

EARNINGS RELEASE

4Q19 & 2019



Dear partners,

Localiza had another great year. We created 2,300 new jobs, had 1,118 internal promotions, dedicated 60,000 hours to training programs. We evolved considerably in the three pillars of sustainability. We have reached 44% representation of women in our team, have a robust diversity program and projects of social inclusion. From the sustainability standpoint, we take care so the majority of our fleet is flex fuel and fueled with ethanol, we started measuring and disclosing our GHG emissions and, among others initiatives, we have the goal of implementing solar energy in part of our rental locations and used car sales shops. Additionally, we have reinforced our compliance and risk management programs and continue aiming at reaching the highest level of corporate governance.

Operating responsibly, we had a record year in profitability, R\$ 847.5 million (R\$833.9 million with the IFRS 16 effects), and generated a return for our shareholders, who supported us in the capital increase necessary to finance this growth of 32.3% in the end of period fleet. Moreover, since the IPO in 2005, Localiza delivered a total shareholder return of 5,731% and 385% over the last five years (source: Capital IQ – TSR as of December 31, 2019).

The future of mobility and the opportunities offered by technological innovations are permanent items on the Board's agenda, which is always evaluating the competences and profile of the leadership we will need to guide our directors and executives succession program.

In this context, we had changes in the composition of the Board, with the incorporation of experiences in mobility, digital transformation and governance. Furthermore, Board has guided the leadership in strategic topics and supported it in adjusting the management team to the new size of Localiza and towards its growth ambitions, since we have multiplied the size of the Company's fleet by almost 3x in the last 5 years and still see great opportunities ahead.

The renewal of our team and the new market challenges demanded a reflection on the purpose and mission of Localiza, which supported an intense discussion of the Culture we want to operate. This project was supported by 650 representatives of our leadership and involved the whole Company, with the Board monitoring and positively evaluating the milestones and results achieved.

Even with the new challenges of the competitive dynamics of our industry, we were able to defend and consolidate our leadership and have increased our market share both in car and fleet rentals. This was only possible thanks to the support of our customers, our passion and reason for existing, who gave the best NPS (net promoter score) of our history.

I would like to thank the 3 founders who left the Board in 2019 for the solid legacy of customer focus, operating excellence and results.

To my board fellows and the Localiza team led by Eugenio, thank you for another year in Localiza's success story.

Oscar Bernardes - Chairman of the Board

Dear Investors,

The world of mobility is undergoing a profound transformation. Ride-hailing, car sharing, car rental between people (P2P), micro mobility solutions such as scooters and bicycles, the development of self-driving cars and a multitude of investments in vehicles and solutions for transporting people and objects.

We are continuously seeking for answering the questions about the future of our business in this changing environment. Our market has expanded considerably, with car rental being one of the best responses to the demand of individuals and companies that are changing their habits in paying for use and not for ownership, bringing much more flexibility, comfort and economy for all of them. In addition, a new car rental segment was born for (ride-hailing) appl drivers, who have access to cars and maintenance of quality, with flexibility of use to be more successful in their work. We once more were pioneers in developing this new segment, creating conditions that make economic return and quality possible in this segment, offering a partnership of value to Uber, drivers and especially customers who have gained comfort and safety in getting to their destinations.

At the same time, we initiated significant investments in improving our customers' journey, offering greater convenience and access, using technology to move in this direction. The digital transformation has also allowed us to improve our operating excellence, redesigning processes, simplifying activities and allowing easier, faster and more efficient management.

Furthermore, at this time of lower demand for automakers, while the country is not growing vigorously, we have also been an excellent solution to stimulate car demand so as not to lose scale.

For the country, we made an expressive contribution with more than 10 thousand direct jobs and the payment of R\$ 691.5 million in taxes, net of tax credits, and approximately R\$1.9 billion in tax incurred in the cars purchase.

The result of our effort in challenging our team to adapt to this new reality was the Company's performance in recent years. In four years, from 2015 to 2019, we saw our end-of-period fleet almost triple, going from roughly 125,000 to around 320,000 cars. An average growth of almost 30% per year for four straight years. The market grew and we were able to take advantage of our strength to expand and consolidate our leadership. It is important to note that all this growth came from the most efficient form of growth, which is the organic growth. Thus, throughout this growth period, we managed to expand our already high levels of customer satisfaction and engagement. Lastly, it is also important to note that during this period we maintained our strong value generation indicators.

From 2015 to 2019 we added 4.329 employees to our staff and for such circumstance we invested heavily to preserve our culture of customer focus, high performance team building and determination in the search for results. We are very proud of the way our employees act. They think and act like business owners in an environment of hard work but also that offers a lot of opportunity for professional and personal growth and fulfillment.

The team engagement and motivation indicators are improving year after year, a result of our focus in developing leaders that inspire and transform.

In this wave of changes and growth, we also reinforced all our care and energy towards being a Company committed to the community with high reputation. We invest and direct our team to care for the social, environmental, risk control, compliance and governance. We have a plural and respectful environment that takes care of diversity, in an inclusive and healthy way.

As for 2019, as you will see in the numbers and information disclosed here, we have grown fleet, revenue and results in the order of 30% in relation to the previous year. The numbers speak for themselves.

About our purpose "With you, building the future of mobility" we excited with the receptiveness of our customers to the new solutions we are offering and that consolidate our leading role in the market evolution.

For the future, we keep our humility in the certainty that everything we are doing can be done better and simpler. For this, as always, part of our margin is invested in building the skills of a future with a lot of entrepreneurial ambition and that will fulfill our purpose.

We thank our more than 10,000 employees who make all of this happen and our suppliers, business partners, investors and shareholders who trust and help us to grow and evolve, always. An special thanks to our customers that, from choosing us every day, give us the opportunity to surprise them with sympathy, agility and willingness to serve.

Eugênio Mattar - CEO

IFRS 16

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

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

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

Reclassification of comparative balances - PIS / COFINS credits

In order to better reflect the nature of its operating costs, Localiza reclassified PIS and COFINS credits on the acquisition of inputs for the year ended December 31, 2019. The credits were reclassified in the income statement, from sales tax line to the cost line. The reclassification of credits for the year 2019 totaled R\$ 357.9 million and was recorded fully in the 4th quarter, with R\$ 113.0 million referring to 4Q19.

The reclassification does not affect EBITDA, EBIT and net income, but positively impacts margins on net revenue, as shown in the table below:

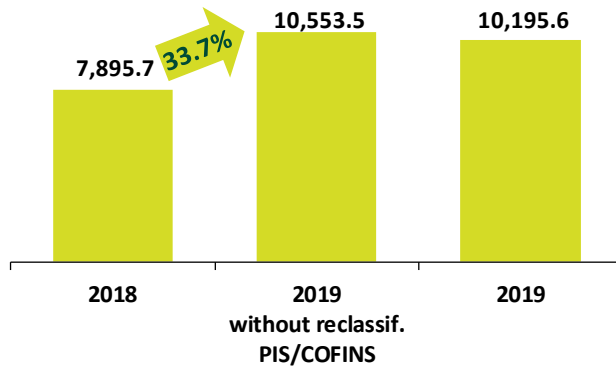
| Before reclassification of PIS/COFINS credits | Effect of the adjustment | After reclassification of PIS/COFINS credits |
|---|--------------------------|--|
| Gross Revenues | = | Gross Revenues remains |
| Tax on Revenues | ↑ | Tax by the full aliquot |
| Net Revenues | ↓ | Net Revenues decreases |
| Costs and SG&A | ↓ | PIS/COFINS credits reduce costs |
| EBITDA | = | EBITDA remains |
| EBIT | = | EBIT remains |
| Net Income | = | Net Income remains |
| EBITDA Margin | ↑ | EBITDA Margin increases |

The following table shows the impacts related to the IFRS16 and reclassification of the PIS and COFINS credits:

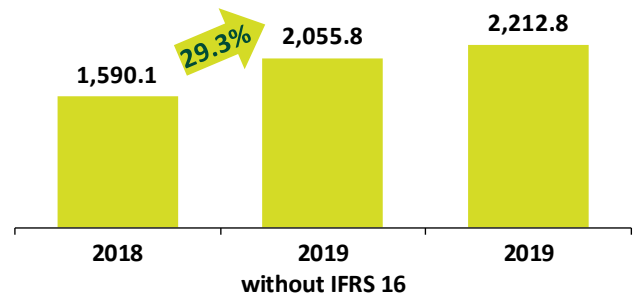
| Consolidated results | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | Adjustment IFRS 16 | 2019 with IFRS 16 | Adjustment PIS/COFINS | 2019 | 4T19 without IFRS 16 and without reclassification of PIS/COFINS credits | Adjustment IFRS 16 | 4Q19 com IFRS 16 | Adjustment PIS/COFINS | 4Q19 |
|------------------------------------|---|--------------------|-------------------|-----------------------|-----------------|---|--------------------|------------------|-----------------------|----------------|
| Gross revenues | 10,628.5 | - | 10,628.5 | - | 10,628.5 | 3,066.7 | - | 3,066.7 | - | 3,066.7 |
| Taxes on revenues | (432.9) | - | (432.9) | - | (432.9) | (371.3) | - | (371.3) | - | (371.3) |
| PIS and COFINS credits | 357.9 | - | 357.9 | (357.9) | - | 357.9 | - | 357.9 | (357.9) | - |
| Net revenues | 10,553.5 | - | 10,553.5 | (357.9) | 10,195.6 | 3,053.3 | - | 3,053.3 | (357.9) | 2,695.4 |
| Costs | (7,479.3) | 101.0 | (7,378.3) | - | (7,378.3) | (2,155.6) | 26.2 | (2,129.4) | - | (2,129.4) |
| PIS and COFINS credits | - | - | - | 357.9 | 357.9 | - | - | - | 357.9 | 357.9 |
| SG&A | (1,018.4) | 56.0 | (962.4) | - | (962.4) | (309.2) | 14.9 | (294.3) | - | (294.3) |
| EBITDA | 2,055.8 | 157.0 | 2,212.8 | - | 2,212.8 | 588.5 | 41.1 | 629.6 | - | 629.6 |
| EBITDA Margin | 19.5% | 1.5 p.p. | 21.0% | 0.7 p.p. | 21.7% | 19.3% | 1.3 p.p. | 20.6% | 2.7 p.p. | 23.4% |
| Depreciation | (597.8) | (125.4) | (723.2) | - | (723.2) | (183.2) | (34.2) | (217.4) | - | (217.4) |
| EBIT | 1,458.0 | 31.60 | 1,489.6 | - | 1,489.6 | 405.3 | 6.9 | 412.2 | - | 412.2 |
| EBIT Margin | 13.8% | 0.3 p.p. | 14.1% | 0.5 p.p. | 14.6% | 13.3% | 0.2 p.p. | 13.5% | 1.8 p.p. | 15.3% |
| Financial expenses, net | (360.6) | (49.2) | (409.8) | - | (409.8) | (98.2) | (14.3) | (112.5) | - | (112.5) |
| Income tax and social contribution | (249.9) | 4.0 | (245.9) | - | (245.9) | (73.1) | 1.8 | (71.3) | - | (71.3) |
| Net income | 847.5 | (13.6) | 833.9 | - | 833.9 | 234.0 | (5.6) | 228.4 | - | 228.4 |

2019 financial highlights

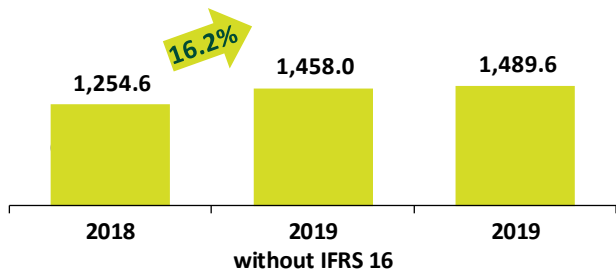
Net revenues (R\$ millions)



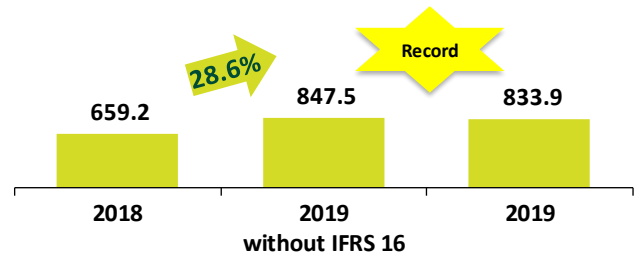
EBITDA (R\$ millions)



EBIT (R\$ millions)

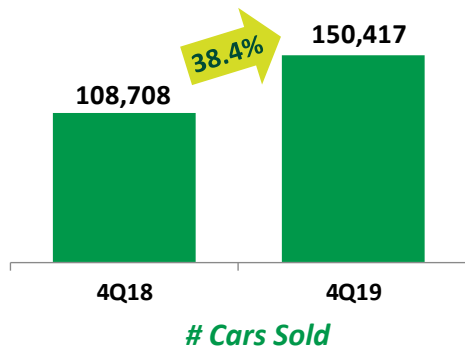


Net Income (R\$ millions)

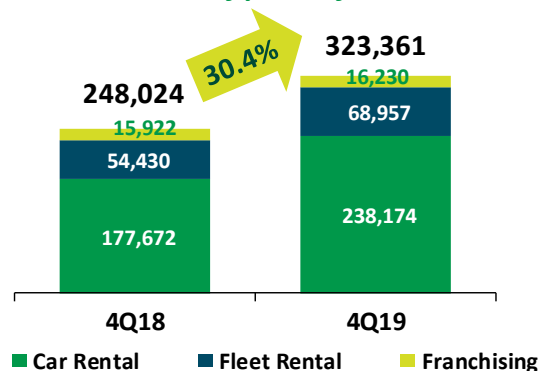
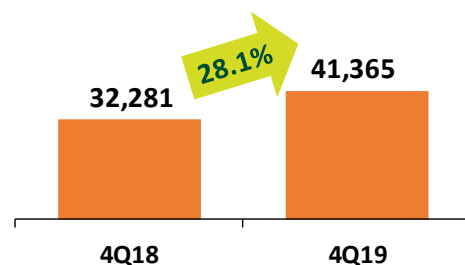
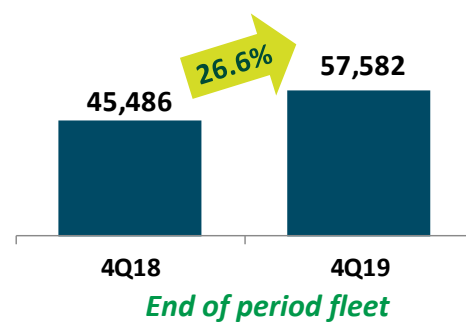


4Q19 operating highlights

Average rented fleet – Car Rental

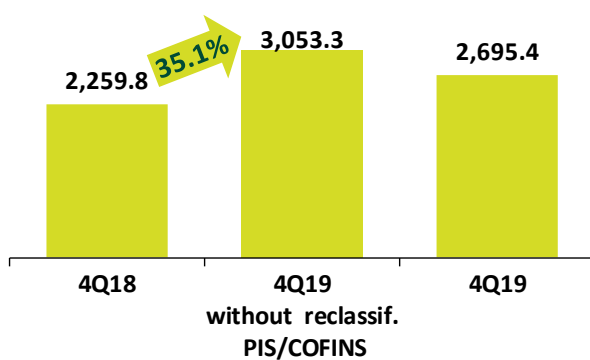


Average rented fleet – Fleet Rental

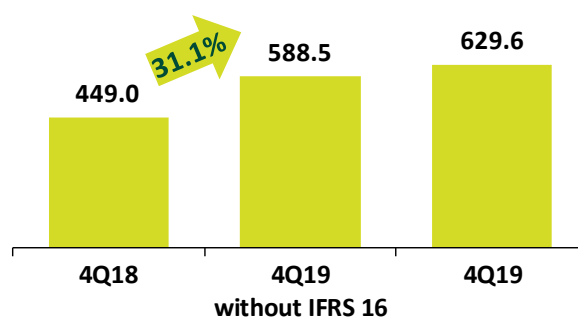


4Q19 financial highlights

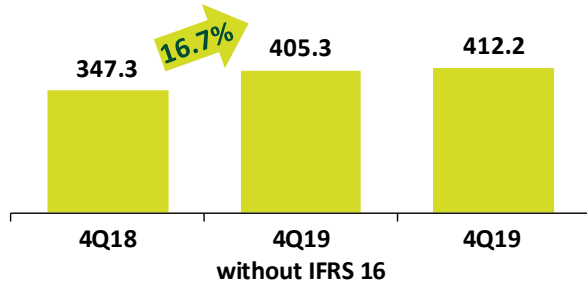
Net revenues (R\$ millions)



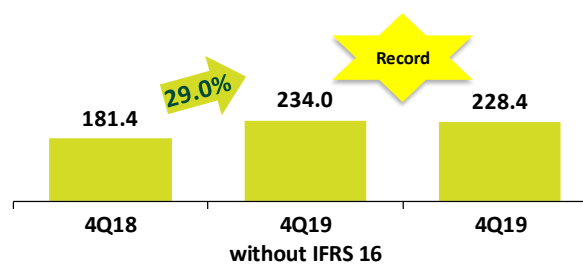
EBITDA (R\$ millions)



EBIT (R\$ millions)

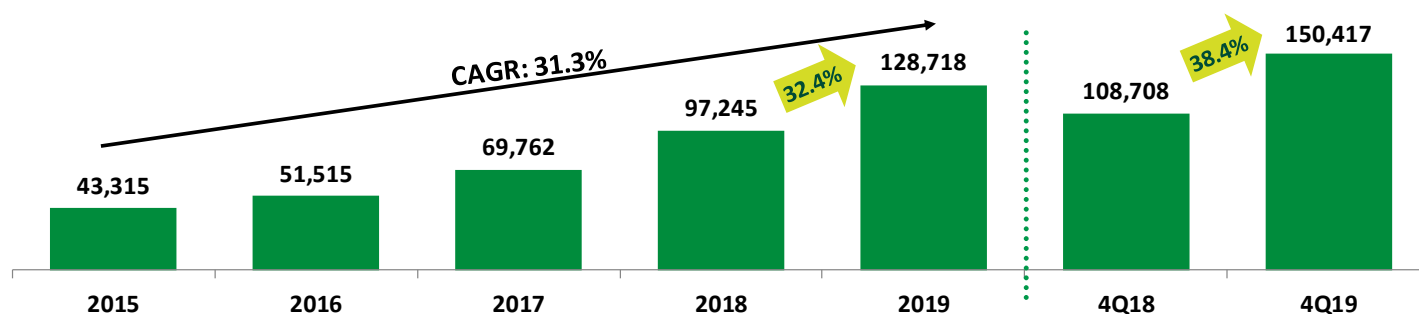


Net Income (R\$ millions)

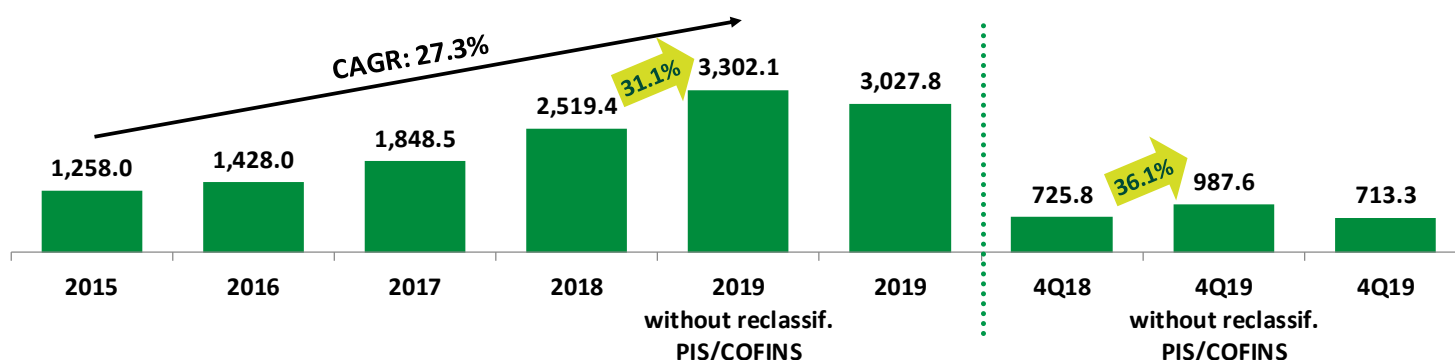


1 - Rent a Car

Average rented fleet



Net revenues (R\$ million)



In 4Q19, the **Car Rental** division's average rented fleet increased 38.4% versus 4Q18. In the same period, net revenues rose 36.1% with a reduction of 3.2% in the average rental rate.

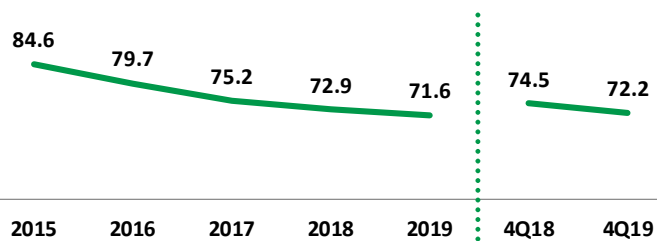
In 2019, volume increased 32.4% and net revenue 31.1% when compared to the same period last year, with a 1.8% lower average rental rate.

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

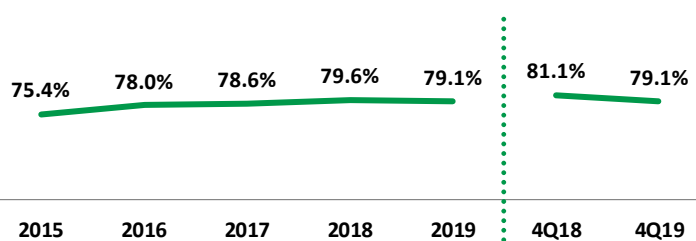
In 4Q19, PIS and COFINS credits referring to 2019 were reclassified. These credits are now reducing the cost line, compared to being previously classified as credits on sales taxes, and totaled R\$ 274.3 million, of which R\$ 88.6 million refer to the competence of 4Q19. These credits started to reduce the cost line, and previously they were classified as credits under the item of taxes on revenue.

The utilization rate remained at healthy levels, despite the strong expansion of the fleet. In 2019, the utilization rate was 79.1%, in line with the same period last year.

Average rental rate (in R\$)

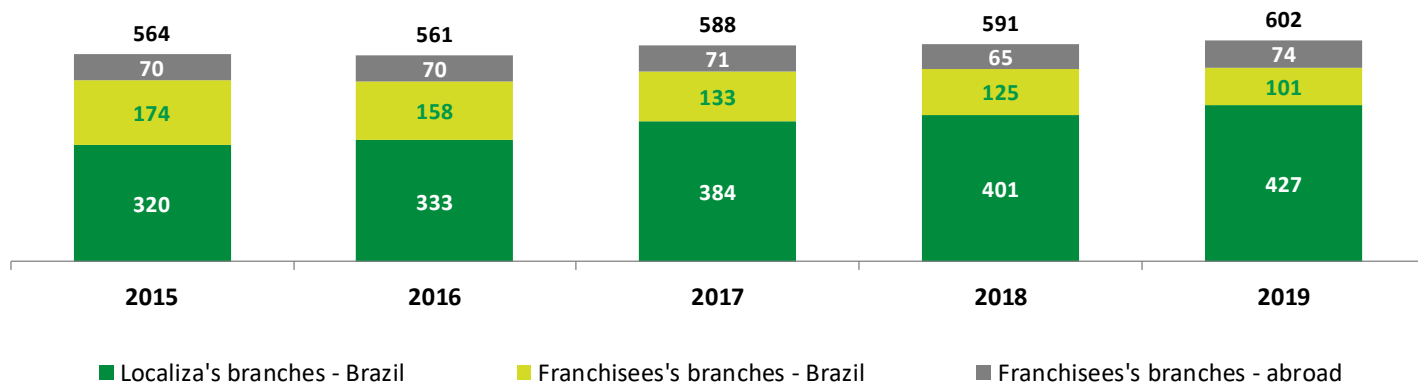


Operating fleet utilization rate (%)



1.1 - Distribution network

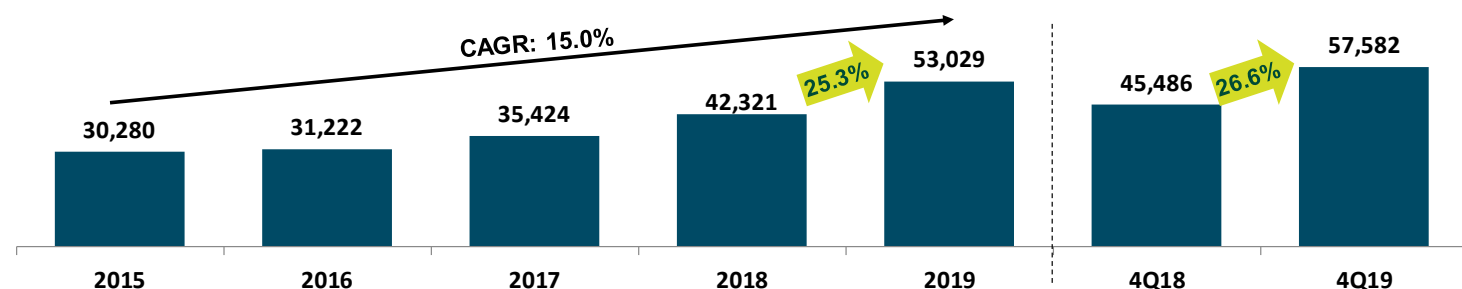
Number of car rental locations - Brazil and abroad



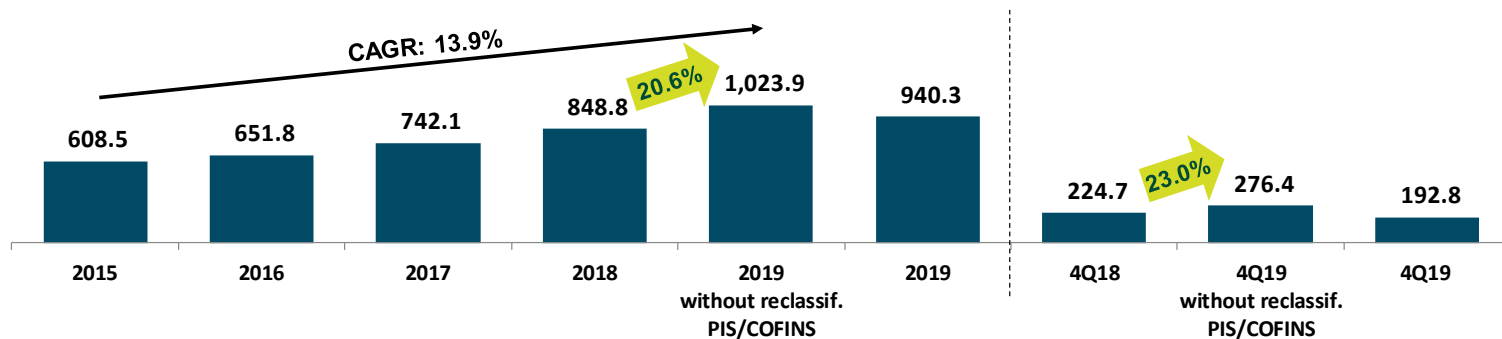
As 4Q19, Localiza's network included 602 rental locations, being 528 in Brazil and 74 in 5 other South American countries. Localiza's corporate network (excluding franchisees) increased by 26 branches.

2 – Fleet Rental

Average rented fleet



Net revenues (R\$ million)



In 4Q19, the **Fleet Rental** division registered a 26.6% increase in the average rented fleet and 23.0% in net revenues compared to the same period of the prior year, with 3.5% reduction in the average rental rate.

In 2019, there was an increase of 25.3% in the average rented fleet and 20.6% in the revenue of this division, due to the 3.1% reduction in the average rental rate.

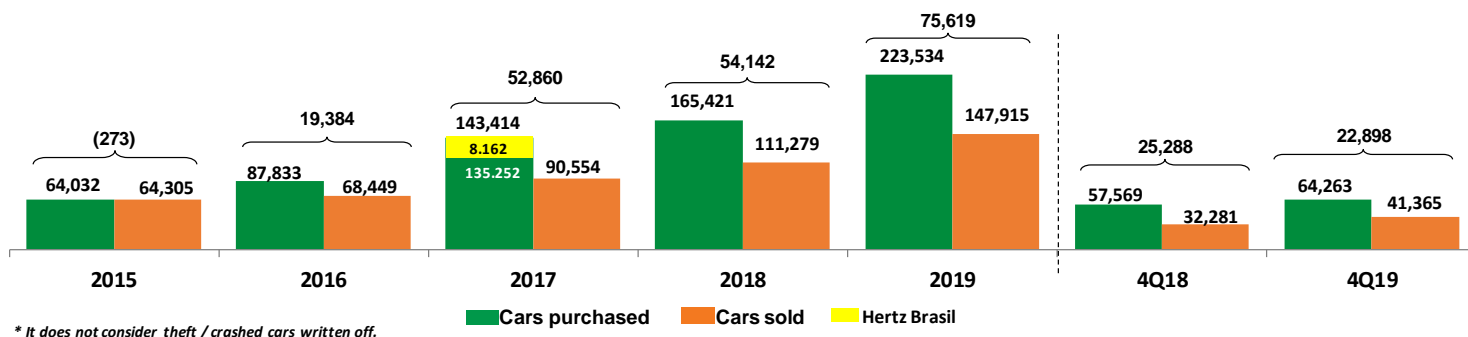
The lower average rental rate of the **Fleet Rental** division reflects the pricing of new contracts and the renewal of existing ones in a context of lower interest rates.

In 4Q19, PIS and COFINS credits referring to 2019 were reclassified. These credits are now reducing the cost line, compared to being previously classified as credits on sales taxes, and totaled R\$ 83.6 million, of which R\$ 24.4 million refer to the competence of 4Q19. These credits started to reduce the cost line, and previously they were classified as credits under the item of taxes on revenue.

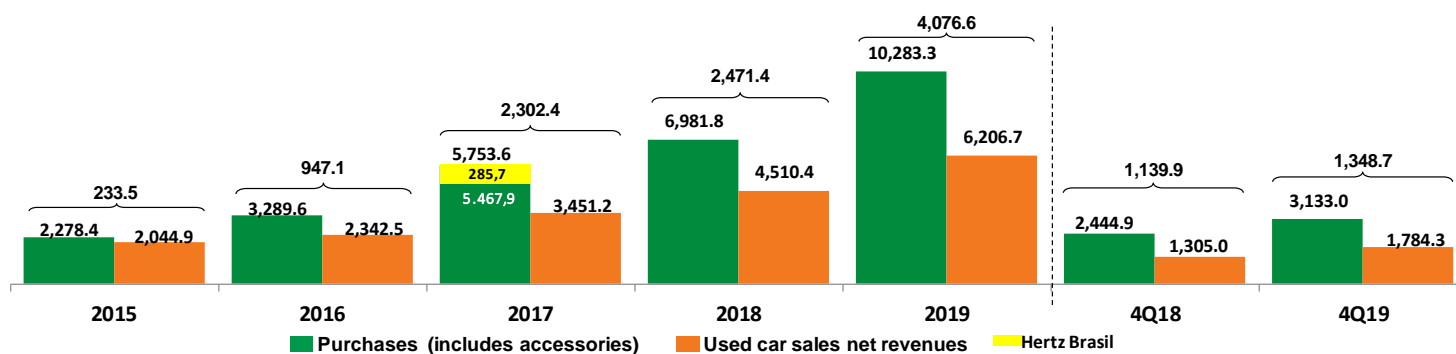
3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales (quantity)



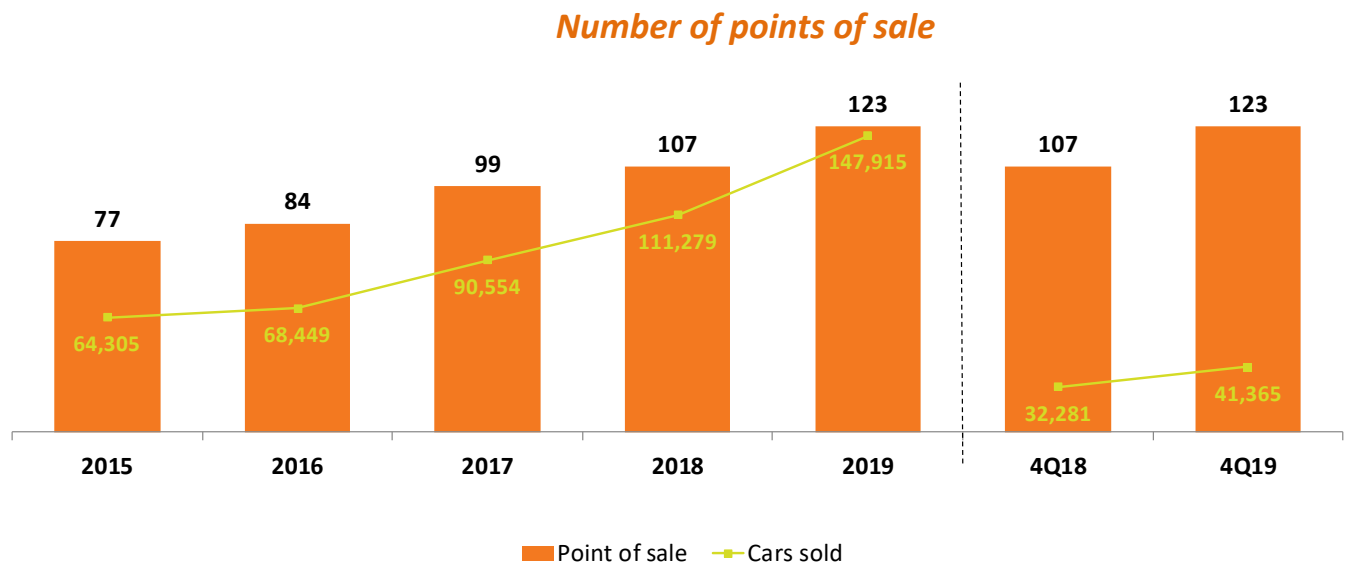
Net investment in fleet (R\$ million)



In 4Q19, Localiza purchased 64,263 cars, and sold 41,365, resulting in a positive balance of 22,898 cars added to the fleet and a net investment of R\$ 1,348.7 million.

In the year, 223,534 cars were purchased and 147,915 were sold, resulting in an addition of 75,619 cars and a net investment of R\$ 4,076.6 million. The total investment in the year for cars purchase was R\$ 10,283.3 million.

4 – Seminovos – Number of points of sale

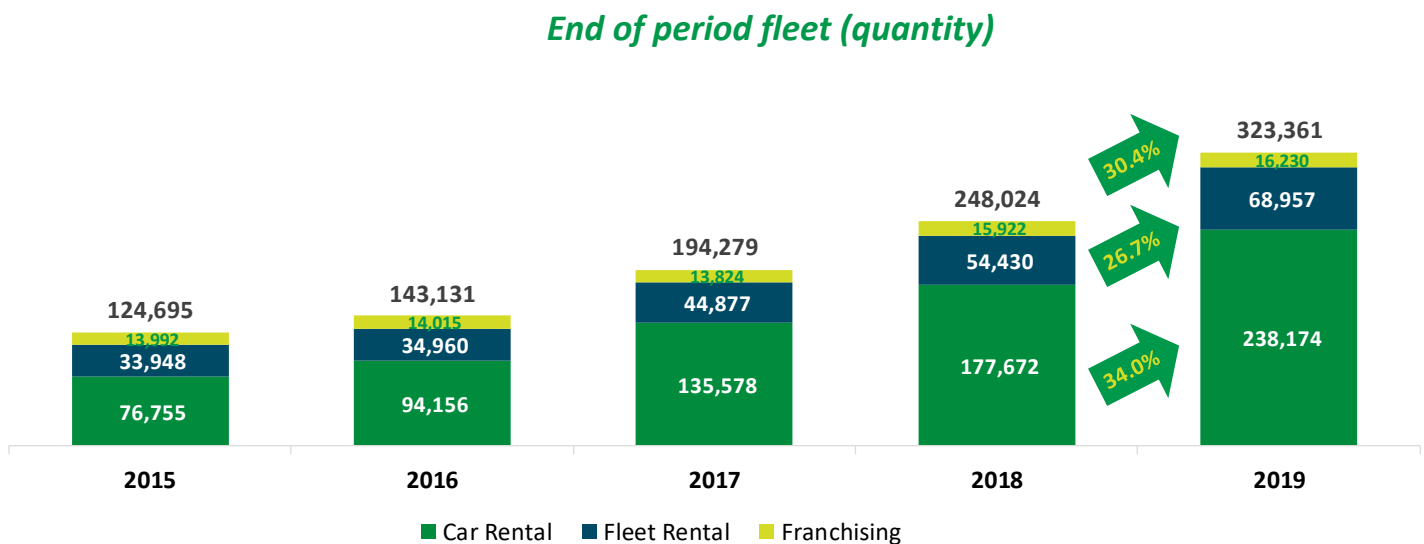


In 2019, **Seminovos** network has expanded with 16 new stores, 10 in 4Q19, totaling 123 stores in 84 cities in Brazil.

In 4Q19, the volume of cars sold increased 28.1% over the same period last year.

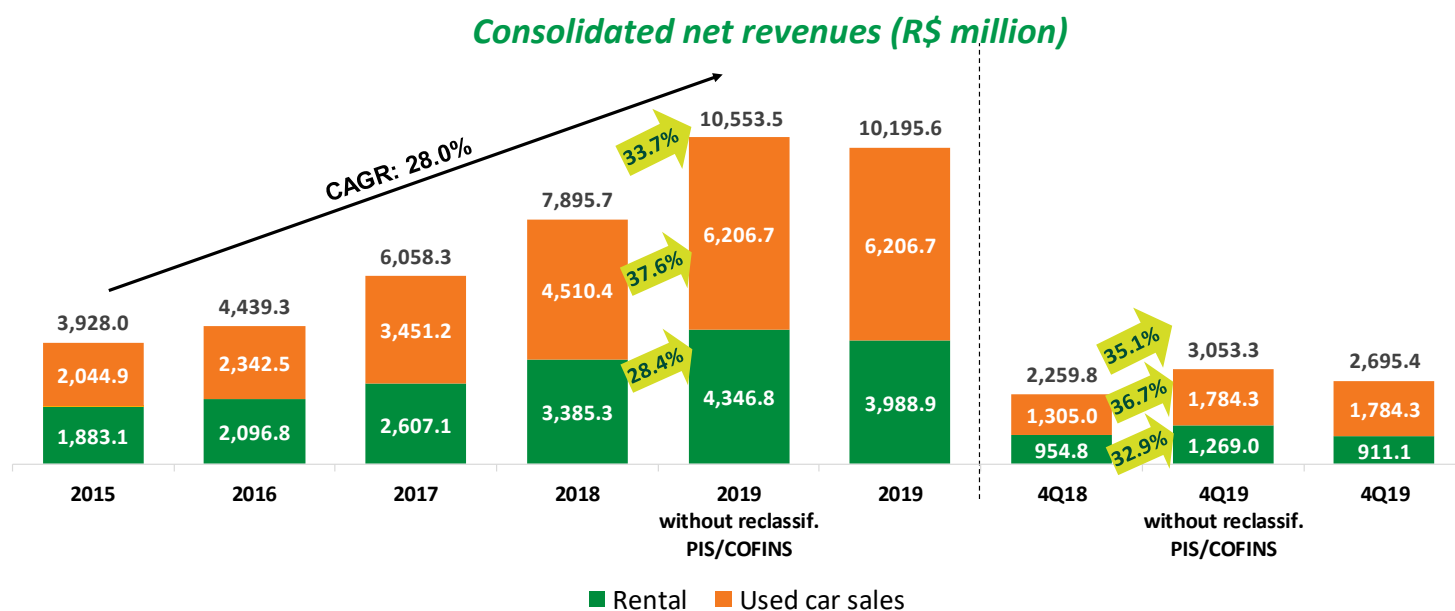
In the year, there was a 32.9% increase in sales volume when compared to 2018, reaching 147,915 cars sold.

5 – End of period fleet



Localiza System (including franchisees) has 323,361 cars, an increase of 30.4% over the previous year.

6 – Net revenues - consolidated



In 4Q19, excluding the effects of the reclassification of PIS and COFINS credits, consolidated net revenue grew 35.1% compared to 4Q18. Net rental revenues increased 32.9%, being 36.1% in the **Car Rental** division and 23.0% in the **Fleet Rental** division.

Seminovos net revenues in 4Q19 increased 36.7% compared to the same period last year, driven by a 28.1% increase in the volume of cars sold and a 6.7% increase in average selling prices.

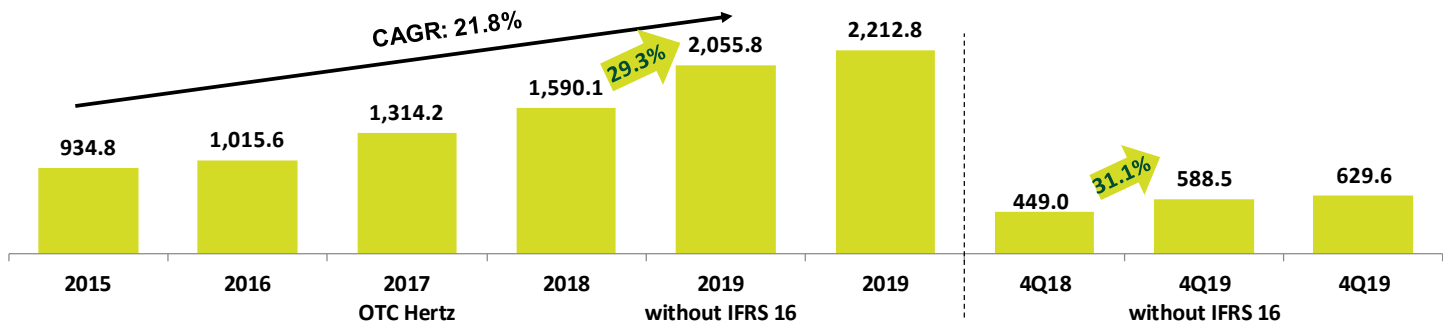
In the year, consolidated net revenues grew 33.7% when compared to 2018. Net rental revenues increased 28.4%, being 31.1% in the **Car Rental** division and 20.6% in the **Fleet Rental** division.

Seminovos net revenues increased 37.6% in 2019 compared to the same period of the previous year, due to a 32.9% increase in the volume of cars sold.

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

7 - EBITDA

Consolidated EBITDA (R\$ million)



EBITDA margin:

| Activities | 2015 | 2016 | 2017* | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits | 4Q19 |
|---------------------|-------|-------|-------|-------|--|-------|-------|--|-------|
| Car Rental | 31.8% | 32.3% | 34.9% | 35.9% | 38.8% | 45.5% | 39.7% | 39.6% | 58.4% |
| Fleet Rental | 62.2% | 64.5% | 61.9% | 64.0% | 62.1% | 67.7% | 63.3% | 61.1% | 87.8% |
| Rental Consolidated | 41.7% | 42.3% | 42.6% | 43.0% | 44.4% | 50.9% | 45.2% | 44.4% | 64.7% |
| Used Car Sales | 7.3% | 5.5% | 5.9% | 3.0% | 2.0% | 3.0% | 1.3% | 1.4% | 2.3% |

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

The reclassification of PIS and COFINS credits did not affect EBITDA, but impacted the margins (%) on net revenue.

In 4Q19, consolidated EBITDA excluding the impacts of IFRS 16, totaled R\$588.5 million, 31.1% higher than the same period of the previous year. Considering the effects of IFRS 16, EBITDA totaled R\$629.6 million.

EBITDA margin of the **Car Rental** division, without the effects of IFRS 16 and the PIS and COFINS credits reclassification, reached 39.6% in 4Q19, stable when compared with 4Q18. Considering the effects of IFRS 16 and the PIS and COFINS credits reclassification, EBITDA margin in 4Q19 was 48.8%.

We are continuously working on cost and expense management, as well as investing in process and productivity improvement, aiming to increase competitiveness to capture growth opportunities in the car rental market. In 2019, EBITDA margin of the **Car Rental** division expanded 2.9 p.p.. Considering the effects of IFRS 16 and the PIS and COFINS credits reclassification, EBITDA margin in 2019 reached 45.5%.

In the **Fleet Rental** division, excluding the effects of IFRS 16 and reclassification of PIS and COFINS credits, EBITDA margin stood at 61.1% in 4Q19, 2.2 p.p. lower when compared to 4Q18. In the year, EBITDA margin of this division decreased 1.9 p.p., compared to the same period last year.

EBITDA margin of **Seminovos**, without the effects of IFRS 16, was 1.4% in 4Q19. Including the effects of IFRS 16, the margin was 2.3%. The margin reflects the increase in the depreciation level observed in recent quarters, adjusted to the reality of the car sales market.

8 - Depreciation

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

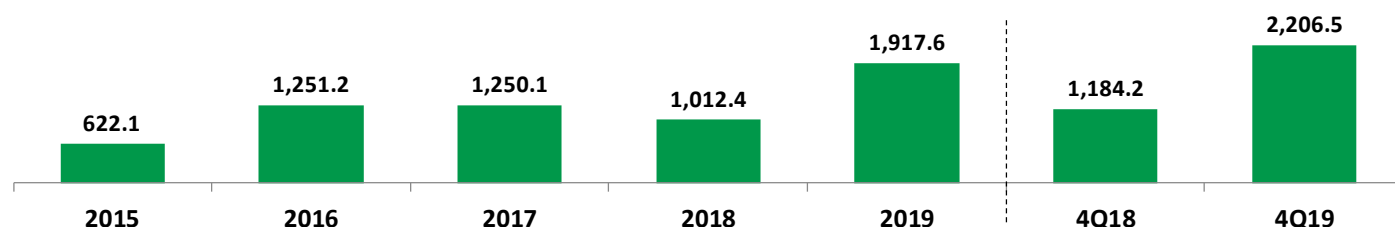
In the **Car Rental** division depreciation is booked using the linear method.

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

The Company periodically reassesses the adherence to depreciation methods to better reflect the equalization of maintenance and depreciation costs over the useful life of the cars.

8.1 – Rent a Car

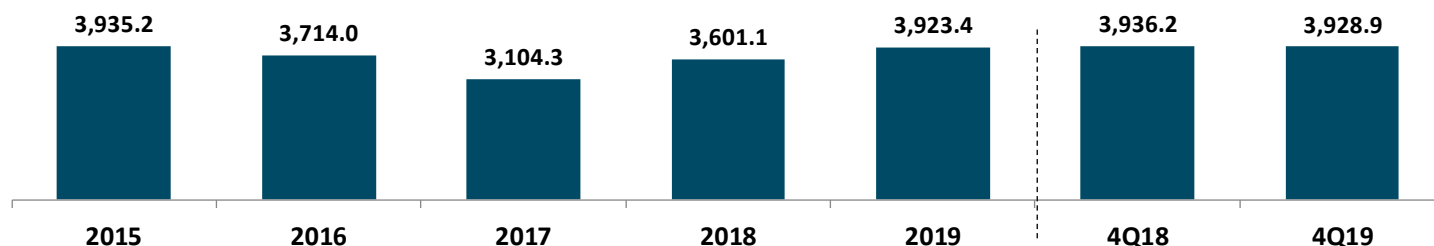
Average annualized depreciation per car (R\$) – RAC



In 2019, average depreciation per car in the **Car Rental** division was R\$1,917.6, 89.4% higher than the average depreciation of 2018. In the year, we observed pressure on the prices and conditions practiced for the sale of new cars, which reflected in the **Seminovos** price and, consequently, in the depreciation increase.

8.2 – Fleet Rental

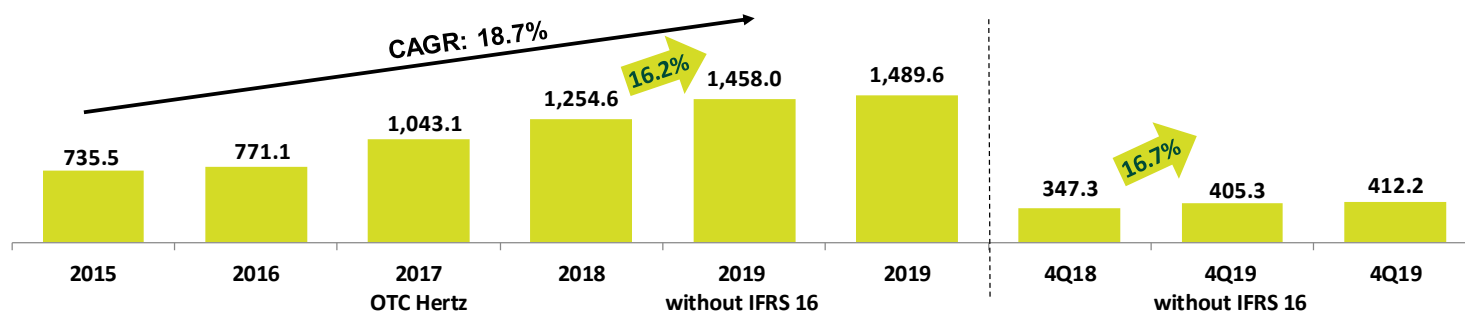
Average annualized depreciation per car (R\$) – Fleet Rental



In the **Fleet Rental** division, the average depreciation per car in 2019 was R\$3,923.4, 9.0% higher than the average depreciation for 2018, due to cars prices dynamic and the use of SOYD method in a context of growing fleet.

9 - EBIT

Consolidated EBIT (R\$ million)



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

| Activities | 2015 | 2016 | 2017* | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits | 4Q19 |
|--------------|-------|-------|-------|-------|---|-------|-------|---|-------|
| Car Rental | 34.3% | 30.2% | 35.5% | 33.2% | 29.9% | 33.6% | 33.9% | 28.5% | 40.3% |
| Fleet Rental | 48.9% | 51.2% | 51.4% | 48.6% | 44.9% | 49.1% | 44.8% | 43.8% | 63.1% |
| Consolidated | 39.1% | 36.8% | 40.0% | 37.1% | 33.5% | 37.3% | 36.4% | 31.9% | 45.2% |

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

The reclassification of PIS and COFINS credits did not affect EBIT, but impacted the margins (%) on net revenue.

Excluding the effects of IFRS 16, consolidated EBIT reached R\$405.3 million in 4Q19, representing a growth of 16.7% when compared with 4Q18. The growth is due to the 31.1% increase in EBITDA, attenuated by the 80.1% increase in cars and other assets depreciation. Consolidated EBIT with the IFRS 16 totaled R\$412.2 million.

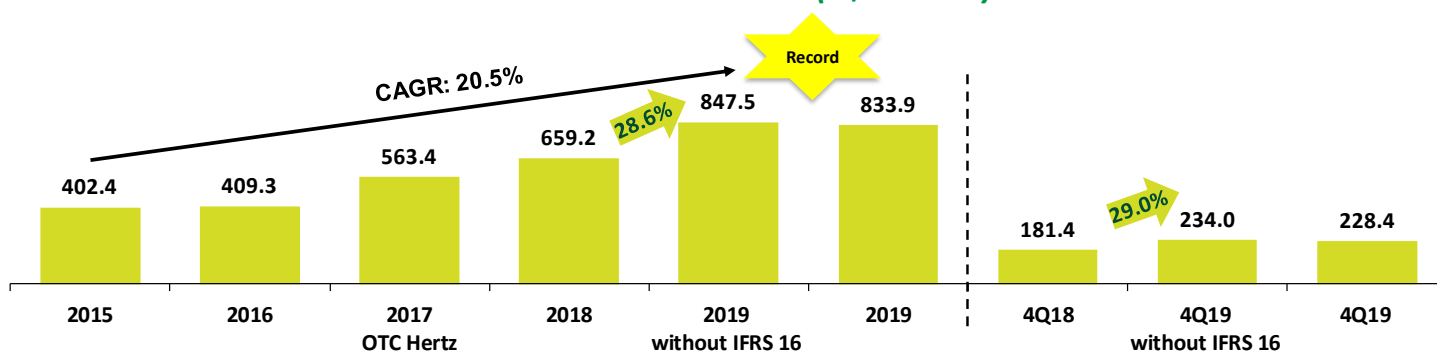
In 4Q19, the EBIT margin of the **Car Rental** division, excluding the effects of IFRS 16 and reclassification of PIS and COFINS credits, was 28.5%, representing a reduction of 5.4 p.p. compared to 4Q18, mostly reflecting the increase in average depreciation per car.

In the **Fleet Rental** division, the adjusted EBIT margin, excluding the effects of IFRS 16 and reclassification of PIS and COFINS credits, was 43.8%, a reduction of 1.0 p.p. in comparison with 4Q18. The decrease in EBIT margin in **Fleet Rental** division is a result of the lower EBITDA margin, due to the pricing in a scenario of lower interest rates, and the higher average depreciation per car.

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

10 - Consolidated net income

Consolidated net income (R\$ million)



| Reconciliation EBITDA x Net income | 2015 | 2016 | 2017* | 2018 | 2019 without IFRS 16 | Var. R\$ | Var. % | 2019 | 4Q18 | 4Q19 without IFRS 16 | Var. R\$ | Var. % | 4Q19 |
|--|---------|---------|---------|---------|----------------------|----------|--------|---------|---------|----------------------|----------|--------|---------|
| Consolidated EBITDA | 934.8 | 1,015.6 | 1,314.2 | 1,590.1 | 2,055.8 | 465.7 | 29.3% | 2,212.8 | 449.0 | 588.5 | 139.5 | 31.1% | 629.6 |
| Cars depreciation | (163.6) | (206.3) | (232.0) | (291.6) | (551.5) | (259.9) | 89.1% | (551.5) | (90.3) | (171.2) | (80.9) | 89.6% | (171.2) |
| Other property depreciation and amortization | (35.7) | (38.2) | (39.1) | (43.9) | (46.3) | (2.4) | 5.5% | (171.7) | (11.4) | (12.0) | (0.6) | 5.3% | (46.2) |
| EBIT | 735.5 | 771.1 | 1,043.1 | 1,254.6 | 1,458.0 | 203.4 | 16.2% | 1,489.6 | 347.3 | 405.3 | 58.0 | 16.7% | 412.2 |
| Financial expenses, net | (202.7) | (243.5) | (315.0) | (368.9) | (360.6) | 8.3 | -2.2% | (409.8) | (107.5) | (98.2) | 9.3 | -8.7% | (112.5) |
| Income tax and social contribution | (130.4) | (118.3) | (164.7) | (226.5) | (249.9) | (23.4) | 10.3% | (245.9) | (58.4) | (73.1) | (14.7) | 25.2% | (71.3) |
| Net income of the period | 402.4 | 409.3 | 563.4 | 659.2 | 847.5 | 188.3 | 28.6% | 833.9 | 181.4 | 234.0 | 52.6 | 29.0% | 228.4 |

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

The reclassification of PIS and COFINS credits did not affect net income, but impacted the margins (%) on net revenue.

Net income without the effect of IFRS 16, reached R\$234,0 million in 4Q19, an increase of 29.0% over 4Q18, mainly due to:

(+) R\$139.5 million increase in EBITDA;

(-) R\$81.5 million increase in depreciation, due to the 36.4% increase in the average operating fleet and higher average depreciation per car;

(+) R\$9.3 million lower net financial expenses mainly due to the lower interest rate, partially offset by the higher average debt balance in this quarter; and

(-) R\$14.7 million increase in income tax and social contribution, due to higher taxable income, partially offset by the lower effective tax rate, which decreased from 24.4% in 4Q18 to 23.8% in 4Q19.

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

| Activities | 2015 | 2016 | 2017* | 2018 | 2019 without IFRS 16 | 2019 | 4Q18 | 4Q19 without IFRS 16 | 4Q19 |
|-------------------------|---------|---------|---------|---------|----------------------|---------|---------|----------------------|---------|
| Car Rental+ franchising | 292.5 | 346.5 | 483.5 | 642.0 | 966.3 | 959.5 | 211.5 | 292.6 | 288.9 |
| Fleet Rental | 285.7 | 325.8 | 351.0 | 401.4 | 486.7 | 489.8 | 106.9 | 127.5 | 128.2 |
| Used Car Sales | (175.8) | (263.0) | (271.1) | (384.2) | (605.5) | (615.4) | (137.0) | (186.1) | (188.7) |
| consolidated | 402.4 | 409.3 | 563.4 | 659.2 | 847.5 | 833.9 | 181.4 | 234.0 | 228.4 |

(*) 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 |
|--|---|-----------|-----------|-----------|-----------|-----------|
| Operations | EBITDA | 934.8 | 1,015.7 | 1,314.2 * | 1590.1 | 2,212.8 |
| | Used car sale revenue, net from taxes | (2,044.9) | (2,342.6) | (3,451.2) | (4,510.4) | (6,206.7) |
| | Depreciated cost of cars sold | 1,769.1 | 2,102.5 | 3,106.6 | 4,198.5 | 5,863.6 |
| | (-) Income tax and social contribution | (110.7) | (93.3) | (108.3) | (131.2) | (146.1) |
| | Change in working capital | (30.0) | (40.8) | (47.9) | (117.4) | (268.9) |
| | Cash generated by rental operations | 518.3 | 641.5 | 813.4 | 1,029.6 | 1,454.7 |
| 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 |
| | Fleet renewal investment | (2,278.4) | (2,563.6) | (3,660.9) | (4,696.7) | (6,804.6) |
| | Change in accounts payable to car suppliers for fleet renewal | (25.4) | 219.8 | 227.6 | 250.1 | 468.7 |
| | Net investment for fleet renewal | (267.5) | (1.2) | 17.9 | 63.8 | (129.2) |
| | Fleet renewal – quantity | 64,032 | 68,449 | 90,554 | 111,279 | 147,915 |
| Investment, property and intangible | | (29.7) | (40.9) | (28.8) | (42.8) | (70.0) |
| Free cash flow from operations, before growth | | 221.1 | 599.4 | 802.5 | 1,050.6 | 1,255.5 |
| Capex - Growth | (Investment) / Divestment in cars for fleet growth | 8.6 | (726.0) | (1,807.0) | (2,285.1) | (3,478.7) |
| | Change in accounts payable to car suppliers for fleet growth | (23.9) | 26.8 | 168.7 | 509.4 | 23.6 |
| | 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) |
| | Fleet increase / (reduction) – quantity | (273) | 19,384 | 52,860 | 54,142 | 75,619 |
| Free cash flow after growth | | 205.8 | (99.8) | (1,121.5) | (725.1) | (2,305.0) |
| Capex - non-recurring | Acquisition of Hertz and franchisees (except fleet value) | - | - | (121.5) | - | (18.2) |
| | 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) |
| Cash effects of receivables and anticipation of payables to suppliers (**) | | (71.9) | 98.0 | 88.3 | (113.2) | (131.8) |
| Free cash flow before interest | | 103.2 | (87.5) | (1,300.9) | (838.3) | (2,455.0) |

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

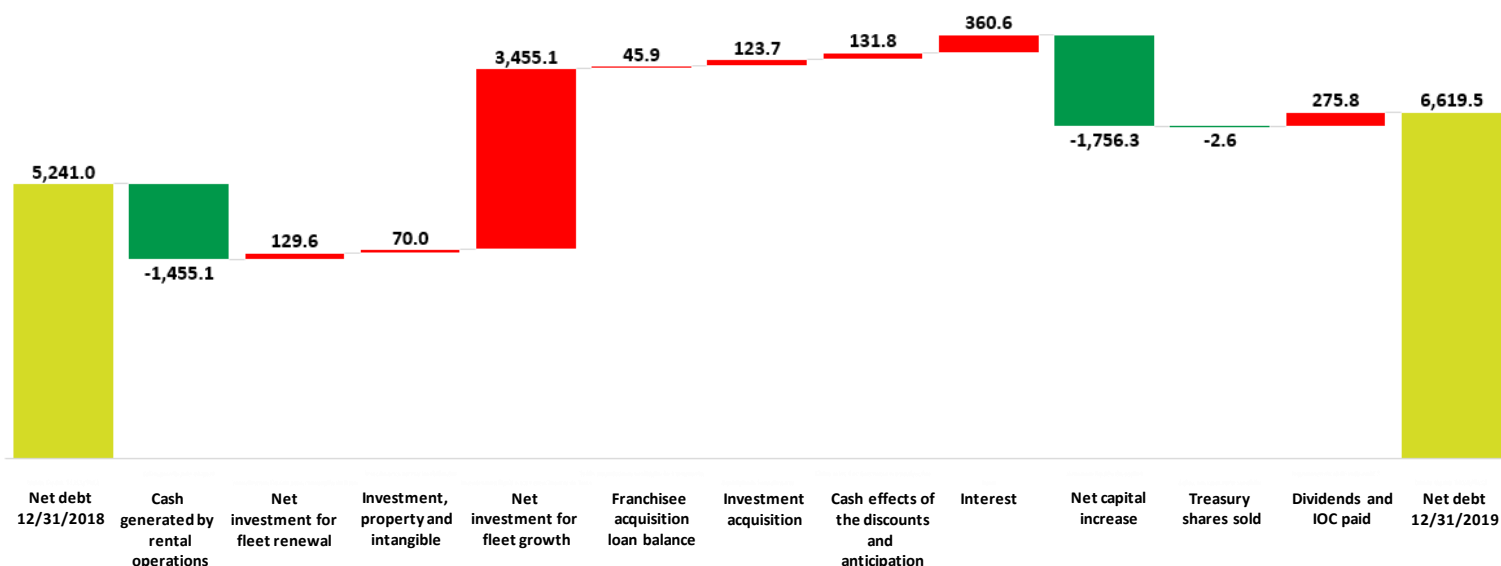
(*) 2017 adjusted by one-time costs incurred -Hertz Brasil acquisition and franchisees incorporation.

(**) 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\$1,255.5 million in 2019 and net capex for fleet growth amounted to R\$3,560.6 million, with addition of 75,619 cars in the fleet.

12 – Net debt

12.1 – Change in net debt – R\$ million



As of December 31, 2019, net debt totaled R\$6,619.5 million, an increase of 26.3% or R\$1.4 billion to support the fleet growth.

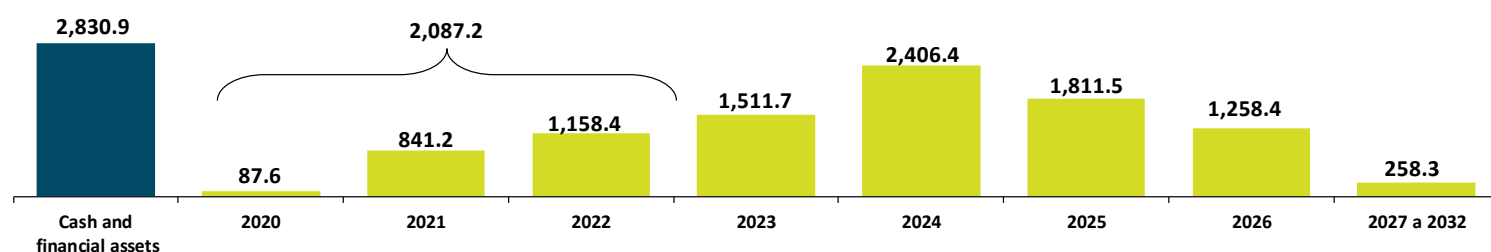
12.2 – Debt maturity profile

| Debt | Issuance | Contract rate | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 to 2032 | Total |
|---|------------|---------------|------------------|-------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Debentures 11th Issuance | 12/12/2016 | 111.50% CDI | - | - | - | 500.0 | - | - | - | 500.0 |
| Debentures 12th Issuance | 5/15/2017 | 107.25% CDI | - | - | - | - | - | 700.0 | - | 700.0 |
| Debentures 13th Issuance - 1st serie | 12/15/2017 | 109.35% CDI | - | - | - | 434.5 | 434.5 | - | - | 869.0 |
| Debentures 13th Issuance - 2nd serie | 12/15/2017 | 111.30% CDI | - | - | - | - | - | 108.1 | 108.1 | 216.2 |
| Debentures 14th Issuance - 1st serie | 9/18/2018 | 107.90% CDI | - | - | - | - | - | 200.0 | - | 200.0 |
| Debentures 14th Issuance - 2nd serie | 9/18/2018 | 112.32% CDI | - | - | - | - | - | 200.0 | 600.0 | 800.0 |
| Debentures 15th Issuance | 4/15/2019 | 107.25% CDI | - | - | - | - | - | - | 1,000.0 | 1,000.0 |
| Debentures 16th Issuance | 11/29/2019 | CDI + 1.05% | - | - | - | - | - | 333.3 | 666.7 | 1,000.0 |
| Debentures 3rd Issuance of Localiza Fleet | 5/5/2017 | 107.00% CDI | - | - | - | - | 500.0 | - | - | 500.0 |
| Debentures 4th Issuance of Localiza Fleet | 10/2/2017 | CDI + 0.30% | - | - | - | - | - | 350.0 | - | 350.0 |
| Debentures 5th Issuance of Localiza Fleet | 7/31/2018 | 112.00% CDI | - | - | - | - | - | - | 300.0 | 300.0 |
| Debentures 6th Issuance of Localiza Fleet | 12/21/2018 | 110.40% CDI | - | - | - | - | - | 400.0 | - | 400.0 |
| Debentures 7th Issuance of Localiza Fleet | 7/29/2019 | 109.00% CDI | - | - | - | - | 100.0 | 100.0 | 100.0 | 300.0 |
| Promissory Notes - 7th Issuance | 9/24/2019 | 108.00% CDI | - | - | 500.0 | - | - | - | - | 500.0 |
| Foreign currency loan with swap | - | Several | - | - | 210.6 | 215.0 | 465.0 | - | 250.0 | 1,140.6 |
| 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 | - | 87.4 | 125.0 | - | - | - | - | 212.4 |
| Interest accrued | - | - | 112.5 | - | - | - | - | - | - | 112.5 |
| Cash and cash equivalents on 12/31/2019 | - | - | (2,830.9) | - | - | - | - | - | - | (2,830.9) |
| Net debt | - | - | (2,718.4) | 91.7 | 841.2 | 1,158.5 | 1,511.8 | 2,406.4 | 3,328.3 | 6,619.5 |

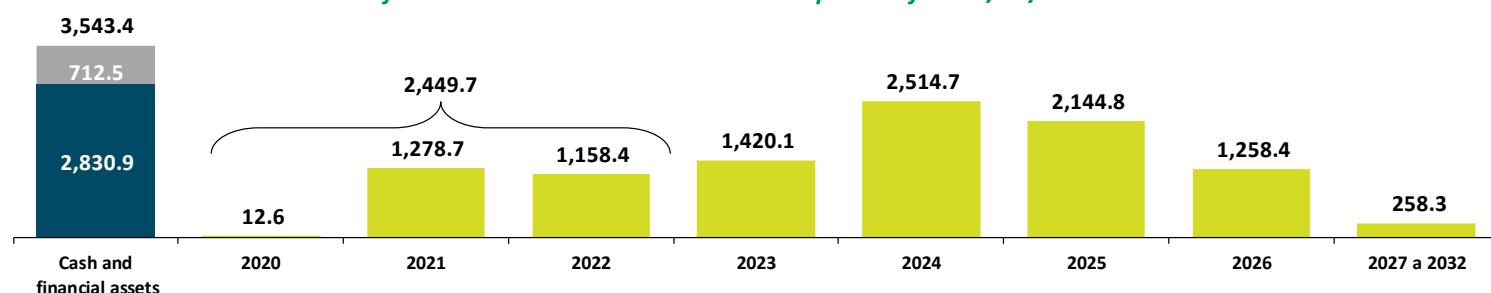
In October 2019, CVM granted the register of Localiza Fleet SA as a listed company in category B. Due to the approval of the registration, Localiza Fleet's 7th debentures issuance contract rate decreased from 109.0% CDI to 108.5% CDI, starting January 2020.

12.3 – Debt profile

As of December 31, 2019



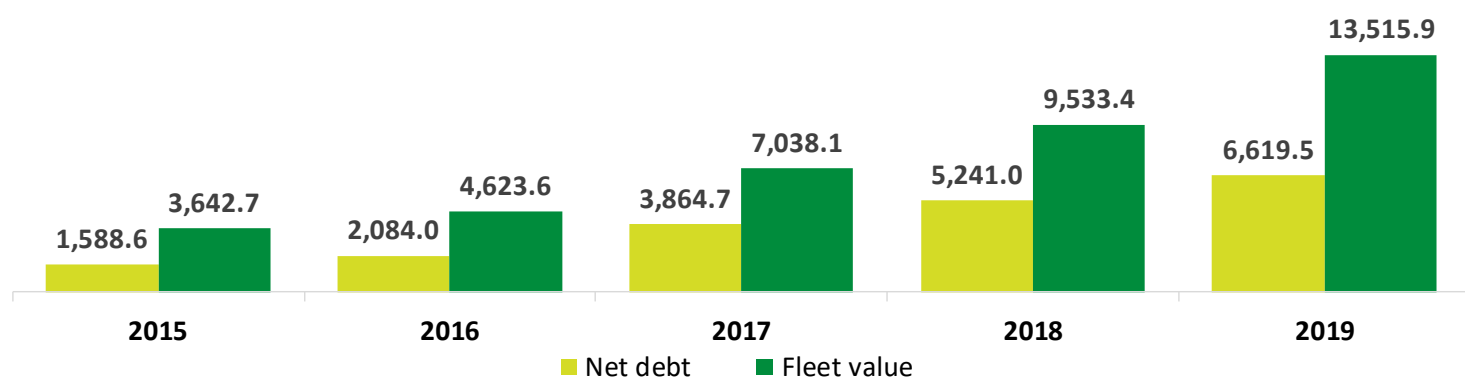
Proforma with new issuances and redemptions after 12/31/2019



The Company maintain a strong cash position to cope with growth and financial commitments.

12.4 – Debt ratios

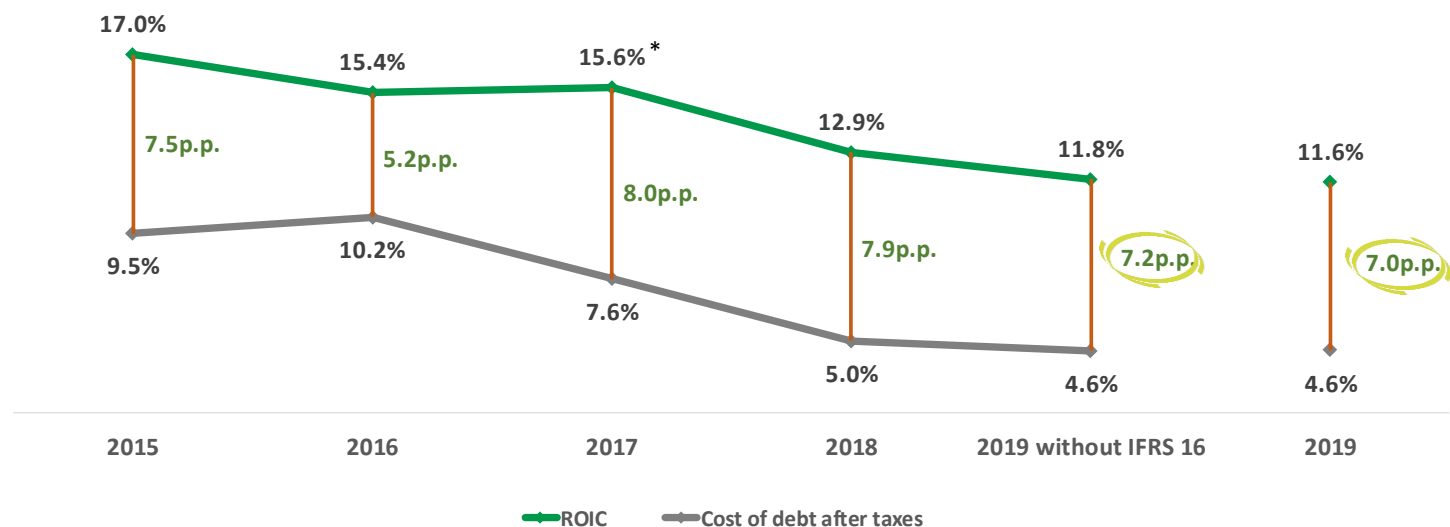
Net debt versus fleet value



| BALANCE AT THE END OF PERIOD | 2015 | 2016 | 2017 | 2018 | 2019 without IFRS 16 | 2019 with IFRS 16 |
|---------------------------------|------|------|------|------|----------------------|-------------------|
| Net debt / Fleet value | 44% | 45% | 55% | 55% | 49% | 49% |
| Net debt / annualized EBITDA | 1.7x | 2.1x | 2.9x | 3.3x | 3.2x | 3.0x |
| Net debt / Equity | 0.8x | 0.9x | 1.5x | 1.7x | 1.2x | 1.2x |
| EBITDA / Net financial expenses | 4.6x | 4.2x | 4.2x | 4.3x | 5.7x | 5.4x |

DEBT RATIOS REFLECT STRONG GROWTH AND LOWER INTEREST RATES

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



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

STRONG GROWTH AND VALUE GENERATION IN A HIGHLY COMPETITIVE ENVIRONMENT

14 – Dividends and interest on capital (IOC)

2018 interest on capital were approved as follow:

| Nature | Reference period | Approval date | Shareholding position date | Payment date | Gross amount (R\$ million) | Gross amount per Share(*) (R\$) |
|-----------|------------------|---------------|----------------------------|--------------|----------------------------|---------------------------------|
| IOC | 2018 | 03/22/2018 | 03/28/2018 | 05/16/2018 | 42.0 | 0.060531 |
| IOC | 2018 | 06/21/2018 | 06/28/2018 | 08/16/2018 | 43.0 | 0.061867 |
| IOC | 2018 | 09/21/2018 | 09/27/2018 | 11/16/2018 | 44.6 | 0.064171 |
| IOC | 2018 | 12/13/2018 | 12/19/2018 | 02/06/2019 | 49.3 | 0.070990 |
| Dividends | 2018 | 04/29/2019 | 05/03/2019 | 05/20/2019 | 7.2 | 0.009590 |
| Total | | | | | 186.1 | |

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 | |

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

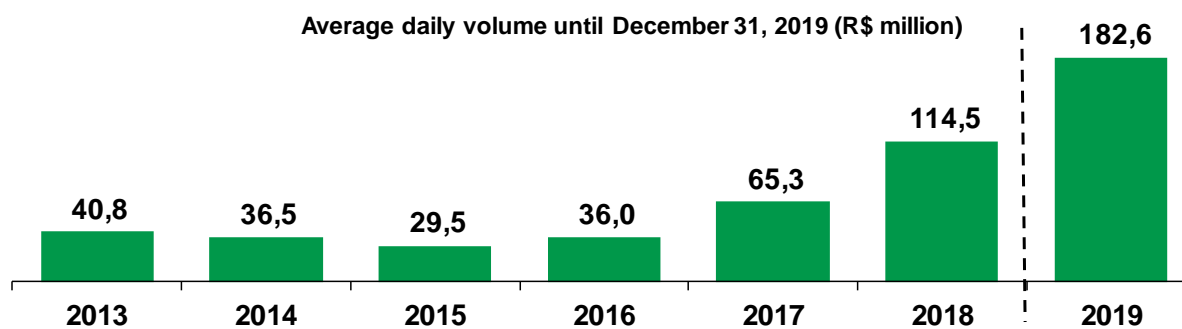
Growth of 56.4% in the dividend and IOC approved in comparison with 2018.

15 – RENT3

On December 31, 2019, the average daily traded volume of RENT3 was R\$182.6 million, 59.5% higher than the average volume of 2018.

Under the ADR level I program, the Company had 3,119,356 level I ADRs on December 31, 2019.

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



16 – Results per division

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

| CAR RENTAL RESULTS | 2015 | 2016 | 2017 | Var. | 2017 Adjusted | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 4Q19 |
|---|----------------|----------------|----------------|------------------|----------------|----------------|---|-----------------|----------------|--------------|---|------------------|--------------|
| Car rental gross revenues, net of discounts and cancellations | 1,316.9 | 1,486.9 | 1,898.7 | 27.7% | 1,898.7 | 2,570.8 | 3,345.6 | 30.1% | 3,345.6 | 740.4 | 993.6 | 34.2% | 993.6 |
| Taxes on revenues (*) | (58.9) | (58.9) | (50.2) | -14.8% | (50.2) | (51.4) | (43.5) | -15.4% | (317.8) | (14.6) | (6.0) | -58.9% | (280.3) |
| Car rental net revenues | 1,258.0 | 1,428.0 | 1,848.5 | 29.4% | 1,848.5 | 2,519.4 | 3,302.1 | 31.1% | 3,027.8 | 725.8 | 987.6 | 36.1% | 713.3 |
| Car rental costs | (618.1) | (707.4) | (926.4) | 31.0% | (870.7) | (1,178.1) | (1,476.2) | 25.3% | (1,105.5) | (316.2) | (428.3) | 35.5% | (128.9) |
| Gross profit | 639.9 | 720.6 | 922.1 | 28.0% | 977.8 | 1,341.3 | 1,825.9 | 36.1% | 1,922.3 | 409.6 | 559.3 | 36.5% | 584.4 |
| Operating expenses (SG&A) | (239.9) | (258.8) | (347.2) | 34.2% | (332.3) | (437.3) | (543.6) | 24.3% | (543.6) | (121.4) | (167.8) | 38.2% | (167.8) |
| Other assets depreciation and amortization | (22.3) | (23.9) | (23.6) | -1.3% | (23.6) | (26.6) | (30.8) | 15.8% | (106.7) | (6.8) | (8.1) | 19.1% | (29.4) |
| Operating profit before financial results and taxes (EBIT) | 377.7 | 437.9 | 551.3 | 25.9% | 621.9 | 877.4 | 1,251.5 | 42.6% | 1,272.0 | 281.4 | 383.4 | 36.2% | 387.2 |
| Financial expenses, net | (2.0) | (1.4) | (5.3) | 278.6% | (5.3) | (23.7) | (12.6) | -46.8% | (42.8) | (3.4) | (2.8) | -17.8% | (11.6) |
| Income tax and social contribution | (89.9) | (95.9) | (123.4) | 28.7% | (138.9) | (218.3) | (282.1) | 29.2% | (279.4) | (67.9) | (90.6) | 33.4% | (89.3) |
| Net income for the period | 285.8 | 340.6 | 422.6 | 24.1% | 477.7 | 635.4 | 956.8 | 50.6% | 949.8 | 210.1 | 290.0 | 38.0% | 286.3 |
| Net Margin | 22.7% | 23.9% | 22.9% | -1.0 p.p. | 25.8% | 25.2% | 29.0% | 3.8 p.p. | 31.4% | 28.9% | 29.4% | 0.5 p.p. | 40.1% |
| EBITDA | 400.0 | 461.8 | 574.9 | 24.5% | 645.5 | 904.0 | 1,282.3 | 41.8% | 1,378.7 | 288.2 | 391.5 | 35.8% | 416.6 |
| EBITDA Margin | 31.8% | 32.3% | 31.1% | -1.2 p.p. | 34.9% | 35.9% | 38.8% | 2.9 p.p. | 45.5% | 39.7% | 39.6% | -0.1 p.p. | 58.4% |

| USED CAR SALES RESULTS (SEMINOVOS) | 2015 | 2016 | 2017 | Var. | 2017 Adjusted | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 4Q19 |
|--|----------------|----------------|----------------|-----------------|----------------|----------------|---|------------------|----------------|----------------|---|------------------|----------------|
| Gross revenues, net of discounts and cancellations | 1,679.2 | 1,997.8 | 2,990.0 | 49.7% | 2,990.0 | 3,919.2 | 5,479.6 | 39.8% | 5,479.6 | 1,170.4 | 1,554.5 | 32.8% | 1,554.5 |
| Taxes on revenues | (2.5) | (2.7) | (4.9) | 81.5% | (4.9) | (7.4) | (13.8) | 86.5% | (13.8) | (2.8) | (4.4) | 57.1% | (4.4) |
| Net revenues | 1,676.7 | 1,995.1 | 2,985.1 | 49.6% | 2,985.1 | 3,911.8 | 5,465.8 | 39.7% | 5,465.8 | 1,167.6 | 1,550.1 | 32.8% | 1,550.1 |
| Book value of cars sold and preparation for sale | (1,396.3) | (1,727.5) | (2,603.2) | 50.7% | (2,603.2) | (3,542.5) | (5,040.5) | 42.3% | (5,037.8) | (1,083.8) | (1,437.4) | 32.6% | (1,436.6) |
| Gross profit | 280.4 | 267.6 | 381.9 | 42.7% | 381.9 | 369.3 | 425.3 | 15.2% | 428.0 | 83.8 | 112.7 | 34.5% | 113.5 |
| Operating expenses (SG&A) | (178.8) | (176.8) | (220.0) | 24.4% | (220.0) | (269.6) | (349.4) | 29.6% | (300.2) | (74.0) | (102.2) | 38.1% | (89.4) |
| Cars depreciation | (38.9) | (87.8) | (117.7) | 34.1% | (117.7) | (131.7) | (332.8) | 152.7% | (332.8) | (42.7) | (110.9) | 159.7% | (110.9) |
| Other assets depreciation and amortization | (8.8) | (9.1) | (9.7) | 6.6% | (9.7) | (10.2) | (8.4) | -17.6% | (50.5) | (2.8) | (2.0) | -28.6% | (12.9) |
| Operating profit (loss) before financial results and taxes (EBIT) | 53.9 | (6.1) | 34.5 | -665.6% | 34.5 | (42.2) | (265.3) | 528.7% | (255.5) | (35.7) | (102.4) | 186.8% | (99.7) |
| Financial expenses, net | (138.4) | (174.4) | (229.9) | 31.8% | (229.9) | (266.5) | (247.7) | -7.1% | (264.5) | (80.1) | (74.5) | -7.0% | (79.4) |
| Income tax and social contribution | 17.6 | 37.2 | 43.9 | 18.0% | 43.9 | 77.5 | 116.8 | 50.7% | 115.8 | 27.9 | 42.1 | 50.9% | 42.2 |
| Net loss for the period | (66.9) | (143.3) | (151.5) | 5.7% | (151.5) | (231.2) | (396.2) | 71.4% | (404.2) | (87.9) | (134.8) | 53.4% | (136.9) |
| Net Margin | -4.0% | -7.2% | -5.1% | 2.1 p.p. | -5.1% | -5.9% | -7.2% | -1.3 p.p. | -7.4% | -7.5% | -8.7% | -1.2 p.p. | -8.8% |
| EBITDA | 101.6 | 90.8 | 161.9 | 78.3% | 161.9 | 99.7 | 75.9 | -23.9% | 127.8 | 9.8 | 10.5 | 7.1% | 24.1 |
| EBITDA Margin | 6.1% | 4.6% | 5.4% | 0.8 p.p. | 5.4% | 2.5% | 1.4% | -1.1 p.p. | 2.3% | 0.8% | 0.7% | -0.1 p.p. | 1.6% |

| CAR RENTAL TOTAL FIGURES | 2015 | 2016 | 2017 | Var. | 2017 Adjusted | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 4Q19 |
|--|----------------|----------------|----------------|------------------|----------------|----------------|---|------------------|----------------|----------------|---|------------------|----------------|
| Car rental gross revenues, net of discounts and cancellations | 1,316.9 | 1,486.9 | 1,898.7 | 27.7% | 1,898.7 | 2,570.8 | 3,345.6 | 30.1% | 3,345.6 | 740.4 | 993.6 | 34.2% | 993.6 |
| Car sales for fleet renewal - gross revenues, net of discounts and cancellations | 1,679.2 | 1,997.8 | 2,990.0 | 49.7% | 2,990.0 | 3,919.2 | 5,479.6 | 39.8% | 5,479.6 | 1,170.4 | 1,554.5 | 32.8% | 1,554.5 |
| Total gross revenues | 2,996.1 | 3,484.7 | 4,888.7 | 40.3% | 4,888.7 | 6,490.0 | 8,825.2 | 36.0% | 8,825.2 | 1,910.8 | 2,548.1 | 33.4% | 2,548.1 |
| Taxes on revenues | (58.9) | (58.9) | (50.2) | -14.8% | (50.2) | (51.4) | (43.5) | -15.4% | (317.8) | (14.6) | (6.0) | -58.9% | (280.3) |
| Car rental (*) | (2.5) | (2.7) | (4.9) | 81.5% | (4.9) | (7.4) | (13.8) | 86.5% | (13.8) | (2.8) | (4.4) | 57.1% | (4.4) |
| Car sales for fleet renewal | 1,258.0 | 1,428.0 | 1,848.5 | 29.4% | 1,848.5 | 2,519.4 | 3,302.1 | 31.1% | 3,027.8 | 725.8 | 987.6 | 36.1% | 713.3 |
| Car sales for fleet renewal - net revenues | 1,676.7 | 1,995.1 | 2,985.1 | 49.6% | 2,985.1 | 3,911.8 | 5,465.8 | 39.7% | 5,465.8 | 1,167.6 | 1,550.1 | 32.8% | 1,550.1 |
| Total net revenues | 2,934.7 | 3,423.1 | 4,833.6 | 41.2% | 4,833.6 | 6,431.2 | 8,767.9 | 36.3% | 8,493.6 | 1,893.4 | 2,537.7 | 34.0% | 2,263.4 |
| Direct costs | | | | | | | | | | | | | |
| Car rental | (618.1) | (707.4) | (926.4) | 31.0% | (870.7) | (1,178.1) | (1,476.2) | 25.3% | (1,105.5) | (316.2) | (428.3) | 35.5% | (128.9) |
| Car sales for fleet renewal | (1,396.3) | (1,727.5) | (2,603.2) | 50.7% | (2,603.2) | (3,542.5) | (5,040.5) | 42.3% | (5,037.8) | (1,083.8) | (1,437.4) | 32.6% | (1,436.6) |
| Gross profit | 920.3 | 988.2 | 1,304.0 | 32.0% | 1,359.7 | 1,710.6 | 2,251.2 | 31.6% | 2,350.3 | 493.4 | 672.0 | 36.2% | 697.9 |
| Operating expenses (SG&A) | (239.9) | (258.8) | (347.2) | 34.2% | (332.3) | (437.3) | (543.6) | 24.3% | (543.6) | (121.4) | (167.8) | 38.2% | (167.8) |
| Car rental | (178.8) | (176.8) | (220.0) | 24.4% | (220.0) | (269.6) | (349.4) | 29.6% | (300.2) | (74.0) | (102.2) | 38.1% | (89.4) |
| Cars depreciation | (38.9) | (87.8) | (117.7) | 34.1% | (117.7) | (131.7) | (332.8) | 152.7% | (332.8) | (42.7) | (110.9) | 159.7% | (110.9) |
| Other assets depreciation and amortization | | | | | | | | | | | | | |
| Car rental | (22.3) | (23.9) | (23.6) | -1.3% | (23.6) | (26.6) | (30.8) | 15.8% | (106.7) | (6.8) | (8.1) | 19.1% | (29.4) |
| Car sales for fleet renewal | (8.8) | (9.1) | (9.7) | 6.6% | (9.7) | (10.2) | (8.4) | -17.6% | (50.5) | (2.8) | (2.0) | -28.6% | (12.9) |
| Operating profit before financial results and taxes (EBIT) | 431.6 | 431.8 | 585.8 | 35.7% | 656.4 | 835.2 | 986.2 | 18.1% | 1,016.5 | 245.7 | 281.0 | 14.4% | 287.5 |
| Financial expenses, net | (140.4) | (175.8) | (235.2) | 33.8% | (235.2) | (290.2) | (260.3) | -10.3% | (307.3) | (83.5) | (77.3) | -7.4% | (91.0) |
| Income tax and social contribution | (72.3) | (95.7) | (123.4) | 35.4% | (140.8) | (218.3) | (282.1) | 17.4% | (163.6) | (40.0) | (48.5) | 21.3% | (47.1) |
| Net income for the period | 218.9 | 197.3 | 271.1 | 37.4% | 326.2 | 404.2 | 560.6 | 38.7% | 545.6 | 122.2 | 155.2 | 27.0% | 149.4 |
| Net margin | 7.5% | 5.8% | 5.6% | -0.2 p.p. | 6.7% | 6.3% | 6.4% | 0.1 p.p. | 6.4% | 6.5% | 6.1% | -0.4 p.p. | 6.6% |
| EBITDA | 501.6 | 552.6 | 736.8 | 33.3% | 807.4 | 1,003.7 | 1,358.2 | 35.3% | 1,506.5 | 298.0 | 402.0 | 34.9% | 440.7 |
| EBITDA margin | 17.1% | 16.1% | 15.2% | -0.9 p.p. | 16.7% | 15.6% | 15.5% | -0.1 p.p. | 17.7% | 15.7% | 15.8% | 0.1 p.p. | 19.5% |

| OPERATING DATA | 2015 | 2016 | 2017 | Var. | 2017 | 2018 | 2019 | Var. | 2019 | 4Q18 | 4Q19 | Var. | 4Q19 |
|---|----------|----------|----------|----------|----------|----------|----------|-----------|----------|---------|----------|-----------|----------|
| Average operating fleet | 62,513 | 70,185 | 94,194 | 34.2% | 94,194 | 130,058 | 173,649 | 33.5% | 173,649 | 144,017 | 201,559 | 40.0% | 201,559 |
| Average rented fleet | 43,315 | 51,515 | 69,762 | 35.4% | 69,762 | 97,245 | 128,718 | 32.4% | 128,718 | 108,708 | 150,417 | 38.4% | 150,417 |
| Average operating fleet age (in months) | 7.4 | 7.9 | 6.5 | -17.7% | 6.5 | 7.2 | 7.0 | -2.8% | 7.0 | 7.0 | 6.7 | -4.3% | 6.7 |
| End of period fleet | 76,755 | 94,156 | 135,578 | 44.0% | 135,578 | 177,672 | 238,174 | 34.1% | 238,174 | 177,672 | 238,174 | 34.1% | 238,174 |
| Number of rental days - in thousands | 15,566.1 | 18,662.4 | 25,263.6 | 35.4% | 25,263.6 | 35,284.5 | 46,745.9 | 32.5% | 46,745.9 | 9,936.7 | 13,770.5 | 38.6% | 13,770.5 |
| Average daily rental revenues per car (R\$) | 84.56 | 79.67 | 75.16 | -5.7% | 75.16 | 72.86 | 71.57 | -1.8% | 71.57 | 74.51 | 72.15 | -3.2% | 72.15 |
| Annualized average depreciation per car (R\$) | 622.1 | 1,251.2 | 1,250.1 | -0.1% | 1,250.1 | 1,012.4 | 1,917.6 | 89.4% | 1,917.6 | 1,184.3 | 2,206.5 | 86.3% | 2,206.5 |
| Utilization rate (Does not include cars in preparation and decommissioning) | 75.4% | 78.0% | 78.6% | 0.6 p.p. | 78.6% | 79.6% | 79.1% | -0.5 p.p. | 79.1% | 81.1% | 79.1% | -2.0 p.p. | 79.1% |
| Number of cars purchased | 52,343 | 76,071 | 114,966 | 51.1% | 114,966 | 139,273 | 192,292 | 38.1% | 192,292 | 50,606 | 56,586 | 11.8% | 56,586 |
| Number of cars sold | 52,508 | 57,596 | 76,901 | 33.5% | 76,901 | 94,945 | 128,677 | 35.5% | 128,677 | 28,560 | 35,104 | 22.9% | 35,104 |
| Average sold fleet age (in months) | 14.9 | 16.8 | 14.3 | -14.9% | 14.3 | 14.7 | 15.2 | 3.4% | 15.2 | 15.4 | 14.8 | -3.9% | 14.8 |
| Average total fleet | 72,169 | 80,765 | 107,997 | 33.7% | 107,997 | 150,045 | 201,791 | 34.5% | 201,791 | 174,918 | 235,090 | 34.4% | 235,090 |
| Average value of total fleet - R\$ million | 2,205.9 | 2,790.2 | 4,100.6 | 47.0% | 4,100.6 | 6,005.7 | 8,652.7 | 44.1% | 8,652.7 | 7,176.4 | 10,405.4 | 45.0% | 10,405.4 |
| Average value per car in the period - R\$ thsd | 30.6 | 34.5 | 38.0 | 10.1% | 38.0 | 40.0 | 42.9 | 7.3% | 42.9 | 41.0 | 44.3 | 8.0% | 44.3 |

(*)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.

16.2 – 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 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS | Var. | 4Q19 |
|---|--------------|--------------|--------------|---------------|--------------|---|------------------|--------------|--------------|---|------------------|--------------|
| 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 | 227.9 | 278.7 | 22.3% | 278.7 |
| Taxes on revenues (*) | (11.1) | (12.3) | (15.3) | (15.3) | (9.0) | (15.2) | 68.9% | (98.8) | (3.2) | (2.3) | -28.1% | (85.9) |
| Fleet rental net revenues | 608.5 | 651.8 | 742.1 | 742.1 | 848.8 | 1,023.9 | 20.6% | 940.3 | 224.7 | 276.4 | 23.0% | 192.8 |
| Fleet rental costs | (189.3) | (193.7) | (220.4) | (220.1) | (245.9) | (304.1) | 23.7% | (220.5) | (65.4) | (81.7) | 24.9% | 1.9 |
| Gross profit | 419.2 | 458.1 | 521.7 | 522.0 | 602.9 | 719.8 | 19.4% | 719.8 | 159.3 | 194.7 | 22.2% | 194.7 |
| Operating expenses (SG&A) | (40.7) | (37.9) | (65.4) | (62.3) | (59.6) | (83.6) | 40.3% | (83.2) | (17.0) | (25.7) | 51.2% | (25.5) |
| Other assets depreciation and amortization | (2.2) | (2.9) | (3.5) | (3.5) | (4.9) | (5.3) | 8.2% | (5.7) | (1.3) | (1.3) | 0.0% | (1.4) |
| Operating profit before financial results and taxes (EBIT) | 376.3 | 417.3 | 452.8 | 456.2 | 538.4 | 630.9 | 17.2% | 630.9 | 141.0 | 167.7 | 18.9% | 167.8 |
| Financial expenses, net | (0.1) | (1.1) | (1.6) | (1.6) | (0.5) | (0.6) | 20.0% | (0.7) | (0.2) | (0.2) | 0.0% | (0.2) |
| Income tax and social contribution | (90.5) | (90.4) | (102.8) | (103.6) | (136.5) | (143.5) | 5.1% | (140.3) | (33.9) | (39.9) | 17.7% | (39.3) |
| Net income for the period | 285.7 | 325.8 | 348.4 | 351.0 | 401.4 | 486.8 | 21.3% | 489.9 | 106.9 | 127.6 | 19.4% | 128.3 |
| Net Margin | 47.0% | 50.0% | 46.9% | 47.3% | 47.3% | 47.5% | 0.2 p.p. | 52.1% | 47.6% | 46.2% | -1.4 p.p. | 56.5% |
| EBITDA | 378.5 | 430.2 | 456.3 | 459.7 | 543.3 | 636.2 | 17.1% | 636.6 | 142.3 | 169.0 | 18.9% | 169.2 |
| EBITDA Margin | 62.2% | 64.5% | 61.5% | 61.9% | 64.0% | 62.1% | -1.9 p.p. | 67.7% | 63.3% | 61.1% | -2.2 p.p. | 87.8% |

| USED CAR SALES RESULTS (SEMINOVOS) | 2015 | 2016 | 2017 | 2017 Adjusted | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS | Var. | 4Q19 |
|--|----------------|----------------|----------------|----------------|----------------|---|------------------|----------------|---------------|---|------------------|---------------|
| Gross revenues, net of discounts and cancellations | 368.6 | 347.8 | 466.5 | 466.5 | 599.5 | 742.4 | 23.8% | 742.4 | 137.7 | 234.6 | 70.4% | 234.6 |
| 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% | (0.4) |
| Net revenues | 368.2 | 347.4 | 466.1 | 466.1 | 598.6 | 740.9 | 23.8% | 740.9 | 137.4 | 234.2 | 70.5% | 234.2 |
| 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) | (122.5) | (206.3) | 68.4% | (206.3) |
| Gross profit | 81.5 | 68.0 | 74.0 | 74.0 | 72.7 | 90.7 | 24.8% | 90.8 | 14.9 | 27.9 | 87.2% | 27.9 |
| Operating expenses (SG&A) | (33.6) | (31.0) | (32.7) | (32.7) | (36.6) | (41.4) | 13.1% | (35.0) | (7.4) | (13.6) | 83.8% | (11.7) |
| Cars depreciation | (124.7) | (118.5) | (114.3) | (114.3) | (159.9) | (218.7) | 36.8% | (218.7) | (47.6) | (60.3) | 26.7% | (60.3) |
| Other assets depreciation and amortization | (2.0) | (1.8) | (1.7) | (1.7) | (1.7) | (1.5) | -11.8% | (6.7) | (0.3) | (0.5) | 66.7% | (2.0) |
| 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) | (40.4) | (46.5) | 15.1% | (46.1) |
| Financial expenses, net | (63.8) | (68.7) | (80.0) | (80.0) | (79.6) | (100.2) | 25.9% | (102.3) | (24.5) | (20.8) | -15.1% | (21.4) |
| Income tax and social contribution | 33.7 | 32.3 | 35.1 | 35.1 | 52.0 | 61.7 | 18.7% | 60.6 | 15.6 | 16.0 | 2.6% | 15.7 |
| Net loss for the period | (108.9) | (119.7) | (119.6) | (119.6) | (153.1) | (209.4) | 36.8% | (211.3) | (49.3) | (51.3) | 4.1% | (51.8) |
| Net Margin | -29.6% | -34.5% | -25.7% | -25.7% | -25.6% | -28.3% | -2.7 p.p. | -28.5% | -35.9% | -21.9% | 14.0 p.p. | -22.1% |
| EBITDA | 47.9 | 37.0 | 41.3 | 41.3 | 36.1 | 49.3 | 36.6% | 55.8 | 7.5 | 14.3 | 90.7% | 16.2 |
| EBITDA Margin | 13.0% | 10.7% | 8.9% | 8.9% | 6.0% | 6.7% | 0.7 p.p. | 7.5% | 5.5% | 6.1% | 0.6 p.p. | 6.9% |

| FLEET RENTAL TOTAL FIGURES | 2015 | 2016 | 2017 | 2017 Adjusted | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS credits | Var. | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS | Var. | 4Q19 |
|--|--------------|--------------|----------------|----------------|----------------|---|------------------|----------------|--------------|---|------------------|--------------|
| 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 | 227.9 | 278.7 | 22.3% | 278.7 |
| 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 | 137.7 | 234.6 | 70.4% | 234.6 |
| 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 | 365.6 | 513.3 | 40.4% | 513.3 |
| Taxes on revenues | (11.1) | (12.3) | (15.3) | (15.3) | (9.0) | (15.2) | 68.9% | (98.8) | (3.2) | (2.3) | -28.1% | (85.9) |
| Fleet rental (*) | (0.4) | (0.4) | (0.4) | (0.4) | (0.9) | (1.5) | 66.7% | (1.5) | (0.3) | (0.4) | 33.3% | (0.4) |
| Car sales for fleet renewal | 608.5 | 651.8 | 742.1 | 742.1 | 848.8 | 1,023.9 | 20.6% | 940.3 | 224.7 | 276.4 | 23.0% | 192.8 |
| Car sales for fleet renewal - net revenues | 368.2 | 347.4 | 466.1 | 466.1 | 598.6 | 740.9 | 23.8% | 740.9 | 137.4 | 234.2 | 70.5% | 234.2 |
| Total net revenues (**) | 976.7 | 999.2 | 1,208.2 | 1,208.2 | 1,447.4 | 1,764.8 | 21.9% | 1,681.2 | 362.1 | 510.6 | 41.0% | 427.0 |
| Direct costs | (189.3) | (193.7) | (220.4) | (220.1) | (245.9) | (304.1) | 23.7% | (220.5) | (65.4) | (81.7) | 24.9% | 1.9 |
| Fleet rental | (189.3) | (193.7) | (220.4) | (220.1) | (245.9) | (304.1) | 23.7% | (220.5) | (65.4) | (81.7) | 24.9% | 1.9 |
| Car sales for fleet renewal | (286.7) | (279.4) | (392.1) | (392.1) | (525.9) | (650.2) | 23.6% | (650.1) | (122.5) | (206.3) | 68.4% | (206.3) |
| Gross profit | 500.7 | 526.1 | 595.7 | 596.0 | 675.6 | 810.5 | 20.0% | 810.6 | 174.2 | 222.6 | 27.8% | 222.6 |
| Operating expenses (SG&A) | (40.7) | (37.9) | (65.4) | (62.3) | (59.6) | (83.6) | 40.3% | (83.2) | (17.0) | (25.7) | 51.2% | (25.5) |
| Fleet rental | (40.7) | (37.9) | (65.4) | (62.3) | (59.6) | (83.6) | 40.3% | (83.2) | (17.0) | (25.7) | 51.2% | (25.5) |
| Car sales for fleet renewal | (33.6) | (31.0) | (32.7) | (32.7) | (36.6) | (41.4) | 13.1% | (35.0) | (7.4) | (13.6) | 83.8% | (11.7) |
| Cars depreciation | (124.7) | (118.5) | (114.3) | (114.3) | (159.9) | (218.7) | 36.8% | (218.7) | (47.6) | (60.3) | 26.7% | (60.3) |
| Other assets depreciation and amortization | (2.2) | (2.9) | (3.5) | (3.5) | (4.9) | (5.3) | 8.2% | (5.7) | (1.3) | (1.3) | 0.0% | (1.4) |
| Fleet rental | (2.2) | (2.9) | (3.5) | (3.5) | (4.9) | (5.3) | 8.2% | (5.7) | (1.3) | (1.3) | 0.0% | (1.4) |
| Car sales for fleet renewal | (2.0) | (1.8) | (1.7) | (1.7) | (1.7) | (1.5) | -11.8% | (6.7) | (0.3) | (0.5) | 66.7% | (2.0) |
| Operating profit before financial results and taxes (EBIT) | 297.5 | 334.0 | 378.1 | 381.5 | 412.9 | 460.0 | 11.4% | 461.3 | 100.6 | 121.2 | 20.5% | 121.7 |
| Financial expenses, net | (63.9) | (68.8) | (81.6) | (81.6) | (80.1) | (100.8) | 25.8% | (103.0) | (24.7) | (21.0) | -15.0% | (21.6) |
| Income tax and social contribution | (56.8) | (56.1) | (67.7) | (68.5) | (84.5) | (81.8) | -3.2% | (79.7) | (15.3) | (23.9) | 30.6% | (23.6) |
| Net income for the period | 176.8 | 206.1 | 228.8 | 231.4 | 248.3 | 277.4 | 11.7% | 278.6 | 57.6 | 76.3 | 32.5% | 76.5 |
| Net margin | 18.1% | 20.6% | 18.9% | 19.2% | 17.2% | 15.7% | -1.5 p.p. | 16.8% | 15.9% | 14.9% | -1.0 p.p. | 17.9% |
| EBITDA | 426.4 | 457.2 | 497.6 | 501.0 | 579.4 | 685.5 | 18.3% | 692.4 | 149.8 | 183.3 | 22.4% | 185.4 |
| EBITDA margin | 43.7% | 45.8% | 41.2% | 41.5% | 40.0% | 38.8% | -1.2 p.p. | 41.2% | 41.4% | 35.9% | -5.5 p.p. | 43.4% |

| OPERATING DATA | 2015 | 2016 | 2017 | 2017 | 2018 | 2019 | Var. | 2019 | 4Q18 | 4Q19 | Var. | 4Q19 |
|--|----------|----------|----------|----------|----------|----------|-----------|----------|---------|---------|----------|---------|
| Average operating fleet | 31,676 | 31,908 | 36,804 | 36,804 | 44,404 | 55,726 | 25.5% | 55,726 | 48,394 | 61,330 | 26.7% | 61,330 |
| Average rented fleet | 30,280 | 31,222 | 35,424 | 35,424 | 42,321 | 53,029 | 25.3% | 53,029 | 45,486 | 57,582 | 26.6% | 57,582 |
| Average operating fleet age (in months) | 16.7 | 18.0 | 18.1 | 18.1 | 15.1 | 15.1 | 0.0% | 15.1 | 14.7 | 14.7 | 0.0% | 14.7 |
| End of period fleet | | | | | | | | | | | | |
| Rented Fleet | 33,948 | 34,960 | 44,877 | 44,877 | 54,430 | 68,957 | 26.7% | 68,957 | 54,430 | 68,957 | 26.7% | 68,957 |
| Managed Fleet | 207 | 145 | 94 | 94 | 57 | 32 | -43.9% | 32 | 57 | 32 | -43.9% | 32 |
| 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 | 4,093.8 | 5,182.4 | 26.6% | 5,182.4 |
| Average daily rental revenues per car (R\$) | 56.08 | 58.23 | 58.77 | 58.77 | 55.62 | 53.92 | -3.1% | 53.92 | 54.99 | 53.09 | -3.5% | 53.09 |
| 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 | 3,936.2 | 3,928.9 | -0.2% | 3,928.9 |
| 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% | 95.6% | 95.6% | 0.0 p.p. | 95.6% |
| Number of cars purchased | 11,689 | 11,762 | 20,286 | 20,286 | 26,148 | 31,242 | 19.5% | 31,242 | 6,963 | 7,677 | 10.3% | 7,677 |
| Number of cars sold | 11,797 | 10,853 | 13,653 | 13,653 | 16,334 | 19,238 | 17.8% | 19,238 | 3,721 | 6,261 | 68.3% | 6,261 |
| Average sold fleet age (in months) | 33.4 | 31.4 | 31.8 | 31.8 | 31.2 | 28.6 | -8.3% | 28.6 | 26.8 | 29.4 | 9.7% | 29.4 |
| Average total fleet | 33,446 | 33,436 | 39,605 | 39,605 | 48,776 | 61,374 | 25.8% | 61,374 | 53,365 | 69,243 | 29.8% | 69,243 |
| 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 | 2,154.9 | 2,884.0 | 33.8% | 2,884.0 |
| 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 | 40.4 | 41.6 | 3.0% | 41.6 |

(*) 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.

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

| FRANCHISING RESULTS | 2015 | 2016 | 2017 | 2018 | 2019 without IFRS 16 and without reclassification of PIS/COFINS | Var. | 2019 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS | Var. | 4Q19 |
|---|--------------|--------------|--------------|--------------|---|------------------|--------------|--------------|---|------------------|--------------|
| Gross revenues | 17.8 | 18.0 | 17.6 | 18.1 | 21.8 | 20.4% | 21.8 | 4.6 | 5.3 | 15.2% | 5.3 |
| Taxes on revenues (*) | (1.2) | (1.0) | (1.1) | (1.0) | (1.0) | 0.0% | (1.0) | (0.3) | (0.3) | 0.0% | (0.3) |
| Net revenues | 16.6 | 17.0 | 16.5 | 17.1 | 20.8 | 21.6% | 20.8 | 4.3 | 5.0 | 16.3% | 5.0 |
| Costs | (9.2) | (9.7) | (8.9) | (9.6) | (8.3) | -13.5% | (6.5) | (2.9) | (1.9) | -34.5% | (1.6) |
| Gross profit | 7.4 | 7.3 | 7.6 | 7.5 | 12.5 | 66.7% | 14.3 | 1.4 | 3.1 | 121.4% | 3.4 |
| Operating expenses (SG&A) | (0.6) | (1.5) | (1.8) | (0.5) | (0.4) | -20.0% | (0.4) | (0.2) | 0.1 | - | 0.1 |
| Other assets depreciation and amortization | (0.4) | (0.5) | (0.6) | (0.5) | (0.3) | -40.0% | (2.1) | (0.2) | (0.1) | -50.0% | (0.5) |
| Operating profit before financial results and taxes (EBIT) | 6.4 | 5.3 | 5.2 | 6.5 | 11.8 | 81.5% | 11.8 | 1.0 | 3.1 | 210.0% | 3.0 |
| Financial expenses, net | 1.6 | 2.1 | 1.8 | 1.3 | 0.5 | -61.5% | 0.5 | 0.7 | 0.1 | - | 0.1 |
| Income tax and social contribution | (1.3) | (1.5) | (1.2) | (1.2) | (2.8) | 133.3% | (2.6) | (0.3) | (0.7) | 133.3% | (0.6) |
| Net income for the period | 6.7 | 5.9 | 5.8 | 6.6 | 9.5 | 43.9% | 9.7 | 1.4 | 2.5 | 78.6% | 2.5 |
| Net Margin | 40.4% | 34.7% | 35.2% | 38.6% | 45.7% | 7.1 p.p. | 46.6% | 32.6% | 50.0% | 17.4 p.p. | 50.0% |
| EBITDA | 6.8 | 5.8 | 5.8 | 7.0 | 12.1 | 72.9% | 13.9 | 1.2 | 3.2 | 166.7% | 3.5 |
| EBITDA Margin | 41.0% | 34.1% | 35.2% | 40.9% | 58.2% | 17.3 p.p. | 66.8% | 27.9% | 64.0% | 36.1 p.p. | 70.0% |

(*) 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

16.4 – 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 | 4Q18 | 4Q19 without IFRS 16 and without reclassification of PIS/COFINS | Var. | 4Q19 |
|---|----------------|----------------|----------------|----------------|----------------|---|------------------|-----------------|----------------|---|------------------|----------------|
| 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 | 740.4 | 993.6 | 34.2% | 993.6 |
| Franchising gross revenues, net of discounts and cancellations | 17.8 | 18.0 | 17.6 | 17.6 | 18.1 | 21.8 | 20.4% | 21.8 | 4.6 | 5.3 | 15.2% | 5.3 |
| 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 | 745.0 | 998.9 | 34.1% | 998.9 |
| 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 | 227.9 | 278.7 | 22.3% | 278.7 |
| 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 | 972.9 | 1,277.6 | 31.3% | 1,277.6 |
| 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) | (18.1) | (8.6) | -52.5% | (366.5) |
| 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 | 954.8 | 1,269.0 | 32.9% | 911.1 |
| 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 | 1,170.4 | 1,554.5 | 32.8% | 1,554.5 |
| 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 | 137.7 | 234.6 | 70.4% | 234.6 |
| 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 | 1,308.1 | 1,789.1 | 36.8% | 1,789.1 |
| 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) | (4.8) | 54.8% | (4.8) |
| 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 | 1,305.0 | 1,784.3 | 36.7% | 1,784.3 |
| 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 | 2,259.8 | 3,053.3 | 35.1% | 2,695.4 |
| 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) | (316.2) | (428.3) | 35.5% | (128.9) |
| Franchising | (9.2) | (9.7) | (8.9) | (8.9) | (9.6) | (8.3) | -13.5% | (6.5) | (2.9) | (1.9) | -34.5% | (1.6) |
| Total Car rental and Franchising | (627.3) | (717.1) | (935.3) | (879.6) | (1,187.7) | (1,484.5) | 25.0% | (1,112.0) | (319.1) | (430.2) | 34.8% | (130.5) |
| Fleet Rental | (189.3) | (193.7) | (220.4) | (220.1) | (245.9) | (304.1) | 23.7% | (220.5) | (65.4) | (81.7) | 24.9% | 1.9 |
| 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) | (384.5) | (511.9) | 33.1% | (128.6) |
| 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) | (1,083.8) | (1,437.4) | 32.6% | (1,436.6) |
| Car sales for fleet renewal - Fleet Rental | (286.7) | (279.4) | (392.1) | (392.1) | (525.9) | (650.2) | 23.6% | (650.1) | (122.5) | (206.3) | 68.4% | (206.3) |
| 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) | (1,206.3) | (1,643.7) | 36.3% | (1,642.9) |
| Total costs | (2,499.6) | (2,917.7) | (4,151.0) | (4,095.0) | (5,502.0) | (7,479.3) | 35.9% | (7,020.4) | (1,590.8) | (2,155.6) | 35.5% | (1,771.5) |
| 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 | 669.0 | 897.7 | 34.2% | 923.9 |
| Operating expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Advertising, promotion and selling: | - | - | - | - | - | - | - | - | - | - | - | - |
| Car rental | (127.9) | (148.6) | (199.6) | (193.3) | (285.8) | (357.4) | 25.1% | (357.4) | (75.8) | (110.9) | 46.3% | (110.9) |
| Franchising | (0.6) | (0.6) | (1.1) | (1.1) | - | 0.1 | 0.0% | 0.1 | (0.1) | 0.3 | 0.0% | 0.3 |
| Total Car rental and Franchising | (128.5) | (149.2) | (200.7) | (194.4) | (285.8) | (357.3) | 25.0% | (357.3) | (75.9) | (110.6) | 45.7% | (110.6) |
| Fleet Rental | (18.2) | (14.0) | (18.8) | (18.8) | (27.7) | (36.0) | 30.0% | (35.6) | (7.6) | (9.6) | 26.3% | (9.5) |
| Car sales for fleet renewal | (191.1) | (191.6) | (232.3) | (232.3) | (279.5) | (357.1) | 27.8% | (301.6) | (73.3) | (103.9) | 41.7% | (89.3) |
| Total advertising, promotion and selling | (337.8) | (354.8) | (451.8) | (445.5) | (593.0) | (750.4) | 26.5% | (694.5) | (156.8) | (224.1) | 42.9% | (209.4) |
| General, administrative and other expenses | (155.8) | (151.2) | (215.3) | (203.6) | (210.6) | (268.0) | 27.3% | (267.9) | (63.2) | (85.1) | 34.7% | (84.9) |
| Total Operating expenses | (493.6) | (506.0) | (667.1) | (649.1) | (803.6) | (1,018.4) | 26.7% | (962.4) | (220.0) | (309.2) | 40.5% | (294.3) |
| Depreciation expenses: | - | - | - | - | - | - | - | - | - | - | - | - |
| Cars depreciation: | - | - | - | - | - | - | - | - | - | - | - | - |
| Car rental | (38.9) | (87.8) | (117.7) | (117.7) | (131.7) | (332.8) | 152.7% | (332.8) | (42.7) | (110.9) | 159.7% | (110.9) |
| Fleet Rental | (124.7) | (118.5) | (114.3) | (114.3) | (159.9) | (218.7) | 36.8% | (218.7) | (47.6) | (60.3) | 26.7% | (60.3) |
| Total cars depreciation expenses | (163.6) | (206.3) | (232.0) | (232.0) | (291.6) | (551.5) | 89.1% | (551.5) | (90.3) | (171.2) | 89.6% | (171.2) |
| Other assets depreciation and amortization | (35.7) | (38.2) | (39.1) | (39.1) | (43.9) | (46.3) | 5.5% | (171.7) | (11.4) | (12.0) | 5.3% | (46.2) |
| Total depreciation and amortization expenses | (199.3) | (244.5) | (271.1) | (271.1) | (335.5) | (597.8) | 78.2% | (723.2) | (101.7) | (183.2) | 80.1% | (217.4) |
| 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 | 347.3 | 405.3 | 16.7% | 412.2 |
| Financial expenses, net: | - | - | - | - | - | - | - | - | - | - | - | - |
| Expense | (370.1) | (445.5) | (511.9) | (511.9) | (536.8) | (591.2) | 10.1% | (630.0) | (152.0) | (143.7) | -5.5% | (155.9) |
| Income | 167.4 | 202.0 | 196.9 | 196.9 | 167.9 | 230.6 | 37.3% | 220.2 | 44.5 | 45.5 | 2.2% | 43.4 |
| Financial (expenses) revenues, net | (202.7) | (243.5) | (315.0) | (315.0) | (368.9) | (360.6) | -2.2% | (409.8) | (107.5) | (98.2) | -8.7% | (112.5) |
| Income before tax and social contribution | 532.8 | 527.6 | 654.1 | 728.1 | 885.7 | 1,097.4 | 23.9% | 1,079.8 | 239.8 | 307.1 | 28.1% | 299.7 |
| Income tax and social contribution | (130.4) | (118.3) | (148.4) | (164.7) | (226.5) | (249.9) | 10.3% | (245.9) | (58.4) | (73.1) | 25.2% | (71.3) |
| Net income for the period | 402.4 | 409.3 | 505.7 | 563.4 | 659.2 | 847.5 | 28.6% | 833.9 | 181.4 | 234.0 | 29.0% | 228.4 |
| EBITDA | 934.8 | 1,015.6 | 1,240.2 | 1,314.2 | 1,590.1 | 2,055.8 | 29.3% | 2,212.8 | 449.0 | 588.5 | 31.1% | 629.6 |
| EBIT | 735.5 | 771.1 | 969.1 | 1,043.1 | 1,254.6 | 1,458.0 | 16.2% | 1,489.6 | 347.3 | 405.3 | 16.7% | 412.2 |
| 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% | 36.4% | 31.9% | -4.4 p.p. | 45.2% |
| 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 | 431.7 | 563.7 | 30.6% | 589.3 |
| EBITDA Margin | 41.7% | 42.3% | 39.8% | 42.6% | 43.0% | 44.4% | 1.4 p.p. | 50.9% | 45.2% | 44.4% | -0.8 p.p. | 64.7% |
| Used Car Sales (Seminovos) EBITDA | 149.5 | 127.7 | 203.2 | 203.2 | 135.8 | 125.2 | -7.8% | 183.6 | 17.3 | 24.8 | 43.4% | 40.3 |
| EBITDA Margin | 7.3% | 5.5% | 5.9% | 5.9% | 3.0% | 2.0% | -1.0 p.p. | 3.0% | 1.3% | 1.4% | 0.1 p.p. | 2.3% |

(*)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

16.5 – Table 5 – Operating data

| SELECTED OPERATING DATA | 2015 | 2016 | 2017 | 2018 | 2019 | Var. | 4Q18 | 4Q19 | Var. |
|---|----------|----------|----------|----------|----------|-----------|----------|----------|-----------|
| Average operating fleet: | | | | | | | | | |
| Car Rental | 62,513 | 70,185 | 94,194 | 130,058 | 173,649 | 33.5% | 144,017 | 201,559 | 40.0% |
| Fleet Rental | 31,676 | 31,908 | 36,804 | 44,404 | 55,726 | 25.5% | 48,394 | 61,330 | 26.7% |
| Total | 94,189 | 102,093 | 130,998 | 174,462 | 229,375 | 31.5% | 192,411 | 262,889 | 36.6% |
| Average rented fleet: | | | | | | | | | |
| Car Rental | 43,315 | 51,515 | 69,762 | 97,245 | 128,718 | 32.4% | 108,708 | 150,417 | 38.4% |
| Fleet Rental | 30,280 | 31,222 | 35,424 | 42,321 | 53,029 | 25.3% | 45,486 | 57,582 | 26.6% |
| Total | 73,595 | 82,737 | 105,186 | 139,566 | 181,747 | 30.2% | 154,194 | 207,999 | 34.9% |
| Average age of operating fleet (months) | | | | | | | | | |
| Car Rental | 7.4 | 7.9 | 6.5 | 7.2 | 7.0 | -2.8% | 7.0 | 6.7 | -4.3% |
| Fleet Rental | 16.7 | 18.0 | 18.1 | 15.1 | 15.1 | 0.0% | 14.7 | 14.7 | 0.0% |
| Average age of total operating fleet | 10.6 | 11.0 | 9.8 | 9.3 | 9.0 | -3.2% | 9.0 | 8.6 | -4.4% |
| Fleet at end of period: | | | | | | | | | |
| Car Rental | 76,755 | 94,156 | 135,578 | 177,672 | 238,174 | 34.1% | 177,672 | 238,174 | 34.1% |
| Fleet Rental | 33,948 | 34,960 | 44,877 | 54,430 | 68,957 | 26.7% | 54,430 | 68,957 | 26.7% |
| Total | 110,703 | 129,116 | 180,455 | 232,102 | 307,131 | 32.3% | 232,102 | 307,131 | 32.3% |
| Managed fleet at end period - Fleet Rental | 207 | 145 | 94 | 57 | 32 | -43.9% | 57 | 32 | -43.9% |
| 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% | 2,127.6 | 2,748.6 | 29.2% |
| Fleet Rental | 502.0 | 503.4 | 881.5 | 1,189.2 | 1,472.6 | 23.8% | 315.2 | 382.1 | 21.2% |
| Total | 2,275.1 | 3,285.6 | 5,463.3 | 6,974.4 | 10,274.7 | 47.3% | 2,442.8 | 3,130.7 | 28.2% |
| 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% | 10,001.1 | 13,840.9 | 38.4% |
| Rental days for Fleet Rental replacement service | (249.7) | (202.4) | (230.4) | (230.1) | (283.0) | 23.0% | (64.4) | (70.4) | 9.3% |
| Car Rental - Net | 15,566.1 | 18,662.4 | 25,263.6 | 35,284.5 | 46,745.9 | 32.5% | 9,936.7 | 13,770.5 | 38.6% |
| Fleet Rental | 10,900.9 | 11,240.0 | 12,752.7 | 15,235.7 | 19,090.5 | 25.3% | 4,093.8 | 5,182.4 | 26.6% |
| Total | 26,467.0 | 29,902.4 | 38,016.3 | 50,520.2 | 65,836.5 | 30.3% | 14,030.5 | 18,952.9 | 35.1% |
| Annualized average depreciation per car (R\$) | | | | | | | | | |
| Car Rental | 622.1 | 1,251.2 | 1,250.1 | 1,012.4 | 1,917.6 | 89.4% | 1,184.3 | 2,206.5 | 86.3% |
| Fleet Rental | 3,935.2 | 3,714.0 | 3,104.3 | 3,601.1 | 3,923.4 | 9.0% | 3,936.2 | 3,928.9 | -0.2% |
| Total | 1,736.3 | 2,020.9 | 1,771.0 | 1,671.2 | 2,405.2 | 43.9% | 1,876.5 | 2,609.1 | 39.0% |
| Average annual revenues per operating car (R\$ thousand) | | | | | | | | | |
| Car Rental | 20.1 | 20.3 | 19.4 | 19.4 | 17.3 | -10.8% | 20.0 | 13.7 | -31.5% |
| Fleet Rental | 18.9 | 20.1 | 19.9 | 18.9 | 16.6 | -12.2% | 18.3 | 12.1 | -33.7% |
| Average daily rental (R\$) | | | | | | | | | |
| Car Rental (*) | 84.56 | 79.67 | 75.16 | 72.86 | 71.57 | -1.8% | 74.51 | 72.15 | -3.2% |
| Fleet Rental | 56.08 | 58.23 | 58.77 | 55.62 | 53.92 | -3.1% | 54.99 | 53.09 | -3.5% |
| 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. | 81.1% | 79.1% | -2.0 p.p. |
| Fleet Rental | 98.4% | 98.9% | 98.2% | 96.8% | 96.6% | -0.2 p.p. | 95.6% | 95.6% | 0.0 p.p. |
| Number of cars purchased - consolidated (**) | 64,032 | 87,833 | 135,252 | 165,421 | 223,534 | 35.1% | 57,569 | 64,263 | 11.6% |
| Average price of cars purchased (R\$ thsd) - consolidated | 35.53 | 37.41 | 40.39 | 42.16 | 45.96 | 9.0% | 42.43 | 48.72 | 14.8% |
| Numbers of cars sold - consolidated | 64,305 | 68,449 | 90,554 | 111,279 | 147,915 | 32.9% | 32,281 | 41,365 | 28.1% |
| Average price of cars sold (R\$ thsd) (***) - consolidated | 28.54 | 31.23 | 35.38 | 37.86 | 39.48 | 4.3% | 38.00 | 40.82 | 7.4% |
| Average price of cars sold (R\$ thsd) (***) - consolidated without IFRS 16 | - | - | - | - | 54.73 | - | - | 40.46 | - |

(*) 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.

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

| ASSETS | 2015 | 2016 | 2017 | 2018 | 2019 without IFRS 16 | 2019 |
|---|----------------|----------------|-----------------|-----------------|-------------------------|-----------------|
| CURRENT ASSETS: | | | | | | |
| Cash and cash equivalents | 1,385.1 | 1,692.3 | 1,338.2 | 2,175.3 | 2,220.1 | 2,220.1 |
| Financial assets | - | - | 1,275.7 | 267.5 | 610.8 | 610.8 |
| Trade accounts receivable | 486.1 | 424.5 | 585.1 | 1,016.5 | 1,274.7 | 1,274.7 |
| Derivative financial instruments - swap | - | 2.2 | - | - | - | - |
| Other current assets | 102.6 | 115.0 | 128.6 | 182.7 | 246.8 | 246.8 |
| Decommissioning cars to fleet renewal | 31.8 | 8.8 | 103.4 | 51.8 | 141.7 | 141.7 |
| Total current assets | 2,005.6 | 2,242.8 | 3,431.0 | 3,693.8 | 4,494.1 | 4,494.1 |
| NON CURRENT ASSETS: | | | | | | |
| Long-term assets: | | | | | | |
| Marketable securities | - | - | - | - | - | - |
| Derivative financial instruments - swap | 45.6 | 7.4 | 16.7 | 2.8 | 18.2 | 18.2 |
| Trade accounts receivable | 4.7 | 3.2 | 4.7 | 3.8 | 1.8 | 1.8 |
| Escrow deposit | 52.9 | 60.1 | 83.1 | 96.3 | 114.6 | 114.6 |
| Deferred income tax and social contribution | - | - | 42.0 | 42.2 | 32.4 | 32.4 |
| Investments in restricted accounts | - | - | 40.6 | 43.0 | 22.3 | 22.3 |
| Other non current assets | 0.1 | 0.1 | 0.7 | 0.1 | 0.1 | 0.1 |
| Total long-term assets | 103.3 | 70.8 | 187.8 | 188.2 | 189.4 | 189.4 |
| Property and equipment | | | | | | |
| Cars | 3,610.9 | 4,614.8 | 6,934.7 | 9,481.6 | 13,374.1 | 13,374.1 |
| Right of use | - | - | - | - | - | 625.0 |
| Other | 314.1 | 405.8 | 549.3 | 550.3 | 570.5 | 570.5 |
| Intangible: | | | | | | |
| Software and others | 67.1 | 61.1 | 52.8 | 47.8 | 49.9 | 49.9 |
| Goodwill on acquisition of investments | 22.0 | 22.0 | 30.6 | 30.7 | 90.0 | 90.0 |
| Total non current assets | 4,117.4 | 5,174.5 | 7,755.2 | 10,298.6 | 14,273.9 | 14,898.9 |
| TOTAL ASSETS | 6,123.0 | 7,417.3 | 11,186.2 | 13,992.4 | 18,768.0 | 19,393.0 |

| LIABILITIES AND SHAREHOLDERS' EQUITY | 2015 | 2016 | 2017 | 2018 | 2019 without IFRS 16 | 2019 |
|---|----------------|----------------|-----------------|-----------------|-------------------------|-----------------|
| CURRENT LIABILITIES: | | | | | | |
| Trade accounts payable | 690.6 | 910.9 | 1,331.7 | 2,202.6 | 2,565.4 | 2,565.4 |
| Social and labor obligations | 85.6 | 95.0 | 109.2 | 135.0 | 161.8 | 161.8 |
| Loans, financing and debentures | 422.4 | 654.6 | 537.2 | 616.6 | 144.3 | 144.3 |
| Lease liability | - | - | - | - | - | 116.0 |
| Derivative financial instruments - swap | - | - | 6.8 | 18.7 | 26.8 | 26.8 |
| Income tax and social contribution | 28.3 | 23.0 | 31.3 | 41.1 | 58.7 | 54.6 |
| Dividends and interest on own capital | 29.3 | 39.7 | 36.4 | 42.6 | 63.4 | 63.4 |
| Other current liabilities | 99.9 | 118.5 | 181.5 | 282.8 | 390.0 | 390.0 |
| Total current liabilities | 1,356.1 | 1,841.7 | 2,234.1 | 3,339.4 | 3,410.4 | 3,522.3 |
| 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 |
| Lease liability | - | - | - | - | - | 526.8 |
| Derivative financial instruments - swap | - | - | 10.8 | 21.9 | 62.3 | 62.3 |
| Provisions | 68.3 | 63.1 | 126.5 | 148.8 | 207.2 | 207.2 |
| Deferred income tax and social contribution | 141.6 | 171.9 | 219.7 | 297.3 | 352.7 | 352.7 |
| Restricted Obligations | - | - | 40.6 | 43.1 | 22.5 | 22.5 |
| Other non current liabilities | 18.5 | 12.3 | 13.3 | 18.0 | 16.6 | 16.6 |
| Total non current liabilities | 2,825.3 | 3,378.6 | 6,351.4 | 7,558.5 | 9,896.4 | 10,423.2 |
| Total liabilities | 4,181.4 | 5,220.3 | 8,585.5 | 10,897.9 | 13,306.8 | 13,945.5 |
| SHAREHOLDERS' EQUITY: | | | | | | |
| Capital | 976.7 | 976.7 | 1,500.0 | 1,500.0 | 4,000.0 | 4,000.0 |
| Expenses with share issues | - | - | - | - | (43.1) | (43.1) |
| Capital Reserves | 35.9 | 34.0 | 94.9 | 125.0 | 163.2 | 163.2 |
| Earnings Reserves | 929.0 | 1,186.3 | 1,005.8 | 1,469.5 | 1,341.1 | 1,327.4 |
| Total shareholders' equity | 1,941.6 | 2,197.0 | 2,600.7 | 3,094.5 | 5,461.2 | 5,447.5 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 6,123.0 | 7,417.3 | 11,186.2 | 13,992.4 | 18,768.0 | 19,393.0 |

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

| STATEMENT OF INCOME | 2015 | 2016 | 2017 | 2017 Adjusted | 2018 | 2019 without | 2019 |
|---|----------------|----------------|----------------|------------------|----------------|-----------------|-----------------|
| Total net revenues | 3,928.0 | 4,439.3 | 6,058.3 | 6,058.3 | 7,895.7 | 10,553.5 | 10,195.6 |
| 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) |
| Selling, general, administrative and other expenses | (493.6) | (506.0) | (667.1) | (649.1) | (803.6) | (1,018.4) | (962.4) |
| Cars depreciation | (163.6) | (206.3) | (232.0) | (232.0) | (291.6) | (551.5) | (551.5) |
| Other assets depreciation and amortization | (35.7) | (38.2) | (39.1) | (39.1) | (43.9) | (46.3) | (171.7) |
| 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) |
| 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 |
| FINANCIAL EXPENSES, NET | (202.7) | (243.5) | (315.0) | (315.0) | (368.9) | (360.6) | (409.8) |
| Income before taxes | 532.8 | 527.6 | 654.1 | 728.1 | 885.7 | 1,097.4 | 1,079.8 |
| INCOME TAX AND SOCIAL CONTRIBUTION | | | | | | | |
| Current | (94.8) | (88.0) | (119.4) | (135.7) | (139.8) | (183.7) | (180.7) |
| Deferred | (35.6) | (30.3) | (29.0) | (29.0) | (86.7) | (66.2) | (65.2) |
| | (130.4) | (118.3) | (148.4) | (164.7) | (226.5) | (249.9) | (245.9) |
| Net income | 402.4 | 409.3 | 505.7 | 563.4 | 659.2 | 847.5 | 833.9 |

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

| CONSOLIDATED CASH FLOW | 2015 | 2016 | 2017 | 2017 Adjusted | 2018 | 2019 without IFRS 16 | 2019 |
|---|---------------|----------------|------------------|------------------|----------------|-------------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | |
| Net income | 402.4 | 409.3 | 505.7 | 563.4 | 659.2 | 847.5 | 833.9 |
| 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 |
| 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 |
| Deferred income tax and social contribution | 35.6 | 30.3 | 29.1 | 29.1 | 86.7 | 65.2 | 65.2 |
| Interest on loans, financing, debentures and swaps of fixed rates | 406.6 | 438.1 | 476.2 | 476.2 | 529.8 | 552.9 | 552.9 |
| Lease interest | - | - | - | - | - | 0.0 | 49.4 |
| Other | 17.3 | 26.9 | 81.7 | 81.7 | 87.8 | 103.6 | 103.6 |
| (Increase) decrease in assets: | | | | | | | |
| Trade receivable | (36.6) | 56.8 | (151.8) | (151.8) | (489.0) | (275.9) | (275.9) |
| 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) |
| Escrow deposits | (15.3) | (7.2) | (17.5) | (17.5) | (13.1) | (17.9) | (17.9) |
| Taxes recoverable | (5.2) | (6.0) | 2.6 | 2.6 | 3.4 | (1.6) | (1.6) |
| Prepaid expenses | 0.0 | 0.0 | 2.7 | 2.7 | 1.3 | (4.9) | (4.9) |
| Other assets | (1.3) | (3.6) | (8.8) | (8.8) | (71.9) | (44.7) | (44.7) |
| Increase (decrease) in liabilities: | | | | | | | |
| Accounts payable (except car manufacturers) | (16.7) | 29.6 | (4.8) | (4.8) | 3.1 | 21.0 | 21.0 |
| Social and labor obligations | (0.5) | 9.4 | 7.5 | 7.5 | 25.8 | 26.8 | 26.8 |
| Income tax and social contribution | 94.8 | 88.0 | 119.4 | 135.7 | 139.8 | 184.7 | 180.7 |
| Insurance premium | 4.4 | 8.6 | 19.3 | 19.3 | 37.0 | 23.2 | 23.2 |
| Other liabilities | 5.9 | (19.5) | 40.1 | 40.1 | 60.1 | 52.0 | 52.0 |
| Cash provided by (used in) operating activities | 460.2 | 308.8 | (573.3) | (499.3) | (519.7) | (1,948.0) | (1,791.0) |
| Income tax and social contribution paid | (110.7) | (93.3) | (108.3) | (108.3) | (131.2) | (146.1) | (146.1) |
| Interest on loans, financing and debentures paid | (352.9) | (442.3) | (485.7) | (485.7) | (424.7) | (562.2) | (562.2) |
| Lease interest paid | - | - | - | - | - | 0.0 | (53.5) |
| Financial assets | - | - | (1,275.8) | (1,275.8) | 1,008.2 | (343.4) | (343.4) |
| 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) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | |
| (Investments) withdrawn in marketable securities | 92.6 | - | - | - | - | 0.0 | 0.0 |
| Acquisition of investment, goodwill and fair value surplus | - | - | (333.2) | (333.2) | - | (123.7) | (123.7) |
| 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) |
| Net cash provided by (used in) investing activities | (60.4) | (126.6) | (508.2) | (508.2) | (42.8) | (193.7) | (193.7) |
| 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 |
| Repayment | (368.4) | (297.9) | (510.1) | (510.1) | (518.5) | (930.2) | (930.2) |
| Debentures | | | | | | | |
| Proceeds | 496.8 | 943.4 | 2,626.9 | 2,626.9 | 1,690.7 | 2,283.7 | 2,283.7 |
| Repayment | (668.0) | (105.0) | (355.0) | (355.0) | (815.0) | (975.0) | (975.0) |
| Lease liability: | | | | | | | |
| Proceeds | - | - | - | - | - | 0.0 | 0.0 |
| Repayment | - | - | - | - | - | 0.0 | (103.5) |
| Capital Increase | - | - | - | - | - | 1,821.6 | 1,821.6 |
| Treasury shares (acquired)/ sold | (27.5) | (25.0) | 2.1 | 2.1 | 3.20 | 2.6 | 2.6 |
| Expenses with issuance of shares. | - | - | - | - | - | (65.3) | (65.3) |
| Exercise of stock options with treasury shares, net | 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) |
| 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 |
| NET CASH FLOW PROVIDED (USED) IN THE YEAR | (5.1) | 307.2 | (354.1) | (280.1) | 837.1 | 44.8 | 44.8 |
| Cash flow without incurred one-time costs Hertz and franchisees | - | - | - | (74.0) | - | 0.0 | 0.0 |
| NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS | (5.1) | 307.2 | (354.1) | (354.1) | 837.1 | 44.8 | 44.8 |
| 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 |
| 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 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (5.1) | 307.2 | (354.1) | (354.1) | 837.1 | 44.8 | 44.8 |
| 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) |
| Cars acquisition in the year/period - growth | - | (726.0) | (1,807.0) | (1,807.0) | (2,285.1) | (3,478.7) | (3,478.7) |
| Suppliers - automakers: | | | | | | | |
| Balance at the end of the year | 591.3 | 782.0 | 1,197.5 | 1,197.5 | 2,065.6 | 2,407.5 | 2,407.5 |
| Balance at the beginning of the year | (712.5) | (591.3) | (782.0) | (782.0) | (1,197.5) | (2,065.6) | (2,065.6) |
| 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) |

20 – 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.

21 – 4Q19 Results Conference Call

Date: Wednesday, March 11, 2020.

Portuguese (with simultaneous translation to English)

12:00 p.m. (BR time)

11:00 a.m. (Eastern time)

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