribution	(89.9)	(95.9)	(123.4)	(138.9)	(218.3)	(282.1)	29.2%	(279.4)	(127.2)	(151.0)	18.7%	(59.3)	(64.6)	8.9%
<b>Net income for the period</b>	<b>285.8</b>	<b>340.6</b>	<b>422.6</b>	<b>477.7</b>	<b>635.4</b>	<b>956.8</b>	<b>50.6%</b>	<b>948.8</b>	<b>438.8</b>	<b>445.0</b>	<b>1.4%</b>	<b>210.2</b>	<b>146.8</b>	<b>-30.2%</b>
<b>Net Margin</b>	<b>22.7%</b>	<b>23.9%</b>	<b>22.9%</b>	<b>25.8%</b>	<b>25.2%</b>	<b>29.2%</b>	<b>3.8 p.p.</b>	<b>31.4%</b>	<b>32.0%</b>	<b>32.6%</b>	<b>0.6 p.p.</b>	<b>30.8%</b>	<b>30.8%</b>	<b>0.0 p.p.</b>
<b>EBITDA</b>	<b>400.0</b>	<b>461.8</b>	<b>574.9</b>	<b>645.5</b>	<b>904.0</b>	<b>1,282.3</b>	<b>41.8%</b>	<b>1,378.7</b>	<b>636.3</b>	<b>678.3</b>	<b>6.6%</b>	<b>299.5</b>	<b>253.5</b>	<b>-15.4%</b>
<b>EBITDA Margin</b>	<b>31.8%</b>	<b>32.3%</b>	<b>31.1%</b>	<b>34.9%</b>	<b>35.9%</b>	<b>38.8%</b>	<b>2.9 p.p.</b>	<b>45.5%</b>	<b>46.4%</b>	<b>49.7%</b>	<b>3.3 p.p.</b>	<b>43.9%</b>	<b>53.2%</b>	<b>9.3 p.p.</b>

USED CAR SALES RESULTS (SEMINOVOS)	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Gross revenues, net of discounts and cancellations	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	39.8%	5,479.6	2,519.1	2,079.7	-17.4%	1,238.3	665.3	-46.3%
Taxes on revenues	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	86.5%	(13.8)	(5.7)	(4.0)	-29.8%	(2.9)	(0.8)	-72.4%
<b>Net revenues</b>	<b>1,676.7</b>	<b>1,995.1</b>	<b>2,985.1</b>	<b>2,985.1</b>	<b>3,911.8</b>	<b>5,465.8</b>	<b>39.7%</b>	<b>5,465.8</b>	<b>2,513.4</b>	<b>2,075.7</b>	<b>-17.4%</b>	<b>1,235.4</b>	<b>664.5</b>	<b>-46.2%</b>
Book value of cars sold and preparation for sale	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(2,318.0)	(1,954.8)	-15.7%	(1,128.2)	(641.3)	-43.2%
<b>Gross profit</b>	<b>280.4</b>	<b>267.6</b>	<b>381.9</b>	<b>381.9</b>	<b>369.3</b>	<b>29.0%</b>	<b>428.0</b>	<b>428.0</b>	<b>195.4</b>	<b>120.9</b>	<b>-38.1%</b>	<b>107.2</b>	<b>23.2</b>	<b>-78.4%</b>
Operating expenses (SG&A)	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	29.6%	(300.2)	(133.1)	(146.5)	10.1%	(70.6)	(57.9)	-18.0%
Cars depreciation	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	152.7%	(332.8)	(127.5)	(251.7)	97.4%	(65.8)	(135.2)	105.5%
Other assets depreciation and amortization	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	-17.6%	(50.5)	(25.1)	(25.7)	2.4%	(12.9)	(13.0)	0.8%
<b>Operating profit (loss) before financial results and taxes (EBIT)</b>	<b>53.9</b>	<b>(6.1)</b>	<b>34.5</b>	<b>34.5</b>	<b>(42.2)</b>	<b>(265.3)</b>	<b>528.7%</b>	<b>(265.5)</b>	<b>(90.3)</b>	<b>(303.0)</b>	<b>235.5%</b>	<b>(42.1)</b>	<b>(182.9)</b>	<b>334.4%</b>
Financial expenses, net	(138.4)	(174.4)	(229.9)	(229.9)	(266.5)	(247.7)	-7.1%	(264.5)	(120.4)	(183.4)	52.3%	(50.3)	(91.3)	81.5%
Income tax and social contribution	17.6	37.2	43.9	43.9	77.5	116.8	50.7%	115.8	45.6	166.5	265.1%	19.5	126.2	547.2%
<b>Net loss for the period</b>	<b>(66.9)</b>	<b>(143.3)</b>	<b>(151.5)</b>	<b>(151.5)</b>	<b>(231.2)</b>	<b>(396.2)</b>	<b>71.4%</b>	<b>(404.2)</b>	<b>(165.1)</b>	<b>(319.9)</b>	<b>93.8%</b>	<b>(72.9)</b>	<b>(148.0)</b>	<b>103.0%</b>
<b>Net Margin</b>	<b>-4.0%</b>	<b>-7.2%</b>	<b>-5.1%</b>	<b>-5.1%</b>	<b>-5.9%</b>	<b>-7.4%</b>	<b>-1.3 p.p.</b>	<b>-7.4%</b>	<b>-6.6%</b>	<b>-15.4%</b>	<b>-8.8 p.p.</b>	<b>-5.9%</b>	<b>-22.3%</b>	<b>-16.4 p.p.</b>
<b>EBITDA</b>	<b>101.6</b>	<b>90.8</b>	<b>161.9</b>	<b>161.9</b>	<b>99.7</b>	<b>75.9</b>	<b>-23.9%</b>	<b>127.8</b>	<b>62.3</b>	<b>(25.8)</b>	<b>-141.1%</b>	<b>36.6</b>	<b>(34.7)</b>	<b>-194.8%</b>
<b>EBITDA Margin</b>	<b>6.1%</b>	<b>4.6%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>2.5%</b>	<b>1.4%</b>	<b>-1.1 p.p.</b>	<b>2.3%</b>	<b>2.5%</b>	<b>-1.2%</b>	<b>-3.7 p.p.</b>	<b>3.0%</b>	<b>-6.2%</b>	<b>-8.2 p.p.</b>

CAR RENTAL TOTAL FIGURES	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Car rental gross revenues, net of discounts and cancellations	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	3,345.6	30.1%	3,345.6	1,514.7	1,508.3	-0.4%	753.5	527.6	-30.0%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	39.8%	5,479.6	2,519.1	2,079.7	-17.4%	1,238.3	665.3	-46.3%
<b>Total gross revenues</b>	<b>2,996.1</b>	<b>3,484.7</b>	<b>4,888.7</b>	<b>4,888.7</b>	<b>6,490.0</b>	<b>8,825.2</b>	<b>36.0%</b>	<b>8,825.2</b>	<b>4,033.8</b>	<b>3,588.0</b>	<b>-11.1%</b>	<b>1,961.8</b>	<b>1,192.9</b>	<b>-40.1%</b>
Taxes on revenues	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	(43.5)	-15.4%	(317.8)	(143.6)	(144.4)	0.6%	(71.6)	(51.5)	-28.1%
Car sales for fleet renewal	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	86.5%	(13.8)	(5.7)	(4.0)	-29.8%	(2.9)	(0.8)	-72.4%
Car rental revenues - net revenues	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	3,302.1	31.1%	3,027.8	1,371.1	1,363.9	-0.5%	681.9	476.1	-30.2%
Car sales for fleet renewal - net revenues	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	39.7%	5,465.8	2,513.4	2,075.7	-17.4%	1,235.4	664.5	-46.2%
<b>Total net revenues</b>	<b>2,934.7</b>	<b>3,423.1</b>	<b>4,833.6</b>	<b>4,833.6</b>	<b>6,431.2</b>	<b>8,767.9</b>	<b>36.3%</b>	<b>8,493.6</b>	<b>3,884.5</b>	<b>3,439.6</b>	<b>-11.5%</b>	<b>1,917.3</b>	<b>1,140.6</b>	<b>-40.5%</b>
Direct costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car rental	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	(1,478.2)	25.3%	(1,105.5)	(494.6)	(474.1)	-4.1%	(260.7)	(179.0)	-31.3%
Car sales for fleet renewal	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(2,318.0)	(1,954.8)	-15.7%	(1,128.2)	(641.3)	-43.2%
<b>Gross profit</b>	<b>920.3</b>	<b>988.2</b>	<b>1,304.0</b>	<b>1,359.7</b>	<b>1,710.6</b>	<b>2,251.2</b>	<b>31.6%</b>	<b>2,350.3</b>	<b>1,071.9</b>	<b>1,010.7</b>	<b>-5.7%</b>	<b>528.4</b>	<b>320.3</b>	<b>-39.4%</b>
Operating expenses (SG&A)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	(543.6)	24.3%	(543.6)	(240.2)	(211.5)	-11.9%	(121.7)	(43.6)	-64.2%
Car rental	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	29.6%	(300.2)	(133.1)	(146.5)	10.1%	(70.6)	(57.9)	-18.0%
Car sales for fleet renewal	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	152.7%	(332.8)	(127.5)	(251.7)	97.4%	(65.8)	(135.2)	105.5%
Other assets depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car rental	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	(30.8)	15.8%	(106.7)	(50.3)	(58.8)	16.9%	(23.6)	(30.6)	29.7%
Car sales for fleet renewal	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	-17.6%	(50.5)	(25.1)	(25.7)	2.4%	(12.9)	(13.0)	0.8%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>431.8</b>	<b>431.8</b>	<b>585.8</b>	<b>656.4</b>	<b>835.2</b>	<b>986.2</b>	<b>18.1%</b>	<b>1,016.5</b>	<b>495.7</b>	<b>316.5</b>	<b>-36.2%</b>	<b>233.8</b>	<b>40.8</b>	<b>-82.9%</b>
Financial expenses, net	(140.4)	(175.8)	(235.2)	(235.2)	(290.2)	(260.3)	-10.3%	(307.3)	(140.4)	(206.9)	47.4%	(56.7)	(102.8)	81.3%
Income tax and social contribution	(72.3)	(58.7)	(79.5)	(95.0)	(140.8)	(165.3)	17.4%	(163.6)	(81.6)	15.5	-119.0%	(39.8)	61.6	-254.8%
<b>Net income for the period</b>	<b>218.9</b>	<b>197.3</b>	<b>271.1</b>	<b>326.2</b>	<b>404.2</b>	<b>560.6</b>	<b>38.7%</b>	<b>545.6</b>	<b>273.7</b>	<b>125.1</b>	<b>-54.3%</b>	<b>137.3</b>	<b>(1.2)</b>	<b>-100.9%</b>
<b>Net margin</b>	<b>7.5%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>6.7%</b>	<b>6.3%</b>	<b>6.4%</b>	<b>0.1 p.p.</b>	<b>6.4%</b>	<b>7.0%</b>	<b>3.6%</b>	<b>-3.4 p.p.</b>	<b>7.2%</b>	<b>-0.1%</b>	<b>-7.3 p.p.</b>
<b>EBITDA</b>	<b>501.6</b>	<b>552.6</b>	<b>736.8</b>	<b>807.4</b>	<b>1,003.7</b>	<b>1,358.2</b>	<b>35.3%</b>	<b>1,506.5</b>	<b>698.6</b>	<b>652.7</b>	<b>-6.8%</b>	<b>336.1</b>	<b>218.8</b>	<b>-34.9%</b>
<b>EBITDA margin</b>	<b>17.1%</b>	<b>16.1%</b>	<b>15.2%</b>	<b>16.7%</b>	<b>15.6%</b>	<b>15.5%</b>	<b>-0.1 p.p.</b>	<b>17.7%</b>	<b>18.0%</b>	<b>19.0%</b>	<b>1.0 p.p.</b>	<b>17.5%</b>	<b>19.2%</b>	<b>1.7 p.p.</b>

OPERATING DATA	2015	2016	2017	2017	2018	2019	Var.		2019	1H19	1H20	Var.		2Q19	2Q20	Var.
Average operating fleet	62,513	70,185	94,194	94,194	130,058	173,649	33.5%		173,649	157,085	208,221	32.6%		160,928	204,931	27.3%
Average rented fleet	43,315	51,515	69,762	69,762	97,245	128,718	32.4%		128,718	116,286	132,464	13.9%		117,727	108,307	-8.0%
Average operating fleet age (in months)	7.4	7.9	6.5	6.5	7.2	7.0	-2.8%		7.0	7.2	8.6	19.4%		7.0	9.5	35.7%
End of period fleet	76,755	94,156	135,578	135,578	177,672	238,174	34.1%		238,174	200,591	225,870	12.6%		200,591	225,870	12.6%
Number of rental days - in thousands	15,566.1	18,662.4	25,263.6	25,263.6	35,284.5	46,745.9	32.5%		46,745.9	20,913.8	23,967.0	14.6%		10,636.0	9,799.5	-7.9%
Average daily rental revenues per car (R\$)	84.56	79.67	75.16	75.16	72.86	71.57	-1.8%		71.57	72.43	62.93	-13.1%		70.85	53.84	-24.0%
Annualized average depreciation per car (R\$)	622.1	1,251.2	1,250.1	1,250.1	1,012.4	1,917.6	89.4%		1,917.6	1,623.1	2,417.9	49.0%		1,635.1	2,640.2	61.5%
Utilization rate (Does not include cars in preparation and decommissioning)	75.4%	78.0%	78.6%	78.6%	79.6%	79.1%	-0.5 p.p.		79.1%	79.3%	66.9%	-12.4 p.p.		78.8%	55.6%	-23.2 p.p.
Number of cars purchased	52,343	76,071	114,966	114,966	139,273	192,292	38.1%		192,292	85,619	36,085	-57.9%		54,106	1,142	-97.9%
Number of cars sold	52,508	57,596	76,901	76,901	94,945	128,677	35.5%		128,677	61,094	48,636	-20.4%		29,395	15,860	-46.0%
Average sold fleet age (in months)	14.9	16.8	14.3	14.3	14.7	15.2	3.4%		15.2	15.5	16.2	4.5%		15.1	16.8	11.3%
Average total fleet	72,169	80,765	107,997	107,997	150,045	201,791	34.5%		201,791	181,009	233,432	29.0%		190,580	233,417	22.5%
Average value of total fleet - R\$ million	2,205.9	2,790.2	4,100.6	4,100.6	6,005.7	8,652.7	44.1%		8,652.7	7,577.7	10,387.8	37.1%		8,039.3	10,342.3	28.6%
Average value per car in the period - R\$ thousand	30.6	34.5	38.0	38.0	40.0	42.9	7.3%		42.9	41.9	44.5	6.2%		42.2	44.3	5.0%



## 16.2 – Table 2 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Fleet rental gross revenues, net of discounts and cancellations	619.6	664.1	757.4	757.4	857.8	1,039.1	21.1%	1,039.1	493.7	572.1	15.9%	251.7	289.0	14.8%
Taxes on revenues (*)	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	68.9%	(98.8)	(46.9)	(54.2)	15.6%	(23.8)	(27.3)	14.7%
<b>Fleet rental net revenues</b>	<b>608.5</b>	<b>651.8</b>	<b>742.1</b>	<b>742.1</b>	<b>848.8</b>	<b>1,023.9</b>	<b>20.6%</b>	<b>940.3</b>	<b>446.8</b>	<b>517.9</b>	<b>15.9%</b>	<b>227.9</b>	<b>261.7</b>	<b>14.8%</b>
Fleet rental costs	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	23.7%	(220.5)	(103.7)	(101.4)	-2.2%	(58.6)	(48.0)	-18.1%
<b>Gross profit</b>	<b>419.2</b>	<b>458.1</b>	<b>521.7</b>	<b>522.0</b>	<b>602.9</b>	<b>719.8</b>	<b>19.4%</b>	<b>719.8</b>	<b>343.1</b>	<b>416.5</b>	<b>21.4%</b>	<b>169.3</b>	<b>213.7</b>	<b>26.2%</b>
Operating expenses (SG&A)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	40.3%	(83.2)	(35.5)	(23.3)	-34.4%	(20.8)	(0.8)	-96.2%
Other assets depreciation and amortization	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	8.2%	(5.7)	(2.8)	(3.8)	35.7%	(1.4)	(2.1)	50.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>376.3</b>	<b>417.3</b>	<b>452.8</b>	<b>456.2</b>	<b>538.4</b>	<b>630.9</b>	<b>17.2%</b>	<b>630.9</b>	<b>304.8</b>	<b>389.4</b>	<b>27.8%</b>	<b>147.1</b>	<b>210.8</b>	<b>43.3%</b>
Financial expenses, net	(0.1)	(1.1)	(1.6)	(1.6)	(0.5)	(0.6)	20.0%	(0.7)	(0.3)	(0.3)	0.0%	0.7	(0.2)	-128.6%
Income tax and social contribution	(90.5)	(90.4)	(102.8)	(103.6)	(136.5)	(143.5)	5.1%	(140.3)	(66.7)	(125.2)	87.7%	(32.3)	(68.0)	172.4%
<b>Net income for the period</b>	<b>47.0%</b>	<b>50.0%</b>	<b>46.9%</b>	<b>47.3%</b>	<b>47.3%</b>	<b>47.5%</b>	<b>0.2 p.p.</b>	<b>52.1%</b>	<b>53.2%</b>	<b>51.0%</b>	<b>-2.2 p.p.</b>	<b>50.7%</b>	<b>46.8%</b>	<b>-3.9 p.p.</b>
<b>Net Margin</b>	<b>47.0%</b>	<b>50.0%</b>	<b>46.9%</b>	<b>47.3%</b>	<b>47.3%</b>	<b>47.5%</b>	<b>0.2 p.p.</b>	<b>52.1%</b>	<b>53.2%</b>	<b>51.0%</b>	<b>-2.2 p.p.</b>	<b>50.7%</b>	<b>46.8%</b>	<b>-3.9 p.p.</b>
<b>EBITDA</b>	<b>378.5</b>	<b>420.2</b>	<b>456.3</b>	<b>459.7</b>	<b>543.3</b>	<b>636.2</b>	<b>17.1%</b>	<b>636.6</b>	<b>307.6</b>	<b>393.2</b>	<b>27.8%</b>	<b>148.5</b>	<b>212.9</b>	<b>43.4%</b>
<b>EBITDA Margin</b>	<b>62.2%</b>	<b>64.5%</b>	<b>61.5%</b>	<b>61.9%</b>	<b>64.0%</b>	<b>62.1%</b>	<b>-1.9 p.p.</b>	<b>67.7%</b>	<b>68.8%</b>	<b>75.9%</b>	<b>7.1 p.p.</b>	<b>65.2%</b>	<b>81.4%</b>	<b>16.2 p.p.</b>

USED CAR SALES RESULTS (SEMINOVOS)	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Gross revenues, net of discounts and cancellations	368.6	347.8	466.5	466.5	599.5	742.4	23.8%	742.4	331.9	398.8	20.2%	149.5	164.1	9.8%
Taxes on revenues	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	66.7%	(1.5)	(0.6)	(0.2)	-66.7%	(0.3)	0.2	-166.7%
<b>Net revenues</b>	<b>368.2</b>	<b>347.4</b>	<b>466.1</b>	<b>466.1</b>	<b>598.6</b>	<b>740.9</b>	<b>23.8%</b>	<b>740.9</b>	<b>331.3</b>	<b>398.6</b>	<b>20.3%</b>	<b>149.2</b>	<b>164.3</b>	<b>10.1%</b>
Book value of cars sold and preparation for sale	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	23.6%	(650.1)	(291.9)	(357.2)	22.4%	(129.6)	(152.0)	17.3%
<b>Gross profit</b>	<b>81.5</b>	<b>68.0</b>	<b>74.0</b>	<b>74.0</b>	<b>72.7</b>	<b>90.7</b>	<b>24.8%</b>	<b>90.8</b>	<b>39.4</b>	<b>41.4</b>	<b>5.1%</b>	<b>19.6</b>	<b>12.3</b>	<b>-37.2%</b>
Operating expenses (SG&A)	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	13.1%	(35.0)	(14.5)	(23.8)	64.1%	(7.2)	(10.4)	44.4%
Cars depreciation	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	36.8%	(218.7)	(107.8)	(89.0)	-35.9%	(52.2)	(32.3)	-38.1%
Other assets depreciation and amortization	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	-11.8%	(6.7)	(3.1)	(4.9)	58.1%	(1.5)	(2.8)	86.7%
<b>Operating profit (loss) before financial results and taxes (EBIT)</b>	<b>(78.8)</b>	<b>(83.3)</b>	<b>(74.7)</b>	<b>(74.7)</b>	<b>(125.5)</b>	<b>(170.9)</b>	<b>36.2%</b>	<b>(169.6)</b>	<b>(85.8)</b>	<b>(56.3)</b>	<b>-34.4%</b>	<b>(41.3)</b>	<b>(33.2)</b>	<b>-19.6%</b>
Financial expenses, net	(63.8)	(68.7)	(80.0)	(80.0)	(79.6)	(100.2)	25.9%	(102.3)	(63.1)	(47.6)	-24.6%	(42.3)	(24.1)	-43.0%
Income tax and social contribution	33.7	32.3	35.1	35.1	52.0	61.7	18.7%	60.6	32.9	33.8	2.7%	18.7	25.7	37.4%
<b>Net loss for the period</b>	<b>(108.9)</b>	<b>(119.7)</b>	<b>(119.6)</b>	<b>(119.6)</b>	<b>(153.1)</b>	<b>(209.4)</b>	<b>36.8%</b>	<b>(211.3)</b>	<b>(116.0)</b>	<b>(70.1)</b>	<b>-39.6%</b>	<b>(64.9)</b>	<b>(31.6)</b>	<b>-51.3%</b>
<b>Net Margin</b>	<b>-29.6%</b>	<b>-34.5%</b>	<b>-25.7%</b>	<b>-25.7%</b>	<b>-25.6%</b>	<b>-28.3%</b>	<b>-2.7 p.p.</b>	<b>-28.5%</b>	<b>-38.0%</b>	<b>-17.6%</b>	<b>17.4 p.p.</b>	<b>-43.5%</b>	<b>-19.2%</b>	<b>24.3 p.p.</b>
<b>EBITDA</b>	<b>47.9</b>	<b>37.0</b>	<b>41.3</b>	<b>41.3</b>	<b>36.1</b>	<b>48.3</b>	<b>36.6%</b>	<b>55.8</b>	<b>24.9</b>	<b>17.6</b>	<b>-29.3%</b>	<b>12.4</b>	<b>1.9</b>	<b>-94.7%</b>
<b>EBITDA Margin</b>	<b>13.0%</b>	<b>10.7%</b>	<b>8.9%</b>	<b>8.9%</b>	<b>6.0%</b>	<b>6.7%</b>	<b>0.7 p.p.</b>	<b>7.5%</b>	<b>7.5%</b>	<b>4.4%</b>	<b>-3.1 p.p.</b>	<b>8.3%</b>	<b>1.2%</b>	<b>-7.1 p.p.</b>

FLEET RENTAL TOTAL FIGURES	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Fleet rental gross revenues, net of discounts and cancellations	619.6	664.1	757.4	757.4	857.8	1,039.1	21.1%	1,039.1	493.7	572.1	15.9%	251.7	289.0	14.8%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	368.6	347.8	466.5	466.5	599.5	742.4	23.8%	742.4	331.9	398.8	20.2%	149.5	164.1	9.8%
<b>Total gross revenues</b>	<b>988.2</b>	<b>1,011.9</b>	<b>1,223.9</b>	<b>1,223.9</b>	<b>1,457.3</b>	<b>1,781.5</b>	<b>22.2%</b>	<b>1,781.5</b>	<b>825.6</b>	<b>970.9</b>	<b>17.6%</b>	<b>401.2</b>	<b>453.1</b>	<b>12.9%</b>
Taxes on revenues	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	68.9%	(98.8)	(46.9)	(54.2)	15.6%	(23.8)	(27.3)	14.7%
Fleet rental (*)	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	66.7%	(1.5)	(0.6)	(0.2)	-66.7%	(0.3)	0.2	-166.7%
Car sales for fleet renewal	608.5	651.8	742.1	742.1	848.8	1,023.9	20.6%	940.3	446.8	517.9	15.9%	227.9	261.7	14.8%
Fleet rental - net revenues	368.2	347.4	466.1	466.1	598.6	740.9	23.8%	740.9	331.3	398.6	20.3%	149.2	164.3	10.1%
<b>Total net revenues (**)</b>	<b>976.7</b>	<b>999.2</b>	<b>1,208.2</b>	<b>1,208.2</b>	<b>1,447.4</b>	<b>1,764.8</b>	<b>21.9%</b>	<b>1,681.2</b>	<b>778.1</b>	<b>916.5</b>	<b>17.8%</b>	<b>377.1</b>	<b>426.0</b>	<b>13.0%</b>
Direct costs	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	23.7%	(220.5)	(103.7)	(101.4)	-2.2%	(58.6)	(48.0)	-18.1%
Fleet rental	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	23.6%	(650.1)	(291.9)	(357.2)	22.4%	(129.6)	(152.0)	17.3%
<b>Gross profit</b>	<b>500.7</b>	<b>526.1</b>	<b>595.7</b>	<b>596.0</b>	<b>675.6</b>	<b>810.5</b>	<b>20.0%</b>	<b>810.6</b>	<b>382.5</b>	<b>457.9</b>	<b>19.7%</b>	<b>188.9</b>	<b>226.0</b>	<b>19.6%</b>
Operating expenses (SG&A)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	40.3%	(83.2)	(35.5)	(23.3)	-34.4%	(20.8)	(0.8)	-96.2%
Fleet rental	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	13.1%	(35.0)	(14.5)	(23.8)	64.1%	(7.2)	(10.4)	44.4%
Car sales for fleet renewal	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	36.8%	(218.7)	(107.8)	(89.0)	-35.9%	(52.2)	(32.3)	-38.1%
Other assets depreciation and amortization	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	8.2%	(5.7)	(2.8)	(3.8)	35.7%	(1.4)	(2.1)	50.0%
Fleet rental	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	-11.8%	(6.7)	(3.1)	(4.9)	58.1%	(1.5)	(2.8)	86.7%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>297.5</b>	<b>334.0</b>	<b>378.1</b>	<b>381.5</b>	<b>412.9</b>	<b>460.0</b>	<b>11.4%</b>	<b>461.3</b>	<b>219.0</b>	<b>333.1</b>	<b>52.1%</b>	<b>105.8</b>	<b>177.6</b>	<b>67.9%</b>
Financial expenses, net	(63.9)	(69.8)	(81.6)	(81.6)	(80.1)	(100.8)	25.8%	(103.0)	(63.4)	(47.9)	-24.4%	(41.6)	(24.3)	-41.6%
Income tax and social contribution	(56.8)	(58.1)	(67.7)	(67.7)	(85.5)	(81.8)	-3.2%	(79.7)	(33.8)	(81.4)	170.4%	(13.6)	(62.3)	358.1%
<b>Net income for the period</b>	<b>176.8</b>	<b>206.1</b>	<b>228.8</b>	<b>231.4</b>	<b>246.3</b>	<b>277.4</b>	<b>11.7%</b>	<b>278.6</b>	<b>121.8</b>	<b>193.8</b>	<b>59.1%</b>	<b>50.6</b>	<b>91.0</b>	<b>79.8%</b>
<b>Net margin</b>	<b>18.1%</b>	<b>20.6%</b>	<b>18.9%</b>	<b>19.2%</b>	<b>17.2%</b>	<b>15.7%</b>	<b>-1.5 p.p.</b>	<b>16.6%</b>	<b>16.7%</b>	<b>21.1%</b>	<b>5.4 p.p.</b>	<b>13.4%</b>	<b>21.4%</b>	<b>8.0 p.p.</b>
<b>EBITDA</b>	<b>426.4</b>	<b>457.2</b>	<b>497.6</b>	<b>501.0</b>	<b>579.4</b>	<b>685.5</b>	<b>18.3%</b>	<b>692.4</b>	<b>332.5</b>	<b>410.8</b>	<b>23.5%</b>	<b>160.9</b>	<b>214.8</b>	<b>33.5%</b>
<b>EBITDA margin</b>	<b>43.7%</b>	<b>45.8%</b>	<b>41.2%</b>	<b>41.5%</b>	<b>40.0%</b>	<b>38.8%</b>	<b>-1.2 p.p.</b>	<b>41.2%</b>	<b>42.7%</b>	<b>44.8%</b>	<b>2.1 p.p.</b>	<b>42.7%</b>	<b>50.4%</b>	<b>7.7 p.p.</b>

OPERATING DATA	2015	2016	2017	2017 adjusted	2018	2019	Var.	2019	1H19	1H20	Var.	2Q19	2Q20	Var.
Average operating fleet	31,676	31,908	36,804	36,804	44,404	55,726	25.5%	55,726	52,112	61,439	17.9%	53,041	61,686	16.3%
Average rented fleet	30,280	31,222	35,424	35,424	42,321	53,029	25.3%	53,029	49,983	58,594	17.2%	51,232	58,632	14.4%
Average operating fleet age (in months)	16.7	18.0	18.1	18.1	15.1	15.1	0.0%	15.1	15.3	15.1	5.2%	15.3	16.8	9.8%
End of period fleet	33,948	34,960	44,877	44,877	54,430	68,957	26.7%	68,957	59,576	65,585	10.1%	59,576	65,585	10.1%
Rented Fleet	207	145	94	94	57	32	-43.9%	32	38	27	-26.9%	38	27	-28.9%
Number of rental days - in thousands	10,900.9	11,240.0	12,752.7	12,752.7	15,235.7	19,090.5	25.3%	19,090.5	8,996.9	10,546.9	17.2%	4,610.9	5,276.8	14.4%
Average daily rental revenues per car (R\$)	56.08	58.23	58.77	58.77	55.62	53.92	-3.1%	53.92	54.45	53.51	-1.7%	54.12	53.86	-0.5%
Annualized average depreciation per car (R\$)	3,935.2	3,714.0	3,104.3	3,104.3	3,601.1	3,923.4	9.0%	3,923.4	4,128.0	2,244.1	-45.6%	3,936.4	2,092.4	-46.8%
Utilization rate (Does not include cars in preparation and decommissioning) (**)	98.4%	98.9%	98.2%	98.2%	96.8%	96.6%	-0.2 p.p.	96.6%	97.2%	96.6%	-0.6 p.p.	97.9%	96.4%	-1.5 p.p.
Number of cars purchased	11,689	11,762	20,286	20,286	26,148	31,242	19.5%	31,242	13,858	7,665	-44.7%	8,428	1,729	-79.5%
Number of cars sold	11,797	10,853	13,653	13,653	16,334	19,238	17.8%	19,238	8,652	9,461	9.4%	3,700	3,876	4.8%
Average sold fleet age (in months)	33.4	31.4	31.8	31.8	31.2	28.6	-8.3%	28.6	28.7	28.7	0.0%	28.7	29.3	2.1%
Average total fleet	33,446	33,436	39,605	39,605	48,776	61,374	25.8%	61,374	56,184	66,487	18.3%	57,678	66,976	16.1%
Average value of total fleet - R\$ million	1,067.1	1,130.4	1,482.5	1,482.5	1,943.1	2,520.6	29.7%	2,520.6	2,285.6	2,885.6	26.3%	2,353.0	2,895.0	23.0%
Average value per car in the period - R\$ thsd	31.9	33.8	37.4	37.4	39.8	41.1	3.3%	41.1	40.7	43.4	6.6%	40.8	43.2	5.9%

(\*) In 4Q19, PIS and COFINS credits were reclassified, which were recorded as credits in the rental income tax line and started to be

(\*\*) The 2015 utilization rate was calculated only on the basis of the fourth quarter of 2015.

## 16.3 – Table 3 – *Franchising* – R\$ million

FRANCHISING RESULTS	2015	2016	2017	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Gross revenues	17.8	18.0	17.6	18.1	21.8	20.4%	21.8	11.6	9.0	-22.4%	5.7	3.7	-35.1%
Taxes on revenues (*)	(1.2)	(1.0)	(1.1)	(1.0)	(1.0)	0.0%	(1.0)	(0.6)	(0.4)	-33.3%	(0.3)	(0.2)	-33.3%
<b>Net revenues</b>	<b>16.6</b>	<b>17.0</b>	<b>16.5</b>	<b>17.1</b>	<b>20.8</b>	<b>21.6%</b>	<b>20.8</b>	<b>11.0</b>	<b>8.6</b>	<b>-21.8%</b>	<b>5.4</b>	<b>3.5</b>	<b>-35.2%</b>
Costs	(9.2)	(9.7)	(8.9)	(9.6)	(8.3)	-13.5%	(6.5)	(3.6)	(4.0)	11.1%	(2.2)	(2.3)	4.5%
<b>Gross profit</b>	<b>7.4</b>	<b>7.3</b>	<b>7.6</b>	<b>7.5</b>	<b>12.5</b>	<b>66.7%</b>	<b>14.3</b>	<b>7.4</b>	<b>4.6</b>	<b>-37.8%</b>	<b>3.2</b>	<b>1.2</b>	<b>-62.5%</b>
Operating expenses (SG&A)	(0.6)	(1.5)	(1.8)	(0.5)	(0.4)	-20.0%	(0.4)	(0.4)	(0.6)	50.0%	(0.3)	-	-100.0%
Other assets depreciation and amortization	(0.4)	(0.5)	(0.6)	(0.5)	(0.3)	-40.0%	(2.1)	(1.1)	(0.8)	-27.3%	(0.5)	(0.4)	-20.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>6.4</b>	<b>5.3</b>	<b>5.2</b>	<b>6.5</b>	<b>11.8</b>	<b>81.5%</b>	<b>11.8</b>	<b>5.9</b>	<b>3.2</b>	<b>-45.8%</b>	<b>2.4</b>	<b>0.8</b>	<b>-66.7%</b>
Financial expenses, net	1.6	2.1	1.8	1.3	0.5	-61.5%	0.5	0.8	(0.1)	-112.5%	0.4	(0.2)	-150.0%
Income tax and social contribution	(1.3)	(1.5)	(1.2)	(1.2)	(2.8)	133.3%	(2.6)	(1.3)	(1.2)	-7.7%	(0.6)	(0.5)	-16.7%
<b>Net income for the period</b>	<b>6.7</b>	<b>5.9</b>	<b>5.8</b>	<b>6.6</b>	<b>9.5</b>	<b>43.9%</b>	<b>9.7</b>	<b>5.4</b>	<b>1.9</b>	<b>-64.8%</b>	<b>2.2</b>	<b>0.1</b>	<b>-95.5%</b>
<b>Net Margin</b>	<b>40.4%</b>	<b>34.7%</b>	<b>35.2%</b>	<b>38.6%</b>	<b>45.7%</b>	<b>7.1 p.p.</b>	<b>46.6%</b>	<b>49.1%</b>	<b>22.1%</b>	<b>-27.0 p.p.</b>	<b>40.7%</b>	<b>2.9%</b>	<b>-37.8 p.p.</b>
<b>EBITDA</b>	<b>6.8</b>	<b>5.8</b>	<b>5.8</b>	<b>7.0</b>	<b>12.1</b>	<b>72.9%</b>	<b>13.9</b>	<b>7.0</b>	<b>4.0</b>	<b>-42.9%</b>	<b>2.9</b>	<b>1.2</b>	<b>-58.6%</b>
<b>EBITDAMargin</b>	<b>41.0%</b>	<b>34.1%</b>	<b>35.2%</b>	<b>40.9%</b>	<b>58.2%</b>	<b>17.3 p.p.</b>	<b>66.8%</b>	<b>63.6%</b>	<b>46.5%</b>	<b>-17.1 p.p.</b>	<b>53.7%</b>	<b>34.3%</b>	<b>-19.4 p.p.</b>

(\*)In 4Q19, PIS and COFINS credits were reclassified, which were recorded as credits in the rental income tax line and started to be recorded in the rental cost line.

# 16.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1H19 with reclassification of PIS/COFINS credits	1H20	Var.	2Q19 with reclassification of PIS/COFINS credits	2Q20	Var.
Car rental gross revenues, net of discounts and cancellations	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	3,345.6	30.1%	3,345.6	1,514.7	1,508.3	-0.4%	753.5	527.6	-30.0%
Franchising gross revenues, net of discounts and cancellations	17.8	18.0	17.6	17.6	18.1	21.8	20.4%	21.8	11.6	9.0	-22.4%	5.7	3.7	-35.1%
Car Rental and Franchising total gross revenues, net of discounts and cancellations	1,334.7	1,504.9	1,916.3	1,916.3	2,588.9	3,367.4	30.1%	3,367.4	1,526.3	1,517.3	-0.6%	759.2	531.3	-30.0%
Fleet Rental gross revenues, net of discounts and cancellations	619.6	664.1	757.4	757.4	857.8	1,039.1	21.1%	1,039.1	493.7	572.1	15.9%	251.7	289.0	14.8%
Car and Fleet Rentals and Franchising total gross revenues	1,954.3	2,169.0	2,673.7	2,673.7	3,446.7	4,406.5	27.8%	4,406.5	2,020.0	2,089.4	3.4%	1,010.9	820.3	-18.9%
Taxes on revenues - Car and Fleet Rentals and Franchising (*)	(71.2)	(72.2)	(66.6)	(66.6)	(61.4)	(59.7)	-2.8%	(417.6)	(191.1)	(199.0)	4.1%	(95.7)	(79.0)	-17.5%
<b>Car and Fleet Rentals and Franchising net revenues</b>	<b>1,883.1</b>	<b>2,096.8</b>	<b>2,607.1</b>	<b>2,607.1</b>	<b>3,385.3</b>	<b>4,346.8</b>	<b>28.4%</b>	<b>3,988.9</b>	<b>1,828.9</b>	<b>1,890.4</b>	<b>3.4%</b>	<b>915.2</b>	<b>741.3</b>	<b>-19.0%</b>
Car sales gross revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car sales for fleet renewal - Car Rental, net of discounts and cancellations	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	39.8%	5,479.6	2,519.1	2,079.7	-17.4%	1,238.3	665.3	-46.3%
Car sales for fleet renewal - Fleet Rental, net of discounts and cancellations	368.6	347.8	466.5	466.5	599.5	742.4	23.8%	742.4	331.9	398.8	20.2%	149.5	164.1	9.8%
Car sales for fleet renewal - total gross revenues (*)	2,047.8	2,345.6	3,456.5	3,456.5	4,518.7	6,222.0	37.7%	6,222.0	2,851.0	2,478.5	-13.1%	1,387.8	829.4	-40.2%
Taxes on revenues - Car sales for fleet renewal	(2.9)	(3.1)	(5.3)	(5.3)	(8.3)	(15.3)	84.3%	(15.3)	(6.3)	(4.2)	-33.3%	(3.2)	(0.6)	-81.3%
<b>Car sales for fleet renewal - net revenues</b>	<b>2,044.9</b>	<b>2,342.5</b>	<b>3,451.2</b>	<b>3,451.2</b>	<b>4,510.4</b>	<b>6,206.7</b>	<b>37.6%</b>	<b>6,206.7</b>	<b>2,844.7</b>	<b>2,474.3</b>	<b>-13.0%</b>	<b>1,384.6</b>	<b>828.8</b>	<b>-40.1%</b>
<b>Total net revenues</b>	<b>3,928.0</b>	<b>4,439.3</b>	<b>6,058.3</b>	<b>6,058.3</b>	<b>7,895.7</b>	<b>10,553.5</b>	<b>33.7%</b>	<b>10,195.6</b>	<b>4,673.6</b>	<b>4,364.7</b>	<b>-6.6%</b>	<b>2,299.8</b>	<b>1,570.1</b>	<b>-31.7%</b>
Direct costs and expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car rental	(618.1)	(707.4)	(826.4)	(870.7)	(1,178.1)	(1,476.2)	25.3%	(1,105.5)	(494.6)	(474.1)	-4.1%	(260.7)	(179.0)	-31.3%
Franchising	(9.2)	(9.7)	(8.9)	(8.9)	(9.6)	(9.3)	-13.5%	(6.5)	(3.6)	(4.0)	11.1%	(2.2)	(2.3)	4.5%
Total Car rental and Franchising	(627.3)	(717.1)	(835.3)	(879.6)	(1,187.7)	(1,484.5)	25.0%	(1,112.0)	(498.2)	(478.1)	-4.0%	(262.9)	(181.3)	-31.0%
Fleet Rental	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	23.7%	(220.5)	(103.7)	(101.4)	-2.2%	(58.6)	(48.0)	-18.1%
Total Car and Fleet Rentals and Franchising	(816.6)	(910.8)	(1,155.7)	(1,099.7)	(1,433.6)	(1,788.6)	24.8%	(1,332.5)	(601.9)	(579.5)	-3.7%	(321.5)	(229.3)	-28.7%
Car sales for fleet renewal - Car rental	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(2,318.0)	(1,954.8)	-15.7%	(1,128.2)	(641.3)	-43.2%
Car sales for fleet renewal - Fleet Rental	(286.7)	(279.4)	(392.1)	(392.1)	(426.8)	(650.2)	23.6%	(650.1)	(291.9)	(357.2)	22.4%	(129.6)	(152.0)	17.3%
Total Car sales for fleet renewal (book value) and preparation for sale	(1,683.0)	(2,006.9)	(2,995.3)	(2,995.3)	(4,069.3)	(5,690.7)	39.9%	(5,687.9)	(2,609.9)	(2,312.0)	-11.4%	(1,257.8)	(793.3)	-36.9%
Total costs	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(7,479.3)	35.9%	(7,020.4)	(3,211.8)	(2,891.5)	-10.0%	(1,579.3)	(1,022.6)	-35.2%
<b>Gross profit</b>	<b>1,428.4</b>	<b>1,521.6</b>	<b>1,907.3</b>	<b>1,963.3</b>	<b>2,393.7</b>	<b>3,074.2</b>	<b>28.4%</b>	<b>3,175.2</b>	<b>1,461.8</b>	<b>1,473.2</b>	<b>0.8%</b>	<b>720.5</b>	<b>547.5</b>	<b>-24.0%</b>
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising, promotion and selling:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car rental	(127.9)	(148.6)	(199.6)	(193.3)	(285.8)	(357.4)	25.1%	(357.4)	(157.1)	(212.1)	35.0%	(77.3)	(102.4)	32.5%
Franchising	(9.8)	(9.6)	(1.1)	(1.1)	(1.1)	(0.1)	0.0%	(0.1)	(0.2)	(0.6)	200.0%	(0.2)	(0.1)	4.5%
Total car rental and Franchising	(128.5)	(149.2)	(200.7)	(194.4)	(286.8)	(357.3)	25.0%	(357.3)	(157.3)	(212.7)	35.2%	(77.5)	(102.5)	32.3%
Fleet Rental	(18.2)	(14.0)	(18.8)	(18.8)	(27.7)	(36.0)	30.0%	(35.6)	(16.3)	(18.8)	15.3%	(9.8)	(9.4)	-4.1%
Car sales for fleet renewal	(191.1)	(191.6)	(232.3)	(232.3)	(279.5)	(357.1)	27.8%	(301.6)	(134.5)	(152.7)	13.5%	(70.5)	(59.7)	-15.3%
Total advertising, promotion and selling	(337.8)	(354.8)	(451.8)	(445.5)	(593.0)	(750.4)	26.5%	(694.5)	(308.1)	(384.2)	24.7%	(157.8)	(171.6)	8.7%
General, administrative and other expenses	(155.8)	(151.2)	(215.3)	(203.6)	(210.6)	(268.0)	27.3%	(267.9)	(115.6)	(21.5)	-81.4%	(62.8)	58.9	-193.8%
Total Operating expenses	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	26.7%	(962.4)	(423.7)	(405.7)	-4.2%	(220.6)	(112.7)	-48.9%
Depreciation expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cars depreciation:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car rental	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	152.7%	(332.8)	(127.5)	(251.7)	97.4%	(65.8)	(135.2)	105.5%
Fleet Rental	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	36.8%	(218.7)	(107.6)	(69.0)	-35.0%	(52.2)	(32.3)	-38.1%
Total cars depreciation expenses	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	89.1%	(551.5)	(235.1)	(320.7)	36.4%	(118.0)	(167.5)	41.9%
Other assets depreciation and amortization	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	5.5%	(171.7)	(82.4)	(94.0)	14.1%	(39.9)	(48.9)	22.6%
Total depreciation and amortization expenses	(199.3)	(244.5)	(271.1)	(271.1)	(335.5)	(597.8)	78.2%	(723.2)	(317.5)	(414.7)	30.6%	(157.9)	(216.4)	37.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>735.5</b>	<b>771.1</b>	<b>969.1</b>	<b>1,043.1</b>	<b>1,254.6</b>	<b>1,458.0</b>	<b>16.2%</b>	<b>1,489.6</b>	<b>720.6</b>	<b>652.8</b>	<b>-9.4%</b>	<b>342.0</b>	<b>218.4</b>	<b>-36.1%</b>
Financial expenses, net:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expense	(370.1)	(445.5)	(511.9)	(511.9)	(536.8)	(591.2)	10.1%	(630.0)	(315.9)	(308.8)	-2.2%	(157.8)	(145.7)	-7.7%
Income	167.4	202.0	196.9	196.9	167.9	230.6	37.3%	220.2	112.9	53.9	-52.3%	59.9	18.4	-69.3%
Financial (expenses) revenues, net	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	-2.2%	(409.8)	(203.0)	(254.9)	25.6%	(97.9)	(127.3)	30.0%
<b>Income before tax and social contribution</b>	<b>532.8</b>	<b>527.6</b>	<b>654.1</b>	<b>728.1</b>	<b>885.7</b>	<b>1,097.4</b>	<b>23.9%</b>	<b>1,079.8</b>	<b>517.6</b>	<b>397.9</b>	<b>-23.1%</b>	<b>244.1</b>	<b>91.1</b>	<b>-62.7%</b>
Income tax and social contribution	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	10.3%	(245.9)	(116.7)	(77.1)	-33.9%	(54.0)	(1.2)	-97.8%
<b>Net income for the period</b>	<b>402.4</b>	<b>409.3</b>	<b>505.7</b>	<b>563.4</b>	<b>659.2</b>	<b>847.5</b>	<b>28.6%</b>	<b>833.9</b>	<b>400.9</b>	<b>320.8</b>	<b>-20.0%</b>	<b>190.1</b>	<b>89.9</b>	<b>-52.7%</b>
EBITDA	934.8	1,015.6	1,240.2	1,314.2	1,590.1	2,055.8	29.3%	2,212.8	1,038.1	1,067.5	2.8%	499.9	434.8	-13.0%
EBIT	735.5	771.1	969.1	1,043.1	1,254.6	1,458.0	16.2%	1,489.6	720.6	652.8	-9.4%	342.0	218.4	-36.1%
<b>Consolidated EBIT Margin (calculated over rental revenues)</b>	<b>39.1%</b>	<b>36.8%</b>	<b>37.2%</b>	<b>40.0%</b>	<b>37.1%</b>	<b>33.5%</b>	<b>-3.5 p.p.</b>	<b>37.3%</b>	<b>39.4%</b>	<b>34.5%</b>	<b>-4.9 p.p.</b>	<b>37.4%</b>	<b>29.5%</b>	<b>-7.9 p.p.</b>
Car and Fleet Rentals and Franchising EBITDA	785.3	887.8	1,037.0	1,111.0	1,454.3	1,930.6	32.8%	2,029.2	950.9	1,075.5	13.1%	450.9	467.6	3.7%
EBITDA Margin	41.7%	42.3%	39.8%	42.6%	43.0%	44.4%	1.4 p.p.	50.9%	52.0%	56.9%	4.9 p.p.	49.3%	63.1%	13.8 p.p.
Used Car Sales (Seminovos) EBITDA	149.5	127.7	203.2	203.2	136.8	125.2	-7.8%	183.6	87.2	(8.0)	-109.2%	49.0	(32.8)	-166.9%
<b>EBITDA Margin</b>	<b>7.3%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>3.0%</b>	<b>2.0%</b>	<b>-1.0 p.p.</b>	<b>3.0%</b>	<b>3.1%</b>	<b>-0.3%</b>	<b>-3.4 p.p.</b>	<b>3.5%</b>	<b>-4.0%</b>	<b>-7.5 p.p.</b>

(\*) In 4Q19, PIS and COFINS credits were reclassified, which were recorded as credits in the rental income tax line and started to be recorded

## 16.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2015	2016	2017	2018	2019	Var.	1H19	1H20	Var.	2Q19	2Q20	Var.
<b>Average operating fleet:</b>												
Car Rental	62,513	70,185	94,194	130,058	173,649	33.5%	157,085	208,221	32.6%	160,928	204,931	27.3%
Fleet Rental	31,676	31,908	36,804	44,404	55,726	25.5%	52,112	61,439	17.9%	53,041	61,686	16.3%
Total	94,189	102,093	130,998	174,462	229,375	31.5%	209,197	269,660	28.9%	213,969	266,617	24.6%
<b>Average rented fleet:</b>												
Car Rental	43,315	51,515	69,762	97,245	128,718	32.4%	116,286	132,464	13.9%	117,727	108,307	-8.0%
Fleet Rental	30,280	31,222	35,424	42,321	53,029	25.3%	49,983	58,594	17.2%	51,232	58,632	14.4%
Total	73,595	82,737	105,186	139,566	181,747	30.2%	166,269	191,058	14.9%	168,959	166,939	-1.2%
<b>Average age of operating fleet (months)</b>												
Car Rental	7.4	7.9	6.5	7.2	7.0	-2.8%	7.2	8.6	19.4%	7.0	9.5	35.7%
Fleet Rental	16.7	18.0	18.1	15.1	15.1	0.0%	15.3	16.1	5.2%	15.3	16.8	9.8%
Average age of total operating fleet	10.6	11.0	9.8	9.3	9.0	-3.2%	9.3	-	-100.0%	9.1	-	-100.0%
<b>Fleet at end of period:</b>												
Car Rental	76,755	94,156	135,578	177,672	238,174	34.1%	200,591	225,870	12.6%	200,591	225,870	12.6%
Fleet Rental	33,948	34,960	44,877	54,430	68,957	26.7%	59,576	65,585	10.1%	59,576	65,585	10.1%
Total	110,703	129,116	180,455	232,102	307,131	32.3%	260,167	291,455	12.0%	260,167	291,455	12.0%
Managed fleet at end period - Fleet Rental	207	145	94	57	32	-43.9%	38	27	-28.9%	38	27	-28.9%
<b>Fleet investment (R\$ million) (does not include accessories)</b>												
Car Rental	1,773.1	2,782.2	4,581.8	5,785.2	8,802.1	52.1%	3,720.5	1,590.6	-57.2%	2,378.1	57.4	-97.6%
Fleet Rental	502.0	503.4	881.5	1,189.2	1,472.6	23.8%	627.3	417.3	-33.5%	376.5	114.4	-69.6%
Total	2,275.1	3,285.6	5,463.3	6,974.4	10,274.7	47.3%	4,347.8	2,007.9	-53.8%	2,754.6	171.8	-93.8%
<b>Number of rental days (In thousands):</b>												
Car Rental - Total	15,815.8	18,864.8	25,494.0	35,514.6	47,029.0	32.4%	21,058.3	24,097.5	14.4%	10,712.7	9,851.8	-8.0%
Rental days for Fleet Rental replacement service	(249.7)	(202.4)	(230.4)	(230.1)	(283.0)	23.0%	(144.6)	(130.5)	-9.8%	(76.8)	(52.4)	-31.8%
Car Rental - Net	15,566.1	18,662.4	25,263.6	35,284.5	46,745.9	32.5%	20,913.7	23,967.0	14.6%	10,635.9	9,799.4	-7.9%
Fleet Rental	10,900.9	11,240.0	12,752.7	15,235.7	19,090.5	25.3%	8,996.9	10,546.9	17.2%	4,610.9	5,276.8	14.4%
Total	26,467.0	29,902.4	38,016.3	50,520.2	65,836.5	30.3%	29,910.6	34,513.9	15.4%	15,246.8	15,076.2	-1.1%
<b>Annualized average depreciation per car (R\$)</b>												
Car Rental	622.1	1,251.2	1,250.1	1,012.4	1,917.6	89.4%	1,623.1	2,417.9	49.0%	1,635.1	2,640.2	61.5%
Fleet Rental	3,935.2	3,714.0	3,104.3	3,601.1	3,923.4	9.0%	4,128.0	2,244.1	-45.6%	3,936.4	2,092.4	-46.8%
Total	1,736.3	2,020.9	1,771.0	1,671.2	2,405.2	43.9%	2,247.1	2,378.3	5.8%	2,205.5	2,513.5	14.0%
<b>Average annual gross revenues per operating car (R\$ thousand)</b>												
Car Rental	21.1	21.2	20.2	19.8	19.3	-2.5%	19.1	13.2	-30.9%	18.5	9.3	-49.7%
Fleet Rental	19.3	20.5	20.4	19.1	18.5	-3.2%	18.5	16.6	-10.3%	18.5	16.6	-10.3%
<b>Average daily rental (R\$)</b>												
Car Rental (*)	84.56	79.67	75.16	72.86	71.57	-1.8%	72.43	62.93	-13.1%	70.85	53.84	-24.0%
Fleet Rental	56.08	58.23	58.77	55.62	53.92	-3.1%	54.45	62.93	15.6%	54.12	53.84	-0.5%
<b>Utilization rate (does not include cars in preparation and decommissioning):</b>												
Car Rental	75.4%	78.0%	78.6%	79.6%	79.1%	-0.5 p.p.	79.3%	66.9%	-12.4 p.p.	78.8%	55.6%	-23.2 p.p.
Fleet Rental	98.4%	98.9%	98.2%	96.8%	96.6%	-0.2 p.p.	97.2%	96.6%	-0.6 p.p.	97.9%	96.4%	-1.5 p.p.
<b>Number of cars purchased - consolidated (**)</b>	64,032	87,833	135,252	165,421	223,534	35.1%	99,477	43,750	-56.0%	62,534	2,871	-95.4%
<b>Average price of cars purchased (R\$ thsd) - consolidated</b>	35.53	37.41	40.39	42.16	45.96	9.0%	43.71	45.90	5.0%	44.05	59.84	35.8%
<b>Numbers of cars sold - consolidated</b>	64,305	68,449	90,554	111,279	147,915	32.9%	69,746	58,097	-16.7%	33,095	19,736	-40.4%
<b>Average price of cars sold (R\$ thsd) (***) - consolidated</b>	28.54	31.23	35.38	37.86	39.80	5.1%	38.76	39.73	2.5%	39.58	38.56	-2.6%

(\*) Not included the rentals for Fleet Rental Division.

(\*\*) Does not include cars from Hertz Brazil in 2017

(\*\*\*) Net of SG&A expenses related to the sale of cars decommissioned for fleet renewal.

## 17 – Consolidated financial statements – IFRS – R\$/million

ASSETS	2015	2016	2017	2018	2019 without IFRS 16	2019	1H20
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	1,385.1	1,692.3	1,338.2	2,175.3	2,220.1	2,220.1	2,880.3
Financial assets	-	-	1,275.7	267.5	610.8	610.8	245.5
Trade accounts receivable	486.1	424.5	585.1	1,016.5	1,274.7	1,274.7	698.9
Derivative financial instruments - swap	-	2.2	-	-	-	-	118.2
Other current assets	102.6	115.0	128.6	182.7	246.8	246.8	344.3
Decommissioning cars to fleet renewal	31.8	8.8	103.4	51.8	141.7	141.7	173.5
<b>Total current assets</b>	<b>2,005.6</b>	<b>2,242.8</b>	<b>3,431.0</b>	<b>3,693.8</b>	<b>4,494.1</b>	<b>4,494.1</b>	<b>4,460.7</b>
<b>NON CURRENT ASSETS:</b>							
Long-term assets:							
Marketable securities	-	-	-	-	-	-	-
Derivative financial instruments - swap	45.6	7.4	16.7	2.8	18.2	18.2	396.2
Trade accounts receivable	4.7	3.2	4.7	3.8	1.8	1.8	1.5
Escrow deposit	52.9	60.1	83.1	96.3	114.6	114.6	112.7
Deferred income tax and social contribution	-	-	42.0	42.2	32.4	32.4	28.5
Investments in restricted accounts	-	-	40.6	43.0	22.3	22.3	22.7
Other non current assets	0.1	0.1	0.7	0.1	0.1	0.1	0.1
<b>Total long-term assets</b>	<b>103.3</b>	<b>70.8</b>	<b>187.8</b>	<b>188.2</b>	<b>189.4</b>	<b>189.4</b>	<b>561.7</b>
Property and equipment							
Cars	3,610.9	4,614.8	6,934.7	9,481.6	13,374.1	13,374.1	12,661.5
Right of use	-	-	-	-	-	625.0	626.9
Other	314.1	405.8	549.3	550.3	570.5	570.5	593.3
Intangible:							
Software and others	67.1	61.1	52.8	47.8	49.9	49.9	47.0
Goodwill on acquisition of investments	22.0	22.0	30.6	30.7	90.0	90.0	109.5
<b>Total non current assets</b>	<b>4,117.4</b>	<b>5,174.5</b>	<b>7,755.2</b>	<b>10,298.6</b>	<b>14,273.9</b>	<b>14,898.9</b>	<b>14,599.9</b>
<b>TOTAL ASSETS</b>	<b>6,123.0</b>	<b>7,417.3</b>	<b>11,186.2</b>	<b>13,992.4</b>	<b>18,768.0</b>	<b>19,393.0</b>	<b>19,060.6</b>

LIABILITIES AND SHAREHOLDERS' EQUITY	2015	2016	2017	2018	2019 without IFRS 16	2019	1H20
<b>CURRENT LIABILITIES:</b>							
Trade accounts payable	690.6	910.9	1,331.7	2,202.6	2,565.4	2,565.4	636.3
Social and labor obligations	85.6	95.0	109.2	135.0	161.8	161.8	160.9
Loans, financing and debentures	422.4	654.6	537.2	616.6	144.3	144.3	745.7
Lease liability	-	-	-	-	-	116.0	133.6
Derivative financial instruments - swap	-	-	6.8	18.7	26.8	26.8	46.8
Income tax and social contribution	28.3	23.0	31.3	41.1	58.7	54.6	29.1
Dividends and interest on own capital	29.3	39.7	36.4	42.6	63.4	63.4	114.5
Other current liabilities	99.9	118.5	181.5	282.8	390.0	390.0	230.1
<b>Total current liabilities</b>	<b>1,356.1</b>	<b>1,841.7</b>	<b>2,234.1</b>	<b>3,339.4</b>	<b>3,410.4</b>	<b>3,522.3</b>	<b>2,097.0</b>
<b>NON CURRENT LIABILITIES:</b>							
Loans, financing and debentures	2,596.9	3,131.3	5,940.5	7,029.4	9,235.1	9,235.1	10,440.3
Lease liability	-	-	-	-	-	526.8	521.7
Derivative financial instruments - swap	-	-	10.8	21.9	62.3	62.3	61.8
Provisions	68.3	63.1	126.5	148.8	207.2	207.2	89.3
Deferred income tax and social contribution	141.6	171.9	219.7	297.3	352.7	352.7	340.5
Restricted Obligations	-	-	40.6	43.1	22.5	22.5	22.9
Other non current liabilities	18.5	12.3	13.3	18.0	16.6	16.6	26.1
<b>Total non current liabilities</b>	<b>2,825.3</b>	<b>3,378.6</b>	<b>6,351.4</b>	<b>7,558.5</b>	<b>9,896.4</b>	<b>10,423.2</b>	<b>11,502.6</b>
<b>Total liabilities</b>	<b>4,181.4</b>	<b>5,220.3</b>	<b>8,585.5</b>	<b>10,897.9</b>	<b>13,306.8</b>	<b>13,945.5</b>	<b>13,599.6</b>
<b>SHAREHOLDERS' EQUITY:</b>							
Capital	976.7	976.7	1,500.0	1,500.0	4,000.0	4,000.0	4,000.0
Expenses with share issues	-	-	-	-	(43.1)	(43.1)	(43.1)
Treasury Shares	-	-	-	-	-	-	(188.3)
Capital Reserves	35.9	34.0	94.9	125.0	163.2	163.2	175.9
Earnings Reserves	929.0	1,186.3	1,005.8	1,469.5	1,341.1	1,327.4	1,516.5
<b>Total shareholders' equity</b>	<b>1,941.6</b>	<b>2,197.0</b>	<b>2,600.7</b>	<b>3,094.5</b>	<b>5,461.2</b>	<b>5,447.5</b>	<b>5,461.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,123.0</b>	<b>7,417.3</b>	<b>11,186.2</b>	<b>13,992.4</b>	<b>18,768.0</b>	<b>19,393.0</b>	<b>19,060.6</b>

## 18 – Consolidated financial statements – Income statements - R\$/million

STATEMENT OF INCOME	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	1H20
<b>Total net revenues</b>	<b>3,928.0</b>	<b>4,439.3</b>	<b>6,058.3</b>	<b>6,058.3</b>	<b>7,895.7</b>	<b>10,553.5</b>	<b>10,195.6</b>	<b>4,364.7</b>
<b>COSTS AND EXPENSES:</b>								
Direct costs	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(7,479.3)	(7,020.4)	(2,891.5)
Selling, general, administrative and other expenses	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(405.7)
Cars depreciation	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(320.7)
Other assets depreciation and amortization	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(94.0)
Total costs and expenses	(3,192.5)	(3,668.2)	(5,089.2)	(5,015.2)	(6,641.1)	(9,095.5)	(8,706.0)	(3,711.9)
<b>Income before financial results and taxes (EBIT)</b>	<b>735.5</b>	<b>771.1</b>	<b>969.1</b>	<b>1,043.1</b>	<b>1,254.6</b>	<b>1,458.0</b>	<b>1,489.6</b>	<b>652.8</b>
<b>FINANCIAL EXPENSES, NET</b>	<b>(202.7)</b>	<b>(243.5)</b>	<b>(315.0)</b>	<b>(315.0)</b>	<b>(368.9)</b>	<b>(360.6)</b>	<b>(409.8)</b>	<b>(254.9)</b>
<b>Income before taxes</b>	<b>532.8</b>	<b>527.6</b>	<b>654.1</b>	<b>728.1</b>	<b>885.7</b>	<b>1,097.4</b>	<b>1,079.8</b>	<b>397.9</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>								
Current	(94.8)	(88.0)	(119.4)	(135.7)	(139.8)	(183.7)	(180.7)	(85.4)
Deferred	(35.6)	(30.3)	(29.0)	(29.0)	(86.7)	(66.2)	(65.2)	8.3
	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(77.1)
<b>Net income</b>	<b>402.4</b>	<b>409.3</b>	<b>505.7</b>	<b>563.4</b>	<b>659.2</b>	<b>847.5</b>	<b>833.9</b>	<b>320.8</b>

## 19 – Statements of Cash Flows – R\$/million

CONSOLIDATED CASH FLOW	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16	2019	1H20
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Net income	402.4	409.3	505.7	563.4	659.2	847.5	833.9	320.8
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:								
Depreciation and amortization	199.3	244.5	271.1	271.1	335.5	597.9	723.1	414.8
Net book value of vehicles written off	1,769.1	2,102.5	3,106.6	3,106.6	4,198.5	5,863.6	5,863.6	2,369.5
Deferred income tax and social contribution	35.6	30.3	29.1	29.1	86.7	65.2	65.2	(8.3)
Interest on loans, financing, debentures and swaps of fixed rates	406.6	438.1	476.2	476.2	529.8	552.9	552.9	273.6
Lease interest	-	-	-	-	-	-	49.40	30.60
Other	17.3	26.9	81.7	81.7	87.8	103.6	103.6	(83.4)
(Increase) decrease in assets:								
Trade receivable	(36.6)	56.8	(151.8)	(151.8)	(489.0)	(275.9)	(275.9)	546.7
Purchases of cars (see supplemental disclosure below)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(9,941.4)	(9,941.4)	(3,893.1)
Escrow deposits	(15.3)	(7.2)	(17.5)	(17.5)	(13.1)	(17.9)	(17.9)	1.9
Taxes recoverable	(5.2)	(6.0)	2.6	2.6	3.4	(1.6)	(1.6)	(21.2)
Prepaid expenses	0.0	0.0	2.7	2.7	1.3	(4.9)	(4.9)	(80.8)
Other assets	(1.3)	(3.6)	(8.8)	(8.8)	(71.9)	(44.7)	(44.7)	16.6
Increase (decrease) in liabilities:								
Accounts payable (except car manufacturers)	(16.7)	29.6	(4.8)	(4.8)	3.1	21.0	21.0	(47.8)
Social and labor obligations	(0.5)	9.4	7.5	7.5	25.8	26.8	26.8	(1.1)
Income tax and social contribution	94.8	88.0	119.4	135.7	139.8	184.7	180.7	85.4
Insurance premium	4.4	8.6	19.3	19.3	37.0	23.2	23.2	(109.0)
Other liabilities	5.9	(19.5)	40.1	40.1	60.1	52.0	52.0	(71.6)
<b>Cash provided by (used in) operating activities</b>	<b>460.2</b>	<b>308.8</b>	<b>(573.3)</b>	<b>(499.3)</b>	<b>(519.7)</b>	<b>(1,948.0)</b>	<b>(1,791.0)</b>	<b>(256.4)</b>
Income tax and social contribution paid	(110.7)	(93.3)	(108.3)	(108.3)	(131.2)	(146.1)	(146.1)	(112.3)
Interest on loans, financing and debentures paid	(352.9)	(442.3)	(485.7)	(485.7)	(424.7)	(562.2)	(562.2)	(195.2)
Lease interest paid	-	-	-	-	-	-	(53.5)	(16.2)
Financial assets	-	-	(1,275.8)	(1,275.8)	1,008.2	(343.4)	(343.4)	365.3
<b>Net cash provided by (used in) operating activities</b>	<b>(3.4)</b>	<b>(226.8)</b>	<b>(2,443.1)</b>	<b>(2,369.1)</b>	<b>(67.4)</b>	<b>(2,999.7)</b>	<b>(2,896.2)</b>	<b>(214.8)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
(Investments) withdrawn in marketable securities	92.6	-	-	-	-	-	-	-
Acquisition of investment, goodwill and fair value surplus	-	-	(333.2)	(333.2)	-	(123.7)	(123.7)	(7.9)
Purchases of other property and equipment and addition of intangible assets	(153.0)	(126.6)	(175.0)	(175.0)	(42.8)	(70.0)	(70.0)	(42.7)
<b>Net cash provided by (used in) investing activities</b>	<b>(60.4)</b>	<b>(126.6)</b>	<b>(508.2)</b>	<b>(508.2)</b>	<b>(42.8)</b>	<b>(193.7)</b>	<b>(193.7)</b>	<b>(50.6)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
Loans and financings:								
Proceeds	747.1	266.3	950.1	950.1	742.8	1,351.5	1,351.5	1,250.3
Repayment	(368.4)	(297.9)	(510.1)	(510.1)	(518.5)	(930.2)	(930.2)	(10.0)
Debentures								
Proceeds	496.8	943.4	2,626.9	2,626.9	1,690.7	2,283.7	2,283.7	988.6
Repayment	(668.0)	(105.0)	(355.0)	(355.0)	(815.0)	(975.0)	(975.0)	(979.7)
Lease liability:								
Proceeds	-	-	-	-	-	-	-	-
Repayment	-	-	-	-	-	-	(103.5)	(70.5)
Capital increase	-	-	-	-	-	1,821.6	1,821.6	-
Treasury shares (acquired)/ sold	(27.5)	(25.0)	2.1	2.1	3.20	2.6	2.6	(180.5)
Expenses with issuance of shares	-	-	-	-	-	(65.3)	(65.3)	-
Exercise of stock options with treasury shares, net	18.0	18.2	50.1	50.1	16.4	25.1	25.1	0.80
Dividends paid	(44.7)	(1.0)	-	-	-	(7.2)	(7.2)	-
Interest on own capital	(94.6)	(138.4)	(166.9)	(166.9)	(172.3)	(268.6)	(268.6)	(71.8)
<b>Net cash provided by (used in) financing activities</b>	<b>58.7</b>	<b>660.6</b>	<b>2,597.2</b>	<b>2,597.2</b>	<b>947.3</b>	<b>3,238.2</b>	<b>3,134.7</b>	<b>925.6</b>
<b>NET CASH FLOW PROVIDED (USED) IN THE YEAR</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(280.1)</b>	<b>837.1</b>	<b>44.8</b>	<b>44.8</b>	<b>660.2</b>
Cash flow without incurred one-time costs Hertz and franchisees	-	-	-	(74.0)	-	-	-	-
<b>NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(354.1)</b>	<b>837.1</b>	<b>44.8</b>	<b>44.8</b>	<b>660.2</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,390.2</b>	<b>1,385.1</b>	<b>1,692.3</b>	<b>1,692.3</b>	<b>1,338.2</b>	<b>2,175.3</b>	<b>2,175.3</b>	<b>2,220.1</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,385.1</b>	<b>1,692.3</b>	<b>1,338.2</b>	<b>1,338.2</b>	<b>2,175.3</b>	<b>2,220.1</b>	<b>2,220.1</b>	<b>2,880.3</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(354.1)</b>	<b>837.1</b>	<b>44.8</b>	<b>44.8</b>	<b>660.2</b>
<b>Supplemental disclosure of cash flow information:</b>								
Cash paid during the period for cars acquisition								
Cars acquisition in the year/period - renewal	(2,278.4)	(2,563.6)	(3,660.9)	(3,660.9)	(4,696.7)	(6,804.6)	(6,804.6)	(2,011.4)
Cars acquisition in the year/period - growth	-	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)	(3,478.7)	(3,478.7)	0.0
Suppliers - automakers:								
Balance at the end of the year	591.3	782.0	1,197.5	1,197.5	2,065.6	2,407.5	2,407.5	525.8
Balance at the beginning of the year	(712.5)	(591.3)	(782.0)	(782.0)	(1,197.5)	(2,065.6)	(2,065.6)	(2,407.5)
Cash paid for cars purchased	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(9,941.4)	(9,941.4)	(3,893.1)

## 20 – Glossary and other information

- **Adjusted:** financials have been recalculated to exclude the impact of incurred one-time costs related with the acquisition of Hertz Brazil and the integration of 20 franchised branches in 2017.
- **Average Rented Fleet:** In the car rental division it is the number of daily rentals in the period divided by the number of days in the period. In the Fleet Rental is the actual number of cars rented.
- **CAGR:** Compounded annual growth rate.
- **CAPEX:** Capital expenditure.
- **Carrying Cost of Cash:** Consists of the cost to maintain minimum cash position. This is the difference between the average rate of fundraising and the average rate of investment.
- **Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of the selling expenses. The amount to be depreciated is the positive difference between the acquisition price of the vehicle and its estimated residual value. Depreciation is calculated as long as the assets' estimated residual value does not exceed its accounting value. Depreciation is recognized during the estimated life cycle of each asset. In the Car Rental division, depreciation method used is linear. In the Fleet Rental division, depreciation is recorded according to the sum of the years' digits (SOYD) method, which better reflects the consumption pattern of the economic benefits that decrease during the cars' useful life. The residual value is the estimated sale price net of the estimated selling expense.
- **Depreciated cost of used cars sales (book value):** consists of the acquisition value of vehicles, depreciated up to the date of sale, less the technical discount. The **technical discount** is the discount given to the buyer for any required repairs that were not made. These repair costs are recorded as a charge to operating costs and as a credit to cost of cars sold.
- **EBITDA:** EBITDA is the net income of the period, added by the income tax, net financial expenses, depreciation, amortization and exhaustions, as defined by CVM instruction 527/12.
- **EBITDA Margin:** EBITDA divided by the net revenues.
- **EBIT:** EBIT is the net income of the period added by the income tax and net financial expenses.
- **EBIT Margin:** EBIT divided by the rental net revenues.
- **IFRS 16:** As of January 1, 2019, all companies had to adapt to the new rules of IFRS 16. Lessees now have to recognize the assets of the rights over leased assets and the liabilities of future payments for medium or long-term leases, including operating leases. The major impact we had was on the real estate lease agreements of our locations and stores.
- **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.
- **Net debt:** Short and long term debts +/- the results from the swap operations, net of the cash, cash equivalents and short term financial investments. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.
- **Net Investment in cars:** capital investment in cars acquisition, net of the revenues from selling decommissioned cars.
- **NOPAT:** Net operating profit after tax.
- **One-time costs (OTC):** non-recurring costs and expenses related to the acquisition of Hertz Brazil's operations and the integration of 20 franchised branches.
- **Reclassification of PIS and COFINS credits** - In order to better reflect the nature of its operating costs, Localiza performed the reclassification of PIS and COFINS credits for the years ended December 31, 2019. The credits were reclassified in the income statement by division and consolidated, from the income tax heading to the cost heading.
- **ROIC:** Return on invested capital.
- **Swap:** Financial transactions carried out to hedge exchange rate and interest rate risks.
- **Utilization Rate:** It is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.



## Notes to the Interim Financial Information

### LOCALIZA RENT A CAR S.A.

#### NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2020

(In thousands of Brazilian reais – R\$, unless otherwise stated)

### 1. GENERAL INFORMATION

Localiza Rent a Car S.A. (“Localiza” or “Company”), headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, has been since May 2005 a Brazilian publicly-held company, listed on B3 S.A. - Brasil, Bolsa, Balcão (“B3”) Novo Mercado segment, which characterizes the highest corporate governance level in the Brazilian capital market. Localiza's shares are traded under the ticker symbol RENT3.

Localiza and its subsidiaries are mainly engaged in: car rental, fleet rental and franchising. In order to renew the fleet, Localiza, its subsidiary Localiza Fleet S.A. (“Localiza Fleet”) and its indirect subsidiary Localiza Car Rental Systems S.A. (“Car Rental Systems”) sell their decommissioned cars, generating cash for the purchase of new cars from manufacturers.

As of June 30, 2020, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 605 car rental locations (not reviewed by the auditors), of which: (i) 529 locations in 364 cities in Brazil, 429 of which were operated by Localiza and 100 by franchisees; and (ii) 76 locations in 39 cities in 5 other South American countries, all operated by franchisees.

On that same date, Localiza's Platform fleet was comprised of 305,260 cars (not reviewed by the auditors), of which: (i) 291,455 belonged to the Company, including 225,870 of the Car Rental Division and 65,585 of the Fleet Rental Division; (ii) 5,668 belonged to its franchisees in Brazil; and (iii) 8,137 belonged to its franchisees abroad. Approximately half of the decommissioned cars are sold to final consumers through 125 points of sale owned by the Company, located in 86 cities throughout Brazil, reducing intermediation and depreciation costs and maximizing cash flow generation for fleet renewal.

This individual and consolidated interim financial information was approved and authorized for issue by the Executive Board on July 28, 2020 and by the Board of Directors on July 29, 2020.

### Covid-19 Pandemic

In view of the spread of the Coronavirus (Covid-19) in Brazil, from the second half of March 2020 and, in order to preserve the health of the Company's employees, customers and the population in general, all Localiza Seminovos (“Seminovos”) stores and several car rental locations were closed to the public. Car rental locations and stores started reopening at the end of April 2020, after an analysis of the laws applicable to each location, the demand and implementation of protection measures for employees and customers. The car rental activity was considered an essential activity by several municipalities, states and the federal government, since its clients provide essential services or need private transportation in the pandemic scenario.

Hygiene measures and health and safety protocols were intensified in all the Company's facilities, as well as in cars and vans, to ensure the safety of employees, customers and everyone who interacts with Localiza. Attentive to the challenges of the moment, exemption from return rates was offered throughout the national territory, in addition to special conditions on car rental for health professionals, essential service companies and ride by app drivers.

In order to minimize social interaction, most of Localiza's administrative employees are working from home. In addition, an information portal on actions to contain the spread of the virus was created, as well as an online consultation channel for employees and their dependents to answer questions and be guided by doctors about COVID-19.

## Notes to the Interim Financial Information

Over the 1H20, the Company has adopted a series of measures to increase liquidity and limit expenses:

(i) With the acceleration of the crisis, the Company and its subsidiaries advanced about R\$ 490 million in credit card receivables and concluded two new borrowings that totaled additional R\$ 595 million until March 31, 2020. In April 2020, an additional fundraising of R\$ 100 million was concluded. Additionally, the Company repurchased debentures from its own issue in the amount of R\$ 130 million. With these measures, the Company conservatively strengthened even further its financial liquidity in order to meet all its commitments.

(ii) Due to the fall in volumes of Car Rental and Seminovos, the Company has adopted measures to reduce costs, expenses, investments and personnel, with the suspension of employment contracts, reduction of working hours and compensation, and reduction of staff. Part of the Management had a reduction in working hours and compensation by 25% and, in the case of the Statutory Board and the Board of Directors, by 35%.

(iii) The Company's Board of Directors, in a meeting held on April 1, 2020, approved the postponement of the payment date of interest on capital approved on March 10, 2020 to January 5, 2021. On June 18, 2020, another payment of interest on capital was approved for 2021.

New measures may be implemented, depending on the extent and duration of the crisis.

The Company's Management performed various analyses of the impacts of Covid-19, which involved the assessment of indicators of impairment of long-term assets, analysis of credit losses on trade receivables, review of the assumptions of measurement of financial instruments, including derivative financial instruments and assessment of relevant estimates used in the preparation of interim financial information.

This interim financial information for 2Q20 presents the impacts arising from the reduction of the Company's activities, which caused a fall in the car rental volume and used cars sales, as well as a reduction in the volume of purchase of new cars and review of the accounting estimates mentioned above.

## 2. BASIS OF PREPARATION, PRESENTATION OF INTERIM FINANCIAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information comprises individual and consolidated interim financial information, identified as "Individual" and "Consolidated", and is prepared and presented in accordance with technical pronouncement CPC 21 (R1) – Interim Statements, issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and in accordance with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") and disclose all relevant information that should be reported in the interim financial information, and only such information, which is consistent with the information used by Management in the performance of its duties.

The individual interim financial information presents investments in subsidiaries accounted for under the equity method of accounting, in accordance with the accounting practices adopted in Brazil and the IFRS.

Except for the change in the accounting estimate of depreciation of the Localiza Fleet (as mentioned in note 9), the information on the basis of preparation and presentation of the interim financial information and summary of significant accounting policies has not changed significantly when compared with the information disclosed in note 2 and in other notes to the annual financial statements for the year ended December 31, 2019 (hereinafter referred to as "financial statements for the year ended December 31, 2019"), published on March 10, 2020 through the websites [www.cvm.gov.br](http://www.cvm.gov.br), [www.b3.com.br](http://www.b3.com.br) and [www.localiza.com/ri](http://www.localiza.com/ri) and published on March 17, 2020 in the "Diário do Comércio de Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais State Register) newspapers.

**Reclassification of comparative balances** – In order to better reflect the nature of its operating costs, the Company reclassified PIS and COFINS credits on the acquisition of inputs, for the period ended June 30, 2019. The net credits were reclassified from the line item of taxes on revenues to the line item of costs and expenses, in the amount of R\$ 115,720 in the Individual and R\$ 155,204 in the Consolidated.

## Notes to the Interim Financial Information

### 3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

#### 3.1. Recently issued accounting pronouncements and interpretations adopted by the Company in the current period

- **Review of Technical Pronouncement CPC 06 (R2) – Leases**

In May 2020, IASB issued amendments to IFRS 16 – Leases referring to benefits related to Covid-19 granted to lessees under lease contracts. On July 7, 2020, CVM issued its Decision 859/20 and approved the amendments to Technical Pronouncement CPC 06 (R2) – Leases, which is equivalent to the mentioned IFRS. This Decision applied to the years beginning on or after January 1, 2020.

As practical expedient, the lessee may elect not to assess if a benefit granted under a lease contract, related to Covid-19, is a modification of the lease contract and, thus, account for the resulting changes in lease payments in profit or loss for the period. The Company and its subsidiaries applied the practical expedient to all benefits granted under lease contracts in accordance with the requirements of Decision 859/20. The amount recognized in profit or loss for the period ended June 30, 2020, arising from the adoption of such Decision, was R\$ 11,5 million in the Individual and in the Consolidated.

#### 3.2. Recently issued accounting pronouncements and interpretations and not yet adopted by the Company

There are no CPC/IFRS standards or ICPC/ IFRIC interpretations applicable to the Company that are not yet effective, that could have a material impact on the interim financial information of the Company and its subsidiaries.

### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and banks	13,164	16,246	40,412	17,122
Bank Certificates of Deposit ("CDB")	710,834	430,427	1,061,015	487,065
Fixed-income investment fund units	1,027,944	1,176,003	1,778,869	1,715,915
<b>Total</b>	<b>1,751,942</b>	<b>1,622,676</b>	<b>2,880,296</b>	<b>2,220,102</b>

At June 30, 2020, financial investments in CDBs and fixed-income investment fund units had an annual weighted average yield of 60.1% of the Interbank Deposit Certificates ("CDI") rate variation (99.9% as of December 31, 2019), have immediate liquidity and have the purpose of meeting the Company's short-term commitments.

### 5. SHORT-TERM INVESTMENTS

Short-term investments are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Bank Certificates of Deposit ("CDB")	107,253	115,571	137,583	345,171
Fixed-income investment fund units	69,066	151,447	81,444	265,667
Investments in financial bills	26,505	-	26,505	-
<b>Total</b>	<b>202,824</b>	<b>267,018</b>	<b>245,532</b>	<b>610,838</b>

At June 30, 2020, short-term investments in CDBs, fixed-income investment fund units and investments in financial bills posted annual weighted average yield of 81.0% of the Interbank Deposit Certificate ("CDI") rate variation (102.5% at December 31, 2019) and have short-term liquidity. However, such investments do not meet all the criteria to be recorded as cash equivalents under the terms of CPC 03 (R2) – Statement of Cash Flows.

## Notes to the Interim Financial Information

### 6. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Car rental (*)	492,487	787,313	492,646	787,313
Fleet rental	-	-	148,783	117,117
Sale of decommissioned cars (*)	146,396	391,681	185,769	475,091
Franchising	2,356	1,249	8,307	5,918
	<b>641,239</b>	<b>1,180,243</b>	<b>835,505</b>	<b>1,385,439</b>
Allowance for doubtful debts/ expected losses	(108,029)	(84,519)	(135,054)	(108,907)
<b>Total</b>	<b>533,210</b>	<b>1,095,724</b>	<b>700,451</b>	<b>1,276,532</b>
<b>Current</b>	<b>533,210</b>	<b>1,095,724</b>	<b>698,916</b>	<b>1,274,723</b>
<b>Noncurrent (**)</b>	-	-	<b>1,535</b>	<b>1,809</b>

(\*) The decrease in the balance of trade receivables from car rental and sale of decommissioned cars is mainly due to the prepayment of credit card receivables in the amount of R\$ 466,694 in the Individual and R\$ 488,131 in the Consolidated for the six-month period ended June 30, 2020.

(\*\*) Refers to the franchising integration fee.

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Current	445,686	986,974	590,968	1,137,532
Up to 30 days overdue	42,470	66,413	59,167	92,494
31 to 60 days overdue	35,412	43,336	40,460	49,861
61 to 90 days overdue	29,287	20,007	33,256	22,423
91 to 180 days overdue	50,718	36,174	55,064	39,533
Over 181 days overdue	37,666	27,339	56,590	43,596
<b>Total</b>	<b>641,239</b>	<b>1,180,243</b>	<b>835,505</b>	<b>1,385,439</b>

The balance of trade receivables includes overdue amounts at the end of the period, for which the allowance for doubtful debts was not recognized because these amounts are still considered recoverable. The aging list of these overdue amounts is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Up to 30 days overdue	34,561	59,719	50,181	84,944
31 to 60 days overdue	26,557	38,423	30,994	44,509
61 to 90 days overdue	22,528	15,915	26,034	17,735
Over 91 days overdue	13,611	3,782	16,862	5,115
<b>Total</b>	<b>97,257</b>	<b>117,839</b>	<b>124,071</b>	<b>152,303</b>

The aging list of the allowance for doubtful debts and expected losses is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Current	(9,733)	(9,089)	(14,588)	(13,303)
Up to 30 days overdue	(7,909)	(6,694)	(8,986)	(7,550)
31 to 60 days overdue	(8,855)	(4,913)	(9,466)	(5,352)
61 to 90 days overdue	(6,759)	(4,092)	(7,222)	(4,688)
Over 91 days overdue	(74,773)	(59,731)	(94,792)	(78,014)
<b>Total</b>	<b>(108,029)</b>	<b>(84,519)</b>	<b>(135,054)</b>	<b>(108,907)</b>

## Notes to the Interim Financial Information

The variation in the allowance for doubtful debts and expected losses are as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
<b>Balance at the beginning of the period</b>	<b>(84,519)</b>	<b>(70,079)</b>	<b>(108,907)</b>	<b>(88,405)</b>
Recognition	(59,985)	(22,396)	(67,192)	(30,167)
Reversal	36,475	17,105	41,045	22,748
<b>Balance at the end of the period</b>	<b>(108,029)</b>	<b>(75,370)</b>	<b>(135,054)</b>	<b>(95,824)</b>

	Individual		Consolidated	
	2Q20	2Q19	2Q20	2Q19
<b>Balance at the beginning of the period</b>	<b>(89,735)</b>	<b>(72,031)</b>	<b>(115,348)</b>	<b>(90,677)</b>
Recognition	(18,439)	(4,189)	(20,439)	(6,811)
Reversal	145	850	733	1,664
<b>Balance at the end of the period</b>	<b>(108,029)</b>	<b>(75,370)</b>	<b>(135,054)</b>	<b>(95,824)</b>

Other information related to accounts receivable (Individual and Consolidated) did not undergo significant changes compared to the information disclosed in note 6 to the financial statements as of December 31, 2019.

## 7. OTHER CURRENT AND NONCURRENT ASSETS

The breakdown of the balance of other current and noncurrent assets is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Balances stated separately in current assets:				
Recoverable taxes	54,942	29,721	62,416	39,850
Prepaid expenses (*)	74,069	10,530	92,566	11,757
Derivative instruments (note 13)	118,026	-	118,190	-
	247,037	40,251	273,172	51,607
Other current assets:				
Receivables from insurance company (**)	120,947	146,229	122,717	148,162
Other receivables – subsidiaries (note 8(c)(i))	1,890	144	-	-
Investments in restricted accounts (note 15)	-	-	22,664	22,283
Other current assets	28,052	13,204	43,910	24,629
	150,889	159,577	189,291	195,074
<b>Total other current assets</b>	<b>397,926</b>	<b>199,828</b>	<b>462,463</b>	<b>246,681</b>
Balances stated separately in noncurrent assets:				
Derivative instruments (note 13)	311,551	18,198	396,184	18,198
Investments in restricted accounts (note 15)	-	-	22,664	22,283
Other noncurrent assets	83	83	83	83
<b>Total other noncurrent assets</b>	<b>311,634</b>	<b>18,281</b>	<b>418,931</b>	<b>40,564</b>
<b>Total other current and noncurrent assets</b>	<b>709,560</b>	<b>218,109</b>	<b>881,394</b>	<b>287,245</b>

(\*) Mainly refers to prepaid expenses on Vehicle Ownership Tax ("IPVA"), in the amount of R\$ 57,912 in the Individual and R\$ 75,739 in the Consolidated, paid at the beginning of the year for fleet cars in use and monthly paid according to car purchases during the year, amortized within the year between the months of payment and December, 2020, or when the sale is made.

(\*\*) Expenses incurred on claims, cost of stolen cars and receivables from the insurance company for insurance coverage contracted by customers when renting cars from the Company (note 2.7.5 to the financial statements for the year ended December 31, 2019).

## 8. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

Car rental, fleet rental and franchising activities in Brazil and abroad are conducted by Localiza or its direct and indirect subsidiaries, whose main operations are as follows:

- **Localiza Fleet S.A. ("Localiza Fleet"):** Publicly-held company engaged in fleet rental business.

## Notes to the Interim Financial Information

- **Rental Brasil Administração e Participação S.A. ("Rental Brasil"):** Privately-held company mainly engaged in acquiring, selling and renting own properties for Localiza and its subsidiaries.
- **Localiza Serviços Prime S.A. ("Localiza Prime"):** Privately-held company mainly engaged in the intermediation of sales of decommissioned cars previously used by Localiza, Localiza Fleet and Car Rental Systems.
- **Car Assistance Serviços de Administração de Sinistros S.A. ("Car Assistance"):** Privately-held company engaged in managing car-related claims for insurance companies, accrediting and negotiating with garages and other suppliers, regulating claims, approving budgets and services performed, managing information and supporting documentation on claims and managing indemnities.
- **Localiza Franchising Brasil S.A. ("Franchising Brasil"):** Privately-held company engaged in conducting the franchise business of "Localiza" brand in Brazil.
- **Localiza Franchising International S.R.L. ("LFI S.R.L."):** Limited liability company, headquartered in Argentina. It is currently dormant and in the process of shut-down.
- **Car Rental Systems S.A. ("Car Rental Systems"):** Subsidiary of Localiza Fleet, mainly engaged in car rental and fleet rental.
- **MOBI7 Tecnologia em Mobilidade S.A. ("MOBI7"):** Subsidiary of Localiza Fleet whose main activities are monitoring and tracking of electronic security systems, installation, maintenance and repair of automotive vehicle monitoring and tracking, and IT consulting.
- **MOBI7 Sociedad de Responsabilidad Limitada de Capital Variable ("MOBI7 Mexico"):** Subsidiary of MOBI7, headquartered in Mexico, whose main activities are monitoring and tracking of electronic security systems, installation, maintenance and repair of automotive vehicle monitoring and tracking, and IT consulting.

At the Extraordinary General Meeting of Car Rental Systems, held on January 31, 2020, the merger of Localiza RP Aluguel de Carros Ltda. ("Localiza RP") into Car Rental Systems was approved, with transfer of all assets, liabilities and equity on the same date, in the amount of R\$ 73,305. This merger aims to follow the strategic guidelines of Car Rental Systems for operational, administrative and financial streamlining and rationalization, making the operation unique, aiming at increasing managerial efficiency and reducing operating, administrative and financial costs.

### (a) Business combination

At the Board of Directors' Meeting of Localiza Fleet held on March 12, 2020, the acquisition of all shares of MOBI7 by Localiza Fleet was approved. The Purchase and Sale Agreement was signed on that date.

In the consolidated financial statements, the acquisition of MOBI7 was accounted for at the fair value of the assets acquired and liabilities assumed by Localiza Fleet on the acquisition date, and the excess over the consideration paid is recorded as goodwill, which may be deductible in the event of an incorporation.

The goodwill on the acquisition of MOBI7 is based on the strategic purpose of maintaining the synergy between the car rental and fleet management activity with the activity of monitoring and tracking of automotive vehicle electronic system.

### (i) Net assets and liabilities assumed in the operation

The acquisition price for 100% of the equity interest in MOBI7 was R\$ 18,500. This amount is comprised of a portion of R\$7,999, which was paid on March 12, 2020, and in three successive annual installments, the last installment due on March 13, 2023. According to contractual clauses, Localiza Fleet had 60 days from the acquisition date to confirm the amount of the estimated net debt of MOBI7 in the initial calculation of the purchase price. In May 2020, a complementary difference to the initial price in the amount of R\$34 was determined, which was paid in the following month, resulting in a final purchase price of R\$18,534. The outstanding amounts are recorded under "other current and noncurrent liabilities" (note 15).

## Notes to the Interim Financial Information

Assets and liabilities acquired, initially measured by Management, are stated below at fair value and are being reviewed by a specialized company to definitively record net assets. Upon completion of the technical studies, any increases or decreases in the provisional amounts recognized for an identifiable asset or liability assumed through increase or decrease in goodwill for expected future profitability will be attested. Provisional net assets and liabilities are as follows:

MOBI7			
Fair value at 3/12/2020			
Assets		Liabilities	
Current	995	Current	3,708
Noncurrent		Noncurrent	2,575
Long-term assets	36	Equity	(937)
Investments	15		
Property and equipment	3,972		
Intangible assets	328		
<b>Total</b>	<b>5,346</b>	<b>Total</b>	<b>5,346</b>

MOBI7	Fair value
Consideration to be transferred	10,501
Consideration transferred	8,033
Recognized net fair value of identifiable assets and liabilities assumed	937
<b>Preliminary goodwill identified on acquisition</b>	<b>19,471</b>

### Net cash outflow on acquisition of subsidiary

MOBI7	Fair value
Consideration transferred in cash	8,033
(-) Balance of cash and cash equivalents acquired	(157)
<b>Effects of acquisition presented in the statement of cash flows</b>	<b>7,876</b>

### (ii) Impact of acquisition on consolidated profit or loss

The Company is still analyzing the impacts on profit or loss attributable to the additional business generated by MOBI7 had this business combination taken effect on January 1, 2020.

### (b) Information on subsidiaries

Investments are broken down as follows:

	6/30/2020	12/31/2019
Investments in subsidiaries	1,273,339	1,118,966
Goodwill in the acquisition of investments	22,077	22,077
<b>Total</b>	<b>1,295,416</b>	<b>1,141,043</b>

Variations in the balance of investments in direct subsidiaries are as follows:

	1H20	1H19	2Q20	2Q19
<b>Balance at the beginning of the period</b>	<b>1,118,966</b>	<b>903,037</b>	<b>1,221,343</b>	<b>978,989</b>
Equity in the earnings of subsidiaries	208,976	144,656	106,599	68,704
Dividends from subsidiaries	(54,603)	(31,820)	(54,603)	(31,820)
<b>Balance at the end of the period</b>	<b>1,273,339</b>	<b>1,015,873</b>	<b>1,273,339</b>	<b>1,015,873</b>



## Notes to the Interim Financial Information

The interests in capital of direct and indirect subsidiaries are as follows:

	Number of shares		Capital (%)	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>Localiza subsidiaries:</b>				
Localiza Fleet	103,280,354	103,280,354	100.0	100.0
Rental Brasil	15,000,000	15,000,000	100.0	100.0
Localiza Prime	15,000	15,000	100.0	100.0
Car Assistance	200,000	200,000	100.0	100.0
Franchising Brasil	399,069	399,069	100.0	100.0
LFI S.R.L.	131,078	131,078	98.0	98.0
<b>Indirect subsidiary:</b>				
LFI S.R.L.	2,160	2,160	2.0	2.0
MOBI7 Mexico (*)	200	-	2.0	-
<b>Localiza Fleet's subsidiary:</b>				
Car Rental Systems	603,876,785	603,876,785	100.0	100.0
MOBI7	890,000	-	100.0	-
<b>Car Rental Systems' subsidiary:</b>				
Localiza RP (**)	-	59,277,789	-	100.0
<b>MOBI7's subsidiary:</b>				
MOBI7 Mexico	9,800	-	98.0	-

(\*) At the General Meeting of MOBI7 Mexico held on May 8, 2020, the transfer of the 2% ownership interest from MOBI7 Mexico to Car Rental Systems was approved.

(\*) Wholly-owned subsidiary of Car Rental Systems merged on January 31, 2020, as approved at the Extraordinary General Meeting of Car Rental Systems held on the same date.

The summary of financial information of the main groups of balance sheet and statements of income of subsidiaries of Localiza is as follows:

### (i) Balance sheets

	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
6/30/2020						
<b>Assets</b>						
Current	1,132,604	236,018	156,267	51,546	14,765	295
Noncurrent						
Long-term	155,553	-	13,558	-	6,605	-
Investment	8	-	-	-	-	-
Property and equipment	2,811,321	406,986	238	-	1,277	-
Intangible assets	92,822	-	-	-	-	-
<b>Total</b>	<b>4,192,308</b>	<b>643,004</b>	<b>170,063</b>	<b>51,546</b>	<b>22,647</b>	<b>295</b>
<b>Liabilities</b>						
Current	347,721	30,844	33,842	33,359	11,662	106
Noncurrent	2,998,043	350,155	8,227	2	9,508	13
Equity	846,544	262,005	127,994	18,185	1,477	176
<b>Total</b>	<b>4,192,308</b>	<b>643,004</b>	<b>170,063</b>	<b>51,546</b>	<b>22,647</b>	<b>295</b>
	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
12/31/2019						
<b>Assets</b>						
Current	898,618	226,897	148,509	32,907	13,893	268
Noncurrent						
Long-term	73,452	-	15,849	-	6,720	-
Investment	3	-	-	-	-	-
Property and equipment	2,879,762	396,526	260	-	2,824	-
Intangible assets	73,092	-	-	-	60	-
<b>Total</b>	<b>3,924,927</b>	<b>623,423</b>	<b>164,618</b>	<b>32,907</b>	<b>23,497</b>	<b>268</b>



## Notes to the Interim Financial Information

12/31/2019	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
<b>Liabilities</b>						
Current	559,200	11,042	24,779	11,192	6,509	129
Noncurrent	2,682,002	347,636	8,346	3	11,329	8
Equity	683,725	264,745	131,493	21,712	5,659	131
<b>Total</b>	<b>3,924,927</b>	<b>623,423</b>	<b>164,618</b>	<b>32,907</b>	<b>23,497</b>	<b>268</b>

### (ii) Statements of income

1H20	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
Net revenue	961,688	18,884	24,286	21,483	4,726	-
Gross profit	398,711	19,129	24,286	21,153	1,492	-
Net income/(loss) before income tax and social contribution	241,630	14,977	18,022	20,543	1,533	45
Net income	162,819	9,896	11,941	17,945	873	45

1H19	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	777,035	18,592	30,478	19,618	7,085	23	-
Gross profit	266,465	18,832	30,074	19,186	4,977	(87)	-
Net income/(loss) before income tax and social contribution	146,758	13,584	18,145	19,590	5,307	(306)	(2)
Net income/(loss)	97,146	8,980	12,058	16,877	4,238	(306)	(2)

2Q20	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
Net revenue	441,960	9,225	5,123	9,648	2,144	-
Gross profit	198,639	9,347	5,123	9,505	275	-
Net income/(loss) before income tax and social contribution	134,790	7,279	1,153	8,850	226	(7)
Net income (loss)	90,545	4,810	773	7,670	(92)	(7)

2Q19	Localiza Fleet S.A. Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	376,597	9,445	14,805	10,693	3,555	(2)	-
Gross profit	135,573	9,567	14,728	10,459	2,450	(94)	-
Net income/(loss) before income tax and social contribution	63,338	6,945	8,630	10,627	2,499	(200)	(1)
Net income/(loss)	41,946	4,591	5,729	9,045	1,929	(200)	(1)

### (iii) Dividends from subsidiaries

1H20	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Total
Dividends for 2019 (mandatory minimum)	54,012	4,212	5,147	7,156	1,685	72,212
Dividends in addition to the mandatory minimum for 2019	-	12,636	15,440	21,472	5,055	54,603
<b>Total approved dividends</b>	<b>54,012</b>	<b>16,848</b>	<b>20,587</b>	<b>28,628</b>	<b>6,740</b>	<b>126,815</b>

## Notes to the Interim Financial Information

1H19	Localiza Fleet	Rental Brasil	Car Assistance	Franchising Brasil	Total
Dividends for 2018 (mandatory minimum)	-	2,269	4,744	2,051	9,064
Dividends in addition to the mandatory minimum for 2018	4,622	6,811	14,233	6,154	31,820
<b>Total approved dividends</b>	<b>4,622</b>	<b>9,080</b>	<b>18,977</b>	<b>8,205</b>	<b>40,884</b>

### (c) Balances and transactions with related parties

#### (i) Balances and transactions with subsidiaries and other related parties

	Localiza Fleet		Other subsidiaries		Total	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>Balances:</b>						
Trade receivables	7,428	5,590	-	-	7,428	5,590
Dividends receivable	54,012	54,012	72,803	18,200	126,815	72,212
Other receivables (note 7)	1,745	-	145	144	1,890	144
Trade payables	(478)	(3,142)	(21,018)	(4,584)	(21,496)	(7,726)
Other payables (note 15)	-	(4,262)	(4,326)	(12,542)	(4,326)	(16,804)

	Localiza Fleet		Other subsidiaries		Total	
	1H20	1H19	1H20	1H19	1H20	1H19
<b>Transactions:</b>						
Revenues	14,420	13,794	-	4	14,420	13,798
Costs and expenses	(13,371)	(14,798)	(36,548)	(14,096)	(49,919)	(28,894)
Recoverable costs and expenses	32,395	9,700	1,890	1,987	34,285	11,687

	Localiza Fleet		Other subsidiaries		Total	
	2Q20	2Q19	2Q20	2Q19	2Q20	2Q19
<b>Transactions:</b>						
Revenues	7,361	6,950	-	3	7,361	6,953
Costs and expenses	(5,341)	(8,021)	(9,910)	(7,063)	(15,251)	(15,084)
Recoverable costs and expenses	14,160	5,532	355	1,187	14,515	6,719

The common activity of sale of decommissioned cars owned by Localiza and Localiza Fleet for the renewal of their fleets is carried out through a consortium, with the purpose of, but not limited to, capturing the synergy of the use of the same physical structure, sharing know-how and qualified units.

As at June 30, 2020, there were collateral guarantees for borrowings and debt securities amounting to: (i) R\$ 4,175,729 issued by Localiza Fleet to Localiza (R\$ 4,318,938 at December 31, 2019); (ii) R\$ 2,572,343 issued by Localiza to Localiza Fleet (R\$ 2,426,059 at December 31, 2019); and (iii) R\$ 357,523 issued by Localiza to Rental Brasil (R\$ 351,330 at December 31, 2019). There was also collateral between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$ 209,241 (R\$ 142,213 at December 31, 2019).

Transactions between related parties are made under conditions negotiated between the Company and its subsidiaries.

Additionally, the Company has guarantees insurances with J Malucelli Seguradora, Austral Seguradora, Berkley International, Chubb Seguros and Pottencial Seguradora, the latter being a company in which Salim Mattar and Eugênio Mattar, founding partners of Localiza, jointly hold 43.75% of the capital. In transactions with Pottencial Seguradora, made under normal market conditions, the amount accounted for as expense in 1H20 related to guarantee insurance was R\$ 846 (R\$ 320 in 1H19) and the insured amount is R\$ 209,241 at June 30, 2020 (R\$ 142,213 at December 31, 2019).

## Notes to the Interim Financial Information

### (ii) Key management compensation

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
Compensation of the Board of Directors and Fiscal Council	6,041	5,698	6,041	5,698
Executive Board				
Fees and compensation	14,798	14,924	15,534	17,453
Payroll taxes	4,207	2,228	4,464	2,608
(i) Stock options granted recognized	4,038	3,657	4,038	3,657
Supplementary pension plan	361	355	374	441
<b>Total</b>	<b>29,445</b>	<b>26,862</b>	<b>30,451</b>	<b>29,857</b>

	Individual		Consolidated	
	2Q20	2Q19	2Q20	2Q19
Compensation of the Board of Directors and Fiscal Council	2,303	2,815	2,303	2,815
Executive Board				
Fees and compensation	5,148	8,747	5,506	9,580
Payroll taxes	1,478	1,155	1,614	1,263
(i) Stock options granted recognized	2,150	1,935	2,150	1,935
Supplementary pension plan	-	230	-	257
<b>Total</b>	<b>11,079</b>	<b>14,882</b>	<b>11,573</b>	<b>15,850</b>

The other information on investments in subsidiaries and related-party transactions has not significantly changed in relation to that disclosed in note 8 to the financial statements for the year ended December 31, 2019.

## 9. PROPERTY AND EQUIPMENT

The Company reviewed the method used to calculate the depreciation of cars in the Fleet Management Division to better reflect the equalization of maintenance and depreciation costs over the car's useful life. As defined by CPC 23, the change in the depreciation calculation assumption to the straight-line method started to be recognized prospectively as of January 1, 2020. Management believes that this review of estimate provides information that better reflects the consumption pattern of economic benefits over the car's useful life.

The effects of applying the straight-line method in the six-month period ended June 30, 2020 are the decrease in depreciation expense by approximately R\$ 33 million, to be offset by the increase in the cost of the car sold when it is decommissioned, and the increase in deferred income tax and social contribution expense by approximately R\$ 11 million. The Company is still analyzing the future impacts on profit or loss attributable to this review of estimate.

## Notes to the Interim Financial Information

Variations in cost, accumulated depreciation and net carrying amount of property and equipment in each period are as follows:

	Individual									
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use	Other	Total
<b>Cost</b>										
As of December 31, 2019	10,864,521	138,455	96,193	53,712	20,800	681	1,913	1,000,604	30,101	12,206,980
Additions	1,590,641	-	8,748	719	12,545	-	-	65,897	1,194	1,679,744
Write-offs/transfers (*)	(2,095,209)	19,548	(54)	-	(19,548)	-	-	(7,641)	-	(2,102,904)
As of June 30, 2020	10,359,953	158,003	104,887	54,431	13,797	681	1,913	1,058,860	31,295	11,783,820
<b>Accumulated depreciation:</b>										
As of December 31, 2019	(256,341)	(78,218)	(39,016)	(33,290)	-	-	(1,214)	(136,458)	(16,475)	(561,012)
Additions	(244,999)	(8,151)	(4,410)	(3,442)	-	-	(41)	(73,072)	(1,256)	(335,371)
Write-offs/transfers (*)	106,385	-	16	-	-	-	-	7,606	-	114,007
As of June 30, 2020	(394,955)	(86,369)	(43,410)	(36,732)	-	-	(1,255)	(201,924)	(17,731)	(782,376)
<b>Net carrying amount</b>										
As of December 31, 2019	10,608,180	60,237	57,177	20,422	20,800	681	699	864,146	13,626	11,645,968
June 30, 2020	9,964,998	71,634	61,477	17,699	13,797	681	658	856,936	13,564	11,001,444

	Individual									
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use	Other	Total
<b>Cost</b>										
As of December 31, 2018	7,422,844	115,396	87,720	47,986	9,816	681	1,913	-	26,600	7,712,956
Initial application of IFRS 16	-	-	-	-	-	-	-	837,305	-	837,305
Additions	3,720,494	514	2,651	1,989	5,904	-	-	31,842	1,095	3,764,489
Write-offs/transfers (*)	(2,470,981)	4,277	(627)	(824)	(4,472)	-	-	-	-	(2,472,627)
As of June 30, 2019	8,672,357	120,187	89,744	49,151	11,248	681	1,913	869,147	27,695	9,842,123
<b>Accumulated depreciation:</b>										
As of December 31, 2018	(109,327)	(65,012)	(31,246)	(26,766)	-	-	(1,129)	-	(14,116)	(247,596)
Additions	(127,436)	(6,376)	(3,875)	(3,311)	-	-	(43)	(65,533)	(1,141)	(207,715)
Write-offs/transfers (*)	68,756	-	138	220	-	-	-	-	-	69,114
As of June 30, 2019	(168,007)	(71,388)	(34,983)	(29,857)	-	-	(1,172)	(65,533)	(15,257)	(386,197)
<b>Net carrying amount</b>										
As of December 31, 2018	7,313,517	50,384	56,474	21,220	9,816	681	784	-	12,484	7,465,360
As of June 30, 2019	8,504,350	48,799	54,761	19,294	11,248	681	741	803,614	12,438	9,455,926

## Notes to the Interim Financial Information

	Consolidated								
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use	Total
<b>Cost</b>									
<b>As of December 31, 2019</b>	<b>14,016,574</b>	<b>142,113</b>	<b>96,195</b>	<b>54,042</b>	<b>20,800</b>	<b>29,342</b>	<b>369,935</b>	<b>749,297</b>	<b>15,508,823</b>
Opening balance MOBI7 (note 8 (a))	-	-	-	-	-	-	-	266	4,453
Additions	2,011,363	-	8,748	836	12,609	2,545	8,760	68,868	2,118,044
Write-offs/transfers (*)	(2,593,156)	19,548	(93)	-	(19,548)	-	-	(7,850)	(2,601,099)
<b>As of June 30, 2020</b>	<b>13,434,781</b>	<b>161,661</b>	<b>104,850</b>	<b>54,878</b>	<b>13,861</b>	<b>31,887</b>	<b>378,695</b>	<b>810,581</b>	<b>15,030,221</b>
<b>Accumulated depreciation:</b>									
<b>As of December 31, 2019</b>	<b>(642,436)</b>	<b>(78,401)</b>	<b>(39,018)</b>	<b>(33,611)</b>	-	-	<b>(4,846)</b>	<b>(124,300)</b>	<b>(939,252)</b>
Opening balance MOBI7 (note 8 (a))	-	-	-	-	-	-	-	(11)	(471)
Additions	(320,667)	(8,242)	(4,372)	(3,442)	-	-	(861)	(67,230)	(406,528)
Write-offs/transfers (*)	189,844	-	16	-	-	-	-	7,859	197,719
<b>As of June 30, 2020</b>	<b>(773,259)</b>	<b>(86,643)</b>	<b>(43,374)</b>	<b>(37,053)</b>	-	-	<b>(5,707)</b>	<b>(183,682)</b>	<b>(1,148,532)</b>
<b>Net carrying amount</b>									
<b>As of December 31, 2019</b>	<b>13,374,138</b>	<b>63,712</b>	<b>57,177</b>	<b>20,431</b>	<b>20,800</b>	<b>29,342</b>	<b>365,089</b>	<b>624,997</b>	<b>14,569,571</b>
<b>As of June 30, 2020</b>	<b>12,661,522</b>	<b>75,018</b>	<b>61,476</b>	<b>17,825</b>	<b>13,861</b>	<b>31,887</b>	<b>372,988</b>	<b>626,899</b>	<b>13,881,689</b>

	Consolidated								
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use – properties and areas	Total
<b>Cost</b>									
<b>As of December 31, 2018</b>	<b>9,910,476</b>	<b>115,396</b>	<b>87,722</b>	<b>48,316</b>	<b>13,474</b>	<b>29,342</b>	<b>369,935</b>	-	<b>10,601,685</b>
Initial application of IFRS 16	-	-	-	-	-	-	-	598,533	598,533
Additions	4,351,491	514	2,651	1,989	5,904	-	-	26,034	4,389,678
Write-offs/transfers (*)	(2,840,147)	7,935	(627)	(824)	(8,130)	-	-	-	(2,841,793)
<b>As of June 30, 2019</b>	<b>11,421,820</b>	<b>123,845</b>	<b>89,746</b>	<b>49,481</b>	<b>11,248</b>	<b>29,342</b>	<b>369,935</b>	<b>624,567</b>	<b>12,748,103</b>
<b>Accumulated depreciation:</b>									
<b>As of December 31, 2018</b>	<b>(428,921)</b>	<b>(65,012)</b>	<b>(31,248)</b>	<b>(27,082)</b>	-	-	<b>(3,298)</b>	-	<b>(569,799)</b>
Additions	(235,037)	(6,467)	(3,875)	(3,314)	-	-	(775)	(59,763)	(310,394)
Write-offs/transfers (*)	133,773	-	138	220	-	-	-	-	134,131
<b>As of June 30, 2019</b>	<b>(530,185)</b>	<b>(71,479)</b>	<b>(34,985)</b>	<b>(30,176)</b>	-	-	<b>(4,073)</b>	<b>(59,763)</b>	<b>(746,062)</b>
<b>Net carrying amount</b>									
<b>As of December 31, 2018</b>	<b>9,481,555</b>	<b>50,384</b>	<b>56,474</b>	<b>21,234</b>	<b>13,474</b>	<b>29,342</b>	<b>366,637</b>	-	<b>10,031,886</b>
<b>As of June 30, 2019</b>	<b>10,891,635</b>	<b>52,366</b>	<b>54,761</b>	<b>19,305</b>	<b>11,248</b>	<b>29,342</b>	<b>365,862</b>	<b>564,804</b>	<b>12,002,041</b>

(\*) Include write-offs due to car sale, robbery, damage and transfer of decommissioned cars for fleet renewal to assets for sale, transfers to definitive property and equipment accounts and write-offs of the right-of-use due to contract termination.

## Notes to the Interim Financial Information

### (a) Decommissioned cars for fleet renewal

The cost, accumulated depreciation and net carrying amount of decommissioned cars for fleet renewal in each period are as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cost	28,872	21,497	203,856	171,559
Accumulated depreciation:	(1,573)	(1,136)	(30,329)	(29,824)
<b>Net carrying amount</b>	<b>27,299</b>	<b>20,361</b>	<b>173,527</b>	<b>141,735</b>

The other information on property and equipment (Individual and Consolidated) has not significantly changed compared with that disclosed in note 9 to the financial statements for the year ended December 31, 2019.

## 10. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Software	41,574	44,715	47,016	49,958
Goodwill	-	-	89,986	89,986
Preliminary goodwill on the acquisition of MOBI7 (note 8(a))	-	-	19,471	-
<b>Total</b>	<b>41,574</b>	<b>44,715</b>	<b>156,473</b>	<b>139,944</b>

The variations in cost, accumulated amortization and net carrying amount of intangible assets in each period are as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
<b>Cost</b>				
<b>At the beginning of the period</b>	<b>119,518</b>	<b>104,545</b>	<b>224,631</b>	<b>148,798</b>
Opening balance MOBI7 (note 8 (a))	-	-	328	-
Additions	4,010	2,974	24,424	3,110
<b>At the end of the period</b>	<b>123,528</b>	<b>107,519</b>	<b>249,383</b>	<b>151,908</b>
<b>Accumulated amortization</b>				
<b>At the beginning of the period</b>	<b>(74,803)</b>	<b>(62,423)</b>	<b>(84,687)</b>	<b>(70,311)</b>
Additions	(7,151)	(6,104)	(8,223)	(7,109)
<b>At the end of the period</b>	<b>(81,954)</b>	<b>(68,527)</b>	<b>(92,910)</b>	<b>(77,420)</b>
<b>Net carrying amount</b>				
<b>At the beginning of the period</b>	<b>44,715</b>	<b>42,122</b>	<b>139,944</b>	<b>78,487</b>
<b>At the end of the period</b>	<b>41,574</b>	<b>38,992</b>	<b>156,473</b>	<b>74,488</b>

The expense on amortization of intangible assets is allocated to "costs", "selling expenses" and "general, administrative and other expenses" in the income statement, according to their nature and allocation.

The other information on intangible assets (Individual and Consolidated) has not significantly changed in relation to that disclosed in note 10 to the financial statements for the year ended December 31, 2019.

## Notes to the Interim Financial Information

### 11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Car manufacturers (*)	441,102	2,157,860	525,764	2,407,475
Maintenance services and parts	26,123	38,031	45,403	58,705
Rentals	14,609	19,334	13,868	12,785
Others	59,704	75,646	51,243	86,422
<b>Total</b>	<b>541,538</b>	<b>2,290,871</b>	<b>636,278</b>	<b>2,565,387</b>

(\*) The balance payable to car manufacturers refer to cars acquired with average payment term of approximately 175 days (105 days at December 31, 2019).

### 12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Accrued vacation pay	42,134	45,029	46,237	52,199
Accrued profit sharing (*)	41,010	75,808	45,510	88,082
Accrued 13 <sup>th</sup> salary	19,234	-	21,033	-
Social security contribution ("INSS")	28,708	8,167	30,627	9,042
Government Severance Indemnity Fund for Employees ("FGTS")	11,115	3,910	12,763	4,939
Others	4,295	6,451	4,702	7,508
<b>Total</b>	<b>146,496</b>	<b>139,365</b>	<b>160,872</b>	<b>161,770</b>

(\*) The Company has a profit sharing program for employees as prescribed in Law 10,101/00 based on profit recognized on an annual basis. The annual amount payable is defined through the combination of the Company's profit and performance indicators, in addition to the individual performance of each employee, which is mainly measured based on objective, measurable indicators and goals deriving from the management agreement and the annual budget approved by the Board of Directors. Localiza pays profit sharing in April and July. The consideration provision for profit sharing is classified as "costs", "selling expenses" and "general and administrative expenses" in the income statement, based on function exercised by the respective employees.

### 13. BORROWINGS, DEBT SECURITIES AND DERIVATIVES

Borrowings, debt securities and derivatives are broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>In local currency</b>				
Debentures - 11 <sup>th</sup> issuance	486,593	499,406	486,593	499,406
Debentures - 12 <sup>th</sup> issuance	699,920	700,591	699,920	700,591
Debentures - 13 <sup>th</sup> issuance	1,084,162	1,084,711	1,084,162	1,084,711
Debentures - 14 <sup>th</sup> issuance	922,201	1,011,193	922,201	1,011,193
Debentures - 15 <sup>th</sup> issuance	968,250	1,006,058	968,250	1,006,058
Debentures - 16 <sup>th</sup> issuance	1,009,630	994,653	1,009,630	994,653
Debentures of Localiza Fleet - 3 <sup>rd</sup> issuance	-	-	-	503,571
Debentures of Localiza Fleet - 4 <sup>th</sup> issuance	-	-	-	353,809
Debentures of Localiza Fleet - 5 <sup>th</sup> issuance	-	-	303,971	307,195
Debentures of Localiza Fleet - 6 <sup>th</sup> issuance	-	-	398,663	398,638
Debentures of Localiza Fleet - 7 <sup>th</sup> issuance	-	-	303,816	306,640
Debentures of Localiza Fleet - 8 <sup>th</sup> issuance	-	-	1,005,272	-
Promissory notes - 7 <sup>th</sup> issuance	515,856	506,191	515,856	506,191
Working capital	694,449	-	894,878	198,222
Leases	-	-	-	8,275
Certificates of Real Estate Receivables	-	-	348,149	341,522

## Notes to the Interim Financial Information

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>In foreign currency</b>				
Foreign currency borrowings (*)	1,800,020	826,264	2,244,712	1,158,784
	<b>8,181,081</b>	<b>6,629,067</b>	<b>11,186,073</b>	<b>9,379,459</b>
<b>Borrowings and debt securities</b>				
Current liabilities	708,630	33,269	745,769	144,342
Noncurrent liabilities	7,472,451	6,595,798	10,440,304	9,235,117
	<b>8,181,081</b>	<b>6,629,067</b>	<b>11,186,073</b>	<b>9,379,459</b>
<b>Derivative financial instruments (a)</b>				
Current assets (note 7)	(118,026)	-	(118,190)	-
Noncurrent assets (note 7)	(311,551)	(18,198)	(396,184)	(18,198)
Current liabilities (note 15)	-	4,456	46,767	26,811
Noncurrent liabilities (note 15)	-	-	61,822	62,288
<b>Total borrowings and debt securities, net of derivatives</b>	<b>7,751,504</b>	<b>6,615,325</b>	<b>10,780,288</b>	<b>9,450,360</b>

(\*) As a risk elimination strategy, simultaneously with the contracting of all foreign currency operations, it was contracted, in accordance with the Indebtedness, Derivatives, Guarantees and Sureties Policy, hedge transactions (plain vanilla) under identical conditions of amount, term and rate, exchanging the exposure to foreign exchange variation for CDI variation or fixed rate. Contracted hedge transactions are solely for hedge purposes (note 13 (a)(ii)).

The average effective interest rate on debt securities issued by the Company and its subsidiary Localiza Fleet ranges from 108.9 % of CDI p.a. to CDI + 1.31% p.a..

Pursuant to CVM Instruction 476/09, on February 12, 2020, Localiza Fleet raised the 8<sup>th</sup> issue of debentures in the amount of R\$1.000.000 in a single series maturing on April 12, 2025. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$ 11,043. The proceeds raised were used for the full early redemption of the debentures of the 3<sup>rd</sup> and 4<sup>th</sup> issuances of Localiza Fleet and to reinforce cash.

On February 15, 2020, Localiza Fleet extended the maturity of the current working capital, which was changed from February 15, 2021 to February 15, 2024.

On March 3, 2020, Localiza signed a borrowing agreement in the amount of USD 125,000 thousand (R\$ 562,500) with maturity of the principal on March 3, 2020. Simultaneously, a swap plain vanilla transaction was contracted in order to mitigate the risk of exposure in foreign currency, exchanging the foreign exchange variation plus fixed rate for CDI + 0.60%. There were no expenses incurred with the fundraising.

Due to the COVID-19 pandemic scenario, the Company contracted the following borrowings to reinforce cash:

- On March 27, 2020, Localiza contracted working capital of R\$ 295,000, with the principal maturing on March 23, 2023. Expenses incurred on this transaction, including fees, commissions and other costs, totaled R\$ 7,188.
- On March 31, 2020, Localiza contracted working capital of R\$ 300,000, with the principal maturing on March 31, 2022. There were no expenses incurred with the fundraising.
- On April 24, 2020, Localiza contracted working capital of R\$ 100,000, with the principal maturing on October 20, 2021, with the purpose of cash reinforcement. There were no expenses incurred with the fundraising.
- On June 18, 2020, the Board of Directors approved the Company's 1<sup>st</sup> debenture repurchase program with the limit of R\$ 200,000. Up to June 30, 2020, the Company repurchased debentures in the amount of R\$ 129,682.



## Notes to the Interim Financial Information

Changes in borrowings and debt securities, net of derivatives are as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
<b>Balance at the beginning of the period</b>	<b>6,615,325</b>	<b>5,308,183</b>	<b>9,450,360</b>	<b>7,683,804</b>
Opening balance MOBI7 (note 8 (a))	-	-	2,250	-
Funding	1,250,312	994,706	2,238,894	1,006,656
Repurchase of debentures	(129,682)	-	(129,682)	-
Interest and finance charges	148,430	179,348	273,643	285,245
Repayment of principal	-	(1,625,000)	(859,986)	(1,737,523)
Interest amortization	(132,881)	(242,539)	(195,191)	(321,266)
<b>Balance at the end of the period</b>	<b>7,751,504</b>	<b>4,614,698</b>	<b>10,780,288</b>	<b>6,916,916</b>

As at June 30, 2020, Localiza had six issuances of outstanding debentures, not convertible into shares, and one issue of promissory notes and Localiza Fleet had four issuances of debentures, not convertible into shares. All issues were conducted in accordance with CVM Instruction 476/09 and have accelerated maturity events, including, without limitation: (i) filing for or adjudication of bankruptcy by the Issuer or third parties that is not duly eliminated within the legal term; (ii) matters related to the default, with lack of payment within the established term, in individual or aggregate amount equal to or above 3% of the consolidated average equity calculated in the past three quarters; (iii) capital decrease of Localiza and/or repurchase of its own shares for cancellation, other than if previously authorized by debenture holders; (iv) Localiza's merger or spin-off, except if, as set forth in article 231 of Law No. 6,404/76, the spun-off portion or the Company resulting from the transaction continues to be controlled by the Issuer, or the object of the spin-off represents less than 30% of the last annual consolidated revenue; (v) failure to maintain financial ratios on a quarterly basis, based on the Company's consolidated financial statements; and (vi) the Company's rating downgrading on two or more grades in relation to the AAA rating (BR, triple A) by Fitch Ratings or Standard & Poor's due to any change in the shareholding structure that may result in the loss, transfer or disposal of "Controlling Power" of the Issuer by the current controlling shareholders.

The domestic corporate credit ratings in effect on June 30, 2020 are: Standard & Poor's (AAA(bra)/stable), Moody's (Aa1.br/negative) and Fitch Ratings (AAA(bra)/negative).

The financial covenants were met in the 12-month periods ended June 30, 2020 and December 31, 2019 as shown below:

Ratio	Limits	12-month period ended 6/30/2020	12-month period ended 12/31/2019
Net debt / Adjusted EBITDA (*)	Below 4.00	3.40	2.98
Net debt deducted from credit card balance (**) / Adjusted EBITDA	Below 4.00	3.37	2.77
Adjusted EBITDA / Finance costs, net	Above 1.50	4.88	5.43

(\*) EBITDA corresponds to the Issuer's net income or loss, on a consolidated basis, relating to the 12 last months, plus: (i) finance income (costs); (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issues, EBITDA is also adjusted by the costs on stock options, nonrecurring expenses and impairment.

(\*\*) The 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> issuance of debentures from Localiza and the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> issuance of debentures from Localiza Fleet included in the definition of net debt the discount of the trade receivables of credit card balance.

Additionally, the Company has borrowings that also include certain accelerated maturity events under conditions similar to those applicable to debt securities. As at June 30, 2020, these restrictive covenants were met.

### (a) Derivatives

The breakdown of derivative instruments balance, presented in line items other current and other noncurrent assets (note 7) or other current and other noncurrent liabilities (note 15), is as follows:

	Consolidated	
	6/30/2020	12/31/2019
Fixed rate (i)	(107,672)	(71,405)
Foreign currency (ii)	513,457	504
<b>Total assets/(liabilities), net</b>	<b>405,785</b>	<b>(70,901)</b>

## Notes to the Interim Financial Information

### (i) CDI vs Fixed rate

Mostly fleet rental contracts of Fleet Rental Division vary from 24 to 36 months and, in general, include an annual adjustment clause based on the inflation index. As the rental contracts cannot be adjusted based on the benchmark interest rates, Localiza Fleet has entered into swap transactions by swapping the CDI fluctuation for a fixed rate in order to hedge against the risk of loss of profit on rental contracts. The specific characteristics of this swap transaction, as well as its respective notional and carrying amounts as of June 30, 2020, are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference <i>Notional</i>	Value of curve			Market value (carrying amount)			Variation Curve x MTM
		Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	
		% CDI									
Institution A	July 2020 to April 2022	117.80%	7.64%	580,000	617,367	637,266	(19,899)	621,030	660,198	(39,168)	(19,269)
Institution B	October 2020 to July 2021	110.00%	8.13%	150,000	161,808	168,090	(6,282)	162,035	173,737	(11,702)	(5,420)
Institution C	July 2020 to January 2023	121.00%	7.17%	400,000	424,075	435,617	(11,542)	427,195	451,275	(24,080)	(12,538)
Institution D	January 2021 to January 2023	110.10%	8.41%	270,000	289,772	301,384	(11,612)	290,617	318,902	(28,285)	(16,673)
Institution E	July 2021 and April 2022	126.80%	5.98%	45,000	46,331	46,807	(476)	46,703	48,957	(2,254)	(1,778)
Institution F	July 2022	110.00%	5.90%	25,000	25,433	25,670	(237)	25,609	26,933	(1,324)	(1,087)
Institution G	April 2021	140.30%	5.03%	50,000	50,647	50,776	(129)	51,030	51,889	(859)	(730)
					<b>1,615,433</b>	<b>1,665,610</b>	<b>(50,177)</b>	<b>1,624,219</b>	<b>1,731,891</b>	<b>(107,672)</b>	<b>(57,495)</b>

### (ii) Foreign currency x Reais

As at June 30, 2020, the Company had current hedge transactions with an exclusive foreign exchange hedge for the respective foreign currency borrowing contracted with a large financial institution. The specific characteristics of these hedge transactions, as well as their respective notional and carrying amounts, are as follows:

#### Swap

Range of maturity dates	Index		Amount of reference <i>Notional</i>	Value of curve			Market value (carrying amount)			Variation Curve x MTM
	Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	
5/22/2023	USD Libor + 0.47%	108.0% of CDI	USD 80,000 thousand	435,787	300,906	134,881	431,898	303,070	128,828	(6,053)
1/3/2023	0.93%	CDI + 1.00%	EUR 55,394 thousand	341,399	251,246	90,153	345,829	257,319	88,510	(1,643)
1/3/2025	1.33%	CDI + 1.20%	EUR 55,394 thousand	341,614	251,313	90,301	356,985	263,722	93,263	2,962
1/25/2023	USD Libor + 1.66%	6.51%	USD 31,081 thousand	169,501	130,891	38,610	167,532	135,066	32,466	(6,144)
3/3/2021	2.00%	CDI + 0.60%	USD 125,000 thousand	681,219	563,774	117,445	684,985	566,009	118,976	1,531
				<b>1,969,520</b>	<b>1,498,130</b>	<b>471,390</b>	<b>1,987,229</b>	<b>1,525,186</b>	<b>462,043</b>	<b>(9,347)</b>

## Notes to the Interim Financial Information

### NDF

Maturity date	Amount of reference	Forward/ Strike	Value of curve			Market value (carrying amount)			Variation
	Notional		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
12/12/2021	AUD 73,249 thousand	AUD 3.12 (*)	281,240	221,884	59,356	277,427	226,177	51,250	(8,106)
10/25/2020	USD 135 thousand	USD 4.23	764	571	193	729	565	164	(29)
			<b>282,004</b>	<b>222,455</b>	<b>59,549</b>	<b>278,156</b>	<b>226,742</b>	<b>51,414</b>	<b>(8,135)</b>

(\*) Referring to the notional amount of the transaction. A NDF was contracted for each payment of interest, with average forward/ strike of AUD 3.00.

### 14. RIGHT OF USE LEASE LIABILITY

Changes in the right-of-use lease liability are as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
<b>Balance at the beginning of the period</b>	<b>889,595</b>	<b>837,305</b>	<b>642,733</b>	<b>598,533</b>
Opening balance MOB17 (note 8 (a))	-	-	255	-
Addition/remeasurement of new agreements	65,897	31,842	68,868	26,034
Write-off	(334)	-	(339)	-
Consideration paid	(86,186)	(72,377)	(86,782)	(73,173)
Consideration payable	(13,808)	(13,613)	-	-
Interest	41,672	33,022	30,571	22,174
<b>Balance at the end of the period</b>	<b>896,836</b>	<b>816,179</b>	<b>655,306</b>	<b>573,568</b>
<b>Current</b>	<b>146,774</b>	<b>119,720</b>	<b>133,588</b>	<b>107,056</b>
<b>Noncurrent</b>	<b>750,062</b>	<b>696,459</b>	<b>521,718</b>	<b>466,512</b>

	Individual		Consolidated	
	2Q20	2Q19	2Q20	2Q19
<b>Balance at the beginning of the period</b>	<b>909,912</b>	<b>831,118</b>	<b>657,804</b>	<b>590,798</b>
Addition/remeasurement of new agreements	18,007	11,461	27,447	10,872
Write-off	(101)	-	(106)	-
Consideration paid	(43,664)	(34,304)	(43,864)	(34,665)
Consideration payable	(6,691)	(6,915)	-	-
Interest	19,373	14,819	14,025	6,563
<b>Balance at the end of the period</b>	<b>896,836</b>	<b>816,179</b>	<b>655,306</b>	<b>573,568</b>

Changes in the right-of-use asset balance are shown in note 9.

## Notes to the Interim Financial Information

The Company has property rental contracts for its car rental locations in airports and off-airports (downtown locations), stores, head office and parking lots. The minimum amounts payable, considering undiscounted installments, for the remaining lease term contracted up to June 30, 2020 and classified as leases are as follows:

	Individual							2027 an onwards	Total
	2H20	2021	2022	2023	2024	2025	2026		
Concessions in airports	19,491	30,264	26,403	23,869	20,092	16,396	10,102	32,792	179,409
Downtown locations, stores, head office and parking lots	78,758	153,209	140,025	128,402	114,458	105,289	102,136	728,878	1,551,155
<b>Total</b>	<b>98,249</b>	<b>183,473</b>	<b>166,428</b>	<b>152,271</b>	<b>134,550</b>	<b>121,685</b>	<b>112,238</b>	<b>761,670</b>	<b>1,730,564</b>
Embedded interest									(833,728)
<b>Balance of lease liability (current and noncurrent)</b>									<b>896,836</b>

	Consolidated							2027 an onwards	Total
	2H20	2021	2022	2023	2024	2025	2026		
Concessions in airports	20,158	30,778	26,528	23,945	20,124	16,420	10,126	32,845	180,924
Downtown locations, stores and parking lots	65,032	124,935	110,620	97,954	82,944	73,240	68,965	281,718	905,408
<b>Total</b>	<b>85,190</b>	<b>155,713</b>	<b>137,148</b>	<b>121,899</b>	<b>103,068</b>	<b>89,660</b>	<b>79,091</b>	<b>314,563</b>	<b>1,086,332</b>
Embedded interest									(431,026)
<b>Balance of lease liability (current and noncurrent)</b>									<b>655,306</b>

The estimated amount of PIS and COFINS credit embedded in the lease consideration totals R\$ 135,768 in the Individual and R\$ 76,176 in the Consolidated (R\$ 67,744 in the Individual and R\$ 45,400 in the Consolidated, discounted to present value).

In the period ended June 30, 2020, as mentioned in note 3.1, the Company adopted the practical expedient from CVM Decision 859/20 for the recognition of benefits granted under lease contracts. Other information on the lease liability related to right of use has not changed significantly when compared to the information disclosed in note 3.1 to the financial statements for the year ended December 31, 2019.

## Notes to the Interim Financial Information

### 15. OTHER CURRENT AND NONCURRENT LIABILITIES

The breakdown of the balance of other current and noncurrent liabilities is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Balances stated separately in current liabilities:				
Revenue to be appropriated (*)	2,722	3,213	5,769	6,221
Payables to related parties (note 8 (c)(i))	4,326	16,804	-	-
Federal taxes payable	1,699	5,271	13,274	8,082
Municipal taxes payable	2,435	4,440	4,156	5,959
Derivative financial instruments (note 13)	-	4,456	46,767	26,811
	<u>11,182</u>	<u>34,184</u>	<u>69,966</u>	<u>47,073</u>
Other current liabilities:				
Advances from car rental and decommissioned sale customers	132,477	196,314	138,858	200,529
Insurance premiums for transfer (**)	15,992	123,946	16,945	125,948
Restricted obligations (***)	-	-	22,912	22,549
Amounts payable for the acquisition of MOBIL7	-	-	3,550	-
Others	13,397	12,056	24,671	20,644
	<u>161,866</u>	<u>332,316</u>	<u>206,936</u>	<u>369,670</u>
<b>Total other current liabilities</b>	<b><u>173,048</u></b>	<b><u>366,500</u></b>	<b><u>276,902</u></b>	<b><u>416,743</u></b>
Balances stated separately in noncurrent liabilities:				
Revenue to be appropriated (*)	3,204	2,885	7,786	7,952
Derivative financial instruments (note 13)	-	-	61,822	62,288
Restricted obligations (***)	-	-	22,912	22,549
	<u>3,204</u>	<u>2,885</u>	<u>92,520</u>	<u>92,789</u>
Other noncurrent liabilities:				
Amounts payable for the acquisition of MOBIL7	-	-	7,098	-
Others	9,789	8,562	11,191	8,570
	<u>9,789</u>	<u>8,562</u>	<u>18,289</u>	<u>8,570</u>
<b>Total other noncurrent liabilities</b>	<b><u>12,993</u></b>	<b><u>11,447</u></b>	<b><u>110,809</u></b>	<b><u>101,359</u></b>
<b>Total other current and noncurrent liabilities</b>	<b><u>186,041</u></b>	<b><u>377,947</u></b>	<b><u>387,711</u></b>	<b><u>518,102</u></b>

(\*) Refers to the franchising integration fee and bank preference premium.

(\*\*) Premiums received from customers that took out insurance for rented cars, and extended warranty for the decommissioned cars sold which will be transferred by Localiza to the insurance company (note 2.7.5 to the financial statements as of December 31, 2019).

(\*\*\*) The restricted obligations refer to the amounts retained from the purchase price owed to Car Rental Systems' sellers (escrow), which shall be made available to them after compliance with specific provisions under the share purchase agreement. Restricted obligations are guaranteed by short-term investments made by the Company, with restricted use, and shall be made available for withdrawal on August 31, 2020 and 2023 (note 7).

### 16. PROVISIONS AND ESCROW DEPOSITS

#### (a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Tax (*)	2,362	99,006	7,853	126,119
Social security	13,622	10,808	15,263	12,217
Labor	23,116	25,497	32,268	37,434
Civil	26,011	23,772	33,900	31,467
<b>Total</b>	<b><u>65,111</u></b>	<b><u>159,083</u></b>	<b><u>89,284</u></b>	<b><u>207,237</u></b>

Localiza and Localiza Fleet filed for a suit claiming their right to appropriate PIS and COFINS credits from depreciation of their rental vehicles, based on the justification inserted in Article 3, VI, and Article 15 of Law 10,833/03, at the fraction of 1/48 per month instead of the general rule of 1/60 per month. Since April 2017, based on favorable outcome, Localiza and Localiza Fleet began to appropriate credits on a 1/48th

## Notes to the Interim Financial Information

basis per month and recognize the difference between said bases until new decisions about the discussion were issued. In 2020, considering (i) the change in the scenario of the lawsuits with the issuance of the second favorable decision; (ii) the current jurisprudential context on the utilization of PIS/COFINS credits; and (iii) the change in the assessment of the lawsuits to possible loss, made by the legal counsel, the related provisions were reversed, in the updated amounts of R\$110,602 (Individual) and R\$135,021 (Consolidated) (notes 22 and 23).

### (b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Tax	42,762	42,665	74,272	72,830
Social security	1,972	1,397	1,972	1,397
Labor	15,733	16,035	20,855	23,743
Civil	13,923	14,967	15,605	16,616
<b>Total</b>	<b>74,390</b>	<b>75,064</b>	<b>112,704</b>	<b>114,586</b>

The other information on provisions and escrow deposits (Individual and Consolidated) has not significantly changed in relation to that disclosed in note 15 to the financial statements for the year ended December 31, 2019.

## 17. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

### (a) Deferred income tax and social contribution - assets and liabilities

The breakdown of deferred income tax and social contribution as of June 30, 2020 and December 31, 2019 is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Temporary differences in the deductibility of provisions:				
Provision for risks and other provisions	21,335	53,290	27,815	67,981
Allowance for doubtful debts/ expected losses and other allowances	53,122	46,259	57,736	50,121
Provision for payment of services in progress and others, profit sharing, loyalty program and others	45,903	50,105	54,491	59,758
Swap transaction with payment on a cash basis	1,767	4,239	45,109	29,991
Income tax and social contribution tax loss carryforwards	186,760	4,146	209,589	29,005
<b>Total deferred income tax and social contribution assets</b>	<b>308,887</b>	<b>158,039</b>	<b>394,740</b>	<b>236,856</b>
Car depreciation (*)	480,548	351,819	626,850	449,705
Leasing in the purchase of property and equipment (**)	217	232	66,339	96,150
Others	-	-	13,505	11,293
<b>Total deferred income tax and social contribution liabilities</b>	<b>480,765</b>	<b>352,051</b>	<b>706,694</b>	<b>557,148</b>
<b>Total deferred income tax and social contribution, net</b>	<b>171,878</b>	<b>194,012</b>	<b>311,954</b>	<b>320,292</b>
<b>Noncurrent assets</b>	-	-	<b>(28,570)</b>	<b>(32,407)</b>
<b>Noncurrent liabilities</b>	<b>171,878</b>	<b>194,012</b>	<b>340,524</b>	<b>352,699</b>

(\*) Refers to the temporary difference in the calculation of depreciation, introduced by the application of IFRS. Localiza and Localiza Fleet calculate, for tax purposes, car depreciation expenses based on the depreciation criteria used through December 31, 2007, as prescribed by Law No. 12,973/14. The difference as of December 31, 2014, in conformity with chapter IV, articles 64, 66 and 67 of Law No. 12,973/14, is accounted for in asset-related sub-accounts, being added to the extent of their realization beginning January 1, 2015.

(\*\*) Refers to the temporary difference arising from the deduction of leasing installments amortization on the acquisition of property and equipment items as a contra entry the depreciation addition to the income tax and social contribution tax bases.

The Company and its subsidiaries have recognized a balance, as at June 30, 2020, as tax credit on tax loss carryforwards of R\$ 186,760 in Individual and R\$ 209,589 in Consolidated (R\$ 4,146 and R\$ 29,005, respectively, as at December 31, 2019). Based on expected future taxable income generation, this tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable income.

The realization of deferred income tax and social contribution credits, arising from temporary differences and tax loss carryforwards, is contingent upon future events that will make the provisions that gave rise to them deductible and

## Notes to the Interim Financial Information

enabled the offset of tax losses and social contribution tax loss carryforwards, in accordance with prevailing tax legislation.

Based on past taxable income that originated deferred income tax and social contribution asset balances, as well as projections of profit or loss for coming years, the Company estimates the following schedule for tax credits recovering:

	Individual	Consolidated
2020	37,894	53,121
2021	44,168	79,959
2022	34,110	49,657
2023	25,153	32,338
2024	51,771	60,840
2025 to 2028	115,791	118,825
<b>Total deferred income tax and social contribution assets</b>	<b>308,887</b>	<b>394,740</b>

### (b) Income tax and social contribution – reconciliation of expenses at statutory and effective rates

The reconciliation between the statutory and effective rates for the periods ended June 30, 2020 and 2019 is as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
Net income before taxes	304,609	453,439	397,840	517,526
Statutory rate	34%	34%	34%	34%
<b>Expense at statutory rate</b>	<b>(103,567)</b>	<b>(154,169)</b>	<b>(135,266)</b>	<b>(175,959)</b>
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	71,052	49,183	-	-
Effect of deduction of interest on capital	44,784	49,184	44,784	49,184
Income tax and social contribution due by subsidiaries (deemed income)	-	-	7,131	4,682
Others, net	3,934	3,230	6,323	5,434
<b>Expense at effective rate</b>	<b>16,203</b>	<b>(52,572)</b>	<b>(77,028)</b>	<b>(116,659)</b>
<b>Current income tax and social contribution</b>	<b>(5,931)</b>	<b>(36,340)</b>	<b>(85,366)</b>	<b>(91,016)</b>
<b>Deferred income tax and social contribution</b>	<b>22,134</b>	<b>(16,232)</b>	<b>8,338</b>	<b>(25,643)</b>

	Individual		Consolidated	
	2Q20	2Q19	2Q20	2Q19
Net income before taxes	42,519	215,336	91,111	244,136
Statutory rate	34%	34%	34%	34%
<b>Expense at statutory rate</b>	<b>(14,456)</b>	<b>(73,214)</b>	<b>(30,978)</b>	<b>(83,006)</b>
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	36,244	23,359	-	-
Effect of deduction of interest on capital	22,020	25,671	22,020	25,671
Income tax and social contribution due by subsidiaries (deemed income)	-	-	2,576	2,310
Others, net	3,614	(1,065)	5,212	976
<b>Expense at effective rate</b>	<b>47,422</b>	<b>(25,249)</b>	<b>(1,170)</b>	<b>(54,049)</b>
<b>Current income tax and social contribution</b>	<b>857</b>	<b>-</b>	<b>(28,208)</b>	<b>(22,829)</b>
<b>Deferred income tax and social contribution</b>	<b>46,565</b>	<b>(25,249)</b>	<b>27,038</b>	<b>(31,220)</b>

## Notes to the Interim Financial Information

### 18. EQUITY

#### (a) Capital

As of June 30, 2020, the Company's capital was R\$ 4,000,000, comprised of 758,466,670 common shares. The ownership interest and the related reconciliation of the number of outstanding shares are as follows (not reviewed by the auditors):

	Management				
	Founding partners	Board of Directors and Statutory Boards	Treasury shares	Outstanding shares	Number of shares – ON
<b>Amount as of December 31, 2019</b>	<b>162,144,750</b>	<b>289,210</b>	<b>2,799,555</b>	<b>593,233,155</b>	<b>758,466,670</b>
Bonus in shares	(1)	-	(1)	2	-
Acquisition (sale) of shares, net	(4,277,200)	52,944	-	4,224,256	-
Exercise of long-term incentive programs with treasury shares	106,076	135,552	(596,908)	355,280	-
Sale of treasury shares	44,755	40,682	(125,831)	40,394	-
Renting of shares	(2,243,546)	-	-	2,243,546	-
Repurchase of shares (note 18 (c) iii)	-	-	5,214,600	(5,214,600)	-
<b>Amount as of June 30, 2020</b>	<b>155,774,834</b>	<b>518,388</b>	<b>7,291,415</b>	<b>594,882,033</b>	<b>758,466,670</b>

	Management				
	Founding partners	Board of Directors and Audit and Statutory Boards	Treasury shares	Outstanding shares	Number of shares – ON
<b>Amount as of December 31, 2018</b>	<b>155,539,657</b>	<b>641,971</b>	<b>5,164,144</b>	<b>505,803,438</b>	<b>667,149,210</b>
Primary public distribution of shares	-	-	-	55,200,000	55,200,000
Acquisition (sale) of shares, net	(1,551,753)	(289,123)	-	1,840,876	-
Exercise of stock options with treasury shares	1,428,174	210,390	(1,943,158)	304,594	-
Sale of treasury shares	30,170	26,310	(72,022)	15,542	-
Renting of shares	(1,573,500)	-	-	1,573,500	-
Election (removal)	-	(317,899)	-	317,899	-
<b>Amount as of June 30, 2019</b>	<b>153,872,748</b>	<b>271,649</b>	<b>3,148,964</b>	<b>565,055,849</b>	<b>722,349,210</b>

For comparability purposes, the ownership interest and the related reconciliation of the number of outstanding shares adjusted to reflect the 5% share bonus, approved at the Board of Directors' Meeting held on December 12, 2019 are as follows (not reviewed by the auditors):

	Management				
	Founding partners	Board of Directors and Audit and Statutory Boards	Treasury shares	Outstanding shares	Number of shares – ON
<b>Amount as of December 31, 2018</b>	<b>163,316,640</b>	<b>674,070</b>	<b>5,422,351</b>	<b>531,093,609</b>	<b>700,506,670</b>
Primary public distribution of shares	-	-	-	57,960,000	57,960,000
Acquisition (sale) of shares, net	(1,629,341)	(303,579)	-	1,932,920	-
Exercise of stock options with treasury shares	1,499,583	220,909	(2,040,316)	319,824	-
Sale of treasury shares	31,678	27,626	(75,623)	16,319	-
Renting of shares	(1,652,175)	-	-	1,652,175	-
Election (removal)	-	(333,794)	-	333,794	-
<b>Amount as of June 30, 2019</b>	<b>161,566,385</b>	<b>285,232</b>	<b>3,306,412</b>	<b>593,308,641</b>	<b>758,466,670</b>

Pursuant to article 6 of the Bylaws, the Company is authorized to increase its capital up to the limit of 1,000,000,000 registered common shares, regardless of any amendment to the bylaws, so that additional 241,533,330 registered common shares can be issued.



## Notes to the Interim Financial Information

The Company participates in the Level I of the American Depositary Receipts ("ADR") Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. The Company's position, considering the effects of share bonus, comprised 7,268,197 ADRs issued in the United States as at June 30, 2020 and 3,119,356 as at December 31, 2019 (not reviewed by the auditors). Each ADR corresponds to 1 (one) Company's share.

### (b) Interest on capital and dividends

The Board of Directors' meetings approved the payment of interest on capital to shareholders as follows:

1H20				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date (*)
3/10/2020	66,954	0.08901	3/13/2020	1/5/2021
6/18/2020	64,764	0.08622	6/23/2020	4/5/2021
<b>Total</b>	<b>131,718</b>			

(\*) At the Board of Directors' Meeting held on April 1, 2020, the payment date of interest on capital was postponed from May 5, 2020 to January 5, 2021, in view of the impacts of the Covid-19 pandemic on the Company's business and on the domestic economy in general. Therefore, and due to the change in the number of treasury shares, the estimated gross value per share of interest on capital payable was changed from R\$ 0.08860 to R\$ 0.08901.

1H19					
Approval date	Total amount approved	Amount per share (in R\$)		Shareholding position date	Payment date
		On approval date	For comparability (*)		
3/21/2019	69,156	0.09641	0.09182	3/26/2019	5/20/2019
6/18/2019	75,503	0.10498	0.09998	6/24/2019	8/16/2019
<b>Total</b>	<b>144,659</b>				

(\*) For comparability purposes, the amount of interest on capital per share was adjusted considering the 5% bonus, approved at the Board of Directors' Meeting held on December 12, 2019.

At the Annual General Meeting held on April 23, 2020, the payment of interest on capital in the amount of R\$ 291,049 referring to the net income for 2019 was approved. Additionally, the shareholders opted to not pay additional dividends, considering that the amount distributed through interest on capital in 2019 exceeds the mandatory minimum dividend of 25% on net income, which is the basis for dividends proposal.

The dividends and interest on capital payable are broken down as follows:

	Consolidated	
	6/30/2020	12/31/2019
Proposed interest on capital in net income for the period	131,718	71,783
Provision for withholding income tax on interest on capital	(17,221)	(8,389)
<b>Total dividends and interest on capital payable</b>	<b>114,497</b>	<b>63,394</b>

### (c) Capital reserves, stock options granted and treasury shares

On June 30, 2020, the breakdown of capital reserves, options granted and treasury shares is as follows:

	Stock options granted recognized	Goodwill on share subscription	Treasury shares	Total
<b>Balance as of December 31, 2019</b>	<b>71,736</b>	<b>113,758</b>	<b>(22,288)</b>	<b>163,206</b>
Stock options granted recognized	5,620	-	-	5,620
Treasury shares acquired	-	-	(184,696)	(184,696)
Treasury shares sold	-	966	3,250	4,216
Exercise of long-term incentive programs with treasury shares	(14,290)	(1,897)	15,417	(770)
<b>Balance as of June 30, 2020</b>	<b>63,066</b>	<b>112,827</b>	<b>(188,317)</b>	<b>(12,424)</b>

## Notes to the Interim Financial Information

### (i) Options exercised in 1H20

In 1H20, 596,908 stock options and shares of the long-term incentive programs were exercised, in the amount calculated at fair value of R\$ 6,515. All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

### (ii) Treasury shares

The number of treasury shares as at June 30, 2020, was 7,291,415 (3,306,412 as at June 30, 2019 considering the effects of bonus in shares), with fair value of R\$ 298,292 (stock quote of R\$ 40.91 as at June 30, 2020).

In March 2020, 5,214,600 shares issued by the Company were acquired, under the 11th Share Repurchase Program, to be held in treasury and subsequently sold, without capital decrease. The cost of acquisition of the treasury shares, including trading costs, is as follows:

Repurchase Program	Date of approval by the Board of Directors	Acquisition cost (R\$)		
		Minimum	Average	Maximum
11 <sup>th</sup> Program	6/18/2019	26.86	35.42	40.02

At the Board of Directors' Meeting held on June 18, 2020, the 12<sup>th</sup> Share Repurchase Program was approved, in which the Company was authorized to purchase up to 50,000,000 shares. This transaction has a maximum term of 365 days, from July 23, 2020 to July 22, 2021, and aims at maximizing the value generated for shareholders or settle stock options within the scope of the Company's long-term incentive programs.

### (d) Statutory reserves

At the Annual General Meeting held on April 23, 2020, the shareholders approved the creation of a statutory reserve of R\$501,192 related to the remaining balance of the profit for 2019.

Other information on equity has not significantly changed in relation to that disclosed in note 17 to the financial statements for the year ended December 31, 2019.

## 19. EARNINGS PER SHARE

The methods used to calculate basic and diluted earnings per share are the same as those disclosed in note 18 to the financial statements for the year ended December 31, 2019.

The table below shows information on net income and the number of shares used, encompassing the effects of bonus in shares in the calculation of basic and diluted earnings per share for each of the reporting periods of the statement of income:

	Individual and Consolidated		Individual and Consolidated	
	1H20	1H19	2Q20	2Q19
<b>Net income for the period</b>	<b>320,812</b>	<b>400,867</b>	<b>89,941</b>	<b>190,087</b>
<b>Basic earnings per share:</b>				
Weighted average number of outstanding common shares (units)	752,791,631	744,357,997	750,746,483	754,415,013
<b>Basic earnings per share (R\$)</b>	<b>0.42616</b>	<b>0.53854</b>	<b>0.11980</b>	<b>0.25197</b>
<b>Diluted earnings per share:</b>				
Weighted average number of outstanding common shares (units)	752,791,631	744,357,997	750,746,483	754,415,013
Dilutive effect of stock options (units)	1,220,194	3,604,777	1,321,998	4,137,727
Total shares subject to dilution (units)	754,011,825	747,962,774	752,068,481	758,552,740
<b>Diluted earnings per share (R\$)</b>	<b>0.42547</b>	<b>0.53595</b>	<b>0.11959</b>	<b>0.25059</b>

## Notes to the Interim Financial Information

### 20. SEGMENT INFORMATION

An operating division is a component of an entity that engages in business activities: (i) which can earn revenues and incur expenses; (ii) the results of operations of which are regularly reviewed by the chief operating decision maker regarding funds to be allocated to the division and for performance evaluation; and (iii) for which individual financial information is available.

The Company has defined three operating divisions that are separately managed based on the reports used by the Board of Directors to make strategic decisions. The accounting policies of these operating divisions are the same as those described in note 2 or the notes of the respective line items of the financial statements for the year ended December 31, 2019.

- **Car rental:** This division is responsible for car rentals in locations located inside and outside airports and for insurance stipulation and management of car claims for insurance companies. Cars are rented by legal entities and individuals, in some cases through distribution channels. Given the need to renew the fleet, Localiza sells its cars after 12 months of use. In order to reduce intermediation costs on the sale of decommissioned cars, roughly half of the cars is directly sold to the final consumers. Consequently, the Company maximizes the recoverable amount of these assets, by reducing the depreciation of cars and the net amount invested in fleet renewal, as the selling expense of the Company's own stores is smaller than the discount required by resellers, as well as avoids full dependence on third parties for the sales.
- **Fleet rental:** This division is responsible for fleet rental to legal entities, through Localiza Fleet and Car Rental Systems, for long periods, usually 24 to 36 months. This division's fleet is acquired after signature of agreements according to the customers' needs. Therefore, the fleet is more diversified in terms of models and brands. Decommissioned cars are sold at the end of the agreements, on average within 29 months of use, directly to the end consumer or to dealers through the Company's own car dealer network.
- **Franchising:** This division is responsible for the management and establishment of franchises in geographically defined markets, including the transfer of the necessary know-how to operate the business and licensing of the right to use the Localiza brand. The franchising business is managed by the subsidiary Franchising Brasil in Brazil and by Localiza itself in other countries.

#### (a) Consolidated assets and liabilities by operating division

6/30/2020	Car rental	Fleet rental	Franchising	Unallocated balances	Eliminations/ Reclassifications	Consolidated
<b>Assets</b>						
Cash and cash equivalents	-	-	-	2,880,296	-	<b>2,880,296</b>
Short-term investments	-	-	-	245,532	-	<b>245,532</b>
Trade receivables	557,712	175,147	5,639	-	(38,047)	<b>700,451</b>
Decommissioned cars for fleet renewal	31,794	141,733	-	-	-	<b>173,527</b>
Property and equipment	11,033,438	2,790,867	1,277	396,289 (*)	(340,182)	<b>13,881,689</b>
Other assets	1,007,000	299,310	6,551	-	(133,720)	<b>1,179,141</b>
<b>Total assets</b>	<b>12,629,944</b>	<b>3,407,057</b>	<b>13,467</b>	<b>3,522,117</b>	<b>(511,949)</b>	<b>19,060,636</b>
<b>Liabilities</b>						
Trade payables	542,524	131,926	353	-	(38,525)	<b>636,278</b>
Borrowings and debt securities	-	-	-	11,186,073	-	<b>11,186,073</b>
Other liabilities	1,675,331	570,783	20,934	-	(489,759)	<b>1,777,289</b>
<b>Total liabilities</b>	<b>2,217,855</b>	<b>702,709</b>	<b>21,287</b>	<b>11,186,073</b>	<b>(528,284)</b>	<b>13,599,640</b>
<b>Equity</b>	-	-	-	<b>5,460,996</b>	-	<b>5,460,996</b>
<b>Total liabilities and equity</b>	<b>2,217,855</b>	<b>702,709</b>	<b>21,287</b>	<b>16,647,069</b>	<b>(528,284)</b>	<b>19,060,636</b>

(\*) Refers mainly to the Company's headquarters.

## Notes to the Interim Financial Information

12/31/2019	Car rental	Fleet rental	Franchising	Unallocate d balances	Eliminations/ Reclassifications	Consolidated
<b>Assets</b>						
Cash and cash equivalents	-	-	-	2,220,102	-	<b>2,220,102</b>
Short-term investments	-	-	-	610,838	-	<b>610,838</b>
Trade receivables	1,117,865	168,641	4,412	-	(14,386)	<b>1,276,532</b>
Decommissioned cars for fleet renewal	25,172	116,563	-	-	-	<b>141,735</b>
Property and equipment	11,706,153	2,827,326	2,824	385,808 (*)	(352,540)	<b>14,569,571</b>
Other assets	464,144	214,331	6,529	-	(110,822)	<b>574,182</b>
<b>Total assets</b>	<b>13,313,334</b>	<b>3,326,861</b>	<b>13,765</b>	<b>3,216,748</b>	<b>(477,748)</b>	<b>19,392,960</b>
<b>Liabilities</b>						
Trade payables	2,291,789	288,476	575	-	(15,453)	<b>2,565,387</b>
Borrowings and debt securities	-	-	-	9,379,459	-	<b>9,379,459</b>
Other liabilities	1,899,084	556,760	17,398	-	(472,660)	<b>2,000,582</b>
<b>Total liabilities</b>	<b>4,190,873</b>	<b>845,236</b>	<b>17,973</b>	<b>9,379,459</b>	<b>(488,113)</b>	<b>13,945,428</b>
<b>Equity</b>	-	-	-	<b>5,447,532</b>	-	<b>5,447,532</b>
<b>Total liabilities and equity</b>	<b>4,190,873</b>	<b>845,236</b>	<b>17,973</b>	<b>14,826,991</b>	<b>(488,113)</b>	<b>19,392,960</b>

(\*) Refers mainly to the Company's headquarters.

### (b) Consolidated statements of income per operating division

1H20	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	3,439,708	916,451	8,575	-	4,364,734
<b>Cost</b>	(2,735,999)	(530,552)	(4,914)	(3,785)	(3,275,250)
<b>Gross profit</b>	<b>703,709</b>	<b>385,899</b>	<b>3,661</b>	<b>(3,785)</b>	<b>1,089,484</b>
<b>Operating expenses:</b>					
Selling expenses	(368,700)	(45,580)	(596)	1,696	(413,180)
General, administrative and other expenses	(18,435)	(7,037)	(190)	2,089	(23,573)
<b>Profit before finance costs, net</b>	<b>316,574</b>	<b>333,282</b>	<b>2,875</b>	-	<b>652,731</b>
Finance costs, net					(254,891)
<b>Profit before income tax and social contribution</b>					<b>397,840</b>
Income tax and social contribution					(77,028)
<b>Profit for the period</b>					<b>320,812</b>

1H19	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	3,884,546	778,178	11,066	-	4,673,790
<b>Cost</b>	(2,987,587)	(505,408)	(4,726)	(2,872)	(3,500,593)
<b>Gross profit</b>	<b>896,959</b>	<b>272,770</b>	<b>6,340</b>	<b>(2,872)</b>	<b>1,173,197</b>
<b>Operating expenses:</b>					
Selling expenses	(302,976)	(32,573)	(221)	1,251	(334,519)
General, administrative and other expenses	(98,254)	(21,242)	(212)	1,621	(118,087)
<b>Profit before finance costs, net</b>	<b>495,729</b>	<b>218,955</b>	<b>5,907</b>	-	<b>720,591</b>
Finance costs, net					(203,065)
<b>Profit before income tax and social contribution</b>					<b>517,526</b>
Income tax and social contribution					(116,659)
<b>Profit for the period</b>					<b>400,867</b>

## Notes to the Interim Financial Information

2Q20	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	1,140,604	425,997	3,501	-	1,570,102
<b>Cost</b>	(984,282)	(233,987)	(2,731)	(1,821)	(1,222,821)
<b>Gross profit</b>	<b>156,322</b>	<b>192,010</b>	<b>770</b>	<b>(1,821)</b>	<b>347,281</b>
<b>Operating expenses:</b>					
Selling expenses	(165,710)	(21,643)	(58)	875	(186,536)
General, administrative and other expenses	49,377	7,355	(54)	946	57,624
<b>Profit (loss) before finance costs, net</b>	<b>39,989</b>	<b>177,722</b>	<b>658</b>	<b>-</b>	<b>218,369</b>
Finance costs, net					(127,258)
<b>Profit before income tax and social contribution</b>					<b>91,111</b>
Income tax and social contribution					(1,170)
<b>Profit for the period</b>					<b>89,941</b>

2Q19	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	1,917,275	377,110	5,417	-	2,299,802
<b>Cost</b>	(1,476,941)	(241,430)	(2,695)	(1,536)	(1,722,602)
<b>Gross profit</b>	<b>440,334</b>	<b>135,680</b>	<b>2,722</b>	<b>(1,536)</b>	<b>577,200</b>
<b>Operating expenses:</b>					
Selling expenses	(153,667)	(17,794)	(188)	577	(171,072)
General, administrative and other expenses	(52,827)	(12,148)	(79)	959	(64,095)
<b>Profit (loss) before finance costs, net</b>	<b>233,840</b>	<b>105,738</b>	<b>2,455</b>	<b>-</b>	<b>342,033</b>
Finance costs, net					(97,897)
<b>Profit before income tax and social contribution</b>					<b>244,136</b>
Income tax and social contribution					(54,049)
<b>Profit for the period</b>					<b>190,087</b>

### (c) Consolidated depreciation and amortization expenses per operating division

	Consolidated		Consolidated	
	1H20	1H19	2Q20	2Q19
<b>Car rental</b>				
Car depreciation	251,726	127,481	135,266	65,782
Depreciation of other property and equipment and amortization of intangible assets	84,584	75,381	43,627	36,487
<b>Fleet rental</b>				
Car depreciation	68,941	107,556	32,269	52,194
Depreciation of other property and equipment and amortization of intangible assets	8,621	5,908	4,849	2,904
<b>Franchising</b>				
Depreciation of other property and equipment and amortization of intangible assets	879	1,177	386	537
<b>Total</b>	<b>414,751</b>	<b>317,503</b>	<b>216,397</b>	<b>157,904</b>

## Notes to the Interim Financial Information

### 21. NET REVENUE

The reconciliation between gross revenue and net revenue presented in the statements of income for the periods is as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
Gross revenue	3,538,277	4,000,295	4,584,988	4,883,733
Deductions:				
Discounts	(7,203)	(2,695)	(17,156)	(12,701)
Taxes (*)	(139,941)	(141,848)	(203,098)	(197,242)
<b>Net revenue</b>	<b>3,391,133</b>	<b>3,855,752</b>	<b>4,364,734</b>	<b>4,673,790</b>

(\*) Refers to: (i) Service Tax ("ISSQN") and (ii) the taxes on revenue ("PIS" and "COFINS"). PIS and COFINS credits on the acquisition of inputs for the period ended June 30, 2019, were reclassified from the line item of taxes on revenues to the line item of costs and expenses, in the amount of R\$ 155,720 in the Individual and R\$ 155,204 in the Consolidated (note 2), for comparability purposes.

	Individual		Consolidated	
	2Q20	2Q19	2Q20	2Q19
Gross revenue	1,182,846	1,974,780	1,660,909	2,406,365
Deductions:				
Discounts	(5,990)	(1,467)	(11,274)	(7,586)
Taxes (*)	(49,293)	(70,841)	(79,533)	(98,977)
<b>Net revenue</b>	<b>1,127,563</b>	<b>1,902,472</b>	<b>1,570,102</b>	<b>2,299,802</b>

(\*) Refers to: (i) Service Tax ("ISSQN") and (ii) the taxes on revenue ("PIS" and "COFINS"). PIS and COFINS credits on the acquisition of inputs for the quarter ended June 30, 2019 were reclassified from the line item of taxes on revenues to the line item of costs and expenses, in the amount of R\$ 61,141 in the Individual and R\$ 81,494 in the Consolidated, for comparability purposes.

The breakdown of net revenue by geographic market and category is as follows:

	Individual					
	Car rental		Franchising		Total	
	1H20	1H19	1H20	1H19	1H20	1H19
<b>Geographic markets</b>						
Revenue in Brazil	3,373,168	3,836,005	-	-	3,373,168	3,836,005
Export revenue (*)	14,116	15,789	-	-	14,116	15,789
Royalties abroad	-	-	3,849	3,958	3,849	3,958
<b>Net revenue</b>	<b>3,387,284</b>	<b>3,851,794</b>	<b>3,849</b>	<b>3,958</b>	<b>3,391,133</b>	<b>3,855,752</b>
<b>Revenue categories</b>						
Car rental	1,359,643	1,366,085	-	-	1,359,643	1,366,085
Franchising	-	-	3,849	3,958	3,849	3,958
Car sold for fleet renewal	2,027,641	2,485,709	-	-	2,027,641	2,485,709
<b>Net revenue</b>	<b>3,387,284</b>	<b>3,851,794</b>	<b>3,849</b>	<b>3,958</b>	<b>3,391,133</b>	<b>3,855,752</b>

	Individual					
	Car rental		Franchising		Total	
	2Q20	2Q19	2Q20	2Q19	2Q20	2Q19
<b>Geographic markets</b>						
Revenue in Brazil	1,124,508	1,895,900	-	-	1,124,508	1,895,900
Export revenue (*)	1,698	4,708	-	-	1,698	4,708
Royalties abroad	-	-	1,357	1,864	1,357	1,864
<b>Net revenue</b>	<b>1,126,206</b>	<b>1,900,608</b>	<b>1,357</b>	<b>1,864</b>	<b>1,127,563</b>	<b>1,902,472</b>
<b>Revenue categories</b>						
Car rental	475,181	678,570	-	-	475,181	678,570
Franchising	-	-	1,357	1,864	1,357	1,864
Car sold for fleet renewal	651,025	1,222,038	-	-	651,025	1,222,038
<b>Net revenue</b>	<b>1,126,206</b>	<b>1,900,608</b>	<b>1,357</b>	<b>1,864</b>	<b>1,127,563</b>	<b>1,902,472</b>

(\*) Revenue from car rental in Brazil to customers resident and domiciled abroad.

## Notes to the Interim Financial Information

	Consolidated							
	Car rental		Fleet rental		Franchising		Total	
	1H20	1H19	1H20	1H19	1H20	1H19	1H20	1H19
<b>Geographic markets</b>								
Revenue in Brazil	3,425,592	3,868,757	916,451	778,178	4,726	7,108	4,346,769	4,654,043
Export revenue (*)	14,116	15,789	-	-	-	-	14,116	15,789
Royalties abroad	-	-	-	-	3,849	3,958	3,849	3,958
<b>Net revenue</b>	<b>3,439,708</b>	<b>3,884,546</b>	<b>916,451</b>	<b>778,178</b>	<b>8,575</b>	<b>11,066</b>	<b>4,364,734</b>	<b>4,673,790</b>
<b>Revenue categories</b>								
Car rental	1,363,899	1,370,809	-	-	-	-	1,363,899	1,370,809
Fleet rental	-	-	517,881	446,785	-	-	517,881	446,785
Franchising	-	-	-	-	8,575	11,066	8,575	11,066
Car sold for fleet renewal	2,075,809	2,513,737	398,570	331,393	-	-	2,474,379	2,845,130
<b>Net revenue</b>	<b>3,439,708</b>	<b>3,884,546</b>	<b>916,451</b>	<b>778,178</b>	<b>8,575</b>	<b>11,066</b>	<b>4,364,734</b>	<b>4,673,790</b>

	Consolidated							
	Car rental		Fleet rental		Franchising		Total	
	2Q20	2Q19	2Q20	2Q19	2Q20	2Q19	2Q20	2Q19
<b>Geographic markets</b>								
Revenue in Brazil	1,138,906	1,912,567	425,997	377,110	2,144	3,553	1,567,047	2,293,230
Export revenue (*)	1,698	4,708	-	-	-	-	1,698	4,708
Royalties abroad	-	-	-	-	1,357	1,864	1,357	1,864
<b>Net revenue</b>	<b>1,140,604</b>	<b>1,917,275</b>	<b>425,997</b>	<b>377,110</b>	<b>3,501</b>	<b>5,417</b>	<b>1,570,102</b>	<b>2,299,802</b>
<b>Revenue categories</b>								
Car rental	476,140	681,765	-	-	-	-	476,140	681,765
Fleet rental	-	-	261,715	227,870	-	-	261,715	227,870
Franchising	-	-	-	-	3,501	5,417	3,501	5,417
Car sold for fleet renewal	664,464	1,235,510	164,282	149,240	-	-	828,746	1,384,750
<b>Net revenue</b>	<b>1,140,604</b>	<b>1,917,275</b>	<b>425,997</b>	<b>377,110</b>	<b>3,501</b>	<b>5,417</b>	<b>1,570,102</b>	<b>2,299,802</b>

(\*) Revenue from car rental in Brazil to customers resident and domiciled abroad.

## Notes to the Interim Financial Information

### 22. NATURE OF OPERATING COSTS AND EXPENSES

The information on the nature of operating costs and expenses recognized in the income statement is as follows:

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
	1H20	1H19	1H20	1H19	1H20	1H19
Cost of cars sold	(1,896,201)	(2,287,617)	-	-	(1,896,201)	(2,287,617)
Car maintenance, IPVA and others	(333,552)	(329,722)	-	-	(333,552)	(329,722)
Car depreciation	(244,999)	(127,436)	-	-	(244,999)	(127,436)
Salaries, payroll taxes and benefits	(190,938)	(152,482)	(173,432)	(135,756)	(364,370)	(288,238)
Property leasing (*)	(29,181)	(29,738)	(651)	(1,691)	(29,832)	(31,429)
Third-party services	(82,693)	(64,380)	(76,368)	(53,224)	(159,061)	(117,604)
Profit sharing	(18,184)	(21,607)	(15,919)	(17,501)	(34,103)	(39,108)
Depreciation and amortization of other property and equipment and intangible assets	(63,049)	(55,125)	(34,474)	(31,258)	(97,523)	(86,383)
Water, electricity and telephone	(6,946)	(6,730)	(3,859)	(4,168)	(10,805)	(10,898)
Travel	(6,594)	(10,516)	(2,813)	(3,698)	(9,407)	(14,214)
Advertising	-	-	(34,612)	(33,564)	(34,612)	(33,564)
Commission	-	-	(32,081)	(36,554)	(32,081)	(36,554)
ECLs (**) and write-off of uncollectible amounts	-	-	(79,493)	(37,609)	(79,493)	(37,609)
PIS and COFINS credits, net (note 2)	167,755	115,720	-	-	167,755	115,720
Reversal of provision for PIS and COFINS (***)	-	-	103,438	-	103,438	-
Other	(50,788)	(42,300)	(40,941)	(44,750)	(91,729)	(87,050)
<b>Total</b>	<b>(2,755,370)</b>	<b>(3,011,933)</b>	<b>(391,205)</b>	<b>(399,773)</b>	<b>(3,146,575)</b>	<b>(3,411,706)</b>

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
	1H20	1H19	1H20	1H19	1H20	1H19
Cost of cars sold	(2,269,427)	(2,575,028)	-	-	(2,269,427)	(2,575,028)
Car maintenance, IPVA and others	(442,499)	(427,878)	-	-	(442,499)	(427,878)
Car depreciation	(320,667)	(235,037)	-	-	(320,667)	(235,037)
Salaries, payroll taxes and benefits	(208,606)	(168,462)	(210,676)	(173,052)	(419,282)	(341,514)
Property leasing (*)	(30,895)	(31,674)	(715)	(1,838)	(31,610)	(33,512)
Third-party services	(95,779)	(82,471)	(83,228)	(57,422)	(179,007)	(139,893)
Profit sharing	(19,689)	(24,359)	(19,305)	(21,714)	(38,994)	(46,073)
Depreciation and amortization of other property and equipment and intangible assets	(59,107)	(50,793)	(34,977)	(31,673)	(94,084)	(82,466)
Water, electricity and telephone	(7,162)	(6,805)	(4,579)	(4,437)	(11,741)	(11,242)
Travel	(6,748)	(10,817)	(3,288)	(4,265)	(10,036)	(15,082)
Advertising	-	-	(36,191)	(34,361)	(36,191)	(34,361)
Commission	-	-	(32,853)	(37,402)	(32,853)	(37,402)
ECLs (**) and write-off of uncollectible amounts	-	-	(83,340)	(39,489)	(83,340)	(39,489)
PIS and COFINS credits, net (note 2)	212,439	155,608	7	(404)	212,446	155,204
Reversal of provision for PIS and COFINS (***)	-	-	126,365	-	126,365	-
Others	(27,110)	(42,877)	(53,973)	(46,549)	(81,083)	(89,426)
<b>Total</b>	<b>(3,275,250)</b>	<b>(3,500,593)</b>	<b>(436,753)</b>	<b>(452,606)</b>	<b>(3,712,003)</b>	<b>(3,953,199)</b>

(\*) Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 1Q20, the Company recognized variable costs and expenses in the amount of R\$ 15,441 in the Individual and R\$ 15,370 in the Consolidated (R\$ 16,744 in the Individual and R\$ 17,284 in the Consolidated in 1H19), referring to the lease contracts measured under IFRS 16. As mentioned in note 3, in accordance with the requirements of Decision 859/20, the Company recognized in profit or loss for the period discounts obtained related to Covid-19, in the amounts of R\$ 11,493 in the Individual and R\$ 11,518 in the Consolidated. In addition, R\$ 25,884 and R\$ 27,758



## Notes to the Interim Financial Information

were recognized in the Individual and Consolidated, respectively (R\$ 14,685 in the Individual and R\$ 16,228 in the Consolidated in 1H19) related to contracts to which IFRS 16 does not apply.

(\*\*) Allowance for doubtful debts and expected credit losses

(\*\*\*) Reversal referring to the provision for PIS and COFINS credits, as mentioned in note 16(a).

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
			2Q20	2Q19	2Q20	2Q19
Cost of cars sold	(619,015)	(1,110,990)	-	-	(619,015)	(1,110,990)
Car maintenance, IPVA and others	(130,381)	(169,696)	-	-	(130,381)	(169,696)
Car depreciation	(133,353)	(65,758)	-	-	(133,353)	(65,758)
Salaries, payroll taxes and benefits	(91,018)	(80,707)	(77,533)	(73,108)	(168,551)	(153,815)
Property leasing	(8,276)	(15,996)	1,573	(691)	(6,703)	(16,687)
Third-party services	(35,678)	(35,179)	(40,039)	(30,949)	(75,717)	(66,128)
Profit sharing	(4,336)	(11,444)	(3,266)	(7,187)	(7,602)	(18,631)
Depreciation and amortization of other property and equipment and intangible assets	(32,734)	(26,101)	(17,822)	(15,904)	(50,556)	(42,005)
Water, electricity and telephone	(3,048)	(3,356)	(1,748)	(2,086)	(4,796)	(5,442)
Travel	(1,717)	(6,369)	(859)	(2,427)	(2,576)	(8,796)
Advertising	-	-	(12,294)	(16,936)	(12,294)	(16,936)
Commission	-	-	(11,355)	(16,900)	(11,355)	(16,900)
ECLs (**) and write-off of uncollectible amounts	-	-	(46,235)	(16,211)	(46,235)	(16,211)
PIS and COFINS credits, net (note 2)	79,951	61,141	-	-	79,951	61,141
Reversal of provision for PIS and COFINS (***)	-	-	103,438	-	103,438	-
Other	(18,368)	(28,285)	(12,764)	(22,417)	(31,132)	(50,702)
<b>Total</b>	<b>(997,973)</b>	<b>(1,492,740)</b>	<b>(118,904)</b>	<b>(204,816)</b>	<b>(1,116,877)</b>	<b>(1,697,556)</b>

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
			2Q20	2Q19	2Q20	2Q19
Cost of cars sold	(773,745)	(1,238,348)	-	-	(773,745)	(1,238,348)
Car maintenance, IPVA and others	(180,125)	(221,709)	-	-	(180,125)	(221,709)
Car depreciation	(167,535)	(117,976)	-	-	(167,535)	(117,976)
Salaries, payroll taxes and benefits	(100,187)	(87,088)	(95,717)	(93,613)	(195,904)	(180,701)
Property leasing	(8,986)	(16,590)	1,857	(759)	(7,129)	(17,349)
Third-party services	(42,365)	(47,157)	(43,649)	(33,588)	(86,014)	(80,745)
Profit sharing	(4,634)	(12,527)	(3,944)	(8,278)	(8,578)	(20,805)
Depreciation and amortization of other property and equipment and intangible assets	(30,745)	(23,814)	(18,117)	(16,114)	(48,862)	(39,928)
Water, electricity and telephone	(3,147)	(3,329)	(2,083)	(2,236)	(5,230)	(5,565)
Travel	(1,757)	(6,475)	(1,008)	(2,798)	(2,765)	(9,273)
Advertising	-	-	(12,996)	(17,529)	(12,996)	(17,529)
Commission	-	-	(11,678)	(17,321)	(11,678)	(17,321)
ECLs (**) and write-off of uncollectible amounts	-	-	(48,038)	(17,382)	(48,038)	(17,382)
PIS and COFINS credits, net (note 2)	101,706	81,571	7	(77)	101,713	81,494
Reversal of provision for PIS and COFINS (***)	-	-	126,365	-	126,365	-
Others	(11,301)	(29,160)	(19,911)	(25,472)	(31,212)	(54,632)
<b>Total</b>	<b>(1,222,821)</b>	<b>(1,722,602)</b>	<b>(128,912)</b>	<b>(235,167)</b>	<b>(1,351,733)</b>	<b>(1,957,769)</b>

(\*) Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 1Q20, the Company recognized variable costs and expenses in the amount of R\$ 4,392 in the Individual and R\$ 4,279 in the Consolidated (R\$ 6,316 in the Individual and R\$ 6,659 in the Consolidated, in 2Q19), referring to the lease contracts measured as established by IFRS 16. As mentioned in note 3, in accordance with the requirements of Decision 859/20, the Company recognized in profit or loss for 2Q20 discounts obtained

## Notes to the Interim Financial Information

related to Covid-19, in the amounts of R\$ 11,480 in the Individual and R\$ 11,505 in the Consolidated. In addition, in 2Q20, R\$ 13,804 and R\$ 14,368 were recognized in the Individual and Consolidated, respectively (R\$ 10,371 in the Individual and R\$ 10,690 in the Consolidated in 2Q19) related to contracts to which IFRS 16 does not apply.

(\*\*) Allowance for doubtful debts and expected credit losses

(\*\*\*) Reversal referring to the provision for PIS and COFINS credits, as mentioned in note 16(a).

### 23. FINANCE INCOME (EXPENSES)

Finance income (expenses) recognized in the income statement are as follows:

	Individual		Consolidated	
	1H20	1H19	1H20	1H19
Interest on short-term investments and other finance income	42,679	87,246	53,656	116,008
PIS/COFINS on finance income	(2,299)	(4,057)	(3,165)	(5,329)
Other interest income	2,684	1,393	3,476	2,156
<b>Total finance income</b>	<b>43,064</b>	<b>84,582</b>	<b>53,967</b>	<b>112,835</b>
Interest expenses on borrowings, debt securities and derivatives	(148,430)	(179,348)	(273,643)	(285,245)
Interest expenses on lease (note 14)	(41,672)	(33,022)	(30,571)	(22,174)
Reversal of the adjustment in the provision for PIS/COFINS credits (note 16(a))	7,164	-	8,656	-
Other interest expenses	(9,051)	(7,475)	(13,300)	(8,481)
<b>Total finance expenses</b>	<b>(191,989)</b>	<b>(219,845)</b>	<b>(308,858)</b>	<b>(315,900)</b>
<b>Total finance income (expenses)</b>	<b>(148,925)</b>	<b>(135,263)</b>	<b>(254,891)</b>	<b>(203,065)</b>

	Individual		Consolidated	
	2Q20	2Q19	2Q20	2Q19
Interest on short-term investments and other finance income	19,386	47,497	19,847	61,552
PIS/COFINS on finance income	(1,215)	(2,208)	(1,608)	(2,829)
Other interest income	(192)	744	222	1,134
<b>Total finance income</b>	<b>17,979</b>	<b>46,033</b>	<b>18,461</b>	<b>59,857</b>
Interest expenses on borrowings, debt securities and derivatives	(80,356)	(84,646)	(138,480)	(145,537)
Interest expense on lease (note 14)	(19,373)	(14,819)	(14,025)	(6,563)
Reversal of the adjustment in the provision for PIS/COFINS credits (note 16(a))	7,164	-	8,656	-
Other interest expenses	(180)	(4,852)	(1,870)	(5,654)
<b>Total finance expenses</b>	<b>(92,745)</b>	<b>(104,317)</b>	<b>(145,719)</b>	<b>(157,754)</b>
<b>Total finance income (expenses)</b>	<b>(74,766)</b>	<b>(58,284)</b>	<b>(127,258)</b>	<b>(97,897)</b>

The finance income includes the amount of R\$8,294 related to repurchase of debentures.

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying amounts of financial assets and liabilities are as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>Financial assets</b>				
<u>Amortized cost</u>				
Cash and cash equivalents (note 4)	723,998	446,673	1,101,427	504,187
Trade receivables (note 6)	533,210	1,095,724	700,451	1,276,532
Escrow deposits (note 16)	74,390	75,064	112,704	114,586
Receivables from insurance company (note 7)	120,947	146,229	122,717	148,162
Other receivables – subsidiaries (note 7)	1,890	144	-	-
Investments in restricted accounts (note 7)	-	-	45,328	44,566

## Notes to the Interim Financial Information

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<u>Financial assets at fair value through profit or loss</u>				
Cash and cash equivalents (note 4)	1,027,944	1,176,003	1,778,869	1,715,915
Short-term investments (note 5)	202,824	267,018	245,532	610,838
Derivative financial instruments (note 13)	429,577	18,198	514,374	18,198
<b>Financial liabilities</b>				
<u>Amortized cost</u>				
Trade payables (note 11)	(541,538)	(2,290,871)	(636,278)	(2,565,387)
Borrowings, and debt securities (note 13)	(8,181,081)	(6,629,067)	(11,186,073)	(9,379,459)
Insurance premiums for transfer (note 15)	(15,992)	(123,946)	(16,945)	(125,948)
Payables to related parties (note 15)	(4,326)	(16,804)	-	-
Restricted obligations (note 15)	-	-	(45,824)	(45,098)
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative financial instruments (note 13)	-	(4,456)	(108,589)	(89,099)

Other information on financial instruments and risk management has not changed significantly when compared to the information disclosed in note 23 to the financial statements as of December 31, 2019.

### (a) Risk management

In the normal course of operations, the Company is exposed to the following risks related to its financial instruments: (i) market risk; (ii) credit risk; and (iii) liquidity risk.

#### (i) Market risk

The Company has performed sensitivity tests for adverse scenarios (deterioration of the CDI rate by 25% or 50% above of the probable scenario), considering the following assumptions:

- As at June 30, 2020, the Company's net debt totaled R\$ 7,654,460. Of this total, R\$ 1,655,610, with fixed cost at an average rate of 7.58% p.a., was excluded, as it is related to the transactions contracted at a fixed rate and amounts corresponding to the hedge from the swap transactions, changing the rates indexed to CDI for fixed rates. Thus, the net debt subject to the CDI fluctuation amounts to R\$5,988,850 at June 30, 2020.
- The probable scenario for the next 12 months was estimated, according to information in the Focus Bulletin issued by the Central Bank of Brazil, based on an average CDI rate of 2.04% against the effective annual rate of 3.65% in the six-month period ended June 30, 2020.

Description	Probable scenario (*)	Consolidated	
		Scenario I – 25% deterioration	Scenario II – 50% deterioration
<b>Net debt as at June 30, 2020</b>	<b>7,654,460</b>	<b>7,654,460</b>	<b>7,654,460</b>
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate	(1,665,610)	(1,665,610)	(1,665,610)
<b>Net debt subject to the CDI fluctuation</b>	<b>5,988,850</b>	<b>5,988,850</b>	<b>5,988,850</b>
Effective average annual CDI rate for the six-month period ended June 30, 2020	3.65%	3.65%	3.65%
Estimated average annual CDI rate, according to stress scenarios	2.04%	2.55%	3.06%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rate from January to June 2020	(218,593)	(218,593)	(218,593)
- according to scenarios	(122,173)	(152,716)	(183,259)
<b>(Increase) decrease in finance expenses for the next 12 months</b>	<b>96,420</b>	<b>65,877</b>	<b>35,334</b>

(\*) Based on the average rate of 2.04%, which is the projected scenario for the next 12 months, as reasonably as possible, based on market information in the Focus Bulletin issued by the Central Bank of Brazil on June 30, 2020.

## Notes to the Interim Financial Information

### (ii) Credit risk

The maximum exposure to the Company's credit risk, based on the residual value of the underlying financial assets, is as follows:

	Individual		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and cash equivalents:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,738,778	1,606,430	2,839,884	2,202,980
Cash and banks	13,164	16,246	40,412	17,122
<b>Total cash and cash equivalents (note 4)</b>	<b>1,751,942</b>	<b>1,622,676</b>	<b>2,880,296</b>	<b>2,220,102</b>
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	202,824	267,018	245,532	610,838
<b>Total short-term investments (note 5)</b>	<b>202,824</b>	<b>267,018</b>	<b>245,532</b>	<b>610,838</b>
Trade receivables — customers	468,332	655,601	632,106	817,801
Trade receivables — credit card				
Aaa in the Moody's scale	15,157	147,338	15,684	148,569
Sundry	49,721	292,785	52,661	310,162
<b>Total trade receivables (note 6)</b>	<b>533,210</b>	<b>1,095,724</b>	<b>700,451</b>	<b>1,276,532</b>
<b>Total</b>	<b>2,487,976</b>	<b>2,985,418</b>	<b>3,826,279</b>	<b>4,107,472</b>

## Notes to the Interim Financial Information

### (iii) Liquidity risk

The analysis of the maturities of undiscounted consolidated contractual cash flows of borrowings, debt securities and derivatives, based on the interest rate contracted for each transaction and a CDI rate of 2.15% at June 30, 2020, is as follows:

	Individual							Total
	2020	2021	2022	2023	2024	2025	2026	
Debentures - 11 <sup>th</sup> issuance	5,970	11,488	488,310	-	-	-	-	505,768
Debentures - 12 <sup>th</sup> issuance	8,602	15,934	16,062	15,998	707,839	-	-	764,435
Debentures - 13 <sup>th</sup> issuance	13,047	15,028	456,728	443,859	112,329	109,805	-	1,150,796
Debentures - 14 <sup>th</sup> issuance	13,887	21,776	21,776	21,689	398,134	192,305	367,363	1,036,930
Debentures - 15 <sup>th</sup> issuance	12,822	22,089	22,178	22,001	22,178	494,265	494,418	1,089,951
Debentures - 16 <sup>th</sup> issuance	21,371	31,715	31,843	31,843	349,319	355,164	343,946	1,165,201
Promissory notes - 7 <sup>th</sup> issuance	-	531,751	-	-	-	-	-	531,751
Working capital	8,476	116,487	348,411	297,910	-	-	-	771,284
Foreign currency-denominated borrowings	13,297	700,895	229,948	567,767	5,283	341,755	-	1,858,945
<b>Total</b>	<b>97,472</b>	<b>1,467,163</b>	<b>1,615,256</b>	<b>1,401,067</b>	<b>1,595,082</b>	<b>1,493,294</b>	<b>1,205,727</b>	<b>8,875,061</b>

	Consolidated							2027 to	Total
	2020	2021	2022	2023	2024	2025	2026	2032	
Debentures - 11 <sup>th</sup> issuance	5,970	11,488	488,310	-	-	-	-	-	505,768
Debentures - 12 <sup>th</sup> issuance	8,602	15,934	16,062	15,998	707,839	-	-	-	764,435
Debentures - 13 <sup>th</sup> issuance	13,047	15,028	456,728	443,859	112,329	109,805	-	-	1,150,796
Debentures - 14 <sup>th</sup> issuance	13,887	21,776	21,776	21,689	398,134	192,305	367,363	-	1,036,930
Debentures - 15 <sup>th</sup> issuance	12,822	22,089	22,178	22,001	22,178	494,265	494,418	-	1,089,951
Debentures - 16 <sup>th</sup> issuance	21,371	31,715	31,843	31,843	349,319	355,164	343,946	-	1,165,201
Promissory notes - 7 <sup>th</sup> issuance	-	531,751	-	-	-	-	-	-	531,751
Debentures of Localiza Fleet - 5 <sup>th</sup> issuance	5,575	7,133	7,162	7,162	7,162	307,190	-	-	341,384
Debentures of Localiza Fleet - 6 <sup>th</sup> issuance	4,762	9,374	9,449	9,412	401,494	-	-	-	434,491
Debentures of Localiza Fleet - 7 <sup>th</sup> issuance	5,222	6,969	6,997	6,969	6,913	306,997	-	-	340,067
Debentures of Localiza Fleet - 8 <sup>th</sup> issuance	19,488	31,342	31,468	349,193	354,136	343,991	-	-	1,129,618
Working capital	11,215	121,451	353,415	399,201	102,475	-	-	-	987,757
CRI	15,263	13,226	16,501	19,604	22,115	26,874	31,367	279,113	424,063
Foreign currency-denominated borrowings	18,263	985,260	318,324	653,148	5,283	341,755	-	-	2,322,033
<b>Total</b>	<b>155,487</b>	<b>1,824,536</b>	<b>1,780,213</b>	<b>1,980,079</b>	<b>2,489,377</b>	<b>2,478,346</b>	<b>1,237,094</b>	<b>279,113</b>	<b>12,224,245</b>

As at June 30, 2020, the balance of cash and cash equivalents and short-term investments was R\$ 1,954,766 in the Individual and R\$ 3,125,828 in the Consolidated, compatible with the business cycle and with the macroeconomic environment.

## Notes to the Interim Financial Information

### (b) Capital management

The table below shows the Company's debt ratios as of June 30, 2020 and December 31, 2019:

	Consolidated	
	6/30/2020	12/31/2019
Short and long-term debts, net of derivatives classified in current and noncurrent assets and liabilities (note 13)	10,780,288	9,450,360
Cash and cash equivalents (note 4)	(2,880,296)	(2,220,102)
Short-term investments (note 5)	(245,532)	(610,838)
<b>Net debt</b>	<b>7,654,460</b>	<b>6,619,420</b>
Equity	5,460,996	5,447,532
<b>Debt ratio (net debt / equity)</b>	<b>1.40</b>	<b>1.22</b>
Fleet value (*)	12,835,049	13,515,873
<b>Net debt / fleet value</b>	<b>0.60</b>	<b>0.49</b>

(\*) Cars and decommissioned cars for fleet renewal (note 9).

### (c) Fair value of financial instruments

The fair value of financial liabilities recognized at amortized cost in the Company's balance sheet as at June 30, 2020 and December 31, 2019 are:

	Individual			
	Carrying amount		Fair value	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>Financial liabilities – other financial liabilities:</b>				
Borrowings and debt securities	(8,181,081)	(6,629,067)	(7,574,386)	(6,397,979)
	Consolidated			
	Carrying amount		Fair value	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<b>Financial liabilities – other financial liabilities:</b>				
Borrowings and debt securities	(11,186,073)	(9,379,459)	(10,211,071)	(8,996,481)

Other financial instruments, recognized in the interim individual and consolidated financial information, do not differ significantly from their fair values, as the maturity dates of a substantial portion of the balances are close to the balance sheet date.

## 25. SUPPLEMENTARY PENSION PLAN

Since August 2011, the Company has offered a supplementary pension plan. In December 2019, the Company contracted a new supplementary pension plan, which came into force in 2020, established in the form of a "defined contribution" and managed by a large independent management company, and the participants of previous plans were allowed the adherence and portability of their reserves to the new plan. For participants that do not transfer all their reserves to the current plan, the Company will preserve the vesting rules of the reserves established under previous plans, safeguarding the vested rights.

There are no actuarial and investment risks to be assumed by the Company as its sponsor; consequently, no actuarial valuation is required and there is no possibility of recognizing actuarial gains or losses. Under the new plan's regulations, the cost is shared between the employer and the employees, where the Company matches the employee's contribution, which varies according to a contribution scale based on salary ranges of 1% to 8% of the employee's compensation.

In 1H20, contributions made by the Company totaled R\$978 in the Individual and R\$1,224 in the Consolidated (R\$1,171 in the Individual and R\$1,550 in the Consolidated in 1H19), which were allocated to line items "cost", "selling expenses" and "general and administrative expenses" in the statement of income.

## Notes to the Interim Financial Information

Due to the state of public calamity recognized by Legislative Decree No. 6, of March 20, 2020 and in view of the developments of the Covid-19, the Company's contributions to pension plans were temporarily suspended as of April 2020.

### 26. EVENTS AFTER THE REPORTING PERIOD

In a meeting held on July 27, 2020, the Board of Directors decided to increase from R\$200,000 to R\$500,000 the amount that may be acquired in debentures issued by the Company, under the Company's 1<sup>st</sup> Debenture Repurchase Program approved on June 18, 2020.

## **Comments on the Performance of Business Projections**

The Company did not disclose any projections for 2020.



## Other Information Considered Relevant by the Company

### SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the six-month period ended June 30, 2020 and 2019 is as follows:

(In R\$ thousand)

1H20				1H19		
<b>Calculation basis of consolidated social indicators</b>						
Net revenue ("NR")			4,364,734			4,673,790
Earnings before taxes ("EBT")			397,840			517,526
Gross payroll ("GP")			385,381			330,426
<b>Internal social indicators</b>	<b>Amount</b>	<b>% on GP</b>	<b>% on NR</b>	<b>Amount</b>	<b>% on GP</b>	<b>% on NR</b>
Meals	32,137	8%	1%	26,788	8%	1%
Compulsory payroll taxes	89,472	23%	2%	67,334	20%	2%
Health	33,555	9%	1%	21,376	6%	0%
Professional training and development	1,018	0%	0%	6,250	2%	0%
Daycare centers or childcare allowance	101	0%	0%	126	0%	0%
Profit sharing	38,994	10%	1%	46,073	14%	1%
Other	4,570	1%	0%	5,050	2%	0%
<b>Total internal social indicators</b>	<b>199,847</b>	<b>51%</b>	<b>5%</b>	<b>172,997</b>	<b>52%</b>	<b>4%</b>
<b>External social indicators</b>	<b>Amount</b>	<b>% on EBT</b>	<b>% on NR</b>	<b>Amount</b>	<b>% on EBT</b>	<b>% on NR</b>
Education	111	0%	0%	186	0%	0%
Culture	769	0%	0%	740	0%	0%
Other	192	0%	0%	186	0%	0%
<b>Total contributions to society</b>	<b>1,072</b>	<b>0%</b>	<b>0%</b>	<b>1,112</b>	<b>0%</b>	<b>0%</b>
Taxes (excluding payroll taxes) (*)	293,237	74%	7%	278,382	54%	6%
<b>Total external social indicators</b>	<b>294,309</b>	<b>74%</b>	<b>7%</b>	<b>279,494</b>	<b>54%</b>	<b>6%</b>
<b>Staff indicators</b>	<b>6/30/20</b>			<b>6/30/19</b>		
Number of employees at the end of the period			9,463			8,817
Number of new hires during the period			113			847
Number of third-party workers			470			388
Number of interns			97			51
Number of employees above 45 years old			1,028			997
Number of female employees			4,279			3,901
Percentage of lead positions held by female employees			49.57%			49.12%
Number of disabled employees			362			374

**Opinions and Representations / Report on Review of Interim Financial Information – Unqualified**

(Convenience Translation into English from the Original Previously Issued in Portuguese)

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Management and Shareholders of  
Localiza Rent a Car S.A.  
Belo Horizonte - MG

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Localiza Rent a Car S.A. ("Company"), included in the Interim Financial Information Form - ITR for the quarter ended June 30, 2020, which comprises the balance sheet as at June 30, 2019 and the related income statement and statement of comprehensive income for the three- and six-month periods then ended and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes

The Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Interim Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the interim financial information referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of the Interim Financial Information - ITR, and presented in accordance with the standards issued by the CVM.

**Opinions and Representations / Report on Review of Interim Financial Information – Unqualified****Other matter***Statements of value added*

The aforementioned interim financial information includes the individual and consolidated statements of value added - DVA for the six-month period ended June 30, 2020, prepared under the responsibility of the Company's Management and presented as supplemental information for purposes of international standard IAS 34, were subject to review procedures performed together with the review of the Interim Financial Information - ITR to determine whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, according to the criteria set out in this standard and are consistent in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, July 29, 2020

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Daniel de Carvalho Primo  
Engagement Partner

**Opinions and Representations / Management's Statement on the Financial Statements****MANAGEMENT'S STATEMENT ON THE INTERIM FINANCIAL INFORMATION**

By this instrument, the CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection II, paragraph 1, article 29 of CVM Instruction 480/09, hereby declare that they have:

I. Reviewed, discussed and approved Localiza's and consolidated interim financial information for the six-month period ended June 30, 2020.

Belo Horizonte, July 28, 2020.

Eugênio Pacelli Mattar  
CEO

Maurício Fernandes Teixeira  
CFO and Investor Relations Officer

**Opinions and Representations / Management's Statement on the Independent Auditor's Report****MANAGEMENT'S STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT**

By this instrument, the CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection II, paragraph 1, article 29 of CVM Instruction 480/09, hereby declare that they have:

I. Reviewed, discussed and agreed with the opinions expressed in the Independent Auditor's Report of Deloitte Touche Tohmatsu Auditores Independentes on Localiza's and consolidated interim financial information for the six-month period ended June 30, 2020.

Belo Horizonte, July 28, 2020.

Eugênio Pacelli Mattar  
CEO

Maurício Fernandes Teixeira  
CFO and Investor Relations Officer