

(A free translation of the original in Portuguese)

Companhia de Locação das Américas S.A.

**Quarterly Information (ITR) at
June 30, 2020
and report on review of
quarterly information**



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Companhia de Locação das Américas S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Companhia de Locação das Américas ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2020, comprising the balance sheet as at that date and the statements of operations and comprehensive income (loss) for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Companhia de Locação das Américas S.A.

Other matters

Statements of value added

The quarterly information includes the parent company and consolidated statements of value added for the six-month period ended June 30, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information for the purposes of IAS 34. They have been submitted to the same review procedures carried out together with the review of the quarterly information, with the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria established in CPC 09 and in a manner consistent with the interim accounting information taken as a whole.

Belo Horizonte, August 13, 2020

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

A handwritten signature in blue ink that reads "Fábio Abreu de Paula".

Fábio Abreu de Paula
Contador CRC 1MG075204/O-0

Contents

DFs Individuais	
Balance sheet - assets	1
Balance sheet - liabilities	2
Statement of income	3
Statement of comprehensive income	4
Statement of cash flows	5
Statement of changes in equity	
1/1/2020 to 6/30/2020	7
1/1/2019 to 6/30/2019	8
Statement of value added	9
DFs Consolidadas	
Balance sheet - assets	10
Balance sheet - liabilities	11
Statement of income	12
Statement of comprehensive income	13
Statement of cash flows	14
Statement of changes in equity	
1/1/2020 to 6/30/2020	15
1/1/2019 to 6/30/2019	16
Statement of value added	17

Parent company financial statements / balance sheet – assets

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2020	Prior year 12/31/2019
1	Total assets	6,843,630	6,510,027
1.01	Current assets	1,010,862	1,768,343
1.01.01	Cash and cash equivalents	549,271	1,255,550
1.01.02	Financial investments	38,462	113,910
1.01.02.01	Financial investments at fair value through profit or loss	38,462	113,910
1.01.02.01.03	Marketable securities	38,462	113,910
1.01.03	Accounts receivable	223,219	211,479
1.01.03.01	Clientes	157,408	148,975
1.01.03.02	Trade receivables	65,811	62,504
1.01.03.02.01	Other receivables	12,766	11,787
1.01.03.02.02	Related parties	53,045	50,717
1.01.06	Taxes recoverable	57,509	50,234
1.01.06.01	Taxes recoverable - current	57,509	50,234
1.01.07	Prepaid expenses	20,164	5,859
1.01.08	Other current assets	122,237	131,311
1.01.08.01	Non-current assets held for sale	122,237	131,311
1.01.08.01.01	Vehicles to be decommissioned for fleet renewal	122,237	131,311
1.02	Non-current assets	5,832,768	4,741,684
1.02.01	Long-term receivables	624,716	31,294
1.02.01.01	Financial investments at fair value through profit or loss	1,351	1,340
1.02.01.04	Accounts receivable	1,051	2,290
1.02.01.04.01	Trade receivables	1,051	2,290
1.02.01.09	Receivables from related parties	351	282
1.02.01.09.01	Receivables from subsidiaries	351	282
1.02.01.10	Other non-current assets	621,963	27,382
1.02.01.10.01	Non-current assets held for sale	2,373	2,373
1.02.01.10.03	Judicial deposits	24,012	23,020
1.02.01.10.04	Other receivables	0	1,989
1.02.01.10.05	Advance for future capital increase	595,578	0
1.02.02	Investments	2,681,557	2,344,874
1.02.02.01	Equity investments	2,681,557	2,344,874
1.02.02.01.02	Investments in subsidiaries	2,681,557	2,344,874
1.02.03	Property and equipment	2,437,801	2,277,318
1.02.03.01	Property and equipment in operation	2,425,951	2,262,983
1.02.03.02	Lease right-of-use assets	11,850	14,335
1.02.04	Intangible assets	88,694	88,198
1.02.04.01	Intangible assets	88,694	88,198

Parent company financial statements / balance sheet – liabilities

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2020	Prior year 12/31/2019
2	Total liabilities	6,843,630	6,510,027
2.01	Current liabilities	940,546	674,005
2.01.01	Social and labor obligations	13,169	17,857
2.01.01.01	Payroll obligations	13,169	17,857
2.01.02	Trade payables	512,178	508,166
2.01.02.01	Local suppliers	512,178	508,166
2.01.02.01.01	Local suppliers	181,488	394,881
2.01.02.01.02	Assignment of credits by suppliers	330,690	113,285
2.01.03	Tax obligations	6,186	3,583
2.01.03.01	Federal taxes payable	6,186	3,583
2.01.04	Borrowings	242,345	48,386
2.01.04.01	Borrowings	242,345	48,386
2.01.05	Other payables	166,668	96,013
2.01.05.02	Other	166,668	96,013
2.01.05.02.01	Dividends and interest on capital payable	86,080	35,814
2.01.05.02.04	Other payables	15,944	14,483
2.01.05.02.07	Derivative financial instruments	55,046	36,370
2.01.05.02.08	Related parties	4,629	4,376
2.01.05.02.09	Property leases	4,969	4,970
2.02	Non-current liabilities	1,959,795	1,931,611
2.02.01	Borrowings	1,903,601	1,872,804
2.02.01.01	Borrowings	1,903,601	1,872,804
2.02.02	Other payables	8,162	9,645
2.02.02.02	Other	8,162	9,645
2.02.02.02.04	Other payables	1,281	280
2.02.02.02.05	Property leases	6,881	9,365
2.02.03	Deferred taxes	21,730	30,011
2.02.03.01	Deferred income tax and social contribution	21,730	30,011
2.02.04	Provisions	26,302	19,151
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	18,104	19,151
2.02.04.02	Other provisions	8,198	0
2.03	Equity	3,943,289	3,904,411
2.03.01	Paid-up share capital	3,094,902	3,094,902
2.03.02	Capital reserves	545,461	515,407
2.03.02.04	Options granted	17,002	14,775
2.03.02.05	Treasury shares	-23,668	-35,562
2.03.02.08	Capital reserve	552,127	536,194
2.03.04	Revenue reserves	315,027	315,027
2.03.04.01	Legal reserve	35,135	35,135
2.03.04.04	Unrealized revenue reserve	279,892	279,892
2.03.05	Retained earnings/accumulated losses	-30,929	0
2.03.06	Carrying value adjustments	18,828	-20,925

Parent company financial statements / statement of income

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2020 à 6/30/2020	DMPL - 1/1/2020 à 6/30/2020	Same quarter of previous year 4/1/2019 à 6/30/2019	DMPL - 1/1/2019 6/30/201
3.01	Revenue from sale of products and/or services	298,582	653,593	307,201	590,60
3.02	Cost of sales	-195,000	-443,694	-202,542	-387,74
3.03	Gross profit	103,582	209,899	104,659	202,86
3.04	Operating income/expenses	-88,534	-91,377	10,344	23,98
3.04.01	Selling expenses	-13,008	-30,816	-18,943	-31,33
3.04.02	General and administrative expenses	-34,066	-59,419	-19,240	-45,23
3.04.04	Other operating income	0	2	67	16
3.04.05	Other operating expenses	-8	0	0	
3.04.06	Equity in the results of subsidiary	-41,452	-1,144	48,460	100,38
3.05	Profit before finance result and taxes	15,048	118,522	115,003	226,84
3.06	Financial result	-32,717	-60,952	-36,486	-85,69
3.06.01	Finance income	5,900	14,660	4,833	16,86
3.06.02	Finance costs	-38,617	-75,612	-41,319	-102,56
3.07	Profit before income tax	-17,669	57,570	78,517	141,15
3.08	Income tax and social contribution on net income	3,150	7,481	3,353	14,52
3.09	Net result from continuing operations	-14,519	65,051	81,870	155,67
3.11	Profit (loss) for the period	-14,519	65,051	81,870	155,67
3.99	Earnings per share (in reais)				
3.99.01	Lucro Basic earnings per share				
3.99.01.01	Common shares		0.13000		0.3500
3.99.02	Diluted earnings per share				

Parent company financial statements / statement of comprehensive income

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2020 à 6/30/2020	DMPL - 1/1/2020 à 6/30/2020	Same quarter of previous year 4/1/2019 à 6/30/2019	DMPL - 1/1/2019 à 6/30/2019
4.01	Profit for the period/year	-14,519	65,051	81,870	155,674
4.02	Other comprehensive income	9,949	39,753	-5,021	-7,514
4.03	Comprehensive income for the period	-4,570	104,804	76,849	148,160

Parent company financial statements/ statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	DMPL - 1/1/2020 à 6/30/2020	DMPL - 1/1/2019 à 6/30/2019
6.01	Net cash used in operating activities	-42,080	-341,663
6.01.01	Cash from operations	499,916	462,932
6.01.01.01	Profit for the period	65,051	155,674
6.01.01.02	Income tax and social contribution on net income	-7,481	-14,522
6.01.01.03	Depreciation and amortization	119,632	95,425
6.01.01.04	Written off residual value of vehicles decommissioned for fleet renewal	235,208	215,797
6.01.01.05	Financial charges on borrowings and debentures	49,671	76,410
6.01.01.06	Equity in the results of subsidiaries	1,144	-100,389
6.01.01.07	Provision for losses on accounts receivable	4,011	1,770
6.01.01.08	Provision for share-based payment	4,122	4,317
6.01.01.09	Provision for impairment	845	0
6.01.01.11	Residual value of stolen and total loss vehicles	9,876	5,791
6.01.01.13	Other	-5,176	301
6.01.01.14	Credit assignment costs	4,374	7,017
6.01.01.16	Provision for contingencies	-1,047	3,578
6.01.01.17	Swap	19,342	11,155
6.01.01.18	Property leases	344	608
6.01.02	Changes in assets and liabilities	-541,996	-804,595
6.01.02.01	Trade receivables	-11,088	-3,552
6.01.02.02	Taxes recoverable	-7,275	-11,812
6.01.02.04	Prepaid expenses	-14,305	-17,616
6.01.02.05	Related parts	-377	-2,325
6.01.02.06	Acquisition of vehicles, net of trade payables (automakers) and finance leases	-497,452	-746,461
6.01.02.07	Other assets	-952	-21,588
6.01.02.08	Trade payables	15,343	6,582
6.01.02.10	Other liabilities	-21,251	-7,823
6.01.02.11	Income tax and social contribution paid	-4,639	0
6.02	Net cash from investing activities	-796,185	-514,475
6.02.01	Net changes in other property and equipment and intangible assets	-5,126	-5,091
6.02.02	Acquisition of investments	-39,276	-50,000
6.02.03	Aumento de capital em controladas	-231,642	-552,000
6.02.04	Títulos e valores mobiliários	75,437	76,513
6.02.05	Loans to related parties	0	16,103
6.02.06	Advance for future capital increase	-595,578	0
6.03	Net cash used in financing activities	131,986	-672,298
6.03.01	Proceeds from borrowings and debentures	298,516	-43
6.03.02	Repayment of borrowings and debentures	-75,076	-496,130
6.03.03	Distribution of interest on capital	-35,814	-74,152
6.03.04	Interest paid on borrowings, debentures and preferred shares	-48,355	-69,866
6.03.05	Proceeds from stock option plan	919	2,952

Parent company financial statements/ statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	DMPL - 1/1/2020 à 6/30/2020	DMPL - 1/1/2019 à 6/30/2019
6.05.01	Cash and cash equivalents - opening balance	1,255,550	1,678,246
6.05.02	Cash and cash equivalents - closing balance	549,271	149,810

Parent company financial statements / statement of changes in equity - 1/1/2020 à 6/30/2020

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, options granted, and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity
5.01	Opening balance	3,094,902	515,407	315,027	0	-20,925	3,904,411
5.03	Adjusted opening balance	3,094,902	515,407	315,027	0	-20,925	3,904,411
5.04	Capital transactions with owners	0	30,054	0	-95,980	0	-65,926
5.04.03	Stock options granted and recognized	0	5,815	0	0	0	5,815
5.04.04	Treasury shares acquired	0	-8,204	0	0	0	-8,204
5.04.07	Interest on Equity	0	0	0	-95,980	0	-95,980
5.04.08	Investment acquisition	0	32,443	0	0	0	32,443
5.05	Total comprehensive income	0	0	0	65,051	39,753	104,804
5.05.01	Profit for the period	0	0	0	65,051	0	65,051
5.05.02	Other comprehensive income (loss)	0	0	0	0	39,753	39,753
5.05.02.01	Adjustments to financial instruments	0	0	0	0	-17,783	-17,783
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	5,539	5,539
5.05.02.03	Equity in comprehensive income (loss) of subsidiaries and associates	0	0	0	0	51,997	51,997
5.07	Closing balance	3,094,902	545,461	315,027	-30,929	18,828	3,943,289

Parent company financial statements / statement of changes in equity - 1/1/2019 to 6/30/2019

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, options granted, and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity
5.01	Opening balance	1,922,181	519,036	140,620	0	-16,291	2,565,546
5.03	Adjusted opening balance	1,922,181	519,036	140,620	0	-16,291	2,565,546
5.04	Capital transactions with owners	36,102	-7,122	0	-85,128	0	-56,148
5.04.01	Capital increase	36,102	18,399	0	0	0	54,501
5.04.03	Stock options granted and recognized	0	8,867	0	0	0	8,867
5.04.04	Treasury shares acquired	0	-34,388	0	0	0	-34,388
5.04.07	Interest on capital	0	0	0	-85,128	0	-85,128
5.05	Total comprehensive income	0	0	0	155,674	-7,514	148,160
5.05.01	Profit for the period	0	0	0	155,674	0	155,674
5.05.02	Other comprehensive income	0	0	0	0	-7,514	-7,514
5.05.02.01	Adjustments to financial instruments	0	0	0	0	-9,245	-9,245
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	3,135	3,135
5.05.02.03	Equity in comprehensive income (loss) of subsidiaries and associates	0	0	0	0	-1,404	-1,404
5.07	Closing balance	1,958,283	511,914	140,620	70,546	-23,805	2,657,558

Parent company financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	DMPL - 1/1/2020 à 6/30/2020	DMPL - 1/1/2019 à 6/30/2019
7.01	Revenue	688,978	625,112
7.01.01	Sales of goods, products and services	692,989	626,882
7.01.04	Provision/ reversal of provision for impairment of trade receivables	-4,011	-1,770
7.02	Inputs acquired from third parties	-330,490	-301,718
7.02.01	Cost of sales	-233,976	-277,482
7.02.02	Materials, electricity, third-party services and other	-96,514	-24,236
7.03	Gross value added	358,488	323,394
7.04	Retentions	-119,632	-95,425
7.04.01	Depreciation, amortization and depletion	-119,632	-95,425
7.05	Net value added generated	238,856	227,969
7.06	Value added received through transfer	13,516	117,255
7.06.01	Equity in the results of subsidiary	-1,144	100,389
7.06.02	Finance income	14,660	16,866
7.07	Total value added to distribute	252,372	345,224
7.08	Distribution of value added	252,372	345,224
7.08.01	Personnel	44,932	41,569
7.08.01.01	Direct compensation	38,362	35,259
7.08.01.02	Benefits	4,800	4,217
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	1,770	2,093
7.08.02	Taxes, charges, and contributions	66,777	45,421
7.08.02.01	Federal	38,012	28,016
7.08.02.02	State	26,261	17,248
7.08.02.03	Municipal	2,504	157
7.08.03	Remuneration of third-party capital	75,612	102,560
7.08.03.03	Other	75,612	102,560
7.08.04	Remuneration of own capital	65,051	155,674
7.08.04.01	Interest on capital	95,980	85,132
7.08.04.03	Accumulated profit (loss)	-30,929	70,542

Consolidated financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2020	Prior year 12/31/2019
1	Total assets	11,313,056	11,047,994
1.01	Ativo Circulante	3,037,606	3,122,100
1.01.01	Cash and cash equivalents	1,643,310	1,770,114
1.01.02	Financial investments	161,461	243,240
1.01.02.01	Financial investments at fair value through profit or loss	161,461	243,240
1.01.03	Accounts receivable	471,313	512,591
1.01.03.01	Trade receivables	419,013	457,875
1.01.03.02	Other receivables	52,300	54,716
1.01.03.02.01	Other receivables	27,379	20,251
1.01.03.02.02	Receivables from related parties	24,921	34,465
1.01.06	Taxes recoverable	95,033	86,473
1.01.06.01	Taxes recoverable - current	95,033	86,473
1.01.07	Prepaid expenses	66,545	13,198
1.01.08	Other current assets	599,944	496,484
1.01.08.01	Non-current assets held for sale	599,944	496,484
1.01.08.01.01	Financial investments at fair value through profit or loss	599,944	496,484
1.02	Non-current assets	8,275,450	7,925,894
1.02.01	Long-term receivables	271,811	113,217
1.02.01.01	Financial investments at fair value through profit or loss	1,351	1,340
1.02.01.04	Accounts receivable	4,760	16,202
1.02.01.04.01	Trade receivables	4,760	16,202
1.02.01.07	Deferred taxes	3,926	30,003
1.02.01.07.01	Deferred income tax and social contribution	3,926	30,003
1.02.01.08	Prepaid expenses	3,190	1,130
1.02.01.10	Other non-current assets	258,584	64,542
1.02.01.10.01	Non-current assets held for sale	2,373	2,373
1.02.01.10.03	Judicial deposits	63,125	59,771
1.02.01.10.04	Other receivables	94	2,116
1.02.01.10.05	Related parties	460	282
1.02.01.10.06	Derivative financial instruments	192,532	0
1.02.02	Investments	852	852
1.02.02.01	Equity investments	2	2
1.02.02.02	Investment properties	850	850
1.02.03	Property and equipment	6,978,139	6,837,692
1.02.03.01	Property and equipment in operation	6,853,936	6,705,097
1.02.03.02	Lease right-of-use assets	124,203	132,595
1.02.04	Intangible assets	1,024,648	974,133
1.02.04.01	Intangible assets	1,024,648	974,133

Consolidated financial statements / balance sheet - liabilities

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2020	Prior year 12/31/2019
2	Total liabilities	11,313,056	11,047,994
2.01	Current liabilities	2,130,022	2,278,402
2.01.01	Social and labor obligations	37,099	42,490
2.01.01.01	Payroll obligations	37,099	42,490
2.01.02	Trade payables	1,486,388	1,926,867
2.01.02.01	Local suppliers	1,486,388	1,926,867
2.01.02.01.01	Trade payables	549,072	1,450,247
2.01.02.01.02	Assignment of credits by suppliers	937,316	476,620
2.01.03	Tax obligations	25,329	23,331
2.01.03.01	Federal taxes payable	25,329	23,331
2.01.04	Borrowings	314,437	119,521
2.01.04.01	Borrowings	314,437	119,521
2.01.05	Other payables	266,769	166,193
2.01.05.02	Other	266,769	166,193
2.01.05.02.01	Dividends and interest on capital payable	86,080	35,814
2.01.05.02.04	Other payables	66,742	36,778
2.01.05.02.07	Derivative financial instruments - current liabilities	65,181	22,695
2.01.05.02.08	Related parties	6,402	32,370
2.01.05.02.09	Property leases	42,364	38,536
2.02	Non-current liabilities	5,239,745	4,865,181
2.02.01	Borrowings	4,939,290	4,553,004
2.02.01.01	Borrowings	4,939,290	4,553,004
2.02.02	Other payables	92,403	95,411
2.02.02.02	Other	92,403	95,411
2.02.02.02.04	Other payables	10,564	1,352
2.02.02.02.05	Property leases	81,839	94,059
2.02.03	Deferred taxes	90,395	100,881
2.02.03.01	Deferred income tax and social contribution	90,395	100,881
2.02.04	Provisions	117,657	115,885
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	117,657	115,885
2.03	Consolidated equity	3,943,289	3,904,411
2.03.01	Paid-up share capital	3,094,902	3,094,902
2.03.02	Capital reserves	545,461	515,407
2.03.02.04	Options granted	17,002	14,775
2.03.02.05	Treasury shares	-23,668	-35,562
2.03.02.08	Capital reserve	552,127	536,194
2.03.04	Revenue reserves	315,027	315,027
2.03.04.01	Legal reserve	35,135	35,135
2.03.04.04	Unrealized revenue reserve	279,892	279,892
2.03.05	Retained earnings/accumulated losses	-30,929	0
2.03.06	Carrying value adjustments	18,828	-20,925

Consolidated financial statements / statement of income

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2020 à 6/30/2020	DMPL - 1/1/2020 à 6/30/2020	Same quarter of previous year 4/1/2019 à 6/30/2019	DMPL - 1/1/2019 à 6/30/2019
3.01	Revenue from sale of products and/or services	920,803	2,160,996	1,179,725	2,231,836
3.02	Cost of sales	-740,681	-1,662,831	-860,753	-1,601,995
3.03	Gross profit	180,122	498,165	318,972	629,841
3.04	Operating income/expenses	-147,206	-298,153	-121,496	-243,962
3.04.01	Selling expenses	-76,933	-165,974	-76,131	-137,837
3.04.02	General and administrative expenses	-70,094	-131,718	-48,450	-106,333
3.04.04	Other Operating Income	0	0	3,085	208
3.04.05	Other operating expenses	-179	-461	0	0
3.05	Profit before finance result and taxes	32,916	200,012	197,476	385,879
3.06	Finance income (costs)	-71,723	-142,067	-93,411	-190,897
3.06.01	Finance income	8,686	22,174	17,828	33,392
3.06.02	Finance costs	-80,409	-164,241	-111,239	-224,289
3.07	Profit before income tax	-38,807	57,945	104,065	194,982
3.08	Income tax and social contribution on net income	24,288	7,106	-22,195	-39,308
3.09	Net result from continuing operations	-14,519	65,051	81,870	155,674
3.11	Consolidated profit for the period	-14,519	65,051	81,870	155,674
3.11.01	Attributable to owners of the parent	-14,519	65,051	81,870	155,674
3.99	Earnings per share (in reais)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares		0.13000		0.35000
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares		0.13000		0.34000

Consolidated financial statements / statement of comprehensive income

(All amounts in thousands of reais)

Code	Description	Current quarter	4/1/2020 à 6/30/2020	DMPL - 1/1/2020 à 6/30/2020	Same quarter of previous year 4/1/2019 à 6/30/2019	DMPL - 1/1/2019 à 6/30/2019
4.01	Consolidated profit for the period		-14,519	65,051	81,870	155,674
4.02	Other comprehensive income		9,949	39,753	-5,021	-7,514
4.03	Consolidated comprehensive income for the period		-4,570	104,804	76,849	148,160
4.03.01	Attributable to owners of the parent		-4,570	104,804	76,849	148,160

Consolidated financial statements/ statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	DMPL - 1/1/2020 à 6/30/2020	DMPL - 1/1/2019 à 6/30/2019
6.01	Net cash used in operating activities	-359,945	-894,046
6.01.01	Cash from operations	1,627,813	1,808,054
6.01.01.01	Profit for the period	65,051	155,674
6.01.01.02	Deferred income tax and social contribution	-15,230	20,630
6.01.01.03	Depreciation and amortization	295,823	226,156
6.01.01.04	Written off residual value of vehicles decommissioned for fleet renewal	1,006,612	1,105,144
6.01.01.05	Financial charges	112,850	153,719
6.01.01.06	Other	-7,490	5,900
6.01.01.07	Provision for impairment of trade receivables	41,428	15,630
6.01.01.08	Provision for contingencies	1,664	2,539
6.01.01.09	Provision for impairment	3,796	0
6.01.01.10	Provision for share-based payment	4,896	5,915
6.01.01.11	Residual value of stolen and total loss vehicles	84,665	45,814
6.01.01.14	Car rental interest	11,979	23,541
6.01.01.15	Swap	24,519	17,167
6.01.01.16	Provision for stolen and damaged vehicles	-5,183	26,851
6.01.01.17	Property leases	2,433	3,374
6.01.02	Changes in assets and liabilities	-1,987,758	-2,702,100
6.01.02.01	Trade receivables	24,960	-56,027
6.01.02.02	Taxes recoverable	-8,068	-12,285
6.01.02.04	Prepaid expenses	-53,759	-41,831
6.01.02.05	Related parties	-16,142	-15,660
6.01.02.06	Acquisition of vehicles, net of trade payables (automakers) and finance leases	-1,856,465	-2,528,854
6.01.02.07	Other assets	-40,915	-85,958
6.01.02.08	Trade payables - except automakers	-5,833	67,371
6.01.02.10	Other liabilities	-11,506	-24,736
6.01.02.11	Income tax and social contribution paid	-20,030	-4,120
6.02	Net cash from investing activities	11,860	-138,673
6.02.01	Acquisitions of other property and equipment and intangible assets	-47,776	-54,132
6.02.04	Acquisitions of marketable securities	81,768	-34,549
6.02.05	Acquisition of investments	-22,132	-49,992
6.03	Net cash used in financing activities	221,281	-250,719
6.03.01	Proceeds from borrowings and debentures	549,221	996,150
6.03.02	Repayment of borrowings and debentures	-165,828	-1,004,797
6.03.03	Distribution of interest on capital	-35,814	-74,152
6.03.04	Interest paid on borrowings and debentures	-119,013	-135,813
6.03.05	Proceeds from stock option plan	919	2,952
6.03.06	Share buyback	-8,204	-34,388
6.03.07	Funding expenses- Follow on	0	-671
6.05	Increase (decrease) in cash and cash equivalents	-126,804	-1,283,438
6.05.01	Cash and cash equivalents - opening balance	1,770,114	1,755,864
6.05.02	Cash and cash equivalents - closing balance	1,643,310	472,426

Consolidated financial statements / statement of changes in equity - 1/1/2020 à 6/30/2020

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, options granted, and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity	Code	Description
5,01	Opening balance	3,094,902	515,407	315,027	0	-20,925	3,904,411	0	3,904,411
5,03	Adjusted opening balance	3,094,902	515,407	315,027	0	-20,925	3,904,411	0	3,904,411
5,04	Capital transactions with owners	0	30,054	0	-95,980	0	-65,926	0	-65,926
5,04,03	Stock options granted and recognized	0	5,815	0	0	0	5,815	0	5,815
5,04,04	Treasury shares acquired	0	-8,204	0	0	0	-8,204	0	-8,204
5,04,07	Interest on capital	0	0	0	-95,980	0	-95,980	0	-95,980
5,04,08	Investment acquisition	0	32,443	0	0	0	32,443	0	32,443
5,05	Total comprehensive income	0	0	0	65,051	39,753	104,804	0	104,804
5,05,01	Profit for the period	0	0	0	65,051	0	65,051	0	65,051
5,05,02	Other comprehensive income	0	0	0	0	39,753	39,753	0	39,753
5,05,02,01	Adjustments to financial instruments	0	0	0	0	-17,783	-17,783	0	-17,783
5,05,02,02	Taxes on adjustments to financial instruments	0	0	0	0	5,539	5,539	0	5,539
5,05,02,03	Equity in comprehensive income (loss) of associated companies	0	0	0	0	51,997	51,997	0	51,997
5,07	Closing balance	3,094,902	545,461	315,027	-30,929	18,828	3,943,289	0	3,943,289

Consolidated financial statements / statement of changes in equity - 1/1/2019 à 6/30/2019

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, options granted, and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity	Code	Description
5.01	Opening balance	1,922,181	519,036	140,620	0	-16,291	2,565,546	0	2,565,546
5.03	Adjusted opening balance	1,922,181	519,036	140,620	0	-16,291	2,565,546	0	2,565,546
5.04	Capital transactions with owners	36,102	-7,122	0	-85,128	0	-56,148	0	-56,148
5.04.01	Capital increase	36,102	18,399	0	0	0	54,501	0	54,501
5.04.03	Stock options granted and recognized	0	8,867	0	0	0	8,867	0	8,867
5.04.04	Treasury shares acquired	0	-34,388	0	0	0	-34,388	0	-34,388
5.04.07	Interest on capital	0	0	0	-85,128	0	-85,128	0	-85,128
5.05	Total comprehensive income	0	0	0	155,674	-7,514	148,160	0	148,160
5.05.01	Profit for the period	0	0	0	155,674	0	155,674	0	155,674
5.05.02	Other comprehensive income (loss)	0	0	0	0	-7,514	-7,514	0	-7,514
5.05.02.01	Adjustments to financial instruments	0	0	0	0	-9,245	-9,245	0	-9,245
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	3,135	3,135	0	3,135
5.05.02.03	Equity in comprehensive income (loss) of associated companies	0	0	0	0	-1,404	-1,404	0	-1,404
5.07	Closing balance	1,958,283	511,914	140,620	70,546	-23,805	2,657,558	0	2,657,558

Consolidated financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	DMPL - 1/1/2020 à 6/30/2020	DMPL - 1/1/2019 à 6/30/2019
7.01	Revenue	2,229,438	2,325,548
7.01.01	Sales of goods, products and services	2,270,866	2,341,178
7.01.04	Provision/ reversal of provision for impairment of trade receivables	-41,428	-15,630
7.02	Inputs acquired from third parties	-1,401,764	-1,417,454
7.02.01	Cost of sales	-1,029,518	-1,304,967
7.02.02	Materials, electricity, third-party services and other	-372,246	-112,487
7.03	Gross value added	827,674	908,094
7.04	Retentions	-295,823	-226,156
7.04.01	Depreciation, amortization and depletion	-295,823	-226,156
7.05	Net value added generated	531,851	681,938
7.06	Value added received through transfer	22,174	33,392
7.06.02	Finance income	22,174	33,392
7.07	Total value added to distribute	554,025	715,330
7.08	Distribution of value added	554,025	715,330
7.08.01	Personnel	128,214	113,530
7.08.01.01	Direct compensation	101,236	88,143
7.08.01.02	Benefits	20,949	18,137
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	6,029	7,250
7.08.02	Taxes, charges, and contributions	196,519	221,837
7.08.02.01	Federal	120,632	165,048
7.08.02.02	State	70,153	55,828
7.08.02.03	Municipal	5,734	961
7.08.03	Remuneration of third-party capital	164,241	224,289
7.08.03.03	Other	164,241	224,289
7.08.04	Remuneration of own capital	65,051	155,674
7.08.04.01	Interest on capital	95,980	85,132
7.08.04.03	Retained earnings	-30,929	70,542

(A free translation of the original in Portuguese)

A car to call it our !

#letsgotogether



 **unidas**
mensal **mais**

Monthly
Rental


unidas
LIVRE

Brand new car
by signature

 **unidas**
seminovos

Own car

Investor Relations

Marco Tullio de Carvalho Oliveira
CFO and IRO

Rodrigo Faria
Investor Relations Manager

Francesco Lisa
Investor Relations Specialist

Rodrigo Finotto Perez
Investor Relations Analyst

Contact:

ri.unidas.com.br
ri@unidas.com.br

Novo Mercado

Ticker: LCAM3
Total Shares: 508,729,411
Free-float: 324,272,475 (63.7%)

2Q20 Results Conference Call

Friday, August 14, 2020
1 p.m. (Brasília time)
12 a.m. (New York time)

Brazil:
+55 11 4210-1803 / +55 11 3181-8565

United States (Toll Free):
+1 844 204-8942

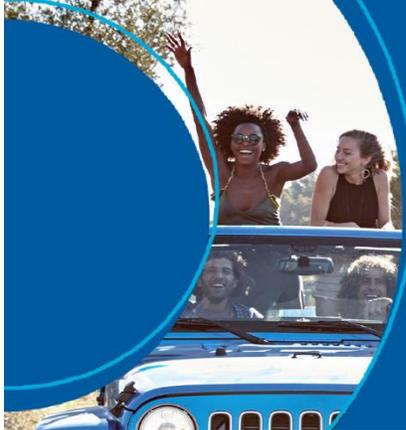
Other countries:
+1 412 717-9627

Access Code: **Unidas**
Webcast: ri.unidas.com.br

 Estimated reading time:
20 minutes

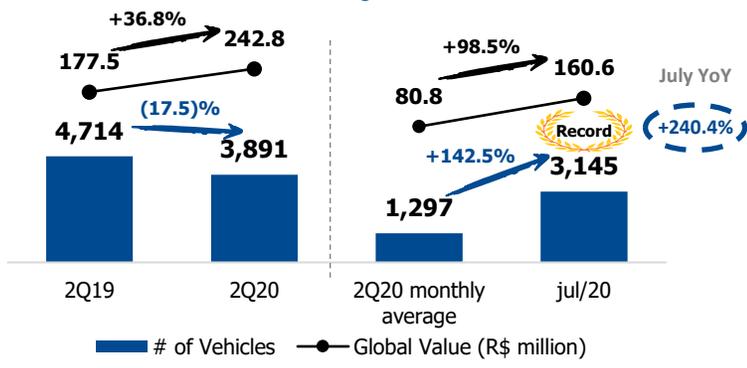
 **unidas**

2Q20 Results

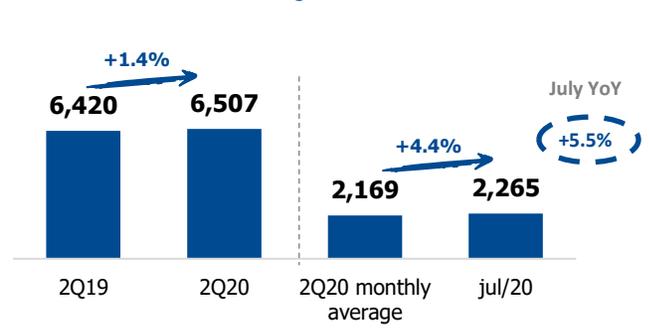


OPERATING HIGHLIGHTS

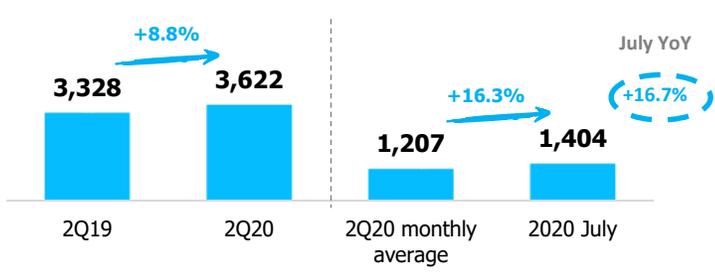
Revenue Generation (R\$) and Hired Vehicles
Fleet Management



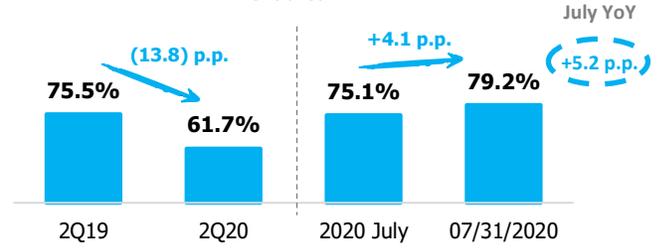
Number of Daily Rentals (Thousand)
Fleet Management



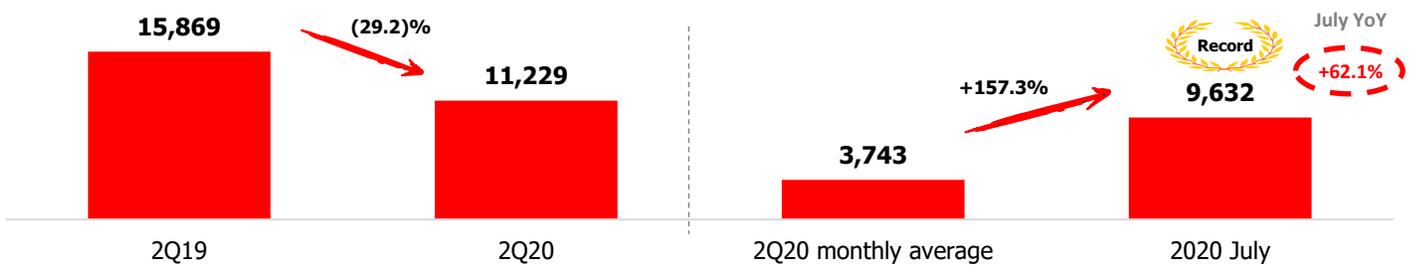
Number of Daily Rentals (Thousand)
Rent a Car



Average Occupancy Rate (%)
Rent a Car



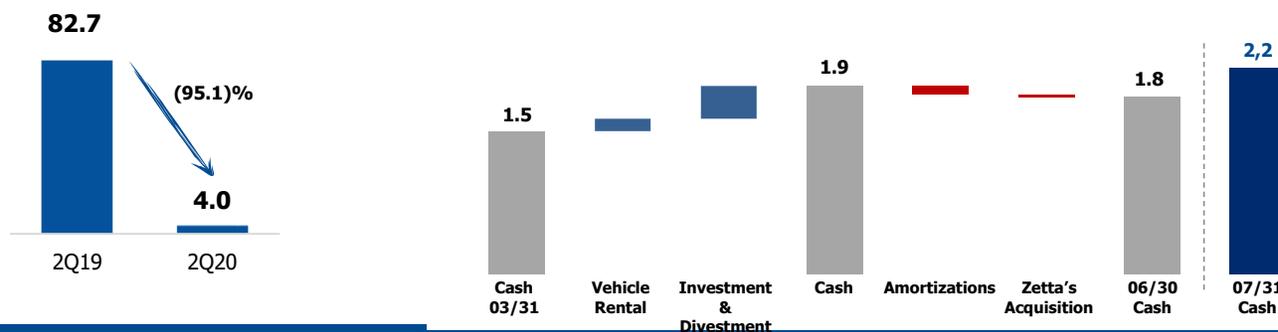
Changes in Pre-owned Car Sales



FINANCIAL HIGHLIGHTS

Recurring Net Income
(R\$ Million)

Cash Generation
(R\$ Billion)



MESSAGE FROM MANAGEMENT

Welcome to the results for the second quarter of 2020.

This quarter was marked by the challenges that the negative impacts of COVID-19 brought us. Rather than approaching this crisis with apprehension, we look at it as a unique opportunity to strengthen our position for the future and undoubted return of demand for car rental and the sale of pre-owned cars. We are two months into our 'future' and already, in June, we note some operational indicators equal to the pre-covid periods, allowing to set some new records already in July, as we will detail below.

Starting with the division that suffered the least impact, in **Fleet Management** (responsible for about 65% of the Company's EBITDA under normal conditions), a segment in which we are the absolute leader in Brazil in terms of revenue and fleet size, we implemented a good part of the vehicles that were in *backlog* in the first quarter and we saw a rapid recovery in demand. This allowed us to increase division sales by 6% in relation to the first quarter, remembering that the acquisition of Zetta Frotas, completed on June 12, contributed only 18 days of sales in this quarter. There will be much more to come.

As demand, after April and May cooled down, in June we again saw high demand from customers and future customers in the fleet outsourcing market, making it possible in July to reach the record volume of vehicles contracted in just one month in over 35 years of Unidas history: 3,145 vehicles, 240.4% higher than July 2019. However, the division was not completely immune to this period, but effects were mitigated as Unidas discounts granted to customers of some R\$ 4.5 million saw returns of approximately 1,500 vehicles and increase in the provision for delinquency, which together we estimate had an impact of only 2 to 3% of EBITDA margin in the quarter.

In **Car Rental**, we saw the demand for daily rentals, both leisure and corporate, drop significantly, changing the *mix* rental significantly, and consequently, bringing the average tariff closer to the daily values of monthly rentals, which intrinsically has lower daily rates, around R\$ 50. On the other hand, this was of great opportunity for these monthly products, mainly for individuals, which presented double-digit growth monthly from March. This achievement, although encouraged by more people seeking to replace public transport with an individual and, in times of pandemic, safer means of transportation, presented target consumers with an increasingly interesting option: the subscription car. We know that eventually some will return to using public transport, but we are convinced that a relevant part having benefits enjoyed the independent vehicle experience will remain with us, whether in the form of monthly RAC contracts, or migrating to ours annual vehicle plans 0km from Unidas Livre (allocated to Fleet Management). We are proud to be the first car rental company to offer this type of product in Brazil.

Although the months of March, April and May were challenging in terms of rental demand, they also showed a gradual recovery, allowing us to move from an occupancy rate from 55.9% in April to 75.3% in July; by month-end this occupation was already 79.2%. In this case, the "future" recovery took just three months to return to pre-COVID levels, much sooner than expected even by our more optimistic estimates. As a result of the rapid recovery, we were able to record an annual increase in the number of RAC daily rates. For the rest of the year, we will continue with the strategy of first increasing occupancy, which has already been done, and then recovering the average price and, finally, growing again in the segment consistent with our pre-COVID performance.

In **Pre-owned cars**, the recovery was even faster and stronger. After an April with the sale of 1,594 vehicles, June volume was 7,188 vehicles sold in just one month. This volume, alone, already represented more than 100% of the monthly pre-COVID-19 target. Better than June, was July. We set a new sales record in the Company's history by selling 9,481 vehicles in just one month, 153.3% above the 2Q20 average and 59.5% higher than July 2019. This result, although surprising, proves the *expertise* of the Management, which has always believed that the right time to sell cars would appear imminently, not requiring the use of price discounts during the most critical period of the pandemic. With this strong performance in July, we are already operating with a positive EBITDA margin in the segment.

To support this quick and certain recovery, the Management also outlined in February its pandemic strategy. Among the various decisions, we highlight those essential to meeting maximum demands for rental and Pre-owned cars detailed above: looking holding onto our stores, looking holding onto our people and, above all, taking advantage of the moment of low demand to make the most of maintenance and overhaul of our fleet, including anticipating the scheduling of months following 2Q20 in order to have the maximum number of vehicles available for rental and sale. Management believes this to be the best economic rationale is to hold onto our stores and people, as we were convinced that the business will recover in the very short term, and *downsizing* of structures and people would compensate

in such a short time, but cause a considerable operational risk by missing the timing of the return of demand and the time necessary to reinstate the closed stores and re-hire and train employees.

Along with this positioning, Unidas continued to focus on people, conscious of the enormous goodwill emanating from preserving employment . In addition to focusing on our people, Unidas continued to maintain its commitment to return part of its earnings to society through donations, which in this quarter focused on the prevention the contagion of COVID-19.

MESSAGE FROM MANAGEMENT

Evidently, margins were under pressure in this quarter, especially in Car Rental, but consistent with expectations in the current environment. More importantly, we are ready for a second semester that has already set new records in July and we continue with our long-term principles intact.

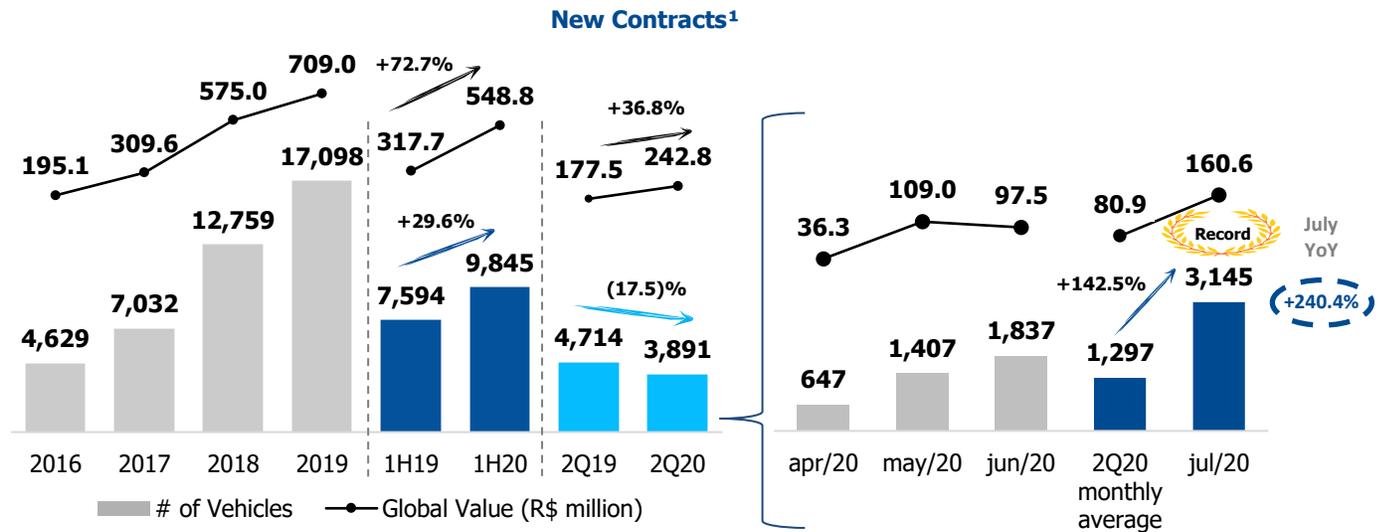
In terms of liquidity, we continue strong. Our cash balance went from R\$ 1.5 billion on March 31 to R\$ 1.8 billion on June 30 and ended July with a balance of R\$ 2.1 billion, as a result of our high exposure to Fleet Management, the Company's rapid response in the flow of vehicle purchases and the impressive demand for Pre-owned cars. Finally, this proven liquidity and business resilience allowed us to keep our AAA rating.

I would like to thank our 3,435 employees who have strived to keep Unidas fully operational in these difficult times. We count on each to capture all the innumerable opportunities that have opened up and we continue confident that our future prospects will exceed expectations. Thank you very much and, more than ever, "let's do it together!"

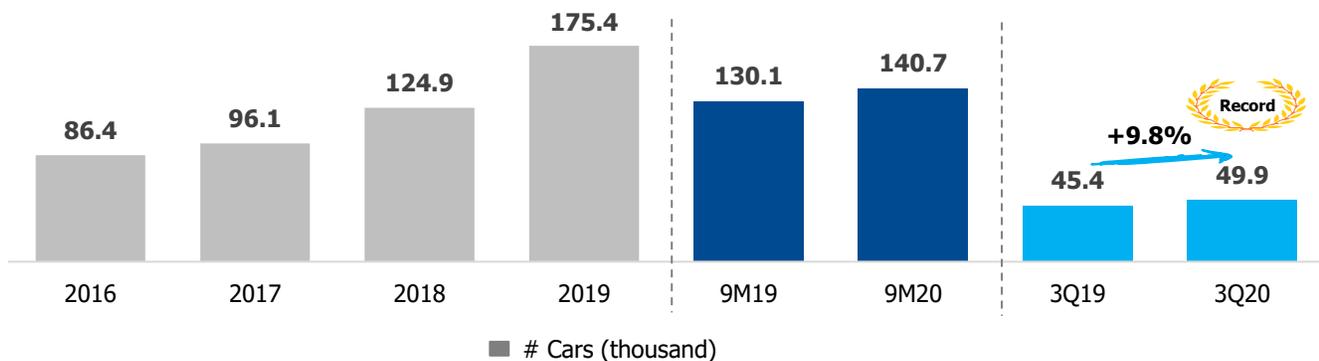
Luis Fernando Porto
CEO

Commercial Activity

- The global value of the new rental contracts signed in 2Q20 grew by an impressive 36.8% in 12 months, due to the higher value per car hired and the longer average contract terms. This performance was achieved despite the detrimental effects of COVID-19 on business in general, especially in the months of April and May. Since then, we have seen a gradual business recovery, reaching a total of 3,145 new vehicles contracted in July alone, 240.4% higher than July 2019 and 142.5% above the monthly average of 2Q20, the division's absolute record for a single month.
- Another important indicator to analyze the return of business is the commercial pipeline, which for the 3Q20 reached a record of 49.9 thousand vehicles.



Commercial Pipeline

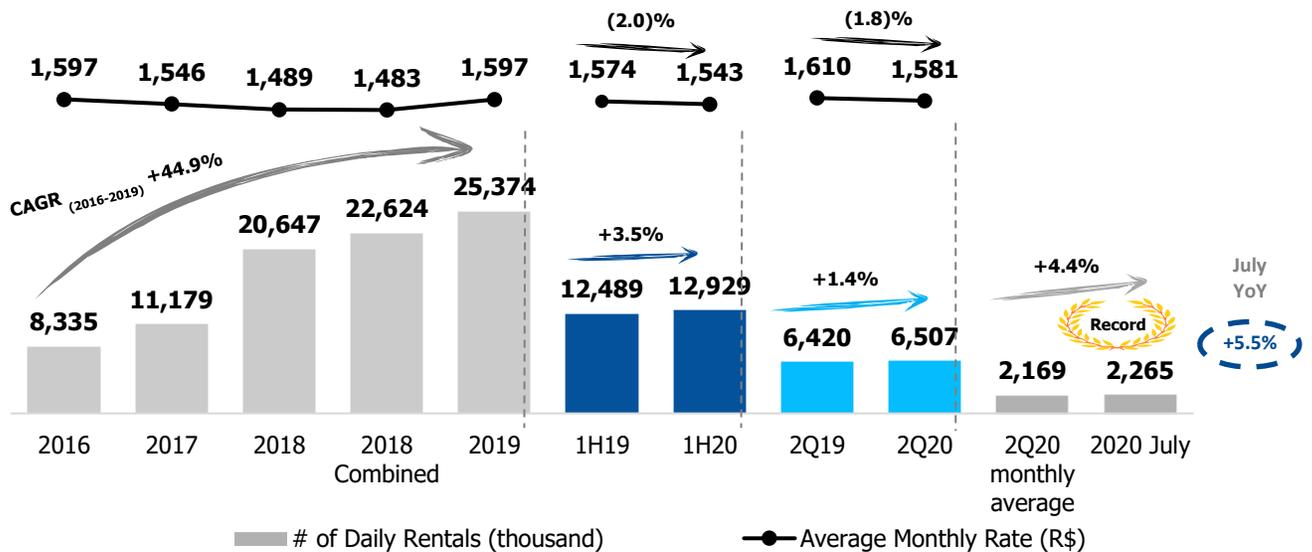


(1) For New Contracts, contract renewals are not being considered.

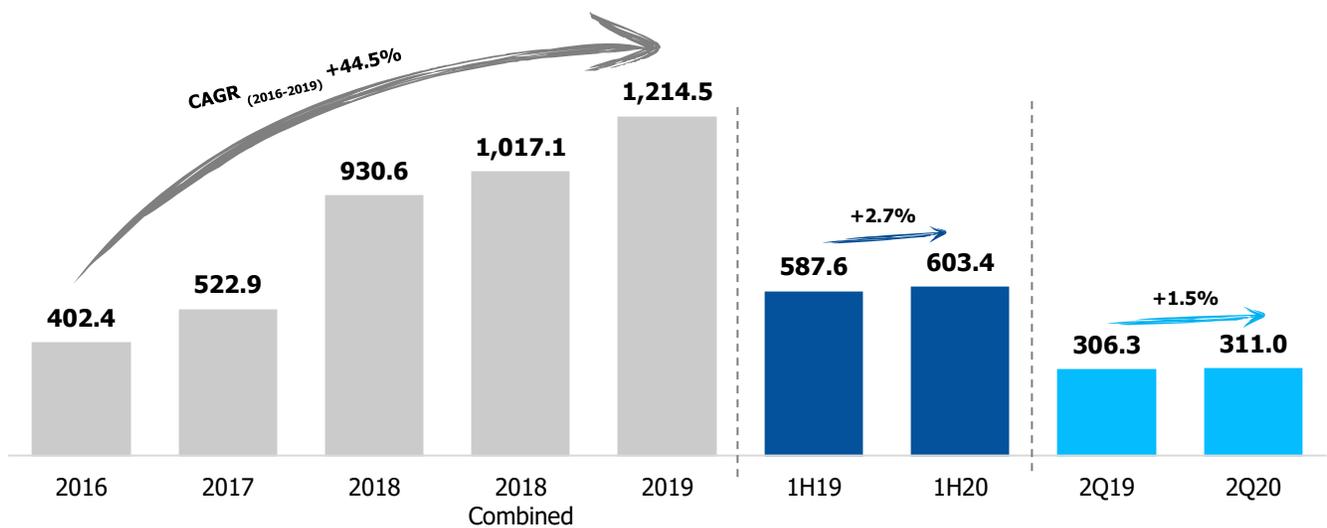
Performance in the Period

- The number of daily rates increased despite the impacts that COVID-19 had on the implementation of new contracts in the quarter. With the gradual recovery in July we reached a record level of 2.3 million daily rates in a single month, representing an annual growth of 5.4% and 4.2% in relation to the 2Q20 monthly average.
- The average monthly tariff showed a slight reduction favoring customer commercial activities during COVID-19, which resulted in discounts granted of R\$ 4.5 million in gross revenue in 2Q20. Disregarding this effect, the average monthly tariff remained practically stable, even with the continuous fall in the basic interest rate.
- In addition to the discounts, approximately 1,500 vehicles were returned during the pandemic in 2Q20.

Number of Daily Rentals (Thousand) and Average Monthly Rate (R\$)

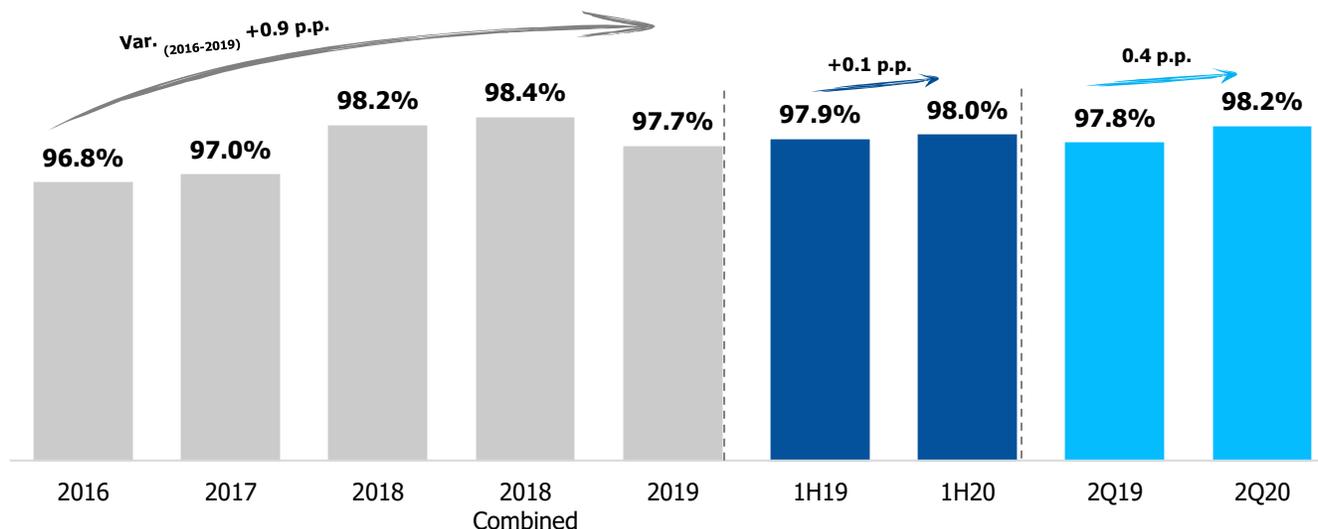


Net Revenue from Fleet Management (R\$ Million)



I – FLEET MANAGEMENT

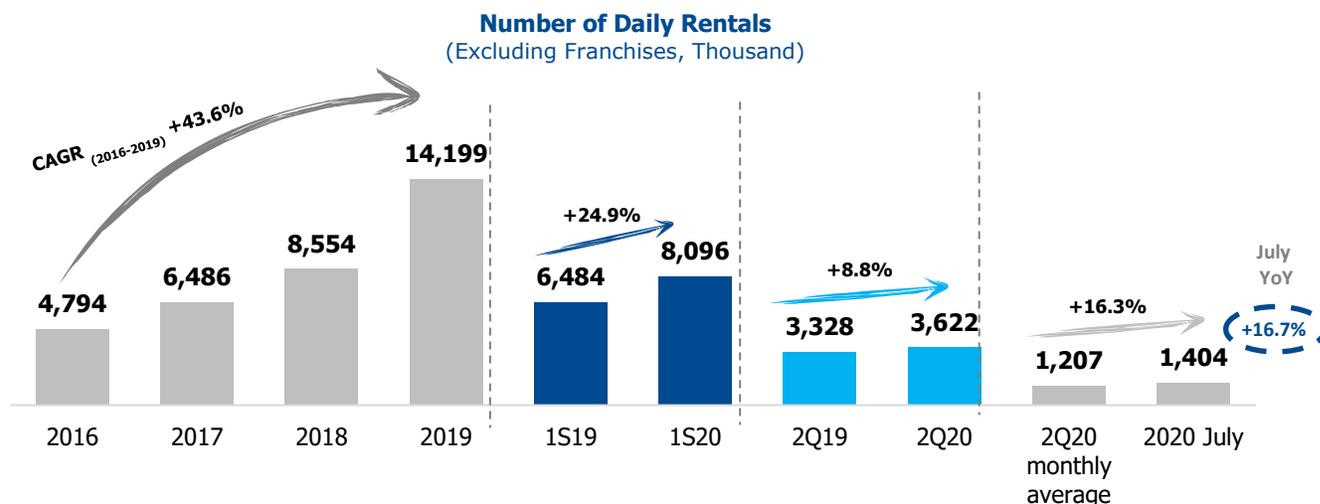
Average Occupancy Rate



II – RENT A CAR

Performance in the Period

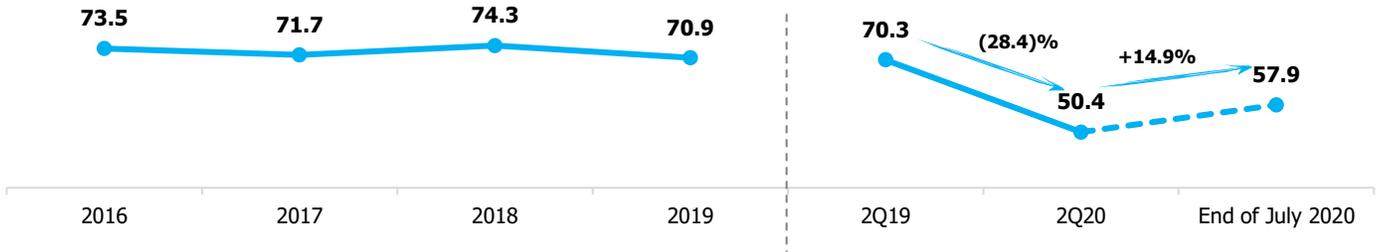
- The volume of Car Rental daily rentals (excluding franchises) expanded in 12 months despite the effects of COVID-19 on rental demand in 2Q20. Throughout the quarter, this demand partially recovered in relation to pre-COVID-19 volumes, making the total of daily rentals in July 2020 to be 14.4% higher than in July 2019.



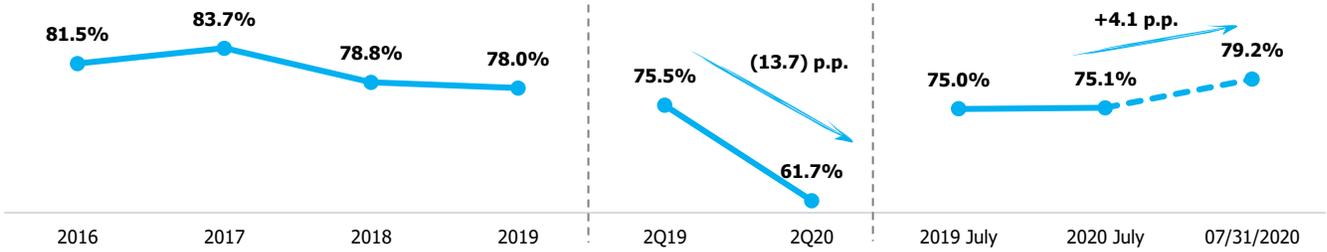
- The lower average rate is due to the high exposure to long-term contracts that 2Q20 had, since COVID-19 impacted the demand for daily rentals, with the highest rates. In the last week of July, the average rate was R\$ 57.9.
- The occupancy rate in 2Q20 presented its lowest level in April (55.9%) and has since recovered, reaching 75.1% in July, 0.1 p.p. higher than July 2019, and 79.2 % on 7/31/2020.
- As anticipated in the Message from Management, the Company planned the growth recovery of RAC in three phases:
 - 1st phase:** increasing the occupation, which has already been successfully completed;
 - 2nd phase:** recover the average price, which is still in progress and will depend only on the *mix* of leases to recover exposure to term cost leases, as it was before the pandemic, since the daily rentals are already 100% reestablished;

3rd phase: grow further to reach the growth rates initially planned for this year.

Average Daily Price (R\$)

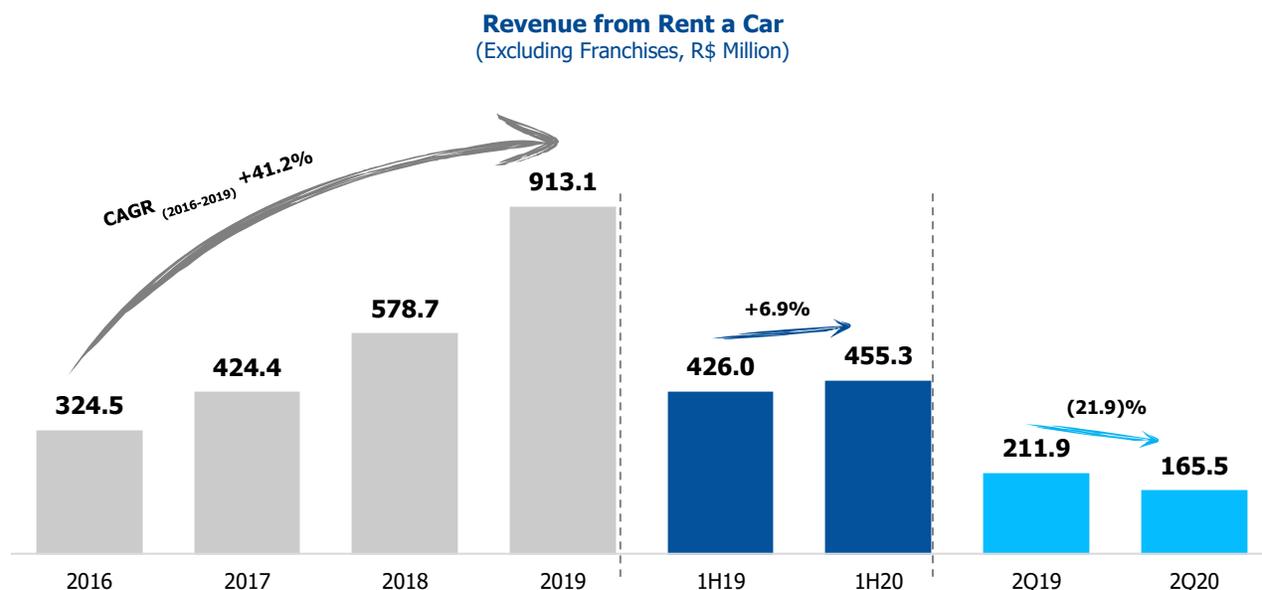


Occupancy Rate



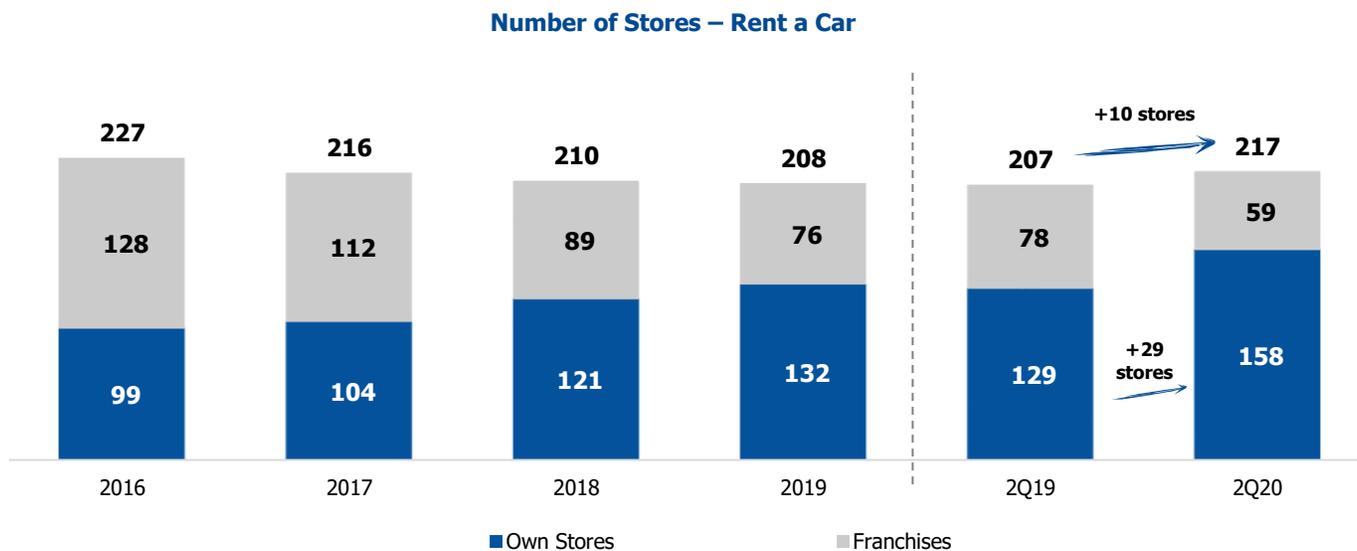
II – RENT A CAR

- Since the Company was successful in presenting annual growth in rental volume, the performance of Net Revenue in the Car Rental segment (without franchises) was only partially impacted by the reduction in the average tariff.



Customer Service Network

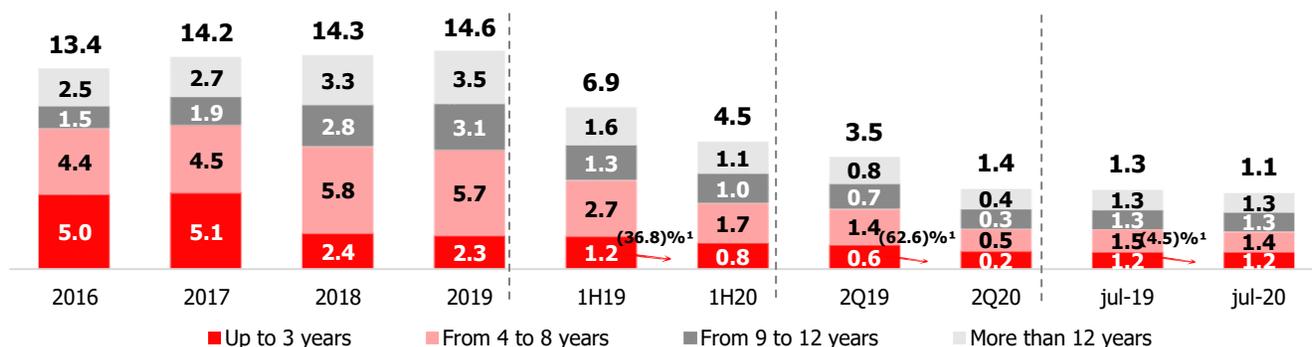
- The number of own stores grew 29 stores in 12 months, of which 7 stores were added only in 2Q20, in line with the expansion plan for the RAC stores and which were already in the process of opening before COVID-19.



Sectorial Scenario

- Although the sale of pre-owned vehicles of up to 3 years in 2Q20 fell by more than 60% in 12 months, there was a gradual recovery over the quarter, reducing this drop to just 4.5% in July.

**Pre-owned cars
Sales by age in Brazil**
(Millions of units)

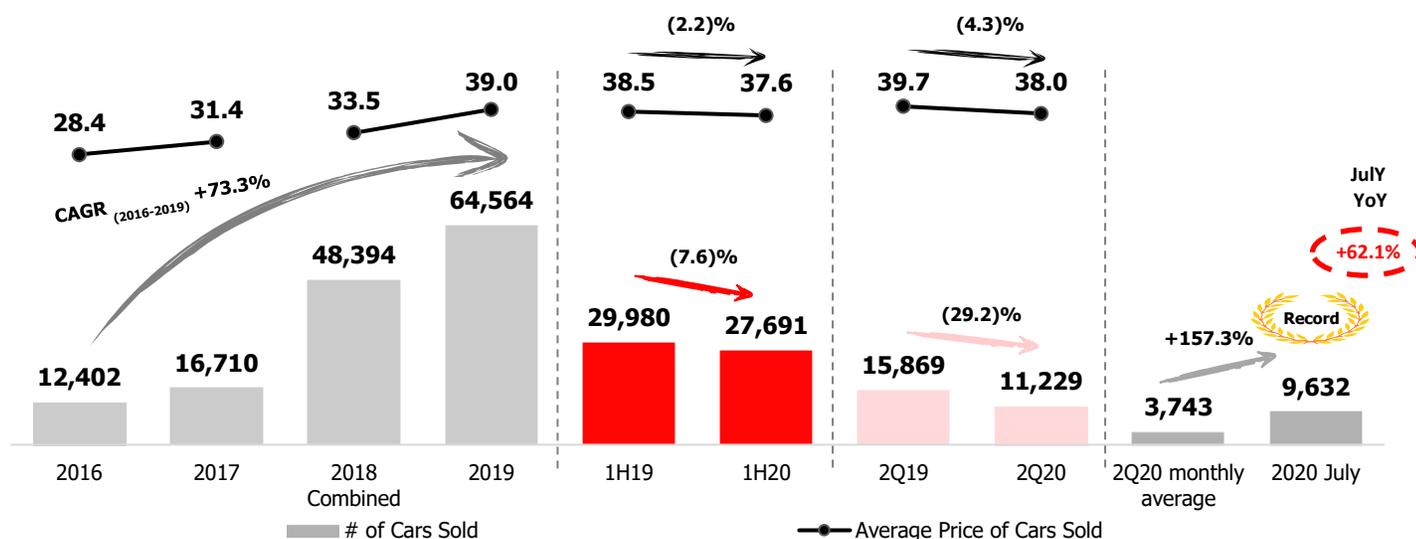


Source: FENAUTO. Considers the sale of Vehicles, Light and Heavy Commercials, Motorcycles and Others

Performance in the Period

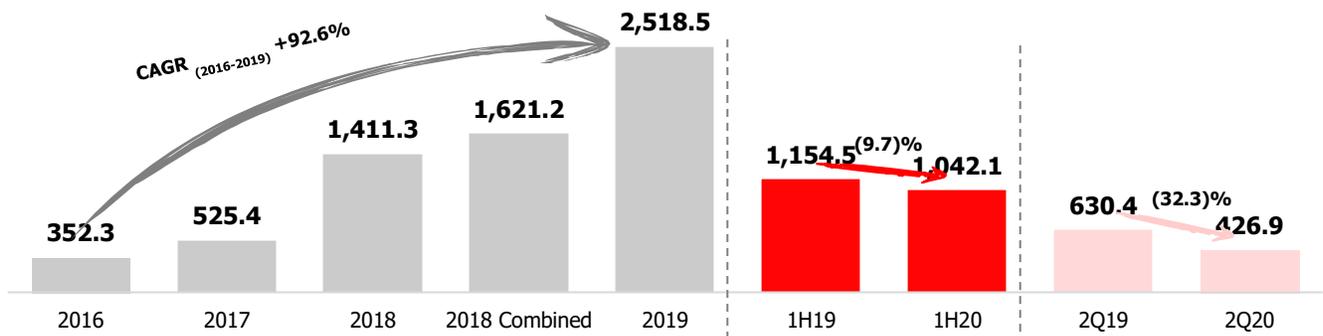
- The Company was successful with the *online* and *delivery* vehicle sales initiatives, continuing sales during the quarantine period in some cities. As demand in the Pre-owned car sector increased and with the gradual reopening of stores, sales volume grew significantly over the quarter and reached a record level of 9,632 vehicles sold in July alone.
- The average sales price fell by 4.3% in relation to 2Q19, exclusively due to the lower exposure to sales in the retail channel in the months of April and May. The Company, confident in the demand recovery for Pre-owned cars in the short term, did not offer discounts on the sale of Pre-owned cars in the quarter.
- As a result of the strong sales volume in July and the correct decision not to grant discounts on vehicle prices, the Pre-owned car segment in July was already operating with a positive EBITDA margin.

Number of Cars Sold and Average Selling Price (R\$ Thousand/Car)



III – PRE-OWNED CARS

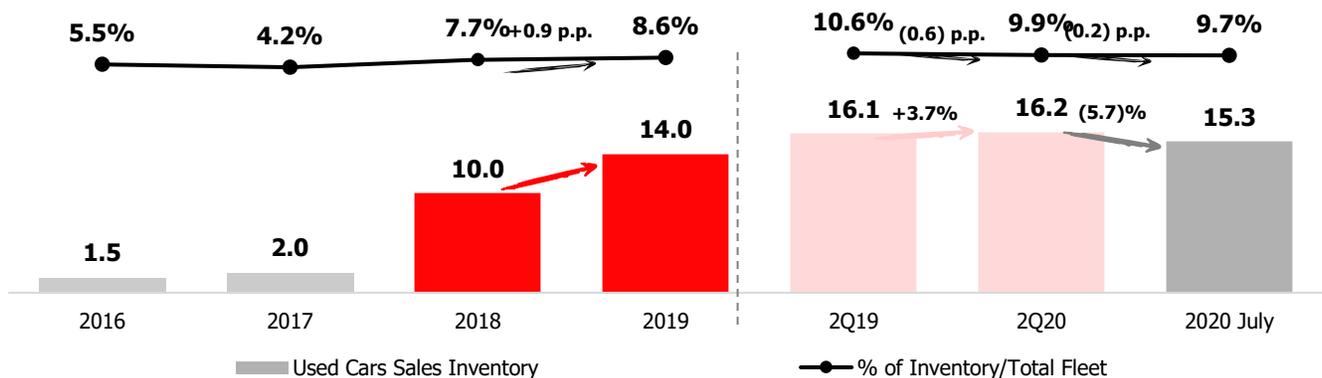
Revenue from Pre-owned Cars Sales (R\$ Million)



Pre-owned Car Sales Results (R\$ million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1H20 vs 1H19
(+) Pre-owned Cars Sales Net Revenue	425.6	629.6	(32.4)%	1,040.3	1,153.0	(9.8)%
(-) Cost of Cars Sold	(387.3)	(584.1)	(33.7)%	(968.8)	(1,065.9)	(9.1)%
= Pre-owned Cars Sales Results	38.3	45.5	(15.9)%	71.6	87.2	(17.9)%
% Pre-owned cars Sales Gross Margin	9.0%	7.2%	1.7 p.p.	6.9%	7.6%	(0.7) p.p.

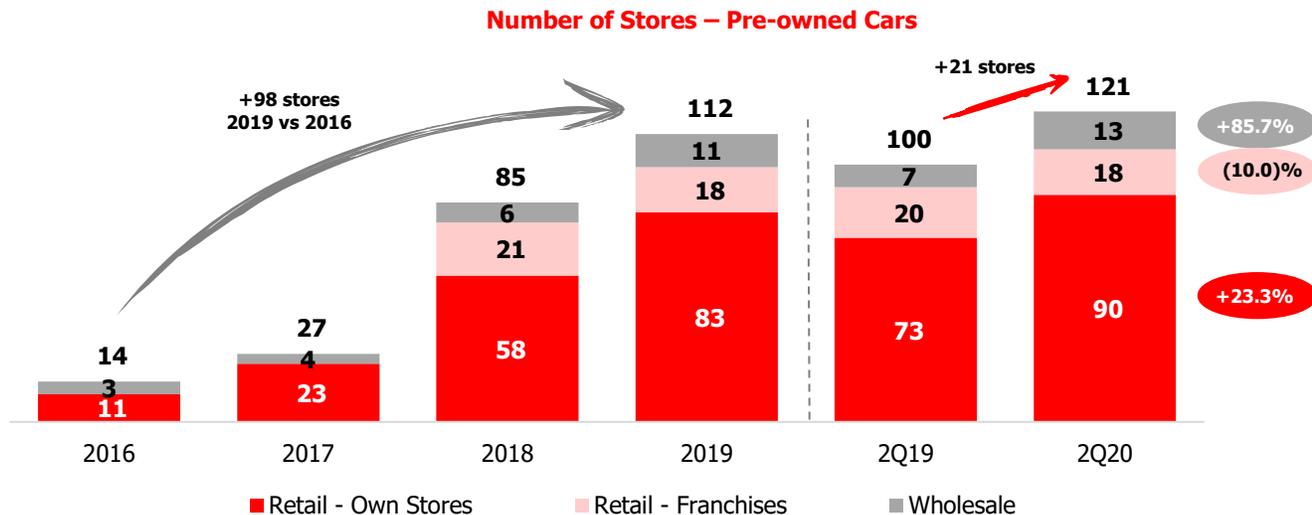
- As already anticipated in the Management's Message, the Company booked an impairment provision of R\$ 24.5 million for the Pre-owned cars inventory in 2Q20 (6% of the value of the inventory as of March 31, 2020) in order to balance the effects the operational deleveraging generated by the lower sales volume in the quarter, and thus a positive EBITDA margin.
- The proportional weight of the demobilization fleet in 2Q20 decreased due to the improvement in sales of Pre-owned cars throughout the quarter. With the record volume of Pre-owned vehicles sold in July, this dropped to 9.7%.

Demobilization Fleet – Consolidated (Vehicles – thousand)



Customer Service Network

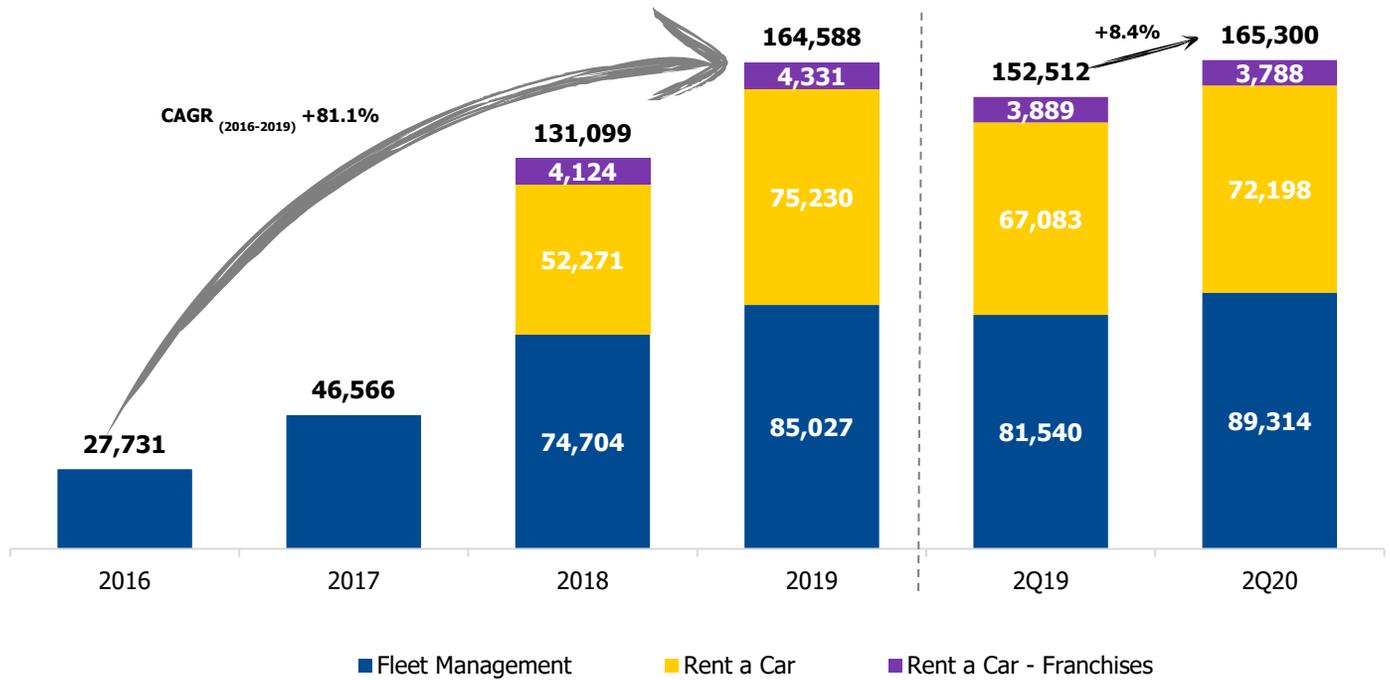
- In 12 months, there was an increase in our Pre-owned cars service network of 21 stores, being 17 own retail stores and 6 wholesale stores. During 2Q20, the Company continued with its strategy of maintaining its existing stores and concluding the processes of opening new stores that were already in progress before COVID-19, which resulted in the opening of 6 own retail stores.



IV – FLEET

- The total fleet (end of the period) showed annual growth in both rental segments.

Opening of the Final Fleet – Consolidated

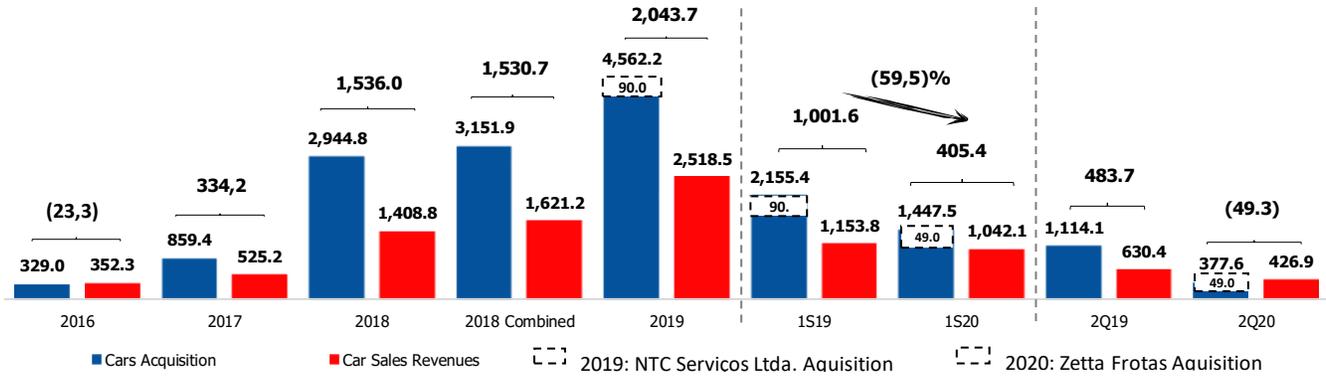


Investments in Fleet

- In 2Q20, vehicle purchases were made for the Fleet Management operation, as business volumes changed over the quarter and the Company had the financial ability to close these new businesses. Virtually no vehicle purchases were made for the Car Rental division.

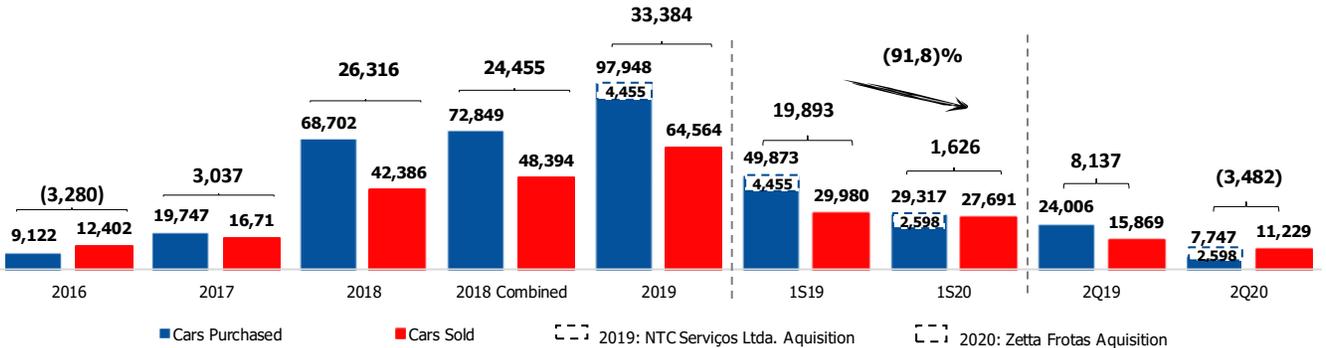
Net Fleet Investment

(R\$ Million)



Net Fleet Investment

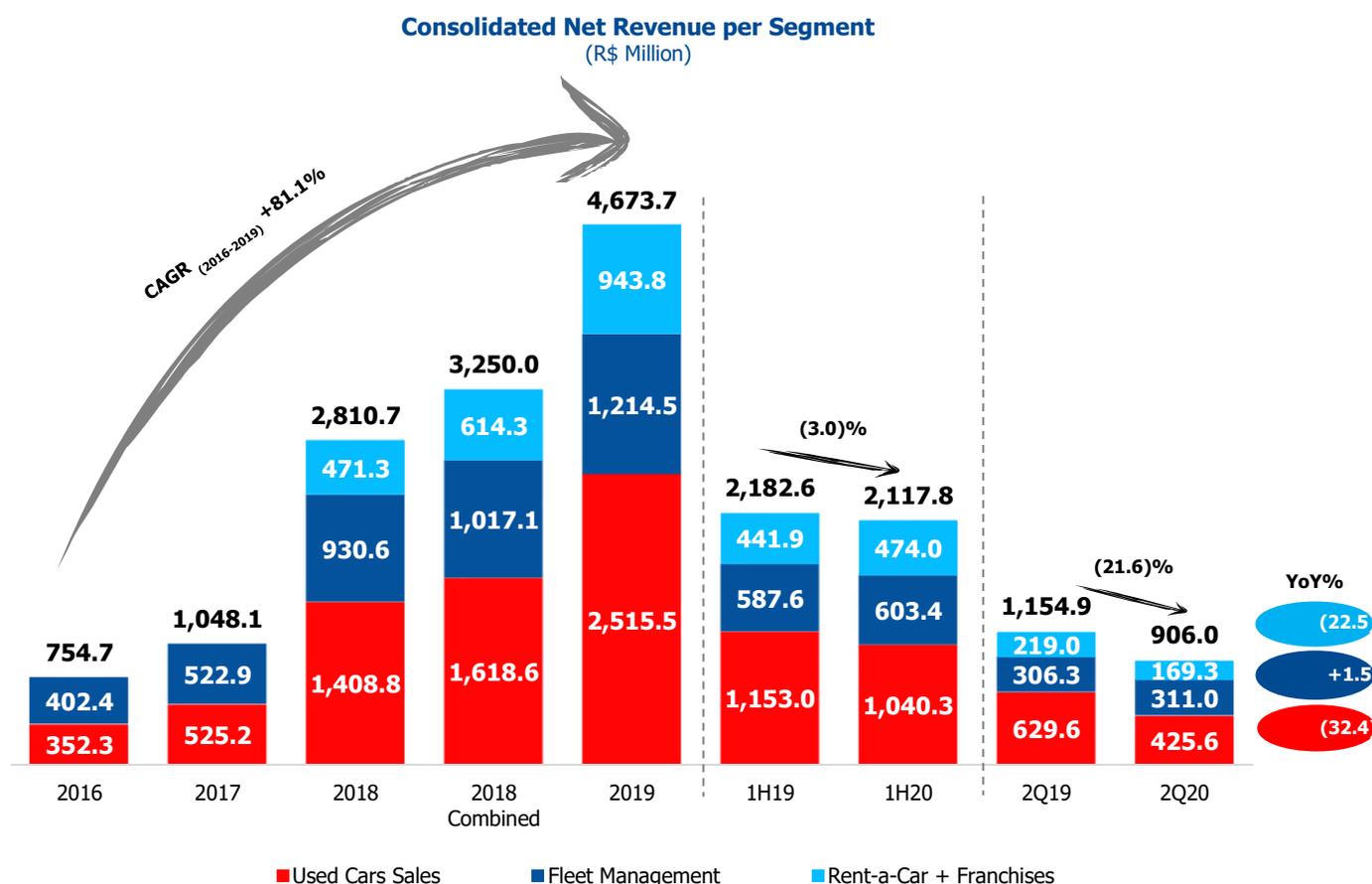
(# of Vehicles)



Consolidated Net Revenue

Revenue ¹ (R\$ million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1H20 vs 1H19
(+) Gross Rental Revenue	529.7	582.6	(9.1)%	1,184.4	1,136.5	4.2%
(+) Gross Pre-owned cars Sales	426.9	630.4	(32.3)%	1,042.1	1,154.5	(9.7)%
(-) Taxes	(50.7)	(58.0)	(12.7)%	(108.7)	(108.3)	0.4%
= Total Net Revenue	906.0	1,154.9	(21.6)%	2,117.8	2,182.6	(3.0)%
Net Rental Revenue	480.3	525.3	(8.6)%	1,077.4	1,029.6	4.6%
Net Pre-owned cars Revenue	425.6	629.6	(32.4)%	1,040.3	1,153.0	(9.8)%

- The Company's consolidated net revenue in 2Q20 decreased due to the impacts of COVID-19 in all segments, mainly in the sale of Pre-owned cars and Car Rental.

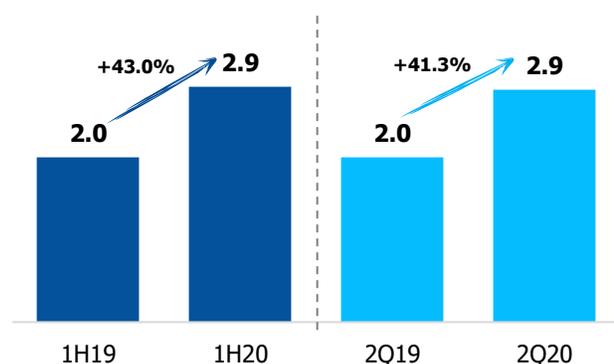


Operating Costs

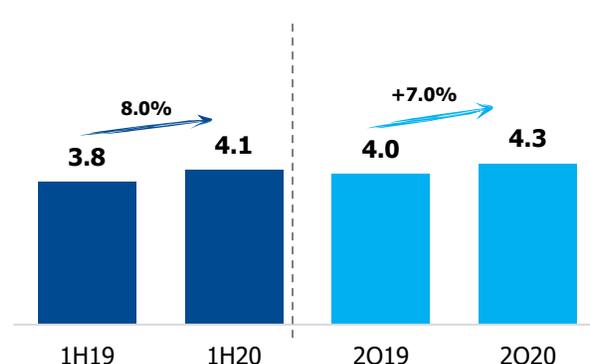
Operating Costs ¹ (R\$ million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1H20 vs 1H19
(-) Maintenance Cost and Others	(178.0)	(161.8)	10.0%	(363.9)	(311.5)	16.8%
(-) Personnel Costs	(27.2)	(18.3)	48.9%	(53.0)	(46.9)	13.0%
(+) PIS/COFINS Credits Recovery	37.0	42.8	(13.5)%	78.2	81.4	(3.9)%
(-) Recurring Other Operational Costs	(16.2)	(9.1)	78.8%	(33.3)	(25.0)	33.2%
= Cash Cost from Rental Activities	(184.4)	(146.3)	26.0%	(371.9)	(301.9)	23.2%
(-) Depreciation of Vehicles and Other Assets	(130.4)	(110.3)	18.2%	(257.6)	(195.0)	32.1%
= Total Cost from Rental Activities	(314.7)	(256.6)	22.7%	(629.5)	(496.9)	26.7%
Cash Cost as a % of Net Rental Revenues	38.4%	27.9%	10.5 p.p.	34.5%	29.3%	5.2 p.p.
Depreciation Cost as a % of Net Rental Revenues	27.1%	21.0%	6.1 p.p.	23.9%	18.9%	5.0 p.p.
Total Cost as a % of Net Rental Revenues	65.5%	48.9%	16.7 p.p.	58.4%	48.3%	10.2 p.p.
(+) Extraordinary Items	(24.5)	-	-	(24.5)	-	-
= Total Operating Costs	(339.3)	(256.6)	32.2%	(654.0)	(496.9)	31.6%

- The increase in costs reflect Management's focus to strengthen and prepare for the recovery of its car rental and sale business in the very short term, as evidenced by the June and July volumes, which resulted in the following initiatives:
 - concentrate maintenance work on its vehicles in 2Q20, including anticipating them, to take advantage of the moment of low demand for rental and sale of Pre-owned cars in April and May;
 - natural aging of the fleet with the postponement of demobilization during the pandemic; and
 - not reducing the number of stores on the rationale that severance, rehiring, training, closing and reopening costs of stores would not bring savings in such a short period of time.
- The greater proportion of the depreciation costs of vehicles and other assets in relation to revenue is due to (i) Management's decision to maintain the depreciation of Car Rental and Fleet Management vehicles at conservative levels and (iii) the opening of new RAC stores. Management already has a clear view on the increase in demand for Pre-owned cars and new vehicle price trends for 2020; both scenarios are an opportunity to reduce depreciation as of 3Q20.

**Depreciation per Operating Vehicle
Rent a Car + Franchises**
(R\$ thousand / Car)



**Depreciation per Operating Vehicle
Fleet Management**
(R\$ thousand / Car)



The depreciation of vehicles is calculated by the difference between the purchase price of the car and the Company's estimate for its sale price at the end of the rental periods, after deducting the provision for expenses of sales.

V – FINANCIAL RESULTS

Operating Expenses (SG&A)

SG&A Expenses ¹ (R\$ million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1H20 vs 1H19
(-) Selling Expenses	(76.1)	(75.0)	27.9%	(163.4)	(136.7)	33.9%
(-) General and Administrative Expenses	(49.5)	(35.4)	(16.3)%	(91.8)	(71.8)	0.3%
(-) Other Operating Expenses (Revenues)	(0.0)	2.4	-	(0.1)	0.2	-
= Total Operating Expenses (ex-depreciation)	(125.6)	(108.1)	16.3%	(255.3)	(208.4)	22.5%
(-) Depreciation and Amortization of Other Assets	(17.4)	(10.6)	64.5%	(32.6)	(29.5)	10.7%
= Total Operating Expenses	(143.1)	(118.7)	20.6%	(287.9)	(237.8)	21.0%
Operating expenses (ex-depreciation) as % of Net Revenue	13.9%	9.4%	4.5 p.p.	12.1%	9.5%	2.5 p.p.
Operating expenses as % of Net Revenue	15.8%	10.3%	5.5 p.p.	13.6%	10.9%	2.7 p.p.

- The increase in the proportion of operating expenses ex-depreciation in relation to net revenue is due to:
 - (i) provisioning adjusted to the current economic reality and which, due to the nature of non-cash expenses, may be reversed over the next quarters;
 - (ii) the growth of IT structures, back-office and Pre-owned cars in the last 12 months, which were maintained during the quarter with a view to business recovery in the short term;
 - (iii) effects of operational deleveraging with COVID-19; and
 - (iv) non-recurring expenses with COVID-19 prevention initiatives, with donations, among others, which together represented a total of R\$ 4.6 million in the quarter.
- The higher depreciation and amortization expenses are mainly explained by the increase in the Pre-owned car stores.

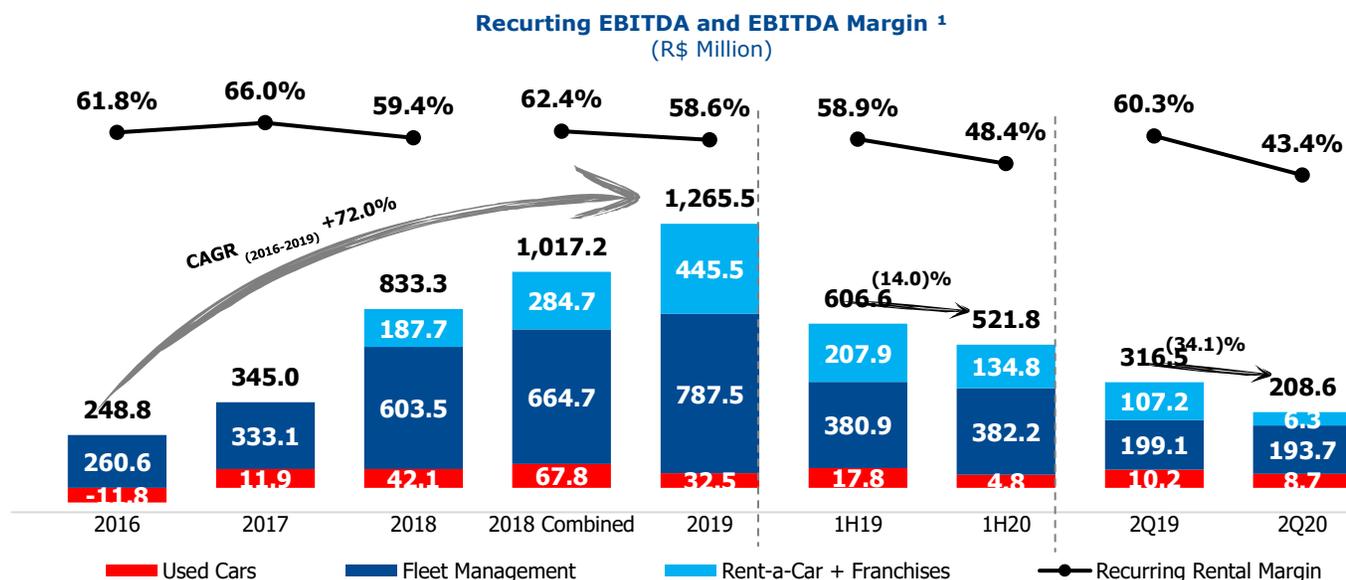
Operating Result

EBITDA and EBIT (R\$ million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1H20 vs 1H19
(+) Accounting Net Income	(14.5)	81.9	-	65.1	155.7	(58.2)%
(-/+) Equity Method	2.4	(1.2)	-	4.9	(2.4)	-
(+) Income Taxes	(23.1)	21.6	-	(4.6)	38.1	-
(+) Recurring Financial Result	71.5	90.3	(20.8)%	141.7	174.5	(18.8)%
(+) Extraordinary Financial Items	24.5	3.1	702.1%	24.5	16.2	51.9%
(+) Depreciation	147.8	120.9	22.3%	290.2	224.5	29.2%
= EBITDA	208.6	316.5	(34.1)%	521.8	606.5	(14.0)%
EBITDA Margin ¹	43.4%	60.3%	(16.8) p.p.	48.4%	58.9%	(10.5) p.p.
= EBIT	60.8	195.7	(68.9)%	231.6	382.0	(39.4)%
EBIT Margin ¹	12.7%	37.2%	(24.6) p.p.	21.5%	37.1%	(15.6) p.p.

(1) Margins calculated over Net Rental Revenue.

EBITDA

- Consolidated recurring EBITDA in 2Q20 decreased due to the impacts of COVID-19, mainly in the Car Rental segment, in addition to non-recurring expenses, as already mentioned.



To simplify investor analysis and demonstrate a direct comparison of EBITDA margins, the table below presents the comparison by segment.

Recurring EBITDA	2016	2017	2018	2018 Combined	2019	Var.	1H19	1H20	Var.	2Q19	2Q20	Var.
Fleet Management ¹	64.8%	63.7%	64.8%	65.4%	64.8%	(0.5) p.p.	64.8%	63.3%	(1.5) p.p.	65.0%	62.3%	(2.7) p.p.
Rent-a-Car + Franchises ¹	-	-	39.8%	46.3%	47.2%	0.8 p.p.	47.0%	28.4%	(18.6) p.p.	49.0%	3.7%	(45.3) p.p.
Rental ¹	64.8%	63.7%	56.4%	58.2%	57.1%	(1.1) p.p.	57.2%	48.0%	(9.2) p.p.	58.3%	41.6%	(16.7) p.p.
Used Cars Sales ²	(3.3)%	2.3%	3.0%	4.2%	1.3%	(2.9) p.p.	1.5%	0.5%	(1.0) p.p.	1.6%	2.0%	0.4 p.p.
= Consolidated EBITDA¹	61.8%	66.0%	59.4%	62.4%	58.6%	(3.7) p.p.	58.9%	48.4%	(10.5) p.p.	60.3%	43.4%	(16.9) p.p.

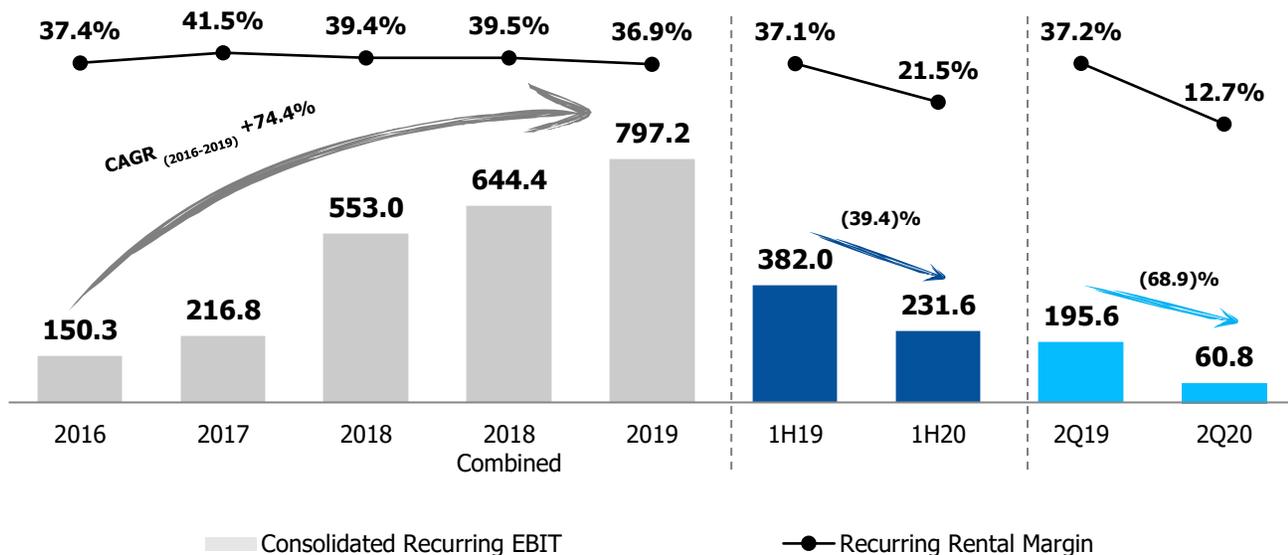
- The Fleet Management EBITDA margin decreased due to the R\$ 4.5 million in discounts granted to customers, the return of around 1,500 vehicles and the increase in the provision for delinquency, as impact of COVID-19, and by the reduction of basic interest rate.
- In Car Rental, the margin was impacted by the reduction of short-term leases, which impacted the *average ticket* and the occupancy rate, by the increase in provision of default, by the Company's decision not to make strategic cost cuts for the medium and long-term and non-recurring expenses.
- In Pre-owned cars, the improvement in the EBITDA margin is explained by the adjustment of impairment already mentioned. The EBITDA margin of Pre-owned cars in July is already positive due to the volume of sales and the correct decision not to grant discounts on vehicle prices.

(1) Margins calculated over Net Rental Revenue
 (2) Margins calculated over Net Used Car Sales Revenue.

EBIT

- Consolidated EBIT and its margin decreased, mainly due to EBITDA decrease and the increase in depreciation.

Recurring Consolidated EBIT and EBIT Margin ¹
(R\$ Million)



Recurring EBIT	2016	2017	2018	2018 Combined	2019	Var.	1H19	1H20	Var.	2Q19	2Q20	Var.
Fleet Management ¹	37.4%	41.5%	43.9%	44.4%	41.8%	(2.7) p.p.	41.3%	36.6%	(4.7) p.p.	41.6%	34.9%	(6.7) p.p.
Rent-a-Car + Franchises ¹	-	-	30.7%	31.3%	30.7%	(0.6) p.p.	31.5%	2.2%	(29.3) p.p.	31.2%	(28.2)%	(59.4) p.p.
= Consolidated EBIT ¹	37.4%	41.5%	39.4%	39.5%	36.9%	(2.5) p.p.	37.1%	21.5%	(15.6) p.p.	37.2%	12.7%	(24.5) p.p.

(1) Margens calculadas sobre a Receita de Locação.

V – FINANCIAL RESULTS

Net Financial Expenses

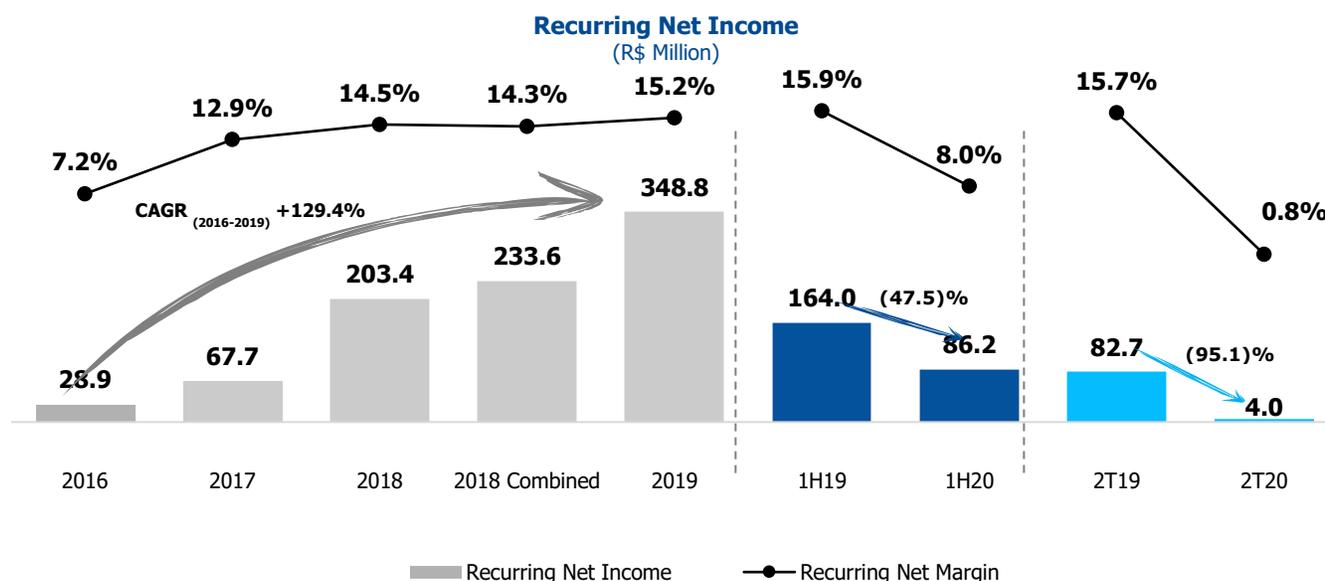
Net Financial Expenses (R\$ million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1H20 vs 1H19
(-) Financial Expenses	(80.1)	(111.0)	(27.8)%	(163.8)	(224.1)	(26.9)%
(+) Financial Income	8.6	17.7	(51.1)%	22.1	33.3	(33.6)%
= Financial Result	(71.5)	(93.3)	(23.4)%	(141.7)	(190.7)	(25.7)%
Financial Result as % of Net Revenues ¹	14.9%	17.8%	(2.9) p.p.	13.1%	18.5%	(5.4) p.p.
(+/-) Extraordinary Items	-	3.1	-	0.0	16.2	(100.0)%
= Recurring Financial Result	(71.5)	(90.3)	(20.8)%	(141.7)	(174.6)	(18.8)%
Recurring Financial Result as % of Net Revenues ¹	14.9%	17.2%	(2.3) p.p.	13.1%	17.0%	(3.8) p.p.

- The proportion of recurring net financial expense in relation to the net revenue was benefited by significant reductions in spreads and to the lower basic interest rate, resulting in an annual drop of 13.4%.

Net Income

Net Income (R\$ Million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1H20	1H19	Var. 1S20 vs 1S19
(+) Accounting Net Income	(14.5)	81.9	-	65.1	155.7	(58,2)%
(-/+) Equity Method	2.4	(1.2)	-	4.9	(2.4)	-
(+) Extraordinary Items, net of Taxes	16.2	2.0	710.0%	16.2	10.7	51,4%
= Recurring Net Income	4.0	82.7	(95.1)%	86.2	164.0	(47.5)%
Net Margin ¹	(3.0)%	15.6%	(18.6) p.p.	6,0%	15.1%	(9.1) p.p.
Recurring Net Margin ¹	0.8%	15.7%	(14.8) p.p.	8,0%	15.9%	(7.8) p.p.

- Net income and net margin in 2Q20 showed reductions due to the impacts of COVID-19 and increased depreciation, partially offset by the improvement in its debt cost.

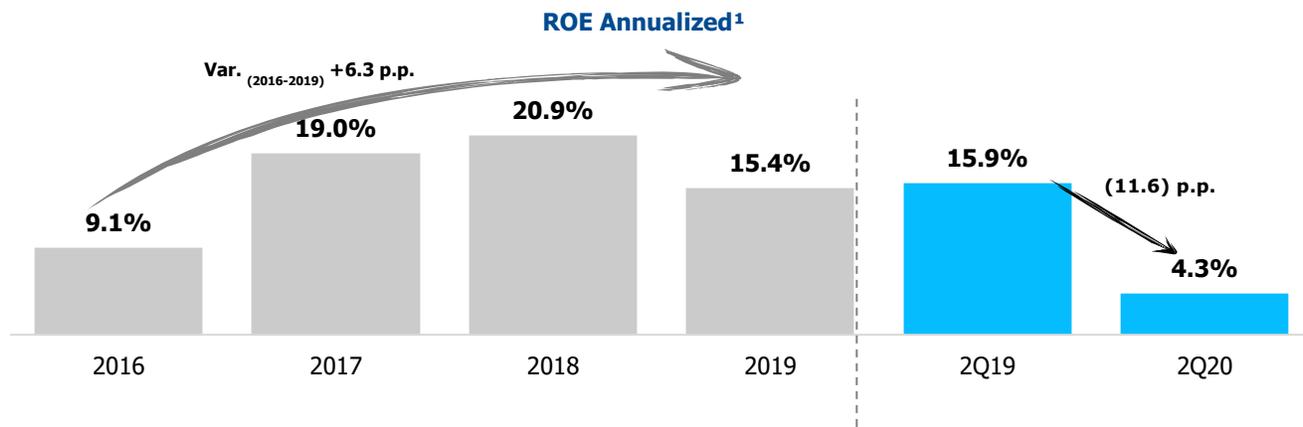


(1) Margins calculated over Net Rental Margin.

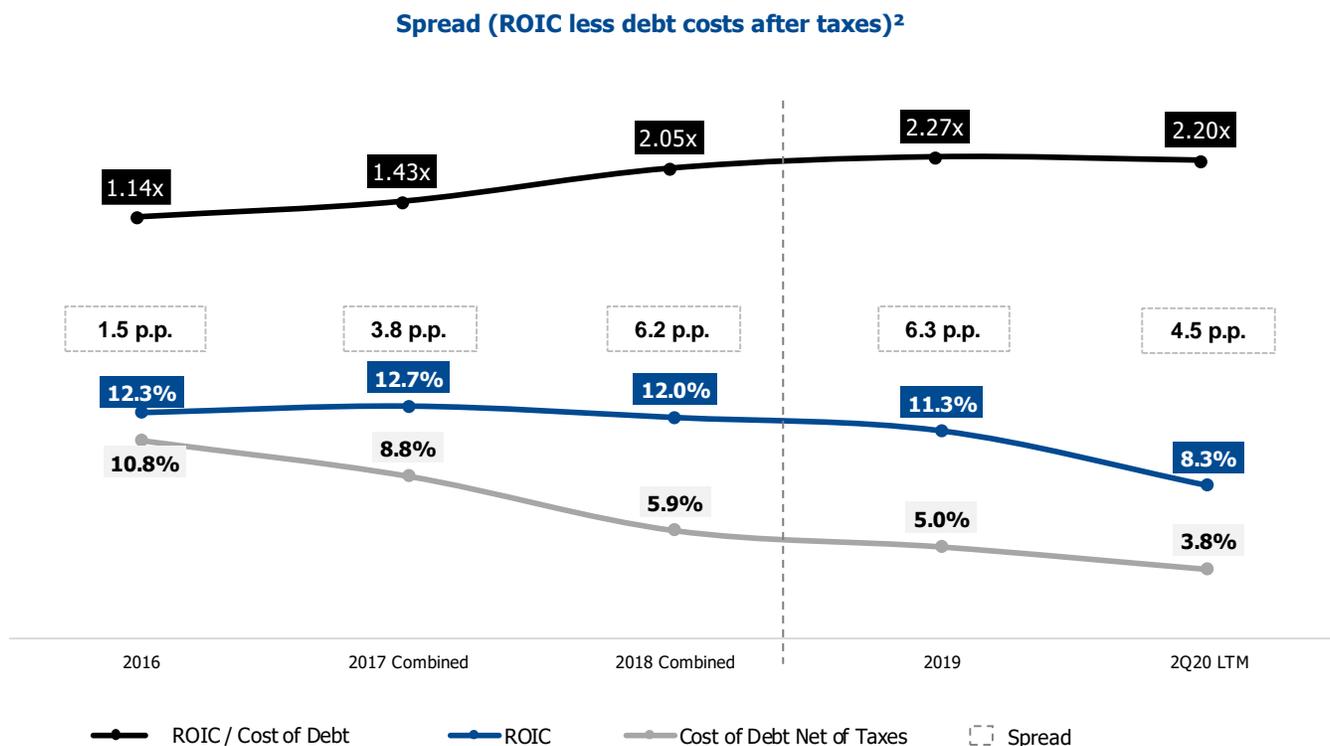
V – FINANCIAL RESULTS

Profitability Ratios

- The 2Q20 ROE was 4,3%, a reduction of 11,6 p.p. compared to 2Q19 annualized, due to the higher level of the Company's shareholders' equity with the conclusion of the *follow-on* of R\$ 1.2 billion in December 2019, and the lower net profit.



- The proportion of ROIC in relation to the cost of debt after income tax in 2Q20 LTM was 2.2 times, allowing the spread to remain positive at 4.5 p.p., even with all the effects of COVID-19.



(1) The **annualized ROE** is calculated using the consolidated recurring accounting net income for each period divided by the monthly average of shareholders' equity adjusted by deducting the goodwill generated by the mergers with Auto Ricci and Unidas S.A. and adding the adjustment of equity valuation (Tangible Shareholders' Equity).

(2) The **Annualized ROIC** considers recurring EBIT less the recurring effective tax rate (NOPAT), divided by the PP&E and the stock of cars less short and long term Receivables and trade accounts (Invested Capital).

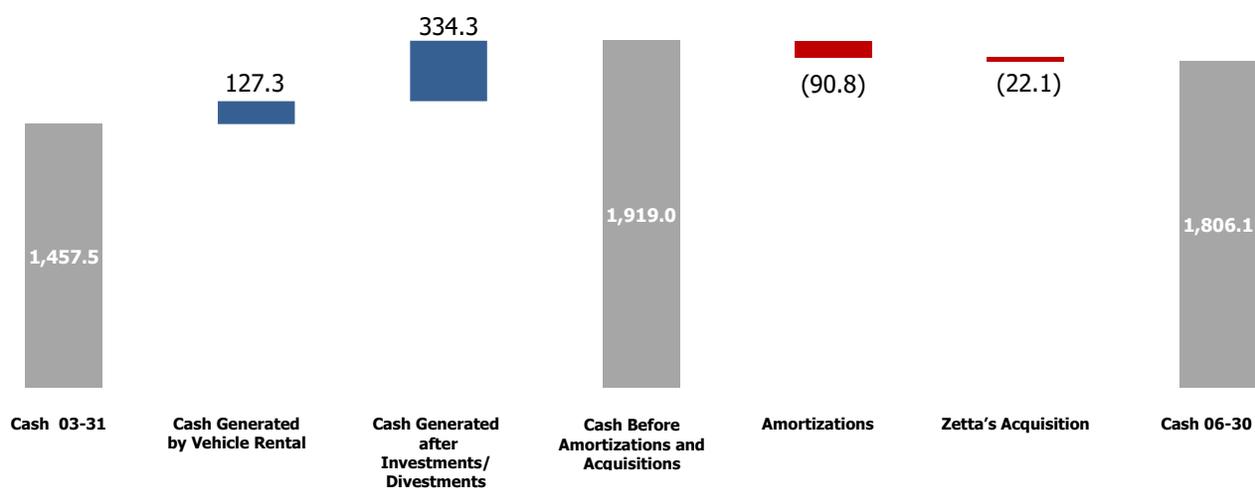
V – FINANCIAL RESULTS

Indebtedness

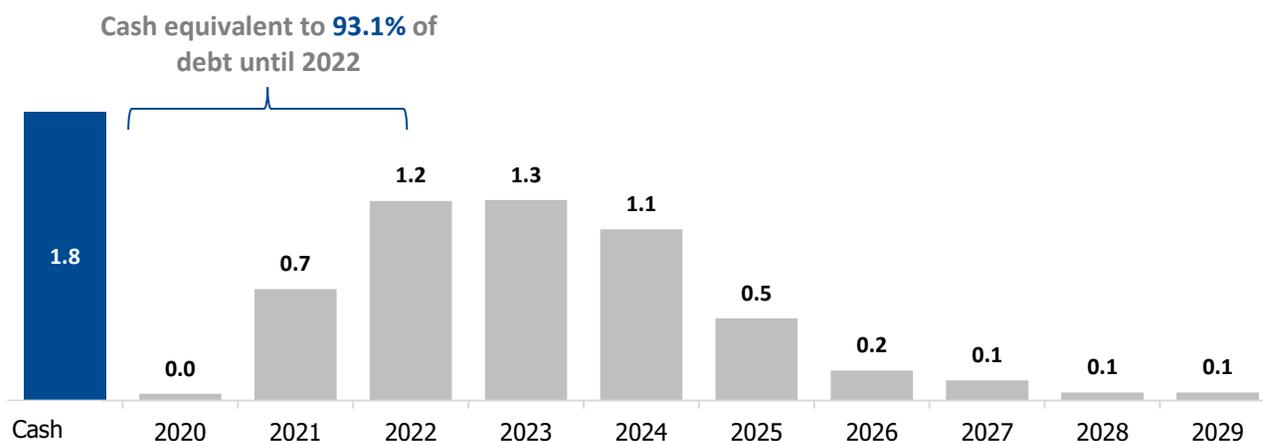
Debt (R\$ Million)	2Q20	2Q19	Var. 2Q20 vs 2Q19	1Q20	Var. 2Q20 vs 1Q20
Gross Debt	5.3	4.1	30.0%	4.9	7.3%
Short Term Debt (%)	7.1%	4.4%	2.7 p.p.	6.4%	0.3 p.p.
Long Term Debt (%)	92.9%	95.6%	(2.7) p.p.	93.6%	(0.3) p.p.
Cash, Cash Equivalents and Bonds	1.8	0.7	152.7%	1.2	56.0%
Net Debt	3.5	3.4	4.0%	3.7	(7.8)%

- In 2Q20, there was strong cash generation in the quarter, supported by EBITDA from the Fleet Management segment, the rapid recovery in Pre-owned cars sales throughout the quarter and the lower volume of vehicle purchases, reducing the Company's net debt.

2Q20 Cash Generation (R\$ Million)



Amortization Schedule of Debt Principal in 06/30/2020 (R\$ Million)



V – FINANCIAL RESULTS

Ratios	2016	2017	2018	2019	2Q19	2Q20
Net Debt / Fleet Value	66.3%	63.1%	37.4%	39.8%	56.3%	48.6%
Net Debt / Recurring EBITDA LTM	2.52x	2.51x	3.04x	2.19x	3.02x	2.93x
Net Debt / Equity	2.05x	2.09x	0.79x	0.74x	1.37x	0.93x
Recurring EBITDA LTM / Net Financial Expenses LTM	2.17x	2.68x	3.04x	3.48x	3.23x	3.56x

Debt Composition

In the following table we present the main information on the Company's outstanding debts at the end of 2Q20:

Debt (06/30/2020)	Issuance Date	Average Cost	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Unidas													
13th debentures - 2nd series	08/28/17	CDI + 1.40%	-	125.0	125.0	-	-	-	-	-	-	-	250.0
15th debentures - 1st series	12/19/18	CDI + 1.40%	-	137.1	137.1	137.1	-	-	-	-	-	-	411.4
15th debentures - 2nd series	02/19/18	CDI + 1.15%	-	88.6	-	-	-	-	-	-	-	-	88.6
16th debentures - single series	04/27/18	119% of CDI	-	-	116.7	116.7	116.7	-	-	-	-	-	350.0
17th debentures - single series	09/27/18	113% of CDI	-	-	200.0	200.0	-	-	-	-	-	-	400.0
18th debentures - single series	09/20/19	108% of CDI	-	-	-	-	200.0	-	-	-	-	-	200.0
2nd promissory notes - single series	11/29/17	CDI + 1.40%	-	118.0	-	-	-	-	-	-	-	-	118.0
Working Capital	04/15/20	CDI + 3.00%	-	-	-	300.0	-	-	-	-	-	-	300.0
Unidas S.A.													
10th debentures - 1st series	09/29/17	CDI + 1.20%	40.0	-	-	-	-	-	-	-	-	-	40.0
10th debentures - 2nd series	09/29/17	CDI + 1.60%	-	210.0	210.0	-	-	-	-	-	-	-	420.0
11th debentures - single series	03/29/18	117.5% of CDI	-	-	250.0	250.0	-	-	-	-	-	-	500.0
12th debentures - 1st series	09/15/18	110.6% of CDI	-	-	75.0	75.0	-	-	-	-	-	-	150.0
12th debentures - 2nd series	09/15/18	IPCA + 7.30%	-	-	-	-	52.9	52.9	-	-	-	-	105.7
13th debentures - 1st series	04/10/19	107.9% of CDI	-	-	-	-	527.4	-	-	-	-	-	527.4
13th debentures - 2nd series	04/10/19	110.5% of CDI	-	-	-	-	-	124.2	124.2	124.2	-	-	372.6
13th debentures - 3rd series	04/10/19	112% of CDI	-	-	-	-	-	-	-	-	50.0	50.0	100.0
Foreign Loan - 4131	07/26/19	109.7% of CDI	-	-	-	-	-	272.1	-	-	-	-	272.1
Foreign Loan - 4131	03/19/20	CDI + 0.82%	-	-	90.7	90.7	90.7	-	-	-	-	-	272.1
14th debentures - single series	11/18/19	109.7% of CDI	-	-	40.0	80.0	80.0	-	-	-	-	-	200.0
Unidas Agro													
CRA	12/18/19	108% of CDI	-	-	-	-	-	62.5	62.5	-	-	-	125.0
Zetta Frotas													
Working Capital		21.06% a year	1.7	16.3	0.5	0.8	0.8	0.9	0.9	1.0	0.6	-	23.4
Incurring Net Interest			27.4										27.4
Caixa, equivalentes de Caixa e SWAP			(1,933.5)										(1,933.5)
Net Debt			(1,864.4)	695.0	1,245.0	1,250.3	1,068.4	512.5	187.6	125.2	50.6	50.0	3,320.3

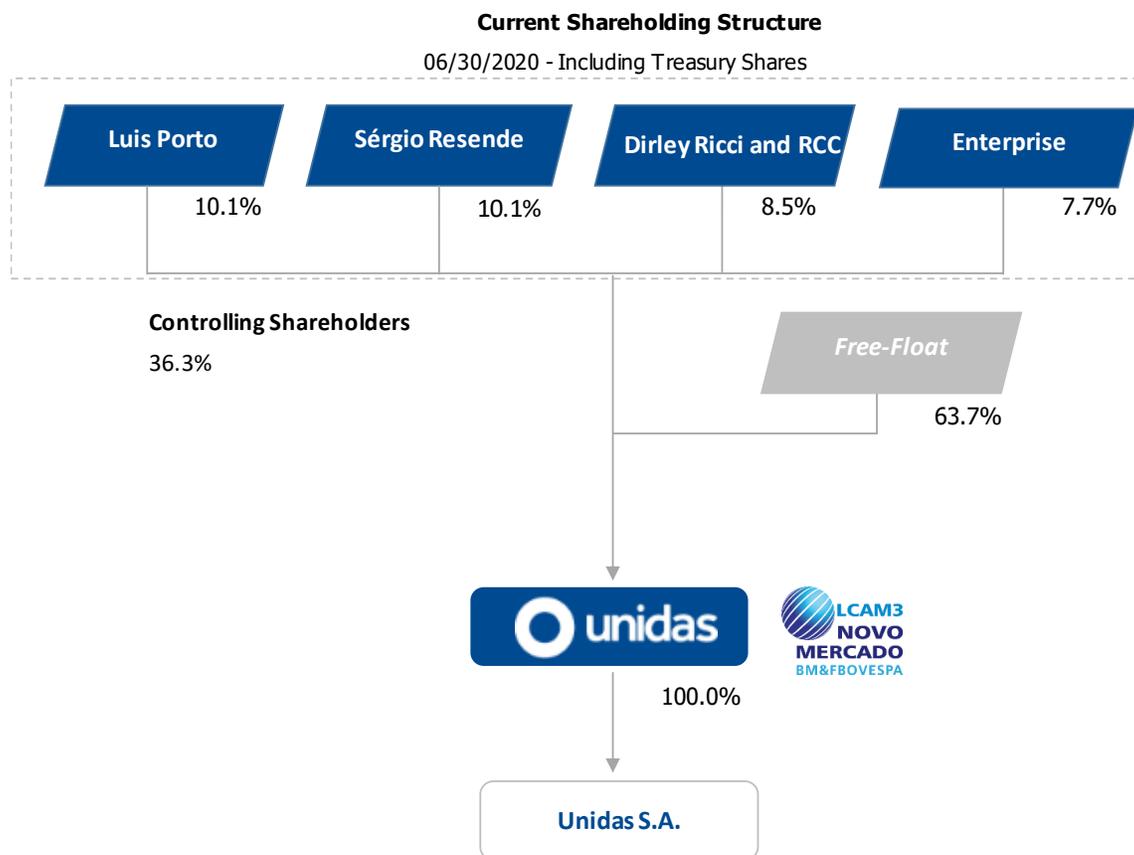
Dividends and IOE

On June 26, 2020, the Board of Directors approved the payment of interest on equity in the total gross amount of R\$47.430.875,37 (forty-seven million, four hundred and thirty thousand, eight hundred and seventy-five and thirty-seven cents), equivalent to R\$0,0937791324 per share. However, the Company, in this moment of uncertainty generated by the pandemic of COVID-19 (coronavirus), declared by the World Health Organization on March 11, 2020, will postpone the payment until January 2021, and it can be brought forward by decision of the Administration.

Approval Date	Total Amount Declared (R\$ Million)	Value per Share (R\$)	Date of Shareholding Position
March 23, 2017	5.609	0.0877435	March 29, 2017
June 22, 2017	5.340	0.0661356	June 27, 2017
September 21, 2017	5.420	0.0670874	September 26, 2017
December 18, 2017	5.520	0.0681917	December 21, 2017
January 3, 2018	17.501	0.2161837	January 8, 2018
March 26, 2018	8.090	0.0700350	March 29, 2018
June 22, 2018	25.213	0.2180625	June 26, 2018
September 19, 2018	24.990	0.2159092	September 24, 2019
December 21, 2018	28.853	0.1966699	December 28, 2018
March 21, 2019	45.272	0.3074359	March 26, 2019
June 19, 2019	39.856	0.2703706	June 25, 2019
September 19, 2019	38.581	0.2611806	September 24, 2019
March 30, 2020	48.539	0.0964124	April 2, 2020
June 26, 2020	47.431	0.0937791	July 2, 2020

Ownership Structure

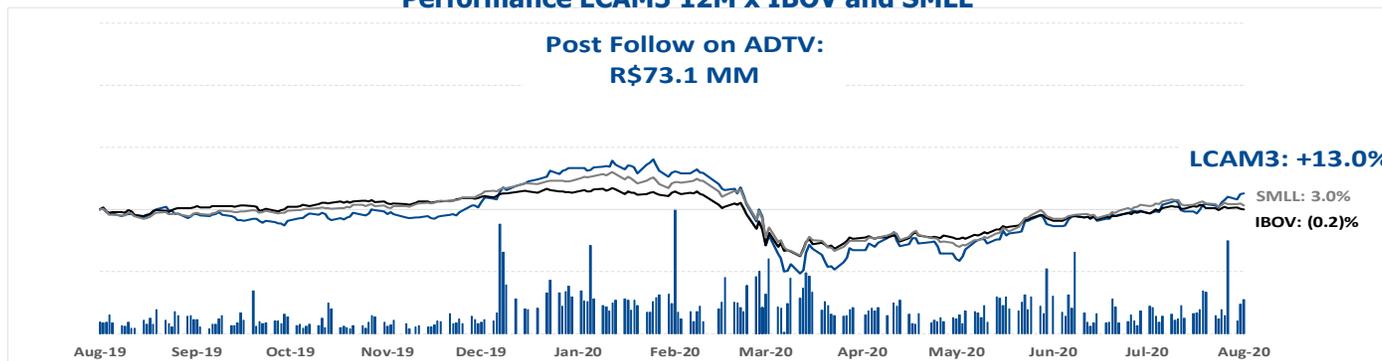
On June 30, 2020, the Company had 508,729,411 common shares, with *free-float* representing 63,7% of total shares, including treasury shares.



LCAM3 Performance

Unidas shares (LCAM3) closed the trading session on 08/12/2020 quoted at R\$ 20.71, an increase of 13,0% in 12 months, while the IBOV index posted a decrease of 0.2% and the *Small Cap Index* increased 3,0% respectively for the same period. The average daily trading volume (ADTV) in the last 12 months was R\$ 57.5 million/day, and after the follow-on in December 2019, ADTV changed to R\$73,1 million/day. Unidas currently has 16 equity research coverages: Ativa Corretora, Banco do Brasil, Bank of America Merrill Lynch, Bradesco BBI, BTG Pactual, Citi, Credit Suisse, Eleven Financial, Levante, Morgan Stanley, Itaú BBA, JP Morgan, Safra, Santander, UBS and XP.

Performance LCAM3 12M x IBOV and SMLL



2Q20 Results Presentation Webcast

Teleconference in Portuguese (Simultaneous Translation)

August 14, 2020

1 p.m. - Brasilia Time

12 a.m. - New York Time

Telephones:

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

+1 844 204-8942 (Toll Free - United States)

+1 412 717-9627 (Other countries)

Access Code Unidas

Webcast and Results Presentation: ri.unidas.com.br

Investor Relations Contacts:

Marco Tulio de Carvalho Oliveira - CFO and IRO

Rodrigo Faria - Investor Relations Manager

Francesco Abenathar Fernandes Lisa - Investor Relations Specialist

Rodrigo Finotto Perez - Investor Relations Analyst

Telephone: +55 (11) 3155-5826 / (11) 3155-4987 / (11) 3155-5892

E-mail: ri@unidas.com.br

About Unidas - We are Brazil's leading company in the Fleet Management and number two in the Rent-a-Car segment. Our strong competitive position, focus and scale will allow us to continue consolidating the market via organic growth. We have a wide geographical coverage, with a presence in all Brazilian states. The Company offers solutions for the entire client cycle, both in Fleet Management and the Rent-a-Car segments (Unidas 360 ° platform). In addition to the strong presence and expertise in demobilizing vehicles previously used in our operations.

Legal Notice - The statements contained in this document related to business prospects, projections of operating and financial results and those related to Unidas' growth prospects are merely projections and, as such, are exclusively based on management's expectations of future business. These expectations depend, substantially, on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to change without prior notice.

Operating Data¹

Operating Data	2016	2017	2018	2019	Var.	1S19	1S20	Var.	2Q19	2Q20	Var.
Total Fleet at the End of the Period	27,731	46,566	129,926	162,842	25.3%	151,199	163,505	8.1%	151,199	163,505	8.1%
Fleet being implemented	2,394	4,283	9,956	7,347	(26.2)%	9,196	7,271	(20.9)%	9,196	7,271	(20.9)%
Demobilized fleet	1,529	1,964	10,046	14,004	39.4%	16,058	16,192	0.8%	16,058	16,192	0.8%
Operating fleet	23,808	40,319	109,924	141,491	28.7%	125,945	140,042	11.2%	125,945	140,042	11.2%
Average Operating Fleet	23,905	32,000	91,977	124,071	34.9%	118,487	152,993	29.1%	122,784	139,657	13.7%
Fleet Management	23,905	32,000	58,421	71,943	23.1%	70,492	73,320	4.0%	72,151	73,650	2.1%
Rent-a-Car	-	-	31,183	50,070	60.6%	45,879	77,434	68.8%	48,615	64,464	32.6%
Rent-a-Car - Franchises	-	-	2,374	2,058	(13.3)%	2,116	2,239	5.8%	2,019	1,543	(23.6)%
Average Rented Fleet	23,147	31,054	83,887	111,379	32.8%	107,053	118,159	10.4%	109,247	113,649	4.0%
Fleet Management	23,147	31,054	57,393	70,286	22.5%	68,990	71,827	4.1%	70,544	72,305	2.5%
Rent-a-Car	-	-	24,140	39,035	61.7%	35,947	44,492	23.8%	36,683	39,802	8.5%
Rent-a-Car - Franchises	-	-	2,354	2,058	(12.6)%	2,116	1,840	(13.1)%	2,019	1,543	(23.6)%
Average Age of Operating Fleet (months)	18.6	18.9	14.6	12.9	(11.8)%	12.1	13.0	7.7%	12.7	13.9	9.0%
Fleet Management	18.6	18.9	16.9	17.0	0.3%	16.9	16.6	(1.8)%	17.0	16.9	(0.7)%
Rent-a-Car	-	-	7.3	7.1	(2.7)%	6.5	9.6	48.5%	6.5	10.5	62.3%
Rent-a-Car - Franchises	-	-	11.1	10.6	(4.1)%	11.0	11.7	6.5%	11.1	12.9	16.5%
Number of Daily Rentals (thousand)	8,335	11,179	27,236	39,573	45.3%	18,973	21,025	10.8%	9,748	10,129	3.9%
Fleet Management	8,335	11,179	20,647	25,374	22.9%	12,489	12,929	3.5%	6,420	6,507	1.4%
Rent-a-Car (no franchises)	-	-	6,589	14,199	115.5%	6,484	8,096	24.9%	3,328	3,622	8.8%
Average Ticket (R\$)											
Fleet Management (monthly)	1,597	1,546	1,489	1,597	7.3%	1,574	1,543	(2.0)%	1,610	1,581	(1.8)%
Rent-a-Car (daily rate) ¹	-	-	74.4	70.9	(4.7)%	72.2	60.5	(16.2)%	70.3	50.4	(28.4)%
Occupancy Rate											
Fleet Management	96.8%	97.0%	98.2%	97.7%	(0.5) p.p.	97.9%	98.0%	0.1 p.p.	97.8%	98.2%	0.4 p.p.
Rent-a-Car ¹	-	-	77.4%	78.0%	0.6 p.p.	78.4%	69.3%	(9.1) p.p.	75.5%	61.7%	(13.7) p.p.
Depreciation (R\$ thousand)											
Fleet Management	4.0	3.8	3.4	3.8	11.9%	3.8	4.1	8.0%	4.0	4.3	7.0%
Rent-a-Car (including franchises)	-	-	2.2	2.0	(8.2)%	2.0	2.9	43.0%	2.0	2.9	41.3%
Average Fleet Value (R\$ million)	968.1	1,212.2	3,932.3	6,525.8	66.0%	5,732.7	7,223.5	26.0%	5,918.3	7,166.6	21.1%
Number of Cars Purchased	9,122	19,747	68,702	93,493	36.1%	45,418	26,719	(41.2)%	24,006	5,149	(78.6)%
Fleet Management	9,122	19,747	29,295	35,487	21.1%	14,882	12,926	(13.1)%	8,678	5,030	(42.0)%
Rent-a-Car	-	-	38,052	56,309	48.0%	29,706	13,653	(54.0)%	14,801	30	(99.8)%
Rent-a-Car - Franchises	-	-	1,355	1,697	25.2%	830	140	(83.1)%	527	89	(83.1)%
Average Purchase Price (R\$ thousand)	36.1	43.5	42.9	47.8	11.5%	45.5	52.3	15.1%	46.4	63.8	37.5%
Fleet Management	36.1	43.5	44.5	50.1	12.6%	47.7	60.3	26.3%	47.1	63.7	35.2%
Rent-a-Car	-	-	41.8	46.5	11.3%	44.5	44.9	0.9%	46.3	143.1	209.2%
Rent-a-Car - Franchises	-	-	37.5	42.9	14.5%	39.0	43.9	12.8%	38.6	43.8	13.7%
Number of Cars Sold	12,402	16,710	41,736	64,564	54.7%	29,980	27,691	(7.6)%	15,869	11,229	(29.2)%
Fleet Management	12,402	16,710	25,025	29,769	19.0%	12,372	13,806	11.6%	6,358	5,550	(12.7)%
Rent-a-Car	-	-	15,696	33,151	111.2%	16,792	13,489	(19.7)%	9,088	5,481	(39.7)%
Rent-a-Car - Franchises	-	-	1,015	1,644	62.0%	816	396	(51.5)%	423	198	(53.2)%
Average Selling Price (R\$ thousand)	28.4	31.4	33.5	39.0	16.5%	38.5	37.6	(2.2)%	39.7	38.0	(4.3)%
Fleet Management	28.4	31.4	31.4	35.6	13.1%	36.3	36.0	(0.9)%	37.8	36.9	(2.4)%
Rent-a-Car	-	-	36.9	42.3	14.5%	40.3	39.4	(2.3)%	41.3	39.3	(5.0)%
Rent-a-Car - Franchises	-	-	31.3	35.4	13.2%	34.5	36.1	4.7%	34.7	35.7	3.0%
Number of Employees	589	801	2,601	3,314	27.4%	2,938	3,435	16.9%	2,938	3,435	16.9%
Fleet per Employee	47.1	58.1	49.6	49.1	(0.9)%	51.5	47.6	(7.5)%	51.5	47.6	(7.5)%

¹ For the Total Fleet it does not consider the Franchisee's Fleet of 1,778 vehicles and for the average value of the total fleet it considers the vehicles in preparation, operating and stock vehicles.

Fleet Management (R\$ thousand)

Consolidated Results (R\$ thousand)	2Q19	2Q20	Var.	1S19	1S20	Var.
Rental Gross Revenues	340,821	343,030	0.6%	652,030	665,247	2.0%
Used Cars sales gross revenue	240,305	204,670	(14.8)%	445,891	496,489	11.3%
Total Gross Revenues	581,127	547,699	(5.8)%	1,097,922	1,161,736	5.8%
Taxes on rental revenues	(34,499)	(31,981)	(7.3)%	(64,389)	(61,836)	(4.0)%
Taxes on Used Cars Sales	(274)	(616)	125.3%	(415)	(851)	105.0%
Total Taxes	(34,772)	(32,598)	(6.3)%	(64,804)	(62,687)	(3.3)%
Rental Net Revenues	306,322	311,048	1.5%	587,641	603,411	2.7%
Used Cars Sales Net Revenues	240,032	204,054	(15.0)%	445,476	495,638	11.3%
Consolidated Net Revenues	546,354	515,102	(5.7)%	1,033,118	1,099,049	6.4%
Rental Costs (Ex-depreciation)	(75,956)	(81,293)	7.0%	(148,596)	(156,740)	5.5%
Used Cars Sales Costs (Ex-depreciation)	(217,323)	(187,010)	(13.9)%	(404,761)	(455,977)	12.7%
Total Costs (ex-depreciation)	(293,280)	(268,303)	(8.5)%	(553,358)	(612,717)	10.7%
Gross Profit	253,075	246,799	(2.5)%	479,760	486,332	1.4%
Rental Operating Expenses (SG&A, ex-depreciation)	(31,248)	(36,082)	15.5%	(58,187)	(64,479)	10.8%
Used Cars Sales Operating Expenses (SG&A, ex-depreciation)	(13,508)	(13,896)	2.9%	(27,015)	(31,950)	18.3%
Total Operating Expenses (SG&A)	(44,756)	(49,978)	11.7%	(85,202)	(96,429)	13.2%
Depreciation	(81,041)	(88,292)	8.9%	(151,933)	(168,756)	11.1%
Recurring EBIT	127,278	108,529	(14.7)%	242,626	221,147	(8.9)%
Net Financial Expenses	(48,095)	(37,233)	(22.6)%	(94,923)	(72,711)	(23.4)%
Recurring EBT	79,183	71,296	(10.0)%	147,703	148,436	(0.5)%
Taxes	(16,920)	(13,142)	(22.3)%	(30,952)	(27,326)	(11.7)%
Recurring Net Profit	62,263	58,154	(6.6)%	116,751	121,110	(3.7)%
Net Margin over Net Rental Revenue	20.3%	18.7%	(1.6) p.p.	11.3%	11.0%	(0.3) p.p.
Recurring EBITDA	208,318	196,821	(5.5)%	394,558	389,903	(1.2)%
EBITDA Margin over Net Rental Revenue	68.0%	63.3%	(4.7) p.p.	67.1%	64.6%	(2.5) p.p.

Operating Data	2Q19	2Q20	Var.	1S19	1S20	Var.
Average Rented Fleet	70,544	72,305	2.5%	68,990	71,827	4.1%
Average Operating Fleet	72,151	73,650	2.1%	70,492	73,320	4.0%
Fleet at the end of the period	81,540	89,314	9.5%	81,540	89,314	9.5%
Average Age of the Operating Fleet (month)	17.0	16.9	(0.7)%	16.9	16.6	(1.8)%
Number of Daily Rentals (thousand)	6,420	6,507	1.4%	12,489	12,929	3.5%
Average Monthly Ticket (R\$)	1,610	1,581	(1.8)%	1,574	1,543	(2.0)%
Annualized average depreciation per car (R\$)	4,005	4,286	7.0%	3,799	4,104	8.0%
Utilization Rate	97.8%	98.2%	0.4%	97.9%	98.0%	0.1 p.p.
Number of cars purchased	8,678	5,030	(42.0)%	14,882	12,926	(13.1)%
Number of cars sold	6,358	5,550	(12.7)%	12,372	13,806	11.6%
Average sold fleet age (month)	28.4	31.8	12.1%	28.5	31.0	8.6%
Average value of total fleet (R\$ million)	3,179.0	3,954.6	24.4%	3,091.3	3,813.5	23.4%
Average value per car in the period (R\$ thousand)	39.0	44.3	13.5%	39.0	43.9	12.5%

- (1) Considers the vehicle's preparation costs for sale.
(2) Considers vehicles in preparation, operating and in stock

Rent a Car (Considers Franchises, R\$ thousand)¹

Consolidated Results (R\$ thousand)	2Q19	2Q20	Var.	1S19	1S20	Var.
Rental Gross Revenues	241,782	186,687	(22.8)%	484,434	519,142	7.2%
Used Cars sales gross revenue	390,061	222,242	(43.0)%	708,587	545,634	(23.0)%
Total Gross Revenues	631,843	408,929	(35.3)%	1,193,021	1,064,775	(10.7)%
Taxes on rental revenues	(22,820)	(17,405)	(23.7)%	(42,502)	(45,131)	6.2%
Taxes on Used Cars Sales	(444)	(669)	50.8%	(1,022)	(929)	(9.1)%
Total Taxes	(23,264)	(18,075)	(22.3)%	(43,524)	(46,060)	5.8%
Rental Net Revenues	218,962	169,282	(22.7)%	441,932	474,011	7.3%
Used Cars Sales Net Revenues	389,617	221,573	(43.1)%	707,566	544,705	(23.0)%
Consolidated Net Revenues	608,579	390,855	(35.8)%	1,149,497	1,018,716	(11.4)%
Rental Costs (Ex-depreciation)	(70,340)	(103,060)	46.5%	(153,214)	(215,151)	40.4%
Used Cars Sales Costs (Ex-depreciation)	(366,782)	(200,328)	(45.4)%	(661,106)	(512,808)	(22.4)%
Total Costs (ex-depreciation)	(437,122)	(303,388)	(30.6)%	(814,320)	(727,959)	(10.6)%
Gross Profit	171,457	87,466	(49.0)%	335,177	290,757	(13.3)%
Rental Operating Expenses (SG&A, ex-depreciation)	(41,426)	(59,950)	44.7%	(80,827)	(124,086)	53.5%
Used Cars Sales Operating Expenses (SG&A, ex-depreciation)	(21,872)	(15,707)	(28.2)%	(42,336)	(34,767)	(17.9)%
Total Operating Expenses (SG&A)	(63,298)	(75,658)	19.5%	(123,163)	(158,853)	29.0%
Depreciation	(39,835)	(59,523)	49.4%	(72,595)	(121,442)	67.3%
Recurring EBIT	68,324	(47,714)	(169.8)%	139,419	10,463	(92.5)%
Net Financial Expenses	(42,121)	(34,275)	(18.6)%	(79,505)	(68,965)	(13.3)%
Recurring EBT	26,203	(81,989)	-	59,914	(58,502)	-
Taxes	(5,714)	27,876	-	(12,617)	23,561	-
Recurring Net Profit	20,489	(54,113)	-	47,297	(34,941)	-
Net Margin over Net Rental Revenue	9.4%	(32.0)%	(41.3) p.p.	4.1%	(3.4)%	(7.5) p.p.
Recurring EBITDA	108,159	11,809	(89.1)%	212,014	131,904	(37.8)%
Net Margin over Net Rental Revenue	49.4%	7.0%	(42.4) p.p.	18.4%	12.9%	(5.5) p.p.

Operating Data	2Q19	2Q20	Var.	1S19	1S20	Var.
Average Rented Fleet (Own Stores)	36,683	39,802	8.5%	35,947	44,492	23.8%
Average Rented Fleet (Franchises)	2,019	1,543	(23.6)%	2,116	1,840	(13.1)%
Average Operating Fleet (Own Stores)	48,615	64,464	32.6%	45,879	64,247	40.0%
Average Operating Fleet (Franchises)	2,019	1,543	(23.6)%	2,116	1,840	(13.1)%
Fleet at the end of the Period (Own Stores)	67,083	72,198	7.6%	67,083	72,198	7.6%
Fleet at the end of the period (Franchises)	2,576	1,993	(22.6)%	2,576	1,993	(22.6)%
Average Age Operating Fleet (Own stores, month)	6.5	10.5	62.3%	6.5	9.6	48.5%
Average Age Operating Fleet (Franchises, month)	11.1	12.9	16.5%	11.0	11.7	6.5%
Number of Daily Rentals (Own Stores, thousand)	3,328	3,622	8.8%	6,484	8,096	24.9%
Average Daily Ticket (Own Stores, thousand)	70.3	50.4	(28.4)%	72.2	60.5	(16.2)%
Annualized average depreciation per car (Considers Franchises, R\$ thousand)	2.0	2.9	41.3%	2.0	2.9	43.0%
Utilization Rate (Own Stores)	75.5%	61.7%	(13.7) p.p.	78.4%	69.3%	(9.1) p.p.
Number of cars purchased (Own Stores)	14,801	30	(99.8)%	29,706	13,653	(54.0)%
Number of cars purchased (Franchises)	527	89	(83.1)%	830	140	(83.1)%
Number of cars sold (Own Stores)	9,088	5,481	(39.7)%	16,792	13,489	(19.7)%
Number of cars sold (Franchises)	423	198	(53.2)%	816	396	(51.5)%
Average Sold Fleet Age (Own Stores, month)	16.2	18.4	14.1%	16.6	17.4	4.4%
Average value of total Fleet (considers Franchises, R\$ million)	2,978.1	3,286.4	10.4%	2,731.8	3,488.9	27.7%
Average value per car in the period (Considers Franchises, R\$ million)	42.3	41.2	(2.5)%	39.0	43.8	12.3%

- (1) This is the Rent a Car segment (considers Franchises) for the entire period, as Locamerica did not operate in this segment up to 1Q18.
(2) Considers vehicles's preparation costs for sale.
(3) Considers vehicles in preparation, operating and in stock.

Financial Statements (R\$ thousand)

Financial Statements	2016	2017	2018	Combined 2018	2019	Var.	1S19	1S20	Var.	2Q19	2Q20	Var.
Rental Gross Revenues	443,717	575,932	1,543,670	1,794,782	2,385,581	32.9%	1,136,465	1,184,388	4.2%	582,604	529,716	(9.1)%
Used Cars Sales Gross Revenues	352,302	525,409	1,411,315	1,621,261	2,518,495	55.3%	1,154,479	1,042,123	(9.7)%	630,367	426,912	(32.3)%
Taxes over Gross Revenues	(41,305)	(53,290)	(144,257)	(166,041)	(230,350)	38.7%	(108,328)	(108,746)	0.4%	(58,037)	(50,672)	(12.7)%
Consolidated Net Revenues	754,714	1,048,051	2,810,728	3,250,002	4,673,727	43.8%	2,182,615	2,117,765	(3.0)%	1,154,933	905,956	(21.6)%
Maintenance Costs	(112,154)	(157,198)	(447,655)	(474,843)	(629,921)	32.7%	(301,896)	(396,436)	31.3%	(146,296)	(208,898)	42.8%
Depreciation Costs	(95,096)	(121,629)	(258,508)	(333,937)	(407,517)	22.0%	(195,008)	(257,566)	32.1%	(110,308)	(130,376)	18.2%
Cost of Vehicle sold	(328,547)	(460,359)	(1,252,271)	(1,452,678)	(2,335,705)	60.8%	(1,065,868)	(968,784)	(9.1)%	(584,106)	(387,338)	(33.7)%
Rental and vehicle sales costs	(535,797)	(739,186)	(1,958,434)	(2,261,458)	(3,373,143)	49.2%	(1,562,771)	(1,622,787)	3.8%	(840,709)	(726,613)	(13.6)%
Gross Profit	218,917	308,865	852,294	988,544	1,300,584	31.6%	619,844	494,978	(20.1)%	314,224	179,344	(42.9)%
Sales	(38,273)	(44,633)	(162,047)	(172,249)	(289,066)	67.8%	(136,748)	(163,377)	19.5%	(75,048)	(76,145)	1.5%
General and Administrative	(27,438)	(43,860)	(135,974)	(193,414)	(153,859)	(20.5)%	(71,774)	(91,804)	27.9%	(35,374)	(49,453)	39.8%
Depreciation	(3,405)	(6,605)	(21,827)	(38,799)	(60,794)	56.7%	(29,491)	(32,631)	10.6%	(10,603)	(17,438)	64.5%
Other operational revenues (costs)	524	(177)	(6,895)	1,695	362	-	168	(100)	(159.5)%	2,368	(38)	-
Operating Expenses	(68,592)	(95,275)	(326,743)	(402,767)	(503,357)	25.0%	(237,846)	(287,912)	21.1%	(118,658)	(143,074)	20.6%
Operating Income (EBIT)	150,325	213,590	525,551	585,776	797,227	36.1%	381,998	207,066	(45.8)%	195,566	36,270	(81.5)%
Financial expenses	(146,108)	(160,431)	(351,268)	(399,922)	(439,586)	9.9%	(224,050)	(163,794)	(26.9)%	(111,000)	(80,147)	(27.8)%
Financial Income	31,604	24,770	56,621	60,934	73,098	20.0%	33,311	22,118	(33.6)%	17,660	8,639	(51.1)%
Net financial income (expenses)	(114,504)	(135,661)	(294,647)	(338,988)	(366,488)	8.1%	(190,739)	(141,676)	(25.7)%	(93,340)	(71,508)	(23.4)%
Earnings Before Taxes (EBT)	35,821	77,929	237,341	246,788	430,739	74.5%	191,259	65,390	(65.8)%	102,226	(35,238)	(134.5)%
Income Tax and Social Contribution Tax	(6,914)	(19,264)	(48,202)	(53,393)	(93,098)	74.4%	(38,068)	4,580	(112.0)%	(21,604)	23,079	(206.8)%
Extraordinary Items - Opex (Effect on EBITDA and on Net Income)				58,666	-	-	-	24,545	-	-	24,545	-
Extraordinary Items - Financial Result (Effect on Net Income)				3,805	16,255	327.2%	(16,156)	-	-	(3,060)	-	-
Extraordinary Items				62,471	16,255	(74.0)%	(16,156)	24,545	-	(3,060)	24,545	-
Extraordinary Items, net of IT/SC at 34%	--	9,038	20,670	41,231	10,728	(74.0)%	(10,693)	16,200	-	(2,020)	16,200	-
Equity Method	--	--	6,437	(1,018)	561	-	2,400	4,913	104.7%	(1,213)	(2,353)	94.0%
Recurring Net Income	28,907	67,703	203,372	233,608	348,930	49.4%	163,883	86,169	(47.4)%	77,390	4,040	(94.8)%
Recurring EBITDA	248,826	345,029	833,329	1,017,178	1,265,538	24.4%	606,497	521,808	(14.0)%	316,477	208,629	(34.1)%

Consolidated Balance Sheet (R\$ thousand)

ASSETS	2016	2017	2018	2019	2Q19	2Q20
CURRENT ASSETS						
Cash and Cash equivalents	172,478	402,489	1,755,864	1,770,114	472,426	1,643,310
Receivables from customers	87,688	136,913	377,743	457,875	432,576	419,013
Bonds and securities	29,544	21,516	207,324	243,240	242,279	161,461
Retiring vehicles for renewing the fleet	47,616	63,965	330,290	475,704	596,211	578,948
Vehicles for resale	--	--	--	20,780	41,290	20,996
Recoverable taxes	33,959	38,935	73,730	86,473	86,102	95,033
Prepaid expenses	2,948	13,681	10,926	13,198	55,795	66,545
Related parties	--	--	16,850	34,465	32,812	24,921
Other short-term assets	9,585	14,158	11,872	20,251	31,655	27,379
Total current assets	383,818	691,657	2,784,599	3,122,100	1,991,146	3,037,606
NON-CURRENT ASSETS						
Receivable from customers	7,425	2,639	6,399	16,202	2,639	4,760
Bonds and securities	3,333	6,721	1,710	1,340	1,304	1,351
Derivative financial instruments	--	--	--	--	--	192,532
Anticipated Expenses	--	--	--	1,130	0	3,190
Other long-term assets	2,913	2,121	3,064	2,116	3,200	94
Deferred Taxes	--	--	37,580	30,003	29,588	3,926
Deposits in court	9,521	14,379	49,829	59,771	56,258	63,125
Assets held for sale	--	--	3,223	2,373	2,373	2,373
Related Parties	--	--	302	282	2	460
Property for Investment	--	--	--	850	850	850
Property, plant and equipment	917,407	1,591,234	4,957,861	6,705,097	5,733,003	6,853,936
Right-of-use asset	--	--	--	132,595	140,817	124,203
Investments	--	442	2	2	2	2
Intangible assets	4,800	85,409	899,949	974,133	965,631	1,024,648
Total non-current assets	945,399	1,702,945	5,959,919	7,925,894	6,935,667	8,275,450
TOTAL ASSETS	1,329,217	2,394,602	8,744,518	11,047,994	8,926,813	11,313,056
LIABILITIES						
CURRENT LIABILITIES						
Suppliers	71,258	168,193	976,041	1,450,247	1,185,732	549,072
Loans, financing and debentures	125,328	250,294	330,193	142,216	180,712	314,437
Real state lease	--	--	--	38,536	56,376	42,364
Assignment of credits by vendors	82,753	186,463	998,086	476,620	526,599	937,316
Salaries, charges and social contribution taxes	5,484	10,499	23,997	42,490	30,183	37,099
Tax-related duties	1,600	6,945	21,730	23,331	21,994	25,329
Dividends and interes on equity payable	0	4,941	25,567	35,872	35,084	86,080
Related parties	--	--	13,840	32,370	23,444	6,402
Other account payable	12,754	4,778	26,623	36,720	24,742	66,742
Derivative financial instruments	--	--	--	--	--	65,181
Total current liabilities	299,177	632,113	2,416,077	2,278,402	2,084,866	2,130,022
NON-CURRENT LIABILITIES						
Loan, financing and debentures	707,975	1,212,482	3,594,154	4,553,004	3,909,607	4,939,290
Real state leasing	--	--	--	94,059	84,441	81,839
Provisions for contingencies	2,595	11,721	108,846	115,885	111,785	117,657
Deferred Tax	17,715	51,091	57,574	100,881	77,227	90,395
Other account payable	862	3,914	2,321	1,352	1,333	10,564
Total non-current liabilities	729,147	1,279,208	3,762,895	4,865,181	4,184,393	5,239,745
Total liabilities	1,028,324	1,911,321	6,178,972	7,143,583	6,269,259	7,369,767
SHAREHOLDERS' EQUITY						
Capital Stock	299,279	397,900	1,969,517	3,195,790	1,958,283	3,094,902
Share issue expenses	(15,038)	(15,038)	(47,336)	(100,888)	--	--
Treasury shares	(5,061)	(9,785)	(9,925)	(35,562)	(40,780)	(23,668)
Asset valuation adjustments	(9,176)	(11,914)	(16,291)	(20,925)	(23,805)	18,828
Capital reserve	7,647	60,167	528,961	550,969	552,694	569,129
Profit reserve	23,242	61,951	140,620	315,027	140,620	315,027
Accumulated profits	--	--	--	--	70,542	--
Accumulated losses	--	--	--	--	--	(30,929)
Total shareholders' equity	300,893	483,281	2,565,546	3,904,411	2,657,554	3,943,289
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,329,217	2,394,602	8,744,518	11,047,994	8,926,813	11,313,056

Cash Flow (R\$ thousand)

STATEMENT OF CASH FLOW	2016	2017	2018	2019	1H19	1H20
Cash flow from operating activities						
Income for the period	28,907	60,599	189,202	338,146	155,674	65,051
Adjustments by:						
Income tax and social contribution tax on profit	6,914	20,257	52,924	93,445	20,630	(15,230)
Depreciation and amortization	98,501	137,550	294,204	471,033	226,156	295,823
Provisions of claims and stolen cars	--	--	29,962	54,747	26,851	(5,183)
Written-off residual value of retiring cars for renewing the fleet	332,814	479,218	1,298,431	2,439,167	1,105,144	1,006,612
Residual value of stolen vehicles and total loss	14,557	10,543	51,459	76,410	45,814	84,665
Share-based payment provision	699	1,590	5,844	13,396	5,915	4,896
Financial charges on financing	129,408	123,099	258,820	283,963	153,719	112,850
Allowance for doubtful accounts	9,180	5,754	10,743	33,227	15,630	41,428
Provisions for contingencies	--	3,281	(834)	7,240	2,539	1,664
Provision for profit sharing	2,366	4,425	12,988	4,669	--	--
Present Value Adjust	1,044	(755)	(296)	754	--	--
Tenancies of immovable property	--	--	--	8,996	3,374	2,433
Impairment of Inventory	9,689	4,324	35,539	43,068	--	3,796
Interest on assignment to automakers	--	24,760	--	--	23,541	11,979
SWAP	--	18,537	26,620	14,894	17,167	24,519
Other	5,270	4,238	16,508	43,001	5,900	(7,490)
Adjusted Income	639,349	896,469	2,282,114	3,926,156	1,808,054	1,627,813
Changes in Assets and Liabilities						
Receivables from customers	22,740	(18,466)	(65,342)	(113,363)	(56,027)	24,960
Recoverable taxes	(14,765)	(3,958)	(13,678)	(12,656)	(12,285)	(8,068)
Prepaid expenses	2,133	(3,069)	40,152	(1,513)	(41,831)	(53,759)
Related Parties	--	--	--	--	(15,660)	(16,142)
Acquisition of vehicles net of the balance payable to suppliers (automakers)	(404,438)	(699,025)	(1,910,761)	(4,651,855)	(2,528,854)	(1,856,465)
Other assets	(3,801)	(10,407)	(30,164)	(100,491)	(85,958)	(40,914)
Suppliers - excluding automakers	(2,409)	4,985	(36,789)	(6,662)	67,371	(5,833)
Payment of taxes	--	--	(11,498)	(31,490)	(4,120)	(20,030)
Other liabilities	12,240	(21,759)	(30,138)	(81,001)	(24,736)	(11,506)
Net cash provided by operating activities	251,049	144,770	223,896	(1,072,876)	(894,046)	(359,945)
Cash flow from investing activities						
Acquisitions of investments	--	(177)	(210,004)	(49,992)	(49,992)	(22,132)
Acquisitions of other investments	--	--	442	--	--	--
Transaction with related parties	--	--	5,767	--	--	--
Transaction of other property, plant and equipment and intangible assets	(4,439)	(21,956)	(31,379)	(119,031)	(54,132)	(47,776)
Acquisition of bonds and securities	123,534	4,640	(180,797)	(35,546)	(34,549)	81,768
Net cash provided by investing activities	119,095	(17,493)	(415,971)	(204,569)	(138,673)	11,860
Cash flow from financing activities						
Interest on loans, financing and debentures paid	(121,047)	(126,383)	(262,497)	(277,327)	(135,813)	(119,013)
Capital raised through loans, financing and debentures	235,340	892,082	1,965,408	1,699,723	996,150	549,221
Amortization of loans, financing and debentures	(384,262)	(642,601)	(998,279)	(1,100,718)	(1,004,797)	(165,828)
Issuance of shares and funds from the stock option plan	779	2,325	3,029	4,767	2,952	919
Distribution of Interest on Equity and Dividends	(50,255)	(14,731)	(75,795)	(130,720)	(74,152)	(35,814)
Share buy back	--	(7,957)	(3,544)	(39,979)	(34,388)	(8,204)
Interest on equity paid to shareholders of the subsidiary Unidas S.A. prior to the business combination	--	--	(27,536)	--	--	--
Amount raised by the common shares issuance (follow-on), net funding costs	--	--	944,664	1,135,948	(671)	--
Net cash provided by financing activities	(319,445)	102,735	1,545,450	1,291,694	(250,719)	221,281
Increase (decrease) in cash and cash equivalents	50,699	230,012	1,353,375	14,249	(1,283,438)	(126,804)
Statement of decrease in cash and cash equivalents						
At the beginning of the period	121,779	172,478	402,489	1,755,864	1,755,864	1,770,114
At the end of the period	172,478	402,489	1,755,864	1,770,114	472,426	1,643,310
Activities not affecting cash						
Total vehicles + accessories acquired for property, plant and equipment	(329,046)	(859,932)	(3,028,658)	(4,472,497)	(2,128,263)	(1,392,294)
Total of vehicles acquired for resale	--	--	--	(111,237)	(54,784)	(38,044)
Change net of the balance payable to suppliers (automakers)	(110,323)	160,907	1,117,897	(68,121)	(345,807)	(426,127)
Total cash paid or provisioned in the acquisition of vehicles	(439,369)	(699,025)	(1,910,761)	(4,651,855)	(2,528,854)	(1,856,465)

Companhia de Locação das Américas

Balance sheet

(All amounts in thousands of reais)

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Assets					
Current assets					
Cash and cash equivalents	Note 5 a	549,271	1,255,550	1,643,310	1,770,114
Marketable securities	Note 5 b	38,462	113,910	161,461	243,240
Trade receivables	Note 6	157,408	148,975	419,013	457,875
Vehicles being decommissioned for fleet renewal	Note 7	122,237	131,311	578,948	475,704
Vehicles for resale	Note 7			20,996	20,780
Taxes recoverable		575,09	50,234	95,033	86,473
Prepaid expenses		20,164	5,859	66,545	13,198
Dividends receivable	Note 17 b	50,780	49,013		
Related parties	Note 17 b	2,265	1,704	24,921	34,465
Other receivables		12,766	11,787	27,379	20,251
Total current assets		1,010,862	1,768,343	3,037,606	3,122,100
Non-current assets					
Marketable securities	Note 5 b	1,351	1,340	1,351	1,340
Derivative financial instruments	Note 4.1 a			192,532	
Trade receivables	Note 6	1,051	2,290	4,760	16,202
Prepaid expenses				3,190	1,130
Other receivables			1,989	94	2,116
Deferred taxes	Note 8			3,926	30,003
Judicial deposits	Note 16 a	24,012	23,020	63,125	59,771
Assets held for sale		2,373	2,373	2,373	2,373
Advance for future capital increase	Note 9	595,578			
Related parties	Note 17 b	351	282	460	282
		624,716	31,294	271,811	113,217
Investment properties				850	850
Property and equipment	Note 10	2,425,951	2,262,983	6,853,936	6,705,097
Lease right-of-use assets	Note 11 a	11,850	14,335	124,203	132,595
Investments	Note 9	2,681,557	2,344,874	2	2
Intangible assets	Note 12	88,694	88,198	1,024,648	974,133
Total non-current assets		5,832,768	4,741,684	8,275,450	7,925,894
Total assets		6,843,630	6,510,027	11,313,056	11,047,994

Companhia de Locação das Américas

Balance sheet

(All amounts in thousands of reais)

(continued)

		Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Liabilities and equity					
Current liabilities					
Trade payables	Note 13	181,488	394,881	549,072	1,450,247
Assignment of credits by suppliers	Note 14	330,690	113,285	937,316	476,620
Borrowings and debentures	Note 15	242,345	48,386	314,437	119,521
Property leases	Note 11 b	4,969	4,970	42,364	38,536
Derivative financial instruments	Note 4.1 a	55,046	36,370	65,181	22,695
Salaries and social charges payable		13,169	17,857	37,099	42,490
Tax liabilities		6,186	3,583	25,329	23,331
Dividends and interest on capital payable	Note 18 f	86,080	35,814	86,080	35,814
Related parties	Note 17 b	4,629	4,376	6,402	32,370
Other payables		15,944	14,483	66,742	36,778
Total current liabilities		940,546	674,005	2,130,022	2,278,402
Non-current liabilities					
Borrowings and debentures	Note 15	1,903,601	1,872,804	4,939,290	4,553,004
Property leases	Note 11 b	6,881	9,365	81,839	94,059
Provision for loss on investment	Note 9	8,198			
Provision for contingencies	Note 16 b	18,104	19,151	117,657	115,885
Deferred taxes	Note 8	21,730	30,011	90,395	100,881
Other payables		1,281	280	10,564	1,352
Total non-current liabilities		1,959,795	1,931,611	5,239,745	4,865,181
Total liabilities		2,900,341	2,605,616	7,369,767	7,143,583
Equity					
Share capital	Note 18	3,094,902	3,094,902	3,094,902	3,094,902
Treasury shares		(23,668)	(35,562)	(23,668)	(35,562)
Capital reserve and options granted		569,129	550,969	569,129	550,969
Revenue reserve		315,027	315,027	315,027	315,027
Carrying value adjustments		18,828	(20,925)	18,828	(20,925)
Accumulated deficit		(30,929)		(30,929)	
Total equity		3,943,289	3,904,411	3,943,289	3,904,411
Total liabilities and equity		6,843,630	6,510,027	11,313,056	11,047,994

The accompanying notes are an integral part of this quarterly information.

Companhia de Locação das Américas

Statement of operations

Quarter and six-month periods ended June 30

(All amounts in thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

		Quarter ended June 30				Six-month period ended June 30			
		Parent company		Consolidated		Parent company		Consolidated	
		2020	2019	2020 (**)	2019 (*)	2020	2019	2020 (**)	2019 (*)
Net operating revenue	Note 19	298,582	307,201	920,803	1,179,725	653,593	590,607	2,160,996	2,231,836
Cost of rental and sale of vehicles	Note 20	(195,000)	(202,542)	(740,681)	(860,753)	(443,694)	(387,746)	(1,662,831)	(1,601,995)
Gross profit		103,582	104,659	180,122	318,972	209,899	202,861	498,165	629,841
Selling expenses	Note 20	(13,008)	(18,943)	(76,933)	(76,131)	(30,816)	(31,338)	(165,974)	(137,837)
General and administrative expenses	Note 20	(34,066)	(19,240)	(70,094)	(48,450)	(59,419)	(45,232)	(131,718)	(106,333)
Other operating income (expenses)		(8)	67	(179)	3,085	2	166	(461)	208
Equity in the results of investees	Note 9	(41,452)	48,460			(1,144)	100,389		
Profit before finance result and taxes		15,048	115,003	32,916	197,476	118,522	226,846	200,012	385,879
Finance income	Note 21	5,900	4,833	8,686	17,828	14,660	16,866	22,174	33,392
Finance costs	Note 21	(38,617)	(41,319)	(80,409)	(111,239)	(75,612)	(102,560)	(164,241)	(224,289)
Finance costs, net	Note 21	(32,717)	(36,486)	(71,723)	(93,411)	(60,952)	(85,694)	(142,067)	(190,897)
Profit (loss) before taxes		(17,669)	78,517	(38,807)	104,065	57,570	141,152	57,945	194,982
Current and deferred income tax and social contribution	Note 8	3,150	3,353	24,288	(22,195)	7,481	14,522	7,106	(39,308)
Profit (loss)		(14,519)	81,870	(14,519)	81,870	65,051	155,674	65,051	155,674
Basic earnings (loss) per share - R\$	Note 23					0.13	0.35	0.13	0.35
Diluted earnings (loss) per share - R\$	Note 23					0.13	0.34	0.13	0.34

(*) As from January 31, 2019, when the control of Unidas Agro Locação de Veículos S.A. was acquired, the Group started to include this subsidiary in its consolidated financial information.

(**) As from June 12, 2020, when the control of Zetta Frotas S.A., was acquired, the Group started to include this subsidiary in its consolidated financial information.

The accompanying notes are an integral part of this quarterly information.

Companhia de Locação das Américas

Statement of comprehensive income (loss)

Quarter and six-month period ended June 30

(All amounts in thousands of reais)

(A free translation of the original in Portuguese)

	Quarter ended June 30				Six-month period ended June 30			
	Parent company		Consolidated		Parent company		Consolidated	
	2020	2019	2020 (**)	2019 (*)	2020	2019	2020 (**)	2019 (*)
Profit (loss)	(14,519)	81,870	(14,519)	81,870	65,051	155,674	65,051	155,674
Other comprehensive income (loss)								
Hedge accounting - cash flow	(9,020)	(5,871)	14,997	(7,585)	(17,783)	(9,245)	61,000	(11,372)
Income tax and social contribution - hedge accounting	3,118	1,981	(5,048)	2,564	5,539	3,135	(21,247)	3,858
Hedge accounting effects - subsidiary	15,851	(1,131)			51,997	(1,404)		
Other comprehensive income (loss) for the period, net of tax effects	9,949	(5,021)	9,949	(5,021)	39,753	(7,514)	39,753	(7,514)
Total comprehensive income (loss) for the period	(4,570)	76,849	(4,570)	76,849	104,804	148,160	104,804	148,160

(*) As from January 31, 2019, when the control of Unidas Agro Locação de Veículos S.A. was acquired, the Group started to include this subsidiary in its consolidated financial information.

(**) As from June 12, 2020, when the control of Zetta Frotas S.A., was acquired, the Group started to include this subsidiary in its consolidated financial information.

The accompanying notes are an integral part of this quarterly information.

Companhia de Locação das Américas

Statement of changes in equity

(All amounts in thousands of reais)

(A free translation of the original in Portuguese)

Parent company and Consolidated										
	Share capital			Capital reserve		Revenue reserve		Carrying value adjustments	Retained earnings (accumulated deficit)	Total
	Share capital	Share issuance expenses	Treasury shares	Shares granted	Capital reserve	Legal reserve	Investment reserve			
At January 1, 2019	1,969,517	(47,336)	(9,925)	6,289	522,672	18,230	122,390	(16,291)		2,565,546
Profit for the period									155,674	155,674
Hedge accounting - cash flow								(9,245)		(9,245)
Income tax/ Social contribution – hedge accounting								3,135		3,135
Hedge accounting effects – Subsidiary								(1,404)		(1,404)
Total comprehensive income for the period								(7,514)	155,674	148,160
Capital increase	36,773	(671)			18,399					54,501
Share buyback			(34,388)							(34,388)
Shares granted				6,128	(213)					5,915
Options exercised			3,533	(999)	418					2,952
Payment of interest on capital									(85,128)	(85,128)
Total transactions with shareholders	36,773	(671)	(30,855)	5,129	18,604				(85,128)	(56,148)
At June 30, 2019	2,006,290	(48,007)	(40,780)	11,418	541,276	18,230	122,390	(23,805)	70,546	2,657,558
At January 1, 2020	3,195,790	(100,888)	(35,562)	14,775	536,194	35,135	279,892	(20,925)		3,904,411
Profit for the period									65,051	65,051
Hedge accounting - cash flow								(17,783)		(17,783)
Income tax/ Social contribution – hedge accounting								5,539		5,539
Hedge accounting effects – Subsidiary								51,997		51,997
Total comprehensive income (loss) for the period								39,753	65,051	104,804
Acquisition of investment			16,510		15,933					32,443
Share buyback			(8,204)							(8,204)
Shares granted				4,896						4,896
Options exercised			3,588	(2,669)						919
Payment of interest on capital									(95,980)	(95,980)
Total transactions with shareholders			11,894	2,227	15,933				(95,980)	(65,926)
At June 30, 2020	3,195,790	(100,888)	(23,668)	17,002	552,127	35,135	279,892	18,828	(30,929)	3,943,289

The accompanying notes are an integral part of this quarterly information.

Companhia de Locação das Américas

Statement of cash flows Six-month period ended June 30 (All amounts in thousands of reais)

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2020	2019	2020 (**)	2019 (*)
Cash flows from operating activities				
Profit for the period	65,051	155,674	65,051	155,674
Deferred income tax and social contribution	(7,481)	(14,522)	(15,230)	20,630
Equity in the results of investees	1,144	(100,389)		
Depreciation and amortization	119,632	95,425	295,823	226,156
Provision for stolen and damaged vehicles			(5,183)	26,851
Written off residual value of vehicles being decommissioned for fleet renewal, including resale	235,208	215,797	1,006,612	1,105,144
Residual value of stolen vehicles and total losses on vehicles	9,876	5,791	84,665	45,814
Provision for share-based payment	4,122	4,317	4,896	5,915
Financial charges on borrowings and debentures	49,671	76,410	112,850	153,719
Provision for impairment of trade receivables	4,011	1,770	41,428	15,630
Provision for contingencies	(1,047)	3,578	1,664	2,539
Property leases	344	608	2,433	3,374
Vehicles being decommissioned written down to the recoverable	845		3,796	
Interest on assignment of receivables - automakers	4,374	7,017	11,979	23,541
Swap	19,342	11,155	24,519	17,167
Others	(5,176)	301	(7,490)	5,900
	<u>499,916</u>	<u>462,932</u>	<u>1,627,813</u>	<u>1,808,054</u>
Increase (decrease) in assets				
Trade receivables	(11,088)	(3,552)	24,960	(56,027)
Taxes recoverable	(7,275)	(11,812)	(8,068)	(12,285)
Prepaid expenses	(14,305)	(17,616)	(53,759)	(41,831)
Related parties	(377)	(2,325)	(16,142)	(15,660)
Other current and non-current assets	(952)	(21,588)	(40,915)	(85,958)
	<u>(33,997)</u>	<u>(56,893)</u>	<u>(93,924)</u>	<u>(211,761)</u>
(Increase) decrease in liabilities				
Acquisition of vehicles net of the balance payable to suppliers - automakers and assignment of credits by suppliers	(497,452)	(746,461)	(1,856,465)	(2,528,854)
Payment of income tax and social contribution	(4,639)		(20,030)	(4,120)
Other current and non-current liabilities	(21,251)	(7,823)	(11,506)	(24,736)
Trade payables - except automakers	15,343	6,582	(5,833)	67,371
	<u>(507,999)</u>	<u>(747,702)</u>	<u>(1,893,834)</u>	<u>(2,490,339)</u>
Net cash used in operating activities	<u>(42,080)</u>	<u>(341,663)</u>	<u>(359,945)</u>	<u>(894,046)</u>
Cash flows from investing activities				
Acquisition of investments	(39,276)	(50,000)	(22,132)	(49,992)
Capital increase in subsidiaries	(231,642)	(552,000)		
Advance for future capital increase	(595,578)			
Loans to related parties		16,103		
Additions to other property and equipment and intangible assets	(5,126)	(5,091)	(47,776)	(54,132)
Marketable securities	75,437	76,513	81,768	(34,549)
Net cash provided by (used in) investing activities	<u>(796,185)</u>	<u>(514,475)</u>	<u>11,860</u>	<u>(138,673)</u>
Cash flows from financing activities				
Proceeds from borrowings and debentures - net of funding costs	298,516	(43)	549,221	996,150
Repayment of borrowings and debentures	(75,076)	(496,130)	(165,828)	(1,004,797)
Interest paid on borrowings and debentures	(48,355)	(69,866)	(119,013)	(135,813)
Proceeds from stock option plan	919	2,952	919	2,952
Share buyback	(8,204)	(34,388)	(8,204)	(34,388)
Funding expenses- Follow on		(671)		(671)
Dividends and interest on capital paid	(35,814)	(74,152)	(35,814)	(74,152)
Net cash provided by (used in) financing activities	<u>131,986</u>	<u>(672,298)</u>	<u>221,281</u>	<u>(250,719)</u>
Decrease in cash and cash equivalents	<u>(706,279)</u>	<u>(1,528,436)</u>	<u>(126,804)</u>	<u>(1,283,438)</u>
Cash and cash equivalents at the beginning of the period	1,255,550	1,678,246	1,770,114	1,755,864
Cash and cash equivalents at the end of the period	549,271	149,810	1,643,310	472,426

Companhia de Locação das Américas

Statement of cash flows

Six-month period ended June 30

(All amounts in thousands of reais)

(continued)

Supplemental disclosure of cash flow information	Parent company		Consolidated	
	2020	2019	2020 (**)	2019 (*)
Total cash paid for the acquisition of vehicles				
Total vehicles and accessories purchased for property and equipment	(498,115)	(453,176)	(1,392,294)	(2,128,263)
Total vehicles acquired for resale			(38,044)	(54,784)
Net changes in the balance of trade payables - automakers and assignment of credits by suppliers	663	(293,285)	(426,127)	(345,807)
Total cash paid or provided for at the acquisition of vehicles	(497,452)	(746,461)	(1,856,465)	(2,528,854)
Activities not affecting cash	Parent company		Consolidated	
	2020	2019	2020 (**)	2019 (*)
Hedge accounting - cash flow	17,783	9,245	(61,000)	11,372
Hedge accounting - other derivative financial instruments	19,342	11,155	24,519	11,277
Accrued interest on capital, gross	95,980	39,856	95,980	39,856
Hedge accounting effects - Subsidiary	(51,997)	(1,404)		
Exchange variation - hedge accounting			(90,145)	
Exchange variation - debt 4131			90,145	
Acquisition of investment with treasury shares	32,443			
Addition of right-of-use assets - properties		21,419	9,634	160,420
	113,551	80,271	69,133	222,925

(*) As from January 31, 2019, when the control of Unidas Agro Locação de Veículos S.A. was acquired, the Group started to include this subsidiary in its consolidated financial information.

(**) As from June 12, 2020, when the control of Zetta Frotas S.A., was acquired, the Group started to include this subsidiary in its consolidated financial information.

The accompanying notes are an integral part of this quarterly information.

Companhia de Locação das Américas

Statement of value added Six-month period ended June 30 (All amounts in thousands of reais)

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2020	2019	2020 (**)	2019 (*)
Revenue				
Gross revenue net of discounts and cancellations	692,989	626,882	2,270,866	2,341,178
Estimated impairment loss on trade receivables	(4,011)	(1,770)	(41,428)	(15,630)
	<u>688,978</u>	<u>625,112</u>	<u>2,229,438</u>	<u>2,325,548</u>
Inputs acquired from third parties				
Costs of sales and rentals of vehicles	(233,976)	(277,482)	(1,029,518)	(1,304,967)
Materials, electricity, third-party services and other	(96,514)	(24,236)	(372,246)	(112,487)
	<u>(330,490)</u>	<u>(301,718)</u>	<u>(1,401,764)</u>	<u>(1,417,454)</u>
Gross value added	<u>358,488</u>	<u>323,394</u>	<u>827,674</u>	<u>908,094</u>
Depreciation and amortization	(119,632)	(95,425)	(295,823)	(226,156)
Net value added generated	<u>238,856</u>	<u>227,969</u>	<u>531,851</u>	<u>681,938</u>
Value added received through transfer				
Equity in the results of investees	(1,144)	100,389		
Finance income	14,660	16,866	22,174	33,392
Value added received through transfer	<u>13,516</u>	<u>117,255</u>	<u>22,174</u>	<u>33,392</u>
Total value added to distribute	<u>252,372</u>	<u>345,224</u>	<u>554,025</u>	<u>715,330</u>
Distribution of value added				
Personnel				
Direct compensation	38,362	35,259	101,236	88,143
Benefits	4,800	4,217	20,949	18,137
Government Severance Indemnity Fund for Employees (FGTS)	1,770	2,093	6,029	7,250
Taxes, fees, and contributions				
Federal	38,012	28,016	120,632	165,048
State	26,261	17,248	70,153	55,828
Municipal	2,504	157	5,734	961
Remuneration of third-party capital				
Finance costs	75,612	102,560	164,241	224,289
Remuneration of own capital				
Dividends and interest on capital, gross	95,980	85,132	95,980	85,132
Retained earnings (accumulated deficit)	(30,929)	70,542	(30,929)	70,542
Total value added distributed	<u>252,372</u>	<u>345,224</u>	<u>554,025</u>	<u>715,330</u>

(*) As from January 31, 2019, when the control of Unidas Agro Locação de Veículos S.A. was acquired, the Group started to include this subsidiary in its consolidated financial information.

(**) As from June 12, 2020, when the control of Zetta Frotas S.A., was acquired, the Group started to include this subsidiary in its consolidated financial information.

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

1 General information

Companhia de Locação das Américas ("Company" or "Locamerica") is a listed corporation domiciled in Brazil, incorporated on July 18, 2008. The Company and its subsidiaries (together "the Group") are engaged in the following activities:

- Rental of national and imported vehicles with or without a driver - "Fleet" and "RAC" segments (Locamerica, Unidas S.A., Unidas Agro Locação de Veículos S.A., and Zetta Frotas S.A.);
- Purchase and resale of pre-owned vehicles (Acelero Comércio de Veículos S.A. and Unidas Comercial de Veículos S.A.);
- Third-party fleet management (Agile Gestão de Frotas e Serviços S.A. and Unidas S.A.);
- Franchise management (Unidas Franquias do Brasil S.A.).

The Group has its registered office at Alameda Santos, 438 - district of Cerqueira César, in the city of São Paulo, State of São Paulo, and operates in a number of Brazilian states through its branches. Its main operating bases are located in the States of São Paulo, Minas Gerais, Rio de Janeiro, and Paraná.

The Company is listed on the Brazilian Stock Exchange (B3) and, due to the Corporate Governance practices adopted, its shares are traded in the special listing segment *Novo Mercado* (New Market), under the ticker symbol LCAM3.

At June 30, 2020, the Group's fleet comprised 167,867 vehicles (164,588 vehicles at December 31, 2019) (data not in scope of audit review). The Company's fleet is renewed at the end of the vehicles' economic useful lives, which range from 12 to 50 months, according to the characteristics of the vehicles rented and the terms of the agreements entered into with customers. After the end of their useful lives, the vehicles are sold either to independent dealers, who have their own selling points, or through the Group's own stores.

a) Subsidiaries and consolidated companies

Name	Country	Relationship	Direct ownership interest - %	Indirect ownership interest - %
Acelero Comércio de Veículos S.A.	Brazil	Subsidiary	100	
Agile Gestão de Frotas e Serviços S.A.	Brazil	Subsidiary	100	
Unidas Agro Locação de Veículos S.A.	Brazil	Subsidiary	100	
Unidas S.A.	Brazil	Subsidiary	100	
Unidas Comercial de Veículos S.A.	Brazil	Subsidiary	100	
Unidas Franquias do Brasil S.A.	Brazil	Subsidiary	100	
Zetta Frotas S.A.	Brazil	Subsidiary	100	
Costa Dourada Veículos Ltda.	Brazil	subsidiary		100
Amorim & Amorim Ltda.	Brazil	subsidiary		100

Acelero Comércio de Veículos Ltda. - Wholly-owned subsidiary of Locamerica, engaged in the resale of pre-owned vehicles and headquartered in the city of and State of São Paulo.

Agile Gestão de Frotas e Serviços Ltda. - Wholly-owned subsidiary of Locamerica, operating in the fleet management segment and headquartered in the city of Belo Horizonte, State of Minas Gerais.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Unidas Agro Locação de Veículos S.A. - Wholly-owned subsidiary of Locamerica, engaged in the rental of fleet vehicles to the Agribusiness segment, and headquartered in Belo Horizonte, State of Minas Gerais.

Unidas S.A. - Wholly-owned subsidiary of Locamerica, operating in the segments of fleet rental and rent-a-car (RAC), and headquartered in the city of São Paulo and State of São Paulo.

Unidas Comercial de Veículos Ltda. - Wholly-owned subsidiary of Locamerica, engaged in the resale of pre-owned vehicles and headquartered in the city and State of São Paulo.

Unidas Franquias do Brasil S.A. - Wholly-owned subsidiary of Locamerica, engaged in the Franchise segment in Brazil, and headquartered in the city and State of São Paulo.

Zetta Frotas S.A. - Wholly-owned subsidiary of Locamerica, engaged in the fleet segment, and headquartered in the city and State of São Paulo.

Costa Dourada Veículos Ltda. - Indirect subsidiary of Locamerica, through Zetta Frotas S.A., engaged in the fleet segment, and headquartered in Maceió, State of Alagoas.

Amorim & Amorim Ltda. - Indirect subsidiary of Locamerica, through Zetta Frotas S.A., engaged in the fleet segment, and headquartered in Maceió, State of Alagoas.

b) Approval of the interim financial information

The issue of this quarterly information was authorized by the Board of Directors on August 13, 2020.

1.1 Impacts of Coronavirus (Covid-19)

The novel Coronavirus (Covid-19) epidemic was first reported in Wuhan, China to the World Health Organization (WHO) in December 30, 2019.

On March 11, 2020, the WHO officially declared the COVID-19 a global pandemic, recommending social distancing, as the disease rapidly spread across the world.

The Company simultaneously issued guidelines and implemented a number of actions and procedures to prevent and mitigate the effects of contamination in the workplace, which remain in force and include:

- All administrative staff were designated to work from home, and to that end, laptops were purchased, and access to VPN systems extended, without interrupting the operations in progress;
- Recommendation of the use of masks, including possible asymptomatic individuals, in addition to the distribution of masks at Pre-owned and RAC stores;
- Suspension of air travel and postponement of selected discretionary expenses;
- Adoption of the initial measures authorized by the Government, such as: (a) implementation of compensatory time (to be offset in 18 months); (b) anticipation of vacation periods; and (c) postponement of payment of taxes, such as the Government Severance Indemnity Fund for Employees (FGTS);

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

- Contracting of new borrowings, to assure a comfortable level of leverage to meet settlement of the obligations.

1.1.1 Impacts on the business and analysis of asset recovery

Management believes that the COVID-19 has significantly affected the demand for its products and services, mainly in the car rental (RAC) and pre-owned segments. In the fleet outsourcing segment, no significant impacts have been noted yet.

In view of this scenario, the Company has reviewed impairment indicators, and projecting a temporary reduction in revenue and sales of pre-owned vehicles, which resulted in the need for recognizing a provision for impairment of these assets.

In the second quarter of 2020, based on management's evaluations of current market conditions, and acknowledging the impact caused by COVID-19 on the sale of pre-owned vehicles, the Company recorded a provision of R\$845 in the parent company, and R\$ 24,545 in the consolidated; . R\$ 20,749 was realized in the same quarter upon sale of vehicles and R\$ 3,796 continues still provisioned for cars retired from service for fleet renewal.

The analysis considered not only the economic and financial impacts caused by or expected from the crisis, but also the current and projected market values of these assets and the cash they may generate. The recoverable value of these assets, and consequently the impairment loss, is calculated as the higher of the asset's value in use and its fair value less costs to sell.

The Company's review of its impairment indicators, including the estimated loss on allowance for loan losses and assets with reduced recoverable value due to the pandemic.

The Company is continually providing updated information to the market and regulator on the potential impacts of COVID-19, monitoring trends in macroeconomic and business variables, as well as preparing stress analyses, so as to obtain the best estimate of such impacts on a timely basis facilitating mitigation and adjusting contingency plans.

2 Summary of significant accounting policies

The quarterly information has been prepared in accordance with accounting practices adopted in Brazil, and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

2.1 Basis of preparation

The quarterly information has been prepared under the historical cost convention, as modified by certain financial assets and liabilities (including derivative instruments) measured at fair value. The quarterly information has been prepared in accordance with the Technical Pronouncement CPC 21(R1) - Interim Financial Statements, International Standard IAS 34 - Interim Financial Reporting issued by IASB, and the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the quarterly information, are disclosed in Note 3.

The interim financial information should be read together with the annual financial statements approved by the Executive Board and Board of Directors on March 12, 2020, and filed on the same date.

The presentation of the parent company and consolidated statements of value added, which is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, has been prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Under the IFRS, the presentation of this statement is not required, being considered supplementary information and not part of the set of financial statements.

2.2 Segment reporting

Operating segments are defined as components that carry out business activities: (i) that may earn revenue and incur expenses; (ii) whose operating results are reviewed regularly by management in the decision-making processes; and (iii) for which separate financial information is available.

The Group has defined two operating segments, which are managed separately, based on the reports used for strategic decision-making by the Executive Board and Board of Directors.

Accordingly, management considers that the Company's operations are divided into the following two identifiable operating segments: (i) rental of vehicles under long-term contracts ("Fleet"); and (ii) rental of vehicles under short-term contracts ("RAC" or "rent-a-car"), carried out by its direct subsidiary Unidas S.A. The Group's management believes that the fleet renewal activity (pre-owned vehicles) is not a separate operating segment, as it is inherent in the operations of the Fleet and RAC segments.

2.3 New standards, amendments and interpretations to standards

2.3.1 Recently issued accounting pronouncements and interpretations

The following amendments to standards were issued by the IASB, and are effective from January 1, 2020.

a) Conceptual Framework

In March 2018, IASB published its revised Conceptual Framework for Financial Reporting, replacing the earlier version issued in 2010. Key changes included:

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition, and adding guidance on derecognition;
- adding guidance on the information provided by different measurement bases; and
- stating that profit or loss is the primary performance indicator and that, in principle, income

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Conceptual Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under a specific accounting standard, will need to apply the revised Conceptual Framework from January 1, 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Conceptual Framework.

Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors":

In October 2018, the IASB issued the definition of "material" and made important amendments to IAS 1 and IAS 8, the revised versions of which became effective from January 1, 2020. The definition of "material" helps entities determine whether the information about an item, transaction, or other event should be provided to users of their financial statements. However, as such definition may not always be objective, judgment may be required regarding the materiality in the preparation of the financial statements. The amendments were made to align the wording of the definition of "material" throughout the IFRS, including in the Conceptual Framework.

b) Amendments to IFRS 3 "Business Combinations"

In October 2018, the IASB issued an amendment to IFRS 3 regarding the definition of "business", with effective date on January 1, 2020. The amendment (i) confirms that a business must consist of inputs and relevant processes which, together, contribute significantly to create outputs; (ii) provides a test that may be used to analyze whether an entity acquired a group of assets, instead of a business; and (iii) provides more specific definitions for outputs, whose focus is now the generation of return by means of products sold and services rendered to customers, excluding returns in the form of cost reduction and other economic benefits.

c) Revision of Technical Pronouncement CPC 06 (R2) - Leases

In May 2020, the IASB issued amendments to IFRS 16 - Leases related to benefits granted to lessees on lease agreements due to the Covid-19 pandemic. On July 7, 2020, CVM Resolution 859/20 approved CPC 06 (R2), which is equivalent to IFRS 16 and applies to years beginning on or after January 1, 2020.

As a practical expedient, the lessee may choose not to assess whether a Covid-19 related benefit granted under a lease agreement is a modification of the original agreement and, therefore, account for the resulting changes in lease payments as profit/loss for the period. The Company and its subsidiaries applied the practical expedient to all the benefits granted under lease agreements, in accordance with the requirements of Resolution 859/20, and the resulting amounts of R\$ 783 (parent company) and R\$ 5,026 (consolidated) were recognized in the statement of operations at June 30, 2020.

2.3.2 New standards that are not yet effective

There are no other IFRS or IFRIC interpretations that are not yet effective, which would be expected to have a material impact on the Company's financial statements.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

3 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below, and did not change significantly from those disclosed in the notes to the financial statements at December 31, 2019, published on March 12, 2020, and filed on the same date.

4 Financial risk and fair value management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, and cash flow or fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's Treasury department, which identifies, assesses, and seeks to protect the Group against potential financial risks

The Executive Board has overall responsibility for establishing and overseeing the Group's risk management framework, and regularly reports on its activities to the Board of Directors.

The Group's risk management practices are established in order to identify and analyze the risks, define risk limits and controls, and monitor risks and adherence to the limits. The Group's management has established specialized committees that are in charge of addressing critical business topics, and has implemented an internal control system that contributes to the achievement of the Group's operational and strategic goals.

(a) Market risk

(i) Cash flow and fair value interest rate risk

This risk arises from the possibility that the Group may obtain gains or incur losses due to fluctuations in interest rates to which its financial assets and liabilities are subject. Aiming to mitigate this risk, the Group seeks to diversify its funding strategy in terms of fixed and floating rates contracted with financial institutions.

The Group carries out transactions with financial instruments, which are managed through operating strategies and internal controls aimed at ensuring liquidity, profitability and security. The contracting of financial instruments for hedging purposes is carried out through a periodical analysis of the exposure to risk that management intends to hedge (exchange rate, interest rate), which is reviewed by the Executive

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Board for approval and implementation of the strategy presented. Management's control policy consists of the ongoing monitoring of the conditions contracted as compared with the conditions prevailing in the market. During the period, the Group did not invest in derivatives or any other risk assets for speculative purposes. The results obtained from these transactions are consistent with the practices and strategies defined by the Group's management.

In conformity with its financial risk management practice, the Group contracts derivative financial instruments for the purpose of maintaining within certain levels its interest rate exposure on finance costs.

On the reporting date, the profile of the Group's interest-earning financial instruments was as follows:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Carrying amount				
Financial assets	588,576	1,367,912	1,994,477	2,005,899
Financial liabilities	(2,200,992)	(1,957,560)	(5,318,908)	(4,695,220)
Net exposure (CDI and IPCA)	(1,612,416)	(589,648)	(3,324,431)	(2,689,321)

(ii) Foreign exchange risk

Foreign exchange risks arise from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. In conformity with its financial risk management policy, the Company enters into derivative financial instruments to hedge its exchange rate exposure through a currency swap for active contracts. At June 30, 2020, the Company had no material net operation exposed to foreign exchange risk.

(iii) Derivative financial instruments

During the quarter ended June 30, 2020, exclusively for hedging purposes, the Group entered into swap transactions, which exchange the floating CDI rate for a fixed rate. The fair value of the swaps was determined by using prices quoted in an active market for identical financial instruments. The instruments were segregated in order to demonstrate the asset and liability effect on each group of instruments.

The mark-to-market of derivative financial instruments (hedge accounting) is recognized in the statement of comprehensive income and will only be recognized in profit or loss for the period in which the derivative financial instruments are settled.

At June 30, 2020						Parent company			Mark-to-market		
Operations	Period	Notional	Rates		Liability position	Interest (accrual)			Assets	Liabilities	Net
			Asset position			Assets	Liabilities	Net			
CDI x Fixed rate	11 to 51 months	1,182,503	100% to 119% of CDI	3.10% to 10.64% p.a.		1,188,065	(1,194,978)	(6,913)	12,476	(60,609)	(48,133)
At June 30, 2020						Consolidated			Mark-to-market		
Operations	Period	Notional	Rates		Liability position	Interest (accrual)			Assets	Liabilities	Net
			Asset position			Assets	Liabilities	Net			
CDI x Fixed rate	11 to 51 months	1,386,504	100% to 119% of CDI	3.10% to 12.32% p.a.		1,393,241	(1,401,465)	(8,224)	14,959	(71,306)	(56,347)
SWAP 4131	60 months	188,500	FX variations + (3M LIBOR + 0.40%) x (*)	109.7% of CDI		272,872	(189,529)	83,343	267,413	(193,155)	74,258
SWAP 4131	48 months	252,480	FX variations + (3M LIBOR + 0.87%) x (*)	CDI + 0.82% p.a.		272,196	(252,687)	19,509	272,843	(258,031)	14,812
						1,938,309	(1,843,681)	94,628	555,215	(522,492)	32,723
									Non-current assets	103,180	89,352
									Current liabilities	(8,552)	(56,629)

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

At December 31, 2019					Interest (accrual)			Parent company		
Operations	Period	Notional	Asset position	Liability position	Assets	Liabilities	Result	Assets	Liabilities	Mark-to-market
CDI x Fixed rate	11 to 48 months	1,168,873	100% to 113% of CDI	4.82% to 11.13%	1,179,142	(1,184,665)	(5,523)	15,792	(46,639)	(30,847)
									Current liabilities	(36,370)
At December 31, 2019					Interest (accrual)			Consolidated		
Operations	Period	Notional	Asset position	Liability position	Assets	Liabilities	Result	Assets	Liabilities	Mark-to-market
CDI x Fixed rate	11 to 48 months	1,374,804	100% to 117.5% of CDI	4.82% to 12.32%	1,386,944	(1,393,183)	(6,239)	18,379	(54,400)	(36,021)
SWAP 4:1:1	60 months	188,500	FX variations + (3M LIBOR +0.40%) x 1.176471	109.7% of CDI	202,519	(190,199)	12,320	13,452	(6,207)	7,245
									Current liabilities	(22,695)
					1,589,463	(1,583,382)	6,081	31,831	(60,607)	(28,776)

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions, as well as from credit exposures to customers, including outstanding receivables and repurchase agreements. For banks and other financial institutions, only securities that are in accordance with the Company's investment policy are accepted.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9/CPC 48 to measure expected credit losses, considering a provision for losses expected over the useful life of all its trade receivables. The credit analysis department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with the limits set by the Group. The utilization of credit limits is monitored on a regular basis.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties in excess of the amounts already provisioned.

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. On the reporting date, the maximum exposure to credit risk was as follows:

		Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and cash equivalents	Note 5 a	549,271	1,255,550	1,643,310	1,770,114
Marketable securities	Note 5 b	39,813	115,250	162,812	244,580
Trade receivables	Note 6	158,459	151,265	423,773	474,077
Related parties	Note 17 b	2,616	1,986	25,381	34,747
Dividends receivable	Note 17 b	50,780	49,013		
Other receivables		12,766	11,787	27,379	20,251
Total		813,705	1,584,851	2,282,655	2,543,769

(i) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings, for cash and cash equivalents and marketable securities, or to historical information about counterparty default rates:

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Cash and cash equivalents and marketable securities

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash at current bank accounts				
AAA	322	1,411	2,373	6,518
AA	6	1,322	1,134	1,827
AA-		2	1	6
A	27		31	
A-			27	79
B-			3	
Cash	153	153	608	365
Total cash on hand and at banks' current accounts	508	2,888	4,177	8,795
Financial investments				
AAA	544,383	1,233,641	1,634,611	1,551,782
AA	4,380	962	4,520	191,242
A		6	2	6
AA-		18,053		18,289
Total financial investments	548,763	1,252,662	1,639,133	1,761,319
Total cash and cash equivalents	549,271	1,255,550	1,643,310	1,770,114
Marketable securities				
AAA	2,660	5,398	125,659	27,802
AA	37,153		37,153	
A+		109,852		216,778
Total marketable securities	39,813	115,250	162,812	244,580

(ii) Trade receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group's customers are widely dispersed, and the largest customer represents only 2% of total revenue for the year, and 2% of total trade receivables. Therefore, the Group does not consider that its receivables are concentrated, and the Executive Board conducts periodic analyses, with the objective of spreading even more the customer base.

In Note 6, the Group presents its receivables portfolio by maturity range, and the amount recorded in the provision for impairment of trade receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Group may have difficulty in fulfilling the obligations associated with its financial liabilities that are to be settled in cash or through other financial assets. The Group's approach to managing liquidity is to ensure, to the maximum extent possible, sufficient liquidity to pay its obligations as they fall due, under normal or stress conditions, without incurring unacceptable losses or adversely affecting its reputation.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The contractual exposures of financial liabilities, including estimated interest payments, and excluding the impact of currency trading agreements at the net position are as follows:

		Parent company					
		6/30/2020	Contractual flow	Up to 12 months	From 2 to 5 years	Over 5 years	Total
Liabilities							
Trade payables	Note 13	181,488	181,488	181,488			181,488
Assignment of credits by suppliers	Note 14	330,690	343,332	343,332			343,332
Borrowings and debentures	Note 15	2,145,946	2,340,144	294,178	2,045,966		2,340,144
Derivative financial instruments	Note 4.1.a	55,046	55,046	55,046			55,046
Property leases	Note 11	11,850	13,802	5,318	6,989	1,495	13,802
Dividends and interest on capital	Note 18f	86,080	86,080	86,080			86,080
Related parties	Note 17b	4,629	4,629	4,629			4,629
Other payables		17,225	17,225	15,944	1,281		17,225
Total		2,832,954	3,041,746	986,015	2,054,236	1,495	3,041,746

		Consolidated					
		6/30/2020	Contractual flow	Up to 12 months	From 2 to 5 years	Over 5 years	Total
Liabilities							
Trade payables	Note 13	549,072	549,072	549,072			549,072
Assignment of credits by suppliers	Note 14	937,316	967,272	967,272			967,272
Borrowings and debentures	Note 15	5,253,727	5,740,994	522,837	5,056,625	161,532	5,740,994
Derivative financial instruments	Note 4.1.a	65,181	65,181	65,181			65,181
Property leases	Note 11	124,203	146,251	41,495	84,670	20,086	146,251
Dividends and interest on capital	Note 18f	86,080	86,080	86,080			86,080
Related parties	Note 17b	6,402	6,402	6,402			6,402
Other payables		77,306	77,306	66,742	10,564		77,306
Total		7,099,287	7,638,558	2,305,081	5,151,859	181,618	7,638,558

(d) Additional sensitivity analysis required by the Brazilian Securities Commission (CVM)

The Group entered into swaps with financial institutions in order to hedge its exposure to floating interest rates. According to a Sensitivity Analysis conducted by the Group, the effects of an increase in the CDI, IPCA and LIBOR rates of 25% and 50% for indexed financial assets and liabilities on its results would be as follows:

		Parent company						
		Probable scenario		Possible scenario		Remote scenario		
		Rate	Gain	Rate	Gain	Rate	Gain	
		(%)	(Loss)	(%)	(Loss)	(%)	(Loss)	
	6/30/2020							
Financial investments and marketable securities	588,576	CDI	2.26%	9,944	2.83%	12,351	3.39%	14,727
Derivative financial instruments	(55,046)	CDI x Fixed rate	2.26%	(44,966)	2.83%	(37,876)	3.39%	(30,810)
Borrowings and debentures	(2,145,946)	CDI+Spread	2.26%	(62,852)	2.83%	(73,456)	3.39%	(84,030)
Net effect on results				(97,874)		(98,981)		(100,113)
Change in results in relation to the probable scenario						(1,107)		(2,239)

		Consolidated						
		Probable scenario		Possible scenario		Remote scenario		
		Rate	Gain	Rate	Gain	Rate	Gain	
		(%)	(Loss)	(%)	(Loss)	(%)	(Loss)	
	6/30/2020							
Financial investments and marketable securities	1,801,945	CDI	2.26%	33,820	2.83%	42,193	3.39%	50,534
Gains on derivative financial instruments	127,351	CDI x Fixed rate and 3M Libor x CDI	2.26%	(55,448)	2.83%	(48,715)	3.39%	(42,000)
Borrowings, financing and debentures (*)	(4,581,340)	CDI+Spread	2.26%	(124,804)	2.83%	(136,060)	3.39%	(147,283)
Borrowings and debentures (*)	(542,930)	3M Libor Amplified	0.30%	(7,931)	0.38%	(8,934)	0.45%	(9,937)
Borrowings and debentures (*)	(106,050)	Consumer Price Index (IPCA)	3.27%	(10,825)	4.09%	(11,541)	4.91%	(12,261)
Net effect on results				(165,188)		(163,057)		(160,947)
Change in results in relation to the probable scenario						2,131		4,241

(*) Transaction subject to fixed interest rate.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

4.2 Capital management

The Executive Board's policy is to maintain a solid capital basis to preserve the trust of the shareholders, creditors and the market, and sustain the future development of the business. Capital is the sum of resources obtained from the shareholders and financial institutions, net of cash and cash equivalents.

The Executive Board seeks to maintain a balance between the highest return possible from adequate levels of borrowings, and the advantages and security afforded by a sound capital position.

The Group's consolidated net debt-to-capital ratio at the end of the year/period was as follows:

		Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Borrowings, debentures, and derivative liabilities	Notes 15 and 4.1 a	(2,200,992)	(1,957,560)	(5,318,908)	(4,695,220)
(-) Cash and cash equivalents, marketable securities and derivative assets	Notes 5 a, 5 b and 4.1 a	589,084	1,370,800	1,998,654	2,014,694
Net debt		<u>(1,611,908)</u>	<u>(586,760)</u>	<u>(3,320,254)</u>	<u>(2,680,526)</u>
Total equity	Note 18	<u>(3,943,289)</u>	<u>(3,904,411)</u>	<u>(3,943,289)</u>	<u>(3,904,411)</u>
Total capital		<u>(5,555,197)</u>	<u>(4,491,171)</u>	<u>(7,263,543)</u>	<u>(6,584,937)</u>
Third-party capital to equity ratio		29%	13%	46%	41%

There were no changes in the Group's approach to capital management during the period. The Group manages its capital requirements on an aggregate basis.

Changes in net debt at June 30, 2020 were as follows:

	Parent company				
	Borrowings and debentures	Derivative financial instruments	Total debt	Cash and cash equivalents and marketable securities	Net debt
At 1 January 2020	(1,921,190)	(36,370)	(1,957,560)	1,370,800	(586,760)
Changes affecting cash flow					
Proceeds from borrowings	(300,000)		(300,000)	300,000	
Repayment of the principal amount of borrowings	75,076		75,076	(75,076)	
Payment of interest on borrowings	48,355		48,355	(48,355)	
Funding costs disbursed during the period	1,484		1,484	(1,484)	
Cash effect of derivative financial instrument		18,449	18,449	(18,449)	
Other receipts (payments)				(938,352)	(938,352)
Changes not affecting the cash flow					
Interest on borrowings net of funding costs allocated to profit or loss	(49,671)		(49,671)		(49,671)
Effect of derivative financial instrument		(19,342)	(19,342)		(19,342)
M&M effect - hedge accounting		(17,783)	(17,783)		(17,783)
At June 30, 2020	<u>(2,145,946)</u>	<u>(55,046)</u>	<u>(2,200,992)</u>	<u>589,084</u>	<u>(1,611,908)</u>

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

	Consolidated				
	Borrowings and debentures	Derivative financial instruments	Total debt	Cash and cash equivalents and marketable securities	Net debt
At 1 January 2020	(4,672,525)	(22,695)	(4,695,220)	2,014,694	(2,680,526)
Changes affecting cash flow					
Proceeds from borrowings	(552,481)		(552,481)	552,481	
Repayment of the principal amount of borrowings	165,828		165,828	(165,828)	
Payment of interest on borrowings	119,013		119,013	(119,013)	
Funding costs disbursed during the period	3,260		3,260	(3,260)	
Cash effect of derivative financial instrument		23,420	23,420	(23,420)	
Other receipts (payments)				(451,879)	(451,879)
Changes not affecting cash flow					
Balance arising from the acquisition of Zetta Frotas S.A.	(113,827)		(113,827)	2,347	(111,480)
Interest on borrowings net of funding costs allocated to profit or loss	(112,850)		(112,850)		(112,850)
Foreign exchange variation	(90,145)	90,145			
Effect of derivative financial instrument		(24,519)	(24,519)		(24,519)
Effect of MtM- hedge accounting		61,000	61,000		61,000
At June 30, 2020	<u>(5,253,727)</u>	<u>127,351</u>	<u>(5,126,376)</u>	<u>1,806,122</u>	<u>(3,320,254)</u>

4.3 Fair value estimation

The carrying values of trade receivables and payables, less impairment provision in the case of trade receivables, are assumed to approximate their fair values.

Management believes that the carrying amounts of other financial instruments recognized in the financial statements, do not differ significantly from their fair values, as the maturity dates of these instruments are close to the reporting date.

Share-based compensation plan

The fair value of employee share options and share appreciation rights are measured using the Black-Scholes option pricing model. This model takes into consideration measurement variations that include the fair value at the measurement date, the instrument's exercise price, the expected volatility based on competitors' share prices for Plans contracted before the Company's IPO and the volatility of the Company's shares for Plans after the IPO, the weighted average life of the instruments, expected dividends and risk-free interest rates (based on government bonds), and total capital shares. Non-market service and performance conditions inherent in the transactions are not taken into account when determining fair value.

The fair value of the options granted to the Group's executive managers is measured on the grant date, and the expense is recognized in the statement of operations during the vesting period, after certain specific conditions are met. The Group's management reviews the estimates with respect to the number of options at the balance sheet dates, the rights of which should be recognized, based on pre-defined conditions, in profit or loss for the period, with a corresponding entry to equity, where applicable.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Main financial instruments contracted and their respective fair values

	<u>Parent company</u>			
	<u>6/30/2020</u>		<u>12/31/2019</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Liabilities at amortized cost				
Borrowings and debentures (Note 15)	(2,145,946)	(1,997,193)	(1,921,190)	(1,927,060)
	<u>Consolidated</u>			
	<u>6/30/2020</u>		<u>12/31/2019</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Liabilities at amortized cost				
Borrowings and debentures (Note 15)	(5,253,727)	(4,835,863)	(4,672,525)	(4,705,584)

The fair values of borrowings and debentures was estimated by management considering the future value of the instruments on their maturity dates at the contracted rates, and discounted to present value by the market rate at June 30, 2020 (Level 2 hierarchy).

Management believes that the carrying amounts of other financial instruments recognized in the financial statements, do not differ significantly from their fair values, as the maturity dates of these instruments are close to the reporting date.

5 Cash and cash equivalents and marketable securities

(a) Cash and cash equivalents

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>6/30/2020</u>	<u>12/31/2019</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
Cash and banks	508	2,888	4,177	8,795
Bank deposit certificates (CDBs) and repurchase agreements	548,763	1,252,662	1,639,133	1,761,319
Total cash and cash equivalents	<u>549,271</u>	<u>1,255,550</u>	<u>1,643,310</u>	<u>1,770,114</u>

Highly liquid short-term financial investments are readily convertible into a known amount of cash and are subject to immaterial risk of change in value. The Group has the option to early redeem the aforementioned financial investments, without facing any loss of return. These financial investments comprise bank deposit certificates (CDBs) and securities purchased under resale agreements, with an average return of 100.92% of the Interbank Deposit Certificate (CDI) rate at June 30, 2020 (98.49% at December 31, 2019).

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

(b) Marketable securities

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Bank Deposit Certificates (CDBs)	1,688	5,398	124,687	27,802
Investment fund units	38,125	109,852	38,125	216,778
Total marketable securities	39,813	115,250	162,812	244,580
Current	38,462	113,910	161,461	243,240
Non-current	1,351	1,340	1,351	1,340

At June 30, 2020, the Group's marketable securities comprised investments in Funds, Bank Deposit Certificates, and securities purchased under resale agreements with an average return of 100.99% of the CDI rate variation in the parent company and consolidated

The financial investments classified as Bank Deposit Certificates (CDBs) are subject to redemption restriction for the purpose of providing collateral for the debentures of Companhia de Locação das Américas and its subsidiary Unidas S.A.

At June 30, 2020, there were no differences between the carrying amount and the fair value of marketable securities. Fair value measurement is presented in Note 4.3.

6 Trade receivables

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Rentals	204,650	189,570	643,122	475,393
Vehicles sold for fleet renewal	13,156	17,148	39,689	209,210
	217,806	206,718	682,811	684,603
Adjustment to present value	(84)	(201)	(518)	(892)
Estimated impairment loss on trade receivables	(59,263)	(55,252)	(258,520)	(209,634)
Total	158,459	151,265	423,773	474,077
Current	157,408	148,975	419,013	457,875
Non-current	1,051	2,290	4,760	16,202

The Group has trade receivables pledged as collateral for borrowings (Note 15).

In order to calculate the adjustment to present value, the Group used the Interbank Deposit (DI) fixed rate expected for the average maturity of its non-current receivables, increased by a spread of 3% p.a. (cost of debt), applied on the estimated contractual cash flows from receivables.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The maximum exposure to credit risk on the reporting date corresponds to the carrying amounts, as shown below:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Not yet due	120,871	124,479	353,042	359,647
Overdue				
1 to 60 days	14,603	18,074	46,414	115,003
61 to 90 days	2,263	5,980	13,381	20,224
91 to 180 days	7,505	1,289	26,779	18,760
Over 180 days	72,564	56,896	243,195	170,969
	217,806	206,718	682,811	684,603

At June 30, 2020, trade receivables overdue but not impaired totaled R\$37,672 (R\$26,987 at December 31, 2019) in the parent company, and R\$71,249 (R\$115,322 at December 31, 2019) in the consolidated.

Changes in the provision for impairment of trade receivables at June 30, 2020 were as follows:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Balance at the beginning of the period/year	55,252	53,186	209,634	175,463
Balance arising from the acquisition of Zetta Frotas S.A.			7,458	
Provision recorded in the period/year	4,011	2,066	41,428	34,171
Balance at the end of the period/year	59,263	55,252	258,520	209,634

The charge for the provision for impairment of trade receivables is included in "Selling expenses". Receivables that are no longer expected to be recovered are written off.

7 Vehicles being decommissioned for fleet renewal and vehicles for resale

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Vehicles being decommissioned for fleet renewal	123,471	131,700	748,404	646,536
Provision for stolen and damaged vehicles			(167,368)	(172,551)
Vehicles for resale			20,996	20,780
Surplus on revaluation of inventories from Unidas S.A. (*)			70	140
Surplus on revaluation of inventories from Unidas Agro Locação de Veículos S.A. (**)			1,531	1,968
Surplus on revaluation of inventories from Zetta Frotas S.A. (***)			496	
Adjustment to the recoverable value	(1,234)	(389)	(4,185)	(389)
Total	122,237	131,311	599,944	496,484

Vehicles being decommissioned for fleet renewal 122,237 131,311 578,948 475,704
Vehicles for resale 20,996 20,780

(*) The amount of R\$266, relating to surplus on revaluation of vehicles being decommissioned arising from the acquisition of Unidas S.A. was allocated to this line item.

(**) The amount of R\$2,770, relating to surplus on revaluation of vehicles being decommissioned arising from the acquisition of Unidas Agro Locação de Veículos S.A. was allocated to this line item.

(***) The amount of R\$1,240, relating to surplus on revaluation of vehicles being decommissioned arising from the acquisition of Zetta Frotas S.A. was allocated to this line item.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The Group has policies and procedures in place to review and compare the carrying amount of vehicles that are being decommissioned for fleet renewal purposes with their fair value, net of the selling cost. When there are uncertainties as to the realization of the net realizable value, a provision for writing down the related amounts to their net realizable value is recorded.

None of the vehicles being decommissioned has been pledged as collateral. The vehicles pledged as collateral are disclosed in Note 10.

8 Current and deferred income tax and social contribution

(a) Deferred tax assets (liabilities) recognized

Changes in deferred taxes in the year ended December 31, 2019 and period ended June 30, 2020 were as follows:

	Parent company				
	12/31/2018	Changes in profit/loss	12/31/2019	Changes in profit/loss	6/30/2020
Estimated impairment loss on trade receivables	7,360	424	7,784	1,189	8,973
Adjustment to present value	101	(58)	43	39	82
Impairment of assets	146	1	147	287	434
Other provisions	1,258	242	1,500	(18)	1,482
Provision for contingencies	2,027	2,379	4,406	558	4,964
Financial instruments	2,712	1,178	3,890	(2,824)	1,066
Stock options	1,912	1,932	3,844	(217)	3,627
Debenture issuance costs	(11,059)	3,617	(7,442)	1,344	(6,098)
Lease	(5,121)	3,647	(1,474)	362	(1,112)
Depreciation	(88,712)	(21,130)	(109,842)	(38,349)	(148,191)
Hedge accounting (*)	6,649	4,591	11,240	5,539	16,779
Tax amortization of goodwill	(3,248)	(4,873)	(8,121)	(2,437)	(10,558)
Income tax and social contribution losses	41,512	22,502	64,014	42,808	106,822
Total	(44,463)	14,452	(30,011)	8,281	(21,730)

(*) Hedge accounting effects do not impact profit or loss and are recognized in equity.

Breakdown of changes in deferred tax assets and liabilities:

Impact of the change in deferred taxes recorded in equity	5,539
Impact of changes in deferred taxes recorded in profit or loss (a)	2,742
Total changes in deferred taxes in the period	8,281

Changes in deferred taxes recorded against investments (amortization of the surplus on revaluation - Unidas S.A., Unidas Agro Locação de Veículos S.A., and Zetta Frotas S.A.) (b)

Impact of deferred charges on profit or loss for the year = (a) + (b)	7,481
---	-------

	Consolidated				
	12/31/2018	Changes in profit/loss	12/31/2019	Changes in profit/loss	6/30/2020
Estimated impairment loss on trade receivables	24,378	11,084	35,462	37,783	73,245
Adjustment to present value	101	177	278	(65)	213
Impairment of assets	146	1	147	1,290	1,437
Other provisions	61,015	36,699	97,714	(20,624)	77,090
Provision for contingencies	2,027	2,379	4,406	(5,447)	8,797
Financial instruments	26,585	(19,985)	6,600	(7,435)	(835)
Stock options	2,225	3,650	5,875	155	6,030
Debenture issuance costs	(11,059)	3,617	(7,442)	(1,514)	(8,956)
Lease	(5,121)	3,647	(1,474)	362	(1,112)
Depreciation	(218,402)	(114,330)	(332,732)	(87,706)	(420,438)
Hedge accounting (*)	8,397	3,216	11,613	(21,247)	(9,634)
Intangible assets arising from acquisition/merger of subsidiary	(2,687)	185	(2,502)		(2,502)
Tax amortization of goodwill	(19,024)	(5,703)	(24,727)	(2,437)	(27,164)
Income tax and social contribution losses	126,900	12,113	139,013	96,012	235,025
Deferred taxes arising from the business combination - Unidas S.A.	(15,475)	6,170	(9,305)	2,550	(6,755)
Deferred taxes arising from the business combination - Unidas Agro Locação			(3,642)	469	(3,173)
Deferred taxes arising from the business combination - Zetta Frotas S.A.				(7,337)	(7,337)
Total	(19,994)	(59,460)	(70,878)	(15,591)	(86,469)

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

(*) Hedge accounting effects do not impact profit or loss and are recognized in equity.

Deferred tax assets (liabilities) arising from subsidiaries	37,580	37,580	30,003	(26,077)	3,926
Deferred taxes in non-current liabilities	(57,574)	(97,040)	(100,881)	10,486	(90,395)

Breakdown of changes in deferred tax assets and liabilities:

Deferred taxes arising from the acquisition of Zetta Frotas S.A.					(1,584)
Impact of changes in deferred taxes recorded in equity					(21,247)
Impact of changes in deferred taxes recorded in profit or loss					15,230
Deferred taxes arising from the business combination – Zetta Frotas S.A.					(7,990)
Total changes in deferred taxes in the period					(15,591)

The tax credits on income tax and social contribution losses are expected to be realized as follows:

Year	Parent company	Consolidated
	6/30/2020	6/30/2020
2020	6,881	43,684
2021	14,335	51,755
2022	19,196	62,446
From 2023	66,410	77,140
Total	106,822	235,025

The expected realization is determined based on estimates of taxable income for the following years, limited to 30% of the computed taxable profit, according to the legislation. These tax loss carryforwards do not expire.

(b) Current and deferred taxes in the statement of operations

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Profit for the period/year before taxation	57,570	141,152	57,945	194,982
Statutory rates	34%	34%	34%	34%
Income tax and social contribution at the statutory rate	(19,574)	(47,992)	(19,701)	(66,294)
Adjustments to the nominal expense:				
Equity in the results of investees	(389)	34,132		
Interest on capital (paid)	32,633	28,945	32,633	28,945
Interest on capital (received)	(849)		(849)	
Write-off of tax losses	(3,966)		(3,966)	
Other additions, net	(374)	(563)	(1,011)	(1,959)
Income tax and social contribution expense	7,481	14,522	7,106	(39,308)
Total deferred income tax and social contribution expenses	(Note 8)		15,230	(20,630)
Total current income tax and social contribution expenses			(8,124)	(18,678)
	7,481	14,522	7,106	(39,308)

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9 Investments

(a) Analysis of investments

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Acelero Comércio de Veículos S.A.	38,098	11,335		
Agile Gestão de Frotas e Serviços S.A.	4,613	4,342		
Unidas S.A.	2,780,848	2,064,218		
Unidas Agro Locação de Veículos S.A.	276,985	264,977		
Unidas Franquias do Brasil S.A.	23,229			
Unidas Comercial de Veículos S.A.	(8,198)			
Zetta Frotas S.A.	153,360			
Other investments	2	2	2	2
	<u>3,268,937</u>	<u>2,344,874</u>	<u>2</u>	<u>2</u>
Investments	2,681,557	2,344,874	2	2
Advance for future capital increase	595,578			
Provision for loss on investment	(8,198)			

At the Extraordinary General Meeting held on January 1, 2020, the corporate restructuring of Unidas S.A. completed by spinning-off Unidas Comercial de Veículos Ltda. and Unidas Franquias do Brasil S.A., which as from that date became direct subsidiaries of Companhia de Locação das Américas.

(b) Changes in investments

	Acelero Comércio de Veículos S.A.	Agile Gestão de Frotas e Serviços S.A.	Unidas S.A.	Unidas Agro Locação de Veículos S.A.	Unidas Comercial de Veículos S.A.	Zetta Frotas S.A.	Unidas Franquias do Brasil S.A.	Other investments	Total
At December 31, 2019	11,335	4,342	2,064,218	264,977	(8,161)	24,479	22,958	2	2,344,874
Acquisition of investment									39,276
Write-off of investment in subsidiary			(14,797)						(14,797)
Acquisition of investment with treasury shares						32,443			32,443
Capital increase	28,140		200,000		3,502				231,642
Equity in the results of investees	(1,377)	271	(12,624)	14,499	(3,539)	1,355	271		(1,144)
Share-based compensation plan			(141)	915					774
Amortization of deficit on revaluation of contingencies			671						671
Amortization of surplus/deficit on revaluation of property and equipment, intangible assets, and vehicles being decommissioned			(12,498)	(1,377)		(744)			(14,619)
Dividends receivable				(2,497)					(2,497)
Deferred charges on amortization of revaluation surplus			4,022	468		249			4,739
Advance for future capital increase			500,000			95,578			595,578
Hedge accounting - subsidiaries			51,997						51,997
At June 30, 2020	<u>38,098</u>	<u>4,613</u>	<u>2,780,848</u>	<u>276,985</u>	<u>(8,198)</u>	<u>153,360</u>	<u>23,229</u>	<u>2</u>	<u>3,268,937</u>

(c) Summarized financial information

The table below provides summarized financial information on the Company's subsidiaries:

	6/30/2020			
	Assets	Liabilities	Equity	Profit (loss) for the period
Acelero Comércio de Veículos S.A.	41,327	(3,229)	(38,098)	(1,377)
Agile Gestão de Frotas e Serviços S.A.	5,191	(578)	(4,613)	271
Unidas S.A.	6,223,310	(4,609,842)	(1,613,468)	(12,624)
Unidas Franquias do Brasil S.A.	27,237	(4,008)	(23,229)	271
Unidas Comercial de Veículos S.A.	10,669	(18,867)	8,198	(3,539)
Unidas Agro Locação de Veículos S.A.	489,340	(277,102)	(212,238)	14,499
Zetta Frotas S.A.	196,758	(176,749)	(20,009)	1,355
Costa Dourada Veículos Ltda. (i)	20,584	(5,367)	(15,217)	1,009
Amorim & Amorim Ltda. (i)	8,358	(3,032)	(5,326)	(559)

(i) Indirect subsidiary

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

(d) Business combination - Acquisition of equity interest in Zetta Frotas S.A.

On April 10, 2020, the Company entered into an investment agreement under which all the capital of Zetta Frotas S.A., represented by 18,940,000 common shares, was acquired.

On May 5, 2020, the General Superintendence of the Administrative Council for Economic Defense ("CADE") approved without restrictions the acquisition of single control provided for in the Investment Agreement signed between the Company and Zetta Frotas S.A., which took effect after the legal term of 15 days for filing an appeal.

At the Extraordinary General Meeting held on June 12, 2020, the merger of shares of Zetta Frotas S.A., and its subsequent conversion into a wholly-owned subsidiary of the Company was approved.

Primary reasons for the business combination and a description of the control acquisition process

The transaction is in line with the Group's strategy of diversifying its fleet outsourcing operations, targeting other markets it has not explored yet. Upon the acquisition, Unidas will have another business unit, "*Unidas Veículos Especiais*" ("Unidas Special Vehicles"), engaged in supplying the market with adapted vehicles such as ambulances, mobile ICUs, rescue vehicles, hearses, and police vehicles, among others. The activities will be supported by the expertise of Zetta Frotas S.A. in this segment, and the competitive advantages of Unidas in terms of national network, leadership in the fleet outsourcing segment, scale in the purchase of vehicles and accessories, broad network of pre-owned vehicles, and intensive investment capacity provided by its sound capital structure and wide access to equity and debt markets.

The operation represents another step taken by the Group to consolidate its position in the Brazilian fleet outsourcing market through the acquisition of companies with a solid capital structure and quality customer portfolio, which will contribute to accelerate revenue expansion in this segment, coupled with the generation of operational and financial synergies.

The acquisition price for Zetta Frotas S.A. was R\$ 56,922, paid as follows: R\$24,479 in cash, and R\$ 32,443 through the transfer of Company's treasury shares.

Fair value of the net assets acquired and recognized on the acquisition date

The acquiree's equity at fair value, totaling R\$ 34,167, was comprised as follows:

Book value of the acquiree's equity on June 12, 2020, date of the Shareholders' Extraordinary General Meeting	18,658
Revaluation adjustments:	
Surplus on revaluation of "Vehicles being decommissioned for fleet renewal"	1,240
Deficit on revaluation of property and equipment - Vehicles	(1,531)
Surplus on revaluation of the customer portfolio	23,790
Deferred taxes on the business combination	(7,990)
Acquiree's equity at fair value	<u>34,167</u>

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Methodology used to calculate the fair value

The fair value of the assets acquired and liabilities assumed was estimated by management with the support of independent consultants, based on the following methodologies:

(i) Customer agreements/portfolio: the fair value of the intangible assets arising from customer relationships was calculated under the Multi-Period Excess Earnings Method (MPEEM); At June 12, 2020, Zetta Frotas S.A. had approximately R\$7,458 recorded as provision for impairment of trade receivables;

ii) Property and equipment and vehicles being decommissioned for fleet renewal: The market value of these assets was determined based on the following valuation criteria:

The vehicles were valued based on ownership certificates and spreadsheets provided by the acquiree and reconciled to the accounting records, from which data, such as the brand, model, year of manufacture, and model was collected. The fair value of these assets was determined based on market research from industry-specific publications (Institute of Economic Research - FIPE), considering the history of sales of the vehicles in comparison with the FIPE chart.

Goodwill on acquisitions

Consideration transferred	56,922
Fair value of the acquiree's equity	<u>(34,167)</u>
Goodwill based on expected future profitability	<u>22,755</u>

The acquisition generated goodwill, considering that the cost of the business combination included the amount paid for the control premium. In addition, the considerations paid for the combination included amounts relating to benefits from the expected synergies, revenue growth, and future development of the markets. These benefits are not recognized separately from goodwill, since they do not meet the criteria for recognition of identifiable intangible assets.

Disclosure of the acquisition price for purposes of presentation of the consolidated cash flow

Consideration paid in cash	24,479
Cash and cash equivalents arising from acquisition	<u>(2,347)</u>
Acquisition of investments, net of the acquiree's cash	<u>22,132</u>

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The results of Zetta Frotas S.A. relating to the periods prior and subsequent to the business combination are presented below:

	Zetta Frotas S.A.		
	January 1 to June 11	June 12 to June 30	June 30, 2020
Net operating revenue	57,603	6,972	64,575
Cost of rental and sale of vehicles	(51,974)	(3,360)	(55,334)
Gross profit	5,629	3,612	9,241
Administrative and selling expenses	(8,432)	(83)	(8,515)
Other operating expenses	(972)	(36)	(1,008)
Profit (loss) before finance income (costs) and income taxes	(3,775)	3,493	(282)
Finance income	114	8	122
Finance costs	(10,962)	(1,350)	(12,312)
Finance costs, net	(10,848)	(1,342)	(12,190)
Profit (loss) before income tax and social contribution	(14,623)	2,151	(12,472)
Income tax and social contribution	5,020	(796)	4,224
Profit (loss) for the period	(9,603)	1,355	(8,248)

Following the business combination carried out on June 12, 2020, the balance sheet items at book value and fair value are presented below:

	Zetta Frotas S.A.		
	Carrying amount	Adjustments	Fair value
Assets			
Current assets	28,284	1,240	29,524
Cash and cash equivalents	2,347		2,347
Trade receivables	15,710		15,710
Vehicles being decommissioned for fleet renewal	5,559	1,240	6,799
Other current assets	4,668		4,668
Non-current assets	154,705	22,259	176,964
Other non-current assets	497		497
Property and equipment	151,314	(1,531)	149,783
Right-of-use assets	2,787		2,787
Intangible assets	107	23,790	23,897
Total assets	182,989	23,499	206,488
Liabilities			
Current liabilities	105,795		105,795
Borrowings and debentures	64,261		64,261
Lease	2,787		2,787
Other current liabilities	38,747		38,747
Non-current liabilities	58,536	7,990	66,526
Borrowings and debentures	49,566		49,566
Deferred taxes	1,584	7,990	9,574
Other non-current liabilities	7,386		7,386
Equity	18,658	15,509	34,167
Total liabilities and equity	182,989	23,499	206,488

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

10 Property and equipment

(a) Changes in cost and depreciation

	Parent company		
Cost	Vehicles	Other property and equipment	Total
At December 31, 2018	2,024,992	22,910	2,047,902
Additions	1,255,474	2,334	1,257,808
Write-offs	(15,870)	(46)	(15,916)
Transfer of vehicles being decommissioned for fleet renewal	(789,800)		(789,800)
At December 31, 2019	2,474,796	25,198	2,499,994
Additions	498,115	1,243	499,358
Write-offs	(7,470)		(7,470)
Transfer of vehicles being decommissioned for fleet renewal	(277,175)		(277,175)
At June 30, 2020	2,688,266	26,441	2,714,707
Depreciation			
At December 31, 2018	(232,888)	(10,497)	(243,385)
Depreciation	(164,739)	(3,133)	(167,872)
Write-offs	1,935		1,935
Transfer of vehicles being decommissioned for fleet renewal	172,311		172,311
At December 31, 2019	(223,381)	(13,630)	(237,011)
Depreciation	(97,821)	(1,714)	(99,535)
Write-offs	1,871		1,871
Transfer of vehicles being decommissioned for fleet renewal	45,919		45,919
At June 30, 2020	(273,412)	(15,344)	(288,756)
Net amount			
At June 30, 2020	2,414,854	11,097	2,425,951
At December 31, 2019	2,251,415	11,568	2,262,983

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Consolidated			
Cost	Vehicles	Other property and equipment	Total
At December 31, 2018	5,163,019	57,773	5,220,792
Additions	4,472,497	87,771	4,560,268
Write-offs	(130,888)	(8,615)	(139,503)
Property and equipment arising from the acquisition of Unidas Agro Locação de Veículos S.A.	169,111	520	169,631
Surplus on revaluation of property and equipment arising from the acquisition of Unidas Agro Locação de Veículos S.A.	2,145		2,145
Transfer of vehicles being decommissioned for fleet renewal	(2,812,484)		(2,812,484)
At December 31, 2019	6,863,400	137,449	7,000,849
Additions	1,392,294	27,409	1,419,703
Write-offs	(27,302)	(1,656)	(28,958)
Property and equipment arising from the acquisition of Zetta Frotas S.A.	150,923	391	151,314
Deficit on revaluation of vehicles arising from the acquisition of Zetta Frotas S.A.	(1,531)		(1,531)
Transfer of vehicles being decommissioned for fleet renewal	(1,275,831)		(1,275,831)
At June 30, 2020	7,101,953	163,593	7,265,546
Depreciation			
At December 31, 2018	(256,078)	(6,853)	(262,931)
Depreciation	(372,583)	(23,760)	(396,343)
Write-offs	25,167	8,031	33,198
Amortization of surplus on revaluation	(7,437)		(7,437)
Transfer of vehicles being decommissioned for fleet renewal	337,761		337,761
At December 31, 2019	(273,170)	(22,582)	(295,752)
Depreciation	(241,163)	(16,524)	(257,687)
Write-offs	3,410	71	3,481
Amortization of surplus/deficit on revaluation	(6,058)		(6,058)
Transfer of vehicles being decommissioned for fleet renewal	144,406		144,406
At June 30, 2020	(372,575)	(39,035)	(411,610)
Net amount			
At June 30, 2020	6,729,378	124,558	6,853,936
At December 31, 2019	6,590,230	114,867	6,705,097

(b) Reconciliation of depreciation and amortization for the purpose of preparing the statement of cash flows and the statement of operations

		Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Depreciation of property and equipment	Note 10	99,535	81,075	257,687	190,131
Amortization of intangible assets	Note 12	1,841	1,063	7,648	4,623
Amortization of surplus/deficit on revaluation of property and equipment and intangible assets	Notes 10 and 12	1,546	1,547	14,914	9,788
Amortization of surplus/deficit on revaluation of vehicles being decommissioned for fleet renewal	Note 7			1,251	406
Amortization of surplus/deficit on revaluation of investment	Note 9	14,619	8,046		
PIS/COFINS on depreciation of right-of-use assets		(209)		(1,562)	
Renegotiation of leases (right-of-use assets) (*)		(185)		(4,100)	
Depreciation of right-of-use assets	Note 11	2,485	3,694	19,985	21,208
Total		119,632	95,425	295,823	226,156

(*) Renegotiation of the payment of installments provided for in right of use contracts, due to the consequences of the Covid-19 pandemic. The contractual clauses remained unchanged.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11 Lease right-of-use assets and lease of properties

The Group rents properties for its RAC and pre-owned vehicle segment, including street stores, and units in shopping malls and airports.

(a) Changes in right-of-use assets

<u>Cost</u>	<u>company</u>	<u>Consolidated</u>
At December 31, 2018		
Effect of first-time adoption of IFRS 16	21,419	98,774
Additions	346	84,089
At December 31, 2019	21,765	182,863
Additions		9,634
Contract write-offs		(828)
Zetta Frotas S.A.		2,787
At June 30, 2020	21,765	194,456
Depreciation		
At December 31, 2018		
Depreciation	(7,430)	(50,268)
At December 31, 2019	(7,430)	(50,268)
Depreciation	(2,485)	(19,985)
At June 30, 2020	(9,915)	(70,253)
Net amount		
At June 30, 2020	11,850	124,203
At December 31, 2019	14,335	132,595

(b) Analysis of property leases

The Company measured the lease liabilities at the present value of the remaining lease payments discounted at its incremental borrowing rate at that date of initial application. The average discount rate of 6.71% was used.

<u>Property leases</u>	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018		
Effect of first-time adoption of IFRS 16	24,947	114,733
Additions	397	100,513
Payments	(8,649)	(58,456)
At December 31, 2019	16,695	156,790
Additions		10,625
Contract write-offs		(828)
Payments	(2,893)	(23,123)
Balance arising from the acquisition of Zetta Frotas S.A.		2,787
At June 30, 2020	13,802	146,251
Adjustment to present value		
At December 31, 2018		
Effect of first-time adoption of IFRS 16	(3,528)	(15,958)
Additions	(52)	(16,541)
Payments	1,219	8,304
At December 31, 2019	(2,361)	(24,195)
Additions		
Payments	409	2,147
At June 30, 2020	(1,952)	(22,048)
At June 30, 2020	11,850	124,203
Current	4,969	42,364
Non-current	6,881	81,839

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

(c) Relevant aspects

On December 18, 2019, the Brazilian Securities Commission (CVM) issued Circular Letter 02/19, providing guidance on relevant aspects to be complied with in the preparation of the financial statements for that year. Some analyses are presented below.

As required by CPC 06 (R2), the table below presents the maturity analysis of the agreements:

	Payment schedule	
	Parent company	Consolidated
2020	2,797	23,703
2021	4,844	42,895
2022	3,037	33,537
2023	900	24,382
After 2023	2,224	21,703
Total	13,802	146,220
Embedded interest	(1,952)	(22,017)
Balance of lease liabilities	11,850	124,203
Current	4,969	42,364
Non-current	6,881	81,839

In order to ensure the quality of the information provided in its financial reports, as well as to fully comply with the general principles to be applied when using Discounted Cash Flow (DCF) techniques for accounting measurement purposes, the Company presents below a comparative table with the balances of lease liabilities and right-of-use assets, projecting an annual inflation of 1.63% for 2020, 3.00% for 2021, 3.50% for 2022, and 3.25% for 2023 onwards, according to the Focus bulletin. The amounts in the column "With inflation" are compared with the amounts recorded in the column "Without inflation".

No significant net differences noted in right-of-use assets and lease liabilities, being 0.30% of the Group's consolidated equity.

12 Intangible assets

	Parent company					
	Software	Customer portfolio	Trademarks and patents	Goodwill	Others	Total
Cost						
At December 31, 2018	19,016	10,092	363	71,658	60	101,189
Additions	10,186					10,186
Disposals and write-offs	(171)					(171)
At December 31, 2019	29,031	10,092	363	71,658	60	111,204
Additions	3,883					3,883
At June 30, 2020	32,914	10,092	363	71,658	60	115,087
Amortization						
At December 31, 2018	(12,877)	(4,163)	(363)			(17,403)
Amortization	(2,510)					(2,510)
Amortization of surplus on revaluation		(3,093)				(3,093)
At December 31, 2019	(15,387)	(7,256)	(363)			(23,006)
Amortization	(1,841)					(1,841)
Amortization of surplus on revaluation		(1,546)				(1,546)
At June 30, 2020	(17,228)	(8,802)	(363)			(26,393)
Net amount						
At June 30, 2020	15,686	1,290		71,658	60	88,694
At December 31, 2019	13,644	2,836		71,658	60	88,198

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Cost	Consolidated					Total
	Software	Contracts with customers	Trademarks and patents	Goodwill	Others	
At December 31, 2018	32,282	51,620	31,347	806,056	5,058	926,363
Additions	30,024				1,236	31,260
Disposals and write-offs	(2,459)					(2,459)
Intangible assets arising from the acquisition of Unidas Agro Locação de Veículos S.A.		6,657				6,657
Goodwill arising from the acquisition of Unidas Agro Locação de Veículos S.A.				59,684		59,684
At December 31, 2019	59,847	58,277	31,347	865,740	6,294	1,021,505
Additions	20,217				150	20,367
Intangible assets arising from the acquisition of Zetta Frotas S.A.	107					107
Surplus on revaluation of the acquisition of Zetta Frotas S.A.		23,790				23,790
Goodwill arising from the acquisition of Zetta Frotas S.A.				22,755		22,755
At June 30, 2020	80,171	82,067	31,347	888,495	6,444	1,088,524
Amortization						
At December 31, 2018	(15,096)	(9,495)	(763)		(1,060)	(26,414)
Amortization	(7,386)	(1,636)		(2)	(1,900)	(10,924)
Disposals and write-offs						2,259
Amortization of surplus on revaluation		(12,293)				(12,293)
At December 31, 2019	(22,482)	(23,424)	(763)	(2)	(2,960)	(47,372)
Amortization	(5,655)	(818)	(238)		(937)	(7,648)
Amortization of surplus on revaluation		(8,856)				(8,856)
At June 30, 2020	(28,137)	(33,098)	(1,001)	(2)	(3,897)	(63,876)
Net amount						
At June 30, 2020	52,034	48,969	30,346	888,493	2,547	1,024,648
At December 31, 2019	37,365	34,853	30,584	865,738	3,334	974,133

Fair value surplus on acquisition of investees

The Company acquired Unidas S.A. in 2018, Unidas Agro Locação de Veículos S.A. in 2019, and Zetta Frotas S.A. on June 12, 2020. The purchase price allocation exercise allocated a value for customer lists/ contracts.

Amortization of customer lists/ contracts

The amount allocated for customer lists/ contracts is amortized on a straight-line basis, in accordance with the remaining useful life determined based on a valuation report, over an average term of seven months.

Allocation of goodwill to the cash generating units

Goodwill and trademarks were tested for impairment at March 31, 2020, with no adjustments to goodwill or customer lists/ contracts identified. The impairment test will be performed again at December 31, 2020, or on an as-needed basis.

The amounts related to goodwill based on expected future profitability were allocated by legal entity, which management believes to represent the lowest level at which goodwill is monitored in its internal reports.

Impairment tests for goodwill

Goodwill impairment was calculated according to the future profitability methodology, which is based on retrospective analysis, projected scenarios, and discounted cash flows.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The economic and financial modeling begins with the definition of macroeconomic assumptions for sales, production, costs, and investments of the Company or business unit that is being valued. The assumptions are based on estimates published by the Brazilian Geography and Statistics Institute (IBGE), Brazilian Central Bank, National Bank for Economic and Social Development (BNDES) and other institutions. The projections of volume and selling price of services, costs, and investments were prepared by management in accordance with the Group's business plan.

In the preparation of impairment tests for the Company's assets, revenue growth assumptions were considered with a discount rate of 10.9%, and a perpetuity rate of 3.5%, in accordance with the actual market demand and installed capacity utilization rates. These revenue growth assumptions were based on initiatives included in the business plan, by projecting an average annual growth of net revenue arising from increases in volume and price.

13 Trade payables

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Automakers	156,788	385,524	480,734	1,395,023
Others	24,700	9,357	68,338	55,224
	181,488	394,881	549,072	1,450,247

14 Assignment of credits by suppliers

As part of its strategy, the Group purchases a large number of vehicles from automakers, seeking to obtain better financial conditions. The payment terms negotiated with the suppliers are for less than six months.

The Group's suppliers, in turn, discount the invoices with prime financial institutions through assignment of credits, which essentially consists of selling these receivables without the right of recourse. Accordingly, these invoices are no longer payable to the suppliers, but to the financial institutions, which take into account the Group's credit risk. At June 30, 2020, the discount rates on credit assignment agreements entered into by the Group's suppliers with local financial institutions ranged from 0.38% to 0.80% per month (0.60% to 0.68% per month at December 31, 2019) on the amount of the transactions, and finance costs were defrayed by the Group.

Accordingly, at June 30, 2020, the balances relating to these transactions were as follows:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Assignment of credits by suppliers	343,332	113,933	967,272	479,110
Unamortized cost	(12,642)	(648)	(29,956)	(2,490)
	330,690	113,285	937,316	476,620

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

These amounts mature as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>6/30/2020</u>	<u>12/31/2019</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
From 1 to 30 days	9,929	103,429	43,367	467,697
From 31 to 120 days	64,190	10,504	131,373	11,413
Over 121 days	<u>269,213</u>	<u></u>	<u>792,532</u>	<u></u>
	<u>343,332</u>	<u>113,933</u>	<u>967,272</u>	<u>479,110</u>

The Group classified these transactions as operating activities in the statement of cash flows.

15 Borrowings and debentures

		<u>Parent company</u>		<u>Consolidated</u>	
		<u>6/30/2020</u>	<u>12/31/2019</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
Finance lease			76		76
Debentures	Note 15.1	239,529	48,568	294,102	119,211
Promissory Note	Note 15.1	(264)	(258)	(264)	(258)
Agribusiness Receivable Certificates (CRAs)	Note 15.1			(371)	(304)
Working capital	Note 15.1	<u>3,080</u>	<u></u>	<u>20,970</u>	<u>796</u>
Current liabilities		<u>242,345</u>	<u>48,386</u>	<u>314,437</u>	<u>119,521</u>
Debentures	Note 15.1	1,463,931	1,735,674	3,828,974	4,092,920
Promissory Note	Note 15.1	140,629	137,130	140,629	137,130
Agribusiness Receivable Certificates (CRAs)	Note 15.1			122,199	122,093
Working capital	Note 15.1	<u>299,041</u>	<u></u>	<u>847,488</u>	<u>200,861</u>
Non-current liabilities		<u>1,903,601</u>	<u>1,872,804</u>	<u>4,939,290</u>	<u>4,553,004</u>
Total		<u>2,145,946</u>	<u>1,921,190</u>	<u>5,253,727</u>	<u>4,672,525</u>

The fair values of borrowings and debentures do not significantly differ from their respective carrying amounts, and are disclosed in Note 4.

At June 30, 2020, borrowings and debentures recorded within liabilities, net of borrowing costs, were as follows, by maturity year:

Maturity	<u>Parent company</u>		<u>Consolidated</u>	
	<u>6/30/2020</u>	<u>12/31/2019</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
2020	19,735	48,364	79,048	119,521
2021	485,285	506,576	705,342	710,978
2022	573,365	598,171	1,233,884	1,168,068
2023 to 2029	<u>1,067,561</u>	<u>768,079</u>	<u>3,235,453</u>	<u>2,673,958</u>
	<u>2,145,946</u>	<u>1,921,190</u>	<u>5,253,727</u>	<u>4,672,525</u>

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

The carrying amounts of the Group's borrowings and debentures are denominated in the following currencies and subject to the following interest rates:

					Parent company	
Type	Note	Currency	Rate (%)	Maturity year	6/30/2020	12/31/2019
Finance lease		R\$	13.79% to 20.60% p.a.	2020		76
Debentures	Note 15.1	R\$	100% of CDI + 1.20 to 3% p.a.	2020 to 2023	753,897	831,384
Debentures	Note 15.1	R\$	108% to 119% of CDI	2023 to 2024	949,563	952,858
Promissory Note	Note 15.1	R\$	CDI + 1.4% p.a.	2021	140,365	136,872
Working capital	Note 15.1	R\$	100% do CDI + 3% p.a.	2023	302,121	
					<u>2,145,946</u>	<u>1,921,190</u>
					Consolidated	
Type	Note	Currency	Rate (%)	Maturity year	6/30/2020	12/31/2019
Finance lease		R\$	13.79% to 20.60% p.a.	2020		76
Debentures	Note 15.1	R\$	100% of CDI + 1.15% to 1.6% p.a.	2020 to 2023	1,214,250	1,292,684
Debentures	Note 15.1	R\$	110.6% to 119% of CDI	2023 to 2029	2,802,776	2,813,986
Debentures	Note 15.1	R\$	7.3032% p.a. + IPCA	2025	106,050	105,461
Promissory Note	Note 15.1	R\$	CDI + 1.4% p.a.	2021	140,365	136,872
Agribusiness Receivable Certificates (CRAs)	Note 15.1	R\$	108% of CDI	2026	121,828	121,789
Working capital	Note 15.1	R\$	100% do CDI + 3% p.a.	2023	302,121	
Working capital	Note 15.1	R\$	21.06% p.a.	2029	23,407	
Working capital	Note 15.1	US\$	3M LIBOR + 0.40%	2024	542,930	201,657
					<u>5,253,727</u>	<u>4,672,525</u>

15.1 Debentures, promissory notes, certificates of receivables, and working capital

At June 30, 2020, none of the debentures issued by the Group are convertible into shares.

Contractual guarantees

For compliance with the obligations related to the debentures, the Group provided the following guarantees:

- Marketable securities (Note 5(b));
- Rights under rental agreements entered into with Group's customers, accounting for 6.59% (R\$ 27,516) of the consolidated amount of trade receivables. No rights arising from the parent company's rental agreements have been pledged as collateral for debentures.
- No vehicle of the Group has been pledged as collateral for debentures.
- Fiduciary assignment of credit rights to make up the collateral for the Group's debentures, representing 6.95% of the marketable securities in the consolidated (R\$122,988). The parent company has no credit rights pledged as collateral for debentures.

Covenants

The issues include hypotheses of accelerated maturity, addressing the following aspects, among others:

- Non-compliance with financial obligations, not corrected within two business days;
- Issues concerning partial or total default;

Additionally, failure to comply with certain financial ratios may accelerate the maturity of the debentures. At June 30, 2020 and December 31, 2019, the Group was in full compliance with all the covenants.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Funding cost of debentures and promissory notes

The transaction costs incurred in connection with the issue of debentures and not yet charged to the Group's profit or loss, are presented as a reduction of the balance of liabilities, and allocated to the statement of operations under the effective interest rate method.

Transaction costs to be recognized in subsequent periods are as follows:

Year	Parent company	Consolidated
2020	(3,315)	(6,615)
2021	(6,197)	(12,421)
2022	(5,431)	(11,125)
2023	(2,397)	(5,279)
2024	(526)	(2,040)
After 2025		(1,846)
Total	(17,866)	(39,326)

15.2 Funding of working capital in foreign currency

On March 19, 2020, the Board of Directors of Unidas S.A. approved the contracting of a foreign currency loan through a Law 4131/62 facility and the execution of a Private Swap Agreement of US\$50 million. On April 15, 2020, the Board of Directors of Unidas S.A. approved the contracting of a foreign currency loan through Law 4,131 of September 3, 1962 and the execution of a Private Swap Agreement in the amount of R\$300,000. The net proceeds were used in the normal course of its business for working capital purposes.

16 Judicial deposits and provision for contingencies

(a) Judicial deposits

The balances of judicial deposits, by type of lawsuit, is shown below:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Civil and labor	651	386	12,209	10,253
Tax	23,361	22,634	50,916	49,518
	24,012	23,020	63,125	59,771

(b) Provision for contingencies

The Group recorded provisions for lawsuits on which the loss is considered probable, and for which there was a present obligation at the balance sheet date.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Changes in the provisions were as follows:

	Parent company		
	Civil and labor contingencies	Tax contingencies	Total
At December 31, 2018			
Provision recorded in the year	10,183	1,538	11,721
At December 31, 2019	6,455	975	7,430
Amortization of deficit on revaluation	16,638	2,513	19,151
Amount recorded for the period	(3,385)		(3,385)
At June 30, 2020	1,817	521	2,338
	15,070	3,034	18,104

	Consolidated		
	Civil and labor contingencies	Tax contingencies	Total
At December 31, 2018			
Balance arising from the acquisition of Unidas Agro Locação de Veículos S.A.	24,461	84,385	108,846
Amortization of deficit on revaluation	240	160	400
Provision recorded in the year	5,115	(601)	(601)
At December 31, 2019	29,816	2,125	7,240
Balance arising from the acquisition of Zetta Frotas S.A.	29,816	86,069	115,885
Amortization of deficit on revaluation	108		108
Amount recorded for the period	(3,385)	(671)	(4,056)
At June 30, 2020	3,578	2,142	5,720
	30,117	87,540	117,657

(c) Lawsuits classified as involving probable losses

Civil claims

The Company is the defendant in civil lawsuits seeking compensation for victims of traffic accidents involving vehicles of its fleet, alleging pain and suffering and property damages. A provision was recorded at an amount deemed sufficient to cover probable losses on these lawsuits. These lawsuits are at different court levels, and it is not possible, at the moment, to anticipate the outcomes based on applicable case law. The Company maintains judicial deposits to cover part of these disputes.

It is not possible to determine the prevailing trend of case law in these civil proceedings, as most concern car accidents, and the court decisions examine the unique circumstances and evidence presented in each case.

Labor claims

These correspond mainly to indemnity claims for overtime pay, severance pay, salaries, vacation pay, commissions, and recognition of an employment relationship, for which a provision has been recorded at an amount considered sufficient to cover probable losses.

The court decisions on labor litigations involving overtime and severance pay are based on the circumstances and evidence presented in each case. Accordingly, in view of the disperse nature of such proceedings, it is not possible to conclude on the applicable case law for such matters. However, as regards the recognition of an employment relationship concerning employees hired through labor cooperatives, there is the understanding consolidated by the Superior Labor Court, according to which the cooperative is seen as a labor provider, and therefore, there is no legal impediment preventing the Company from recognizing the direct employment relationship with the cooperative. Management

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

believes that the Company may face unfavorable decisions in these proceedings, and therefore, recorded provisions to cover probable losses.

Tax claims

The provision for tax risks was accrued mainly on account of non-payment of the Social Integration Program (PIS) for the period from August to November 2002, and Social Contribution on Revenues (COFINS) for the period from August 2002 to January 2004, as the Company challenged the levy of such taxes on revenue from its car rental activities.

Past decisions rendered by the Superior Court of Justice (STJ) considered that rentals of properties constitute billings, and, as such, should be included in the PIS and COFINS tax base. In September 2010, R\$ 10,092 and R\$ 440, related to COFINS and PIS, respectively, were deposited in court. The escrow deposit was made following a tax collection lawsuit filed by the Federal Government with demands for payment of amounts due.

The Company has recorded a provision for these tax lawsuits in the amount of R\$87,540 at June 30, 2020 (R\$86,069 at December 31, 2019). The Company monitors the lawsuits that are in progress in the state and federal and appellate courts, and classifies these lawsuits based on the expected decisions.

(d) Contingencies classified as involving possible losses

At June 30, 2020, the Group was a party to a number of lawsuits totaling approximately R\$356,163 (R\$325,733 at December 31, 2019), classified by management, under the advice of legal counsel, as involving possible losses, and for which no provision has been recorded.

Most of the lawsuits classified as involving possible losses are of a tax nature. There are also assessments by the Government of the State of São Paulo, based on State Law 13,296/2008 (Tax on Vehicles (IPVA)) amounting to R\$23,619 (R\$20,101 at December 31, 2019).

The Company is discussing in court the use of certain PIS and COFINS credits, seeking to preclude the application of Interpretative Declaratory Act (ADI) of the Brazilian Federal Revenue Service (RFB), of April 2015, and ensure the right to use the PIS and COFINS credits computed on the acquisition cost of vehicles intended for rental and recognized as property and equipment. The Company requests the full use of these credits, based on the provisions of Law 10,833/2003, Article 3, paragraph 14, item VI, and Article 15, item II. At June 30, 2020, the Company's management classified the likelihood of an unfavorable outcome as possible and estimated the related loss at R\$73,627 (R\$71,900 at December 31, 2019).

On May 21, 2009, the Brazilian Federal Revenue Secretariat (SRFB) issued tax assessment notices against Unidas S.A., demanding payment of IRPJ and CSLL disallowing the deductibility of goodwill amortization from 2004 to 2007. At June 30, 2020, the adjusted amount of these debts totaled R\$ 58,502 (R\$57,481 at December 31, 2019).

On December 11, 2014, the SRFB issued tax assessment notices against Unidas S.A., demanding payment of IRPJ and CSLL disallowing the deductibility of goodwill amortization and swap contract expenses referring to 2009. At June 30, 2020, the adjusted amount of these debts totaled R\$35,191 (R\$34,530 at December 31, 2019).

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

In October 2019, Unidas filed a lawsuit disputing the use of certain PIS and COFINS credits, seeking to preclude the application of Interpretative Declaratory Act (ADI) of the Brazilian Federal Revenue Service (RFB), of April 2015, and ensure the right to use the PIS and COFINS credits computed on the acquisition cost of vehicles intended for rental and recognized as property and equipment. The request to use these credits is based on provisions of Law 10,833/2003, Article 3, paragraph 14, item VI, and Article 15, item II. At June 30, 2020, the Company's management classified the likelihood of loss on this contingency as possible and estimated the related loss at R\$29,552 (R\$11,000 at December 31, 2019).

The Company's management disagrees with the grounds that led to the issue of these tax assessment notices, and, therefore, has challenged the assessments at the administrative level, within the applicable deadlines established by law, and awaits judgment on such appeals.

The other lawsuits classified as involving possible losses relate to civil and labor claims.

17 Related parties

(a) Remuneration of the key management personnel

The remuneration of the key management personnel (statutory officers and members of the Board of Directors), by category, for the periods ended June 30, 2020 and 2019, was as follows:

	Parent company		Consolidated	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Board of Directors				
Direct compensation	600	814	600	814
Social charges	120	163	120	163
Share-based compensation plan	28	46	28	46
Executive Board				
Direct compensation, profit sharing and fringe benefits	5,699	4,959	9,570	9,234
Social charges	383	163	714	869
Share-based compensation plan	1,323	1,718	1,784	2,129
	<u>8,153</u>	<u>7,863</u>	<u>12,816</u>	<u>13,255</u>

(b) Related-party transactions

	Parent company							
	Unidas S.A. (*)		Unidas Agro Locação de Veículos S.A.		Other		Total	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Related parties (balance sheet balances)								
Current receivables from related parties	1,198	876	431		636	828	2,265	1,704
Dividends receivable	42,028	42,028	8,752	6,985			50,780	49,013
Non-current receivables from related parties					351	282	351	282
Current payables to related parties	(4,621)	(4,270)			(8)	(106)	(4,629)	(4,376)
	<u>38,605</u>	<u>38,634</u>	<u>9,183</u>	<u>6,985</u>	<u>979</u>	<u>1,004</u>	<u>48,767</u>	<u>46,623</u>

(*) For comparability purposes, the balances of Unidas Locadora at December 31, 2019 were considered.

	Consolidated					
	Enterprise Holdings Brazil LLC.		Other		Total	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Related parties (balance sheet balances)						
Current receivables from related parties	23,646	33,634	1,275	831	24,921	34,465
Non-current receivables from related parties			460	282	460	282
Current payables to related parties	(6,390)	(32,370)	(12)		(6,402)	(32,370)
	<u>17,256</u>	<u>1,264</u>	<u>1,723</u>	<u>1,113</u>	<u>18,979</u>	<u>2,377</u>

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

	Parent company							
	Unidas S.A. (*)		Unidas Agro Locação de Veículos S.A.		Other		Total	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Related parties (income/expenses)								
Revenue	524	1,812	2,124	2,242	3,255	662	5,903	4,716
Costs and expenses	(10,590)	(8,393)				(60)	(10,590)	(8,453)
	(10,066)	(6,581)	2,124	2,242	3,255	602	(4,687)	(3,737)

(*) For comparability purposes, the balances of Unidas Locadora at June 30, 2019 were considered.

	Consolidated					
	Enterprise Holdings Brazil LLC.		Other		Total	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Related parties (income/expenses)						
Revenue	10,643	27,456	4,238	1,118	14,881	28,574
Costs and expenses	(50,219)	(12,756)		(60)	(50,219)	(12,816)
	(39,576)	14,700	4,238	1,058	(35,338)	15,758

(c) Relationship between the Company and its related parties

- Acelero Comércio de Veículos Ltda. - Loan agreement with the Company.
- Agile Gestão de Frotas e Serviços Ltda. - No transactions executed with this subsidiary.
- Armal Empreendimentos e Participação - Property rental transaction.
- Guerra Empreendimentos e Participações - Property rental transaction.
- Ls Mg Comércio de Veículos Ltda. - No transactions executed with this related party.
- SLR Comercio de Veículos Ltda. - Purchase and sale of vehicles
- Via Jap Comercio de Veículos Ltda. - Purchase and sale of vehicles
- Via Trucks Comércio de Caminhões Ltda. - Purchase and sale of vehicles
- Enterprise Holdings Brazil LLC. - The direct subsidiary Unidas S.A. has lease operations in partnership with Enterprise.
- Unidas S.A. - Rental of vehicles.
- Unidas Comercial de Veículos Ltda. - The transactions relate to indirect expenses incurred by Unidas S.A. on behalf of Unidas Comercial, which do not bear interest, and will be settled in the future.
- Unidas Locadora de Veículos Ltda. - Vehicle rental operations, merged into Unidas S.A. on January 1, 2020.
- Unidas Franquias do Brasil S.A. - The transactions relate to indirect expenses incurred by Unidas S.A. on behalf of Unidas Franquias, which do not bear interest and will be settled in the future.
- Unidas Agro Locação de Veículos S.A. - Rental of vehicles.
- Zetta Frotas S.A. - No transactions executed with this subsidiary.
- Costa Dourada Veículos Ltda. - No transactions executed with this indirect subsidiary.
- Amorim & Amorim Ltda. - No transactions executed with this indirect subsidiary.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

18 Equity

(a) Share capital

At June 30, 2020, the Company's shares were held as follows:

	6/30/2020		12/31/2019	
	Shares	%	Shares	%
Luis Fernando Memoria Porto	45,878,766	9.02%	45,878,766	9.02%
Sergio Augusto Guerra de Resende	45,878,760	9.02%	45,878,760	9.02%
Enterprise Holdings Brazil, LLC	39,381,726	7.74%	39,381,726	7.74%
Dirley Pingnatti Ricci	32,478,613	6.38%	32,589,113	6.41%
SF 166 Participações Societárias S.A.	8,773,450	1.72%	16,404,391	3.22%
RCC Participações Sociais Ltda.	10,120,680	1.99%	10,150,680	2.00%
Free Float (*)	323,260,176	63.54%	313,837,526	61.69%
Total shares outstanding	505,772,171	99.42%	504,120,962	99.09%
Treasury shares	2,957,240	0.58%	4,608,449	0.91%
Total	508,729,411	100.00%	508,729,411	100.00%

(*) Relates to shares traded on the São Paulo Stock Exchange (B3)

At June 30, 2020, the Company's fully subscribed and paid-up share capital, totaling R\$3,094,902, was represented by 508,729,411 registered book-entry common shares with no par value (R\$3,094,902, represented by 508,729,411 common shares at December 31, 2019).

(b) Share buyback and treasury stock

On April 20, 2020, the Company's Board of Directors approved the "Fourth share buyback plan", which provides for the acquisition of up to 20,349,175 registered, book-entry common shares, without par value, issued by the Company. The shares acquired may be used to cover exercises of stock options under stock option plans, or other types of share-based compensation valid for 18 months (October 2021) from the approval date.

At June 30, 2020, the balance of treasury shares totaled R\$23,668 (R\$ 35,562 at December 31, 2019).

At June 30, 2020, the share buyback balance amounted to R\$8,204 (R\$34,288 at June 30, 2019).

(c) Capital reserve

On January 31, 2019, the Company recorded a share premium reserve of R\$18,399, arising from the difference between the fair value of the share issued and the amount stated upon the issue of new shares, at the acquisition of the shareholding control of Unidas Agro Locação de Veículos S.A.

A share premium reserve of R\$15,933 was recorded on June 12, 2020, arising from the acquisition of the shareholding control of Zetta Frotas S.A..

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

At June 30, 2020, the balance of the capital reserve was R\$552,127 (R\$ 536,194 at December 31, 2019).

(d) Revenue reserve

• Legal reserve

The legal reserve is credited annually with 5% of the profit for the year, up to the limit of 20% of the share capital, as provided for in Article 193 of Law 6,404/76. The purpose of the legal reserve is to preserve capital, and it can only be used to offset losses and increase capital.

• Investment reserve

Investment reserve refers to the retention of the remaining balance of retained earnings, approved by the Executive Board and the Board of Directors, intended for investments, budget revision, and maintenance of the Company's working capital. At June 30, 2020, the investment reserve amounted to R\$279,892 (R\$279,892 at December 31, 2019).

Dividends and interest on capital

In compliance with the provisions set forth in the Company's Bylaws, at least 25% of the profit for each year, after transfer to the legal reserve, should be allocated as mandatory dividends and/or interest on capital, unless otherwise determined at the Annual General Shareholders' Meeting.

Interest on capital distributions

The approval dates and amounts of the payments of interest on capital and dividends approved by the Board of Directors were as follows:

Approval date	Gross amount	Net amount	Amount per share (in R\$)	Date of shareholding position
3/30/2020	48,539	43,651	0.09641	04/02/2020
6/26/2020	47,441	42,429	0.09378	07/02/2020
Total	95,980	86,080		

Approval date	Gross amount	Net amount	Amount per share (in R\$)	Date of shareholding position
3/21/2019	45,272	39,957	0.30744	3/26/2019
6/19/2019	39,856	35,084	0.27037	6/25/2019
9/19/2019	38,581	33,986	0.26118	9/24/2019
12/23/2019	40,030	35,814	0.0794	12/30/2019
Total	163,739	144,841		

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Share-based payment (stock options, restricted stock, and matching stock program)

The main characteristics of the programs under the plan, as well as the changes in the number of options of each program for the six-month period ended June 30, 2020 are shown below:

Plan	Program	Grant date	Vesting (Service clause)	Main characteristics and assumptions				Quantitative changes		
				Exercise price (in reais)	Expiry date	Fair value of the option/share (in reais)	Risk-free rate	Closing balance at 12/31/2019	Changes	Closing balance at 6/30/2020
1	Single	12/23/2010	Up to 5.4 years	1.49	5/29/2021	3.21	5.81%	2,574	(2,574)	
1	Single	1/19/2011	Up to 5.4 years	1.49	5/29/2021	3.25	6.17%	19,184	(19,184)	
1	Single	2/23/2012	Up to 4.3 years	1.59	5/29/2021	1.51	4.25%	79,641	(79,641)	
2	3	2/15/2016	Up to 3.9 years	1.06	12/31/2024	1.00	12.09%	150,000	(28,500)	121,500
2	3	7/27/2016	Up to 5 years	1.38	7/26/2026	2.55	11.65%	449,700	(50,000)	399,700
2	3	08/03/2017	Up to 5 years	1.72	03/07/2027	6.39	4.86%	180,000	(127,200)	52,800
2	3	07/05/2017	Up to 5 years	2.56	07/04/2027	8.77	4.86%	1,516,440	(830)	1,515,610
2	5	03/08/2018	Up to 5 years	5.20	03/07/2028	18.49	6.96%	600,000		600,000
2	3	04/02/2018	Up to 5 years	7.97	04/01/2028	12.30	6.96%	615,000	(60,000)	555,000
Restricted stock	Single	11/21/2018	Up to 5 years	9.70	11/20/2024	29.11	6.90%	872,247		872,247
Matching stock	Single	3/21/2019	Up to 6 years	13.12	3/21/2025	39.35	6.90%	535,200		535,200
Restricted stock	Single	3/21/2019	Up to 5 years	12.93	3/21/2024	12.93	6.90%	202,500	(40,500)	162,000
Restricted stock	Single	6/19/2019	Up to 5 years	15.61	6/19/2024	15.61	6.90%	738,000	(84,452)	653,548
Restricted stock	Single	10/17/2019	Up to 5 years	17.40	10/17/2024	17.40	6.90%	180,000		180,000
								6,140,486	(492,881)	5,647,605

Changes in share-based payments during the six-month period ended June 30, 2020 are shown below:

At December 31, 2019	14,775
Expenses related to share-based payments recognized in the statement of operation	4,122
Employees of subsidiaries recognized in equity	774
Realization or right to the share-based compensation plan	(2,669)
At June 30, 2020	17,002

Carrying value adjustments

In the periods ended June 30, 2020 and 2019, the Group recognized Other comprehensive income of R\$39,753 and (R\$ 7,514) respectively (net of taxes), relating to hedge accounting operations.

Carrying value adjustments at June 30, 2020 amounted to R\$18,828 (R\$ 20,925 at December 31, 2019).

19 Net operating revenue

The reconciliation between gross and net revenue reported in the statement of operations is as follows:

	Parent company			
	Quarter ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Gross revenue	351,620	362,449	743,718	673,220
Discounts and cancellations	(33,007)	(36,675)	(50,729)	(46,338)
Taxes levied	(20,031)	(18,573)	(39,396)	(36,275)
Operating revenue	298,582	307,201	653,593	590,607

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

	Consolidated			
	Quarter ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Gross revenue	1,061,511	1,291,553	2,401,251	2,416,735
Discounts and cancellations	(89,651)	(52,538)	(130,385)	(75,557)
Taxes levied	(51,057)	(59,290)	(109,870)	(109,342)
Operating revenue	920,803	1,179,725	2,160,996	2,231,836

An analysis of net operating revenue by each significant category is as follows:

	Quarter ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
	Rental of vehicles	223,058	197,762	439,338
Sales of pre-owned vehicles (*)	95,555	128,012	253,651	240,968
Taxes levied	(20,031)	(18,573)	(39,396)	(36,275)
Net revenue	298,582	307,201	653,593	590,607

	Consolidated			
	Quarter ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Rental of vehicles	525,794	580,991	1,178,412	1,133,077
Franchising	538	867	1,937	1,946
Management of third-parties' fleet	3,384	745	4,037	1,441
Sales of pre-owned vehicles (*)	426,914	630,367	1,042,125	1,154,479
Resale of pre-owned vehicles (**)	15,230	26,045	44,355	50,235
Taxes levied	(51,057)	(59,290)	(109,870)	(109,342)
Net revenue	920,803	1,179,725	2,160,996	2,231,836

(*) Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) are not levied on sales of pre-owned vehicles, since these vehicles are classified as "Property and equipment".

(**) The resale of pre-owned vehicles relates to the operating activity exclusively performed by Acelero.

20 Operating costs and expenses by nature

	Parent company					
	Cost of rental and sale of vehicles		Selling, general and administrative expenses		Total	
	Quarter ended		Quarter ended		Quarter ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Cost of sale of pre-owned vehicles	(87,981)	(114,913)			(87,981)	(114,913)
Adjustment to the recoverable value (*)	(845)				(845)	
Vehicle maintenance	(62,102)	(53,709)			(62,102)	(53,709)
Depreciation and amortization	(51,896)	(44,455)	(13,779)	(6,435)	(65,675)	(50,890)
Personnel expenses	(5,966)	(4,629)	(17,863)	(15,635)	(23,829)	(20,264)
Advertising and marketing			(1,274)	(2,158)	(1,274)	(2,158)
Commissions, fees, and outsourced services			(9,455)	(8,348)	(9,455)	(8,348)
Estimated impairment loss on trade receivables			(2,861)	(1,159)	(2,861)	(1,159)
Recovery of PIS/COFINS tax credits	15,941	15,185			15,941	15,185
Others	(2,151)	(21)	(1,842)	(4,448)	(3,993)	(4,469)
Total	(195,000)	(202,542)	(47,074)	(38,183)	(242,074)	(240,725)

(*) Provision for impairment of vehicles intended for fleet renewal (Note 1.1.1).

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

	Parent company					
	Cost of rental and sale of vehicles		Selling, general and administrative expenses		Total	
	Six-month period ended		Six-month period ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Cost of sale of pre-owned vehicles	(235,208)	(215,797)			(235,208)	(215,797)
Adjustment to the recoverable value (*)	(845)				(845)	
Vehicle maintenance	(126,043)	(106,096)			(126,043)	(106,096)
Depreciation and amortization	(99,267)	(81,435)	(20,365)	(13,990)	(119,632)	(95,425)
Personnel expenses	(11,173)	(11,582)	(40,030)	(24,861)	(51,203)	(36,443)
Advertising and marketing			(5,011)	(4,224)	(5,011)	(4,224)
Commissions, fees, and outsourced services			(12,380)	(19,450)	(12,380)	(19,450)
Estimated impairment loss on trade receivables			(4,011)	(1,770)	(4,011)	(1,770)
Recovery of PIS/COFINS tax credits	31,340	29,672			31,340	29,672
Others	(2,498)	(2,508)	(8,438)	(12,275)	(10,936)	(14,783)
Total	(443,694)	(387,746)	(90,235)	(76,570)	(533,929)	(464,316)

(*) Provision for impairment of vehicles intended for fleet renewal (Note 1.1.1).

	Consolidated					
	Cost of rental and sale of vehicles		Selling, general and administrative expenses		Total	
	Quarter ended		Quarter ended		Quarter ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Cost of sale of pre-owned vehicles	(387,338)	(584,106)			(387,338)	(584,106)
Adjustment to the recoverable value (*)	(24,545)				(24,545)	
Cost of resale of pre-owned vehicles (*)	(13,126)	(20,039)			(13,126)	(20,039)
Vehicle maintenance	(178,520)	(162,965)			(178,520)	(162,965)
Depreciation and amortization	(130,376)	(109,656)	(18,265)	(11,246)	(148,641)	(120,902)
Personnel expenses	(27,155)	(22,361)	(42,501)	(14,983)	(69,656)	(37,344)
Advertising and marketing			(5,412)	(8,272)	(5,412)	(8,272)
Commissions, fees, and outsourced services			(37,352)	(61,325)	(37,352)	(61,325)
Estimated impairment loss on trade receivables			(25,142)	(9,315)	(25,142)	(9,315)
Recovery of PIS/COFINS tax credits	34,220	42,823			34,220	42,823
Others	(13,841)	(4,449)	(18,355)	(19,440)	(32,196)	(23,889)
Total	(740,681)	(860,753)	(147,027)	(124,581)	(887,708)	(985,334)

(*) The resale of pre-owned vehicles relates to the operating activity exclusively performed by Acelero and Unidas Comercial.

(*) Provision for impairment of vehicles intended for fleet renewal (Note 1.1.1).

	Consolidated					
	Cost of rental and sale of vehicles		Selling, general and administrative expenses		Total	
	Six-month period ended		Six-month period ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Cost of sale of pre-owned vehicles	(968,784)	(1,065,868)			(968,784)	(1,065,868)
Adjustment to the recoverable value (*)	(24,545)				(24,545)	
Cost of resale of pre-owned vehicles (*)	(37,828)	(39,276)			(37,828)	(39,276)
Vehicle maintenance	(364,879)	(311,440)			(364,879)	(311,440)
Depreciation of vehicles	(257,696)	(195,037)	(38,127)	(31,119)	(295,823)	(226,156)
Personnel expenses	(52,869)	(46,815)	(94,572)	(71,356)	(147,441)	(118,171)
Advertising and marketing			(13,379)	(14,270)	(13,379)	(14,270)
Commissions, fees, and outsourced services			(76,958)	(95,444)	(76,958)	(95,444)
Estimated impairment loss on trade receivables			(41,428)	(15,630)	(41,428)	(15,630)
Recovery of PIS/COFINS tax credits	78,344	81,444			78,344	81,444
Others	(34,574)	(25,003)	(33,228)	(16,351)	(67,802)	(41,354)
Total	(1,662,831)	(1,601,995)	(297,692)	(244,170)	(1,960,523)	(1,846,165)

(*) The resale of pre-owned vehicles relates to the operating activity exclusively performed by Acelero and Unidas Comercial.

(*) Provision for impairment of vehicles intended for fleet renewal (Note 1.1.1).

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

21 Finance income (costs), net

	Parent company			
	Quarter ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Interest on financial investments and trade receivables	5,784	4,157	14,439	15,920
Other finance income	116	676	221	946
Total finance income	5,900	4,833	14,660	16,866
Interest on borrowings	(22,851)	(34,415)	(49,671)	(76,410)
Interest on assignment of receivables - automakers	(3,772)	(1,755)	(4,374)	(7,017)
Swap (currency rate) (*)	(10,919)	(4,329)	(19,342)	(11,155)
Property leases	(158)	(305)	(344)	(608)
Banking expenses	(616)	(155)	(1,344)	(1,274)
Other finance costs	(301)	(360)	(537)	(6,096)
Total finance costs	(38,617)	(41,319)	(75,612)	(102,560)
Total	(32,717)	(36,486)	(60,952)	(85,694)
	Consolidated			
	Quarter ended		Six-month period ended	
	6/30/2020	30/06/2019	6/30/2020	30/06/2019
Interest on financial investments - trade receivables	8,321	16,845	20,785	32,139
Other finance income	365	983	1,389	1,253
Total finance income	8,686	17,828	22,174	33,392
Interest on borrowings	(49,930)	(76,708)	(112,850)	(153,719)
Interest on assignment of receivables - automakers	(9,767)	(8,872)	(11,979)	(23,541)
Swap (currency rate) (*)	(13,965)	(9,819)	(24,519)	(17,167)
Property leases	(938)	(1,922)	(2,433)	(3,374)
Banking expenses	(3,445)	(675)	(8,742)	(2,003)
Other finance costs	(2,364)	(13,243)	(3,718)	(24,485)
Total finance costs	(80,409)	(111,239)	(164,241)	(224,289)
Total	(71,723)	(93,411)	(142,067)	(190,897)

(*) At June 30, 2020, R\$498 relates to mark-to-market income, and R\$19,840 relates to interest expenses accrued in the parent company. In the consolidated, mark-to-market income totaled R\$498, and interest expenses accrued, R\$25,017.

22 Segment reporting

The accounting policies used in these operating segments are consistent with those described in Note 2 or in the explanatory notes for the respective line items.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

Below is a breakdown of the results by segment, without including the results of fleet renewal activities:

	6/30/2020				6/30/2019			
	Fleet	RAC	Acclero	Consolidated	Fleet	RAC	Acclero	Consolidated
Net operating revenue	603,410	474,011		1,077,421	587,641	441,932		1,029,573
Net operating revenue from pre-owned vehicles	495,638	544,705	43,232	1,083,575	445,476	707,566	49,221	1,202,263
Cost of rentals and services, net of depreciation	(613,976)	(751,114)	(40,045)	(1,405,135)	(553,362)	(814,320)	(39,276)	(1,406,958)
Gross profit, net of depreciation	485,072	267,602	3,187	755,861	479,755	335,178	9,945	824,878
Selling expenses	(57,281)	(106,125)	(2,568)	(165,974)	(51,680)	(80,835)	(5,322)	(137,837)
General and administrative expenses, net of depreciation	(28,010)	(59,711)	(5,870)	(93,591)	(32,762)	(42,452)		(75,214)
Other operating income (expenses), net	(7,087)	6,983	(357)	(461)	85	123		208
EBITDA (Not reviewed)	392,694	108,749	(5,608)	495,835	395,398	212,014	4,623	612,035
Depreciation and amortization	(172,941)	(121,442)	(1,440)	(295,823)	(152,776)	(72,595)	(785)	(226,156)
EBIT (Not reviewed)	219,753	(12,693)	(7,048)	200,012	242,622	139,419	3,838	385,879
Finance costs, net	(72,711)	(68,965)	(391)	(142,067)	(103,901)	(86,797)	(199)	(190,897)
EBT (Not reviewed)	147,042	(81,658)	(7,439)	57,945	138,721	52,622	3,639	194,982
Income tax and social contribution	(59,635)	64,215	2,526	7,106	(27,925)	(10,143)	(1,240)	(39,308)
Profit (loss), net	87,407	(17,443)	(4,913)	65,051	110,796	42,479	2,399	155,674

The Group does not segregate its assets and liabilities by segment to manage its business, and, therefore, does not present the balance sheet by business segment.

23 Earnings per share - basic and diluted

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of common shares outstanding during the period, excluding common shares purchased and held as treasury shares.

	Parent company and Consolidated	
	6/30/2020	30/06/2019
Profit attributable to owners of the parent	65,051	155,674
Weighted average number of outstanding common shares (in thousands) (*)	508,729	447,729
Basic earnings per share - R\$	0.13	0.35

(*) Average quantity calculated considering the one-into-three stock split of the Company's shares, as approved at the Shareholders' General Meeting held on October 17, 2019.

(b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume conversion of all potential common shares with dilutive effects. For share purchase options, the number of shares that could have been acquired at fair value (determined as the average annual price of the Company's shares) is calculated, based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would be outstanding, assuming the exercise of the share options.

(A free translation of the original in Portuguese)

Companhia de Locação das Américas

Notes to the quarterly information

at June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

	Parent company and Consolidated	
	6/30/2020	30/06/2019
Profit attributable to owners of the parent	65,051	155,674
Weighted average number of outstanding common shares (in thousands) (*)	508,729	447,729
Adjustments for share purchase options (thousands) (Note 18)	5,648	6,663
Weighted average number of common shares for diluted earnings per share (in thousands)	514,377	454,392
Diluted earnings per share - R\$	0.13	0.34

(*) Average number calculated considering the one-into-three stock split of the Company's shares, as approved at the Shareholders' General Meeting held on October 17, 2019.

24 Insurance (not in scope of audit review)

The Group maintains insurance coverage for the fleet as contractually required, and for damage to third parties. Insurance coverage is considered sufficient by management to cover potential risks and possible loss of property and equipment.

25 Events after the reporting period

At the Board of Directors' Meeting held on July 9, 2020, the Group approved a capital increase in the subsidiary Unidas S.A. by capitalizing capital advances of R\$ 500,000 with issuance of 23,667,241 new shares in the subsidiary, aimed at reinforcing cash and growing the Company's operations.

* * *

Officers' statement on the quarterly information

In compliance with item VI of Article 25 of CVM Instruction 480, of December 7, 2009, the Chief Executive Officer and the Chief Financial and Investor Relations Officer of Companhia de Locação das Américas, a corporation headquartered at Alameda Santos, 438, district of Cerqueira César, in the city and State of São Paulo, and enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 10.215.988/0001-60, hereby state that they have:

i. reviewed, discussed and approved the quarterly information of Companhia de Locação das Américas for the period ended June 30, 2020.

São Paulo, August 13, 2020.

Luis Fernando M. Porto - CEO

Marco Túlio de Carvalho Oliveira - Chief Financial and Investor Relations Officer

Officers' statement on the independent auditor's report

In compliance with item VI of Article 25 of CVM Instruction 480, of December 7, 2009, the Chief Executive Officer and the Chief Financial and Investor Relations Officer of Companhia de Locação das Américas, a corporation headquartered at Alameda Santos, 438, district of Cerqueira César, in the city and State of São Paulo, and enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 10.215.988/0001-60, hereby state that they have:

i. reviewed, discussed and agreed with the opinion stated in the independent auditor's review report (PricewaterhouseCoopers Auditores Independentes) on the quarterly information of Companhia de Locação das Américas for the period ended June 30, 2020.

São Paulo, August 13, 2020.

Luis Fernando M. Porto - CEO

Marco Túlio de Carvalho Oliveira - Chief Financial and Investor Relations Officer

Luís Fernando Memória Porto
CEO

Marco Túlio de Carvalho Oliveira
Financial and Investor Relations Officer

Rodrigo Ziccardi Carvalho
General Manager of the Shared Service Center
CRC-MG 097.874/O-3

Juliana Chrispin Gavinel
Accounting Manager
CRC-SP 291.159/O-0

* * *