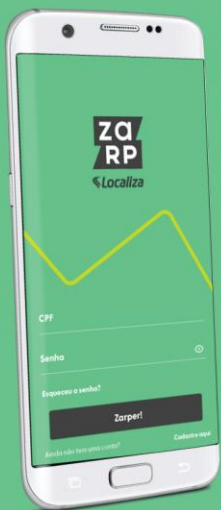


Earnings Release 2Q21



The best car rental option for app drivers.

Dear shareholders,

One year after the beginning of the pandemic, in retrospect, the crisis has expanded our learning and search for improvements, always prioritizing the customer and our employees in our decisions. We re-evaluate processes, became more efficient, whether in cars being prepared and decommissioned or in maintaining the fleet; and we were able to increase the utilization rate of our cars. We accelerated our Technology internalization process, with the expansion of Localiza Labs and the creation of another hub, now in Recife. We expanded our telemetry skills – exceed the mark of one hundred thousand monitored cars – Internet of Things, data science, performance marketing and competitive intelligence. Those skills will pave the way for us to increase efficiency, launch new solutions and improve the customer journey. We reinforced our culture and expanded our ability to attract and develop the team and the engagement of our employees reached a record level. We made progress on the three sustainability fronts: in Governance, we evolved in the Board’s engagement agenda with investors; in Social, in addition to the Diversity and Inclusion program, we created Localiza Institute and defined governance and key themes for action; and in Environmental, we completed the measurement of the scope 3 of the carbon emission inventory, with a robust methodology and auditing. As a result of the advances, we defined the relevant KPIs that are part of the Company’s C-level performance contract and that are deployed to the teams.

We are advancing on the fronts of the cars’ subscription and for app drivers. Localiza Meoo has already revealed a very mature process, delivering a great experience to our customers, and confirming the potential of this subscription market. In addition, the launch of ZARP puts us even closer to app drivers and makes us better prepared to meet their demands, enhancing the opportunities in the segment. We remain confident in the growth avenues of our core business, as well as of the mobility ecosystem. Thus, we continue to invest to build the future of sustainable mobility with you.

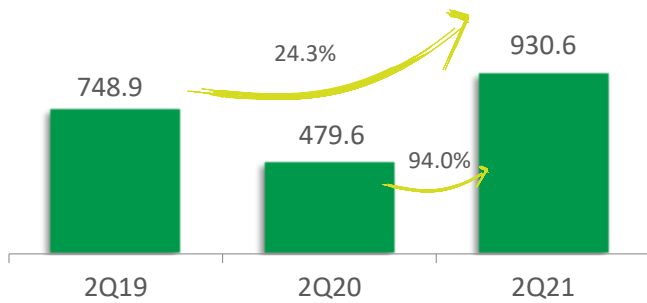
In this quarter, we were skillful to maintain a high level of return on invested capital, despite the challenges posed by the second wave of the pandemic in our car rental volumes and by the low level of vehicle production in the country. During the quarter, we felt the gradual recovery in volumes, and we believe in the acceleration of the vaccination process as a potential catalyst for the car rental demand in the coming quarters.

We are confident in the recovery, but we understand the short-term challenges and reinforce our commitment to austerity in capital allocation. We are focused on optimizing the return per each kilometer driven. With the continued perspective of restriction in cars supply, we have been very cautious with the availability and mileage of our fleet and thus, being able to extend its useful life, allowing us to keep a lower replenish volume until supply is normalized. With the increasing mileage of our cars, there is additional care with their maintenance, so we are able to maintain the level of safety and quality, aiming to minimize the impact on our customers’ experience. The increase in maintenance costs has a temporary impact on rental margins. To compensate them, we have sought greater efficiency in sales, taking advantage of the high demand for cars.

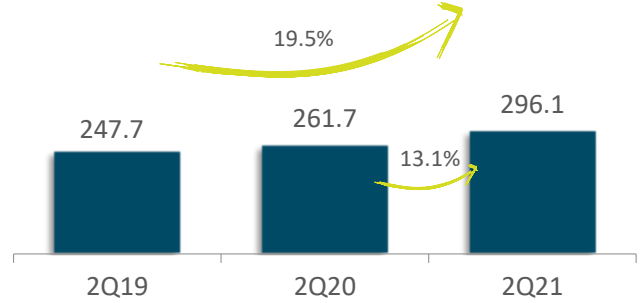
We are aware of our short-term trade-offs and are certain that we are making decisions with a long-term vision, seeking growth with value creation.

RENTAL HIGHLIGHTS

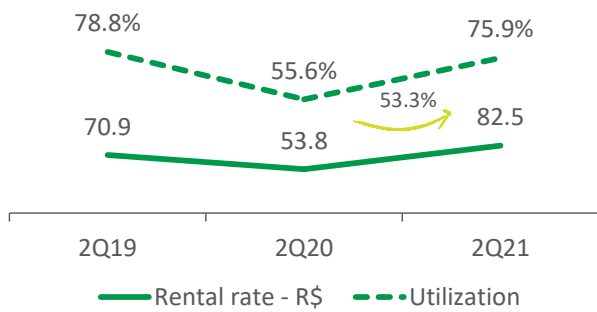
Revenue – Car Rental
R\$ million, including royalties



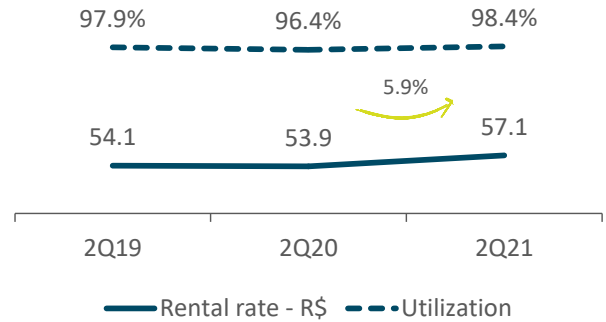
Revenue – Fleet Rental
R\$ million



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

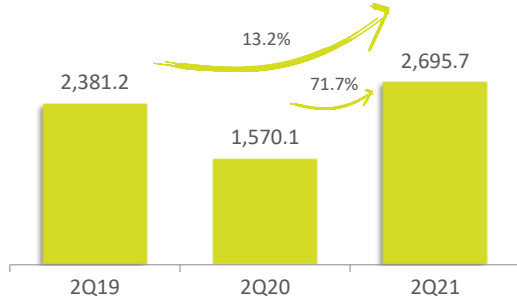


Average rental rate (in R\$) and Utilization rate (%)
Fleet Rental

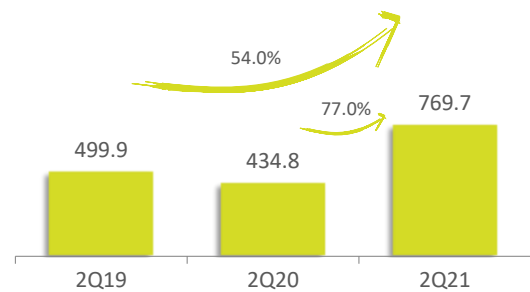


CONSOLIDATED FINANCIAL HIGHLIGHTS

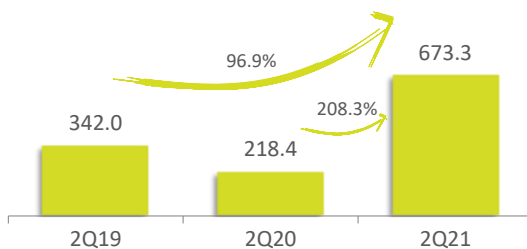
Net revenues
R\$ million



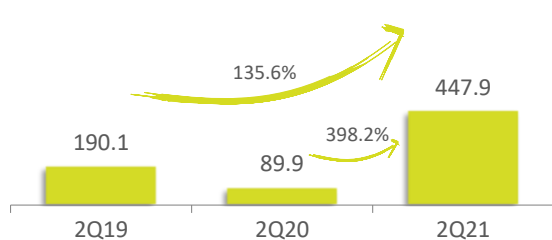
EBITDA
R\$ million



EBIT
R\$ million



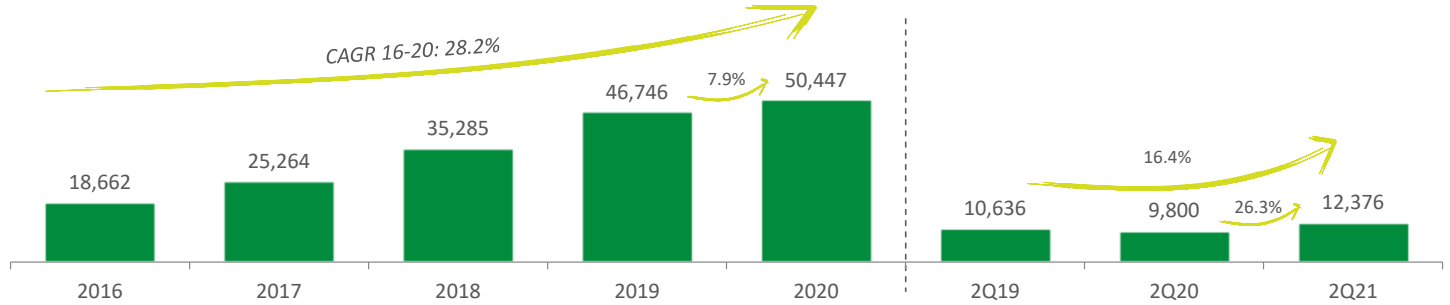
Net income
R\$ million



1 - Rent a Car

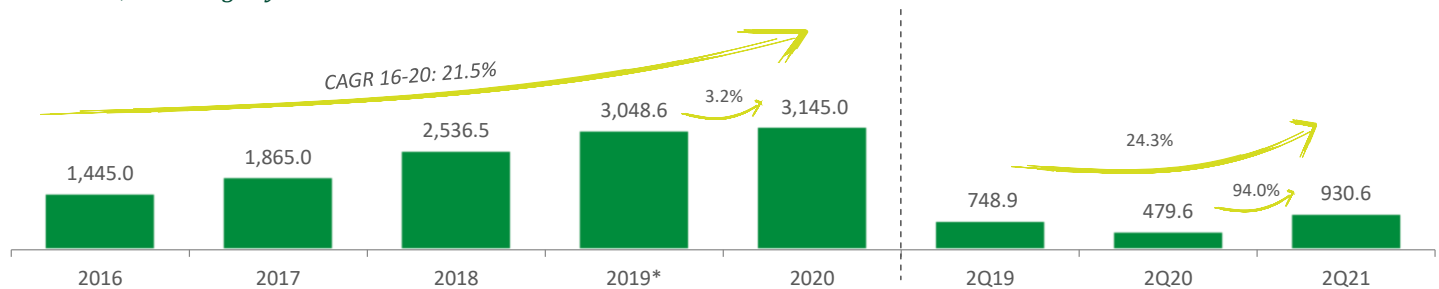
Number of rental days

in thousands



Net revenues

R\$ million, including royalties

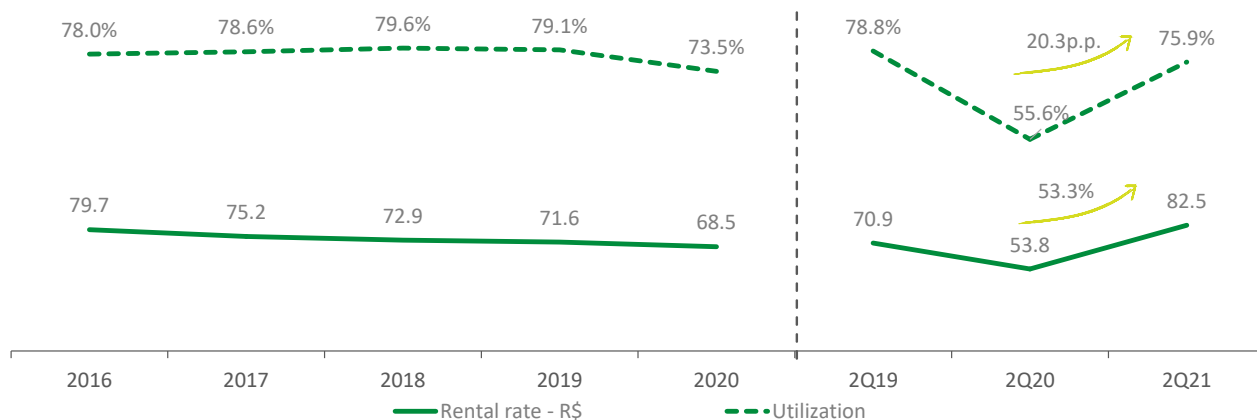


(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

In 2Q21, the **Car Rental** division's average rental days increased 26.3% versus 2Q20. Still in a pandemic context, we felt less impact on volumes and prices than in the same quarter of 2020. Utilization rate was kept above 75.0%, with rental rates 53.3% higher. As a result, on the same basis of comparison, **Car Rental** net revenues increased 94.0%.

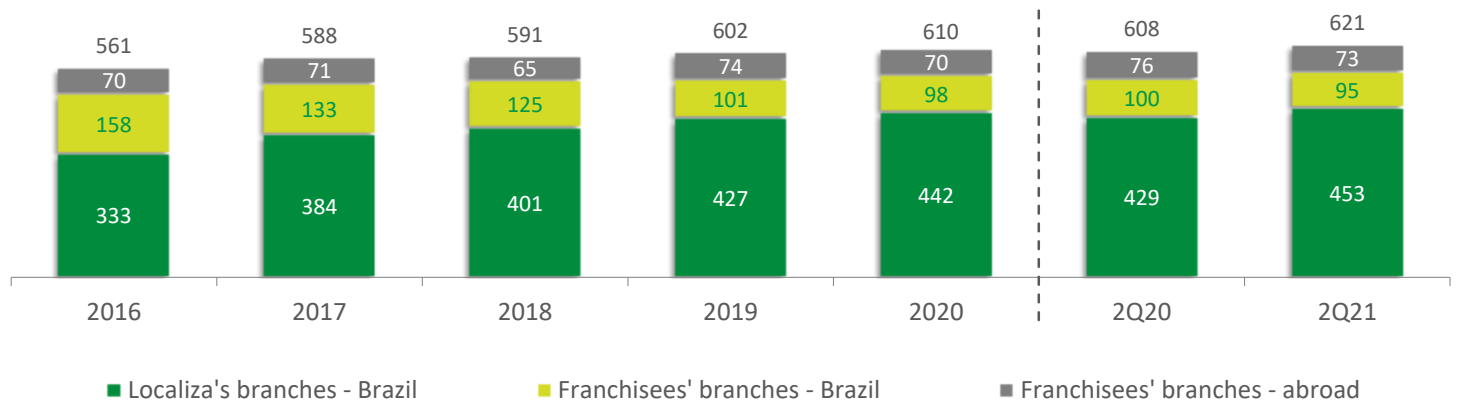
We emphasize that as of May 2021, in line with market practice, Localiza began offering auto protection coverage directly to its customers. The protection charge is recognized in revenue, impacting the average daily rate, while the cost associated with accidents affects the maintenance line. This level of average daily rate reflects an efficient management of pricing and mix between segments, seeking to optimize the use of our fleet at this time of car shortage.

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



1.1 - Distribution network

Number of car rental locations - Brazil and abroad

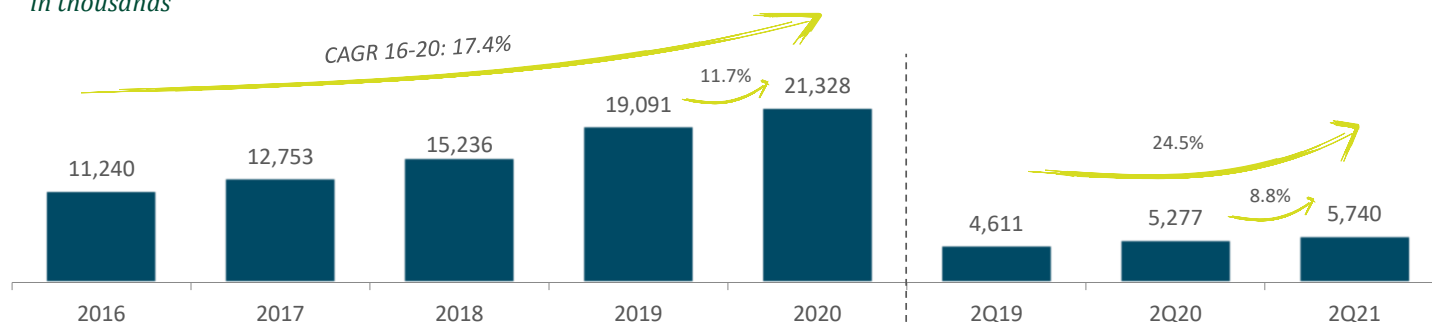


Localiza ended the quarter with 621 rental locations, being 548 in Brazil and 73 in 4 other South American countries. We resumed investing in the network and team expansion for the growth resumption in the post-crisis. When compared with the 2Q20, 24 new corporate locations were added to the network.

2 – Fleet Rental

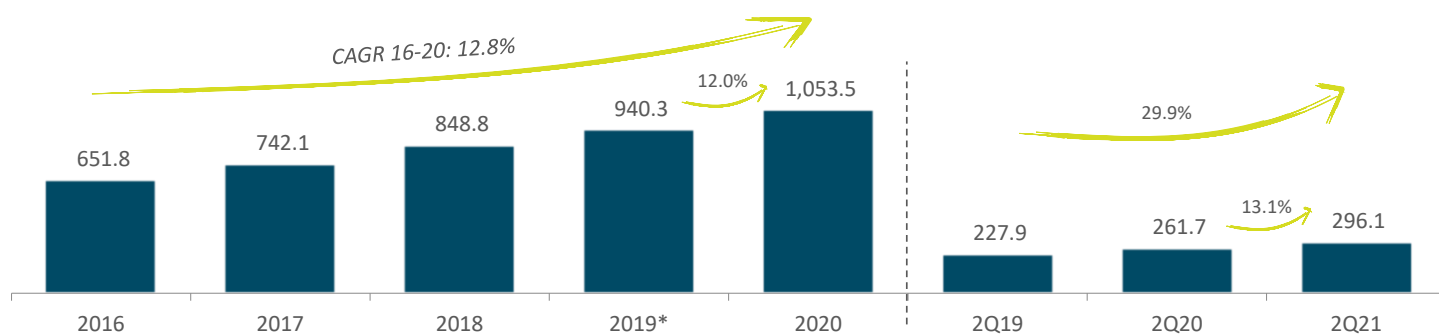
Number of rental days

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 2Q21, **Fleet Rental** division registered 8.8% increase in the number of rental days and 13.1% in net revenues, compared to the same period of the prior year, with the average rental rate 5.9% higher.

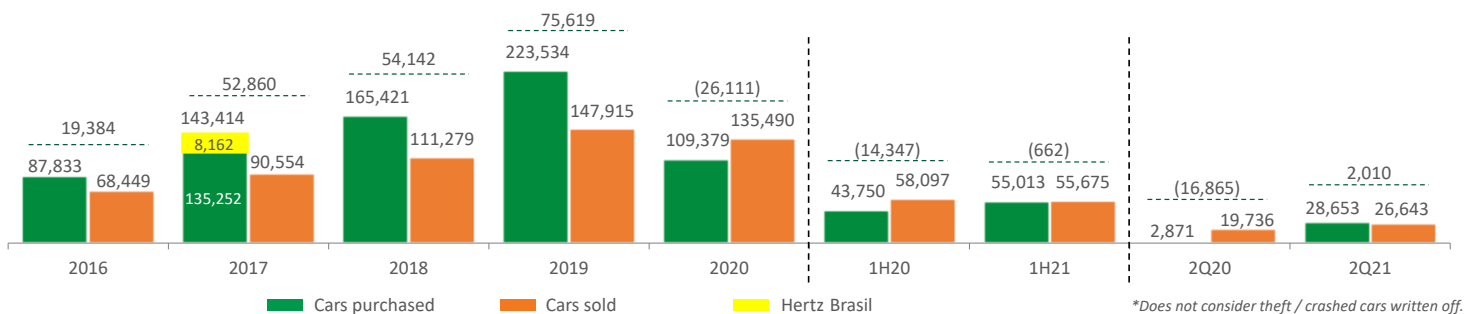
Even in the context of the pandemic, we noticed strong demand and an increase in backlogs. The average delivery time is above the historical level due to the lower pace of production of new cars, temporarily impacting growth rates.

3 - Fleet

3.1 – Net investment in the fleet

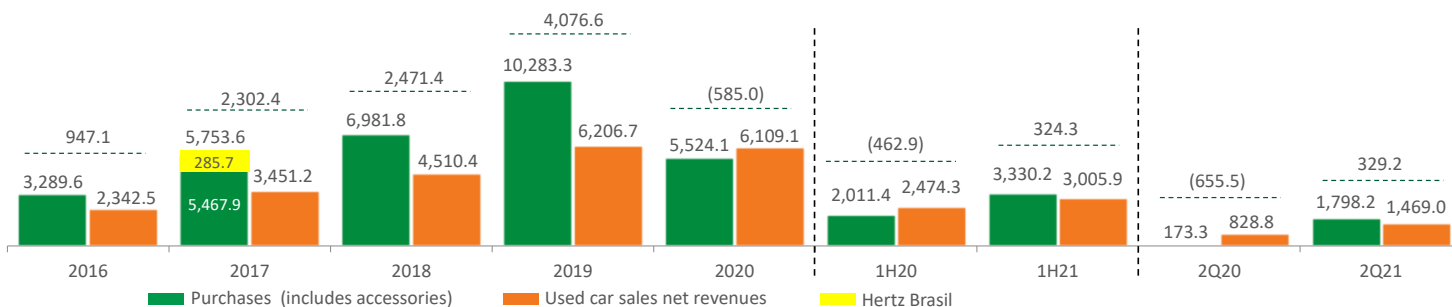
Car purchase and sales

quantity*



Net investment in fleet

R\$ million



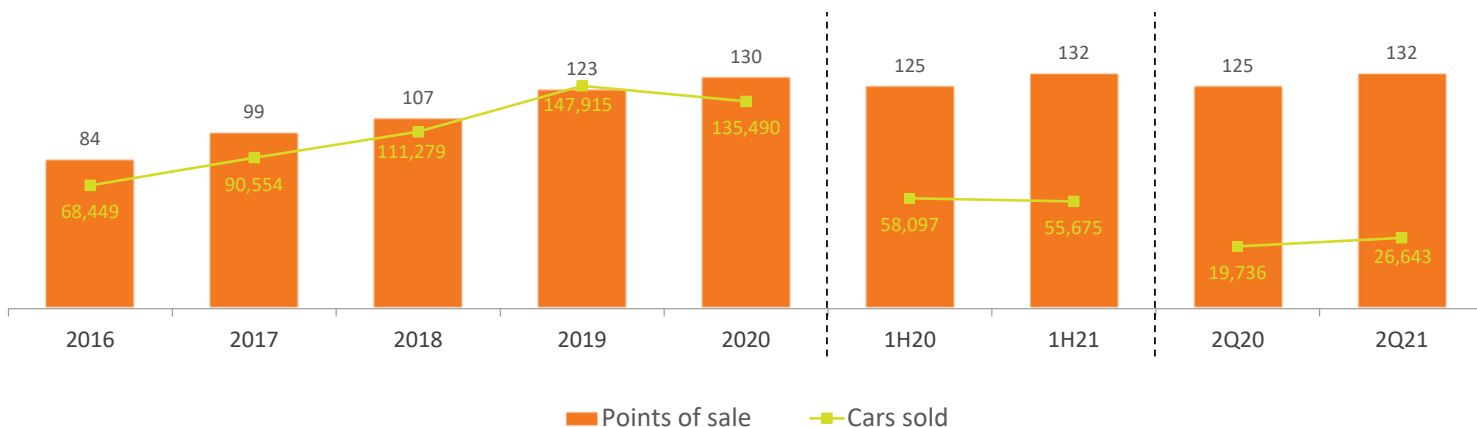
In 2Q21, still in the context of lower levels of new car production, we kept the strategy of postponing the decommissioning of the **Car Rental**, extending the life of our fleet, which resulted in a sale of **Seminovos** below our capacity. In 2Q21, 26,643 cars were sold and 28,653 were purchased, resulting in an increase of 2,010 cars in the fleet and a net investment of R\$329,2 million.

The price of cars sold grew 31.3% in 2Q21 compared to 2Q20, reflecting the increase in the price of new cars.

	2016	2017	2018	2019	2020	Var. %	1H20	1H21	Var. %	2Q20	2Q21	Var. %
Average price of cars sold (R\$ thousand)	34.3	38.2	40.6	42.1	45.2	7.4%	42.7	54.0	26.7%	42.0	55.2	31.3%

4 – Seminovos – Number of points of sale

Number of points of sale and used cars

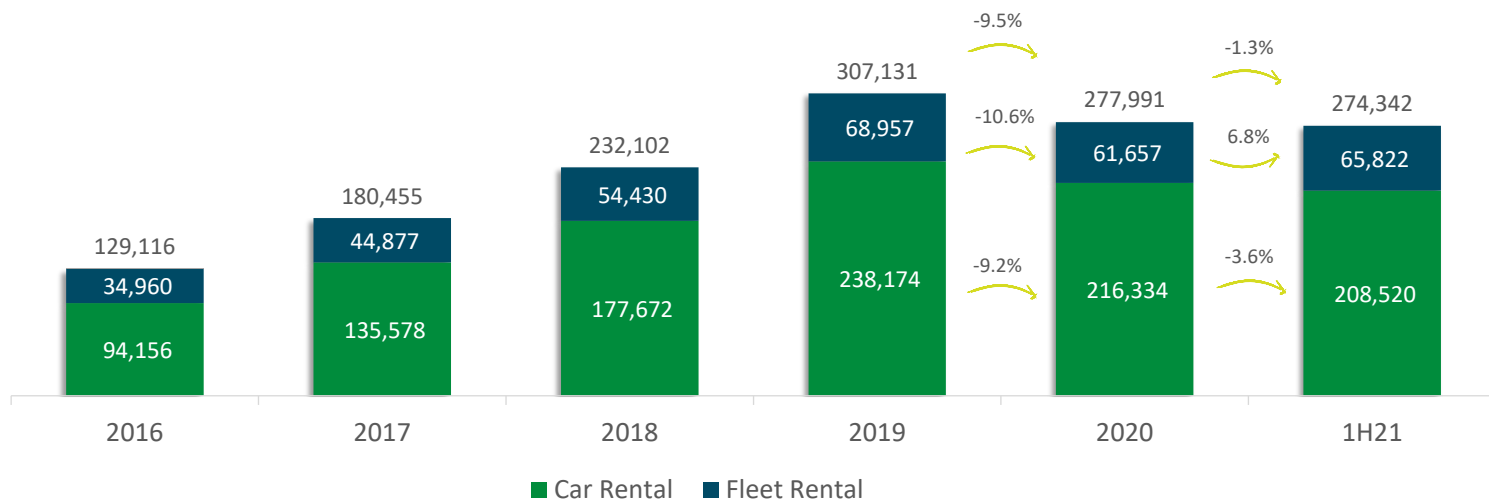


We ended 2Q21 with 132 **Seminovos** stores, in 90 cities in Brazil. Over the last 12 months, 7 **Seminovos** stores were opened.

5 – End of period fleet

Car purchase and sales

quantity

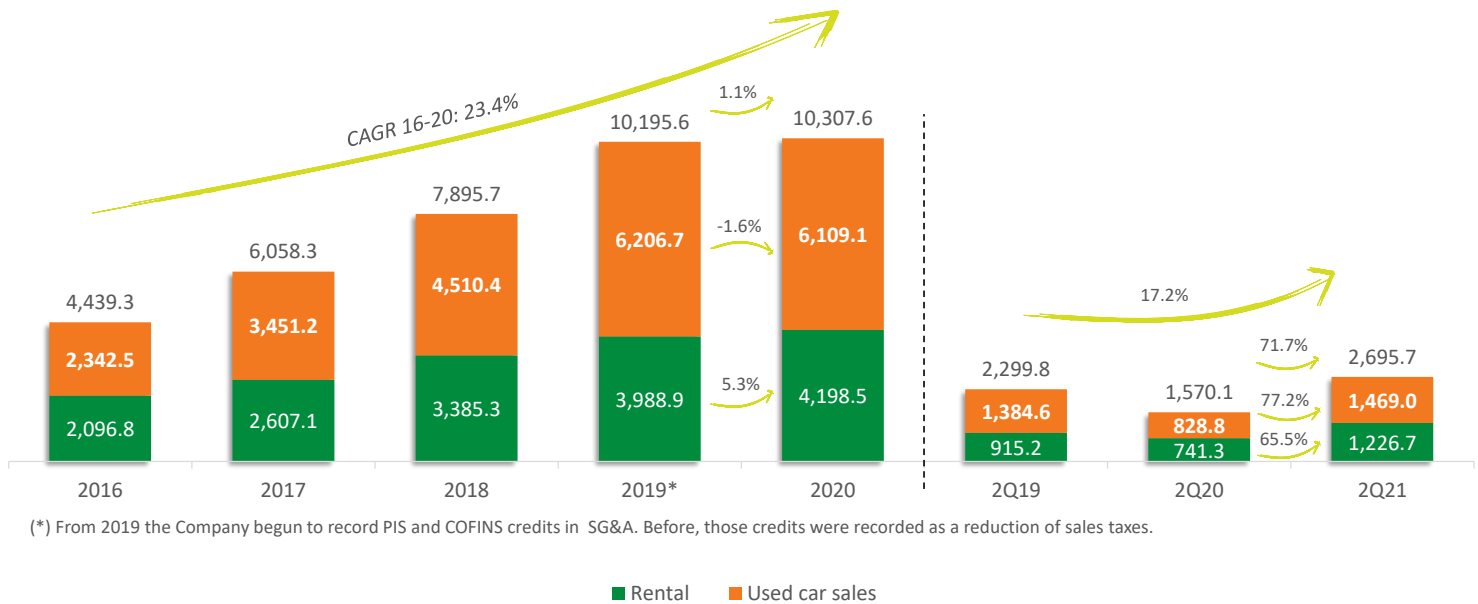


In 1H21, the fleet was reduced by 1.3% versus the end of 2020, due to the persistence of lower level of cars' supply, partially offset by a reduction in the number of cars available for sale.

6 – Consolidated net revenues

Consolidated net revenues

R\$ million



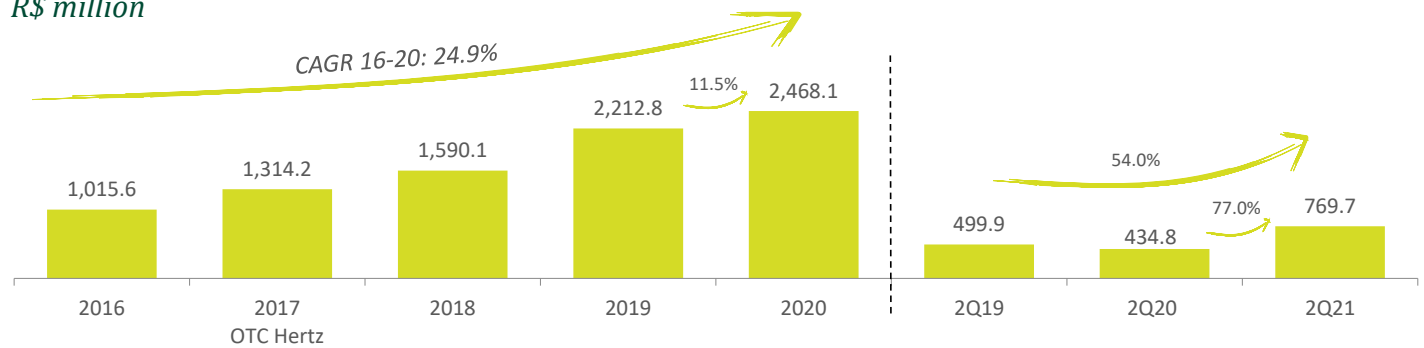
In 2Q21, consolidated net revenues increased by 71.7%.

Compared to 2Q20, net rental revenues increased 65.5%, being 94.0% in **Car Rental** division and 13.1% in **Fleet Rental** division. While **Seminovos** net revenues increased 77.2% due to the 35.0% growth in the volume of cars sold combined with the 31.3% increase in the sale price.

7 - EBITDA

Consolidated EBITDA

R\$ million



EBITDA margin:	2016	2017*	2018	2019**	2020	2Q19	2Q20	1Q21	2Q21
Car Rental and Franchising	32.4%	34.9%	35.9%	45.7%	45.3%	43.9%	53.1%	42.9%	38.6%
Fleet Rental	64.5%	61.9%	64.0%	67.7%	72.4%	65.2%	81.4%	63.6%	65.9%
Rental Consolidated	42.3%	42.6%	43.0%	50.9%	52.1%	49.3%	63.1%	47.5%	45.2%
Used Car Sales	5.5%	5.9%	3.0%	3.0%	4.6%	3.5%	-4.0%	13.5%	14.6%
Consolidated (on rental revenue)	48.4%	50.4%	47.0%	55.5%	58.8%	50.2%	58.7%	63.9%	62.7%

(*) 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 2Q21, consolidated EBITDA totaled R\$769.7 million, 77.0% higher than the same period of the prior year.

In the **Car Rental** division, the EBITDA margin was 38.6% in 2Q21, a reduction of 14.6 p.p. compared to 2Q20, which was positively impacted by the reversal of 103.4 million PIS/Cofins credits' provision that contributed to an increase of 21.7 p.p. in the 2Q20 margin, as explained at the time. Excluding the impact of the reversal, the margin in 2Q21 would be 7.1 p.p. higher than in the same period of the previous year, the most affected by the pandemic.

In a quarter over quarter analysis, compared to 1Q21, there is a margin effect associated with the drop in volumes, resulted from the second wave of the pandemic, not yet followed by a reduction in costs. The continuance of fleet aging still results in higher maintenance levels. In addition, margin was affected by higher mobilization costs due to a greater purchase of cars in this Division, this quarter; personnel costs and opening of 11 branches in the quarter.

The **Fleet Rental** division had a margin of 65.9%, a decrease of 15.5 p.p. compared to the same period of the previous year. The reversal of PIS/COFINS credits had a positive impact of R\$21.0 million on the 2Q20 margin. Excluding this effect, the margin for this quarter was 6.7 p.p. lower than the same period last year. The margin reduction is mainly due to the increase in maintenance costs, due to the fleet aging. In addition, there was an increase in expenses related to IT, team structuring and advertising for Localiza Meoo, which will be diluted as the cars ordered are delivered to customers and start to generate revenue.

Compared to 1Q21, the **Fleet Rental** division's EBITDA margin increased by 2.3 p.p., due to revenue growth and lower maintenance costs, especially due to the reduction in expenses with fleet mobilization in the quarter.

In **Seminovos**, the increase in the price of new cars continues to be reflected in the cars sold prices, positively impacting its EBITDA margin, which reached 14.6% in 2Q21, 18.6 p.p. higher than in the same period last year and tends to sustain a higher level in the coming quarters.

7 - EBITDA

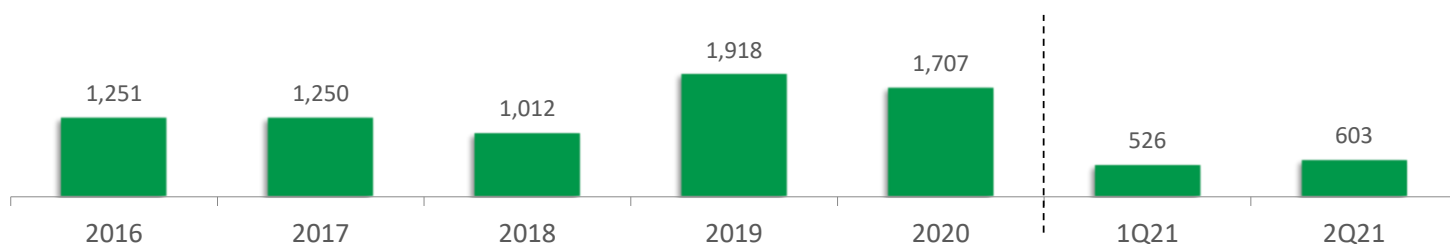
Compared to 1Q21, **Seminovos'** EBITDA margin presents an increase of 1.1 p.p. by the improvement in the sale prices and the reduction in expenses, despite the drop in sales volume.

All in, in 2Q21 consolidated EBITDA margin over rental revenues reached 62.7%, an expansion of 4.0 p.p. compared to 2Q20, but reducing 1.2 p.p. compared to 1Q21.

8 - Depreciation

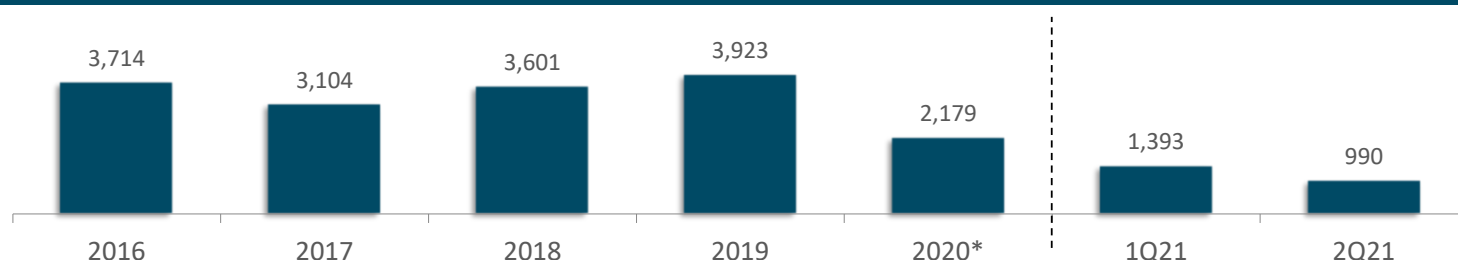
Depreciation is calculated using the straight-line method, considering the difference between the purchase price of the car and the estimated selling price at the end of its useful life, net of estimated costs and expenses to sell it. The estimated selling price is reassessed quarterly, so the book value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

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



In this quarter, the increase in prices for new cars trend continued, resulting in an increase of 26.7% in average prices in 1H21, compared to 1H20, and 31.3% in the annual comparison of 2Q21 in relation to 2Q20. In addition, the increase in the useful life of cars and in selling prices result in 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

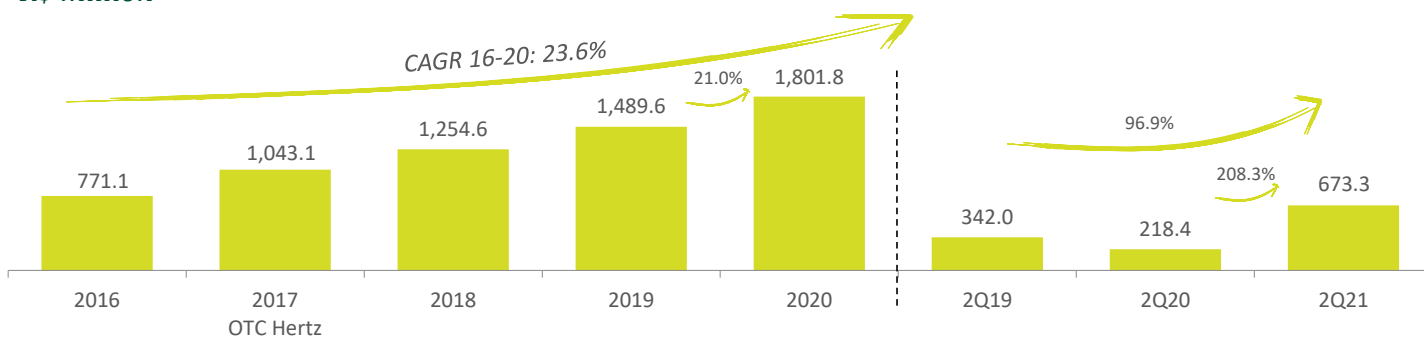


*Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

In the **Fleet Rental** division, the average depreciation per car in 2Q21 was R\$990, reflecting increase in the cars sale price.

Consolidated EBIT

R\$ million



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

	2016	2017*	2018	2019**	2020	2021	2020	2019	2021
Car Rental and Franchising	30.2%	35.2%	33.2%	33.7%	35.1%	49.1%	8.5%	34.3%	53.3%
Fleet Rental	51.2%	51.4%	48.6%	49.1%	66.4%	73.2%	67.9%	46.4%	66.5%
Consolidated	36.8%	40.0%	37.1%	37.3%	42.9%	54.9%	29.5%	37.4%	56.2%

(*) 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 2Q21 totaled R\$673.3 million, representing an increase of 208.3% compared to 2Q20.

In 2Q21, the EBIT margin of the **Car Rental** division, was 49.1%, representing an increase of 40.6 p.p. compared to 2Q20. In the **Fleet Rental** division, the EBIT margin totaled 73.2%, an increase of 5.3 p.p. compared to the same period last year.

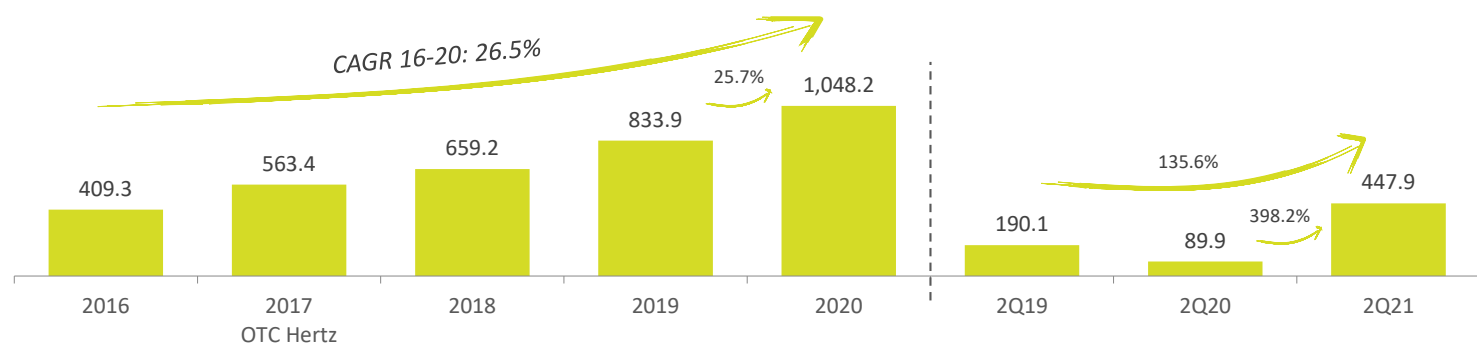
Compared to 1Q21, the EBIT margin in the **Car Rental** division decreased by 4.2 p.p.. While in the **Fleet Rental** division, the EBIT margin increased by 6.7 p.p. on the same basis of comparison.

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 dilutive effect on fixed costs, arising from the resumption of the pace of growth.

10 - Consolidated net income

Consolidated net income

R\$ million



EBITDA x Net income reconciliation	2016	2017*	2018	2019	2020	Var. R\$	Var. %	2Q19	2Q20	2Q21	Var. R\$	Var. %
Consolidated EBITDA	1,015.6	1,314.2	1,590.1	2,212.8	2,468.1	255.3	11.5%	499.9	434.8	769.7	334.9	77.0%
Cars depreciation	(206.3)	(232.0)	(291.6)	(551.5)	(473.0)	78.5	-14.2%	(118.0)	(167.5)	(44.1)	123.4	-73.7%
Other property depreciation and amortization	(38.2)	(39.1)	(43.9)	(171.7)	(193.4)	(21.7)	12.6%	(39.9)	(48.9)	(52.3)	(3.4)	7.0%
EBIT	771.1	1,043.1	1,254.6	1,489.6	1,801.7	312.1	21.0%	342.0	218.4	673.3	454.9	208.3%
Financial expenses, net	(243.5)	(315.0)	(368.9)	(409.8)	(374.4)	35.4	-8.6%	(97.9)	(127.3)	(45.9)	81.4	-63.9%
Income tax and social contribution	(118.3)	(164.7)	(226.5)	(245.9)	(379.1)	(133.2)	54.2%	(54.0)	(1.2)	(179.5)	(178.3)	14,858.3%
Net income of the period	409.3	563.4	659.2	833.9	1,048.2	214.3	25.7%	190.1	89.9	447.9	358.0	398.2%

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

Net income in 2Q21 was R\$447.9 million, representing an increase of 398.2% over 2Q20, resulting from:

(+) R\$334.9 million increase in EBITDA,

(+) R\$120.0 million reduction in depreciation,

(+) R\$81.4 million lower net financial expenses, mainly due to lower carrying cost and the positive mark-to-market of pre-swap contracts. The strategy of protecting the ROIC spread through swap contracts, in **Fleet Rental**, proved to be adequate in the context of interest rate volatility; and

(-) R\$178.3 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	1H21
Operations	EBITDA	1,015.7	1,314.2 *	1,590.1	2,212.8	2,468.1	1,575.4
	Used car sale revenue, net of taxes	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(6,109.1)	(3,005.9)
	Net book value of vehicles written-off	2,102.5	3,106.6	4,198.5	5,863.6	5,599.9	2,477.9
	(-) Income tax and social contribution	(93.3)	(108.3)	(131.2)	(146.1)	(250.1)	(232.4)
	Change in working capital	(40.8)	(47.9)	(117.4)	(268.9)	103.5	(157.3)
Cash generated by rental operations		641.5	813.4	1,029.6	1,454.7	1,812.3	657.7
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	2,967.7
	Fleet renewal investment	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(5,524.1)	(3,330.2)
	Change in accounts payable to car suppliers for fleet renewal	219.8	227.6	250.1	468.7	235.1	(547.1)
	Net investment for fleet renewal	(1.2)	17.9	63.8	(129.2)	(402.1)	(909.6)
Fleet renewal – quantity		68,449	90,554	111,279	147,915	109,379	55,013
Investment, property and intangible		(40.9)	(28.8)	(42.8)	(70.0)	(108.0)	(62.7)
Free cash flow from operations, before fleet increase or reduction		599.4	802.5	1,050.6	1,255.5	1,302.2	(314.6)
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	1,222.2	38.2
	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	38.2
Fleet increase / (reduction) – quantity		19,384	52,860	54,142	75,619	(26,111)	(662)
Free cash flow after growth		(99.8)	(1,121.5)	(725.1)	(2,305.0)	1,581.0	(276.4)
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	(280.0)
Cash effects of receivables and anticipation of payables to suppliers (**)		98.0	88.3	(113.2)	(131.8)	(293.1)	(23.2)
Free cash flow before interest		(87.5)	(1,300.9)	(838.3)	(2,455.0)	1,280.0	(303.2)

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

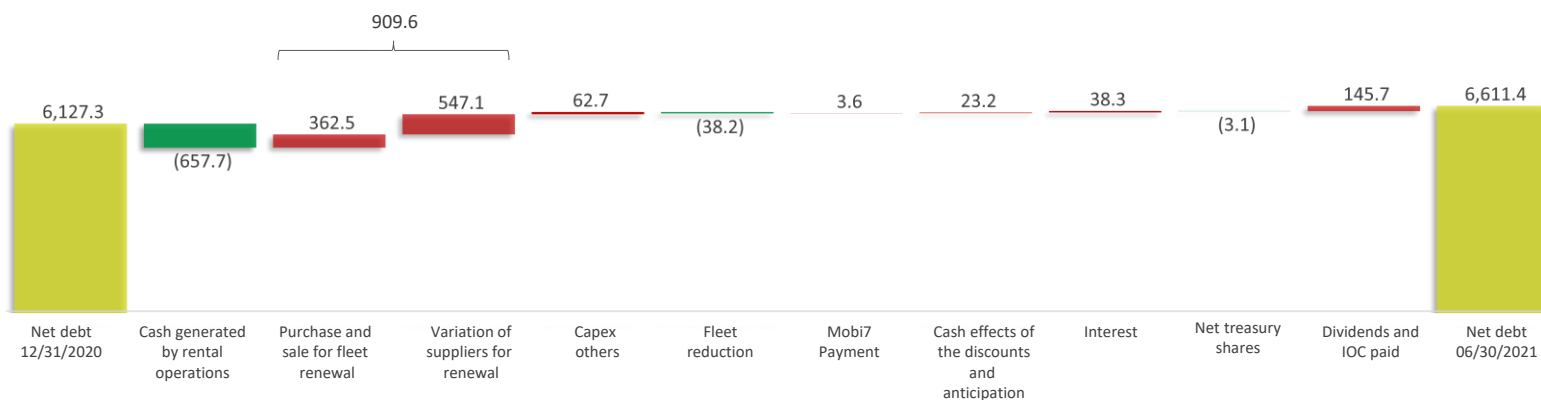
(*) 2017 adjusted by one-time costs incurred - Hertz Brasil acquisition and franchisees incorporation.

(**) 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 1H21, the Company had a cash consumption of R\$303.2 million, mainly explained by the reduction of R\$547.1 million in the automakers account.

12 – Net debt

12.1 – Change in net debt – R\$ million



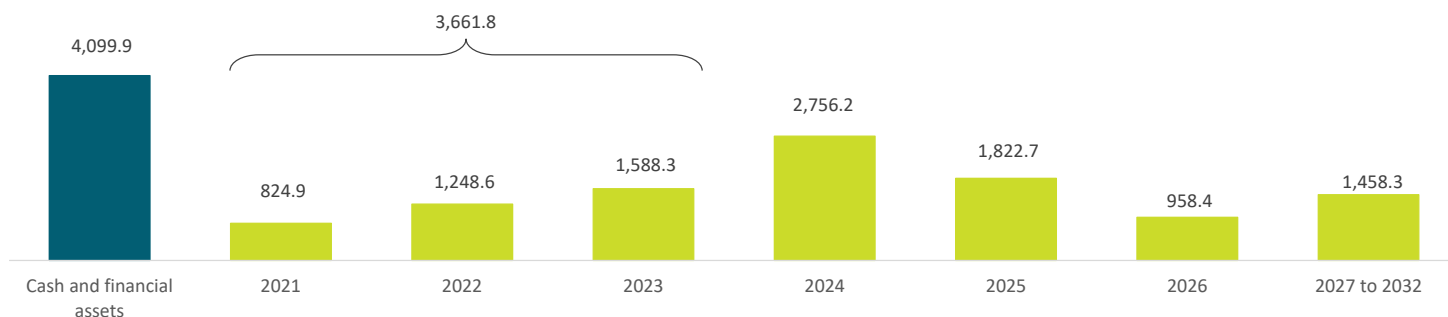
On 06/30/2021, net debt totaled R\$6,611.4 million, an increase of 7.9%, or R\$484.1 million compared to 12/31/2020.

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	111,5% CDI	-	410.7	-	-	-	-	-	410.7
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	107,9% 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	112,0% CDI	-	-	-	-	202.4	-	-	202.4
Debentures 6th Issuance of Localiza Fleet	12/21/2018	110,4% CDI	-	-	-	310.1	-	-	-	310.1
Debentures 7th Issuance of Localiza Fleet	7/29/2019	109,0% CDI	-	-	100.0	100.0	100.0	-	-	300.0
Debentures 8th Issuance of Localiza Fleet	-	CDI + 1,0%	-	-	333.3	333.3	333.3	-	-	999.9
Promissory Notes - 7th Issuance	9/24/2019	108,0% 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% CDI	5.6	9.0	12.3	15.0	20.1	25.1	258.3	345.4
Working Capital / Others	-	Several	108.6	307.8	371.5	126.0	0.8	-	-	914.7
Interest accrued	-	-	54.0	-	-	-	-	-	-	54.0
Cash and cash equivalents on 06/30/2021	-	-	(4,099.9)	-	-	-	-	-	-	(4,099.9)
Net debt	-	-	(3,221.1)	1,248.7	1,588.3	2,756.3	1,822.6	958.3	1,458.3	6,611.4

12.3 – Debt profile – R\$ million

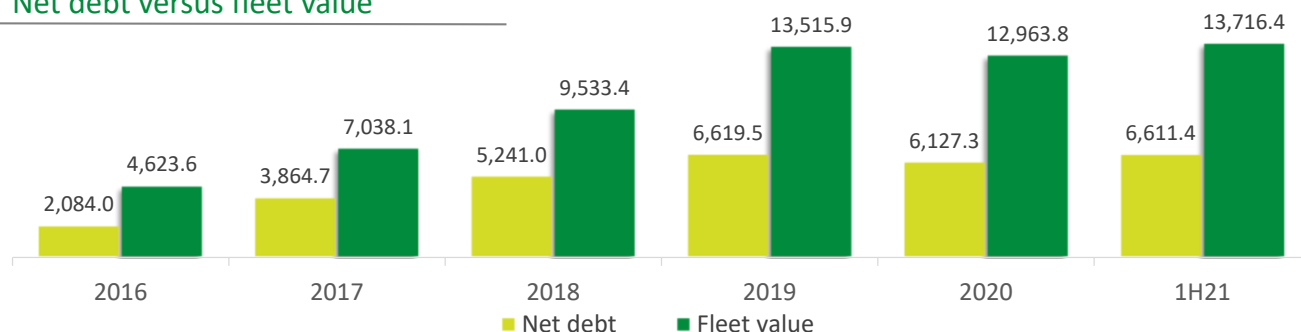
As of June 30, 2021



The Company ended the quarter with a cash balance of R\$4,099.9 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

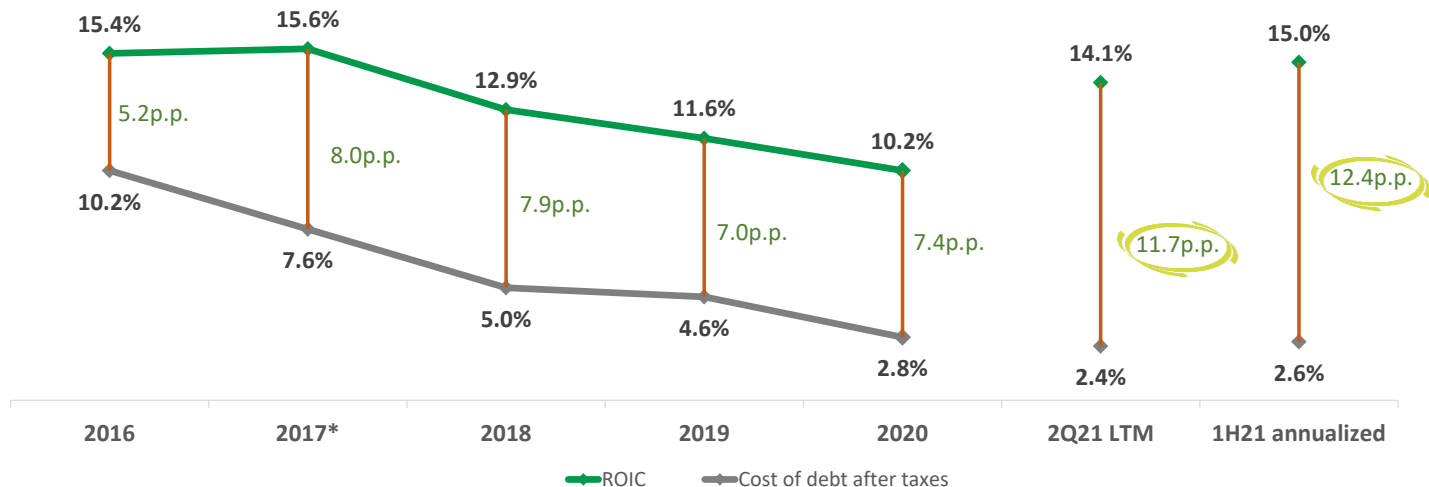
Net debt versus fleet value



BALANCE AT THE END OF PERIOD	2016	2017	2018	2019	2020	1H21 LTM
Net debt/Fleet value (book value)	45%	55%	55%	49%	47%	48%
Net debt/annualized EBITDA	2.1x	2.9x	3.3x	3.0x	2.5x	2.2x
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	15.9x

The Company presents comfortable debt ratios, which located it for the growth resumption.

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 26.9%

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	

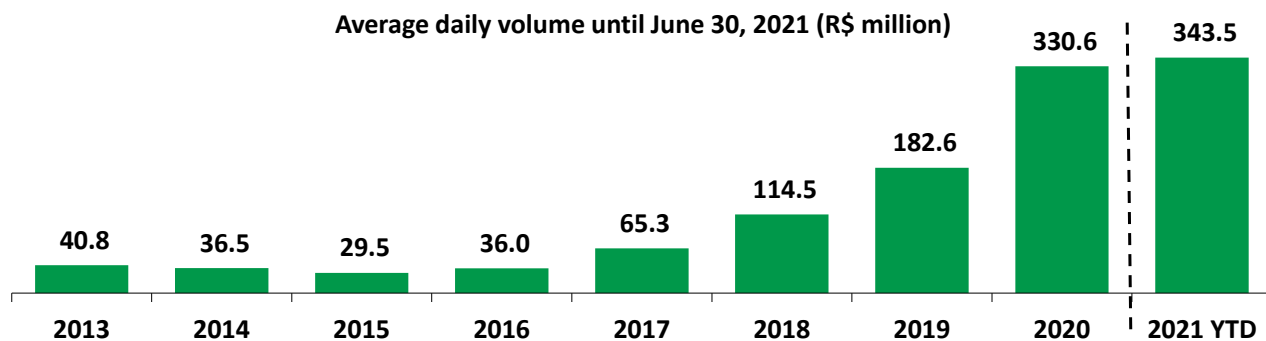
2021 interest on capital were approved as follow:

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
Total					136.1	

15 – RENT3

Up to June 30, 2021, RENT3 average daily traded volume was R\$343.5 million, 3.9% higher than the average volume traded in 2020.

Under the ADR level I program, the Company had 5,352,934 ADRs as of June 30,2021.



In 2021, driven by the evolution of the Company's purpose, "Building the future of sustainable mobility with you", we continued to advance in our ESG strategy. We released the third Sustainability Report in GRI format and with SASB indicators, launched Localiza Institute to manage the Company's private social investment, accelerated our Diversity and Inclusion program with accession to the UN Forum for Companies with Refugees and received the important highlight in the Money Times ESG ranking. In line with our business strategy and the expectations of our stakeholders, we updated our materiality matrix, which includes the central themes that guide our actions in the short, medium and long term.

The materiality matrix was updated based on a listening process that involved more than 2,000 interlocutors, internal discussions and validation with the leadership and governance committee. The work also involved an analysis of correlation with the UN Sustainable Development Goals, expressed in the Global Compact, to which Localiza is signatory since 2017. As a result, we prioritized 10 themes, which were organized into three pillars:



In some of these themes we have very advanced projects and initiatives, composing the C-level and responsible teams' goals panel. Among these goals, we highlight the carbon neutralization of scopes 1 and 2, and definition of the strategy for scope 3; favorability index in the eNPS and diversity and inclusion indicators; and ISO 37001 certification.

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.	1H20	1H21	Var.	2020	2021	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%	1,517.3	2,109.5	39.0%	531.3	1,027.2	93.3%
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%	572.1	638.1	11.5%	289.0	327.5	13.3%
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%	2,089.4	2,747.6	31.5%	820.3	1,354.7	65.1%
Taxes on revenues - Car and Fleet Rentals and Franchising (*)	(72.3)	(66.6)	(66.6)	(61.4)	(59.7)	(59.7)	(44.4)	-5.5%	(159.0)	(260.7)	31.0%	(79.0)	(129.0)	62.0%
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%	1,890.4	2,486.9	31.6%	741.3	1,226.7	65.5%
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%	2,079.7	2,574.1	23.8%	665.3	1,239.4	86.3%
Car sales for fleet renewal - Fleet Rental, net of discounts and cancellations	347.8	465.5	465.5	599.5	742.4	742.4	869.2	30.5%	398.9	435.1	9.1%	164.1	231.2	40.9%
Car sales for fleet renewal - total gross revenues (*)	2,345.6	3,455.5	3,455.5	4,518.7	6,222.0	6,222.0	6,119.9	-1.6%	2,478.5	3,009.2	21.4%	829.4	1,470.6	77.3%
Taxes on revenues - Car sales for fleet renewal	(3.1)	(5.3)	(5.3)	(8.3)	(15.3)	(15.3)	(10.8)	-29.4%	(4.2)	(3.3)	-21.4%	(0.6)	(1.6)	166.7%
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%	2,474.3	3,005.9	21.5%	828.8	1,469.0	77.2%
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%	4,364.7	5,492.8	25.8%	1,570.1	2,695.7	71.7%
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%	(478.1)	(753.4)	57.6%	(181.3)	(390.8)	115.6%
Fleet Rental	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(101.4)	(146.4)	44.4%	(48.0)	(71.4)	48.8%
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%	(579.5)	(899.8)	55.3%	(229.3)	(462.2)	101.6%
Car sales for fleet renewal - Car rental	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.6)	(5,037.8)	(4,629.7)	-8.1%	(1,954.8)	(2,034.2)	-4.1%	(641.3)	(979.6)	52.8%
Car sales for fleet renewal - Fleet Rental	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	(650.1)	(832.0)	28.0%	(357.2)	(332.1)	-7.0%	(152.0)	(170.5)	15.1%
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%	(2,312.0)	(2,366.3)	2.3%	(793.3)	(1,154.6)	45.5%
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%	(2,891.5)	(3,266.1)	13.0%	(1,022.6)	(1,616.8)	58.1%
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%	1,473.2	2,226.7	51.1%	547.5	1,078.9	97.1%
Operating expenses														
Advertising, promotion and selling:														
Car rental and franchising	(149.0)	(200.7)	(194.4)	(285.8)	(357.3)	(357.3)	(460.3)	28.8%	(212.7)	(259.9)	22.2%	(102.5)	(119.4)	16.5%
Fleet Rental	(14.0)	(18.8)	(18.8)	(27.7)	(36.0)	(36.0)	(48.3)	7.3%	(18.8)	(31.8)	69.1%	(9.4)	(16.6)	76.6%
Car sales for fleet renewal	(191.6)	(232.3)	(232.3)	(279.5)	(357.1)	(301.6)	(328.4)	8.9%	(152.7)	(192.9)	26.3%	(59.7)	(86.1)	44.2%
Total advertising, promotion and selling	(354.8)	(451.8)	(445.5)	(593.0)	(750.4)	(694.9)	(836.9)	19.1%	(384.2)	(484.6)	26.1%	(171.6)	(222.1)	29.4%
General, administrative and other expenses	(151.3)	(215.3)	(203.6)	(210.6)	(268.0)	(267.9)	(205.1)	-23.8%	(21.5)	(166.6)	674.9%	59.9	(87.1)	-247.9%
Total Operating expenses	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(1,032.0)	7.2%	(405.7)	(651.2)	60.5%	(112.7)	(309.2)	174.4%
Depreciation expenses:														
Cars depreciation:														
Car rental	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(251.7)	(54.8)	-78.2%	(135.2)	(28.8)	-78.7%
Fleet Rental	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(69.0)	(35.9)	-48.0%	(32.3)	(15.3)	-52.6%
Total cars depreciation expenses	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(473.0)	-14.2%	(320.7)	(90.7)	-71.7%	(167.5)	(44.1)	-73.7%
Other assets depreciation and amortization	(38.2)	(39.1)	(39.1)	(43.3)	(46.3)	(46.3)	(171.7)	12.6%	(94.0)	(103.1)	9.7%	(48.9)	(52.3)	7.0%
Total depreciation and amortization expenses	(244.5)	(271.1)	(271.1)	(335.5)	(597.8)	(624.2)	(644.7)	-7.9%	(414.7)	(193.8)	-53.3%	(216.4)	(96.4)	-55.5%
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%	652.8	1,381.7	111.7%	218.4	673.3	208.3%
Financial expenses, net:														
Car rental and franchising	(445.5)	(511.9)	(511.9)	(536.8)	(591.2)	(630.0)	(512.4)	-18.7%	(308.8)	(142.2)	-54.0%	(145.7)	(92.9)	-36.2%
Expense	202.0	196.9	196.9	167.9	230.6	220.2	138.0	-37.3%	53.9	74.0	37.3%	18.4	47.0	155.4%
Financial (expenses) revenues, net	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	(409.8)	(374.4)	-8.6%	(254.9)	(68.2)	-73.2%	(127.3)	(45.9)	-63.9%
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%	397.9	1,313.5	230.1%	91.1	627.4	588.7%
Income tax and social contribution	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(379.1)	54.2%	(77.1)	(383.3)	397.1%	(1.2)	(179.5)	14858.3%
Net income for the period	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	25.7%	320.8	930.2	190.0%	89.9	447.9	398.2%
EBITDA	1,015.6	1,240.2	1,314.2	1,590.1	2,055.8	2,212.8	2,468.1	11.5%	1,067.5	1,575.4	47.6%	434.8	769.7	77.0%
EBIT	771.1	969.1	1,043.1	1,254.6	1,458.0	1,489.6	1,801.7	21.0%	652.8	1,381.7	111.7%	218.4	673.3	208.3%
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.	34.5%	55.6%	21.0 p.p.	29.5%	54.9%	25.4 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%	1,075.5	1,153.3	7.2%	467.6	554.6	18.6%
EBITDA Margin	42.3%	39.8%	42.6%	43.0%	44.4%	50.9%	52.1%	1.2 p.p.	56.9%	46.4%	-10.5 p.p.	63.1%	45.2%	-17.9 p.p.
Used Car Sales (Seminovos) EBITDA	127.8	203.2	203.2	135.8	125.2	163.8	280.5	52.8%	(8.0)	422.3	-5378.7%	(32.8)	215.2	-756.1%
EBITDA Margin	5.9%	5.9%	5.9%	3.0%	2.0%	3.0%	4.8%	1.6 p.p.	-0.3%	14.0%	14.3 p.p.	-4.0%	14.6%	18.6 p.p.

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

18 – Table 4 – Operating data

SELECTED OPERATING DATA	2016	2017	2018	2019	2020	Var.	1H20	1H21	Var.	2Q20	2Q21	Var.
Average operating fleet:												
Car Rental	70,185	94,194	130,058	173,649	200,742	15.6%	208,221	193,931	-6.9%	204,931	190,882	-6.9%
Fleet Rental	31,908	36,804	44,404	55,726	59,801	7.3%	61,439	60,478	-1.6%	61,686	61,832	0.2%
Total	102,093	130,998	174,462	229,375	260,543	13.6%	269,660	254,409	-5.7%	266,617	252,714	-5.2%
Average rented fleet:												
Car Rental	51,515	69,762	97,245	128,718	140,151	8.9%	132,464	146,921	10.9%	108,307	140,375	29.6%
Fleet Rental	31,222	35,424	42,321	53,029	59,244	11.7%	58,594	62,500	6.7%	58,632	63,774	8.8%
Total	82,737	105,186	139,566	181,747	199,395	9.7%	191,058	209,421	9.6%	166,939	204,149	22.3%
Average age of operating fleet (months)												
Car Rental	7.9	6.5	7.2	7.0	10.0	42.9%	8.6	13.0	51.2%	9.5	13.4	41.1%
Fleet Rental	18.0	18.1	15.1	15.1	17.4	15.2%	16.1	19.8	23.0%	16.8	20.0	19.0%
Average age of total operating fleet	11.0	9.8	9.3	9.0	11.7	30.0%	10.3	14.7	42.4%	11.2	15.1	34.8%
Fleet at end of period:												
Car Rental	94,156	135,578	177,672	238,174	216,334	-9.2%	225,870	208,520	-7.7%	225,870	208,520	-7.7%
Fleet Rental	34,960	44,877	54,430	68,957	61,657	-10.6%	65,585	65,822	0.4%	65,585	65,822	0.4%
Total	129,116	180,455	232,102	307,131	277,991	-9.5%	291,455	274,342	-5.9%	291,455	274,342	-5.9%
Managed fleet at end period - Fleet Rental	145	94	57	32	105	228.1%	27	84	211.1%	27	84	211.1%
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%	1,590.6	2,536.7	59.5%	57.4	1,481.6	2481.2%
Fleet Rental	503.4	861.5	1,189.2	1,472.6	975.7	-33.7%	417.3	788.7	89.0%	114.4	314.0	174.5%
Total	3,285.6	5,463.3	6,974.4	10,274.7	5,517.6	-46.3%	2,007.9	3,325.4	65.6%	171.8	1,795.6	945.2%
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%	24,097.5	26,572.7	10.3%	9,851.8	12,773.4	29.7%
Rental days for Fleet Rental replacement service	(202.4)	(230.4)	(230.1)	(283.0)	(839.9)	196.7%	(130.5)	(800.3)	513.3%	(52.4)	(397.0)	657.6%
Car Rental - Net	18,662.4	25,263.6	35,284.5	46,745.9	50,446.5	7.9%	23,967.0	25,772.4	7.5%	9,799.4	12,376.4	26.3%
Fleet Rental	11,240.0	12,752.7	15,235.7	19,090.5	21,328.0	11.7%	10,546.9	11,249.9	6.7%	5,276.8	5,739.6	8.8%
Total	29,902.4	38,016.3	50,520.2	65,836.5	71,774.5	9.0%	34,513.9	37,022.3	7.3%	15,076.2	18,116.0	20.2%
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%	2,417.9	564.7	-76.6%	2,640.2	603.0	-77.2%
Fleet Rental	3,714.0	3,104.3	3,601.1	3,923.4	2,178.9	-44.5%	2,244.1	1,187.0	-47.1%	2,092.4	989.9	-52.7%
Total	2,020.9	1,771.0	1,671.2	2,405.2	1,815.2	-24.5%	2,378.3	713.5	-70.0%	2,513.5	697.6	-72.2%
Average annual gross revenues per operating car (R\$ thousand)												
Car Rental	21.2	20.2	19.8	19.3	17.3	-10.2%	14.7	21.8	48.3%	10.4	19.4	86.5%
Fleet Rental	20.5	20.4	19.1	18.5	19.2	3.9%	18.6	21.1	13.4%	18.7	19.2	2.7%
Average daily rental (R\$)												
Car Rental (*)	79.67	75.16	72.86	71.57	68.52	-4.3%	62.93	81.36	29.3%	53.84	82.53	53.3%
Fleet Rental	58.23	58.77	55.62	53.92	53.81	-0.2%	53.51	56.09	4.8%	53.84	57.05	6.0%
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.	66.9%	78.1%	11.2 p.p.	55.6%	75.9%	20.3 p.p.
Fleet Rental	98.9%	98.2%	96.8%	96.6%	97.4%	0.8 p.p.	96.6%	98.5%	1.9 p.p.	96.4%	98.4%	2.0 p.p.
Number of cars purchased - consolidated (**)	87,833	135,252	165,421	223,534	109,379	-51.1%	43,750	55,013	25.7%	2,871	28,653	898.0%
Average price of cars purchased (R\$ thsd) - consolidated	37.41	40.39	42.16	45.96	50.45	9.8%	45.90	60.45	31.7%	59.84	62.67	4.7%
Numbers of cars sold - consolidated	68,449	90,554	111,279	147,915	135,490	-8.4%	58,097	55,675	-4.2%	19,736	26,643	35.0%
Average price of cars sold (R\$ thsd) (***) - consolidated	31.23	35.38	37.86	39.80	42.46	6.7%	39.73	50.15	26.2%	38.56	51.47	33.5%

(*) 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	1H21
CURRENT ASSETS:							
Cash and cash equivalents	1,692.3	1,338.2	2,175.3	2,220.1	2,220.1	2,586.4	497.5
Financial assets	-	1,275.7	267.5	610.8	610.8	1,380.2	3,602.4
Trade accounts receivable	424.5	585.1	1,016.5	1,274.7	1,274.7	1,107.5	1,109.4
Derivative financial instruments - swap	2.2	-	-	-	-	154.3	71.6
Other current assets	115.0	128.6	182.7	246.8	246.8	300.7	298.3
Decommissioning cars to fleet renewal	8.8	103.4	51.8	141.7	141.7	40.5	44.0
Total current assets	2,242.8	3,431.0	3,693.8	4,494.1	4,494.1	5,569.6	5,623.2
NON CURRENT ASSETS:							
Long-term assets:							
Marketable securities	-	-	-	-	-	-	-
Derivative financial instruments - swap	7.4	16.7	2.8	18.2	18.2	353.0	482.7
Trade accounts receivable	3.2	4.7	3.8	1.8	1.8	2.0	1.8
Escrow deposit	60.1	83.1	96.3	114.6	114.6	113.7	115.1
Deferred income tax and social contribution	-	42.0	42.2	32.4	32.4	24.4	24.0
Investments in restricted accounts	-	40.6	43.0	22.3	22.3	44.9	45.5
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	669.1
Property and equipment							
Cars	4,614.8	6,934.7	9,481.6	13,374.1	13,374.1	12,923.3	13,672.4
Right of use	-	-	-	-	625.0	624.5	644.2
Other	405.8	549.3	550.3	570.5	570.5	633.5	670.5
Intangible:							
Software and others	61.1	52.8	47.8	49.9	49.9	46.7	41.8
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	15,803.4
TOTAL ASSETS	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,441.1	21,426.6

LIABILITIES AND SHAREHOLDERS' EQUITY	2016	2017	2018	2019 without IFRS 16	2019	2020	1H21
CURRENT LIABILITIES:							
Trade accounts payable	910.9	1,331.7	2,202.6	2,565.4	2,565.4	1,661.0	1,120.7
Social and labor obligations	95.0	109.2	135.0	161.8	161.8	218.5	215.6
Loans, financing and debentures	654.6	537.2	616.6	144.3	144.3	1,615.0	2,459.2
Lease liability	-	-	-	-	116.0	130.2	139.3
Derivative financial instruments - swap	-	6.8	18.7	26.8	26.8	66.4	56.9
Income tax and social contribution	23.0	31.3	41.1	58.7	54.6	117.6	38.0
Dividends and interest on own capital	39.7	36.4	42.6	63.4	63.4	72.4	64.3
Other current liabilities	118.5	181.5	282.8	390.0	390.0	415.3	306.2
Total current liabilities	1,841.7	2,234.1	3,339.4	3,410.4	3,522.3	4,296.4	4,400.2
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	8,703.5
Lease liability	-	-	-	-	526.8	532.5	552.6
Derivative financial instruments - swap	-	10.8	21.9	62.3	62.3	37.2	46.0
Provisions	63.1	126.5	148.8	207.2	207.2	158.6	145.8
Deferred income tax and social contribution	171.9	219.7	297.3	352.7	352.7	412.1	642.4
Restricted Obligations	-	40.6	43.1	22.5	22.5	45.4	45.9
Other non current liabilities	12.3	13.3	18.0	16.6	16.6	23.6	26.8
Total non current liabilities	3,378.6	6,351.4	7,558.5	9,896.4	10,423.2	10,092.1	10,163.0
Total liabilities	5,220.3	8,585.5	10,897.9	13,306.8	13,945.5	14,388.5	14,563.2
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	178.2
Earnings Reserves	1,186.3	1,005.8	1,469.5	1,341.1	1,327.4	2,096.3	2,890.4
Total shareholders' equity	2,197.0	2,600.7	3,094.5	5,461.2	5,447.5	6,052.6	6,863.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,441.1	21,426.6

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	1H21
Total net revenues	4,439.3	6,058.3	6,058.3	7,895.7	10,553.5	10,195.6	10,307.6	5,492.8
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)	(3,266.1)
Selling, general, administrative and other expenses	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(1,032.0)	(651.2)
Cars depreciation	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(473.0)	(90.7)
Other assets depreciation and amortization	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(193.4)	(103.1)
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)	(4,111.1)
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	1,381.7
FINANCIAL EXPENSES, NET								
	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	(409.8)	(374.4)	(68.2)
Income before taxes	527.6	654.1	728.1	885.7	1,097.4	1,079.8	1,427.3	1,313.5
INCOME TAX AND SOCIAL CONTRIBUTION								
Current	(88.0)	(119.4)	(135.7)	(139.8)	(183.7)	(180.7)	(311.7)	(152.8)
Deferred	(30.3)	(29.0)	(29.0)	(86.7)	(66.2)	(65.2)	(67.4)	(230.5)
	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(379.1)	(383.3)
Net income	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	930.2

21 – Statements of Cash Flows – R\$ million

CONSOLIDATED CASH FLOW	2016	2017	2017 adjusted	2018	2019 without IFRS 16	2019	2020	1H21
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income	409.3	505.7	563.4	659.2	847.5	833.9	1,048.2	930.2
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	193.8
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	2,477.9
Deferred income tax and social contribution	30.3	29.1	29.1	86.7	65.2	65.2	67.4	230.5
Interest on loans, financing, debentures and swaps of fixed rates	438.1	476.2	476.2	529.8	552.9	552.9	423.3	109.0
Lease interest	-	-	-	-	-	49.0	59.60	29.90
Other	26.9	81.7	81.7	87.8	103.6	103.6	9.3	60.4
(Increase) decrease in assets:								
Trade receivable	56.8	(151.8)	(151.8)	(489.0)	(275.9)	(275.9)	118.8	(53.5)
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)	(3,893.1)
Escrow deposits	(7.2)	(17.5)	(17.5)	(13.1)	(17.9)	(17.9)	0.9	(1.3)
Taxes recoverable	(6.0)	2.6	2.6	3.4	(1.6)	(1.6)	11.5	12.9
Prepaid expenses	0.0	2.7	2.7	1.3	(4.9)	(4.9)	(7.9)	(70.2)
Other assets	(3.6)	(8.8)	(8.8)	(71.9)	(44.7)	(44.7)	(44.7)	65.0
Increase (decrease) in liabilities:								
Accounts payable (except car manufacturers)	29.6	(4.8)	(4.8)	3.1	21.0	21.0	84.2	22.6
Social and labor obligations	9.4	7.5	7.5	25.8	26.8	26.8	56.5	(2.9)
Income tax and social contribution	88.0	119.4	135.7	139.8	184.7	180.7	311.7	152.8
Insurance premium	8.6	19.3	19.3	37.0	23.2	23.2	20.8	(57.9)
Other liabilities	(19.5)	40.1	40.1	60.1	52.0	52.0	13.4	(46.5)
Cash provided by (used in) operating activities	308.8	(573.3)	(499.3)	(519.7)	(1,948.0)	(1,791.0)	1,926.4	159.6
Income tax and social contribution paid	(93.3)	(108.3)	(108.3)	(131.2)	(146.1)	(146.1)	(250.1)	(232.4)
Interest on loans, financing and debentures paid	(442.3)	(485.7)	(485.7)	(424.7)	(562.2)	(562.2)	(366.9)	(144.5)
Lease interest paid	-	-	-	-	-	(53.5)	(56.8)	(20.3)
Financial assets	-	(1,275.8)	(1,275.8)	1,008.2	(343.4)	(343.4)	(769.4)	(2,222.2)
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	(2,459.8)
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)	(62.9)
Net cash provided by (used in) investing activities	(126.6)	(508.2)	(508.2)	(42.8)	(193.7)	(193.7)	(115.9)	(66.5)
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	1,602.9
Repayment	(297.9)	(510.1)	(510.1)	(518.5)	(930.2)	(930.2)	(15.0)	(569.9)
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)	(380.1)
Lease liability:								
Repayment	-	-	-	-	-	(103.5)	(119.2)	(72.9)
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)	(127.6)
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)	437.4
NET CASH FLOW PROVIDED (USED) IN THE YEAR	307.2	(354.1)	(280.1)	837.1	44.8	44.8	366.3	(2,088.9)
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	(2,088.9)
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	497.5
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	307.2	(354.1)	(354.1)	837.1	44.8	44.8	366.3	(2,088.9)
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)	(3,330.2)
Cars acquisition in the year/period - growth	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)	(3,478.7)	(3,478.7)	-	-
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	855.4
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)	(1,418.3)
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)	(3,893.1)

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.

23 – 2Q21 Webinar

Date: Friday, July 30, 2021.

Portuguese (with simultaneous translation to English)

12pm (BRT) | 11am (EDT) | 4pm (BST)

Registration link: https://zoom.us/webinar/register/WN_P3rZ9cT7RuOB8E5skrQ-4g

Replay available at ri.localiza.com/en/ after the event

To access the results, please visit [Results Center](#).

For further investor relations information, please visit the investor relations section of the website at ri.localiza.com/en/. IR Contact: (55 31) 3247-7024 – ri@localiza.com

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