

Interim Financial Information 09/30/21



Contents

Company Information	
Capital Structure	1
Individual Interim Financial Information	
Balance Sheet – Assets	2
Balance Sheet – Liabilities	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Cash Flows	6
Statement of Changes in Equity	
Statement of Changes in Equity - 01/01/2021 to 09/30/2021	7
Statement of Changes in Equity - 01/01/2020 to 09/30/2020	8
Statement of Value Added	9
Consolidated Interim Financial Information	
Balance Sheet – Assets	10
Balance Sheet – Liabilities	11
Statement of Income	12
Statement of Comprehensive Income	13
Statement of Cash Flows	14
Statement of Changes in Equity	
Statement of Changes in Equity - 01/01/2021 to 09/30/2021	15
Statement of Changes in Equity - 01/01/2020 to 09/30/2020	16
Statement of Value Added	17
Comments on Performance	18
Notes to the Interim Financial Information	46
Comments on the Performance of Business Projections	85
Other Information Considered Relevant by the Company	86
Opinions and Representations	
Report on Review of Interim Financial Information – Unqualified	87
Management’s Statement on the Financial Statements	89
Management’s Statement on the Independent Auditor’s Report	90

Company Information / Capital Structure

Number of Shares (Thousands)	Current Quarter 09/30/2021
Paid-In Capital	
Common Shares	758,467
Preferred Shares	0
Total	758,467
Treasury Shares	
Common Shares	6,275
Preferred Shares	0
Total	6,275

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

Code	Description	Current Quarter 09/30/2021	Prior Year 12/31/2020
1	Total Assets	18,648,495	17,179,331
1.01	Current Assets	4,185,442	4,080,560
1.01.01	Cash and Cash Equivalents	306,193	1,575,486
1.01.02	Financial Assets	2,067,814	1,040,917
1.01.02.01	Financial Assets at fair value through profit or loss	2,067,814	1,040,917
1.01.03	Accounts Receivable	1,050,673	974,296
1.01.03.01	Clients	1,050,673	974,296
1.01.06	Recoverable Taxes	401,758	23,438
1.01.07	Prepaid Expenses	54,398	18,728
1.01.08	Other Current Assets	304,606	447,695
1.01.08.01	Non-Current Assets Available for Sale	5,484	7,997
1.01.08.03	Other	299,122	439,698
1.01.08.03.01	Dividends Receivable	99,166	120,680
1.01.08.03.02	Derivative instruments	52,737	85,021
1.01.08.03.03	Other	147,219	233,997
1.02	Non-Current Assets	14,463,053	13,098,771
1.02.01	Long-Term Assets	515,909	405,044
1.02.01.10	Other Non-Current Assets	515,909	405,044
1.02.01.10.03	Escrow Deposits	81,887	79,376
1.02.01.10.04	Derivative instruments	434,022	325,585
1.02.01.10.05	Other	0	83
1.02.02	Investments	1,889,354	1,462,266
1.02.02.01	Equity Investments	1,889,354	1,462,266
1.02.02.01.02	Investments in subsidiaries	1,889,354	1,462,266
1.02.03	Property and Equipment	12,023,427	11,192,596
1.02.03.01	Property and Equipment in Use	11,021,018	10,293,097
1.02.03.02	Leased Right-of-use	961,291	864,111
1.02.03.02.02	Right-of-use	961,291	864,111
1.02.03.03	Constructions in Progress	41,118	35,388
1.02.04	Intangible Assets	34,363	38,865
1.02.04.01	Intangible	34,363	38,865
1.02.04.01.04	Software	34,363	38,865

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

Code	Description	Current Quarter 09/30/2021	Prior Year 12/31/2020
2	Total Liabilities	18,648,495	17,179,331
2.01	Current Liabilities	3,245,807	3,615,189
2.01.01	Payroll and Related Taxes	215,081	199,117
2.01.01.01	Related Taxes	25,785	26,452
2.01.01.02	Payroll	189,296	172,665
2.01.02	Trade Payables	859,664	1,458,302
2.01.02.01	Domestic Suppliers	859,244	1,458,302
2.01.02.02	Foreign Suppliers	420	0
2.01.03	Taxes Payable	4,921	91,423
2.01.03.01	Federal Taxes Payable	2,550	87,760
2.01.03.01.01	Income Tax and Social Contribution Payable	0	71,632
2.01.03.01.02	Other Federal Taxes	2,550	16,128
2.01.03.03	Municipal Taxes Payable	2,371	3,663
2.01.04	Loans and Financing	1,691,258	1,286,564
2.01.04.01	Loans and Financing	651,694	1,272,367
2.01.04.01.01	In Local Currency	430,287	620,073
2.01.04.01.02	In Foreign Currency	221,407	652,294
2.01.04.02	Debentures	1,039,564	14,197
2.01.05	Other Payables	474,883	579,783
2.01.05.01	Payables to Related Parties	2,531	740
2.01.05.01.02	Payables to Subsidiaries	2,531	740
2.01.05.02	Other	472,352	579,043
2.01.05.02.01	Dividends and Interest on Capital Payable	73,198	72,433
2.01.05.02.04	Other Current Liabilities	218,523	359,636
2.01.05.02.05	Derivative instruments	5,293	0
2.01.05.02.06	Unearned Revenue	1,483	2,482
2.01.05.02.07	Right-of-use Lease Liability	173,855	144,492
2.02	Non-Current Liabilities	7,937,620	7,511,483
2.02.01	Loans and Financing	6,228,207	6,349,987
2.02.01.01	Loans and Financing	1,652,949	1,727,737
2.02.01.01.01	In Local Currency	296,596	605,414
2.02.01.01.02	In Foreign Currency	1,356,353	1,122,323
2.02.01.02	Debentures	4,575,258	4,622,250
2.02.02	Other Payables	879,881	791,329
2.02.02.02	Other	879,881	791,329
2.02.02.02.03	Other Non-Current Liabilities	19,000	8,165
2.02.02.02.04	Right-of-use Lease Liability	860,881	773,292
2.02.02.02.05	Derivative instruments	0	9,872
2.02.03	Deferred Taxes	695,093	235,159
2.02.03.01	Deferred Income Tax and Social Contribution	695,093	235,159
2.02.04	Provisions	131,821	131,338
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	131,821	131,338
2.02.04.01.05	Provision for Tax, Social Security, Labor and Civil Risks	131,821	131,338
2.02.06	Unearned Profit and Revenue	2,618	3,670
2.02.06.02	Unearned Revenue	2,618	3,670
2.03	Equity	7,465,068	6,052,659
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
2.03.02	Capital Reserves	28,513	-578
2.03.02.05	Treasury Shares	-162,074	-175,526
2.03.02.07	Share Issuance Premium and Stock Options Granted	190,587	174,948
2.03.04	Earnings Reserves	2,096,348	2,096,348
2.03.04.01	Legal Reserve	272,974	272,974
2.03.04.02	Statutory Reserve	1,823,374	1,823,374
2.03.05	Retained Earnings (Accumulated Losses)	1,383,318	0

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

Code	Description	Current Quarter	Accumulated for the	Equal Quarter for	Accumulated for the Prior
		07/01/2021 to 09/30/2021	Current Year 01/01/2021 to 09/30/2021	Prior Year 07/01/2020 to 09/30/2020	Year 01/01/2020 to 09/30/2020
3.01	Revenue from Sales and/or Services	2,199,044	6,648,864	2,403,976	5,795,109
3.02	Cost of Sales and/or Services	-1,051,910	-3,990,635	-1,876,615	-4,631,985
3.03	Gross Profit	1,147,134	2,658,229	527,361	1,163,124
3.04	Operating Income (Expenses)	-151,952	-411,738	-102,099	-284,328
3.04.01	Selling Expenses	-239,128	-691,514	-195,572	-564,423
3.04.02	General and Administrative Expenses	-80,275	-211,683	-58,613	-170,223
3.04.05	Other Operating Expenses	1,387	-166	317	89,573
3.04.06	Equity in the Earnings of Subsidiaries	166,064	491,625	151,769	360,745
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	995,182	2,246,491	425,262	878,796
3.06	Finance Income (Expenses)	-101,552	-186,500	-47,127	-196,052
3.06.01	Finance Income	44,344	95,789	26,761	69,825
3.06.02	Finance Expenses	-145,896	-282,289	-73,888	-265,877
3.07	Net Income Before Income Taxes	893,630	2,059,991	378,135	682,744
3.08	Income Tax and Social Contribution on Profit	-222,232	-458,435	-52,589	-36,386
3.08.01	Current	76,046	1,499	-30,347	-36,278
3.08.02	Deferred	-298,278	-459,934	-22,242	-108
3.09	Net Income from Continuing Operations	671,398	1,601,556	325,546	646,358
3.11	Net Income for the Period	671,398	1,601,556	325,546	646,358
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.8928	2.1298	0.4334	0.8592
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.8864	2.1146	0.4325	0.8575

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

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	Accumulated for the Current Year 01/01/2021 to 09/30/2021	Equal Quarter for Prior Year 07/01/2020 to 09/30/2020	Accumulated for the Prior Year 01/01/2020 to 09/30/2020
4.01	Net Income for the Period	671,398	1,601,556	325,546	646,358
4.03	Comprehensive Income for the Period	671,398	1,601,556	325,546	646,358

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year	Prior Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
6.01	Net Cash Provided by Operating Activities	-1,125,603	71,757
6.01.01	Cash Provided by Operations	5,174,073	4,478,190
6.01.01.01	Net Income for the Period	1,601,556	646,358
6.01.01.02	Depreciation and Amortization	263,707	454,767
6.01.01.03	Residual Value of Property and Equipment Written Off	3,003,365	3,516,525
6.01.01.04	Deferred Income Tax and Social Contribution	459,934	108
6.01.01.05	Equity in the Earnings of Subsidiaries	-491,625	-360,745
6.01.01.06	Other	26,627	8,303
6.01.01.07	Provisions for risks	483	-93,125
6.01.01.08	Interest on Loans, Financing, Debentures and Derivatives	209,091	200,338
6.01.01.09	Lease interest	63,275	61,762
6.01.01.10	Allowance for doubtful debts	30,635	44,807
6.01.01.11	Other provisions	7,025	-908
6.01.02	Changes in Assets and Liabilities	-4,901,352	-3,759,048
6.01.02.01	Trade Receivables	-126,854	236,048
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-4,446,947	-3,884,458
6.01.02.03	Escrow Deposits	-2,511	-3,678
6.01.02.04	Recoverable Taxes	-293,945	-20,454
6.01.02.05	Prepaid Expenses	-35,670	-36,436
6.01.02.06	Other Current and Non-Current Assets	95,236	-26,280
6.01.02.07	Trade Payables (Except Car Manufacturers)	49,823	-11,893
6.01.02.08	Payroll and Related Taxes	15,964	30,593
6.01.02.09	Income Tax and Social Contribution	-1,499	36,278
6.01.02.11	Insurance Premiums	-93,955	-9,047
6.01.02.12	Other Current and Non-Current Liabilities	-60,994	-69,721
6.01.03	Other	-1,398,324	-647,385
6.01.03.01	Income Tax and Social Contribution Paid	-144,402	-19,056
6.01.03.02	Interest on Loans, Financing Debt and Derivatives Paid	-195,662	-179,290
6.01.03.03	Short-term financial assets	-1,026,897	-419,078
6.01.03.04	Lease interest paid	-31,363	-29,961
6.02	Net Cash Provided by Investing Activities	-7,229	86,763
6.02.01	Purchase of Other Property and Equipment	-89,556	-34,934
6.02.02	Purchase of Intangible Assets	-3,723	-5,118
6.02.04	Dividends from Subsidiaries	86,050	126,815
6.03	Net Cash Provided by Financing Activities	-136,461	530,317
6.03.01	Loans, Financing and debt securities - funding	1,602,867	1,250,312
6.03.02	Loans, Financing and debt securities - repayments/ buyback	-1,414,114	-299,609
6.03.05	Dividends	-18,126	0
6.03.06	Interest on Capital	-199,909	-138,737
6.03.09	Exercise of stock options with treasury shares, net	-1,348	-736
6.03.11	Lease liability - repayments	-110,207	-100,434
6.03.14	Treasury shares sold	4,376	4,216
6.03.15	Purchased treasury shares	0	-184,695
6.05	Increase (Decrease) in Cash and Cash Equivalents	-1,269,293	688,837
6.05.01	Opening Balance of Cash and Cash Equivalents	1,575,486	1,622,676
6.05.02	Closing Balance of Cash and Cash Equivalents	306,193	2,311,513

Individual Financial Statements / Statement of Changes in Equity - 01/01/2021 to 09/30/2021**(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	-578	2,096,348	0	0	6,052,659
5.03	Adjusted Opening Balances	3,956,889	-578	2,096,348	0	0	6,052,659
5.04	Capital Transactions with Shareholders	0	29,091	0	-218,238	0	-189,147
5.04.03	Stock Options Granted Recognized	0	26,063	0	0	0	26,063
5.04.05	Treasury shares sold	0	4,376	0	0	0	4,376
5.04.07	Interest on Capital	0	0	0	-218,238	0	-218,238
5.04.08	Exercise of long-term incentive programs with treasury shares	0	-1,348	0	0	0	-1,348
5.05	Total Comprehensive Income	0	0	0	1,601,556	0	1,601,556
5.05.01	Net Income for the Period	0	0	0	1,601,556	0	1,601,556
5.07	Closing Balances	3,956,889	28,513	2,096,348	1,383,318	0	7,465,068

Individual Financial Statements / Statement of Changes in Equity - 01/01/2020 to 09/30/2020**(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	-172,447	0	-197,329	0	-369,776
5.04.03	Stock Options Granted Recognized	0	8,768	0	0	0	8,768
5.04.04	Purchased Treasury Shares	0	-184,695	0	0	0	-184,695
5.04.05	Treasury shares sold	0	4,216	0	0	0	4,216
5.04.07	Interest on Capital	0	0	0	-197,329	0	-197,329
5.04.08	Exercise of stock options with treasury shares	0	-736	0	0	0	-736
5.05	Total Comprehensive Income	0	0	0	646,358	0	646,358
5.05.01	Net Income for the Period	0	0	0	646,358	0	646,358
5.07	Closing Balances	3,956,889	-9,241	1,327,437	449,029	0	5,724,114

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year	Prior Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
7.01	Revenues	6,961,963	5,989,786
7.01.01	Sales of Goods, Products and Services	6,964,074	6,012,979
7.01.03	Revenues Related to the Construction of Own Assets	28,524	21,614
7.01.04	Allowance for/Reversal of Doubtful Debts	-30,635	-44,807
7.02	Inputs Acquired from Third Parties	-4,170,898	-4,311,154
7.02.01	Cost of Products, Goods and Services Sold	-3,723,260	-3,949,149
7.02.02	Materials, Power, Third-Party Services and Other	-447,638	-362,005
7.03	Gross Value Added	2,791,065	1,678,632
7.04	Retentions	-263,707	-454,767
7.04.01	Depreciation, Amortization and Depletion	-263,707	-454,767
7.05	Net Wealth Created	2,527,358	1,223,865
7.06	Wealth Received in Transfer	587,414	430,570
7.06.01	Equity in the Earnings of Subsidiaries	491,625	360,745
7.06.02	Finance Income	95,789	69,825
7.07	Total Wealth for Distribution	3,114,772	1,654,435
7.08	Wealth Distributed	3,114,772	1,654,435
7.08.01	Personnel	721,368	532,449
7.08.01.01	Salaries and Wages	547,408	406,869
7.08.01.02	Benefits	113,534	86,839
7.08.01.03	Severance Pay Fund (FGTS)	34,363	29,927
7.08.01.04	Other	26,063	8,814
7.08.02	Taxes, Fees and Contributions	424,935	145,752
7.08.02.01	Federal	303,845	7,033
7.08.02.02	State	101,773	120,350
7.08.02.03	Municipal	19,317	18,369
7.08.03	Lenders and Lessors	366,913	329,876
7.08.03.01	Interest	282,289	265,877
7.08.03.02	Rentals	57,191	43,847
7.08.03.03	Other	27,433	20,152
7.08.03.03.01	Other Rentals	27,433	20,152
7.08.04	Shareholders	1,601,556	646,358
7.08.04.01	Interest on Capital	218,238	197,329
7.08.04.03	Retained Earnings (Loss for the Period)	1,383,318	449,029

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

Code	Description	Current Quarter 09/30/2021	Prior Year 12/31/2020
1	Total Assets	21,939,976	20,441,134
1.01	Current Assets	5,496,792	5,569,622
1.01.01	Cash and Cash Equivalents	548,841	2,586,393
1.01.02	Financial Assets	2,948,795	1,380,211
1.01.02.01	Financial Assets at fair value through profit or loss	2,948,795	1,380,211
1.01.03	Accounts Receivable	1,205,020	1,107,467
1.01.03.01	Clients	1,205,020	1,107,467
1.01.06	Recoverable Taxes	405,178	29,348
1.01.07	Prepaid Expenses	64,619	19,614
1.01.08	Other Current Assets	324,339	446,589
1.01.08.01	Non-Current Assets Available for Sale	38,678	40,551
1.01.08.03	Other	285,661	406,038
1.01.08.03.02	Derivative instruments	114,781	154,305
1.01.08.03.03	Other	170,880	251,733
1.02	Non-Current Assets	16,443,184	14,871,512
1.02.01	Long-Term Assets	693,149	538,129
1.02.01.04	Accounts Receivable	2,518	1,982
1.02.01.04.01	Clients	2,518	1,982
1.02.01.07	Deferred Taxes	23,319	24,363
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,319	24,363
1.02.01.10	Other Non-Current Assets	667,312	511,784
1.02.01.10.03	Escrow Deposits	116,023	113,720
1.02.01.10.04	Derivative instruments	505,272	353,022
1.02.01.10.05	Investments in restricted accounts	46,017	44,959
1.02.01.10.07	Other	0	83
1.02.03	Property and Equipment	15,604,238	14,181,295
1.02.03.01	Property and Equipment in Use	14,852,005	13,514,735
1.02.03.02	Right-of-use in Lease	694,316	624,513
1.02.03.02.02	Right-of-use	694,316	624,513
1.02.03.03	Constructions in Progress	57,917	42,047
1.02.04	Intangible Assets	145,797	152,088
1.02.04.01	Intangible Assets	145,797	152,088
1.02.04.01.02	Goodwill on Acquisition of Investments	105,437	105,437
1.02.04.01.05	Software	40,360	46,651

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

Code	Description	Current Quarter 09/30/2021	Prior Year 12/31/2020
2	Total Liabilities	21,939,976	20,441,134
2.01	Current Liabilities	3,934,066	4,296,388
2.01.01	Payroll and Related Taxes	236,871	218,451
2.01.01.01	Related Taxes	28,181	28,579
2.01.01.02	Payroll	208,690	189,872
2.01.02	Trade Payables	1,123,049	1,661,001
2.01.02.01	Domestic Suppliers	1,122,629	1,661,001
2.01.02.02	Foreign Suppliers	420	0
2.01.03	Taxes Payable	46,608	142,992
2.01.03.01	Federal Taxes Payable	42,664	136,864
2.01.03.01.01	Income Tax and Social Contribution Payable	37,568	117,579
2.01.03.01.02	Other Federal Taxes	5,096	19,285
2.01.03.03	Municipal Taxes Payable	3,944	6,128
2.01.04	Loans and Financing	2,018,610	1,615,037
2.01.04.01	Loans and Financing	963,992	1,588,144
2.01.04.01.01	In Local Currency	455,546	641,508
2.01.04.01.02	In Foreign Currency	508,446	946,636
2.01.04.02	Debentures	1,054,618	26,893
2.01.05	Other Payables	508,928	658,907
2.01.05.02	Other	508,928	658,907
2.01.05.02.01	Dividends and Interest on Capital Payable	73,198	72,433
2.01.05.02.04	Other Current Liabilities	241,782	384,756
2.01.05.02.05	Derivative instruments	32,735	66,365
2.01.05.02.06	Unearned Revenue	4,848	5,114
2.01.05.02.07	Right-of-use Lease Liability	156,365	130,239
2.02	Non-Current Liabilities	10,540,842	10,092,087
2.02.01	Loans and Financing	8,735,426	8,882,686
2.02.01.01	Loans and Financing	2,354,723	2,426,762
2.02.01.01.01	In Local Currency	829,994	1,142,920
2.02.01.01.02	In Foreign Currency	1,524,729	1,283,842
2.02.01.02	Debentures	6,380,703	6,455,924
2.02.02	Other Payables	659,177	630,529
2.02.02.02	Other	659,177	630,529
2.02.02.02.03	Other Non-Current Liabilities	22,662	15,373
2.02.02.02.04	Derivative instruments	0	37,184
2.02.02.02.05	Restricted obligations	46,459	45,435
2.02.02.02.06	Right-of-use Lease Liability	590,056	532,537
2.02.03	Deferred Taxes	980,340	412,089
2.02.03.01	Deferred Income Tax and Social Contribution	980,340	412,089
2.02.04	Provisions	159,326	158,587
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	159,326	158,587
2.02.04.01.05	Provision for Tax, Social Security, Labor and Civil Risks	159,326	158,587
2.02.06	Unearned Profit and Revenue	6,573	8,196
2.02.06.02	Unearned Revenue	6,573	8,196
2.03	Consolidated Equity	7,465,068	6,052,659
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
2.03.02	Capital Reserves	28,513	-578
2.03.02.05	Treasury Shares	-162,074	-175,526
2.03.02.07	Share Issuance Premium and Stock Options Granted	190,587	174,948
2.03.04	Earnings Reserves	2,096,348	2,096,348
2.03.04.01	Legal Reserve	272,974	272,974
2.03.04.02	Statutory Reserve	1,823,374	1,823,374
2.03.05	Retained Earnings (Accumulated Losses)	1,383,318	0

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

Code	Description	Current Quarter	Accumulated for the	Equal Quarter for	Accumulated for the
		07/01/2021 to 09/30/2021	Current Year 01/01/2021 to 09/30/2021	Prior Year 07/01/2020 to 09/30/2020	Prior Year 01/01/2020 to 09/30/2020
3.01	Revenue from Sales and/or Services	2,772,251	8,265,081	3,067,549	7,432,283
3.02	Cost of Sales and/or Services	-1,321,793	-4,747,842	-2,277,634	-5,552,884
3.03	Gross Profit	1,450,458	3,517,239	789,915	1,879,399
3.04	Operating Income (Expenses)	-381,615	-1,066,793	-286,290	-723,043
3.04.01	Selling Expenses	-283,516	-800,420	-218,358	-631,538
3.04.02	General and Administrative Expenses	-99,618	-264,214	-68,579	-196,117
3.04.05	Other Operating Expenses	1,519	-2,159	647	104,612
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	1,068,843	2,450,446	503,625	1,156,356
3.06	Finance Income (Expenses)	-96,845	-164,963	-54,492	-309,383
3.06.01	Finance Income	63,099	137,120	35,619	89,586
3.06.02	Finance Expenses	-159,944	-302,083	-90,111	-398,969
3.07	Net Income Before Income Taxes	971,998	2,285,483	449,133	846,973
3.08	Income Tax and Social Contribution on Profit	-300,600	-683,927	-123,587	-200,615
3.08.01	Current	38,130	-114,632	-105,121	-190,487
3.08.02	Deferred	-338,730	-569,295	-18,466	-10,128
3.09	Net Income from Continuing Operations	671,398	1,601,556	325,546	646,358
3.11	Net Income for the Period	671,398	1,601,556	325,546	646,358
3.11.01	Attributable to the Company's Owners	671,398	1,601,556	325,546	646,358
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.89280	2.12984	0.43338	0.85923
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.88643	2.11464	0.43253	0.85748

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

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	Accumulated for the Current Year 01/01/2021 to 09/30/2021	Equal Quarter for Prior Year 07/01/2020 to 09/30/2020	Accumulated for the Prior Year 01/01/2020 to 09/30/2020
4.01	Net Income for the Period	671,398	1,601,556	325,546	646,358
4.03	Comprehensive Income for the Period	671,398	1,601,556	325,546	646,358
4.03.01	Attributable to the Company's Owners	671,398	1,601,556	325,546	646,358

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2021 to 09/30/2021	Prior Year 01/01/2020 to 09/30/2020
6.01	Net Cash Provided by Operating Activities	-1,740,683	32,632
6.01.01	Cash Provided by Operations	6,376,020	5,783,804
6.01.01.01	Net Income for the Period	1,601,556	646,358
6.01.01.02	Depreciation and Amortization	311,693	559,252
6.01.01.03	Residual Value of Property and Equipment Written Off	3,530,294	4,240,472
6.01.01.04	Deferred Income Tax and Social Contribution	569,295	10,128
6.01.01.05	Other	26,705	8,344
6.01.01.06	Provisions for risks	739	-117,787
6.01.01.07	Interest on Loans, Financing, Debentures and Derivatives	243,486	346,499
6.01.01.08	Lease interest	45,692	45,162
6.01.01.10	Allowance for doubtful debts	37,160	46,126
6.01.01.11	Other provisions	9,400	-750
6.01.02	Changes in Assets and Liabilities	-5,935,598	-4,324,613
6.01.02.01	Trade Receivables	-157,512	257,301
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-5,550,681	-4,633,555
6.01.02.03	Escrow Deposits	-2,339	-1,873
6.01.02.04	Recoverable Taxes	-290,742	-16,635
6.01.02.05	Prepaid Expenses	-45,005	-46,924
6.01.02.06	Other Current and Non-Current Assets	88,405	-14,221
6.01.02.07	Trade Payables (Except Car Manufacturers)	49,226	-16,571
6.01.02.08	Payroll and Related Taxes	18,420	25,863
6.01.02.09	Income Tax and Social Contribution	114,632	190,487
6.01.02.11	Insurance Premiums	-94,298	-9,390
6.01.02.12	Other Current and Non-Current Liabilities	-65,704	-59,095
6.01.03	Other	-2,181,105	-1,426,559
6.01.03.01	Income Tax and Social Contribution Paid	-268,579	-142,910
6.01.03.02	Interest on Loans, Financing Debt and Derivatives Paid	-312,502	-286,803
6.01.03.03	Short-term financial assets, net of swap	-1,568,584	-966,802
6.01.03.04	Lease interest paid	-31,440	-30,044
6.02	Net Cash Provided by Investing Activities	-112,550	-64,063
6.02.01	Purchase of Other Property and Equipment	-105,145	-50,069
6.02.02	Purchase of Intangible Assets	-3,824	-6,118
6.02.03	Purchase of Investment, net of acquired cash	0	-7,876
6.02.04	Company acquisition payment	-3,581	0
6.03	Net Cash Provided by Financing Activities	-184,319	658,102
6.03.01	Loans, Financing and debt securities - funding	1,602,867	2,238,894
6.03.02	Loans, Financing and debt securities - repayments/ buyback	-1,461,078	-1,159,595
6.03.05	Dividends	-18,126	0
6.03.06	Interest on Capital	-199,909	-138,737
6.03.08	Exercise of Stock Options with Treasury Shares, Net	-1,348	-736
6.03.10	Lease liability - repayments	-111,101	-101,245
6.03.13	Treasury shares sold	4,376	4,216
6.03.14	Purchased treasury shares	0	-184,695
6.05	Increase (Decrease) in Cash and Cash Equivalents	-2,037,552	626,671
6.05.01	Opening Balance of Cash and Cash Equivalents	2,586,393	2,220,102
6.05.02	Closing Balance of Cash and Cash Equivalents	548,841	2,846,773

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2021 to 06/30/2021**(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	-578	2,096,348	0	0	6,052,659	0	6,052,659
5.03	Adjusted Opening Balances	3,956,889	-578	2,096,348	0	0	6,052,659	0	6,052,659
5.04	Capital Transactions with Shareholders	0	29,091	0	-218,238	0	-189,147	0	-189,147
5.04.03	Stock Options Granted Recognized	0	26,063	0	0	0	26,063	0	26,063
5.04.05	Treasury shares sold	0	4,376	0	0	0	4,376	0	4,376
5.04.07	Interest on Capital	0	0	0	-218,238	0	-218,238	0	-218,238
5.04.08	Exercise of long-term incentive programs with treasury shares	0	-1,348	0	0	0	-1,348	0	-1,348
5.05	Total Comprehensive Income	0	0	0	1,601,556	0	1,601,556	0	1,601,556
5.05.01	Net Income for the Period	0	0	0	1,601,556	0	1,601,556	0	1,601,556
5.07	Closing Balances	3,956,889	28,513	2,096,348	1,383,318	0	7,465,068	0	7,465,068

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2020 to 09/30/2020**(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	-172,447	0	-197,329	0	-369,776	0	-369,776
5.04.03	Stock Options Granted Recognized	0	8,768	0	0	0	8,768	0	8,768
5.04.04	Purchased Treasury Shares	0	-184,695	0	0	0	-184,695	0	-184,695
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	-197,329	0	-197,329	0	-197,329
5.04.08	Exercise of stock options with treasury shares	0	-736	0	0	0	-736	0	-736
5.05	Total Comprehensive Income	0	0	0	646,358	0	646,358	0	646,358
5.05.01	Net Income for the Period	0	0	0	646,358	0	646,358	0	646,358
5.07	Closing Balances	3,956,889	-9,241	1,327,437	449,029	0	5,724,114	0	5,724,114

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year	Prior Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
7.01	Revenues	8,674,083	7,721,027
7.01.01	Sales of Goods, Products and Services	8,682,618	7,745,218
7.01.03	Revenues Related to the Construction of Own Assets	28,625	21,935
7.01.04	Allowance for/Reversal of Doubtful Debts	-37,160	-46,126
7.02	Inputs Acquired from Third Parties	-4,921,432	-5,151,368
7.02.01	Cost of Products, Goods and Services Sold	-4,419,288	-4,763,240
7.02.02	Materials, Power, Third-Party Services and Other	-502,144	-388,128
7.03	Gross Value Added	3,752,651	2,569,659
7.04	Retentions	-311,693	-559,252
7.04.01	Depreciation, Amortization and Depletion	-311,693	-559,252
7.05	Net Wealth Created	3,440,958	2,010,407
7.06	Wealth Received in Transfer	137,120	89,586
7.06.02	Finance Income	137,120	89,586
7.07	Total Wealth for Distribution	3,578,078	2,099,993
7.08	Wealth Distributed	3,578,078	2,099,993
7.08.01	Personnel	845,877	612,739
7.08.01.01	Salaries and Wages	650,304	471,723
7.08.01.02	Benefits	129,158	97,649
7.08.01.03	Severance Pay Fund (FGTS)	40,352	34,553
7.08.01.04	Other	26,063	8,814
7.08.02	Taxes, Fees and Contributions	731,835	374,192
7.08.02.01	Federal	570,720	194,985
7.08.02.02	State	133,474	153,713
7.08.02.03	Municipal	27,641	25,494
7.08.03	Lenders and Lessors	398,810	466,704
7.08.03.01	Interest	302,083	398,969
7.08.03.02	Rentals	66,856	46,373
7.08.03.03	Other	29,871	21,362
7.08.03.03.01	Other Rentals	29,871	21,362
7.08.04	Shareholders	1,601,556	646,358
7.08.04.01	Interest on Capital	218,238	197,329
7.08.04.03	Retained Earnings (Loss for the Period)	1,383,318	449,029

Dear shareholders,

We continue advancing Localiza's journey of digital transformation and building the future of sustainable mobility. Our strategy to develop our competence in technology and data science and to look at our ecosystem has been consistently evolving with Localiza Labs. We have intensified our efforts in the pursue of innovation within the customer journey, efficient cost management and greater productivity on several fronts, and we already have some important initiatives in the experimentation and expansion phase.

To name a few initiatives, since the creation of Zarp Localiza, we are delighting customers even more and reducing our service costs through dedicated branches, which have better structure and greater scalability. Furthermore, using IoT and data science, we map the profile of our app drivers, who use the car as a source of work, and developed tools to increase their productivity and income, as well as reduce their costs.

We are getting close to 150,000 connected cars and, as a result, we have a daily generation of around 65 million data points and more than 9 million kilometers monitored per month, which, in addition to reducing delinquency rates, theft and increasing vehicle recovery rates, creates opportunities to improve our customers' experience as well as to expand our solution offerings.

Still highlighting the pursue for efficiency, this quarter, we completed a technical study that supported the useful life of part of our fleet from a tax perspective, which accelerates depreciation and tax credit, with direct impact on results, as detailed in this release.

After the second wave of the pandemic, in the second quarter, we felt the positive effect of the advance in vaccination, which contributed to the resumption of demand in all **Car Rental** segments. Even in a context of rising rental prices, which is necessary due to the increase in the value of new cars (invested capital) and maintenance costs, we have noticed a gradual and consistent increase in our volumes - already higher than what we presented in 1Q21 - with the utilization rate back to historical levels.

Increases in car prices, in maintenance costs and in the basic interest rate substantially impacted the entire mobility chain, but demand resilience reinforces rental as an affordable and viable transport option for the most diverse mobility needs. **Fleet Rental** division is also impacted by the increase in car prices and the interest rate, which increases the attractiveness of rental, resulting in greater demand, both from large companies as well as individuals and SMEs, through Localiza Meoo, our subscription car solution.

We continue to live in a context of limited cars' availability, caused by insufficient supply of inputs in the global chain (especially semiconductors). This scenario once again impacted purchases in the quarter and it should last longer, with a perspective of normalization starting only from the second half of next year.

In this context, we are seeking better fleet allocation per segment, according to the mileage and the needs of our customers, thus managing to maintain the NPS (net promoter score) at levels of excellence, as well as monetizing the asset, without losing sight of our long-term relationships and customer vision. This way, we are reducing the impact of the postponement of fleet decommissioning until purchase volumes return to higher levels.

This quarter holds an important milestone in Localiza's history. The Company launched Localiza Institute to drive social transformation by supporting projects that facilitate young people's access to education and foster entrepreneurship in communities. With an inaugural effort, the institute developed a notice for investment of R\$2.5 million in initiatives that promote a real impact in the construction of new paths for young people in socioeconomic vulnerability.

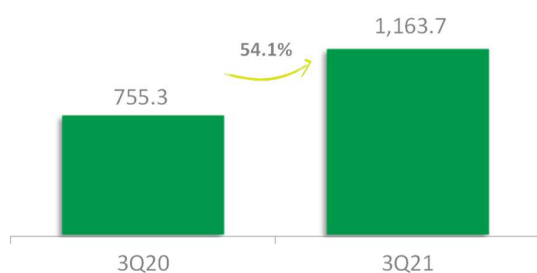
We also made progress in other important sustainability initiatives, such as the signing of the Forum for Companies with Refugees, an important step towards advancing the Company's diversity agenda. We also launched Frota Experience, an education platform aimed at fleet rental customers, with a focus on traffic safety. In the environmental pillar, we completed the greenhouse gas emission inventory, reporting for the first-time the full scope 3, with customer emissions already audited. We are aware of the relevance of the sustainability journey and the path ahead of us, but we are proud of the progress we have made in recent years.

Our passion for delighting customers and creating value for all our stakeholders was recognized and highlighted by the press and innovation bodies. Among the awards and rankings which we were recognized this quarter are: Melhores da Bolsa, from the InfoMoney portal; Melhores da Dinheiro, from IstoÉ Dinheiro; and Open 100 Startups 2021, in the Travel and Tourism category. The Company was also among the ten highlighted companies in the Broadcast Empresas Award, by Broadcast/Agência Estado.

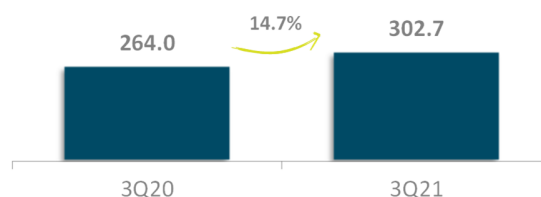
We see in the short term an atypical context for our business, where demand exceeds supply. Therefore, we will remain diligent in the capital allocation and will take advantage of the moment to look even more broadly at new opportunities that can enhance our business, whether by strengthening our competitive advantages or increasing our growth or return prospects. We are confident that this strategy will be an important catalyst to further expand our avenues for growth and the potential to generate value.

RENTAL HIGHLIGHTS

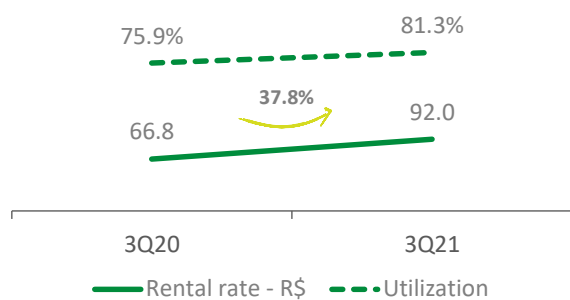
Revenue – Car Rental
R\$ million, including royalties



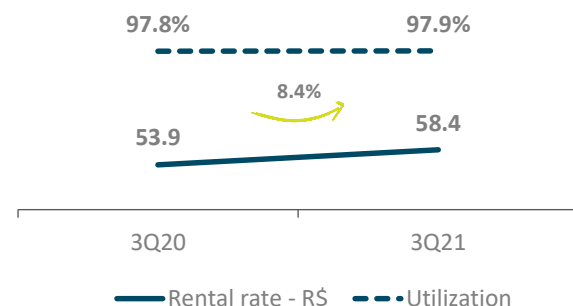
Revenue – Fleet Rental
R\$ million



Average rental rate (in R\$) and Utilization rate (%)
Car Rental

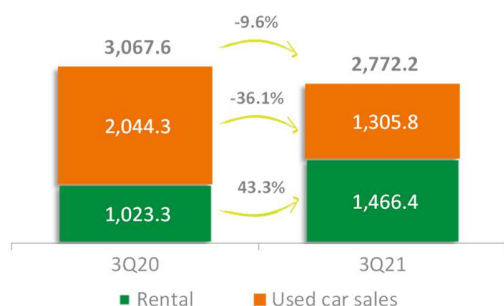


Average rental rate (in R\$) and Utilization rate (%)
Fleet Rental

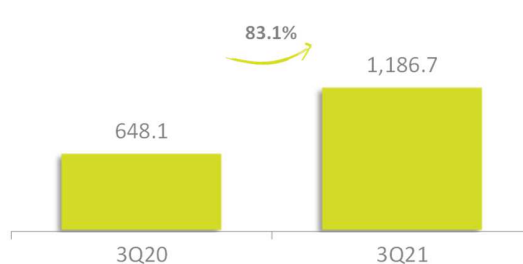


CONSOLIDATED FINANCIAL HIGHLIGHTS

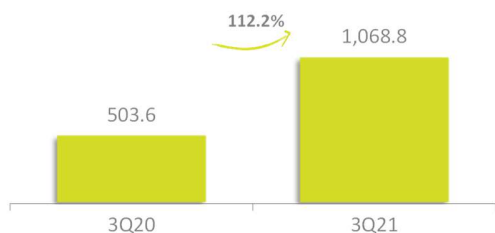
Net revenues
R\$ million



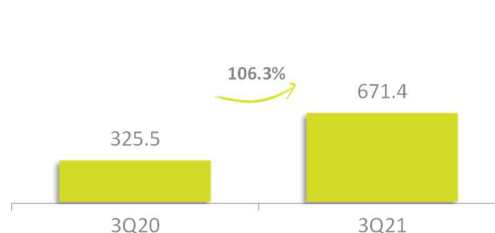
EBITDA
R\$ million



EBIT
R\$ million



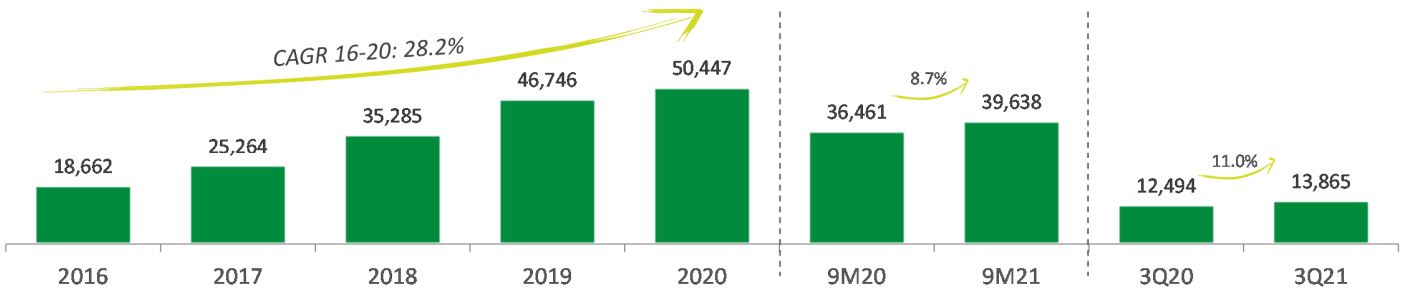
Net income
R\$ million



1 - Rent a Car

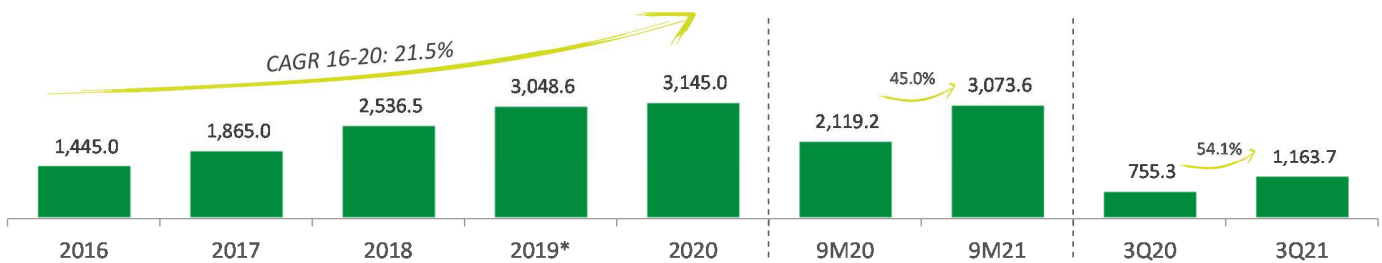
Number of rental days

in thousands



Net revenues

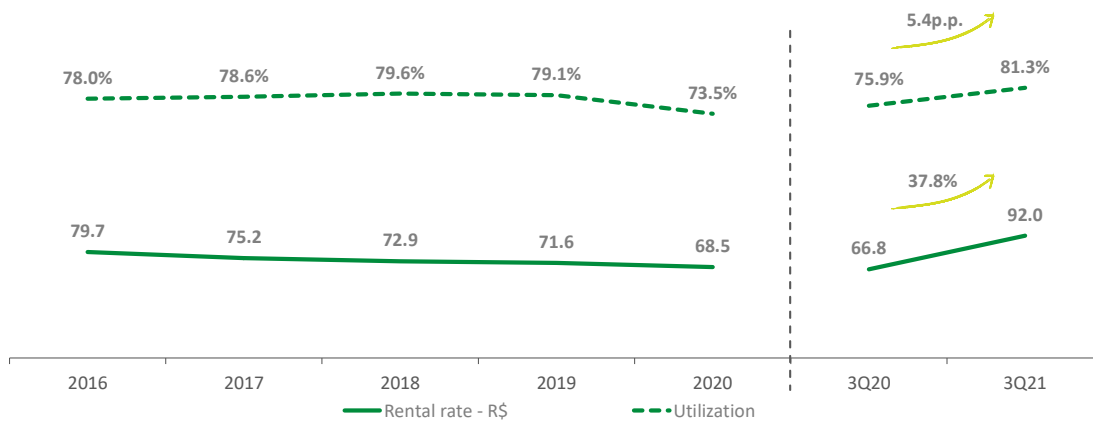
R\$ million, including royalties



(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

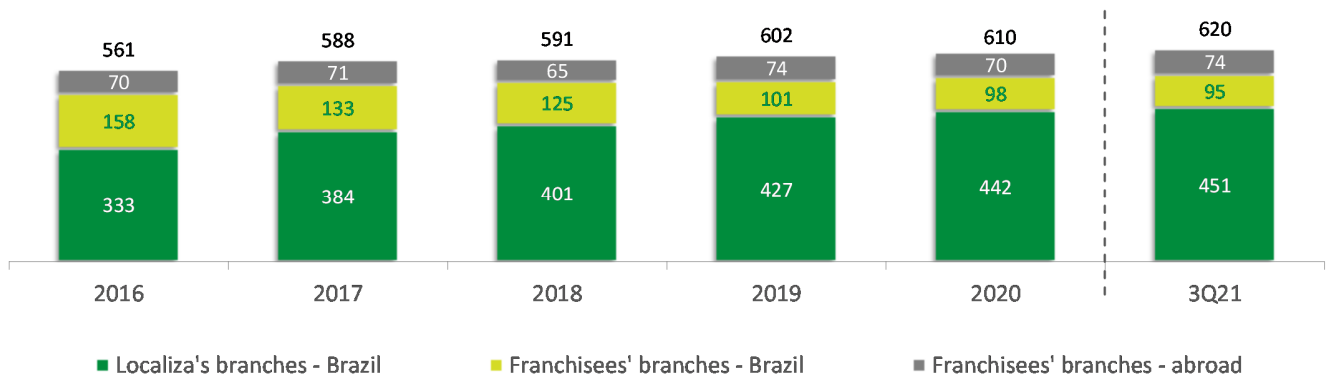
In 3Q21, rental days in the **Car Rental** division's increased by 11.0% versus 3Q20, with the consistent demand recovery as Covid-19 vaccination advanced. Fleet utilization rate improved, surpassing the 80% mark. Average rental rates reached R\$92, an increase of 37.8% year over year, reflecting the rise in car prices, higher interest rates and the mix of segments. As a result, on the same basis of comparison, **Car Rental** net revenues increased 54.1%.

Average rental rate (in R\$) and Utilization rate (%)



1.1 - Distribution network

Number of car rental locations - Brazil and abroad

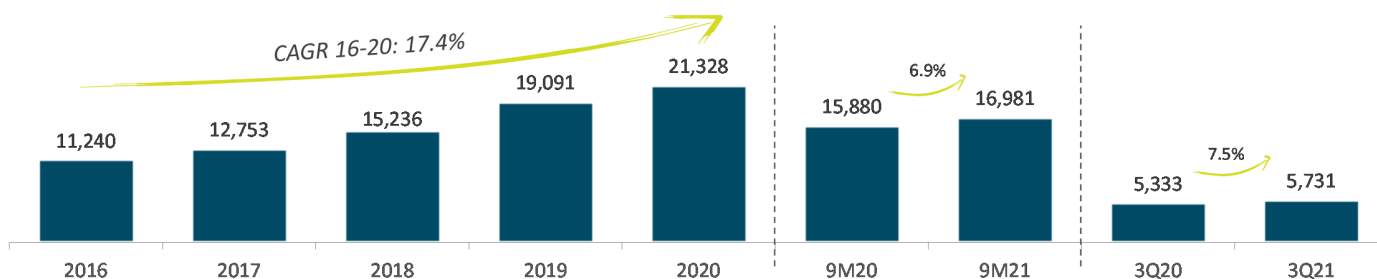


Localiza ended the quarter with 620 rental locations, being 546 in Brazil and 74 in 4 other South American countries. We selectively expanded the network by 9 branches throughout 2021, increasing convenience for our customers and preparing the Company for the growth resumption.

2 – Fleet Rental

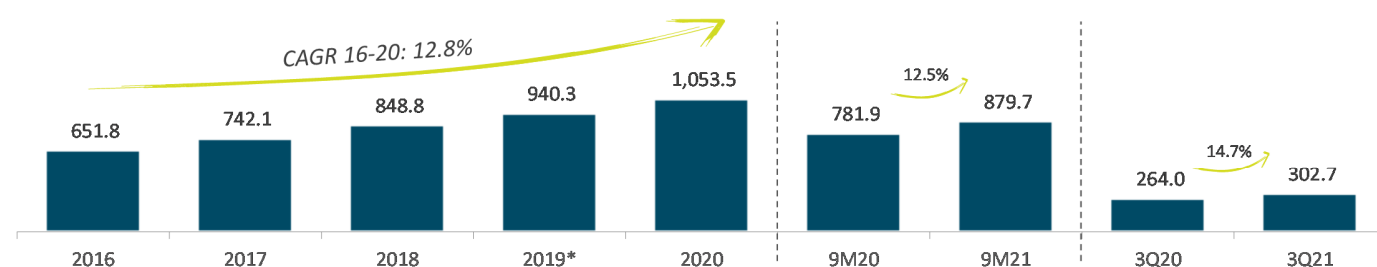
Number of rental days

in thousands



Net revenues

R\$ million



(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

In 3Q21, **Fleet Rental** division registered 7.5% increase in the number of rental days and 14.7% in net revenues, compared to the same period of the prior year, with the average rental rate 8.4% higher.

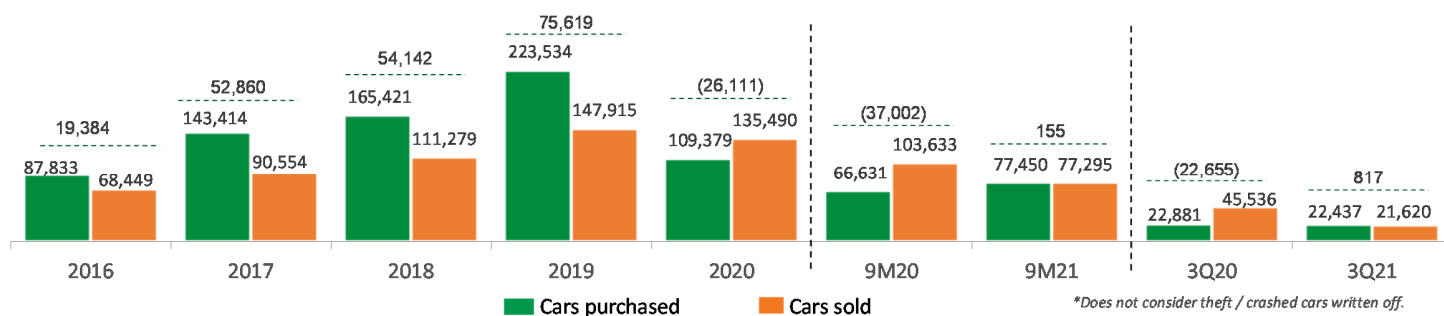
The division's sales pace remains strong, with a backlog of over 20,000 cars in the portfolio. The average delivery time, however, is above the historical level due to the lower pace of production of new cars, temporarily impacting growth rates.

3 - Fleet

3.1 – Net investment in the fleet

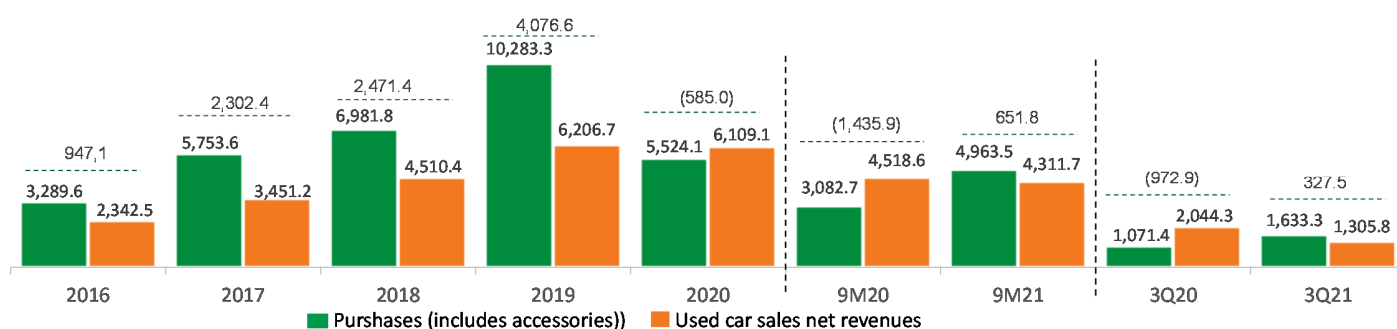
Car purchase and sales

quantity*



Net investment in fleet

R\$ million



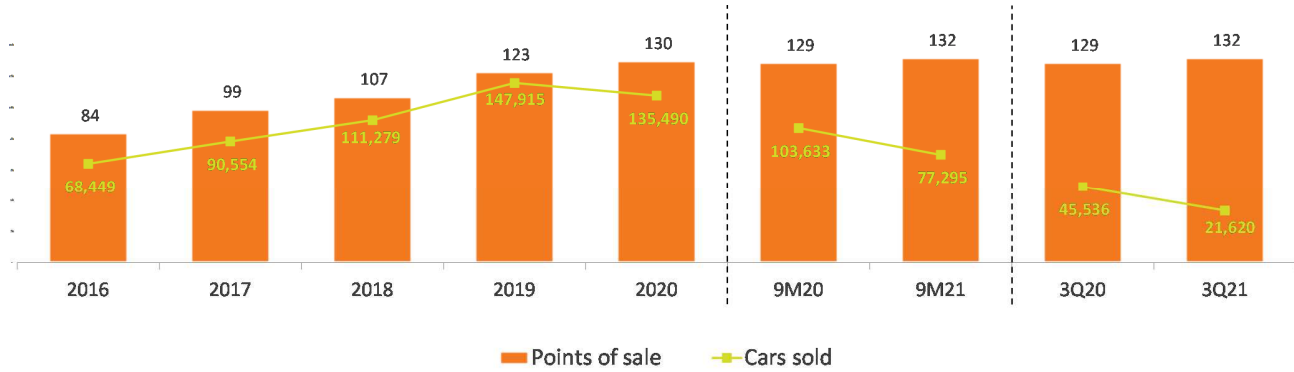
In 3Q21, car production continued to be impacted by shortage of semiconductors. 22,437 cars were purchased and volume of cars decommissioned was reduced in the **Car Rental** division resulting in a sale of 21,620 cars, and the extension of our fleet's useful life.

The price of cars sold grew 34.5% in 3Q21 compared to 3Q20, reflecting the increase in the price of new cars.

	2016	2017	2018	2019	2020	9M20	9M21	Var. %	3Q20	3Q21	Var. %
Average price of cars sold (R\$ thousand)	34.3	38.2	40.6	42.1	45.2	43.7	55.8	27.9%	45.0	60.5	34.5%

4 – Seminovos

Number of points of sale and cars sold

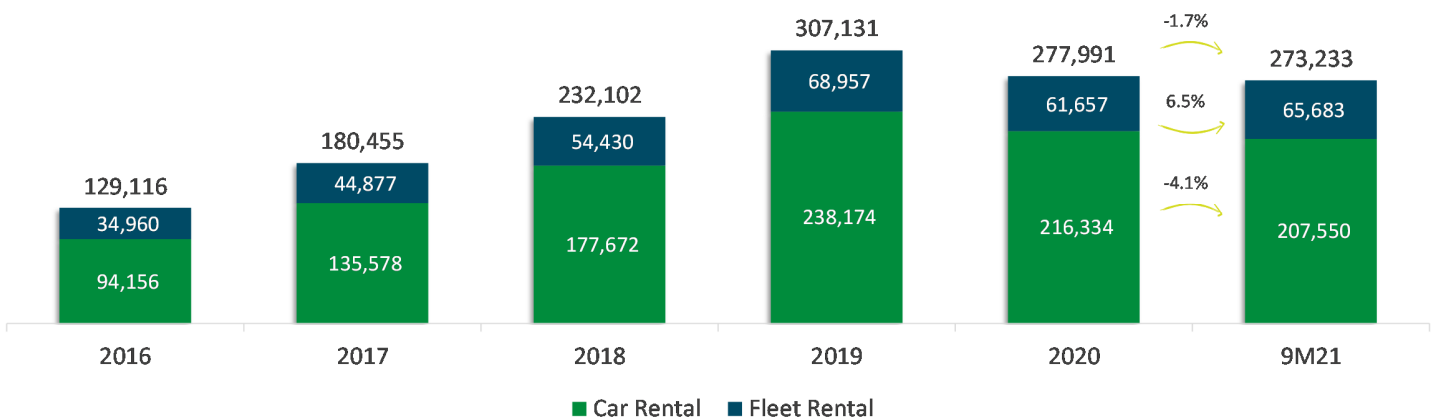


We ended 3Q21 with 132 **Seminovos** stores, in 90 cities in Brazil. Throughout 2021, 2 **Seminovos** stores were opened.

5 – End of period fleet

End of period fleet

quantity

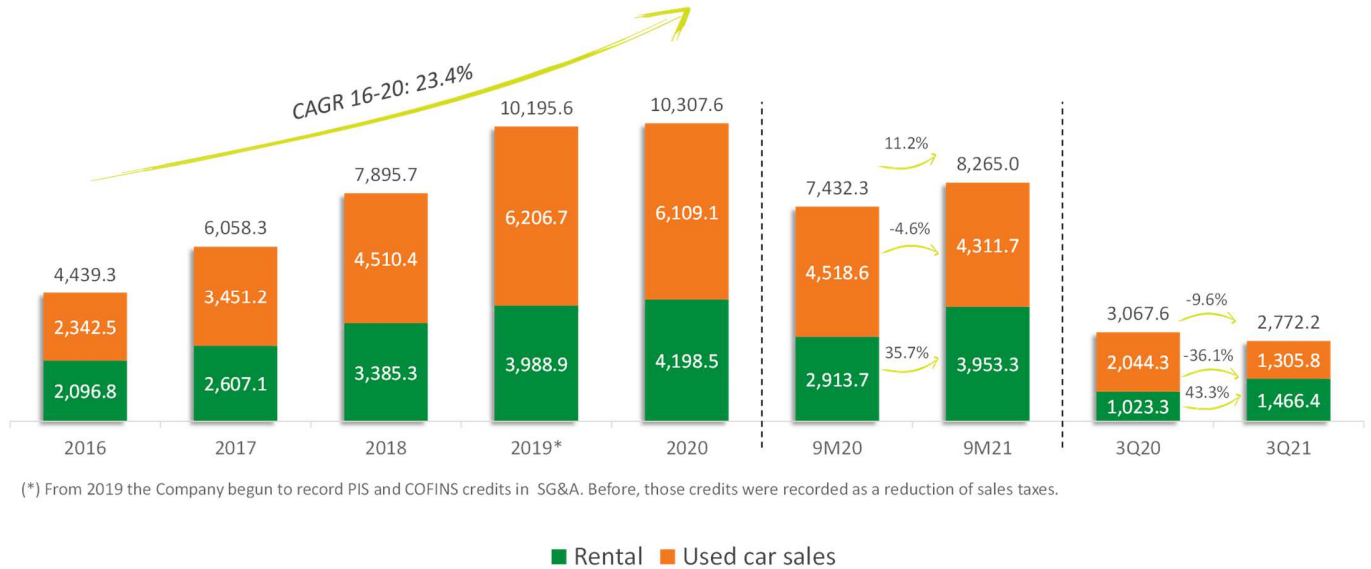


In 9M21, the fleet was reduced by 1.7% versus the end of 2020, due to the persistence of lower level of cars' deliveries, partially offset by a reduction in the number of cars available for sale.

6 – Consolidated net revenues

Consolidated net revenues

R\$ million

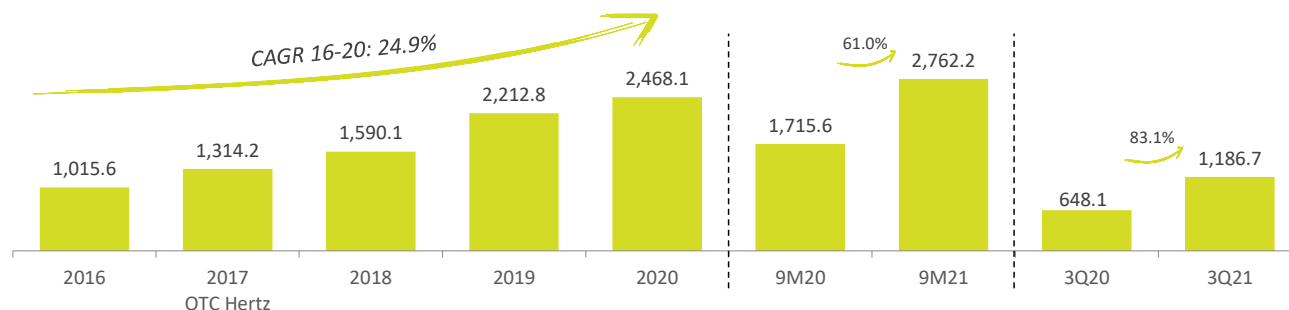


In 3Q21, net rental revenues increased 43.3%, being 54.1% in **Car Rental** and 14.7% in **Fleet Rental** division. **Seminovos** net revenues decreased 36.1% due to the 52.5% reduction in the volume of cars sold resulted from the lower fleet decommissioning, partially offset by the 34.5% increase in the sale price. As a result, consolidated net revenue decreased by 9.6% in 3Q21 compared to the same quarter last year.

7 - EBITDA

Consolidated EBITDA

R\$ million



EBITDA margin:

	2016	2017*	2018	2019**	2020	9M20	9M21	3Q20	3Q21
Car Rental and Franchising	32.4%	34.9%	35.9%	45.7%	45.3%	47.3%	50.1%	42.9%	65.3%
Fleet Rental	64.5%	61.9%	64.0%	67.7%	72.4%	75.1%	63.4%	73.4%	60.8%
Rental Consolidated	42.3%	42.6%	43.0%	50.9%	52.1%	54.7%	53.1%	50.8%	64.4%
Used Car Sales	5.5%	5.9%	3.0%	3.0%	4.6%	2.7%	15.4%	6.3%	18.6%
Consolidated (on rental revenue)	48.4%	50.4%	47.0%	55.5%	58.8%	58.9%	69.9%	63.3%	80.9%

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

(**) From 2019, 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 3Q21, consolidated EBITDA totaled R\$1,186.7 million, 83.1% higher year over year. This quarter, a technical study was completed supporting the useful life for tax purposes, of certain cars in the **Car Rental** division, covered by a technical report, that was issued by an entity duly qualified by the Brazilian Revenue Service, changing the useful life from 48 or 60 months to 24 months, on average. This fact resulted in higher fiscal depreciation and recognition of the corresponding PIS/COFINS tax credits, with an impact on the quarter's EBITDA of R\$320.3 million. The application of this revised useful life to the other cars in the fleet depends on obtaining new technical reports.

As a result, in the **Car Rental** division, EBITDA margin was 65.3% in 3Q21, a growth of 22.4 p.p. year over year.

In a quarter over quarter analysis, compared to 2Q21, there is a positive margin effect associated with the increase in revenue with the resumption after the second wave of the pandemic and the increase in the average daily rate. These factors contributed to the dilution of fixed costs. Furthermore, we had the effect related to tax credits, as per Note 23 of the Interim Financial Report. On the other hand, we had a negative impact from higher maintenance costs, due to the aging of the fleet; the higher IPVA (automobile taxes) and licensing costs, due to the increase in the price of new cars; higher car theft rates; and increased provision for profit sharing. Additionally, we accelerated investments in brand, technology, and data, preparing the Company for the next growth cycle.

The **Fleet Rental** division presented a margin of 60.8%, 12.6 p.p. lower year over year. The margin reduction is mainly explained by the higher maintenance costs, due to the fleet aging, in addition to the increase in expenses with team, related to technology and advertising for Localiza Meoo. In the last quarter, we have seen the order backlog increase, which should contribute to the gradual acceleration of growth and cost dilution, as vehicle deliveries advance.

7 - EBITDA

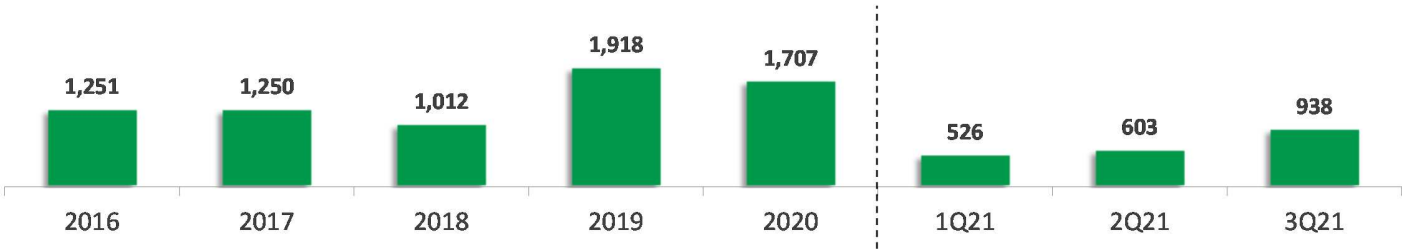
The increase in the price of new cars continues to be reflected in the prices of cars sold in **Seminovos**, positively impacting its EBITDA margin, which reached 18.6% in 3Q21, 12.3 p.p. higher than in the same period last year, despite the lower fixed cost dilution due to the lower decommissioning of cars for fleet renewal.

All in, in 3Q21 consolidated EBITDA margin over rental revenues reached 80.9%, an expansion of 17.6 p.p. compared to 3Q20 and 18.2 p.p. compared to 2Q21.

8 - Depreciation

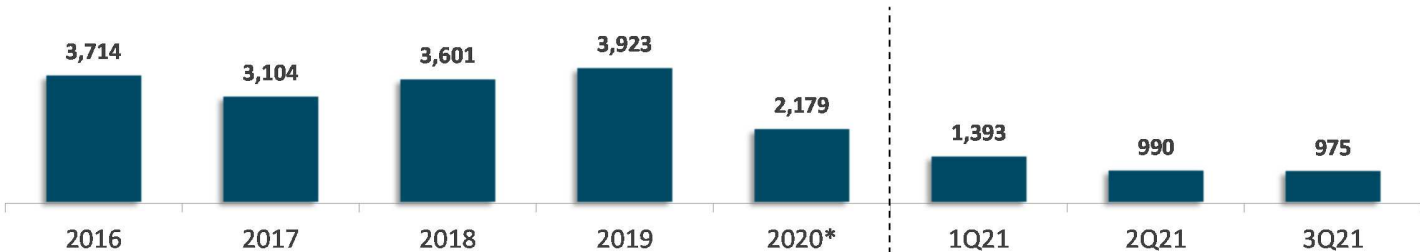
Depreciation is calculated using the straight-line method, considering the difference between the purchase price of the car and the estimated selling price at the end of its useful life, net of estimated costs and expenses to sell it. The estimated selling price is reassessed quarterly, so the book value of the cars reflects market prices.

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



In this quarter, the average depreciation per car totaled R\$938, reflecting the fleet renewal, as well as the estimated lower dilution of selling expenses due to the lower decommissioning of cars. Average depreciation per car will trend up gradually as fleet is renewed and the fully-depreciated cars are sold.

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



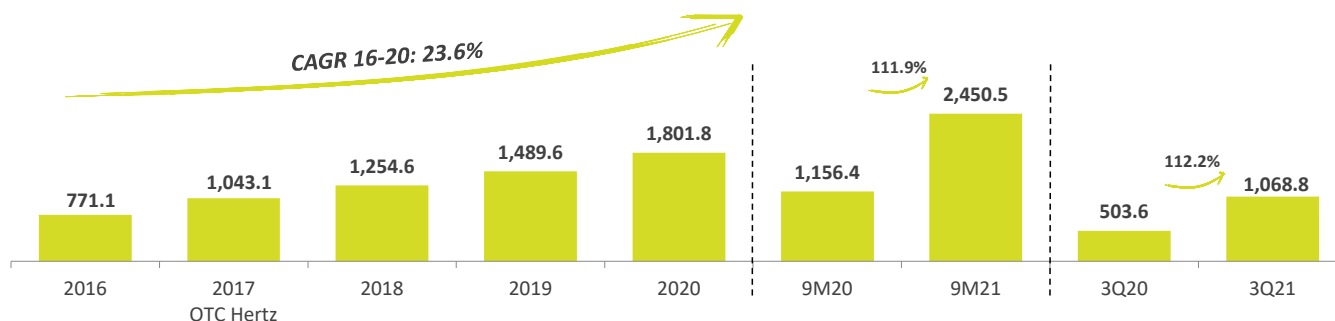
*Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

In the **Fleet Rental** division, the average depreciation per car in 3Q21 was R\$975, remaining relatively stable, still influenced by increases in car sales prices.

9 - EBIT

Consolidated EBIT

R\$ million



EBIT margins include **Seminovos** and is calculated over the rental revenues:

	2016	2017*	2018	2019**	2020	9M20	9M21	3Q20	3Q21
Car Rental and Franchising	30.2%	35.2%	33.2%	33.7%	35.1%	29.5%	59.3%	40.8%	72.7%
Fleet Rental	51.2%	51.4%	48.6%	49.1%	66.4%	67.4%	71.2%	73.4%	73.6%
Consolidated	36.8%	40.0%	37.1%	37.3%	42.9%	39.7%	62.0%	49.2%	72.9%

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

(**) From 2019, 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

Consolidated EBIT in 3Q21 totaled R\$1,068.8 million, representing an increase of 112.2% year over year.

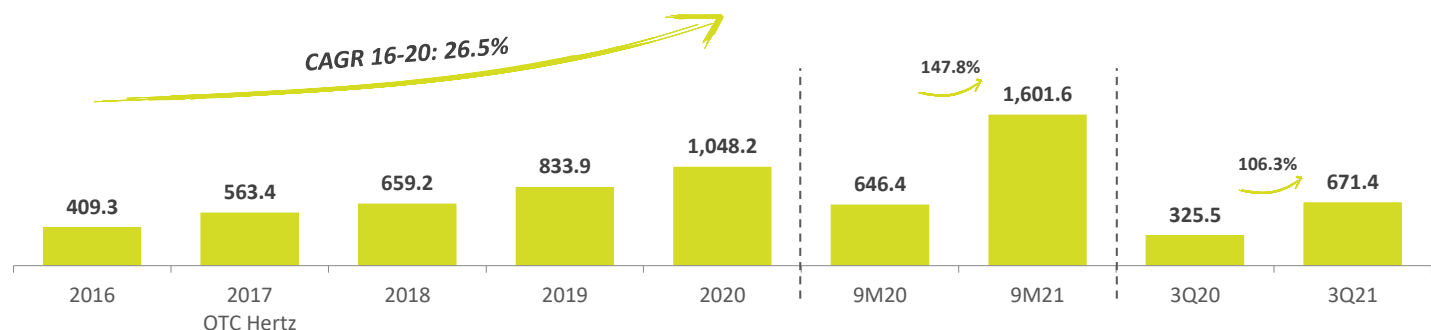
In 3Q21, the EBIT margin of the **Car Rental** division, was 72.7%, representing an increase of 31.9 p.p. year over year. In the **Fleet Rental** division, the EBIT margin totaled 73.6%, an increase of 0.2 p.p. year over year.

As the fleet renewal cycle returns to normal levels, we expect an increase in depreciation and a reduction in the **Seminovos** EBITDA margin, which should be offset by the growth in rented fleet and rental rates, as well as the normalization of maintenance costs and the dilutive effect on fixed costs of the platform.

10 - Consolidated net income

Consolidated net income

R\$ million



EBITDA x Net income reconciliation	2016	2017*	2018	2019	2020	9M20	9M21	Var. R\$	Var. %	3Q20	3Q21	Var. R\$	Var. %
Consolidated EBITDA	1,015.6	1,314.2	1,590.1	2,212.8	2,468.1	1,715.6	2,762.2	1,046.6	61.0%	648.1	1,186.7	538.6	83.1%
Cars depreciation	(206.3)	(232.0)	(291.6)	(551.5)	(473.0)	(415.7)	(151.8)	263.9	-63.5%	(95.0)	(61.1)	33.9	-35.7%
Other property depreciation and amortization	(38.2)	(39.1)	(43.9)	(171.7)	(193.4)	(143.5)	(159.9)	(16.4)	11.4%	(49.5)	(56.8)	(7.3)	14.7%
EBIT	771.1	1,043.1	1,254.6	1,489.6	1,801.7	1,156.4	2,450.5	1,294.1	111.9%	503.6	1,068.8	565.2	112.2%
Financial expenses, net	(243.5)	(315.0)	(368.9)	(409.8)	(374.4)	(309.4)	(165.0)	144.4	-46.7%	(54.5)	(96.8)	(42.3)	77.6%
Income tax and social contribution	(118.3)	(164.7)	(226.5)	(245.9)	(379.1)	(200.6)	(683.9)	(483.3)	240.9%	(123.6)	(300.6)	(177.0)	143.2%
Net income of the period	409.3	563.4	659.2	833.9	1,048.2	646.4	1,601.6	955.2	147.8%	325.5	671.4	345.9	106.3%

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

Net income in 3Q21 was R\$671.4 million, representing an increase of 106.3% year over year, resulting from:

(+) R\$538.6 million increase in EBITDA;

(+) R\$26.6 million reduction in depreciation;

(-) R\$42.3 million addition in net financial expenses, mainly due to the increase in the average CDI, partially offset by the positive mark-to-market of swap contracts (+R\$36 million); and

(-) R\$177.0 million increase in income tax and social contribution, due to the higher taxable profit and higher average effective rate.

11 – Free cash flow (FCF)

Free cash flow (R\$ million)		2016	2017	2018	2019	2020	9M21
Operations	EBITDA	1,015.7	1,314.2*	1,590.1	2,212.8	2,468.1	2,762.2
	Used car sale revenue, net of taxes	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(6,109.1)	(4,311.7)
	Net book value of vehicles written-off	2,102.5	3,106.6	4,198.5	5,863.6	5,599.9	3,530.3
	(-) Income tax and social contribution	(93.3)	(108.3)	(131.2)	(146.1)	(250.1)	(268.6)
	Change in working capital	(40.8)	(47.9)	(117.4)	(268.9)	103.5	(561.7)
Cash generated by rental operations		641.5	813.4	1,029.6	1,454.7	1,812.3	1,150.5
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2,342.6	3,451.2	4,510.4	6,206.7	4,886.9	4,311.7
	Fleet renewal investment	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(5,524.1)	(4,953.6)
	Change in accounts payable to car suppliers for fleet renewal	219.8	227.6	250.1	468.7	235.1	(899.3)
	Net investment for fleet renewal	(1.2)	17.9	63.8	(129.2)	(402.1)	(1,541.2)
Fleet renewal – quantity		68,449	90,554	111,279	147,915	109,379	77,295
Investment, property and intangible		(40.9)	(28.8)	(42.8)	(70.0)	(108.0)	(109.0)
Free cash flow from operations, before fleet increase or reduction		599.4	802.5	1,050.6	1,255.5	1,302.2	(499.7)
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	1,222.2	(9.9)
	Change in accounts payable to car suppliers for fleet growth	26.8	168.7	509.4	23.6	(943.4)	48.0
	Acquisition of Hertz and franchisees (fleet value)	-	(285.7)	-	(105.5)	0.0	-
	Net investment for fleet growth	(699.2)	(1,924.0)	(1,775.7)	(3,560.6)	278.8	38.1
	Fleet increase / (reduction) – quantity		19,384	52,860	54,142	75,619	(26,111)
Free cash flow after growth		(99.8)	(1,121.5)	(725.1)	(2,305.0)	1,581.0	(461.6)
Capex - non-recurring	Acquisitions and franchisees acquisition- except fleet value	-	(121.5)	-	(18.2)	(7.9)	(3.6)
	New headquarters construction and furniture	(85.7)	(146.2)	-	-	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		(185.5)	(1,389.2)	(725.1)	(2,323.2)	1,573.1	(465.2)
Cash effects of receivables and anticipation of payables to suppliers (**)		98.0	88.3	(113.2)	(131.8)	(293.1)	256.4
Free cash flow before interest		(87.5)	(1,300.9)	(838.3)	(2,455.0)	1,280.0	(208.8)

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

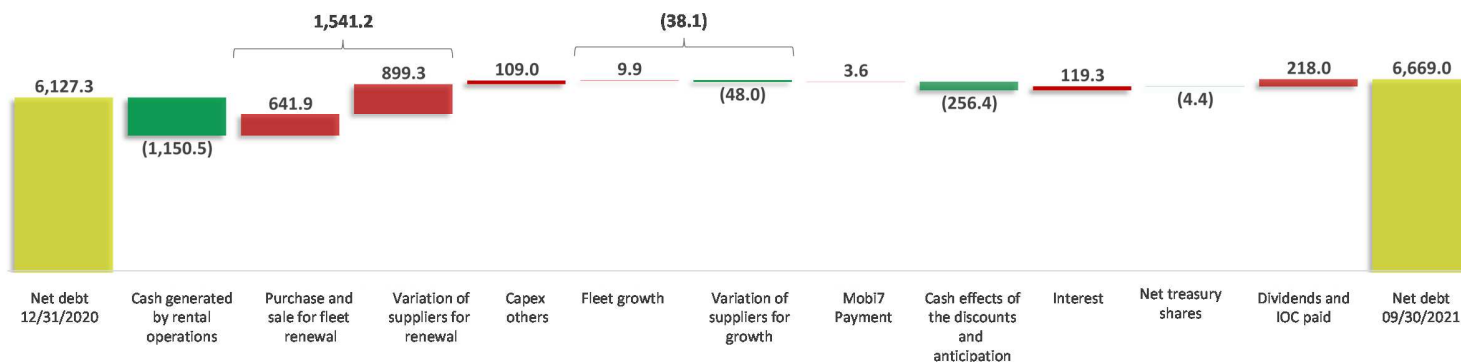
(*) 2017 adjusted by one-time costs incurred - Hertz Brasil acquisition and franchisees incorporation.

(**) 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 9M21, the Company had a cash consumption of R\$208.8 million, mainly explained by change in working capital due to higher exposition to short term rental and the PIS/COFINS tax credits; by the higher renewal Capex per car, and by the reduction of R\$851.3 million in the OEM account payables. At the end of 3Q21, the balance payable to OEM totaled R\$831.2 million.

12 – Net debt

12.1 – Change in net debt – R\$ million



On 09/30/2021, net debt totaled R\$6,669.0 million, an increase of 8.8%, or R\$541.7 million compared to 12/31/2020.

12.2 – Debt maturity profile – R\$ million

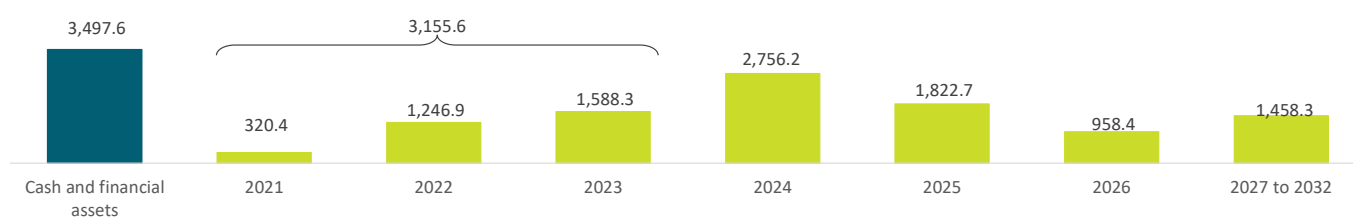
Debt	Issuance	Contract rate	2021	2022	2023	2024	2025	2026	2027 to 2032	Total
Debentures 11th Issuance	12/12/2016	111,50% CDI	-	409.2	-	-	-	-	-	409.2
Debentures 12th Issuance	5/15/2017	107,25% CDI	-	-	-	678.5	-	-	-	678.5
Debentures 13th Issuance - 1st serie	12/15/2017	109,35% CDI	-	306.2	306.2	-	-	-	-	612.4
Debentures 13th Issuance - 2nd serie	12/15/2017	111,30% CDI	-	-	-	94.1	94.1	-	-	188.2
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	-	-	-	111.2	111.2	222.5	-	444.9
Debentures 15th Issuance	4/15/2019	107,25% CDI	-	-	-	-	377.4	377.4	-	754.8
Debentures 16th Issuance	11/29/2019	CDI + 1,05%	-	-	-	333.3	333.3	333.3	-	999.9
Debentures 17th Issuance	4/7/2021	IPCA + 5,47%	-	-	-	-	-	-	1,200.0	1,200.0
Debentures 5th Issuance of Localiza Fleet	7/31/2018	112,00% CDI	-	-	-	-	202.4	-	-	202.4
Debentures 6th Issuance of Localiza Fleet	12/21/2018	110,40% CDI	-	-	-	310.1	-	-	-	310.1
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	-	CDI + 1,00%	-	-	333.3	333.3	333.3	-	-	999.9
Foreign currency loan with swap	-	Several	210.6	215.0	465.0	454.8	250.0	-	-	1,595.4
Real State Receivables Certificate (CRI)	2/26/2018	99,00% CDI	5.6	9.0	12.3	15.0	20.1	25.1	258.3	345.4
Working Capital / Others	-	Several	104.2	307.5	371.5	125.9	0.7	-	-	909.8
Interest accrued	-	-	15.7	-	-	-	-	-	-	15.7
Cash and cash equivalents on 09/30/2021	-	-	(3,497.6)	-	-	-	-	-	-	(3,497.6)
Net debt	-	-	(3,161.5)	1,246.9	1,588.3	2,756.2	1,822.5	958.3	1,458.3	6,669.0

As part of the active management of its debt, the Company prepared itself for the cycle of high interest rates and, considering the issuances of October, it had around 16% of its gross debt in pre-fixed terms, 56% with a spread locked at CDI + and the remainder as a percentage of the CDI. As a mitigator for the rate increase, the cash equivalent and short term investments are fully invested at a percentage of the CDI, which helps to protect the Company from this trend.

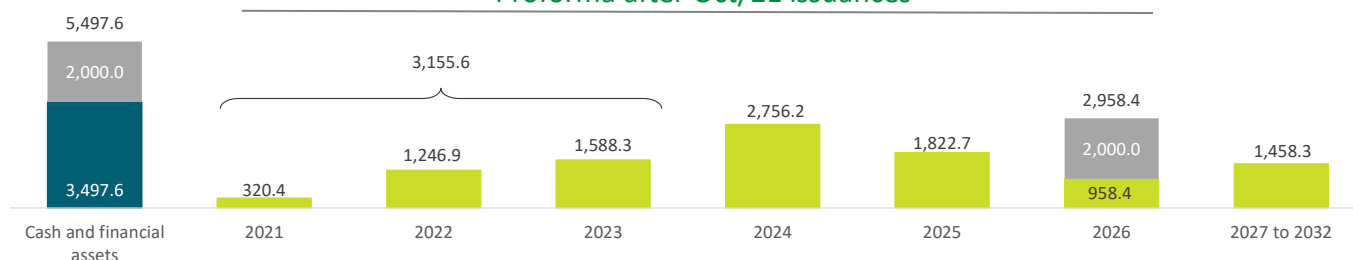
Type	As of 09/30/2021			As of 09/30/2021 – proforma after Oct/21 issuances		
	Pre	%CDI	CDI+	Pre	%CDI	CDI+
Balance R\$ million	2,006.5	3,407.6	4,932.7	2,006.5	3,407.6	6,932.7
Percentage by type	19.4%	27.6%	40.0%	16.3%	27.6%	56.2%
All in average cost	6.54%	109.42% CDI	CDI+1.82%	6.54%	109.42% CDI	CDI+1.68%

12.3 – Debt profile – R\$ million

As of September 30, 2021

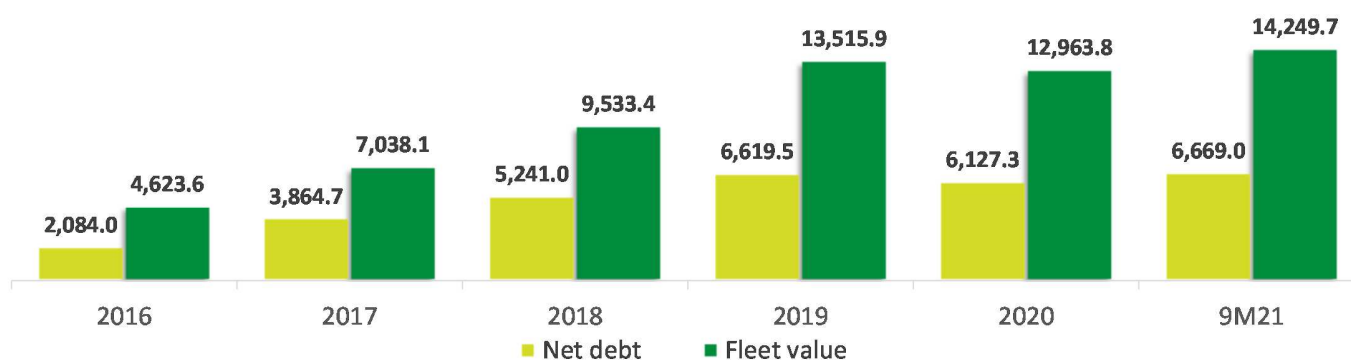


Proforma after Oct/21 issuances



The Company ended the quarter with a cash balance of R\$3,497.6 million. In October, we had a pro forma cash position of R\$5,497.6 million.

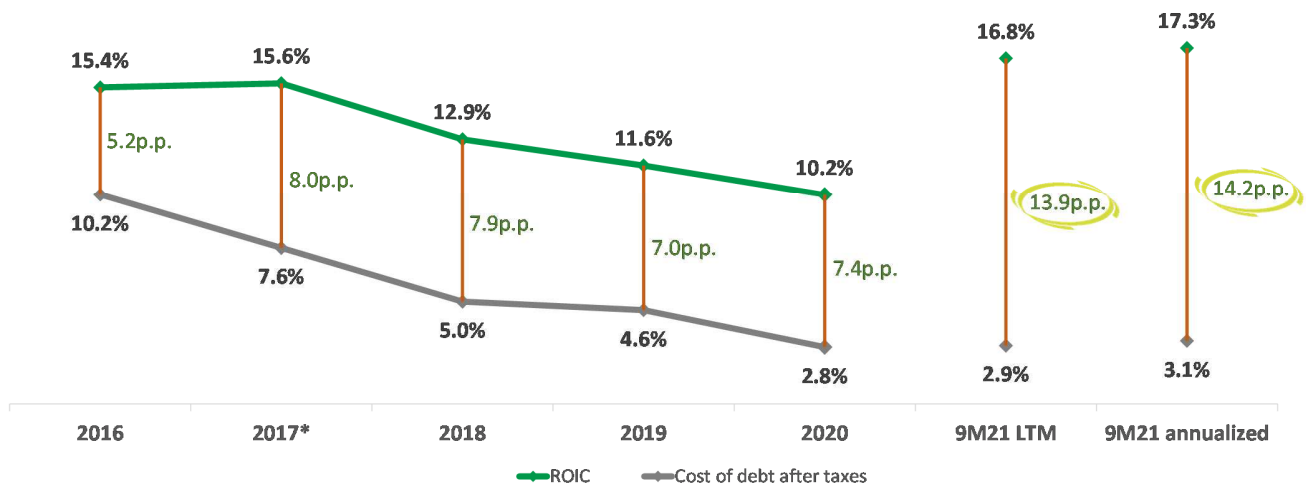
12.4 – Debt ratios – R\$ million



BALANCE AT THE END OF PERIOD	2016	2017	2018	2019	2020	9M21 LTM
Net debt/Fleet value (book value)	45%	55%	55%	49%	47%	47%
Net debt/EBITDA	2.1x	2.9x	3.3x	3.0x	2.5x	1.9x
Net debt/Equity	0.9x	1.5x	1.7x	1.2x	1.0x	0.9x
EBITDA/Net financial expenses	4.2x	4.2x	4.3x	5.4x	6.6x	15.3x

With the current level of car purchases, the Company continues to deleverage.

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



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

ROE considered quarterly net income divided by the average Equity of the period

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

STRONG VALUE GENERATION, EVEN IN AN EXTREMELY ADVERSE SCENARIO, WITH LTM ROE OF 30.7%

14 – Dividends and interest on capital (IOC)

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	09/15/2020	67.0	0.089006
IOC	2020	06/18/2020	06/23/2020	10/15/2020	64.8	0.086217
IOC	2020	09/04/2020	09/10/2020	11/05/2020	65.6	0.087345
IOC	2020	12/10/2020	12/15/2020	02/05/2021	63.8	0.084906
Dividends	2020	04/27/2021	04/30/2021	05/21/2021	18.1	0.024111
				Total	279.3	

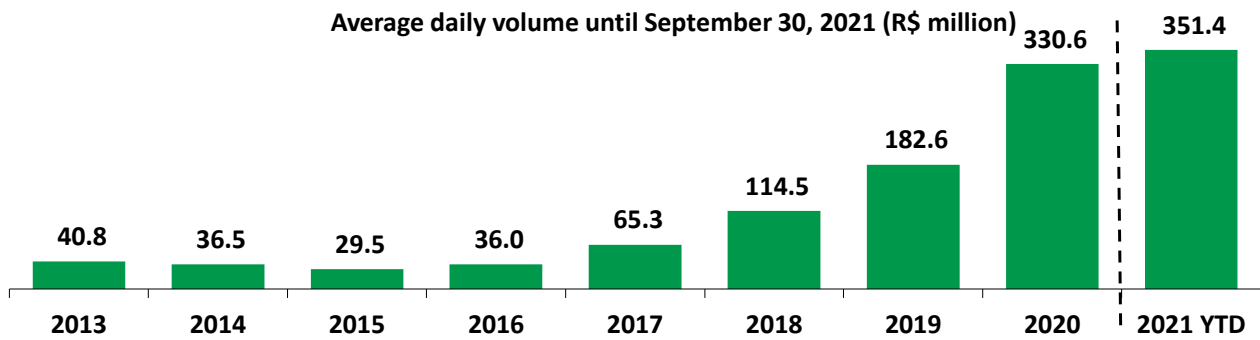
2021 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per Share (R\$)
IOC	2021	03/24/2021	03/29/2021	05/21/2021	63.7	0.084795
IOC	2021	06/24/2021	06/29/2021	08/20/2021	72.4	0.096195
IOC	2021	09/24/2021	09/29/2021	11/22/2021	82.1	0.109203
				Total	218.2	

15 – RENT3

Up to September 30, 2021, RENT3 average daily traded volume was R\$351.4 million, 6.3% higher than the average volume traded in 2020.

Under the ADR level I program, the Company had 6,098,828 ADRs as of September 30, 2021.



16 – ESG

Driven by the Company's purpose of "Building the future of sustainable mobility with you", in 3Q21 we continued to advance in our ESG strategy. In the environmental pillar, we disclosed our Inventory of Greenhouse Gases. In this edition of CDP, we begun reporting customer emissions in the scope 3, verified by an external audit, generating recognition with the Gold Seal by GHG Protocol. Atmospheric emissions are a priority issue for the Company and measuring quality is the basis for our reduction and compensation strategy.

In the social pillar, Instituto Localiza started its strategy by opening a public notice to attract and support social projects that encourage young people in the technical and professional training areas, fostering an entrepreneurial profile and innovation for community development. R\$2.5 million will be allocated to selected projects. In addition, other social programs with a positive impact on vulnerable communities were started, such as the Mulheres na Cor project in partnership with AkzoNobel, to develop women skills in car painting and increase the employability of this population.

Also in social pillar, we were recognized as one of the Incredible Places to Work by UOL and FIA, and among the Best Places to Work in Minas Gerais by Great Place to Work.

17 – Results per division

17.1 – Table 1 – Car Rental – R\$ million

CAR RENTAL RESULTS	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	1,504.9	1,916.3	1,916.3	2,588.9	3,367.4	3,367.4	3,475.2	3.2%	2,356.1	3,393.0	44.0%	838.8	1,283.5	53.0%
Taxes on revenues (*)	(59.9)	(51.3)	(51.3)	(52.4)	(44.5)	(318.8)	(330.2)	3.6%	(224.3)	(319.4)	42.4%	(79.5)	(119.8)	50.7%
Car rental net revenues	1,445.0	1,865.0	1,865.0	2,536.5	3,322.9	3,048.6	3,145.0	3.2%	2,131.8	3,073.6	44.2%	759.3	1,163.7	53.3%
Car rental and franchising costs	(717.1)	(835.3)	(879.6)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	1.1%	(743.3)	(934.8)	25.8%	(265.2)	(481.4)	31.6%
Gross profit	727.9	929.7	985.4	1,348.8	1,838.4	1,936.6	2,020.7	4.3%	1,388.5	2,138.8	54.0%	494.1	682.3	36.9%
Operating expenses (SG&A)	(260.3)	(349.0)	(334.1)	(437.8)	(544.0)	(544.0)	(595.4)	9.4%	(380.4)	(599.1)	57.5%	(168.3)	(222.2)	32.0%
Other assets depreciation and amortization	(24.4)	(24.2)	(24.2)	(27.1)	(31.1)	(108.8)	(120.7)	10.9%	(90.1)	(103.6)	15.0%	(30.5)	(37.2)	22.0%
Operating profit before financial results and taxes (EBIT)	443.2	556.5	627.1	883.9	1,263.3	1,283.8	1,304.6	1.6%	918.0	1,436.1	56.4%	293.3	722.9	144.8%
Financial expenses, net	0.7	(3.5)	(3.5)	(22.4)	(12.1)	(42.3)	(43.3)	2.4%	(34.2)	(35.1)	2.6%	(10.6)	(11.6)	9.4%
Income tax and social contribution	(97.4)	(124.6)	(140.1)	(215.5)	(284.9)	(292.0)	(348.7)	23.7%	(230.3)	(421.9)	83.2%	(78.1)	(221.4)	183.5%
Net income for the period	346.5	428.4	483.5	646.0	966.3	959.5	912.6	-4.9%	653.5	979.1	49.8%	205.6	489.9	137.1%
Net Margin	24.0%	23.0%	25.9%	25.3%	29.1%	31.5%	29.0%	-2.5 p.p.	30.7%	31.9%	1.2 p.p.	27.2%	42.1%	14.9 p.p.
EBITDA	467.6	580.7	651.3	911.0	1,294.4	1,392.6	1,423.3	2.3%	1,008.1	1,539.7	52.7%	325.8	760.1	133.3%
EBITDA Margin	32.4%	31.1%	34.9%	35.9%	39.0%	45.7%	45.3%	-0.4 p.p.	47.3%	50.1%	2.8 p.p.	42.9%	65.3%	22.4 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Gross revenues, net of discounts and cancellations	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	5,479.6	5,150.7	-6.0%	3,764.2	3,613.5	-4.0%	1,684.5	1,039.4	-38.3%
Taxes on revenues	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	(13.8)	(10.0)	-27.5%	(6.5)	(4.3)	-33.8%	(2.5)	(1.4)	-44.0%
Net revenues	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	5,465.8	5,140.7	-5.9%	3,757.7	3,609.2	-4.0%	1,682.0	1,038.0	-38.3%
Book value of cars sold and preparation for sale	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	(5,037.8)	(4,629.7)	-8.1%	(3,479.0)	(2,803.4)	-19.4%	(1,524.2)	(769.2)	-49.5%
Gross profit	267.6	381.9	381.9	369.3	425.3	428.0	511.0	19.4%	278.7	805.8	189.1%	157.8	268.8	70.3%
Operating expenses (SG&A)	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	(349.4)	(300.2)	15.3%	(214.8)	(274.7)	27.9%	(68.3)	(85.8)	25.6%
Cars depreciation	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(313.0)	(100.7)	-67.8%	(61.3)	(45.9)	-25.1%
Other assets depreciation and amortization	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	(50.5)	(54.3)	7.5%	(39.4)	(42.4)	7.6%	(13.7)	(14.0)	2.2%
Operating profit (loss) before financial results and taxes (EBIT)	(6.1)	34.5	34.5	(42.2)	(263.3)	(255.5)	(202.0)	-20.9%	(288.5)	388.0	-234.5%	14.5	123.1	749.0%
Financial expenses, net	(174.4)	(229.9)	(229.9)	(266.5)	(247.7)	(284.5)	(261.9)	-1.0%	(218.0)	(102.4)	-53.0%	(34.6)	(66.5)	92.2%
Income tax and social contribution	(37.2)	(43.9)	(43.9)	(77.5)	(16.8)	(115.8)	(157.7)	37.0%	(171.5)	(85.2)	-49.7%	(5.0)	(17.7)	-454.0%
Net income (loss) for the period	(143.3)	(151.5)	(151.5)	(231.2)	(368.2)	(404.2)	(305.2)	-24.5%	(335.0)	200.4	-159.8%	(15.1)	38.9	-357.6%
Net Margin	-7.2%	-5.1%	-5.1%	-5.9%	-7.2%	-7.4%	-5.9%	1.5 p.p.	-8.9%	5.6%	14.5 p.p.	-0.9%	3.7%	4.6 p.p.
EBITDA	90.8	161.9	161.9	99.7	75.9	127.8	194.9	52.5%	63.9	531.1	731.1%	89.5	183.0	104.5%
EBITDA Margin	4.6%	5.4%	5.4%	2.5%	1.4%	2.3%	3.8%	1.5 p.p.	1.7%	14.7%	13.0 p.p.	5.3%	17.6%	12.3 p.p.

CAR RENTAL TOTAL FIGURES	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	1,504.9	1,916.3	1,916.3	2,588.9	3,367.4	3,367.4	3,475.2	3.2%	2,356.1	3,393.0	44.0%	838.8	1,283.5	53.0%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	5,479.6	5,150.7	-6.0%	3,764.2	3,613.5	-4.0%	1,684.5	1,039.4	-38.3%
Total gross revenues	3,502.7	4,906.3	4,906.3	6,508.1	8,847.0	8,847.0	8,626.9	-2.5%	6,120.3	7,006.5	14.5%	2,523.3	2,322.9	-7.9%
Taxes on revenues	(59.9)	(51.3)	(51.3)	(52.4)	(44.5)	(318.8)	(330.2)	3.6%	(224.3)	(319.4)	42.4%	(79.5)	(119.8)	50.7%
Car rental and franchising (*)	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	(13.8)	(10.0)	-27.5%	(6.5)	(4.3)	-33.8%	(2.5)	(1.4)	-44.0%
Car rental revenues - net revenues	1,445.0	1,865.0	1,865.0	2,536.5	3,322.9	3,048.6	3,145.0	3.2%	2,131.8	3,073.6	44.2%	759.3	1,163.7	53.3%
Car sales for fleet renewal - net revenues	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	5,465.8	5,140.7	-5.9%	3,757.7	3,609.2	-4.0%	1,682.0	1,038.0	-38.3%
Total net revenues	3,440.1	4,850.1	4,850.1	6,448.3	8,788.7	8,514.4	8,285.7	-2.7%	5,889.5	6,682.8	13.5%	2,441.3	2,201.7	-9.8%
Direct costs	(717.1)	(835.3)	(870.7)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	1.1%	(743.3)	(934.8)	25.8%	(265.2)	(481.4)	31.6%
Car rental	(717.1)	(835.3)	(870.7)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	1.1%	(743.3)	(934.8)	25.8%	(265.2)	(481.4)	31.6%
Car sales for fleet renewal	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	(5,037.8)	(4,629.7)	-8.1%	(3,479.0)	(2,803.4)	-19.4%	(1,524.2)	(769.2)	-49.5%
Gross profit	995.5	1,311.6	1,311.6	1,711.1	2,263.7	2,263.7	2,531.7	7.1%	1,667.2	2,944.6	76.6%	651.9	1,251.1	91.9%
Operating expenses (SG&A)	(260.3)	(349.0)	(334.1)	(437.8)	(544.0)	(544.0)	(595.4)	9.4%	(380.4)	(599.1)	57.5%	(168.3)	(222.2)	32.0%
Car rental	(260.3)	(349.0)	(334.1)	(437.8)	(544.0)	(544.0)	(595.4)	9.4%	(380.4)	(599.1)	57.5%	(168.3)	(222.2)	32.0%
Car sales for fleet renewal	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	(349.4)	(300.2)	15.3%	(214.8)	(274.7)	27.9%	(68.3)	(85.8)	25.6%
Cars depreciation	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(313.0)	(100.7)	-67.8%	(61.3)	(45.9)	-25.1%
Other assets depreciation and amortization	(24.4)	(24.2)	(24.2)	(27.1)	(31.1)	(108.8)	(120.7)	10.9%	(90.1)	(103.6)	15.0%	(30.5)	(37.2)	22.0%
Car rental	(24.4)	(24.2)	(24.2)	(27.1)	(31.1)	(108.8)	(120.7)	10.9%	(90.1)	(103.6)	15.0%	(30.5)	(37.2)	22.0%
Car sales for fleet renewal	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	(50.5)	(54.3)	7.5%	(39.4)	(42.4)	7.6%	(13.7)	(14.0)	2.2%
Operating profit before financial results and taxes (EBIT)	437.1	591.0	656.4	841.7	998.0	1,028.3	1,102.6	7.2%	629.5	1,824.1	189.8%	309.8	846.0	173.1%
Financial expenses, net	(173.7)	(233.4)	(233.4)	(288.9)	(259.8)	(306.8)	(305.2)	-0.5%	(252.2)	(137.5)	-45.5%	(45.2)	(78.1)	72.8%
Income tax and social contribution	(63.2)	(80.7)	(80.7)	(142.0)	(168.1)	(196.2)	(195.0)	14.3%	(58.9)	(50.1)	14.3%	(23.1)	(29.1)	22.1%
Net income for the period	200.2	276.9	342.3	410.8	570.1	555.3	607.4	9.4%	318.5	1,179.5	270.3%	131.5	538.8	176.1%
Net margin	5.9%	5.7%	6.7%	6.4%	6.5%	6.5%	7.3%	0.8 p.p.	5.4%	17.6%	12.2 p.p.	7.8%	24.0%	16.2 p.p.
EBITDA	558.4	742.6	807.4	1,010.7	1,370.3	1,520.4	1,620.2	6.6%	1,072.0	2,070.8	93.2%	415.3	943.1	127.1%
EBITDA margin	16.2%	15.3%	16.7%	15.7%	15.6%	17.9%	19.6%	1.7 p.p.	18.2%	31.0%	12.8 p.p.	17.0%	42.8%	25.8 p.p.

CAR RENTAL OPERATING DATA	2016	2017	2017	2018	2019	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Average operating fleet	70,185	94,194	94,194	130,058	173,649	173,649	200,742	15.6%	203,062	194,569	-4.2%	192,745	195,846	1.6%
Average rented fleet	51,515	69,762	69,762	97,245	128,718	128,718	140,151	8.9%	134,663	149,633	11.1%	139,060	155,058	11.5%
Average operating fleet age (in months)	7.9	6.5	6.5	7.2	7.0	7.0	10.0	42.9%	9.4	13.4	42.6%	11.2	14.1	25.9%
End of period fleet	84,156	135,578	135,578	177,672	238,174	238,174	216,334	-9.2%	207,491	207,550	0.0%	207,491	207,550	0.0%
Number of rental days - in thousands (net of fleet replacement service)	18,662.4	25,263.6	25,263.6	35,284.5	46									

17.2 – Table 2 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Fleet rental gross revenues, net of discounts and cancellations	664.1	757.4	757.4	857.8	1,039.1	1,039.1	1,163.7	12.0%	863.7	973.0	12.7%	291.6	334.9	14.8%
Taxes on revenues (*)	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	(98.8)	(110.2)	11.5%	(81.8)	(93.3)	14.1%	(27.6)	(32.2)	16.7%
Fleet rental net revenues	651.8	742.1	742.1	848.8	1,023.9	940.3	1,053.5	12.0%	781.9	879.7	12.9%	264.0	302.7	14.7%
Fleet rental costs	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(152.3)	(228.0)	49.7%	(50.9)	(81.6)	60.3%
Gross profit	458.1	521.7	522.0	602.9	719.8	719.8	832.0	15.6%	629.6	651.7	3.9%	213.1	221.1	3.8%
Operating expenses (SG&A)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	(83.2)	(69.7)	-16.2%	(42.6)	(93.9)	120.4%	(19.3)	(37.0)	91.7%
Other assets depreciation and amortization	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	(5.7)	(8.4)	47.4%	(6.2)	(6.0)	-3.2%	(2.4)	(2.2)	-8.3%
Operating profit before financial results and taxes (EBIT)	417.3	452.8	456.2	538.4	630.9	630.9	753.9	19.3%	580.8	551.8	-5.0%	191.4	181.9	-5.0%
Financial expenses, net	(1.1)	(1.6)	(1.6)	(0.5)	(0.6)	(0.7)	(0.5)	-28.6%	(0.4)	(0.3)	-25.0%	(0.1)	(0.1)	0.0%
Income tax and social contribution	(90.4)	(102.8)	(103.6)	(136.5)	(143.5)	(140.3)	(228.1)	62.6%	(177.5)	(162.3)	-8.6%	(52.3)	(54.6)	4.4%
Net income for the period	325.8	348.4	351.0	401.4	486.8	489.9	525.3	7.2%	402.9	389.2	-3.4%	139.0	127.2	-8.5%
Net Margin	50.0%	46.9%	47.3%	47.3%	47.5%	52.1%	49.9%	-2.2 p.p.	51.5%	44.2%	-7.3 p.p.	52.7%	42.0%	-10.7 p.p.
EBITDA	420.2	456.3	459.7	543.3	636.2	636.6	762.3	19.7%	587.0	557.8	-5.0%	193.8	184.1	-5.0%
EBITDA Margin	64.5%	61.5%	61.9%	64.0%	62.1%	67.7%	72.4%	4.7 p.p.	75.1%	63.4%	-11.7 p.p.	73.4%	60.8%	-12.6 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Gross revenues, net of discounts and cancellations	347.8	466.5	466.5	599.5	742.4	742.4	969.2	30.5%	761.3	703.1	-7.8%	362.5	268.0	-26.1%
Taxes on revenues	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	(1.5)	(0.8)	-46.7%	(0.4)	(0.6)	50.0%	(0.2)	(0.2)	0.0%
Net revenues	347.4	466.1	466.1	598.6	740.9	740.9	968.4	30.7%	760.9	702.5	-7.7%	362.3	267.8	-26.1%
Book value of cars sold and preparation for sale	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	(650.1)	(832.0)	28.0%	(666.9)	(521.5)	-21.8%	(309.7)	(189.4)	-38.8%
Gross profit	68.0	74.0	74.0	72.7	90.7	90.8	136.4	50.2%	94.0	181.0	92.6%	52.6	78.4	49.0%
Operating expenses (SG&A)	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	(37.4)	(50.8)	45.1%	(37.4)	(47.4)	26.7%	(19.0)	(39.7)	59.7%
Cars depreciation	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(102.7)	(51.1)	-50.2%	(15.2)	(54.9)	72.2 p.p.
Other assets depreciation and amortization	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	(6.7)	(10.0)	49.3%	(7.8)	(8.0)	2.6%	(2.9)	(3.4)	17.2%
Operating profit (loss) before financial results and taxes (EBIT)	(83.3)	(74.7)	(74.7)	(125.5)	(170.9)	(169.6)	(54.8)	-67.7%	(53.9)	74.5	-238.2%	2.4	40.8	1600.0%
Financial expenses, net	(68.7)	(80.0)	(80.0)	(79.6)	(100.2)	(102.3)	(68.7)	-32.8%	(56.8)	(27.0)	-52.5%	(9.2)	(18.4)	100.0%
Income tax and social contribution	32.3	35.1	35.1	52.0	61.7	60.6	39.0	-35.6%	35.6	(14.4)	-140.4%	1.8	(7.0)	-488.9%
Net income (loss) for the period	(119.7)	(119.6)	(119.6)	(153.1)	(209.4)	(213.3)	(84.5)	-60.0%	(75.1)	33.1	-144.1%	(5.0)	15.4	-408.0%
Net Margin	-34.5%	-25.7%	-25.7%	-25.8%	-28.3%	-28.9%	-8.7%	18.8 p.p.	-9.9%	14.9 p.p.	-1.4%	5.9%	5.9%	7.2 p.p.
EBITDA	37.0	41.3	41.3	36.1	49.3	55.8	85.6	53.4%	56.6	133.6	136.0%	39.0	59.4	52.3%
EBITDA Margin	10.7%	8.9%	8.9%	6.0%	6.7%	7.5%	8.8%	1.3 p.p.	7.4%	19.0%	11.6 p.p.	10.8%	22.2%	11.4 p.p.

FLEET RENTAL TOTAL FIGURES	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Fleet rental gross revenues, net of discounts and cancellations	664.1	757.4	757.4	857.8	1,039.1	1,039.1	1,163.7	12.0%	863.7	973.0	12.7%	291.6	334.9	14.8%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	347.8	466.5	466.5	599.5	742.4	742.4	969.2	30.5%	761.3	703.1	-7.8%	362.5	268.0	-26.1%
Total gross revenues	1,011.9	1,223.9	1,223.9	1,457.3	1,781.5	1,781.5	2,132.9	19.7%	1,625.0	1,676.1	3.1%	654.1	602.9	-7.8%
Taxes on revenues	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	(98.8)	(110.2)	11.5%	(81.8)	(93.3)	14.1%	(27.6)	(32.2)	16.7%
Fleet rental (*)	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	(1.5)	(0.8)	-46.7%	(0.4)	(0.6)	50.0%	(0.2)	(0.2)	0.0%
Car sales for fleet renewal	651.8	742.1	742.1	848.8	1,023.9	940.3	1,053.5	12.0%	781.9	879.7	12.9%	264.0	302.7	14.7%
Fleet rental - net revenues	347.4	466.1	466.1	598.6	740.9	740.9	968.4	30.7%	760.9	702.5	-7.7%	362.3	267.8	-26.1%
Car sales for fleet renewal - net revenues	651.8	742.1	742.1	848.8	1,023.9	940.3	1,053.5	12.0%	781.9	879.7	12.9%	264.0	302.7	14.7%
Total net revenues (**)	999.2	1,208.2	1,208.2	1,447.4	1,748.4	1,681.2	2,021.9	20.3%	1,542.8	1,582.2	2.6%	626.3	570.5	-8.9%
Direct costs	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(152.3)	(228.0)	49.7%	(50.9)	(81.6)	60.3%
Fleet rental	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	(83.2)	(69.7)	-16.2%	(42.6)	(93.9)	120.4%	(19.3)	(37.0)	91.7%
Car sales for fleet renewal	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(102.7)	(51.1)	-50.2%	(15.2)	(54.9)	72.2 p.p.
Other assets depreciation and amortization	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	(5.7)	(8.4)	47.4%	(6.2)	(6.0)	-3.2%	(2.4)	(2.2)	-8.3%
Car sales for fleet renewal	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	(6.7)	(10.0)	49.3%	(7.8)	(8.0)	2.6%	(2.9)	(3.4)	17.2%
Operating profit before financial results and taxes (EBIT)	334.0	378.1	381.5	412.9	460.0	461.3	699.1	51.5%	526.9	626.3	18.9%	193.8	222.7	14.9%
Financial expenses, net	(69.8)	(81.6)	(81.6)	(80.1)	(103.8)	(103.0)	(69.2)	-32.8%	(57.2)	(27.9)	-52.3%	(9.9)	(18.5)	98.9%
Income tax and social contribution	(58.1)	(67.7)	(68.5)	(94.5)	(81.8)	(79.7)	(189.1)	137.3%	(141.9)	(176.7)	24.5%	(50.5)	(61.6)	22.0%
Net income for the period	206.1	228.8	231.4	243.3	276.4	278.6	440.8	58.2%	327.8	422.3	28.8%	134.0	142.6	6.4%
Net margin	20.6%	18.9%	19.2%	17.2%	15.7%	16.6%	21.8%	5.2 p.p.	21.2%	26.7%	5.5 p.p.	21.4%	25.0%	3.6 p.p.
EBITDA	457.2	497.6	501.0	579.4	685.5	692.4	847.9	22.5%	643.6	691.4	7.4%	232.8	243.5	4.6%
EBITDA margin	45.8%	41.2%	41.5%	40.0%	38.8%	41.2%	41.9%	0.7 p.p.	41.7%	43.7%	2.0 p.p.	37.2%	42.7%	5.5 p.p.

OPERATING DATA	2016	2017	2017 adjusted	2018	2019	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Average operating fleet	31,908	36,804	36,804	44,404	55,726	55,726	59,801	7.3%	60,396	61,032	1.1%	58,310	62,141	6.6%
Total Average rented fleet	31,222	35,424	35,424	42,321	53,029	53,029	59,244	11.7%	58,816	62,892	6.9%	59,250	63,676	7.5%
Average rented fleet	31,222	35,424	35,424	42,321	53,029	53,029	57,706	8.6%	57,989	59,464	2.9%	56,779	60,378	6.3%
Average operating fleet age (in months)	18.0	18.1	18.1	15.1	15.1	15.1	17.4	15.2%	16.8	20.1	19.0%	18.2	20.9	14.8%
End of period fleet	34,960	44,877	44,877	54,430	68,957	68,957	61,657	-10.6%	60,637	65,683	8.3%	60,637	65,683	8.3%
Managed Fleet	145	94	94	57	32	32	105	228.1%	111	65	-41.4%	111	65	-41.4%
Number of rental days - in thousands	11,240.0	12,752.7	12,752.7	15,235.7	19,090.5	19,090.5	21,328.0	11.7%	15,880.3	16,980.8	6.9%	5,333.4	5,730.8	7.5%
Average daily rental revenues per car (R\$)	58.23	58.77	58.77	55.62	53.92	53.92	53.81	-0.2%	53.64	56.76	5.8%	53.90	58.44	8.4%
Annualized average depreciation per car (R\$)	3,714.0	3,104.3	3,104.3	3,601.1	3,923.4	3,923.4	2,178.9	-44.5%	2,266.0	1,115.2	-50.8%	2,312.3	975.3	-57.8%
Utilization rate (Does not include cars in preparation and decommissioning) (**)(***)	98.9%	98.2%	98.2%	96.8%	96.6%	96.6%	97.4%	0.8 p.p.	97.0%	98.3%	1.3 p.p.	97.8%	97.9%	0.1 p.p.
Number of cars purchased	11,762	20,286	20,286	26,148	31,242	31,242	16,578	-46.9%	11,245	17,005	51.2%	3,580	4,546	27.0%
Number of cars sold	10,853	13,653	13,653	16,334	19,238	19,238	22,144	15.1%	17,923	12,708	-29			

17.3 – Table 3 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	1,504.9	1,916.3	1,916.3	2,588.9	3,367.4	3,367.4	3,475.2	3.2%	2,356.1	3,393.0	44.0%	838.8	1,283.5	53.0%
Fleet Rental gross revenues, net of discounts and cancellations	664.1	757.4	757.4	857.8	1,039.1	1,039.1	1,163.7	12.0%	863.7	973.0	12.7%	291.6	334.9	14.8%
Car and Fleet Rentals and Franchising total gross revenues	2,169.0	2,673.7	2,673.7	3,446.7	4,406.5	4,406.5	4,638.9	5.3%	3,219.8	4,366.0	35.6%	1,130.4	1,618.4	43.2%
Taxes on revenues - Car and Fleet Rentals and Franchising (*)	(72.2)	(66.6)	(66.6)	(61.4)	(59.7)	(59.7)	(40.4)	5.5%	(306.1)	(412.7)	34.8%	(107.1)	(152.0)	41.9%
Car and Fleet Rentals and Franchising net revenues	2,096.8	2,607.1	2,607.1	3,385.3	4,346.8	3,988.9	4,198.5	5.3%	2,913.7	3,953.3	35.7%	1,023.3	1,466.4	43.3%
Car sales gross revenues	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	5,479.6	5,150.7	-6.0%	3,764.2	3,613.5	-4.0%	1,684.5	1,039.4	-38.3%
Car sales for fleet renewal - Car Rental, net of discounts and cancellations	347.8	466.5	466.5	599.5	742.4	742.4	969.2	30.5%	761.3	703.1	-7.6%	362.5	268.0	-26.1%
Car sales for fleet renewal - total gross revenues (*)	2,345.5	3,456.5	3,456.5	4,518.7	6,222.0	6,222.0	6,119.9	-1.6%	4,525.5	4,316.6	-4.6%	2,047.0	1,307.4	-36.1%
Taxes on revenues - Car sales for fleet renewal	(3.1)	(5.3)	(5.3)	(8.3)	(15.3)	(15.3)	(10.8)	-29.4%	(6.9)	(4.9)	-29.0%	(2.7)	(1.6)	-40.7%
Car sales for fleet renewal - net revenues	2,342.5	3,451.2	3,451.2	4,510.4	6,206.7	6,206.7	6,109.1	-1.6%	4,518.6	4,311.7	-4.6%	2,044.3	1,305.8	-36.1%
Total net revenues	4,439.3	6,098.3	6,058.3	7,895.7	10,553.5	10,195.6	10,307.6	1.1%	7,432.3	8,265.0	11.2%	3,067.6	2,772.2	-9.6%
Direct costs and expenses:														
Car rental and franchising	(171.7)	(935.3)	(878.6)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	-1.1%	(743.3)	(954.8)	25.8%	(265.2)	(181.4)	-31.8%
Fleet Rental	(193.7)	(220.6)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(152.3)	(223.0)	49.7%	(59.5)	(81.5)	60.3%
Total Car and Fleet Rentals and Franchising	(916.8)	(1,155.7)	(1,098.7)	(1,433.6)	(1,788.6)	(1,332.5)	(1,345.8)	1.0%	(895.6)	(1,162.8)	29.8%	(316.1)	(263.0)	-16.8%
Car sales for fleet renewal - Car rental	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,037.8)	(5,037.8)	(4,629.7)	-8.1%	(3,479.0)	(2,803.4)	-19.4%	(1,524.2)	(769.2)	-49.5%
Car sales for fleet renewal - Fleet Rental	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	(650.1)	(832.0)	28.0%	(666.9)	(521.5)	-21.8%	(309.7)	(189.4)	-38.8%
Total Car sales for fleet renewal (book value) and preparation for sale	(2,006.9)	(2,995.3)	(2,995.3)	(4,068.4)	(5,698.0)	(5,687.9)	(5,461.7)	-4.0%	(4,145.9)	(3,324.9)	-19.8%	(1,833.9)	(958.6)	-47.7%
Total costs	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(7,479.3)	(7,020.4)	(6,807.5)	-3.0%	(5,041.5)	(4,487.7)	-11.0%	(2,150.0)	(1,221.6)	-43.2%
												0.0	0.0	0.0%
Gross profit	1,521.6	1,907.3	1,963.3	2,393.7	3,074.2	3,175.2	3,500.1	10.2%	2,390.8	3,777.3	58.0%	917.6	1,550.6	69.0%
Operating expenses														
Advertising, promotion and selling:														
Car rental and franchising	(149.2)	(200.7)	(194.4)	(285.9)	(357.9)	(357.9)	(460.3)	28.8%	(333.2)	(413.4)	24.1%	(120.5)	(153.5)	27.4%
Fleet Rental	(14.0)	(18.8)	(18.8)	(27.7)	(36.0)	(35.6)	(38.2)	7.3%	(27.7)	(54.7)	97.5%	(8.9)	(22.9)	157.3%
Car sales for fleet renewal	(191.6)	(232.3)	(232.3)	(279.5)	(351.1)	(301.6)	(328.4)	8.9%	(225.9)	(283.0)	25.3%	(73.2)	(90.1)	23.1%
Total advertising, promotion and selling	(354.8)	(451.8)	(445.5)	(593.0)	(750.4)	(694.5)	(826.9)	19.1%	(586.8)	(751.1)	28.0%	(202.6)	(266.5)	31.5%
General, administrative and other expenses	(151.2)	(215.3)	(203.6)	(210.6)	(268.0)	(267.9)	(205.1)	-23.4%	(88.4)	(264.0)	198.6%	(66.5)	(97.4)	45.6%
Total Operating expenses	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(1,032.0)	7.2%	(675.2)	(1,015.1)	50.3%	(269.5)	(363.9)	35.0%
Depreciation expenses:														
Cars depreciation:														
Car rental	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(313.0)	(100.7)	-67.8%	(61.3)	(45.9)	-25.1%
Fleet Rental	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(102.7)	(51.1)	-50.2%	(33.7)	(15.2)	-54.9%
Total cars depreciation expenses	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(473.0)	-14.2%	(415.7)	(151.8)	-63.5%	(95.0)	(61.1)	-35.7%
Other assets depreciation and amortization	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(159.9)	12.6%	(143.5)	(159.9)	11.4%	(49.5)	(56.8)	14.7%
Total depreciation and amortization expenses	(244.5)	(271.1)	(271.1)	(335.5)	(597.8)	(723.2)	(666.4)	-7.9%	(559.2)	(311.7)	-44.3%	(144.5)	(117.9)	-18.4%
Operating profit before financial results and taxes (EBIT)	771.1	969.1	1,043.1	1,254.6	1,458.0	1,489.6	1,801.7	21.0%	1,156.4	2,450.5	111.9%	503.6	1,068.8	112.2%
Financial expenses, net:														
Expense	(445.5)	(511.9)	(511.9)	(536.8)	(591.2)	(630.0)	(512.4)	-18.7%	(398.9)	(302.1)	-24.3%	(90.1)	(159.9)	77.5%
Income	202.0	196.9	196.9	167.9	230.6	220.2	138.0	-37.3%	89.5	137.1	53.2%	35.6	63.1	77.2%
Financial (expenses) revenues, net	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	(409.8)	(374.4)	-8.6%	(309.4)	(165.0)	-46.7%	(54.5)	(96.8)	77.6%
Income before tax and social contribution	527.6	654.1	728.1	885.7	1,097.4	1,079.8	1,427.3	32.2%	847.0	2,285.5	169.8%	449.1	972.0	116.4%
Income tax and social contribution	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(379.1)	54.2%	(200.6)	(683.9)	240.9%	(123.6)	(300.6)	143.2%
Net income for the period	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	25.7%	646.4	1,601.6	147.8%	325.5	671.4	106.3%
EBITDA	1,015.6	1,240.2	1,314.2	1,590.1	2,055.8	2,212.8	2,468.1	11.5%	1,715.6	2,762.2	61.0%	648.1	1,186.7	83.1%
EBIT	771.1	969.1	1,043.1	1,254.6	1,458.0	1,489.6	1,801.7	21.0%	1,156.4	2,450.5	111.9%	503.6	1,068.8	112.2%
Consolidated EBIT Margin (calculated over rental revenues)	36.8%	37.2%	40.0%	37.1%	33.5%	37.3%	42.9%	5.6 p.p.	39.7%	62.0%	22.3 p.p.	49.2%	72.9%	23.7 p.p.
Car and Fleet Rentals and Franchising EBITDA	887.8	1,037.0	1,111.0	1,454.3	1,930.6	2,029.2	2,187.6	7.8%	1,595.1	2,097.5	31.5%	519.6	944.2	81.7%
EBITDA Margin	42.3%	39.8%	42.6%	43.0%	44.4%	50.9%	52.1%	1.2 p.p.	54.7%	53.1%	-1.6 p.p.	50.8%	64.4%	13.6 p.p.
Used Car Sales (Seminovos) EBITDA	127.8	203.2	203.2	135.8	125.2	183.6	280.5	52.9%	120.5	66.7	-45.1%	128.5	242.4	88.6%
EBITDA Margin	5.9%	5.9%	5.9%	3.0%	2.0%	3.0%	4.6%	1.6 p.p.	2.7%	15.4%	12.7 p.p.	6.3%	18.6%	12.3 p.p.

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

18 – Table 4 – Operating data

SELECTED OPERATING DATA	2016	2017	2018	2019	2020	Var.	9M20	9M21	Var.	3Q20	3Q21	Var.
Average operating fleet:												
Car Rental	70,185	94,194	130,058	173,649	200,742	15.6%	203,062	194,569	-4.2%	192,745	195,846	1.6%
Fleet Rental	31,908	36,804	44,404	55,726	59,801	7.3%	60,396	61,032	1.1%	58,310	62,141	6.6%
Total	102,093	130,998	174,462	229,375	260,543	13.6%	263,458	255,601	-3.0%	251,055	257,987	2.8%
Average rented fleet:												
Car Rental	51,515	69,762	97,245	128,718	140,151	8.9%	134,663	149,633	11.1%	139,060	155,058	11.5%
Fleet Rental	31,222	35,424	42,321	53,029	59,244	11.7%	58,816	62,892	6.9%	59,260	63,676	7.5%
Total	82,737	105,186	139,566	181,747	199,395	9.7%	193,479	212,525	9.8%	198,320	218,734	10.3%
Average age of operating fleet (months)												
Car Rental	7.9	6.5	7.2	7.0	10.0	42.9%	9.4	13.4	42.6%	11.2	14.1	25.9%
Fleet Rental	18.0	18.1	15.1	15.1	17.4	15.2%	16.8	20.1	19.6%	18.2	20.9	14.8%
Average age of total operating fleet	11.0	9.8	9.3	9.0	11.7	30.0%	11.1	15.1	35.9%	12.9	15.8	22.5%
Fleet at end of period:												
Car Rental	94,156	135,578	177,672	238,174	216,334	-9.2%	207,491	207,550	0.0%	207,491	207,550	0.0%
Fleet Rental	34,960	44,877	54,430	68,957	61,657	-10.6%	60,637	65,683	8.3%	60,637	65,683	8.3%
Total	129,116	180,455	232,102	307,131	277,991	-9.5%	268,128	273,233	1.9%	268,128	273,233	1.9%
Managed fleet at end period - Fleet Rental	145	94	57	32	105	228.1%	111	65	-41.4%	111	65	-41.4%
Fleet investment (R\$ million) (does not include accessories)												
Car Rental	2,782.2	4,581.8	5,785.2	8,802.1	4,541.9	-48.4%	2,450.3	3,775.3	54.1%	859.7	1,238.6	44.1%
Fleet Rental	503.4	881.5	1,189.2	1,472.6	975.7	-33.7%	627.4	1,181.5	88.3%	210.1	392.8	86.9%
Total	3,285.6	5,463.3	6,974.4	10,274.7	5,517.6	-46.3%	3,077.7	4,956.8	61.1%	1,069.8	1,631.4	52.5%
Number of rental days (In thousands):												
Car Rental - Total	18,864.8	25,494.0	35,514.6	47,029.0	51,286.4	9.1%	36,877.9	40,836.1	10.7%	12,780.4	14,263.4	11.6%
Rental days for Fleet Rental replacement service	(202.4)	(230.4)	(230.1)	(283.0)	(839.9)	196.7%	(416.6)	(1,198.6)	187.7%	(286.1)	(398.3)	39.2%
Car Rental - Net	18,662.4	25,263.6	35,284.5	46,745.9	50,446.5	7.9%	36,461.3	39,637.5	8.7%	12,494.3	13,865.1	11.0%
Fleet Rental	11,240.0	12,752.7	15,235.7	19,090.5	21,328.0	11.7%	15,880.3	16,980.8	6.9%	5,333.4	5,730.8	7.5%
Total	29,902.4	38,016.3	50,520.2	65,836.5	71,774.5	9.0%	52,341.6	56,618.3	8.2%	17,827.7	19,595.9	9.9%
Annualized average depreciation per car (R\$)												
Car Rental	1,251.2	1,250.1	1,012.4	1,917.6	1,706.8	-11.0%	2,055.2	690.1	-66.4%	1,271.6	938.3	-26.2%
Fleet Rental	3,714.0	3,104.3	3,601.1	3,923.4	2,178.9	-44.5%	2,266.0	1,115.2	-50.8%	2,312.3	975.3	-57.8%
Total	2,020.9	1,771.0	1,671.2	2,405.2	1,815.2	-24.5%	2,103.5	791.6	-62.4%	1,513.3	947.2	-37.4%
Average annual gross revenues per operating car (R\$ thousand)												
Car Rental	21.2	20.2	19.8	19.3	17.3	-10.2%	15.5	23.2	49.7%	17.3	23.9	38.2%
Fleet Rental	20.5	20.4	19.1	18.5	19.2	3.9%	19.1	21.1	10.5%	20.0	19.3	-3.5%
Average daily rental (R\$)												
Car Rental (*)	79.67	75.16	72.86	71.57	68.52	-4.3%	64.26	85.09	32.4%	66.80	92.02	37.8%
Fleet Rental	58.23	58.77	55.62	53.92	53.81	-0.2%	53.64	56.76	5.8%	53.90	58.44	8.4%
Utilization rate (does not include cars in preparation and decommissioning):												
Car Rental	78.0%	78.6%	79.6%	79.1%	73.5%	-5.6 p.p.	69.9%	79.2%	9.3 p.p.	75.9%	81.3%	5.4 p.p.
Fleet Rental	98.9%	98.2%	96.8%	96.6%	97.4%	0.8 p.p.	97.0%	98.3%	1.3 p.p.	97.8%	97.9%	0.1 p.p.
Number of cars purchased - consolidated (**)	87,833	135,252	165,421	223,534	109,379	-51.1%	66,631	77,450	16.2%	22,881	22,437	-1.9%
Average price of cars purchased (R\$ thsd) - consolidated	37.41	40.39	42.16	45.96	50.45	9.8%	46.19	64.00	38.6%	46.75	72.71	55.5%
Numbers of cars sold - consolidated	68,449	90,554	111,279	147,915	135,490	-8.4%	103,633	77,295	-25.4%	45,536	21,620	-52.5%
Average price of cars sold (R\$ thsd) (***) - consolidated	31.23	35.38	37.86	39.80	42.46	6.7%	41.23	51.68	25.3%	43.15	55.62	28.9%

(*) 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.

19 – Consolidated financial statements – IFRS – R\$ million

ASSETS	2016	2017	2018	2019 without IFRS 16	2019	2020	9M21
CURRENT ASSETS:							
Cash and cash equivalents	1,692.3	1,338.2	2,175.3	2,220.1	2,220.1	2,586.4	548.8
Financial assets	-	1,275.7	267.5	610.8	610.8	1,380.2	2,948.8
Trade accounts receivable	424.5	585.1	1,016.5	1,274.7	1,274.7	1,107.5	1,205.0
Derivative financial instruments - swap	2.2	-	-	-	-	154.3	114.8
Other current assets	115.0	128.6	182.7	246.8	246.8	300.7	640.8
Decommissioning cars to fleet renewal	8.8	103.4	51.8	141.7	141.7	40.5	38.7
Total current assets	2,242.8	3,431.0	3,693.8	4,494.1	4,494.1	5,569.6	5,496.9
NON CURRENT ASSETS:							
Long-term assets:							
Marketable securities	-	-	-	-	-	-	-
Derivative financial instruments - swap	7.4	16.7	2.8	18.2	18.2	353.0	505.3
Trade accounts receivable	3.2	4.7	3.8	1.8	1.8	2.0	2.5
Escrow deposit	60.1	83.1	96.3	114.6	114.6	113.7	116.0
Deferred income tax and social contribution	-	42.0	42.2	32.4	32.4	24.4	23.3
Investments in restricted accounts	-	40.6	43.0	22.3	22.3	44.9	46.0
Other non current assets	0.1	0.7	0.1	0.1	0.1	0.1	-
Total long-term assets	70.8	187.8	188.2	189.4	189.4	538.1	693.1
Property and equipment							
Cars	4,614.8	6,934.7	9,481.6	13,374.1	13,374.1	12,923.3	14,211.0
Right of use	-	-	-	-	625.0	624.5	694.3
Other	405.8	549.3	550.3	570.5	570.5	633.5	698.9
Intangible:							
Software and others	61.1	52.8	47.8	49.9	49.9	46.7	40.4
Goodwill on acquisition of investments	22.0	30.6	30.7	90.0	90.0	105.4	105.4
Total non current assets	5,174.5	7,755.2	10,298.6	14,273.9	14,898.9	14,871.5	16,443.1
TOTAL ASSETS	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,441.1	21,940.0

LIABILITIES AND SHAREHOLDERS' EQUITY	2016	2017	2018	2019 without IFRS 16	2019	2020	9M21
CURRENT LIABILITIES:							
Trade accounts payable	910.9	1,331.7	2,202.6	2,565.4	2,565.4	1,661.0	1,123.0
Social and labor obligations	95.0	109.2	135.0	161.8	161.8	218.5	236.9
Loans, financing and debentures	654.6	537.2	616.6	144.3	144.3	1,615.0	2,018.6
Lease liability	-	-	-	-	116.0	130.2	156.4
Derivative financial instruments - swap	-	6.8	18.7	26.8	26.8	66.4	32.7
Income tax and social contribution	23.0	31.3	41.1	58.7	54.6	117.6	37.6
Dividends and interest on own capital	39.7	36.4	42.6	63.4	63.4	72.4	73.2
Other current liabilities	118.5	181.5	282.8	390.0	390.0	415.3	255.7
Total current liabilities	1,841.7	2,234.1	3,339.4	3,410.4	3,522.3	4,296.4	3,934.1
NON CURRENT LIABILITIES:							
Loans, financing and debentures	3,131.3	5,940.5	7,029.4	9,235.1	9,235.1	8,882.7	8,735.4
Lease liability	-	-	-	-	526.8	532.5	590.1
Derivative financial instruments - swap	-	10.8	21.9	62.3	62.3	37.2	-
Provisions	63.1	126.5	148.8	207.2	207.2	158.6	159.3
Deferred income tax and social contribution	171.9	219.7	297.3	352.7	352.7	412.1	980.3
Restricted Obligations	-	40.6	43.1	22.5	22.5	45.4	46.5
Other non current liabilities	12.3	13.3	18.0	16.6	16.6	23.6	29.2
Total non current liabilities	3,378.6	6,351.4	7,558.5	9,896.4	10,423.2	10,092.1	10,540.8
Total liabilities	5,220.3	8,585.5	10,897.9	13,306.8	13,945.5	14,388.5	14,474.9
SHAREHOLDERS' EQUITY:							
Capital	976.7	1,500.0	1,500.0	4,000.0	4,000.0	4,000.0	4,000.0
Expenses with share issues	-	-	-	(43.1)	(43.1)	(43.1)	(43.1)
Treasury Shares	-	-	-	-	-	(175.5)	(162.1)
Capital Reserves	34.0	94.9	125.0	163.2	163.2	174.9	190.6
Earnings Reserves	1,186.3	1,005.8	1,469.5	1,341.1	1,327.4	2,096.3	3,479.7
Total shareholders' equity	2,197.0	2,600.7	3,094.5	5,461.2	5,447.5	6,052.6	7,465.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,441.1	21,940.0

20 – Consolidated financial statements – Income statements - R\$ million

STATEMENT OF INCOME	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	9M21
Total net revenues	4,439.3	6,058.3	6,058.3	7,895.7	10,553.5	10,195.6	10,307.6	8,265.0
COSTS AND EXPENSES:								
Direct costs	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(7,479.3)	(7,020.4)	(6,807.5)	(4,487.7)
Selling, general, administrative and other expenses	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(1,032.0)	(1,015.1)
Cars depreciation	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(473.0)	(151.8)
Other assets depreciation and amortization	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(193.4)	(159.9)
Total costs and expenses	(3,668.2)	(5,089.2)	(5,015.2)	(6,641.1)	(9,095.5)	(8,706.0)	(8,505.9)	(5,814.5)
Income before financial results and taxes (EBIT)	771.1	969.1	1,043.1	1,254.6	1,458.0	1,489.6	1,801.7	2,450.5
FINANCIAL EXPENSES, NET	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	(409.8)	(374.4)	(165.0)
Income before taxes	527.6	654.1	728.1	885.7	1,097.4	1,079.8	1,427.3	2,285.5
INCOME TAX AND SOCIAL CONTRIBUTION								
Current	(88.0)	(119.4)	(135.7)	(139.8)	(183.7)	(180.7)	(311.7)	(114.6)
Deferred	(30.3)	(29.0)	(29.0)	(86.7)	(66.2)	(65.2)	(67.4)	(569.3)
	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(379.1)	(683.9)
Net income	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	1,601.6

21 – Statements of Cash Flows – R\$ million

CONSOLIDATED CASH FLOW	2016	2017	2017 adjusted	2018	2019 without IFRS 16	2019	2020	9M21
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	1,601.6
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:								
Depreciation and amortization	244.5	271.1	271.1	335.5	597.9	723.1	666.4	311.7
Net book value of vehicles written off	2,102.5	3,106.6	3,106.6	4,198.5	5,863.6	5,863.6	5,599.9	3,530.3
Deferred income tax and social contribution	30.3	29.1	29.1	86.7	65.2	65.2	67.4	569.3
Interest on loans, financing, debentures and sw aps of fixed rates	438.1	476.2	476.2	529.8	552.9	552.9	423.7	243.5
Lease interest	-	-	-	-	-	49.40	59.60	45.70
Other	26.9	81.7	81.7	87.8	103.6	103.6	9.3	74.0
(Increase) decrease in assets:								
Trade receivable	56.8	(151.8)	(151.8)	(489.0)	(275.9)	(275.9)	118.8	(157.5)
Purchases of cars (see supplemental disclosure below)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(9,941.4)	(9,941.4)	(6,513.3)	(5,550.7)
Escrow deposits	(7.2)	(17.5)	(17.5)	(13.1)	(17.9)	(17.9)	0.9	(2.3)
Taxes recoverable	(6.0)	2.6	2.6	3.4	(1.6)	(1.6)	11.5	(290.7)
Prepaid expenses	0.0	2.7	2.7	1.3	(4.9)	(4.9)	(7.9)	(45.0)
Other assets	(3.6)	(8.8)	(8.8)	(71.9)	(44.7)	(44.7)	(44.7)	88.4
Increase (decrease) in liabilities:								
Accounts payable (except car manufacturers)	29.6	(4.8)	(4.8)	3.1	21.0	21.0	84.2	49.2
Social and labor obligations	9.4	7.5	7.5	25.8	26.8	26.8	56.5	18.4
Income tax and social contribution	88.0	119.4	135.7	139.8	184.7	180.7	311.7	114.6
Insurance premium	8.6	19.3	19.3	37.0	23.2	23.2	20.8	(94.3)
Other liabilities	(19.5)	40.1	40.1	60.1	52.0	52.0	13.4	(65.8)
Cash provided by (used in) operating activities	308.8	(573.3)	(499.3)	(519.7)	(1,948.0)	(1,791.0)	1,926.4	440.4
Income tax and social contribution paid	(93.3)	(108.3)	(108.3)	(131.2)	(146.1)	(146.1)	(250.1)	(268.6)
Interest on loans, financing and debentures paid	(442.3)	(485.7)	(485.7)	(424.7)	(562.2)	(562.2)	(366.9)	(312.5)
Lease interest paid	-	-	-	-	-	(53.5)	(56.8)	(31.4)
Financial assets	-	(1,275.8)	(1,275.8)	1,008.2	(343.4)	(343.4)	(769.4)	(1,568.6)
Net cash provided by (used in) operating activities	(226.8)	(2,443.1)	(2,369.1)	(67.4)	(2,999.7)	(2,896.2)	483.2	(1,740.7)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Acquisition of investment, goodwill and fair value surplus	-	(333.2)	(333.2)	-	(123.7)	(123.7)	(7.9)	(3.6)
Purchases of other property and equipment and addition of intangible assets	(126.6)	(175.0)	(175.0)	(42.8)	(70.0)	(70.0)	(108.0)	(109.0)
Net cash provided by (used in) investing activities	(126.6)	(508.2)	(508.2)	(42.8)	(193.7)	(193.7)	(115.9)	(112.6)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Loans and financings:								
Proceeds	266.3	950.1	950.1	742.8	1,351.5	1,351.5	1,250.2	1,602.8
Repayment	(297.9)	(510.1)	(510.1)	(518.5)	(930.2)	(930.2)	(15.0)	(1,079.5)
Debentures								
Proceeds	943.4	2,626.9	2,626.9	1,690.7	2,283.7	2,283.7	988.6	-
Repayment	(105.0)	(355.0)	(355.0)	(815.0)	(975.0)	(975.0)	(1,660.8)	(381.6)
Lease liability:								
Repayment	-	-	-	-	-	(103.5)	(119.2)	(111.1)
Capital Increase	-	-	-	-	1,821.6	1,821.6	-	-
Treasury shares (acquired)/ sold	(25.0)	2.1	2.1	3.20	2.6	2.6	(180.5)	4.4
Expenses with issuance of shares.	-	-	-	-	(65.3)	(65.3)	-	-
Exercise of stock options with treasury shares, net	18.2	50.1	50.1	16.4	25.1	25.1	4.80	(1.3)
Dividends paid	(1.0)	-	-	-	(7.2)	(7.2)	-	(18.1)
Interest on own capital	(138.4)	(166.9)	(166.9)	(172.3)	(268.6)	(268.6)	(269.1)	(199.9)
Net cash provided by (used in) financing activities	660.6	2,597.2	2,597.2	947.3	3,238.2	3,134.7	(1.0)	(184.3)
NET CASH FLOW PROVIDED (USED) IN THE YEAR	307.2	(354.1)	(280.1)	837.1	44.8	44.8	366.3	(2,037.6)
Cash flow without incurred one-time costs Hertz and franchisees	-	-	(74.0)	-	-	-	-	-
NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS	307.2	(354.1)	(354.1)	837.1	44.8	44.8	366.3	(2,037.6)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,385.1	1,692.3	1,692.3	1,338.2	2,175.3	2,175.3	2,220.1	2,586.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,692.3	1,338.2	1,338.2	2,175.3	2,220.1	2,220.1	2,586.4	548.8
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	307.2	(354.1)	(354.1)	837.1	44.8	44.8	366.3	(2,037.6)
Supplemental disclosure of cash flow information:								
Cash paid during the period for cars acquisition								
Cars acquisition in the year/period - renew al	(2,563.6)	(3,660.9)	(3,660.9)	(4,696.7)	(6,804.6)	(6,804.6)	(5,524.1)	(4,953.6)
Cars acquisition in the year/period - growth	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)	(3,478.7)	(3,478.7)	-	(9.9)
Suppliers - automakers:								
Balance at the end of the year	782.0	1,197.5	1,197.5	2,065.6	2,407.5	2,407.5	1,418.3	831.2
Balance at the beginning of the year	(591.3)	(782.0)	(782.0)	(1,197.5)	(2,065.6)	(2,065.6)	(2,407.5)	(1,418.4)
Cash paid for cars purchased	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(9,941.4)	(9,941.4)	(6,513.3)	(5,550.7)

22 – 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 and Fleet Rental divisions, depreciation method used is linear. 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.
- **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:** 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.
- **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:** 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.
- **Royalties and integration fee:** Amount calculated on the amounts charged in the rental contracts, for the use of the brand and transfer of know-how, in addition to the fees related to the marketing campaigns conducted by Localiza Franchising; and amount paid by the franchisee shortly after signing the adhesion contract, corresponding to the concession to use the brand.
- **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.

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(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 direct and indirect subsidiaries, Localiza Fleet S.A. (“Localiza Fleet”) and Car Rental Systems S.A. (“Car Rental Systems”), respectively, sell their decommissioned cars, generating cash for the purchase of new cars from manufacturers.

As of September 30, 2021, the Localiza Platform, including its franchisees in Brazil and abroad, was comprised of 620 car rental locations (not reviewed by the independent auditors), of which: (i) 546 locations in 368 cities in Brazil, 451 of which were operated by Localiza and 95 by franchisees; and (ii) 74 locations in 36 cities in 4 other South American countries, all operated by franchisees. In addition to its network of locations, the Company owned 132 points of sale of the decommissioned cars after its use, located in 90 cities throughout Brazil. Approximately half of the decommissioned cars are sold to final consumers.

This individual and consolidated interim financial information was approved and authorized for issue by the Executive Board on November 01, 2021 and by the Board of Directors on November 09, 2021.

1.1. Covid-19 Pandemic

In view of the spread of the Coronavirus (Covid-19) in Brazil, as from the second half of March 2020, 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 activity of car rental was considered as essential by municipalities, states and federal government for serving customers who provide essential services or need private transport on pandemic scenario.

After a consistent resumption of volumes in car rentals and the sale of decommissioned cars for fleet renewal, we once again felt impacts of the pandemic (in a smaller proportion than that observed in the first wave) in March and April 2021, due to the onset of new variants and the recurrence of cases. The scarcity of some supplies, notably semiconductor chips, has been affecting the automotive industry, due to the pandemic, geopolitical factors, among other aspects, resulting in a reduction in the supply of cars and an increase in market prices. The Company was again affected by the lower volume of car purchases due to the fact that automakers had not resumed production levels, as well as the increase in the allowance for doubtful debts and in the car maintenance costs, which were impacted by the aging of the fleet and an increase in the cost of spare parts.

The Company's Management performed various analyses of the impacts of Covid-19, which involved mainly the assessment of indicators of impairment of non-current assets, expected credit losses on trade receivables, measurement of financial instruments, including derivative financial instruments, among others. This interim financial information considers the impacts arising from these analyses.

1.2. Termination of the partnership with Hertz

According to the Material Fact disclosed on August 19, 2020, Localiza signed with The Hertz Corporation (parent company of Hertz Group) and Hertz System Inc., on that date, the termination of Brand Cooperation Agreement and the Referral Agreements established in 2017, which stipulates a transition plan of at least six months. Such termination does not provide for any fine or encumbrance for the parties. On September 8, 2020, that instrument was approved by the U.S. Court responsible for the in-court reorganization process of Hertz. In December 2020, the parties agreed to extend the Referral Agreements signed between the parties for up to six months from March 2021, and, in June 2021, the parties defined a new extension for up to more 6 months from September 2021. Up to September 30, 2021, the Company incurred costs associated with the removal of the Hertz brand from its network of car rental locations, totaling approximately R\$17 million, of which R\$15 million were incurred during 2020.

1.3. Combination of Localiza and Unidas businesses

According to the Material Fact dated September 22, 2020, Localiza and Companhia de Locação das Américas (“Unidas” and, in conjunction with Localiza, “Companies”) entered into a “Merger of Shares Agreement” through which the terms and conditions for the implementation of the business combination of the Companies, through the merger of shares of Unidas into Localiza (“Merger of Shares” or “Transaction”), were established.

The transaction will result in the union of shareholders that are a reference and have long experience in the industry, in the combination of talents to provide innovative solutions in mobility, in the creation of a player on a global scale committed with the highest levels of governance and with ambition to provide the best customer experience, increasing the access of the population and companies to car rental. From the economic and financial point of view, the business integration should promote synergies and increases in efficiency in the combined company resulting from the Merger of Shares.

This transaction was approved by the shareholders of the Companies at their respective general shareholders’ meetings held on November 12, 2020. Nonetheless, the completion of the Merger of Shares depends on the approval by the Brazilian Antitrust Agency (“CADE”) without restrictions or with restrictions that, according to the terms of the agreement, are acceptable by the parties, as well as the verification of other certain usual conditions precedent for operations of this nature.

On February 17, 2021, the notice for Concentration Act 08700.000149/2021-46, referring to the proposed Merger of Shares, was published on CADE’s website.

On September 6, 2021, were issued the opinion nº 13/2021/CGAA1/SGA1 and order nº 1309/21, which the General Superintendence of CADE submits the Act of Concentration to Administrative Court, recommending the approval of operation with remedies in accordance with the Concentration Control Agreement. On October 5, 2021, the court of CADE requested an extension of process and will give a final decision until 4 January 2022.

The prior approval from CADE is one of the conditions for the consummation of incorporation of shares. Notwithstanding, up to its conclusion, the Companies will continue to operate in an independent manner.

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 Financial Information, issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Brazilian Securities and Exchange Commission (“CVM”), and in accordance with international standard IAS 34 – Interim Financial Information, issued by the International Accounting Standards Board (“IASB”), and discloses 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.

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, 2020 (hereinafter referred to as "financial statements for the year ended December 31, 2020"), published on February 25, 2021 through the websites www.gov.br/cvm, www.b3.com.br and www.localiza.com/ri and published on March 4, 2021 in the "Diário do Comércio de Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais State Register) newspapers.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

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

- **Revision 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 applies to the years beginning on or after January 1, 2020 and affects only payments originally due on or before June 30, 2021 and increased lease payments that extend after June 30, 2021. 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.

On March 31, 2021, IASB issued new amendments to IFRS 16, extending for one year the practical expedient for benefits granted that occur as a result of the Covid-19 pandemic, thus affecting payments due on or until June 30, 2022. On July 22, 2021, CVM, through CVM Resolution nº 41/21, approved the Revision of Technical Pronouncements 18/21, which amends Technical Pronouncement CPC 06 (R2) – Leases. This resolution came into effect on August 2, 2021 and applies to fiscal years beginning on or after January 1, 2021. The lessee may apply the changes for payments due on or before June 30, 2022.

The Company and its subsidiaries apply this practical expedient to all benefits granted under lease contracts in accordance with the requirements of Decision CVM 859/20 and Resolution CVM 41/21 (note 15).

- **Interest Rate Benchmark Reform – Phase 2 (Amendments to CPC48/IFRS 9, CPC 38/IAS 39, CPC 40/IFRS 7, CPC 11/IFRS 4 and CPC 06/IFRS 16)**

In September 2020, the IASB published the second phase of the Interest Rate Benchmark Reform, which establishes amendments to the following accounting pronouncements:

- CPC 06 (R2) - IFRS 16: Leases
- CPC 11 - IFRS 4: Insurance Contracts
- CPC 38 - IAS 39: Financial Instruments: Recognition and Measurement
- CPC 40 (R1) - IFRS 7: Financial Instruments: Disclosure
- CPC 48 - IFRS 9: Financial Instruments:

The amendments address issues that may affect the financial statements as a result of the interest rate benchmark reform, including the effects of changes in contractual cash flows of financial assets and liabilities and lease liabilities, or hedge relationships arising from the replacement of the benchmark interest rate with an alternative benchmark rate.

On February 11, 2021, through Resolution 18/21, CVM approved the Document of Revision of Technical Pronouncements 17 issued by the Accounting Pronouncements Committee - CPC, which is equivalent to the mentioned amendments. This Decision applies to the years beginning on or after January 1, 2021.

The Company performed an analysis of these amendments and did not identify material impacts in relation to the accounting practices currently adopted.

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	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Cash and banks	16,849	14,512	61,809	16,238
Bank Certificates of Deposit ("CDB")	200,067	896,555	258,867	1,333,006
Fixed-income investment fund units	89,277	664,419	228,165	1,237,149
Total	306,193	1,575,486	548,841	2,586,393

As at September 30, 2021, financial investments in CDBs and fixed-income investment fund units had an annual weighted average yield of 105.4% of the Interbank Deposit Certificates ("CDI") rate variation (92.4% as at December 31, 2020).

The Company considers as cash and cash equivalents the resources held for the purpose of meeting short-term commitments, among other characteristics. In the context of the Covid-19 pandemic (note 1.1), with the lower volume of car purchases, due to the automakers not having resumed their normal production level, part of these resources was allocated to short-term investments.

5. SHORT-TERM INVESTMENTS

Short-term investments are broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Bank Certificates of Deposit ("CDB")	1,322,334	552,226	1,665,350	806,130
Fixed-income investment fund units	545,750	65,903	1,009,121	85,038
Investments in financial bills	199,730	422,788	274,324	489,043
Total	2,067,814	1,040,917	2,948,795	1,380,211

As at September 30, 2021, short-term investments had an annual weighted average yield of 120.0% of the Interbank Deposit Certificates ("CDI") rate variation (104.6% as at December 31, 2020).

6. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Car rental	797,488	674,468	801,661	678,540
Fleet rental	-	-	124,714	112,517
Unbilled revenue	204,829	218,632	207,426	221,514
Sale of decommissioned cars	209,252	211,457	266,542	252,523
	1,211,569	1,104,557	1,400,343	1,265,094
Allowance for doubtful debts/ expected losses	(160,896)	(130,261)	(192,805)	(155,645)
Total	1,050,673	974,296	1,207,538	1,109,449
Current	1,050,673	974,296	1,205,020	1,107,467
Noncurrent	-	-	2,518	1,982

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Current	983,900	890,609	1,116,546	1,005,522
Up to 30 days past due	45,199	55,876	58,183	72,531
31 to 60 days past due	24,021	32,463	30,863	35,380
61 to 90 days past due	20,133	24,856	23,228	26,803
91 to 180 days past due	62,191	53,050	68,582	56,186
Over 181 days past due	76,125	47,703	102,941	68,672
Total	1,211,569	1,104,557	1,400,343	1,265,094

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

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Current	(10,911)	(8,885)	(13,057)	(10,533)
Up to 30 days past due	(5,821)	(11,710)	(5,966)	(12,054)
31 to 60 days past due	(6,074)	(10,822)	(6,342)	(11,134)
61 to 90 days past due	(6,238)	(8,203)	(6,966)	(8,568)
91 to 180 days past due	(60,226)	(44,179)	(63,947)	(45,849)
Over 181 days past due	(71,626)	(46,462)	(96,527)	(67,507)
Total	(160,896)	(130,261)	(192,805)	(155,645)

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

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Balance at the beginning of the period	(130,261)	(84,519)	(155,645)	(108,907)
Recognition	(91,380)	(81,940)	(104,943)	(88,397)
Reversal	60,745	37,133	67,783	42,271
Balance at the end of the period	(160,896)	(129,326)	(192,805)	(155,033)

Other information related to trade receivables (Individual and Consolidated) did not undergo significant changes compared to the information disclosed in note 6 to the financial statements for the year ended December 31, 2020.

7. OTHER CURRENT AND NONCURRENT ASSETS

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

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Balances stated separately in current assets:				
Recoverable taxes				
PIS/COFINS (a)	309,502	10,844	309,502	11,025
Other recoverable taxes	92,256	12,594	95,676	18,323
	401,758	23,438	405,178	29,348
Prepaid expenses (*)	54,398	18,728	64,619	19,614
	456,156	42,166	469,797	48,962
Other current assets:				
Receivables from insurance company (**)	121,619	192,307	122,608	194,835
Other receivables – subsidiaries (note 8(c)(i))	5,427	5,765	-	-
Other current assets	20,173	35,925	48,272	56,898
	147,219	233,997	170,880	251,733
Total other current assets	603,375	276,163	640,677	300,695

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Balances stated separately in noncurrent assets:				
Investments in restricted accounts (note 16)	-	-	46,017	44,959
Other noncurrent assets	-	83	-	83
Total other noncurrent assets	-	83	46,017	45,042
Total other current and noncurrent assets	603,375	276,246	686,694	345,737

(*) Mainly refers to prepaid expenses on Vehicle Ownership Tax ("IPVA") 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 2021, or when the sale is made.

(**) Expenses incurred on claims, cost of stolen cars and receivables from insurance company for stipulation services when contracting an insurance by the customers when they rent cars from the Company (note 2.7.4 to the financial statements for the year ended December 31, 2020). As of May 2021, the Company began offering auto protection coverage directly to its customers, with expenses incurred with claims and theft being recorded in the income statement.

(a) Recoverable taxes - PIS/COFINS

In 3Q21, Localiza completed a technical study that supported the useful life of certain cars in the Car Rental division, in accordance with art. 320 of the Income Tax Regulation (Decree 9,580/18). As a result of this review, a technical report was issued by an entity duly qualified by law, changing the average useful life for tax purposes of certain cars to 24 months. As a result of the increase in depreciation, income tax and social contribution tax loss, there was a retroactive recognition on January 1, 2021 of the corresponding (i) PIS/COFINS credits were recognized, in the amount of R\$320,269 (before income tax and social contribution), and (ii) deferred income tax and social contribution, assets and liabilities, in the amounts of R\$975,910 and R\$1,059,761 respectively in the Individual and Consolidated. The scope of this same situation for the other cars in the fleet depends on obtaining new technical reports.

8. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

The car rental business, which includes franchises in Brazil and abroad, and fleet rental are conducted by Localiza or its direct and indirect subsidiaries, whose main operations are summarized below:

- **Localiza Fleet S.A. ("Localiza Fleet"):** Publicly-held company engaged in fleet rental business.
- **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 the net assets in the amount of R\$73,305, appraisal by a specialized company, on the same date, including all of its assets and liabilities. This merger aimed 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.

At the Extraordinary General Meeting of the subsidiary Localiza Fleet, held on June 29, 2021, the increase of its capital stock was approved, without issuing new common shares, through the capitalization of part of the balance of the profit reserve, under the terms of Article 169 of Law No. 6.404/76, in the amount of R\$200,000, changing its capital stock from R\$400,000 to R\$600,000.

(a) Business combination

At the Board of Directors' Meeting of Localiza Fleet held on March 12, 2020, the acquisition of all shares of MOBI7 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 on the acquisition date, and the excess over the consideration is recorded as goodwill, which may be deductible for Income Tax and Social Contribution purposes, upon its realization, either through sale or merger.

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

- **Net assets and liabilities assumed in the operation**

The acquisition price of 100% of the ownership interest in MOBI7 was R\$18,500. This amount is comprised of an installment of R\$7,999 paid on March 12, 2020, and three successive annual installments updated by CDI, the last installment due on March 13, 2023. The second installment of R\$3,581 was paid on March 12, 2021. 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 16).

Assets and liabilities acquired were reviewed by a specialized company and are as follows:

	MOBI7		
	3/12/2020		
	Carrying amount	Surplus value	Fair value
Assets			
Current	995	-	995
Noncurrent			
Long-term assets	36	-	36
Investments	15	-	15
Property and equipment	3,972	228	4,200
Intangible assets	328	3,792	4,120
Total	5,346	4,020	9,366
Liabilities			
Current	3,708	-	3,708
Noncurrent	2,575	-	2,575
Equity	(937)	4,020	3,083
Total	5,346	4,020	9,366

In the referred business combination, goodwill was calculated between the consideration transferred and equity after fair value measurement, as follows:

MOBI7	Fair value at 3/12/2020
Consideration to be transferred	10,501
Consideration transferred	8,033
Net amount of identifiable assets and liabilities assumed	937
Surplus value of property and equipment and intangible assets, net of loss	<u>(4,020)</u>
Goodwill on acquisition	<u>15,451</u>

The goodwill generated considers the benefits of the expected synergies, revenue growth, better monitoring of the fleet, future development of the markets and specialized workforce. These benefits are not recognized separately from the goodwill because they do not meet the criteria for the recognition of identifiable intangible assets in accordance with CPC 04 (R1) – Intangible assets. That goodwill has an indefinite useful life and is tested annually to identify any need for impairment which, if any, is measured by comparing the carrying amount with its recoverable amount and recognized directly in profit or loss.

In the individual balance sheet of Localiza Fleet, the surplus value of property and equipment and intangible assets, net of loss, was classified in noncurrent assets as “investments” and, in the consolidated, it was allocated to the accounts that originated them, classified as “property and equipment” and “intangible assets”, being depreciated/amortized over the useful lives of the corresponding assets or written off to profit or loss for the year in the event of sale.

- **Net cash outflow on acquisition of subsidiary**

MOBI7	Fair value at 3/12/2020
Consideration transferred in cash	8,033
(-) Balance of cash and cash equivalents acquired	<u>(157)</u>
Effects of acquisition presented in the statement of cash flows	<u>7,876</u>

(b) Information on subsidiaries

The variation in the investments balance was as follows:

	Individual			
	Balance as at 12/31/2020	Equity in the earnings of subsidiaries	Dividends from subsidiaries	
Localiza Fleet S.A. Consolidated	981,225	413,966	-	1,395,191
Rental Brasil	268,516	15,878	(15,330)	269,064
Localiza Prime	139,259	30,314	(21,685)	147,888
Car Assistance	26,385	20,735	(26,146)	20,974
Franchising Brasil	1,979	2,007	(1,376)	2,610
Effect of the elimination of IFRS 16 in subsidiary	22,689	8,725	-	31,414
	<u>1,440,053</u>	<u>491,625</u>	<u>(64,537)</u>	<u>1,867,141</u>
LFI S.R.L.	136	-	-	136
Total investments in subsidiaries	<u>1,440,189</u>	<u>491,625</u>	<u>(64,537)</u>	<u>1,867,277</u>
Goodwill on acquisition of investments	22,077	-	-	22,077
Total investments	<u>1,462,266</u>	<u>491,625</u>	<u>(64,537)</u>	<u>1,889,354</u>

	Individual			
	Balance as at 12/31/2019	Equity in the earnings of subsidiaries	Dividends from subsidiaries	Balance as at 6/30/2021
Localiza Fleet Consolidated	683,725	288,354	-	972,079
Rental Brasil	264,745	15,288	(12,636)	267,397
Localiza Prime	131,493	20,313	(15,440)	136,366
Car Assistance	21,712	26,996	(21,472)	27,236
Franchising Brasil	5,659	1,488	(5,055)	2,092
LFI S.R.L.	128	38	-	166
Effect of the elimination of IFRS 16 in subsidiary	11,504	8,268	-	19,772
Total investments in subsidiaries	1,118,966	360,745	(54,603)	1,425,108
Goodwill on acquisition of investments	22,077	-	-	22,077
Total investments	1,141,043	360,745	(54,603)	1,447,185

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

Subsidiary	Parent company/Associate	Number of shares		Capital (%)	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Localiza Fleet	Localiza	103,280,354	103,280,354	100,0	100,0
Rental Brasil	Localiza	15,000,000	15,000,000	100,0	100,0
Localiza Prime	Localiza	15,000	15,000	100,0	100,0
Car Assistance	Localiza	200,000	200,000	100,0	100,0
Franchising Brasil	Localiza	399,069	399,069	100,0	100,0
LFI S.R.L.	Localiza	131,078	131,078	98,0	98,0
LFI S.R.L.	Localiza Fleet	2,160	2,160	2,0	2,0
Car Rental Systems	Localiza Fleet	603,876,785	603,876,785	100,0	100,0
MOBI7 (*)	Localiza Fleet	75,731,069	5,890,000	100,0	100,0
MOBI7 Mexico	MOBI7	9,800	9,800	98,0	98,0
MOBI7 Mexico	Car Rental Systems	200	200	2,0	2,0

(*) At the General Meeting of MOBI7 held on March 26, 2021, an increase in its capital was approved through the capitalization of advances for future capital increase made by Localiza Fleet in the total amount of R\$69,841. With the approval, MOBI7's capital now comprises 75,731,069 common shares.

Summary of the main financial information of Localiza's subsidiaries is as follows:

(i) Balance sheets

9/30/2021	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.
Assets						
Current	1,069,085	222,497	157,417	22,023	9,358	225
Noncurrent	3,807,054	414,696	9,962	-	9,051	-
Total	4,876,139	637,193	167,379	22,023	18,409	225
Liabilities						
Current	845,030	17,872	13,308	1,046	6,787	75
Noncurrent	2,635,918	350,257	6,183	2	9,012	11
Equity	1,395,191	269,064	147,888	20,975	2,610	139
Total	4,876,139	637,193	167,379	22,023	18,409	225
12/31/2020	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.
Assets						
Current	1,205,630	219,805	163,634	37,820	10,086	233
Noncurrent	3,137,766	409,500	10,773	-	8,629	-
Total	4,343,396	629,305	174,407	37,820	18,715	233
Liabilities						
Current	791,787	13,547	27,882	11,432	7,176	85
Noncurrent	2,570,384	347,242	7,266	3	9,560	9
Equity	981,225	268,516	139,259	26,385	1,979	139
Total	4,343,396	629,305	174,407	37,820	18,715	233

(ii) Statement of profit or loss

9M21	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.
Net revenue	1,594,162	31,252	42,695	24,471	7,486	-
Gross profit	777,950	29,437	42,695	23,837	2,594	-
Profit (loss) before income tax and social contribution	620,474	24,032	37,022	23,924	2,939	-
Profit for the period	413,966	15,878	30,314	20,735	2,007	-

9M20	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
Net revenue	1,609,827	28,469	39,171	31,812	7,021	-
Gross profit	631,041	28,835	39,171	31,313	2,366	-
Profit (loss) before income tax and social contribution	429,665	23,138	30,635	30,795	2,436	38
Profit for the period	288,354	15,288	20,313	26,996	1,488	38

3Q21	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.
Net revenue	574,452	10,896	13,774	700	2,656	-
Gross profit	284,130	10,284	13,774	476	740	-
Profit (loss) before income tax and social contribution	219,602	7,855	12,324	575	1,071	20
Profit for the period	146,727	5,190	9,911	489	746	20

3Q20	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
Net revenue	648,139	9,585	14,885	10,329	2,295	-
Gross profit	232,330	9,706	14,885	10,160	874	-
Profit (loss) before income tax and social contribution	188,035	8,161	12,613	10,252	903	(7)
Profit for the period	125,535	5,392	8,373	9,051	615	(7)

(iii) Dividends from subsidiaries

9M21	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Total
2020 Dividends (minimum required)	99,166	5,110	7,229	8,716	459	120,680
Dividends complementary to the mandatory minimum of 2020	-	15,330	21,685	26,145	1,376	64,536
Total dividends approved	99,166	20,440	28,914	34,861	1,835	185,216

9M20	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Total
2019 Dividends (minimum required)	54,012	4,212	5,147	7,156	1,685	72,212
Dividends complementary to the mandatory minimum of 2019	-	12,636	15,440	21,472	5,055	54,603
Total dividends approved	54,012	16,848	20,587	28,628	6,740	126,815

(c) Balances and transactions with related parties

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

	Localiza Fleet		Other subsidiaries		Total	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Balances:						
Trade receivables	19,092	13,057	-	-	19,092	13,057
Dividends receivable	99,166	99,166	-	21,514	99,166	120,680
Other receivables (note 7)	5,032	5,003	395	762	5,427	5,765
Trade payables	(1,744)	(830)	(27,954)	(4,768)	(29,698)	(5,598)
Other payables (note 16)	-	-	(2,531)	(740)	(2,531)	(740)

	Localiza Fleet		Other subsidiaries		Total	
	9M21	9M20	9M21	9M20	9M21	9M20
Transactions:						
Revenues	37,974	22,340	-	-	37,974	22,340
Costs and expenses	(30,483)	(19,903)	(34,970)	(46,666)	(65,453)	(66,569)
Recoverable costs and expenses	104,217	56,024	6,654	3,019	110,871	59,043

	Localiza Fleet		Other subsidiaries		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Transactions:						
Revenues	12,859	7,920	-	-	12,859	7,920
Costs and expenses	(9,253)	(6,532)	(12,608)	(10,118)	(21,861)	(16,650)
Recoverable costs and expenses	41,550	23,629	2,474	1,129	44,024	24,758

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

Additionally, as at September 30, 2021, there were collateral guarantees for borrowings and debt securities amounting to: (i) R\$4,672,929 issued by Localiza Fleet to Localiza (R\$3,939,848 as at December 31, 2020); (ii) R\$2,391,049 issued by Localiza to Localiza Fleet (R\$2,410,156 as at December 31, 2020); and (iii) R\$354,445 issued by Localiza to Rental Brasil (R\$345,972 as at December 31, 2020). There was also collateral between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$310,250 (R\$201,280 as at December 31, 2020).

The Company has guarantee insurance with the following insurance companies: Austral Seguradora, Berkley International, Chubb Seguros, Junto Seguros Zurich e Pottencial Seguradora. The latter being a company in which Salim Mattar and Eugênio Mattar, founding partners of Localiza, jointly held 32.49% of its capital at September 30, 2021. In transactions with Pottencial Seguradora, made under normal market conditions, the amount accounted for as expense in 9M21 related to guarantee insurance was R\$832 (R\$1,001 in 9M20) and the insured amount is R\$284,264 as at September 30, 2021 (R\$201,280 as at December 31, 2020).

(ii) Key management compensation

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Short-term benefits	35,247	37,573	37,442	39,111
Post-employment benefits	865	694	912	723
Share-based compensation	27,242	6,624	27,242	6,624
Total	63,354	44,891	65,596	46,458

	Individual		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Short-term benefits	13,637	12,527	14,627	13,072
Post-employment benefits	166	333	184	349
Share-based compensation	12,924	2,586	12,924	2,586
Total	26,727	15,446	27,735	16,007

Other information related to investments in subsidiaries and related-party transactions did not undergo significant changes compared to the information disclosed in note 8 to the financial statements for the year ended December 31, 2020.

9. PROPERTY AND EQUIPMENT AND DECOMMISSIONED CARS FOR FLEET RENEWAL

(a) Property and equipment

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

	Individual									
	Cars	Right-of-use	Property	Leasehold improvements	Furniture and fixtures	Constructions in progress	Land	IT equipment	Others	Total
Cost										
As at December 31, 2020	10,443,020	1,118,007	1,913	166,230	109,323	35,388	681	55,785	45,697	11,976,044
Additions	3,775,311	218,722	-	-	8,225	67,810	-	8,407	5,114	4,083,589
Write-offs/transfers (*)	(3,128,102)	(4,071)	-	31,263	(229)	(62,080)	-	(752)	27,381	(3,136,590)
As at September 30, 2021	11,090,229	1,332,658	1,913	197,493	117,319	41,118	681	63,440	78,192	12,923,043
Accumulated depreciation:										
As at December 31, 2020	(325,149)	(253,896)	(1,296)	(95,800)	(47,937)	-	-	(40,177)	(19,193)	(783,448)
Additions	(100,697)	(121,724)	(62)	(14,478)	(7,087)	-	-	(5,439)	(5,995)	(255,482)
Write-offs/transfers (*)	131,692	4,253	-	1,599	192	-	-	1,334	244	139,314
As at September 30, 2021	(294,154)	(371,367)	(1,358)	(108,679)	(54,832)	-	-	(44,282)	(24,944)	(899,616)
Net carrying amount										
As at December 31, 2020	10,117,871	864,111	617	70,430	61,386	35,388	681	15,608	26,504	11,192,596
As at September 30, 2021	10,796,075	961,291	555	88,814	62,487	41,118	681	19,158	53,248	12,023,427

	Individual									
	Cars	Right-of-use	Property	Leasehold improvements	Furniture and fixtures	Constructions in progress	Land	IT equipment	Others	Total
Cost										
As at December 31, 2019	10,864,521	1,000,604	1,913	138,455	96,193	20,800	681	53,712	30,101	12,206,980
Additions	2,450,299	110,840	-	-	10,183	21,614	-	1,507	1,630	2,596,073
Write-offs/transfers (*)	(3,721,082)	(22,940)	-	19,548	(169)	(22,849)	-	(30)	3,301	(3,744,221)
As at September 30, 2020	9,593,738	1,088,504	1,913	158,003	106,207	19,565	681	55,189	35,032	11,058,832
Accumulated depreciation:										
As at December 31, 2019	(256,341)	(136,458)	(1,214)	(78,218)	(39,016)	-	-	(33,290)	(16,475)	(561,012)
Additions	(306,241)	(110,694)	(62)	(13,229)	(6,705)	-	-	(5,191)	(1,901)	(444,023)
Write-offs/transfers (*)	207,604	23,033	-	-	72	-	-	26	-	230,735
As at September 30, 2020	(354,978)	(224,119)	(1,276)	(91,447)	(45,649)	-	-	(38,455)	(18,376)	(774,300)
Net carrying amount										
As at December 31, 2019	10,608,180	864,146	699	60,237	57,177	20,800	681	20,422	13,626	11,645,968
As at September 30, 2020	9,238,760	864,385	637	66,556	60,558	19,565	681	16,734	16,656	10,284,532

Consolidated

	<u>Cars</u>	<u>Right-of-use</u>	<u>Property</u>	<u>Leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Constructions in progress</u>	<u>Land</u>	<u>IT equipment</u>	<u>Others</u>	<u>Total</u>
Cost										
As at December 31, 2020	13,607,962	853,213	378,695	169,888	109,245	42,047	35,111	56,354	54,449	15,306,964
Additions	4,963,503	180,794	-	-	8,329	81,755	1,385	9,278	4,398	5,249,442
Write-offs/transfers (*)	(3,751,800)	(4,071)	-	31,263	(216)	(65,885)	-	(1,511)	31,757	(3,760,463)
As at September 30, 2021	14,819,665	1,029,936	378,695	201,151	117,358	57,917	36,496	64,121	90,604	16,795,943
Accumulated depreciation:										
As at December 31, 2020	(684,723)	(228,700)	(6,656)	(96,166)	(47,825)	-	-	(40,537)	(21,062)	(1,125,669)
Additions	(151,744)	(111,173)	(3,896)	(14,615)	(7,097)	-	-	(5,494)	(7,559)	(301,578)
Write-offs/transfers (*)	227,821	4,253	-	1,599	192	-	-	1,338	339	235,542
As at September 30, 2021	(608,646)	(335,620)	(10,552)	(109,182)	(54,730)	-	-	(44,693)	(28,282)	(1,191,705)
Net carrying amount										
As at December 31, 2020	12,923,239	624,513	372,039	73,722	61,420	42,047	35,111	15,817	33,387	14,181,295
As at September 30, 2021	14,211,019	694,316	368,143	91,969	62,628	57,917	36,496	19,428	62,322	15,604,238

Consolidated

	<u>Cars</u>	<u>Right-of-use</u>	<u>Property</u>	<u>Leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Constructions in progress</u>	<u>Land</u>	<u>IT equipment</u>	<u>Others</u>	<u>Total</u>
Cost										
As at December 31, 2019	14,016,574	749,297	369,935	142,113	96,195	20,800	29,342	54,042	30,525	15,508,823
Opening balance MOBI7	-	266	-	-	-	-	-	-	4,415	4,681
Additions	3,082,718	99,271	8,760	-	10,183	21,935	2,545	1,690	4,956	3,232,058
Write-offs/transfers (*)	(4,491,369)	(23,336)	-	19,548	(246)	(22,876)	-	(30)	3,328	(4,514,981)
As at September 30, 2020	12,607,923	825,498	378,695	161,661	106,132	19,859	31,887	55,702	43,224	14,230,581
Accumulated depreciation:										
As at December 31, 2019	(642,436)	(124,300)	(4,846)	(78,401)	(39,018)	-	-	(33,611)	(16,640)	(939,252)
Opening balance MOBI7	-	(11)	-	-	-	-	-	-	(460)	(471)
Additions	(415,651)	(101,628)	(1,335)	(13,366)	(6,629)	-	-	(5,219)	(2,739)	(546,567)
Write-offs/transfers (*)	337,787	23,474	-	-	72	-	-	26	-	361,359
As at September 30, 2020	(720,300)	(202,465)	(6,181)	(91,767)	(45,575)	-	-	(38,804)	(19,839)	(1,124,931)
Net carrying amount										
As at December 31, 2019	13,374,138	624,997	365,089	63,712	57,177	20,800	29,342	20,431	13,885	14,569,571
As at September 30, 2020	11,887,623	623,033	372,514	69,894	60,557	19,859	31,887	16,898	23,385	13,105,650

(*) 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.

(b) Decommissioned cars for fleet renewal

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

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Cost	5,702	8,368	43,709	47,449
Accumulated depreciation	(218)	(371)	(5,031)	(6,898)
Net carrying amount	5,484	7,997	38,678	40,551

Other information on property and equipment (Individual and Consolidated) has not changed significantly when compared to the information disclosed in note 9 to the financial statements for the year ended December 31, 2020.

10. INTANGIBLE ASSETS

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

	Individual		Consolidated	
	Software	Software	Goodwill on acquisition of investments	Total
Cost:				
As at December 31, 2020	127,779	148,064	105,437	253,501
Additions	3,723	3,824	-	3,824
As at September 30, 2021	131,502	151,888	105,437	257,325
Accumulated amortization				
As at December 31, 2020	(88,914)	(101,413)	-	(101,413)
Additions	(8,225)	(10,115)	-	(10,115)
As at September 30, 2021	(97,139)	(111,528)	-	(111,528)
Residual value:				
As at December 31, 2020	38,865	46,651	105,437	152,088
As at September 30, 2021	34,363	40,360	105,437	145,797
	Individual		Consolidated	
	Software	Software	Goodwill on acquisition of investments	Total
Cost:				
As at December 31, 2019	119,518	134,645	89,986	224,631
Opening balance MOBI7	-	4,120	-	4,120
Additions	5,118	6,118	15,451	21,569
As at September 30, 2020	124,636	144,883	105,437	250,320
Accumulated amortization				
As at December 31, 2019	(74,803)	(84,687)	-	(84,687)
Additions	(10,744)	(12,685)	-	(12,685)
As at September 30, 2020	(85,547)	(97,372)	-	(97,372)
Residual value:				
As at December 31, 2019	44,715	49,958	89,986	139,944
As at September 30, 2020	39,089	47,511	105,437	152,948

Other information on intangible assets (Individual and Consolidated) has not changed significantly when compared to the information disclosed in note 10 to the financial statements for the year ended December 31, 2020.

11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Car manufacturers (*)	576,048	1,247,684	831,180	1,418,358
Maintenance services and parts	57,811	46,802	81,694	68,361
Rentals	19,702	28,763	20,308	29,274
Others	206,103	135,053	189,867	145,008
Total	859,664	1,458,302	1,123,049	1,661,001

(*) The balance payable to car manufacturers refers to cars acquired with average payment term of approximately 59 days (60 days as at December 31, 2020). As effect of the pandemic, geopolitical factors, among other aspects, the shortage of some supplies, notably semiconductors, have been affecting the automotive industry, resulting in a car supply reduction and prices increase (note 1.1).

12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Accrued vacation pay	66,342	57,877	73,119	63,241
Accrued profit sharing (*)	86,026	114,788	95,034	126,631
Accrued 13 th salary	36,928	-	40,537	-
Social security contribution (INSS)	13,601	11,903	14,359	12,445
Government Severance Indemnity Fund for Employees (FGTS)	4,571	4,557	5,485	5,436
Others	7,613	9,992	8,337	10,698
Total	215,081	199,117	236,871	218,451

(*) 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 and measurable indicators and goals and the annual budget approved by the Board of Directors. The consideration of the provision for profit sharing is classified as "costs", "selling expenses" and "general and administrative expenses" in the statement of profit or loss, based on function exercised by the respective employees.

13. BORROWINGS AND DEBT SECURITIES

Borrowings and debt securities are broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
In local currency				
Debt securities	5,614,822	5,157,814	7,435,321	7,004,184
Working capital	723,193	704,120	924,513	904,384
Certificates of Real Estate Receivables ("CRI")	-	-	346,125	337,095
Prepurchase financing pool	3,690	-	14,902	21,582
In foreign currency				
Foreign currency borrowings	1,577,760	1,774,617	2,033,175	2,230,478
Total	7,919,465	7,636,551	10,754,036	10,497,723
Current	1,691,258	1,286,564	2,018,610	1,615,037
Noncurrent	6,228,207	6,349,987	8,735,426	8,882,686

On June 18, 2020, the Board of Directors of Localiza approved the Company's 1st debenture repurchase program with the limit of R\$200,000, subsequently increased to R\$500,000 in the meeting held on July 27, 2020. This limit was increased again to R\$1,300,000 at a meeting held on October 27, 2020.

On October 27, 2020, the Board of Directors of Localiza Fleet approved the Company's 1st Debenture Repurchase Program with the limit of R\$200,000.

On June 24, 2021, the Boards of Directors of Localiza and Localiza Fleet approved the 2nd Debenture Repurchase Program of the Company and Localiza Fleet, within the limits of R\$600,000 and R\$300,000, respectively.

Variations in borrowings and debt securities are as follows:

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Balance at the beginning of the period	7,636,551	6,629,067	10,497,723	9,379,459
Opening balance of subsidiaries acquired		-	-	2,250
Funding	1,602,867	1,250,312	1,602,867	2,238,894
Repurchase of debentures – 1 st and 2 nd programs	(351,093)	(299,609)	(381,593)	(299,609)
Interest and finance charges	422,137	707,849	507,515	928,798
Repayment of principal	(1,211,491)	-	(1,227,955)	(859,986)
Interest amortization	(179,506)	(176,886)	(244,521)	(260,219)
Balance at the end of the period	7,919,465	8,110,733	10,754,036	11,129,587

On February 26, 2021 Localiza signed a borrowing agreement in the amount of USD80,000 thousand (R\$454,752) with maturity of the principal on February 26, 2024. Simultaneously, a swap transaction was contracted in order to mitigate the risk of exposure in foreign currency, exchanging the foreign exchange variation plus fixed rate for CDI + 1.35%. There were no expenses incurred with the fundraising.

At the Meeting of Localiza's Board of Directors held on March 3, 2021, the 17th issue of debentures, non-convertible into shares, unsecured, with additional personal guarantee and in a single series, in the amount of R\$1,200,000, issued in March 15, 2021, yielding IPCA + 5.4702%, maturing on March 15, 2031 and financially settled on April 7, 2021. On March 24, 2021, the Company contracted derivatives to change the remuneration from the 17th issue of debentures in IPCA to their equivalence in CDI, which is the reference index used by the Company.

The Company chose the formal designation of both new debt transactions above-mentioned, for which it has derivative financial instruments, as measured at fair value. The "Fair Value Option" is intended to eliminate or reduce the volatility of measurement or recognition of certain liabilities, in which it would otherwise arise. Thus, both swaps and the related debt are now measured at fair value and this option is irrevocable and should be made only on the initial recognition of the transaction. In 9M21, the net finance result of those transactions was a credit of R\$11,014 and R\$37,130, respectively.

The financial covenants for borrowings and debt securities were met as shown below:

Ratio	Limits	12-month period ended	
		9/30/2021	12/31/2020
Net debt / Adjusted EBITDA (*)	Below 4.00	1,88	2,47
Net debt deducted from credit card balance (**) / Adjusted EBITDA	Below 4.00	1,74	2,29
Adjusted EBITDA / Finance costs, net	Above 1.50	15,41	6,62

(*) EBITDA corresponds to profit 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 14th, 15th, 16th and 17th issuance of debentures and the 7th issuance of promissory notes from Localiza and the issuance of debentures from Localiza Fleet include in the definition of net debt the discount of the receivables from credit card balance.

Other information on borrowings and debt securities (Individual and Consolidated) has not changed significantly when compared to the information disclosed in note 13 to the financial statements for the year ended December 31, 2020.

14. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Derivative financial instruments				
Foreign currency x Real	318,487	410,606	423,434	506,778
CDI vs Fixed Rate	30,120	(9,872)	31,025	(103,000)
IPCA x CDI	132,859	-	132,859	-
Total derivative financial instruments assets / (liabilities), net	481,466	400,734	587,318	403,778
Current assets	52,737	85,021	114,781	154,305
Noncurrent assets	434,022	325,585	505,272	353,022
Current liabilities	(5,293)	-	(32,735)	(66,365)
Noncurrent assets	-	(9,872)	-	(37,184)
Total derivative financial instruments assets / (liabilities), net	481,466	400,734	587,318	403,778

Change in derivative instruments are as follows:

	Individual			Consolidated		
	Assets	Liabilities	Net total	Assets	Liabilities	Net total
Balance as of December 31, 2020	410,606	(9,872)	400,734	507,327	(103,549)	403,778
Fair value adjustment	248,374	(35,328)	213,046	301,820	(37,791)	264,029
Amortization - principal	(148,470)	-	(148,470)	(148,470)	-	(148,470)
Interest amortization	4,212	11,944	16,156	3,078	64,903	67,981
Asset vs. liability transfer	(27,963)	27,963	-	(43,702)	43,702	-
Balance as of September 30, 2021	486,759	(5,293)	481,466	620,053	(32,735)	587,318

	Individual			Consolidated		
	Assets	Liabilities	Net total	Assets	Liabilities	Net total
Balance as of December 31, 2019	18,198	(4,456)	13,742	18,198	(89,099)	(70,901)
Fair value adjustment	507,511	-	507,511	507,670	74,629	582,299
Interest amortization	12,766	(10,362)	2,404	12,797	13,787	26,584
Asset vs. liability transfer	(14,818)	14,818	-	98,042	(98,042)	-
Balance as of September 30, 2020	523,657	-	523,657	636,707	(98,725)	537,982

(a) Foreign currency x Reais

As at September 30, 2021, the Company had current hedge transactions with an exclusive foreign exchange hedge for the respective foreign currency borrowings contracted with large financial institutions. The specific characteristics of these hedge transactions are as follows:

Swap transactions

Financial institution	Range of maturity dates	Index		Amount of reference <i>Notional</i>	Value of curve			Market value (carrying amount)			Variation – Gain (loss)
		Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	03/01/23	0.93%	CDI + 1.00%	EUR 55,394 thousand	350,385	255,254	95,131	355,077	258,294	96,783	1,652
Localiza	22/05/23	LIBOR + 0.47%	108.0% do CDI	USD 80,000 thousand	433,707	301,834	131,873	435,307	304,121	131,186	(687)
Localiza	03/01/25	1.33%	CDI + 1.20%	EUR 55,394 thousand	351,020	255,450	95,570	367,034	264,053	102,981	7,411
Localiza	26/02/24	USD + 1.8229% USD + 1.9371%	CDI + 1.35%	USD 80,000 thousand	434,152	457,592	(23,440)	442,648	455,111	(12,463)	10,977
Localiza Fleet	22/08/22 e 25/01/23	LIBOR + 1.66%	6.51%	USD 31,081 thousand	168,694	130,868	37,826	169,028	126,125	42,903	5,077
					1,737,958	1,400,998	336,960	1,769,094	1,407,704	361,390	24,430

Non Deliverable Forward (NDF) transactions

Financial institution	Range of maturity dates	Amount of reference <i>Notional</i>	Forward/ Strike	Value of curve			Market value (carrying amount)			Variation – Gain
				Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza Fleet	12/13/2021	AUD 73,249 thousand	AUD 3,12 (*)	286,720	228,050	58,670	289,036	226,992	62,044	3,374

(*) 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.

(b) CDI vs Fixed rate

Fleet Rental Contracts

Mostly fleet rental contracts of Fleet Rental Division vary from 24 to 36 months and 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 enters 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 these transactions as at September 30, 2021 are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference	Value of curve			Market value (carrying amount)			Variation - Gain
		Long position % CDI / CDI +	Short position	Notional	Long position	Short position	(Loss)	Long position	Short position	Gain (loss)	Curve x MTM
Institution A	October 2021 to January 2024	106,84%/2,5%	4,90%	495,000	524,277	541,686	(17,409)	526,297	533,976	(7,679)	9,730
Institution B	April 2022	100,00%	3,35%	25,000	25,642	25,663	(21)	25,642	25,103	539	560
Institution C	October 2021 to January 2024	107,5%/2,5%	5,19%	400,000	422,605	433,156	(10,551)	426,481	423,231	3,250	13,801
Institution D	October 2021 to January 2023	106,20%	6,21%	125,000	133,861	141,530	(7,669)	134,157	138,912	(4,755)	2,914
Institution E	April 2022	110,00%	7,61%	70,000	72,344	74,140	(1,796)	72,429	72,130	299	2,095
Institution F	July 2022 to October 2023	101,90%	7,37%	135,000	137,567	139,366	(1,799)	137,732	134,717	3,015	4,814
Institution G	January 2022 to April 2023	2,50%/100%	6,53%	50,000	51,906	52,132	(226)	52,076	51,396	680	906
Institution H	April 2022 to July 2023	2,50%/100%	7,03%	85,000	87,152	87,551	(399)	87,484	85,478	2,006	2,405
Institution I	April 2023 to October 2023	100,00%	7,58%	100,000	101,043	101,576	(533)	101,043	98,523	2,520	3,053
Institution J	April 2023 to October 2023	100,00%	7,43%	50,000	50,522	50,772	(250)	50,522	49,492	1,030	1,280
					1,606,919	1,647,572	(40,653)	1,613,863	1,612,958	905	41,558

Agreement between Localiza and Unidas

As part of the Merger of Shares Agreement signed between Localiza and Unidas (note 1.3), still subject to CADE's approval and, consequently, the completion of the Merger of Shares, Localiza will make available to all holders of Unidas shares that have an interest and are registered as shareholders of Unidas at the time of the completion of the Merger of Shares, a credit facility for financing with one or more Brazilian financial institutions chosen by it. The amount of the credit facility will be up to 20% of the total amount of Localiza's shares attributed to Unidas' shareholders.

With the objective of pre-fixing the cost of the resources that will be used to grant the referred financing, the Board of Directors of Localiza approved in a meeting held on November 23, 2020, and ratified on December 10, 2020, the contracting, by the Company of up to R\$800,000 in swaps, maturing up to January 2027.

At September 30, 2021, the specific characteristics of the contracted operations are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference	Market value (carrying amount)		
		Long position	Short position	Notional	Long position	Short position	Gain
Institution A	January 2027	100.0%	8.07%	200,000	196,375	172,844	23,531
Institution B	January 2027	100.0%	7.71%	50,000	50,000	43,411	6,589
					246,375	216,255	30,120

(c) IPCA vs CDI

On March 24, 2021, the Company contracted derivatives in order to exchange the remuneration of the 17th issue of debentures in IPCA for its equivalence in CDI, which is the reference index used by the Company.

The specific characteristics of these transactions as at September 30, 2021 are as follows:

Financial institution	Rate of maturity dates	Weighted average rates		Amount of reference	Market value (carrying amount)		
		Long position	Short position	Notional	Long position	Short position	Gain
		IPCA +	CDI +				
Institution A	March 2031	5.5%	2.00%	400,000	446,164	401,878	44,286
Institution B	March 2031	5.5%	2.00%	300,000	334,623	301,408	33,215
Institution C	March 2031	5.5%	2.00%	300,000	334,623	301,408	33,215
Institution D	March 2031	5.5%	2.00%	200,000	223,082	200,939	22,143
					1,338,492	1,205,633	132,859

Other information on derivative instruments (Individual and Consolidated) has not changed significantly when compared to the information disclosed in note 14 to the financial statements for the year ended December 31, 2020.

15. RIGHT OF USE LEASE LIABILITY

Variations in right of use lease liability are as follows:

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Balance at the beginning of the period	917,784	889,595	662,776	642,733
Opening balance MOBI7	-	-	-	255
Addition/remeasurement of new agreements	218,722	110,840	180,794	99,271
Write-off	(300)	(466)	(300)	(471)
Consideration paid	(141,570)	(130,395)	(142,541)	(131,289)
Consideration payable	(23,175)	(20,907)	-	-
Interest (note 24)	63,275	61,762	45,692	45,162
Balance at the end of the period	1,034,736	910,429	746,421	655,661
Current	173,855	144,139	156,365	129,736
Noncurrent	860,881	766,290	590,056	525,925

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

The Company and its subsidiaries have property rental contracts for their car rental locations in airports and off-airports (downtown locations), stores, headquarters and parking lots. The minimum amounts payable, considering undiscounted considerations, for the remaining lease term contracted up to September 30, 2021 and classified as leases are as follows:

	Individual							2027 and onwards	Total
	2021	2022	2023	2024	2025	2026			
Concessions in airports	10,423	39,163	36,637	32,813	27,243	13,131	32,994	192,404	
Properties	45,204	182,227	173,809	157,064	143,944	130,854	853,263	1,686,365	
Total	55,627	221,390	210,446	189,877	171,187	143,985	886,257	1,878,769	
Embedded interest								(844,033)	
Balance of lease liability (current and noncurrent)								1,034,736	

	Consolidated						2027 and onwards	Total
	2021	2022	2023	2024	2025	2026		
Concessions in airports	10,766	39,692	36,786	32,829	27,243	13,130	32,995	193,441
Properties	36,927	147,617	138,061	120,243	106,566	92,355	349,818	991,587
Total	47,693	187,309	174,847	153,072	133,809	105,485	382,813	1,185,028
Embedded interest								(438,607)
Balance of lease liability (current and noncurrent)								746,421

The estimated amount of PIS and COFINS credit embedded in the undiscounted lease consideration totals R\$150,418 in the Individual and R\$86,247 in the Consolidated (R\$80,719 in the Individual and R\$54,048 in the Consolidated, discounted to present value).

The Company adopted the practical expedient from CVM Decision 859/20, according to which the lessee may choose not to assess whether a benefit related to Covid-19, granted under a lease contract, is a contract modification and, thus, account for the resulting changes in lease payments in profit or loss for the period (note 3). In the nine-month period ended September 30, 2021, the Company and its subsidiaries recognized in the income for the year the amount of R\$1,647 in Individual and Consolidated (R\$19,810 in Individual and R\$19,867 in Consolidated in 9M20) (note 23).

Other information on right of use lease liability (Individual and Consolidated) has not changed significantly when compared to the information disclosed in note 15 to the financial statements for the year ended December 31, 2020.

16. OTHER CURRENT AND NONCURRENT LIABILITIES

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

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Balances stated separately in current liabilities:				
Revenue to be appropriated (*)	1,483	2,482	4,848	5,114
Payables to related parties (note 8 (c) (i))	2,531	740	-	-
Federal taxes payable	2,550	16,128	5,096	19,285
Municipal taxes payable	2,371	3,663	3,944	6,128
	8,935	23,013	13,888	30,527
Other current liabilities:				
Advances from car rental and decommissioned sale customers	152,251	201,503	164,798	209,424
Insurance premiums for transfer (**)	51,442	145,397	52,417	146,715
Amounts payable for the acquisition of MOB17	-	-	3,654	3,600
Others	14,830	12,736	20,913	25,017
	218,523	359,636	241,782	384,756
Total other current liabilities	227,458	382,649	255,670	415,283
Balances stated separately in noncurrent liabilities:				
Revenue to be appropriated (*)	2,618	3,670	6,573	8,196
Restricted obligations (***)	-	-	46,459	45,435
	2,618	3,670	53,032	53,631
Other noncurrent liabilities:				
Amounts payable for the acquisition of MOB17	-	-	3,654	7,199
Others	19,000	8,165	19,008	8,174
	19,000	8,165	22,662	15,373
Total other noncurrent liabilities	21,618	11,835	75,694	69,004
Total other current and noncurrent liabilities	249,076	394,484	331,364	484,287

(*) 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 2.7.4 to the financial statements for the year ended December 31, 2020). As of May 2021, Localiza began offering auto protection coverage directly to its customers, with expenses incurred with claims and theft being recorded in the income statement.

(***) 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 in 2023, less the indemnifiable amounts (note 7).

17. PROVISION FOR RISKS AND ESCROW DEPOSITS

(a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Tax	53,120	67,668	61,828	76,713
Civil	25,468	26,709	35,223	35,007
Labor	38,699	22,654	46,020	30,871
Social security	14,534	14,307	16,255	15,996
Total	131,821	131,338	159,326	158,587

(b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Tax	40,550	43,150	68,534	70,574
Civil	16,582	14,967	18,258	16,608
Labor	16,557	16,162	21,033	21,441
Social security	8,198	5,097	8,198	5,097
Total	81,887	79,376	116,023	113,720

Other information on provisions and escrow deposits (Individual and Consolidated) has not changed significantly when compared to the information disclosed in note 17 to the financial statements for the year ended December 31, 2020.

18. 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 is as follows:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Temporary differences in the deductibility of provisions:				
Provision for risks and other provisions	44,007	43,849	51,934	51,333
Allowance for doubtful debts and expected losses and other allowances	60,593	55,959	65,634	59,161
Provision for payment of services in progress and others, profit sharing, loyalty program and others	87,901	82,371	98,476	92,672
Swap transaction with payment on a cash basis	1,453	2,942	15,739	41,419
Income tax and social contribution tax loss carryforwards	967,802	140,666	984,889	159,394
Total deferred income tax and social contribution assets	1,161,756	325,787	1,216,672	403,979
Car depreciation (*)	1,827,566	560,733	2,102,740	742,255
Lease in the purchase of property and equipment (**)	213	213	12,811	33,727
Swap operation with cash basis	29,070	-	39,964	-
Others	-	-	18,178	15,723
Total deferred income tax and social contribution liabilities	1,856,849	560,946	2,173,693	791,705
Total deferred income tax and social contribution, net	695,093	235,159	957,021	387,726
Noncurrent assets	-	-	(23,319)	(24,363)
Noncurrent liabilities	695,093	235,159	980,340	412,089

(*) Refers to the temporary difference arising from the calculation of accounting depreciation in relation to the tax base. 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 12,973/14, under the general rule of 1/60 months or in accordance with technical opinion, as mentioned in note 7(a).

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

The Company and its subsidiaries have a balance, as at September 30, 2021, as tax credit on tax loss carryforwards of R\$967,802 in Individual and R\$984,889 in Consolidated (R\$140,666 and R\$159,394, respectively, as at December 31, 2020), based on expected future taxable profit generation, this tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable profit, as determined by the current legislation. The increase submitted on the balance of this tax credit refers basically to the revision of useful life of certain cars for tax purposes (note 7(a)).

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

Based on past taxable profits 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 the recovery of tax credits:

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	96,076	201,848	113,854	249,684
2022	191,197	65,811	207,962	75,457
2023	152,627	20,448	161,539	31,421
2024	164,543	6,618	169,543	10,077
2025	192,104	20,982	196,022	25,567
2026 onwards	365,209	10,080	367,752	11,773
Total deferred income tax and social contribution assets	1,161,756	325,787	1,216,672	403,979

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

The reconciliation between the statutory and effective rates for the periods ended September 30, 2021 and 2020 is as follows:

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Profit before taxes	2,059,991	682,744	2,285,483	846,973
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(700,397)	(232,133)	(777,064)	(287,971)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	167,153	122,653	-	-
Effect of deduction of interest on capital	74,201	67,092	74,201	67,092
Income tax and social contribution due by subsidiaries (deemed profit)	-	-	10,915	10,233
Others, net	608	6,002	8,021	10,031
Expense at effective rate	(458,435)	(36,386)	(683,927)	(200,615)
Current income tax and social contribution	1,499	(36,278)	(114,632)	(190,487)
Deferred income tax and social contribution	(459,934)	(108)	(569,295)	(10,128)

	Individual		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Profit before taxes	893,630	378,135	971,998	449,133
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(303,834)	(128,566)	(330,479)	(152,705)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	56,462	51,601	-	-
Effect of deduction of interest on capital	27,929	22,308	27,929	22,308
Income tax and social contribution due by subsidiaries (deemed profit)	-	-	1,923	3,102
Others, net	(2,789)	2,068	27	3,708
Expense at effective rate	(222,232)	(52,589)	(300,600)	(123,587)
Current income tax and social contribution	76,046	(30,347)	38,130	(105,121)
Deferred income tax and social contribution	(298,278)	(22,242)	(338,730)	(18,466)

19. EQUITY

(a) Capital

As at September 30, 2021, and December 31, 2020, the Company's capital was R\$4,000,000, comprised of 758,466,670 common shares. The ownership of capital and the related reconciliation of the number of outstanding shares are as follows:

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares – ON
Number as at December 31, 2020	158,499,942	224,346	6,796,159	592,946,223	758,466,670
Acquisition (sale) of shares, net	(889,900)	(21,529)	-	911,429	-
Exercise of long-term incentive programs with treasury shares	57,972	111,044	(452,577)	283,561	-
Renting of shares	1,049,399	-	-	(1,049,399)	-
Sale of treasury shares	19,304	22,553	(68,237)	26,380	-
Election (removal) of management	-	(45,344)	-	45,344	-
Number as at September 30, 2021	158,736,717	291,070	6,275,345	593,163,538	758,466,670

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares – ON
Number as at December 31, 2019	162,144,750	289,210	2,799,555	593,233,155	758,466,670
Bonus in shares	(1)	-	(1)	2	-
Acquisition (sale) of shares, net	(4,277,200)	21,971	-	4,255,229	-
Exercise of long-term incentive programs with treasury shares	106,076	135,552	(599,108)	357,480	-
Sale of treasury shares	44,755	40,682	(125,831)	40,394	-
Renting of shares	-	-	5,214,600	(5,214,600)	-
Repurchase of shares (note 19 (b) iii)	3,663,506	-	-	(3,663,506)	-
Removal of management	-	(133,519)	-	133,519	-
Number as at September 30, 2020	161,681,886	353,896	7,289,215	589,141,673	758,466,670

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.

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 6,098,828 ADRs issued in the United States as at September 30, 2021 and 6,796,767 as at December 31, 2020. Each ADR corresponds to one Company’s share.

(b) Capital reserves, stock options granted and treasury shares

As at September 30, 2021 and 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
Balance as at December 31, 2020	67,830	107,118	(175,526)	(578)
Stock options granted recognized	26,063	-	-	26,063
Exercise of long-term incentive programs with treasury shares	(16,806)	3,768	11,690	(1,348)
Sale of treasury shares	-	2,614	1,762	4,376
Balance as at September 30, 2021	77,087	113,500	(162,074)	28,513

	Stock options granted recognized	Goodwill on share subscription	Treasury shares	Total
Balance as at December 31, 2019	71,736	113,758	(22,288)	163,206
Stock options granted recognized	8,768	-	-	8,768
Treasury shares acquired	(14,313)	(1,896)	15,473	(736)
Sale of treasury shares	-	-	(184,695)	(184,695)
Exercise of long-term incentive programs with treasury shares	-	966	3,250	4,216
Balance as at September 30, 2020	66,191	112,828	(188,260)	(9,241)

(i) Stock options granted in 9M21

At the Annual General Meeting held on April 27, 2021, the shareholders approved the Special Retention and Alignment Plan for the Creation of a Reference Managing Shareholder. The plan provides for the granting of up to 2.5% of the common shares issued by the Company on December 31, 2020, corresponding to 18,961,666.75 shares, over a period of 20 years, with the possibility of annual grants, to this restricted group of administrators carefully selected and appointed by the Board of Directors as Managing Shareholders Reference. Those elected will represent the mindset of Founders and investors and will be recognized within the Company and by the market as the axis of long-term support, leading the company in moments of important achievements and challenging situations, aiming at transforming Localiza into its life project, just as the Founders did. In order to have the total availability of the shares granted, the Reference Manager shall have a 10-year term for each grant. In 9M21, 3,220,610 shares were granted at this plan.

(ii) Exercise of long-term incentive programs in 9M21

In 9M21, 452,577 stock options and shares of the long-term incentive programs were exercised, in the amount calculated at fair value of R\$6,318, accounted for over the life of the programs. All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

(iii) Treasury shares

The number of treasury shares as at September 30, 2021 was 6,275,345 shares (7,289,215 as at September 30, 2020), with fair value of R\$341,818 (quotation of R\$54.47 per share as at September 30, 2021).

At a meeting of the Company's Board of Directors on June 24, 2021, the Company was authorized to acquire up to 50,000,000 shares in the 13th Share Repurchase Program, with a term of 365 days from July 23, 2021 to July 22, 2022, and its objective is to maximize the generation of value for shareholders or to liquidate stock options under the Company's long-term incentive plans.

In March 2020, 5,214,600 shares issued by the Company were acquired under this program for R\$184,696. The cost of acquisition of the treasury shares, including trading costs, ranged between R\$26.86 and R\$40.02 per share.

(c) Statutory reserves

At the Annual General Meeting held on April 27, 2021, the shareholders approved the allocation of 100% of the remaining profit for 2020, in the amount of R\$716,502, to the creation of a statutory reserve called "investment reserve", which is intended to finance investments for renewal and expansion of the Company's and its subsidiaries' fleets.

(d) Interest on capital and dividends

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

9M21				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
3/24/2021	63,739	0.08479	3/29/2021	5/21/2021
6/24/2021	72,356	0.09620	6/29/2021	8/20/2021
9/24/2021	82,143	0.10920	9/29/2021	11/22/2021
Total	218,238			

9M20				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
3/10/2020	66,954	0.08901	3/13/2020	9/15/2020
6/18/2020	64,764	0.08622	6/23/2020	10/15/2020
9/04/2020	65,611	0.08735	9/10/2020	11/05/2020
Total	197,329			

(*) 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. At the Board of Directors' Meeting held on September 4, 2020, considering the improvement in the scenario in comparison with the impacts previously expected, the date of the payment of interest on capital was advanced as follows: (i) the payment scheduled for January 5, 2021 occurred on September 15, 2020, with amount per share of R\$0.08901; and (ii) the payment scheduled for April 5, 2021 occurred on October 15, 2020, with amount per share of R\$0.08622.

At the Annual General Meeting held on April 27, 2021, the payment of interest on equity in the amount of R\$261,143 referring to the net income for 2020 was approved. Additionally, the payment to shareholders of dividends in addition to the mandatory minimum was approved, in the amount of R\$18,126.

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

	Consolidated	
	9/30/2021	12/31/2020
Dividends in addition to the mandatory minimum dividend	-	18,126
Proposed interest on capital on profit for the period	82,143	63,814
Provision for withholding income tax on interest on capital	(8,945)	(9,507)
Total dividends and interest on capital payable	73,198	72,433

Other information on equity has not changed significantly when compared to the information disclosed in note 19 to the financial statements for the year ended December 31, 2020.

20. EARNINGS PER SHARE

The methods used to calculate basic and diluted earnings per share are the same as those disclosed in note 20 to the financial statements for the year ended December 31, 2020.

The table below shows profit information and the number of shares used in the calculation of basic and diluted earnings per share for each of the reporting years of the statement of profit or loss:

	Individual and Consolidated		Individual and Consolidated	
	9M21	9M20	3Q21	3Q20
Profit for the period	1,601,556	646,358	671,398	325,546
Basic earnings per share:				
Weighted average number of outstanding common shares (units)	751,961,934	752,250,881	752,013,972	751,175,392
Basic earnings per share (R\$)	2,12984	0,85923	0,89280	0,43338
Diluted earnings per share:				
Weighted average number of outstanding common shares (units)	751,961,934	752,250,881	752,013,972	751,175,392
Dilutive effect of stock options (units)	5,404,780	1,536,643	5,404,780	1,473,704
Total shares subject to dilution (units)	757,366,714	753,787,524	757,418,752	752,649,096
Diluted earnings per share (R\$)	2,11464	0,85748	0,88643	0,43253

21. 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 operating profit or loss 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 two 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.

- **Car rental:** This division is responsible for car rentals in locations 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 decommissioned 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.

This Car Rental 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 car rental 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.

- **Fleet rental:** Division responsible for fleet rental and long-term rentals, usually from 24 to 36 months, to individuals and legal entities, through Localiza Fleet and Car Rental Systems. In September 2020, Localiza Meoo was launched, a long-term subscription car solution, aimed at individuals and small and medium-sized entities. The cars of this division are acquired after the signing 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 30 months of use, directly to the end consumer or to dealers through the Company's own car dealer network.

(a) Operating division financial reporting

(i) Consolidated assets and liabilities by operating division

9/30/2021	Car rental	Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets					
Cash and cash equivalents	-	-	548,841	-	548,841
Short-term investments	-	-	2,948,795	-	2,948,795
Trade receivables	1,086,124	183,128	-	(61,714)	1,207,538
Decommissioned cars for fleet renewal	5,635	33,043	-	-	38,678
Property and equipment	12,034,315	3,559,075	404,053 (*)	(393,205)	15,604,238
Other assets	849,095	181,390	620,053	(58,652)	1,591,886
Total assets	13,975,169	3,956,636	4,521,742	(513,571)	21,939,976
Liabilities					
Trade payables	862,486	322,488	-	(61,925)	1,123,049
Borrowings and debt securities	-	-	10,754,036	-	10,754,036
Other liabilities	2,445,710	651,471	32,735	(532,093)	2,597,823
Total liabilities	3,308,196	973,959	10,786,771	(594,018)	14,474,908
Equity	-	-	7,465,068	-	7,465,068
Total liabilities and equity	3,308,196	973,959	18,251,839	(594,018)	21,939,976

12/31/2020	Car rental	Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets					
Cash and cash equivalents	-	-	2,586,393	-	2,586,393
Short-term investments	-	-	1,380,211	-	1,380,211
Trade receivables	987,969	143,494	-	(22,014)	1,109,449
Decommissioned cars for fleet renewal	8,460	32,091	-	-	40,551
Property and equipment	11,208,013	2,928,158	398,823 (*)	(353,699)	14,181,295
Other assets	974,118	297,210	-	(128,093)	1,143,235
Total assets	13,178,560	3,400,953	4,365,427	(503,806)	20,441,134
Liabilities					
Trade payables	1,460,297	223,548	-	(22,844)	1,661,001
Borrowings and debt securities	-	-	10,497,723	-	10,497,723
Other liabilities	2,105,780	627,615	-	(503,644)	2,229,751
Total liabilities	3,566,077	851,163	10,497,723	(526,488)	14,388,475
Equity	-	-	6,052,659	-	6,052,659
Total liabilities and equity	3,566,077	851,163	16,550,382	(526,488)	20,441,134

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

(ii) Consolidated statements of income per operating division

9M21	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenue	6,682,892	1,582,189	-	8,265,081
Cost	<u>(3,935,935)</u>	<u>(805,805)</u>	<u>(6,102)</u>	(4,747,842)
Gross profit	2,746,957	776,384	(6,102)	3,517,239
Operating expenses:				
Selling expenses	(700,159)	(104,796)	4,535	(800,420)
General, administrative and other expenses	(222,625)	(45,315)	1,567	(266,373)
Profit (loss) before finance costs, net	1,824,173	626,273	-	2,450,446
Finance costs, net				<u>(164,963)</u>
Profit before income tax and social contribution				2,285,483
Income tax and social contribution				<u>(683,927)</u>
Profit for the period				1,601,556

9M20	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenue	5,889,579	1,542,704	-	7.432.283
Cost	(4,620,382)	(926,905)	(5.597)	(5.552.884)
Gross profit	1,269,197	615,799	(5.597)	1.879.399
Operating expenses:				
Selling expenses	(564,002)	(70,026)	2.490	(631.538)
General, administrative and other expenses	(75,949)	(18,663)	3.107	(91.505)
Profit (loss) before finance costs, net	629,246	527,110	-	1.156.356
Finance costs, net				(309.383)
Profit before income tax and social contribution				846,973
Income tax and social contribution				(200,615)
Profit for the period				646,358

3Q21	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenue	2,201,741	570,510	-	2,772,251
Cost	(1,031,400)	(288,181)	(2,212)	(1,321,793)
Gross profit	1,170,341	282,329	(2,212)	1,450,458
Operating expenses:				
Selling expenses	(241,891)	(43,226)	1,601	(283,516)
General, administrative and other expenses	(82,357)	(16,353)	611	(98,099)
Profit (loss) before finance costs, net	846,093	222,750	-	1,068,843
Finance costs, net				(96,845)
Profit before income tax and social contribution				971,998
Income tax and social contribution				(300,600)
Profit for the period				671,398

3Q20	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenue	2,441,296	626,253	-	3,067,549
Cost	(1,879,469)	(396,353)	(1,812)	(2,277,634)
Gross profit	561,827	229,900	(1,812)	789,915
Operating expenses:				
Selling expenses	(194,706)	(24,446)	794	(218,358)
General, administrative and other expenses	(57,324)	(11,626)	1,018	(67,932)
Profit (loss) before finance costs, net	309,797	193,828	-	503,625
Finance costs, net				(54,492)
Profit before income tax and social contribution				449,133
Income tax and social contribution				(123,587)
Profit for the period				325,546

(iii) Consolidated depreciation and amortization expenses per operating division

	Consolidated		Consolidated	
	9M21	9M20	3Q21	3Q20
Car rental				
Car depreciation	100,697	313,001	45,940	61,275
Depreciation of other property and equipment and amortization of intangible assets	146,008	129,697	51,277	44,234
Fleet rental				
Car depreciation	51,047	102,650	15,151	33,709
Depreciation of other property and equipment and amortization of intangible assets	13,941	13,904	5,510	5,283
Total	311,693	559,252	117,878	144,501

22. NET REVENUE

Reconciliation between gross operating revenue and net revenue presented in the statements of profit or loss is as follows:

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Gross revenue	6,973,276	6,024,473	8,707,608	7,772,729
Deductions:				
Discounts	(9,202)	(11,494)	(24,990)	(27,511)
Taxes (*)	(315,210)	(217,870)	(417,537)	(312,935)
Net revenue	6,648,864	5,795,109	8,265,081	7,432,283

	Individual		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Gross revenue	2,322,029	2,486,196	2,935,310	3,187,741
Deductions:				
Discounts	(3,918)	(4,291)	(9,503)	(10,355)
Taxes (*)	(119,067)	(77,929)	(153,556)	(109,837)
Net revenue	2,199,044	2,403,976	2,772,251	3,067,549

(*) Refer substantially to: (i) Service Tax ("ISSQN") and (ii) taxes on revenue ("PIS" and "COFINS").

The breakdown of net revenue by geographic market and main product lines is as follows:

	Individual			
	Car rental			
	9M21	9M20	3Q20	3Q20
Geographic markets				
Revenue in Brazil	6,613,975	5,773,658	2,186,002	2,400,490
Export revenue (*)	22,737	15,872	8,325	1,756
Royalties abroad	12,152	5,579	4,717	1,730
Net revenue	6,648,864	5,795,109	2,199,044	2,403,976
Revenue categories				
Car rental	3,081,994	2,119,282	1,173,946	755,790
Car sold for fleet renewal	3,566,870	3,675,827	1,025,098	1,648,186
Net revenue	6,648,864	5,795,109	2,199,044	2,403,976

	Consolidated					
	Car rental		Fleet rental		Total	
	9M21	9M20	9M21	9M20	9M21	9M20
Geographic markets						
Revenue in Brazil	6,648,003	5,868,128	1,582,189	1,542,704	8,230,192	7,410,832
Export revenue (*)	22,737	15,872	-	-	22,737	15,872
Royalties abroad	12,152	5,579	-	-	12,152	5,579
Net revenue	6,682,892	5,889,579	1,582,189	1,542,704	8,265,081	7,432,283
Revenue categories						
Car rental	3,073,639	2,131,778	-	-	3,073,639	2,131,778
Fleet rental	-	-	879,625	781,867	879,625	781,867
Car sold for fleet renewal	3,609,253	3,757,801	702,564	760,837	4,311,817	4,518,638
Net revenue	6,682,892	5,889,579	1,582,189	1,542,704	8,265,081	7,432,283

	Consolidated					
	Car rental		Fleet rental		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Geographic markets						
Revenue in Brazil	2,188,699	2,437,810	570,510	626,253	2,759,209	3,064,063
Export revenue (*)	8,325	1,756	-	-	8,325	1,756
Royalties abroad	4,717	1,730	-	-	4,717	1,730
Net revenue	2,201,741	2,441,296	570,510	626,253	2,772,251	3,067,549

	Consolidated					
	Car rental		Fleet rental		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Revenue categories						
Car rental	1,163,673	759,304	-	-	1,163,673	759,304
Fleet rental	-	-	302,675	263,986	302,675	263,986
Car sold for fleet renewal	1,038,068	1,681,992	267,835	362,267	1,305,903	2,044,259
Net revenue	2,201,741	2,441,296	570,510	626,253	2,772,251	3,067,549

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

23. NATURE OF OPERATING COSTS AND EXPENSES

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

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
	9M21	9M20	9M21	9M20	9M21	9M20
Cost of cars sold	(2,726,738)	(3,381,141)	-	-	(2,726,738)	(3,381,141)
Car maintenance, IPVA and others	(918,527)	(528,453)	-	-	(918,527)	(528,453)
Salaries, payroll taxes and benefits	(370,516)	(282,678)	(320,467)	(255,867)	(690,983)	(538,545)
Profit sharing	(65,837)	(40,476)	(65,577)	(35,514)	(131,414)	(75,990)
ECLs (*) and write-off of uncollectible amounts	-	-	(145,662)	(131,576)	(145,662)	(131,576)
Depreciation and amortization of other property and equipment and intangible assets	(106,407)	(95,563)	(56,603)	(52,963)	(163,010)	(148,526)
Car depreciation	(100,697)	(306,241)	-	-	(100,697)	(306,241)
Commissions	-	-	(57,193)	(46,043)	(57,193)	(46,043)
Property lease (**)	(63,176)	(44,181)	5,985	334	(57,191)	(43,847)
Advertising	-	-	(58,564)	(49,482)	(58,564)	(49,482)
Water, electricity and telephone	(11,743)	(9,879)	(5,628)	(5,165)	(17,371)	(15,044)
Travel	(5,848)	(7,774)	(1,774)	(3,081)	(7,622)	(10,855)
Third-party services	(148,076)	(116,657)	(136,000)	(114,589)	(284,076)	(231,246)
PIS and COFINS credits, net (a)	579,725	239,985	-	-	579,725	239,985
Reversal of PIS and COFINS provision (***)	-	-	-	103,438	-	103,438
Others	(52,795)	(58,927)	(61,880)	(54,565)	(114,675)	(113,492)
Total	(3,990,635)	(4,631,985)	(903,363)	(645,073)	(4,893,998)	(5,277,058)

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
	9M21	9M20	9M21	9M20	9M21	9M20
Cost of cars sold	(3,237,247)	(4,078,657)	-	-	(3,237,247)	(4,078,657)
Car maintenance, IPVA and others	(1,127,415)	(690,022)	-	-	(1,127,415)	(690,022)
Salaries, payroll taxes and benefits	(414,716)	(309,333)	(391,143)	(311,658)	(805,859)	(620,991)
Profit sharing	(76,564)	(43,843)	(82,379)	(43,359)	(158,943)	(87,202)
ECLs (*) and write-off of uncollectible amounts	-	-	(154,279)	(134,854)	(154,279)	(134,854)
Depreciation and amortization of other property and equipment and intangible assets	(102,149)	(89,840)	(57,800)	(53,761)	(159,949)	(143,601)
Car depreciation	(151,744)	(415,651)	-	-	(151,744)	(415,651)
Commissions	-	-	(58,765)	(47,367)	(58,765)	(47,367)
Property lease (**)	(65,059)	(46,848)	(1,797)	475	(66,856)	(46,373)
Advertising	-	-	(68,199)	(52,153)	(68,199)	(52,153)
Water, electricity and telephone	(12,012)	(10,189)	(6,791)	(6,166)	(18,803)	(16,355)
Travel	(5,996)	(7,939)	(2,049)	(3,623)	(8,045)	(11,562)
Third-party services	(170,948)	(137,067)	(164,462)	(126,752)	(335,410)	(263,819)
PIS and COFINS credits, net (a)	657,811	305,807	-	-	657,811	305,807
Reversal of PIS and COFINS provision (***)	-	-	-	126,365	-	126,365
Others	(41,803)	(29,302)	(79,129)	(70,190)	(120,932)	(99,492)
Total	(4,747,842)	(5,552,884)	(1,066,793)	(723,043)	(5,814,635)	(6,275,927)

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

(**) Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 9M21, the Company recognized variable costs and expenses in the amount of R\$27,404 in the Individual and R\$27,837 in the Consolidated (R\$25,260 in the Individual and R\$25,212 in the Consolidated in 9M20), referring to the lease contracts measured as established by IFRS 16. As mentioned in note 15, 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\$1,647 in the Individual and Consolidated (R\$19,810 in the Individual and R\$19,867 in the Consolidated in 9M20). In addition, R\$31,434 and R\$40,666 were recognized in the Individual and Consolidated, respectively (R\$38,397 in the Individual and R\$41,028 in the Consolidated in 9M20) related to contracts to which IFRS 16 does not apply.

(***) 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 basis per month and recognize the difference between said bases until new decisions about the discussion were issued. In 2020, considering that the scenario of the lawsuits changed with the issuance of the second favorable decision and the current context of the court decisions about the utilization of PIS/COFINS credits, the legal counselors changed the assessment of the likelihood of loss of lawsuits in this matter from probable to possible. Therefore, the respective provisions were reversed, in the updated amounts of R\$110,602 (Individual) and R\$135,021 (Consolidated) (note 24).

(a) In 3Q21, Localiza completed a technical study that supported the useful life of certain cars in the Car Rental division's fleet for tax purposes, in accordance with art. 320 of the Income Tax Regulation (Decree No. 9,580/18), as detailed in note 7(a), generating the recognition of PIS/COFINS credits on depreciation in the amount of R\$320,269, gross of income tax and social contribution, in Individual and Consolidated.

	Individual					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Cost of cars sold	(743,515)	(1,484,940)	-	-	(743,515)	(1,484,940)
Car maintenance, IPVA and others	(369,540)	(194,901)	-	-	(369,540)	(194,901)
Salaries, payroll taxes and benefits	(134,638)	(91,740)	(113,867)	(82,435)	(248,505)	(174,175)
Profit sharing	(28,242)	(22,292)	(27,254)	(19,595)	(55,496)	(41,887)
ECLs (*) and write-off of uncollectible amounts	-	-	(47,631)	(52,083)	(47,631)	(52,083)
Depreciation and amortization of other property and equipment and intangible assets	(38,334)	(32,514)	(19,531)	(18,489)	(57,865)	(51,003)
Car depreciation	(45,940)	(61,242)	-	-	(45,940)	(61,242)
Commissions	-	-	(21,629)	(13,962)	(21,629)	(13,962)
Property lease (**)	(23,629)	(15,000)	3,062	985	(20,567)	(14,015)
Advertising	-	-	(24,319)	(14,870)	(24,319)	(14,870)
Water, electricity and telephone	(3,852)	(2,933)	(1,608)	(1,306)	(5,460)	(4,239)
Travel	(2,702)	(1,180)	(1,081)	(268)	(3,783)	(1,448)
Third-party services	(57,701)	(33,964)	(46,974)	(38,221)	(104,675)	(72,185)
PIS and COFINS credits, net (a)	412,294	72,230	-	-	412,294	72,230
Others	(16,111)	(8,139)	(17,184)	(13,624)	(33,295)	(21,763)
Total	(1,051,910)	(1,876,615)	(318,016)	(253,868)	(1,369,926)	(2,130,483)

	Consolidated					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Cost of cars sold	(927,768)	(1,809,230)	-	-	(927,768)	(1,809,230)
Car maintenance, IPVA and others	(443,645)	(247,523)	-	-	(443,645)	(247,523)
Salaries, payroll taxes and benefits	(150,478)	(100,727)	(139,909)	(100,982)	(290,387)	(201,709)
Profit sharing	(33,111)	(24,154)	(34,822)	(24,054)	(67,933)	(48,208)
ECLs (*) and write-off of uncollectible amounts	-	-	(51,047)	(51,514)	(51,047)	(51,514)
Depreciation and amortization of other property and equipment and intangible assets	(36,851)	(30,733)	(19,936)	(18,784)	(56,787)	(49,517)
Car depreciation	(61,091)	(94,984)	-	-	(61,091)	(94,984)
Commissions	-	-	(22,209)	(14,514)	(22,209)	(14,514)
Property lease (**)	(24,297)	(15,953)	(587)	1,190	(24,884)	(14,763)
Advertising	-	-	(29,747)	(15,962)	(29,747)	(15,962)
Water, electricity and telephone	(3,944)	(3,027)	(2,053)	(1,587)	(5,997)	(4,614)
Travel	(2,787)	(1,191)	(1,257)	(335)	(4,044)	(1,526)
Third-party services	(66,199)	(41,288)	(57,609)	(43,524)	(123,808)	(84,812)
PIS and COFINS credits, net (a)	439,621	93,368	-	-	439,621	93,368
Others	(11,243)	(2,192)	(22,439)	(16,224)	(33,682)	(18,416)
Total	(1,321,793)	(2,277,634)	(381,615)	(286,290)	(1,703,408)	(2,563,924)

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

(**) Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 3Q21, the Company recognized variable costs and expenses in the amount of R\$10,487 in the Individual and R\$10,668 in the Consolidated (R\$9,819 in the Individual and R\$9,842 in the Consolidated in 3Q20), referring to the lease contracts measured as established by IFRS 16. As mentioned in note 15, 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\$85 in the Individual and Consolidated (R\$8,317 in the Individual and R\$8,349 in the Consolidated in 3Q20). In addition, R\$10,165 and R\$14,301 were recognized in the Individual and Consolidated, respectively (R\$12,513 in the Individual and R\$13,270 in the Consolidated in 3Q20) related to contracts to which IFRS 16 does not apply.

(a) In 3Q21, Localiza completed a technical study that supported the useful life of certain cars in the Car Rental division's fleet for tax purposes, in accordance with art. 320 of the Income Tax Regulation (Decree No. 9,580/18), as detailed in note 7(a), generating the recognition of PIS/COFINS credits on depreciation in the amount of R\$320,269, gross of income tax and social contribution, in Individual and Consolidated.

24. FINANCE INCOME (COSTS)

Finance income (costs) recognized in the statement of profit or loss is as follows:

	Individual		Consolidated	
	9M21	9M20	9M21	9M20
Interest on short-term investments	98,336	52,698	140,431	72,546
PIS/COFINS on finance income	(4,765)	(3,569)	(6,361)	(4,824)
Repurchase of debentures	4,150	17,297	4,482	17,297
Other interest income	(1,932)	3,399	(1,432)	4,567
Total finance income	95,789	69,825	137,120	89,586
Interest expenses on borrowings, debt securities and derivative financial instruments	(209,091) (*)	(200,338)	(243,486) (*)	(346,499)
Interest expenses on leases (note 15)	(63,275)	(61,762)	(45,692)	(45,162)
Reversal of the updated PIS/COFINS credit provision (note 23)	-	7,164	-	8,656
Other interest expenses	(9,923)	(10,941)	(12,905)	(15,964)
Total finance costs	(282,289)	(265,877)	(302,083)	(398,969)
Total finance income (costs)	(186,500)	(196,052)	(164,963)	(309,383)

(*) In 9M21, the Company recognized a credit effect due to the change of fair value of the derivative financial instruments to hedge against the risk of inflation and interests (note 14), in the amount of R\$46,815 in the Individual and R\$134,778 in the Consolidated (R\$4,765 in the Individual and debit effect of R\$2,580 in the Consolidated in 9M20).

	Individual		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Interest on short-term investments	46,621	18,313	65,643	27,184
PIS/COFINS on finance income	(2,167)	(1,270)	(2,878)	(1,659)
Repurchase of debentures	-	9,003	-	9,003
Other interest income	(110)	715	334	1,091
Total finance income	44,344	26,761	63,099	35,619
Interest expenses on borrowings, debt securities and derivative financial instruments	(114,242) (*)	(51,908)	(134,482) (*)	(72,856)
Interest expenses on leases	(21,886)	(20,090)	(15,791)	(14,591)
Other interest expenses	(9,768)	(1,890)	(9,671)	(2,664)
Total finance costs	(145,896)	(73,888)	(159,944)	(90,111)
Total finance income (costs)	(101,552)	(47,127)	(96,845)	(54,492)

(*) In 3Q21, the Company recognized a credit effect due to the change of fair value of the derivative financial instruments to hedge against the risk of inflation and interest (note 14), in the amount of R\$6,780 in the Individual and R\$35,930 in the Consolidated (debit effect of R\$746 in the Individual and R\$22,168 in the Consolidated in 3T20).

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Financial assets				
<u>Amortized cost</u>				
Cash and cash equivalents (note 4)	216,916	911,067	320,676	1,349,244
Trade receivables (note 6)	1,050,673	974,296	1,207,538	1,109,449
Receivables from insurance company (note 7)	121,619	192,307	122,608	194,835
Other receivables – subsidiaries (note 7)	5,427	5,765	-	-
Investments in restricted accounts (note 7)	-	-	46,017	44,959
Escrow deposits (note 17)	81,887	79,376	116,023	113,720
<u>Financial assets at fair value through profit or loss</u>				
Cash and cash equivalents (note 4)	89,277	664,419	228,165	1,237,149
Short-term investments (note 5)	2,067,814	1,040,917	2,948,795	1,380,211
Derivative financial instruments (note 14)	486,759	410,606	620,053	507,327
Financial liabilities				
<u>Amortized cost</u>				
Trade payables (note 11)	(859,664)	(1,458,302)	(1,123,049)	(1,661,001)
Borrowings and debt securities (note 13)	(6,190,684)	(7,636,551)	(9,025,255)	(10,497,723)
Payables to related parties (note 16)	(2,531)	(740)	-	-
Insurance premiums for transfer (note 16)	(51,442)	(145,397)	(52,417)	(146,715)
Restricted obligations (note 16)	-	-	(46,459)	(45,435)
Amount payable for the acquisition of MOB17 (note 16)	-	-	(7,308)	(10,799)
<u>Financial liabilities at fair value through profit or loss</u>				
Borrowings and debt securities (note 13)	(1,728,781)	-	(1,728,781)	-
Derivative financial instruments (note 14)	(5,293)	(9,872)	(32,735)	(103,549)

(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 September 30, 2021, the Company's net debt totaled R\$6,669,082. Of this total, R\$2,006,490, with fixed cost at an average rate of 6.54% 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\$4,662,593 as at September 30, 2021.
- 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 8.42% against the effective annual rate of 3.38% in the nine-month period ended September 30, 2021.

Description	Consolidated		
	Probable scenario (*)	Scenario I – 25% deterioration	Scenario II – 50% deterioration
Net debt as at September 30, 2021	6,669,082	6,669,082	6,669,082
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate	(2,006,490)	(2,006,490)	(2,006,490)
Net debt subject to the CDI fluctuation	4,662,592	4,662,592	4,662,592
Effective average annual CDI rate for the six-month period ended September 30, 2021	3.38%	3.38%	3.38%
Estimated average annual CDI rate, according to stress scenarios	8.42%	10.53%	12.63%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rate from January to September 2021	(157,596)	(157,596)	(157,596)
- according to scenarios	(392,590)	(490,971)	(588,885)
(Increase) decrease in finance costs for the next 12 months	(234,994)	(333,375)	(431,289)

(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	
	30/09/21	31/12/20	30/09/21	31/12/20
Cash and cash equivalents:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	289,344	1,560,974	487,032	2,570,155
Cash and banks	16,849	14,512	61,809	16,238
Total cash and cash equivalents (note 4)	306,193	1,575,486	548,841	2,586,393
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	2,067,814	1,040,917	2,948,795	1,380,211
Total short-term investments (note 5)	2,067,814	1,040,917	2,948,795	1,380,211
Trade receivables — customers	577,859	551,005	709,694	666,861
Trade receivables – credit cards:				
Aaa in the Moody's scale	140,869	96,801	142,410	98,744
Sundry	331,945	326,490	355,434	343,844
Total trade receivables (note 6)	1,050,673	974,296	1,207,538	1,109,449
Total	3,424,680	3,590,699	4,705,174	5,076,053

(iii) **Liquidity risk**

The Company and its subsidiaries manage liquidity and their cash flows periodically to ensure that operating cash generation and previous funding, when necessary, are sufficient to meet their commitment schedules. The analysis of the maturities of undiscounted consolidated contractual cash flows of borrowings, debt securities and derivative financial instruments, based on the interest rate contracted for each transaction and a CDI rate of 6.15% as at September 30, 2021, is as follows:

	Individual							
	2021	2022	2023	2024	2025	2026	2027 to 2032	Total
Debentures - 11 th issuance	11,853	411,564	-	-	-	-	-	423,417
Debentures - 12 th issuance	17,416	44,134	43,956	700,033	-	-	-	805,539
Debentures - 13 th issuance	5,513	350,272	326,181	104,643	98,407	-	-	885,016
Debentures - 14 th issuance	-	43,164	43,072	345,855	133,985	237,636	-	803,712
Debentures - 15 th issuance	17,423	49,102	48,706	49,102	401,791	402,388	-	968,512
Debentures - 16 th issuance	-	69,288	71,086	369,020	382,561	357,251	-	1,249,206
Debentures - 17 th issuance	-	72,677	76,281	81,873	87,836	94,634	2,819,070	3,232,371
Working capital	107,657	369,110	300,739	-	-	-	-	777,506
Prepurchase financing pool	224	911	948	850	706	42	10	3,691
Foreign currency borrowings	7,505	236,333	582,016	441,156	349,807	-	-	1,616,817
Total	167,591	1,646,555	1,492,985	2,092,532	1,455,093	1,091,951	2,819,080	10,765,787

	Consolidated							
	2021	2022	2023	2024	2025	2026	2027 to 2032	Total
Debentures - 11 th issuance	11,853	411,564	-	-	-	-	-	423,417
Debentures - 12 th issuance	17,416	44,134	43,956	700,033	-	-	-	805,539
Debentures - 13 th issuance	5,513	350,272	326,181	104,643	98,407	-	-	885,016
Debentures - 14 th issuance	-	43,164	43,072	345,855	133,985	237,636	-	803,712
Debentures - 15 th issuance	17,423	49,102	48,706	49,102	401,791	402,388	-	968,512
Debentures - 16 th issuance	-	69,288	71,086	369,020	382,561	357,251	-	1,249,206
Debentures - 17 th issuance	-	72,677	76,281	81,873	87,836	94,634	2,819,070	3,232,371
Debentures of Localiza Fleet - 5 th issuance	-	13,174	13,703	13,703	216,169	-	-	256,749
Debentures of Localiza Fleet - 6 th issuance	9,139	20,772	20,689	313,352	-	-	-	363,952
Debentures of Localiza Fleet - 7 th issuance	-	19,189	19,665	19,506	319,745	-	-	378,105
Debentures of Localiza Fleet - 8 th issuance	-	69,880	369,050	380,621	357,570	-	-	1,177,121
Working capital	110,950	383,229	379,382	133,875	-	-	-	1,007,436
CRI	17,743	29,556	32,314	34,506	38,635	42,213	315,248	510,215
Prepurchase financing pool	4,171	7,613	1,512	850	706	40	10	14,902
Foreign currency borrowings	295,507	323,595	666,467	441,156	349,807	-	-	2,076,532
Total	489,715	1,907,209	2,112,064	2,988,095	2,387,212	1,134,162	3,134,328	14,152,785

(b) Capital management

The table below shows the Company's debt ratios:

	Consolidated	
	9/30/2021	12/31/2020
Short and long-term debts (note 13)	10,754,036	10,497,723
Derivative financial instruments (note 14)	(587,318)	(403,778)
Cash and cash equivalents (note 4)	(548,841)	(2,586,393)
Short-term investments (note 5)	(2,948,795)	(1,380,211)
Net debt	6,669,082	6,127,341
Equity	7,465,068	6,052,659
Debt ratio (net debt / equity)	0.89	1.01
Fleet value (*)	14,249,697	12,963,790
Net debt / fleet value	0.47	0.47

(*) 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 are:

	Individual			
	Carrying amount		Fair value	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(6,190,684)	(7,636,551)	(6,032,932)	(7,355,408)
	Consolidated			
	Carrying amount		Fair value	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(9,025,255)	(10,497,723)	(8,685,347)	(9,982,458)

Other financial instruments recognized in the interim individual and consolidated interim financial information at their amortized costs 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.

Other information on financial instruments and risk management has not changed significantly when compared to the information disclosed in note 25 to the financial statements for the year ended December 31, 2020.

26. SUPPLEMENTARY PENSION PLAN

In 9M21, contributions made by the Company totaled R\$2,821 in the Individual and R\$3,693 in the Consolidated (R\$2,143 in the Individual and R\$2,691 in the Consolidated in 9M20), which were allocated to line items "cost", "selling expenses" and "general and administrative expenses" in profit or loss, as applicable

Other information on pension plan has not changed significantly as compared to the information disclosed in note 26 to the financial statements for the year ended December 31, 2020.

27. SUBSEQUENT EVENT

Issuance of debentures of Localiza

According to the Material Fact disclosed on September 15, 2021, at a meeting of the Board of Directors, on the same date, was approved the 18th issuance of the Company, of simple, non-convertible, unsecured debentures, with additional third party guarantee from the subsidiary Localiza Fleet series, for public distribution with restricted

distribution efforts pursuant to CVM Instruction No. 476 of January 16, 2009, as amended, and to “*Código ANBIMA de Regulação e Melhores Práticas para Estruturação, Coordenação e Distribuição de Ofertas Públicas de Valores Mobiliários e Ofertas Públicas de Aquisição de Valores Mobiliários*”, composed of R\$1,500,000 on the issuance date, which is October 5, 2021. The due date of that debentures is 5 years, therefore, will due on October 5, 2026.

Issuance of debentures of Localiza Fleet

According to the Material Fact disclosed on September 15, 2021, at a meeting of the Board of Directors, on the same date, was approved the 9th issuance of the Company, of simple, non-convertible, unsecured debentures, for public distribution with restricted distribution efforts pursuant to CVM Instruction No. 476 of January 16, 2009, as amended, and to “*Código ANBIMA de Regulação e Melhores Práticas para Estruturação, Coordenação e Distribuição de Ofertas Públicas de Valores Mobiliários e Ofertas Públicas de Aquisição de Valores Mobiliários*”, composed of R\$500,000 on the issuance date, which is October 5, 2021. The due date of that debentures is 5 years, therefore, will due on October 5, 2026.

The financial resources that may be obtained by Localiza and Localiza Fleet through debentures previously mentioned, will be used for rebuild cash reserves.

Comments on the Performance of Business Projections

The Company did not disclose any projections for 2021.

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 September 30, 2021, which comprises the individual and consolidated balance sheet as at September 30, 2021 and the related individual and consolidated statements of income and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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 matters***Statements of value added*

The individual and consolidated interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's Management and disclosed as supplemental information for purposes of international standard IAS 34. These statements were subject to review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they were reconciled with the interim financial information and accounting records, as applicable, and whether 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 these statements of value added were not appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and consistently 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, November 9, 2021

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 nine-month period ended September 30, 2021.

Belo Horizonte, November 1, 2021.

Bruno Sebastian Lasansky
CEO

Rodrigo Tavares Gonçalves de Sousa
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 nine-month period ended September 30, 2021.

Belo Horizonte, November 9, 2021.

Bruno Sebastian Lasansky
CEO

Rodrigo Tavares Gonçalves de Sousa
CFO and Investor Relations Officer