

EARNINGS RELEASE

1Q21



 **Localiza**
meo

**It is neither buying nor renting.
It's car subscription.**



Dear shareholders,

The impacts brought with the Covid-19 pandemic continue and have intensified again with the second wave. In 2021, from a new perspective and with several lessons learned, the long mobility value chain, in which Localiza is part, remains resilient in the face of challenges. We are in a different context, in which we bring the lessons of the first wave.

Throughout 2020, we were adjusting the Company to the challenges and preparing ourselves for the growth resumption in 2021. Our journey continues with the long-term vision guiding our decisions, aiming at being close and deeply understand the needs and expectations of society, and especially of our customers and employees. We remain motivated to invest and propose solutions and innovations that generate value for all, paving our way with relevant attributes connected to the best ESG references.

We faced significant challenges in our businesses throughout 2020, but we demonstrated once again our ability to adapt and resilience, with proper planning and execution. After the first wave of the pandemic, despite all adversities, the Company presented robust results, reinforcing the quick recovery of the **Car Rental** and the **Seminovos**, which were more impacted in the context of restricted mobility, as well as the strength of the **Fleet Rental** division.

We saw short-distance domestic tourism as an opportunity to expand our business; the car rental for app drivers has recovered consistently; and the growing cultural shift from car ownership to car use has brought a new avenue for the monthly and subscription rental segments.

The levels of production and delivery of new cars remain low and challenging for our business. In a context of fewer cars being delivered, the **Car Rental** division showed good levels of fleet utilization and prices, and the **Fleet Rental** Division remained resilient and growing. **Seminovos** continues representing a relevant tailwind with prices still rising, which supports low depreciation and robust margins.

We are aware that the challenges of the pandemic will continue to impact the Company's business in the next quarter, and we will keep the focus on value creation, efficient management of our fleet, revenues and costs, as well as on caring for the safety and health of its employees.

In April, we successfully concluded the issuance of R\$1.2 billion in simple non-convertible debentures, bringing innovation in terms of tenure (ten years), and rate (IPCA+), which provided high demand for the paper, with relevant space for retail investors. The final rate for the Company, after hiring a Swap financial instrument, was CDI + 1.999%. With the inflow of these funds, we have a cash position of R\$ 4.6 billion and are ready to accelerate growth.

Another important front of action was related to the operation with Unidas, in which we presented the final protocol of the process with the Brazilian Antitrust Authority (CADE) and we are absolutely committed to provide all the information necessary for the analysis of the General Superintendence of CADE.

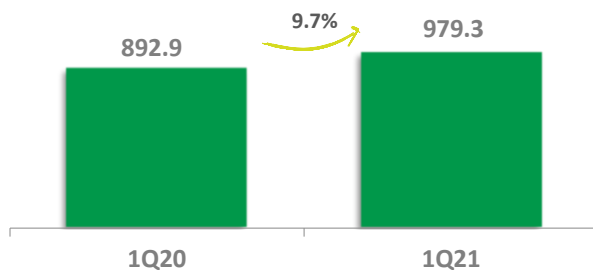
We continue to invest in the development of our team and in the adoption of technologies, to accelerate new business avenues. We also made progress in the sustainability agenda, reinforcing our role as a company committed to the community and we started the process of engaging the CEO and Chair of the Board of Directors with our investors.

In this quarter, we announced the succession of our CEO and founder, Eugenio Mattar, who is now the Executive Chair of the Board of Directors. Bruno Lasansky took office as CEO on April 28, 2021, the first time in our history that a non-founding executive will lead the Company. The process had extensive planning and has been implemented since 2016, aiming at the continuity of the Company's long-term project.

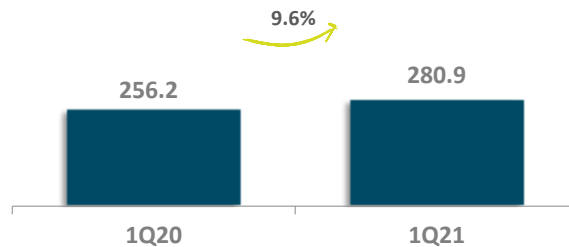
To maintain the owner's mentality among our main executives, we approved in the General Meeting our Reference Management Shareholder Program and we are convinced that we are on the right path to: With You, **Build the Future of Mobility**.

RENTAL HIGHLIGHT

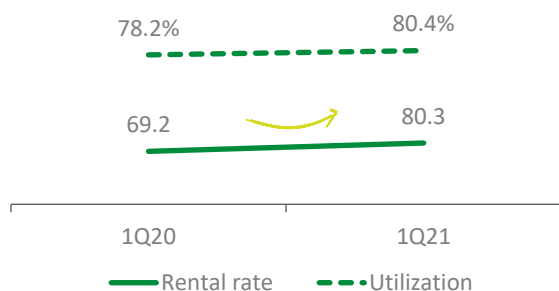
Net revenue – Car Rental
(R\$ million, including royalties)



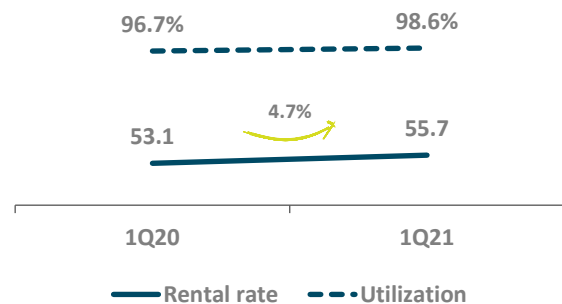
Net revenue – Fleet Rental
(R\$ million)



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

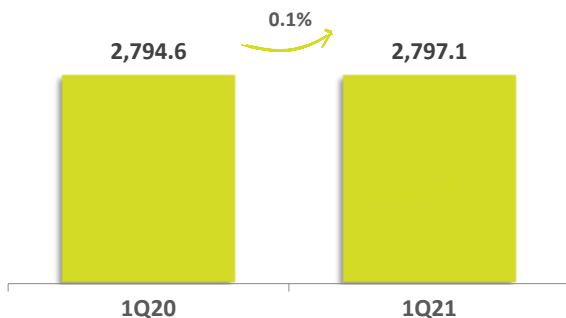


Average rental rate (in R\$) and utilization rate (%)
Fleet Rental

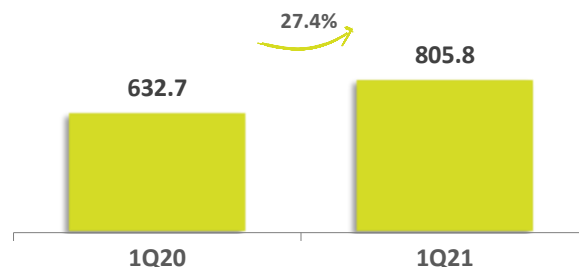


CONSOLIDATED FINANCIAL HIGHLIGHT

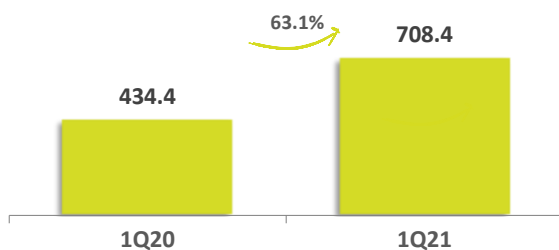
Net revenues (R\$ million)



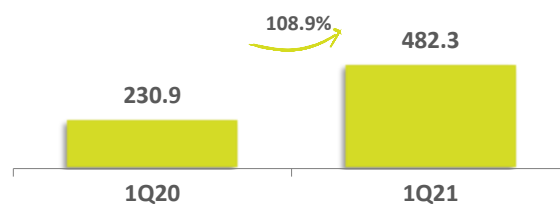
EBITDA (R\$ million)



EBIT (R\$ million)

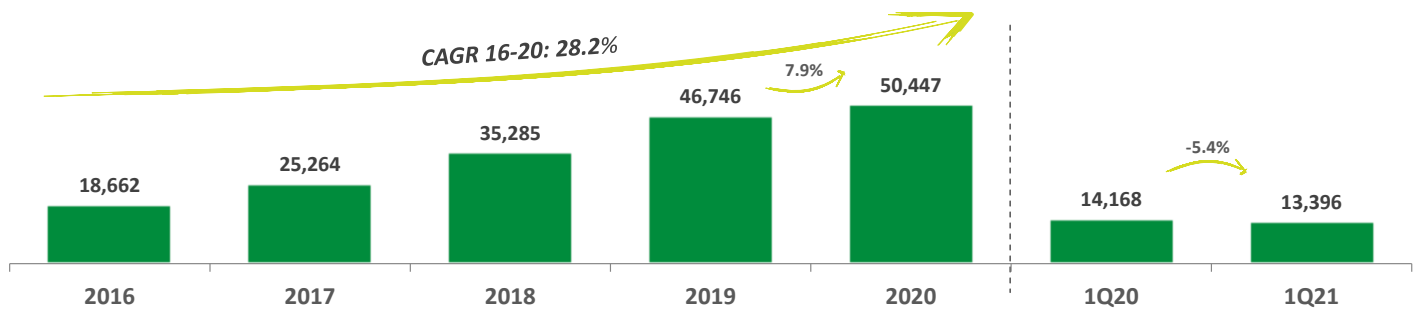


Net Income (R\$ million)

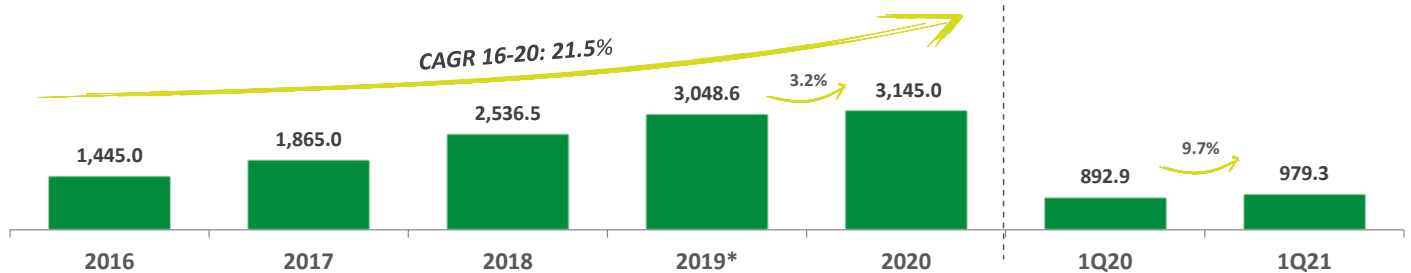


1 - Rent a Car

Number of rental days (in thousands)



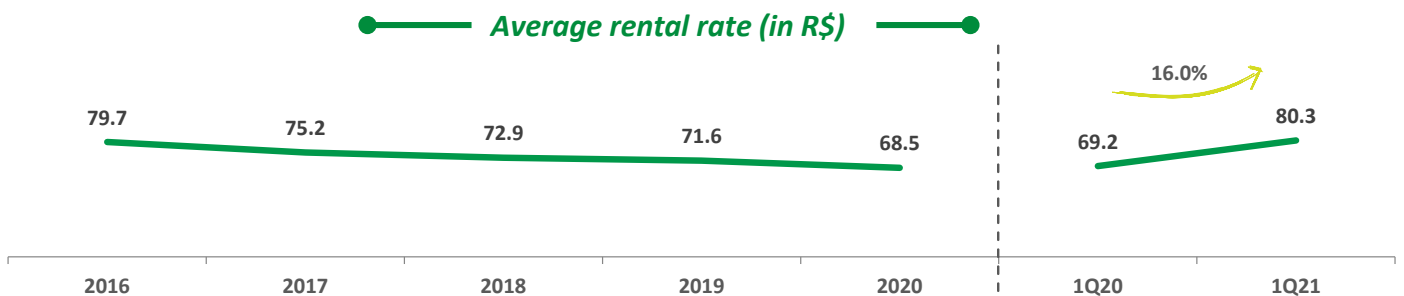
Net revenues (R\$ million, including royalties)



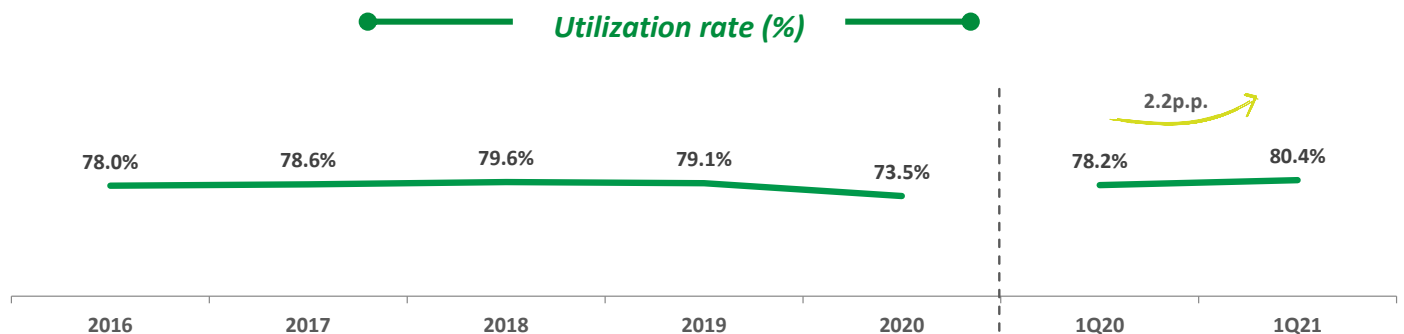
(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

In 1Q21, the **Car Rental** division's average rental days decreased 5.4% versus 1Q20. The quarter had the impact of the 2nd wave of the pandemic over the month of March, in addition to the effect of the lower volume of car purchases due to the difficulties of the OEM's in resuming higher production levels. In a different context compared to last year, we felt less impact on volumes and prices. Utilization rate was kept above 80.0% and rental rates were 16.0% higher. As a result, on the same basis of comparison, **Car Rental** net revenues increased 9.7%.

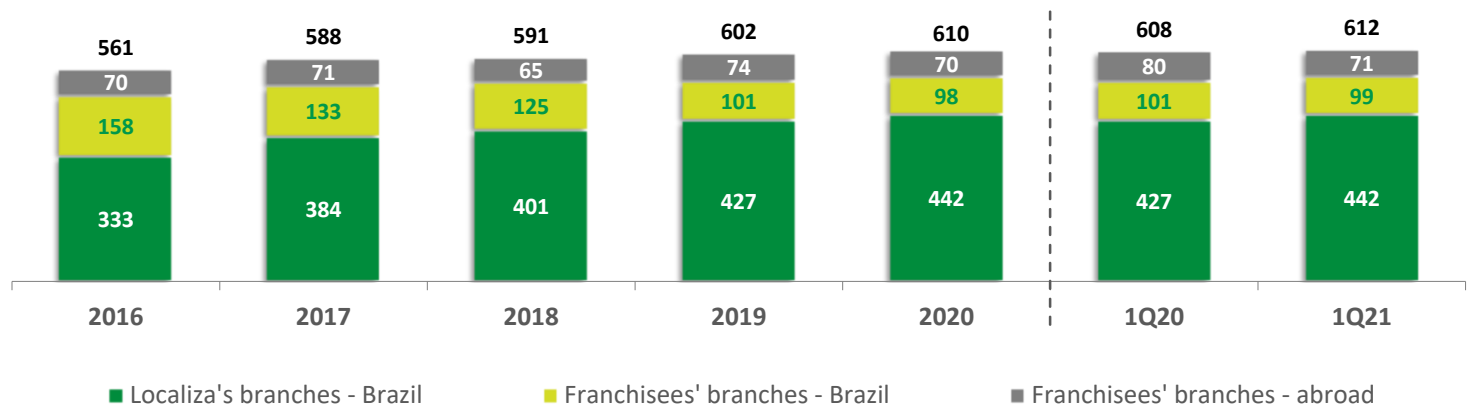
Average rental rate (in R\$)



Utilization rate (%)



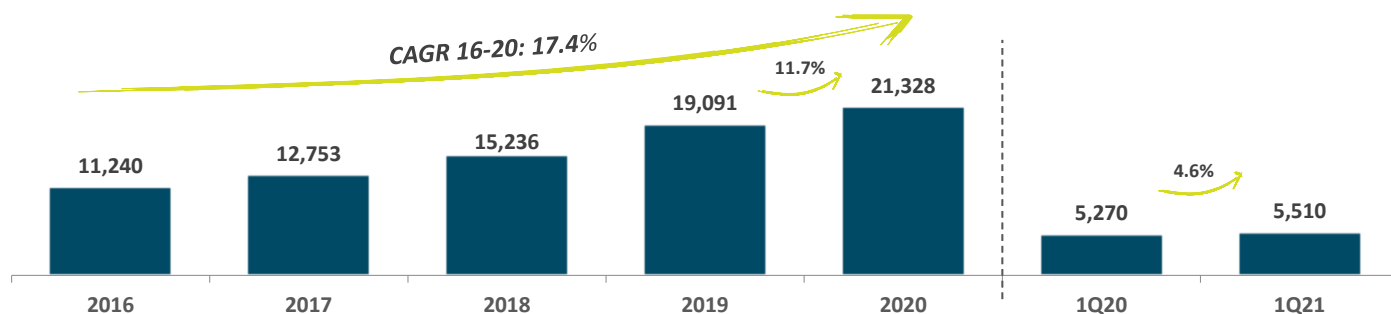
1.1 - Distribution network



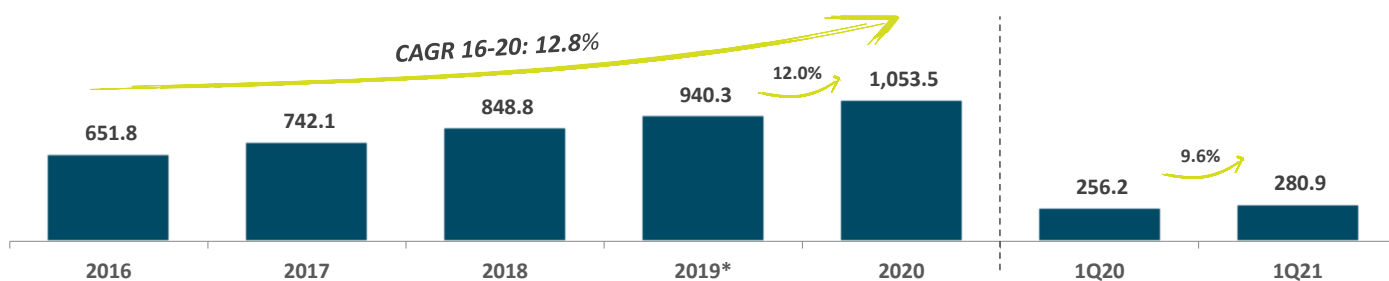
Localiza ended the quarter with 612 rental locations, being 541 in Brazil and 71 in 4 other South American countries. After understanding the impacts of the pandemic in our business and in the growth rate of each **Rent a Car** segment, we resume investing in the network and team expansion throughout 2020 to accelerate the growth in the post-crisis. When compared with the 1Q20, 15 new corporate locations were added to the network.

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.

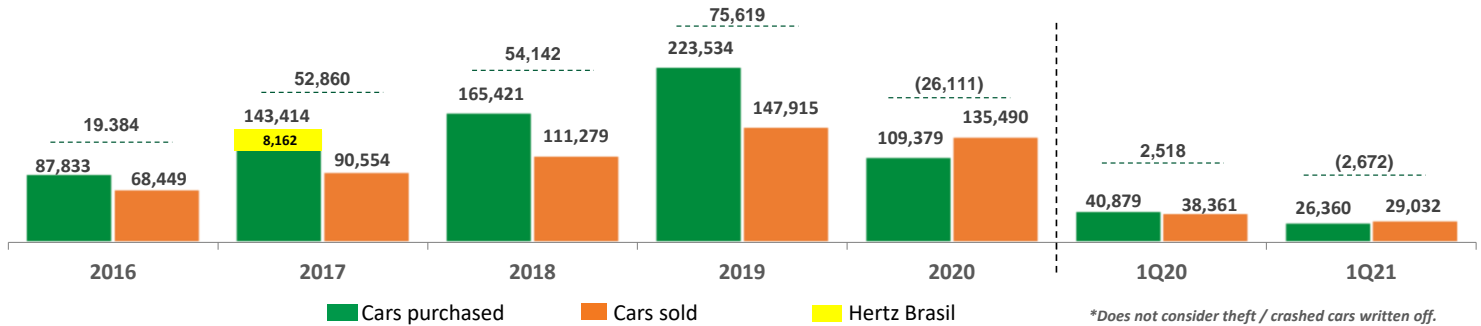
In 1Q21, **Fleet Rental** division registered 4.6% increase in the number of rental days and 9.6% in net revenues, compared to the same period of the prior year, with the average rental rate 4.7% higher.

Demand remains consistent, even in the context of the pandemic. However, the average delivery time is above the historical average due to the low level of production of new cars, temporarily impacting the growth rates.

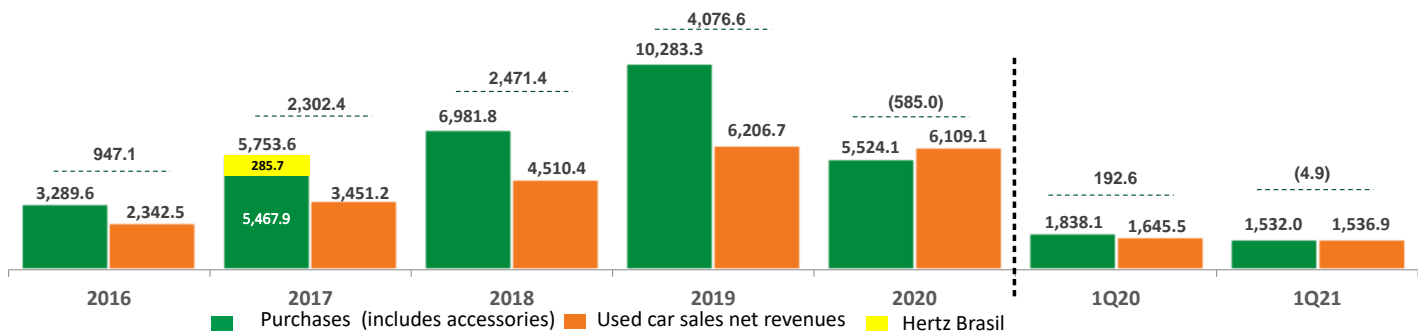
3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales (quantity)*



Net investment in fleet (R\$ million)

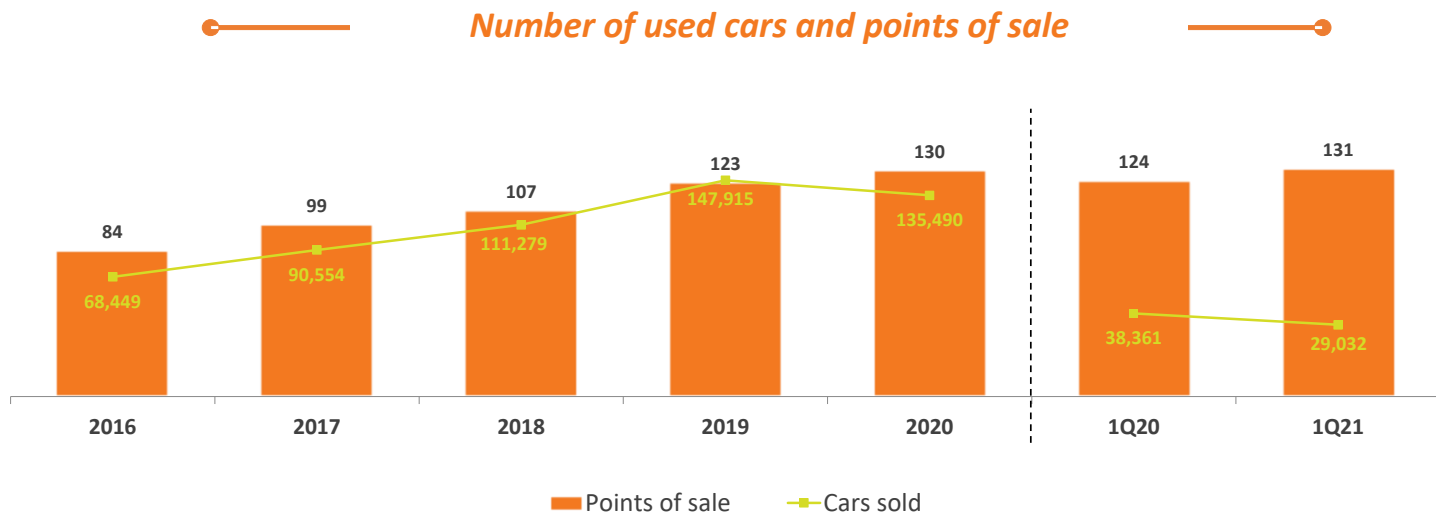


In 1Q21, given the context of lower levels of new car production, we postponed the decommissioning of the **Car Rental** fleet to service the rental demand and kept a reduced pace of sale in **Seminovos**. In 1Q21, 29,032 cars were sold and 26,360 were purchased, resulting in a decrease of 2,672 cars in the fleet and a net investment of R\$4.9 million.

The price of cars sold grew 23.3% in 1Q21 compared to 1Q20, reflecting the increase in the price of new cars.

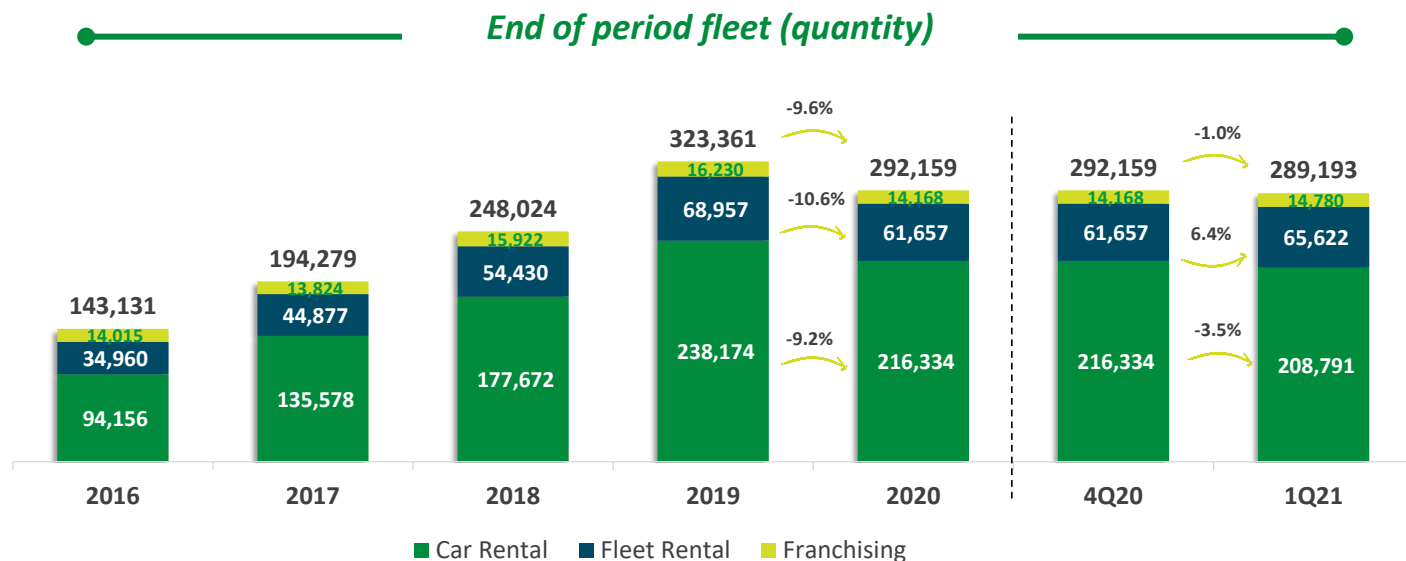
	2016	2017	2018	2019	2020	Var. % YoY	1Q20	1Q21	Var.% QoQ
Average price of cars sold (R\$ thousand)	34.3	38.2	40.6	42.1	45.2	7.4%	43,0	53,0	23.3%

4 – Seminovos – Number of points of sale



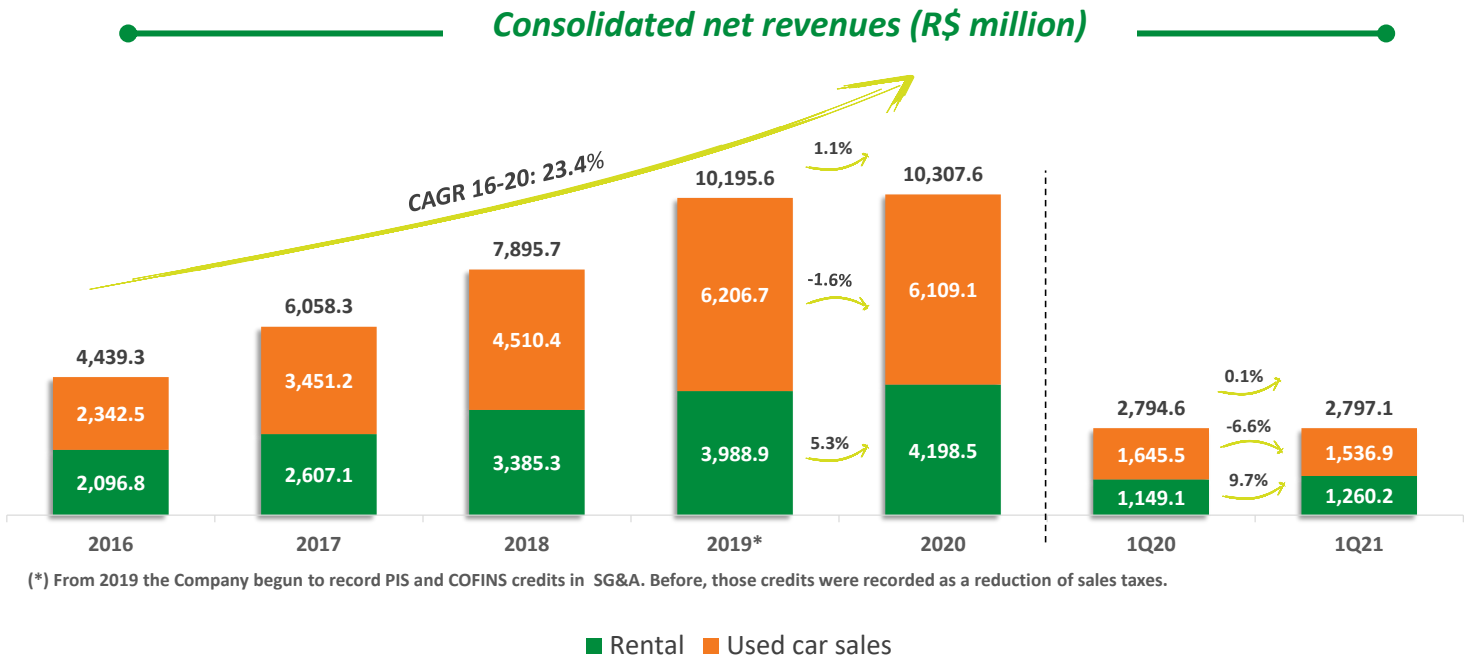
We ended 1Q21 with 131 **Seminovos** stores, in 90 cities in Brazil. Over the last 12 months, 7 **Seminovos** stores were opened. The volume of car sold was reduced due to the reduction in the decommissioning of cars by the **Car Rental** division.

5 – End of period fleet



In 1Q21, the fleet was reduced by 1.0% versus 4Q20 especially due to lower level of cars' supply and the lower number of cars available for sale. In **Fleet Rental** division, we already see sequential fleet growth.

6 – Consolidated net revenues



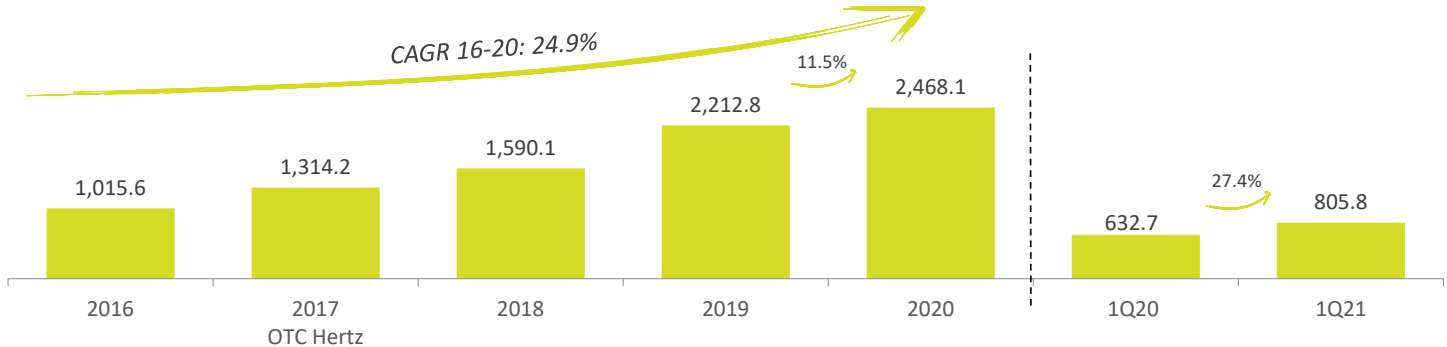
In 1Q21, consolidated net revenues presented stability due to the compensatory movement between the Rental and Seminovos revenues.

Compared to 1Q20, net rental revenues increased 9.7%. On a different direction, **Seminovos** net revenues in 1Q21 decreased due to the lower decommissioning volumes to limit the reduction of the fleet to service the demand for **Car Rental**, in a context of lower availability of new cars.

Seminovos net revenues decreased 6.6% when compared to the previous year, due to the reduction in the volumes of cars available for sale, partially offset by the 23.3% increase in the average sale price.

7 - EBITDA

Consolidated EBITDA (R\$ million)



EBITDA margin:	2016	2017*	2018	2019**	2020	1Q20	1Q21
Car Rental and Franchising	32.4%	34.9%	35.9%	45.7%	45.3%	47.9%	42.9%
Fleet Rental	64.5%	61.9%	64.0%	67.7%	72.4%	70.4%	63.6%
Rental Consolidated	42.3%	42.6%	43.0%	50.9%	52.1%	52.7%	47.5%
Used Car Sales	5.5%	5.9%	3.0%	3.0%	4.6%	1.5%	13.5%
Consolidated (on rental revenue)	48.4%	50.4%	47.0%	55.5%	58.8%	55.1%	63.9%

(*) 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 1Q21, consolidated EBITDA totaled R\$805.8 million, 27.4% higher than the same period of the prior year.

In the **Car Rental** division, the EBITDA margin was 42.9% in 1Q21, a reduction of 5.0p.p. compared to 1Q20, which brings a strong basis of comparison, considering the growth rate of that quarter, which contributed for the dilution of fixed costs. In this quarter, we were impacted again by the drop in demand due to the worsening of the COVID-19 pandemic in March, with an estimated impact of more than R\$30 million in revenue. On the other hand, we had an increase of R\$76.9 million in provisions for doubtful debtors (R\$24.3 million) and in the costs of maintenance of cars (R\$52.6 million), these affected by the aging of the fleet and the increase in the cost of spare parts.

The **Fleet Rental** division had a margin of 63.6%, a decrease of 6.8p.p. compared to the same period of the previous year, mainly explained by the higher maintenance costs. In addition, there was an increase in costs and expenses related to IT, team structuring and advertising for Localiza Meoo, our subscription car. Demand for rental in this division is strong, but the challenges of the auto industry supply chain have resulted in new car deliveries at a slower speed. Therefore, the cost dilution process for this division should occur over the next quarters, as purchased volumes return to higher levels.

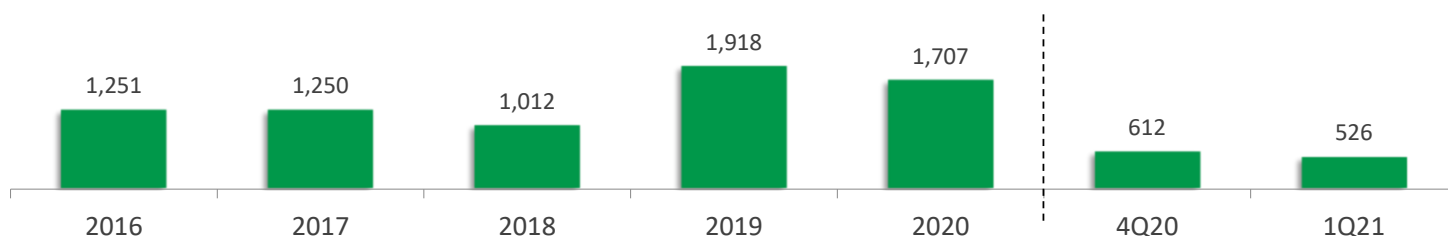
On a different direction, the increase in the price of new cars reflected in the increase in **Seminovos** prices, positively impacting its EBITDA margin, even with the reduction in sales volumes this quarter. EBITDA margin reached 13.5% in 1Q21, 12p.p. higher than the same period last year, and tends to sustain a higher level throughout that year.

All in, in 1Q21 consolidated EBITDA margin over rental revenues reached 63.9%, an expansion of 8.8p.p. compared to 1Q20.

8 - Depreciation

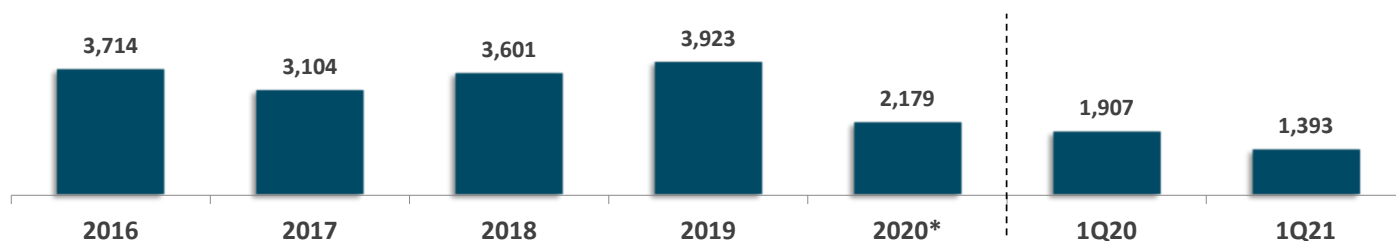
Depreciation is calculated using the straight-line method, considering the difference between the purchase price of the car and the estimated selling price at the end of its useful life, net of estimated costs and expenses to sell it.

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



There was a significant increase in market prices for new and used cars starting in the second half of 2020. As previously shown, the average price of cars sold increased by 23.3% in 1Q21. In addition, the increase in the average age of cars means that a reasonable part of our fleet is already depreciated, contributing to the reduction in the average depreciation per car. Average depreciation per car will trend up as purchasing volumes return to higher levels and the fully-depreciated cars are sold.

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

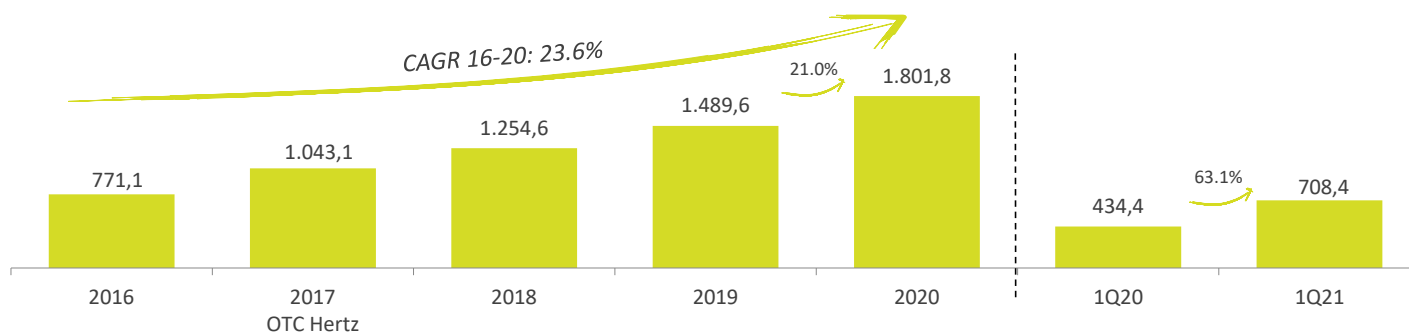


*Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

In the **Fleet Rental** division, the average depreciation per car in 1Q21 was R\$1,393. Depreciation in this division reflected increases in the sale price, as mentioned above.

9 - EBIT

Consolidated EBIT (R\$ million)



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

	2016	2017*	2018	2019**	2020	1Q20	1Q21
Car Rental and Franchising	30.2%	35.2%	33.2%	33.7%	35.1%	31.2%	53.3%
Fleet Rental	51.2%	51.4%	48.6%	49.1%	66.4%	60.7%	66.5%
Consolidated	36.8%	40.0%	37.1%	37.3%	42.9%	37.8%	56.2%

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

(**) From 2019, EBIT margin calculated based on the GAAP number including the reclassification of PIS and COFINS credits for the period

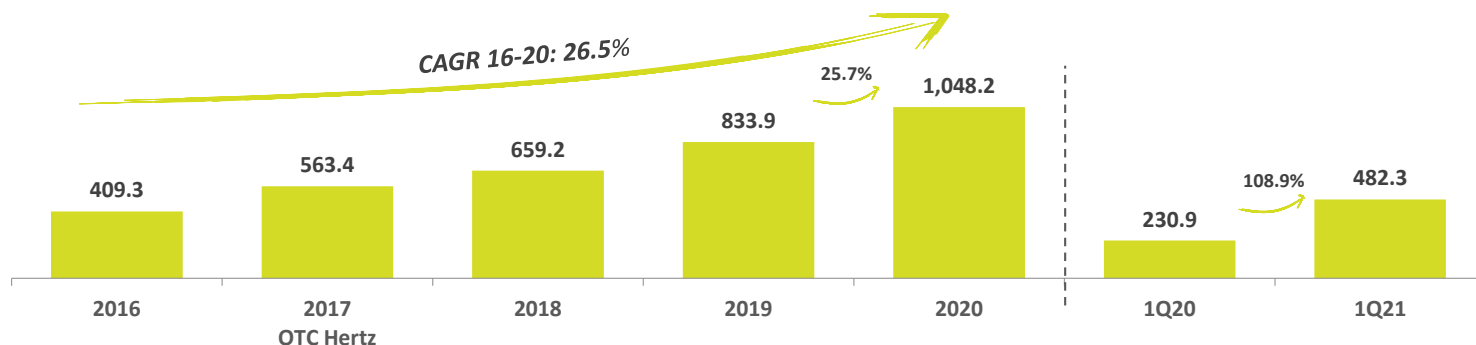
Consolidated EBIT in 1Q21 totaled R\$708.4 million, representing an increase of 63.1% compared to 1Q20.

In 1Q21, the EBIT margin of the **Car Rental** division, was 53.3%, representing an increase of 22.1p.p. compared to 1Q20. In the **Fleet Rental** division, the EBIT margin totaled 66.5%, an increase of 5.8p.p. compared to the same period last year.

The margins improvement in the rental divisions reflect the reduction in average depreciation per car and the impact of **Seminovos**.

10 - Consolidated net income

Consolidated net income (R\$ million)



EBITDA x Net income reconciliation	2016	2017*	2018	2019	2020	Var. R\$	Var. %	1Q20	1T21	Var. R\$	Var. %
Consolidated EBITDA	1,015.6	1,314.2	1,590.1	2,212.8	2,468.1	255.3	11.5%	632.7	805.8	173.1	27.4%
Cars depreciation	(206.3)	(232.0)	(291.6)	(551.5)	(473.0)	78.5	-14.2%	(153.2)	(46.6)	106.6	-69.6%
Other property depreciation and amortization	(38.2)	(39.1)	(43.9)	(171.7)	(193.4)	(21.7)	12.6%	(45.1)	(50.8)	(5.7)	12.6%
EBIT	771.1	1,043.1	1,254.6	1,489.6	1,801.7	312.1	21.0%	434.4	708.4	274.0	63.1%
Financial expenses, net	(243.5)	(315.0)	(368.9)	(409.8)	(374.4)	35.4	-8.6%	(127.6)	(22.3)	105.3	-82.5%
Income tax and social contribution	(118.3)	(164.7)	(226.5)	(245.9)	(379.1)	(133.2)	54.2%	(75.9)	(203.8)	(127.9)	168.5%
Net income of the period	409.3	563.4	659.2	833.9	1,048.2	214.3	25.7%	230.9	482.3	251.4	108.9%

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

Net income in 1Q21 was R\$482.3 million, representing an increase of 108.9% over 1Q20, resulting from:

(+) R\$173.1 million increase in EBITDA,

(+) R\$100.9 million reduction in depreciation,

(+) R\$105.3 million lower net financial expenses, mainly due to lower interest rate, despite the higher average debt balance, and the positive mark-to-market of pre-swap contracts (R\$53.4 million), with the opening of the yield curve; and

(-) R\$127.9 million increase in income tax and social contribution, due to the higher taxable profit and higher average rate.

11 – Free cash flow (FCF)

Free cash flow (R\$ million)		2016	2017	2018	2019	2020	1T21
Operations	EBITDA	1,015.7	1,314.2 *	1,590.1	2,212.8	2,468.1	805.8
	Used car sale revenue, net of taxes	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(6,109.1)	(1,536.9)
	Net book value of vehicles written-off	2,102.5	3,106.6	4,198.5	5,863.6	5,599.9	1,259.9
	(-) Income tax and social contribution	(93.3)	(108.3)	(131.2)	(146.1)	(250.1)	(120.2)
	Change in working capital	(40.8)	(47.9)	(117.4)	(268.9)	103.5	(78.4)
Cash generated by rental operations		641.5	813.4	1,029.6	1,454.7	1,812.3	330.2
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	1,389.1
	Fleet renewal investment	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(5,524.1)	(1,532.0)
	Change in accounts payable to car suppliers for fleet renewal	219.8	227.6	250.1	468.7	235.1	(673.5)
	Net investment for fleet renewal	(1.2)	17.9	63.8	(129.2)	(402.1)	(816.4)
Fleet renewal – quantity		68,449	90,554	111,279	147,915	109,379	26,360
Investment, property and intangible		(40.9)	(28.8)	(42.8)	(70.0)	(108.0)	(36.4)
Free cash flow from operations, before fleet increase or reduction		599.4	802.5	1,050.6	1,255.5	1,302.2	(522.6)
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	1,222.2	147.8
	Change in accounts payable to car suppliers for fleet growth	26.8	168.7	509.4	23.6	(943.4)	-
	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	147.8
Fleet increase / (reduction) – quantity		19,384	52,860	54,142	75,619	(26,111)	(2,672)
Free cash flow after growth		(99.8)	(1,121.5)	(725.1)	(2,305.0)	1,581.0	(374.8)
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		(185.5)	(1,389.2)	(725.1)	(2,323.2)	1,573.1	(378.4)
Cash effects of receivables and anticipation of payables to suppliers (**)		98.0	88.3	(113.2)	(131.8)	(293.1)	155.6
Free cash flow before interest		(87.5)	(1,300.9)	(838.3)	(2,455.0)	1,280.0	(222.8)

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

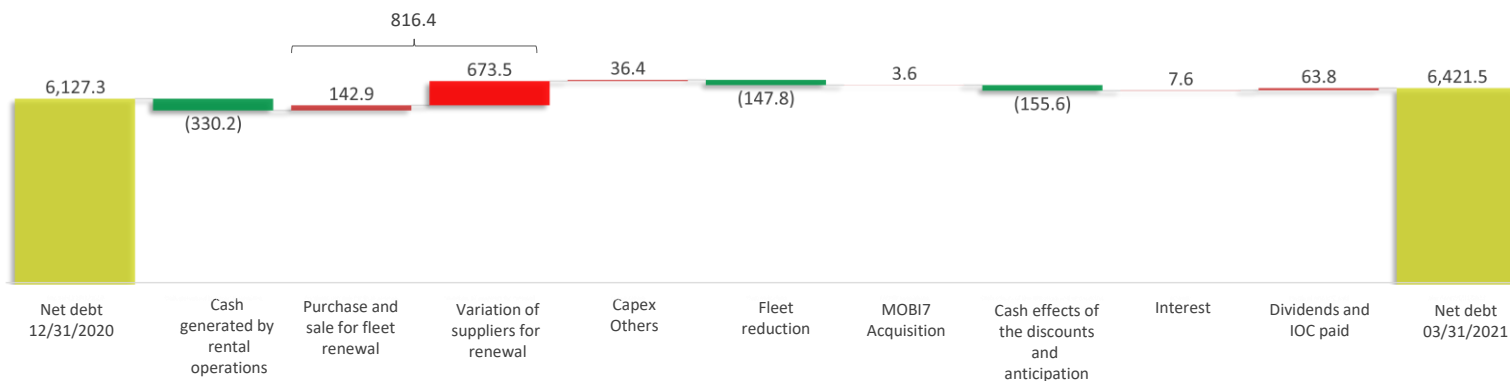
(*) 2017 adjusted by one-time costs incurred - Hertz Brasil acquisition and franchisees incorporation.

(**) 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 1Q21, the Company had a cash consumption of R\$222.8 million, mainly explained by the reduction of R\$673.5 million in the automakers account, partially offset by the generation of R\$147.8 million with the reduction of the fleet.

12 – Net debt

12.1 – Change in net debt – R\$ million

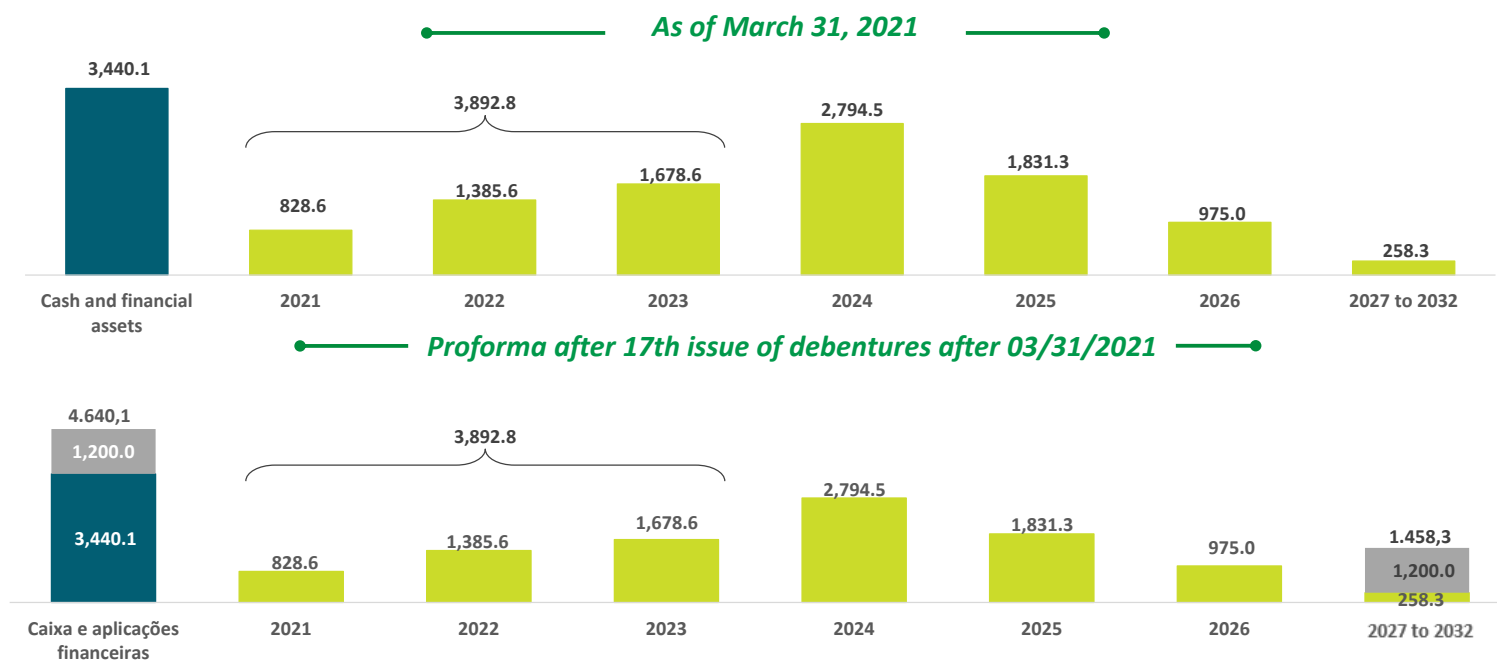


On 03/31/2021, net debt totaled R\$6,421.5 million, an increase of 4.8%, or R\$294.2 million.

12.2 – Debt maturity profile – R\$ million

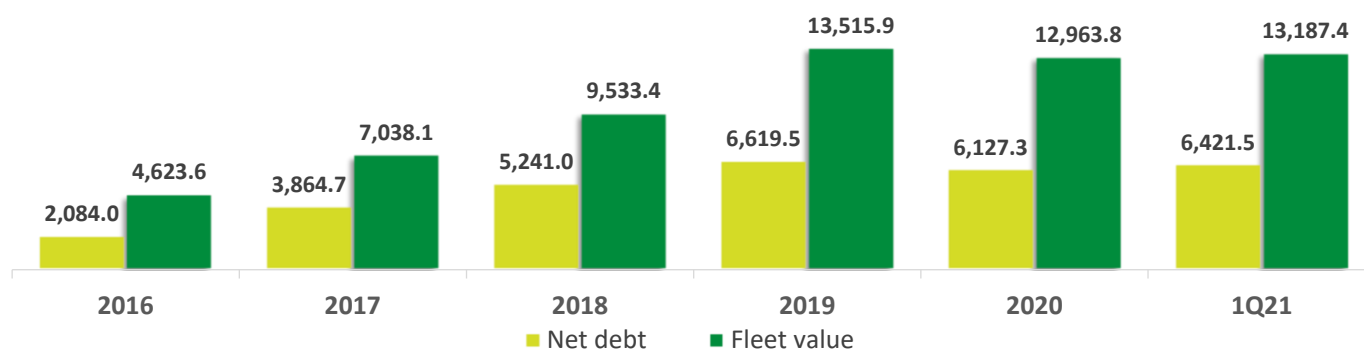
Debt	Issuance	Contract rate	2020	2021	2022	2023	2024	2025	2026	2027 to 2032	Total
Debentures 11th Issuance	12/12/2016	111.50% CDI	-	-	457.9	-	-	-	-	-	457.9
Debentures 12th Issuance	5/15/2017	107.25% CDI	-	-	-	-	678.5	-	-	-	678.5
Debentures 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	396.6	396.6	-	-	-	-	793.2
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	-	-	-	-	119.2	119.2	238.3	-	476.7
Debentures 15th Issuance	4/15/2019	107.25% CDI	-	-	-	-	-	378.2	378.2	-	756.4
Debentures 16th Issuance	11/29/2019	CDI + 1.05%	-	-	-	-	333.3	333.3	333.3	-	999.9
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	-	-	-	-	340.6	-	-	-	340.6
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
Promissory Notes - 7th Issuance	9/24/2019	108.00% CDI	-	500.0	-	-	-	-	-	-	500.0
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	-	112.3	307.1	371.4	125.8	0.7	-	-	917.3
Interest accrued	-	-	109.8	-	-	-	-	-	-	-	109.8
Cash and cash equivalents on 03/31/2021	-	-	(3,440.1)	-	-	-	-	-	-	-	(3,440.1)
Net debt	-	-	(3,330.3)	828.5	1,385.6	1,678.6	2,794.6	1,831.3	974.9	258.3	6,421.5

12.3 – Debt profile – R\$ million



The Company ended the quarter with a cash balance of R\$3,440.1 million. In April of this year, the Company concluded the issuance of R\$1,200 million in 10-year debentures, with a swapped cost of CDI + 1.99%. This issuance further strengthens the Company's cash position to support growth.

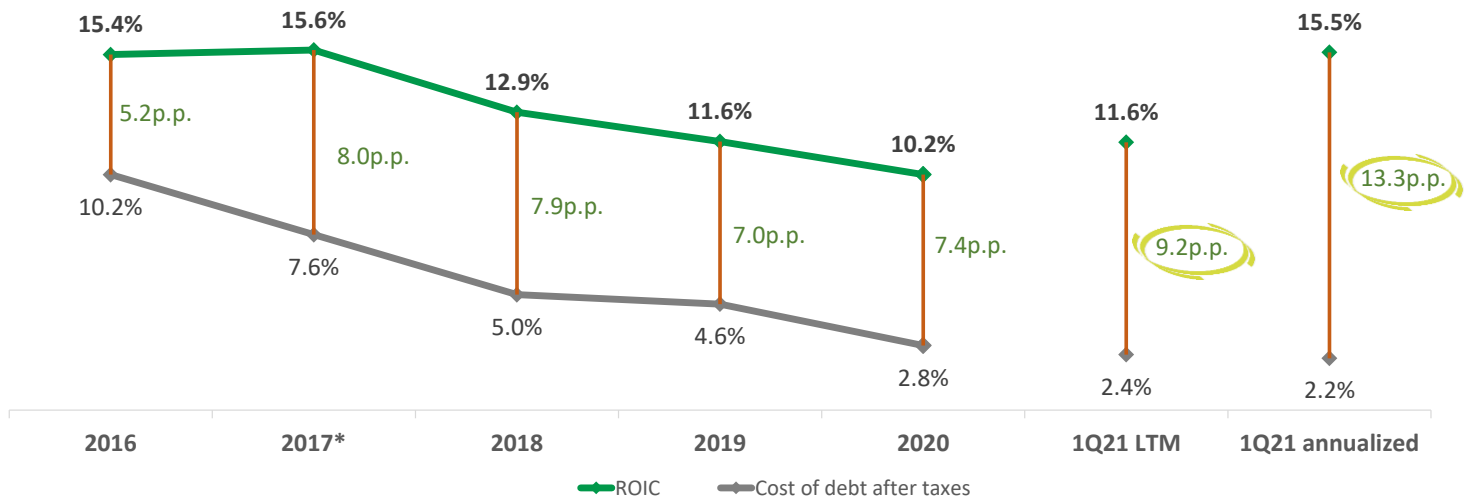
12.4 – Debt ratios – R\$ million



BALANCE AT THE END OF PERIOD	2016	2017	2018	2019	2020	1Q21 LTM
Net debt/Fleet value (book value)	45%	55%	55%	49%	47%	49%
Net debt/annualized EBITDA	2.1x	2.9x	3.3x	3.0x	2.5x	2.4x
Net debt/Equity	0.9x	1.5x	1.7x	1.2x	1.0x	1.0x
EBITDA/Net financial expenses	4.2x	4.2x	4.3x	5.4x	6.6x	9.8x

The lower volume of car purchases combined with the strong cash generation from rentals and used cars sales, resulted in a reduction of the Company's leverage ratio, submitted for the last 12 months.

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 22.0% (30.8% 1Q21 ANNUALIZED)

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
				Total	261.2	

2021 interest on capital were approved as follow:

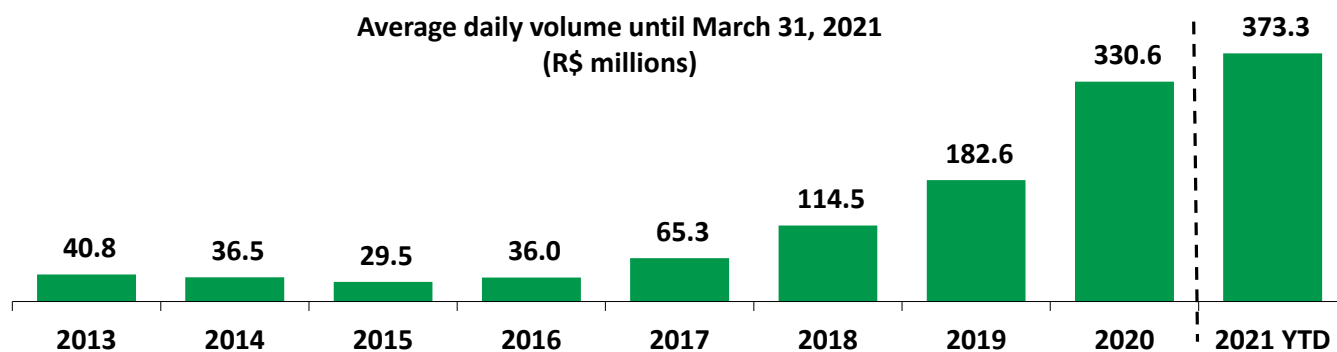
Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per Share (R\$)
IOC	2021	03/24/2021	03/29/2021	05/21/2021	63.7	0.084795
				Total	63.7	

In 2021, Management proposed for deliberation at the Annual Shareholders' Meeting the complementary payment of dividends to shareholders in the amount of R\$18.1 million, considering that the amount distributed through IOC in 2020 did not reach a mandatory minimum of 25% of net profit.

15 – RENT3

Up to March 31, 2021, RENT3 average daily traded volume was R\$373.3 million, 12.9% higher than the average volume traded in 2020.

Under the ADR level I program, the Company had 5,542,657 ADRs as of March 31, 2021.



In 1Q21, we continued making progress in the sustainability agenda, reinforcing our role as a company committed to the community and we started the process of engaging the CEO and Chair of the Board of Directors with our investors on topics related with ESG.

Governance

In addition to the corporate goal of organizational climate, which measures the engagement of our team, we continue to strengthen our performance indicators related to sustainability, using the UN frameworks and the Sustainability Accounting Standards Board (SASB) as a reference, and we include specific goals for the executive board and our employees in their management contracts.

Environmental

We are also advancing in the construction of our greenhouse gas inventory, improving the reporting of scope 3 emissions, adopting initiatives for a more efficient operation from the climate point of view.

We continue to make strong progress with the solar energy generation project at our units. We ended 1T21 with more than 730 thousand kWh of clean energy in the branches, representing an increase of 88.7% in relation to 1T20.

We improved the dry-cleaning indicator with 58.4% of cars cleaned in 1Q21 compared to 57.8% in 1Q20.

Social

In 1Q21 we received the result of the Climate Survey for 2020 and reached a 95% favorability in the Diversity and Inclusion category, 8p.p. more than in 2019, a recognition from employees that the company is working well on the topic. We continue operating in the Localiza Diversity and Inclusion Program with the Committee and the affinity groups with employees who have started the plan of more than 40 actions defined.

We became signatories to the UN Women's Principles of Women's Empowerment and launched the podcast to talk about gender equity, with the participation of employees. As of March 31, women represented 44.6% of the Company's employees, with 49.7% of leadership positions held by them. Employees over 50 years old represented 4.6% of the 10,936 employees at the end of the period.



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.	1Q20	1Q21	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%	986.0	1,082.3	9.8%
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%	283.1	310.6	9.7%
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%	1,269.1	1,392.9	9.8%
Taxes on revenues - Car and Fleet Rentals and Franchising (*)	(72.2)	(66.6)	(66.6)	(61.4)	(59.7)	(417.6)	(440.4)	5.5%	(120.0)	(132.7)	10.6%
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%	1,149.1	1,260.2	9.7%
Car sales gross revenues											
Car sales for fleet renewal - Car Rental, 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%	1,414.4	1,334.7	-5.6%
Car sales for fleet renewal - Fleet Rental, net of discounts and cancellations	347.8	466.5	466.5	599.5	742.4	742.4	969.2	30.5%	234.7	203.9	-13.1%
Car sales for fleet renewal - total gross revenues (*)	2,345.6	3,456.5	3,456.5	4,518.7	6,222.0	6,222.0	6,119.9	-1.6%	1,649.1	1,538.6	-6.7%
Taxes on revenues - Car sales for fleet renewal	(3.1)	(5.3)	(5.3)	(8.3)	(15.3)	(15.3)	(10.8)	-29.4%	(3.6)	(1.7)	-52.8%
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%	1,645.5	1,536.9	-6.6%
Total net revenues	4,439.3	6,058.3	6,058.3	7,895.7	10,553.5	10,195.6	10,307.6	1.1%	2,794.6	2,797.1	0.1%
Direct costs and expenses:											
Car rental and franchising	(717.1)	(935.3)	(879.6)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	1.1%	(296.8)	(362.6)	22.2%
Fleet Rental	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(53.4)	(75.0)	40.4%
Total Car and Fleet Rentals and Franchising	(910.8)	(1,155.7)	(1,099.7)	(1,433.6)	(1,788.6)	(1,332.5)	(1,345.8)	1.0%	(350.2)	(437.6)	25.0%
Car sales for fleet renewal - Car rental	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	(5,037.8)	(4,629.7)	-8.1%	(1,313.5)	(1,054.6)	-19.7%
Car sales for fleet renewal - Fleet Rental	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	(650.1)	(832.0)	28.0%	(205.2)	(157.1)	-23.4%
Total Car sales for fleet renewal (book value) and preparation for sale	(2,006.9)	(2,995.3)	(2,995.3)	(4,068.4)	(5,690.7)	(5,687.9)	(5,461.7)	-4.0%	(1,518.7)	(1,211.7)	-20.2%
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%	(1,868.9)	(1,649.3)	-11.8%
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%	925.7	1,147.8	24.0%
Operating expenses											
Advertising, promotion and selling:											
Car rental and franchising	(149.2)	(200.7)	(194.4)	(285.8)	(357.3)	(357.3)	(460.3)	28.8%	(110.2)	(140.5)	27.5%
Fleet Rental	(14.0)	(18.8)	(18.8)	(27.7)	(36.0)	(35.6)	(38.2)	7.3%	(9.4)	(15.2)	61.7%
Car sales for fleet renewal	(191.6)	(232.3)	(232.3)	(279.5)	(357.1)	(301.6)	(328.4)	8.9%	(93.0)	(106.8)	14.8%
Total advertising, promotion and selling	(354.8)	(451.8)	(445.5)	(593.0)	(750.4)	(694.5)	(826.9)	19.1%	(212.6)	(262.5)	23.5%
General, administrative and other expenses	(151.2)	(215.3)	(203.6)	(210.6)	(268.0)	(267.9)	(205.1)	-23.4%	(80.4)	(79.5)	-1.1%
Total Operating expenses	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(1,032.0)	7.2%	(293.0)	(342.0)	16.7%
Depreciation expenses:											
Cars depreciation:											
Car rental	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(116.5)	(26.0)	-77.7%
Fleet Rental	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(36.7)	(20.6)	-43.9%
Total cars depreciation expenses	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(473.0)	-14.2%	(153.2)	(46.6)	-69.6%
Other assets depreciation and amortization	(36.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(193.4)	12.6%	(45.1)	(50.8)	12.6%
Total depreciation and amortization expenses	(244.5)	(271.1)	(271.1)	(335.5)	(597.8)	(723.2)	(666.4)	-7.9%	(198.3)	(97.4)	-50.9%
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%	434.4	708.4	63.1%
Financial expenses, net:											
Expense	(445.5)	(511.9)	(511.9)	(536.8)	(591.2)	(630.0)	(512.4)	-18.7%	(163.1)	(49.3)	-69.8%
Income	202.0	196.9	196.9	167.9	230.6	220.2	138.0	-37.3%	35.5	27.0	-23.9%
Financial (expenses) revenues, net	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	(409.8)	(374.4)	-8.6%	(127.6)	(22.3)	-82.5%
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%	306.8	686.1	123.6%
Income tax and social contribution	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(379.1)	54.2%	(75.9)	(203.8)	168.5%
Net income for the period	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	25.7%	230.9	482.3	108.9%
EBITDA	1,015.6	1,240.2	1,314.2	1,590.1	2,055.8	2,212.8	2,468.1	11.5%	632.7	805.8	27.4%
EBIT	771.1	969.1	1,043.1	1,254.6	1,458.0	1,489.6	1,801.7	21.0%	434.4	708.4	63.1%
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.	37.8%	56.2%	18.4 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%	605.1	598.7	-1.1%
EBITDA Margin	42.3%	39.8%	42.6%	43.0%	44.4%	50.9%	52.1%	1.2 p.p.	52.7%	47.5%	-5.2 p.p.
Used Car Sales (Seminovos) EBITDA	127.8	203.2	203.2	135.8	125.2	183.6	280.5	52.8%	24.8	207.1	735.1%
EBITDA Margin	5.5%	5.9%	5.9%	3.0%	2.0%	3.0%	4.6%	1.6 p.p.	1.5%	13.5%	12.0 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.	1Q20	1Q21	Var.
Average operating fleet:									
Car Rental	70,185	94,194	130,058	173,649	200,742	15.6%	211,512	196,980	-6.9%
Fleet Rental	31,908	36,804	44,404	55,726	59,801	7.3%	61,193	59,124	-3.4%
Total	102,093	130,998	174,462	229,375	260,543	13.6%	272,705	256,104	-6.1%
Average rented fleet:									
Car Rental	51,515	69,762	97,245	128,718	140,151	8.9%	156,620	153,467	-2.0%
Fleet Rental	31,222	35,424	42,321	53,029	59,244	11.7%	58,556	61,226	4.6%
Total	82,737	105,186	139,566	181,747	199,395	9.7%	215,176	214,693	-0.2%
Average age of operating fleet (months)									
Car Rental	7.9	6.5	7.2	7.0	10.0	42.9%	7.6	12.6	65.8%
Fleet Rental	18.0	18.1	15.1	15.1	17.4	15.2%	15.3	19.5	27.5%
Average age of total operating fleet	11.0	9.8	9.3	9.0	11.7	30.0%	9.4	14.3	52.1%
Fleet at end of period:									
Car Rental	94,156	135,578	177,672	238,174	216,334	-9.2%	241,219	208,791	-13.4%
Fleet Rental	34,960	44,877	54,430	68,957	61,657	-10.6%	67,777	65,622	-3.2%
Total	129,116	180,455	232,102	307,131	277,991	-9.5%	308,996	274,413	-11.2%
Managed fleet at end period - Fleet Rental	145	94	57	32	105	228.1%	27	103	281.5%
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%	1,533.2	1,055.1	-31.2%
Fleet Rental	503.4	881.5	1,189.2	1,472.6	975.7	-33.7%	303.0	474.7	56.7%
Total	3,285.6	5,463.3	6,974.4	10,274.7	5,517.6	-46.3%	1,836.2	1,529.8	-16.7%
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%	14,245.7	13,799.3	-3.1%
Rental days for Fleet Rental replacement service	(202.4)	(230.4)	(230.1)	(283.0)	(839.9)	196.7%	(78.1)	(403.3)	416.5%
Car Rental - Net	18,662.4	25,263.6	35,284.5	46,745.9	50,446.5	7.9%	14,167.6	13,396.0	-5.4%
Fleet Rental	11,240.0	12,752.7	15,235.7	19,090.5	21,328.0	11.7%	5,270.0	5,510.3	4.6%
Total	29,902.4	38,016.3	50,520.2	65,836.5	71,774.5	9.0%	19,437.6	18,906.3	-2.7%
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%	2,202.4	526.4	-76.1%
Fleet Rental	3,714.0	3,104.3	3,601.1	3,923.4	2,178.9	-44.5%	2,397.1	1,393.2	-41.9%
Total	2,020.9	1,771.0	1,671.2	2,405.2	1,815.2	-24.5%	2,246.1	726.2	-67.7%
Average annual gross revenues per operating car (R\$ thousand)									
Car Rental	21.2	20.2	19.8	19.3	17.3	-10.2%	18.8	20.0	6.4%
Fleet Rental	20.5	20.4	19.1	18.5	19.2	3.9%	18.6	18.8	1.3%
Average daily rental (R\$)									
Car Rental (*)	79.67	75.16	72.86	71.57	68.52	-4.3%	69.22	80.29	16.0%
Fleet Rental	58.23	58.77	55.62	53.92	53.81	-0.2%	53.13	55.68	4.8%
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.	78.2%	80.4%	2.2 p.p.
Fleet Rental	98.9%	98.2%	96.8%	96.6%	97.4%	0.8 p.p.	96.7%	98.6%	1.9 p.p.
Number of cars purchased - consolidated (**)	87,833	135,252	165,421	223,534	109,379	-51.1%	40,879	26,360	-35.5%
Average price of cars purchased (R\$ thsd) - consolidated	37.41	40.39	42.16	45.96	50.45	9.8%	44.92	58.04	29.2%
Numbers of cars sold - consolidated	68,449	90,554	111,279	147,915	135,490	-8.4%	38,361	29,032	-24.3%
Average price of cars sold (R\$ thsd) (***) - consolidated	31.23	35.38	37.86	39.80	42.46	6.7%	40.33	48.93	21.3%

(*) 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	1Q21
CURRENT ASSETS:							
Cash and cash equivalents	1,692.3	1,338.2	2,175.3	2,220.1	2,220.1	2,586.4	1,820.8
Financial assets	-	1,275.7	267.5	610.8	610.8	1,380.2	1,619.3
Trade accounts receivable	424.5	585.1	1,016.5	1,274.7	1,274.7	1,107.5	1,075.1
Derivative financial instruments - swap	2.2	-	-	-	-	154.3	91.7
Other current assets	115.0	128.6	182.7	246.8	246.8	300.7	402.2
Decommissioning cars to fleet renewal	8.8	103.4	51.8	141.7	141.7	40.5	32.7
Total current assets	2,242.8	3,431.0	3,693.8	4,494.1	4,494.1	5,569.6	5,041.8
NON CURRENT ASSETS:							
Long-term assets:							
Marketable securities	-	-	-	-	-	-	-
Derivative financial instruments - swap	7.4	16.7	2.8	18.2	18.2	353.0	477.8
Trade accounts receivable	3.2	4.7	3.8	1.8	1.8	2.0	2.1
Escrow deposit	60.1	83.1	96.3	114.6	114.6	113.7	114.3
Deferred income tax and social contribution	-	42.0	42.2	32.4	32.4	24.4	24.7
Investments in restricted accounts	-	40.6	43.0	22.3	22.3	44.9	45.2
Other non current assets	0.1	0.7	0.1	0.1	0.1	0.1	0.1
Total long-term assets	70.8	187.8	188.2	189.4	189.4	538.1	664.2
Property and equipment							
Cars	4,614.8	6,934.7	9,481.6	13,374.1	13,374.1	12,923.3	13,154.7
Right of use	-	-	-	-	625.0	624.5	643.8
Other	405.8	549.3	550.3	570.5	570.5	633.5	656.7
Intangible:							
Software and others	61.1	52.8	47.8	49.9	49.9	46.7	44.9
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	15,269.7
TOTAL ASSETS	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,441.1	20,311.5

LIABILITIES AND SHAREHOLDERS' EQUITY	2016	2017	2018	2019 without IFRS 16	2019	2020	1Q21
CURRENT LIABILITIES:							
Trade accounts payable	910.9	1,331.7	2,202.6	2,565.4	2,565.4	1,661.0	1,182.6
Social and labor obligations	95.0	109.2	135.0	161.8	161.8	218.5	280.7
Loans, financing and debentures	654.6	537.2	616.6	144.3	144.3	1,615.0	2,252.8
Lease liability	-	-	-	-	116.0	130.2	133.4
Derivative financial instruments - swap	-	6.8	18.7	26.8	26.8	66.4	50.1
Income tax and social contribution	23.0	31.3	41.1	58.7	54.6	117.6	111.1
Dividends and interest on own capital	39.7	36.4	42.6	63.4	63.4	72.4	72.4
Other current liabilities	118.5	181.5	282.8	390.0	390.0	415.3	340.3
Total current liabilities	1,841.7	2,234.1	3,339.4	3,410.4	3,522.3	4,296.4	4,423.4
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	8,119.3
Lease liability	-	-	-	-	526.8	532.5	552.3
Derivative financial instruments - swap	-	10.8	21.9	62.3	62.3	37.2	8.9
Provisions	63.1	126.5	148.8	207.2	207.2	158.6	157.7
Deferred income tax and social contribution	171.9	219.7	297.3	352.7	352.7	412.1	502.2
Restricted Obligations	-	40.6	43.1	22.5	22.5	45.4	45.6
Other non current liabilities	12.3	13.3	18.0	16.6	16.6	23.6	26.4
Total non current liabilities	3,378.6	6,351.4	7,558.5	9,896.4	10,423.2	10,092.1	9,412.4
Total liabilities	5,220.3	8,585.5	10,897.9	13,306.8	13,945.5	14,388.5	13,835.8
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)	(175.4)
Capital Reserves	34.0	94.9	125.0	163.2	163.2	174.9	179.3
Earnings Reserves	1,186.3	1,005.8	1,469.5	1,341.1	1,327.4	2,096.3	2,514.9
Total shareholders' equity	2,197.0	2,600.7	3,094.5	5,461.2	5,447.5	6,052.6	6,475.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,441.1	20,311.5

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	1Q21
Total net revenues	4,439.3	6,058.3	6,058.3	7,895.7	10,553.5	10,195.6	10,307.6	2,797.1
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)	(1,649.3)
Selling, general, administrative and other expenses	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(1,032.0)	(342.0)
Cars depreciation	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(473.0)	(46.6)
Other assets depreciation and amortization	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(193.4)	(50.8)
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)	(2,088.7)
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	708.4
FINANCIAL EXPENSES, NET								
Income before taxes	527.6	654.1	728.1	885.7	1,097.4	1,079.8	1,427.3	686.1
INCOME TAX AND SOCIAL CONTRIBUTION								
Current	(88.0)	(119.4)	(135.7)	(139.8)	(183.7)	(180.7)	(311.7)	(113.9)
Deferred	(30.3)	(29.0)	(29.0)	(86.7)	(66.2)	(65.2)	(67.4)	(89.9)
	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(379.1)	(203.8)
Net income	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	482.3

21 – Statements of Cash Flows – R\$ million

CONSOLIDATED CASH FLOW	2016	2017	2017 adjusted	2018	2019 without IFRS 16	2019	2020	1Q21
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	482.3
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	97.5
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	1,259.9
Deferred income tax and social contribution	30.3	29.1	29.1	86.7	65.2	65.2	67.4	89.9
Interest on loans, financing, debentures and swaps of fixed rates	438.1	476.2	476.2	529.8	552.9	552.9	423.7	33.2
Lease interest	-	-	-	-	-	49.40	59.60	14.60
Other	26.9	81.7	81.7	87.8	103.6	103.6	9.3	48.5
(Increase) decrease in assets:								
Trade receivable	56.8	(151.8)	(151.8)	(489.0)	(275.9)	(275.9)	118.8	(2.6)
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)	(2,042.9)
Escrow deposits	(7.2)	(17.5)	(17.5)	(13.1)	(17.9)	(17.9)	0.9	(0.6)
Taxes recoverable	(6.0)	2.6	2.6	3.4	(1.6)	(1.6)	11.5	(14.7)
Prepaid expenses	0.0	2.7	2.7	1.3	(4.9)	(4.9)	(7.9)	(105.4)
Other assets	(3.6)	(8.8)	(8.8)	(71.9)	(44.7)	(44.7)	(44.7)	9.7
Increase (decrease) in liabilities:								
Accounts payable (except car manufacturers)	29.6	(4.8)	(4.8)	3.1	21.0	21.0	84.2	32.5
Social and labor obligations	9.4	7.5	7.5	25.8	26.8	26.8	56.5	62.2
Income tax and social contribution	88.0	119.4	135.7	139.8	184.7	180.7	311.7	113.9
Insurance premium	8.6	19.3	19.3	37.0	23.2	23.2	20.8	(6.1)
Other liabilities	(19.5)	40.1	40.1	60.1	52.0	52.0	13.4	(62.3)
Cash provided by (used in) operating activities	308.8	(573.3)	(499.3)	(519.7)	(1,948.0)	(1,791.0)	1,926.4	9.6
Income tax and social contribution paid	(93.3)	(108.3)	(108.3)	(131.2)	(146.1)	(146.1)	(250.1)	(120.2)
Interest on loans, financing and debentures paid	(442.3)	(485.7)	(485.7)	(424.7)	(562.2)	(562.2)	(366.9)	(72.2)
Lease interest paid	-	-	-	-	-	(53.5)	(56.8)	(12.4)
Financial assets	-	(1,275.8)	(1,275.8)	1,008.2	(343.4)	(343.4)	(769.4)	(239.1)
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	(434.3)
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)	(36.4)
Net cash provided by (used in) investing activities	(126.6)	(508.2)	(508.2)	(42.8)	(193.7)	(193.7)	(115.9)	(40.0)
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	456.3
Repayment	(297.9)	(510.1)	(510.1)	(518.5)	(930.2)	(930.2)	(15.0)	(565.8)
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)	(83.8)
Lease liability:								
Repayment	-	-	-	-	-	(103.5)	(119.2)	(34.3)
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)	0.0
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	0.10
Dividends paid	(1.0)	-	-	-	(7.2)	(7.2)	-	-
Interest on own capital	(138.4)	(166.9)	(166.9)	(172.3)	(268.6)	(268.6)	(269.1)	(63.8)
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)	(291.3)
NET CASH FLOW PROVIDED (USED) IN THE YEAR	307.2	(354.1)	(280.1)	837.1	44.8	44.8	366.3	(765.6)
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	(765.6)
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	1,820.8
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	307.2	(354.1)	(354.1)	837.1	44.8	44.8	366.3	(765.6)
Supplemental disclosure of cash flow information:								
Cash paid during the period for cars acquisition								
Cars acquisition in the year/period - renewal	(2,563.6)	(3,660.9)	(3,660.9)	(4,696.7)	(6,804.6)	(6,804.6)	(5,524.1)	(1,532.0)
Cars acquisition in the year/period - growth	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)	(3,478.7)	(3,478.7)	0.0	0.0
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	907.5
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)	(2,042.9)

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 division, depreciation method used is linear. In the Fleet Rental division, depreciation is recorded according to the sum of the years' digits (SOYD) method, which better reflects the consumption pattern of the economic benefits that decrease during the cars' useful life. The residual value is the estimated sale price net of the estimated selling expense.
- **Depreciated cost of used cars sales (book value):** Consists of the acquisition value of vehicles, depreciated up to the date of sale, less the technical discount. The **technical discount** is the discount given to the buyer for any required repairs that were not made. These repair costs are recorded as a charge to operating costs and as a credit to cost of cars sold.
- **EBITDA:** 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.
- **NOPAT:** Net operating profit after tax.
- **One-time costs (OTC):** Non-recurring costs and expenses related to the acquisition of Hertz Brazil's operations and the integration of 20 franchised branches.
- **Reclassification of PIS and COFINS credits:** 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.

23 – 1Q21 Results Conference Call

Date: Tuesday, May 4, 2021.

Portuguese (with simultaneous translation to English)

12:00 p.m. (BR time)

11:00 a.m. (Eastern time)

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This release contains summarized information, with no intention of being complete and must not be considered by shareholders or potential investors as an investment recommendation. Information on Localiza, its activities, its economic and financial situation and the inherent risks associated with its business, as well its financial statements, can be obtained from Localiza's website (www.localiza.com/ri).