



**LOCALIZA RENT CAR S.A.**  
CNPJ: 16.670.085/0001-55  
Companhia Aberta



**COMPANHIA DE LOCAÇÃO DAS AMÉRICAS**  
CNPJ: 10.215.988/0001-60  
Companhia Aberta

## MATERIAL FACT

### Combination of businesses of Localiza and Unidas

Localiza Rent a Car SA - "Localiza" (B3: RENT3 and OTCQX: LZRFY) and Companhia De Locação das Américas - "Unidas" (B3: LCAM3 and OTC: CDLDY), in compliance with the terms of CVM Instruction No. 358/02, as amended, inform their respective shareholders, the market in general and other interested parties, that on this date, Localiza and Unidas ("Companies"), as well as José Salim Mattar Júnior, Eugênio Pacelli Mattar, Antônio Cláudio Brandão Resende and Flávio Brandão Resende (jointly "Founding Shareholders of Localiza") and Luis Fernando Memoria Porto, Sérgio Augusto Guerra de Resende, RCC Participações Sociais Ltda., Dirley Pingnatti Ricci and SF 166 Participações Societárias SA (jointly "Founding Shareholders of Unidas") entered into a Share Merger Agreement ("Agreement"), which the terms and conditions for the implementation of the Companies' business combination were prepared, by means of a merger of Unidas shares by Localiza ("Merger of Shares" or "Transaction").

The Transaction will result in the unification of shareholders who are references and have long experience in the industry, the combination of talents to provide innovative mobility solutions, the creation of a global scale player committed to the highest levels of governance and ambition to provide the best customer experience, increasing population and business access to car rentals. From the economic-financial point of view, the integration of the businesses should promote synergies and efficiency increases in the combined company resulting from the Merger of Shares ("Combined Company").

The main terms of the Transaction are described below:

**a.** Exchange Ratio

Subject to the terms and conditions set forth in the Agreement, on the consummation date of the Merger of Shares ("Closing Date"), Unidas shareholders will receive 0.44682380 common shares issued by Localiza in replacement for every 1 common share issued by Unidas held by them on the Closing Date ("Exchange Ratio").

Based on the Exchange Ratio, agreed between independent parties, the shareholders of Localiza would jointly hold 76.85000004% of the total and voting corporate capital of the Combined Company, and the shareholders of Unidas will then jointly hold 23.14999996%

The exchange ratio will be adjusted for possible developments, groupings and stock bonuses of the Companies by the declaration of earnings of each one of the companies between the date of execution of the Agreement and the Closing Date, except for the Dividends mentioned in item b, below.

**b. Dividends**

Subject to the completion of the Merger of Shares, Unidas may distribute dividends to its shareholders in the total amount of up to R\$ 425,000,000.00 ("Dividends"), subject to the following conditions: (i) will have the declaration effective after the consummation of the Merger of Shares; (ii) will be declared based on the shareholding position of Unidas shareholders on the Closing Date, unless otherwise decided by the Boards of Directors of the companies; and (iii) will be paid within 90 (ninety) calendar days from the date of consummation of the Merger of Shares.

In case Unidas, until the Closing Date (a) cannot, under the applicable law, declare the total amount of the Dividends, or (b) does not obtain the authorizations, waivers, consents and approvals of third parties necessary for the declaration and distribution of the Dividends, Localiza shall pay, on the Closing Date, to Unidas the amount equivalent to the difference between (i) the amount of Dividends and (ii) the amount of Dividends actually declared to Unidas' shareholders. Localiza must pay Unidas shareholders based on the same shareholding position established for the completion of the Merger of Shares, without any change to the Exchange Ratio. The Parties will decide, in good faith, the best structure for this payment.

In the case of non-resident investors holding Unidas shares, in which the Withholding Income Tax (*Imposto de Renda Retido na Fonte - "IRRF"*) will be held with respect to the possible capital gain pursuant to art. 21, § 6 of Normative Instruction RFB 1.455 / 14, as amended by Normative Instruction RFB 1.732 / 17 the Companies have the right to: (a) withhold IRRF on the possible capital gain of the non-investor resident who does not present, directly or through its custody agents, by the date set forth in the notice to Shareholders to be released in due time, information on the average acquisition cost of their shares that demonstrate the absence of taxable capital gain or the respective Federal Revenue Collection Document - DARF (*Documento de Arrecadação de Receitas Federais – DARF*) regarding the taxable capital gain, duly completed and paid, according to the applicable Law; and (b) offset, according to the Laws applicable to private credit offset, the amount of IRRF eventually collected by any of the Companies on behalf of the non-resident foreign investor with the value of the Dividends to which the respective investor is entitled, as well as with any other credits held against the foreign investor, including, without limitation, the value of any dividends, interest on equity and other earnings that may be declared and / or paid by the Companies at any time, even before the Closing Date of the Merger of Shares.

**c. Financing**

In addition, subject to the completion of the Merger of Shares, Localiza will arrange for it to be available for disbursement by the 25th calendar day of the month following the Closing Date, to all shareholders of Unidas that are interested and are registered as shareholders of Unidas at the completion of the Merger of Shares, a credit line with one or more Brazilian financial institutions chosen by it, ("Financing"). The Financing amount of the credit line will be to 20% of the total value of Localiza shares attributed to Unidas shareholders on the Closing Date due to the Merger of Shares considering the average price, weighted by volume, on the Closing Date (ie, each shareholder of Unidas will be entitled, at their own discretion, to receive a loan in the amount up until 20% of the value of the shares of Localiza received by such shareholder on the Closing Date). The terms and conditions of the Financing, which will be mandatorily guaranteed by chattel mortgage (*alienação fiduciária*) of the shares received by Localiza, as well as the procedures for joining and contracting by the shareholders are described in Exhibit 2.1.4 to the Agreement. It will be up to each Unidas shareholder that chooses to take the Financing to meet the requirements for registration and opening accounts for the purposes of granting the Financing in a timely manner (including the formalization of the chattel mortgage of the shares in guarantee with B3), pursuant to the applicable Law and as required by the respective financial institution. The Combined Company will be exempt from any liability for any impediment or refusal of the financial institution to grant financing

to the respective Unidas shareholder due to registration problems, deficiency of guarantees or similar issues pointed out by the respective financial institution at its sole discretion.

**d. Shareholders' Approval, Submission of the Merger of Shares to the Antitrust Authorities and other Conditions Precedent**

The Transaction is subjected to the approval of the Companies' shareholders at their respective general shareholders' meetings, the approval of the Administrative Council for Economic Defense - CADE (*Conselho Administrativo de Defesa Econômica – CADE*) without restrictions or, with restrictions which, subject to the terms of the Agreement, are acceptable to the parties of the Agreement, as well as the completion of other certain conditions precedent usual for operations of this nature

**e. Governance of the Combined Company**

On this date, the Founding Shareholders of Localiza and the Founding Shareholders of Unidas entered into a voting agreement of the Combined Company, with effectiveness conditioned to the consummation of the Merger of Shares, to govern the appointment of members to the Board of Directors of the Combined Company ("Voting Agreement").

The Founding Shareholders of Unidas and the Founding Shareholders of Localiza agreed, for the first term immediately after the Closing Date, to exercise their voting rights so that the Board of Directors of the Combined Company be composed of six individuals appointed by the Founding Shareholders of Localiza and two individuals appointed by the Founding Shareholders of Unidas.

**f. International Partnership**

As part of the Transaction, it is intended that the Combined Company extend to Localiza the partnership currently existing between Unidas and the subsidiary of Enterprise, Vanguard Car Rental USA, LLC (owner of the trademarks Alamo, Enterprise and National) pursuant to a new Mutual Referral Agreement with the purpose of a cooperation between the companies by means of mutual referral of clients. Such agreement shall come into force after the consummation of the Merger of Shares and shall replace the Master Franchise Agreement currently in place between Unidas and Vanguard.

**g. Penalty for Breach**

If the Agreement is terminated: (i) by the innocent Party, if the conditions precedent set forth by the Agreement are not complied with by the other Party within the time limits provided for in the Agreement; or (ii) by any of the Parties, if the respective shareholders of Unidas and/or Localiza, as the case may be, do not approve at their respective general meetings the Merger of Shares under the terms of the Agreement, being certain that if said termination is due to a willful misconduct, gross fault or any other act or omission in bad faith of the other Party, the defaulting Party will pay the innocent Party a compensatory fine, as a compensatory fine, in the total amount of R\$ 500,000,000.00, adjusted by the variation of the CDI rate, from the date of execution of the Agreement until the date of actual payment.

**h. Right of Withdrawal**

Localiza's shareholders will not have the right to withdraw due to the Merger of Shares, given that Localiza's common shares have liquidity and dispersion in the market, as provided for in articles 252, § 1 and 137, II of the Brazilian Corporate Law (*Lei das S.A.*).

As provided for in articles 252, paragraph 2 and 137, paragraph 1 of the Brazilian Corporate Law (*Lei das S.A.*), the right of withdrawal will be guaranteed to Unidas' shareholders who do not vote in favor of the Merger of Shares, who abstain from voting or who do not attend the respective Extraordinary General Meeting, and that expressly manifest their intention to exercise the right of withdrawal, within 30 (thirty) days from the date of publication of the minutes of the Extraordinary General Meeting that approves the Merger of Shares. The right of withdrawal, with the consequent payment of reimbursement, will only be ensured in relation to the shares issued by Unidas that the shareholder was, evidently, holder since the closing of the trading session of September 22nd, 2020 and maintained by the shareholder, uninterruptedly, until the date of the effective exercise of the right of withdrawal.

The dissenting shareholders of Unidas will be entitled to the reimbursement of their shares, in the amount of R\$ 7.67 (seven reais and sixty-seven cents) per share, corresponding to the equity value of the shares on December 31, 2019, as per Unidas financial statements approved at the Annual General Meeting held on June 12, 2020, without prejudice to the drawing up of a special balance sheet, pursuant to the applicable law.

### **Access to Information and Documents**

The Agreement, the Voting Agreement and the presentation of the transaction will be available to the respective shareholders of the Companies, in accordance with the applicable law and regulation, as of this date, on the Investor Relations websites of Localiza (<https://ri.localiza.com/>) and Unidas (<https://ri.unidas.com.br/>).

The Protocol and Justification for the Merger of Shares, the appraisal report concerning the capital increase of Localiza resulted from the Merger of Shares and the other pertinent documents to be submitted to the resolution of the Extraordinary General Meetings of both Companies will be disclosed within a maximum period of 10 Business Days after the execution of this Agreement, after the approval by the respective Boards of Directors.

Additional information in relation to the Merger of Shares required under the terms of CVM Instruction No. 565/15 will also be made available when the call notice for the Extraordinary General Meetings of the Companies are also made available.

### **Advisors**

Bank of America acted as Localiza's exclusive financial advisor and Banco Itaú BBA acted as Unidas' exclusive financial advisor. Pinheiro Neto and Machado Meyer acted as legal advisors to Localiza and Unidas, respectively.

### **Investors' Meeting**

The Companies undertake to keep their respective shareholders and the market informed of subsequent facts related to the Transaction, in accordance with the law and CVM regulations and want to invite them to the public meeting to present the operation, to be held tomorrow, September 23rd, 2020, at 9:00 a.m.

Thus, the Companies hereby, in compliance with the Directive Circular Letter No. 7/2020-CVM / SEP, invite analysts, investors and the market in general to the Conference Call to be held jointly by the Companies, as follows:

## PORTUGUESE CONFERENCE CALL WITH SIMULTANEOUS TRANSLATION TO ENGLISH

Wednesday, September 23, 2020

9:00 (Brasília time)

8:00 (New York time)

Phones:

+ 55 11 3181 8565 or +55 11 4210-1803 (Brazil)

+1 844 204-8942 (Toll Free - USA)

+1 412 717-9627 (Other countries)

**Password:** Live

The Conference Call will also be transmitted over the internet through the links below:

Portuguese webcast: [https://choruscall.websiteseuro.com/webcaschorus/live\\_port.htm](https://choruscall.websiteseuro.com/webcaschorus/live_port.htm)

English webcast (simultaneous translation):

[https://choruscall.websiteseuro.com/webcaschorus/live\\_eng.htm](https://choruscall.websiteseuro.com/webcaschorus/live_eng.htm)

The playback will be available at +55 11 3193 1012 or +55 11 2820 4012.

Playback password: 7589099#

**Presenters:** Eugênio Mattar (CEO and Founder of Localiza) and Luis Fernando Porto (CEO and Founder of Unidas).

**Topics to be discussed:** Possible business combination between Localiza and Unidas.

**Target audience:** shareholders and investors in general, including individual investors.

**Dynamic:** presentation without asking questions and answers, and interaction with viewers.

**Duration:** 1 hour.

The presentation of the Conference Call can be accessed directly through the Unidas IR websites ([ri.unidas.com.br](http://ri.unidas.com.br)) and Localiza ([ri.localiza.com](http://ri.localiza.com)), as well as on the CVM and B3 websites.

Belo Horizonte, September 22nd, 2020

Mauricio Fernandes Teixeira

CFO and IRO

**Localiza**

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