



INTERIM FINANCIAL INFORMATION

09/30/19

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

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Company Information / Capital Structure

Number of Shares (Thousands)	Current Quarter 09/30/2019
Paid-In Capital	
Common Shares	722,349
Preferred Shares	0
Total	722,349
Treasury Shares	
Common Shares	2,762
Preferred Shares	0
Total	2,762

Company Information / Cash Proceeds

Event	Approval	Proceeds	Beginning of Payment	Type of Share	Class of Share	Earnings per Share (Brazilian Reais / Share)
Annual General Meeting	04/29/2019	Dividend	05/20/2019	Common Shares		0.01007
Meeting of the Board of Directors	12/13/2018	Interest on Capital	02/06/2019	Common Shares		0.07454
Meeting of the Board of Directors	03/21/2019	Interest on Capital	05/20/2019	Common Shares		0.09641
Meeting of the Board of Directors	06/18/2019	Interest on Capital	08/16/2019	Common Shares		0.10498
Meeting of the Board of Directors	09/04/2019	Interest on Capital	11/08/2019	Common Shares		0.10368

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

Code	Description	Current Quarter 09/30/2019	Prior Year 12/31/2018
1	Total Assets	14,106,344	11,030,153
1.01	Current Assets	2,454,696	2,533,711
1.01.01	Cash and Cash Equivalents	1,177,981	1,435,459
1.01.02	Financial Assets	118,286	44,905
1.01.02.01	Financial Assets at fair value through profit or loss	118,286	44,905
1.01.03	Accounts Receivable	887,600	871,112
1.01.06	Recoverable Taxes	22,425	19,875
1.01.07	Prepaid Expenses	38,698	6,179
1.01.08	Other Current Assets	209,706	156,181
1.01.08.01	Non-Current Assets Available for Sale	16,002	17,451
1.01.08.03	Other	193,704	138,730
1.01.08.03.01	Dividends Receivable	0	9,064
1.01.08.03.03	Other	193,704	129,666
1.02	Non-Current Assets	11,651,648	8,496,442
1.02.01	Long-Term Assets	95,986	63,846
1.02.01.10	Other Non-Current Assets	95,986	63,846
1.02.01.10.03	Escrow Deposits	67,938	60,978
1.02.01.10.04	Derivative instruments – swap	27,965	2,785
1.02.01.10.05	Other	83	83
1.02.02	Investments	1,117,904	925,114
1.02.03	Property and Equipment	10,399,385	7,465,360
1.02.03.01	Property and Equipment in Use	9,565,181	7,455,095
1.02.03.02	Ongoing Right-of-use	821,514	449
1.02.03.02.01	Leased Property and Equipment	94	449
1.02.03.02.02	Right-of-use	821,420	0
1.02.03.03	Constructions in Progress	12,690	9,816
1.02.04	Intangible Assets	38,373	42,122
1.02.04.01	Intangible Assets	38,373	42,122
1.02.04.01.04	Software	38,373	42,122

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

Code	Description	Current Quarter 09/30/2019	Prior Year 12/31/2018
2	Total Liabilities	14,106,344	11,030,153
2.01	Current Liabilities	2,663,319	2,736,797
2.01.01	Payroll and Related Taxes	130,432	110,734
2.01.02	Trade Payables	1,991,399	1,918,424
2.01.02.01	Domestic Suppliers	1,991,211	1,918,266
2.01.02.02	Foreign Suppliers	188	158
2.01.03	Taxes Payable	13,396	30,501
2.01.03.01	Federal Taxes Payable	10,224	27,479
2.01.03.01.01	Income Tax and Social Contribution Payable	5,157	17,727
2.01.03.01.02	Other Federal Taxes	5,067	9,752
2.01.03.03	Municipal Taxes Payable	3,172	3,022
2.01.04	Loans and Financing	77,258	372,883
2.01.04.01	Loans and Financing	1,647	1,211
2.01.04.01.01	In Local Currency	536	-
2.01.04.01.02	In Foreign Currency	1,111	1,211
2.01.04.02	Debentures	75,611	371,672
2.01.05	Other Payables	450,834	304,255
2.01.05.01	Payables to Related Parties	6,907	6,983
2.01.05.02	Other	443,927	297,272
2.01.05.02.01	Dividends and Interest on Capital Payable	65,360	42,643
2.01.05.02.04	Other Current Liabilities	246,031	243,466
2.01.05.02.05	Derivative instruments – swap	54	0
2.01.05.02.06	Unearned Revenue	13,745	11,163
2.01.05.02.07	Lease liability due to right-of-use	118,737	0
2.02	Non-Current Liabilities	6,155,617	5,198,854
2.02.01	Loans and Financing	5,102,487	4,938,085
2.02.01.01	Loans and Financing	831,538	1,016,128
2.02.01.01.01	In Local Currency	498,842	706,144
2.02.01.01.02	In Foreign Currency	332,696	309,984
2.02.01.02	Debentures	4,270,949	3,921,957
2.02.02	Other Payables	727,791	6,947
2.02.02.02	Other	727,791	6,947
2.02.02.02.03	Other Non-Current Liabilities	8,861	6,947
2.02.02.02.04	Lease liability due to right-of-use	718,930	0
2.02.03	Deferred Taxes	174,805	140,293
2.02.03.01	Deferred Income Tax and Social Contribution	174,805	140,293
2.02.04	Provisions	147,371	109,537
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	147,371	109,537
2.02.06	Unearned Profit and Revenue	3,163	3,992
2.02.06.02	Unearned Revenue	3,163	3,992
2.03	Equity	5,287,408	3,094,502
2.03.01	Paid-In Capital	3,278,489	1,500,000
2.03.01.01	Capital	3,321,600	1,500,000
2.03.01.02	Expenses on the issuance of shares, Net of tax effects	-43,111	0

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

Code	Description	Current Quarter 09/30/2019	Prior Year 12/31/2018
2.03.02	Capital Reserves	159,658	124,974
2.03.02.05	Treasury Shares	-23,086	-40,257
2.03.02.07	Share Issuance Premium and Stock Options Granted	182,744	165,231
2.03.04	Earnings Reserves	1,462,948	1,469,528
2.03.04.01	Legal Reserve	178,868	178,868
2.03.04.02	Statutory Reserve	1,047,187	1,047,187
2.03.04.05	Earnings Retention Reserve	236,893	236,893
2.03.04.08	Additional Dividends Proposed	0	6,580
2.03.05	Retained Earnings (Accumulated Losses)	386,313	0

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

Code	Description	Current Quarter 07/01/2019 to 09/30/2019	Accumulated for the Current Year 01/01/2019 to 09/30/2019	Equal Quarter for Prior Year 07/01/2018 to 09/30/2018	Accumulated for the Prior Year 01/01/2018 to 09/30/2018
3.01	Revenue from Sales and/or Services	2,212,608	6,184,080	1,692,997	4,416,931
3.02	Cost of Sales and/or Services	-1,783,766	-4,911,419	-1,345,705	-3,368,056
3.03	Gross Profit	428,842	1,272,661	347,292	1,048,875
3.04	Operating Income (Expenses)	-147,128	-402,245	-111,428	-318,051
3.04.01	Selling Expenses	-171,156	-472,331	-134,692	-387,252
3.04.02	General and Administrative Expenses	-52,086	-134,360	-38,777	-112,144
3.04.05	Other Operating Expenses	-3,840	-20,164	-4,016	-13,816
3.04.06	Equity in the Earnings of Subsidiaries	79,954	224,610	66,057	195,161
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	281,714	870,416	235,864	730,824
3.06	Finance Income (Expenses)	-53,575	-188,838	-50,212	-177,920
3.06.01	Finance Income	49,719	134,301	22,098	78,300
3.06.02	Finance Expenses	-103,294	-323,139	-72,310	-256,220
3.07	Net Income Before Income Taxes	228,139	681,578	185,652	552,904
3.08	Income Tax and Social Contribution on Profit	-23,427	-75,999	-25,800	-75,140
3.08.01	Current	-5,147	-41,487	-7,883	-23,983
3.08.02	Deferred	-18,280	-34,512	-17,917	-51,157
3.09	Net Income from Continuing Operations	204,712	605,579	159,852	477,764
3.11	Net Income for the Period	204,712	605,579	159,852	477,764
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.28449	0.85161	0.24151	0.72263
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.28260	0.84692	0.24103	0.72074

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

Code	Description	Current Quarter 07/01/2019 to 09/30/2019	Accumulated for the Current Year 01/01/2019 to 09/30/2019	Equal Quarter for Prior Year 07/01/2018 to 09/30/2018	Accumulated for the Prior Year 01/01/2018 to 09/30/2018
4.01	Net Income for the Period	204,712	605,579	159,852	477,764
4.03	Comprehensive Income for the Period	204,712	605,579	159,852	477,764

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2019 to 09/30/2019	Prior Year 01/01/2018 to 09/30/2018
6.01	Net Cash Provided by Operating Activities	-1,580,681	459,301
6.01.01	Cash Provided by Operations	4,864,902	3,225,308
6.01.01.01	Net Income for the Period	605,579	477,764
6.01.01.02	Depreciation and Amortization	351,825	116,039
6.01.01.03	Residual Value of Property and Equipment Written Off	3,725,065	2,450,314
6.01.01.04	Deferred Income Tax and Social Contribution	34,512	51,157
6.01.01.05	Equity in the Earnings of Subsidiaries	-224,610	-195,161
6.01.01.06	Other	16,842	32,672
6.01.01.07	Provisions for contingencies	37,834	14,182
6.01.01.08	Interest on Loans, Financing, Debentures and Swap	257,984	250,179
6.01.01.09	Lease interest	51,341	0
6.01.01.10	Other provisions	8,530	28,162
6.01.02	Changes in Assets and Liabilities	-6,057,212	-3,727,763
6.01.02.01	Trade Receivables	-24,320	-207,902
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-5,981,253	-3,523,647
6.01.02.03	Escrow Deposits	-6,960	-2,737
6.01.02.04	Recoverable Taxes	-3,582	127
6.01.02.05	Prepaid Expenses	-32,519	-22,494
6.01.02.06	Other Current and Non-Current Assets	-70,930	-43,129
6.01.02.07	Trade Payables (Except Car Manufacturers)	737	29,878
6.01.02.08	Payroll and Related Taxes	19,698	15,385
6.01.02.09	Income Tax and Social Contribution	41,487	23,983
6.01.02.11	Insurance Premiums	23,157	5,347
6.01.02.12	Other Current and Non-Current Liabilities	-22,727	-2,574
6.01.03	Other	-388,371	961,756
6.01.03.01	Income Tax and Social Contribution Paid	-32,025	-18,076
6.01.03.02	Interest on Loans, Financing and Debt Paid	-282,965	-179,035
6.01.03.03	Short-term financial assets	-73,381	1,158,867
6.02	Net Cash Provided by Investing Activities	7,844	121,257
6.02.01	Purchase of Other Property and Equipment	-27,601	-20,410
6.02.02	Purchase of Intangible Assets	-5,439	-4,661
6.02.04	Dividends from Subsidiaries	40,884	146,328
6.03	Net Cash Provided by Financing Activities	1,315,359	407,651
6.03.01	Loans and Financing - Funding	498,927	300,024
6.03.02	Loans and Financing - Repayments	-650,000	-188
6.03.03	Debentures - Funding	994,705	994,545
6.03.04	Debentures - Repayments	-975,000	-777,500
6.03.05	Dividends	-7,223	0
6.03.06	Interest on Capital	-194,002	-127,718
6.03.08	Treasury Shares	2,607	987
6.03.09	Exercise of Stock Options with Treasury Shares, Net	24,159	17,501
6.03.11	Lease Liability - Repayments	-135,094	0
6.03.12	Capital increase – with subscription of shares	1,821,600	0
6.03.13	Expenses on the issuance of shares	-65,320	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-257,478	988,209
6.05.01	Opening Balance of Cash and Cash Equivalents	1,435,459	829,737
6.05.02	Closing Balance of Cash and Cash Equivalents	1,177,981	1,817,946

Individual Financial Statements / Statement of Changes in Equity - 01/01/2019 to 09/30/2019**(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	1,500,000	124,974	1,469,528	0	0	3,094,502
5.03	Adjusted Opening Balances	1,500,000	124,974	1,469,528	0	0	3,094,502
5.04	Capital Transactions with Shareholders	1,778,489	34,684	-6,580	-219,266	0	1,587,327
5.04.01	Capital increases	1,821,600	0	0	0	0	1,821,600
5.04.02	Expenses on the issuance of shares	-43,111	0	0	0	0	-43,111
5.04.03	Stock Options Granted Recognized	0	7,918	0	0	0	7,918
5.04.05	Treasury shares sold	0	2,607	0	0	0	2,607
5.04.06	Dividends	0	0	-6,580	0	0	-6,580
5.04.07	Interest on Capital	0	0	0	-219,266	0	-219,266
5.04.08	Exercise of Stock Options with Treasury Shares	0	24,159	0	0	0	24,159
5.05	Total Comprehensive Income	0	0	0	605,579	0	605,579
5.05.01	Net Income for the Period	0	0	0	605,579	0	605,579
5.07	Closing Balances	3,278,489	159,658	1,462,948	386,313	0	5,287,408

Individual Financial Statements / Statement of Changes in Equity - 01/01/2018 to 09/30/2018**(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	1,500,000	94,939	1,005,786	0	0	2,600,725
5.02	Prior year adjustments	0	0	0	-15,911	0	-15,911
5.02.01	Effect of initial adoption of IFRS 9	0	0	0	-15,911	0	-15,911
5.03	Adjusted Opening Balances	1,500,000	94,939	1,005,786	-15,911	0	2,584,814
5.04	Capital Transactions with Shareholders	0	26,247	0	-129,569	0	-103,322
5.04.03	Stock Options Granted Recognized	0	7,759	0	0	0	7,759
5.04.05	Treasury shares sold	0	987	0	0	0	987
5.04.07	Interest on Capital	0	0	0	-129,569	0	-129,569
5.04.08	Exercise of Stock Options with Treasury Shares	0	17,501	0	0	0	17,501
5.05	Total Comprehensive Income	0	0	0	477,764	0	477,764
5.05.01	Net Income for the Period	0	0	0	477,764	0	477,764
5.07	Closing Balances	1,500,000	121,186	1,005,786	332,284	0	2,959,256

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2019 to 09/30/2019	Prior Year 01/01/2018 to 09/30/2018
7.01	Revenues	6,228,314	4,437,018
7.01.01	Sales of Goods, Products and Services	6,220,762	4,453,051
7.01.03	Revenues Related to the Construction of Own Assets	15,277	8,873
7.01.04	Allowance for/Reversal of Doubtful Debts	-7,725	-24,906
7.02	Inputs Acquired from Third Parties	-4,454,234	-3,032,235
7.02.01	Cost of Products, Goods and Services Sold	-4,147,126	-2,799,785
7.02.02	Materials, Power, Third-Party Services and Other	-307,108	-232,450
7.03	Gross Value Added	1,774,080	1,404,783
7.04	Retentions	-351,825	-116,039
7.04.01	Depreciation, Amortization and Depletion	-351,825	-116,039
7.05	Net Wealth Created	1,422,255	1,288,744
7.06	Wealth Received in Transfer	358,911	273,461
7.06.01	Equity in the Earnings of Subsidiaries	224,610	195,161
7.06.02	Finance Income	134,301	78,300
7.07	Total Wealth for Distribution	1,781,166	1,562,205
7.08	Wealth Distributed	1,781,166	1,562,205
7.08.01	Personnel	451,961	389,779
7.08.01.01	Salaries and Wages	348,877	295,006
7.08.01.02	Benefits	70,507	65,559
7.08.01.03	Severance Pay Fund (FGTS)	24,659	21,455
7.08.01.04	Other	7,918	7,759
7.08.02	Taxes, Fees and Contributions	335,075	273,156
7.08.02.01	Federal	206,752	177,700
7.08.02.02	State	102,730	75,339
7.08.02.03	Municipal	25,593	20,117
7.08.03	Lenders and Lessors	388,551	421,506
7.08.03.01	Interest	323,139	256,220
7.08.03.02	Rentals	47,555	150,604
7.08.03.03	Other	17,857	14,682
7.08.03.03.01	Other Rentals	17,857	14,682
7.08.04	Shareholders	605,579	477,764
7.08.04.01	Interest on Capital	219,266	129,569
7.08.04.03	Retained Earnings (Loss for the Period)	386,313	348,195

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

Code	Description	Current Quarter 09/30/2019	Prior Year 12/31/2018
1	Total Assets	17,175,703	13,992,414
1.01	Current Assets	3,539,661	3,693,810
1.01.01	Cash and Cash Equivalents	1,767,934	2,175,302
1.01.02	Financial Assets	360,520	267,484
1.01.02.01	Financial Assets at fair value through profit or loss	360,520	267,484
1.01.03	Accounts Receivable	1,039,689	1,016,497
1.01.06	Recoverable Taxes	32,504	31,548
1.01.07	Prepaid Expenses	47,196	6,893
1.01.08	Other Current Assets	291,818	196,086
1.01.08.01	Non-Current Assets Available for Sale	85,550	51,844
1.01.08.03	Other	206,268	144,242
1.02	Non-Current Assets	13,636,042	10,298,604
1.02.01	Long-Term Assets	217,456	188,231
1.02.01.04	Accounts Receivable	3,021	3,837
1.02.01.07	Deferred Taxes	34,763	42,153
1.02.01.07.01	Deferred Income Tax and Social Contribution	34,763	42,153
1.02.01.10	Other Non-Current Assets	179,672	142,241
1.02.01.10.03	Escrow Deposits	106,585	96,272
1.02.01.10.04	Derivative instruments - Swap	27,965	2,785
1.02.01.10.05	Investments in restricted accounts	45,039	43,101
1.02.01.10.06	Other	83	83
1.02.03	Property and Equipment	13,280,172	10,031,886
1.02.03.01	Property and Equipment in Use	12,434,220	9,655,909
1.02.03.02	Right-of-use in Lease	833,262	362,503
1.02.03.02.01	Leased Property and Equipment	248,454	362,503
1.02.03.02.02	Right-of-use	584,808	0
1.02.03.03	Constructions in Progress	12,690	13,474
1.02.04	Intangible Assets	138,414	78,487
1.02.04.01	Intangible Assets	138,414	78,487
1.02.04.01.02	Goodwill on Acquisition of Investments	95,709	30,719
1.02.04.01.05	Software	42,705	47,768

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

Code	Description	Current Quarter 09/30/2019	Prior Year 12/31/2018
2	Total Liabilities	17,175,703	13,992,414
2.01	Current Liabilities	3,344,579	3,339,420
2.01.01	Payroll and Related Taxes	152,045	134,968
2.01.02	Trade Payables	2,305,222	2,202,565
2.01.02.01	Domestic Suppliers	2,305,034	2,202,404
2.01.02.02	Foreign Suppliers	188	161
2.01.03	Taxes Payable	46,503	57,033
2.01.03.01	Federal Taxes Payable	42,260	53,205
2.01.03.01.01	Income Tax and Social Contribution Payable	34,064	41,102
2.01.03.01.02	Other Federal Taxes	8,196	12,103
2.01.03.03	Municipal Taxes Payable	4,243	3,828
2.01.04	Loans and Financing	296,674	616,587
2.01.04.01	Loans and Financing	154,758	87,184
2.01.04.01.01	In Local Currency	153,647	85,973
2.01.04.01.02	In Foreign Currency	1,111	1,211
2.01.04.02	Debentures	113,989	390,603
2.01.04.03	Finance Lease	27,927	138,800
2.01.05	Other Payables	544,135	328,267
2.01.05.02	Other	544,135	328,267
2.01.05.02.01	Dividends and Interest on Capital Payable	65,360	42,643
2.01.05.02.04	Other Current Liabilities	335,079	251,663
2.01.05.02.05	Derivative instruments – swap	20,540	18,678
2.01.05.02.06	Unearned Revenue	17,000	15,283
2.01.05.02.07	Lease liability due to right-of-use	106,156	0
2.02	Non-Current Liabilities	8,543,716	7,558,492
2.02.01	Loans and Financing	7,411,681	7,029,391
2.02.01.01	Loans and Financing	1,294,478	1,552,905
2.02.01.01.01	In Local Currency	961,782	1,242,921
2.02.01.01.02	In Foreign Currency	332,696	309,984
2.02.01.02	Debentures	6,117,203	5,468,156
2.02.01.03	Finance Lease	0	8,330
2.02.02	Other Payables	591,075	72,087
2.02.02.02	Other	591,075	72,087
2.02.02.02.03	Other Non-Current Liabilities	8,900	7,053
2.02.02.02.04	Derivative instruments – swap	48,085	21,933
2.02.02.02.05	Restricted obligations	45,039	43,101
2.02.02.02.06	Lease liability due to right-of-use	489,051	0
2.02.03	Deferred Taxes	339,237	297,276
2.02.03.01	Deferred Income Tax and Social Contribution	339,237	297,276
2.02.04	Provisions	192,844	148,798
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	192,844	148,798
2.02.06	Unearned Profit and Revenue	8,879	10,940
2.02.06.02	Unearned Revenue	8,879	10,940
2.03	Consolidated Equity	5,287,408	3,094,502
2.03.01	Paid-In Capital	3,278,489	1,500,000
2.03.01.01	Capital	3,321,600	1,500,000
2.03.01.02	Expenses on the issuance of shares	-43,111	0

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

Code	Description	Current Quarter 09/30/2019	Prior Year 12/31/2018
2.03.02	Capital Reserves	159,658	124,974
2.03.02.05	Treasury Shares	-23,086	-40,257
2.03.02.07	Share Issuance Premium and Stock Options Granted	182,744	165,231
2.03.04	Earnings Reserves	1,462,948	1,469,528
2.03.04.01	Legal Reserve	178,868	178,868
2.03.04.02	Statutory Reserve	1,047,187	1,047,187
2.03.04.05	Earnings Retention Reserve	236,893	236,893
2.03.04.08	Additional Dividends Proposed	0	6,580
2.03.05	Retained Earnings (Accumulated Losses)	386,313	0

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

Code	Description	Current Quarter 07/01/2019 to 09/30/2019	Accumulated for the Current Year 01/01/2019 to 09/30/2019	Equal Quarter for Prior Year 07/01/2018 to 09/30/2018	Accumulated for the Prior Year 01/01/2018 to 09/30/2018
3.01	Revenue from Sales and/or Services	2,671,176	7,500,170	2,073,105	5,636,064
3.02	Cost of Sales and/or Services	-2,055,620	-5,711,821	-1,567,989	-4,136,755
3.03	Gross Profit	615,556	1,788,349	505,116	1,499,309
3.04	Operating Income (Expenses)	-258,811	-711,013	-204,778	-592,068
3.04.01	Selling Expenses	-190,351	-524,466	-154,067	-441,499
3.04.02	General and Administrative Expenses	-61,756	-159,627	-46,101	-134,727
3.04.05	Other Operating Expenses	-6,704	-26,920	-4,610	-15,842
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	356,745	1,077,336	300,338	907,241
3.06	Finance Income (Expenses)	-94,138	-297,203	-83,693	-261,374
3.06.01	Finance Income	63,985	176,820	37,668	123,404
3.06.02	Finance Expenses	-158,123	-474,023	-121,361	-384,778
3.07	Net Income Before Income Taxes	262,607	780,133	216,645	645,867
3.08	Income Tax and Social Contribution on Profit	-57,895	-174,554	-56,793	-168,103
3.08.01	Current	-34,187	-125,203	-30,566	-97,629
3.08.02	Deferred	-23,708	-49,351	-26,227	-70,474
3.09	Net Income from Continuing Operations	204,712	605,579	159,852	477,764
3.11	Net Income for the Period	204,712	605,579	159,852	477,764
3.11.01	Attributable to the Company's Owners	204,712	605,579	159,852	477,764
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.28449	0.85161	0.24151	0.72263
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.28260	0.84692	0.24103	0.72074

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

Code	Description	Current Quarter 07/01/2019 to 09/30/2019	Accumulated for the Current Year 01/01/2019 to 09/30/2019	Equal Quarter for Prior Year 07/01/2018 to 09/30/2018	Accumulated for the Prior Year 01/01/2018 to 09/30/2018
4.01	Consolidated Net Income for the Period	204,712	605,579	159,852	477,764
4.03	Consolidated Comprehensive Income for the Period	204,712	605,579	159,852	477,764
4.03.01	Attributable to the Company's Owners	204,712	605,579	159,852	477,764

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

Code	Description	Accumulated for the Current Year 01/01/2019 to 09/30/2019	Accumulated for the Prior Year 01/01/2018 to 09/30/2018
6.01	Net Cash Provided by Operating Activities	-1,876,111	-46,529
6.01.01	Cash Provided by Operations	5,873,638	4,201,488
6.01.01.01	Net Income for the Period	605,579	477,764
6.01.01.02	Depreciation and Amortization	505,827	233,909
6.01.01.03	Residual Value of Property and Equipment Written Off	4,180,353	2,961,177
6.01.01.04	Deferred Income Tax and Social Contribution	49,351	70,474
6.01.01.05	Other	21,402	32,024
6.01.01.06	Provisions for contingencies	44,046	17,681
6.01.01.07	Interest on Loans, Financing, Debentures and Swap	423,328	378,990
6.01.01.08	Lease interest	34,978	0
6.01.01.10	Other provisions	8,774	29,469
6.01.02	Changes in Assets and Liabilities	-7,060,720	-4,473,666
6.01.02.01	Trade Receivables	-35,004	-213,877
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-7,017,086	-4,314,003
6.01.02.03	Escrow Deposits	-10,313	-4,986
6.01.02.04	Recoverable Taxes	-1,048	2,376
6.01.02.05	Prepaid Expenses	-40,303	-28,613
6.01.02.06	Other Current and Non-Current Assets	-68,795	-41,005
6.01.02.07	Trade Payables (Except Car Manufacturers)	-30,517	6,811
6.01.02.08	Payroll and Related Taxes	17,077	19,041
6.01.02.09	Income Tax and Social Contribution	125,203	97,629
6.01.02.11	Insurance Premiums	24,314	5,420
6.01.02.12	Other Current and Non-Current Liabilities	-24,248	-2,459
6.01.03	Other	-689,029	225,649
6.01.03.01	Income Tax and Social Contribution Paid	-111,151	-99,563
6.01.03.02	Interest on Loans, Financing and Debt Paid	-484,842	-270,497
6.01.03.03	Short-term financial assets	-93,036	595,709
6.02	Net Cash Provided by Investing Activities	-78,147	-29,381
6.02.01	Purchase of Other Property and Equipment	-27,601	-23,888
6.02.02	Purchase of Intangible Assets	-5,630	-5,493
6.02.04	Purchase of Investment, Goodwill and Surplus value	-44,916	0
6.03	Net Cash Provided by Financing Activities	1,546,890	723,977
6.03.01	Loans and Financing - Funding	510,877	742,799
6.03.02	Loans and Financing - Repayments	-687,234	-425,025
6.03.03	Debentures - Funding	1,293,829	1,292,933
6.03.04	Debentures - Repayments	-1,036,611	-777,500
6.03.05	Dividends	-7,223	0
6.03.06	Interest on Capital	-194,002	-127,718
6.03.07	Treasury Shares	2,607	987
6.03.08	Exercise of Stock Options with Treasury Shares, Net	24,159	17,501
6.03.10	Lease Liability - Repayments	-115,792	0
6.03.11	Capital increase – with subscription of shares	1,821,600	0
6.03.12	Expenses on the issuance of shares	-65,320	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-407,368	648,067
6.05.01	Opening Balance of Cash and Cash Equivalents	2,175,302	1,338,195
6.05.02	Closing Balance of Cash and Cash Equivalents	1,767,934	1,986,262

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2019 to 09/30/2019**(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	1,500,000	124,974	1,469,528	0	0	3,094,502	0	3,094,502
5.03	Adjusted Opening Balances	1,500,000	124,974	1,469,528	0	0	3,094,502	0	3,094,502
5.04	Capital Transactions with Shareholders	1,778,489	34,684	-6,580	-219,266	0	1,587,327	0	1,587,327
5.04.01	Capital increase	1,821,600	0	0	0	0	1,821,600	0	1,821,600
5.04.02	Expenses on the issuance of shares	-43,111	0	0	0	0	-43,111	0	-43,111
5.04.03	Stock Options Granted Recognized	0	7,918	0	0	0	7,918	0	7,918
5.04.05	Treasury shares sold	0	2,607	0	0	0	2,607	0	2,607
5.04.06	Dividends	0	0	-6,580	0	0	-6,580	0	-6,580
5.04.07	Interest on Capital	0	0	0	-219,266	0	-219,266	0	-219,266
5.04.08	Exercise of Stock Options with Treasury Shares	0	24,159	0	0	0	24,159	0	24,159
5.05	Total Comprehensive Income	0	0	0	605,579	0	605,579	0	605,579
5.05.01	Net Income for the Period	0	0	0	605,579	0	605,579	0	605,579
5.07	Closing Balances	3,278,489	159,658	1,462,948	386,313	0	5,287,408	0	5,287,408

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2018 to 09/30/2018**(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	1,500,000	94,939	1,005,786	0	0	2,600,725	0	2,600,725
5.02	Prior year adjustments	0	0	0	-15,911	0	-15,911	0	-15,911
5.02.01	Effect of initial adoption of IFRS 9	0	0	0	-15,911	0	-15,911	0	-15,911
5.03	Adjusted Opening Balances	1,500,000	94,939	1,005,786	-15,911	0	2,584,814	0	2,584,814
5.04	Capital Transactions with Shareholders	0	26,247	0	-129,569	0	-103,322	0	-103,322
5.04.03	Stock Options Granted Recognized	0	7,759	0	0	0	7,759	0	7,759
5.04.05	Treasury shares sold	0	987	0	0	0	987	0	987
5.04.07	Interest on Capital	0	0	0	-129,569	0	-129,569	0	-129,569
5.04.08	Exercise of Stock Options with Treasury Shares	0	17,501	0	0	0	17,501	0	17,501
5.05	Total Comprehensive Income	0	0	0	477,764	0	477,764	0	477,764
5.05.01	Net Income for the Period	0	0	0	477,764	0	477,764	0	477,764
5.07	Closing Balances	1,500,000	121,186	1,005,786	332,284	0	2,959,256	0	2,959,256

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2019 to 09/30/2019	Prior Year 01/01/2018 to 09/30/2018
7.01	Revenues	7,564,852	5,669,218
7.01.01	Sales of Goods, Products and Services	7,561,852	5,684,591
7.01.03	Revenues Related to the Construction of Own Assets	15,277	8,873
7.01.04	Allowance for/Reversal of Doubtful Debts	-12,277	-24,246
7.02	Inputs Acquired from Third Parties	-5,049,118	-3,660,294
7.02.01	Cost of Products, Goods and Services Sold	-4,729,750	-3,413,234
7.02.02	Materials, Power, Third-Party Services and Other	-319,368	-247,060
7.03	Gross Value Added	2,515,734	2,008,924
7.04	Retentions	-505,827	-233,909
7.04.01	Depreciation, Amortization and Depletion	-505,827	-233,909
7.05	Net Wealth Created	2,009,907	1,775,015
7.06	Wealth Received in Transfer	176,820	123,404
7.06.02	Finance Income	176,820	123,404
7.07	Total Wealth for Distribution	2,186,727	1,898,419
7.08	Wealth Distributed	2,186,727	1,898,419
7.08.01	Personnel	529,012	466,863
7.08.01.01	Salaries and Wages	411,588	357,587
7.08.01.02	Benefits	80,581	75,866
7.08.01.03	Severance Pay Fund (FGTS)	28,925	25,651
7.08.01.04	Other	7,918	7,759
7.08.02	Taxes, Fees and Contributions	509,296	420,370
7.08.02.01	Federal	343,913	291,775
7.08.02.02	State	130,546	100,582
7.08.02.03	Municipal	34,837	28,013
7.08.03	Lenders and Lessors	542,840	533,422
7.08.03.01	Interest	474,023	384,778
7.08.03.02	Rentals	50,570	133,643
7.08.03.03	Other	18,247	15,001
7.08.03.03.01	Other Rentals	18,247	15,001
7.08.04	Shareholders	605,579	477,764
7.08.04.01	Interest on Capital	219,266	129,569
7.08.04.03	Retained Earnings (Loss for the Period)	386,313	348,195

Dear Investors,

Once again, we had a quarter with solid results. The pace of growth continued strong in both **Car Rental** and **Fleet Rental** divisions, with the average rented fleet in the 3Q19 growing 34.3% and 25.7%, respectively, compared to 3Q18. **Seminovos**’ presented record sales of 36,804 cars, supporting fleet renewal, with a growth of 22.3% versus the same period last year. End of period fleet grew 35.0%, reaching approximately 300,000 cars spread in a network of 598 branches in 6 countries in South America.

In 3Q19, consolidated net revenue totaled R\$2,671.1 million, 28.8% higher than 3Q18 and net income was R\$205.9 million in the quarter, excluding the impacts of IFRS 16, a 28.8% increase.

We continue working and investing in the improvement of our customers experience and in the digital transformation process to increase satisfaction, productivity gains and cost reduction. In addition to the efficiency gains, the lower interest rates have also contributed to price reduction, while maintaining the profitability and the strong growth pace both in **Car Rental** and **Fleet Rental**.

This quarter we observed some pressure on new car prices and conditions which reflected on the **Seminovos** and, consequently, in the depreciation.

Reaffirming our commitment with sustainability, we have released Localiza’s annual report. In the document we reported substantial improvements in the social and environmental themes.

We were recognized as the 20th most valuable brand in Brazil by Interbrand, with the highest NPS between the top 25 companies in the ranking. Additionally, we have been recognized as one of the Most Transparent Companies in Brazil (Troféu Transparência) and were included in the rankings: Empresas Mais from Estadão, Broadcast Empresas 2019, Best CEOs from Brazil by Forbes and Most Innovative Companies in Brazil by Valor Econômico.

As usual, we reaffirm our commitment to the goal of growth with value generation to our shareholders.

IFRS 16

As of January 1, 2019, the new accounting rules of IFRS 16 were implemented, and the major impact we had was on the real estate lease agreements of our locations and stores.

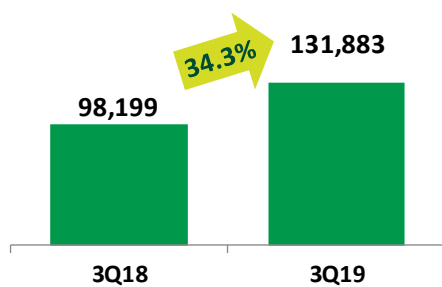
The present value of the leasing payments for existing contracts were accounted as Assets and Liabilities. Instead of registering as leasing expenses (before EBITDA), now we account the depreciation of the right-of-use of the asset that was created and the interest expense on the new lease liability created.

In the beginning of any leasing contracts, the impact of financial expenses and interest is higher than at the end, so the impact of IFRS 16 is negative on net income when the contracts are newer (and now, at the beginning of its adoption) and this reverts as the contracts age. Throughout the life of the contract, the impacts on P&L is neutral.

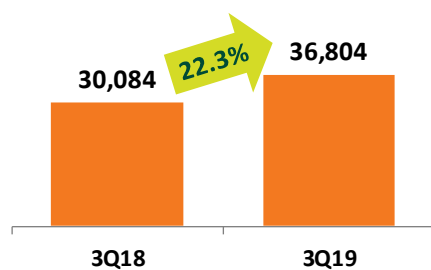
For comparability purposes, we presented in this report all the numbers affected by the new standard without the impact of IFRS 16 and we also present the accounting numbers, considering all the impacts of IFRS 16. In item 16 of this document, on page 18, we show a summary of the impacts of IFRS 16 on the results of this quarter.

3Q19 operating highlights

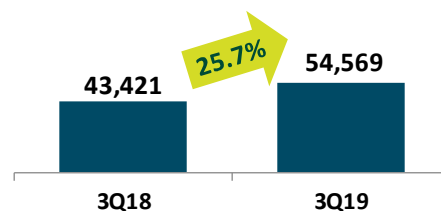
Average rented fleet – Car Rental



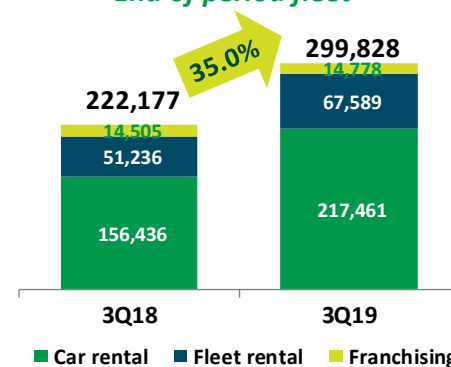
Cars Sold



Average rented fleet – Fleet Rental

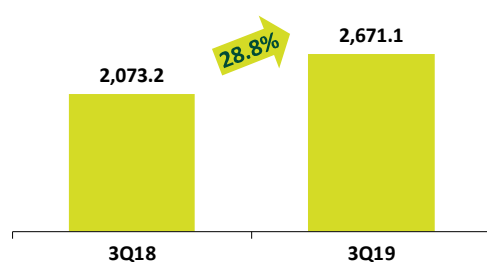


End of period fleet

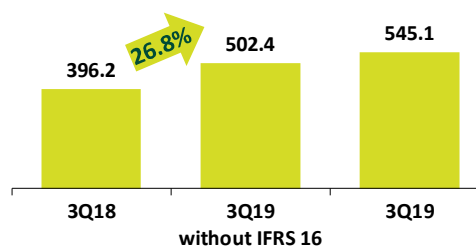


3Q19 financial highlights

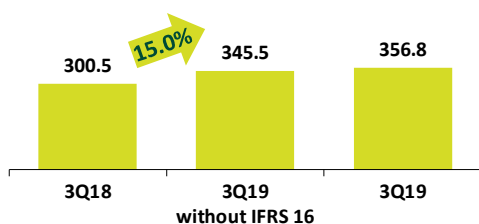
Net revenues (R\$ millions)



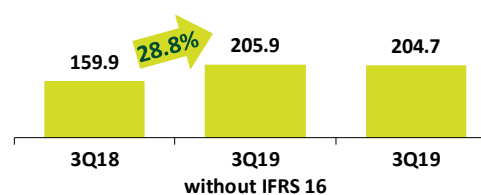
EBITDA (R\$ millions)



EBIT (R\$ millions)

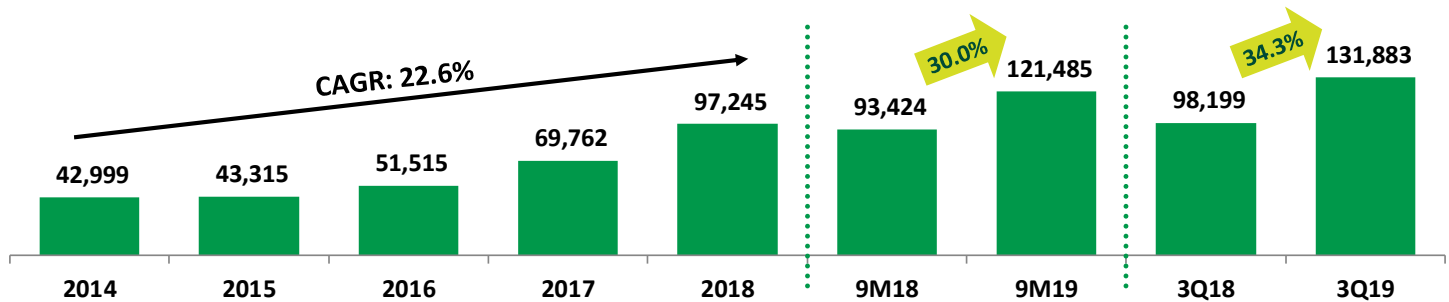


Net Income (R\$ millions)

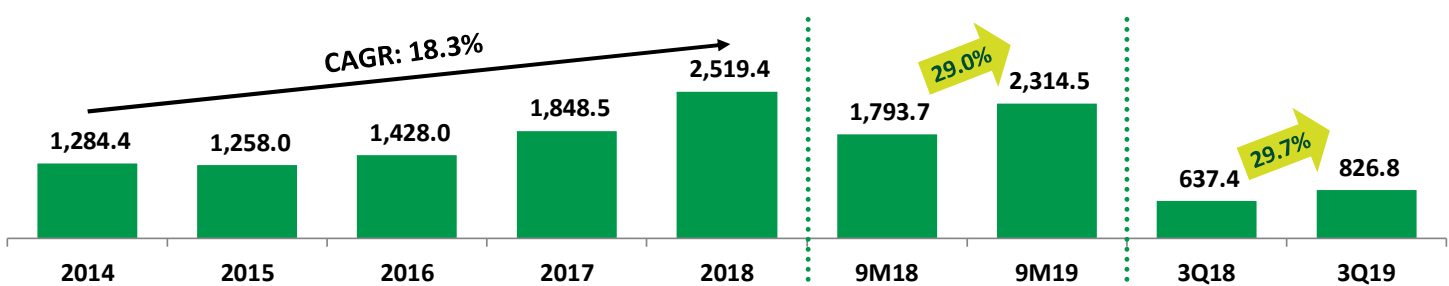


1 - Rent a Car

Average rented fleet



Net revenues (R\$ million)



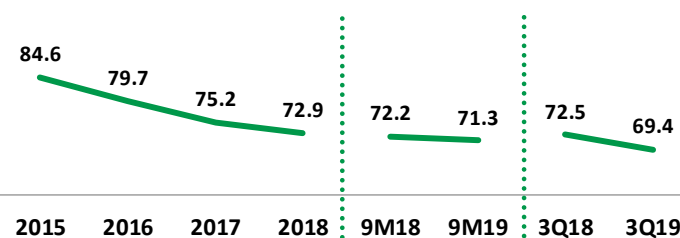
In 3Q19, the **Car Rental** division's average rented fleet increased 34.3% versus 3Q18. In the same period, net revenues rose 29.7% with a reduction of 4.2% in the average rental rate.

In 9M19, volume increased 30.0% and net revenue 29.0% compared to the same period last year, with a 1.2% lower average rental rate.

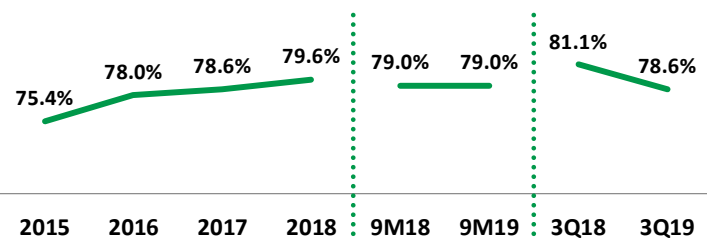
The utilization rate remained at healthy levels, despite the strong expansion of the fleet, reaching 78.6% in 3Q19. In 9M19, the utilization rate was 79.0%, in line with the same period last year.

The lower rental rates reflect rental mix, as well as the competitive scenario and lower interest rates.

Average rental rate (in R\$)

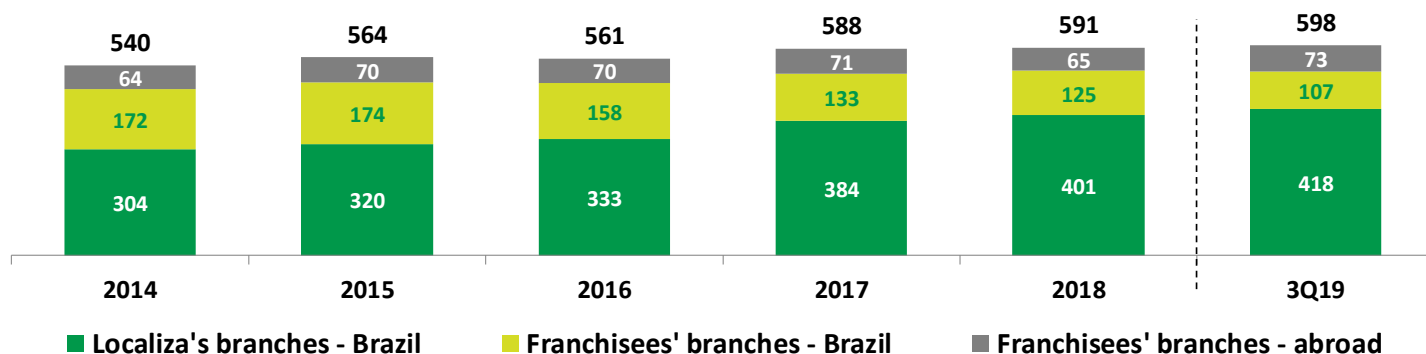


Operating fleet utilization rate (%)



1.1 - Distribution network

Number of car rental locations - Brazil and abroad

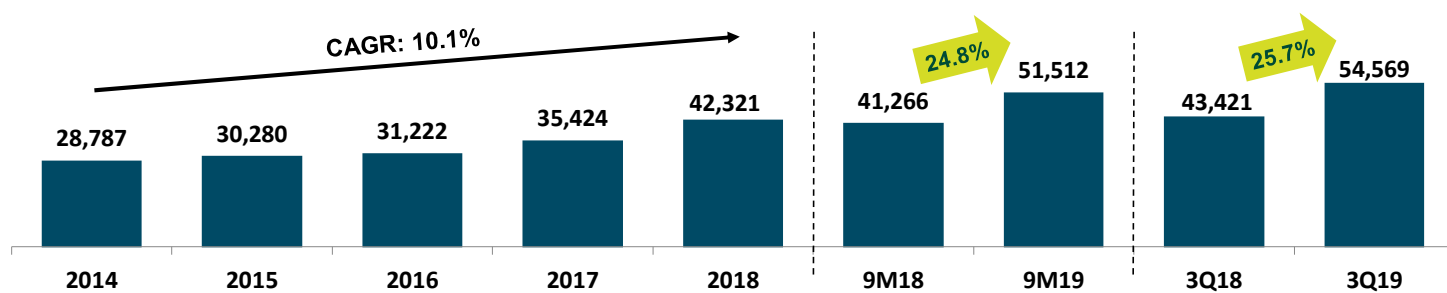


As of September 30, 2019, Localiza network included 598 rental locations, being 525 in Brazil and 73 in 5 other South American countries. Localiza's own network (excluding franchisees) increased by 17 branches.

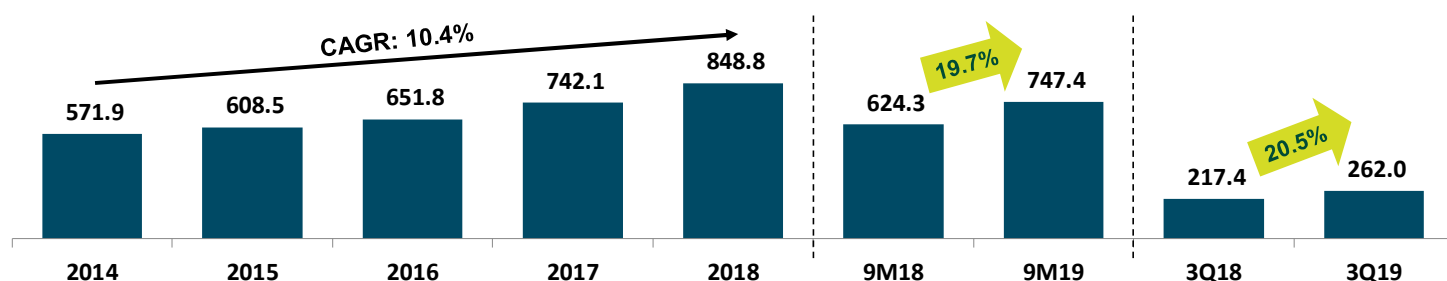
In August 2019, we concluded the acquisition and integration of the car rental operation of a Localiza Franchisee, with operations in 4 cities in the countryside of the state of São Paulo, with 6 branches and a fleet of 2,715 cars, of which 716 for **Fleet Rental**.

2 – Fleet Rental

Average rented fleet



Net revenues (R\$ million)



In 3Q19, the **Fleet Rental** division registered a 25.7% increase in the average rented fleet and 20.5% in net revenues compared to the same period of the prior year, with 2.8% reduction in the average rental rate.

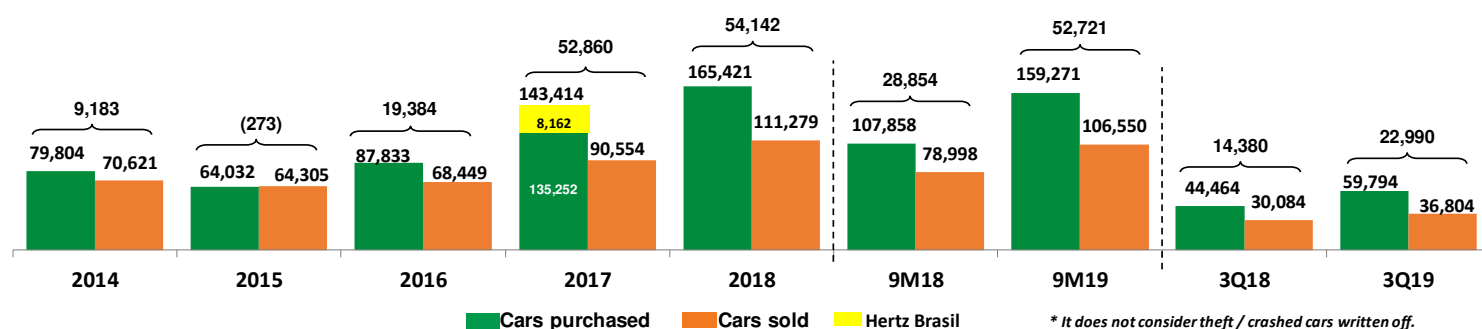
In 9M19, there was an increase of 24.8% in the average rented fleet and 19.7% in the revenue of this division, due to the 2.9% reduction in the average rental rate.

The lower average rental rate of the **Fleet Rental** division reflects the pricing of new contracts and the renewal of existing ones in a context of lower interest rates.

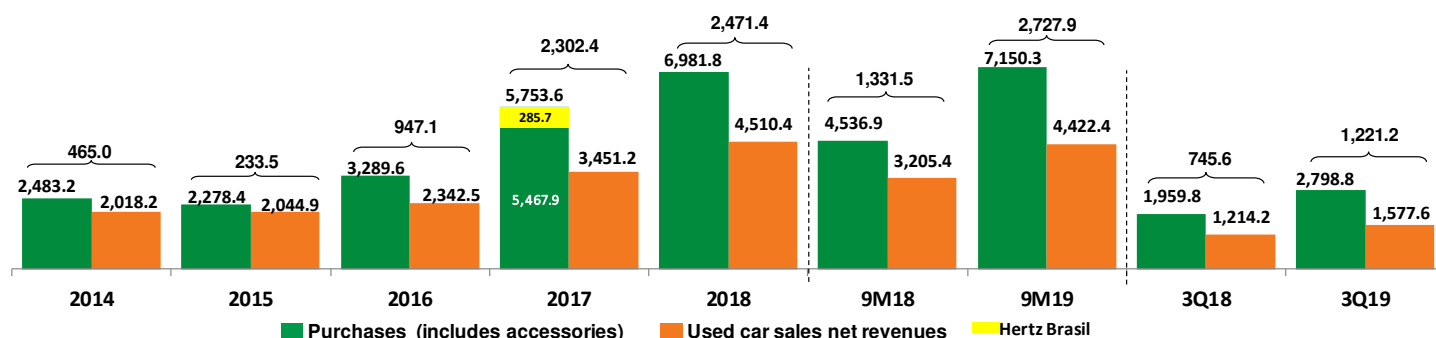
3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales (quantity)



Net investment in fleet (R\$ million)



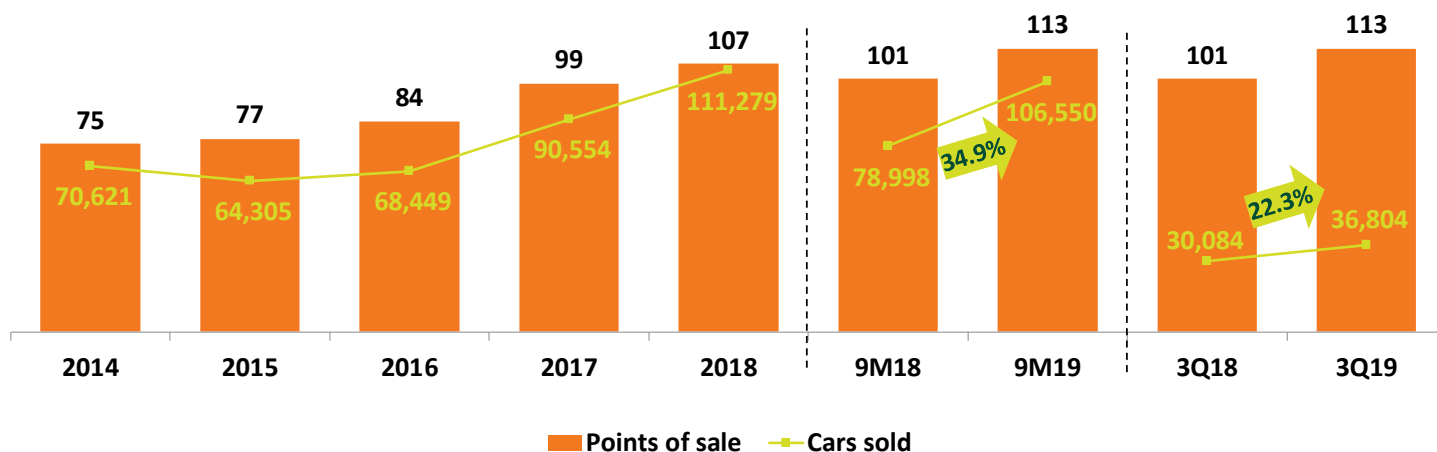
In 3Q19, Localiza purchased 59,794 cars, and sold 36,804, reflecting a positive balance of 22,990 cars added to the fleet and a net investment of R\$ 1,221.2 million.

In 9M19, the increase of 52,721 cars in the fleet was practically equivalent to 2018 full year net fleet addition, resulting in a net investment of R\$ 2,727.9 million. The total investment in car purchases amounted R\$7,150.3 million, including the ICMS and IPI taxes.

Consolidated average selling prices reached R\$41.6 thousand in 9M19, compared with R\$40.6 thousand in 9M18, up 2.4%. Consolidated purchase prices reached R\$44.9 thousand in 9M19, compared with R\$42.0 thousand in 9M18, an increase of 6.8%.

4 – Seminovos – Number of points of sale

Number of points of sale



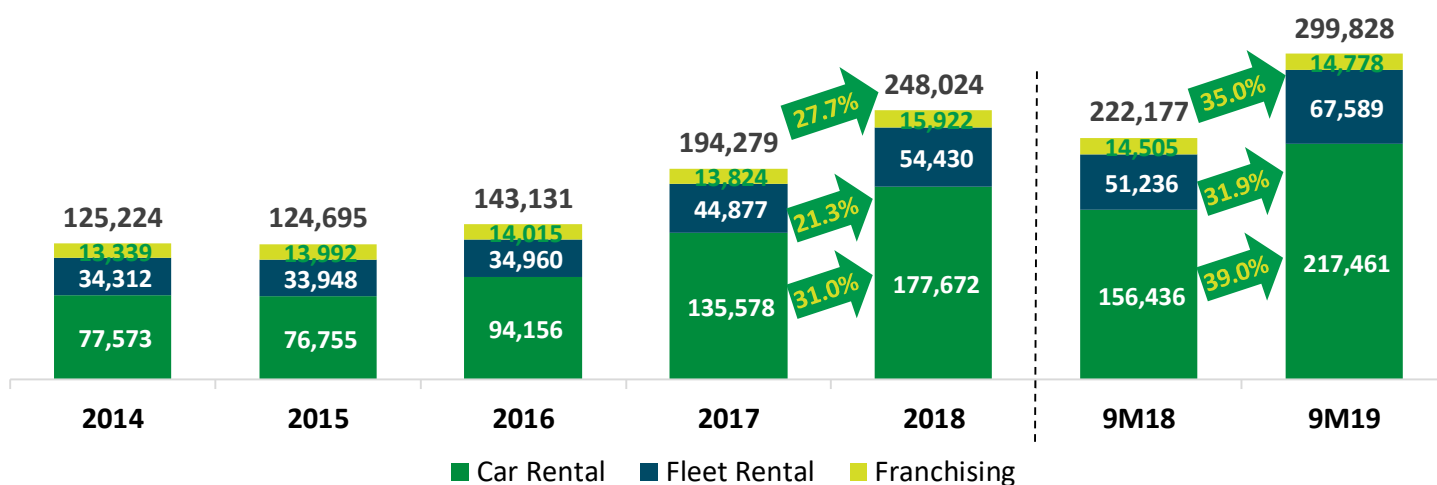
As of September 30, 2019, **Seminovos** network was present in 73 cities in Brazil and comprised of 113 stores. In the last 9 months, 6 stores were opened in new cities to sell decommissioned cars for fleet renewal. In 4Q19, we expect to open more than 10 stores to meet the growing need for fleet renewal.

In 3Q19, the volume of cars sold increased by 22.3% compared to the same period of last year. The average age of sold cars has been gradually reduced in **Car Rental**, from 15.9 months in 1Q19 to 15.1 months in 2Q19 and 14.8 months in 3Q19.

In 9M19 there was a 34.9% increase in sales volume compared to 9M18, reaching 106,550 cars sold.

5 – End of period fleet

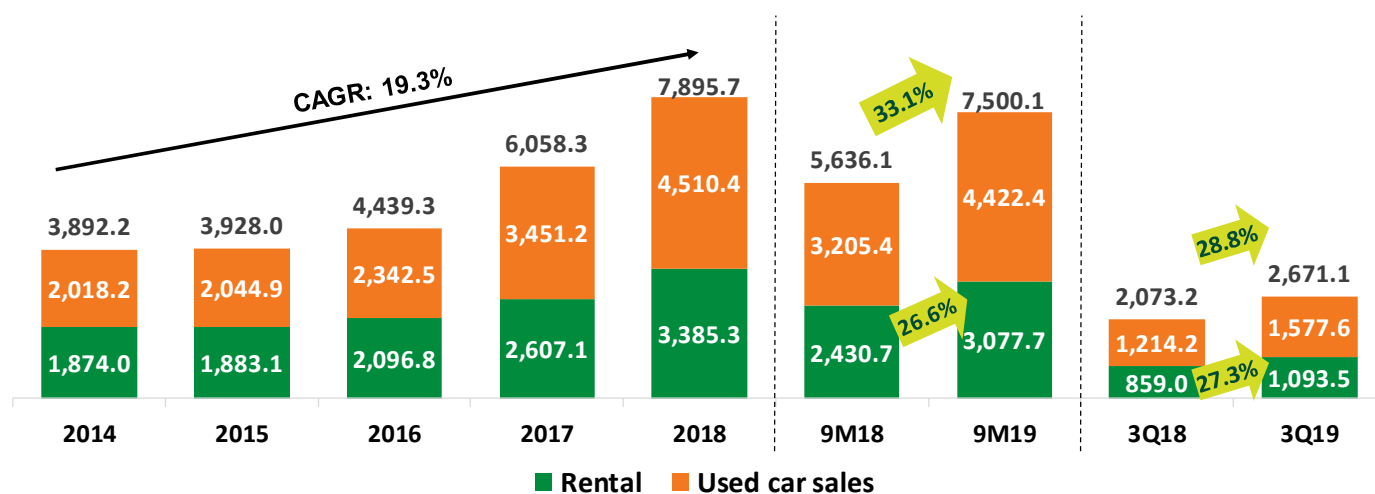
End of period fleet (quantity)



We ended 3Q19 with a consolidated fleet of approximately 300,000 cars.

6 – Net revenues - consolidated

Consolidated net revenues (R\$ million)



In 3Q19, consolidated net revenue grew 28.8% compared to 3Q18. Net rental revenues increased 27.3%, being 29.7% in the **Car Rental** division and 20.5% in the **Fleet Rental** division.

Seminovos net revenues in 3Q19 increased 29.9% compared to the same period last year, driven by a 22.3% increase in the volume of cars sold and a 6.2% increase in average prices.

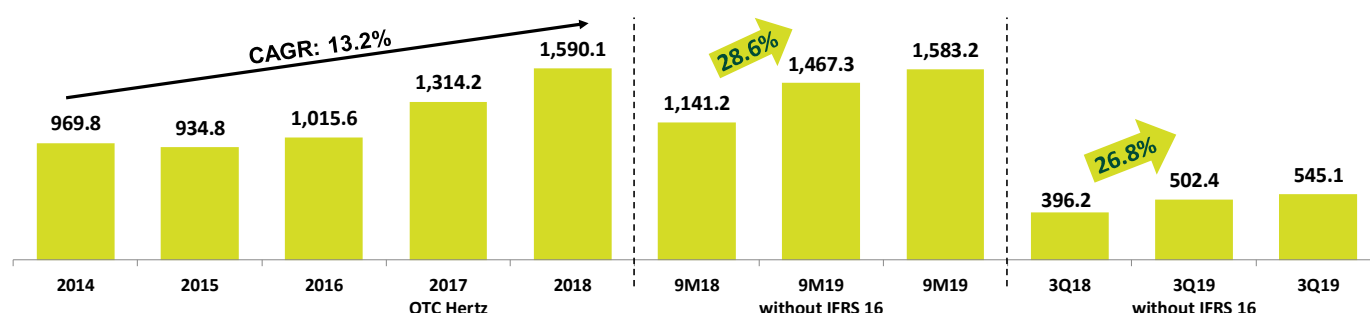
In 9M19, consolidated net revenues grew 33.1% compared to 9M18. Net rental revenues increased 26.6%, being 29.0% in the **Car Rental** division and 19.7% in the **Fleet Rental** division.

Seminovos net revenues in 9M19 increased 38.0% compared to the same period of the previous year, due to a 34.9% increase in the volume of cars sold.

Seminovos supports fleet renewal for both **Car Rental** and **Fleet Rental** divisions aiming at reducing depreciation costs.

7 - EBITDA

Consolidated EBITDA (R\$ million)



EBITDA margin:

Activities	2014	2015	2016	2017*	2018	9M18	9M19 without IFRS 16	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	3Q19 with IFRS 16
Car Rental	38.7%	31.8%	32.3%	34.9%	35.9%	34.3%	38.5%	41.6%	35.1%	36.2%	39.4%
Fleet Rental	60.0%	62.2%	64.5%	61.9%	64.0%	64.2%	62.5%	62.5%	66.7%	61.0%	61.0%
Rental Consolidated	45.3%	41.7%	42.3%	42.6%	43.0%	42.1%	44.4%	46.8%	43.1%	42.2%	44.7%
Used Car Sales	6.0%	7.3%	5.5%	5.9%	3.0%	3.7%	2.3%	3.2%	2.1%	2.6%	3.6%

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

In 3Q19, consolidated EBITDA excluding the impacts of IFRS 16, totaled R\$502.4 million, 26.8% higher than the same period of the previous year. Considering the effects of IFRS 16, EBITDA totaled R\$545.1 million.

EBITDA margin of the **Car Rental** division, without the effects of IFRS 16, reached 36.2% in 3Q19, representing an increase of 1.1 p.p. when compared with 3Q18. Considering the effects of IFRS 16 the EBITDA margin in 3Q19 reached 39.4%. We are continuously working on cost and expense management, as well as investing in process and productivity improvement, aiming to increase competitiveness to capture growth opportunities in the car rental market. In 9M19, EBITDA margin of the **Car Rental** division expanded 4.2 p.p..

In the **Fleet Rental** division, EBITDA margin stood at 61.0% in 3Q19, 5.7 p.p. lower when compared to 3Q18. In 9M19, EBITDA margin of this division decreased 1.7 p.p., compared to the same period last year. The margin reduction observed for the year and quarter is a result of the lower average rental rates due to contract renewals in the current scenario of lower interest rate, as well as increasing expenses related to technology and process improvement.

EBITDA margin of **Seminovos**, without the effects of IFRS 16, was 2.6% in 3Q19. Including the effects of IFRS 16, the margin was 3.6%. The margin recovery reflects the increase in the depreciation level observed in recent quarters, adjusted to the reality of the car sales market.

8 - Depreciation

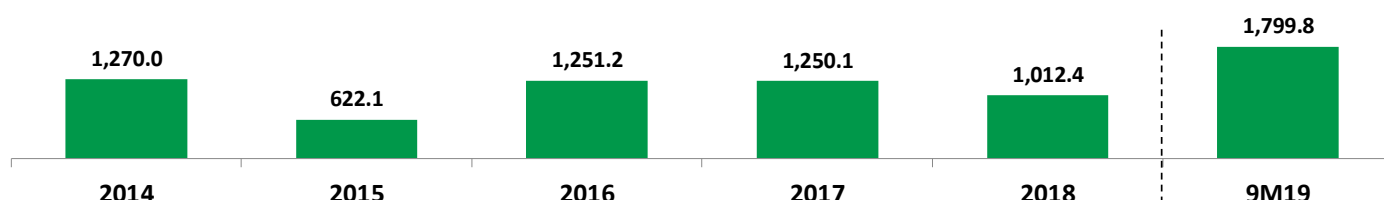
Depreciation is the difference between the car's purchasing and selling prices net of selling expenses. When the cars are purchased, the Company estimates the selling prices and expenses and records the depreciation over the lifecycle of the car. Periodically those estimates are revised based on the fluctuations in the car market and the depreciation is recalculated to reflect the market value of the asset in the expected sale date.

In the **Car Rental** division depreciation is booked using the linear method.

In the **Fleet Rental** division, we use the SOYD method, which depreciates the car in an accelerated way in the first years to compensate for the increase in maintenance costs throughout the life of the car.

8.1 – Rent a Car

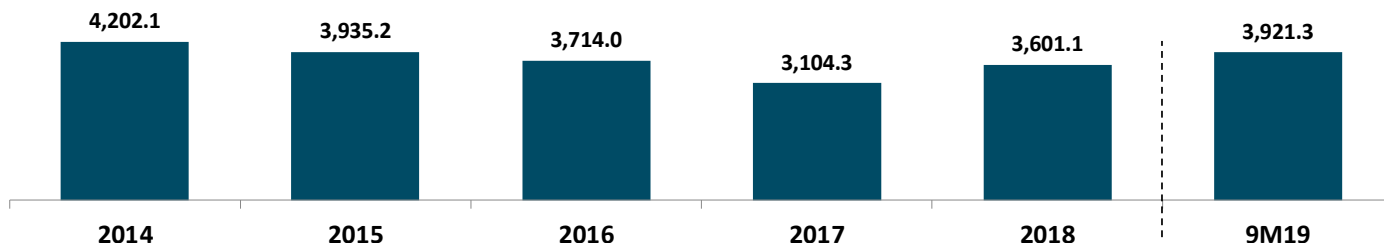
Average annualized depreciation per car (R\$) – RAC



In 9M19, average depreciation per car in the **Car Rental** division was R\$1,799.8, 77.8% higher than the average depreciation of 2018. In this quarter, we observed pressure on the prices and conditions practiced for the sale of new cars, which reflected in the **Seminovos** price and depreciation.

8.2 – Fleet Rental

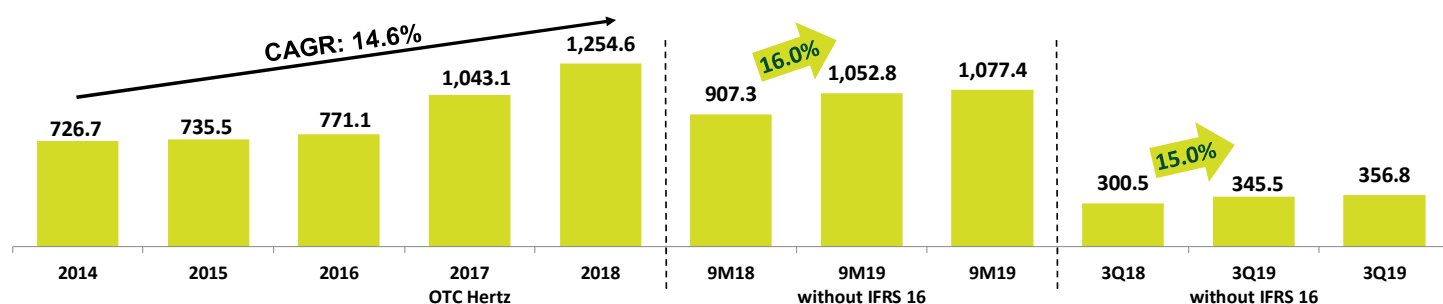
Average annualized depreciation per car (R\$) – Fleet Rental



In the **Fleet Rental** division, the average depreciation per car in 9M19 was R\$3,921.3, 8.9% higher than the average depreciation for 2018, due to cars prices dynamic and the use of SOYD method in a context of growing fleet.

9 - EBIT

Consolidated EBIT (R\$ million)



EBIT margins includes used car sales results and is calculated over the rental revenues:

Activities	2014	2015	2016	2017*	2018	9M18	9M19 without IFRS 16	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	3Q19 with IFRS 16
Car Rental	36.2%	34.3%	30.2%	35.5%	33.2%	32.9%	30.5%	31.5%	29.8%	26.9%	28.2%
Fleet Rental	44.3%	48.9%	51.2%	51.4%	48.6%	50.0%	45.3%	45.4%	50.4%	46.0%	46.1%
Consolidated	38.8%	39.1%	36.8%	40.0%	37.1%	37.3%	34.2%	35.0%	35.0%	31.6%	32.6%

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

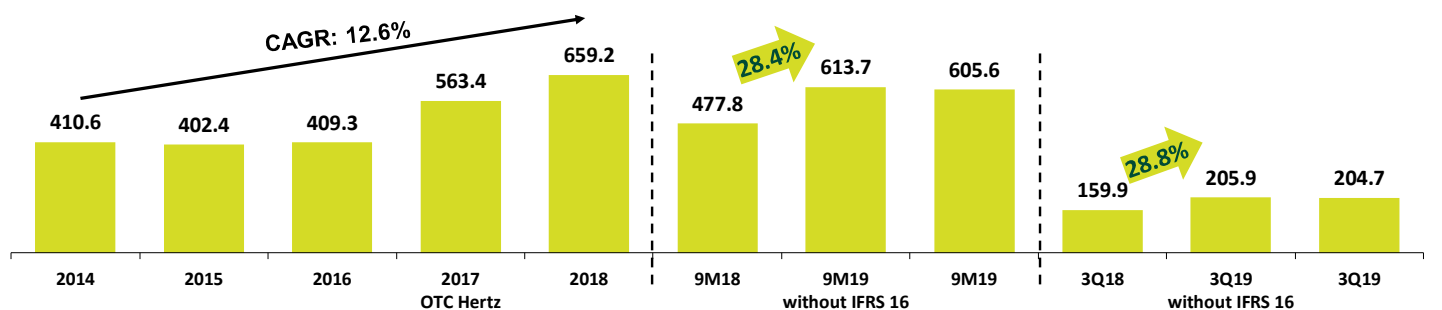
Excluding the effects of IFRS 16, consolidated EBIT reached R\$345.5 million in 3Q19, representing a growth of 15.0% when compared with 3Q18. The growth is due to the 26.8% increase in EBITDA, attenuated by the 63.9% increase in cars and other assets depreciation. Consolidated EBIT with the IFRS 16 totaled R\$356.8 million.

In 3Q19, the EBIT margin of the **Car Rental** division, excluding the effects of IFRS 16, was 26.9%, representing a reduction of 2.9 p.p. compared to 3Q18, reflecting the increase in average depreciation per car. With the effects of IFRS 16, the margin was 28.2%. In the **Fleet Rental** division, the adjusted EBIT margin was 46.0%, a reduction of 4.4 p.p. in compared with 3Q18. The decrease in EBIT margin in **Fleet Rental** division is a result of the lower EBITDA margin and the higher average depreciation per cars.

Lower interest rates enabled the Company to have a lower EBIT margin and still provide healthy levels of spread (ROIC - Kd), which over a larger capital base, results in greater value generation.

10 - Consolidated net income

Consolidated net income (R\$ million)



Reconciliation EBITDA x Net income	2014	2015	2016	2017*	2018	Var. R\$	Var. %	9M18	9M19 without IFRS 16	Var. R\$	Var. %	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	Var. R\$	Var. %	3Q19 with IFRS 16
Consolidated EBITDA	969.8	934.8	1,015.6	1,314.2	1,590.1	275.9	21.0%	1,141.2	1,467.3	326.1	28.6%	1,583.2	396.2	502.4	106.2	26.8%	545.1
Cars depreciation	(207.4)	(163.6)	(206.3)	(232.0)	(291.6)	(59.6)	25.7%	(201.3)	(380.2)	(178.9)	88.9%	(380.2)	(84.5)	(145.2)	(60.7)	71.8%	(145.2)
Other property depreciation and amortization	(35.7)	(35.7)	(38.2)	(39.1)	(43.9)	(4.8)	12.3%	(32.6)	(34.3)	(1.7)	5.2%	(125.6)	(11.2)	(11.7)	(0.5)	4.5%	(43.1)
EBIT	726.7	735.5	771.1	1,043.1	1,254.6	211.5	20.3%	907.3	1,052.8	145.5	16.0%	1,077.4	300.5	345.5	45.0	15.0%	356.8
Financial expenses, net	(151.1)	(202.7)	(243.5)	(315.0)	(368.9)	(53.9)	17.1%	(261.4)	(262.3)	(0.9)	0.3%	(297.2)	(83.8)	(81.3)	2.5	3.0%	(94.2)
Income tax and social contribution	(165.0)	(130.4)	(118.3)	(164.7)	(226.5)	(61.8)	37.5%	(168.1)	(176.8)	(8.7)	5.2%	(174.6)	(56.8)	(58.3)	(1.5)	2.6%	(57.9)
Net income of the period	410.6	402.4	409.3	563.4	659.2	95.8	17.0%	477.8	613.7	135.9	28.4%	605.6	159.9	205.9	46.0	28.8%	204.7

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

Without the effect of IFRS 16, net income reached R\$205.9 million in 3Q19, an increase of 28.8% over 3Q18, mainly due to:

(+) R\$106.2 million increase in EBITDA;

(-) R\$60.7 million increase in cars depreciation, due to the 35.3% increase in the average operating fleet and higher average depreciation per car;

(+) R\$2.5 million lower net financial expenses mainly due to the higher average debt balance, offset by the lower interest rate; and

(-) R\$1.5 million increase in income tax and social contribution, due to higher taxable income, partially offset by the lower effective tax rate, which decreased from 26.2% in 3Q18 to 22.1% in 3Q19.

The composition of net income broken-down by rental and sales activities is showed below :

Activities	2014	2015	2016	2017*	2018	9M18	9M19 without IFRS 16	9M19 with IFRS 16	3Q18	3Q19 without IFRS 16	3Q19 with IFRS 16
Car Rental + franchising	346.8	292.5	346.5	483.5	642.0	430.4	673.2	670.7	153.3	226.2	226.7
Fleet Rental	242.5	285.7	325.8	351.0	401.4	294.4	359.1	361.5	106.1	123.1	123.8
Used Car Sales	(178.7)	(175.8)	(263.0)	(271.1)	(384.2)	(247.0)	(418.6)	(426.6)	(99.5)	(143.4)	(145.8)
Consolidated	410.6	402.4	409.3	563.4	659.2	477.8	613.7	605.6	159.9	205.9	204.7

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

11 – Free cash flow (FCF)

Free cash flow - R\$ million		2014	2015	2016	2017	2018	9M19
Operations	EBITDA	969.8	934.8	1,015.7	1,314.2*	1590.1	1,583.2
	Used car sale revenue, net from taxes	(2,018.2)	(2,044.9)	(2,342.6)	(3,451.2)	(4,510.4)	(4,422.4)
	Depreciated cost of cars sold	1,777.0	1,769.1	2,102.5	3,106.6	4,198.5	4,180.4
	(-) Income tax and social contribution	(113.1)	(110.7)	(93.3)	(108.3)	(131.2)	(111.2)
	Change in working capital	(27.1)	(30.0)	(40.8)	(47.9)	(117.4)	(249.5)
Cash generated by rental operations		588.4	518.3	641.5	813.4	1,029.6	980.5
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2,018.2	2,036.3	2,342.6	3,451.2	4,510.4	4,422.4
	Fleet renewal investment	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(4,696.7)	(4,783.4)
	Change in accounts payable to car suppliers for fleet renewal	120.0	(25.4)	219.8	227.6	250.1	312.1
	Net investment for fleet renewal	(59.5)	(267.5)	(1.2)	17.9	63.8	(48.9)
Fleet renewal – quantity		70,621	64,032	68,449	90,554	111,279	106,550
Investment, property and intangible		(46.3)	(29.7)	(40.9)	(28.8)	(42.8)	(33.2)
Free cash flow from operations, before growth		482.6	221.1	599.4	802.5	1,050.6	898.4
Capex - Growth	(Investment) / Divestment in cars for fleet growth	(286.8)	8.6	(726.0)	(1,807.0)	(2,285.1)	(2,366.9)
	Change in accounts payable to car suppliers for fleet growth	214.4	(23.9)	26.8	168.7	509.4	3.4
	Hertz Brasil acquisition and franchisees incorporation - fleet	-	-	-	(285.7)	-	(26.4)
	Net investment for fleet growth	(72.4)	(15.3)	(699.2)	(1,924.0)	(1,775.7)	(2,389.9)
Fleet increase / (reduction) – quantity		9,183	(273)	19,384	52,860	54,142	52,721
Free cash flow after growth		410.2	205.8	(99.8)	(1,121.5)	(725.1)	(1,491.5)
Capex - non-recurring	Hertz Brasil acquisition and franchisees incorporation - except fleet	-	-	-	(121.5)	-	(18.5)
	New headquarters construction and furniture	(148.3)	(30.7)	(85.7)	(146.2)	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		261.9	175.1	(185.5)	(1,389.2)	(725.1)	(1,510.0)
Cash effects of receivables and anticipation of payables to suppliers (**)		-	(71.9)	98.0	88.3	(113.2)	(119.1)
Free cash flow before interest		261.9	103.2	(87.5)	(1,300.9)	(838.3)	(1,629.1)

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

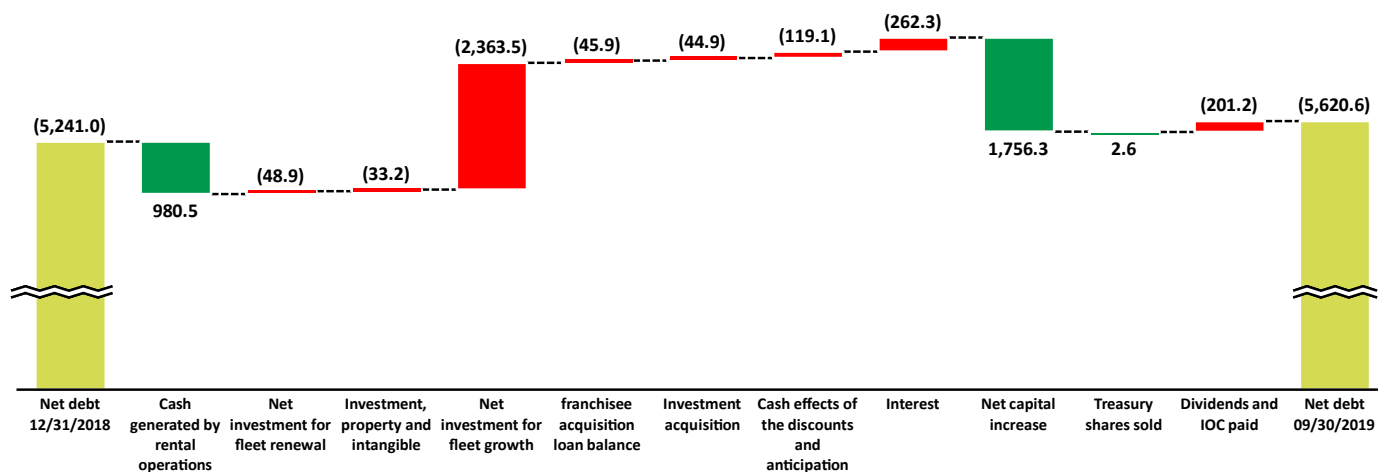
(*) 2017 adjusted by one-time costs incurred -Hertz Brasil acquisition and franchisees incorporation.

(**) Discount of credit card receivables and anticipation of accounts payable to suppliers were demonstrated in a different line so that the Free Cash Flow From Operations considered only the contractual terms, reflecting the Company's operation.

The cash generated before growth totaled R\$898.4 million in 9M19 and net capex for growth amounted to R\$2,389.9 million, due to the strong growth in the fleet.

12 – Net debt

12.1 – Change in net debt – R\$ million



The follow-on equity issuance, completed in February, was used to support growth in 9M19. As of September 30, 2019, net debt totaled R\$5,620.6 million, an increase of R\$379.6 million.

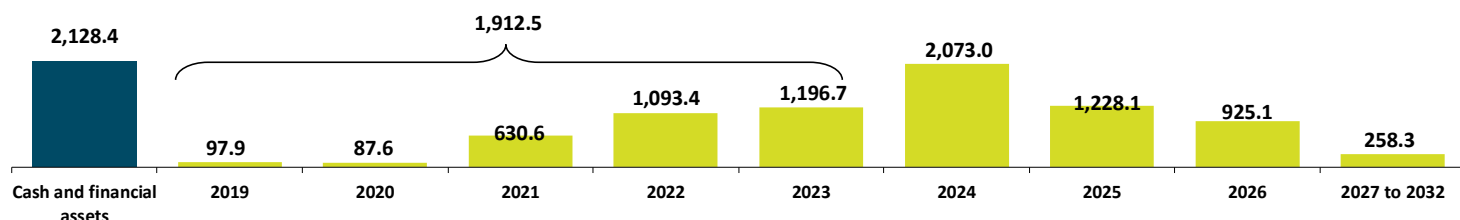
12.2 – Debt maturity profile

Debt	Issuance	Contract rate	2019	2020	2021	2022	2023	2024	2025 to 2032	Total
Debentures 11th Issuance	12/12/2016	111.50% CDI	-	-	-	500.0	-	-	-	500.0
Debentures 12th Issuance	5/15/2017	107.25% CDI	-	-	-	-	-	700.0	-	700.0
Debentures 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	-	434.5	434.5	-	-	869.0
Debentures 13th Issuance - 2nd serie	12/15/2017	111.30% CDI	-	-	-	-	-	108.1	108.1	216.2
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	-	-	-	-	-	200.0	600.0	800.0
Debentures 15th Issuance	4/15/2019	107.25% CDI	-	-	-	-	-	-	1,000.0	1,000.0
Promissory Notes - 7th Issuance	9/24/2019	108.00% CDI	-	-	500.0	-	-	-	-	500.0
Debentures 3rd Issuance of Localiza Fleet	5/5/2017	107.00% CDI	-	-	-	-	500.0	-	-	500.0
Debentures 4th Issuance of Localiza Fleet	10/2/2017	CDI + 0.30%	-	-	-	-	-	350.0	-	350.0
Debentures 5th Issuance of Localiza Fleet	7/31/2018	112.00% CDI	-	-	-	-	-	-	300.0	300.0
Debentures 6th Issuance of Localiza Fleet	12/21/2018	110.40% CDI	-	-	-	-	-	400.0	-	400.0
Debentures 7th Issuance of Localiza Fleet	7/29/2019	109.00% CDI	-	-	-	-	100.0	100.0	100.0	300.0
Foreign currency loan with swap	5/22/2018	108.00% CDI	-	-	-	150.0	150.0	-	-	300.0
Real State Receivables Certificate (CRI)	2/26/2018	99.00% CDI	7.0	4.3	5.6	9.0	12.3	15.0	303.5	356.7
Working Capital / Others	-	Several	90.7	83.2	125.0	-	-	-	-	298.9
Interest accrued	-	-	158.2	-	-	-	-	-	-	158.2
Cash and cash equivalents on 09/30/2019	-	-	(2,128.4)	-	-	-	-	-	-	(2,128.4)
Net debt	-	-	(1,872.5)	87.5	630.6	1,093.5	1,196.8	2,073.1	2,411.6	5,620.6

In October 2019, CVM granted the register of Localiza Fleet SA as a listed company in category B. Due to the approval of the registration, Localiza Fleet's 7th debentures issuance contract rate will decrease from 109.0% CDI to 108.5% CDI, starting January 2020.

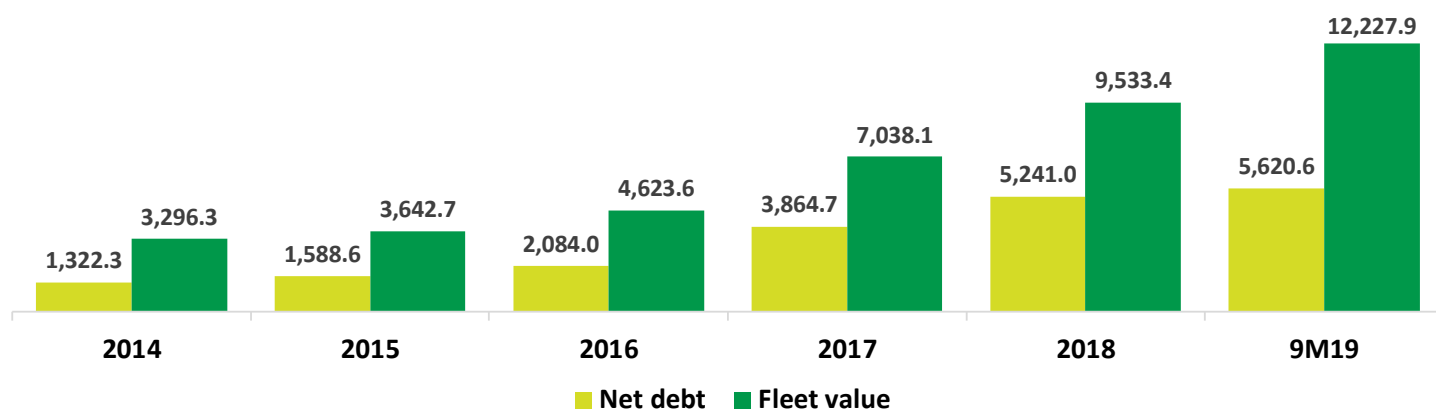
12.3 – Debt profile

As of September 30, 2019



In 3Q19, the Company raised R\$300.0 million with the 7th issue of Localiza Fleet debentures and R\$500.0 million with the 7th issue of Localiza promissory notes. The funds obtained were used to reinforce Company's cash balance after the growth.

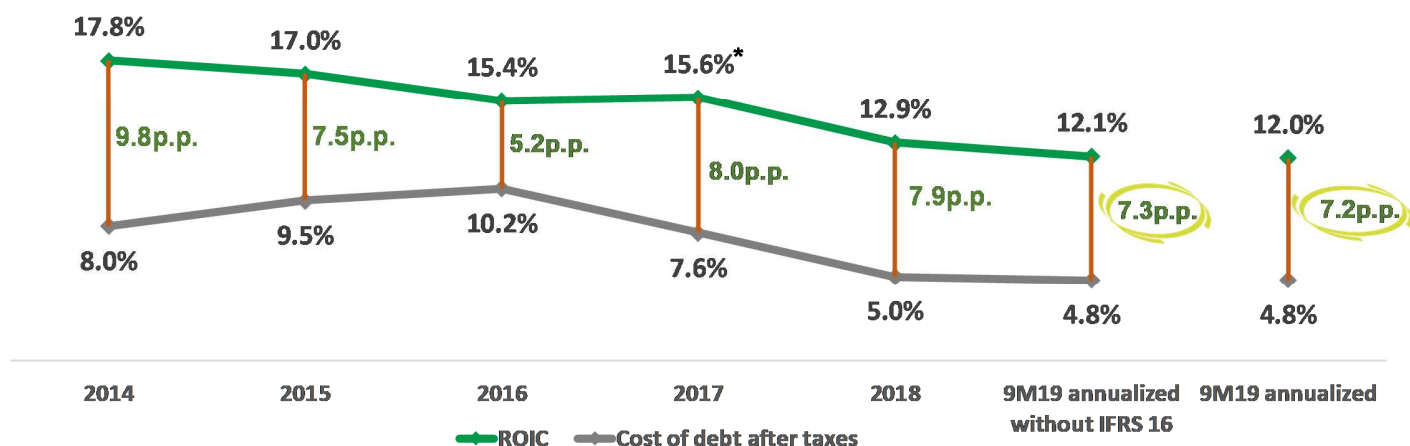
12.4 – Debt ratios



BALANCE AT THE END OF PERIOD	2014	2015	2016	2017	2018	9M19 without IFRS 16	9M19 with IFRS 16
Net debt / Fleet value	40%	44%	45%	55%	55%	46%	46%
Net debt / annualized EBITDA	1.4x	1.7x	2.1x	2.9x	3.3x	2.9x	2.7x
Net debt / Equity	0.8x	0.8x	0.9x	1.5x	1.7x	1.1x	1.1x
EBITDA / Net financial expenses	6.4x	4.6x	4.2x	4.2x	4.3x	5.6x	5.3x

DEBT RATIOS REFLECT STRONG GROWTH AND LOWER INTEREST RATES

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



(*) 2017 adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation
ROIC considered each year's effective income tax and social contribution rate

STRONG GROWTH AND VALUE GENERATION IN A HIGHLY COMPETITIVE ENVIRONMENT

14 – Dividends and interest on capital (IOC)

2018 interest on capital were approved as follow:

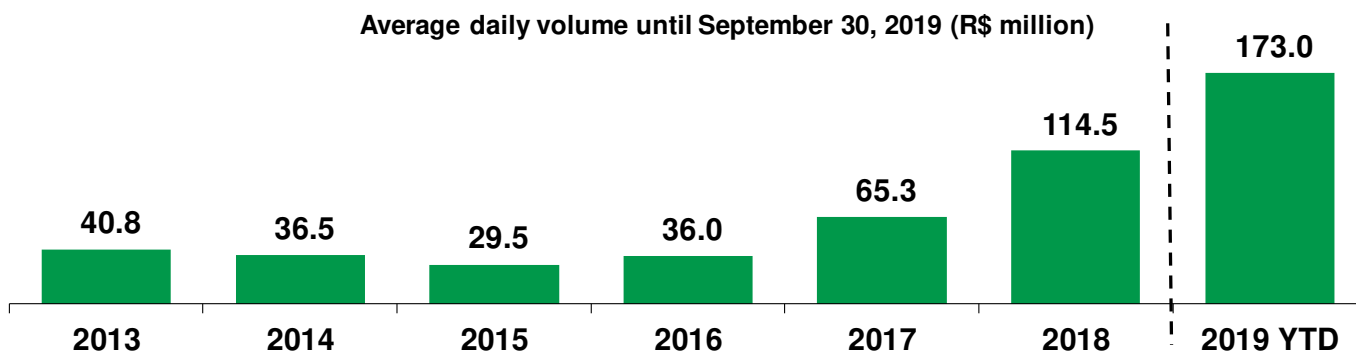
Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2018	03/22/2018	03/28/2018	05/16/2018	42.0	0.063557
IOC	2018	06/21/2018	06/28/2018	08/16/2018	43.0	0.064955
IOC	2018	09/21/2018	09/27/2018	11/16/2018	44.6	0.067377
IOC	2018	12/13/2018	12/19/2018	02/06/2019	49.3	0.074537
Total					178.9	

2019 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	2019	03/21/2019	03/26/2019	05/20/2019	69.2	0.096414
IOC	2019	06/18/2019	06/24/2019	08/16/2019	75.5	0.104982
IOC	2019	09/04/2019	09/09/2019	11/08/2019	74.6	0.103680
Total					219.3	

15 – RENT3

On September 30, 2019, the average daily traded volume of RENT3 was R\$173.0 million, 51.1% higher than the average volume of 2018. Under the ADR level I program, the Company had 3,156,958 level I ADRs.



16 – IFRS 16

The summary of the impact of IFRS 16 on results is shown in the table below:

STATEMENT OF INCOME	9M19 without IFRS 16	9M19 with IFRS 16	Variation	3Q19 without IFRS 16	3Q19 with IFRS 16	Variation
Net Revenue	7,500.1	7,500.1	-	2,671.1	2,671.1	-
Total costs	(5,323.6)	(5,248.9)	74.7	(1,909.7)	(1,881.4)	28.3
Selling, general, administrative and other expenses	(709.2)	(668.0)	41.2	(259.0)	(244.6)	14.4
EBITDA	1,467.3	1,583.2	115.9	502.4	545.1	42.7
Depreciation expenses	(414.5)	(505.8)	(91.3)	(156.9)	(188.3)	(31.4)
EBIT	1,052.8	1,077.4	24.6	345.5	356.8	11.3
Financial (expenses) revenues, net	(262.3)	(297.2)	(34.9)	(81.3)	(94.2)	(12.9)
Income tax and social contribution	(176.8)	(174.6)	2.2	(58.3)	(57.9)	0.4
Net Income	613.7	605.6	(8.1)	205.9	204.7	(1.2)

17 – Results per division

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

CAR RENTAL RESULTS	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Car rental gross revenues (*)	1,352.1	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	35.4%	1,830.4	2,352.0	28.5%	2,352.0	650.3	837.3	28.8%	837.3
Taxes on revenues (**)	(67.7)	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	2.4%	(36.7)	(37.5)	2.2%	(37.5)	(12.9)	(10.5)	-18.6%	(10.5)
Car rental net revenues	1,284.4	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	36.3%	1,793.7	2,314.5	29.0%	2,314.5	637.4	826.8	29.7%	826.8
Car rental costs	(577.3)	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	35.3%	(861.9)	(1,047.8)	21.6%	(976.6)	(308.5)	(392.0)	27.1%	(365.0)
Gross profit	707.1	639.9	720.6	922.1	977.8	1,341.3	37.2%	931.8	1,266.7	35.9%	1,337.9	328.9	434.8	32.2%	461.8
Operating expenses (SG&A)	(209.7)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	31.6%	(315.9)	(375.8)	19.0%	(375.8)	(104.9)	(135.8)	29.5%	(135.8)
Other assets depreciation and amortization	(22.2)	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	12.7%	(19.8)	(22.7)	14.6%	(77.3)	(6.8)	(7.7)	13.2%	(27.0)
Operating profit before financial results and taxes (EBIT)	475.2	377.7	437.9	551.3	621.9	877.4	41.1%	596.1	868.2	45.6%	884.8	217.2	291.3	34.1%	299.0
Financial expenses, net	(1.5)	(2.0)	(1.4)	(5.3)	(5.3)	(34.7)	347.2%	(20.3)	(9.8)	-51.7%	(31.2)	(10.9)	(3.3)	-69.7%	(11.2)
Income tax and social contribution	(136.2)	(89.9)	(95.9)	(123.4)	(138.9)	(218.3)	57.2%	(150.4)	(192.1)	27.7%	(190.1)	(54.0)	(63.6)	17.8%	(63.0)
Net income for the period	337.5	285.8	340.6	422.6	477.7	635.4	33.0%	425.4	666.3	56.6%	663.5	152.3	224.4	47.3%	224.8
Net Margin	26.3%	22.7%	23.9%	22.9%	25.8%	25.2%	-0.6 p.p.	23.7%	28.8%	5.1 p.p.	28.7%	23.9%	27.1%	3.2 p.p.	27.2%
EBITDA	497.4	400.0	461.8	574.9	645.5	904.0	40.0%	615.9	890.9	44.7%	962.1	224.0	299.0	33.5%	326.0
EBITDA Margin	38.7%	31.8%	32.3%	31.1%	34.9%	35.9%	1.0 p.p.	34.3%	38.5%	4.2 p.p.	41.6%	35.1%	36.2%	1.1 p.p.	39.4%

USED CAR SALES RESULTS (SEMINOVOS)	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Gross revenues (*)	1,671.4	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	31.1%	2,748.8	3,925.1	42.8%	3,925.1	1,072.1	1,406.0	31.1%	1,406.0
Taxes on revenues	(3.5)	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	51.0%	(4.6)	(9.5)	106.5%	(9.5)	(1.9)	(3.8)	100.0%	(3.8)
Net revenues	1,667.9	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	31.0%	2,744.2	3,915.6	42.7%	3,915.6	1,070.2	1,402.2	31.0%	1,402.2
Book value of cars sold and preparation for sale	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	36.1%	(2,458.7)	(3,603.1)	46.5%	(3,601.2)	(979.3)	(1,284.1)	31.1%	(1,283.3)
Gross profit	239.5	280.4	267.6	381.9	381.9	369.3	-3.3%	285.5	312.5	9.5%	314.4	90.9	118.1	29.9%	118.9
Operating expenses (SG&A)	(160.7)	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	22.5%	(195.6)	(246.9)	26.2%	(210.8)	(73.5)	(90.4)	23.0%	(77.6)
Cars depreciation	(78.1)	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	11.9%	(89.0)	(221.8)	149.2%	(221.8)	(42.2)	(94.4)	123.7%	(94.4)
Other assets depreciation and amortization	(11.3)	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	5.2%	(7.4)	(6.5)	-12.2%	(37.6)	(2.7)	(2.1)	-22.2%	(12.6)
Operating profit (loss) before financial results and taxes (EBIT)	(10.6)	53.9	(6.1)	34.5	34.5	(42.2)	-222.3%	(6.5)	(162.7)	2403.1%	(155.8)	(27.5)	(68.8)	150.2%	(65.7)
Financial expenses, net	(106.3)	(138.4)	(174.4)	(229.9)	(229.9)	(266.5)	15.9%	(186.4)	(173.1)	-7.1%	(185.1)	(56.3)	(60.2)	6.9%	(64.7)
Income tax and social contribution	33.2	17.6	37.2	43.9	43.9	77.5	76.5%	49.5	75.2	51.9%	73.6	21.9	28.6	30.6%	28.0
Net loss for the period	(83.7)	(66.9)	(143.3)	(151.5)	(151.5)	(231.2)	52.6%	(143.4)	(260.6)	81.7%	(267.3)	(61.9)	(100.4)	62.2%	(102.4)
Net Margin	-5.0%	-4.0%	-7.2%	-5.1%	-5.1%	-5.9%	-0.8 p.p.	-5.2%	-6.7%	-1.5 p.p.	-6.8%	-5.8%	-7.2%	-1.4 p.p.	-7.3%
EBITDA	78.8	101.6	90.8	161.9	161.9	27.7	-38.4%	89.9	65.6	-27.0%	103.6	17.4	27.7	59.2%	41.3
EBITDA Margin	4.7%	6.1%	4.6%	5.4%	5.4%	2.5%	-2.9 p.p.	3.3%	1.7%	-1.6 p.p.	2.6%	1.6%	2.0%	0.4 p.p.	2.9%

CAR RENTAL TOTAL FIGURES	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Car rental gross revenues (*)	1,352.1	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	35.4%	1,830.4	2,352.0	28.5%	2,352.0	650.3	837.3	28.8%	837.3
Car sales for fleet renewal - gross revenues (*)	1,671.4	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	31.1%	2,748.8	3,925.1	42.8%	3,925.1	1,072.1	1,406.0	31.1%	1,406.0
Total gross revenues (*)	3,023.5	2,996.1	3,484.7	4,888.7	4,888.7	6,490.0	32.8%	4,579.2	6,277.1	37.1%	6,277.1	1,722.4	2,243.3	30.2%	2,243.3
Taxes on revenues	(67.7)	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	2.4%	(36.7)	(37.5)	2.2%	(37.5)	(12.9)	(10.5)	-18.6%	(10.5)
Car sales for fleet renewal	(3.5)	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	51.0%	(4.6)	(9.5)	106.5%	(9.5)	(1.9)	(3.8)	100.0%	(3.8)
Car rental revenues - net revenues	1,284.4	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	36.3%	1,793.7	2,314.5	29.0%	2,314.5	637.4	826.8	29.7%	826.8
Car sales for fleet renewal - net revenues	1,667.9	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	31.0%	2,744.2	3,915.6	42.7%	3,915.6	1,070.2	1,402.2	31.0%	1,402.2
Total net revenues	2,952.3	2,934.7	3,423.1	4,833.6	4,833.6	6,431.2	33.1%	4,537.9	6,230.1	37.3%	6,230.1	1,707.6	2,229.0	30.5%	2,229.0
Direct costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car rental	(577.3)	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	35.3%	(861.9)	(1,047.8)	21.6%	(976.6)	(308.5)	(392.0)	27.1%	(365.0)
Car sales for fleet renewal	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	36.1%	(2,458.7)	(3,603.1)	46.5%	(3,601.2)	(979.3)	(1,284.1)	31.1%	(1,283.3)
Gross profit	946.6	920.3	988.2	1,304.0	1,359.7	1,710.6	25.8%	1,217.3	1,579.2	29.7%	1,652.3	419.8	552.9	31.7%	580.7
Operating expenses (SG&A)	(209.7)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	31.6%	(315.9)	(375.8)	19.0%	(375.8)	(104.9)	(135.8)	29.5%	(135.8)
Car sales for fleet renewal	(160.7)	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	22.5%	(195.6)	(246.9)	26.2%	(210.8)	(73.5)	(90.4)	23.0%	(77.6)
Cars depreciation	(78.1)	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	11.9%	(89.0)	(221.8)	149.2%	(221.8)	(42.2)	(94.4)	123.7%	(94.4)
Other assets depreciation and amortization	(11.3)	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	5.2%	(7.4)	(6.5)	-12.2%	(37.6)	(2.7)	(2.1)	-22.2%	(12.6)
Car rental	(22.2)	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	12.7%	(19.8)	(22.7)	14.6%	(77.3)	(6.8)	(7.7)	13.2%	(27.0)
Car sales for fleet renewal	(11.3)	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	5.2%	(7.4)	(6.5)	-12.2%	(37.6)	(2.7)	(2.1)	-22.2%	(12.6)
Operating profit before financial results and taxes (EBIT)	464.6	431.6	431.8	585.8	656.4	835.2	27.2%	589.6	705.5	19.7%	729.0	189.7	222.5	17.3%	233.3
Financial expenses, net	(107.8)	(140.4)	(175.8)	(235.2)	(235.2)	(290.2)	23.4%	(206.7)	(182.9)	-11.5%	(216.3)	(67.2)	(63.5)	-5.5%	(75.9)
Income tax and social contribution	(103.0)	(72.3)	(58.7)	(79.5)	(95.0)	(140.8)	48.2%	(100.9)	(116.9)	15.9%	(116.5)	(32.1)	(35.0)	9.0%	(35.0)
Net income for the period	253.8	218.9	197.3	271.1	326.2	404.2	23.9%	282.0	405.7	43.9%	396.2	90.4	124.0	37.2%	122.4
Net margin	8.6%	7.5%	5.8%	5.6%	6.7%	6.3%	-0.4 p.p.	6.2%	6.5%	0.3 p.p.	6.4%	5.3%	5.6%	0.3 p.p.	5.5%
EBITDA	576.2	501.6	552.6	736.8	807.4	1,003.7	24.3%	705.8	956.5	35.5%	1,065.7	241.4	326.7	35.3%	367.3
EBITDA margin	19.5%	17.1%	16.1%	15.2%	16.7%	15.6%	-1.1 p.p.	15.6%	15.4%	-0.2 p.p.	17.1%	14.1%	14.7%	0.6 p.p.	16.5%

OPERATING DATA	2014	2015	2016	2017	2017	2018	Var.	9M18	9M19	Var.	9M19	3Q18	3Q19	Var.	3Q19
Average operating fleet	61,525	62,513	70,185	94,194	94,194	130,058	38.1%	125,405	164,346	31.1%	164,346	129,412	178,868	38.2%	178,868
Average rented fleet	42,999	43,315	51,515	69,762	69,762	97,245	39.4%	93,424	121,485	30.0%	121,485	98,199	131,883	34.3%	131,883
Average operating fleet age (in months)	7.2	7.4	7.9	6.5	6.5	7.2	10.8%	7.3	7.1	-2.7%	7.1	7.5	6.8	-9.3%	6.8
End of period fleet	77,573	76,755	94,156	135,578	135,578	177,672	31.0%	156,436	217,461	39.0%	217,461	156,436	217,461	39.0%	217,461
Number of rental days - in thousands	15,416.0	15,566.1	18,662.4	25,263.6	25,263.6	35,284.5	39.7%	25,347.9	32,975.4	30.1%	32,975.4	8,974.4	12,061.7	34.4%	12,061.7
Average daily rental revenues per car (R\$)	87.71	84.56	79.67	75.16	75.16	72.86	-3.1%	72.21	71.33	-1.2%	71.33	72.46	69.41	-4.2%	69.41
Annualized average depreciation per car (R\$)	1,270.0	622.1	1,251.2	1,250.1	1,250.1	1,012.4	-19.0%	946.5	1,799.8	90.2%	1,799.8	1,305.2	2,110.2	61.7%	2,110.2
Utilization rate (Does not include cars in preparation and decommissioning)	-	75.4%	78.0%	78.6%	78.6%	79.6%	1.0 p.p.	79.0%	79.0%	0.0 p.p.	79.0%	81.1%	78.6%	-2.5 p.p.	78.6%
Number of cars purchased	64,908	52,343	76,071	114,966	114,966	139,273	21.1%	88,667	135,706	53.1%	135,706	37,293	50,087		

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

FLEET RENTAL RESULTS	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Fleet rental gross revenues (*)	589.5	619.6	664.1	757.4	757.4	857.8	13.3%	630.1	760.3	20.7%	760.3	220.1	266.6	21.1%	266.6
Taxes on revenues (**)	(17.6)	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	-41.2%	(5.8)	(12.9)	122.4%	(12.9)	(2.7)	(4.6)	70.4%	(4.6)
Fleet rental net revenues	571.9	608.5	651.8	742.1	742.1	848.8	14.4%	624.3	747.4	19.7%	747.4	217.4	262.0	20.9%	262.0
Fleet rental costs	(190.9)	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	-11.7%	(180.6)	(222.5)	23.2%	(222.4)	(57.7)	(79.9)	38.5%	(79.9)
Gross profit	381.1	419.2	458.1	521.7	522.0	602.9	15.5%	443.7	524.9	18.3%	525.0	159.7	182.1	14.0%	182.1
Operating expenses (SG&A)	(38.1)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	-4.3%	(42.6)	(57.9)	35.9%	(57.7)	(14.6)	(22.4)	53.4%	(22.3)
Other assets depreciation and amortization	(1.1)	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	-40.0%	(3.7)	(4.0)	8.1%	(4.3)	(1.2)	(1.4)	16.7%	(1.4)
Operating profit before financial results and taxes (EBIT)	341.9	376.3	417.3	452.8	456.2	538.4	18.0%	397.4	463.0	16.5%	463.0	143.9	158.3	10.0%	158.4
Financial expenses, net	(0.2)	(0.1)	(1.1)	(1.6)	(1.6)	(0.5)	-68.8%	(0.4)	(0.4)	0.0%	(0.5)	(0.1)	(0.2)	100.0%	(0.2)
Income tax and social contribution	(99.2)	(90.5)	(90.4)	(102.8)	(103.6)	(136.5)	31.8%	(102.6)	(103.5)	0.9%	(101.0)	(37.7)	(35.0)	-7.2%	(34.4)
Net income for the period	242.5	285.7	325.8	348.4	351.0	401.4	14.4%	294.4	359.1	22.0%	361.5	106.1	123.1	16.0%	123.8
Net Margin	42.4%	47.0%	50.0%	46.9%	47.3%	47.3%	0.0 p.p.	47.2%	48.0%	0.8 p.p.	48.4%	48.8%	47.0%	-1.8 p.p.	47.3%
EBITDA	343.0	378.5	420.2	456.3	459.7	543.3	18.2%	401.1	467.0	16.4%	467.3	145.1	159.7	10.1%	159.8
EBITDA Margin	60.0%	62.2%	64.5%	61.5%	61.9%	64.0%	2.1 p.p.	64.2%	62.5%	-1.7 p.p.	62.5%	66.7%	61.0%	-5.7 p.p.	61.0%

USED CAR SALES RESULTS (SEMINOVOS)	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Gross revenues (*)	350.8	368.6	347.8	466.5	466.5	599.5	28.5%	461.8	507.9	10.0%	507.9	144.3	176.0	22.0%	176.0
Taxes on revenues	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	125.0%	(0.6)	(1.1)	83.3%	(1.1)	(0.3)	(0.6)	100.0%	(0.6)
Net revenues	350.3	368.2	347.4	466.1	466.1	598.6	28.4%	461.2	506.8	9.9%	506.8	144.0	175.4	21.8%	175.4
Book value of cars sold and preparation for sale	(276.3)	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	34.1%	(403.4)	(443.8)	10.0%	(443.8)	(127.0)	(151.9)	19.6%	(151.9)
Gross profit	74.0	81.5	68.0	74.0	74.0	72.7	-1.8%	57.8	63.0	9.0%	63.0	17.0	23.5	38.2%	23.5
Operating expenses (SG&A)	(32.6)	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	-11.9%	(29.2)	(28.0)	-4.1%	(23.3)	(8.7)	(10.2)	17.2%	(8.7)
Cars depreciation	(129.3)	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	39.9%	(112.3)	(158.4)	41.1%	(158.4)	(42.3)	(50.8)	20.1%	(50.8)
Other assets depreciation and amortization	(0.6)	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	0.0%	(1.3)	(0.8)	-38.5%	(4.7)	(0.4)	(0.4)	0.0%	(1.6)
Operating profit (loss) before financial results and taxes (EBIT)	(68.5)	(78.8)	(83.3)	(74.7)	(74.7)	(125.5)	68.0%	(65.0)	(124.2)	46.1%	(123.4)	(34.4)	(37.9)	10.2%	(37.6)
Financial expenses, net	(44.9)	(63.8)	(68.7)	(80.0)	(80.0)	(79.6)	-0.5%	(55.0)	(79.4)	44.4%	(80.8)	(16.5)	(17.3)	4.8%	(17.7)
Income tax and social contribution	(38.4)	(33.7)	(32.9)	(35.1)	(35.1)	(52.0)	49.1%	(36.4)	(45.5)	25.3%	(44.9)	(13.3)	(12.2)	-8.3%	(11.9)
Net loss for the period	(95.0)	(108.9)	(118.7)	(116.6)	(116.6)	(155.1)	28.0%	(103.6)	(158.0)	52.5%	(159.3)	(37.6)	(43.0)	14.4%	(43.4)
Net Margin	-27.1%	-29.6%	-34.5%	-25.7%	-25.7%	-25.6%	0.1 p.p.	-22.5%	-31.2%	-8.7 p.p.	-31.4%	-26.1%	-24.5%	1.6 p.p.	-24.7%
EBITDA	41.4	47.9	37.0	41.3	41.3	36.1	-12.6%	28.6	35.0	22.4%	39.7	8.3	13.3	60.2%	14.8
EBITDA Margin	11.8%	13.0%	10.7%	8.9%	8.9%	6.0%	-2.9 p.p.	6.2%	6.9%	0.7 p.p.	7.8%	5.8%	7.6%	1.8 p.p.	8.4%

FLEET RENTAL TOTAL FIGURES	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Fleet rental gross revenues (*)	589.5	619.6	664.1	757.4	757.4	857.8	13.3%	630.1	760.3	20.7%	760.3	220.1	266.6	21.1%	266.6
Car sales for fleet renewal - gross revenues (*)	350.8	368.6	347.8	466.5	466.5	599.5	28.5%	461.8	507.9	10.0%	507.9	144.3	176.0	22.0%	176.0
Total gross revenues (*)	940.3	988.2	1,011.9	1,223.9	1,223.9	1,457.3	19.1%	1,091.9	1,268.2	16.1%	1,268.2	364.4	442.6	21.5%	442.6
Taxes on revenues	(17.6)	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	-41.2%	(5.8)	(12.9)	122.4%	(12.9)	(2.7)	(4.6)	70.4%	(4.6)
Car sales for fleet renewal	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	125.0%	(0.6)	(1.1)	83.3%	(1.1)	(0.3)	(0.6)	100.0%	(0.6)
Fleet rental - net revenues	571.9	608.5	651.8	742.1	742.1	848.8	14.4%	624.3	747.4	19.7%	747.4	217.4	262.0	20.9%	262.0
Car sales for fleet renewal - net revenues	350.3	368.2	347.4	466.1	466.1	598.6	28.4%	461.2	506.8	9.9%	506.8	144.0	175.4	21.8%	175.4
Total net revenues (**)	922.2	976.7	999.2	1,208.2	1,208.2	1,447.4	19.8%	1,085.5	1,254.2	15.5%	1,254.2	361.4	437.4	21.0%	437.4
Direct costs	(190.8)	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	-11.7%	(180.6)	(222.5)	23.2%	(222.4)	(57.7)	(79.9)	38.5%	(79.9)
Car sales for fleet renewal	(276.3)	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	34.1%	(403.4)	(443.8)	10.0%	(443.8)	(127.0)	(151.9)	19.6%	(151.9)
Gross profit	455.1	500.7	526.1	595.7	596.0	675.6	13.4%	501.5	587.9	17.2%	588.0	176.7	205.6	16.4%	205.6
Operating expenses (SG&A)	(38.1)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	-4.3%	(42.6)	(57.9)	35.9%	(57.7)	(14.6)	(22.4)	53.4%	(22.3)
Car sales for fleet renewal	(32.6)	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	-11.9%	(29.2)	(28.0)	-4.1%	(23.3)	(8.7)	(10.2)	17.2%	(8.7)
Cars depreciation	(129.3)	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	39.9%	(112.3)	(158.4)	41.1%	(158.4)	(42.3)	(50.8)	20.1%	(50.8)
Other assets depreciation and amortization	(1.1)	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	-40.0%	(3.7)	(4.0)	8.1%	(4.3)	(1.2)	(1.4)	16.7%	(1.4)
Car sales for fleet renewal	(0.6)	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	0.0%	(1.3)	(0.8)	-38.5%	(4.7)	(0.4)	(0.4)	0.0%	(1.6)
Operating profit before financial results and taxes (EBIT)	253.4	297.5	334.0	378.1	381.5	412.9	8.2%	312.4	338.8	8.5%	339.6	109.5	120.4	10.0%	120.8
Financial expenses, net	(45.1)	(63.9)	(69.8)	(81.6)	(81.6)	(80.1)	-1.8%	(55.4)	(79.8)	44.0%	(81.3)	(16.6)	(17.5)	5.4%	(17.9)
Income tax and social contribution	(60.8)	(56.8)	(58.1)	(67.7)	(68.5)	(84.5)	23.4%	(66.2)	(57.9)	-12.5%	(56.1)	(24.4)	(22.8)	-6.6%	(22.5)
Net income for the period	147.5	176.8	206.1	228.8	231.4	248.3	7.3%	190.8	201.1	5.4%	202.2	68.5	80.1	16.9%	80.4
Net margin	16.0%	18.1%	20.6%	18.9%	19.2%	17.2%	-2.0 p.p.	17.6%	16.0%	-1.6 p.p.	16.1%	19.0%	18.3%	-0.7 p.p.	18.4%
EBITDA	384.4	426.4	457.2	497.6	501.0	579.4	15.6%	429.7	502.0	16.8%	507.0	153.4	173.0	12.8%	174.6
EBITDA margin	41.7%	43.7%	45.8%	41.2%	41.5%	40.0%	-1.5 p.p.	39.6%	40.0%	0.4 p.p.	40.4%	42.4%	39.6%	-2.8 p.p.	39.9%

OPERATING DATA	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19	Var.	9M19	3Q18	3Q19	Var.	3Q19
Average operating fleet	30,778	31,676	31,908	36,804	36,804	44,404	20.6%	43,074	53,858	25.0%	53,858	45,192	57,350	26.9%	57,350
Average rented fleet	28,787	30,280	31,222	35,424	35,424	42,321	19.5%	41,266	51,512	24.8%	51,512	43,421	54,569	25.7%	54,569
Average operating fleet age (in months)	18.0	16.7	18.0	18.1	18.1	15.1	-16.6%	15.2	15.2	0.0%	15.2	14.5	15.1	4.1%	15.1
End of period fleet	34,312	33,948	34,960	44,877	44,877	54,430	21.3%	51,236	67,589	31.9%	67,589	51,236	67,589	31.9%	67,589
Rented Fleet	267	207	145	94	94	57	-39.4%	76	30	-60.5%	30	76	30	-60.5%	30
Number of rental days - in thousands	10,363.3	10,900.9	11,240.0	12,752.7	12,752.7	15,235.7	19.5%	11,141.9	13,908.2	24.8%	13,908.2	3,907.9	4,911.2	25.7%	4,911.2
Average daily rental revenues per car (R\$)	56.16	56.08	58.23	58.77	58.77	55.62	-5.4%	55.86	54.22	-2.9%	54.22	55.39	53.82	-2.8%	53.82
Annualized average depreciation per car (R\$)	4,202.1	3,935.2	3,714.0	3,104.3	3,104.3	3,601.1	16.0%	3,475.6	3,921.3	12.8%	3,921.3	3,747.4	3,545.6	-5.4%	3,545.6
Utilization rate (Does not include cars in preparation and decommissioning) (***)	-	98.4%	98.9%	98.2%	98.2%	96.8%	-1.4 p.p.	97.3%	97.0%	-0.3 p.p.	97.0%	97.5%	96.7%	-0.8 p.p.	96.7%
Number of cars purchased	14,896	11,689	11,762	20,286	20,286	26,148	28.9%	19,185	23,565	22.8%	23,565	7,171	9,707	35.4%	9,707
Number of cars sold	13,043	11,797	10,853	13,653	13,653	16,334	19.6%	12,613	12,977	2.9%	12,977	3,908	4,325	10.7%	4,325
Average sold fleet age (in months)	35.1	33.4	31.4	31.8	31.8	31.2	-1.9%	32.7	28.4	-13.1%	28.4	31.1	27.7	-10.9%	27.7
Average total fleet	32,686	33,446	33,436	39,605	39,605	48,776	23.2%	47,246	58,750	24.3%	58,750	50,372	63,883	26.8%	63,883
Average value of total fleet - R															

17.3 – Table 3 – *Franchising* – R\$ million

FRANCHISING RESULTS	2014	2015	2016	2017	2018	Var.	9M18	9M19 without IFRS	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Gross revenues(*)	18.7	17.8	18.0	17.6	18.1	2.8%	13.5	16.5	22.2%	16.5	4.5	4.9	8.9%	4.9
Taxes on revenues	(1.0)	(1.2)	(1.0)	(1.1)	(1.0)	-9.1%	(0.8)	(0.7)	-12.5%	(0.7)	(0.3)	(0.2)	-33.3%	(0.2)
Net revenues	17.7	16.6	17.0	16.5	17.1	3.6%	12.7	15.8	24.4%	15.8	4.2	4.7	11.9%	4.7
Costs	(7.8)	(9.2)	(9.7)	(8.9)	(9.6)	7.9%	(6.7)	(6.4)	-4.5%	(4.9)	(2.6)	(1.8)	-30.8%	(1.3)
Gross profit	9.9	7.4	7.3	7.6	7.5	-1.3%	6.0	9.4	56.7%	10.9	1.6	2.9	81.3%	3.4
Operating expenses (SG&A)	(0.7)	(0.6)	(1.5)	(1.8)	(0.5)	-72.2%	(0.3)	(0.6)	100.0%	(0.4)	(0.2)	(0.2)	-	(0.2)
Other assets depreciation and amortization	(0.5)	(0.4)	(0.5)	(0.6)	(0.5)	-16.7%	(0.4)	(0.3)	-25.0%	(1.7)	(0.1)	(0.1)	0.0%	(0.5)
Operating profit before financial results and taxes (EBIT)	8.7	6.4	5.3	5.2	6.5	25.0%	5.3	8.5	60.4%	8.8	1.3	2.6	100.0%	2.7
Financial expenses, net	1.8	1.6	2.1	1.8	1.3	-27.8%	0.7	0.4	-42.9%	0.4	-	(0.3)	-	(0.4)
Income tax and social contribution	(1.2)	(1.3)	(1.5)	(1.2)	(1.2)	0.0%	(1.0)	(2.0)	100.0%	(2.0)	(0.3)	(0.5)	66.7%	(0.4)
Net income for the period	9.3	6.7	5.9	5.8	6.6	13.8%	5.0	6.9	38.0%	7.2	1.0	1.8	80.0%	1.9
Net Margin	52.5%	40.4%	34.7%	35.2%	38.6%	3.4 p.p.	39.4%	43.7%	4.3 p.p.	45.6%	23.8%	38.3%	14.5 p.p.	40.4%
EBITDA	9.2	6.8	5.8	5.8	7.0	20.7%	5.7	8.8	54.4%	10.5	1.4	2.7	92.9%	3.2
EBITDA Margin	52.0%	41.0%	34.1%	35.2%	40.9%	5.7 p.p.	44.9%	55.7%	10.8 p.p.	66.5%	33.3%	57.4%	24.1 p.p.	68.1%

(*) Gross revenues are net of discounts and cancellations.

17.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2014	2015	2016	2017	2017 Adjusted	2018	Var.	9M18	9M19 without IFRS 16	Var.	9M19	3Q18	3Q19 without IFRS 16	Var.	3Q19
Car rental gross revenues (*)	1,352.1	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	35.4%	1,830.4	2,352.0	28.5%	2,352.0	650.3	837.3	28.8%	837.3
Franchising gross revenues (*)	18.7	17.8	18.0	17.6	17.6	18.1	2.8%	13.5	16.5	22.2%	16.5	4.5	4.9	8.9%	4.9
Car Rental and Franchising total gross revenues (*)	1,370.8	1,334.7	1,504.9	1,916.3	1,916.3	2,588.9	35.1%	1,843.9	2,368.5	28.5%	2,368.5	654.8	842.2	28.6%	842.2
Fleet Rental gross revenues (*)	589.5	619.6	664.1	757.4	757.4	857.8	13.3%	630.1	760.3	20.7%	760.3	220.1	266.6	21.1%	266.6
Car and Fleet Rentals and Franchising total gross revenues (*)	1,960.3	1,954.3	2,169.0	2,673.7	2,673.7	3,446.7	28.9%	2,474.0	3,128.8	26.5%	3,128.8	874.9	1,108.8	26.7%	1,108.8
Taxes on revenues - Car and Fleet Rentals and Franchising (**)	(86.3)	(71.2)	(72.2)	(66.6)	(66.6)	(61.4)	-7.8%	(43.3)	(51.1)	18.0%	(51.1)	(15.9)	(15.3)	-3.8%	(15.3)
Car and Fleet Rentals and Franchising net revenues	1,874.0	1,883.1	2,096.8	2,607.1	2,607.1	3,385.3	29.8%	2,430.7	3,077.7	26.6%	3,077.7	859.0	1,093.5	27.3%	1,093.5
Car sales gross revenues															
Car sales for fleet renewal - Car Rental (*)	1,671.4	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	31.1%	2,748.8	3,925.1	42.8%	3,925.1	1,072.1	1,406.0	31.1%	1,406.0
Car sales for fleet renewal - Fleet Rental (*)	350.8	368.6	347.8	466.5	466.5	599.5	28.5%	461.8	507.9	10.0%	507.9	144.3	176.0	22.0%	176.0
Car sales for fleet renewal - total gross revenues (*)	2,022.2	2,047.8	2,345.6	3,456.5	3,456.5	4,518.7	30.7%	3,210.6	4,433.0	38.1%	4,433.0	1,216.4	1,582.0	30.1%	1,582.0
Taxes on revenues - Car sales for fleet renewal	(4.0)	(2.9)	(3.1)	(5.3)	(5.3)	(8.3)	56.6%	(5.2)	(10.6)	103.8%	(10.6)	(2.2)	(4.4)	100.0%	(4.4)
Car sales for fleet renewal - net revenues	2,018.2	2,044.9	2,342.5	3,451.2	3,451.2	4,510.4	30.7%	3,205.4	4,422.4	38.0%	4,422.4	1,214.2	1,577.6	29.9%	1,577.6
Total net revenues	3,892.2	3,928.0	4,439.3	6,058.3	6,058.3	7,895.7	30.3%	5,636.1	7,500.1	33.1%	7,500.1	2,073.2	2,671.1	28.8%	2,671.1
Direct costs and expenses:															
Car rental	(577.3)	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	35.3%	(861.9)	(1,047.8)	21.6%	(976.6)	(308.5)	(392.0)	27.1%	(365.0)
Franchising	(7.8)	(9.2)	(9.7)	(8.9)	(8.9)	(9.6)	7.9%	(6.7)	(6.4)	-4.5%	(4.9)	(2.6)	(1.8)	-30.8%	(1.3)
Total Car rental and Franchising	(585.1)	(627.3)	(717.1)	(935.3)	(879.6)	(1,187.7)	35.0%	(868.6)	(1,054.2)	21.4%	(981.5)	(311.1)	(393.8)	26.6%	(366.3)
Fleet Rental	(190.8)	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	11.7%	(180.6)	(222.5)	23.2%	(222.4)	(57.7)	(79.9)	38.5%	(79.9)
Total Car and Fleet Rentals and Franchising	(775.9)	(816.6)	(910.8)	(1,155.7)	(1,099.7)	(1,433.6)	30.4%	(1,049.2)	(1,276.7)	21.7%	(1,203.9)	(368.8)	(473.7)	28.4%	(446.2)
Car sales for fleet renewal - Car rental	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	36.1%	(2,458.7)	(3,603.1)	46.5%	(3,601.2)	(3,601.2)	(1,284.1)	31.1%	(1,283.3)
Car sales for fleet renewal - Fleet Rental	(276.3)	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	34.1%	(403.4)	(443.8)	10.0%	(443.8)	(127.0)	(151.9)	19.6%	(151.9)
Total Car sales for fleet renewal (book value) and preparation for sale	(1,704.7)	(1,683.0)	(2,006.9)	(2,995.3)	(2,995.3)	(4,068.4)	35.8%	(2,862.1)	(4,046.9)	41.4%	(4,046.0)	(1,106.3)	(1,436.0)	29.8%	(1,435.2)
Total costs	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	34.4%	(3,911.3)	(5,323.6)	36.1%	(5,248.9)	(1,475.1)	(1,909.7)	29.5%	(1,881.4)
Gross profit	1,411.6	1,428.4	1,521.6	1,907.3	1,963.3	2,393.7	21.9%	1,724.8	2,176.5	26.2%	2,251.2	598.1	761.4	27.3%	789.7
Operating expenses															
Advertising, promotion and selling:															
Car rental	(117.8)	(127.9)	(148.6)	(199.6)	(193.3)	(285.8)	47.9%	(210.0)	(246.5)	17.4%	(246.5)	(69.4)	(89.4)	28.8%	(89.4)
Franchising	(0.8)	(0.6)	(0.6)	(1.1)	(1.1)	(1.1)	-100.0%	0.1	(0.3)	-400.0%	(0.3)	(0.3)	(0.3)	0.0%	(0.3)
Total car rental and Franchising	(118.6)	(128.5)	(149.2)	(200.7)	(194.4)	(286.9)	47.0%	(209.9)	(246.8)	17.6%	(246.8)	(69.4)	(89.4)	28.8%	(89.4)
Fleet Rental	(15.1)	(18.2)	(14.0)	(18.8)	(18.8)	(27.7)	47.3%	(20.1)	(26.4)	31.3%	(26.1)	(7.0)	(9.9)	41.4%	(9.8)
Car sales for fleet renewal	(172.3)	(191.1)	(191.6)	(232.3)	(232.3)	(279.5)	20.3%	(206.2)	(253.1)	22.7%	(212.3)	(75.7)	(92.5)	22.2%	(78.2)
Total advertising, promotion and selling	(306.0)	(337.8)	(354.8)	(451.8)	(445.5)	(593.0)	33.1%	(436.2)	(526.3)	20.7%	(485.2)	(152.1)	(191.8)	26.1%	(177.4)
General, administrative and other expenses	(135.8)	(155.8)	(151.2)	(215.3)	(203.6)	(210.6)	3.4%	(147.4)	(182.9)	24.1%	(182.8)	(49.8)	(67.2)	34.9%	(67.2)
Total Operating expenses	(441.8)	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	23.8%	(583.6)	(709.2)	21.5%	(668.0)	(201.9)	(259.0)	28.3%	(244.6)
Depreciation expenses:															
Cars depreciation:															
Car rental	(78.1)	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	11.9%	(89.0)	(221.8)	149.2%	(221.8)	(42.2)	(94.4)	123.7%	(94.4)
Fleet Rental	(129.3)	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	39.9%	(112.3)	(158.4)	41.1%	(158.4)	(42.3)	(50.8)	20.1%	(50.8)
Total cars depreciation expenses	(207.4)	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	25.7%	(201.3)	(380.2)	88.9%	(380.2)	(84.5)	(145.2)	71.8%	(145.2)
Other assets depreciation and amortization	(35.7)	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	12.3%	(32.6)	(34.3)	5.2%	(125.6)	(11.2)	(11.7)	4.5%	(43.1)
Total depreciation and amortization expenses	(243.1)	(199.3)	(244.5)	(271.1)	(271.1)	(335.5)	23.8%	(233.9)	(414.5)	77.2%	(505.8)	(95.7)	(156.9)	63.9%	(188.3)
Operating profit before financial results and taxes (EBIT)	726.7	735.5	771.1	969.1	1,043.1	1,254.6	20.3%	907.3	1,052.8	16.0%	1,077.4	300.5	345.5	15.0%	356.8
Financial expenses, net:															
Expense	(276.4)	(370.1)	(445.5)	(511.9)	(511.9)	(536.8)	4.9%	(384.8)	(447.5)	16.3%	(474.0)	(121.5)	(148.4)	22.1%	(158.1)
Income	125.3	167.4	202.0	196.9	196.9	167.9	-14.7%	123.4	185.2	50.1%	176.8	37.7	67.1	78.0%	63.9
Financial (expenses) revenues, net	(151.1)	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)	17.1%	(261.4)	(262.3)	0.3%	(297.2)	(83.8)	(81.3)	-3.0%	(94.2)
Income before tax and social contribution	575.6	532.8	527.6	654.1	728.1	885.7	21.6%	645.9	790.5	22.4%	780.2	216.7	264.2	21.9%	262.6
Income tax and social contribution	(165.0)	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	37.5%	(168.1)	(176.8)	5.2%	(174.6)	(56.8)	(58.3)	2.6%	(57.9)
Net income for the period	410.6	402.4	409.3	505.7	563.4	659.2	17.0%	477.8	613.7	28.4%	605.6	159.9	205.9	28.8%	204.7
EBITDA	969.8	934.8	1,015.6	1,240.2	1,314.2	1,590.1	21.0%	1,141.2	1,467.3	28.6%	1,583.2	396.2	502.4	26.8%	545.1
EBIT	726.7	735.5	771.1	969.1	1,043.1	1,254.6	20.3%	907.3	1,052.8	16.0%	1,077.4	300.5	345.5	15.0%	356.8
Consolidated EBIT Margin (calculated over rental revenues)	38.8%	39.1%	36.8%	37.2%	40.0%	37.1%	-2.9 p.p.	37.3%	34.2%	-3.1 p.p.	35.0%	35.0%	31.6%	-3.4 p.p.	32.6%
Car and Fleet Rentals and Franchising EBITDA	849.6	785.3	887.8	1,037.0	1,111.0	1,454.3	30.9%	1,022.7	1,366.7	33.6%	1,439.9	370.5	461.4	24.5%	489.0
EBITDA Margin	45.3%	41.7%	42.3%	39.8%	42.6%	43.0%	0.4 p.p.	42.1%	44.4%	2.3 p.p.	46.8%	43.1%	42.2%	-0.9 p.p.	44.7%
Used Car Sales (Seminovos) EBITDA	120.2	149.5	127.7	203.2	203.2	135.8	-33.2%	118.5	100.6	-15.1%	143.3	25.7	41.0	59.5%	56.1
EBITDA Margin	6.0%	7.3%	5.5%	5.9%	5.9%	3.0%	-2.9 p.p.	3.7%	2.3%	-1.4 p.p.	3.2%	2.1%	2.6%	0.5 p.p.	3.6%

(*) Gross revenues are net of discounts and cancellations.

(**)As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note Provisions and Escrow Deposits of the 2017 Financial Statements.

17.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2014	2015	2016	2017	2018	Var.	9M18	9M19	Var.	3Q18	3Q19	Var.
Average operating fleet:												
Car Rental	61,525	62,513	70,185	94,194	130,058	38.1%	125,405	164,346	31.1%	129,412	178,868	38.2%
Fleet Rental	30,778	31,676	31,908	36,804	44,404	20.6%	43,074	53,858	25.0%	45,192	57,350	26.9%
Total	92,303	94,189	102,093	130,998	174,462	33.2%	168,479	218,204	29.5%	174,604	236,218	35.3%
Average rented fleet:												
Car Rental	42,999	43,315	51,515	69,762	97,245	39.4%	93,424	121,485	30.0%	98,199	131,883	34.3%
Fleet Rental	28,787	30,280	31,222	35,424	42,321	19.5%	41,266	51,512	24.8%	43,421	54,569	25.7%
Total	71,786	73,595	82,737	105,186	139,566	32.7%	134,690	172,997	28.4%	141,620	186,452	31.7%
Average age of operating fleet (months)												
Car Rental	7.2	7.4	7.9	6.5	7.2	10.8%	7.3	7.1	-2.7%	7.5	6.8	-9.3%
Fleet Rental	18.0	16.7	18.0	18.1	15.1	-16.6%	15.2	15.2	0.0%	14.5	15.1	4.1%
Average age of total operating fleet	10.0	10.6	11.0	9.8	9.3	-5.1%	9.4	9.1	-3.2%	9.4	8.9	-5.3%
Fleet at end of period:												
Car Rental	77,573	76,755	94,156	135,578	177,672	31.0%	156,436	217,461	39.0%	156,436	217,461	39.0%
Fleet Rental	34,312	33,948	34,960	44,877	54,430	21.3%	51,236	67,589	31.9%	51,236	67,589	31.9%
Total	111,885	110,703	129,116	180,455	232,102	28.6%	207,672	285,050	37.3%	207,672	285,050	37.3%
Managed fleet at end period - Fleet Rental	267	207	145	94	57	-39.4%	76	30	-60.5%	76	30	-60.5%
Fleet investment (R\$ million) (does not include accessories)												
Car Rental	1,909.1	1,773.1	2,782.2	4,581.8	5,785.2	26.3%	3,657.6	6,053.5	65.5%	1,622.0	2,333.0	43.8%
Fleet Rental	571.2	502.0	503.4	881.5	1,189.2	34.9%	874.0	1,090.6	24.8%	335.7	463.3	38.0%
Total	2,480.3	2,275.1	3,285.6	5,463.3	6,974.4	27.7%	4,531.6	7,144.1	57.7%	1,957.7	2,796.3	42.8%
Number of rental days (In thousands):												
Car Rental - Total	15,696.2	15,815.8	18,864.8	25,494.0	35,514.6	39.3%	25,513.6	33,188.1	30.1%	9,031.7	12,129.8	34.3%
Rental days for Fleet Rental replacement service	(280.2)	(249.7)	(202.4)	(230.4)	(230.1)	-0.1%	(165.7)	(212.7)	28.4%	(57.3)	(68.1)	18.8%
Car Rental - Net	15,416.0	15,566.1	18,662.4	25,263.6	35,284.5	39.7%	25,347.9	32,975.4	30.1%	8,974.4	12,061.7	34.4%
Fleet Rental	10,363.3	10,900.9	11,240.0	12,752.7	15,235.7	19.5%	11,141.9	13,908.2	24.8%	3,907.9	4,911.2	25.7%
Total	25,779.3	26,467.0	29,902.4	38,016.3	50,520.2	32.9%	36,489.8	46,883.6	28.5%	12,882.3	16,972.9	31.8%
Annualized average depreciation per car (R\$)												
Car Rental	1,270.0	622.1	1,251.2	1,250.1	1,012.4	-19.0%	946.5	1,799.8	90.2%	1,305.2	2,110.2	61.7%
Fleet Rental	4,202.1	3,935.2	3,714.0	3,104.3	3,601.1	16.0%	3,475.6	3,921.3	12.8%	3,747.4	3,545.6	-5.4%
Total	2,247.7	1,736.3	2,020.9	1,771.0	1,671.2	-5.6%	1,593.1	2,323.4	45.8%	1,937.3	2,458.7	26.9%
Average annual revenues per operating car (R\$ thousand)												
Car Rental	20.9	20.1	20.3	19.4	19.4	0.0%	22.4	18.8	-16.1%	19.6	18.3	-6.6%
Fleet Rental	18.3	18.9	20.1	19.9	18.9	-5.0%	19.1	18.4	-3.7%	18.9	18.1	-4.2%
Average daily rental (R\$)												
Car Rental (*)	87.71	84.56	79.67	75.16	72.86	-3.1%	72.21	71.33	-1.2%	72.46	69.41	-4.2%
Fleet Rental	56.16	56.08	58.23	58.77	55.62	-5.4%	55.86	54.22	-2.9%	55.39	53.82	-2.8%
Utilization rate (does not include cars in preparation and decommissioning):												
Car Rental	-	75.4%	78.0%	78.6%	79.6%	1.0 p.p.	79.0%	79.0%	0.0 p.p.	81.1%	78.6%	-2.5 p.p.
Fleet Rental	-	98.4%	98.9%	98.2%	96.8%	-1.4 p.p.	97.3%	97.0%	-0.3 p.p.	97.5%	96.7%	-0.8 p.p.
Number of cars purchased - consolidated (**)	79,804	64,032	87,833	135,252	165,421	22.3%	107,858	159,271	47.7%	44,464	59,794	34.5%
Average price of cars purchased (R\$ thsd) - consolidated	31.08	35.53	37.41	40.39	42.16	4.4%	42.02	44.85	6.7%	44.03	46.77	6.2%
Numbers of cars sold - consolidated	70,621	64,305	68,449	90,554	111,279	22.9%	78,998	106,550	34.9%	30,084	36,804	22.3%
Average price of cars sold (R\$ thsd) (***) - consolidated	25.90	28.54	31.23	35.38	37.86	7.0%	37.80	39.41	4.3%	37.70	40.64	7.8%
Average price of cars sold (R\$ thsd) (***) - consolidated without IFRS 16	-	-	-	-	-	-	-	39.02		-	40.25	-

(*) 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.

18 – Consolidated financial statements – IFRS – R\$/million

ASSETS	2014	2015	2016	2017	2018	9M19 without IFRS 16	9M19
CURRENT ASSETS:							
Cash and cash equivalents	1,390.2	1,385.1	1,692.3	1,338.2	2,175.3	1,767.9	1,767.9
Financial assets	-	-	-	1,275.7	267.5	360.5	360.5
Trade accounts receivable	459.6	486.1	424.5	585.1	1,016.5	1,039.7	1,039.7
Derivative financial instruments - swap	-	-	2.2	-	-	-	-
Other current assets	94.6	102.6	115.0	128.6	182.7	285.9	285.9
Decommissioning cars to fleet renewal	18.3	31.8	8.8	103.4	51.8	85.6	85.6
Total current assets	1,962.7	2,005.6	2,242.8	3,431.0	3,693.8	3,539.6	3,539.6
NON CURRENT ASSETS:							
Long-term assets:							
Marketable securities	92.5	-	-	-	-	-	-
Derivative financial instruments - swap	-	45.6	7.4	16.7	2.8	28.0	28.0
Trade accounts receivable	3.2	4.7	3.2	4.7	3.8	3.0	3.0
Escrow deposit	41.9	52.9	60.1	83.1	96.3	106.6	106.6
Deferred income tax and social contribution	-	-	-	42.0	42.2	34.8	34.8
Investments in restricted accounts	-	-	-	40.6	43.0	45.0	45.0
Other non current assets	0.1	0.1	0.1	0.7	0.1	0.1	0.1
Total long-term assets	137.7	103.3	70.8	187.8	188.2	217.5	217.5
Property and equipment							
Cars	3,278.0	3,610.9	4,614.8	6,934.7	9,481.6	12,142.3	12,142.3
Right of use	-	-	-	-	-	-	584.8
Other	203.9	314.1	405.8	549.3	550.3	553.1	553.1
Intangible:							
Software and others	60.3	67.1	61.1	52.8	47.8	42.7	42.7
Goodwill on acquisition of investments	22.0	22.0	22.0	30.6	30.7	95.7	95.7
Total non current assets	3,701.9	4,117.4	5,174.5	7,755.2	10,298.6	13,051.3	13,636.1
TOTAL ASSETS	5,664.6	6,123.0	7,417.3	11,186.2	13,992.4	16,590.9	17,175.7

LIABILITIES AND SHAREHOLDERS' EQUITY	2014	2015	2016	2017	2018	9M19 without IFRS 16	9M19
CURRENT LIABILITIES:							
Trade accounts payable	828.4	690.6	910.9	1,331.7	2,202.6	2,305.2	2,305.2
Social and labor obligations	86.3	85.6	95.0	109.2	135.0	152.0	152.0
Loans, financing and debentures	300.9	422.4	654.6	537.2	616.6	296.7	296.7
Lease liability	-	-	-	-	-	-	106.1
Derivative financial instruments - swap	-	-	-	6.8	18.7	20.5	20.5
Income tax and social contribution	41.3	28.3	23.0	31.3	41.1	36.3	34.0
Dividends and interest on own capital	59.2	29.3	39.7	36.4	42.6	65.4	65.4
Other current liabilities	82.3	99.9	118.5	181.5	282.8	364.7	364.7
Total current liabilities	1,398.4	1,356.1	1,841.7	2,234.1	3,339.4	3,240.8	3,344.6
NON CURRENT LIABILITIES:							
Loans, financing and debentures	2,411.6	2,596.9	3,131.3	5,940.5	7,029.4	7,411.7	7,411.7
Lease liability	-	-	-	-	-	-	489.1
Derivative financial instruments - swap	-	-	-	10.8	21.9	48.1	48.1
Provisions	69.9	68.3	63.1	126.5	148.8	192.8	192.8
Deferred income tax and social contribution	106.0	141.6	171.9	219.7	297.3	339.2	339.2
Restricted Obligations	-	-	-	40.6	43.1	45.0	45.0
Other non current liabilities	23.2	18.5	12.3	13.3	18.0	17.8	17.8
Total non current liabilities	2,610.7	2,825.3	3,378.6	6,351.4	7,558.5	8,054.6	8,543.7
Total liabilities	4,009.1	4,181.4	5,220.3	8,585.5	10,897.9	11,295.4	11,888.3
SHAREHOLDERS' EQUITY:							
Capital	976.7	976.7	976.7	1,500.0	1,500.0	3,278.5	3,278.5
Capital Reserves	40.4	35.9	34.0	94.9	125.0	159.7	159.7
Earnings Reserves	638.4	929.0	1,186.3	1,005.8	1,469.5	1,857.3	1,849.2
Total shareholders' equity	1,655.5	1,941.6	2,197.0	2,600.7	3,094.5	5,295.5	5,287.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,664.6	6,123.0	7,417.3	11,186.2	13,992.4	16,590.9	17,175.7

19 – Consolidated financial statements – Income statements - R\$/million

STATEMENT OF INCOME	2014	2015	2016	2017	2017 Adjusted	2018	9M19 without IFRS 16	9M19
Total net revenues	3,892.2	3,928.0	4,439.3	6,058.3	6,058.3	7,895.7	7,500.1	7,500.1
COSTS AND EXPENSES:								
Direct costs	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(5,323.6)	(5,248.9)
Selling, general, administrative and other expenses	(441.8)	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	(709.2)	(668.0)
Cars depreciation	(207.4)	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	(380.2)	(380.2)
Other assets depreciation and amortization	(35.7)	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	(34.3)	(125.6)
Total costs and expenses	(3,165.5)	(3,192.5)	(3,668.2)	(5,089.2)	(5,015.2)	(6,641.1)	(6,447.3)	(6,422.7)
Income before financial results and taxes (EBIT)	726.7	735.5	771.1	969.1	1,043.1	1,254.6	1,052.8	1,077.4
FINANCIAL EXPENSES, NET	(151.1)	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)	(262.3)	(297.2)
Income before taxes	575.6	532.8	527.6	654.1	728.1	885.7	790.5	780.2
INCOME TAX AND SOCIAL CONTRIBUTION								
Current	(139.5)	(94.8)	(88.0)	(119.4)	(135.7)	(139.8)	(126.8)	(125.2)
Deferred	(25.5)	(35.6)	(30.3)	(29.0)	(29.0)	(86.7)	(50.0)	(49.4)
	(165.0)	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	(176.8)	(174.6)
Net income	410.6	402.4	409.3	505.7	563.4	659.2	613.7	605.6

20 – Statements of Cash Flows – R\$/million

CONSOLIDATED CASH FLOW	2014	2015	2016	2017	2017 Adjusted	2018	9M19 without IFRS	9M19
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income	410.6	402.4	409.3	505.7	563.4	659.2	613.7	605.6
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:								
Depreciation and amortization	243.2	199.3	244.5	271.1	271.1	335.5	414.5	505.8
Net book value of vehicles written off	1,777.0	1,769.1	2,102.5	3,106.6	3,106.6	4,198.5	4,180.4	4,180.4
Deferred income tax and social contribution	25.5	35.6	30.3	29.1	29.1	86.7	49.4	49.4
Interest on loans, financing, debentures and swaps of fixed rates	281.7	406.6	438.1	476.2	476.2	529.8	423.3	423.3
Lease interest	-	-	-	-	-	-	0.0	35.0
Other	32.0	17.3	26.9	81.7	81.7	87.8	74.0	74.0
(Increase) decrease in assets:								
Trade receivable	(49.9)	(36.6)	56.8	(151.8)	(151.8)	(489.0)	(35.0)	(35.0)
Purchases of cars (see supplemental disclosure below)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(7,017.1)	(7,017.1)
Escrow deposits	(5.7)	(15.3)	(7.2)	(17.5)	(17.5)	(13.1)	(10.3)	(10.3)
Taxes recoverable	(43.4)	(5.2)	(6.0)	2.6	2.6	3.4	(1.0)	(1.0)
Prepaid expenses	0.0	0.0	0.0	2.7	2.7	1.3	(40.3)	(40.3)
Other assets	(5.7)	(1.3)	(3.6)	(8.8)	(8.8)	(71.9)	(68.8)	(68.8)
Increase (decrease) in liabilities:								
Accounts payable (except car manufacturers)	33.5	(16.7)	29.6	(4.8)	(4.8)	3.1	(30.5)	(30.5)
Social and labor obligations	12.4	(0.5)	9.4	7.5	7.5	25.8	17.1	17.1
Income tax and social contribution	139.5	94.8	88.0	119.4	135.7	139.8	127.6	125.2
Insurance premium	(0.6)	4.4	8.6	19.3	19.3	37.0	24.3	24.3
Other liabilities	(5.4)	5.9	(19.5)	40.1	40.1	60.1	(24.2)	(24.2)
Cash provided by (used in) operating activities	694.5	460.2	308.8	(573.3)	(499.3)	(519.7)	(1,302.9)	(1,187.1)
Income tax and social contribution paid	(113.1)	(110.7)	(93.3)	(108.3)	(108.3)	(131.2)	(111.2)	(111.2)
Interest on loans, financing and debentures paid	(328.0)	(352.9)	(442.3)	(485.7)	(485.7)	(424.7)	(484.8)	(484.8)
Financial assets	-	-	-	(1,275.8)	(1,275.8)	1,008.2	(93.0)	(93.0)
Net cash provided by (used in) operating activities	253.4	(3.4)	(226.8)	(2,443.1)	(2,369.1)	(67.4)	(1,991.9)	(1,876.1)
CASH FLOWS FROM INVESTING ACTIVITIES:								
(Investments) withdraw in marketable securities	(92.6)	92.6	-	-	-	-	0.0	0.0
Acquisition of investment, goodwill and fair value surplus	(14.4)	-	-	(333.2)	(333.2)	-	(44.9)	(44.9)
Purchases of other property and equipment and addition of intangible assets	(87.3)	(153.0)	(126.6)	(175.0)	(175.0)	(42.8)	(33.2)	(33.2)
Net cash provided by (used in) investing activities	(194.3)	(60.4)	(126.6)	(508.2)	(508.2)	(42.8)	(78.1)	(78.1)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Loans and financings:								
Proceeds	499.1	747.1	266.3	950.1	950.1	742.8	510.9	510.9
Repayment	(490.4)	(368.4)	(297.9)	(510.1)	(510.1)	(518.5)	(687.3)	(687.3)
Debentures								
Proceeds	497.3	496.8	943.4	2,626.9	2,626.9	1,690.7	1,293.8	1,293.8
Repayment	(90.8)	(668.0)	(105.0)	(355.0)	(355.0)	(815.0)	(1,036.7)	(1,036.7)
Lease liability:								
Proceeds	-	-	-	-	-	-	0.0	0.0
Repayment	-	-	-	-	-	-	0.0	(115.8)
Capital increase	-	-	-	-	-	-	1,821.6	1,821.6
Treasury shares (acquired)/ sold	-	(27.5)	(25.0)	2.1	2.1	3.20	2.6	2.6
Expenses with issuance of shares.	-	-	-	-	-	-	(65.3)	(65.3)
Exercise of stock options with treasury shares, net	5.5	18.0	18.2	50.1	50.1	16.4	24.2	24.2
Dividends paid	(38.6)	(44.7)	(1.0)	-	-	-	(7.2)	(7.2)
Interest on own capital	(61.7)	(94.6)	(138.4)	(166.9)	(166.9)	(172.3)	(194.0)	(194.0)
Net cash provided by (used in) financing activities	320.4	58.7	660.6	2,597.2	2,597.2	947.3	1,662.6	1,546.8
NET CASH FLOW PROVIDED (USED) IN THE YEAR	379.5	(5.1)	307.2	(354.1)	(280.1)	837.1	(407.4)	(407.4)
Cash flow without incurred one-time costs Hertz and franchisees	-	-	-	-	(74.0)	-	0.0	0.0
NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS	379.5	(5.1)	307.2	(354.1)	(354.1)	837.1	(407.4)	(407.4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,010.7	1,390.2	1,385.1	1,692.3	1,692.3	1,338.2	2,175.3	2,175.3
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,390.2	1,385.1	1,692.3	1,338.2	1,338.2	2,175.3	1,767.9	1,767.9
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	379.5	(5.1)	307.2	(354.1)	(354.1)	837.1	(407.4)	(407.4)
Supplemental disclosure of cash flow information:								
Cash paid during the period for cars acquisition								
Cars acquisition in the year/period - renewal	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(3,660.9)	(4,696.7)	(4,783.4)	(4,783.4)
Cars acquisition in the year/period - growth	(286.9)	-	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)	(2,366.9)	(2,366.9)
Suppliers - automakers:								
Balance at the end of the year	712.5	591.3	782.0	1,197.5	1,197.5	2,065.6	2,198.8	2,198.8
Balance at the beginning of the year	(378.1)	(712.5)	(591.3)	(782.0)	(782.0)	(1,197.5)	(2,065.6)	(2,065.6)
Cash paid for cars purchased	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(7,017.1)	(7,017.1)

21 – 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:** 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:** 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:** With this new standard, 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 (Divestment) 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.
- **ROIC:** Return on invested capital.
- **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.

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

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

(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 subsidiary Localiza Fleet S.A. (“Localiza Fleet”) and its indirect subsidiaries Car Rental Systems S.A. (“Car Rental Systems”) and Localiza RP Aluguel de Carros Ltda. (“Localiza RP”) sell their decommissioned cars, generating cash for the purchase of new cars from manufacturers.

On August 31, 2019, Car Rental Systems acquired 100% of the quotas of Localiza RP, a company created through a spin-off of a former Localiza brand franchisee, which provided car rental services in the cities of Ribeirão Preto, São José do Rio Preto, Catanduva and Sertãozinho, all in São Paulo State. Through this acquisition, Localiza’s Platform assumed a total fleet of 2,715 cars, of which 715 cars pertained to the Fleet Rental business and 2,000 cars to the Car Rental Division.

As of September 30, 2019, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 598 car rental locations (not reviewed by the auditors), of which: (i) 525 locations in 359 cities in Brazil, 418 of which were operated by Localiza and 107 by franchisees; and (ii) 73 locations in 40 cities in 5 South American countries, in addition to Brazil, all operated by franchisees.

On that same date, Localiza’s Platform fleet was comprised of 299,828 cars (not reviewed by the auditors), of which: (i) 285,050 belonged to the Company, including 217,461 of the Car Rental Division and 67,589 of the Fleet Rental Division; (ii) 5,954 belonged to its franchisees in Brazil; and (iii) 8,824 belonged to its franchisees abroad. Decommissioned cars are substantially sold to final consumers through 113 points of sale owned by the Company, located in 73 cities throughout Brazil, reducing intermediation and depreciation costs and maximizing cash flow generation for fleet renewal.

This individual and consolidated interim financial information was approved and authorized for issue by the Company’s Management on October 22, 2019 and by the Board of Directors on October 23, 2019.

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 Statements, issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Brazilian Securities Commission (“CVM”), and in accordance with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”) and disclose 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 discloses the measurement of investments in subsidiaries under the equity method of accounting, in accordance with the accounting practices adopted in Brazil and the IFRS.

Except for the changes arising from the application of IFRS 16 (as mentioned in note 3.1), the other information on the basis of preparation, presentation of the interim financial information and summary of significant accounting policies has not significantly changed compared with that disclosed in note 2 and other notes to the annual financial statements for the year ended December 31, 2018 (hereinafter referred to as "financial statements for the year ended December 31, 2018"), published on February 21, 2019 through the websites www.cvm.gov.br, www.b3.com.br and www.localiza.com/ri and disclosed on February 28, 2019 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 standards and interpretations adopted by the Company

- **IFRS 16 – Leases**

The new standard requires lessees to recognize the liability of the future payments and the right-of-use of the leased asset for virtually all lease contracts, including operating leases. Certain short-term leases and leases for which the underlying asset is of low value may be out of the scope of this new standard. The criteria for recognition and measurement of leases in the financial statements of the lessors are substantially unchanged. On December 21, 2017, CVM issued its Decision 787/17 and approved CPC 06 (R2), which is the equivalent to this IFRS. The Company and its subsidiaries adopted the new standard on January 1, 2019, date of the initial adoption.

The Company chose to use the exemptions proposed by the standard for short-term leases or leases for which the underlying asset is of low value. The Company has leases of certain office equipment (such as notebooks, printers and copiers) that are considered of low value.

The Company applied IFRS 16, using a retrospective approach and the practical expedient regarding the definition of lease contracts at the date of transition. Therefore, the lease liability was measured at the present value of the remaining lease payments, discounted by the lessee's incremental borrowing rate, at the initial application date. The right-of-use asset at the date of the initial application for leases previously classified as operating leases will be recognized in an amount equivalent to the lease liability, adjusted by the amount of any prepaid or accumulated lease payments relating to that lease that was recognized in the balance sheet immediately prior to the date of initial application.

The impact of the first-time adoption of IFRS 16, in 9M19, is as follows:

	Individual			Consolidated		
	Assets (note 9)	Liabilities (note 14)	Expenses	Assets (note 9)	Liabilities (note 14)	Expenses
First-time adoption	837,305	(837,305)	-	598,533	(598,533)	-
Addition	87,173	(87,173)	-	80,546	(80,546)	-
Write-offs	(2,966)	3,058	-	(2,966)	3,058	-
Payment	-	135,094	-	-	115,792	-
Depreciation	(100,092)	-	(100,092)	(91,305)	-	(91,305)
Interest	-	(51,341)	(51,341)	-	(34,978)	(34,978)
Balance as of September 30, 2019	821,420	(837,667)	(151,433)	584,808	(595,207)	(126,283)

Thus, as a result of the adoption of IFRS 16, Net income before taxes in 9M19 was reduced by R\$16,339 in the Individual and R\$10,491 in the Consolidated, since property rental expenses totaled R\$135,094 in the Individual and R\$115,792 thousand in the Consolidated.

- **IFRIC 23 interpretation - Uncertainty over income tax treatments**

In December 2018, CVM issued its Decision 804/18 and approved ICPC 22 - Uncertainty over Income Tax Treatments, which is the equivalent to this IFRIC. The interpretation, which is effective for years beginning on or after January 1, 2019, addresses the recognition and measurement requirements for income taxes when tax treatments involve uncertainty that affects the application of CPC 32 "Income taxes". ICPC 22 does not apply to taxes outside the scope

of IAS 12 nor specifically includes the requirements relating to interest and fines associated with uncertain tax treatments. Specifically addressed are:

- If the Company considers uncertain tax treatments separately;
- The assumptions that the company makes regarding the examination of tax treatments by the tax authorities;
- How the Company determines the taxable income (tax loss), calculation basis, unused tax losses, untimely tax credits and tax rates;
- How the Company considers the changes in facts and circumstances.

The Company performed an analysis of IFRIC 23 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 other CPC/IFRS standards or ICPC/ IFRIC interpretations 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	
	09/30/19	12/31/18	09/30/19	12/31/18
Cash and banks	16,542	5,607	50,436	14,051
Bank Certificates of Deposit ("CDB") and others	123,370	749,644	148,911	907,994
Fixed-income investment fund units	1,038,069	680,208	1,568,587	1,253,257
Total	1,177,981	1,435,459	1,767,934	2,175,302

As of September 30, 2019, financial investments in CDBs and others and fixed-income investment fund units had an annual weighted average yield of 102.2% of the Interbank Deposit Certificates ("CDI") rate variation (100.1% as of December 31, 2018), have immediate liquidity and have the purpose of meeting the Company's short-term commitments.

5. SHORT-TERM INVESTMENTS

Short-term investments are broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Bank Certificates of Deposit ("CDB")	-	-	215,745	203,074
Fixed-income investment fund units	118,286	44,905	144,775	64,410
Total	118,286	44,905	360,520	267,484

As of September 30, 2019, financial investments in CDBs, and fixed-income investment fund units had annual weighted average yield of 103.5% of the Interbank Deposit Certificates ("CDI") rate variation (100.8% as of December 31, 2018) and have liquidity. However, such investments do not meet all the criteria to be recorded as cash equivalents under the terms of CPC 03 – Statement of Cash Flows.

6. TRADE RECEIVABLES

The trade receivables are broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Car rental	603,960	654,543	599,142	654,543
Fleet rental	-	-	124,608	111,600
Sale of decommissioned cars	360,184	285,728	412,559	333,466

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Franchising	1,260	920	7,083	9,130
	965,404	941,191	1,143,392	1,108,739
Allowance for doubtful accounts and expected losses	(77,804)	(70,079)	(100,682)	(88,405)
Total	887,600	871,112	1,042,710	1,020,334
Current assets	887,600	871,112	1,039,689	1,016,497
Non-current assets (*)	-	-	3,021	3,837

(*) Refers to the franchising integration fee.

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Current	763,591	752,698	896,173	858,777
Up to 30 days overdue	75,658	100,359	89,989	135,543
31 to 60 days overdue	28,546	30,368	35,700	34,444
61 to 90 days overdue	30,835	10,837	36,840	14,404
91 to 180 days overdue	35,022	25,142	36,559	29,182
Over 181 days overdue	31,752	21,787	48,131	36,389
Total	965,404	941,191	1,143,392	1,108,739

The balance of trade receivables includes overdue amounts at the end of the period/year, for which the allowance for doubtful debts and expected losses was not recognized as these amounts are still considered recoverable. The aging list of these overdue amounts is as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Up to 30 days overdue	70,167	94,040	84,024	128,625
31 to 60 days overdue	23,550	24,474	30,364	28,008
61 to 90 days overdue	26,213	6,154	31,882	9,427
Over 91 days overdue	13,205	2,069	13,628	4,636
Total	133,135	126,737	159,898	170,696

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

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Current	(9,126)	(8,323)	(13,361)	(9,139)
Up to 30 days overdue	(5,491)	(6,319)	(5,965)	(6,918)
31 to 60 days overdue	(4,996)	(5,894)	(5,336)	(6,436)
61 to 90 days overdue	(4,622)	(4,683)	(4,958)	(4,977)
Over 91 days overdue	(53,569)	(44,860)	(71,062)	(60,935)
Total	(77,804)	(70,079)	(100,682)	(88,405)

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

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Balance at the beginning of the period	(70,079)	(38,144)	(88,405)	(55,294)
Balance from first-time adoption of IFRS 9 (*)	-	(10,410)	-	(11,208)
Reversal from first-time adoption of IFRS 9	32	10,154	56	10,852
Recognition	(48,513)	(56,956)	(73,252)	(64,966)
Reversal	40,756	21,896	60,919	29,868
Balance at the end of the period	(77,804)	(73,460)	(100,682)	(90,748)

(*) Since January 1, 2018, Localiza and its subsidiaries have recorded a provision for expected losses during the entire life of trade receivables.

	Individual		Consolidated	
	3Q19	3Q18	3Q19	3Q18
Balance at the beginning of the period	(75,370)	(67,852)	(95,824)	(84,070)
Reversal from first-time adoption of IFRS 9	-	795	-	832
Recognition	(26,117)	(6,761)	(43,085)	(7,947)
Reversal	23,683	358	38,227	437
Balance at the end of the period	(77,804)	(73,460)	(100,682)	(90,748)

Other information related to accounts receivable (Individual and Consolidated) did not undergo significant changes compared to the information disclosed in note 6 to the financial statements as of December 31, 2018.

7. OTHER CURRENT AND NON-CURRENT ASSETS

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

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Balances stated separately in current assets:				
Recoverable taxes	22,425	19,875	32,504	31,548
Prepaid expenses (*)	38,698	6,179	47,196	6,893
	61,123	26,054	79,700	38,441
Other current assets:				
Receivables from insurance company (**)	176,652	120,907	178,434	122,108
Other receivables – subsidiaries (note 8 (c) (i))	128	183	-	-
Other current assets	16,924	8,576	27,834	22,134
	193,704	129,666	206,268	144,242
Total other current assets	254,827	155,720	285,968	182,683
Balances stated separately in non-current assets:				
Derivative instruments – swap (note 13)	27,965	2,785	27,965	2,785
Investments in restricted accounts (note 14)	-	-	45,039	43,101
Other non-current assets	83	83	83	83
Total other non-current assets	28,048	2,868	73,087	45,969
Total other current and non-current assets	282,875	158,588	359,055	228,652

(*) Basically refers to prepaid expenses on: (i) Vehicle Tax (“IPVA”), in the consolidated amount of R\$24,903 in the Individual and R\$32,923 in the Consolidated, paid at the beginning of the year for fleet cars in use and monthly paid according to car purchases during the year, which are amortized within the year between the months of payment and December 2019, or when the sale is made; (ii) prepaid expenses in the rental of license to use softwares, in the amount of R\$7,160 in the Individual and Consolidated.

(**) Expenses incurred on claims, cost of stolen cars and receivables from the insurance company for insurance coverage contracted by customers when renting cars from the Company (note 2.7.5 to the financial statements for the year ended December 31, 2018).

8. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

(a) Information on subsidiaries

Car rental, fleet rental and franchising activities in Brazil and abroad are conducted by Localiza or its subsidiaries, whose main operations are as follows:

- **Localiza Fleet S.A. (“Localiza Fleet”)**: Publicly-held company engaged in fleet rental business (note 25).
- **Rental Brasil Administração e Participação S.A. (“Rental Brasil”)**: Privately-held company mainly engaged in acquiring, selling and renting own properties to 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, Car Rental Systems and Localiza RP.

- **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 engaged in managing Localiza’s franchises in Argentina. It is currently dormant.
- **Rental International LLC (“Rental International”):** Company’s wholly-owned subsidiary established to conduct financial activities abroad. It is currently dormant.
- **FR Assistance Serviços de Administração de Sinistros S.A. (“FR Assistance”):** Wholly-owned subsidiary of Franchising Brasil, currently dormant.
- **Car Rental Systems S.A. (“Car Rental Systems”):** Subsidiary of Localiza Fleet, mainly engaged in car rental and fleet rental.
- **Localiza RP Aluguel de Carros Ltda. (“Localiza RP”):** Limited liability company subsidiary of Car Rental Systems, engaged in car rental.

At the Extraordinary General Meeting of Car Rental System held on March 15, 2019 it was decided to change the name of Localiza Car Rental Systems S.A. to Car Rental Systems S.A..

(a) Business combination

At a meeting held on July 10, 2019, the Company's Board of Directors approved the acquisition of the car rental operation by Localiza or a subsidiary, after the spin-off of the Localiza brand franchisee company based in Ribeirão Preto, with operations in 3 other cities in the countryside of São Paulo State. The Purchase and Sale Agreement was entered into on August 31, 2019, by Car Rental Systems when the acquisition of 100% of Localiza RP's quotas was concluded. This franchise had 6 car rental locations and a fleet of 2,715 cars.

In the consolidated financial statements, the acquisition of Localiza RP was accounted for at the fair value of the assets acquired and liabilities assumed by Car Rental Systems on the acquisition date, and the excess over the consideration paid is recorded as goodwill, which may be deductible in the event of an incorporation.

The goodwill on the acquisition of Localiza RP is supported by the strategic character of maintaining its strong presence in the car rental business in the countryside of the state of São Paulo. In addition, the acquisition also enabled the Company to achieve business synergy through operational efficiencies (sales structure, administrative costs and car purchase). These effects result in the Localiza Platform having higher margins in the coming years.

Transaction costs incurred on acquisition are recognized in the income statement when incurred.

(i) Net assets and liabilities assumed in the operation

The acquisition price for 100% of the equity interest in Localiza RP was R\$123,736. This amount is comprised of a portion of R\$44,916, which was paid on September 2, 2019, and in three successive installments, the last installment due on December 1st, 2019. The outstanding amount is recorded under “Other current liabilities” (note 14).

Assets and liabilities acquired, initially measured by Management, are stated below at fair value and are being reviewed by a specialized company to definitively record net assets. Upon completion of the technical studies, any increases or decreases in the provisional amounts recognized for an identifiable asset or liability assumed through increase or decrease in goodwill for expected future profitability shall be attested. Provisional net assets are as follows:

Localiza RP			
Fair value at 08/31/19			
Assets		Liabilities	
Current	1	Current	47,087
Non-current		Non-current	-
Property and equipment	105,832	Equity	58,746
Total	105,833	Total	105,833

Localiza RP		Fair value at 08/31/19
Consideration to be transferred		123,736
Recognized net fair value of identifiable assets and liabilities		(58,746)
Preliminary goodwill identified on acquisition		64,990

(ii) Impact of acquisition on consolidated results

The Company is still analyzing the impact on profit or loss attributable to the additional business generated by Localiza RP, had this business combination taken effect on January 1st, 2019.

(b) Information on subsidiaries

Investments in subsidiaries are broken down as follows:

	09/30/19	12/31/18
Investments in subsidiaries	1,095,827	903,037
Goodwill in the acquisition of investments	22,077	22,077
Total	1,117,904	925,114

Variations in the balance of investments in direct subsidiaries are as follows:

	9M19	9M18	3Q19	3Q18
Balance at the beginning of the period	903,037	927,092	1,015,873	948,967
Equity in the earnings of subsidiaries	224,610	195,161	79,954	66,057
Dividends from subsidiaries	(31,820)	(106,516)	-	-
Effect from the first-time adoption of IFRS 9 in subsidiaries	-	(713)	-	-
Balance at the end of the period	1,095,827	1,015,024	1,095,827	1,015,024

The interests in capital, equity and net income / (loss) of direct and indirect subsidiaries are as follows:

	Number of shares		In capital (%)	
	09/30/19	12/31/18	09/30/19	12/31/18
<u>Localiza subsidiaries:</u>				
Localiza Fleet	103,280,354	103,280,354	100.0	100.0
Rental Brasil	15,000,000	15,000,000	100.0	100.0
Localiza Prime	15,000	15,000	100.0	100.0
Car Assistance	200,000	200,000	100.0	100.0
Franchising Brasil	399,069	399,069	100.0	100.0
LFI S.R.L.	131,078	131,078	98.0	98.0
Rental International	1,000	1,000	100.0	100.0
<u>Indirect subsidiary:</u>				
LFI S.R.L.	2,160	2,160	2.0	2.0
<u>Franchising Brasil's subsidiary:</u>				
FR Assistance	150,000	150,000	100.0	100.0
<u>Localiza Fleet's subsidiary:</u>				
Car Rental Systems	603,876,785	603,876,785	100.0	100.0
<u>Car Rental Systems' subsidiary:</u>				

	Number of shares		In capital (%)	
	09/30/19	12/31/18	09/30/19	12/31/18
Localiza RP	59,277,789	-	100.0	-

The summary of financial information of the main groups of balance sheet and statement of income of subsidiaries of Localiza is as follows:

(i) Balance sheets

09/30/19	Localiza Fleet Consolidated (*)	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Assets							
Current	734,472	244,609	128,812	24,670	11,571	328	14
Non-current							
Long-term assets	95,523	-	18,100	-	7,847	-	-
Investment	4	-	-	-	-	-	-
Property and equipment	2,832,839	396,938	270	-	3,029	-	-
Intangible assets	77,870	-	-	-	94	-	-
Total	3,740,708	641,547	147,182	24,670	22,541	328	14
Liabilities							
Current	711,370	26,504	16,504	1,203	5,068	99	-
Non-current	2,357,863	350,651	8,721	3	11,803	10	-
Equity	671,475	264,392	121,957	23,464	5,670	219	14
Total	3,740,708	641,547	147,182	24,670	22,541	328	14

(*) As of September 1st 2019, Localiza Fleet's subsidiary Car Rental Systems started to consolidate Localiza RP.

12/31/18	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Assets							
Current	835,045	218,359	101,231	20,485	15,531	824	16
Non-current							
Long-term assets	94,161	-	21,879	-	8,344	-	-
Investment	17	-	-	-	-	-	-
Property and equipment	2,168,052	398,172	302	-	-	-	-
Intangible assets	14,063	-	-	-	225	-	-
Total	3,111,338	616,531	123,412	20,485	24,100	824	16
Liabilities							
Current	589,182	12,686	18,938	6,008	7,106	94	-
Non-current	1,995,842	345,813	7,728	4	10,236	15	-
Equity	526,314	258,032	96,746	14,473	6,758	715	16
Total	3,111,338	616,531	123,412	20,485	24,100	824	16

(ii) Statements of income

9M19	Localiza Fleet Consolidated (*)	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	1,258,893	28,959	51,000	26,904	9,695	18	-
Gross profit	419,654	28,295	51,000	26,260	6,328	(200)	-
Net income / (loss) before income tax and social contribution	223,984	19,923	37,972	26,815	6,315	(496)	(2)
Net income / (loss)	149,783	13,171	25,211	23,224	5,066	(496)	(2)

(*) As of September 1st 2019, Localiza Fleet's subsidiary Car Rental Systems started to consolidate Localiza RP.

9M18	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
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Net revenue	1,189,890	26,848	29,053	17,667	10,551	424	-
Gross profit	370,125	26,107	29,053	17,309	7,393	447	-
Net income / (loss)							
before income tax and social contribution	258,476	6,424	(3,014)	17,946	8,247	48	-
Net income / (loss)	171,020	4,252	(2,313)	15,500	6,657	48	-

3Q19	Localiza Fleet Consolidated (*)	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	442,652	9,685	20,926	7,286	2,610	(5)	-
Gross profit	153,189	9,463	20,926	7,074	1,351	(113)	-
Net income / (loss)							
before income tax and social contribution	77,226	6,339	19,827	7,225	1,008	(190)	-
Net income / (loss)	52,637	4,191	13,153	6,347	828	(190)	-

(*) As of September 1st 2019, Localiza Fleet's subsidiary Car Rental Systems started to consolidate Localiza RP.

3Q18	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	366,824	8,975	12,259	5,780	3,435	76	-
Gross profit	129,010	8,724	12,259	5,625	2,120	86	-
Net income / (loss)							
before income tax and social contribution	89,927	(1,951)	1,170	5,731	2,333	(162)	-
Net income / (loss)	59,844	(1,288)	801	5,038	1,823	(162)	-

(iii) Dividends from subsidiaries

9M19	Localiza Fleet	Rental Brasil	Car Assistance	Franchising Brasil	Total
Dividends for 2018 (mandatory minimum)	-	2,269	4,744	2,051	9,064
Dividends in addition to the mandatory minimum for 2018	4,622	6,811	14,233	6,154	31,820
Total approved dividends	4,622	9,080	18,977	8,205	40,884
9M18	Localiza Fleet	Rental Brasil	Car Assistance	Franchising Brasil	Total
Dividends for 2017 (mandatory minimum)	30,000	2,145	5,474	2,193	39,812
Dividends in addition to the mandatory minimum for 2017	32,079	6,435	16,422	6,580	61,516
Prepaid dividends for 2018	45,000	-	-	-	45,000
Total approved dividends	107,079	8,580	21,896	8,773	146,328

(c) Balances and transactions with related parties

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

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	09/30/19	12/31/18	09/30/19	12/31/18	09/30/19	12/31/18
Balances:						
Trade receivables	5,753	5,598	-	-	5,753	5,598
Dividends receivable	-	-	-	9,064	-	9,064
Other receivables (note 7)	-	-	128	183	128	183
Trade payables	(1,931)	(3,021)	(32,978)	(4,399)	(34,909)	(7,420)
Other payables (note 14)	(4,078)	(3,510)	(2,829)	(3,473)	(6,907)	(6,983)

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	9M19	9M18	9M19	9M18	9M19	9M18
Transactions:						
Costs and expenses	(22,728)	(11,429)	(29,140)	(28,392)	(51,868)	(39,821)
Recoverable costs and expenses	13,295	28,237	2,803	2,959	16,098	31,196
Revenues	20,120	15,298	4	10	20,124	15,308

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Transactions:						
Costs and expenses	(7,930)	(2,627)	(15,044)	(6,444)	(22,974)	(9,071)
Recoverable costs and expenses	3,595	10,020	816	1,005	4,411	11,025
Revenues	6,326	5,341	-	3	6,326	5,344

As of September 30, 2019, there were collateral guarantees for borrowings and debt securities amounting to: (i) R\$4,667,651 issued by Localiza Fleet to Localiza (R\$4,507,865 as of December 31, 2018); (ii) R\$2,171,925 issued by Localiza to Localiza Fleet (R\$1,995,996 as of December 31, 2018); and (iii) R\$375,607 issued by Localiza to Rental Brasil (R\$358,997 as of December 31, 2018). There were also collateral between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$121,402 (R\$86,327 as of December 31, 2018)

At a meeting of the Company's Board of Directors held on February 21, 2019, the setting up of a consortium between Localiza and Localiza Fleet was approved, the purpose of which is to develop a common activity for the sale of decommissioned cars owned by the parties to renew their respective fleets which includes, but is not limited to, the synergy of using the same physical structure, sharing of know-how and qualifying utilities. The consortium agreement was signed between the parties on May 8, 2019.

Transactions between related parties are made under conditions negotiated between the Company and its wholly-owned subsidiaries.

Additionally, the Company has guarantees insurances with J Malucelli Seguradora, Austral Seguradora, Chubb Seguros and Pottencial Seguradora, the latter being a company in which Salim Mattar and Eugênio Mattar, founding partners of Localiza, jointly hold 43.75% of the capital. In transactions with Pottencial Seguradora, made under normal market conditions, the amount of the accumulated premium paid through 9M19 was R\$481 (R\$298 in 9M18) related to guarantees insurances in the current insured amount of R\$121,402 as of September 30, 2019 (R\$83,375 as of December 31, 2018).

(ii) Key management compensation

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Compensation of the Board of Directors and Fiscal Council	8,545	11,774	8,545	11,774
Executive Board				
Fees and compensation	23,640	15,230	26,643	21,705
Payroll taxes	3,682	3,983	4,149	5,590
Stock options granted recognized	5,700	5,854	5,700	5,854
Supplementary pension plan	637	2,607	734	3,426
Total	42,204	39,448	45,771	48,349

	Individual		Consolidated	
	3Q19	3Q18	3Q19	3Q18
Compensation of the Board of Directors and Fiscal Council	2,847	4,218	2,847	4,218
Executive Board				
Fees and compensation	8,716	4,444	9,190	6,227
Payroll taxes	1,454	1,108	1,541	1,548
Stock options granted recognized	2,043	2,152	2,043	2,152
Supplementary pension plan	282	127	293	187
Total	15,342	12,049	15,914	14,332

The other information on investments in subsidiaries and related-party transactions has not significantly changed in relation to that disclosed in note 8 to the financial statements for the year ended December 31, 2018.

9. PROPERTY AND EQUIPMENT

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

	Individual								
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use – properties and areas	Total
Cost									
As of December 31, 2018	7,422,844	115,396	87,720	47,986	9,816	681	1,913	-	7,712,956
First-time adoption of IFRS 16	-	-	-	-	-	-	-	837,305	837,305
Additions	6,053,491	932	4,581	4,899	15,276	-	-	87,173	6,168,265
Write-offs/transfers (*)	(3,838,752)	12,207	(627)	(823)	(12,402)	-	-	(3,882)	(3,844,279)
As of September 30, 2019	9,637,583	128,535	91,674	52,062	12,690	681	1,913	920,596	10,874,247
Accumulated depreciation:									
As of December 31, 2018	(109,327)	(65,012)	(31,246)	(26,766)	-	-	(1,129)	-	(247,596)
Additions	(220,222)	(9,636)	(5,870)	(5,012)	-	-	(64)	(100,092)	(342,637)
Write-offs/transfers (*)	114,098	-	138	219	-	-	-	916	115,371
As of September 30, 2019	(215,451)	(74,648)	(36,978)	(31,559)	-	-	(1,193)	(99,176)	(474,862)
Net carrying amount									
As of December 31, 2018	7,313,517	50,384	56,474	21,220	9,816	681	784	-	7,465,360
As of September 30, 2019	9,422,132	53,887	54,696	20,503	12,690	681	720	821,420	10,399,385

	Individual								
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
Cost									
As of December 31, 2017	5,295,132	108,347	82,034	38,807	4,802	681	1,913	23,520	5,555,236
Additions	3,657,627	-	3,708	5,919	8,873	-	-	1,910	3,678,037
Write-offs/transfers (*)	(2,537,645)	6,188	-	(191)	(6,187)	-	-	-	(2,537,835)
As of September 30, 2018	6,415,114	114,535	85,742	44,535	7,488	681	1,913	25,430	6,695,438
Accumulated depreciation:									
As of December 31, 2017	(87,898)	(52,675)	(23,699)	(21,211)	-	-	(1,041)	(11,978)	(198,502)
Additions	(86,645)	(9,120)	(5,619)	(4,163)	-	-	(66)	(1,584)	(107,197)
Write-offs/transfers (*)	76,740	-	-	191	-	-	-	-	76,931
As of September 30, 2018	(97,803)	(61,795)	(29,318)	(25,183)	-	-	(1,107)	(13,562)	(228,768)
Net carrying amount									
As of December 31, 2017	5,207,234	55,672	58,335	17,596	4,802	681	872	11,542	5,356,734
As of September 30, 2018	6,317,311	52,740	56,424	19,352	7,488	681	806	11,868	6,466,670

	Consolidated									
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use – properties and areas	Other	Total
Cost										
As of December 31, 2018	9,910,476	115,396	87,722	48,316	13,474	29,342	369,935	-	27,024	10,601,685
First-time adoption of IFRS 16	-	-	-	-	-	-	-	598,533	-	598,533
Opening balance Localiza RP	105,832	-	-	-	-	-	-	-	-	105,832
Additions	7,150,260	932	4,581	4,899	15,276	-	-	80,546	1,913	7,258,407
Write-offs/transfers (*)	(4,429,260)	15,865	(627)	(823)	(16,060)	-	-	(3,882)	-	(4,434,787)
As of September 30, 2019	12,737,308	132,193	91,676	52,392	12,690	29,342	369,935	675,197	28,937	14,129,670
Accumulated depreciation:										
As of December 31, 2018	(428,921)	(65,012)	(31,248)	(27,082)	-	-	(3,298)	-	(14,238)	(569,799)
Additions	(380,235)	(9,773)	(5,870)	(5,022)	-	-	(1,161)	(91,305)	(1,768)	(495,134)
Write-offs/transfers (*)	214,162	-	138	219	-	-	-	916	-	215,435
As of September 30, 2019	(594,994)	(74,785)	(36,980)	(31,885)	-	-	(4,459)	(90,389)	(16,006)	(849,498)
Net carrying amount										
As of December 31, 2018	9,481,555	50,384	56,474	21,234	13,474	29,342	366,637	-	12,786	10,031,886
As of September 30, 2019	12,142,314	57,408	54,696	20,507	12,690	29,342	365,476	584,808	12,931	13,280,172

	Consolidated								
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
Cost									
As of December 31, 2017	7,328,454	110,305	82,237	40,525	4,802	29,342	369,935	24,699	7,990,299
Additions	4,536,922	-	3,708	5,919	12,351	-	-	1,910	4,560,810
Write-offs/transfers (*)	(3,127,724)	6,177	-	(191)	(6,187)	-	-	-	(3,127,925)
As of September 30, 2018	8,737,652	116,482	85,945	46,253	10,966	29,342	369,935	26,609	9,423,184
Accumulated depreciation:									
As of December 31, 2017	(393,683)	(53,169)	(23,725)	(21,861)	-	-	(1,747)	(12,140)	(506,325)
Additions	(201,304)	(9,413)	(5,634)	(4,378)	-	-	(1,163)	(1,660)	(223,552)
Write-offs/transfers (*)	198,291	-	-	191	-	-	-	-	198,482
As of September 30, 2018	(396,696)	(62,582)	(29,359)	(26,048)	-	-	(2,910)	(13,800)	(531,395)
Net carrying amount									
As of December 31, 2017	6,934,771	57,136	58,512	18,664	4,802	29,342	368,188	12,559	7,483,974
As of September 30, 2018	8,340,956	53,900	56,586	20,205	10,966	29,342	367,025	12,809	8,891,789

(*) Include write-offs due to car sale, robbery, damage and transfer of decommissioned cars for fleet renewal to assets for sale.

(a) Lease

The net carrying amounts of the property and equipment, by asset category, acquired through lease agreements as of September 30, 2019 and December 31, 2018 are as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Cars	-	-	248,360	362,054
Hardware	94	449	94	449
Right-of-use	821,420	-	584,808	-
Total property and equipment	821,514	449	833,262	362,503

The rights-of-use are depreciated during the term of the lease and consider the expectation of renewal, when Management intends to exercise this right, in accordance with the terms of the contracts.

(b) Decommissioned cars for fleet renewal

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

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Cost	16,640	18,182	104,086	63,167
Accumulated depreciation:	(638)	(731)	(18,536)	(11,323)
Net carrying amount	16,002	17,451	85,550	51,844

The other information on property and equipment (Individual and Consolidated) has not significantly changed when compared with that disclosed in note 9 to the financial statements for the year ended December 31, 2018.

10. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Software	38,373	42,122	42,705	47,768
Goodwill	-	-	30,719	30,719
Preliminary goodwill identified on Localiza RP acquisition (note 8(a))	-	-	64,990	-
Total	38,373	42,122	138,414	78,487

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

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Cost				
At the beginning of the period	104,545	96,961	148,798	139,865
Additions	5,439	4,661	70,620	5,493
At the end of the period	109,984	101,622	219,418	145,358
Accumulated amortization				
At the beginning of the period	(62,423)	(50,581)	(70,311)	(56,430)
Additions	(9,188)	(8,842)	(10,693)	(10,357)
At the end of the period	(71,611)	(59,423)	(81,004)	(66,787)
Net carrying amount				
At the beginning of the period	42,122	46,380	78,487	83,435
At the end of the period	38,373	42,199	138,414	78,571

The other information on intangible assets (Individual and Consolidated) has not significantly changed in relation to that disclosed in note 10 to the financial statements for the year ended December 31, 2018.

11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Car manufacturers (*)	1,877,430	1,805,192	2,198,802	2,065,628
Maintenance services and parts	18,724	25,821	28,352	46,120
Rentals	46,915	20,036	13,938	15,643
Other	48,330	67,375	64,130	75,174
Total	1,991,399	1,918,424	2,305,222	2,202,565

(*) The balance payable to car manufacturers refer to cars acquired with average payment term of approximately 87 days (98 days as of December 31, 2018).

12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Accrued vacation pay	43,468	38,784	51,096	47,363
Accrued profit sharing (*)	45,636	56,544	53,537	68,958
Accrued 13 th salary (**)	24,767	-	28,702	-
Social security contribution ("INSS")	8,191	7,770	8,929	9,158
Government Severance Indemnity Fund for Employees ("FGTS")	3,334	2,689	3,941	3,287
Other	5,036	4,947	5,840	6,202
Total	130,432	110,734	152,045	134,968

(*) The Company has a profit sharing program for employees as prescribed in Law 10101/00 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, which determine the maximum amount payable, in addition to the individual performance of each employee, which is mainly measured based on objective, measurable indicators and goals deriving from the management agreement and the annual budget approved by the Board of Directors. Localiza pays profit sharing in April and July. The consideration for the provision for profit sharing is classified as "cost", "selling expenses" and "general and administrative expenses" in the statement of income, based on the function exercised by the respective employees.

(**) Accrued 13th salary accumulated during the year, which is usually paid by the Company in every November.

13. BORROWINGS, DEBT SECURITIES AND SWAP

Borrowings, debt securities and swap are broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
In local currency				
Debentures - 7 th issuance	-	279,125	-	279,125
Debentures - 8 th issuance	-	509,521	-	509,521
Debentures - 10 th issuance	-	205,717	-	205,717
Debentures - 11 th issuance	508,281	499,148	508,281	499,148
Debentures - 12 th issuance	713,846	701,715	713,846	701,715
Debentures - 13 th issuance	1,103,300	1,084,630	1,103,300	1,084,630
Debentures - 14 th issuance	997,115	1,013,773	997,115	1,013,773
Debentures - 15 th issuance	1,024,018	-	1,024,018	-
Debentures of Localiza Fleet - 3 rd issuance	-	-	513,193	504,800
Debentures of Localiza Fleet - 4 th issuance	-	-	360,573	354,762
Debentures of Localiza Fleet - 5 th issuance	-	-	302,841	307,189
Debentures of Localiza Fleet - 6 th issuance	-	-	405,536	398,379
Debentures of Localiza Fleet - 7 th issuance	-	-	302,489	-
Promissory notes - 6 th issuance	-	706,144	-	706,144

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Promissory notes - 7 th issuance	499,378	-	499,378	-
Working capital	-	-	250,314	274,182
Lease	-	-	27,927	147,130
Certificates of Real Estate Receivables ("CRI")	-	-	365,737	348,568
In foreign currency				
Borrowing in US dollar (*)	333,807	311,195	333,807	311,195
	5,179,745	5,310,968	7,708,355	7,645,978
Borrowings and debt securities				
Current liabilities	77,258	372,883	296,674	616,587
Non-current liabilities	5,102,487	4,938,085	7,411,681	7,029,391
	5,179,745	5,310,968	7,708,355	7,645,978
Derivative instruments – swap (a)				
Non-current assets (note 7)	(27,965)	(2,785)	(27,965)	(2,785)
Current liabilities (note 14)	54	-	20,540	18,678
Non-current liabilities (note 14)	-	-	48,085	21,933
Total borrowings and debt securities, net of swap	5,151,834	5,308,183	7,749,015	7,683,804

(*) As a strategy to manage foreign exchange rate risk, the Company, simultaneously and mandatorily, contracted plain vanilla swap transactions under identical conditions of amount, term and rate, exchanging the exposure from foreign exchange variation for CDI variation. Contracted swap transactions are solely for hedge purposes. See item (a) (ii) below.

Pursuant to CVM Instruction 476/09, on April 23, 2019, Localiza settled the 15th issuance of debentures in the amount of R\$1,000,000 in a single series maturing on April 15, 2026. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$5,295. The proceeds raised were used for the full early redemption of the debentures of the 7th, 8th and 10th issuances of Localiza and for cash reinforcement.

On May 20, 2019, the Company redeemed in advance the 6th issuance of promissory notes, in the amount of R\$725,254.

Pursuant to CVM Instruction 476/09, on July 29, 2019, Localiza Fleet settled the 7th issuance of debentures in the amount of R\$300,000 in a single series maturing on July 16, 2025. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$876.

Pursuant to CVM Instruction 476/09, on September 24, 2019, Localiza performed the 7th issue of promissory notes, at the amount of R\$500,000 for a 731-day term, maturing on September 24, 2021. Expenses incurred with the issuance, including fees, commissions and other costs, totaled R\$1,073 and are classified under the respective borrowing heading and are allocated over the total debt period.

Changes in borrowings and debt securities, net of swap, are as follows:

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Balance at the beginning of the period	5,308,183	4,765,329	7,683,804	6,478,631
Opening balance Localiza RP	-	-	45,864	-
Funding	1,493,632	1,294,569	1,804,706	2,035,732
Interest and finance charges	257,984	250,179	423,328	378,990
Repayment of principal	(1,625,000)	(777,688)	(1,723,845)	(1,202,525)
Interest amortization	(282,965)	(179,035)	(484,842)	(270,497)
Balance at the end of the period	5,151,834	5,353,354	7,749,015	7,420,331

As of September 30, 2019, Localiza had five issuances of outstanding debentures, not convertible into shares, and one issuance of promissory note and Localiza Fleet had five issuances of debentures, not convertible into shares. These issuances have early maturity events, including, without limitation: (i) filing for or adjudication of bankruptcy by the Issuer or third parties that is not duly eliminated within the legal term; (ii) matters related to the default, with lack of payment within the established term, in individual or aggregate amount equal to or above 3% of the consolidated average equity calculated in the past three quarters; (iii) capital decrease of Localiza and/or repurchase of its own shares for cancellation, other than if previously authorized by debenture holders; (iv) Localiza's merger or spin-off,

except if, as set forth in article 231 of Law 6404/76, the spun-off portion or the company resulting from the transaction continues to be controlled by the Issuer, or the object of the spin-off represents less than 30% of the last annual consolidated revenue; (v) failure to maintain financial ratios on a quarterly basis, based on the Company's consolidated financial statements; and (vi) the Company's rating downgrading, as follows:

Issue	Rating downgrading in national scale (*)
11 th to 13 th issuance of debentures	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch Ratings (**).
14 th issuance of debentures	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Standard & Poor's (**).
15 th issuance of debentures	Downgraded by two grades or more in relation to the rating AAA (BR, triple A), rating which shall be granted for this Issue, pursuant to item "(p)" of Clause 5.1 of the Issue Deed (**).
3 th to 7 th issuance of debentures from Localiza Fleet	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch Ratings (**).
7 th issuance of promissory notes	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch Ratings (**).

(*) Corporate credit ratings in national scale effective as of September 30, 2019: Standard & Poor's (AAA(bra)/stable), Moody's (Aa1.br/stable) and Fitch Ratings (AAA(bra)/stable).

(**) Due to any change in the shareholding structure that results in loss, transfer or disposal of the "Controlling power" of the Issuer by the current controlling shareholders

The financial covenants were met in the 12-month periods ended September 30, 2019 and December 31, 2018 as shown below:

Ratio	Limits	12-Month period ended 09/30/19	12-Month period ended 12/31/18
Net debt / Adjusted EBITDA (*)	Below 4.00	2.75	3.26
Net debt deducted from credit card balance (**) / Adjusted EBITDA	Below 4.00	2.60	3.03
Adjusted EBITDA / Finance costs, net	Above 1.50	5.05	4.34

(*) EBITDA corresponds to the Issuer's net income 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 issuances, EBITDA is also adjusted by the costs on stock options, nonrecurring expenses and impairment.

(**) The 14th and 15th issuance of debentures from Localiza and the 5th, 6th and 7th issuance of debentures from Localiza Fleet included in the definition of net debt the discount of the trade receivables of credit card balance.

Additionally, the Company has borrowings that also include certain accelerated maturity events under conditions similar to those applicable to debt securities. As of September 30, 2019, these restrictive covenants were met.

(a) Derivative instruments – Swap

The breakdown of swap balance, presented in line items "other current assets and other non-current assets" (note 7) or "other current liabilities and other non-current liabilities" (note 14), is as follows:

	Consolidated	
	09/30/19	12/31/18
Swap pre-fixed (i)	(68,571)	(40,611)
Swap dollar (ii)	27,911	2,785
Total liabilities, net	(40,660)	(37,826)

(i) **CDI vs Fixed rate**

Mostly fleet rental contracts vary from 24 to 36 months and, in general, 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 has entered 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 this swap transaction, as well as its respective notional and carrying amounts as of September 30, 2019, are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference <i>Notional</i>	Value of curve			Market value (carrying amount)			Variation
		Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
		%CDI									
Institution A	October 2019 to July 2022	109.6%	8.20%	650,000	689,719	700,277	(10,558)	693,847	720,474	(26,627)	(16,069)
Institution B	April 2020 to July 2021	110.0%	8.18%	225,000	236,963	240,051	(3,088)	238,098	246,928	(8,830)	(5,742)
Institution C	October 2019 to July 2021	108.7%	7.91%	395,000	422,646	429,856	(7,210)	424,794	440,112	(15,318)	(8,108)
Institution D	January 2020 to July 2021	110.2%	8.34%	320,000	337,158	341,389	(4,231)	339,497	356,878	(17,381)	(13,150)
Institution E	April 2022	110.0%	6.97%	20,000	20,329	20,340	(11)	20,612	21,027	(415)	(404)
					1,706,815	1,731,913	(25,098)	1,716,848	1,785,419	(68,571)	(43,473)

(ii) **Dollar vs Reais**

On September 30, 2019, the Company had a plain vanilla swap transaction in force with the sole purpose of hedging the borrowing contracted in foreign currency from exchange variation, such transaction was contracted with a major financial institution. The specific characteristics of this swap transaction, as well as its respective notional and carrying amounts, are as follows:

Range of maturity dates	Index		Amount of reference <i>Notional</i> (thousand US dollar)	Value of curve			Market value (carrying amount)			Variation
	Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
05/22/23	USD Libor + 0.47%	108.0% of CDI	80,000	333,807	301,979	31,828	333,921	306,010	27,911	3,917

Other information related to borrowings, debt securities and swap (Individual and Consolidated) did not undergo significant changes compared to the information disclosed in note 13 to the financial statements as of December 31, 2018.

14. OTHER CURRENT AND NON-CURRENT LIABILITIES

The breakdown of the balance of other current and non-current liabilities is as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Balances stated separately in current liabilities:				
Revenue to be appropriated (*)	13,745	11,163	17,000	15,283
Payables to related parties (note 8 (c) (i))	6,907	6,983	-	-
Federal taxes withheld from third parties	5,067	9,752	8,196	12,103
Municipal taxes payable	3,172	3,022	4,243	3,828
Derivative instruments – swap (note 13)	54	-	20,540	18,678
Lease liability due to right-of-use (note 3.1)	118,737	-	106,156	-
	<u>147,682</u>	<u>30,920</u>	<u>156,135</u>	<u>49,892</u>
Other current liabilities:				
Advances from car rental and decommissioned sale customers	109,532	133,249	110,649	134,580
Insurance premiums for transfer (**)	124,985	101,828	127,106	102,792
Amount payable for the acquisition of Localiza RP	-	-	78,819	-
Other	11,514	8,389	18,505	14,291
	<u>246,031</u>	<u>243,466</u>	<u>335,079</u>	<u>251,663</u>
Total other current liabilities	<u>393,713</u>	<u>274,386</u>	<u>491,214</u>	<u>301,555</u>
Balances stated separately in non-current liabilities:				
Revenue to be appropriated (*)	3,163	3,992	8,879	10,940
Derivative instruments – swap (note 13)	-	-	48,085	21,933
Restricted obligations (***)	-	-	45,039	43,101
Lease liability due to right-of-use (note 3.1)	718,930	-	489,051	-
Other	8,861	6,947	8,900	7,053
	<u>730,954</u>	<u>10,939</u>	<u>599,954</u>	<u>83,027</u>
Total other non-current liabilities	<u>730,954</u>	<u>10,939</u>	<u>599,954</u>	<u>83,027</u>
Total other current and non-current liabilities	<u>1,124,667</u>	<u>285,325</u>	<u>1,091,168</u>	<u>384,582</u>

(*) Refers to the franchising integration fee, premium resulting from a commercial agreement with supplier 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 2.7.5 to the financial statements as of December 31, 2018).

(***) The restricted obligations refer to the amounts retained from the purchase price owed to Car Rental Systems' sellers, which shall be made available to them after compliance with specific provisions under the share purchase agreement. Restricted obligations are guaranteed by financial investments made by the Company, with restricted use, and shall be made available for withdrawal on August 31, 2020, and 2023 (note 7).

15. PROVISIONS AND ESCROW DEPOSITS

(a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Tax (*)	84,990	55,600	108,625	72,616
Social security	10,223	9,235	12,323	11,141
Labor	28,489	26,519	40,493	38,804
Civil	23,669	18,183	31,403	26,237
Total	<u>147,371</u>	<u>109,537</u>	<u>192,844</u>	<u>148,798</u>

(*) Localiza and Localiza Fleet filed for injunction claiming their right to appropriate PIS and COFINS credits from depreciation of their rental vehicles, based on the justification inserted in Article 3, VI, and Article 15 of Law 10833/03, at the fraction of 1/48 per month instead of the general rule of 1/60 per month. Since April 2017, based on favorable outcome, Localiza and Localiza Fleet begun to appropriate credits on a 1/48th basis per month and recognize the difference between said bases until new decisions about the discussion are issued.

(b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Tax	40,658	38,207	70,365	66,794
Social security	1,389	1,364	1,389	1,364
Labor	17,298	15,141	24,970	20,659
Civil	8,593	6,266	9,861	7,455
Total	67,938	60,978	106,585	96,272

The other information on provisions and escrow deposits (Individual and Consolidated) has not significantly changed in relation to that disclosed in note 15 to the financial statements for the year ended December 31, 2018.

16. 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 as of September 30, 2019 and December 31, 2018 is as follows:

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Temporary differences in the deductibility of provisions:				
Provision for risks and other provisions	49,312	36,461	63,120	48,563
Allowance for doubtful debts/ expected losses and other allowances	43,173	39,858	46,804	42,392
Provision of payment of services in progress and others, profit sharing, loyalty program and others	34,196	33,572	41,873	42,723
Swap transaction with payment on a cash basis	1,619	2,440	24,933	16,247
Income tax and social contribution tax loss carry forwards (*)	9,367	13,775	36,972	47,944
Total deferred income tax and social contribution assets	137,667	126,106	213,702	197,869
Car depreciation (**)	312,224	266,022	397,112	322,397
Leasing in the purchase of property and equipment (***)	248	377	110,905	123,797
Other	-	-	10,159	6,798
Total deferred income tax and social contribution liabilities	312,472	266,399	518,176	452,992
Total deferred income tax and social contribution, net	174,805	140,293	304,474	255,123
Non-current assets	-	-	(34,763)	(42,153)
Non-current liabilities	174,805	140,293	339,237	297,276

(*) Refers to deferred income tax and social contribution of Localiza, Localiza Prime and Car Rental Systems in the amounts of R\$9,367, R\$12,133 and R\$15,472, respectively, as a result of income tax and social contribution losses (R\$13,775 of Localiza, R\$15,781 of Localiza Prime, R\$17,470 of Car Rental Systems and R\$918 of Rental Brasil as of December 31, 2018).

(**) Refers to the temporary difference in the calculation of depreciation, introduced by the adoption of IFRS. 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 12973/14. The difference as of December 31, 2014, in conformity with chapter IV, articles 64, 66 and 67 of Law 12973/14, is accounted for in asset-related sub-accounts, being added to the extent of their realization beginning January 1, 2015.

(***) Refers to the temporary difference arising from the deduction of leasing 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.

As of September 30, 2019, the Company and its subsidiaries have recognized a balance, as tax credit on tax loss carryforwards of R\$9,367 in the Individual and R\$36,972 in the Consolidated (R\$13,775 and R\$47,944, respectively, as of December 31, 2018). Based on expected future taxable income generation determined in a technical study approved by Management, this tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable income.

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 income 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 tax credits recovering:

	Individual	Consolidated
2019	37,106	51,272
2020	43,720	68,905
2021	16,642	38,350
2022	2,350	6,401
2023	23,160	30,689
2024 to 2027	14,689	18,085
Total deferred income tax and social contribution assets	137,667	213,702

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

The reconciliation between the statutory and effective rates for the periods ended September 30, 2019 and 2018 is as follows:

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Net income (loss) before taxes	681,578	552,904	780,133	645,867
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(231,737)	(187,987)	(265,245)	(219,595)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	76,367	66,355	-	-
Effect of deduction of interest on capital	74,550	44,053	74,550	44,053
Income tax and social contribution due by subsidiaries (deemed income)	-	-	7,578	4,870
Other, net	4,821	2,439	8,563	2,569
Expense at effective rate	(75,999)	(75,140)	(174,554)	(168,103)
Current income tax and social contribution	(41,487)	(23,983)	(125,203)	(97,629)
Deferred income tax and social contribution	(34,512)	(51,157)	(49,351)	(70,474)

	Individual		Consolidated	
	3Q19	3Q18	3Q19	3Q18
Net income (loss) before taxes	228,139	185,652	262,607	216,645
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(77,567)	(63,122)	(89,286)	(73,659)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	27,184	22,460	-	-
Effect of deduction of interest on capital	25,366	15,162	25,366	15,162
Income tax and social contribution due by subsidiaries (deemed income)	-	-	2,896	1,538
Other, net	1,590	(300)	3,129	166
Expense at effective rate	(23,427)	(25,800)	(57,895)	(56,793)
Current income tax and social contribution	(5,147)	(7,883)	(34,187)	(30,566)
Deferred income tax and social contribution	(18,280)	(17,917)	(23,708)	(26,277)

17. EQUITY

(a) Capital

As of September 30, 2019, the Company's capital was R\$3,321,600¹, comprised of 722,349,210 common shares (R\$1,500,000 as of September 30, 2018 comprised of 667,149,210 common shares). The ownership of capital and the related reconciliation of the number of outstanding shares are as follows:

	Management (not reviewed)				
	Founding partners	Board of Directors, and Audit and Statutory Board	Treasury shares	Outstanding shares (not reviewed)	Number of shares – ON
Amount as of December 31, 2018	155,539,657	641,971	5,164,144	505,803,438	667,149,210
Primary public distribution of shares	-	-	-	55,200,000	55,200,000
Election (removal)	-	(317,899)	-	317,899	-
Acquisition (sale) of shares, net	(1,551,753)	(598,941)	-	2,150,694	-
Exercise of stock options with treasury shares	1,458,344	619,902	(2,330,473)	252,227	-
Sale of treasury shares	30,170	22,328	(72,022)	19,524	-
Renting of shares	(993,500)	-	-	993,500	-
Amount as of September 30, 2019	154,482,918	367,361	2,761,649	564,737,282	722,349,210

	Management (not reviewed)				
	Founding partners	Board of Directors and Audit and Statutory Board	Treasury shares	Outstanding shares (not reviewed)	Number of shares – ON
Amount as of December 31, 2017	157,505,935	957,569	6,752,346	501,933,360	667,149,210
Election (removal)	-	(531,633)	-	531,633	-
Acquisition (sale) of shares, net	-	(149,745)	-	149,745	-
Exercise of stock options with treasury shares	477,645	355,654	(1,368,415)	535,116	-
Sale of treasury shares	38,077	36,630	(116,908)	42,201	-
Renting of shares	(5,454,106)	-	-	5,454,106	-
Amount as of September 30, 2018	152,567,551	668,475	5,267,023	508,646,161	667,149,210

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 277,650,790 registered common shares can be issued.

At a meeting of the Company's Board of Directors held on January 18, 2019, the Company approved the initial public offering of 46,000,000 registered common shares, with no par value, free and clear of any liens or encumbrances, issued by the Company ("Shares"), with restricted placement efforts, pursuant to CVM Instruction 476, of January 16, 2009, as amended ("CVM Instruction 476" and "Offer", respectively).

At the Company's discretion, the number of Shares initially offered was in common agreement with the Offering Coordinators, plus 20% of the total Shares initially tendered, that is, 9,200,000 common shares issued by the Company under the same conditions and at the same price as the Shares initially tendered, which were intended to meet the excess demand found at the time the Price per Share (as defined below) ("Additional Shares") was set.

At a meeting of the Company's Board of Directors held on January 31, 2019, the Company's capital increase was approved with the issuance of 55,200,000 new shares of the Company of R\$33.00, resulting in a capital increase of R\$1,821,600.

¹ At Statement of Changes in Equity, the amount of the Capital is presented net of the expenses with issuance of shares net of tax effects, in the amount of R\$43,111, totaling R\$3,278,489.

The Offer consisted of the primary public distribution of 55,200,000 new common shares issued by the Company, considering the Additional Shares, with restricted placement efforts in the Federative Republic of Brazil ("Brazil"), in the non-organized over-the-counter market, pursuant to the "Agreement of Coordination, Distribution and Firm Guarantee of Settlement of Common Shares Issued by Localiza Rent a Car S.A." entered into between the Company and the Offering Coordinators (as defined below) ("Placement Agreement"), of Law 6385, dated December 7, 1976, as amended and in accordance with the procedures of CVM Instruction 476, of the ANBIMA Code of Regulation and Best Practices for the Public Offering for Distribution and Acquisition of Securities currently in force ("ANBIMA Code") and other applicable legal provisions, including B3 S.A. – Brasil, Bolsa, Balcão ("B3") and Circular Letter 087/2014-DP, issued by B3 on November 28, 2014.

Simultaneously, in the scope of the Offer, efforts were also made to place the Shares abroad: (i) in the United States of America ("the United States"), exclusively for qualified institutional buyers, resident and domiciled in the United States, as defined in Rule 144A of the Securities Act of 1933, published by the U.S. Securities and Exchange Commission ("SEC"), as amended ("Securities Act"), in transactions exempt from registration in the United States in accordance with the Securities Act and regulations issued under the Securities Act; and (ii) in other countries, except the United States and Brazil, for investors who are deemed to be nonresident or domiciled in the United States or not incorporated under the laws of that country (non U.S. persons), in accordance with the procedures set forth in Regulation S ("Regulation S"), published by the SEC under the Securities Act, and invest in accordance with the applicable legislation in the country of domicile of each investor (the investors belonging to items (i) and (ii) above being "Foreign Investors" together) and in both cases provided that such Foreign Investors are registered with the CVM and invest in Brazil in accordance with the investment mechanisms regulated by the applicable Brazilian legislation, especially by the Central Bank of Brazil, the National Monetary Council (CMN) and the Brazilian Securities and Exchange Commission (CVM), without the need to request and obtain registration of distribution and placement of the Shares in an agency or regulatory body of the capital market of another country, including before the SEC. The efforts to place the Shares with Foreign Investors, exclusively abroad, were carried out in accordance with the Placement Facilitation Agreement between the Company and the International Placement Agents ("International Placement Agreement").

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 had 3,156,958 ADRs issued in the United States as of September 30, 2019 and 14,433,339 as of December 31, 2018 (not reviewed by the auditors). Each ADR corresponds to 1 (one) Company's share.

(b) Interest on capital and dividends

The Company declared interest on capital to shareholders on a quarterly basis. The Board of Directors' meetings approved the payment of interest on capital as follows:

9M19				
Approval date	Total amount approved	Amount per share (in R\$)	Shareholding position date	Payment date
03/21/19	69,156	0.09641	03/26/19	05/20/19
06/18/19	75,503	0.10498	06/24/19	08/16/19
09/04/19	74.607	0.10368	09/09/19	11/08/19
Total	219,266			

9M18				
Approval date	Total amount approved	Amount per share (in R\$)	Shareholding position date	Payment date
03/22/18	41,981	0.06356	03/28/18	05/16/18
06/21/18	42,992	0.06496	06/28/18	08/16/18
09/21/18	44,596	0.06738	09/27/18	11/16/18
Total	129,569			

The Annual General Meeting held on April 29, 2019 approved the distribution of mandatory supplementary minimum dividend of R\$643, and additional dividends of R\$6,580, totaling R\$7,223.

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

	Consolidated	
	09/30/19	12/31/18
Mandatory supplementary minimum dividend	-	643
Proposed interest on capital in net income for the period	74,607	49,343
Provision for withholding income tax on interest on capital	(9,247)	(7,343)
Total dividends and interest on capital payable	65,360	42,643

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

As of September 30, 2019, capital reserve, options granted and treasury shares are broken down as follows:

	Stock options granted recognized	Goodwill on share subscription	Treasury shares	Total
Balance as of December 31, 2018	61,250	103,981	(40,257)	124,974
Stock options granted recognized	7,918	-	-	7,918
Treasury shares sold	-	2,000	607	2,607
Exercise of stock options with treasury shares	-	7,595	16,564	24,159
Balance as of September 30, 2019	69,168	113,576	(23,086)	159,658

(i) Options exercised in 9M19

In 9M19, 2,330,473 stock options related to the Stock Options Programs were exercised, calculated at fair value in the amount of R\$10,170. 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 of September 30, 2019, was 2,761,649 (5,267,023 as of September 30, 2018), with fair value of R\$125,545 (quotation of R\$45.46 per share as of June 30, 2019).

At a meeting held on June 18, 2019, the Board of Directors authorized the Company to purchase up to 50,000,000 shares under the 11th Share Repurchase Program. This transaction has a maximum term of 365 days, from July 23, 2019 to July 22, 2020, and aims at maximizing the value generated for shareholders or settle stock options within the scope of long-term incentive plans of the Company.

(d) Statutory reserve

The Annual General Meeting held on April 29, 2019 approved the constitution of a statutory reserve of R\$440,113 related to the remaining balance of profit for 2018 and R\$15,911 related to the effect of the initial adoption of IFRS 9 - Financial Instruments recorded against retained earnings, totaling the net amount of R\$424,202.

Other information on equity has not significantly changed in relation to that disclosed in note 17 to the financial statements for the year ended December 31, 2018.

18. EARNINGS PER SHARE

The methods used to calculate basic and diluted earnings per share are the same as those disclosed in note 18 to the financial statements for the year ended December 31, 2018.

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 period of the statement of income:

	Individual and Consolidated		Individual and Consolidated	
	9M19	9M18	3Q19	3Q18
Net income for the period	605,579	477,764	204,712	159,852
Basic earnings per share:				
Weighted average number of outstanding common shares (units)	711,097,538	661,150,302	719,585,420	661,878,403
Basic earnings per share (R\$)	0.85161	0.72263	0.28449	0.24151
Diluted earnings per share:				
Weighted average number of outstanding common shares (units)	711,097,538	661,150,302	719,585,420	661,878,403
Dilutive effect of stock options (units)	3,940,613	1,731,411	4,811,454	1,319,617
Total shares subject to dilution (units)	715,038,151	662,881,713	724,396,874	663,198,020
Diluted earnings per share (R\$)	0.84692	0.72074	0.28260	0.24103

19. 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 results of operations 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 three 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 captions of the financial statements for the year ended December 31, 2018.

- **Car rental:** This division is responsible for car rentals in branches located inside and outside airports and for insurance stipulation and management of car claims for insurance companies. Rentals are carried out by legal entities and individuals, and in some cases through distribution channels. Given the need to renew the fleet, Localiza sells its cars after 12 months of use. In order to reduce intermediation costs on the sale of decommissioned cars, approximately 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.
- **Fleet rental:** This division is responsible for fleet rental to legal entities, through the subsidiaries Localiza Fleet and Car Rental Systems, for long periods, usually 24 to 36 months. This division's fleet is acquired after signature of agreements according to the clients' 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.
- **Franchising:** This 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 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.

(a) Operating division financial reporting

(i) Consolidated assets and liabilities by operating division

09/30/19	Car rental	Fleet rental	Franchising	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets						
Cash and cash equivalents	-	-	-	1,767,934	-	1,767,934
Short-term investments	-	-	-	360,520	-	360,520
Trade receivables	929,666	161,001	5,242	-	(53,199)	1,042,710
Decommissioned cars for fleet renewal	17,242	68,308	-	-	-	85,550
Property and equipment	10,485,839	2,758,628	3,029	386,209	(*) (353,533)	13,280,172
Other assets	441,009	246,369	6,335	-	(54,896)	638,817
Total assets	11,873,756	3,234,306	14,606	2,514,663	(461,628)	17,175,703
Liabilities						
Trade payables	1,991,973	366,377	333	-	(53,461)	2,305,222
Borrowings and debt securities	-	-	-	7,708,355	-	7,708,355
Other liabilities	1,720,005	553,629	16,647	-	(415,563)	1,874,718
Total liabilities	3,711,978	920,006	16,980	7,708,355	(469,024)	11,888,295
Equity	-	-	-	5,287,408	-	5,287,408
Total liabilities and equity	3,711,978	920,006	16,980	12,995,763	(469,024)	17,175,703
12/31/2018	Car rental	Fleet rental	Franchising	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets						
Cash and cash equivalents	-	-	-	2,175,302	-	2,175,302
Short-term investments	-	-	-	267,484	-	267,484
Trade receivables	882,485	143,024	7,783	-	(12,958)	1,020,334
Decommissioned cars for fleet renewal	19,505	32,339	-	-	-	51,844
Property and equipment	7,476,866	2,168,791	-	387,411	(*) (1,182)	10,031,886
Other assets	324,672	133,477	6,027	-	(18,612)	445,564
Total assets	8,703,528	2,477,631	13,810	2,830,197	(32,752)	13,992,414
Liabilities						
Trade payables	1,920,250	296,807	599	-	(15,091)	2,202,565
Borrowings and debt securities	-	-	-	7,645,978	-	7,645,978
Other liabilities	741,101	307,895	16,852	-	(16,479)	1,049,369
Total liabilities	2,661,351	604,702	17,451	7,645,978	(31,570)	10,897,912
Equity	-	-	-	3,094,502	-	3,094,502
Total liabilities and equity	2,661,351	604,702	17,451	10,740,480	(31,570)	13,992,414

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

(ii) Consolidated statements of income per operating division

9M19	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Net revenue	6,230,142	1,254,216	15,812	-	7,500,170
Cost	(4,872,819)	(827,693)	(6,601)	(4,708)	(5,711,821)
Gross profit	1,357,323	426,523	9,211	(4,708)	1,788,349
Operating expenses:					
Selling expenses	(474,538)	(51,834)	(255)	2,161	(524,466)
General, administrative and other expenses	(153,800)	(34,953)	(341)	2,547	(186,547)
Profit (loss) before finance costs, net	728,985	339,736	8,615	-	1,077,336
Finance costs, net					(297,203)
Profit before income tax and social contribution					780,133
Income tax and social contribution					(174,554)
Profit for the period					605,579
9M18	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Net revenue	4,537,867	1,085,466	12,731	-	5,636,064
Costs	(3,425,469)	(699,079)	(7,130)	(5,077)	(4,136,755)

9M18	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Gross profit	1,112,398	386,387	5,601	(5,077)	1,499,309
Operating expenses:					
Selling expenses	(395,830)	(48,360)	84	2,607	(441,499)
General, administrative and other expenses	(126,989)	(25,697)	(353)	2,470	(150,569)
Profit (loss) before finance costs, net	589,579	312,330	5,332	-	907,241
Finance costs, net					(261,374)
Profit before income tax and social contribution					645,867
Income tax and social contribution					(168,103)
Profit for the period					477,764
3Q19	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Net revenue	2,229,005	437,425	4,746	-	2,671,176
Cost	(1,768,291)	(283,618)	(1,875)	(1,836)	(2,055,620)
Gross profit	460,714	153,807	2,871	(1,836)	615,556
Operating expenses:					
Selling expenses	(171,912)	(19,315)	(34)	910	(190,351)
General, administrative and other expenses	(55,546)	(13,711)	(129)	926	(68,460)
Profit (loss) before finance costs, net	233,256	120,781	2,708	-	356,745
Finance costs, net					(94,138)
Profit before income tax and social contribution					262,607
Income tax and social contribution					(57,895)
Profit for the period					204,712
3Q18	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Net revenue	1,707,518	361,384	4,203	-	2,073,105
Costs	(1,335,452)	(228,017)	(2,748)	(1,772)	(1,567,989)
Gross profit	372,066	133,367	1,455	(1,772)	505,116
Operating expenses:					
Selling expenses	(139,752)	(15,210)	(13)	908	(154,067)
General, administrative and other expenses	(42,794)	(8,669)	(112)	864	(50,711)
Profit (loss) before finance costs, net	189,520	109,488	1,330	-	300,338
Finance costs, net					(83,693)
Profit before income tax and social contribution					216,645
Income tax and social contribution					(56,793)
Profit for the period					159,852

(iii) Consolidated depreciation and amortization expenses per operating division

	Consolidated		Consolidated	
	9M19	9M18	3Q19	3Q18
Car rental				
Car depreciation	221,842	89,023	94,361	42,225
Depreciation of other property and equipment and amortization of intangible assets (*)	114,949	27,181	39,568	9,524
Fleet rental				
Car depreciation	158,393	112,281	50,837	42,339
Depreciation of other property and equipment and amortization of intangible assets (*)	8,954	5,011	3,046	1,606
Franchising				
Depreciation of other property and equipment and amortization of intangible assets (*)	1,689	413	512	139
Total	505,827	233,909	188,324	95,833

(*) Increase refers to the depreciation of the right of use due to the adoption of IFRS 16 as of January 1, 2019.

20. NET REVENUE

The reconciliation between gross revenue and net revenue in the statement of income for the periods is as follows:

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Gross revenue	6,225,189	4,457,721	7,580,725	5,704,932
Deductions:				
Discounts	(4,427)	(4,670)	(18,873)	(20,341)
Taxes (*)	(36,682)	(36,120)	(61,682)	(48,527)
Net revenue	6,184,080	4,416,931	7,500,170	5,636,064
	Individual		Consolidated	
	3Q19	3Q18	3Q19	3Q18
Gross revenue	2,224,894	1,707,015	2,696,992	2,097,102
Deductions:				
Discounts	(1,732)	(1,345)	(6,172)	(5,972)
Taxes (*)	(10,554)	(12,673)	(19,644)	(18,025)
Net revenue	2,212,608	1,692,997	2,671,176	2,073,105

(*) Refers to: Refers to: (i) Service Tax (Tax on Services of Any Nature - "ISSQN") and (ii) the taxes on revenue (Social Integration Program - "PIS" and Social Security Financing Contribution - "COFINS"), net of credits generated.

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

	Individual					
	Car rental		Franchising		Total	
	9M19	9M18	9M19	9M18	9M19	9M18
Geographic markets						
Revenue in Brazil	6,156,210	4,395,313	-	-	6,156,210	4,395,313
Exports revenue (*)	21,771	19,862	-	-	21,771	19,862
Royalties abroad	-	-	6,099	1,756	6,099	1,756
Net revenue	6,177,981	4,415,175	6,099	1,756	6,184,080	4,416,931
Main products						
Car rental	2,307,855	1,790,748	-	-	2,307,855	1,790,748
Franchising	-	-	6,099	1,756	6,099	1,756
Car sold for fleet renewal	3,870,126	2,624,427	-	-	3,870,126	2,624,427
Net revenue	6,177,981	4,415,175	6,099	1,756	6,184,080	4,416,931
	Individual					
	Car rental		Franchising		Total	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Geographic markets						
Revenue in Brazil	2,204,485	1,687,109	-	-	2,204,485	1,687,109
Exports revenue (*)	5,982	5,196	-	-	5,982	5,196
Royalties abroad	-	-	2,141	692	2,141	692
Net revenue	2,210,467	1,692,305	2,141	692	2,212,608	1,692,997
Main products						
Car rental	826,050	636,796	-	-	826,050	636,796
Franchising	-	-	2,141	692	2,141	692
Car sold for fleet renewal	1,384,417	1,055,509	-	-	1,384,417	1,055,509
Net revenue	2,210,467	1,692,305	2,141	692	2,212,608	1,692,997

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

	Consolidated							
	Car rental		Fleet rental		Franchising		Total	
	9M19	9M18	9M19	9M18	9M19	9M18	9M19	9M18
Geographic markets								
Revenue in Brazil	6,208,371	4,518,005	1,254,216	1,085,466	9,713	10,975	7,472,300	5,614,446
Exports revenue (*)	21,771	19,862	-	-	-	-	21,771	19,862
Royalties abroad	-	-	-	-	6,099	1,756	6,099	1,756
Net revenue	6,230,142	4,537,867	1,254,216	1,085,466	15,812	12,731	7,500,170	5,636,064
Main products								
Car rental	2,314,481	1,793,687	-	-	-	-	2,314,481	1,793,687
Fleet rental	-	-	747,490	624,251	-	-	747,490	624,251
Franchising	-	-	-	-	15,812	12,731	15,812	12,731
Car sold for fleet renewal	3,915,661	2,744,180	506,726	461,215	-	-	4,422,387	3,205,395
Net revenue	6,230,142	4,537,867	1,254,216	1,085,466	15,812	12,731	7,500,170	5,636,064

	Consolidated							
	Car rental		Fleet rental		Franchising		Total	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Geographic markets								
Revenue in Brazil	2,223,023	1,702,322	437,425	361,384	2,605	3,511	2,663,053	2,067,217
Exports revenue (*)	5,982	5,196	-	-	-	-	5,982	5,196
Royalties abroad	-	-	-	-	2,141	692	2,141	692
Net revenue	2,229,005	1,707,518	437,425	361,384	4,746	4,203	2,671,176	2,073,105
Main products								
Car rental	826,732	637,376	-	-	-	-	826,732	637,376
Fleet rental	-	-	262,038	217,371	-	-	262,038	217,371
Franchising	-	-	-	-	4,746	4,203	4,746	4,203
Car sold for fleet renewal	1,402,273	1,070,142	175,387	144,013	-	-	1,577,660	1,214,155
Net revenue	2,229,005	1,707,518	437,425	361,384	4,746	4,203	2,671,176	2,073,105

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

As of September 30, 2019 and 2018, the Company had a network of franchisees in five South American countries, in addition to Brazil, and its revenues derived substantially from its operations in the Brazilian market.

21. NATURE OF OPERATING COSTS AND EXPENSES

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

	Individual					
	Cost		Selling, general, administrative and other expenses		Total	
	9M19	9M18	9M19	9M18	9M19	9M18
Cost of cars sold	(3,551,803)	(2,325,779)	-	-	(3,551,803)	(2,325,779)
Car maintenance, IPVA and others	(515,000)	(400,242)	-	-	(515,000)	(400,242)
Car depreciation	(220,222)	(86,645)	-	-	(220,222)	(86,645)
Salaries, payroll taxes and benefits	(239,002)	(212,757)	(214,910)	(169,987)	(453,912)	(382,744)
Property leasing (*)	(45,251)	(114,250)	(2,304)	(36,354)	(47,555)	(150,604)
Third-party services	(114,614)	(74,709)	(88,590)	(65,785)	(203,204)	(140,494)
Profit sharing	(33,464)	(33,296)	(31,142)	(30,118)	(64,606)	(63,414)
Depreciation and amortization of other property and equipment and intangible assets (*)	(84,583)	(16,607)	(47,020)	(12,787)	(131,603)	(29,394)
Water, electricity and telephone	(10,406)	(9,658)	(6,101)	(5,771)	(16,507)	(15,429)
Travel	(16,919)	(8,510)	(6,692)	(4,840)	(23,611)	(13,350)
Advertising	-	-	(51,094)	(36,849)	(51,094)	(36,849)
Commission	-	-	(58,849)	(48,609)	(58,849)	(48,609)
Allowance for doubtful debts and expected losses and write-off of uncollectible amounts	-	-	(55,952)	(61,403)	(55,952)	(61,403)
Other	(80,155)	(85,603)	(64,201)	(40,709)	(144,356)	(126,312)
Total	(4,911,419)	(3,368,056)	(626,855)	(513,212)	(5,538,274)	(3,881,268)

	Consolidated					
	Cost		Selling, general, administrative and other expenses		Total	
	9M19	9M18	9M19	9M18	9M19	9M18
Cost of cars sold	(3,987,679)	(2,815,201)	-	-	(3,987,679)	(2,815,201)
Car maintenance, IPVA and others	(674,279)	(542,325)	-	-	(674,279)	(542,325)
Car depreciation	(380,235)	(201,304)	-	-	(380,235)	(201,304)
Salaries, payroll taxes and benefits	(263,576)	(234,850)	(268,115)	(221,167)	(531,691)	(456,017)
Property leasing (*)	(48,050)	(97,031)	(2,520)	(36,612)	(50,570)	(133,643)
Third-party services	(142,644)	(88,374)	(96,023)	(71,695)	(238,667)	(160,069)
Profit sharing	(37,703)	(37,599)	(37,533)	(40,906)	(75,236)	(78,505)
Depreciation and amortization of other property and equipment and intangible assets (*)	(77,947)	(19,019)	(47,645)	(13,586)	(125,592)	(32,605)
Water, electricity and telephone	(10,547)	(9,780)	(6,675)	(6,153)	(17,222)	(15,933)
Travel	(17,452)	(8,820)	(7,805)	(6,126)	(25,257)	(14,946)
Advertising	-	-	(52,657)	(37,911)	(52,657)	(37,911)
Commission	-	-	(60,137)	(49,816)	(60,137)	(49,816)
Allowance for doubtful debts and expected losses and write-off of uncollectible amounts	-	-	(61,159)	(62,415)	(61,159)	(62,415)
Other	(71,709)	(82,452)	(70,744)	(45,681)	(142,453)	(128,133)
Total	(5,711,821)	(4,136,755)	(711,013)	(592,068)	(6,422,834)	(4,728,823)

(*) The variation between these natures occurred due to the adoption of IFRS 16 as of January 1, 2019 (note 3). Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 9M19, the Company recognized variable costs and expenses in the amount of R\$24,794 in the Individual and R\$25,607 in the Consolidated, referring to the lease contracts measured under IFRS 16. Additionally, rental costs and expenses in the amounts of R\$22,761 and R\$24,963 were recognized in the Individual and Consolidated, respectively, for contracts to which we did not apply IFRS 16.

	Individual					
	Selling, general, administrative and other expenses					
	Cost				Total	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Cost of cars sold	(1,264,186)	(963,297)	-	-	(1,264,186)	(963,297)
Car maintenance, IPVA and others	(184,876)	(141,339)	-	-	(184,876)	(141,339)
Car depreciation	(92,786)	(42,189)	-	-	(92,786)	(42,189)
Salaries, payroll taxes and benefits	(86,520)	(72,657)	(79,154)	(59,281)	(165,674)	(131,938)
Property leasing (*)	(15,513)	(39,547)	(613)	(12,780)	(16,126)	(52,327)
Third-party services	(50,234)	(30,935)	(35,366)	(23,192)	(85,600)	(54,127)
Profit sharing	(11,857)	(10,452)	(13,641)	(12,627)	(25,498)	(23,079)
Depreciation and amortization of other property and equipment and intangible assets (*)	(29,458)	(5,711)	(15,762)	(4,487)	(45,220)	(10,198)
Water, electricity and telephone	(3,676)	(3,397)	(1,933)	(1,897)	(5,609)	(5,294)
Travel	(6,403)	(2,883)	(2,994)	(2,356)	(9,397)	(5,239)
Advertising	-	-	(17,530)	(13,430)	(17,530)	(13,430)
Commission	-	-	(22,295)	(14,147)	(22,295)	(14,147)
Allowance for doubtful debts and expected losses and write-off of uncollectible amounts	-	-	(18,343)	(20,111)	(18,343)	(20,111)
Other	(38,257)	(33,298)	(19,451)	(13,177)	(57,708)	(46,475)
Total	(1,783,766)	(1,345,705)	(227,082)	(177,485)	(2,010,848)	(1,523,190)

	Consolidated					
	Selling, general, administrative and other expenses					
	Cost				Total	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Cost of cars sold	(1,412,651)	(1,092,265)	-	-	(1,412,651)	(1,092,265)
Car maintenance, IPVA and others	(243,432)	(182,905)	-	-	(243,432)	(182,905)
Car depreciation	(145,198)	(84,564)	-	-	(145,198)	(84,564)
Salaries, payroll taxes and benefits	(95,114)	(79,735)	(95,063)	(76,484)	(190,177)	(156,219)
Property leasing (*)	(16,376)	(33,892)	(682)	(12,870)	(17,058)	(46,762)
Third-party services	(60,173)	(36,601)	(38,601)	(25,360)	(98,774)	(61,961)
Profit sharing	(13,344)	(11,701)	(15,819)	(15,491)	(29,163)	(27,192)
Depreciation and amortization of other property and equipment and intangible assets (*)	(27,154)	(6,516)	(15,972)	(4,753)	(43,126)	(11,269)
Water, electricity and telephone	(3,742)	(3,446)	(2,238)	(2,037)	(5,980)	(5,483)
Travel	(6,635)	(3,000)	(3,540)	(2,738)	(10,175)	(5,738)
Advertising	-	-	(18,296)	(14,083)	(18,296)	(14,083)
Commission	-	-	(22,735)	(14,622)	(22,735)	(14,622)
Allowance for doubtful debts and expected losses and write-off of uncollectible amounts	-	-	(21,670)	(21,644)	(21,670)	(21,644)
Other	(31,801)	(33,364)	(24,195)	(14,696)	(55,996)	(48,060)
Total	(2,055,620)	(1,567,989)	(258,811)	(204,778)	(2,314,431)	(1,772,767)

(*) The variation between these natures occurred due to the adoption of IFRS 16 as of January 1, 2019 (note 3). Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 9M19, the Company recognized variable costs and expenses in the amount of R\$24,794 in the Individual and R\$25,607 in the Consolidated, referring to the lease contracts measured under IFRS 16. Additionally, rental costs and expenses in the amounts of R\$22,761 and R\$24,963 were recognized in the Individual and Consolidated, respectively, for contracts to which we did not apply IFRS 16.

22. FINANCIAL INCOME (EXPENSES)

Financial income (expenses) recognized in the statement of income are as follows:

	Individual		Consolidated	
	9M19	9M18	9M19	9M18
Interest income on financial assets	96,117	61,733	136,318	102,937
PIS/COFINS on finance income	(6,442)	(3,726)	(8,393)	(5,780)
Other interest income	44,626	20,293	48,895	26,247
Total financial income	134,301	78,300	176,820	123,404
Interest expenses on borrowings, debt securities and swap	(257,984)	(250,179)	(423,328)	(378,990)
Interest expenses on lease (note 3) (*)	(51,341)	-	(34,978)	-
Other interest expenses	(13,814)	(6,041)	(15,717)	(5,788)
Total financial expenses	(323,139)	(256,220)	(474,023)	(384,778)
Total financial income (expenses)	(188,838)	(177,920)	(297,203)	(261,374)

	Individual		Consolidated	
	3Q19	3Q18	3Q19	3Q18
Interest income on financial assets	20,935	14,407	34,516	28,742
PIS/COFINS on finance income	(2,385)	(1,043)	(3,064)	(1,769)
Other interest income	31,169	8,734	32,533	10,695
Total financial income	49,719	22,098	63,985	37,668
Interest expenses on borrowings, debt securities and swap	(78,636)	(70,744)	(138,083)	(121,066)
Interest expenses on lease (note 3) (*)	(18,319)	-	(12,804)	-
Other interest expenses	(6,339)	(1,566)	(7,236)	(295)
Total financial expenses	(103,294)	(72,310)	(158,123)	(121,361)
Total financial income (expenses)	(53,575)	(50,212)	(94,138)	(83,693)

(*) The variation occurred due to the adoption of IFRS 16 as of January 1, 2019.

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Financial assets				
<u>Amortized cost</u>				
Cash and cash equivalents (note 4)	139,912	755,251	199,347	922,045
Trade receivables (note 6)	887,600	871,112	1,042,710	1,020,334
Escrow deposits (note 15)	67,938	60,978	106,585	96,272
Receivables from insurance company (note 7)	176,652	120,907	178,434	122,108
Other receivables – subsidiaries (note 7)	128	183	-	-
Investments in restricted accounts (note 7)	-	-	45,039	43,101
<u>Financial assets at fair value through profit or loss</u>				
Cash and cash equivalents (note 4)	1,038,069	680,208	1,568,587	1,253,257
Short-term investments (note 5)	118,286	44,905	360,520	267,484
Derivative financial instruments – swap (note 13)	27,965	2,785	27,965	2,785
Financial liabilities				
<u>Amortized cost</u>				
Trade payables (note 11)	(1,991,399)	(1,918,424)	(2,305,222)	(2,202,565)
Borrowings and debt securities (note 13)	(5,179,745)	(5,310,968)	(7,708,355)	(7,645,978)
Insurance premiums for transfer (note 14)	(124,985)	(101,828)	(127,106)	(102,792)
Payables to related parties (note 14)	(6,907)	(6,983)	-	-
Restricted obligations (note 14)	-	-	(45,039)	(43,101)
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative financial instruments – swap (note 13)	(54)	-	(68,625)	(40,611)

Other information related to financial instruments and risk management did not undergo significant changes compared to the information disclosed in note 23 to the financial statements as of December 31, 2018.

(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 of September 30, 2019, the Company's net debt totaled R\$5,620,561. Of this total, R\$1,759,840, with fixed cost at an average rate of 8.21% per year, 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\$3,860,721 as of September 30, 2019.
- 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 4.79% against the effective annual rate of 6.27% in the nine-month period ended September 30, 2019.

Description	Consolidated		
	Probable scenario (*)	Scenario I – 25% deterioration	Scenario II – 50% deterioration
Net debt as of September 30, 2019	5,620,561	5,620,561	5,620,561
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate	(1,759,840)	(1,759,840)	(1,759,840)
Net debt subject to the CDI fluctuation	3,860,721	3,860,721	3,860,721
Effective average annual CDI rate for the nine-month period ended September 30, 2019	6.27%	6.27%	6.27%
Estimated average annual CDI rate, according to stress scenarios	4.79%	5.99%	7.19%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rates from January to September 2019	(242,067)	(242,067)	(242,067)
- according to scenarios	(184,929)	(231,257)	(277,586)
(Increase) decrease in finance expenses for the next twelve months	57,138	10,810	(35,519)

(*) Based on the average rate of 4.79%, which is the projected scenario for the next 12 months, as reasonably as possible, based on market information in the Focus Bulletin issued by the Central Bank of Brazil on September 30, 2019.

(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	
	09/30/19	12/31/18	09/30/19	12/31/18
Cash and cash equivalents:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,161,439	1,429,852	1,717,498	2,161,251
Cash and banks	16,542	5,607	50,436	14,051
Total cash and cash equivalents (note 4)	1,177,981	1,435,459	1,767,934	2,175,302
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	118,286	44,905	360,520	267,484
Total short-term investments (note 5)	118,286	44,905	360,520	267,484

	Individual		Consolidated	
	09/30/19	12/31/18	09/30/19	12/31/18
Trade receivables — customers	594,092	511,257	737,117	646,734
Trade receivables — credit card				
Aaa in the Moody's scale	107,412	220,889	108,292	234,134
Sundry	186,096	138,966	197,301	139,466
Total trade receivables (note 6)	887,600	871,112	1,042,710	1,020,334
Total	2,183,867	2,351,476	3,171,164	3,463,120

(iii) Liquidity risk

The analysis of the maturities of undiscounted consolidated contractual cash flows of borrowings, debt securities and swap, based on the interest rate contracted for each transaction and a CDI rate of 5.40% as of September 30, 2019, is as follows:

	Individual								
	2019	2020	2021	2022	2023	2024	2025	2026	Total
Debentures - 11 th issuance	10,244	29,634	29,628	500,935	-	-	-	-	570,441
Debentures - 12 th issuance	13,763	39,877	39,881	39,887	39,569	714,823	-	-	887,800
Debentures - 13 th issuance	19,458	63,270	63,340	475,820	450,541	115,342	108,888	-	1,296,659
Debentures - 14 th issuance	16,907	59,237	59,234	59,234	58,758	445,535	232,662	417,077	1,348,644
Debentures - 15 th issuance	16,835	57,006	56,981	56,979	56,521	57,664	537,090	508,340	1,347,416
Promissory Note - 7 th issuance	7,722	29,552	522,750	-	-	-	-	-	560,024
Borrowings in foreign currency/with swap	2,890	11,180	11,149	10,585	313,158	-	-	-	348,962
Total	87,819	289,756	782,963	1,143,440	918,547	1,333,364	878,640	925,417	6,359,946
	Consolidated								
	2019	2020	2021	2022	2023	2024	2025	2026 to 2032	Total
Debentures - 11 th issuance	10,244	29,634	29,628	500,935	-	-	-	-	570,441
Debentures - 12 th issuance	13,763	39,877	39,881	39,887	39,569	714,823	-	-	887,800
Debentures - 13 th issuance	19,458	63,270	63,340	475,820	450,541	115,342	108,888	-	1,296,659
Debentures - 14 th issuance	16,907	59,237	59,234	59,234	58,758	445,535	232,662	417,077	1,348,644
Debentures - 15 th issuance	16,835	57,006	56,981	56,979	56,521	57,664	537,090	508,340	1,347,416
Promissory Note - 7 th issuance	7,722	29,552	522,750	-	-	-	-	-	560,024
Debentures of Localiza Fleet - 3 rd issuance	9,796	28,419	28,421	28,424	509,663	-	-	-	604,723
Debentures of Localiza Fleet - 4 th issuance	5,160	19,672	19,649	19,649	19,492	365,066	-	-	448,688
Debentures of Localiza Fleet - 5 th issuance	5,156	17,863	17,861	17,861	17,717	18,077	309,688	-	404,223
Debentures of Localiza Fleet - 6 th issuance	6,506	23,465	23,467	23,472	23,285	403,242	-	-	503,437
Debentures of Localiza Fleet - 7 th issuance	5,981	17,378	17,376	17,376	114,842	109,378	103,389	-	385,720
Working capital	56,433	83,008	125,890	-	-	-	-	-	265,331
Lease	20,968	8,363	-	-	-	-	-	-	29,331
CRI	11,864	22,920	23,966	26,992	29,664	32,039	36,260	346,841	530,546

Borrowings in foreign currency/with swap	2,890	11,180	11,149	10,585	313,158	-	-	-	348,962
Total	209,683	510,844	1,039,593	1,277,214	1,633,210	2,261,166	1,327,977	1,272,258	9,531,945

As of September 30, 2019, the balance of cash and cash equivalents and short-term investments was R\$1,296,267 in the Individual and R\$2,128,454 in the Consolidated, demonstrating a comfortable profile of the Company's debt, compatible with the business cycle and with the macroeconomic environment.

The Company has property rental contracts for its car rental locations in airports, off-airports (downtown locations), new head office, stores and parking lots. The minimum amounts payable for the remainder of the leases contracted up to September 30, 2019 are as follows:

	Individual							
	2019	2020	2021	2022	2023	2024	2025	2026 onwards
Concessions in airports	10,415	39,384	28,575	25,987	23,698	20,218	16,477	41,849
Downtown locations, stores, head office and parking lots	35,731	141,546	133,665	120,903	109,917	96,775	92,979	811,761
Total	46,146	180,930	162,240	146,890	133,615	116,993	109,456	853,610
	Consolidated							
	2019	2020	2021	2022	2023	2024	2025	2026 onwards
Concessions in airports	10,851	40,951	28,966	26,285	23,968	20,461	16,731	42,097
Downtown locations, stores and parking lots	28,761	113,049	104,099	90,228	78,093	63,757	58,722	289,767
Total	39,612	154,000	133,065	116,513	102,061	84,218	75,453	331,864

(b) Capital management

The table below shows the Company's debt ratios as of September 30, 2019 and December 31, 2018:

	Consolidated	
	09/30/19	12/31/2018
Short and long-term debts, net of the swap transactions classified in current and non-current assets and liabilities (note 13)	7,749,015	7,683,804
Cash and cash equivalents (note 4)	(1,767,934)	(2,175,302)
Short-term investments (note 5)	(360,520)	(267,484)
Net debt	5,620,561	5,241,018
Equity	5,287,408	3,094,502
Debt ratio (net debt / equity)	1.06	1.69
Fleet value (*)	12,227,864	9,533,399
Net debt / fleet value	0.46	0.55

(*) 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 as of September 30, 2019 and December 31, 2018:

	Individual			
	Carrying amount		Fair value	
	09/30/19	12/31/18	09/30/19	12/31/18
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(5,179,745)	(5,310,968)	(4,975,297)	(5,224,529)

	Consolidated			
	Carrying amount		Fair value	
	09/30/19	12/31/18	09/30/19	12/31/18
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(7,708,355)	(7,645,978)	(7,349,730)	(7,400,632)

Other financial instruments, which are recognized in the interim individual and consolidated financial information, 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.

24. SUPPLEMENTARY PENSION PLAN

Since August 2011, the Company has offered a retirement benefit pension plan, through a supplementary pension plan, established as a “defined contribution” plan and managed by a major independent pension fund manager.

There are no actuarial and investment risks to be assumed by the Company as its sponsor; consequently, no actuarial valuation is required and there is no possibility of recognizing actuarial gains or losses. Under this plan's regulations, the cost is shared between the employer and the employees, where the Company matches the employee's contribution, which varies according to a contribution scale based on salary ranges of 1% to 5% of the employee's compensation.

In 9M19, contributions made by the Company totaled R\$1,849 in the Individual and R\$2,445 in the Consolidated (R\$3,770 in the Individual and R\$4,920 in the Consolidated in 9M18), which were allocated to line items “cost”, “selling expenses” and “general and administrative expenses” in the statement of income.

Other information on pension plan has not changed compared with that disclosed in note 25 to the financial statements for the year ended December 31, 2018.

25. EVENTS AFTER THE REPORTING PERIOD

Localiza Fleet Securities Issuer Registration

On October 10, 2019, the CVM granted the registration of securities issuer, category “B”, for the subsidiary Localiza Fleet. As of this date, Localiza Fleet is authorized to trade securities in regulated markets in Brazil as category “B” and is subject to compliance with the obligations of category “B” issuers set forth in CVM Instruction No. 480 of December 7, 2009, as amended and other applicable regulations.

Comments on the Performance of Business Projections

The Company did not disclose any projections for 2019.

Other Information Considered Relevant by the Company

SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the nine-month period ended September 30, 2019 and 2018 is as follows:

(In R\$ thousand)

9M19				9M18		
Calculation basis of consolidated social indicators						
Net revenue ("NR")	4.828.994				5,636,064	
Earnings before taxes ("EBT")	780,133				645,867	
Gross payroll ("GP")	330.426				454,000	
Internal social indicators	Amount	% on GP	% on NR	Amount	% on GP	% on NR
Meals	41,040	8%	1%	32,909	7%	1%
Compulsory payroll taxes	106,811	21%	1%	93,260	21%	2%
Health	32,656	6%	0%	35,544	7%	1%
Professional training and development	10,941	2%	0%	4,191	1%	0%
Daycare centers or childcare allowance	188	0%	0%	189	0%	0%
Profit sharing	75,236	14%	1%	78,505	17%	1%
Other	7,888	2%	0%	9,069	2%	0%
Total internal social indicators	274,760	53%	3%	250,667	55%	5%
External social indicators	Amount	% on EBT	% on NR	Amount	% on EBT	% on NR
Education	302	0%	0%	307	0%	0%
Culture	1,166	0%	0%	1,218	0%	0%
Other	302	0%	0%	307	0%	0%
Total contributions to society	1,770	0%	0%	1,832	0%	0%
Taxes (excluding payroll taxes) (*)	419,480	54%	6%	338,952	53%	6%
Total external social indicators	421,250	54%	6%	340,784	53%	6%
Staff indicators	09/30/19			06/30/18		
Number of employees at the end of the period	9,695			7,777		
Number of new hires during the period	1,404			742		
Number of third-party workers	477			431		
Number of interns	37			75		
Number of employees above 45 years old	1,017			910		
Number of female employees	4,316			3,345		
Percentage of lead positions held by female employees	49.35%			50.07%		
Number of disabled employees	384			348		

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

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of
Localiza Rent a Car S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Localiza Rent a Car S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2019, which comprises the balance sheet as of September 30, 2019 and the related statements of income and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Company's Management is responsible for the preparation of this 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 ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

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

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the nine-month period ended September 30, 2019, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for International Financial Reporting Standards - IFRS, which do not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not 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, October 23, 2019

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 consolidated and interim financial information for the six-month period ended September 30, 2019.

Belo Horizonte, October 22, 2019.

Eugênio Pacelli Mattar
CEO

Maurício Fernandes Teixeira
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 consolidated and interim financial information for the six-month period ended September 30, 2019.

Belo Horizonte, October 22, 2019.

Eugênio Pacelli Mattar
CEO

Maurício Fernandes Teixeira
CFO and Investor Relations Officer