

INTERIM FINANCIAL INFORMATION

03/31/20



Localiza's headquarters in Belo Horizonte, Minas Gerais, Brazil. Special lighting with a message of hope for the community.

 **Localiza**

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Company Information / Capital Structure

Number of Shares (Thousands)	Current Quarter 03/31/2020
Paid-In Capital	
Common Shares	758,467
Preferred Shares	0
Total	758,467
Treasury Shares	
Common Shares	8,014
Preferred Shares	0
Total	8,014

Company Information / Cash Proceeds

Event	Approval	Proceeds	Beginning of Payment	Type of Share	Class of Share	Earnings per Share (Brazilian Reais / Share)
Meeting of the Board of Directors	12/12/2019	Interest on Capital	02/14/2020	Common Shares		0.09499
Meeting of the Board of Directors	03/10/2020	Interest on Capital	01/05/2021	Common Shares		0.08901

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

Code	Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
1	Total Assets	17,271,712	16,202,890
1.01	Current Assets	3,959,484	3,277,819
1.01.01	Cash and Cash Equivalents	1,707,254	1,622,676
1.01.02	Financial Assets	1,055,406	267,018
1.01.02.01	Financial Assets at fair value through profit or loss	1,055,406	267,018
1.01.03	Accounts Receivable	635,687	1,095,724
1.01.06	Recoverable Taxes	24,908	29,721
1.01.07	Prepaid Expenses	117,682	10,530
1.01.08	Other Current Assets	418,547	252,150
1.01.08.01	Non-Current Assets Available for Sale	81,681	20,361
1.01.08.03	Other	336,866	231,789
1.01.08.03.01	Dividends Receivable	72,212	72,212
1.01.08.03.02	Derivative instruments	81,344	0
1.01.08.03.03	Other	183,310	159,577
1.02	Non-Current Assets	13,312,228	12,925,071
1.02.01	Long-Term Assets	319,134	93,345
1.02.01.10	Other Non-Current Assets	319,134	93,345
1.02.01.10.03	Escrow Deposits	75,045	75,064
1.02.01.10.04	Derivative instruments	244,006	18,198
1.02.01.10.05	Other	83	83
1.02.02	Investments	1,243,420	1,141,043
1.02.03	Property and Equipment	11,706,897	11,645,968
1.02.03.01	Property and Equipment in Use	10,807,186	10,760,966
1.02.03.02	Leased Right-of-use	876,955	864,202
1.02.03.02.01	Leased Property and Equipment	35	56
1.02.03.02.02	Right-of-use	876,920	864,146
1.02.03.03	Constructions in Progress	22,756	20,800
1.02.04	Intangible Assets	42,777	44,715
1.02.04.01	Intangible Assets	42,777	44,715
1.02.04.01.04	Software	42,777	44,715

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

Code	Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
2	Total Liabilities	17,271,712	16,202,890
2.01	Current Liabilities	3,259,601	3,033,744
2.01.01	Payroll and Related Taxes	187,361	139,365
2.01.02	Trade Payables	1,859,567	2,290,871
2.01.02.01	Domestic Suppliers	1,853,800	2,290,854
2.01.02.02	Foreign Suppliers	5,767	17
2.01.03	Taxes Payable	11,794	21,735
2.01.03.01	Federal Taxes Payable	8,993	17,295
2.01.03.01.01	Income Tax and Social Contribution Payable	6,787	12,024
2.01.03.01.02	Other Federal Taxes	2,206	5,271
2.01.03.03	Municipal Taxes Payable	2,801	4,440
2.01.04	Loans and Financing	709,735	33,269
2.01.04.01	Loans and Financing	650,110	30
2.01.04.01.02	In Foreign Currency	650,110	30
2.01.04.02	Debentures	59,625	33,239
2.01.05	Other Payables	491,144	548,504
2.01.05.01	Payables to Related Parties	8,814	16,804
2.01.05.02	Other	482,330	531,700
2.01.05.02.01	Dividends and Interest on Capital Payable	59,447	63,394
2.01.05.02.04	Other Current Liabilities	275,256	332,316
2.01.05.02.05	Derivative instruments	0	4,456
2.01.05.02.06	Unearned Revenue	2,958	3,213
2.01.05.02.07	Lease liability due to right-of-use	144,669	128,321
2.02	Non-Current Liabilities	8,582,694	7,721,614
2.02.01	Loans and Financing	7,411,443	6,595,798
2.02.01.01	Loans and Financing	2,146,855	1,332,425
2.02.01.01.01	In Local Currency	1,099,694	506,191
2.02.01.01.02	In Foreign Currency	1,047,161	826,234
2.02.01.02	Debentures	5,264,588	5,263,373
2.02.02	Other Payables	774,797	769,836
2.02.02.02	Other	774,797	769,836
2.02.02.02.03	Other Non-Current Liabilities	9,554	8,562
2.02.02.02.04	Lease liability due to right-of-use	765,243	761,274
2.02.03	Deferred Taxes	218,443	194,012
2.02.03.01	Deferred Income Tax and Social Contribution	218,443	194,012
2.02.04	Provisions	174,471	159,083
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	174,471	159,083
2.02.06	Unearned Profit and Revenue	3,540	2,885
2.02.06.02	Unearned Revenue	3,540	2,885
2.03	Equity	5,429,417	5,447,532
2.03.01	Paid-In Capital	3,956,889	3,956,889
2.03.01.01	Capital	4,000,000	4,000,000
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-43,111	-43,111

Individual Financial Statements / Balance Sheet – Liabilities

(In Thousands of Brazilian Reais)

Code	Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
2.03.02	Capital Reserves	-18,827	163,206
2.03.02.05	Treasury Shares	-206,984	-22,288
2.03.02.07	Share Issuance Premium and Stock Options Granted	188,157	185,494
2.03.04	Earnings Reserves	1,327,438	1,327,437
2.03.04.01	Legal Reserve	220,566	220,565
2.03.04.02	Statutory Reserve	1,106,872	1,106,872
2.03.05	Retained Earnings (Accumulated Losses)	163,917	0

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 03/31/2020	Prior Year 01/01/2019 to 03/31/2019
3.01	Revenue from Sales and/or Services	2,263,570	1,953,280
3.02	Cost of Sales and/or Services	-1,757,397	-1,519,193
3.03	Gross Profit	506,173	434,087
3.04	Operating Income (Expenses)	-169,924	-119,005
3.04.01	Selling Expenses	-202,980	-149,211
3.04.02	General and Administrative Expenses	-54,991	-37,187
3.04.05	Other Operating Expenses	-14,330	-8,559
3.04.06	Equity in the Earnings of Subsidiaries	102,377	75,952
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	336,249	315,082
3.06	Finance Income (Expenses)	-74,159	-76,979
3.06.01	Finance Income	25,085	38,549
3.06.02	Finance Expenses	-99,244	-115,528
3.07	Net Income Before Income Taxes	262,090	238,103
3.08	Income Tax and Social Contribution on Profit	-31,219	-27,323
3.08.01	Current	-6,788	-36,341
3.08.02	Deferred	-24,431	9,018
3.09	Net Income from Continuing Operations	230,871	210,780
3.11	Net Income for the Period	230,871	210,780
3.99	Earnings per Share (R\$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.30552	0.28726
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	0.30520	0.28616

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

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year 01/01/2020 to 03/31/2020	Year 01/01/2019 to 03/31/2019
4.01	Net Income for the Period	230,871	210,780
4.03	Comprehensive Income for the Period	230,871	210,780

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 03/31/2020	Prior Year 01/01/2019 to 03/31/2019
6.01	Net Cash Provided by Operating Activities	-759,815	-323,435
6.01.01	Cash Provided by Operations	1,748,879	1,600,280
6.01.01.01	Net Income for the Period	230,871	210,780
6.01.01.02	Depreciation and Amortization	158,613	106,056
6.01.01.03	Residual Value of Property and Equipment Written Off	1,318,630	1,239,716
6.01.01.04	Deferred Income Tax and Social Contribution	24,431	-9,018
6.01.01.05	Equity in the Earnings of Subsidiaries	-102,377	-75,952
6.01.01.06	Other	7,681	4,547
6.01.01.07	Provisions for contingencies	15,388	13,031
6.01.01.08	Interest on Loans, Financing, Debentures and Derivatives	68,074	94,702
6.01.01.09	Lease interest	22,299	18,203
6.01.01.10	Other provisions	5,269	-1,785
6.01.02	Changes in Assets and Liabilities	-1,659,886	-1,549,322
6.01.02.01	Trade Receivables	453,589	6,316
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-1,964,441	-1,448,852
6.01.02.03	Escrow Deposits	19	-1,182
6.01.02.04	Recoverable Taxes	4,813	5,554
6.01.02.05	Prepaid Expenses	-107,152	-68,485
6.01.02.06	Other Current and Non-Current Assets	-26,839	-16,670
6.01.02.07	Trade Payables (Except Car Manufacturers)	-7,182	-11,442
6.01.02.08	Payroll and Related Taxes	47,996	24,606
6.01.02.09	Income Tax and Social Contribution	6,788	36,341
6.01.02.11	Insurance Premiums	-13,322	-25,532
6.01.02.12	Other Current and Non-Current Liabilities	-54,155	-49,976
6.01.03	Other	-848,808	-374,393
6.01.03.01	Income Tax and Social Contribution Paid	-12,023	-18,003
6.01.03.02	Interest on Loans, Financing and Debt Paid	-37,883	-62,795
6.01.03.03	Short-term financial assets	-788,388	-286,398
6.01.03.04	Lease interest paid	-10,514	-7,197
6.02	Net Cash Provided by Investing Activities	-17,432	-6,610
6.02.03	Purchase of Other Property and Equipment	-15,836	-6,357
6.02.04	Purchase of Intangible Assets	-1,596	-253
6.03	Net Cash Provided by Financing Activities	861,825	1,677,136
6.03.01	Loans and Financing - Funding	1,150,312	0
6.03.06	Interest on Capital	-71,783	-49,343
6.03.07	Purchased Treasury Shares	-184,696	0
6.03.08	Exercise of Stock Options with Treasury Shares, Net	0	1,076
6.03.10	Lease Liability - Repayments	-32,008	-30,877
6.03.11	Capital increase – with subscription of shares	0	1,821,600
6.03.12	Expenses on the issuance of shares	0	-65,320
6.05	Increase (Decrease) in Cash and Cash Equivalents	84,578	1,347,091
6.05.01	Opening Balance of Cash and Cash Equivalents	1,622,676	1,435,459
6.05.02	Closing Balance of Cash and Cash Equivalents	1,707,254	2,782,550

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

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

Individual Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019**(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	3,671	0	-69,156	0	1,713,004
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	2,595	0	0	0	2,595
5.04.07	Interest on Capital	0	0	0	-69,156	0	-69,156
5.04.08	Exercise of Stock Options with Treasury Shares	0	1,076	0	0	0	1,076
5.05	Total Comprehensive Income	0	0	0	210,780	0	210,780
5.05.01	Net Income for the Period	0	0	0	210,780	0	210,780
5.07	Closing Balances	3,278,489	128,645	1,469,528	141,624	0	5,018,286

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 03/31/2020	Prior Year 01/01/2019 to 03/31/2019
7.01	Revenues	2,356,818	2,025,463
7.01.01	Sales of Goods, Products and Services	2,354,218	2,024,287
7.01.03	Revenues Related to the Construction of Own Assets	7,816	3,128
7.01.04	Allowance for/Reversal of Doubtful Debts	-5,216	-1,952
7.02	Inputs Acquired from Third Parties	-1,636,284	-1,435,124
7.02.01	Cost of Products, Goods and Services Sold	-1,503,394	-1,337,842
7.02.02	Materials, Power, Third-Party Services and Other	-132,890	-97,282
7.03	Gross Value Added	720,534	590,339
7.04	Retentions	-158,613	-106,056
7.04.01	Depreciation, Amortization and Depletion	-158,613	-106,056
7.05	Net Wealth Created	561,921	484,283
7.06	Wealth Received in Transfer	127,462	114,501
7.06.01	Equity in the Earnings of Subsidiaries	102,377	75,952
7.06.02	Finance Income	25,085	38,549
7.07	Total Wealth for Distribution	689,383	598,784
7.08	Wealth Distributed	689,383	598,784
7.08.01	Personnel	190,369	135,256
7.08.01.01	Salaries and Wages	147,612	102,533
7.08.01.02	Benefits	30,006	22,859
7.08.01.03	Severance Pay Fund (FGTS)	10,088	7,269
7.08.01.04	Other	2,663	2,595
7.08.02	Taxes, Fees and Contributions	139,433	116,749
7.08.02.01	Federal	79,883	71,015
7.08.02.02	State	52,105	39,507
7.08.02.03	Municipal	7,445	6,227
7.08.03	Lenders and Lessors	128,710	135,999
7.08.03.01	Interest	99,244	115,528
7.08.03.02	Rentals	23,129	14,742
7.08.03.03	Other	6,337	5,729
7.08.03.03.01	Other Rentals	6,337	5,729
7.08.04	Shareholders	230,871	210,780
7.08.04.01	Interest on Capital	66,954	69,156
7.08.04.03	Retained Earnings (Loss for the Period)	163,917	141,624

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

Code	Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
1	Total Assets	20,643,072	19,392,960
1.01	Current Assets	5,317,303	4,494,079
1.01.01	Cash and Cash Equivalents	2,626,356	2,220,102
1.01.02	Financial Assets	1,267,321	610,838
1.01.02.01	Financial Assets at fair value through profit or loss	1,267,321	610,838
1.01.03	Accounts Receivable	774,270	1,274,723
1.01.06	Recoverable Taxes	31,384	39,850
1.01.07	Prepaid Expenses	144,831	11,757
1.01.08	Other Current Assets	473,141	336,809
1.01.08.01	Non-Current Assets Available for Sale	170,645	141,735
1.01.08.03	Other	302,496	195,074
1.01.08.03.02	Derivative instruments	81,344	0
1.01.08.03.03	Other	221,152	195,074
1.02	Non-Current Assets	15,325,769	14,898,881
1.02.01	Long-Term Assets	458,059	189,366
1.02.01.04	Accounts Receivable	1,893	1,809
1.02.01.07	Deferred Taxes	30,405	32,407
1.02.01.07.01	Deferred Income Tax and Social Contribution	30,405	32,407
1.02.01.10	Other Non-Current Assets	425,761	155,150
1.02.01.10.03	Escrow Deposits	115,911	114,586
1.02.01.10.04	Derivative instruments	287,265	18,198
1.02.01.10.05	Investments in restricted accounts	22,502	22,283
1.02.01.10.07	Other	83	83
1.02.03	Property and Equipment	14,710,406	14,569,571
1.02.03.01	Property and Equipment in Use	14,047,444	13,858,873
1.02.03.02	Right-of-use in Lease	640,201	689,898
1.02.03.02.01	Leased Property and Equipment	5,903	64,901
1.02.03.02.02	Right-of-use	634,298	624,997
1.02.03.03	Constructions in Progress	22,761	20,800
1.02.04	Intangible Assets	157,304	139,944
1.02.04.01	Intangible Assets	157,304	139,944
1.02.04.01.02	Goodwill on Acquisition of Investments	109,423	89,986
1.02.04.01.05	Software	47,881	49,958

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

Code	Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
2	Total Liabilities	20,643,072	19,392,960
2.01	Current Liabilities	3,667,611	3,522,249
2.01.01	Payroll and Related Taxes	209,819	161,770
2.01.02	Trade Payables	2,091,614	2,565,387
2.01.02.01	Domestic Suppliers	2,085,356	2,565,370
2.01.02.02	Foreign Suppliers	6,258	17
2.01.03	Taxes Payable	66,737	68,688
2.01.03.01	Federal Taxes Payable	62,497	62,729
2.01.03.01.01	Income Tax and Social Contribution Payable	56,654	54,647
2.01.03.01.02	Other Federal Taxes	5,843	8,082
2.01.03.03	Municipal Taxes Payable	4,240	5,959
2.01.04	Loans and Financing	734,657	144,342
2.01.04.01	Loans and Financing	662,227	79,515
2.01.04.01.01	In Local Currency	9,824	78,829
2.01.04.01.02	In Foreign Currency	652,403	686
2.01.04.02	Debentures	72,001	56,552
2.01.04.03	Finance Lease	429	8,275
2.01.05	Other Payables	564,784	582,062
2.01.05.02	Other	564,784	582,062
2.01.05.02.01	Dividends and Interest on Capital Payable	59,447	63,394
2.01.05.02.04	Other Current Liabilities	322,020	369,670
2.01.05.02.05	Derivative instruments	44,673	26,811
2.01.05.02.06	Unearned Revenue	6,034	6,221
2.01.05.02.07	Lease liability due to right-of-use	132,610	115,966
2.02	Non-Current Liabilities	11,546,044	10,423,179
2.02.01	Loans and Financing	10,329,162	9,235,117
2.02.01.01	Loans and Financing	3,075,770	2,125,204
2.02.01.01.01	In Local Currency	1,636,012	967,106
2.02.01.01.02	In Foreign Currency	1,439,758	1,158,098
2.02.01.02	Debentures	7,253,392	7,109,913
2.02.02	Other Payables	613,235	620,174
2.02.02.02	Other	613,235	620,174
2.02.02.02.03	Other Non-Current Liabilities	17,540	8,570
2.02.02.02.04	Derivative instruments	47,753	62,288
2.02.02.02.05	Restricted obligations	22,748	22,549
2.02.02.02.06	Lease liability due to right-of-use	525,194	526,767
2.02.03	Deferred Taxes	369,397	352,699
2.02.03.01	Deferred Income Tax and Social Contribution	369,397	352,699
2.02.04	Provisions	225,704	207,237
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	225,704	207,237
2.02.06	Unearned Profit and Revenue	8,546	7,952
2.02.06.02	Unearned Revenue	8,546	7,952
2.03	Consolidated Equity	5,429,417	5,447,532
2.03.01	Paid-In Capital	3,956,889	3,956,889
2.03.01.01	Capital	4,000,000	4,000,000

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

Code	Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-43,111	-43,111
2.03.02	Capital Reserves	-18,827	163,206
2.03.02.05	Treasury Shares	-206,984	-22,288
2.03.02.07	Share Issuance Premium and Stock Options Granted	188,157	185,494
2.03.04	Earnings Reserves	1,327,438	1,327,437
2.03.04.01	Legal Reserve	220,566	220,565
2.03.04.02	Statutory Reserve	1,106,872	1,106,872
2.03.05	Retained Earnings (Accumulated Losses)	163,917	0

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

Code	Description	Accumulated for the Current Year 01/01/2020 to 03/31/2020	Accumulated for the Prior Year 01/01/2019 to 03/31/2019
3.01	Revenue from Sales and/or Services	2,794,632	2,373,988
3.02	Cost of Sales and/or Services	-2,052,429	-1,777,991
3.03	Gross Profit	742,203	595,997
3.04	Operating Income (Expenses)	-307,841	-217,439
3.04.01	Selling Expenses	-226,644	-163,447
3.04.02	General and Administrative Expenses	-63,572	-44,082
3.04.05	Other Operating Expenses	-17,625	-9,910
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	434,362	378,558
3.06	Finance Income (Expenses)	-127,633	-105,168
3.06.01	Finance Income	35,506	52,978
3.06.02	Finance Expenses	-163,139	-158,146
3.07	Net Income Before Income Taxes	306,729	273,390
3.08	Income Tax and Social Contribution on Profit	-75,858	-62,610
3.08.01	Current	-57,158	-68,187
3.08.02	Deferred	-18,700	5,577
3.09	Net Income from Continuing Operations	230,871	210,780
3.11	Net Income for the Period	230,871	210,780
3.11.01	Attributable to the Company's Owners	230,871	210,780
3.99	Earnings per Share (R\$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.30552	0.28726
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	0.30520	0.28616

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

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year 01/01/2020 to 03/31/2020	Year 01/01/2019 to 03/31/2019
4.01	Consolidated Net Income for the Period	230,871	210,780
4.03	Consolidated Comprehensive Income for the Period	230,871	210,780
4.03.01	Attributable to the Company's Owners	230,871	210,780

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 03/31/2020	Prior Year 01/01/2019 to 03/31/2019
6.01	Net Cash Provided by Operating Activities	-547,063	-426,931
6.01.01	Cash Provided by Operations	2,178,495	1,941,837
6.01.01.01	Net Income for the Period	230,871	210,780
6.01.01.02	Depreciation and Amortization	198,354	159,599
6.01.01.03	Residual Value of Property and Equipment Written Off	1,546,222	1,405,182
6.01.01.04	Deferred Income Tax and Social Contribution	18,700	-5,577
6.01.01.05	Other	8,520	4,873
6.01.01.06	Provisions for contingencies	18,467	13,471
6.01.01.07	Interest on Loans, Financing, Debentures and Derivatives	135,163	139,708
6.01.01.09	Lease interest	16,546	15,611
6.01.01.10	Other provisions	5,652	-1,810
6.01.02	Changes in Assets and Liabilities	-1,923,810	-1,884,427
6.01.02.01	Trade Receivables	493,170	-31,595
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-2,294,112	-1,769,042
6.01.02.03	Escrow Deposits	-1,289	-2,173
6.01.02.04	Recoverable Taxes	8,466	7,867
6.01.02.05	Prepaid Expenses	-133,074	-88,861
6.01.02.06	Other Current and Non-Current Assets	-26,071	-14,058
6.01.02.07	Trade Payables (Except Car Manufacturers)	-18,151	-13,399
6.01.02.08	Payroll and Related Taxes	47,873	29,524
6.01.02.09	Income Tax and Social Contribution	57,158	68,187
6.01.02.11	Insurance Premiums	-13,878	-24,575
6.01.02.12	Other Current and Non-Current Liabilities	-43,902	-46,302
6.01.03	Other	-801,748	-484,341
6.01.03.01	Income Tax and Social Contribution Paid	-55,150	-41,959
6.01.03.02	Interest on Loans, Financing and Debt Paid	-79,601	-88,793
6.01.03.03	Short-term financial assets	-656,483	-346,474
6.01.03.04	Lease interest paid	-10,514	-7,115
6.02	Net Cash Provided by Investing Activities	-37,264	-6,684
6.02.01	Purchase of Other Property and Equipment	-27,768	-6,357
6.02.02	Purchase of Intangible Assets	-1,654	-327
6.02.03	Purchase of Investment, net of acquired cash	-7,842	0
6.03	Net Cash Provided by Financing Activities	990,581	1,603,933
6.03.01	Loans and Financing - Funding	1,150,312	-
6.03.02	Loans and Financing - Repayments	-9,428	-72,687
6.03.03	Debentures - Funding	988,580	0
6.03.04	Debentures - Repayments	-850,000	0
6.03.06	Interest on Capital	-71,783	-49,343
6.03.07	Exercise of Stock Options with Treasury Shares, Net	0	1,076
6.03.08	Purchased Treasury Shares	-184,696	0
6.03.10	Lease Liability - Repayments	-32,404	-31,393
6.03.11	Capital increase – with subscription of shares	0	1,821,600
6.03.12	Expenses on the issuance of shares	0	-65,320
6.05	Increase (Decrease) in Cash and Cash Equivalents	406,254	1,170,318
6.05.01	Opening Balance of Cash and Cash Equivalents	2,220,102	2,175,302
6.05.02	Closing Balance of Cash and Cash Equivalents	2,626,356	3,345,620

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

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

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019**(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	3,671	0	-69,156	0	1,713,004	0	1,713,004
5.04.01	Capital increases	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	2,595	0	0	0	2,595	0	2,595
5.04.07	Interest on Capital	0	0	0	-69,156	0	-69,156	0	-69,156
	Exercise of Stock Options with Treasury								
5.04.08	Shares	0	1,076	0	0	0	1,076	0	1,076
5.05	Total Comprehensive Income	0	0	0	210,780	0	210,780	0	210,780
5.05.01	Net Income for the Period	0	0	0	210,780	0	210,780	0	210,780
5.07	Closing Balances	3,278,489	128,645	1,469,528	141,624	0	5,018,286	0	5,018,286

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2020 to 03/31/2020	Prior Year 01/01/2019 to 03/31/2019
7.01	Revenues	2,922,002	2,473,109
7.01.01	Sales of Goods, Products and Services	2,918,197	2,472,253
7.01.03	Revenues Related to the Construction of Own Assets	10,246	3,128
7.01.04	Allowance for/Reversal of Doubtful Debts	-6,441	-2,272
7.02	Inputs Acquired from Third Parties	-1,900,845	-1,636,299
7.02.01	Cost of Products, Goods and Services Sold	-1,757,291	-1,538,633
7.02.02	Materials, Power, Third-Party Services and Other	-143,554	-97,666
7.03	Gross Value Added	1,021,157	836,810
7.04	Retentions	-198,354	-159,599
7.04.01	Depreciation, Amortization and Depletion	-198,354	-159,599
7.05	Net Wealth Created	822,803	677,211
7.06	Wealth Received in Transfer	35,506	52,978
7.06.02	Finance Income	35,506	52,978
7.07	Total Wealth for Distribution	858,309	730,189
7.08	Wealth Distributed	858,309	730,189
7.08.01	Personnel	216,969	162,602
7.08.01.01	Salaries and Wages	169,082	125,030
7.08.01.02	Benefits	33,807	26,198
7.08.01.03	Severance Pay Fund (FGTS)	11,417	8,779
7.08.01.04	Other	2,663	2,595
7.08.02	Taxes, Fees and Contributions	216,238	176,674
7.08.02.01	Federal	141,090	118,158
7.08.02.02	State	64,716	49,821
7.08.02.03	Municipal	10,432	8,695
7.08.03	Lenders and Lessors	194,231	180,133
7.08.03.01	Interest	163,139	158,146
7.08.03.02	Rentals	24,481	16,163
7.08.03.03	Other	6,611	5,824
7.08.03.03.01	Other Rentals	6,611	5,824
7.08.04	Shareholders	230,871	210,780
7.08.04.01	Interest on Capital	66,954	69,156
7.08.04.03	Retained Earnings (Loss for the Period)	163,917	141,624

Dear Investors,

In 1Q20 we showed solid results, although we started to feel, in the last weeks of March, the effects of the Covid-19 pandemic in Brazil. Growth remained accelerated in the **Car Rental** and **Fleet Rental** divisions, with the average rented fleet in 1Q20 increasing 36.4% and 20.2%, respectively, compared to 1Q19. **Seminovos** sold 38,361 cars, already reflecting the impact of the closed stores in the last two weeks of March. The total fleet increased 31.3% YoY, with 325 thousand cars in a network of 608 branches in 6 countries in South America.

Our consolidated net revenues totaled R\$2,794.6 million in 1Q20, 17.7% higher than in 1Q19 and net income was R\$230.9 million in the quarter.

In March 2020, Localiza Fleet concluded the acquisition of 100% of the shares of Mobi7 Tecnologia em Mobilidade S.A., a telematics solutions company. This acquisition brings several opportunities for Localiza, as we expand fleet monitoring.

In the context of the Covid-19 pandemic, in March 2020, the Company instituted a crisis management committee acting on 5 main fronts: taking care of our employees, our customers, our operations, our liquidity and with a communication plan supporting all of our actions, enabling excellence in the alignment with all our employees. Subsequently, we added another front of social responsibility with an estimated contribution of around R\$10 million, aimed at managing community support initiatives, with three pillars: assistance to the most vulnerable, contribution to the health system and support to the most affected stakeholders.

From the perspective of our employees, we have complied with the health and safety protocols, instituted the working from home policy, started offering online consultations with doctors and nurses for employees on a 24-hour online channel and created the “welcome” channel for psychological, financial and legal support. To add more, we have been doing weekly surveys to understand how our employees are absorbing the effects of the crisis, the social distancing, as well as the routine of working from home. We maintained team’s meeting routines and provided office supplies to the employees, so that working from home is as productive as working from our offices.

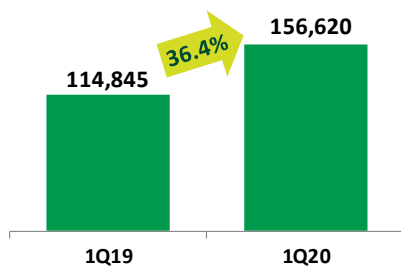
Regarding our customers and operations, and complying with the Health Ministry guidelines and local legislation, we reduced the **Car Rental** operations to few branches and closed all **Seminovos** stores. Gradually, we are adjusting the opening of branches and stores according to the local and state enactment and the demand. Today, we are operating with 401 **Car Rental** branches and 108 **Seminovos** stores with in-person and online sales. Furthermore, we mapped the risks and opportunities, continue monitoring demand and adjusting prices and the size of the fleet. We are close to our customers and being proactive in negotiating with suppliers, adapting ourselves to the current scenario. We ended the quarter with approximately R\$3.9 billion in cash and financial assets and had approximately R\$1.9 billion to be paid to OEMs, which leaves us with an adequate cash position to overcome the crisis.

Given the Covid-19 pandemic and the consequent reduction in the **Car Rental** and **Seminovos** revenues, Management has also been working on several initiatives in all lines of costs and expenses in order to preserve the Company's results.

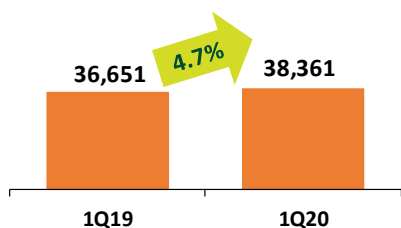
We reaffirm the Company's financial strength, agility in crisis management and the ability to adapt and execute to face the challenges brought by Covid-19 to our business. We remain optimistic about the drivers of future growth and investing in the competences needed for the post-pandemic scenario.

1Q20 operating highlights

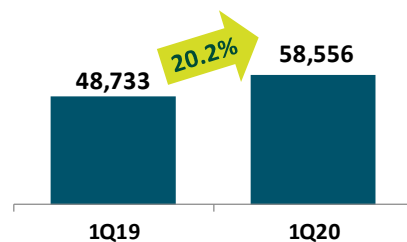
Average rented fleet – Car Rental



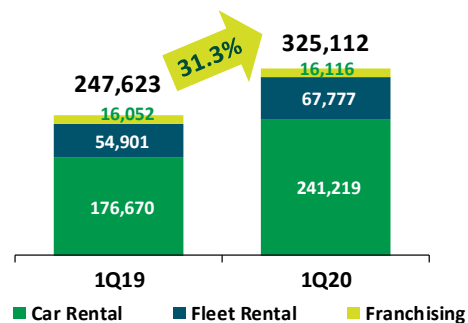
Cars Sold



Average rented fleet – Fleet Rental

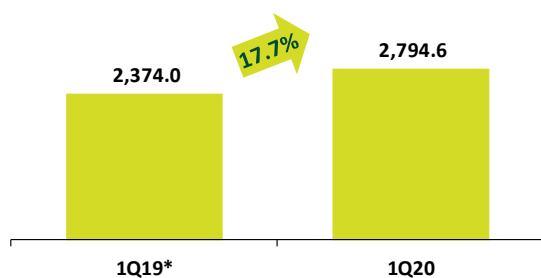


End of period fleet



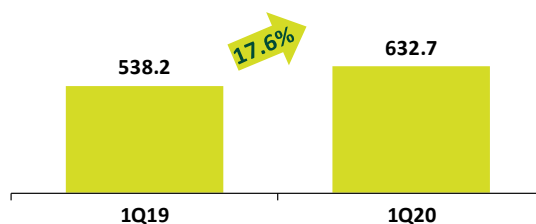
1Q20 financial highlights

Net revenues (R\$ millions)

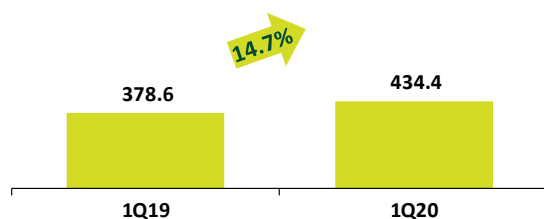


(*) GAAP revenue including the effects of the reclassification of PIS and COFINS credits

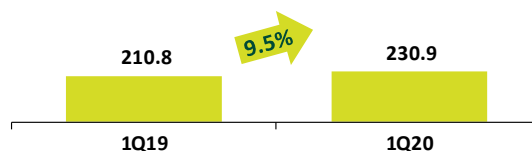
EBITDA (R\$ millions)



EBIT (R\$ millions)

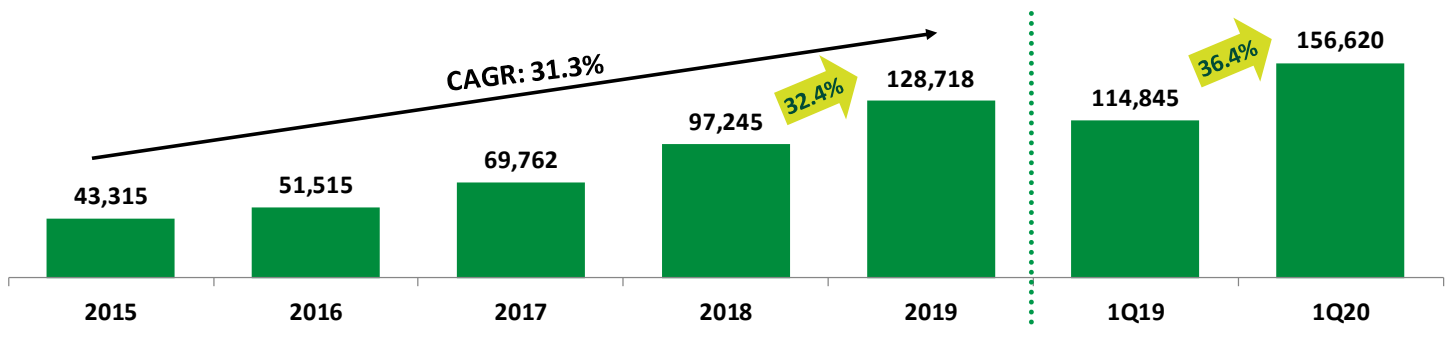


Net Income (R\$ millions)

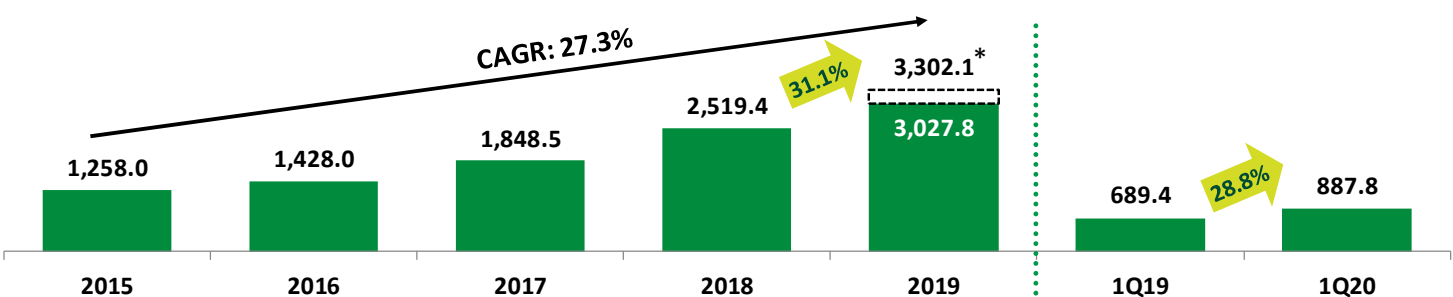


1 - Rent a Car

Average rented fleet



Net revenues (R\$ million)



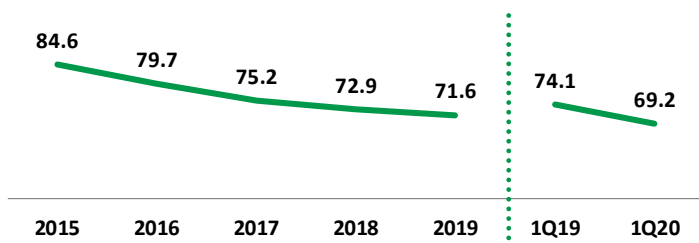
(*) Excluding the effects of the reclassification of PIS and COFINS credits

In 1Q20, the **Car Rental** division's average rented fleet increased 36.4% versus 1Q19. In the same period, net revenues rose 28.8% with a reduction of 6.5% in the average rental rate.

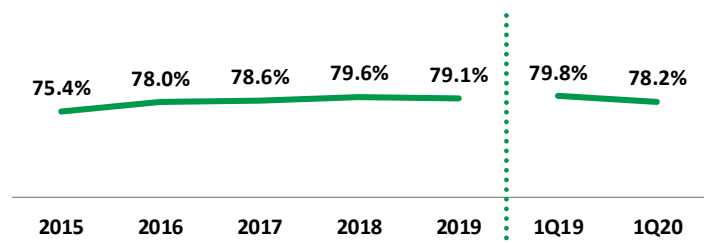
The lower rental rates already reflect the quarantine that affected, in 1Q20, the demand for short-term segments, which have higher average ticket, as well as the ride hailing segment.

The utilization rate remained at healthy levels in 1Q20. The greater impact on the utilization rate should be seen in 2Q20, due to the mobility restriction.

Average rental rate (in R\$)



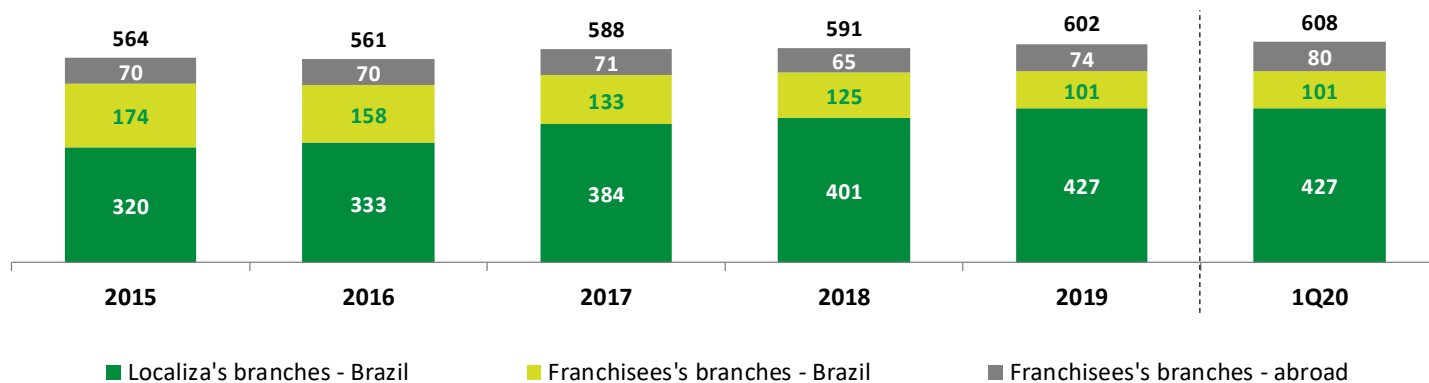
Operating fleet utilization rate (%)



The **Car Rental** division has been experiencing different impacts in each segment due to the pandemic: a) monthly rentals are more resilient given the longer rental duration, b) short-term segments are more exposed to the quarantine; and c) ride hailing, with volume resilience, but more sensitive to price. Thus, the impacts on volumes have been much less relevant than that of international peers, more exposed to airports.

1.1 - Distribution network

Number of car rental locations - Brazil and abroad

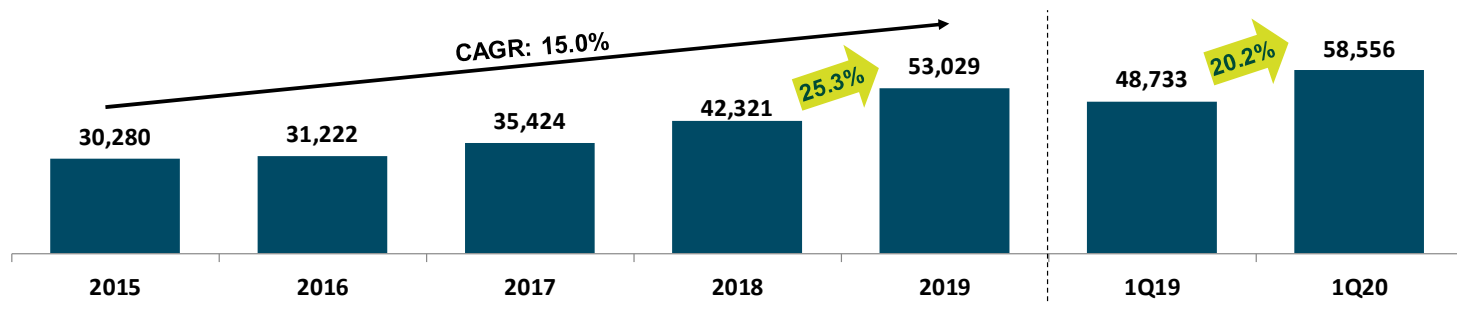


As 1Q20, Localiza's network included 608 rental locations, being 528 in Brazil and 80 in 6 other South American countries.

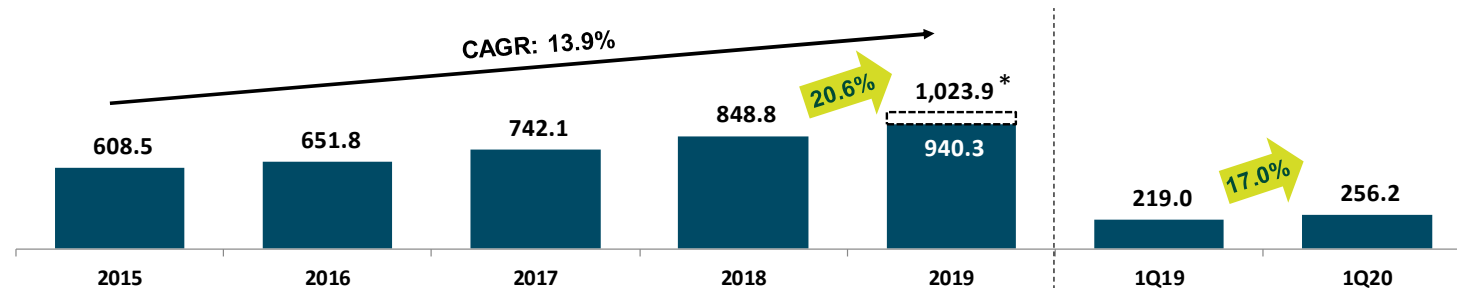
In 1Q20, we reached the number of 80 branches abroad, opening 6 branches in Chile, 1 in Colombia and closing 1 in Argentina.

2 – Fleet Rental

Average rented fleet



Net revenues (R\$ million)



(*) Excluding the effects of the reclassification of PIS and COFINS credits

In 1Q20, the **Fleet Rental** division registered a 20.2% increase in the average rented fleet and 17.0% in net revenues compared to the same period of the prior year, with 3.0% reduction in the average rental rate.

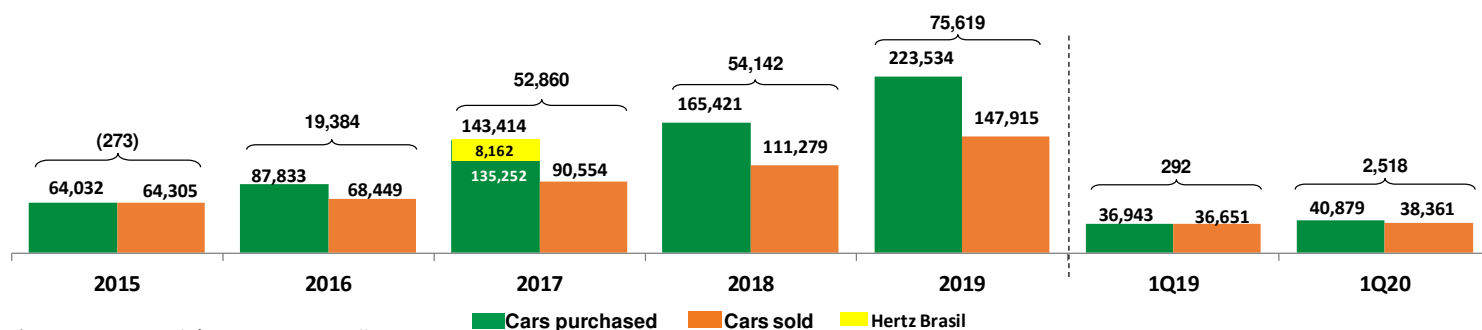
The lower average rental rate of the **Fleet Rental** division reflects the pricing of new contracts and the renewal of existing ones in a context of lower interest rates.

Due to the conditions and duration of the contracts, the Fleet Rental division tends to be more resilient to the crisis.

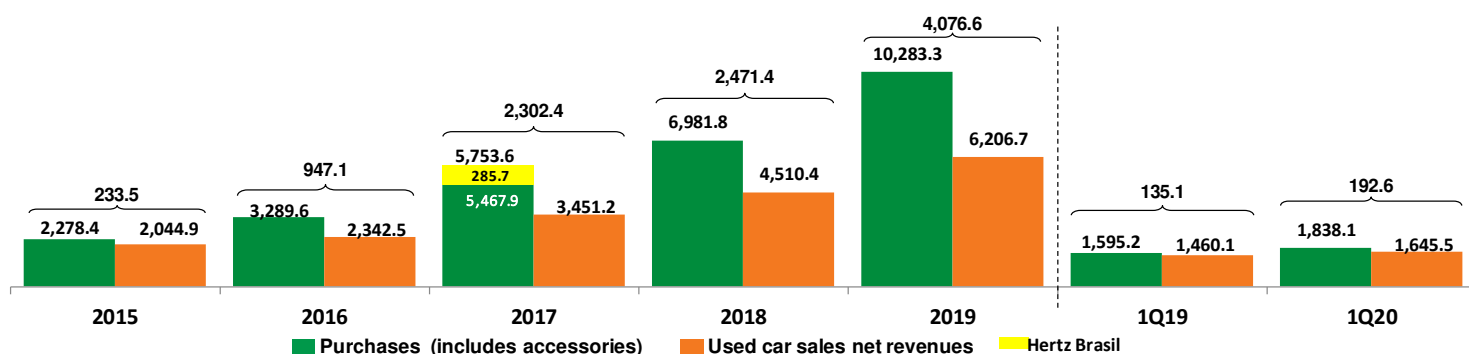
3 - Fleet

3.1 – Net investment in the fleet

*Car purchase and sales (quantity)**



Net investment in fleet (R\$ million)

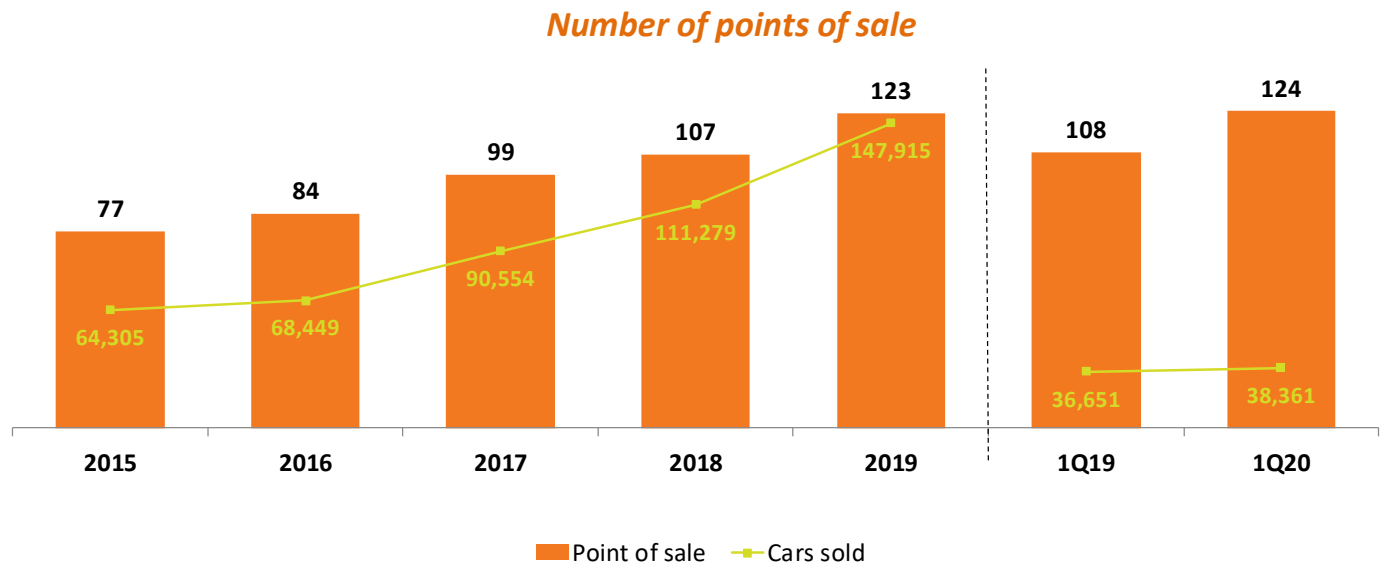


In 1Q20, Localiza purchased 40,879 cars, and sold 38,361, resulting in a positive balance of 2,518 cars added to the fleet and a net investment of R\$192.6 million.

On March 23, as informed to the market, Localiza closed all **Seminovos** stores. We estimate that sales for the month were reduced by approximately 10,000 units, impacting the results of the quarter. With the reduction in sales, the Company also adjusted the pace of car purchases as of April.

In the week of April 20, following the flexibilization of regulations regarding social distancing and complying with the safety and health protocols, the Company reopened part of its **Seminovos** stores, with in-person and online sales. We expect a gradual resumption of sales over the year.

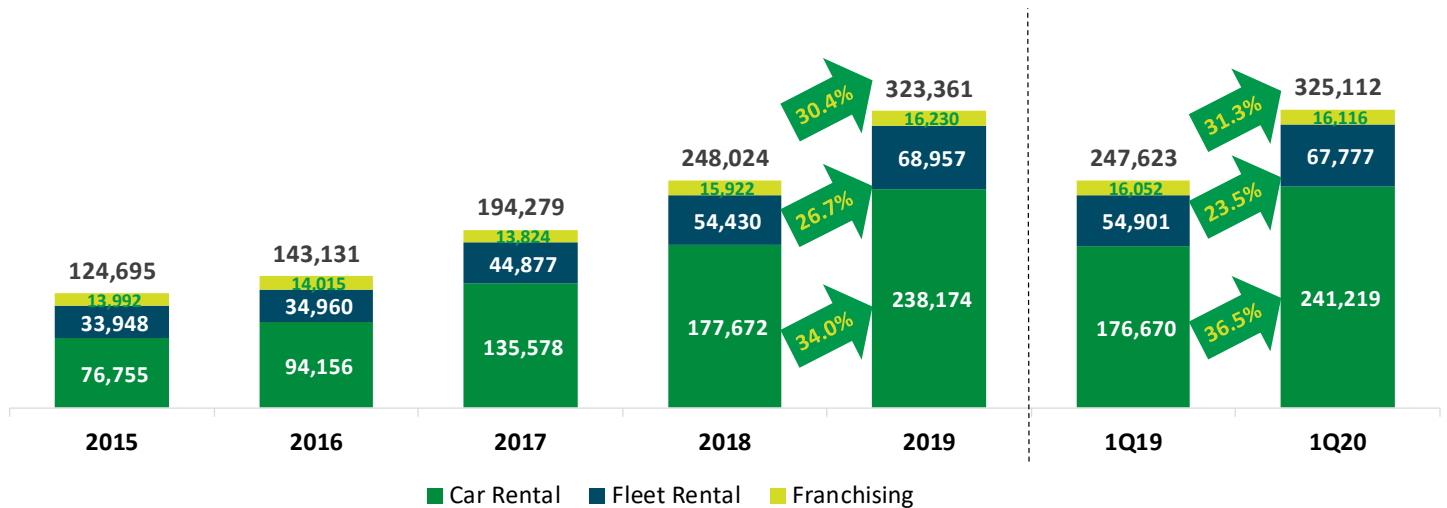
4 – Seminovos – Number of points of sale



In 1Q20, **Seminovos** network was expanded by 1 new store, totaling 124 stores in 85 cities in Brazil.

5 – End of period fleet

End of period fleet (quantity)

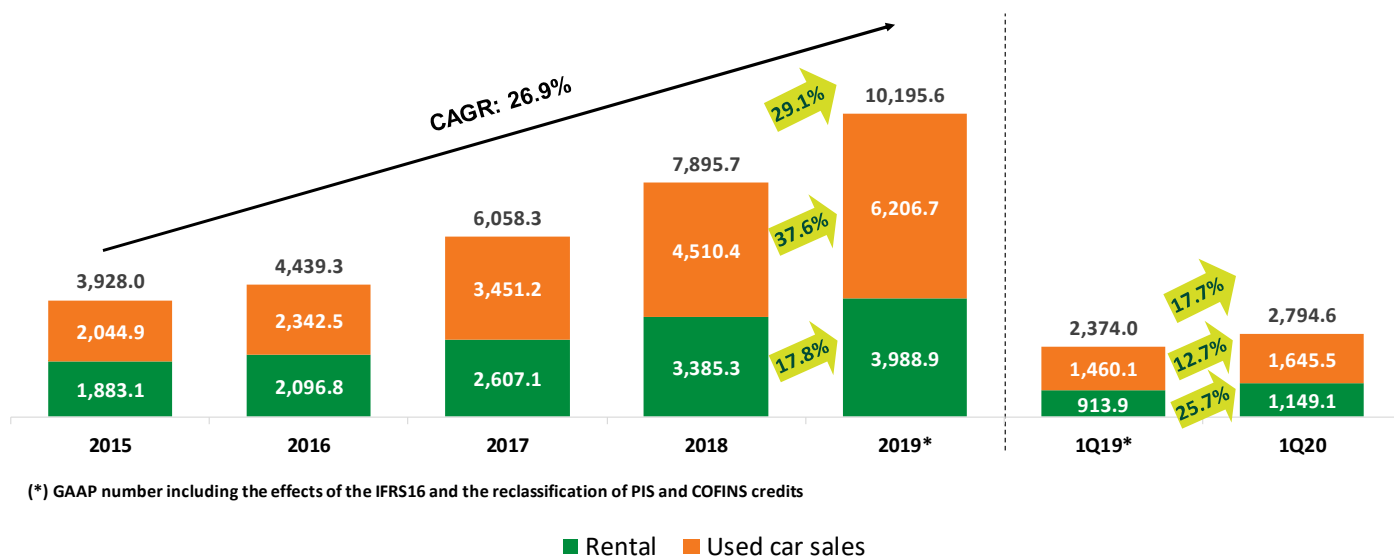


Localiza System (including franchisees) has 325,112 cars, an increase of 31.3% over the same period the previous year.

The fleet will be adjusted according to the rental demand and car sales capacity, respecting legal limitations and safety and health protocols.

6 – Net revenues - consolidated

Consolidated net revenues (R\$ million)



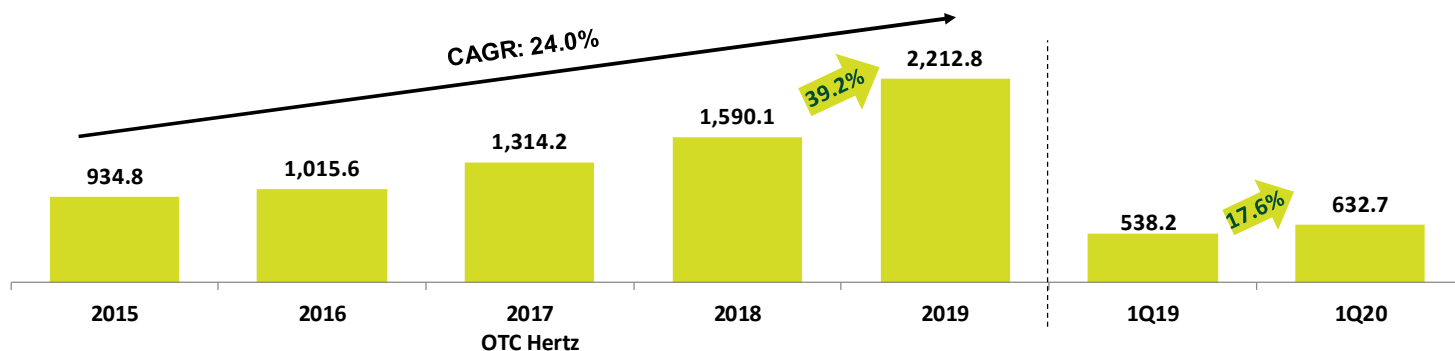
In 1Q20, consolidated net revenues grew 17.7% compared to 1Q19. Net rental revenues increased 25.7%, being 28.8% in the **Car Rental** division and 17.0% in the **Fleet Rental** division.

Seminovos net revenues in 1Q20 increased 12.7% compared to the same period last year, driven by a 7.7% increase in average selling prices and a 4.7% increase in the volume of cars sold, impacted by the lower volumes after the social distancing measures and the closed stores in the last week of March.

The strong cash position allows the Company to sell cars at the pace of demand, at market prices.

7 - EBITDA

Consolidated EBITDA (R\$ million)



EBITDA margin:

Activities	2015	2016	2017*	2018	2019**	1Q19	1Q20
Car Rental	31.8%	32.3%	34.9%	35.9%	45.5%	48.9%	47.8%
Fleet Rental	62.2%	64.5%	61.9%	64.0%	67.7%	72.7%	70.4%
Rental Consolidated	41.7%	42.3%	42.6%	43.0%	50.9%	54.7%	52.9%
Used Car Sales	7.3%	5.5%	5.9%	3.0%	3.0%	2.6%	1.5%

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

(**) GAAP number including the reclassification of PIS and COFINS credits in Car Rental and Fleet Rental divisions

In 1Q20, consolidated EBITDA, totaled R\$632.7 million, 17.6% higher than the same period of the previous year.

As of 4Q19, we started to account for PIS and COFINS credits as cost reducers. This change does not affect EBITDA but reduces net revenues. For comparison purposes, 1Q19 revenues was adjusted by reclassification so that margins become comparable.

In the **Car Rental** division, the EBITDA margin was 47.8% in 1Q20, a reduction of only 1.1p.p. compared to 1Q19, even with the effects of decreases in volume and average rental rate due to the pandemic.

In the **Fleet Rental** division, the EBITDA margin stood at 70.4% in 1Q20, 2.3p.p. lower when compared to 1Q19, mainly due to the decrease in the average rental rate in a context of lower interest rates.

Even affected by the reduction in car sales volumes due to the pandemic, **Seminovos'** EBITDA margin was positive, at 1.5% in 1Q20.

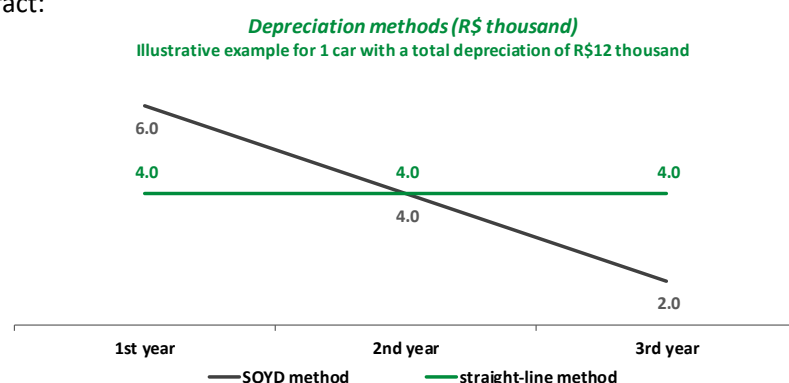
8 - Depreciation

Cars depreciation – Fleet Rental division (change from SOYD method to the straight-line method)

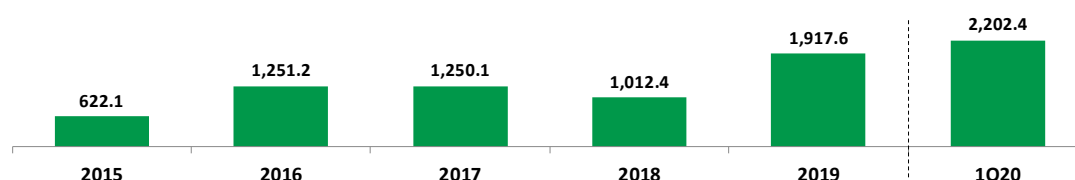
The Company reassessed the method used to appropriate the depreciation of cars in the **Fleet Rental** division to better reflect the equalization between maintenance and depreciation costs over the car's useful life. Accordingly, the Company decided to apply the straight-line method of depreciation to replace the SOYD¹ method, previously used.

This decision was based on internal studies that concluded that the changes in maintenance cost, average mileage and average contracts' duration, indicated the straight-line method as more appropriate to reflect the consumption pattern of economic benefits over the car's useful life.

Changing the depreciation method does not change the car's depreciable amount but changes its curve over its useful life in fleet rental activity. We demonstrate the two methods below, considering the total depreciation of R\$12 thousand per car over the contract:

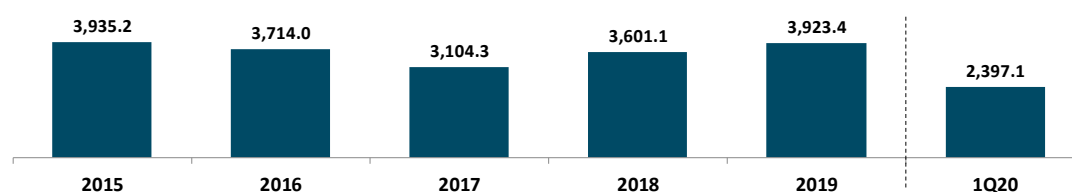


8.1 – Average annualized depreciation per car (R\$) - Rent a Car



In 1Q20, average depreciation per car in the **Car Rental** division was R\$2,202.4, 14.9% higher than the average depreciation of 2019 and in line with the depreciation reported in 4Q19.

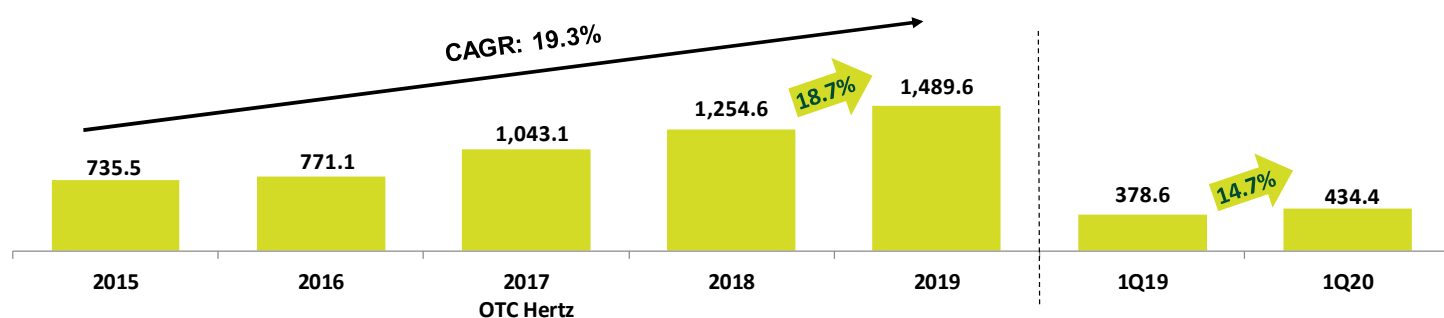
8.2 – Average annualized depreciation per car (R\$) - Fleet Rental



In the **Fleet Rental** division, the average depreciation per car in 1Q20 using the straight-line method was R\$2,397.1. If considered by the SOYD method it would be R\$3,646.3. Initially, depreciation will be lower, as there are already depreciated cars in the fleet, positively impacting the average.

9 - EBIT

Consolidated EBIT (R\$ million)



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

Activities	2015	2016	2017*	2018	2019**	1Q19	1Q20
Car Rental	34.3%	30.2%	35.5%	33.2%	33.6%	38.0%	31.1%
Fleet Rental	48.9%	51.2%	51.4%	48.6%	49.1%	51.7%	60.7%
Consolidated	39.1%	36.8%	40.0%	37.1%	37.3%	41.4%	37.8%

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

(**) GAAP number including the reclassification of PIS and COFINS credits

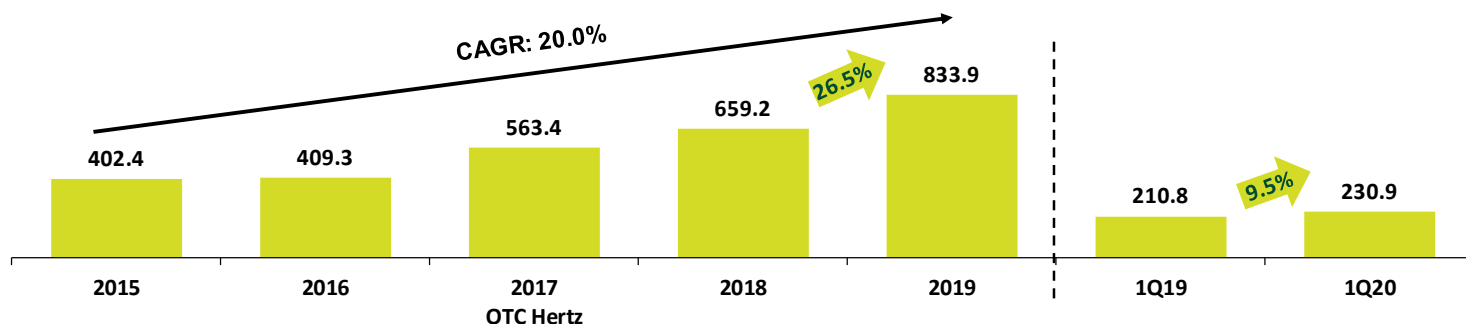
Consolidated EBIT in 1Q20 totaled R\$434.4 million, representing a growth of 14.7% compared to 1Q19.

In 1Q20, the EBIT margin of the **Car Rental** division, was 31.1%, representing a reduction of 6.9p.p. compared to 1Q19, mostly reflecting the reduction in average rental rate and the increase in average depreciation per car.

In the **Fleet Rental** division, the EBIT margin totaled 60.7%, an increase of 9.0p.p. compared to 1Q19. The improvement in the margin in this division is mainly due to the drop in the average annualized depreciation per car as a result of the change in the depreciation method from SOYD to straight-line.

10 - Consolidated net income

Consolidated net income (R\$ million)



Reconciliation EBITDA x Net income	2015	2016	2017*	2018	2019**	1Q19	1Q20	Var. R\$	Var. %
Consolidated EBITDA	934.8	1,015.6	1,314.2	1,590.1	2,212.8	538.2	632.7	94.5	17.6%
Cars depreciation	(163.6)	(206.3)	(232.0)	(291.6)	(551.5)	(117.1)	(153.2)	(36.1)	30.8%
Other property depreciation and amortization	(35.7)	(38.2)	(39.1)	(43.9)	(171.7)	(42.5)	(45.1)	(2.6)	6.1%
EBIT	735.5	771.1	1,043.1	1,254.6	1,489.6	378.6	434.4	55.8	14.7%
Financial expenses, net	(202.7)	(243.5)	(315.0)	(368.9)	(409.8)	(105.2)	(127.6)	(22.4)	21.3%
Income tax and social contribution	(130.4)	(118.3)	(164.7)	(226.5)	(245.9)	(62.6)	(75.9)	(13.3)	21.2%
Net income of the period	402.4	409.3	563.4	659.2	833.9	210.8	230.9	20.1	9.5%

Net income in 1Q20 was R\$230.9 million, representing an increase of 9.5% over 1Q19, as a result of:

(+) R\$94.5 million increase in EBITDA;

(-) R\$38.7 million increase in depreciation, due to the increase in the average operating fleet and higher average depreciation per car in the **Car Rental** division;

(-) R\$22.4 million more in net financial expenses, mainly due to the increase in the average balance of net debt in the quarter, partially offset by the lower interest rate; and

(-) R\$13.3 million increase in income tax and social contribution, due to higher taxable income and the higher effective tax rate, which increased from 22.9% in 1Q19 to 24.7% in 1Q20.

The composition of net income by rental and sales activities is shown below:

Activities	2015	2016	2017*	2018	2019	1Q19	1Q20
Car Rental+ franchising	292.5	346.5	483.5	642.0	959.5	231.7	299.8
Fleet Rental	285.7	325.8	351.0	401.4	489.8	122.4	141.3
Used Car Sales	(175.8)	(263.0)	(271.1)	(384.2)	(615.4)	(143.3)	(210.2)
Consolidated	402.4	409.3	563.4	659.2	833.9	210.8	230.9

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

11 – Free cash flow (FCF)

Free cash flow - R\$ million		2015	2016	2017	2018	2019	1Q20
Operations	EBITDA	934.8	1,015.7	1,314.2*	1590.1	2,212.8	632.7
	Used car sale revenue, net from taxes	(2,044.9)	(2,342.6)	(3,451.2)	(4,510.4)	(6,206.7)	(1,645.5)
	Depreciated cost of cars sold	1,769.1	2,102.5	3,106.6	4,198.5	5,863.6	1,546.2
	(-) Income tax and social contribution	(110.7)	(93.3)	(108.3)	(131.2)	(146.1)	(55.2)
	Change in working capital	(30.0)	(40.8)	(47.9)	(117.4)	(268.9)	(23.8)
Cash generated by rental operations		518.3	641.5	813.4	1,029.6	1,454.7	454.4
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	2,036.3	2,342.6	3,451.2	4,510.4	6,206.7	1,645.5
	Fleet renewal investment	(2,278.4)	(2,563.6)	(3,660.9)	(4,696.7)	(6,804.6)	(1,724.8)
	Change in accounts payable to car suppliers for fleet renewal	(25.4)	219.8	227.6	250.1	468.7	352.0
	Net investment for fleet renewal	(267.5)	(1.2)	17.9	63.8	(129.2)	272.7
Fleet renewal – quantity		64,032	68,449	90,554	111,279	147,915	38,361
Investment, property and intangible		(29.7)	(40.9)	(28.8)	(42.8)	(70.0)	(29.4)
Free cash flow from operations, before growth		221.1	599.4	802.5	1,050.6	1,255.5	697.7
Capex - Growth	(Investment) / Divestment in cars for fleet growth	8.6	(726.0)	(1,807.0)	(2,285.1)	(3,478.7)	(113.2)
	Change in accounts payable to car suppliers for fleet growth	(23.9)	26.8	168.7	509.4	23.6	(755.6)
	Acquisition of Hertz and franchisees (fleet value)	-	-	(285.7)	-	(105.5)	-
	Net investment for fleet growth	(15.3)	(699.2)	(1,924.0)	(1,775.7)	(3,560.6)	(868.8)
Fleet increase / (reduction) – quantity		(273)	19,384	52,860	54,142	75,619	2,518
Free cash flow after growth		205.8	(99.8)	(1,121.5)	(725.1)	(2,305.0)	(171.1)
Capex - non-recurring	Acquisitions and franchisees acquisition- except fleet value	-	-	(121.5)	-	(18.2)	(7.8)
	New headquarters construction and furniture	(30.7)	(85.7)	(146.2)	-	-	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		175.1	(185.5)	(1,389.2)	(725.1)	(2,323.2)	(178.9)
Cash effects of receivables and anticipation of payables to suppliers (**)		(71.9)	98.0	88.3	(113.2)	(131.8)	274.3
Free cash flow before interest		103.2	(87.5)	(1,300.9)	(838.3)	(2,455.0)	95.4

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

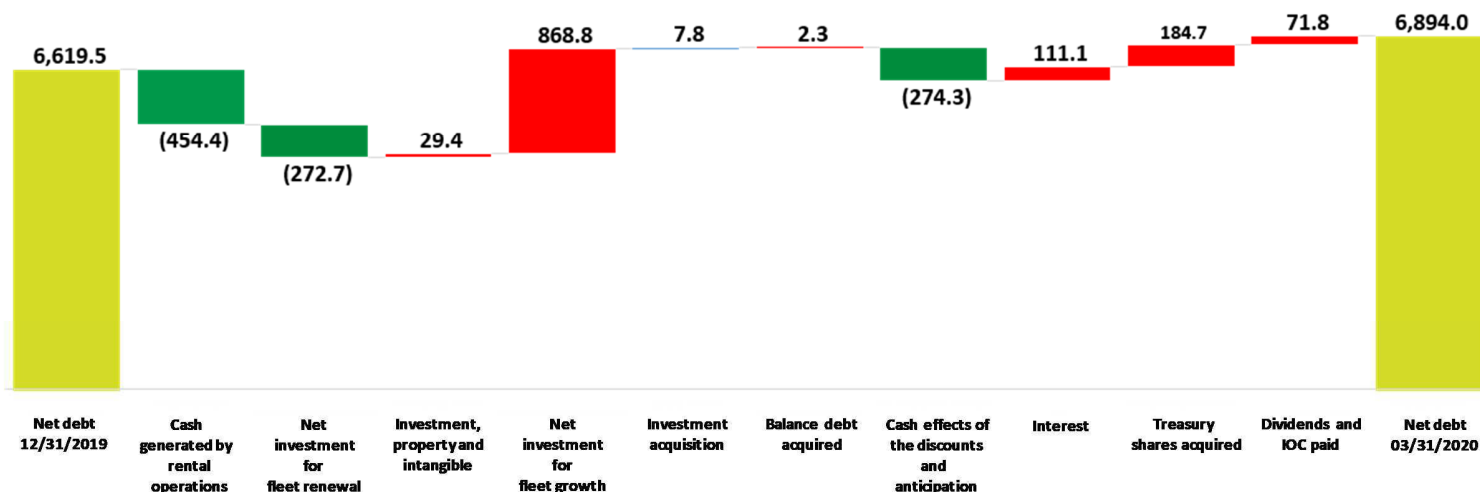
(*) 2017 adjusted by one-time costs incurred -Hertz Brasil acquisition and franchisees incorporation.

(**) 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\$697.7 million in 1Q20. The net investment for fleet growth, considering payments related to the car purchased in 4Q19, represented a disbursement of R\$868.8 million.

12 – Net debt

12.1 – Change in net debt – R\$ million

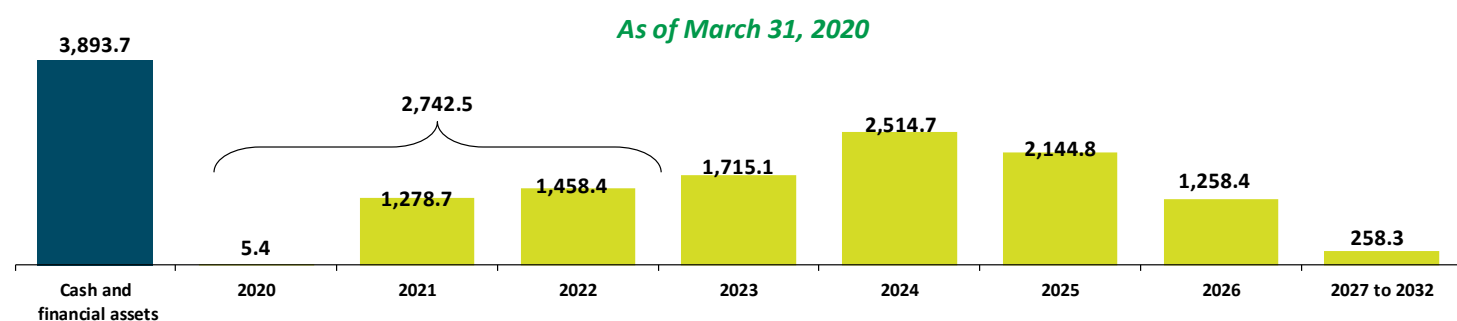


As of March 31, 2020, net debt totaled R\$6.9 billion, an increase of 4.1% or R\$274.5 million.

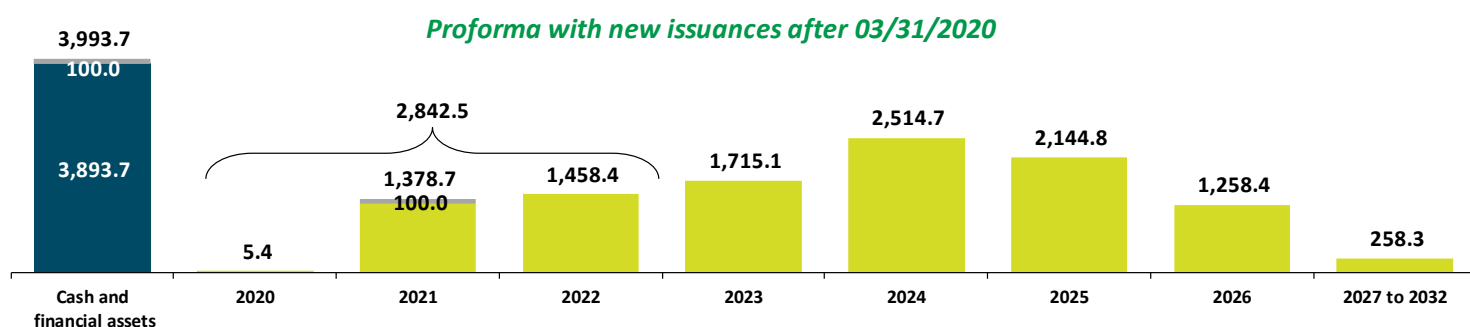
12.2 – Debt maturity profile – R\$ million

Debt	Issuance	Contract rate	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
Debentures 16th Issuance	11/29/2019	CDI + 1.05%	-	-	-	-	333.3	666.7	1,000.0
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
Debentures 8th Issuance of Localiza Fleet	2/12/2020	CDI + 1.00%	-	-	-	333.3	333.3	333.3	999.9
Promissory Notes - 7th Issuance	9/24/2019	108.00% CDI	-	500.0	-	-	-	-	500.0
Foreign currency loan with swap	-	Several	-	773.1	215.0	465.0	-	250.0	1,703.1
Real State Receivables Certificate (CRI)	2/26/2018	99.00% CDI	4.3	5.6	9.0	12.3	15.0	303.5	349.7
Working Capital / Others	-	Several	1.0	-	300.0	370.0	125.0	-	796.0
Interest accrued	-	-	153.8	-	-	-	-	-	153.8
Cash and cash equivalents on 03/31/2020	-	-	(3,893.7)	-	-	-	-	-	(3,893.7)
Net debt	-	-	(3,734.6)	1,278.7	1,458.5	1,715.1	2,514.7	3,661.6	6,894.0

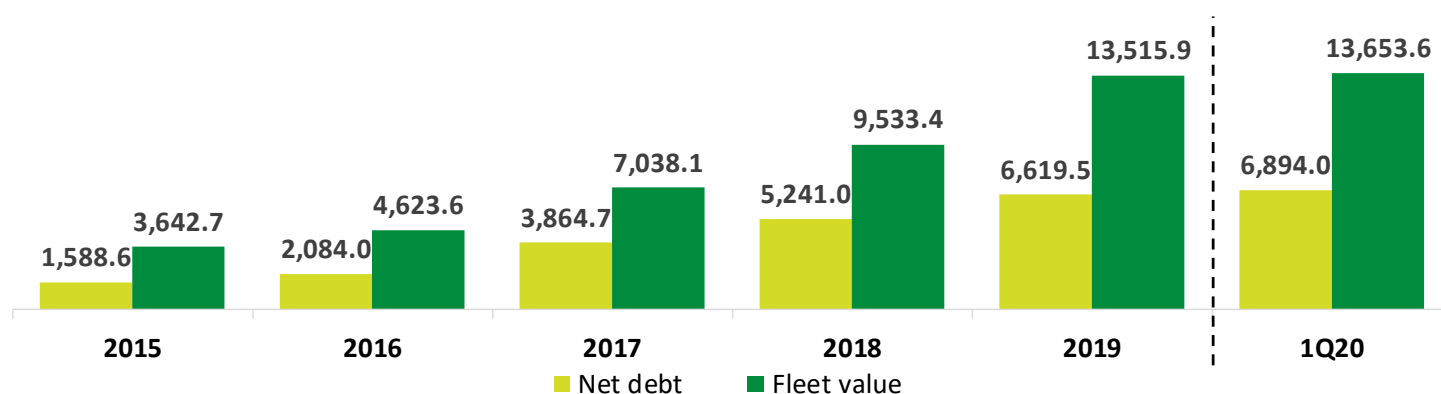
12.3 – Debt profile – R\$ million



In 1Q20, the Company raised funds totaling R\$2.7 billion in order to lengthen the debt profile and strengthen its cash position in the face of the pandemic scenario. In April, the Company raised an additional R\$100.0 million in a working capital credit line.

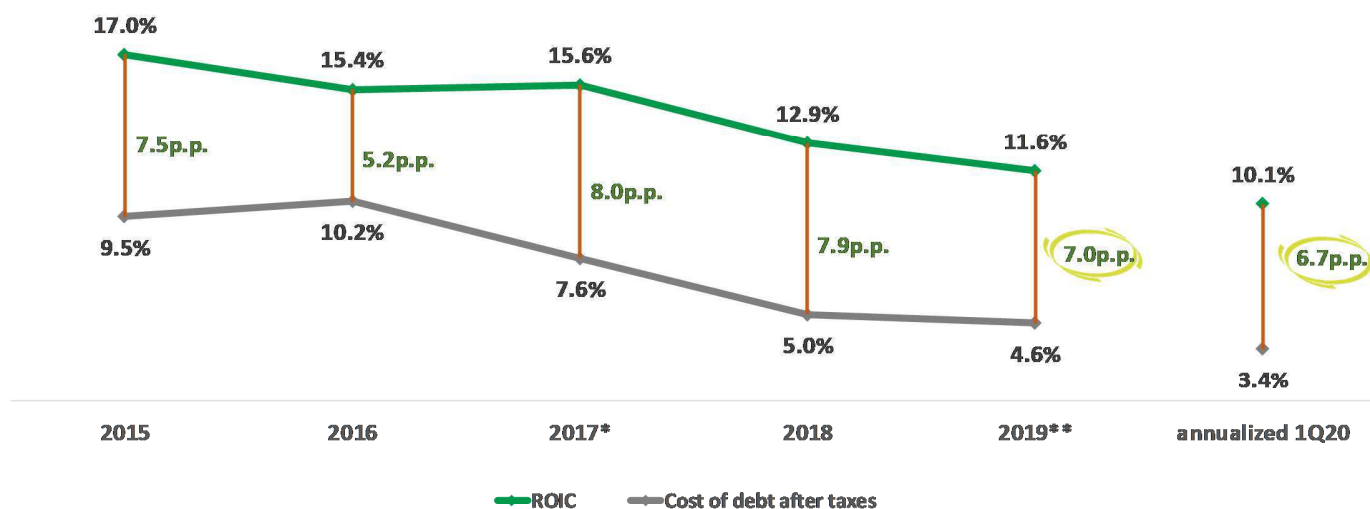


12.4 – Debt ratios – R\$ million



BALANCE AT THE END OF PERIOD	2015	2016	2017	2018	2019	1Q20
Net debt / Fleet value	44%	45%	55%	55%	49%	50%
Net debt / annualized EBITDA	1.7x	2.1x	2.9x	3.3x	3.0x	2.7x
Net debt / Equity	0.8x	0.9x	1.5x	1.7x	1.2x	1.3x
EBITDA / Net financial expenses	4.6x	4.2x	4.2x	4.3x	5.4x	5.0x

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



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

(**) Includes IFRS 16 accounting standard

ROIC considered each year's effective income tax and social contribution rate

EXPRESSIVE RESULTS IN THE QUARTER, STRENGTHENING THE SOLID FINANCIAL POSITION TO FACE THE CRISIS

14 – Dividends and interest on capital (IOC)

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	0.091823
IOC	2019	06/18/2019	06/24/2019	08/16/2019	75.5	0.099983
IOC	2019	09/04/2019	09/09/2019	11/08/2019	74.6	0.098744
IOC	2019	12/12/2019	12/17/2019	02/14/2020	71.8	0.094993
Total					291.1	

2020 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per Share(*) (R\$)
IOC	2020	03/10/2020	03/13/2020	01/05/2021	67.0	0.089006
Total					67.0	

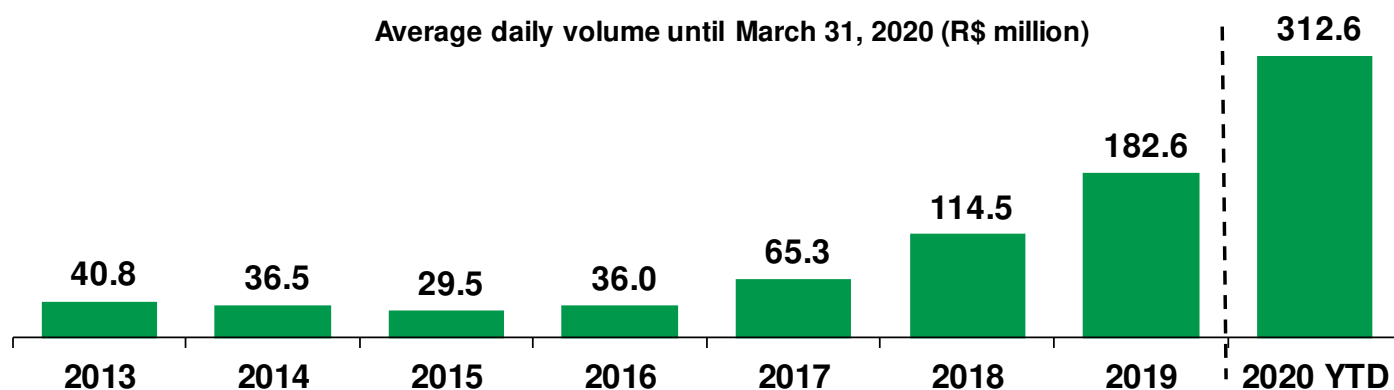
(*) Adjusted by the share bonus approved in the Board of Directors meeting held on 12/12/2019.

15 – RENT3

On March 31, 2020, the average daily traded volume of RENT3 was R\$312.6 million, 71.2% higher than the average volume of 2019.

Under the ADR level I program, the Company had 3,484,937 level I ADRs on March 31, 2020.

Since January 2020, Localiza integrates the Carbon Efficiency Index, ICO2, valid from January to April 2020.



16 – Covid-19

On March 23, as informed in a material fact, we closed most **Car Rental** branches and all **Seminovos** stores. Since then, we adjusted the opening of the rental branches to the local and state legislation and from April 20, we resume the operations of about half of the **Seminovos** stores.

We present the summary of the locations and stores opened as of May 12 (preliminary, unaudited numbers), as follows:

Network status as of May 12th	Fully operational	Operating with restrictions	Closed	Total
Car Rental (including franchisees)	355	46	127	528
Seminovos	38	40	46	124

April was strongly impacted by the effects of the pandemic. Below are preliminary, unaudited figures referring to our operations:

CAR RENTAL	1Q20	April, 2020
Average operating fleet	211,512	211,237
Average rented fleet	156,620	105,257
Utilization rate (does not include cars in preparation and decommissioning)	78.2%	53.0%
Average rental rate per car (in RS)	69.22	47.00

FLEET RENTAL	1Q20	April, 2020
Average operating fleet	61,193	61,596
Average rented fleet	58,556	59,055
Utilization rate (does not include cars in preparation and decommissioning)	96.7%	97.4%
Average rental rate per car (in RS)	53.16	54.10

CARS PURCHASE AND SALES	1Q20	April, 2020
Number of cars purchased	40,879	1,482
Number of cars sold	38,361	2,460

Due to the significant drop in the **Car Rental** and **Seminovos** volumes, the Company has been adopting measures to reduce costs, expenses and investments.

17 – Results per division

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

CAR RENTAL RESULTS	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Car rental gross revenues, net of discounts and cancellations	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	3,345.6	30.1%	3,345.6	761.2	980.7	28.8%
Taxes on revenues (*)	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	(43.5)	-15.4%	(317.8)	(71.8)	(92.9)	29.4%
Car rental net revenues	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	3,302.1	31.1%	3,027.8	689.4	887.8	28.8%
Car rental costs	(618.1)	(707.4)	(926.4)	(926.4)	(870.7)	(1,178.1)	25.3%	(1,105.5)	(233.9)	(295.1)	26.2%
Gross profit	639.9	720.6	922.1	977.8	1,341.3	1,825.9	36.1%	1,922.3	455.5	592.7	30.1%
Operating expenses (SG&A)	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	(543.6)	24.3%	(543.6)	(118.6)	(167.9)	41.6%
Other assets depreciation and amortization	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	(30.8)	15.8%	(106.7)	(26.7)	(28.2)	5.6%
Operating profit before financial results and taxes (EBIT)	377.7	437.9	551.3	621.9	877.4	1,251.5	42.6%	1,272.0	310.2	396.6	27.9%
Financial expenses, net	(2.0)	(1.4)	(5.3)	(5.3)	(23.7)	(12.6)	-46.8%	(42.8)	(13.6)	(12.0)	-11.8%
Income tax and social contribution	(89.9)	(95.9)	(123.4)	(138.9)	(218.3)	(282.1)	29.2%	(279.4)	(67.8)	(86.4)	27.4%
Net income for the period	285.8	340.6	422.6	477.7	635.4	956.8	50.6%	949.8	228.8	298.2	30.3%
Net Margin	22.7%	23.9%	22.9%	25.8%	25.2%	29.0%	3.8 p.p.	31.4%	33.2%	33.6%	0.4 p.p.
EBITDA	400.0	461.8	574.9	645.5	904.0	1,282.3	41.8%	1,378.7	336.9	424.8	26.1%
EBITDAMargin	31.8%	32.3%	31.1%	34.9%	35.9%	38.8%	2.9 p.p.	45.5%	48.9%	47.8%	-1.1 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Gross revenues, net of discounts and cancellations	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	39.8%	5,479.6	1,280.8	1,414.4	10.4%
Taxes on revenues	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	86.5%	(13.8)	(2.8)	(3.2)	14.3%
Net revenues	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	39.7%	5,465.8	1,278.0	1,411.2	10.4%
Book value of cars sold and preparation for sale	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(1,189.7)	(1,313.5)	10.4%
Gross profit	280.4	267.6	381.9	381.9	369.3	425.3	15.2%	428.0	88.3	97.7	10.6%
Operating expenses (SG&A)	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	29.6%	(300.2)	(62.6)	(88.6)	41.5%
Cars depreciation	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	152.7%	(332.8)	(61.7)	(116.5)	88.8%
Other assets depreciation and amortization	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	-17.6%	(50.5)	(12.2)	(12.7)	4.1%
Operating profit (loss) before financial results and taxes (EBIT)	53.9	(6.1)	34.5	34.5	(42.2)	(265.3)	528.7%	(255.5)	(48.2)	(120.1)	149.2%
Financial expenses, net	(138.4)	(174.4)	(229.9)	(229.9)	(266.5)	(247.7)	-7.1%	(264.5)	(70.2)	(92.1)	31.2%
Income tax and social contribution	17.6	37.2	43.9	43.9	77.5	116.8	50.7%	115.8	26.1	40.3	54.4%
Net loss for the period	(66.9)	(143.3)	(151.5)	(151.5)	(231.2)	(396.2)	71.4%	(404.2)	(92.3)	(171.9)	86.2%
Net Margin	-4.0%	-7.2%	-5.1%	-5.1%	-5.9%	-7.2%	-1.3 p.p.	-7.4%	-7.2%	-12.2%	-5.0 p.p.
EBITDA	101.6	90.8	161.9	161.9	99.7	75.9	-23.9%	127.8	25.7	9.1	-64.8%
EBITDAMargin	6.1%	4.6%	5.4%	5.4%	2.5%	1.4%	-1.1 p.p.	2.3%	2.0%	0.6%	-1.4 p.p.

CAR RENTAL TOTAL FIGURES	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Car rental gross revenues, net of discounts and cancellations	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	3,345.6	30.1%	3,345.6	761.2	980.7	28.8%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	39.8%	5,479.6	1,280.8	1,414.4	10.4%
Total gross revenues	2,996.1	3,484.7	4,888.7	4,888.7	6,490.0	8,825.2	36.0%	8,825.2	2,042.0	2,395.1	17.3%
Taxes on revenues	(58.9)	(58.9)	(50.2)	(50.2)	(51.4)	(43.5)	-15.4%	(317.8)	(71.8)	(92.9)	29.4%
Car rental (*)	(2.5)	(2.7)	(4.9)	(4.9)	(7.4)	(13.8)	86.5%	(13.8)	(2.8)	(3.2)	14.3%
Car sales for fleet renewal	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(1,189.7)	(1,313.5)	10.4%
Car rental revenues - net revenues	1,258.0	1,428.0	1,848.5	1,848.5	2,519.4	3,302.1	31.1%	3,027.8	689.4	887.8	28.8%
Car sales for fleet renewal - net revenues	1,676.7	1,995.1	2,985.1	2,985.1	3,911.8	5,465.8	39.7%	5,465.8	1,278.0	1,411.2	10.4%
Total net revenues	2,934.7	3,423.1	4,833.6	4,833.6	6,431.2	8,767.9	36.3%	8,493.6	1,967.4	2,299.0	16.9%
Direct costs	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	(1,476.2)	25.3%	(1,105.5)	(233.9)	(295.1)	26.2%
Car rental	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(1,189.7)	(1,313.5)	10.4%
Car sales for fleet renewal	(239.9)	(258.8)	(347.2)	(332.3)	(437.3)	(543.6)	24.3%	(543.6)	(118.6)	(167.9)	41.6%
Car sales for fleet renewal	(178.8)	(176.8)	(220.0)	(220.0)	(269.6)	(349.4)	29.6%	(300.2)	(62.6)	(88.6)	41.5%
Cars depreciation	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	152.7%	(332.8)	(61.7)	(116.5)	88.8%
Other assets depreciation and amortization	(22.3)	(23.9)	(23.6)	(23.6)	(26.6)	(30.8)	15.8%	(106.7)	(26.7)	(28.2)	5.6%
Car rental	(8.8)	(9.1)	(9.7)	(9.7)	(10.2)	(8.4)	-17.6%	(50.5)	(12.2)	(12.7)	4.1%
Operating profit before financial results and taxes (EBIT)	431.6	431.8	585.8	656.4	835.2	986.2	18.1%	1,016.5	262.0	276.5	5.5%
Financial expenses, net	(140.4)	(175.8)	(235.2)	(235.2)	(290.2)	(260.3)	-10.3%	(307.3)	(83.8)	(104.1)	24.2%
Income tax and social contribution	(72.3)	(58.7)	(79.5)	(95.0)	(140.8)	(165.3)	17.4%	(163.6)	(41.7)	(46.1)	10.6%
Net income for the period	218.9	197.3	271.1	326.2	404.2	560.6	38.7%	545.6	136.5	126.3	-7.5%
Net margin	7.5%	5.8%	5.6%	6.7%	6.3%	6.4%	0.1 p.p.	6.4%	6.9%	5.5%	-1.4 p.p.
EBITDA	501.6	552.6	736.8	807.4	1,003.7	1,358.2	35.3%	1,506.5	362.6	433.9	19.7%
EBITDAMargin	17.1%	16.1%	15.2%	16.7%	15.6%	15.5%	-0.1 p.p.	17.7%	18.4%	18.9%	0.5 p.p.

OPERATING DATA	2015	2016	2017	2017	2018	2019	Var.	2019	1Q19	1Q20	Var.
Average operating fleet	62,513	70,185	94,194	94,194	130,058	173,649	33.5%	173,649	153,243	211,512	38.0%
Average rented fleet	43,315	51,515	69,762	69,762	97,245	128,718	32.4%	128,718	114,845	156,620	36.4%
Average operating fleet age (in months)	7.4	7.9	6.5	6.5	7.2	7.0	-2.8%	7.0	7.4	7.6	2.7%
End of period fleet	76,755	94,156	135,578	135,578	177,672	238,174	34.1%	238,174	176,670	241,219	36.5%
Number of rental days - in thousands	15,566.1	18,662.4	25,263.6	25,263.6	35,284.5	46,745.9	32.5%	46,745.9	10,277.8	14,167.6	37.8%
Average daily rental revenues per car (R\$)	84.56	79.67	75.16	75.16	72.86	71.57	-1.8%	71.57	74.06	69.22	-6.5%
Annualized average depreciation per car (R\$)	622.1	1,251.2	1,250.1	1,250.1	1,012.4	1,917.6	89.4%	1,917.6	1,610.5	2,202.4	36.8%
Utilization rate (Does not include cars in preparation and decommissioning)	75.4%	78.0%	78.6%	78.6%	79.6%	79.1%	-0.5 p.p.	79.1%	79.8%	78.2%	-1.6 p.p.
Number of cars purchased	52,343	76,071	114,966	114,966	139,273	192,292	38.1%	192,292	31,513	34,943	10.9%
Number of cars sold	52,508	57,596	76,901	76,901	94,945	128,677	35.5%	128,677	31,699	32,776	3.4%
Average sold fleet age (in months)	14.9	16.8	14.3	14.3	15.2	15.2	3.4%	15.2	15.9	15.7	-1.3%
Average total fleet	72,169	80,765	107,997	107,997	150,045	201,791	34.5%	201,791	171,438	233,448	36.2%
Average value of total fleet - R\$ million	2,205.9	2,790.2	4,100.6	4,100.6	6,005.7	8,652.7	44.1%	8,652.7	7,116.2	10,433.3	46.6%
Average value per car in the period - R\$ thsd	30.6	34.5	38.0	38.0	40.0	42.9	7.3%	42.9	41.5	44.7	7.7%

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

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

FLEET RENTAL RESULTS	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Fleet rental gross revenues, net of discounts and cancellations	619.6	664.1	757.4	757.4	857.8	1,039.1	21.1%	1,039.1	242.0	283.1	17.0%
Taxes on revenues (*)	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	68.9%	(98.8)	(23.0)	(26.9)	17.0%
Fleet rental net revenues	608.5	651.8	742.1	742.1	848.8	1,023.9	20.6%	940.3	219.0	256.2	17.0%
Fleet rental costs	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	23.7%	(220.5)	(45.3)	(53.4)	17.9%
Gross profit	419.2	458.1	521.7	522.0	602.9	719.8	19.4%	719.8	173.7	202.8	16.8%
Operating expenses (SG&A)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	40.3%	(83.2)	(14.5)	(22.5)	55.2%
Other assets depreciation and amortization	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	8.2%	(5.7)	(1.4)	(1.7)	21.4%
Operating profit before financial results and taxes (EBIT)	376.3	417.3	452.8	456.2	538.4	630.9	17.2%	630.9	157.8	178.6	13.2%
Financial expenses, net	(0.1)	(1.1)	(1.6)	(1.6)	(0.5)	(0.6)	20.0%	(0.7)	(1.0)	(0.1)	-90.0%
Income tax and social contribution	(90.5)	(90.4)	(102.8)	(103.6)	(136.5)	(143.5)	5.1%	(140.3)	(34.4)	(37.2)	8.1%
Net income for the period	285.7	325.8	348.4	351.0	401.4	486.8	21.3%	489.9	122.4	141.3	15.4%
Net Margin	47.0%	50.0%	46.9%	47.3%	47.3%	47.5%	0.2 p.p.	52.1%	55.9%	55.2%	-0.7 p.p.
EBITDA	378.5	420.2	456.3	459.7	543.3	636.2	17.1%	636.6	159.2	180.3	13.3%
EBITDA Margin	62.2%	64.5%	61.5%	61.9%	64.0%	62.1%	-1.9 p.p.	67.7%	72.7%	70.4%	-2.3 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Gross revenues, net of discounts and cancellations	368.6	347.8	466.5	466.5	599.5	742.4	23.8%	742.4	182.4	234.7	28.7%
Taxes on revenues	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	66.7%	(1.5)	(0.3)	(0.4)	33.3%
Net revenues	368.2	347.4	466.1	466.1	598.6	740.9	23.8%	740.9	182.1	234.3	28.7%
Book value of cars sold and preparation for sale	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	23.6%	(650.1)	(162.3)	(205.2)	26.4%
Gross profit	81.5	68.0	74.0	74.0	72.7	90.7	24.8%	90.8	19.8	29.1	47.0%
Operating expenses (SG&A)	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	13.1%	(35.0)	(7.3)	(13.4)	83.6%
Cars depreciation	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	36.8%	(218.7)	(55.4)	(36.7)	-33.8%
Other assets depreciation and amortization	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	-11.8%	(6.7)	(1.6)	(2.1)	31.3%
Operating profit (loss) before financial results and taxes (EBIT)	(78.8)	(83.3)	(74.7)	(74.7)	(125.5)	(170.9)	36.2%	(169.6)	(44.5)	(23.1)	-48.1%
Financial expenses, net	(63.8)	(68.7)	(80.0)	(80.0)	(79.6)	(100.2)	25.9%	(102.3)	(20.8)	(23.5)	13.0%
Income tax and social contribution	33.7	32.3	35.1	35.1	52.0	61.7	18.7%	60.6	14.3	8.1	-43.4%
Net loss for the period	(108.9)	(119.7)	(119.6)	(119.6)	(153.1)	(209.4)	36.8%	(211.3)	(51.0)	(38.5)	-24.5%
Net Margin	-29.6%	-34.5%	-25.7%	-25.7%	-25.6%	-28.3%	-2.7 p.p.	-28.5%	-28.0%	-16.4%	11.6 p.p.
EBITDA	47.9	37.0	41.3	41.3	36.1	49.3	36.6%	55.8	12.5	15.7	25.6%
EBITDA Margin	13.0%	10.7%	8.9%	8.9%	6.0%	6.7%	0.7 p.p.	7.5%	6.9%	6.7%	-0.2 p.p.

FLEET RENTAL TOTAL FIGURES	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Fleet rental gross revenues, net of discounts and cancellations	619.6	664.1	757.4	757.4	857.8	1,039.1	21.1%	1,039.1	242.0	283.1	17.0%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	368.6	347.8	466.5	466.5	599.5	742.4	23.8%	742.4	182.4	234.7	28.7%
Total gross revenues	988.2	1,011.9	1,223.9	1,223.9	1,457.3	1,781.5	22.2%	1,781.5	424.4	517.8	22.0%
Taxes on revenues	(11.1)	(12.3)	(15.3)	(15.3)	(9.0)	(15.2)	68.9%	(98.8)	(23.0)	(26.9)	17.0%
Fleet rental (*)	(0.4)	(0.4)	(0.4)	(0.4)	(0.9)	(1.5)	66.7%	(1.5)	(0.3)	(0.4)	33.3%
Car sales for fleet renewal	608.5	651.8	742.1	742.1	848.8	1,023.9	20.6%	940.3	219.0	256.2	17.0%
Fleet rental - net revenues	368.2	347.4	466.1	466.1	598.6	740.9	23.8%	740.9	182.1	234.3	28.7%
Total net revenues (**)	976.7	999.2	1,208.2	1,208.2	1,447.4	1,764.8	21.9%	1,681.2	401.1	490.5	22.3%
Direct costs	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	23.7%	(220.5)	(45.3)	(53.4)	17.9%
Fleet rental	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	23.6%	(650.1)	(162.3)	(205.2)	26.4%
Car sales for fleet renewal	500.7	526.1	595.7	596.0	675.6	810.5	20.0%	810.6	193.5	231.9	19.8%
Operating expenses (SG&A)	(40.7)	(37.9)	(65.4)	(62.3)	(59.6)	(83.6)	40.3%	(83.2)	(14.5)	(22.5)	55.2%
Fleet rental	(33.6)	(31.0)	(32.7)	(32.7)	(36.6)	(41.4)	13.1%	(35.0)	(7.3)	(13.4)	83.6%
Car sales for fleet renewal	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	36.8%	(218.7)	(55.4)	(36.7)	-33.8%
Other assets depreciation and amortization	(2.2)	(2.9)	(3.5)	(3.5)	(4.9)	(5.3)	8.2%	(5.7)	(1.4)	(1.7)	21.4%
Fleet rental	(2.0)	(1.8)	(1.7)	(1.7)	(1.7)	(1.5)	-11.8%	(6.7)	(1.6)	(2.1)	31.3%
Car sales for fleet renewal	297.5	334.0	378.1	381.5	412.9	460.0	11.4%	461.3	113.3	155.5	37.2%
Operating profit before financial results and taxes (EBIT)	297.5	334.0	378.1	381.5	412.9	460.0	11.4%	461.3	113.3	155.5	37.2%
Financial expenses, net	(63.9)	(68.8)	(81.6)	(81.6)	(80.1)	(100.8)	25.8%	(103.0)	(21.8)	(23.6)	8.3%
Income tax and social contribution	(56.8)	(58.1)	(67.7)	(68.5)	(84.5)	(81.8)	-3.2%	(79.7)	(20.1)	(29.1)	44.8%
Net income for the period	176.8	206.1	228.8	231.4	248.3	277.4	11.7%	278.6	71.4	102.8	44.0%
Net margin	18.1%	20.6%	18.9%	19.2%	17.2%	15.7%	-1.5 p.p.	16.6%	17.8%	21.0%	3.2 p.p.
EBITDA	426.4	457.2	497.6	501.0	579.4	685.5	18.3%	692.4	171.7	196.0	14.2%
EBITDA margin	43.7%	45.8%	41.2%	41.5%	40.0%	38.8%	-1.2 p.p.	41.2%	42.8%	40.0%	-2.8 p.p.

OPERATING DATA	2015	2016	2017	2017 adjusted	2018	2019	Var.	2019	1Q19	1Q20	Var.
Average operating fleet	31,676	31,908	36,804	36,804	44,404	55,726	25.5%	55,726	51,183	61,193	19.6%
Average rented fleet	30,280	31,222	35,424	35,424	42,321	53,029	25.3%	53,029	48,733	58,556	20.2%
Average operating fleet age (in months)	16.7	18.0	18.1	18.1	15.1	15.1	0.0%	15.1	15.3	15.3	0.0%
End of period fleet											
Rented Fleet	33,948	34,960	44,877	44,877	54,430	68,957	26.7%	68,957	54,901	67,777	23.5%
Managed Fleet	207	145	94	94	57	32	-43.9%	32	46	27	-41.3%
Number of rental days - in thousands	10,900.9	11,240.0	12,752.7	12,752.7	15,235.7	19,090.5	25.3%	19,090.5	4,386.0	5,270.0	20.2%
Average daily rental revenues per car (R\$)	56.08	58.23	58.77	58.77	55.62	53.92	-3.1%	53.92	54.79	53.16	-3.0%
Annualized average depreciation per car (R\$)	3,935.2	3,714.0	3,104.3	3,104.3	3,601.1	3,923.4	9.0%	3,923.4	4,326.5	2,397.1	-44.6%
Utilization rate (Does not include cars in preparation and decommissioning) (**)	98.4%	98.9%	98.2%	98.2%	96.8%	96.6%	-0.2 p.p.	96.6%	96.4%	96.7%	0.3 p.p.
Number of cars purchased	11,689	11,762	20,286	20,286	26,148	31,242	19.5%	31,242	5,430	5,936	9.3%
Number of cars sold	11,797	10,853	13,653	13,653	16,334	19,238	17.8%	19,238	4,952	5,585	12.8%
Average sold fleet age (in months)	33.4	31.4	31.8	31.8	31.2	28.6	-8.3%	28.6	28.8	29.2	1.4%
Average total fleet	33,446	33,436	39,605	39,605	48,776	61,374	25.8%	61,374	54,690	65,998	20.7%
Average value of total fleet - R\$ million	1,067.1	1,130.4	1,482.5	1,482.5	1,943.1	2,520.6	29.7%	2,520.6	2,218.2	2,876.2	29.7%
Average value per car in the period - R\$ thsd	31.9	33.8	37.4	37.4	39.8	41.1	3.3%	41.1	40.6	43.6	7.4%

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

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

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

FRANCHISING RESULTS	2015	2016	2017	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Gross revenues	17.8	18.0	17.6	18.1	21.8	20.4%	21.8	5.9	5.3	-10.2%
Taxes on revenues (*)	(1.2)	(1.0)	(1.1)	(1.0)	(1.0)	0.0%	(1.0)	(0.4)	(0.2)	-50.0%
Net revenues	16.6	17.0	16.5	17.1	20.8	21.6%	20.8	5.5	5.1	-7.3%
Costs	(9.2)	(9.7)	(8.9)	(9.6)	(8.3)	-13.5%	(6.5)	(1.4)	(1.7)	21.4%
Gross profit	7.4	7.3	7.6	7.5	12.5	66.7%	14.3	4.1	3.4	-17.1%
Operating expenses (SG&A)	(0.6)	(1.5)	(1.8)	(0.5)	(0.4)	-20.0%	(0.4)	(0.2)	(0.6)	200.0%
Other assets depreciation and amortization	(0.4)	(0.5)	(0.6)	(0.5)	(0.3)	-40.0%	(2.1)	(0.6)	(0.4)	-33.3%
Operating profit before financial results and taxes (EBIT)	6.4	5.3	5.2	6.5	11.8	81.5%	11.8	3.3	2.4	-27.3%
Financial expenses, net	1.6	2.1	1.8	1.3	0.5	-61.5%	0.5	0.4	0.1	-75.0%
Income tax and social contribution	(1.3)	(1.5)	(1.2)	(1.2)	(2.8)	133.3%	(2.6)	(0.8)	(0.7)	-12.5%
Net income for the period	6.7	5.9	5.8	6.6	9.5	43.9%	9.7	2.9	1.8	-37.9%
Net Margin	40.4%	34.7%	35.2%	38.6%	45.7%	7.1 p.p.	46.6%	52.7%	35.3%	-17.4 p.p.
EBITDA	6.8	5.8	5.8	7.0	12.1	72.9%	13.9	3.9	2.8	-28.2%
EBITDA Margin	41.0%	34.1%	35.2%	40.9%	58.2%	17.3 p.p.	66.8%	70.9%	54.9%	-16.0 p.p.

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

17.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	Var.	2019	1Q19 with reclassification of PIS/COFINS credits	1Q20	Var.
Car rental gross revenues, net of discounts and cancellations	1,316.9	1,486.9	1,898.7	1,898.7	2,570.8	3,345.6	30.1%	3,345.6	761.2	980.7	28.8%
Franchising gross revenues, net of discounts and cancellations	17.8	18.0	17.6	17.6	18.1	21.8	20.4%	21.8	5.9	5.3	-10.2%
Car Rental and Franchising total gross revenues, net of discounts and cancellations	1,334.7	1,504.9	1,916.3	1,916.3	2,588.9	3,367.4	30.1%	3,367.4	767.1	986.0	28.5%
Fleet Rental gross revenues, net of discounts and cancellations	619.6	664.1	757.4	757.4	857.8	1,039.1	21.1%	1,039.1	242.0	283.1	17.0%
Car and Fleet Rentals and Franchising total gross revenues	1,954.3	2,169.0	2,673.7	2,673.7	3,446.7	4,406.5	27.8%	4,406.5	1,009.1	1,269.1	25.8%
Taxes on revenues - Car and Fleet Rentals and Franchising (*)	(71.2)	(72.2)	(66.6)	(66.6)	(61.4)	(59.7)	-2.8%	(417.6)	(95.2)	(120.0)	26.1%
Car and Fleet Rentals and Franchising net revenues	1,883.1	2,096.8	2,607.1	2,607.1	3,385.3	4,346.8	28.4%	3,988.9	913.9	1,149.1	25.7%
Car sales gross revenues	-	-	-	-	-	-	-	-	-	-	-
Car sales for fleet renewal - Car Rental, net of discounts and cancellations	1,679.2	1,997.8	2,990.0	2,990.0	3,919.2	5,479.6	39.8%	5,479.6	1,280.8	1,414.4	10.4%
Car sales for fleet renewal - Fleet Rental, net of discounts and cancellations	368.6	347.8	466.5	466.5	599.5	742.4	23.8%	742.4	182.4	234.7	28.7%
Car sales for fleet renewal - total gross revenues (*)	2,047.8	2,345.6	3,456.5	3,456.5	4,518.7	6,222.0	37.7%	6,222.0	1,463.2	1,649.1	12.7%
Taxes on revenues - Car sales for fleet renewal	(2.9)	(3.1)	(5.3)	(5.3)	(8.3)	(15.3)	84.3%	(15.3)	(3.1)	(3.6)	16.1%
Car sales for fleet renewal - net revenues	2,044.9	2,342.5	3,451.2	3,451.2	4,510.4	6,206.7	37.6%	6,206.7	1,460.1	1,645.5	12.7%
Total net revenues	3,928.0	4,439.3	6,058.3	6,058.3	7,895.7	10,553.5	33.7%	10,195.6	2,374.0	2,794.6	17.7%
Direct costs and expenses:	-	-	-	-	-	-	-	-	-	-	-
Car rental	(618.1)	(707.4)	(926.4)	(870.7)	(1,178.1)	(1,476.2)	25.3%	(1,105.5)	(233.9)	(295.1)	26.2%
Franchising	(9.2)	(9.7)	(8.9)	(8.9)	(9.6)	(8.3)	-13.5%	(6.5)	(1.4)	(1.7)	21.4%
Total Car rental and Franchising	(627.3)	(717.1)	(935.3)	(879.6)	(1,187.7)	(1,484.5)	25.0%	(1,112.0)	(235.3)	(296.8)	26.1%
Fleet Rental	(189.3)	(193.7)	(220.4)	(220.1)	(245.9)	(304.1)	23.7%	(220.5)	(45.3)	(53.4)	17.9%
Total Car and Fleet Rentals and Franchising	(816.6)	(910.8)	(1,155.7)	(1,099.7)	(1,433.6)	(1,788.6)	24.8%	(1,332.5)	(280.6)	(350.2)	24.8%
Car sales for fleet renewal - Car rental	(1,396.3)	(1,727.5)	(2,603.2)	(2,603.2)	(3,542.5)	(5,040.5)	42.3%	(5,037.8)	(1,189.7)	(1,313.5)	10.4%
Car sales for fleet renewal - Fleet Rental	(286.7)	(279.4)	(392.1)	(392.1)	(525.9)	(650.2)	23.6%	(650.1)	(162.3)	(205.2)	26.4%
Total Car sales for fleet renewal (book value) and preparation for sale	(1,683.0)	(2,006.9)	(2,995.3)	(2,995.3)	(4,068.4)	(5,690.7)	39.9%	(5,687.9)	(1,352.0)	(1,518.7)	12.3%
Total costs	(2,496.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(7,479.3)	35.9%	(7,020.4)	(1,632.6)	(1,868.9)	14.5%
Gross profit	1,428.4	1,521.6	1,907.3	1,963.3	2,393.7	3,074.2	28.4%	3,175.2	741.4	925.7	24.9%
Operating expenses	-	-	-	-	-	-	-	-	-	-	-
Advertising, promotion and selling:	-	-	-	-	-	-	-	-	-	-	-
Car rental	(127.9)	(148.6)	(199.6)	(193.3)	(285.8)	(357.4)	25.1%	(357.4)	(79.9)	(109.7)	37.3%
Franchising	(0.6)	(0.6)	(1.1)	(1.1)	-	0.1	0.0%	0.1	-	(0.5)	0.0%
Total Car rental and Franchising	(128.5)	(149.2)	(200.7)	(194.4)	(285.8)	(357.3)	25.0%	(357.3)	(79.9)	(110.2)	37.9%
Fleet Rental	(18.2)	(14.0)	(18.8)	(18.8)	(27.7)	(36.0)	30.0%	(35.6)	(6.4)	(9.4)	46.9%
Car sales for fleet renewal	(191.1)	(191.6)	(232.3)	(232.3)	(279.5)	(357.1)	27.8%	(301.6)	(64.1)	(93.0)	45.1%
Total advertising, promotion and selling	(337.8)	(354.8)	(451.8)	(445.5)	(593.0)	(750.4)	26.5%	(694.5)	(150.4)	(212.6)	41.4%
General, administrative and other expenses	(155.8)	(151.2)	(215.3)	(203.6)	(210.6)	(268.0)	27.3%	(267.9)	(52.8)	(80.4)	52.3%
Total Operating expenses	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	26.7%	(962.4)	(203.2)	(293.0)	44.2%
Depreciation expenses:	-	-	-	-	-	-	-	-	-	-	-
Cars depreciation:	-	-	-	-	-	-	-	-	-	-	-
Car rental	(38.9)	(87.8)	(117.7)	(117.7)	(131.7)	(332.8)	152.7%	(332.8)	(61.7)	(116.5)	88.8%
Fleet Rental	(124.7)	(118.5)	(114.3)	(114.3)	(159.9)	(218.7)	36.8%	(218.7)	(55.4)	(36.7)	-33.8%
Total cars depreciation expenses	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	89.1%	(551.5)	(117.1)	(153.2)	30.8%
Other assets depreciation and amortization	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	5.5%	(171.7)	(42.5)	(45.1)	6.1%
Total depreciation and amortization expenses	(199.3)	(244.5)	(271.1)	(271.1)	(335.5)	(597.8)	78.2%	(723.2)	(159.6)	(198.3)	24.2%
Operating profit before financial results and taxes (EBIT)	735.5	771.1	969.1	1,043.1	1,254.6	1,458.0	16.2%	1,489.6	378.6	434.4	14.7%
Financial expenses, net:	-	-	-	-	-	-	-	-	-	-	-
Expense	(370.1)	(445.5)	(511.9)	(511.9)	(536.8)	(591.2)	10.1%	(630.0)	(158.2)	(163.1)	3.1%
Income	167.4	202.0	196.9	196.9	167.9	230.6	37.3%	220.2	53.0	35.5	-33.0%
Financial (expenses) revenues, net	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	-2.2%	(409.8)	(105.2)	(127.6)	21.3%
Income before tax and social contribution	532.8	527.6	654.1	728.1	885.7	1,097.4	23.9%	1,079.8	273.4	306.8	12.2%
Income tax and social contribution	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	10.3%	(245.9)	(62.6)	(75.9)	21.2%
Net income for the period	402.4	409.3	505.7	563.4	659.2	847.5	28.6%	833.9	210.8	230.9	9.5%
EBITDA	934.8	1,015.6	1,240.2	1,314.2	1,590.1	2,055.8	29.3%	2,212.8	538.2	632.7	17.6%
EBIT	735.5	771.1	969.1	1,043.1	1,254.6	1,458.0	16.2%	1,489.6	378.6	434.4	14.7%
Consolidated EBIT Margin (calculated over rental revenues)	39.1%	36.8%	37.2%	40.0%	37.1%	33.5%	-3.5 p.p.	37.3%	41.4%	37.8%	-3.6 p.p.
Car and Fleet Rentals and Franchising EBITDA	785.3	887.8	1,037.0	1,111.0	1,454.3	1,930.6	32.8%	2,029.2	500.0	607.9	21.6%
EBITDA Margin	41.7%	42.3%	39.8%	42.6%	43.0%	44.4%	1.4 p.p.	50.9%	54.7%	52.9%	-1.8 p.p.
Used Car Sales (Seminovos) EBITDA	149.5	127.7	203.2	203.2	135.8	125.2	-7.8%	183.6	38.2	24.8	-35.1%
EBITDA Margin	7.3%	5.5%	5.9%	5.9%	3.0%	2.0%	-1.0 p.p.	3.0%	2.6%	1.5%	-1.1 p.p.

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

17.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2015	2016	2017	2018	2019	Var.	1Q19	1Q20	Var.
Average operating fleet:									
Car Rental	62,513	70,185	94,194	130,058	173,649	33.5%	153,243	211,512	38.0%
Fleet Rental	31,676	31,908	36,804	44,404	55,726	25.5%	51,183	61,193	19.6%
Total	94,189	102,093	130,998	174,462	229,375	31.5%	204,426	272,705	33.4%
Average rented fleet:									
Car Rental	43,315	51,515	69,762	97,245	128,718	32.4%	114,845	156,620	36.4%
Fleet Rental	30,280	31,222	35,424	42,321	53,029	25.3%	48,733	58,556	20.2%
Total	73,595	82,737	105,186	139,566	181,747	30.2%	163,578	215,176	31.5%
Average age of operating fleet (months)									
Car Rental	7.4	7.9	6.5	7.2	7.0	-2.8%	7.4	7.6	2.7%
Fleet Rental	16.7	18.0	18.1	15.1	15.1	0.0%	15.3	15.3	0.0%
Average age of total operating fleet	10.6	11.0	9.8	9.3	9.0	-3.2%	9.5	9.4	-1.1%
Fleet at end of period:									
Car Rental	76,755	94,156	135,578	177,672	238,174	34.1%	176,670	241,219	36.5%
Fleet Rental	33,948	34,960	44,877	54,430	68,957	26.7%	54,901	67,777	23.5%
Total	110,703	129,116	180,455	232,102	307,131	32.3%	231,571	308,996	33.4%
Managed fleet at end period - Fleet Rental	207	145	94	57	32	-43.9%	46	27	-41.3%
Fleet investment (R\$ million) (does not include accessories)									
Car Rental	1,773.1	2,782.2	4,581.8	5,785.2	8,802.1	52.1%	1,342.4	1,533.2	14.2%
Fleet Rental	502.0	503.4	881.5	1,189.2	1,472.6	23.8%	250.8	303.0	20.8%
Total	2,275.1	3,285.6	5,463.3	6,974.4	10,274.7	47.3%	1,593.2	1,836.2	15.3%
Number of rental days (In thousands):									
Car Rental - Total	15,815.8	18,864.8	25,494.0	35,514.6	47,029.0	32.4%	10,345.6	14,245.7	37.7%
Rental days for Fleet Rental replacement service	(249.7)	(202.4)	(230.4)	(230.1)	(283.0)	23.0%	(67.8)	(78.1)	15.2%
Car Rental - Net	15,566.1	18,662.4	25,263.6	35,284.5	46,745.9	32.5%	10,277.8	14,167.6	37.8%
Fleet Rental	10,900.9	11,240.0	12,752.7	15,235.7	19,090.5	25.3%	4,386.0	5,270.0	20.2%
Total	26,467.0	29,902.4	38,016.3	50,520.2	65,836.5	30.3%	14,663.8	19,437.6	32.6%
Annualized average depreciation per car (R\$)									
Car Rental	622.1	1,251.2	1,250.1	1,012.4	1,917.6	89.4%	1,610.5	2,202.4	36.8%
Fleet Rental	3,935.2	3,714.0	3,104.3	3,601.1	3,923.4	9.0%	4,326.5	2,397.1	-44.6%
Total	1,736.3	2,020.9	1,771.0	1,671.2	2,405.2	43.9%	2,290.5	2,246.1	-1.9%
Average annual gross revenues per operating car (R\$ thousand)									
Car Rental	21.1	21.2	20.2	19.8	19.3	-2.5%	20.1	18.8	-6.7%
Fleet Rental	19.3	20.5	20.4	19.1	18.5	-3.2%	19.0	18.6	-2.5%
Average daily rental (R\$)									
Car Rental (*)	84.56	79.67	75.16	72.86	71.57	-1.8%	74.06	69.22	-6.5%
Fleet Rental	56.08	58.23	58.77	55.62	53.92	-3.1%	54.79	53.13	-3.0%
Utilization rate (does not include cars in preparation and decommissioning):									
Car Rental	75.4%	78.0%	78.6%	79.6%	79.1%	-0.5 p.p.	79.8%	78.2%	-1.6 p.p.
Fleet Rental	98.4%	98.9%	98.2%	96.8%	96.6%	-0.2 p.p.	96.4%	96.7%	0.3 p.p.
Number of cars purchased - consolidated (**)	64,032	87,833	135,252	165,421	223,534	35.1%	36,943	40,879	10.7%
Average price of cars purchased (R\$ thsd) - consolidated	35.53	37.41	40.39	42.16	45.96	9.0%	43.13	44.92	4.2%
Numbers of cars sold - consolidated	64,305	68,449	90,554	111,279	147,915	32.9%	36,651	38,361	4.7%
Average price of cars sold (R\$ thsd) (***) - consolidated	28.54	31.23	35.38	37.86	39.80	5.1%	38.02	40.33	6.1%

(*) 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	2015	2016	2017	2018	2019 without IFRS 16	2019	1Q20
CURRENT ASSETS:							
Cash and cash equivalents	1,385.1	1,692.3	1,338.2	2,175.3	2,220.1	2,220.1	2,626.4
Financial assets	-	-	1,275.7	267.5	610.8	610.8	1,267.3
Trade accounts receivable	486.1	424.5	585.1	1,016.5	1,274.7	1,274.7	774.3
Derivative financial instruments - swap	-	2.2	-	-	-	-	81.3
Other current assets	102.6	115.0	128.6	182.7	246.8	246.8	397.4
Decommissioning cars to fleet renewal	31.8	8.8	103.4	51.8	141.7	141.7	170.6
Total current assets	2,005.6	2,242.8	3,431.0	3,693.8	4,494.1	4,494.1	5,317.3
NON CURRENT ASSETS:							
Long-term assets:							
Marketable securities	-	-	-	-	-	-	-
Derivative financial instruments - swap	45.6	7.4	16.7	2.8	18.2	18.2	287.3
Trade accounts receivable	4.7	3.2	4.7	3.8	1.8	1.8	1.9
Escrow deposit	52.9	60.1	83.1	96.3	114.6	114.6	115.9
Deferred income tax and social contribution	-	-	42.0	42.2	32.4	32.4	30.4
Investments in restricted accounts	-	-	40.6	43.0	22.3	22.3	22.5
Other non current assets	0.1	0.1	0.7	0.1	0.1	0.1	0.1
Total long-term assets	103.3	70.8	187.8	188.2	189.4	189.4	458.1
Property and equipment							
Cars	3,610.9	4,614.8	6,934.7	9,481.6	13,374.1	13,374.1	13,483.0
Right of use	-	-	-	-	-	625.0	634.3
Other	314.1	405.8	549.3	550.3	570.5	570.5	593.1
Intangible:							
Software and others	67.1	61.1	52.8	47.8	49.9	49.9	47.9
Goodwill on acquisition of investments	22.0	22.0	30.6	30.7	90.0	90.0	109.4
Total non current assets	4,117.4	5,174.5	7,755.2	10,298.6	14,273.9	14,898.9	15,325.8
TOTAL ASSETS	6,123.0	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,643.1
LIABILITIES AND SHAREHOLDERS' EQUITY	2015	2016	2017	2018	2019 without IFRS 16	2019	1Q20
CURRENT LIABILITIES:							
Trade accounts payable	690.6	910.9	1,331.7	2,202.6	2,565.4	2,565.4	2,091.6
Social and labor obligations	85.6	95.0	109.2	135.0	161.8	161.8	209.8
Loans, financing and debentures	422.4	654.6	537.2	616.6	144.3	144.3	734.7
Lease liability	-	-	-	-	-	116.0	132.6
Derivative financial instruments - swap	-	-	6.8	18.7	26.8	26.8	44.7
Income tax and social contribution	28.3	23.0	31.3	41.1	58.7	54.6	56.7
Dividends and interest on own capital	29.3	39.7	36.4	42.6	63.4	63.4	59.4
Other current liabilities	99.9	118.5	181.5	282.8	390.0	390.0	338.1
Total current liabilities	1,356.1	1,841.7	2,234.1	3,339.4	3,410.4	3,522.3	3,667.6
NON CURRENT LIABILITIES:							
Loans, financing and debentures	2,596.9	3,131.3	5,940.5	7,029.4	9,235.1	9,235.1	10,329.1
Lease liability	-	-	-	-	-	526.8	525.2
Derivative financial instruments - swap	-	-	10.8	21.9	62.3	62.3	47.8
Provisions	68.3	63.1	126.5	148.8	207.2	207.2	225.7
Deferred income tax and social contribution	141.6	171.9	219.7	297.3	352.7	352.7	369.4
Restricted Obligations	-	-	40.6	43.1	22.5	22.5	22.7
Other non current liabilities	18.5	12.3	13.3	18.0	16.6	16.6	26.2
Total non current liabilities	2,825.3	3,378.6	6,351.4	7,558.5	9,896.4	10,423.2	11,546.1
Total liabilities	4,181.4	5,220.3	8,585.5	10,897.9	13,306.8	13,945.5	15,213.7
SHAREHOLDERS' EQUITY:							
Capital	976.7	976.7	1,500.0	1,500.0	4,000.0	4,000.0	4,000.0
Expenses with share issues	-	-	-	-	(43.1)	(43.1)	(43.1)
Treasury Shares	-	-	-	-	-	-	(207.0)
Capital Reserves	35.9	34.0	94.9	125.0	163.2	163.2	188.1
Earnings Reserves	929.0	1,186.3	1,005.8	1,469.5	1,341.1	1,327.4	1,491.4
Total shareholders' equity	1,941.6	2,197.0	2,600.7	3,094.5	5,461.2	5,447.5	5,429.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,123.0	7,417.3	11,186.2	13,992.4	18,768.0	19,393.0	20,643.1

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

STATEMENT OF INCOME	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16 and without reclassification of PIS/COFINS credits	2019	1 Q20
Total net revenues	3,928.0	4,439.3	6,058.3	6,058.3	7,895.7	10,553.5	10,195.6	2,794.6
COSTS AND EXPENSES:								
Direct costs	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(5,502.0)	(7,479.3)	(7,020.4)	(1,868.9)
Selling, general, administrative and other expenses	(493.6)	(506.0)	(667.1)	(649.1)	(803.6)	(1,018.4)	(962.4)	(293.0)
Cars depreciation	(163.6)	(206.3)	(232.0)	(232.0)	(291.6)	(551.5)	(551.5)	(153.2)
Other assets depreciation and amortization	(35.7)	(38.2)	(39.1)	(39.1)	(43.9)	(46.3)	(171.7)	(45.1)
Total costs and expenses	(3,192.5)	(3,668.2)	(5,089.2)	(5,015.2)	(6,641.1)	(9,095.5)	(8,706.0)	(2,360.2)
Income before financial results and taxes (EBIT)	735.5	771.1	969.1	1,043.1	1,254.6	1,458.0	1,489.6	434.4
FINANCIAL EXPENSES, NET	(202.7)	(243.5)	(315.0)	(315.0)	(368.9)	(360.6)	(409.8)	(127.6)
Income before taxes	532.8	527.6	654.1	728.1	885.7	1,097.4	1,079.8	306.8
INCOME TAX AND SOCIAL CONTRIBUTION								
Current	(94.8)	(88.0)	(119.4)	(135.7)	(139.8)	(183.7)	(180.7)	(57.2)
Deferred	(35.6)	(30.3)	(29.0)	(29.0)	(86.7)	(66.2)	(65.2)	(18.7)
	(130.4)	(118.3)	(148.4)	(164.7)	(226.5)	(249.9)	(245.9)	(75.9)
Net income	402.4	409.3	505.7	563.4	659.2	847.5	833.9	230.9

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

CONSOLIDATED CASH FLOW	2015	2016	2017	2017 adjusted	2018	2019 without IFRS 16	2019	1Q20
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income	402.4	409.3	505.7	563.4	659.2	847.5	833.9	230.9
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:								
Depreciation and amortization	199.3	244.5	271.1	271.1	335.5	597.9	723.1	198.4
Net book value of vehicles written off	1,769.1	2,102.5	3,106.6	3,106.6	4,198.5	5,863.6	5,863.6	1,546.2
Deferred income tax and social contribution	35.6	30.3	29.1	29.1	86.7	65.2	65.2	18.7
Interest on loans, financing, debentures and swaps of fixed rates	406.6	438.1	476.2	476.2	529.8	552.9	552.9	135.2
Lease interest	-	-	-	-	-	-	49.40	16.50
Other	17.3	26.9	81.7	81.7	87.8	103.6	103.6	32.6
(Increase) decrease in assets:								
Trade receivable	(36.6)	56.8	(151.8)	(151.8)	(489.0)	(275.9)	(275.9)	493.2
Purchases of cars (see supplemental disclosure below)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(9,941.4)	(9,941.4)	(2,294.1)
Escrow deposits	(15.3)	(7.2)	(17.5)	(17.5)	(13.1)	(17.9)	(17.9)	(1.3)
Taxes recoverable	(5.2)	(6.0)	2.6	2.6	3.4	(1.6)	(1.6)	8.5
Prepaid expenses	0.0	0.0	2.7	2.7	1.3	(4.9)	(4.9)	(133.1)
Other assets	(1.3)	(3.6)	(8.8)	(8.8)	(71.9)	(44.7)	(44.7)	(26.1)
Increase (decrease) in liabilities:								
Accounts payable (except car manufacturers)	(16.7)	29.6	(4.8)	(4.8)	3.1	21.0	21.0	(18.2)
Social and labor obligations	(0.5)	9.4	7.5	7.5	25.8	26.8	26.8	47.9
Income tax and social contribution	94.8	88.0	119.4	135.7	139.8	184.7	180.7	57.2
Insurance premium	4.4	8.6	19.3	19.3	37.0	23.2	23.2	(13.9)
Other liabilities	5.9	(19.5)	40.1	40.1	60.1	52.0	52.0	(43.9)
Cash provided by (used in) operating activities	460.2	308.8	(573.3)	(499.3)	(519.7)	(1,948.0)	(1,791.0)	254.7
Income tax and social contribution paid	(110.7)	(93.3)	(108.3)	(108.3)	(131.2)	(146.1)	(146.1)	(55.2)
Interest on loans, financing and debentures paid	(352.9)	(442.3)	(485.7)	(485.7)	(424.7)	(562.2)	(562.2)	(79.6)
Lease interest paid	-	-	-	-	-	-	(53.5)	(10.5)
Financial assets	-	-	(1,275.8)	(1,275.8)	1,008.2	(343.4)	(343.4)	(656.5)
Net cash provided by (used in) operating activities	(3.4)	(226.8)	(2,443.1)	(2,369.1)	(67.4)	(2,999.7)	(2,896.2)	(547.1)
CASH FLOWS FROM INVESTING ACTIVITIES:								
(Investments) withdrawn in marketable securities	92.6	-	-	-	-	-	-	-
Acquisition of investment, goodwill and fair value surplus	-	-	(333.2)	(333.2)	-	(123.7)	(123.7)	(7.8)
Purchases of other property and equipment and addition of intangible assets	(153.0)	(126.6)	(175.0)	(175.0)	(42.8)	(70.0)	(70.0)	(29.4)
Net cash provided by (used in) investing activities	(60.4)	(126.6)	(508.2)	(508.2)	(42.8)	(193.7)	(193.7)	(37.2)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Loans and financings:								
Proceeds	747.1	266.3	950.1	950.1	742.8	1,351.5	1,351.5	1,150.3
Repayment	(368.4)	(297.9)	(510.1)	(510.1)	(518.5)	(930.2)	(930.2)	(9.4)
Debentures								
Proceeds	496.8	943.4	2,626.9	2,626.9	1,690.7	2,283.7	2,283.7	988.6
Repayment	(668.0)	(105.0)	(355.0)	(355.0)	(815.0)	(975.0)	(975.0)	(850.0)
Lease liability:								
Proceeds	-	-	-	-	-	-	-	-
Repayment	-	-	-	-	-	-	(103.5)	(32.4)
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	(184.7)
Expenses with issuance of shares	-	-	-	-	-	(65.3)	(65.3)	-
Exercise of stock options with treasury shares, net	18.0	18.2	50.1	50.1	16.4	25.1	25.1	-
Dividends paid	(44.7)	(1.0)	-	-	-	(7.2)	(7.2)	-
Interest on own capital	(94.6)	(138.4)	(166.9)	(166.9)	(172.3)	(268.6)	(268.6)	(71.8)
Net cash provided by (used in) financing activities	58.7	660.6	2,597.2	2,597.2	947.3	3,238.2	3,134.7	990.6
NET CASH FLOW PROVIDED (USED) IN THE YEAR	(5.1)	307.2	(354.1)	(280.1)	837.1	44.8	44.8	406.3
Cash flow without incurred one-time costs Hertz and franchisees	-	-	-	(74.0)	-	-	-	-
NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS	(5.1)	307.2	(354.1)	(354.1)	837.1	44.8	44.8	406.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,390.2	1,385.1	1,692.3	1,692.3	1,338.2	2,175.3	2,175.3	2,220.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,385.1	1,692.3	1,338.2	1,338.2	2,175.3	2,220.1	2,220.1	2,626.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5.1)	307.2	(354.1)	(354.1)	837.1	44.8	44.8	406.3
Supplemental disclosure of cash flow information:								
Cash paid during the period for cars acquisition								
Cars acquisition in the year/period - renewal	(2,278.4)	(2,563.6)	(3,660.9)	(3,660.9)	(4,696.7)	(6,804.6)	(6,804.6)	(1,724.8)
Cars acquisition in the year/period - growth	-	(726.0)	(1,807.0)	(1,807.0)	(2,285.1)	(3,478.7)	(3,478.7)	(113.2)
Suppliers - automakers:								
Balance at the end of the year	591.3	782.0	1,197.5	1,197.5	2,065.6	2,407.5	2,407.5	1,951.4
Balance at the beginning of the year	(712.5)	(591.3)	(782.0)	(782.0)	(1,197.5)	(2,065.6)	(2,065.6)	(2,407.5)
Cash paid for cars purchased	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(6,113.7)	(9,941.4)	(9,941.4)	(2,294.1)

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:** As of January 1, 2019, all companies had to adapt to the new rules of IFRS 16. Lessees now have to recognize the assets of the rights over leased assets and the liabilities of future payments for medium or long-term leases, including operating leases. The major impact we had was on the real estate lease agreements of our locations and stores.
- **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.
- **Net debt:** Short and long term debts +/- the results from the swap operations, net of the cash, cash equivalents and short term financial investments. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.
- **Net Investment in cars:** capital investment in cars acquisition, net of the revenues from selling decommissioned cars.
- **NOPAT:** Net operating profit after tax.
- **One-time costs (OTC):** non-recurring costs and expenses related to the acquisition of Hertz Brazil's operations and the integration of 20 franchised branches.
- **Reclassification of PIS and COFINS credits** - In order to better reflect the nature of its operating costs, Localiza performed the reclassification of PIS and COFINS credits for the years ended December 31, 2019. The credits were reclassified in the income statement by division and consolidated, from the income tax heading to the cost heading.
- **ROIC:** Return on invested capital.
- **Swap:** Financial transactions carried out to hedge exchange rate and interest rate risks.
- **Utilization Rate:** It is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.

Notes to the Interim Financial Information

(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 MARCH 31, 2020

(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 subsidiary Localiza Car Rental Systems S.A. (“Car Rental Systems”) sell their decommissioned cars, generating cash for the purchase of new cars from manufacturers.

As of March 31, 2020, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 608 car rental locations (not reviewed by the auditors), of which: (i) 528 locations in 362 cities in Brazil, 427 of which were operated by Localiza and 101 by franchisees; and (ii) 80 locations in 42 cities in 6 South American countries, all operated by franchisees.

On that same date, Localiza's Platform fleet was comprised of 325,112 cars (not reviewed by the auditors), of which: (i) 308,996 belonged to the Company, including 241,219 of the Car Rental Division and 67,777 of the Fleet Rental Division; (ii) 6,446 belonged to its franchisees in Brazil; and (iii) 9,670 belonged to its franchisees abroad. Approximately half of the decommissioned cars are sold to final consumers through 124 points of sale owned by the Company, located in 85 cities throughout Brazil, reducing intermediation and depreciation costs and maximizing cash flow generation for fleet renewal.

According to the Material Fact released on March 23, 2020 and Notice to the Market on March 31, 2020, the Company and its subsidiaries had an interruption in the operation of several of their systems, impacting the volume of car rentals and sales. The systems were re-established in early April and are mostly normalized.

This individual and consolidated interim financial information was approved and authorized for issue by the Company's Management on May 13, 2020 and by the Board of Directors on May 14, 2020.

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

Except for the change in the accounting estimate of depreciation of the Localiza Fleet (as mentioned in note 9), the information on the basis of preparation and presentation of the interim financial information and summary of significant accounting policies has not changed significantly when compared with the information disclosed in note 2 and in other

Notes to the Interim Financial Information

notes to the annual financial statements for the year ended December 31, 2019 (hereinafter referred to as "financial statements for the year ended December 31, 2019"), published on March 10, 2020 through the websites www.cvm.gov.br, www.b3.com.br and www.localiza.com/ri and published on March 17, 2020 in the "Diário do Comércio de Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais State Register) newspapers.

Reclassification of comparative balances – In order to better reflect the nature of its operating costs, the Company reclassified PIS and COFINS credits on the acquisition of inputs, for the year ended March 31, 2019. The credits were reclassified in the income statement, from sales tax line to the cost line, in the amount of R\$ 54,579 in the Individual and R\$ 73,710 in the Consolidated.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

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

There are no recently issued CPC / IFRS standards or ICPC / International Financial Reporting Interpretations Committee ("IFRIC") interpretations applicable to the Company which have been adopted in the current period by the Company and its subsidiaries.

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

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cash and banks	69,697	16,246	70,363	17,122
Bank Certificates of Deposit ("CDB")	1,422,751	430,427	1,753,583	487,065
Fixed-income investment fund units	214,806	1,176,003	802,410	1,715,915
Total	1,707,254	1,622,676	2,626,356	2,220,102

At March 31, 2020, financial investments in CDBs and fixed-income investment fund units had an annual weighted average yield of 91.1% of the Interbank Deposit Certificates ("CDI") rate variation (99.9% at December 31, 2019), 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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Bank Certificates of Deposit ("CDB")	106,763	115,571	301,537	345,171
Fixed-income investment fund units	948,643	151,447	965,784	265,667
Total	1,055,406	267,018	1,267,321	610,838

At March 31, 2020, short-term investments in CDBs, and fixed-income investment fund units posted annual weighted average yield of 81.6% of the CDI rate variation (102.5% at December 31, 2019) and have liquidity Short-term. 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.

Notes to the Interim Financial Information

6. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Car rental (*)	563,251	787,313	563,362	787,313
Fleet rental	-	-	124,533	117,117
Sale of decommissioned cars (*)	160,117	391,681	197,242	475,091
Franchising	2,054	1,249	6,374	5,918
	725,422	1,180,243	891,511	1,385,439
Allowance for doubtful debts and expected losses	(89,735)	(84,519)	(115,348)	(108,907)
Total	635,687	1,095,724	776,163	1,276,532
Current assets	635,687	1,095,724	774,270	1,274,723
Noncurrent (**)	-	-	1,893	1,809

(*) The decrease in the balance of trade receivables from car rental and sale of decommissioned cars is mainly due to the prepayment of credit card receivables in the amount of R\$ 364,360 in the individual and R\$ 379,929 in the consolidated in March 2020.

(**) Refers to the franchising integration fee.

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current	495,486	986,974	604,320	1,137,532
Up to 30 days overdue	94,507	66,413	121,671	92,494
31 to 60 days overdue	35,790	43,336	42,448	49,861
61 to 90 days overdue	22,551	20,007	24,668	22,423
91 to 180 days overdue	43,074	36,174	46,450	39,533
Over 181 days overdue	34,014	27,339	51,954	43,596
Total	725,422	1,180,243	891,511	1,385,439

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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Up to 30 days overdue	88,238	59,719	114,239	84,944
31 to 60 days overdue	29,333	38,423	35,670	44,509
61 to 90 days overdue	17,666	15,915	19,608	17,735
Over 91 days overdue	12,591	3,782	14,859	5,115
Total	147,828	117,839	184,376	152,303

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

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current	(7,627)	(9,089)	(12,533)	(13,303)
Up to 30 days overdue	(6,269)	(6,694)	(7,432)	(7,550)
31 to 60 days overdue	(6,457)	(4,913)	(6,778)	(5,352)
From 61 to 90 days overdue	(4,885)	(4,092)	(5,060)	(4,688)
Over 91 days overdue	(64,497)	(59,731)	(83,545)	(78,014)
Total	(89,735)	(84,519)	(115,348)	(108,907)

Notes to the Interim Financial Information

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

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Balance at the beginning of the period	(84,519)	(70,079)	(108,907)	(88,405)
Recognition	(41,546)	(18,207)	(46,753)	(23,356)
Reversal	36,330	16,255	40,312	21,084
Balance at the end of the period	(89,735)	(72,031)	(115,348)	(90,677)

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, 2019.

7. OTHER CURRENT AND NONCURRENT ASSETS

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

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Balances stated separately in current assets:				
Recoverable taxes	24,908	29,721	31,384	39,850
Prepaid expenses (*)	117,682	10,530	144,831	11,757
Derivative instruments (note 13)	81,344	-	81,344	-
	223,934	40,251	257,559	51,607
Other current assets:				
Receivables from insurance company (**)	144,263	146,229	146,154	148,162
Other receivables – subsidiaries (note 8 (c)(i))	166	144	-	-
Investments in restricted accounts (note 15)	-	-	22,502	22,283
Other current assets	38,881	13,204	52,496	24,629
	183,310	159,577	221,152	195,074
Total other current assets	407,244	199,828	478,711	246,681
Balances stated separately in current assets:				
Derivative instruments (note 13)	244,006	18,198	287,265	18,198
Investments in restricted accounts (note 15)	-	-	22,502	22,283
Other noncurrent assets	83	83	83	83
Total other noncurrent assets	244,089	18,281	309,850	40,564
Total other current and noncurrent assets	651,333	218,109	788,561	287,245

(*) Basically refers to prepaid expenses on Vehicle Tax ("IPVA"), in the amount of R\$ 89,781 in the Individual and R\$ 115,559 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 2020, or when the sale is made.

(**) 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, 2019).

8. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

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.
- **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 and Car Rental Systems.

Notes to the Interim Financial Information

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

At the Extraordinary General Meeting of Car Rental Systems, held on January 31, 2020, the merger of Localiza RP Aluguel de Carros Ltda. ("Localiza RP") into Car Rental Systems was approved, with transfer of all assets, liabilities and equity on the same date, in the amount of R\$ 73,305. This merger aims to follow the strategic guidelines of Car Rental Systems for operational, administrative and financial streamlining and rationalization, making the operation unique, aiming at increasing managerial efficiency and reducing operating, administrative and financial costs.

(a) Business combination

At the Board of Directors' Meeting of Localiza Fleet held on March 12, 2020, the acquisition of all shares of MOBI7 by Localiza Fleet was approved. The Purchase and Sale Agreement was signed on the same date when the acquisition of 100% of the shares of the acquired company was concluded.

In the consolidated financial statements, the acquisition of MOBI7 Plus was accounted for at the fair value of the assets acquired and liabilities assumed by Localiza Fleet 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 MOBI7 is based on the strategic purpose of maintaining the synergy between the car rental and fleet management activity with the activity of monitoring and tracking of automotive vehicle electronic system.

(i) Net assets and liabilities assumed in the operation

The acquisition price for 100% of the equity interest in MOBI7 was R\$ 18,500. This amount is comprised of a portion of R\$ 7,999, which was paid on March 12, 2020 and in three successive annual installments, the last installment due on March 13, 2023. The outstanding amount is recorded under "Other current and noncurrent liabilities" (note 15).

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 will be attested. Provisional net assets are as follows:

Notes to the Interim Financial Information

MOBI7			
Fair value at 03/12/2020			
Assets		Liabilities	
Current	995	Current	3,708
Noncurrent		Noncurrent	2,575
Long-term assets	36	Equity	(937)
Investments	15		
Property and equipment	3,972		
Intangible assets	328		
Total	5,346	Total	5,346

MOBI7		Fair value at 03/12/2020	
Consideration to be transferred		10,501	
Consideration transferred		7,999	
Recognized net fair value of identifiable assets and liabilities		937	
Preliminary goodwill identified on acquisition		19,437	

Net cash outflow on acquisition of subsidiary

MOBI7		Fair value at 03/12/2020	
Consideration transferred in cash		7,999	
(-) Balance of cash and cash equivalents acquired		(157)	
Effects of acquisition presented in the statement of cash flows		7,842	

(ii) Impact of acquisition on consolidated profit or loss

The Company is still analyzing the impacts on profit or loss attributable to the additional business generated by MOBI7 had this business combination taken effect on January 1, 2020.

(b) Information on subsidiaries

Investments in subsidiaries are broken down as follows:

	03/31/2020	12/31/2019
Investments in subsidiaries	1,221,343	1,118,966
Goodwill in the acquisition of investments	22,077	22,077
Total	1,243,420	1,141,043

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

	1Q20	1Q19
Balance at the beginning of the period	1,118,966	903,037
Equity in the earnings of subsidiaries	102,377	75,952
Balance at the end of the period	1,221,343	978,989

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

	Number of shares		In capital (%)	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Localiza subsidiaries:				
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

Notes to the Interim Financial Information

	Number of shares		In capital (%)	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
LFI S.R.L.	131,078	131,078	98.0	98.0
Indirect subsidiary:				
LFI S.R.L.	2,160	2,160	2.0	2.0
Localiza Fleet's subsidiary:				
Car Rental Systems	603,876,785	603,876,785	100.0	100.0
MOBI7	890,000	-	100.0	-
Car Rental Systems' subsidiary:				
Localiza RP (*)	-	59,277,789	-	100.0
MOBI7's subsidiary:				
MOBI7 México	9,800	-	98.0	-

(*) Wholly-owned subsidiary of Car Rental Systems merged on January 31, 2020, as approved at the Extraordinary General Meeting of Car Rental Systems held on the same date.

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

(i) Balance sheets

03/31/2020	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
Assets						
Current	1,024,944	226,412	161,160	43,678	15,043	321
Noncurrent						
Long-term	117,822	-	14,208	-	6,895	-
Investment	4	-	-	-	-	-
Property and equipment	2,953,363	407,425	249	-	2,807	-
Intangible assets	92,423	-	-	-	25	-
Total	4,188,556	633,837	175,617	43,678	24,770	321
Liabilities						
Current	483,336	15,006	24,622	11,688	8,267	125
Noncurrent	2,949,221	349,000	8,334	3	9,879	13
Equity	755,999	269,831	142,661	31,987	6,624	183
Total	4,188,556	633,837	175,617	43,678	24,770	321
12/31/2019	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.
Assets						
Current	898,618	226,897	148,509	32,907	13,893	268
Noncurrent						
Long-term	73,452	-	15,849	-	6,720	-
Investment	3	-	-	-	-	-
Property and equipment	2,879,762	396,526	260	-	2,824	-
Intangible assets	73,092	-	-	-	60	-
Total	3,924,927	623,423	164,618	32,907	23,497	268
Liabilities						
Current	559,200	11,042	24,779	11,192	6,509	129
Noncurrent	2,682,002	347,636	8,346	3	11,329	8
Equity	683,725	264,745	131,493	21,712	5,659	131
Total	3,924,927	623,423	164,618	32,907	23,497	268

Notes to the Interim Financial Information

(iii) Statements of income

1Q20	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	
Net revenue	519,728	9,659	19,163	11,835	2,582	-	
Gross profit	200,072	9,782	19,163	11,648	1,217	-	
Net income/(loss) before income tax and social contribution	106,840	7,698	16,869	11,693	1,307	52	
Net income	72,274	5,086	11,168	10,275	965	52	

1Q19	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	400,438	9,147	15,673	8,925	3,530	25	-
Gross profit	130,892	9,265	15,346	8,727	2,527	7	-
Net income/(loss) before income tax and social contribution	83,420	6,639	9,515	8,963	2,808	(106)	(1)
Net income/(loss)	55,200	4,389	6,329	7,832	2,309	(106)	(1)

(c) Balances and transactions with related parties

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

	Localiza Fleet		Other subsidiaries		Total	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Balances:						
Trade receivables	6,415	5,590	-	-	6,415	5,590
Dividends receivable	54,012	54,012	18,200	18,200	72,212	72,212
Other receivables (note 7)	-	-	166	144	166	144
Trade payables	(4,419)	(3,142)	(16,218)	(4,584)	(20,637)	(7,726)
Other payables (note 15)	(1,169)	(4,262)	(7,645)	(12,542)	(8,814)	(16,804)

	Localiza Fleet		Other subsidiaries		Total	
	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19
Transactions:						
Revenues	7,059	6,844	-	1	7,059	6,845
Costs and expenses	(8,030)	(6,777)	(26,638)	(7,033)	(34,668)	(13,810)
Recoverable costs and expenses	18,235	4,168	1,535	800	19,770	4,968

As at March 31, 2020, there were collateral guarantees for borrowings and debt securities amounting to: (i) R\$ 4,667,651 issued by Localiza Fleet to Localiza (R\$ 4,318,938 at December 31, 2019); (ii) R\$ 2,171,925 issued by Localiza to Localiza Fleet (R\$ 2,426,059 at December 31, 2019); and (iii) R\$ 375,607 issued by Localiza to Rental Brasil (R\$ 351,330 at December 31, 2019). There was also collateral between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$ 143,171 (R\$ 142,213 at December 31, 2019)

Transactions between related parties are made under conditions negotiated between the Company and its 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 premium paid in 1Q20 was R\$ 62 (R\$ 196 in 1Q19) related to guarantees insurances and the current insured amount of R\$ 143,171 (R\$ 142,213 as of December 31, 2019).

Notes to the Interim Financial Information

(ii) Key management compensation

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Compensation of the Board of Directors and Fiscal Council Executive Board	3,738	2,883	3,738	2,883
Fees and compensation	9,650	6,177	10,028	7,873
Payroll taxes	2,729	1,073	2,850	1,345
Stock options granted recognized	1,888	1,722	1,888	1,722
Supplementary pension plan	361	125	374	184
Total	18,366	11,980	18,878	14,007

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, 2019.

9. PROPERTY AND EQUIPMENT

The Company reviewed the method used to calculate the depreciation of cars in the Fleet Management Division to better reflect the equalization of maintenance and depreciation costs over the car's useful life. As defined by CPC 23, the change in the depreciation calculation assumption to the straight-line method started to be recognized prospectively as of January 1, 2020. Management believes that this review of estimate provides information that better reflects the consumption pattern of economic benefits over the car's useful life.

The effects of applying the straight-line method in the three-month period ended March 31, 2020 are the decrease in depreciation expense by approximately R\$ 19 million, to be offset by the increase in the cost of the car sold when it is decommissioned, and the increase in deferred income tax and social contribution expense by approximately R\$ 6 million. The Company is still analyzing the impacts on profit or loss attributable to this review of estimate.

Notes to the Interim Financial Information

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

	Individual									
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use	Others	Total
Cost										
As of December 31, 2018	7,422,844	115,396	87,720	47,986	9,816	681	1,913	-	26,600	7,712,956
Initial application of IFRS 16	-	-	-	-	-	-	-	837,305	-	837,305
Additions	1,342,384	-	1,398	1,315	3,128	-	-	20,381	516	1,369,122
Write-offs/transfers (*)	(1,266,592)	2,912	149	47	(3,108)	-	-	-	-	(1,266,592)
As of March 31, 2019	7,498,636	118,308	89,267	49,348	9,836	681	1,913	857,686	27,116	8,652,791
Accumulated depreciation:										
December 31, 2018	(109,327)	(65,012)	(31,246)	(26,766)	-	-	(1,129)	-	(14,116)	(247,596)
Additions	(61,678)	(3,150)	(1,913)	(1,639)	-	-	(22)	(34,055)	(561)	(103,018)
Write-offs/transfers (*)	37,079	-	-	-	-	-	-	-	-	37,079
As of March 31, 2019	(133,926)	(68,162)	(33,159)	(28,405)	-	-	(1,151)	(34,055)	(14,677)	(313,535)
Net carrying amount										
As of December 31, 2018	7,313,517	50,384	56,474	21,220	9,816	681	784	-	12,484	7,465,360
As of March 31, 2019	7,364,710	50,146	56,108	20,943	9,836	681	762	823,631	12,439	8,339,256

Notes to the Interim Financial Information

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

	Consolidated									
	Cars	Leasehold improvements	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Right-of-use – properties and areas	Others	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
Initial application of IFRS 16	-	-	-	-	-	-	-	598,533	-	598,533
Additions	1,595,154	-	1,398	1,315	3,128	-	-	15,162	516	1,616,673
Write-offs/transfers (*)	(1,457,927)	6,567	149	47	(6,766)	-	-	-	-	(1,457,930)
As of March 31, 2019	10,047,703	121,963	89,269	49,678	9,836	29,342	369,935	613,695	27,540	11,358,961
Accumulated depreciation:										
As of December 31, 2018	(428,921)	(65,012)	(31,248)	(27,082)	-	-	(3,298)	-	(14,238)	(569,799)
Additions	(117,061)	(3,196)	(1,913)	(1,641)	-	-	(387)	(31,280)	(568)	(156,046)
Write-offs/transfers (*)	69,433	-	-	-	-	-	-	-	-	69,433
As of March 31, 2019	(476,549)	(68,208)	(33,161)	(28,723)	-	-	(3,685)	(31,280)	(14,806)	(656,412)
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 March 31, 2019	9,571,154	53,755	56,108	20,955	9,836	29,342	366,250	582,415	12,734	10,702,549

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

Notes to the Interim Financial Information

(a) Lease

The net carrying amounts of the property and equipment, by asset category, acquired through lease agreements as of March 31, 2020 and December 31, 2019 are as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cars	-	-	5,868	64,845
Hardware	35	56	35	56
Right-of-use	876,920	864,146	634,298	624,997
Total property and equipment	876,955	864,202	640,201	689,898

The rights-of-use are depreciated during the term of the lease agreement 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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cost	85,803	21,497	201,200	171,559
Accumulated depreciation:	(4,122)	(1,136)	(30,555)	(29,824)
Net carrying amount	81,681	20,361	170,645	141,735

The other information on property and equipment (Individual and Consolidated) has not significantly changed compared with that disclosed in note 9 to the financial statements for the year ended December 31, 2019.

10. INTANGIBLE ASSETS

Intangible assets are broken down as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Software	42,777	44,715	47,881	49,958
Goodwill	-	-	89,986	89,986
Goodwill on the acquisition of MOBI7 (note 8 (a))	-	-	19,437	-
Total	42,777	44,715	157,304	139,944

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

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Cost				
At the beginning of the period	119,518	104,545	224,631	148,798
Opening balance MOBI7 (note 8 (a))	-	-	328	-
Additions	1,596	253	21,091	327
At the end of the period	121,114	104,798	246,050	149,125
Accumulated amortization				
At the beginning of the period	(74,803)	(62,423)	(84,687)	(70,311)
Additions	(3,534)	(3,038)	(4,059)	(3,553)
At the end of the period	(78,337)	(65,461)	(88,746)	(73,864)

Notes to the Interim Financial Information

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Net carrying amount				
At the beginning of the period	44,715	42,122	139,944	78,487
At the end of the period	42,777	39,337	157,304	75,261

The expense on amortization of intangible assets is allocated to “costs”, “selling expenses” and “general, administrative and other expenses” in the income statement, according to their nature and allocation. There are no material intangible assets fully amortized and still in use by the Company.

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, 2019.

11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Car manufacturers (*)	1,726,621	2,157,860	1,951,424	2,407,475
Maintenance services and parts	32,963	38,031	53,214	58,705
Rentals	17,442	19,334	16,177	12,785
Others	82,541	75,646	70,799	86,422
Total	1,859,567	2,290,871	2,091,614	2,565,387

(*) The balance payable to car manufacturers refer to cars acquired with average payment term of approximately 104 days (87 days at December 31, 2019).

12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Accrued vacation pay	52,646	45,029	57,214	52,199
Accrued profit sharing (*)	104,788	75,808	119,931	88,082
Accrued 13 th salary	11,212	-	12,204	-
Social security contribution (“INSS”)	10,250	8,167	10,615	9,042
Government Severance Indemnity Fund for Employees (“FGTS”)	4,074	3,910	4,974	4,939
Others	4,391	6,451	4,881	7,508
Total	187,361	139,365	209,819	161,770

(*) The Company has a profit sharing program for employees as prescribed in Law 10,101/00 based on profit recognized on an annual basis. The annual amount payable is defined through the combination of the Company’s profit and performance indicators, in addition to the individual performance of each employee, which is mainly measured based on objective, 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 provision for profit sharing is classified as “cost”, “selling expenses” and “general and administrative expenses” in the income statement, based on the function exercised by the respective employees.

Notes to the Interim Financial Information

13. BORROWINGS, DEBT SECURITIES AND DERIVATIVES

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

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
In local currency				
Debentures - 11 th issuance	505,220	499,406	505,220	499,406
Debentures - 12 th issuance	708,312	700,591	708,312	700,591
Debentures - 13 th issuance	1,096,997	1,084,711	1,096,997	1,084,711
Debentures - 14 th issuance	997,119	1,011,193	997,119	1,011,193
Debentures - 15 th issuance	1,017,255	1,006,058	1,017,255	1,006,058
Debentures - 16 th issuance	999,310	994,653	999,310	994,653
Debentures of Localiza Fleet – 3 rd issuance	-	-	-	503,571
Debentures of Localiza Fleet - 4 th issuance	-	-	-	353,809
Debentures of Localiza Fleet - 5 th issuance	-	-	301,716	307,195
Debentures of Localiza Fleet - 6 th issuance	-	-	403,234	398,638
Debentures of Localiza Fleet - 7 th issuance	-	-	301,402	306,640
Debentures of Localiza Fleet - 8 th issuance	-	-	994,828	-
Promissory notes - 7 th issuance	511,753	506,191	511,753	506,191
Working capital	587,941	-	788,638	198,222
Leases	-	-	429	8,275
Certificates of Real Estate Receivables	-	-	345,445	341,522
In foreign currency				
Foreign currency borrowings (*)	1,697,271	826,264	2,092,161	1,158,784
	8,121,178	6,629,067	11,063,819	9,379,459
Borrowings and debt securities				
Current liabilities	709,735	33,269	734,657	144,342
Noncurrent liabilities	7,411,443	6,595,798	10,329,162	9,235,117
	8,121,178	6,629,067	11,063,819	9,379,459
Derivative financial instruments (a)				
Current assets (note 7)	(81,344)	-	(81,344)	-
Noncurrent assets (note 7)	(244,006)	(18,198)	(287,265)	(18,198)
Current liabilities (note 15)	-	4,456	44,673	26,811
Noncurrent liabilities (note 15)	-	-	47,753	62,288
Total borrowings and debt securities, net of derivatives	7,795,828	6,615,325	10,787,636	9,450,360

(*) As a risk elimination strategy, simultaneously with the contracting of all foreign currency operations, it was contracted, in accordance with the Indebtedness, Derivatives, Guarantees and Sureties Policy, hedge transactions (plain vanilla) under identical conditions of amount, term and rate, exchanging the exposure to foreign exchange variation for CDI variation or fixed rate. Contracted hedge transactions are solely for hedge purposes (note 13 (a)(ii)).

The average effective interest rate on debt securities issued by the Company and its subsidiary Localiza Fleet ranges from 107.25% of CDI p.a. to CDI + 1.25% p.a..

Pursuant to CVM Instruction 476/09, on February 12, 2020, Localiza Fleet settled the 8th issuance of debentures in the amount of R\$ 1.000.000 in a single series maturing on April 12, 2025. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$ 11,043. The proceeds raised were used for the full early redemption of the debentures of the 3rd and 4th issuances of Localiza Fleet and to reinforce cash.

On February 15, 2020, Localiza Fleet extended the maturity of the current working capital, which was changed from February 15, 2021 to February 15, 2024.

Due to the COVID-19 pandemic scenario, the Company contracted the following borrowings to reinforce cash:

- On March 3, 2020, Localiza signed a borrowing agreement in the amount of USD 125,000 thousand (R\$ 562,500) with maturity of the principal on March 3, 2020. Simultaneously, a swap plain vanilla transaction was

Notes to the Interim Financial Information

contracted in order to mitigate the risk of exposure in foreign currency, exchanging the foreign exchange variation plus fixed rate for CDI + 0.60%. There were no expenses incurred with the fundraising.

- On March 27, 2020, Localiza contracted working capital of R\$ 295,000, with the principal maturing on March 23, 2023. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$ 7,188.
- On March 31, 2020, Localiza contracted working capital of R\$ 300,000, with the principal maturing on March 31, 2022. There were no expenses incurred with the fundraising.

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

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Balance at the beginning of the period	6,615,325	5,308,183	9,450,360	7,683,804
Opening balance MOBI7 (note 8 (a))	-	-	2,250	-
Funding	1,150,312	-	2,138,892	-
Interest and finance charges	68,074	94,702	135,163	139,708
Repayment of principal	-	-	(859,428)	(72,687)
Interest amortization	(37,883)	(62,795)	(79,601)	(88,793)
Balance at the end of the period	7,795,828	5,340,090	10,787,636	7,662,032

As at March 31, 2020, Localiza had six issuances of outstanding debentures, not convertible into shares and one issue of promissory notes and Localiza Fleet had four issuances of debentures, not convertible into shares. All issues were conducted in accordance with CVM Instruction 476/09 and 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 No. 6,404/76, 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 on two or more grades in relation to the AAA rating (BR, triple A) by Fitch Ratings or Standard & Poor's due to any change in the shareholding structure that may result in the loss, transfer or disposal of the "Controlling Power" of the Issuer by the current controlling shareholders.

The domestic corporate credit ratings in effect on March 31, 2020 are: Standard & Poor's (AAA(bra)/stable), Moody's (Aa1.br/stable) and Fitch Ratings (AAA(bra)/stable).

The financial covenants were met in the 12-month periods ended March 31, 2020 and December 31, 2019 as shown below:

Ratio	Limits	12-month period ended 03/31/2020	12-month period ended 12/31/2019
Net debt / Adjusted EBITDA (*)	Below 4.00	2.97	2.98
Net debt deducted from credit card balance (**) / Adjusted EBITDA	Below 4.00	2.95	2.77
Adjusted EBITDA / Finance costs, net	Above 1.50	5.36	5.43

(*) 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 issues, EBITDA is also adjusted by the costs on stock options, nonrecurring expenses and impairment.

(**) The 14th, 15th and 16th issuance of debentures from Localiza and the 5th, 6th, 7th and 8th issuance of debentures from Localiza Fleet included in the definition of net debt the discount of the trade receivables of credit card balance.

Notes to the Interim Financial Information

Additionally, the Company has borrowings that also include certain accelerated maturity events under conditions similar to those applicable to debt securities. At March 31, 2020, these restrictive covenants were met.

(a) Derivatives

The breakdown of derivative instruments balance, presented in line items other current and noncurrent assets (note 7) or other current and noncurrent liabilities (note 15), is as follows:

	Consolidated	
	03/31/2020	12/31/2019
Fixed rate (i)	(92,030)	(71,405)
Foreign currency (ii)	368,213	504
Total assets/(liabilities), net	276,183	(70,901)

Notes to the Interim Financial Information

(i) CDI vs Fixed rate

Mostly fleet rental contracts of Fleet Rental Division 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 March 31, 2020, 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 Curve x MTM
		Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	
		% CDI									
Institution A	April 2020 to July 2022	109.8%	7.91%	655,000	703,564	722,787	(19,223)	706,044	742,890	(36,846)	(17,623)
Institution B	April 2020 to July 2021	110.0%	8.33%	175,000	188,385	194,247	(5,862)	188,852	200,561	(11,709)	(5,847)
Institution C	July 2020 to January 2023	109.7%	7.37%	350,000	344,532	351,928	(7,396)	346,445	363,167	(16,722)	(9,326)
Institution D	January 2021 to January 2023	110.1%	8.32%	270,000	313,563	321,667	(8,104)	315,109	339,544	(24,435)	(16,331)
Institution E	July 2021 and April 2022	120.3%	5.98%	45,000	45,913	46,125	(212)	46,407	47,781	(1,374)	(1,162)
Institution F	July 2022	110.0%	5.90%	25,000	25,227	25,300	(73)	25,488	26,049	(561)	(488)
Institution G	April 2021	128.5%	5.03%	50,000	50,153	50,150	3	50,655	51,038	(383)	(386)
					1,671,337	1,712,204	(40,867)	1,679,000	1,771,030	(92,030)	(51,163)

(ii) Foreign currency x Reais

As at March 31, 2020, the Company had current hedge transactions with an exclusive foreign exchange hedge for the respective foreign currency borrowing contracted with a large financial institution. The specific characteristics of these hedge transactions, as well as their respective notional and carrying amounts, are as follows:

Swap

Range of maturity dates	Index		Amount of reference <i>Notional</i>	Value of curve			Market value (carrying amount)			Variation Curve x MTM
	Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	
05/22/2023	USD Libor + 0.47%	108.0% of CDI	USD 80,000 thousand	413,722	301,231	112,491	414,229	304,261	109,968	(2,523)
01/03/2023	0.93%	CDI + 1.00%	EUR 55,394 thousand	318,559	255,009	63,550	325,193	261,581	63,612	62
01/03/2025	1.33%	CDI + 1.20%	EUR 55,394 thousand	319,132	255,197	63,935	332,007	267,953	64,054	119
01/25/2023	USD Libor + 1.66%	6.51%	USD 31,081 thousand	160,866	130,776	30,090	160,558	131,641	28,917	(1,173)
03/03/2021	2.0%	CDI + 0.60%	USD 125,000 thousand	645,855	564,285	81,570	655,048	567,332	87,716	6,146
				1,858,134	1,506,498	351,636	1,887,035	1,532,768	354,267	2,631

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NDF

Maturity date	Amount of reference	Forward/ Strike (*)	Value of curve			Market value (carrying amount)			Variation
	Notional		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
12/12/2021	AUD 73,249 thousand	AUD 3.12	240,345	220,677	19,668	235,640	221,694	13,946	(5,722)

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

14. RIGHT OF USE LEASE LIABILITY

Changes in the right-of-use lease liability are as follows:

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Balance at the beginning of the period	889,595	837,305	642,733	598,533
Opening balance MOBIL7 (note 8 (a))	-	-	255	-
Addition/remeasurement of new agreements	47,890	20,381	41,421	15,162
Write-off	(233)	-	(233)	-
Consideration paid	(42,522)	(38,073)	(42,918)	(38,508)
Consideration payable	(7,117)	(6,698)	-	-
Interest	22,299	18,203	16,546	15,611
Balance at the end of the period	909,912	831,118	657,804	590,798
Current	144,669	134,616	132,610	125,206
Noncurrent	765,243	696,502	525,194	465,592

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

Notes to the Interim Financial Information

The Company has property rental contracts for its car rental locations in airports and off-airports (downtown locations), stores, head office and parking lots. The minimum amounts payable, considering undiscounted installments, for the remaining lease term contracted up to March 31, 2020 and classified as leases are as follows:

	Individual							2027 and onwards	Total
	2020	2021	2022	2023	2024	2025	2026		
Concessions in airports	29,747	30,166	26,343	23,793	20,028	16,316	10,006	32,320	188,719
Downtown locations, stores, head office and parking lots	116,363	149,022	135,806	124,130	110,538	102,805	100,149	734,858	1,573,671
Total	146,110	179,188	162,149	147,923	130,566	119,121	110,155	767,178	1,762,390
Embedded interest									(852,478)
Balance of lease liability (current and noncurrent)									909,912

	Consolidated							2027 and onwards	Total
	2020	2021	2022	2023	2024	2025	2026		
Concessions in airports	30,796	30,664	26,451	23,850	20,051	16,339	10,031	32,372	190,554
Downtown locations, stores and parking lots	95,130	119,713	105,329	92,573	77,877	69,571	65,751	271,169	897,113
Total	125,926	150,377	131,780	116,423	97,928	85,910	75,782	303,541	1,087,667
Embedded interest									(429,863)
Balance of lease liability (current and noncurrent)									657,804

The estimated amount of the PIS and COFINS credit embedded in the lease consideration totals R\$ 138,934 in the Individual and R\$ 76,523 in the Consolidated (R\$ 69,370 in the Individual and R\$ 46,047 in the Consolidated, discounted to present value).

Other information on leases has not changed significantly when compared to the information disclosed in note 3.1 to the financial statements for the year ended December 31, 2019.

Notes to the Interim Financial Information

15. OTHER CURRENT AND NONCURRENT LIABILITIES

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

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Balances stated separately in current liabilities:				
Revenue to be appropriated (*)	2,958	3,213	6,034	6,221
Payables to related parties (note 8 (c) (i))	8,814	16,804	-	-
Federal taxes withheld from third parties	2,206	5,271	5,843	8,082
Municipal taxes payable	2,801	4,440	4,240	5,959
Derivative financial instruments (note 13)	-	4,456	44,673	26,811
	<u>16,779</u>	<u>34,184</u>	<u>60,790</u>	<u>47,073</u>
Other current liabilities:				
Advances from car rental and decommissioned sale customers	150,952	196,314	157,991	200,529
Insurance premiums for transfer (**)	110,624	123,946	112,070	125,948
Restricted obligations (***)	-	-	22,748	22,549
Amounts payable for the acquisition of MOB17 (note 8 (a))	-	-	3,501	-
Others	13,680	12,056	25,710	20,644
	<u>275,256</u>	<u>332,316</u>	<u>322,020</u>	<u>369,670</u>
Total other current liabilities	<u>292,035</u>	<u>366,500</u>	<u>382,810</u>	<u>416,743</u>
Balances stated separately in noncurrent liabilities:				
Revenue to be appropriated (*)	3,540	2,885	8,546	7,952
Derivative financial instruments (note 13)	-	-	47,753	62,288
Restricted obligations (***)	-	-	22,748	22,549
	<u>3,540</u>	<u>2,885</u>	<u>79,047</u>	<u>92,789</u>
Other noncurrent liabilities:				
Amounts payable for the acquisition of MOB17 (note 8 (a))	-	-	7,000	-
Others	9,554	8,562	10,540	8,570
	<u>9,554</u>	<u>8,562</u>	<u>17,540</u>	<u>8,570</u>
Total other noncurrent liabilities	<u>13,094</u>	<u>11,447</u>	<u>96,587</u>	<u>101,359</u>
Total other current and noncurrent liabilities	<u>305,129</u>	<u>377,947</u>	<u>479,397</u>	<u>518,102</u>

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

(**) Premiums received from customers that took out insurance for rented cars, and extended warranty for the decommissioned cars sold which will be transferred by Localiza to the insurance company (note 2.7.5 to the financial statements as of December 31, 2019).

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

16. PROVISIONS AND ESCROW DEPOSITS

(a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Tax (*)	112,970	99,006	142,740	126,119
Social security	11,731	10,808	13,251	12,217
Labor	23,604	25,497	35,467	37,434
Civil	26,166	23,772	34,246	31,467
Total	<u>174,471</u>	<u>159,083</u>	<u>225,704</u>	<u>207,237</u>

Notes to the Interim Financial Information

(*) 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 10,833/03, 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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Tax	43,226	42,665	74,339	72,830
Social security	1,402	1,397	1,402	1,397
Labor	15,786	16,035	23,853	23,743
Civil	14,631	14,967	16,317	16,616
Total	75,045	75,064	115,911	114,586

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, 2019.

17. 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 March 31, 2020 and December 31, 2019 is as follows:

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Temporary differences in the deductibility of provisions:				
Provision for risks and other provisions	58,518	53,290	74,225	67,981
Allowance for doubtful debts/expected losses and other allowances	48,799	46,259	53,084	50,121
Provision of payment of services in progress and others, profit sharing, loyalty program and others	68,780	50,105	80,932	59,758
Swap transaction with payment on a cash basis	1,432	4,239	36,077	29,991
Income tax and social contribution tax loss carryforwards (*)	1,146	4,146	23,891	29,005
Total deferred income tax and social contribution assets	178,675	158,039	268,209	236,856
Car depreciation (**)	396,894	351,819	529,785	449,705
Leasing in the purchase of property and equipment (***)	224	232	77,416	96,150
Others	-	-	-	11,293
Total deferred income tax and social contribution liabilities	397,118	352,051	607,201	557,148
Total deferred income tax and social contribution, net	218,443	194,012	338,992	320,292
Noncurrent assets	-	-	(30,405)	(32,407)
Noncurrent liabilities	218,443	194,012	369,397	352,699

(*) Refers to deferred income tax and social contribution of Localiza, Localiza Prime and Car Rental Systems in the amounts of R\$ 1,146, R\$ 8,152 and R\$ 14,593, respectively, as a result of tax loss carryforwards (R\$ 4,146 of Localiza, R\$ 9,894 of Localiza Prime and R\$ 14,965 of Car Rental Systems as at December 31, 2019).

(**) Refers to the temporary difference in the calculation of depreciation, introduced by the application 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 No. 12,973/14. The difference as of December 31, 2014, in conformity with chapter IV, articles 64, 66 and 67 of Law No. 12,973/14, 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 the depreciation addition to the income tax and social contribution tax bases.

The Company and its subsidiaries have recognized a balance, as at March 31, 2020, as tax credit on tax loss carryforwards of R\$ 1,146 in Individual and R\$ 23,891 in Consolidated (R\$ 4,146 and R\$ 29,005, respectively, as at December 31, 2019).

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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
2020	85,760	119,428
2021	20,680	46,985
2022	17,108	30,568
2023	7,272	12,031
2024	34,069	42,727
2025 to 2028	13,786	16,470
Total deferred income tax and social contribution assets	178,675	268,209

(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 March 31, 2020 and 2019 is as follows:

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Net income before taxes	262,090	238,103	306,729	273,390
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(89,111)	(80,955)	(104,288)	(92,953)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	34,808	25,824	-	-
Effect of deduction of interest on capital	22,764	23,513	22,764	23,513
Income tax and social contribution due by subsidiaries (deemed income)	-	-	4,555	2,372
Others, net	320	4,295	1,111	4,458
Expense at effective rate	(31,219)	(27,323)	(75,858)	(62,610)
Current income tax and social contribution	(6,788)	(36,341)	(57,158)	(68,187)
Deferred income tax and social contribution	(24,431)	9,018	(18,700)	5,577

Notes to the Interim Financial Information

18. EQUITY

(a) Capital

As at March 31, 2020, the Company's capital was R\$ 4,000,000, comprising 758,466,670 common shares. The ownership interest and the related reconciliation of the number of outstanding shares are as follows (not reviewed by the auditors):

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

	Management				
	Founding partners	Board of Directors and Audit and Statutory Boards	Treasury shares	Outstanding shares	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
Stock bonus	7,789,808	32,099	253,356	28,042,197	36,117,460
Exercise of stock options with treasury shares	-	-	(97,011)	97,011	-
Renting of shares	256,500	-	-	(256,500)	-
Amount as of March 31, 2019	163,585,965	674,070	5,320,489	588,886,146	758,466,670

For comparability purposes, the ownership interest and the related reconciliation of the number of outstanding shares adjusted to reflect the 5% share bonus, approved at the Board of Directors' Meeting held on December 12, 2019, are as follows (not reviewed by the auditors):

	Management				
	Founding partners	Board of Directors and Audit and Statutory Boards	Treasury shares	Outstanding shares	Number of shares – ON
Amount as of December 31, 2018	163,316,640	674,070	5,422,351	531,093,609	700,506,670
Primary public distribution of shares	-	-	-	57,960,000	57,960,000
Exercise of stock options with treasury shares	-	-	(101,862)	101,862	-
Renting of shares	269,325	-	-	(269,325)	-
Amount as of March 31, 2019	163,585,965	674,070	5,320,489	588,886,146	758,466,670

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

The Company participates in the Level I of the American Depositary Receipts ("ADR") Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. As at March 31, 2020, considering the effects of the bonus in shares, the Company's position was 3,484,937 ADRs issued in the United States and 3,119,356 as at December 31, 2019 (not reviewed by the auditors). Each ADR corresponds to 1 (one) Company's share.

Notes to the Interim Financial Information

(b) Interest on capital and dividends

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

1Q20				
Approval date	Total amount approved	Amount per share (in R\$)	Shareholding position date	Payment date (*)
03/10/2020	66,954	0.08901	03/13/2020	01/05/2021
Total	66,954			

(*) At the Board of Directors' Meeting held on April 1, 2020, the payment date of interest on capital was postponed from May 5, 2020 to January 5, 2021, in view of the impacts of the COVID-19 pandemic on the Company's business and on the domestic economy in general. Therefore, and due to the change in the number of treasury shares, the estimated gross value per share of interest on capital payable was changed from R\$ 0.08860 to R\$ 0.08901.

1Q19					
Approval date	Total amount approved	Amount per share (in R\$)		Shareholding position date	Payment date
		On approval date	For comparability (*)		
03/21/2019	69,156	0.09641	0.09182	03/26/2019	05/20/2019
Total	69,156				

(*) For comparability purposes, the amount of interest on capital per share was adjusted considering the bonus in shares of 5% approved at the Board of Directors' Meeting held on December 12, 2019.

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

	Consolidated	
	03/31/2020	12/31/2019
Proposed interest on capital in net income for the period	66,954	71,783
Provision for withholding income tax on interest on capital	(7,507)	(8,389)
Total dividends and interest on capital payable	59,447	63,394

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

As of March 31, 2020, capital reserves, 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, 2019	71,736	113,758	(22,288)	163,206
Stock options granted recognized	2,663	-	-	2,663
Treasury shares acquired	-	-	(184,696)	(184,696)
Balance as of March 31, 2020	74,399	113,758	(206,984)	(18,827)

(i) Options exercised in 1Q20

In 1Q20, no stock options were exercised related to the Stock Option Programs.

Notes to the Interim Financial Information

(iii) Treasury shares

The number of treasury shares as at March 31, 2020, was 8,014,154 (5,320,489 as at March 31, 2019 considering the effects of bonus in shares), with fair value of R\$ 210,772 (stock quote of R\$ 26.30 as at March 31, 2020).

In March 2020, 5,214,600 shares issued by the Company were acquired, under the 11th Share Repurchase Program, to be held in treasury and subsequently sold, without capital decrease. The cost of acquisition of the treasury shares, including trading costs, is as follows:

Repurchase Program	Date of approval by the Board of Directors	Acquisition cost (R\$)		
		Minimum	Average	Maximum
11 th Program	06/18/2019	26.86	35.42	40.02

(d) Statutory reserve

At December 31, 2019, Management proposed, subject to approval of the Annual General Meeting, the allocation of 100% of the remaining profit for 2019, in the amount of R\$ 501,192, to the statutory reserve.

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, 2019.

19. 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, 2019.

The table below shows information on net income and the number of shares used, encompassing the effects of bonus in shares in the calculation of basic and diluted earnings per share for each of the reporting periods of the statement of income:

	Individual and Consolidated	
	1Q20	1Q19
Net income for the period	230,871	210,780
Basic earnings per share:		
Weighted average number of outstanding common shares (units)	755,667,115	733,768,118
Basic earnings per share (R\$)	0.30552	0.28726
Diluted earnings per share:		
Weighted average number of outstanding common shares (units)	755,667,115	733,768,118
Dilutive effect of stock options (units)	799,342	2,806,135
Total shares subject to dilution (units)	756,466,457	736,574,253
Diluted earnings per share (R\$)	0.30520	0.28616

20. 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 line items of the financial statements for the year ended December 31, 2019.

Notes to the Interim Financial Information

- **Car rental:** This division is responsible for car rentals in locations located inside and outside airports and for insurance stipulation and management of car claims for insurance companies. Cars are rented by legal entities and individuals, in some cases through distribution channels. Given the need to renew the fleet, Localiza sells its cars after 12 months of use. In order to reduce intermediation costs on the sale of decommissioned cars, roughly half of the cars is directly sold to the final consumers. Consequently, the Company maximizes the recoverable amount of these assets, by reducing the depreciation of cars and the net amount invested in fleet renewal, as the selling expense of the Company's own stores is smaller than the discount required by resellers, as well as avoids full dependence on third parties for the sales.
- **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 customers' needs. Therefore, the fleet is more diversified in terms of models and brands. Decommissioned cars are sold at the end of the agreements, on average within 29 months of use, directly to the end consumer or to dealers through the Company's own car dealer network.
- **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

03/31/2020	Car rental	Fleet rental	Franchising	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets						
Cash and cash equivalents	-	-	-	2,626,356	-	2,626,356
Short-term investments	-	-	-	1,267,321	-	1,267,321
Trade receivables	657,779	146,649	4,053	-	(32,318)	776,163
Decommissioned cars to fleet renewal	85,023	85,622	-	-	-	170,645
Property and equipment	11,749,402	2,922,772	2,807	396,718 (*)	(361,293)	14,710,406
Other assets	902,943	265,559	6,466	-	(82,787)	1,092,181
Total assets	13,395,147	3,420,602	13,326	4,290,395	(476,398)	20,643,072
Liabilities						
Trade payables	1,860,648	264,639	177	-	(33,850)	2,091,614
Borrowings and debt securities	-	-	-	11,063,819	-	11,063,819
Other liabilities	1,920,074	575,693	18,106	-	(455,651)	2,058,222
Total liabilities	3,780,722	840,332	18,283	11,063,819	(489,501)	15,213,655
Equity	-	-	-	5,429,417	-	5,429,417
Total liabilities and equity	3,780,722	840,332	18,283	16,493,236	(489,501)	20,643,072

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

Notes to the Interim Financial Information

12/31/2019	Car rental	Fleet rental	Franchising	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets						
Cash and cash equivalents	-	-	-	2,220,102	-	2,220,102
Short-term investments	-	-	-	610,838	-	610,838
Trade receivables	1,117,865	168,641	4,412	-	(14,386)	1,276,532
Decommissioned cars to fleet renewal	25,172	116,563	-	-	-	141,735
Property and equipment	11,706,153	2,827,326	2,824	385,808	(*) (352,540)	14,569,571
Other assets	464,144	214,331	6,529	-	(110,822)	574,182
Total assets	13,313,334	3,326,861	13,765	3,216,748	(477,748)	19,392,960
Liabilities						
Trade payables	2,291,789	288,476	575	-	(15,453)	2,565,387
Borrowings and debt securities	-	-	-	9,379,459	-	9,379,459
Other liabilities	1,899,084	556,760	17,398	-	(472,660)	2,000,582
Total liabilities	4,190,873	845,236	17,973	9,379,459	(488,113)	13,945,428
Equity	-	-	-	5,447,532	-	5,447,532
Total liabilities and equity	4,190,873	845,236	17,973	14,826,991	(488,113)	19,392,960

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

(ii) Consolidated statements of income per operating division

1Q20	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Net revenue	2,299,104	490,454	5,074	-	2,794,632
Cost	(1,751,717)	(296,565)	(2,183)	(1,964)	(2,052,429)
Gross profit	547,387	193,889	2,891	(1,964)	742,203
Operating expenses:					
Selling expenses	(202,990)	(23,937)	(538)	821	(226,644)
General, administrative and other expenses	(67,812)	(14,392)	(136)	1,143	(81,197)
Profit before finance costs, net	276,585	155,560	2,217	-	434,362
Finance costs, net					(127,633)
Profit before income tax and social contribution					306,729
Income tax and social contribution					(75,858)
Profit for the period					230,871
1Q19	Car rental	Fleet rental	Franchising	Reclassifications	Consolidated
Net revenue	1,967,271	401,068	5,649	-	2,373,988
Cost	(1,510,646)	(263,978)	(2,031)	(1,336)	(1,777,991)
Gross profit	456,625	137,090	3,618	(1,336)	595,997
Operating expenses:					
Selling expenses	(149,309)	(14,779)	(33)	674	(163,447)
General, administrative and other expenses	(45,427)	(9,094)	(133)	662	(53,992)
Profit before finance costs, net	261,889	113,217	3,452	-	378,558
Finance costs, net					(105,168)
Profit before income tax and social contribution					273,390
Income tax and social contribution					(62,610)
Profit for the period					210,780

Notes to the Interim Financial Information

(iii) Consolidated depreciation and amortization expenses per operating division

	Consolidated	
	1Q20	1Q19
Car rental		
Car depreciation	116,460	61,699
Depreciation of other property and equipment and amortization of intangible assets	40,957	38,894
Fleet rental		
Car depreciation	36,672	55,362
Depreciation of other property and equipment and amortization of intangible assets	3,772	3,004
Franchising		
Depreciation of other property and equipment and amortization of intangible assets	493	640
Total	198,354	159,599

21. NET REVENUE

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

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Gross revenue	2,355,431	2,025,515	2,924,079	2,477,368
Deductions:				
Discounts	(1,213)	(1,228)	(5,882)	(5,115)
Taxes (*)	(90,648)	(71,007)	(123,565)	(98,265)
Net revenue	2,263,570	1,953,280	2,794,632	2,373,988

(*) Refers to: (i) Service Tax ("ISSQN") and (ii) the taxes on revenue ("PIS" and "COFINS"). PIS and COFINS credits on the acquisition of inputs for the period ended March 31, 2019 were reclassified from the line item of taxes on revenues, to the line item of costs, in the amount of R\$ 54,579 in Individual and R\$ 73,710 in Consolidated (note 2), for comparability purposes.

The breakdown of net revenue by geographic market and category is as follows:

	Individual					
	Car rental		Franchising		Total	
	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19
Geographic markets						
Revenue in Brazil	2,248,660	1,940,105	-	-	2,248,660	1,940,105
Export revenue (*)	12,418	11,081	-	-	12,418	11,081
Royalties abroad	-	-	2,492	2,094	2,492	2,094
Net revenue	2,261,078	1,951,186	2,492	2,094	2,263,570	1,953,280
Revenue categories						
Car rental	884,462	687,515	-	-	884,462	687,515
Franchising	-	-	2,492	2,094	2,492	2,094
Car sold for fleet renewal	1,376,616	1,263,671	-	-	1,376,616	1,263,671
Net revenue	2,261,078	1,951,186	2,492	2,094	2,263,570	1,953,280

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

Notes to the Interim Financial Information

	Consolidated							
	Car rental		Fleet rental		Franchising		Total	
	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19
Geographic markets								
Revenue in Brazil	2,286,686	1,956,190	490,454	401,068	2,582	3,555	2,779,722	2,360,813
Export revenue (*)	12,418	11,081	-	-	-	-	12,418	11,081
Royalties abroad	-	-	-	-	2,492	2,094	2,492	2,094
Net revenue	2,299,104	1,967,271	490,454	401,068	5,074	5,649	2,794,632	2,373,988
Revenue categories								
Car rental	887,759	689,044	-	-	-	-	887,759	689,044
Fleet rental	-	-	256,166	218,915	-	-	256,166	218,915
Franchising	-	-	-	-	5,074	5,649	5,074	5,649
Car sold for fleet renewal	1,411,345	1,278,227	234,288	182,153	-	-	1,645,633	1,460,380
Net revenue	2,299,104	1,967,271	490,454	401,068	5,074	5,649	2,794,632	2,373,988

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

Notes to the Interim Financial Information

22. NATURE OF OPERATING COSTS AND EXPENSES

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

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19
Cost of cars sold	(1,277,186)	(1,176,627)	-	-	(1,277,186)	(1,176,627)
Car maintenance, IPVA and others	(200,831)	(157,868)	-	-	(200,831)	(157,868)
Car depreciation	(111,646)	(61,678)	-	-	(111,646)	(61,678)
Salaries, payroll taxes and benefits	(99,920)	(71,775)	(95,899)	(62,648)	(195,819)	(134,423)
Property leasing (*)	(20,905)	(13,742)	(2,224)	(1,000)	(23,129)	(14,742)
Third-party services	(47,015)	(29,201)	(36,329)	(22,275)	(83,344)	(51,476)
Profit sharing	(13,848)	(10,163)	(12,653)	(10,314)	(26,501)	(20,477)
Depreciation and amortization of other property and equipment and intangible assets	(30,315)	(29,024)	(16,652)	(15,354)	(46,967)	(44,378)
Water, electricity and telephone	(3,898)	(3,374)	(2,111)	(2,082)	(6,009)	(5,456)
Travel	(4,877)	(4,147)	(1,954)	(1,271)	(6,831)	(5,418)
Advertising	-	-	(22,318)	(16,628)	(22,318)	(16,628)
Commission	-	-	(20,726)	(19,654)	(20,726)	(19,654)
ECLs (**) and write-off of uncollectible amounts	-	-	(33,258)	(21,398)	(33,258)	(21,398)
PIS and COFINS credits, net (note 2)	87,804	54,579	-	-	87,804	54,579
Others	(34,760)	(16,173)	(28,177)	(22,333)	(62,937)	(38,506)
Total	(1,757,397)	(1,519,193)	(272,301)	(194,957)	(2,029,698)	(1,714,150)

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19
Cost of cars sold	(1,495,682)	(1,336,680)	-	-	(1,495,682)	(1,336,680)
Car maintenance, IPVA and others	(258,023)	(206,298)	-	-	(258,023)	(206,298)
Car depreciation	(153,132)	(117,061)	-	-	(153,132)	(117,061)
Salaries, payroll taxes and benefits	(108,419)	(81,374)	(114,959)	(79,439)	(223,378)	(160,813)
Property leasing (*)	(21,909)	(15,084)	(2,572)	(1,079)	(24,481)	(16,163)
Third-party services	(53,414)	(35,314)	(39,579)	(23,834)	(92,993)	(59,148)
Profit sharing	(15,055)	(11,832)	(15,361)	(13,436)	(30,416)	(25,268)
Depreciation and amortization of other property and equipment and intangible assets	(28,362)	(26,979)	(16,860)	(15,559)	(45,222)	(42,538)
Water, electricity and telephone	(4,015)	(3,476)	(2,496)	(2,201)	(6,511)	(5,677)
Travel	(4,991)	(4,342)	(2,280)	(1,467)	(7,271)	(5,809)
Advertising	-	-	(23,195)	(16,832)	(23,195)	(16,832)
Commission	-	-	(21,175)	(20,081)	(21,175)	(20,081)
ECLs (**) and write-off of uncollectible amounts	-	-	(35,302)	(22,107)	(35,302)	(22,107)
PIS and COFINS credits, net (note 2)	110,733	74,037	-	(327)	110,733	73,710
Others	(20,160)	(13,588)	(34,062)	(21,077)	(54,222)	(34,665)
Total	(2,052,429)	(1,777,991)	(307,841)	(217,439)	(2,360,270)	(1,995,430)

(*) Property rentals for the car rental locations have a fixed and a variable portion, the latter linked to the location's revenue. In 1Q20, the Company recognized variable costs and expenses in the amount of R\$ 11,049 in Individual and R\$ 11,091 in Consolidated (R\$ 10,428 in Individual and R\$ 10,625 in Consolidated in 1Q19), referring to the lease contracts measured under IFRS 16. Additionally, rental costs and expenses in the amounts of R\$ 12,080 and R\$ 13,390 were recognized in Individual and Consolidated, respectively (R\$ 4,314 in Individual and R\$ 5,538 in Consolidated in 1Q19), for contracts to which IFRS 16 does not apply.

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

Notes to the Interim Financial Information

23. FINANCE INCOME (EXPENSES)

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

	Individual		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Interest on short-term investments and other finance income	23,293	39,749	33,809	54,456
PIS/COFINS on finance income	(1,084)	(1,849)	(1,557)	(2,500)
Other interest income	2,876	649	3,254	1,022
Total finance income	25,085	38,549	35,506	52,978
Interest expenses on borrowings, debt securities and derivatives	(68,074)	(94,702)	(135,163)	(139,708)
Interest expenses on lease (note 14)	(22,299)	(18,203)	(16,546)	(15,611)
Other interest expenses	(8,871)	(2,623)	(11,430)	(2,827)
Total finance expenses	(99,244)	(115,528)	(163,139)	(158,146)
Total finance income (expenses)	(74,159)	(76,979)	(127,633)	(105,168)

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Financial assets				
<u>Amortized cost</u>				
Cash and cash equivalents (note 4)	1,492,448	446,673	1,823,946	504,187
Trade receivables (note 6)	635,687	1,095,724	776,163	1,276,532
Escrow deposits (note 16)	75,045	75,064	115,911	114,586
Receivables from insurance company (note 7)	144,263	146,229	146,154	148,162
Other receivables – subsidiaries (note 7)	166	144	-	-
Investments in restricted accounts (note 7)	-	-	45,004	44,566
<u>Financial assets at fair value through profit or loss</u>				
Cash and cash equivalents (note 4)	214,806	1,176,003	802,410	1,715,915
Short-term investments (note 5)	1,055,406	267,018	1,267,321	610,838
Derivative financial instruments (note 13)	325,350	18,198	368,609	18,198
Financial liabilities				
<u>Amortized cost</u>				
Trade payables (note 11)	(1,859,567)	(2,290,871)	(2,091,614)	(2,565,387)
Borrowings, and debt securities (note 13)	(8,121,178)	(6,629,067)	(11,063,819)	(9,379,459)
Insurance premiums for transfer (note 15)	(110,624)	(123,946)	(112,070)	(125,948)
Payables to related parties (note 15)	(8,814)	(16,804)	-	-
Restricted obligations (note 15)	-	-	(45,496)	(45,098)
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative financial instruments (note 13)	-	(4,456)	(92,426)	(89,099)

Other information on financial instruments and risk management has not changed significantly when compared to the information disclosed in note 23 to the financial statements as of December 31, 2019.

(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.

Notes to the Interim Financial Information

(i) Market risk

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

- As at March 31, 2020, the Company's net debt totaled R\$ 6,893,958. Of this total, R\$ 1,712,633, with fixed cost at an average rate of 7.78% p.a., was excluded, as it is related to the transactions contracted at a fixed rate and amounts corresponding to the hedge from the swap transactions, changing the rates indexed to CDI for fixed rates. Thus, the net debt subject to the CDI fluctuation amounts to R\$ 5,181,325 at March 31, 2020.
- 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 3.33% against the effective annual rate of 4.19% in the three-month period ended March 31, 2020.

Description	Probable scenario (*)	Consolidated	
		Scenario I – 25% deterioration	Scenario II – 50% deterioration
Net debt as at March 31, 2020	6,893,959	6,893,959	6,893,959
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate	(1,712,633)	(1,712,633)	(1,712,633)
Net debt subject to the CDI fluctuation	5,181,326	5,181,326	5,181,326
Effective average annual CDI rate for the three-month period ended March 31, 2020	4.19%	4.19%	4.19%
Estimated average annual CDI rate, according to stress scenarios	3.33%	4.16%	5.00%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rate from January to March 2020.	(217,098)	(217,098)	(217,098)
- according to scenarios	(172,538)	(215,543)	(259,066)
(Increase) decrease in finance expenses for the next 12 months	44,560	1,555	(41,968)

(*) Based on the average rate of 3.33%, 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 March 27, 2020.

(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	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cash and cash equivalents:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,637,557	1,606,430	2,555,993	2,202,980
Cash and banks	69,697	16,246	70,363	17,122
Total cash and cash equivalents (note 4)	1,707,254	1,622,676	2,626,356	2,220,102
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,055,406	267,018	1,267,321	610,838
Total short-term investments (note 5)	1,055,406	267,018	1,267,321	610,838
Trade receivables — customers	575,143	655,601	711,447	817,801
Trade receivables – credit card				
Aaa in the Moody's scale	36,491	147,338	37,709	148,569
Sundry	24,053	292,785	27,007	310,162
Total trade receivables (note 6)	635,687	1,095,724	776,163	1,276,532
Total	3,398,347	2,985,418	4,669,840	4,107,472

Notes to the Interim Financial Information

(iii) Liquidity risk

The analysis of the maturities of undiscounted consolidated contractual cash flows of borrowings, debt securities and derivatives, based on the interest rate contracted for each transaction and a CDI rate of 3.65% at March 31, 2020, is as follows:

	Individual							Total
	2020	2021	2022	2023	2024	2025	2026	
Debentures - 11 th issuance	21,029	19,944	501,748	-	-	-	-	542,721
Debentures - 12 th issuance	28,746	26,957	27,174	27,065	713,261	-	-	823,203
Debentures - 13 th issuance	44,663	25,425	472,166	450,382	115,292	111,021	-	1,218,949
Debentures - 14 th issuance	20,359	40,189	40,189	40,027	435,104	224,404	416,270	1,216,542
Debentures - 15 th issuance	42,826	38,665	38,820	38,509	38,821	519,255	519,599	1,236,495
Debentures - 16 th issuance	23,823	46,459	46,647	46,647	356,751	365,435	348,935	1,234,697
Promissory notes - 7 th issuance	-	542,978	-	-	-	-	-	542,978
Working capital	11,986	16,051	361,907	298,936	-	-	-	688,880
Foreign currency-denominated borrowings	25,912	670,548	219,738	533,912	5,223	318,064	-	1,773,397
Total	219,344	1,427,216	1,708,389	1,435,478	1,664,452	1,538,179	1,284,804	9,277,862

	Consolidated							2027 to	Total
	2020	2021	2022	2023	2024	2025	2026	2032	
Debentures - 11 th issuance	21,029	19,944	501,748	-	-	-	-	-	542,721
Debentures - 12 th issuance	28,746	26,957	27,174	27,065	713,261	-	-	-	823,203
Debentures - 13 th issuance	44,663	25,425	472,166	450,382	115,292	111,021	-	-	1,218,949
Debentures - 14 th issuance	20,359	40,189	40,189	40,027	435,104	224,404	416,270	-	1,216,542
Debentures - 15 th issuance	42,826	38,665	38,820	38,509	38,821	519,255	519,599	-	1,236,495
Debentures - 16 th issuance	23,823	46,459	46,647	46,647	356,751	365,435	348,935	-	1,234,697
Promissory notes - 7 th issuance	-	542,978	-	-	-	-	-	-	542,978
Debentures of Localiza Fleet - 5 th issuance	6,297	12,070	12,118	12,118	12,118	312,167	-	-	366,888
Debentures of Localiza Fleet - 6 th issuance	16,437	15,861	15,989	15,925	402,521	-	-	-	466,733
Debentures of Localiza Fleet - 7 th issuance	6,060	11,791	11,838	11,791	11,696	311,838	-	-	365,014
Debentures of Localiza Fleet - 8 th issuance	22,645	46,142	46,328	356,683	364,069	349,082	-	-	1,184,949
Working capital	18,376	24,434	370,358	401,116	104,206	-	-	-	918,490
Leases	430	-	-	-	-	-	-	-	430
CRI	17,754	17,951	21,188	24,167	26,563	31,096	35,261	284,084	458,064
Foreign currency-denominated borrowings	33,962	913,629	303,903	614,991	5,223	318,064	-	-	2,189,772
Total	303,407	1,782,495	1,908,466	2,039,421	2,585,625	2,542,362	1,320,065	284,084	12,765,925

As at March 31, 2020, the balance of cash and cash equivalents and short-term investments was R\$ 2,762,660 in Individual and R\$ 3,893,677 in Consolidated, demonstrating a comfortable profile of the Company's debt, compatible with the business cycle and with the macroeconomic environment.

Notes to the Interim Financial Information

(b) Capital management

The table below shows the Company's debt ratios as of March 31, 2020 and December 31, 2019:

	Consolidated	
	03/31/2020	12/31/2019
Short and long-term debts, net of derivatives classified in current and noncurrent assets and liabilities (note 13)	10,787,636	9,450,360
Cash and cash equivalents (note 4)	(2,626,356)	(2,220,102)
Short-term investments (note 5)	(1,267,321)	(610,838)
Net debt	6,893,959	6,619,420
Equity	5,429,417	5,447,532
Debt ratio (net debt / equity)	1.27	1.22
Fleet value (*)	13,653,646	13,515,873
Net debt / fleet value	0.50	0.49

(*) 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 at March 31, 2020 and December 31, 2019:

	Individual			
	Carrying amount		Fair value	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(8,121,178)	(6,629,067)	(7,498,917)	(6,397,979)
	Consolidated			
	Carrying amount		Fair value	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Financial liabilities – other financial liabilities:				
Borrowings and debt securities	(11,063,819)	(9,379,459)	(10,085,715)	(8,996,481)

Other financial instruments, 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.

25. SUPPLEMENTARY PENSION PLAN

Since August 2011, the Company has offered a retirement benefit pension plan. In December 2019, the Company contracted a new supplementary pension plan, which came into force in 2020, established in the form of a "defined contribution" and managed by a large independent management company, and the participants of previous plans were allowed the adherence and portability of their reserves to the new plan. For participants that do not transfer all their reserves to the current plan, the Company will preserve the vesting rules of the reserves established under previous plans, safeguarding the vested rights.

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 the new 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 8% of the employee's compensation.

In 1Q20, contributions made by the Company totaled R\$ 978 in the Individual and R\$ 1,224 in the Consolidated (R\$ 544 in the Individual and R\$ 718 in the Consolidated in 1Q19), which were allocated to line items "cost", "selling expenses" and "general and administrative expenses" in the statement of income.

Notes to the Interim Financial Information

Due to the state of public calamity recognized by Legislative Decree No. 6, of March 20, 2020 and in view of the developments of the COVID-19 pandemic in the first quarter of 2020, the Company's contributions to pension plans were temporarily suspended as of April 2020.

26. EVENTS AFTER THE REPORTING PERIOD

COVID-19 pandemic: operational context

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

Hygiene measures and health and safety protocols were intensified in all the Company's facilities, as well as in cars and vans, to ensure the safety of employees, customers and everyone who interacts with Localiza. Attentive to the challenges of the moment, exemption from return rates was offered throughout the national territory, in addition to special conditions on car rental for health professionals, essential service companies and ride by app drivers.

In order to minimize social interaction, most of Localiza's administrative employees are working from home. In addition, an information portal on actions to contain the spread of the virus was created, as well as an online consultation channel for employees and their dependents to answer questions and be guided by doctors about COVID-19.

The Company has also been adopting a series of measures to increase liquidity and limit expenses:

(i) With the acceleration of the crisis, the Company advanced about R\$ 380 million in credit card receivables and concluded two new borrowings that totaled additional R\$ 595 million until March 31, 2020. In April 2020, an additional fundraising of R\$ 100 million was concluded. With these measures, the Company conservatively strengthened even further its financial liquidity in order to meet all its commitments.

(ii) Due to the fall in volumes of Car Rental and Seminovos, the Company has been adopting measures to reduce costs, expenses, investments and personnel, with the suspension of employment contracts, reduction of working hours and compensation, and reduction of staff. Part of the Management had a reduction in working hours and compensation by 25% and, in the case of the Statutory Board and the Board of Directors, by 35%.

(iii) The Company's Board of Directors, in a meeting held on April 1, 2020, approved the postponement of the payment date of interest on capital approved on March 10, 2020 to January 5, 2021.

New measures may be implemented, depending on the extent and duration of the crisis.

The Company's Management performed various analyses of the potential impacts of COVID-19, which involved the assessment of indicators of impairment of long-lived assets, analysis of any credit losses on trade receivables, review of the assumptions of measurement of financial instruments, including hedges, assessment of relevant estimates used in the preparation of interim financial information, among others, not identifying material impacts to date.

This interim financial information for 1Q20 had no other relevant impact besides the consequences of the reduction of the Company's activities as of the 2nd half of March 2020 mentioned above, which caused a fall in volumes of Car Rental and Seminovos, as well as a reduction in the volume of purchase of new cars and the items listed above.

Notes to the Interim Financial Information

Below is a summary of the car rental locations and stores in operation on May 12th:

Network status on May 12	Fully operational	Operating with restrictions	Closed	Total
Car rental (including franchisees)	355	46	127	528
Seminovos	38	40	46	124

The month of April was impacted by the effects of the pandemic, according to the operating data presented below. The non-accounting information listed below is preliminary and has not been subject to review by the auditors:

Below we show a preview of the operating data for April 2020 compared to 1Q20.

CAR RENTAL	Monthly average 1Q20	April/20
Average operating fleet	211,512	211,237
Average rented fleet	156,620	105,257
Usage fee (does not consider cars in commissioning and decommissioning in the calculation)	78.2%	53.0%
Average daily rate per car (R\$)	69.22	47.00

FLEET RENTAL	Monthly average 1Q20	April/20
Average operating fleet	61,193	61,596
Average rented fleet	58,556	59,055
Usage fee (does not consider cars in commissioning and decommissioning in the calculation)	96.7%	97.4%
Average daily rate per car (R\$)	53.16	54.10

CAR PURCHASE AND SALE	Monthly average 1Q20	April/20
Number of cars purchased	40,879	1,482
Number of cars sold	38,361	2,460

Company's Annual General Meeting

At the Annual General Meeting held on April 23, 2020, the following were approved: (i) the setting up of a legal reserve of R\$ 41,697; (ii) the payment of interest on capital in the amount of R\$ 291,049 referring to the net income for 2019; and (iii) the setting up of a statutory reserve of R\$ 501,192.

Contracting of working capital

On April 24, 2020, Localiza contracted working capital of R\$ 100,000, with the principal maturing on October 20, 2021, with the purpose of cash reinforcement. There were no expenses incurred with the fundraising.

Comments on the Performance of Business Projections

The Company did not disclose any projections for 2020.

Other Information Considered Relevant by the Company

SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the three-month period ended March 31, 2020 and 2019 is as follows:

(In R\$ thousand)

1Q20				1Q19		
Calculation basis of consolidated social indicators						
Net revenue ("NR")			2,794,632			2,447,698
Earnings before taxes ("EBT")			306,729			273,390
Gross payroll ("GP")			217,221			158,286
Internal social indicators	Amount	% on GP	% on NR	Amount	% on GP	% on NR
Meals	16,787	8%	1%	13,325	8%	1%
Compulsory payroll taxes	48,197	22%	2%	32,256	20%	1%
Health	15,776	7%	1%	9,987	6%	0%
Professional training and development	618	0%	0%	1,771	1%	0%
Daycare centers or childcare allowance	67	1%	0%	52	0%	0%
Profit sharing	30,416	14%	1%	25,268	16%	1%
Other	3,084	2%	0%	2,655	2%	0%
Total internal social indicators	114,945	54%	5%	85,314	53%	3%
External social indicators	Amount	% on EBT	% on NR	Amount	% on EBT	% on NR
Education	-	0%	0%	123	0%	0%
Culture	574	0%	0%	490	0%	0%
Other	144	0%	0%	123	0%	0%
Total contributions to society	718	0%	0%	736	0%	0%
Taxes (excluding payroll taxes) (*)	286,152	94%	10%	149,255	55%	6%
Total external social indicators	286,870	94%	10%	149,991	55%	6%
Staff indicators				03/31/19		
Number of employees at the end of the period			10,942			8,475
Number of new hires during the period			977			721
Number of third-party workers			564			362
Number of interns			99			52
Number of employees above 45 years old			1,134			954
Number of female employees			4,880			3,696
Percentage of lead positions held by female employees			49.68%			50.21%
Number of disabled employees			395			366

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 March 31, 2020, which comprises the balance sheet as of March 31, 2020 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

The 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 matter***Statements of value added*

The aforementioned individual and consolidated interim financial information includes the individual and consolidated statements of value added - DVA, for the three-month period ended March 31, 2020, prepared under the responsibility of the Company's Management and presented as supplementary information for purposes of the international standard IAS 34. These statements were submitted to review procedures carried out in conjunction with the review of the Interim Financial Information (ITR), with the objective of concluding whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and its content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, according to the criteria defined in this standard and in a consistent manner in relation to the individual and consolidated interim financial information taken as a whole.

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

Belo Horizonte, May 14, 2020

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Daniel de Carvalho Primo
Engagement Partner

Opinions and Representations / Management's Statement on the Financial Statements**MANAGEMENT'S STATEMENT ON THE INTERIM FINANCIAL INFORMATION**

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

I. Reviewed, discussed and approved Localiza's and consolidated interim financial information for the three-month period ended March 31, 2020.

Belo Horizonte, May 13, 2020.

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 and consolidated interim financial information for the three-month period ended March 31, 2020.

Belo Horizonte, May 13, 2020.

Eugênio Pacelli Mattar
CEO

Maurício Fernandes Teixeira
CFO and Investor Relations Officer