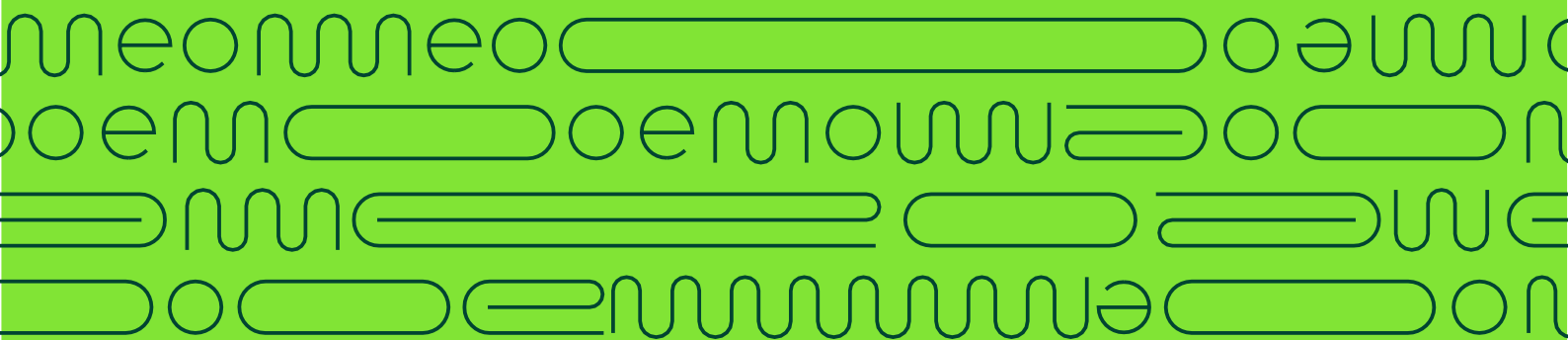


INTERIM FINANCIAL INFORMATION 03/31/21



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



Contents

Company Information

Capital Structure	1
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Individual Interim Financial Information

Balance Sheet – Assets	2
Balance Sheet – Liabilities	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Cash Flows	6

Statement of Changes in Equity

Statement of Changes in Equity - 01/01/2021 to 03/31/2021	7
Statement of Changes in Equity - 01/01/2020 to 03/31/2020	8
Statement of Value Added	9

Consolidated Interim Financial Information

Balance Sheet – Assets	10
Balance Sheet – Liabilities	11
Statement of Income	12
Statement of Comprehensive Income	13
Statement of Cash Flows	14

Statement of Changes in Equity

Statement of Changes in Equity - 01/01/2021 to 03/31/2021	15
Statement of Changes in Equity - 01/01/2020 to 03/31/2020	16
Statement of Value Added	17
Comments on Performance	18
Notes to the Interim Financial Information	44
Comments on the Performance of Business Projections	76
Other Information Considered Relevant by the Company	77

Opinions and Representations

Report on Review of Interim Financial Information – Unqualified	78
Management's Statement on the Financial Statements	80
Management's Statement on the Independent Auditor's Report	81

Company Information / Capital Structure

Number of Shares (Thousands)	Current Quarter 03/31/2021
Paid-In Capital	
Common Shares	758,467
Preferred Shares	0
Total	758,467
Treasury Shares	
Common Shares	6,791
Preferred Shares	0
Total	6,791

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

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
1	Total Assets	16,930,674	17,179,331
1.01	Current Assets	3,594,222	4,080,560
1.01.01	Cash and Cash Equivalents	1,095,522	1,575,486
1.01.02	Financial Assets	1,089,086	1,040,917
1.01.02.01	Financial Assets at fair value through profit or loss	1,089,086	1,040,917
1.01.03	Accounts Receivable	940,684	974,296
1.01.06	Recoverable Taxes	37,545	23,438
1.01.07	Prepaid Expenses	98,412	18,728
1.01.08	Other Current Assets	332,973	447,695
1.01.08.01	Non-Current Assets Available for Sale	5,906	7,997
1.01.08.03	Other	327,067	439,698
1.01.08.03.01	Dividends Receivable	120,680	120,680
1.01.08.03.02	Derivative instruments	0	85,021
1.01.08.03.03	Other	206,387	233,997
1.02	Non-Current Assets	13,336,452	13,098,771
1.02.01	Long-Term Assets	512,979	405,044
1.02.01.10	Other Non-Current Assets	512,979	405,044
1.02.01.10.03	Escrow Deposits	80,717	79,376
1.02.01.10.04	Derivative instruments	432,179	325,585
1.02.01.10.05	Other	83	83
1.02.02	Investments	1,614,435	1,462,266
1.02.03	Property and Equipment	11,171,323	11,192,596
1.02.03.01	Property and Equipment in Use	10,233,706	10,293,097
1.02.03.02	Leased Right-of-use	892,677	864,111
1.02.03.02.02	Right-of-use	892,677	864,111
1.02.03.03	Constructions in Progress	44,940	35,388
1.02.04	Intangible Assets	37,715	38,865
1.02.04.01	Intangible Assets	37,715	38,865
1.02.04.01.04	Software	37,715	38,865

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

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
2	Total Liabilities	16,930,674	17,179,331
2.01	Current Liabilities	3,635,080	3,615,189
2.01.01	Payroll and Related Taxes	254,809	199,117
2.01.02	Trade Payables	866,924	1,458,302
2.01.02.01	Domestic Suppliers	866,924	1,458,302
2.01.03	Taxes Payable	80,991	91,423
2.01.03.01	Federal Taxes Payable	77,299	87,760
2.01.03.01.01	Income Tax and Social Contribution Payable	71,694	71,632
2.01.03.01.02	Other Federal Taxes	5,605	16,128
2.01.03.03	Municipal Taxes Payable	3,692	3,663
2.01.04	Loans and Financing	1,903,093	1,286,564
2.01.04.01	Loans and Financing	946,166	1,272,367
2.01.04.01.01	In Local Currency	941,406	620,073
2.01.04.01.02	In Foreign Currency	4,760	652,294
2.01.04.02	Debentures	956,927	14,197
2.01.05	Other Payables	529,263	579,783
2.01.05.01	Payables to Related Parties	9,562	740
2.01.05.02	Other	519,701	579,043
2.01.05.02.01	Dividends and Interest on Capital Payable	72,369	72,433
2.01.05.02.04	Other Current Liabilities	294,006	359,636
2.01.05.02.05	Derivative instruments	2,171	0
2.01.05.02.06	Unearned Revenue	2,451	2,482
2.01.05.02.07	Right-of-use Lease Liability	148,704	144,492
2.02	Non-Current Liabilities	6,819,938	7,511,483
2.02.01	Loans and Financing	5,569,863	6,349,987
2.02.01.01	Loans and Financing	1,968,122	1,727,737
2.02.01.01.01	In Local Currency	295,793	605,414
2.02.01.01.02	In Foreign Currency	1,672,329	1,122,323
2.02.01.02	Debentures	3,601,741	4,622,250
2.02.02	Other Payables	818,612	791,329
2.02.02.02	Other	818,612	791,329
2.02.02.02.03	Other Non-Current Liabilities	15,375	8,165
2.02.02.02.04	Right-of-use Lease Liability	803,237	773,292
2.02.02.02.05	Derivative instruments	0	9,872
2.02.03	Deferred Taxes	297,616	235,159
2.02.03.01	Deferred Income Tax and Social Contribution	297,616	235,159
2.02.04	Provisions	130,568	131,338
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	130,568	131,338
2.02.06	Unearned Profit and Revenue	3,279	3,670
2.02.06.02	Unearned Revenue	3,279	3,670
2.03	Equity	6,475,656	6,052,659
2.03.01	Paid-In Capital	3,956,889	3,956,889
2.03.01.01	Capital	4,000,000	4,000,000
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-43,111	-43,111
2.03.02	Capital Reserves	3,902	-578
2.03.02.05	Treasury Shares	-175,388	-175,526
2.03.02.07	Share Issuance Premium and Stock Options Granted	179,290	174,948
2.03.04	Earnings Reserves	2,096,348	2,096,348
2.03.04.01	Legal Reserve	272,974	272,974
2.03.04.02	Statutory Reserve	1,823,374	1,823,374
2.03.05	Retained Earnings (Accumulated Losses)	418,517	0

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year	Prior Year
		01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
3.01	Revenue from Sales and/or Services	2,297,368	2,263,570
3.02	Cost of Sales and/or Services	-1,490,589	-1,757,397
3.03	Gross Profit	806,779	506,173
3.04	Operating Income (Expenses)	-158,303	-169,924
3.04.01	Selling Expenses	-247,404	-202,980
3.04.02	General and Administrative Expenses	-60,118	-54,991
3.04.05	Other Operating Expenses	-2,950	-14,330
3.04.06	Equity in the Earnings of Subsidiaries	152,169	102,377
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	648,476	336,249
3.06	Finance Income (Expenses)	-30,294	-74,159
3.06.01	Finance Income	18,440	25,085
3.06.02	Finance Expenses	-48,734	-99,244
3.07	Net Income Before Income Taxes	618,182	262,090
3.08	Income Tax and Social Contribution on Profit	-135,926	-31,219
3.08.01	Current	-73,469	-6,788
3.08.02	Deferred	-62,457	-24,431
3.09	Net Income from Continuing Operations	482,256	230,871
3.11	Net Income for the Period	482,256	230,871
3.99	Earnings per Share (R\$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.6416	0.3059
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	0.6407	0.3052

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

Code	Description	Accumulated for the Current Year 01/01/2021 to 03/31/2021	Accumulated for the Prior Year 01/01/2020 to 03/31/2020
4.01	Net Income for the Period	482,256	230,871
4.03	Comprehensive Income for the Period	482,256	230,871

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year	Prior Year
		01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
6.01	Net Cash Provided by Operating Activities	-160,640	-759,815
6.01.01	Cash Provided by Operations	1,662,652	1,748,879
6.01.01.01	Net Income for the Period	482,256	230,871
6.01.01.02	Depreciation and Amortization	77,800	158,613
6.01.01.03	Residual Value of Property and Equipment Written Off	1,097,675	1,318,630
6.01.01.04	Deferred Income Tax and Social Contribution	62,457	24,431
6.01.01.05	Equity in the Earnings of Subsidiaries	-152,169	-102,377
6.01.01.06	Other	4,389	2,465
6.01.01.07	Provisions for contingencies	-770	15,388
6.01.01.08	Interest on Loans, Financing, Debentures and Derivatives	27,544	68,074
6.01.01.09	Lease interest	20,220	22,299
6.01.01.10	Other provisions	15,667	5,269
6.01.01.12	Allowance for doubtful debts	27,583	5,216
6.01.02	Changes in Assets and Liabilities	-1,660,458	-1,659,886
6.01.02.01	Trade Receivables	482	453,589
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-1,687,090	-1,964,441
6.01.02.03	Escrow Deposits	-1,341	19
6.01.02.04	Recoverable Taxes	-14,107	4,813
6.01.02.05	Prepaid Expenses	-79,684	-107,152
6.01.02.06	Other Current and Non-Current Assets	19,449	-26,839
6.01.02.07	Trade Payables (Except Car Manufacturers)	33,180	-7,182
6.01.02.08	Payroll and Related Taxes	55,692	47,996
6.01.02.09	Income Tax and Social Contribution	73,469	6,788
6.01.02.11	Insurance Premiums	-5,495	-13,322
6.01.02.12	Other Current and Non-Current Liabilities	-55,013	-54,155
6.01.03	Other	-162,834	-848,808
6.01.03.01	Income Tax and Social Contribution Paid	-73,406	-12,023
6.01.03.02	Interest on Loans, Financing Debt and Derivatives Paid	-30,682	-37,883
6.01.03.03	Short-term financial assets	-48,169	-788,388
6.01.03.04	Lease interest paid	-10,577	-10,514
6.02	Net Cash Provided by Investing Activities	-30,113	-17,432
6.02.03	Purchase of Other Property and Equipment	-28,444	-15,836
6.02.04	Purchase of Intangible Assets	-1,669	-1,596
6.03	Net Cash Provided by Financing Activities	-289,211	861,825
6.03.01	Loans, Financing and debt securities - funding	456,255	1,150,312
6.03.02	Loans, Financing and debt securities - repayments/ buyback	-645,986	0
6.03.06	Interest on Capital	-63,812	-71,783
6.03.07	Purchased treasury shares	0	-184,696
6.03.08	Exercise of stock options with treasury shares, net	88	0
6.03.10	Lease liability - repayments	-35,756	-32,008
6.05	Increase (Decrease) in Cash and Cash Equivalents	-479,964	84,578
6.05.01	Opening Balance of Cash and Cash Equivalents	1,575,486	1,622,676
6.05.02	Closing Balance of Cash and Cash Equivalents	1,095,522	1,707,254

Individual Financial Statements / Statement of Changes in Equity - 01/01/2021 to 03/31/2021**(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	3,956,889	-578	2,096,348	0	0	6,052,659
5.03	Adjusted Opening Balances	3,956,889	-578	2,096,348	0	0	6,052,659
5.04	Capital Transactions with Shareholders	0	4,480	0	-63,739	0	-59,259
5.04.03	Stock Options Granted Recognized	0	4,392	0	0	0	4,392
5.04.07	Interest on Capital	0	0	0	-63,739	0	-63,739
5.04.08	Exercise of stock options with treasury shares	0	88	0	0	0	88
5.05	Total Comprehensive Income	0	0	0	482,256	0	482,256
5.05.01	Net Income for the Period	0	0	0	482,256	0	482,256
5.07	Closing Balances	3,956,889	3,902	2,096,348	418,517	0	6,475,656

Individual Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020**(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	3,956,889	163,206	1,327,438	0	0	5,447,533
5.03	Adjusted Opening Balances	3,956,889	163,206	1,327,438	0	0	5,447,533
5.04	Capital Transactions with Shareholders	0	-182,033	0	-66,954	0	-248,987
5.04.03	Stock Options Granted Recognized	0	2,663	0	0	0	2,663
5.04.04	Purchased Treasury Shares	0	-184,696	0	0	0	-184,696
5.04.07	Interest on Capital	0	0	0	-66,954	0	-66,954
5.05	Total Comprehensive Income	0	0	0	230,871	0	230,871
5.05.01	Net Income for the Period	0	0	0	230,871	0	230,871
5.07	Closing Balances	3,956,889	-18,827	1,327,438	163,917	0	5,429,417

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

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year 01/01/2021 to 03/31/2021	Year 01/01/2020 to 03/31/2020
7.01	Revenues	2,383,889	2,356,818
7.01.01	Sales of Goods, Products and Services	2,398,708	2,354,218
7.01.03	Revenues Related to the Construction of Own Assets	12,764	7,816
7.01.04	Allowance for/Reversal of Doubtful Debts	-27,583	-5,216
7.02	Inputs Acquired from Third Parties	-1,462,793	-1,636,284
7.02.01	Cost of Products, Goods and Services Sold	-1,312,154	-1,503,394
7.02.02	Materials, Power, Third-Party Services and Other	-150,639	-132,890
7.03	Gross Value Added	921,096	720,534
7.04	Retentions	-77,800	-158,613
7.04.01	Depreciation, Amortization and Depletion	-77,800	-158,613
7.05	Net Wealth Created	843,296	561,921
7.06	Wealth Received in Transfer	170,609	127,462
7.06.01	Equity in the Earnings of Subsidiaries	152,169	102,377
7.06.02	Finance Income	18,440	25,085
7.07	Total Wealth for Distribution	1,013,905	689,383
7.08	Wealth Distributed	1,013,905	689,383
7.08.01	Personnel	220,303	190,369
7.08.01.01	Salaries and Wages	170,508	147,612
7.08.01.02	Benefits	33,451	30,006
7.08.01.03	Severance Pay Fund (FGTS)	11,952	10,088
7.08.01.04	Other	4,392	2,663
7.08.02	Taxes, Fees and Contributions	235,801	139,433
7.08.02.01	Federal	192,069	79,883
7.08.02.02	State	37,601	52,105
7.08.02.03	Municipal	6,131	7,445
7.08.03	Lenders and Lessors	75,545	128,710
7.08.03.01	Interest	48,734	99,244
7.08.03.02	Rentals	18,554	23,129
7.08.03.03	Other	8,257	6,337
7.08.03.03.01	Other Rentals	8,257	6,337
7.08.04	Shareholders	482,256	230,871
7.08.04.01	Interest on Capital	63,739	66,954
7.08.04.03	Retained Earnings (Loss for the Period)	418,517	163,917

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

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
1	Total Assets	20,311,477	20,441,134
1.01	Current Assets	5,041,850	5,569,622
1.01.01	Cash and Cash Equivalents	1,820,800	2,586,393
1.01.02	Financial Assets	1,619,266	1,380,211
1.01.02.01	Financial Assets at fair value through profit or loss	1,619,266	1,380,211
1.01.03	Accounts Receivable	1,075,057	1,107,467
1.01.06	Recoverable Taxes	43,551	29,348
1.01.07	Prepaid Expenses	125,003	19,614
1.01.08	Other Current Assets	358,173	446,589
1.01.08.01	Non-Current Assets Available for Sale	32,692	40,551
1.01.08.03	Other	325,481	406,038
1.01.08.03.02	Derivative instruments	91,699	154,305
1.01.08.03.03	Other	233,782	251,733
1.02	Non-Current Assets	15,269,627	14,871,512
1.02.01	Long-Term Assets	664,156	538,129
1.02.01.04	Accounts Receivable	2,061	1,982
1.02.01.07	Deferred Taxes	24,709	24,363
1.02.01.07.01	Deferred Income Tax and Social Contribution	24,709	24,363
1.02.01.10	Other Non-Current Assets	637,386	511,784
1.02.01.10.03	Escrow Deposits	114,366	113,720
1.02.01.10.04	Derivative instruments	477,767	353,022
1.02.01.10.05	Investments in restricted accounts	45,170	44,959
1.02.01.10.07	Other	83	83
1.02.03	Property and Equipment	14,455,172	14,181,295
1.02.03.01	Property and Equipment in Use	13,755,089	13,514,735
1.02.03.02	Right-of-use in Lease	643,766	624,513
1.02.03.02.02	Right-of-use	643,766	624,513
1.02.03.03	Constructions in Progress	56,317	42,047
1.02.04	Intangible Assets	150,299	152,088
1.02.04.01	Intangible Assets	150,299	152,088
1.02.04.01.02	Goodwill on Acquisition of Investments	105,437	105,437
1.02.04.01.05	Software	44,862	46,651

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

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
2	Total Liabilities	20,311,477	20,441,134
2.01	Current Liabilities	4,423,403	4,296,388
2.01.01	Payroll and Related Taxes	280,663	218,451
2.01.02	Trade Payables	1,182,644	1,661,001
2.01.02.01	Domestic Suppliers	1,182,644	1,661,001
2.01.03	Taxes Payable	125,117	142,992
2.01.03.01	Federal Taxes Payable	118,843	136,864
2.01.03.01.01	Income Tax and Social Contribution Payable	111,077	117,579
2.01.03.01.02	Other Federal Taxes	7,766	19,285
2.01.03.03	Municipal Taxes Payable	6,274	6,128
2.01.04	Loans and Financing	2,252,813	1,615,037
2.01.04.01	Loans and Financing	1,291,100	1,588,144
2.01.04.01.01	In Local Currency	963,225	641,508
2.01.04.01.02	In Foreign Currency	327,875	946,636
2.01.04.02	Debentures	961,713	26,893
2.01.05	Other Payables	582,166	658,907
2.01.05.02	Other	582,166	658,907
2.01.05.02.01	Dividends and Interest on Capital Payable	72,369	72,433
2.01.05.02.04	Other Current Liabilities	321,273	384,756
2.01.05.02.05	Derivative instruments	50,069	66,365
2.01.05.02.06	Unearned Revenue	5,042	5,114
2.01.05.02.07	Right-of-use Lease Liability	133,413	130,239
2.02	Non-Current Liabilities	9,412,418	10,092,087
2.02.01	Loans and Financing	8,119,261	8,882,686
2.02.01.01	Loans and Financing	2,683,089	2,426,762
2.02.01.01.01	In Local Currency	831,602	1,142,920
2.02.01.01.02	In Foreign Currency	1,851,487	1,283,842
2.02.01.02	Debentures	5,436,172	6,455,924
2.02.02	Other Payables	625,831	630,529
2.02.02.02	Other	625,831	630,529
2.02.02.02.03	Other Non-Current Liabilities	18,962	15,373
2.02.02.02.04	Derivative instruments	8,949	37,184
2.02.02.02.05	Restricted obligations	45,636	45,435
2.02.02.02.06	Right-of-use Lease Liability	552,284	532,537
2.02.03	Deferred Taxes	502,163	412,089
2.02.03.01	Deferred Income Tax and Social Contribution	502,163	412,089
2.02.04	Provisions	157,675	158,587
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	157,675	158,587
2.02.06	Unearned Profit and Revenue	7,488	8,196
2.02.06.02	Unearned Revenue	7,488	8,196
2.03	Consolidated Equity	6,475,656	6,052,659
2.03.01	Paid-In Capital	3,956,889	3,956,889
2.03.01.01	Capital	4,000,000	4,000,000
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-43,111	-43,111
2.03.02	Capital Reserves	3,902	-578
2.03.02.05	Treasury Shares	-175,388	-175,526
2.03.02.07	Share Issuance Premium and Stock Options Granted	179,290	174,948
2.03.04	Earnings Reserves	2,096,348	2,096,348
2.03.04.01	Legal Reserve	272,974	272,974
2.03.04.02	Statutory Reserve	1,823,374	1,823,374
2.03.05	Retained Earnings (Accumulated Losses)	418,517	0

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year	Prior Year
		01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
3.01	Revenue from Sales and/or Services	2,797,122	2,794,632
3.02	Cost of Sales and/or Services	-1,729,858	-2,052,429
3.03	Gross Profit	1,067,264	742,203
3.04	Operating Income (Expenses)	-358,928	-307,841
3.04.01	Selling Expenses	-278,427	-226,644
3.04.02	General and Administrative Expenses	-75,883	-63,572
3.04.05	Other Operating Expenses	-4,618	-17,625
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	708,336	434,362
3.06	Finance Income (Expenses)	-22,236	-127,633
3.06.01	Finance Income	27,040	35,506
3.06.02	Finance Expenses	-49,276	-163,139
3.07	Net Income Before Income Taxes	686,100	306,729
3.08	Income Tax and Social Contribution on Profit	-203,844	-75,858
3.08.01	Current	-113,955	-57,158
3.08.02	Deferred	-89,889	-18,700
3.09	Net Income from Continuing Operations	482,256	230,871
3.11	Net Income for the Period	482,256	230,871
3.11.01	Attributable to the Company's Owners	482,256	230,871
3.99	Earnings per Share (R\$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.6416	0.3059
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	0.6407	0.3052

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

Code	Description	Acumulado do Atual Exercício 01/01/2021 à 31/03/2021	Acumulado do Exercício Anterior 01/01/2020 à 31/03/2020
4.01	Net Income for the Period	482,256	230,871
4.03	Comprehensive Income for the Period	482,256	230,871
4.03.01	Attributable to the Company's Owners	482,256	230,871

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2021 to 03/31/2021	Prior Year 01/01/2020 to 03/31/2020
6.01	Net Cash Provided by Operating Activities	-434,228	-547,063
6.01.01	Cash Provided by Operations	2,025,687	2,178,495
6.01.01.01	Net Income for the Period	482,256	230,871
6.01.01.02	Depreciation and Amortization	97,454	198,354
6.01.01.03	Residual Value of Property and Equipment Written Off	1,259,887	1,546,222
6.01.01.04	Deferred Income Tax and Social Contribution	89,889	18,700
6.01.01.05	Other	4,410	2,079
6.01.01.06	Provisions for contingencies	-912	18,467
6.01.01.07	Interest on Loans, Financing, Debentures and Derivatives	33,151	135,163
6.01.01.09	Lease interest	14,564	16,546
6.01.01.10	Other provisions	15,448	5,652
6.01.01.11	Allowance for doubtful debts	29,540	6,441
6.01.02	Changes in Assets and Liabilities	-2,016,144	-1,923,810
6.01.02.01	Trade Receivables	-2,554	493,170
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-2,042,910	-2,294,112
6.01.02.03	Escrow Deposits	-646	-1,289
6.01.02.04	Recoverable Taxes	-14,740	8,466
6.01.02.05	Prepaid Expenses	-105,353	-133,074
6.01.02.06	Other Current and Non-Current Assets	9,654	-26,071
6.01.02.07	Trade Payables (Except Car Manufacturers)	32,497	-18,151
6.01.02.08	Payroll and Related Taxes	62,212	47,873
6.01.02.09	Income Tax and Social Contribution	113,955	57,158
6.01.02.11	Insurance Premiums	-6,080	-13,878
6.01.02.12	Other Current and Non-Current Liabilities	-62,179	-43,902
6.01.03	Other	-443,771	-801,748
6.01.03.01	Income Tax and Social Contribution Paid	-120,195	-55,150
6.01.03.02	Interest on Loans, Financing Debt and Derivatives Paid	-72,152	-79,601
6.01.03.03	Short-term financial assets, net of swap	-239,055	-656,483
6.01.03.04	Lease interest paid	-12,369	-10,514
6.02	Net Cash Provided by Investing Activities	-40,035	-37,264
6.02.01	Purchase of Other Property and Equipment	-34,778	-27,768
6.02.02	Purchase of Intangible Assets	-1,676	-1,654
6.02.03	Purchase of Investment, net of acquired cash	0	-7,842
6.02.04	Company acquisition payment	-3,581	0
6.03	Net Cash Provided by Financing Activities	-291,330	990,581
6.03.01	Loans, Financing and debt securities - funding	456,255	2,138,892
6.03.02	Loans, Financing and debt securities - repayments/ buyback	-649,573	-859,428
6.03.06	Interest on Capital	-63,812	-71,783
6.03.07	Exercise of Stock Options with Treasury Shares, Net	88	0
6.03.08	Ações em tesouraria adquiridas	0	-184,696
6.03.10	Passivo de arrendamento - amortizações	-34,288	-32,404
6.05	Increase (Decrease) in Cash and Cash Equivalents	-765,593	406,254
6.05.01	Opening Balance of Cash and Cash Equivalents	2,586,393	2,220,102
6.05.02	Closing Balance of Cash and Cash Equivalents	1,820,800	2,626,356

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2021 to 03/31/2021**(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	3,956,889	-578	2,096,348	0	0	6,052,659	0	6,052,659
5.03	Adjusted Opening Balances	3,956,889	-578	2,096,348	0	0	6,052,659	0	6,052,659
5.04	Capital Transactions with Shareholders	0	4,480	0	-63,739	0	-59,259	0	-59,259
5.04.03	Stock Options Granted Recognized	0	4,392	0	0	0	4,392	0	4,392
5.04.07	Interest on Capital	0	0	0	-63,739	0	-63,739	0	-63,739
5.04.08	Exercise of stock options with treasury shares	0	88	0	0	0	88	0	88
5.05	Total Comprehensive Income	0	0	0	482,256	0	482,256	0	482,256
5.05.01	Net Income for the Period	0	0	0	482,256	0	482,256	0	482,256
5.07	Closing Balances	3,956,889	3,902	2,096,348	418,517	0	6,475,656	0	6,475,656

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2020 to 03/31/2020**(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	3,956,889	163,206	1,327,438	0	0	5,447,533	0	5,447,533
5.03	Adjusted Opening Balances	3,956,889	163,206	1,327,438	0	0	5,447,533	0	5,447,533
5.04	Capital Transactions with Shareholders	0	-182,033	0	-66,954	0	-248,987	0	-248,987
5.04.03	Stock Options Granted Recognized	0	2,663	0	0	0	2,663	0	2,663
5.04.04	Purchased Treasury Shares	0	-184,696	0	0	0	-184,696	0	-184,696
5.04.07	Interest on Capital	0	0	0	-66,954	0	-66,954	0	-66,954
5.05	Total Comprehensive Income	0	0	0	230,871	0	230,871	0	230,871
5.05.01	Net Income for the Period	0	0	0	230,871	0	230,871	0	230,871
5.07	Closing Balances	3,956,889	-18,827	1,327,438	163,917	0	5,429,417	0	5,429,417

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

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year	Year
		01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
7.01	Revenues	2,914,965	2,922,002
7.01.01	Sales of Goods, Products and Services	2,931,494	2,918,197
7.01.03	Revenues Related to the Construction of Own Assets	13,011	10,246
7.01.04	Allowance for/Reversal of Doubtful Debts	-29,540	-6,441
7.02	Inputs Acquired from Third Parties	-1,694,476	-1,900,845
7.02.01	Cost of Products, Goods and Services Sold	-1,527,468	-1,757,291
7.02.02	Materials, Power, Third-Party Services and Other	-167,008	-143,554
7.03	Gross Value Added	1,220,489	1,021,157
7.04	Retentions	-97,454	-198,354
7.04.01	Depreciation, Amortization and Depletion	-97,454	-198,354
7.05	Net Wealth Created	1,123,035	822,803
7.06	Wealth Received in Transfer	27,040	35,506
7.06.02	Finance Income	27,040	35,506
7.07	Total Wealth for Distribution	1,150,075	858,309
7.08	Wealth Distributed	1,150,075	858,309
7.08.01	Personnel	256,800	216,969
7.08.01.01	Salaries and Wages	200,846	169,082
7.08.01.02	Benefits	37,841	33,807
7.08.01.03	Severance Pay Fund (FGTS)	13,721	11,417
7.08.01.04	Other	4,392	2,663
7.08.02	Taxes, Fees and Contributions	332,157	216,238
7.08.02.01	Federal	274,461	141,090
7.08.02.02	State	48,389	64,716
7.08.02.03	Municipal	9,307	10,432
7.08.03	Lenders and Lessors	78,862	194,231
7.08.03.01	Interest	49,276	163,139
7.08.03.02	Rentals	20,694	24,481
7.08.03.03	Other	8,892	6,611
7.08.03.03.01	Other Rentals	8,892	6,611
7.08.04	Shareholders	482,256	230,871
7.08.04.01	Interest on Capital	63,739	66,954
7.08.04.03	Retained Earnings (Loss for the Period)	418,517	163,917

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.

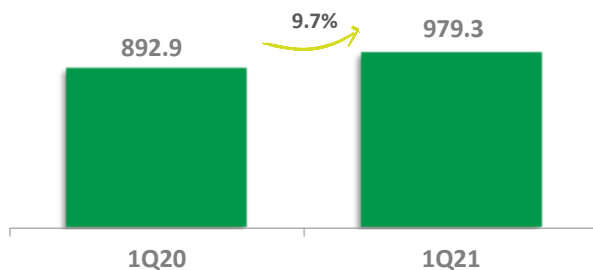
We continue to invest in the development of our team and in the adoption of technologies, to accelerate new business avenues. We also made progress in the sustainability agenda, reinforcing our role as a company committed to the community and we started the process of engaging the CEO and Chair of the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

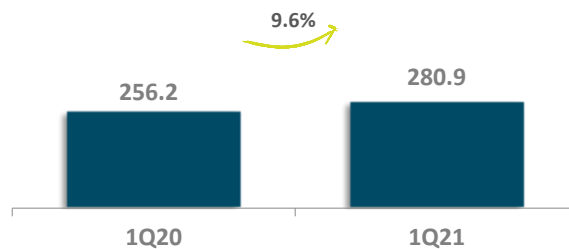
To maintain the owner's mentality among our main executives, we approved in the General Meeting our Reference Management Shareholder Program and we are convinced that we are on the right path to: With You, **Build the Future of Mobility**.

RENTAL HIGHLIGHT

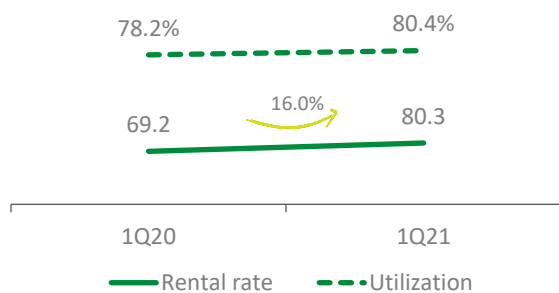
Net revenue – Car Rental
(R\$ million, including royalties)



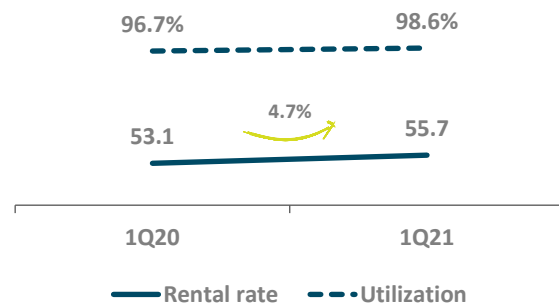
Net revenue– Fleet Rental
(R\$ million)



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

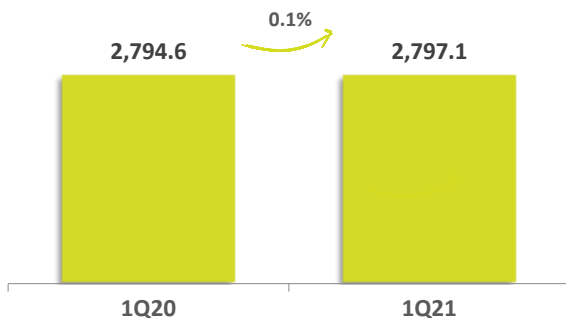


Average rental rate (in R\$) and utilization rate (%)
Fleet Rental

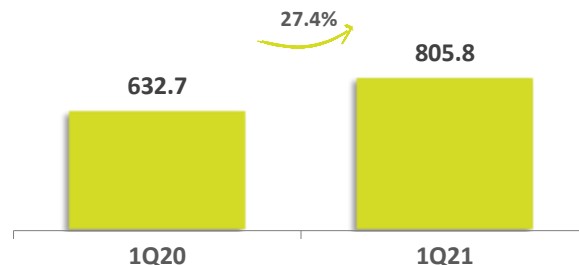


CONSOLIDATED FINANCIAL HIGHLIGHT

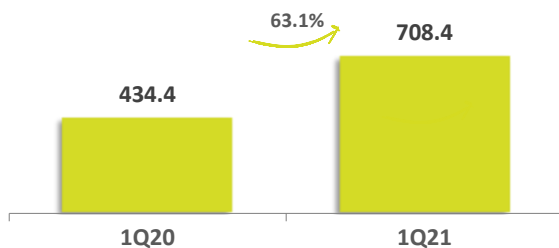
Net revenues (R\$ million)



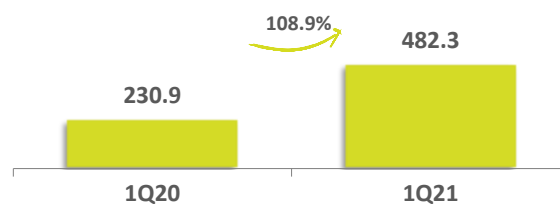
EBITDA (R\$ million)



EBIT (R\$ million)

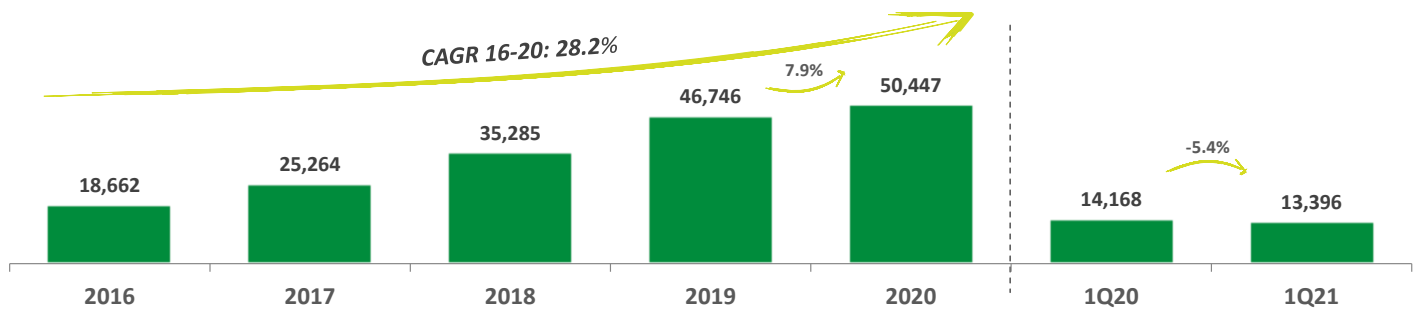


Net Income (R\$ million)

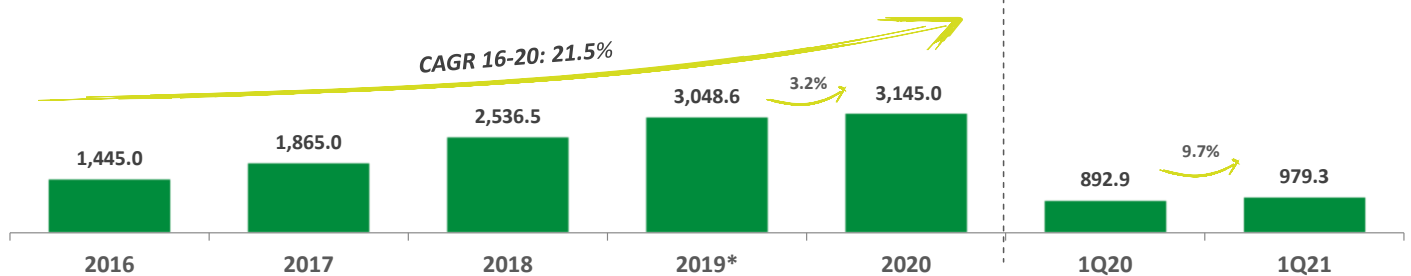


1 - Rent a Car

Number of rental days (in thousands)



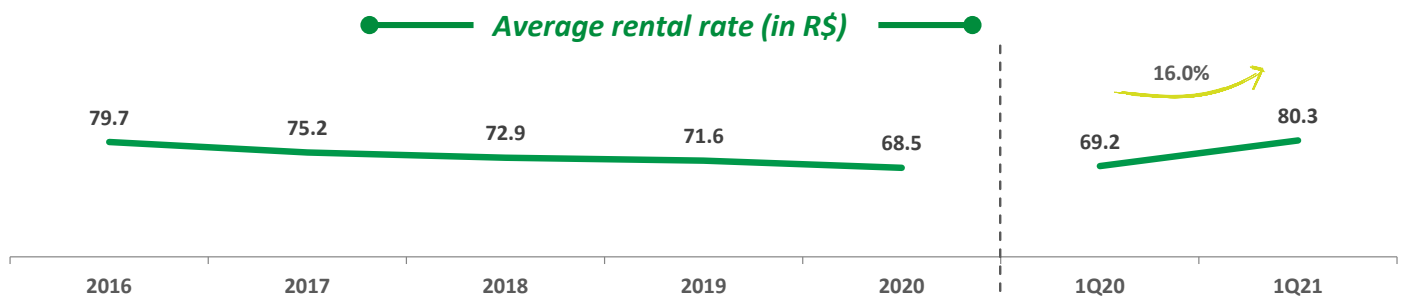
Net revenues (R\$ million, including royalties)



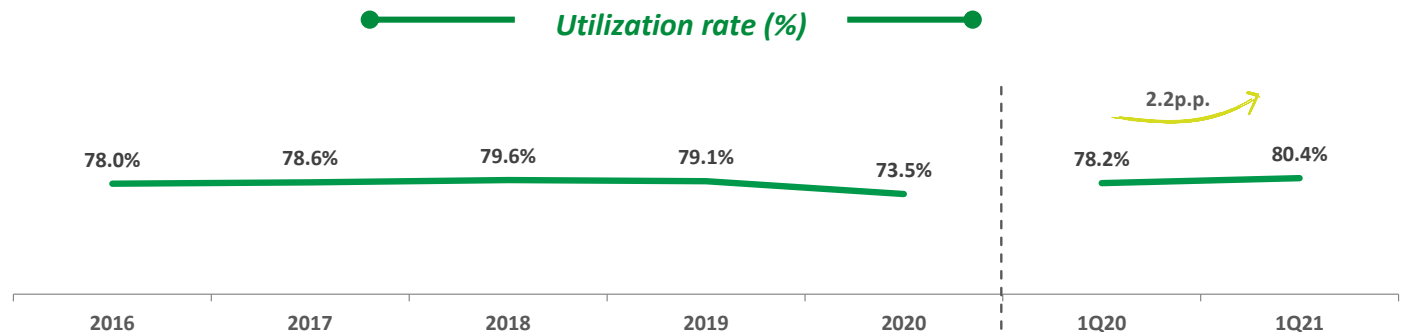
(*) From 2019 the Company began to record PIS and COFINS credits in SG&A. Before, those credits were recorded as a reduction of sales taxes.

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%.

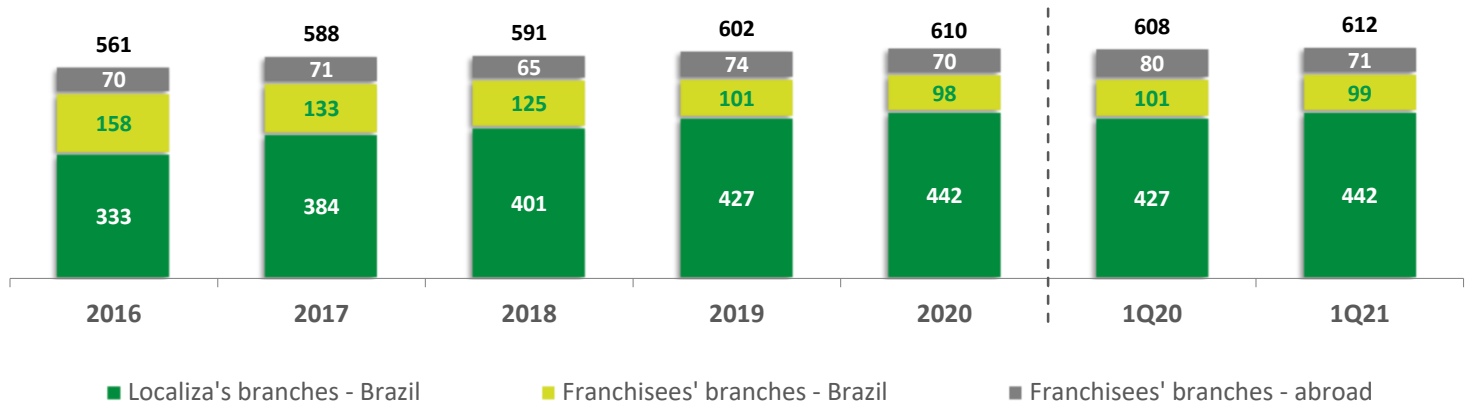
Average rental rate (in R\$)



Utilization rate (%)



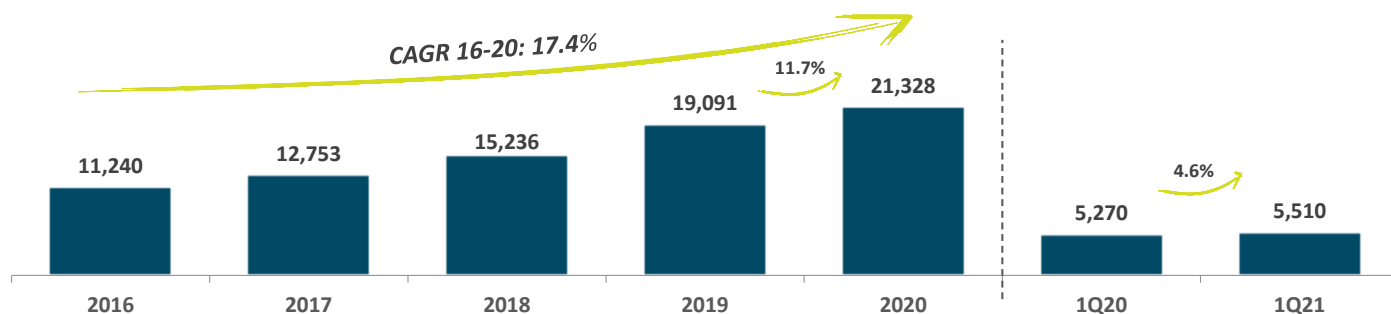
1.1 - Distribution network



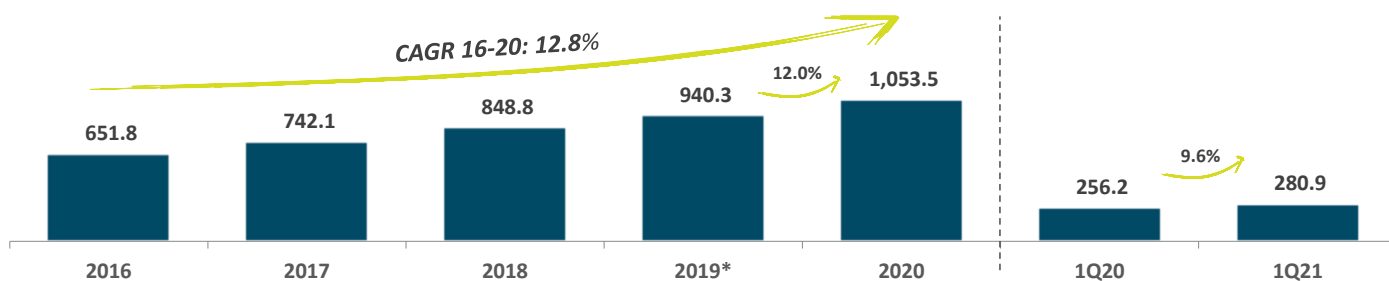
Localiza ended the quarter with 612 rental locations, being 541 in Brazil and 71 in 4 other South American countries. After understanding the impacts of the pandemic in our business and in the growth rate of each **Rent a Car** segment, we resume investing in the network and team expansion throughout 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.

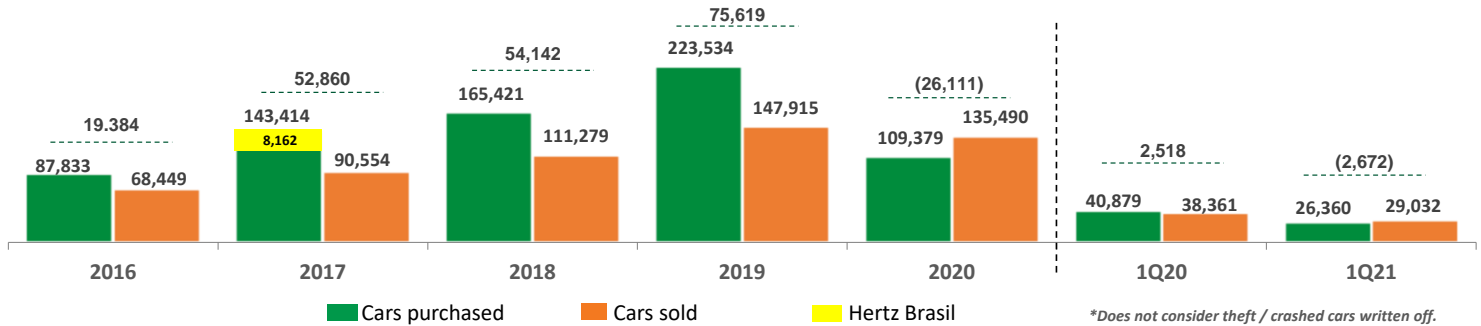
In 1Q21, **Fleet Rental** division registered 4.6% increase in the number of rental days and 9.6% in net revenues, compared to the same period of the prior year, with the average rental rate 4.7% higher.

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.

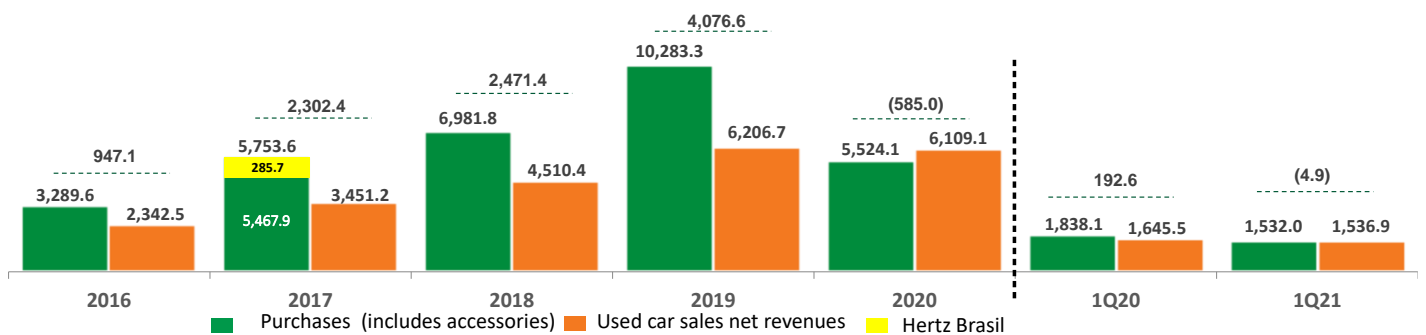
3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales (quantity)*



Net investment in fleet (R\$ million)

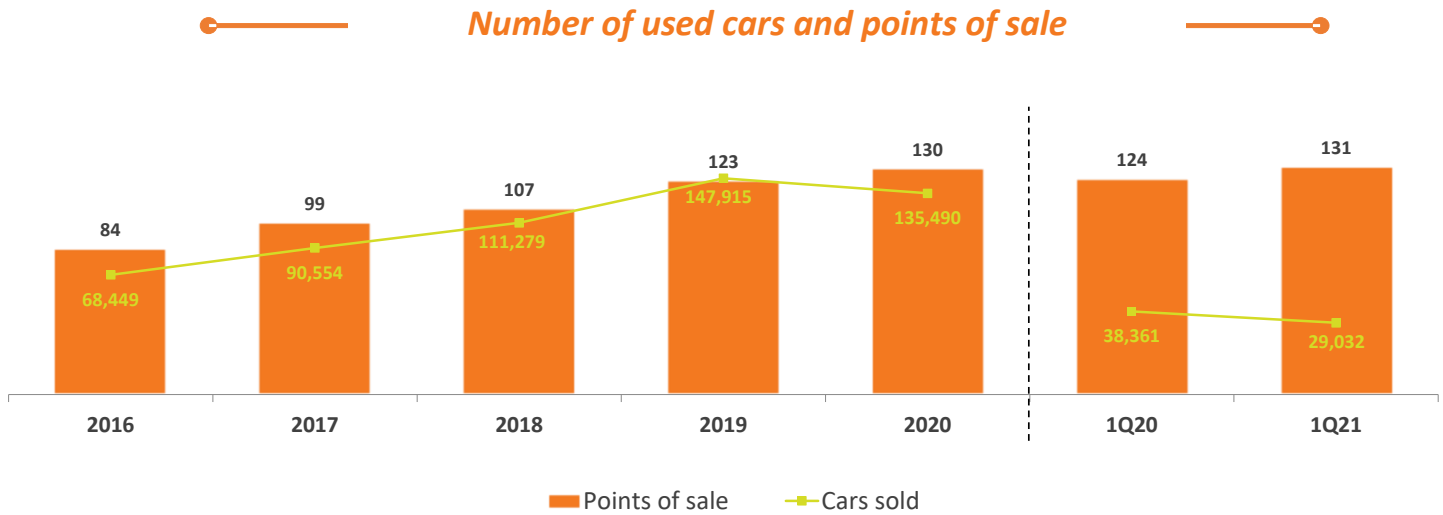


In 1Q21, given the context of lower levels of new car production, we postponed the decommissioning of the **Car Rental** fleet to service the rental demand and kept a reduced pace of sale in **Seminovos**. In 1Q21, 29,032 cars were sold and 26,360 were purchased, resulting in a decrease of 2,672 cars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

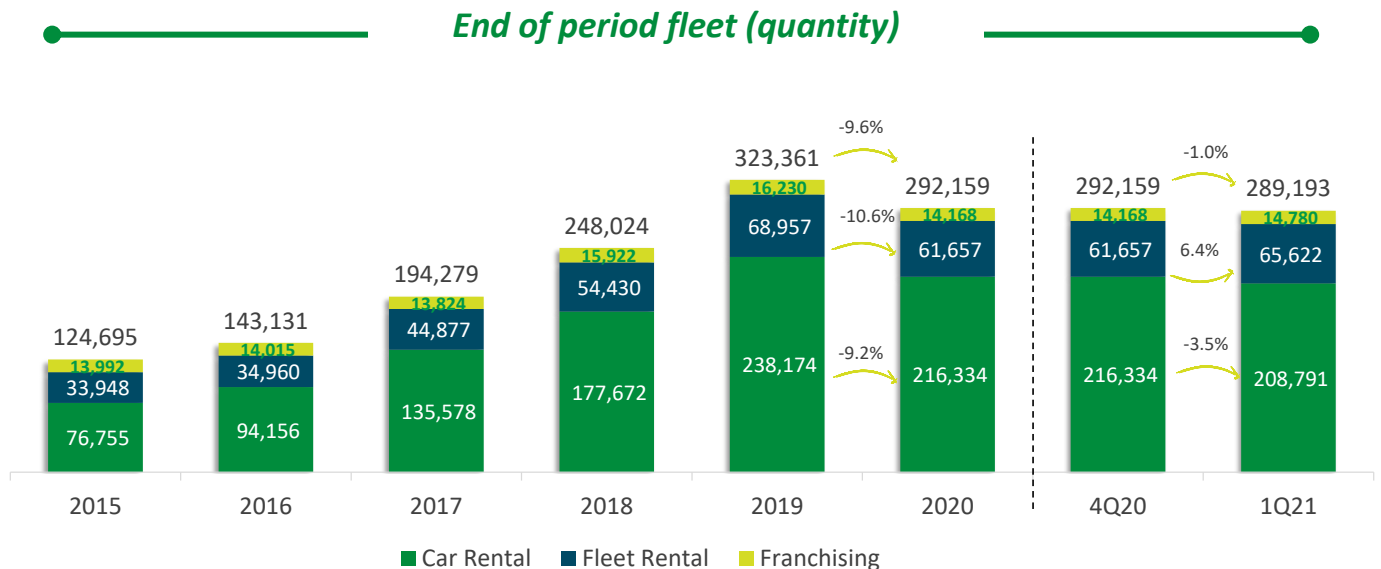
	2016	2017	2018	2019	2020	Var. % YoY	1Q20	1Q21	Var.% QoQ
Average price of cars sold (R\$ thousand)	34.3	38.2	40.6	42.1	45.2	7.4%	43,0	53,0	23.3%

4 – Seminovos – Number of points of sale



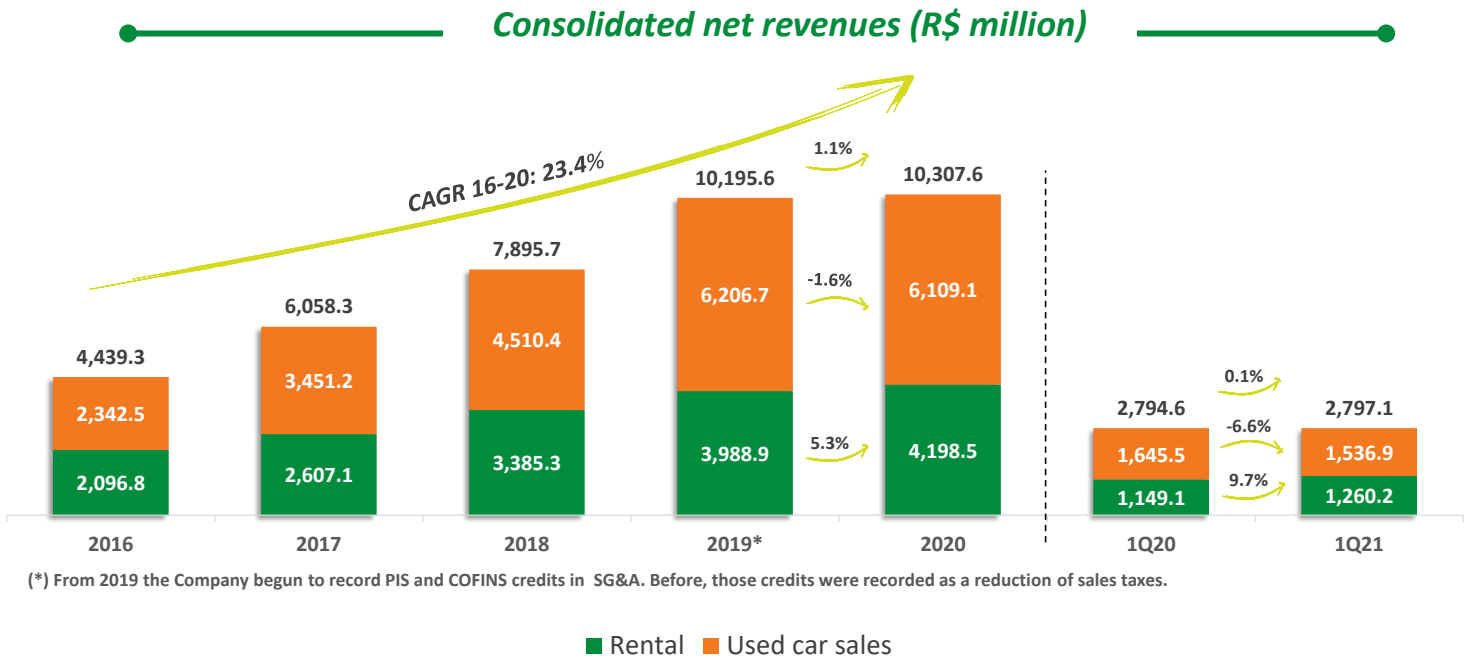
We ended 1Q21 with 131 **Seminovos** stores, in 90 cities in Brazil. Over the last 12 months, 7 **Seminovos** stores were opened. The volume of car sold was reduced due to the reduction in the decommissioning of cars by the **Car Rental** division.

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



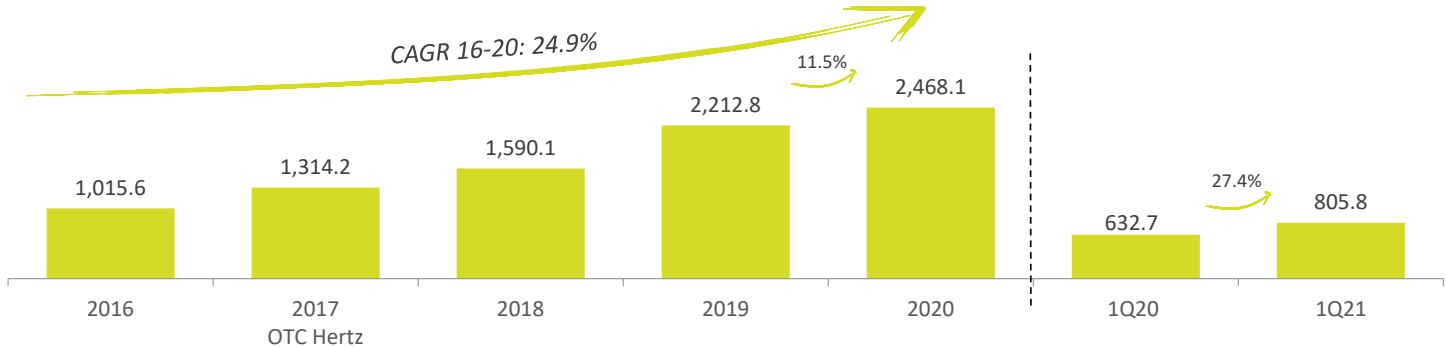
In 1Q21, consolidated net revenues presented stability due to the compensatory movement between the Rental and Seminovos revenues.

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.

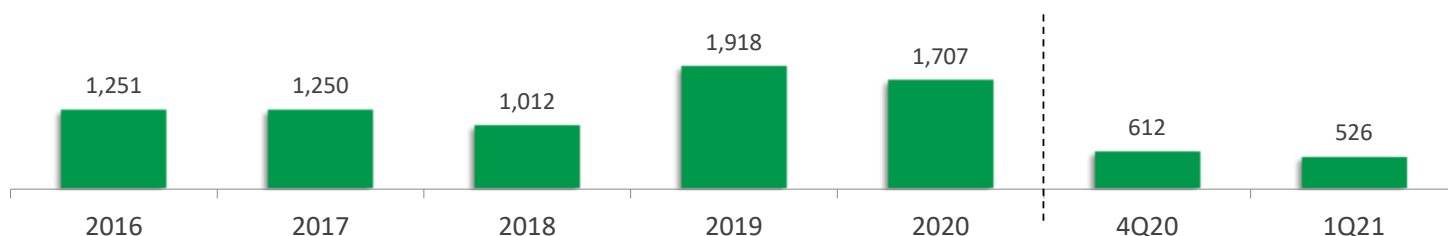
On a different direction, the increase in the price of new cars reflected in the increase in **Seminovos** prices, positively impacting its EBITDA margin, even with the reduction in sales volumes this quarter. EBITDA margin reached 13.5% in 1Q21, 12p.p. higher than the same period last year, and tends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

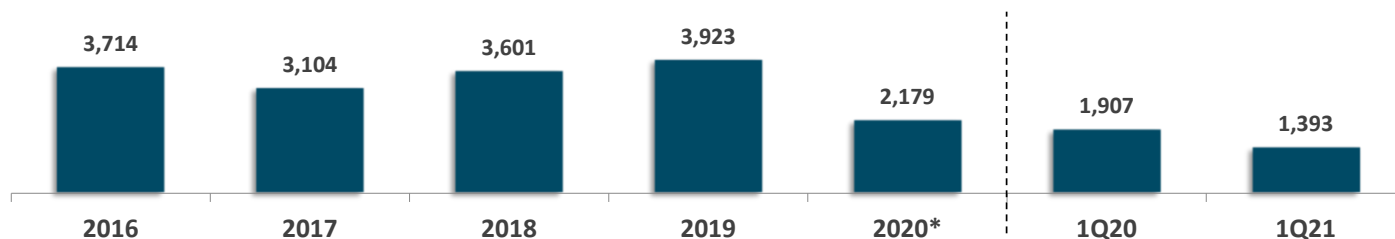
Depreciation is calculated using the straight-line method, considering the difference between the purchase price of the car and the estimated selling price at the end of its useful life, net of estimated costs and expenses to sell it.

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

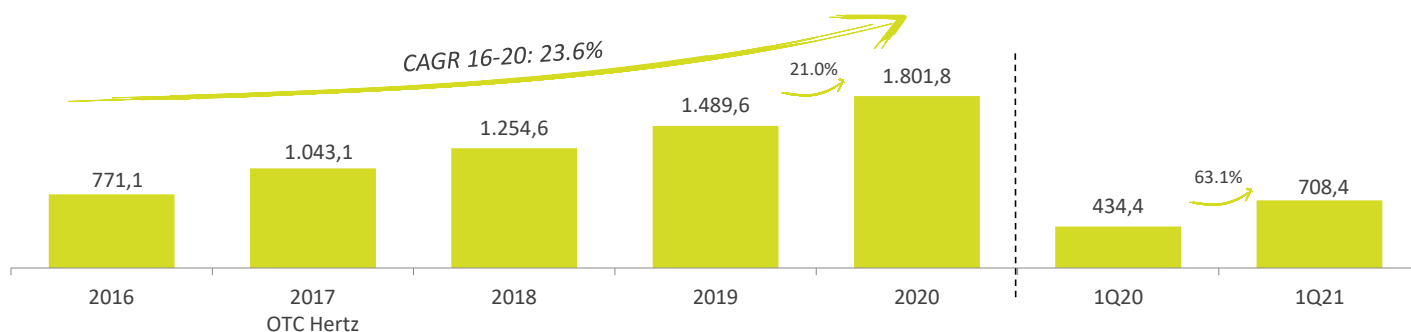


*Since 2020, the Company began depreciating the Fleet Rental cars using the linear method opposed to the SOYD (Sum-of-the-years' digits)

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

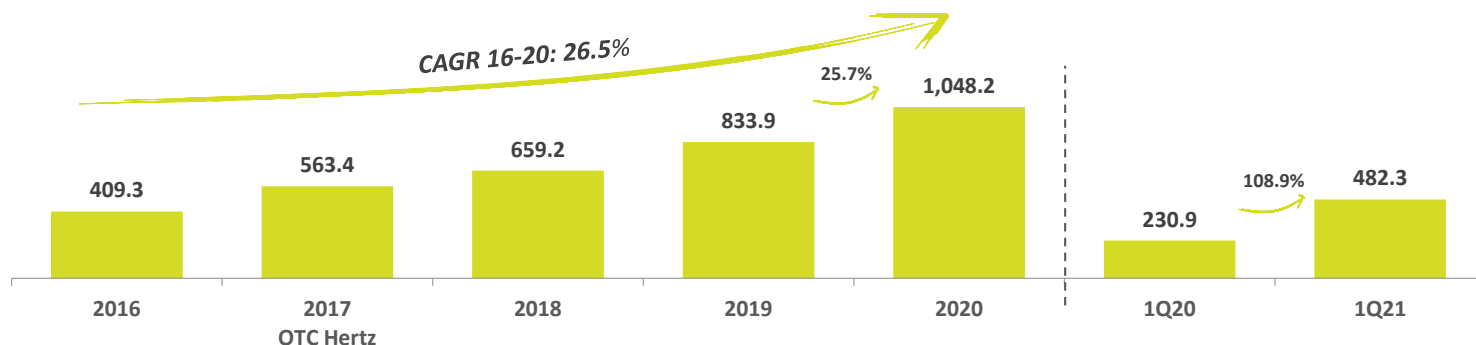
Consolidated EBIT in 1Q21 totaled R\$708.4 million, representing an increase of 63.1% compared to 1Q20.

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.

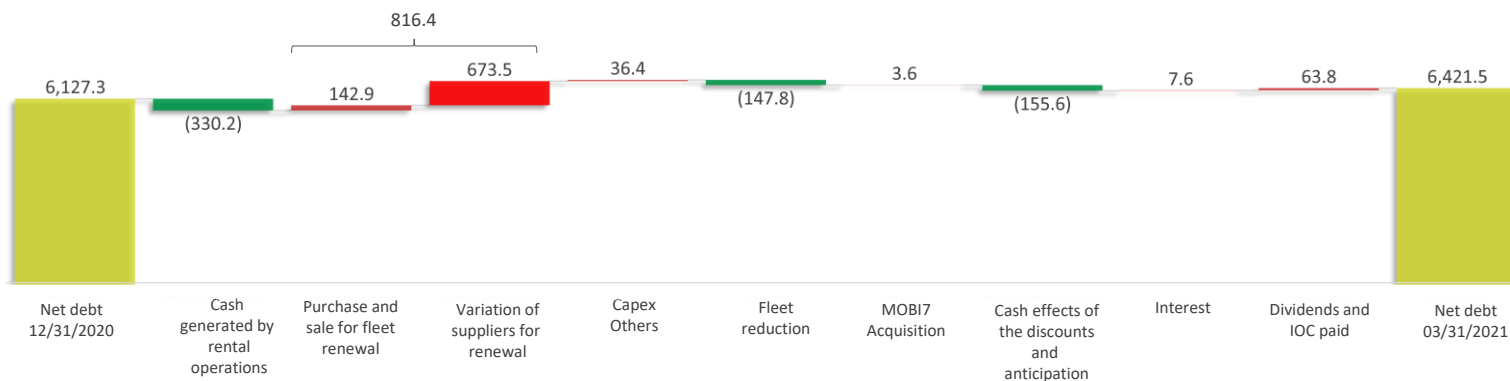
(*) 2017 adjusted by one-time costs incurred - Hertz Brasil acquisition and franchisees incorporation.

(**) 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

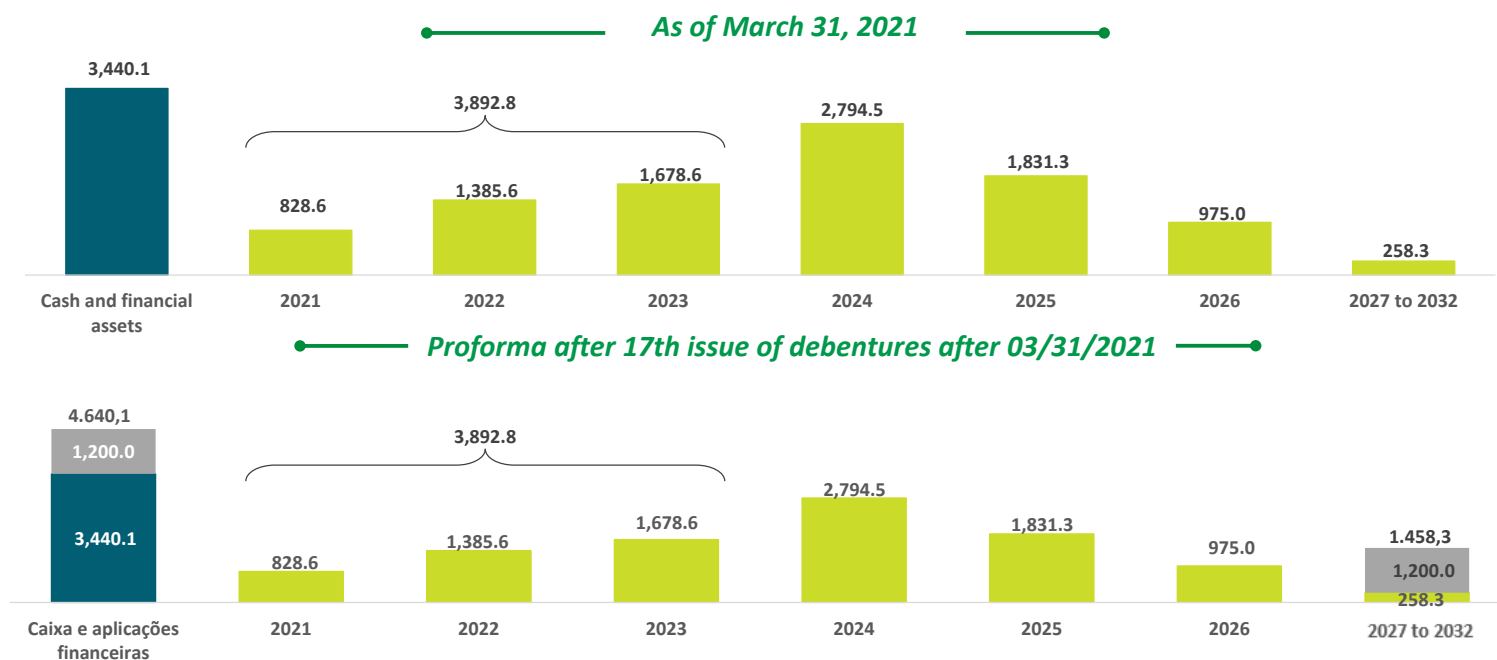


On 03/31/2021, net debt totaled R\$6,421.5 million, an increase of 4.8%, or R\$294.2 million.

12.2 – Debt maturity profile – R\$ million

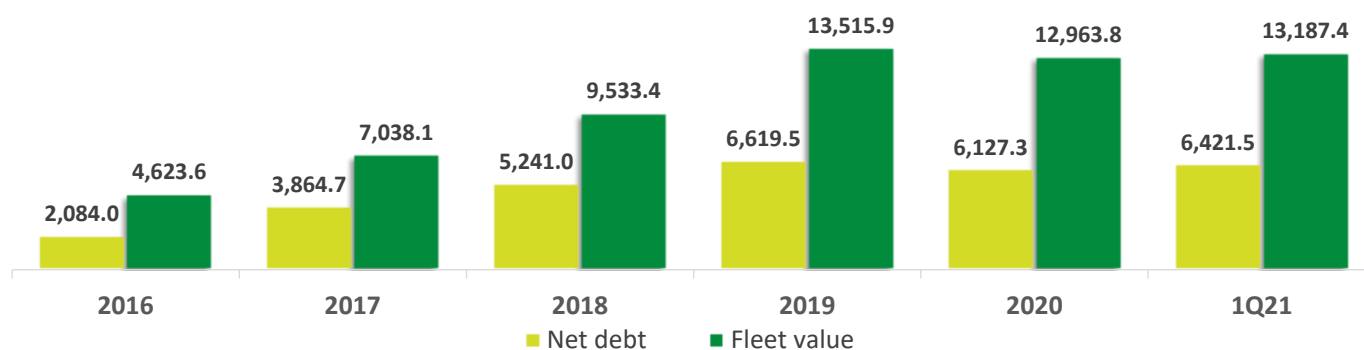
Debt	Issuance	Contract rate	2020	2021	2022	2023	2024	2025	2026	2027 to 2032	Total
Debentures 11th Issuance	12/12/2016	111.50% CDI	-	-	457.9	-	-	-	-	-	457.9
Debentures 12th Issuance	5/15/2017	107.25% CDI	-	-	-	-	678.5	-	-	-	678.5
Debentures 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	396.6	396.6	-	-	-	-	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.

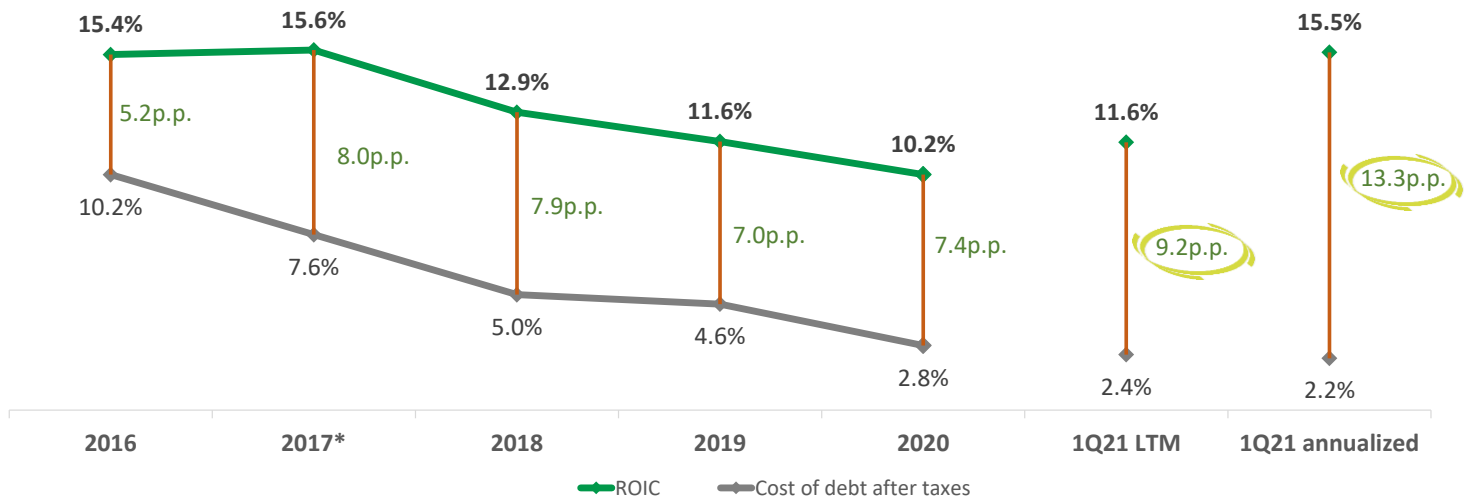
12.4 – Debt ratios – R\$ million



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:

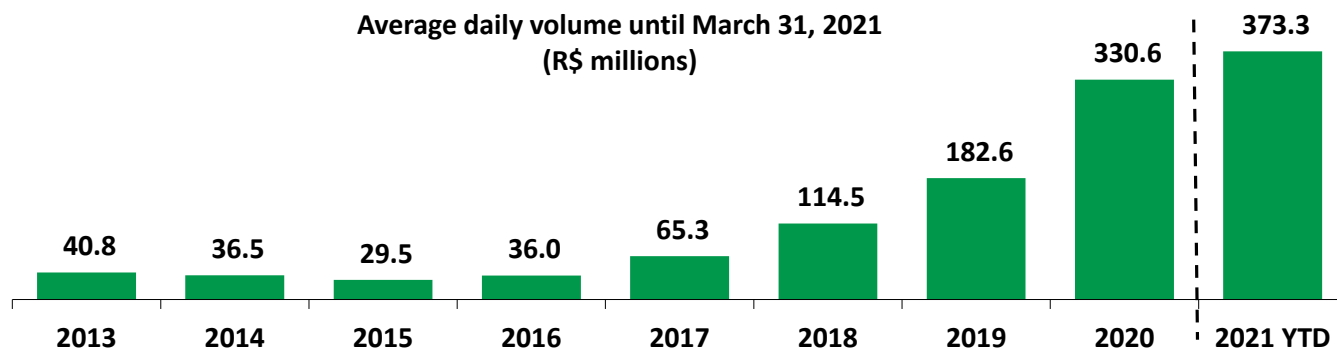
Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per Share (R\$)
IOC	2021	03/24/2021	03/29/2021	05/21/2021	63.7	0.084795
				Total	63.7	

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 – Results per division

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

CAR RENTAL RESULTS	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	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%
Taxes on revenues (*)	(59.9)	(51.3)	(51.3)	(52.4)	(44.5)	(318.8)	(330.2)	-3.6%	(93.1)	(103.0)	-10.6%
Car rental net revenues	1,445.0	1,865.0	1,865.0	2,536.5	3,322.9	3,048.6	3,145.0	3.2%	892.9	979.3	9.7%
Car rental and franchising costs	(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%
Gross profit	727.9	929.7	985.4	1,348.8	1,838.4	1,936.6	2,020.7	4.3%	596.1	616.7	3.5%
Operating expenses (SG&A)	(260.3)	(349.0)	(334.1)	(437.8)	(544.0)	(544.0)	(595.4)	-9.4%	(168.5)	(196.7)	-16.7%
Other assets depreciation and amortization	(24.4)	(24.2)	(24.2)	(27.1)	(31.1)	(108.8)	(120.7)	10.9%	(28.6)	(32.7)	-14.3%
Operating profit before financial results and taxes (EBIT)	443.2	556.5	627.1	883.9	1,263.3	1,283.8	1,304.6	1.6%	399.0	387.3	-2.9%
Financial expenses, net	0.7	(3.5)	(3.5)	(22.4)	(12.1)	(42.3)	(43.3)	2.4%	(11.9)	(12.3)	3.4%
Income tax and social contribution	(97.4)	(124.6)	(140.1)	(219.5)	(284.9)	(282.0)	(348.7)	23.7%	(87.1)	(111.3)	-27.8%
Net income for the period	346.5	428.4	483.5	642.0	966.3	959.5	912.6	-4.9%	300.0	263.7	-12.1%
Net Margin	24.0%	23.0%	25.9%	25.3%	29.1%	31.5%	29.0%	-2.5 p.p.	33.6%	26.9%	-6.7 p.p.
EBITDA	467.6	580.7	651.3	911.0	1,294.4	1,392.6	1,425.3	2.3%	427.6	420.0	-1.8%
EBITDA Margin	32.4%	31.1%	34.9%	35.9%	39.0%	45.7%	45.3%	-0.4 p.p.	47.9%	42.9%	-5.0 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	1Q20	1Q21	Var.
Gross revenues, net of discounts and cancellations	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	5,479.6	5,150.7	-6.0%	1,414.4	1,334.7	-5.6%
Taxes on revenues	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	(13.8)	(10.0)	-27.5%	(3.2)	(1.5)	-53.1%
Net revenues	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	5,465.8	5,140.7	-5.9%	1,411.2	1,333.2	-5.5%
Book value of cars sold and preparation for sale	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	(5,037.8)	(4,629.7)	-8.1%	(1,313.5)	(1,054.6)	-19.7%
Gross profit	267.6	381.9	381.9	425.3	425.3	428.0	511.0	19.4%	97.7	278.6	185.2%
Operating expenses (SG&A)	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	(300.2)	(316.1)	5.3%	(88.6)	(104.4)	-17.8%
Cars depreciation	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(116.5)	(26.0)	-77.7%
Other assets depreciation and amortization	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	(50.5)	(54.3)	7.5%	(12.7)	(14.0)	-10.2%
Operating profit (loss) before financial results and taxes (EBIT)	(6.1)	34.5	34.5	(42.2)	(265.3)	(255.5)	(202.0)	-20.9%	(120.1)	134.2	-211.7%
Financial expenses, net	(174.4)	(229.9)	(229.9)	(266.5)	(247.7)	(264.5)	(261.9)	-1.0%	(92.1)	(8.5)	-90.8%
Income tax and social contribution	37.2	43.9	43.9	77.5	116.8	115.8	158.7	37.0%	40.3	(37.4)	-192.8%
Loss for the period	(143.3)	(151.5)	(151.5)	(231.2)	(396.2)	(404.2)	(305.2)	-24.5%	(171.9)	88.3	-151.4%
Net Margin	-7.2%	-5.1%	-5.1%	-5.9%	-7.2%	-7.4%	-5.9%	1.5 p.p.	-12.2%	6.6%	18.8 p.p.
EBITDA	90.8	161.9	161.9	99.7	75.9	127.8	194.9	52.5%	9.1	174.2	1814.3%
EBITDA Margin	4.6%	5.4%	5.4%	2.5%	1.4%	2.3%	3.8%	1.5 p.p.	0.6%	13.1%	12.5 p.p.

CAR RENTAL TOTAL FIGURES	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	1Q20	1Q21	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	1,504.9	1,916.3	1,898.7	2,588.9	3,367.4	3,367.4	3,475.2	3.2%	986.0	1,082.3	9.8%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	5,479.6	5,150.7	-6.0%	1,414.4	1,334.7	-5.6%
Total gross revenues	3,502.7	4,906.3	4,888.7	6,508.1	8,847.0	8,847.0	8,625.9	-2.5%	2,400.4	2,417.0	0.7%
Taxes on revenues	(59.9)	(51.3)	(50.2)	(52.4)	(44.5)	(318.8)	(330.2)	-3.6%	(93.1)	(103.0)	-10.6%
Car rental and franchising(*)	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	(13.8)	(10.0)	-27.5%	(3.2)	(1.5)	-53.1%
Car sales for fleet renewal - net revenues	1,445.0	1,865.0	1,848.5	2,536.5	3,322.9	3,048.6	3,145.0	3.2%	892.9	979.3	9.7%
Car sales for fleet renewal - net revenues	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	5,465.8	5,140.7	-5.9%	1,411.2	1,333.2	-5.5%
Total net revenues	3,440.1	4,850.1	4,833.6	6,448.3	8,788.7	8,514.4	8,285.7	-2.7%	2,304.1	2,312.5	0.4%
Direct costs	(717.1)	(935.3)	(870.7)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	1.1%	(296.8)	(362.6)	-22.2%
Car rental	(717.1)	(935.3)	(870.7)	(1,187.7)	(1,484.5)	(1,112.0)	(1,124.3)	1.1%	(296.8)	(362.6)	-22.2%
Car sales for fleet renewal	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	(5,037.8)	(4,629.7)	-8.1%	(1,313.5)	(1,054.6)	-19.7%
Gross profit	995.5	1,311.6	1,359.7	1,718.1	2,263.7	2,364.6	2,531.7	7.1%	693.8	895.3	29.0%
Operating expenses (SG&A)	(260.3)	(349.0)	(332.3)	(437.8)	(544.0)	(544.0)	(595.4)	-9.4%	(168.5)	(196.7)	-16.7%
Car rental	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	(300.2)	(316.1)	5.3%	(88.6)	(104.4)	-17.8%
Car sales for fleet renewal	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(116.5)	(26.0)	-77.7%
Cars depreciation	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	(332.8)	(342.6)	2.9%	(116.5)	(26.0)	-77.7%
Other assets depreciation and amortization	(24.4)	(24.2)	(23.6)	(27.1)	(31.1)	(108.8)	(120.7)	10.9%	(28.6)	(32.7)	-14.3%
Car rental	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	(50.5)	(54.3)	7.5%	(12.7)	(14.0)	-10.2%
Car sales for fleet renewal	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	(50.5)	(54.3)	7.5%	(12.7)	(14.0)	-10.2%
Operating profit before financial results and taxes (EBIT)	437.1	591.0	656.4	841.7	998.0	1,028.3	1,102.6	7.2%	278.9	521.5	87.0%
Financial expenses, net	(173.7)	(234.4)	(235.2)	(288.9)	(259.8)	(306.8)	(305.2)	-0.5%	(104.0)	(20.8)	-80.0%
Income tax and social contribution	(60.2)	(80.7)	(95.0)	(142.0)	(168.1)	(166.2)	(190.0)	14.3%	(46.8)	(148.7)	-217.7%
Net income for the period	203.2	276.9	326.2	410.8	570.1	555.3	607.4	9.4%	128.1	352.0	174.8%
Net margin	5.9%	5.7%	6.7%	6.4%	6.5%	6.5%	7.3%	0.8 p.p.	5.6%	15.2%	9.6 p.p.
EBITDA	558.4	742.6	807.4	1,010.7	1,370.3	1,520.4	1,620.2	6.6%	436.7	594.2	36.1%
EBITDA margin	16.2%	15.3%	16.7%	15.7%	15.6%	17.9%	19.6%	1.7 p.p.	19.0%	25.7%	6.7 p.p.

CAR RENTAL OPERATING DATA	2016	2017	2017	2018	2019	2019	2020	Var.	1Q20	1Q21	Var.
Average operating fleet	70,185	94,194	94,194	130,058	173,649	173,649	200,742	15.6%	211,512	196,980	-6.9%
Average rented fleet	51,515	69,762	69,762	97,245	128,718	128,718	140,151	8.9%	156,620	153,467	-2.0%
Average operating fleet age (in months)	7.9	6.5	6.5	7.2	7.0	7.0	10.0	42.9%	7.6	12.6	65.8%
End of period fleet	94,156	135,578	135,578	177,672	238,174	238,174	216,334	-9.2%	241,219	208,791	-13.4%
Number of rental days - in thousands (net of fleet replacement service)	18,662.4	25,263.6	25,263.6	35,284.5	46,745.9	46,745.9	50,446.5	7.9%	14,167.6	13,396.0	-5.4%
Average daily rental revenues per car (R\$)	79.67	75.16	75.16	72.86	71.57	71.57	68.52	-4.3%	69.22	80.29	16.0%
Annualized average depreciation per car (R\$)	1,251.2	1,250.1	1,250.1	1,012.4	1,917.6	1,917.6	1,706.8	-11.0%	2,202.4	526.4	-76.1%
Utilization rate (Does not include cars in preparation and decommissioning)	78.0%	78.6%	78.6%	79.6%	79.1%	79.1%	73.5%	-5.6 p.p.	78.2%	80.4%	2.2 p.p.
Number of cars purchased	76,071	114,966	114,966	139,273	192,292	192,292	92,801	-51.7%	34,943	18,385	-47.4%
Number of cars sold	57,596	76,901	76,901	94,945	128,677	128,677	113,346	-11.9%	32,776	25,091	-23.4%
Average sold fleet age (in months)	16.8	14.3	14.3	14.7	15.2	15.2	16.9	11.2%	15.7	18.7	19.1%
Average total fleet	80,765	107,997	107,997	150,045	201,791	201,791	221,895	10.0%	233,448	209,205	-10.4%
Average value of total fleet - R\$ million	2,790.2	4,100.6	4,100.6	6,005.7	8,652.7	8,652.7	9,951.6	15.0%	10,433.3	9,960.8	-4.5%
Average value per car in the period - R\$ thsd	34.5	38.0	38.0	40.0	42.9	42.9	44.8	4.4%	44.7	47.6	6.5%

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

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

FLEET RENTAL RESULTS	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	1Q20	1Q21	Var.
Fleet rental gross revenues, net of discounts and cancellations	664.1	757.4	757.4	857.8	1,039.1	1,039.1	1,163.7	12.0%	283.1	310.6	9.7%
Taxes on revenues (*)	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	(98.8)	(110.2)	11.5%	(26.9)	(29.7)	10.4%
Fleet rental net revenues	651.8	742.1	742.1	848.8	1,023.9	940.3	1,053.5	12.0%	256.2	280.9	9.6%
Fleet rental costs	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(53.4)	(75.0)	40.4%
Gross profit	458.1	521.7	522.0	602.9	719.8	719.8	832.0	15.6%	202.8	205.9	1.5%
Operating expenses (SG&A)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	(83.2)	(69.7)	-16.2%	(22.5)	(27.2)	20.9%
Other assets depreciation and amortization	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	(5.7)	(8.4)	47.4%	(1.7)	(1.9)	11.8%
Operating profit before financial results and taxes (EBIT)	417.3	452.8	456.2	538.4	630.9	630.9	753.9	19.5%	178.6	176.8	-1.0%
Financial expenses, net	(1.1)	(1.6)	(1.6)	(0.5)	(0.6)	(0.7)	(0.5)	-28.6%	(0.1)	(0.1)	0.0%
Income tax and social contribution	(90.4)	(102.8)	(103.6)	(136.5)	(143.5)	(140.3)	(228.1)	62.6%	(37.2)	(52.5)	41.1%
Net income for the period	325.8	348.4	351.0	401.4	486.8	489.9	525.3	7.2%	141.3	124.2	-12.1%
Net Margin	50.0%	46.9%	47.3%	47.3%	47.5%	52.1%	49.9%	-2.2 p.p.	55.2%	44.2%	-11.0 p.p.
EBITDA	420.2	456.3	459.7	543.3	636.2	636.6	762.3	19.7%	180.3	178.7	-0.9%
EBITDA Margin	64.5%	61.5%	61.9%	64.0%	62.1%	67.7%	72.4%	4.7 p.p.	70.4%	63.6%	-6.8 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	1Q20	1Q21	Var.
Gross revenues, 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%
Taxes on revenues	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	(1.5)	(0.8)	-46.7%	(0.4)	(0.4)	-50.0%
Net revenues	347.4	466.1	466.1	598.6	740.9	740.9	968.4	30.7%	234.3	203.7	-13.1%
Book value of cars sold and preparation for sale	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	(650.1)	(832.0)	28.0%	(205.2)	(157.1)	-23.4%
Gross profit	68.0	74.0	74.0	72.7	90.7	90.8	136.4	50.2%	29.1	46.6	60.1%
Operating expenses (SG&A)	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	(35.0)	(50.8)	45.1%	(13.4)	(13.7)	2.2%
Cars depreciation	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(36.7)	(20.6)	-43.9%
Other assets depreciation and amortization	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	(6.7)	(10.0)	49.3%	(2.1)	(2.2)	4.8%
Operating profit (loss) before financial results and taxes (EBIT)	(83.3)	(74.7)	(74.7)	(125.5)	(170.9)	(169.6)	(54.8)	-67.7%	(23.1)	10.1	-143.7%
Financial expenses, net	(68.7)	(80.0)	(80.0)	(79.6)	(100.2)	(102.3)	(80.7)	-32.8%	(23.5)	(23.5)	-94.0%
Income tax and social contribution	32.3	35.1	35.1	52.0	61.7	60.6	39.0	-35.6%	8.1	(2.6)	-132.1%
Loss for the period	(119.7)	(119.6)	(119.6)	(153.1)	(209.4)	(211.3)	(84.5)	-60.0%	(38.5)	6.1	-115.8%
Net Margin	-34.5%	-25.7%	-25.7%	-25.6%	-28.3%	-28.5%	-8.7%	19.8 p.p.	-16.4%	3.0%	19.4 p.p.
EBITDA	37.0	41.3	41.3	36.1	49.3	55.8	85.6	53.4%	15.7	32.9	109.6%
EBITDA Margin	10.7%	8.9%	8.9%	6.0%	6.7%	7.5%	8.8%	1.3 p.p.	6.7%	16.2%	9.5 p.p.

FLEET RENTAL TOTAL FIGURES	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	2020	Var.	1Q20	1Q21	Var.
Fleet rental gross revenues, net of discounts and cancellations	664.1	757.4	757.4	857.8	1,039.1	1,039.1	1,163.7	12.0%	283.1	310.6	9.7%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	347.8	466.5	466.5	599.5	742.4	742.4	969.2	30.5%	234.7	203.9	-13.1%
Total gross revenues	1,011.9	1,223.9	1,223.9	1,457.3	1,781.5	1,781.5	2,132.9	19.7%	517.8	514.5	-0.6%
Taxes on revenues	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	(98.8)	(110.2)	11.5%	(26.9)	(29.7)	10.4%
Car sales for fleet renewal	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	(1.5)	(0.8)	-46.7%	(0.4)	(0.2)	-50.0%
Fleet rental - net revenues	651.8	742.1	742.1	848.8	1,023.9	940.3	1,053.5	12.0%	256.2	280.9	9.6%
Car sales for fleet renewal - net revenues	347.4	466.1	466.1	598.6	740.9	740.9	968.4	30.7%	234.3	203.7	-13.1%
Total net revenues (**)	999.2	1,208.2	1,208.2	1,447.4	1,764.8	1,681.2	2,021.9	20.3%	490.5	484.6	-1.2%
Direct costs	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	(220.5)	(221.5)	0.5%	(53.4)	(75.0)	40.4%
Car sales for fleet renewal	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	(650.1)	(832.0)	28.0%	(205.2)	(157.1)	-23.4%
Gross profit	526.1	595.7	596.0	675.6	810.5	810.6	968.4	19.5%	231.9	252.5	8.9%
Operating expenses (SG&A)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	(83.2)	(69.7)	-16.2%	(22.5)	(27.2)	20.9%
Fleet rental	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	(35.0)	(50.8)	45.1%	(13.4)	(13.7)	2.2%
Car sales for fleet renewal	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	(218.7)	(130.4)	-40.4%	(36.7)	(20.6)	-43.9%
Other assets depreciation and amortization	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	(5.7)	(8.4)	47.4%	(1.7)	(1.9)	11.8%
Fleet rental	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	(6.7)	(10.0)	49.3%	(2.1)	(2.2)	4.8%
Operating profit before financial results and taxes (EBIT)	334.0	378.1	381.5	412.9	460.0	461.3	699.1	51.5%	155.5	186.9	20.2%
Financial expenses, net	(69.8)	(81.6)	(81.6)	(80.1)	(100.8)	(103.0)	(69.2)	-32.8%	(23.6)	(1.5)	-93.6%
Income tax and social contribution	(58.1)	(67.7)	(68.5)	(84.5)	(81.8)	(79.7)	(189.1)	137.3%	(29.1)	(55.1)	89.3%
Net income for the period	206.1	228.8	231.4	248.3	277.4	278.6	440.8	58.2%	102.8	130.3	26.8%
Net margin	20.6%	18.9%	19.2%	17.2%	15.7%	16.6%	21.8%	5.2 p.p.	21.0%	26.9%	5.9 p.p.
EBITDA	457.2	497.6	501.0	579.4	685.5	692.4	847.9	22.5%	196.0	211.6	8.0%
EBITDA Margin	45.8%	41.2%	41.5%	40.0%	38.8%	41.2%	41.9%	0.7 p.p.	40.0%	43.7%	3.7 p.p.

OPERATING DATA	2016	2017	2017 adjusted	2018	2019	2019	2020	Var.	1Q20	1Q21	Var.
Average operating fleet	31,908	36,804	36,804	44,404	55,726	55,726	59,801	7.3%	61,193	59,124	-3.4%
Total Average rented fleet	31,222	35,424	35,424	42,321	53,029	53,029	59,244	11.7%	58,556	61,226	4.6%
Average rented fleet	31,222	35,424	35,424	42,321	53,029	53,029	57,766	8.8%	58,556	57,689	-1.5%
Average rented fleet - Car Rental fleet replacement	-	-	-	-	-	-	1,538	-	-	3,537	-
Average operating fleet age (in months)	18.0	18.1	18.1	15.1	15.1	15.1	17.4	15.2%	15.3	19.5	27.5%
End of period fleet											
Rented Fleet	34,960	44,877	44,877	54,430	68,957	68,957	61,657	-10.6%	67,777	65,622	-3.2%
Managed Fleet	145	94	94	57	32	32	105	228.1%	27	103	281.5%
Number of rental days - in thousands	11,240.0	12,752.7	12,752.7	15,235.7	19,090.5	19,090.5	21,328.0	11.7%	5,270.0	5,510.3	4.6%
Average daily rental revenues per car (R\$)	58.23	58.77	58.77	55.62	53.92	53.92	53.81	-0.2%	53.16	55.68	4.7%
Annualized average depreciation per car (R\$)	3,714.0	3,104.3	3,104.3	3,601.1	3,923.4	3,923.4	2,178.9	-44.5%	2,397.1	1,393.2	-41.9%
Utilization rate (Does not include cars in preparation and decommissioning) (**)(***)	98.9%	98.2%	98.2%	96.8%	96.6%	96.6%	97.4%	0.8 p.p.	96.7%	98.6%	1.9 p.p.
Number of cars purchased	11,762	20,286	20,286	26,148	31,242	31,242	16,578	-46.9%	5,936	7,975	34.3%
Number of cars sold	10,853	13,653	13,653	16,334	19,238	19,238	22,144	15.1%	5,585	3,941	-29.4%
Average sold fleet age (in months)	31.4	31.8	31.8	31.2	28.6	28.6	28.9	1.0%	29.2	30.1	3.1%
Average total fleet	33,436	39,605	39,605	48,776	61,374	61,374	63,919	4.1%	65,998	63,742	-3.4%
Average value of total fleet - R\$ million	1,130.4	1,482.5	1,482.5	1,943.1	2,520.6	2,520.6	2,812.1	11.6%	2,876.2	2,997.3	4.2%
Average value per car in the period - R\$ thsd	33.8	37.4	37.4	39.8	41.1	41.1	44.0	7.1%	43.6	47.0	7.8%

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

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

(***) Does not include replacement service from Car Rental

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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2021

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

1. GENERAL INFORMATION

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

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

As of March 31, 2021, the Localiza Platform, including its franchisees in Brazil and abroad, was comprised of 612 car rental locations (not reviewed by the independent auditors), of which: (i) 541 locations in 371 cities in Brazil, 442 of which were operated by Localiza and 99 by franchisees; and (ii) 71 locations in 37 cities in 4 other South American countries, all operated by franchisees. Approximately half of the decommissioned cars are sold to final consumers through 131 points of sale owned by the Company, located in 90 cities throughout Brazil.

This individual and consolidated interim financial information was approved and authorized for issue by the Executive Board and by the Board of Directors on May 3, 2021.

1.1. Covid-19 Pandemic

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

After consistent resumption of volumes of car rental and sale of decommissioned cars for fleet renewal, we again felt the impacts of the COVID-19 pandemic due to the emergence of new, more contagious variants and the recurrence of cases in March 2021. Many municipalities began to adopt more restrictive measures that allowed only essential services to function and imposed a curfew. The Company was again affected by the drop in rental demand and also by the lower volume of car purchases due to the fact that automakers had not resumed production levels. Additionally, there was an increase in the allowance for doubtful debts and in the car maintenance costs, which were impacted by the aging of the fleet and an increase in the cost of spare parts.

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

1.2. Termination of the partnership with Hertz

According to the Material Fact disclosed on August 19, 2020, Localiza signed with The Hertz Corporation (parent company of Hertz Group) and Hertz System Inc., on that date, the Brand Cooperation Agreement and the Referral Agreements established in 2017, which stipulates a transition plan of at least six months. Such termination does not provide for any fine or encumbrance for the parties. On September 8, 2020, that instrument was approved by the U.S. Court responsible for the in-court reorganization process of Hertz. In December 2020, the parties agreed to extend the Referral Agreements signed between the parties for up to six months from March 2021. Up to March 31, 2021, the

Company incurred costs associated with the removal of the Hertz brand from its network of car rental locations, totaling approximately R\$ 17 million, of which R\$ 15 million were incurred during 2020.

1.3. Combination of Localiza and Unidas businesses

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

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

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

On February 17, 2021, the notice for Concentration Act 08700.000149/2021-46, referring to the proposed Merger of Shares, was published on CADE’s website. Under the terms of art. 88, Paragraphs 2 and 9, of Law 12,529 / 11, CADE will have 240 days, which may be extended for up to 90 additional days, starting from the protocol of February 8, 2021, to analyze this proposal.

Up to its conclusion, the Companies will continue to operate in an independent manner.

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

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

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

The information on the basis of preparation and presentation of the interim financial information and summary of significant accounting policies has not changed significantly when compared with the information disclosed in note 2 and in other notes to the annual financial statements for the year ended December 31, 2020 (hereinafter referred to as “financial statements for the year ended December 31, 2020”), published on February 25, 2021 through the websites www.cvm.gov.br, www.b3.com.br and www.localiza.com/ri and published on March 4, 2021 in the “Diário do Comércio de Minas Gerais” and “Diário Oficial de Minas Gerais” (Minas Gerais State Register) newspapers.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

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

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

In May 2020, IASB issued amendments to IFRS 16 – Leases referring to benefits related to Covid-19 granted to lessees under lease contracts. On July 7, 2020, CVM issued its Decision 859/20 and approved the amendments to Technical Pronouncement CPC 06 (R2) – Leases, which is equivalent to the mentioned IFRS. This Decision applies to the years beginning on or after January 1, 2020 and affects only payments originally due on or before June 30, 2021 and increased lease payments that extend after June 30, 2021. As practical expedient, the lessee may elect not to assess if a benefit granted under a lease contract, related to Covid-19, is a modification of the lease contract and, thus, account for the resulting changes in lease payments in profit or loss for the period.

On March 31, 2021, IASB issued new amendments to IFRS 16, extending for one year the practical expedient for benefits granted that occur as a result of the Covid-19 pandemic, thus affecting payments due on or until June 30, 2022. The lessee may apply the amendments to financial information beginning on or after April 1, 2021, with early adoption permitted, including for periods ended March 31, 2021.

The Company and its subsidiaries apply this practical expedient to all benefits granted under lease contracts in accordance with the requirements of Decision 859/20 and follow CVM's decisions on this subject.

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

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

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

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Cash and banks	13,210	14,512	17,281	16,238
Bank Certificates of Deposit ("CDB")	713,415	896,555	921,676	1,333,006
Investments in financial bills	37,608	-	37,608	-
Fixed-income investment fund units	331,289	664,419	844,235	1,237,149
Total	1,095,522	1,575,486	1,820,800	2,586,393

As at March 31, 2021, financial investments in CDBs and fixed-income investment fund units had an annual weighted average yield of 99.3% of the Interbank Deposit Certificates ("CDI") rate variation (92.4% as at December 31, 2020).

5. SHORT-TERM INVESTMENTS

Short-term investments are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Bank Certificates of Deposit ("CDB")	731,055	552,226	1,167,941	806,130
Fixed-income investment fund units	40,803	65,903	58,730	85,038
Investments in financial bills	317,228	422,788	392,595	489,043
Total	1,089,086	1,040,917	1,619,266	1,380,211

As at March 31, 2021, short-term investments had an annual weighted average yield of 111.8% of the Interbank Deposit Certificates ("CDI") rate variation (104.6% as at December 31, 2020).

6. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Car rental	702,425	674,468	706,371	678,540
Fleet rental	-	-	114,845	112,517
Unbilled revenue	175,576	218,632	178,400	221,514
Sale of decommissioned cars	220,527	211,457	262,687	252,523
	1,098,528	1,104,557	1,262,303	1,265,094
Allowance for doubtful debts/ expected losses	(157,844)	(130,261)	(185,185)	(155,645)
Total	940,684	974,296	1,077,118	1,109,449
Current	940,684	974,296	1,075,057	1,107,467
Noncurrent	-	-	2,061	1,982

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Current	870,850	890,609	988,892	1,005,522
Up to 30 days past due	58,542	55,876	74,012	72,531
31 to 60 days past due	33,490	32,463	37,380	35,380
61 to 90 days past due	23,444	24,856	23,815	26,803
91 to 180 days past due	55,136	53,050	58,474	56,186
Over 181 days past due	57,066	47,703	79,730	68,672
Total	1,098,528	1,104,557	1,262,303	1,265,094

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Current	(12,304)	(8,885)	(14,115)	(10,533)
Up to 30 days past due	(15,971)	(11,710)	(16,387)	(12,054)
31 to 60 days past due	(13,568)	(10,822)	(14,251)	(11,134)
61 to 90 days past due	(10,424)	(8,203)	(10,471)	(8,568)
91 to 180 days past due	(50,603)	(44,179)	(52,289)	(45,849)
Over 181 days past due	(54,974)	(46,462)	(77,672)	(67,507)
Total	(157,844)	(130,261)	(185,185)	(155,645)

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

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Balance at the beginning of the period	(130,261)	(84,519)	(155,645)	(108,907)
Recognition	(86,250)	(41,546)	(93,328)	(46,753)
Reversal	58,667	36,330	63,788	40,312
Balance at the end of the period	(157,844)	(89,735)	(185,185)	(115,348)

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

7. OTHER CURRENT AND NONCURRENT ASSETS

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Balances stated separately in current assets:				
Recoverable taxes	37,545	23,438	43,551	29,348
Prepaid expenses (*)	98,412	18,728	125,003	19,614
	135,957	42,166	168,554	48,962
Other current assets:				
Receivables from insurance company (**)	191,933	192,307	194,745	194,835
Other receivables – subsidiaries (note 8(b)(i))	223	5,765	-	-
Other current assets	14,231	35,925	39,037	56,898
	206,387	233,997	233,782	251,733
Total other current assets	342,344	276,163	402,336	300,695
Balances stated separately in noncurrent assets:				
Investments in restricted accounts (note 16)	-	-	45,170	44,959
Other noncurrent assets	83	83	83	83
Total other noncurrent assets	83	83	45,253	45,042
Total other current and noncurrent assets	342,427	276,246	447,589	345,737

(*) Mainly refers to prepaid expenses on Vehicle Ownership Tax (“IPVA”) paid at the beginning of the year for fleet cars in use and monthly paid according to car purchases during the year, amortized within the year between the months of payment and December 2021, or when the sale is made.

(**) Expenses incurred on claims, cost of stolen cars and receivables from insurance company for stipulation services when contracting an insurance by the customers when they rent cars from the Company (note 2.7.4 to the financial statements for the year ended December 31, 2020).

8. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

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

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

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

At the Extraordinary General Meeting of Car Rental Systems, held on January 31, 2020, the merger of Localiza RP Aluguel de Carros Ltda. (“Localiza RP”) into Car Rental Systems was approved, with transfer of the net assets in the amount of R\$ 73,305, appraisal by a specialized company, on the same date, including all of its assets and liabilities. This merger aimed to follow the strategic guidelines of Car Rental Systems for operational, administrative and financial streamlining and rationalization, making the operation unique, aiming at increasing managerial efficiency.

(a) Business combination

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

In the consolidated financial statements, the acquisition of MOBI7 was accounted for at the fair value of the assets acquired and liabilities assumed on the acquisition date, and the excess over the consideration is recorded as goodwill, which may be deductible for Income Tax and Social Contribution purposes, upon its realization, either through sale or merger.

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

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

The acquisition price of 100% of the ownership interest in MOBI7 was R\$ 18,500. This amount is comprised of an installment of R\$7,999 paid on March 12, 2020, the second installment of R\$ 3,581 paid on March 12, 2021, and two successive annual installments updated by CDI, the last installment due on March 13, 2023. According to contractual clauses, Localiza Fleet had 60 days from the acquisition date to confirm the amount of the estimated net debt of MOBI7 in the initial calculation of the purchase price. In May 2020, a complementary difference to the initial price in the amount of R\$34 was determined, which was paid in the following month, resulting in a final purchase price of R\$18,534. The outstanding amounts are recorded under “other current and noncurrent liabilities” (note 16).

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

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

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

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

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

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

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

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

(b) Information on subsidiaries

The variation in the investments balance was as follows

	Individual		
	Balance as at 12/31/2020	Equity in the earnings of subsidiaries	Balance as at 3/31/2021
Localiza Fleet S.A. Consolidated	981,225	123,916	1,105,141
Rental Brasil	268,516	5,160	273,676
Localiza Prime	139,259	10,038	149,297
Car Assistance	26,385	9,304	35,689
Franchising Brasil	1,979	921	2,900
LFI S.R.L.	136	1	137
Effect of the elimination of IFRS 16 in subsidiary	22,689	2,829	25,518
Total investments in subsidiaries	1,440,189	152,169	1,592,358
Goodwill on acquisition of investments	22,077	-	22,077
Total investments	1,462,266	152,169	1,614,435

	Individual		
	Balance as at 12/31/2019	Equity in the earnings of subsidiaries	Balance as at 3/31/2020
Localiza Fleet S.A. Consolidated	683,725	72,274	755,999
Rental Brasil	264,745	5,086	269,831
Localiza Prime	131,493	11,168	142,661
Car Assistance	21,712	10,275	31,987
Franchising Brasil	5,659	965	6,624
LFI S.R.L.	128	52	180
Effect of the elimination of IFRS 16 in subsidiary	11,504	2,557	14,061
Total investments in subsidiaries	1,118,966	102,377	1,221,343
Goodwill on acquisition of investments	22,077	-	22,077
Total investments	1,141,043	102,377	1,243,420

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

Subsidiary	Parent company/Associate	Number of shares		Capital (%)	
		3/31/2021	12/31/2020	3/31/2021	12/31/2020
Localiza Fleet	Localiza	103,280,354	103,280,354	100.0	100.0
Rental Brasil	Localiza	15,000,000	15,000,000	100.0	100.0
Localiza Prime	Localiza	15,000	15,000	100.0	100.0
Car Assistance	Localiza	200,000	200,000	100.0	100.0
Franchising Brasil	Localiza	399,069	399,069	100.0	100.0
LFI S.R.L.	Localiza	131,078	131,078	98.0	98.0
LFI S.R.L.	Localiza Fleet	2,160	2,160	2.0	2.0
Car Rental Systems	Localiza Fleet	603,876,785	603,876,785	100.0	100.0
MOBI7 (*)	Localiza Fleet	75,731,069	5,890,000	100.0	100.0
MOBI7 Mexico	MOBI7	9,800	9,800	98.0	98.0
MOBI7 Mexico	Car Rental Systems	200	200	2.0	2.0

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

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

(i) Balance sheets

<u>3/31/2021</u>	<u>Localiza Fleet S.A. Consolidated</u>	<u>Rental Brasil</u>	<u>Localiza Prime</u>	<u>Car Assistance</u>	<u>Franchising Brasil</u>	<u>LFI S.R.L.</u>
Assets						
Current	1,154,706	227,650	169,407	51,387	10,739	234
Noncurrent	3,465,054	409,143	9,959	-	8,496	-
Total	4,619,760	636,793	179,366	51,387	19,235	234
Liabilities						
Current	917,423	14,944	23,429	15,696	7,112	94
Noncurrent	2,597,196	348,173	6,640	2	9,223	-
Equity	1,105,141	273,676	149,297	35,689	2,900	140
Total	4,619,760	636,793	179,366	51,387	19,235	234
<u>12/31/2020</u>	<u>Localiza Fleet S.A. Consolidated</u>	<u>Rental Brasil</u>	<u>Localiza Prime</u>	<u>Car Assistance</u>	<u>Franchising Brasil</u>	<u>LFI S.R.L.</u>
Assets						
Current	1,205,630	219,805	163,634	37,820	10,086	233
Noncurrent	3,137,766	409,500	10,773	-	8,629	-
Total	4,343,396	629,305	174,407	37,820	18,715	233
Liabilities						
Current	791,787	13,547	27,882	11,432	7,176	85
Noncurrent	2,570,384	347,242	7,266	3	9,560	9
Equity	981,225	268,516	139,259	26,385	1,979	139
Total	4,343,396	629,305	174,407	37,820	18,715	233

(ii) Statement of profit or loss

<u>1Q21</u>	<u>Localiza Fleet S.A. Consolidated</u>	<u>Rental Brasil</u>	<u>Localiza Prime</u>	<u>Car Assistance</u>	<u>Franchising Brasil</u>	<u>LFI S.R.L.</u>
Net revenue	488,859	9,986	14,887	10,914	2,493	-
Gross profit	229,883	9,381	14,887	10,724	1,223	-
Profit (loss) before income tax and social contribution	185,566	7,808	12,033	10,627	1,223	1
Profit for the period	123,916	5,160	10,038	9,304	921	1
<u>1Q20</u>	<u>Localiza Fleet S.A. Consolidated</u>	<u>Rental Brasil</u>	<u>Localiza Prime</u>	<u>Car Assistance</u>	<u>Franchising Brasil</u>	<u>LFI S.R.L.</u>
Net revenue	519,728	9,659	19,163	11,835	2,582	-
Gross profit	200,072	9,782	19,163	11,648	1,217	-
Profit (loss) before income tax and social contribution	106,840	7,698	16,869	11,693	1,307	52
Profit for the period	72,274	5,086	11,168	10,275	965	52

(c) Balances and transactions with related parties

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

	<u>Localiza Fleet</u>		<u>Other subsidiaries</u>		<u>Total</u>	
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>12/31/2020</u>
Balances:						
Trade receivables	13,142	13,057	-	-	13,142	13,057
Dividends receivable	99,166	99,166	21,514	21,514	120,680	120,680
Other receivables (note 7)	-	5,003	223	762	223	5,765
Trade payables	(4,948)	(830)	(12,180)	(4,768)	(17,128)	(5,598)
Other payables (note 16)	(5,555)	-	(4,007)	(740)	(9,562)	(740)

	Localiza Fleet		Other subsidiaries		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Transactions:						
Revenues	12,885	7,059	-	-	12,885	7,059
Costs and expenses	(11,657)	(8,030)	(11,017)	(26,638)	(22,674)	(34,668)
Recoverable costs and expenses	28,305	18,235	1,998	1,535	30,303	19,770

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

Additionally, as at March 31, 2021, there were collateral guarantees for borrowings and debt securities amounting to: (i) R\$ 3,890,466 issued by Localiza Fleet to Localiza (R\$ 3,939,848 as at December 31, 2020); (ii) R\$ 2,404,607 issued by Localiza to Localiza Fleet (R\$ 2,410,156 as at December 31, 2020); and (iii) R\$ 347,606 issued by Localiza to Rental Brasil (R\$ 345,972 as at December 31, 2020). There was also collateral between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$ 194,603 (R\$ 201,280 as at December 31, 2020).

The Company has guarantee insurance with the following insurance companies: Austral Seguradora, Berkley International, Chubb Seguros, Junto Seguros e Pottencial Seguradora. The latter being a company in which Salim Mattar and Eugênio Mattar, founding partners of Localiza, jointly held 32.49% of its capital at March 31, 2021. In transactions with Pottencial Seguradora, made under normal market conditions, the amount accounted for as expense in 1Q21 related to guarantee insurance was R\$ 120 (R\$ 62 in 1Q19) and the insured amount is R\$ 194,603 as at March 31, 2021 (R\$ 201,280 as at December 31, 2020).

(ii) Key management compensation

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Short-term benefits	11,506	16,117	12,084	16,616
Post-employment benefits	353	361	365	374
Share-based compensation	5,879	1,888	5,879	1,888
Total	17,738	18,366	18,328	18,878

Other information on investments in subsidiaries and related-party transactions has not changed significantly when compared to the information disclosed in note 8 to the financial statements for the year ended December 31, 2020.

9. PROPERTY AND EQUIPMENT AND DECOMMISSIONED CARS FOR FLEET RENEWAL

(a) Property and equipment

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

	Individual									
	Cars	Right-of-use	Property	Leasehold improvements	Furniture and fixtures	Constructions in progress	Land	IT equipment	Others	Total
Cost										
As at December 31, 2020	10,443,020	1,118,007	1,913	166,230	109,323	35,388	681	55,785	45,697	11,976,044
Additions	1,055,130	67,801	-	-	2,419	23,581	-	535	1,909	1,151,375
Write-offs/transfers (*)	(1,147,610)	(1,347)	-	4,323	-	(14,029)	-	(38)	8,702	(1,149,999)
As at March 31, 2021	10,350,540	1,184,461	1,913	170,553	111,742	44,940	681	56,282	56,308	11,977,420
Accumulated depreciation:										
As at December 31, 2020	(325,149)	(253,896)	(1,296)	(95,800)	(47,937)	-	-	(40,177)	(19,193)	(783,448)
Additions	(25,980)	(39,423)	(20)	(4,513)	(2,291)	-	-	(1,687)	(1,067)	(74,981)
Write-offs/transfers (*)	50,061	1,535	-	679	-	-	-	37	20	52,332
As at March 31, 2021	(301,068)	(291,784)	(1,316)	(99,634)	(50,228)	-	-	(41,827)	(20,240)	(806,097)
Net carrying amount										
As at December 31, 2020	10,117,871	864,111	617	70,430	61,386	35,388	681	15,608	26,504	11,192,596
As at March 31, 2021	10,049,472	892,677	597	70,919	61,514	44,940	681	14,455	36,068	11,171,323

	Individual									
	Cars	Right-of-use	Property	Leasehold improvements	Furniture and fixtures	Constructions in progress	Land	IT equipment	Others	Total
Cost										
As at December 31, 2019	10,864,521	1,000,604	1,913	138,455	96,193	20,800	681	53,712	30,101	12,206,980
Additions	1,533,202	47,890	-	-	7,274	7,816	-	152	594	1,596,928
Write-offs/transfers (*)	(1,452,002)	(7,642)	-	5,860	-	(5,860)	-	-	-	(1,459,644)
As at March 31, 2020	10,945,721	1,040,852	1,913	144,315	103,467	22,756	681	53,864	30,695	12,344,264
Accumulated depreciation:										
As at December 31, 2019	(256,341)	(136,458)	(1,214)	(78,218)	(39,016)	-	-	(33,290)	(16,475)	(561,012)
Additions	(111,646)	(35,080)	(21)	(3,828)	(2,154)	-	-	(1,722)	(628)	(155,079)
Write-offs/transfers (*)	71,118	7,606	-	-	-	-	-	-	-	78,724
As at March 31, 2020	(296,869)	(163,932)	(1,235)	(82,046)	(41,170)	-	-	(35,012)	(17,103)	(637,367)
Net carrying amount										
As at December 31, 2019	10,608,180	864,146	699	60,237	57,177	20,800	681	20,422	13,626	11,645,968
As at March 31, 2020	10,648,852	876,920	678	62,269	62,297	22,756	681	18,852	13,592	11,706,897

Consolidated

	<u>Cars</u>	<u>Right-of-use</u>	<u>Property</u>	<u>Leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Constructions in progress</u>	<u>Land</u>	<u>IT equipment</u>	<u>Others</u>	<u>Total</u>
Cost										
As at December 31, 2020	13,607,962	853,213	378,695	169,888	109,245	42,047	35,111	56,354	54,449	15,306,964
Additions	1,532,056	55,143	-	-	2,419	29,793	-	608	1,958	1,621,977
Write-offs/transfers (*)	(1,332,223)	(1,347)	-	4,323	-	(15,523)	-	(38)	10,197	(1,334,611)
As at March 31, 2021	13,807,795	907,009	378,695	174,211	111,664	56,317	35,111	56,924	66,604	15,594,330
Accumulated depreciation:										
As at December 31, 2020	(684,723)	(228,700)	(6,656)	(96,166)	(47,825)	-	-	(40,537)	(21,062)	(1,125,669)
Additions	(46,575)	(36,078)	(1,284)	(4,558)	(2,293)	-	-	(1,703)	(1,498)	(93,989)
Write-offs/transfers (*)	78,230	1,535	-	678	-	-	-	37	20	80,500
As at March 31, 2021	(653,068)	(263,243)	(7,940)	(100,046)	(50,118)	-	-	(42,203)	(22,540)	(1,139,158)
Net carrying amount										
As at December 31, 2020	12,923,239	624,513	372,039	73,722	61,420	42,047	35,111	15,817	33,387	14,181,295
As at March 31, 2021	13,154,727	643,766	370,755	74,165	61,546	56,317	35,111	14,721	44,064	14,455,172

Consolidated

	<u>Cars</u>	<u>Right-of-use</u>	<u>Property</u>	<u>Leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Constructions in progress</u>	<u>Land</u>	<u>IT equipment</u>	<u>Others</u>	<u>Total</u>
Cost										
As at December 31, 2019	14,016,574	749,297	369,935	142,113	96,195	20,800	29,342	54,042	30,525	15,508,823
Opening balance MOBI7	-	266	-	-	-	-	-	-	4,187	4,453
Additions	1,838,061	41,421	-	-	7,274	10,246	8,881	152	1,215	1,907,250
Write-offs/transfers (*)	(1,689,295)	(7,259)	8,760	5,860	-	(8,285)	(6,335)	-	-	(1,696,554)
As at March 31, 2020	14,165,340	783,725	378,695	147,973	103,469	22,761	31,888	54,194	35,927	15,723,972
Accumulated depreciation:										
As at December 31, 2019	(642,436)	(124,300)	(4,846)	(78,401)	(39,018)	-	-	(33,611)	(16,640)	(939,252)
Opening balance MOBI7	-	(11)	-	-	-	-	-	-	(460)	(471)
Additions	(153,132)	(32,339)	(387)	(3,873)	(2,154)	-	-	(1,724)	(686)	(194,295)
Write-offs/transfers (*)	113,229	7,223	-	-	-	-	-	-	-	120,452
As at March 31, 2020	(682,339)	(149,427)	(5,233)	(82,274)	(41,172)	-	-	(35,335)	(17,786)	(1,013,566)
Net carrying amount										
As at December 31, 2019	13,374,138	624,997	365,089	63,712	57,177	20,800	29,342	20,431	13,885	14,569,571
As at March 31, 2020	13,483,001	634,298	373,462	65,699	62,297	22,761	31,888	18,859	18,141	14,710,406

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

(b) Decommissioned cars for fleet renewal

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Cost	6,166	8,368	37,065	47,449
Accumulated depreciation:	(260)	(371)	(4,373)	(6,898)
Net carrying amount	5,906	7,997	32,692	40,551

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

10. INTANGIBLE ASSETS

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

	Individual		Consolidated	
	Software	Software	Goodwill on acquisition of investments	Total
Cost:				
As at December 31, 2020	127,779	148,064	105,437	253,501
Additions	1,669	1,676	-	1,676
As at March 31, 2021	129,448	149,740	105,437	255,177
Accumulated amortization				
As at December 31, 2020	(88,914)	(101,413)	-	(101,413)
Additions	(2,819)	(3,465)	-	(3,465)
As at March 31, 2021	(91,733)	(104,878)	-	(104,878)
Residual value:				
As at December 31, 2020	38,865	46,651	105,437	152,088
As at March 31, 2021	37,715	44,862	105,437	150,299
	Individual		Consolidated	
	Software	Software	Goodwill on acquisition of investments	Total
Cost:				
As at December 31, 2019	119,518	134,645	89,986	224,631
Opening balance MOBI7	-	328	-	328
Additions	1,596	1,654	19,437	21,091
As at March 31, 2020	121,114	136,627	109,423	246,050
Accumulated amortization				
As at December 31, 2019	(74,803)	(84,687)	-	(84,687)
Additions	(3,534)	(4,059)	-	(4,059)
As at March 31, 2020	(78,337)	(88,746)	-	(88,746)
Residual value:				
As at December 31, 2019	44,715	49,958	89,986	139,944
As at March 31, 2020	42,777	47,881	109,423	157,304

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

11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Car manufacturers (*)	615,724	1,247,684	907,504	1,418,358
Maintenance services and parts	54,963	46,802	78,874	68,361
Rentals	23,803	28,763	24,409	29,274
Others	172,434	135,053	171,857	145,008
Total	866,924	1,458,302	1,182,644	1,661,001

(*) The balance payable to car manufacturers refer to cars acquired with average payment term of approximately 61 days (60 days as at December 31, 2020). The lower volume of car purchases was due to the fact that automakers did not resume production levels in the context of the Covid-19 pandemic (note 1.2).

12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Accrued vacation pay	60,067	57,877	65,536	63,241
Accrued profit sharing (*)	159,221	114,788	175,591	126,631
Accrued 13 th salary	12,406	-	13,588	-
Social security contribution (INSS)	11,843	11,903	12,440	12,445
Government Severance Indemnity Fund for Employees (FGTS)	5,069	4,557	5,965	5,436
Others	6,203	9,992	7,543	10,698
Total	254,809	199,117	280,663	218,451

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

13. BORROWINGS AND DEBT SECURITIES

Borrowings and debt securities are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
In local currency				
Debt securities	5,082,760	5,157,814	6,921,977	7,004,184
Working capital	709,011	704,120	909,325	904,384
Certificates of Real Estate Receivables ("CRI")	-	-	338,913	337,095
Prepurchase financing pool	4,096	-	22,497	21,582
In foreign currency				
Foreign currency borrowings	1,677,089	1,774,617	2,179,362	2,230,478
Total	7,472,956	7,636,551	10,372,074	10,497,723
Current	1,903,093	1,286,564	2,252,813	1,615,037
Noncurrent	5,569,863	6,349,987	8,119,261	8,882,686

On June 18, 2020, the Board of Directors of Localiza approved the Company's 1st debenture repurchase program with the limit of R\$200,000, subsequently increased to R\$500,000 in the meeting held on July 27, 2020. This limit was increased again to R\$1,300,000 at a meeting held on October 27, 2020. Up to March 31, 2021, the Company repurchased debentures in the amount of R\$736,579 (R\$652,749 in 2020)

On October 27, 2020, the Board of Directors of Localiza Fleet approved the Company's 1st Debenture Repurchase Program with the limit of R\$200,000. Up to March 31, 2021, Localiza Fleet repurchased debentures in the amount of R\$158,136 (R\$158,136 in 2020)

Variations in borrowings and debt securities are as follows:

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Balance at the beginning of the period	7,636,551	6,642,809	10,497,723	9,308,558
Opening balance of subsidiaries acquired	-	-	-	2,250
Funding	456,255	1,150,312	456,255	2,138,892
Repurchase of debentures	(83,830)	-	(83,830)	-
Interest and finance charges	204,684	689,286	269,723	816,575
Repayment of principal	(710,626)	-	(714,213)	(859,428)
Interest amortization	(30,078)	(35,879)	(53,584)	(66,845)
Balance at the end of the period	7,472,956	8,446,528	10,372,074	11,340,002

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

The Company choose the formal designation of this new debt transaction contracted in 1Q21, for which it has derivative financial instruments, as measured at fair value. The "Fair Value Option" is intended to eliminate or reduce the volatility of measurement or recognition of certain liabilities, in which it would otherwise arise. Thus, both swaps and the related debt are now measured at fair value and this option is irrevocable and should be made only on the initial recognition of the transaction. In 1Q21, the net finance cost of this transaction was R\$ 1,448.

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

Ratio	Limits	12-month period ended	
		3/31/2021	12/31/2020
Net debt / Adjusted EBITDA (*)	Below 4.00	2.42	2.47
Net debt deducted from credit card balance (**) / Adjusted EBITDA	Below 4.00	2.27	2.29
Adjusted EBITDA / Finance costs, net	Above 1.50	9.87	6.62

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

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

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

14. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Foreign currency x Reais				
Current assets	-	85,021	91,699	154,305
Noncurrent assets	411,705	325,585	457,293	353,022
Current liabilities	(2,171)	-	(2,678)	(549)
Total derivative financial instruments - foreign currency x Real	409,534	410,606	546,314	506,778
CDI vs Fixed rate				
Noncurrent assets	14,424	-	14,424	-
Current liabilities	-	-	(47,391)	(65,816)
Noncurrent liabilities	-	(9,872)	(8,949)	(37,184)
Total derivative financial instruments - CDI vs Fixed Rate	14,424	(9,872)	(41,916)	(103,000)
IPCA x CDI				
Noncurrent assets	6,050	-	6,050	-
Total derivative financial instruments - IPCA x CDI	6,050	-	6,050	-
Total derivative financial instruments assets / (liabilities), net	430,008	400,734	510,448	403,778
Current assets	-	85,021	91,699	154,305
Noncurrent assets	432,179	325,585	477,767	353,022
Current liabilities	(2,171)	-	(50,069)	(66,365)
Noncurrent liabilities	-	(9,872)	(8,949)	(37,184)

Change in derivative instruments are as follows:

	Individual			Consolidated		
	Assets	Liabilities	Net total	Assets	Liabilities	Net total
Balance as of December 31, 2020	410,606	(9,872)	400,734	507,327	(103,549)	403,778
Fair value adjustment	155,397	21,743	177,140	195,210	41,362	236,572
Amortization	(148,470)	604	(147,866)	(148,470)	18,568	(129,902)
Asset vs. liability transfer	14,646	(14,646)	-	15,399	(15,399)	-
Balance as of March 31, 2021	432,179	(2,171)	430,008	569,466	(59,018)	510,448

	Individual			Consolidated		
	Assets	Liabilities	Net total	Assets	Liabilities	Net total
Balance as of December 31, 2019	18,198	(4,456)	13,742	18,198	(89,099)	(70,901)
Fair value adjustment	314,379	(3,773)	310,606	328,231	12,475	340,706
Amortization	-	1,002	1,002	-	6,378	6,378
Asset vs. liability transfer	(7,227)	7,227	-	22,180	(22,180)	-
Balance as of March 31, 2020	325,350	-	325,350	368,609	(92,426)	276,183

(a) Foreign currency x Reais

As at March 31, 2021, the Company had current hedge transactions with an exclusive foreign exchange hedge for the respective foreign currency borrowings contracted with large financial institutions. The specific characteristics of these hedge transactions are as follows:

Swap transactions

Financial institution	Range of maturity dates	Index		Amount of reference	Value of curve			Market value (carrying amount)			Variation – Gain (loss)
		Long position	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	1/3/2023	0.93%	CDI + 1.00%	EUR 55,394 thousand	372,210	252,802	119,408	377,383	257,068	120,315	907
Localiza	5/22/2023	LIBOR + 0.47%	108.0% of CDI	USD 80,000 thousand	461,500	300,763	160,737	449,343	303,082	146,261	(14,476)
Localiza	1/3/2025	1.33%	CDI + 1.20%	EUR 55,394 thousand	372,864	252,895	119,969	391,760	263,119	128,641	8,672
Localiza	2/26/2024	USD + 1.8229% USD + 1.9371%	CDI + 1.35%	USD 80,000 thousand	461,790	456,020	5,770	470,516	456,200	14,316	8,546
Localiza Fleet	8/22/22 e 1/25/23	LIBOR + 1.66%	6.51%	USD 31,081 thousand	179,497	130,845	48,652	174,389	129,307	45,082	(3,570)
					1,847,861	1,393,325	454,536	1,863,391	1,408,776	454,615	79

Non Deliverable Forward (NDF) transactions

Financial institution	Range of maturity dates	Amount of reference	Forward/ Strike	Value of curve			Market value (carrying amount)			Variation – Gains (loss)
		Notional		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza Fleet	12/13/2021	AUD 73,249 thousand	AUD 3.12 (*)	326,012	225,594	100,418	316,946	225,247	91,699	(8,719)

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

(b) CDI vs Fixed rate

Fleet Rental Contracts

Mostly fleet rental contracts of Fleet Rental Division vary from 24 to 36 months and include an annual adjustment clause based on the inflation index. As the rental contracts cannot be adjusted based on the benchmark interest rates, Localiza Fleet enters into swap transactions by swapping the CDI fluctuation for a fixed rate in order to hedge against the risk of loss of profit on rental contracts.

The specific characteristics of these transactions as at March 31, 2021 are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference	Value of curve			Market value (carrying amount)			Variation (loss)
		Long position	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
		% CDI									
Institution A	July 2020 to October 2022	108.4% / 2.5%	6.14%	420,000	439,878	455,564	(15,686)	443,547	459,099	(15,552)	134
Institution B	April 2021 to April 2022	107.5%	6.17%	100,000	105,591	110,421	(4,830)	105,636	110,506	(4,870)	(40)
Institution C	April 2021 to January 2023	108.0% / 2.5%	5.98%	400,000	389,296	399,828	(10,532)	395,198	400,452	(5,254)	5,278
Institution D	April 2021 to January 2023	108.4%	7.64%	295,000	345,681	371,662	(25,981)	346,150	373,244	(27,094)	(1,113)
Institution E	July 2021 to April 2022	110.0% / 1.0%	5.97%	45,000	47,238	48,924	(1,686)	47,412	49,480	(2,068)	(382)
Institution F	July 2022	110.0%	5.90%	25,000	25,846	26,815	(969)	26,024	26,941	(917)	52
Institution G	April 2021 to January 2022	1.5%	5.23%	75,000	77,574	78,719	(1,145)	78,068	78,959	(891)	254
Institution H	April 2022	2.5%	5.63%	25,000	25,680	25,870	(190)	26,328	26,022	306	496
					1,456,784	1,517,803	(61,019)	1,468,363	1,524,703	(56,340)	4,679

Agreement between Localiza and Unidas

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

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

At March 31, 2021, the specific characteristics of the contracted operations are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference	Market value (carrying amount)		
		Long position	Short position	Notional	Long position	Short position	Gain (loss)
		% CDI					
Institution A	January 2027	100.0%	8.07%	200,000	193,215	182,272	10,943
Institution B	January 2027	100.0%	7.71%	50,000	53,481	50,000	3,481
					246,696	232,272	14,424

(c) IPCA vs CDI

On March 24, 2021, the Company contracted derivatives in order to exchange the remuneration of the 17th issue of debentures (note 27) in IPCA for its equivalence in CDI, which is the reference index used by the Company.

The specific characteristics of these transactions as at March 31, 2021 are as follows:

Financial institution	Rate of maturity dates	Weighted average rates		Amount of reference	Market value (carrying amount)		
		Long position	Short position	Notional	Long position	Short position	Gain (loss)
		IPCA +	CDI +				
Institution A	March 2031	5.4702%	1.999%	400,000	455,248	453,232	2,016
Institution B	March 2031	5.4702%	1.999%	300,000	341,437	339,924	1,513
Institution C	March 2031	5.4702%	1.999%	300,000	341,437	339,924	1,513
Institution D	March 2031	5.4702%	1.999%	200,000	227,624	226,616	1,008
					<u>1,365,746</u>	<u>1,359,696</u>	<u>6,050</u>

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

15. RIGHT OF USE LEASE LIABILITY

Variations in right of use lease liability are as follows:

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Balance at the beginning of the period	917,784	889,595	662,776	642,733
Opening balance MOBIL7	-	-	-	255
Addition/remeasurement of new agreements	67,801	47,890	55,143	41,421
Write-off	(129)	(233)	(129)	(233)
Consideration paid	(46,333)	(42,522)	(46,657)	(42,918)
Consideration payable	(7,402)	(7,117)	-	-
Interest (note 24)	20,220	22,299	14,564	16,546
Balance at the end of the period	951,941	909,912	685,697	657,804
Current	148,704	144,669	133,413	132,610
Noncurrent	803,237	765,243	552,284	525,194

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

The Company and its subsidiaries have property rental contracts for their car rental locations in airports and off-airports (downtown locations), stores, headquarters and parking lots. The minimum amounts payable, considering undiscounted considerations, for the remaining lease term contracted up to March 31, 2021 and classified as leases are as follows:

	Individual						2027 and onwards	Total
	2021	2022	2023	2024	2025	2026		
Concessions in airports	24,308	28,315	25,927	22,600	18,018	9,939	32,392	161,499
Properties	126,177	160,317	150,543	134,808	123,310	113,753	776,946	1,585,854
Total	150,485	188,632	176,470	157,408	141,328	123,692	809,338	1,747,353
Embedded interest								<u>(795,412)</u>
Balance of lease liability (current and noncurrent)								<u>951,941</u>

	Consolidated						2027 and	Total
	2021	2022	2023	2024	2025	2026	onwards	
Concessions in airports	25,219	28,503	26,003	22,614	18,018	9,939	32,392	162,688
Properties	103,585	128,997	118,192	101,406	89,379	78,729	312,792	933,080
Total	128,804	157,500	144,195	124,020	107,397	88,668	345,184	1,095,768
Embedded interest								(410,071)
Balance of lease liability (current and noncurrent)								685,697

The estimated amount of PIS and COFINS credit embedded in the undiscounted lease consideration totals R\$140,142 in the Individual and R\$79,871 in the Consolidated (R\$73,622 in the Individual and R\$48,992 in the Consolidated, discounted to present value).

The Company adopted the practical expedient from CVM Decision 859/20, according to which the lessee may choose not to assess whether a benefit related to Covid-19, granted under a lease contract, is a contract modification and, thus, account for the resulting changes in lease payments in profit or loss for the period (note 3). In the three-month period ended March 31, 2021, the Company and its subsidiaries recognized R\$681 in profit or loss for the period (note 23).

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

16. OTHER CURRENT AND NONCURRENT LIABILITIES

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Balances stated separately in current liabilities:				
Revenue to be appropriated (*)	2,451	2,482	5,042	5,114
Payables to related parties (note 8 (b) (i))	9,562	740	-	-
Federal taxes payable	5,605	16,128	7,766	19,285
Municipal taxes payable	3,692	3,663	6,274	6,128
	21,310	23,013	19,082	30,527
Other current liabilities:				
Advances from car rental and decommissioned sale customers	139,272	201,503	152,212	209,424
Insurance premiums for transfer (**)	139,902	145,397	140,635	146,715
Amounts payable for the acquisition of MOBİ7	-	-	3,585	3,600
Others	14,832	12,736	24,841	25,017
	294,006	359,636	321,273	384,756
Total other current liabilities	315,316	382,649	340,355	415,283
Balances stated separately in noncurrent liabilities:				
Revenue to be appropriated (*)	3,279	3,670	7,488	8,196
Restricted obligations (***)	-	-	45,636	45,435
	3,279	3,670	53,124	53,631
Other noncurrent liabilities:				
Amounts payable for the acquisition of MOBİ7	-	-	3,585	7,199
Others	15,375	8,165	15,377	8,174
	15,375	8,165	18,962	15,373
Total other noncurrent liabilities	18,654	11,835	72,086	69,004
Total other current and noncurrent liabilities	333,970	394,484	412,441	484,287

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

(**) Premiums received from customers that took out insurance for rented cars, and extended warranty for the decommissioned cars sold which will be transferred by Localiza to the insurance company (note 2.7.4 to the financial statements for the year ended December 31, 2020).

(***) The restricted obligations refer to the amounts retained from the purchase price owed to Car Rental Systems' sellers (escrow), which shall be made available to them after compliance with specific provisions under the share purchase agreement. Restricted obligations are

guaranteed by short-term investments made by the Company, with restricted use, and shall be made available for withdrawal in 2023, less the indemnifiable amounts (note 7).

17. PROVISION FOR RISKS AND ESCROW DEPOSITS

(a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Tax	66,018	67,668	74,978	76,713
Social security	14,347	14,307	16,047	15,996
Labor	23,494	22,654	31,179	30,871
Civil	26,709	26,709	35,471	35,007
Total	130,568	131,338	157,675	158,587

(b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Tax	43,579	43,150	71,117	70,574
Social security	5,100	5,097	5,100	5,097
Labor	16,262	16,162	20,759	21,441
Civil	15,776	14,967	17,390	16,608
Total	80,717	79,376	114,366	113,720

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

18. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

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

The breakdown of deferred income tax and social contribution is as follows:

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Temporary differences in the deductibility of provisions:				
Provision for risks and other provisions	44,540	43,849	52,611	51,333
Allowance for doubtful debts and expected losses and other allowances	68,006	55,959	71,304	59,161
Provision for payment of services in progress and others, profit sharing, loyalty program and others	107,703	82,371	120,289	92,672
Swap transaction with payment on a cash basis	-	2,942	28,075	41,419
Income tax and social contribution tax loss carryforwards	108,223	140,666	126,733	159,394
Total deferred income tax and social contribution assets	328,472	325,787	399,012	403,979
Car depreciation (*)	621,640	560,733	831,887	742,255
Lease in the purchase of property and equipment (**)	213	213	23,812	33,727
Others	4,235	-	20,767	15,723
Total deferred income tax and social contribution liabilities	626,088	560,946	876,466	791,705
Total deferred income tax and social contribution, net	297,616	235,159	477,454	387,726
Noncurrent assets	-	-	(24,709)	(24,363)
Noncurrent liabilities	297,616	235,159	502,163	412,089

(*) Refers to the temporary difference arising from the calculation of accounting depreciation in relation to the tax base. Localiza and Localiza Fleet calculate, for tax purposes, car depreciation expenses based on the depreciation criteria used through December 31, 2007, as prescribed by Law 12,973/14.

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

The Company and its subsidiaries have a balance, as at March 31, 2021, as tax credit on tax loss carryforwards of R\$108,223 in Individual and R\$126,733 in Consolidated (R\$140,666 and R\$159,394, respectively, as at December 31, 2020), based on expected future taxable profit generation, this tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable profit, as determined by the current legislation

The realization of deferred income tax and social contribution credits, arising from temporary differences and tax loss carryforwards, is contingent upon future events that will make the provisions that gave rise to them deductible and enabled the offset of tax losses and social contribution tax loss carryforwards, in accordance with prevailing tax legislation.

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
2021	174,196	201,848	210,363	249,684
2022	106,353	65,811	123,085	75,457
2023	15,237	20,448	22,534	31,421
2024	2,006	6,618	5,492	10,077
2025	23,262	20,982	28,174	25,567
2026 onwards	7,418	10,080	9,364	11,773
Total deferred income tax and social contribution assets	328,472	325,787	399,012	403,979

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

The reconciliation between the statutory and effective rates for the periods ended March 31, 2021 and 2020 is as follows:

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Profit before taxes	618,182	262,090	686,100	306,729
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(210,182)	(89,111)	(233,274)	(104,288)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	51,737	34,808	-	-
Effect of deduction of interest on capital	21,671	22,764	21,671	22,764
Income tax and social contribution due by subsidiaries (deemed profit)	-	-	4,500	4,555
Others, net	848	320	3,259	1,111
Expense at effective rate	(135,926)	(31,219)	(203,844)	(75,858)
Current income tax and social contribution	(73,469)	(6,788)	(113,955)	(57,158)
Deferred income tax and social contribution	(62,457)	(24,431)	(89,889)	(18,700)

19. EQUITY

(a) Capital

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

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares – ON
Number as at December 31, 2020	158,499,942	224,346	6,796,159	592,946,223	758,466,670
Acquisition (sale) of shares, net	(889,900)	-	-	889,900	-
Exercise of long-term incentive programs with treasury shares	-	-	(5,311)	5,311	-
Number as at March 31, 2021	157,610,042	224,346	6,790,848	593,841,434	758,466,670

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares – ON
Number as at December 31, 2019	162,144,750	289,210	2,799,555	593,233,155	758,466,670
Bonus in shares	(1)	-	(1)	2	-
Renting of shares	(2,144,890)	-	-	2,144,890	-
Acquisition (sale) of shares, net	(3,997,200)	10,600	-	3,986,600	-
Repurchase of shares (note 18 (c) iii)	-	-	5,214,600	(5,214,600)	-
Number as at March 31, 2020	156,002,659	299,810	8,014,154	594,150,047	758,466,670

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

The Company participates in the Level I of the American Depositary Receipts (“ADR”) Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. The Company’s position, considering the effects of share bonus, comprised 5,542,657 ADRs issued in the United States as at March 31, 2021 and 6,796,767 as at December 31, 2020. Each ADR corresponds to one Company’s share.

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

As at March 31, 2021, the breakdown of capital reserves, options granted and treasury shares is as follows:

	Stock options granted recognized	Goodwill on share subscription	Treasury shares	Total
Balance as at December 31, 2020	67,830	107,118	(175,526)	(578)
Stock options granted recognized	4,392	-	-	4,392
Exercise of long-term incentive programs with treasury shares	-	(50)	138	88
Balance as at March 31, 2021	72,222	107,068	(175,388)	3,902

(i) Options exercised in 1Q21

In 1Q21, 5,311 stock options and shares of the long-term incentive programs were exercised, in the amount calculated at fair value of R\$44. All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

(ii) Treasury shares

The number of treasury shares as at March 31, 2021 was 6,790,848 shares (8,014,154 as at March 31, 2020), with fair value of R\$ 405,617 (quotation of R\$59.73 per share as at March 31, 2021).

At a meeting of the Company's Board of Directors on June 18, 2019, the Company was authorized to acquire up to 50,000,000 shares (52,500,000 shares including the effects of the bonus) in the 11th Share Repurchase Program, with a term of 365 days from July 23, 2019 to July 22, 2020.

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

(c) Statutory reserves

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

(d) Interest on capital and dividends

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

1Q21				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
3/24/2021	63,739	0.08479	3/29/2021	5/21/2021
Total	63,739			

1Q20				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
3/10/2020	66,954	0.08901	3/13/2020	9/15/2020
Total	66,954			

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

	Consolidated	
	3/31/2021	12/31/2020
Dividends in addition to the mandatory minimum dividend	18,128	18,128
Proposed interest on capital on profit for the period	63,739	63,812
Provision for withholding income tax on interest on capital	(9,498)	(9,507)
Total dividends and interest on capital payable	72,369	72,433

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

20. EARNINGS PER SHARE

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

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

	Individual and Consolidated	
	1Q21	1Q20
Profit for the period	482,256	230,871
Basic earnings per share:		
Weighted average number of outstanding common shares (units)	751,675,404	754,626,916
Basic earnings per share (R\$)	0.64157	0.30594
Diluted earnings per share:		
Weighted average number of outstanding common shares (units)	751,675,404	754,626,916
Dilutive effect of stock options (units)	1,044,660	1,766,346
Total shares subject to dilution (units)	752,720,064	756,393,262
Diluted earnings per share (R\$)	0.64068	0.30523

21. SEGMENT INFORMATION

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

The Company has defined two operating divisions that are separately managed based on the reports used by the Board of Directors to make strategic decisions. The accounting policies of these operating divisions are the same as those described in note 2 or the notes of the respective line items.

- **Car rental:** This division is responsible for car rentals in locations inside and outside airports and for insurance stipulation and management of car claims for insurance companies. Cars are rented by legal entities and individuals, in some cases through distribution channels. Given the need to renew the fleet, Localiza sells its decommissioned cars after 12 months of use. In order to reduce intermediation costs on the sale of decommissioned cars, roughly half of the cars is directly sold to the final consumers. Consequently, the Company maximizes the recoverable amount of these assets, by reducing the depreciation of cars and the net amount invested in fleet renewal, as the selling expense of the Company's own stores is smaller than the discount required by resellers, as well as avoids full dependence on third parties for the sales.

This Car Rental Division is responsible for the management and establishment of franchises in geographically defined markets, including the transfer of the necessary know-how to operate the car rental business and licensing of the right to use the Localiza brand. The franchising business is managed by the subsidiary Franchising Brasil in Brazil and by Localiza itself in other countries.

- **Fleet rental:** Division responsible for fleet rental and long-term rentals, usually from 24 to 36 months, to individuals and legal entities, through Localiza Fleet and Car Rental Systems. In September 2020, Localiza Meoo was launched, a long-term subscription car solution, aimed at individuals and small and medium-sized entities. The cars of this division are acquired after the signing of agreements according to the customers' needs. Therefore, the fleet is more diversified in terms of models and brands. Decommissioned cars are sold at the end of the agreements, on average within 29 months of use, directly to the end consumer or to dealers through the Company's own car dealer network.

(a) Operating division financial reporting

(i) Consolidated assets and liabilities by operating division

3/31/2021	Car rental	Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets					
Cash and cash equivalents	-	-	1,820,800	-	1,820,800
Short-term investments	-	-	1,619,266	-	1,619,266
Trade receivables	960,069	152,276	-	(35,227)	1,077,118
Decommissioned cars for fleet renewal	6,181	26,511	-	-	32,692
Property and equipment	11,185,291	3,238,433	398,478	(*) (367,030)	14,455,172
Other assets	618,186	200,800	569,467	(82,024)	1,306,429
Total assets	12,769,727	3,618,020	4,408,011	(484,281)	20,311,477
Liabilities					
Trade payables	868,809	349,818	-	(35,983)	1,182,644
Borrowings and debt securities	-	-	10,372,074	-	10,372,074
Other liabilities	2,187,259	557,924	59,018	(523,098)	2,281,103
Total liabilities	3,056,068	907,742	10,431,092	(559,081)	13,835,821
Equity	-	-	6,475,656	-	6,475,656
Total liabilities and equity	3,056,068	907,742	16,906,748	(559,081)	20,311,477

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

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

(ii) Consolidated statements of income per operating division

1Q21	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenue	2,312,506	484,616	-	2,797,122
Cost	(1,473,753)	(254,251)	(1,854)	(1,729,858)
Gross profit	838,753	230,365	(1,854)	1,067,264
Operating expenses:				
Selling expenses	(250,296)	(29,543)	1,412	(278,427)
General, administrative and other expenses	(67,150)	(13,793)	442	(80,501)
Profit (loss) before finance costs, net	521,307	187,029	-	708,336
Finance costs, net				(22,236)
Profit before income tax and social contribution				686,100
Income tax and social contribution				(203,844)
Profit for the period				482,256
1Q20	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenue	2,304,178	490,454	-	2,794,632
Cost	(1,753,900)	(296,565)	(1,964)	(2,052,429)
Gross profit	550,278	193,889	(1,964)	742,203
Operating expenses:				
Selling expenses	(203,528)	(23,937)	821	(226,644)
General, administrative and other expenses	(67,948)	(14,392)	1,143	(81,197)
Profit (loss) before finance costs, net	278,802	155,560	-	434,362
Finance costs, net				(127,633)
Profit before income tax and social contribution				306,729
Income tax and social contribution				(75,858)
Profit for the period				230,871

(iii) Consolidated depreciation and amortization expenses per operating division

	Consolidated	
	1Q21	1Q20
Car rental		
Car depreciation	25,980	116,460
Depreciation of other property and equipment and amortization of intangible assets	46,811	41,450
Fleet rental		
Car depreciation	20,595	36,672
Depreciation of other property and equipment and amortization of intangible assets	4,068	3,772
Total	97,454	198,354

22. NET REVENUE

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

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Gross revenue	2,401,638	2,355,431	2,939,057	2,924,079
Deductions:				
Discounts	(2,930)	(1,213)	(7,563)	(5,882)
Taxes (*)	(101,340)	(90,648)	(134,372)	(123,565)
Net revenue	2,297,368	2,263,570	2,797,122	2,794,632

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

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

	Individual		Consolidated			
	Car rental		Fleet rental		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Geographic markets						
Revenue in Brazil	2,283,602	2,248,660	484,616	490,454	2,783,356	2,779,722
Export revenue (*)	9,636	12,418	-	-	9,636	12,418
Royalties abroad	4,130	2,492	-	-	4,130	2,492
Net revenue	2,297,368	2,263,570	484,616	490,454	2,797,122	2,794,632
Revenue categories						
Car rental	979,646	886,954	-	-	979,364	892,833
Car sold for fleet renewal	1,317,722	1,376,616	280,892	256,166	280,892	256,166
Net revenue	2,297,368	2,263,570	484,616	490,454	2,797,122	2,794,632

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

23. NATURE OF OPERATING COSTS AND EXPENSES

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

	Individual					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Cost of cars sold	(1,029,792)	(1,277,186)	-	-	(1,029,792)	(1,277,186)
Car maintenance, IPVA and others	(257,867)	(203,171)	-	-	(257,867)	(203,171)
Salaries, payroll taxes and benefits	(115,023)	(99,920)	(98,370)	(95,899)	(213,393)	(195,819)
Third-party services	(45,772)	(47,015)	(44,222)	(36,329)	(89,994)	(83,344)
ECLs (**) and write-off of uncollectible amounts	-	-	(57,336)	(33,258)	(57,336)	(33,258)
Depreciation and amortization of other property and equipment and intangible assets	(33,531)	(30,315)	(18,289)	(16,652)	(51,820)	(46,967)
Profit sharing	(18,930)	(13,848)	(20,903)	(12,653)	(39,833)	(26,501)
Car depreciation	(25,980)	(111,646)	-	-	(25,980)	(111,646)
Commissions	-	-	(27,237)	(20,726)	(27,237)	(20,726)
Property lease (*)	(19,276)	(20,905)	722	(2,224)	(18,554)	(23,129)
Advertising	-	-	(10,106)	(22,318)	(10,106)	(22,318)
Water, electricity and telephone	(4,011)	(3,898)	(2,036)	(2,111)	(6,047)	(6,009)
Travel	(1,732)	(4,877)	(376)	(1,954)	(2,108)	(6,831)
PIS and COFINS credits, net	83,862	87,804	(17)	-	83,845	87,804
Others	(22,537)	(32,420)	(32,302)	(28,177)	(54,839)	(60,597)
Total	(1,490,589)	(1,757,397)	(310,472)	(272,301)	(1,801,061)	(2,029,698)

	Consolidated					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Cost of cars sold	(1,184,490)	(1,495,682)	-	-	(1,184,490)	(1,495,682)
Car maintenance, IPVA and others	(326,519)	(262,374)	-	-	(326,519)	(262,374)
Salaries, payroll taxes and benefits	(128,292)	(108,419)	(119,299)	(114,959)	(247,591)	(223,378)
Third-party services	(51,964)	(53,414)	(52,798)	(39,579)	(104,762)	(92,993)
ECLs (**) and write-off of uncollectible amounts	-	-	(60,095)	(35,302)	(60,095)	(35,302)
Depreciation and amortization of other property and equipment and intangible assets	(32,195)	(28,362)	(18,684)	(16,860)	(50,879)	(45,222)
Profit sharing	(21,798)	(15,055)	(25,724)	(15,361)	(47,522)	(30,416)
Car depreciation	(46,575)	(153,132)	-	-	(46,575)	(153,132)
Commissions	-	-	(27,654)	(21,175)	(27,654)	(21,175)
Property lease (*)	(19,835)	(21,909)	(859)	(2,572)	(20,694)	(24,481)
Advertising	-	-	(12,333)	(23,195)	(12,333)	(23,195)
Water, electricity and telephone	(4,092)	(4,015)	(2,378)	(2,496)	(6,470)	(6,511)
Travel	(1,766)	(4,991)	(425)	(2,280)	(2,191)	(7,271)
PIS and COFINS credits, net	108,316	110,733	(19)	-	108,297	110,733
Other	(20,648)	(15,809)	(38,660)	(34,062)	(59,308)	(49,871)
Total	(1,729,858)	(2,052,429)	(358,928)	(307,841)	(2,088,786)	(2,360,270)

(*) Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 1Q21, the Company recognized variable costs and expenses in the amount of R\$7,947 in the Individual and R\$8,076 in the Consolidated (R\$11,049 in the Individual and R\$11,091 in the Consolidated in 1Q20), referring to the lease contracts measured as established by IFRS 16. As mentioned in note 15, in accordance with the requirements of Decision 859/20, the Company recognized in profit or loss for the period discounts obtained related to Covid-19, in the amounts of R 681 in the Individual and Consolidated. In addition, R\$11,288 and R\$13,299 were recognized in the Individual and Consolidated, respectively (R\$12,080 in the Individual and R13,390) in the Consolidated in 1H19) related to contracts to which IFRS 16 does not apply.

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

24. FINANCE INCOME (COSTS)

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

	Individual		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Interest on short-term investments	15,755	23,293	24,642	33,809
PIS/COFINS on finance income	(859)	(1,084)	(1,207)	(1,557)
Repurchase of debentures	2,720	-	2,720	-
Other interest income	824	2,876	885	3,254
Total finance income	18,440	25,085	27,040	35,506
Interest expenses on borrowings, debt securities and derivative financial instruments	(27,544)	(68,074)	(33,151)	(135,163)
Interest expenses on leases (note 15)	(20,220)	(22,299)	(14,564)	(16,546)
Other interest expenses	(970)	(8,871)	(1,561)	(11,430)
Total finance costs	(48,734)	(99,244)	(49,276)	(163,139)
Total finance income (costs)	(30,294)	(74,159)	(22,236)	(127,633)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Financial assets				
<u>Amortized cost</u>				
Cash and cash equivalents (note 4)	726,625	911,067	938,957	1,349,244
Trade receivables (note 6)	940,684	974,296	1,077,118	1,109,449
Receivables from insurance company (note 7)	191,933	192,307	194,745	194,835
Other receivables – subsidiaries (note 7)	223	5,765	-	-
Investments in restricted accounts (note 7)	-	-	45,170	44,959
Escrow deposits (note 17)	80,717	79,376	114,366	113,720
<u>Financial assets at fair value through profit or loss</u>				
Cash and cash equivalents (note 4)	368,897	664,419	881,843	1,237,149
Short-term investments (note 5)	1,089,086	1,040,917	1,619,266	1,380,211
Derivative financial instruments (note 14)	432,179	410,606	569,466	507,327
Financial liabilities				
<u>Amortized cost</u>				
Trade payables (note 11)	(866,924)	(1,458,302)	(1,182,644)	(1,661,001)
Borrowings and debt securities (note 13)	(7,002,440)	(7,636,551)	(9,901,558)	(10,497,723)
Payables to related parties (note 16)	(9,562)	(740)	-	-
Insurance premiums for transfer (note 16)	(139,902)	(145,397)	(140,635)	(146,715)
Restricted obligations (note 16)	-	-	(45,636)	(45,435)
Amount payable for the acquisition of MOBI7 (note 16)	-	-	(7,170)	(10,799)
<u>Financial liabilities at fair value through profit or loss</u>				
Borrowings and debt securities (note 13)	(470,516)	-	(470,516)	-
Derivative financial instruments (note 14)	(2,171)	(9,872)	(59,018)	(103,549)

(a) Risk management

In the normal course of operations, the Company is exposed to the following risks related to its financial instruments:

(i) market risk; (ii) credit risk; and (iii) liquidity risk.

(i) Market risk

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

○ As at March 31, 2021, the Company's net debt totaled R\$6,421,560. Of this total, R\$1,874,242, with fixed cost at an average rate of 6.44% p.a., was excluded, as it is related to the transactions contracted at a fixed rate and amounts corresponding to the hedge from the swap transactions, changing the rates indexed to CDI for fixed rates. Thus, the net debt subject to the CDI fluctuation amounts to R\$4,547,318 as at March 31, 2021.

○ The probable scenario for the next 12 months was estimated, according to information in the Focus Bulletin issued by the Central Bank of Brazil, based on an average CDI rate of 4.56% against the effective annual rate of 2.01% in the three-month period ended March 31, 2021.

Description	Consolidated		
	Probable scenario (*)	Scenario I – 25% deterioration	Scenario II – 50% deterioration
Net debt as at March 31, 2021	6,421,560	6,421,560	6,421,560
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate	(1,874,242)	(1,874,242)	(1,874,242)
Net debt subject to the CDI fluctuation	4,547,318	4,547,318	4,547,318
Effective average annual CDI rate for the three-month period ended March 31, 2021	2.01%	2.01%	2.01%
Estimated average annual CDI rate, according to stress scenarios	4.56%	5.70%	6.84%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rate from January to March 2021	(91,401)	(91,401)	(91,401)
- according to scenarios	(207,358)	(259,197)	(311,037)
(Increase) decrease in finance costs for the next 12 months	(115,957)	(167,796)	(219,636)

(ii) Credit risk

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

	Individual		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Cash and cash equivalents:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,082,312	1,560,974	1,803,519	2,570,155
Cash and banks	13,210	14,512	17,281	16,238
Total cash and cash equivalents (note 4)	1,095,522	1,575,486	1,820,800	2,586,393
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,089,086	1,040,917	1,619,266	1,380,211
Total short-term investments (note 5)	1,089,086	1,040,917	1,619,266	1,380,211
Trade receivables — customers	524,777	551,005	642,075	666,861
Trade receivables – credit cards:				
Aaa in the Moody's scale	101,709	96,801	103,552	98,744
Sundry	314,198	326,490	331,491	343,844
Total trade receivables (note 6)	940,684	974,296	1,077,118	1,109,449
Total	3,125,292	3,590,699	4,517,184	5,076,053

(iii) Liquidity risk

The Company and its subsidiaries manage liquidity and their cash flows periodically to ensure that operating cash generation and previous funding, when necessary, are sufficient to meet their commitment schedules. The analysis of the maturities of undiscounted consolidated contractual cash flows of borrowings, debt securities and derivative financial instruments, based on the interest rate contracted for each transaction and a CDI rate of 2.65% as at March 31, 2021, is as follows:

	Individual						
	2021	2022	2023	2024	2025	2026	Total
Debentures - 11 th issuance	12,325	459,017	-	-	-	-	471,342
Debentures - 12 th issuance	17,209	19,166	19,089	687,853	-	-	743,317
Debentures - 13 th issuance	14,733	417,745	403,415	102,490	99,679	-	1,038,062
Debentures - 14 th issuance	10,052	19,709	19,630	335,127	129,733	245,362	759,613
Debentures - 15 th issuance	18,772	21,366	21,195	21,366	388,785	388,946	860,430
Debentures - 16 th issuance	17,475	36,788	36,788	351,801	358,586	345,608	1,147,046
Promissory notes - 7 th issuance	532,365	-	-	-	-	-	532,365
Working capital	113,796	351,069	298,268	-	-	-	763,133
Prepurchase financing pool	682	911	911	844	702	46	4,096
Foreign currency borrowings	18,516	250,935	621,975	469,171	375,338	-	1,735,935
Total	755,925	1,576,706	1,421,271	1,968,652	1,352,823	979,962	8,055,339

	Consolidated							
	2021	2022	2023	2024	2025	2026	2027	Total
Debentures - 11 th issuance	12,325	459,017	-	-	-	-	-	471,342
Debentures - 12 th issuance	17,209	19,166	19,089	687,853	-	-	-	743,317
Debentures - 13 th issuance	14,733	417,745	403,415	102,490	99,679	-	-	1,038,062
Debentures - 14 th issuance	10,052	19,709	19,630	335,127	129,733	245,362	-	759,613
Debentures - 15 th issuance	18,772	21,366	21,195	21,366	388,785	388,946	-	860,430
Debentures - 16 th issuance	17,475	36,788	36,788	351,801	358,586	345,608	-	1,147,046
Promissory notes - 7 th issuance	532,365	-	-	-	-	-	-	532,365
Debentures of Localiza Fleet - 5 th issuance	2,688	5,949	5,949	5,949	208,383	-	-	228,918
Debentures of Localiza Fleet - 6 th issuance	9,172	9,905	9,866	342,157	-	-	-	371,100
Debentures of Localiza Fleet - 7 th issuance	3,911	8,574	8,539	8,471	308,574	-	-	338,069
Debentures of Localiza Fleet - 8 th issuance	17,468	36,432	351,695	357,446	345,687	-	-	1,108,728
Working capital	118,280	357,226	374,856	128,814	-	-	-	979,176
CRI	13,771	17,840	20,908	23,385	28,080	32,479	282,819	419,282
Prepurchase financing pool	12,341	7,144	1,420	844	702	37	9	22,497
Foreign currency borrowings	346,562	343,757	711,832	469,171	375,338	-	-	2,246,660
Total	1,147,124	1,760,618	1,985,182	2,834,874	2,243,547	1,012,432	282,828	11,266,605

(b) Capital management

The table below shows the Company's debt ratios:

	Consolidated	
	3/31/2021	12/31/2020
Short and long-term debts (note 13)	10,372,074	10,497,723
Derivative financial instruments (note 14)	(510,448)	(403,778)
Cash and cash equivalents (note 4)	(1,820,800)	(2,586,393)
Short-term investments (note 5)	(1,619,266)	(1,380,211)
Net debt	6,421,560	6,127,341
Equity	6,475,656	6,052,659
Debt ratio (net debt / equity)	0.99	1.01
Fleet value (*)	13,187,419	12,963,790
Net debt / fleet value	0.49	0.47

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

(c) Fair value of financial instruments

The fair value of financial liabilities recognized at amortized cost in the Company's balance sheet are:

	Individual			
	Carrying amount		Fair value	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(7,002,440)	(7,636,551)	(6,731,556)	(7,355,408)

	Consolidated			
	Carrying amount		Fair value	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(9,901,558)	(10,497,723)	(9,387,055)	(9,982,458)

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

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

26. SUPPLEMENTARY PENSION PLAN

In 1Q21, contributions made by the Company totaled R\$138 in the Individual and R\$269 in the Consolidated (R\$978 in the Individual and R\$1,224 in the Consolidated in 1Q20), which were allocated to line items "cost", "selling expenses" and "general and administrative expenses" in profit or loss, as applicable

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

27. EVENTS AFTER THE REPORTING PERIOD

On April 7, 2021, the 17th issue of simple non-convertible debentures, of unsecured type, with an additional unsecured guarantee and in a single series, was settled in the amount of R\$1,200,000. The issue of debentures was approved by the Company's Board of Directors at a meeting on March 3, 2021, the debentures were issued on March 15, 2021, with maturity on March 15, 2031 and remuneration of IPCA + 5.4702%.

Comments on the Performance of Business Projections

The Company did not disclose any projections for 2021.

Other Information Considered Relevant by the Company

SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the three-month period ended March 31, 2021 and 2020 is as follows:

(In R\$ thousand)

	1Q21			1Q20		
Calculation basis of consolidated social indicators						
Net revenue ("NR")			2,797,122			2,794,632
Earnings before taxes ("EBT")			686,100			780,133
Gross payroll ("GP")			249,488			217,221
Internal social indicators	Amount	% on GP	% on NR	Amount	% on GP	% on NR
Meals	19,019	8%	1%	16,787	8%	1%
Compulsory payroll taxes	48,753	20%	2%	48,197	22%	2%
Health	16,668	7%	1%	15,776	7%	1%
Professional training and development	323	0%	0%	618	0%	0%
Daycare centers or childcare allowance	27	0%	0%	67	1%	0%
Profit sharing	47,522	19%	2%	30,416	14%	1%
Other	3,953	2%	0%	3,084	2%	0%
Total internal social indicators	136,265	56%	6%	114,945	54%	5%
External social indicators	Amount	% on EBT	% on NR	Amount	% on EBT	% on NR
Education	425	0%	0%	-	0%	0%
Culture	1,549	0%	0%	574	0%	0%
Other	5,415	1%	0%	144	0%	0%
Total contributions to society	7,389	1%	0%	718	0%	0%
Taxes (excluding payroll taxes) (*)	286,448	42%	10%	286,152	94%	10%
Total external social indicators	293,837	43%	11%	286,870	94%	10%
Staff indicators			3/31/21			3/31/20
Number of employees at the end of the period			11,687			10,936
Number of new hires during the period			1,087			977
Number of third-party workers			551			564
Number of interns			63			99
Number of employees above 50 years old			520			504
Number of female employees			5,309			4,880
Percentage of lead positions held by female employees			49.36%			49.68%
Number of disabled employees			345			395

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

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of
Localiza Rent a Car S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Localiza Rent a Car S.A. ("Company"), included in the Interim Financial Information Form - ITR for the quarter ended March 31, 2021, which comprises the balance sheet as of March 31, 2021 and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

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

The individual and consolidated interim financial information referred to above includes the individual and consolidated statements of value added - DVA, for the three-month period ended March 31, 2021, prepared under the responsibility of the Company's Management and disclosed as supplemental information for purposes of the international standard IAS 34. These statements were subject to review procedures performed together with the review of the Interim Financial Information Form - ITR to reach a conclusion on whether they were reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not appropriately prepared, in all material respects, in relation to the interim financial information taken as a whole.

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

Belo Horizonte, May 3, 2021

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Daniel de Carvalho Primo
Engagement Partner

Opinions and Representations / Management's Statement on the Financial Statements

MANAGEMENT'S STATEMENT ON THE INTERIM FINANCIAL INFORMATION

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

I. Reviewed, discussed and approved Localiza's and consolidated interim financial information for the three-month period ended March 31, 2021.

Belo Horizonte, May 3, 2021.

Bruno Sebastian Lasansky
CEO

Rodrigo Tavares Gonçalves de Sousa
CFO and Investor Relations Officer

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

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

I. Reviewed, discussed and agreed with the opinions expressed in the Independent Auditor's Report of Deloitte Touche Tohmatsu Auditores Independentes on Localiza's and consolidated interim financial information for the three-month period ended March 31, 2021.

Belo Horizonte, May 3, 2021.

Bruno Sebastian Lasansky
CEO

Rodrigo Tavares Gonçalves de Sousa
CFO and Investor Relations Officer