

Interim Financial Information

06/30/2023



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(A free translation of the original in Portuguese)

Localiza Rent a Car S.A.
Quarterly Information (ITR) at
June 30, 2023
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 Shareholders
Localiza Rent a Car S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Localiza Rent a Car S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2023, comprising the balance sheet at that date and the statements of income and comprehensive income 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 explanatory notes.

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 accounting 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 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 did 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.



Localiza Rent a Car S.A.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the six-month period ended June 30, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for 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 the accounting standard CPC 09 - "Statement of 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 properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, August 14, 2023

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Guilherme Campos e Silva
Contador CRC 1SP218254/O-1

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Company Information/Capital Structure

Number of Shares (thousands)	Current Quarter 06/30/2023
Paid-In Capital	
Common Shares	1,060,360
Preferred Shares	0
Total	1,060,360
Treasury Shares	
Common Shares	5,341
Preferred Shares	0
Total	5,341

Individual Financial Statements/Balance Sheet - Assets**(in BRL thousand)**

Code	Description	06/30/2023	Prior Year 12/31/2022
1	Total Assets	49,716,158	44,526,631
1.01	Current assets	11,306,219	6,640,301
1.01.01	Cash and Cash Equivalents	2,586,269	734,719
1.01.02	Financial Assets	5,069,769	2,718,619
1.01.02.01	Financial Assets at fair value through profit or loss	5,069,769	2,718,619
1.01.03	Accounts Receivable	1,561,223	1,470,012
1.01.03.01	Clients	1,561,223	1,470,012
1.01.06	Recoverable Taxes	264,061	145,993
1.01.07	Prepaid Expenses	146,568	16,552
1.01.08	Other Current Assets	1,678,329	1,554,406
1.01.08.01	Non-Current Assets Available for Sale	1,181,206	1,118,903
1.01.08.01.01	Decommissioned cars for fleet renewal	1,181,206	1,118,903
1.01.08.03	Other	497,123	435,503
1.01.08.03.01	Dividends Receivable	200,522	146,706
1.01.08.03.02	Derivative Financial Instruments	0	111,456
1.01.08.03.03	Other	296,601	177,341
1.02	Non-current Assets	38,409,939	37,886,330
1.02.01	Long-term Assets	1,498,304	1,367,848
1.02.01.01	Financial Assets at fair value through profit or loss	2,114	3,000
1.02.01.03	Financial Investments at Amortized Cost	889,621	833,508
1.02.01.03.01	Linked Bank Certificates of Deposit	1,271,434	1,256,516
1.02.01.03.03	(-) Present Value Adjustment	-381,813	-423,008
1.02.01.08	Prepaid Expenses	2,227	1,987
1.02.01.10	Other Non-current Assets	604,342	529,353
1.02.01.10.03	Escrow deposits	102,258	95,304
1.02.01.10.04	Derivative Financial Instruments	171,653	89,884
1.02.01.10.07	Recoverable Taxes	330,431	344,165
1.02.02	Investments	16,739,235	15,587,759
1.02.02.01	Equity Investments	16,739,235	15,587,759
1.02.02.01.02	Investments in Subsidiaries	16,739,235	15,587,759
1.02.03	Property and Equipment	20,057,681	20,843,949
1.02.03.01	Property and Equipment in Use	18,852,395	19,753,965
1.02.03.02	Leased Right-of-use	1,156,300	1,046,835
1.02.03.02.02	Right-of-use	1,156,300	1,046,835
1.02.03.03	Construction in Progress	48,986	43,149
1.02.04	Intangible assets	114,719	86,774
1.02.04.01	Intangible assets	114,719	86,774

Individual Financial Statements/Balance Sheet - Liabilities**(in BRL thousand)**

Code	Description	06/30/2023	Prior Year 12/31/2022
2	Total Liabilities	49,716,158	44,526,631
2.01	Current liabilities	7,035,206	6,573,293
2.01.01	Payroll and Related Taxes	267,069	220,488
2.01.01.01	Related Taxes	80,160	44,319
2.01.01.02	Payroll	186,909	176,169
2.01.02	Suppliers	2,391,463	4,071,439
2.01.02.01	Domestic Suppliers	2,390,793	4,071,390
2.01.02.02	Foreign Suppliers	670	49
2.01.03	Taxes Payable	71,282	11,970
2.01.03.01	Federal Taxes Payable	61,748	5,853
2.01.03.01.02	Other Federal Taxes	61,748	5,853
2.01.03.03	Municipal Taxes Payable	9,534	6,117
2.01.04	Loans and financing	3,234,928	1,290,858
2.01.04.01	Loans and financing	1,487,647	543,488
2.01.04.01.01	In Local Currency	1,111,370	20,652
2.01.04.01.02	In Foreign Currency	376,277	522,836
2.01.04.02	Debentures	1,747,281	747,370
2.01.05	Other Payables	1,070,464	978,538
2.01.05.01	Payables to Related Parties	2,737	2,797
2.01.05.01.02	Payables to Subsidiaries	0	2,797
2.01.05.01.04	Payables to Other Related Parties	2,737	0
2.01.05.02	Other	1,067,727	975,741
2.01.05.02.01	Dividends and Interest on Capital Payable	313,237	320,386
2.01.05.02.04	Other Current Liabilities	411,473	431,336
2.01.05.02.05	Derivative Financial Instruments	125,367	38,143
2.01.05.02.06	Unearned Revenue	1,067	1,612
2.01.05.02.07	Lease liability	216,583	184,264
2.02	Non-current liabilities	17,800,754	17,394,142
2.02.01	Loans and financing	16,229,950	15,333,989
2.02.01.01	Loans and financing	4,205,207	3,091,449
2.02.01.01.01	In Local Currency	3,070,015	2,388,822
2.02.01.01.02	In Foreign Currency	1,135,192	702,627
2.02.01.02	Debentures	12,024,743	12,242,540
2.02.02	Other Payables	1,114,997	1,092,237
2.02.02.02	Other	1,114,997	1,092,237
2.02.02.02.03	Other Non-Current Liabilities	44,233	37,094
2.02.02.02.04	Lease Liability	1,060,974	968,594
2.02.02.02.05	Derivative Financial Instruments	9,790	86,549
2.02.03	Deferred Taxes	311,207	832,227
2.02.03.01	Deferred Income Tax And Social Contribution	311,207	832,227
2.02.04	Provisions	143,045	133,807
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	143,045	133,807
2.02.04.01.05	Provision for Tax, Social Security, Labor and Civil Risks	143,045	133,807
2.02.06	Unearned Profit and Revenue	1,555	1,882
2.02.06.02	Unearned Revenue	1,555	1,882
2.03	Shareholders' Equity	24,880,198	20,559,196

Individual Financial Statements/Balance Sheet - Liabilities**(in BRL thousand)**

Code	Description	06/30/2023	Prior Year 12/31/2022
2.03.01	Paid-In Capital	16,894,035	12,107,587
2.03.01.01	Capital	17,012,361	12,150,698
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-118,326	-43,111
2.03.02	Capital Reserves	3,978,078	3,944,525
2.03.02.05	Treasury Shares	-137,952	-144,557
2.03.02.07	Share Issuance Premium and Stock Options Granted	288,468	261,520
2.03.02.08	Capital Reserves	3,827,562	3,827,562
2.03.04	Earnings Reserves	4,516,260	4,516,260
2.03.04.01	Legal Reserve	467,372	467,372
2.03.04.02	Statutory Reserve	4,048,888	4,048,888
2.03.05	Retained Earnings (Accumulated Deficit)	-296,488	0
2.03.08	Other Comprehensive Income	-211,687	-9,176

Individual Financial Statements/Statement of Income**(in BRL thousand)**

Code	Description	Current Quarter	Year to date Current year	Quarter Prior Year	Year to date Prior Year
		04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
3.01	Revenue from Sales and/or Services	4,205,065	8,508,164	2,429,809	4,570,461
3.02	Cost of Sales and/or Services	-3,684,147	-7,001,743	-1,509,214	-2,706,431
3.03	Gross Profit	520,918	1,506,421	920,595	1,864,030
3.04	Operating income (expenses)	-340,959	-398,709	-138,786	-245,103
3.04.01	Selling Expenses	-311,244	-579,073	-208,424	-391,123
3.04.02	General and Administrative Expenses	-119,320	-223,199	-99,385	-185,986
3.04.05	Other Operating Expenses	17,479	21,895	11,518	15,194
3.04.06	Equity in the Earnings of Subsidiaries	72,126	381,668	157,505	316,812
3.05	Profit Before Finance Income and Taxes	179,959	1,107,712	781,809	1,618,927
3.06	Finance Income	-548,448	-1,106,347	-230,373	-417,222
3.06.01	Finance Income	152,185	273,506	133,944	231,007
3.06.02	Finance Expenses	-700,633	-1,379,853	-364,317	-648,229
3.07	Net Income Before Income Taxes	-368,489	1,365	551,436	1,201,705
3.08	Income Tax and Social Contribution on Profit	280,420	433,372	-94,108	-226,954
3.08.01	Current	47,618	-89,735	0	0
3.08.02	Deferred	232,802	523,107	-94,108	-226,954
3.09	Net Income from Continuing Operations	-88,069	434,737	457,328	974,751
3.11	Net Income/Loss for the Period	-88,069	434,737	457,328	974,751
3.99	Earnings per Share – (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.08954	0	0.44224	1.29582
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.08901	0	0.43958	1.2867

Individual Financial Statements/Statement of Comprehensive Income

(in BRL thousand)

Code	Description	Current Quarter	Year to date	Quarter	Year to date
		04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	Prior Year	Prior Year
				04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
401	Net Income for the Period	-88,069	434,737	457,328	974,751
4.02	Other Comprehensive Income	-128,305	-202,511	4,200	4,209
4.02.01	Adjustments from Financial Instruments	8,884	-1,777	6,537	6,377
4.02.02	Taxes on Adjustments to Financial Instruments	-3,020	604	-2,222	-2,168
4.02.03	Share in the comprehensive income of subsidiaries	-134,169	-201,338	-115	0
4.03	Comprehensive Income for the Period	-216,374	232,226	461,528	978,960

Individual Financial Statements/Statement of Cash Flows (Indirect Method)**(in BRL thousand)**

Code	Description	Year to date	Year to date
		Current year 01/01/2023 to 06/30/2023	Prior year 01/01/2022 to 06/30/2022
6.01	Net Cash Provided by Operating Activities	-3,808,451	-760,974
6.01.01	Cash Provided by Operations	1,961,588	1,426,062
6.01.01.01	Net income for the period	434,737	974,751
6.01.01.02	Depreciation and amortization	1,359,756	365,740
6.01.01.03	(Gain)/loss on the sale or write-off of decommissioned cars	-480,934	-432,497
6.01.01.04	Deferred Income Tax and Social Contribution	-523,107	226,954
6.01.01.05	Equity in the Earnings of Subsidiaries	-381,668	-316,812
6.01.01.06	Other	-7,768	25,329
6.01.01.07	Provisions for risks	9,238	-25,110
6.01.01.08	Interest on loans, financing, debentures and derivatives	1,287,458	601,366
6.01.01.09	Lease interest	58,878	47,157
6.01.01.10	Other provisions	68,591	-21,508
6.01.01.11	Allowance for doubtful debts	46,636	-19,308
6.01.01.12	Adjustment to the recoverable value of assets (*)	89,771	0
6.01.02	Changes in Assets and Liabilities	-2,249,793	-3,576,730
6.01.02.01	Accounts receivable	-141,370	-26,071
6.01.02.02	Acquisition of Vehicles, Net of Changes in Balances with Vehicle Manufacturers	-6,090,402	-3,419,743
6.01.02.03	Escrow deposits	-8,968	3,487
6.01.02.04	Recoverable Taxes	-104,334	-4,756
6.01.02.05	Prepaid expenses	-130,256	-87,645
6.01.02.06	Other current and non-current assets	-106,515	15,309
6.01.02.07	Suppliers (except automakers)	-54,632	-13,531
6.01.02.08	Payroll and Related Taxes	-22,010	-31,626
6.01.02.09	Income tax and social contribution	89,735	0
6.01.02.11	Insurance premiums	32,845	18,782
6.01.02.12	Other current and non-current liabilities	-200,582	-30,936
6.01.02.13	Revenue on the sale of the decommissioned vehicles, net of taxes	4,486,696	0
6.01.03	Other	-3,520,246	1,389,694
6.01.03.01	Income tax and social contribution paid	0	1,898,199
6.01.03.02	Income tax and social contribution paid	0	135
6.01.03.03	Interest on Loans, Financing, and Debt Securities Paid	-1,121,505	-433,011
6.01.03.04	Lease interest paid	-33,559	-23,782
6.01.03.05	Short-term financial investments	-2,365,182	-51,847
6.02	Net Cash Provided by Investing Activities	-1,107,201	-164,841
6.02.01	Purchase of Other Property and Equipment	-56,620	-37,653
6.02.02	Purchase of intangible assets	-36,717	-27,188
6.02.03	Capital increase in subsidiaries	-1,014,000	-100,000
6.02.04	Dividends from Subsidiaries	136	0
6.03	Net Cash Provided by Financing Activities	6,767,202	1,072,724
6.03.01	Loans, financing, and debt securities - funding	3,758,062	2,778,448
6.03.02	Loans, financing, and debt securities - amortization/ buyback	-1,045,609	-1,216,007
6.03.05	Dividends	0	-206,200

Individual Financial Statements/Statement of Cash Flows (Indirect Method)**(in BRL thousand)**

Code	Description	Year to date Current year 01/01/2023 to 06/30/2023	Year to date Prior year 01/01/2022 to 06/30/2022
6.03.06	Interest on equity	-628,693	-207,500
6.03.09	Exercise of stock options and treasury shares, net	-2,195	254
6.03.11	Lease liability - amortization	-100,811	-78,493
6.03.12	Capital integration through share subscription	4,786,448	0
6.03.14	Treasury shares sold	0	2,222
6.05	Increase (Decrease) in Cash and Cash Equivalents	1,851,550	146,909
6.05.01	Opening Balance of Cash and Cash Equivalents	734,719	289,103
6.05.02	Closing Balance of Cash and Cash Equivalents	2,586,269	436,012

Individual Financial Statements/Statement of Changes in Equity - 01/01/2023 to 06/30/2023**(in BRL thousand)**

Code	Description	Paid-in Capital	Capital Reserves, Stock Options Granted, and Treasury Shares	Earnings Reserves	Retained earnings (accumulated deficit)	Other Comprehensive Income	Equity
5.01	Opening balances	12,107,587	3,944,525	4,516,260	0	-9,176	20,559,196
5.03	Adjusted Opening Balances	12,107,587	3,944,525	4,516,260	0	-9,176	20,559,196
5.04	Capital Transactions with Shareholders	4,786,448	33,553	0	-731,225	0	4,088,776
5.04.01	Capital Increase	4,861,663	0	0	0	0	4,861,663
5.04.02	Expenses on the issuance of shares	-75,215	0	0	0	0	-75,215
5.04.03	Stock options granted	0	35,748	0	0	0	35,748
5.04.07	Interest on Equity	0	0	0	-731,225	0	-731,225
5.04.08	Long-term incentive programs – treasury shares	0	-2,195	0	0	0	-2,195
5.05	Total Comprehensive Income	0	0	0	434,737	-202,511	232,226
5.05.01	Net Income for the Period	0	0	0	434,737	0	434,737
5.05.02	Other Comprehensive Income	0	0	0	0	-202,511	-202,511
5.05.02.03	Equity in the earnings of subsidiaries and affiliates, without comprehensive income	0	0	0	0	-192,337	-192,337
5.05.02.04	Conversion adjustments in the period	0	0	0	0	-7,769	-7,769
5.05.02.06	Other comprehensive income	0	0	0	0	-2,405	-2,405
5.07	Closing Balance	16,894,035	3,978,078	4,516,260	-296,488	-211,687	24,880,198

Individual Financial Statements/Statement of Changes in Equity - 01/01/2022 to 06/30/2022**(in BRL thousand)**

Code	Description	Paid-in Capital	Capital Reserves, Stock Options Granted, and Treasury Shares	Earnings Reserves	Retained earnings (accumulated deficit)	Other Comprehensive Income	Equity
5.01	Opening balances	3,956,889	40,890	3,618,430	0	881	7,617,090
5.03	Adjusted Opening Balances	3,956,889	40,890	3,618,430	0	881	7,617,090
5.04	Capital Transactions with Shareholders	0	27,649	0	-241,951	0	-214,302
5.04.03	Stock options granted	0	25,173	0	0	0	25,173
5.04.05	Treasury shares sold	0	2,222	0	0	0	2,222
5.04.07	Interest on Equity	0	0	0	-241,951	0	-241,951
5.04.08	Long-term incentive programs – treasury shares	0	254	0	0	0	254
5.05	Total Comprehensive Income	0	0	0	974,751	4,209	978,960
5.05.01	Net Income for the Period	0	0	0	974,751	0	974,751
5.05.02	Other Comprehensive Income	0	0	0	0	4,209	4,209
5.05.02.01	Adjustments from Financial Instruments	0	0	0	0	6,377	6,377
5.05.02.02	Taxes on Adjustments to Financial Instruments	0	0	0	0	-2,168	-2,168
5.07	Closing Balance	3,956,889	68,539	3,618,430	732,800	5,090	8,381,748

Individual Financial Statements/Statement of Value Added**(in BRL thousand)**

Code	Description	Year to date	Year to date
		Current year 01/01/2023 to 06/30/2023	Prior year 01/01/2022 to 06/30/2022
7.01	Revenues	8,940,490	4,903,639
7.01.01	Sales of Goods, Products, and Services	8,916,614	4,841,080
7.01.03	Revenues Related to the Construction of Own Assets	70,236	43,251
7.01.04	Allowance for/Reversal of Doubtful Debts	-46,360	19,308
7.02	Inputs Acquired from Third Parties	-5,803,804	-2,575,174
7.02.01	Cost of Products, Goods and Services Sold	-5,398,737	-2,237,614
7.02.02	Materials, power, third-party services and other	-405,067	-337,560
7.03	Gross Value Added	3,136,686	2,328,465
7.04	Retentions	-1,449,527	-365,740
7.04.01	Depreciation, Amortization, and Depletion	-1,359,756	-365,740
7.04.02	Other	-89,771	0
7.05	Net Wealth Created	1,687,159	1,962,725
7.06	Wealth Received in Transfer	666,433	547,819
7.06.01	Equity in the Earnings of Subsidiaries	381,668	316,812
7.06.02	Financial Income	284,765	231,007
7.07	Total Wealth for Distribution	2,353,592	2,510,544
7.08	Wealth Distributed	2,353,592	2,510,544
7.08.01	Personnel	594,358	464,948
7.08.01.01	Salaries and wages	429,171	329,575
7.08.01.02	Benefits	113,461	84,396
7.08.01.03	Severance Pay Fund (FGTS)	28,904	25,804
7.08.01.04	Other	22,822	25,173
7.08.02	Taxes, fees, and contributions	-143,949	360,695
7.08.02.01	Federal	-326,526	267,701
7.08.02.02	State	159,614	80,387
7.08.02.03	Municipal	22,963	12,607
7.08.03	Lenders and lessors	1,468,446	710,150
7.08.03.01	Interest	1,379,853	648,229
7.08.03.02	Rentals	64,504	40,418
7.08.03.03	Other	24,089	21,503
7.08.03.03.01	Other Rentals	24,089	21,503
7.08.04	Shareholders	434,737	974,751
7.08.04.01	Interest on Capital	731,225	241,951
7.08.04.03	Retained Earnings (Loss) for the Period	-296,488	732,800

Consolidated Financial Statements/Balance Sheet - Assets**(in BRL thousand)**

Code	Description	06/30/2023	Prior Year 12/31/2022
1	Total Assets	71,955,862	65,652,017
1.01	Current assets	16,764,904	11,615,182
1.01.01	Cash and Cash Equivalents	3,246,436	1,505,623
1.01.02	Financial Assets	6,483,921	4,053,777
1.01.02.01	Financial Assets at fair value through profit or loss	6,483,921	4,053,777
1.01.03	Accounts Receivable	2,747,145	2,480,213
1.01.03.01	Clients	2,747,145	2,480,213
1.01.04	Inventories	55,276	122,570
1.01.04.01	Vehicles for resale	44,251	108,854
1.01.04.02	Product Stock	11,025	13,716
1.01.06	Recoverable Taxes	482,113	312,465
1.01.07	Prepaid Expenses	300,793	26,505
1.01.08	Other Current Assets	3,449,220	3,114,029
1.01.08.01	Non-Current Assets Available for Sale	2,610,983	1,976,087
1.01.08.01.01	Decommissioned cars for fleet renewal	2,610,983	1,976,087
1,010,803	Other	838,237	1,137,942
1.01.08.03.01	Amount Receivable for the Sale of Investment	317,712	588,761
1.01.08.03.02	Derivative Financial Instruments	109,179	283,047
1.01.08.03.03	Dividends Receivable	45	45
1.01.08.03.04	Other	411,301	266,089
1.02	Non-current Assets	55,190,958	54,036,835
1.02.01	Long-term Assets	2,301,216	2,178,124
1.02.01.01	Financial Assets at fair value through profit or loss	2,114	87,977
1.02.01.03	Financial Investments at Amortized Cost	953,864	838,953
1.02.01.03.01	Linked Bank Certificates of Deposit	1,335,677	1,261,961
1.02.01.03.02	(-) Present Value Adjustment	-381,813	-423,008
1.02.01.04	Accounts Receivable	10,695	9,791
1.02.01.04.01	Clients	10,695	9,791
1.02.01.07	Deferred taxes	15,349	22,965
1.02.01.07.01	Deferred Income Tax and Social Contribution	15,349	22,965
1.02.01.08	Prepaid Expenses	9,721	11,448
1.02.01.10	Other Non-current Assets	1,309,473	1,206,990
1.02.01.10.03	Escrow deposits	230,294	220,550
1.02.01.10.04	Derivative Financial Instruments	382,816	365,599
1.02.01.10.05	Investments in restricted accounts	54,572	51,444
1.02.01.10.06	Recoverable Taxes	639,783	567,168
1.02.01.10.07	Other	2,008	2,229
1.02.02	Investments	1,092	1,171
1.02.02.01	Equity Interests	1,092	1,171
1.02.03	Property and Equipment	44,041,542	43,020,498
1.02.03.01	Property and Equipment in Use	42,947,374	42,095,955
1.02.03.02	Leased Right-of-use	993,410	834,673
1.02.03.02.02	Right-of-use	993,410	834,673
1.02.03.03	Construction in Progress	100,758	89,870
1.02.04	Intangible assets	8,847,108	8,837,042

Consolidated Financial Statements/Balance Sheet - Assets

(in BRL thousand)

Code	Description	06/30/2023	Prior Year 12/31/2022
1.02.04.01	Intangible Assets	8,847,108	8,837,042
1.02.04.01.02	Goodwill on Acquisition of Investments	8,463,257	8,463,257
1.02.04.01.03	Other	383,851	373,785

Consolidated Financial Statements/Balance Sheet - Liabilities**(in BRL thousand)**

Code	Description	06/30/2023	Prior Year 12/31/2022
2	Total Liabilities	71,955,862	65,652,017
2.01	Current liabilities	13,521,220	11,236,806
2.01.01	Payroll and Related Taxes	395,438	333,671
2.01.01.01	Related Taxes	155,519	77,836
2.01.01.02	Payroll	239,919	255,835
2.01.02	Suppliers	4,623,034	6,177,751
2.01.02.01	Domestic Suppliers	4,622,364	6,177,702
2.01.02.02	Foreign Suppliers	670	49
2.01.03	Taxes Payable	119,191	39,313
2.01.03.01	Federal Taxes Payable	101,536	24,996
2.01.03.01.01	Income Tax and Social Contribution Payable	29,357	11,675
2.01.03.01.02	Other Federal Taxes	72,179	13,321
2.01.03.02	State Taxes Payable	500	332
2.01.03.03	Municipal Taxes Payable	17,155	13,985
2.01.04	Loans and financing	6,815,255	3,353,510
2.01.04.01	Loans and financing	2,860,173	884,974
2.01.04.01.01	In Local Currency	2,113,957	208,094
2.01.04.01.02	In Foreign Currency	746,216	676,880
2.01.04.02	Debentures	3,955,082	2,468,536
2.01.05	Other Payables	1,568,302	1,332,561
2.01.05.02	Other	1,568,302	1,332,561
2.01.05.02.01	Dividends and Interest on Capital Payable	313,237	320,386
2.01.05.02.04	Other Current Liabilities	510,993	547,801
2.01.05.02.05	Derivative Financial Instruments	402,984	137,350
2.01.05.02.07	Lease liability	222,755	185,227
2.01.05.02.08	Assignment of Credit Rights	118,333	141,797
2.02	Non-current Liabilities	33,544,994	33,844,606
2.02.01	Loans and financing	30,036,307	29,917,603
2.02.01.01	Loans and financing	4,778,585	4,915,671
2.02.01.01.01	In Local Currency	2,912,769	3,544,663
2.02.01.01.02	In Foreign Currency	1,865,816	1,371,008
2.02.01.02	Debentures	25,257,722	25,001,932
2.02.02	Other Payables	1,258,788	1,232,699
2.02.02.02	Other	1,258,788	1,232,699
2.02.02.02.03	Other Non-current Liabilities	123,715	111,060
2.02.02.02.04	Derivative Financial Instruments	202,647	260,133
2.02.02.02.06	Lease liability	847,610	727,272
2.02.02.02.07	Assignment of Credit Rights	84,816	134,234
2.02.03	Deferred taxes	1,622,847	2,010,851
2.02.03.01	Deferred Income Tax and Social Contribution	1,622,847	2,010,851
2.02.04	Provisions	614,618	672,568
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	614,618	672,568
2.02.04.01.05	Provision for Tax, Social Security, Labor and Civil Risks	614,618	672,568
2.02.06	Unearned Profit and Revenue	12,434	10,885
2.02.06.02	Unearned Revenue	12,434	10,885
2.03	Consolidated Equity	24,889,648	20,570,605

Consolidated Financial Statements/Balance Sheet - Liabilities**(in BRL thousand)**

Code	Description	06/30/2023	Prior Year 12/31/2022
2.03.01	Paid-In Capital	16,894,035	12,107,587
2.03.01.01	Capital	17,012,361	12,150,698
2.03.01.02	Expenses on the issuance of shares, net of tax effects	-118,326	-43,111
2.03.02	Capital reserves	3,978,078	3,944,525
2.03.02.05	Treasury shares	-137,952	-144,557
2.03.02.07	Share Issuance Premium and Stock Options Granted	288,468	261,520
2.03.02.09	Capital Reserves	3,827,562	3,827,562
2.03.04	Earnings Reserves	4,516,260	4,516,260
2.03.04.01	Legal Reserve	467,372	467,372
2.03.04.02	Statutory Reserve	4,048,888	4,048,888
2.03.05	Retained Earnings (Accumulated Losses)	-296,488	0
2.03.08	Other Comprehensive Income	-211,687	-9,176
2.03.09	Attributable to Non-controlling Partners	9,450	11,409

Consolidated Financial Statements/Statement of Income**(in BRL thousand)**

Code	Description	Current Quarter	Year to date Current year	Quarter Prior Year	Year to date Prior Year
		04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
3.01	Revenue from Sales and/or Services	6,846,159	13,671,827	3,049,431	5,761,083
3.02	Cost of Sales and/or Services	-5,391,332	-10,075,561	-1,788,398	-3,225,032
3.03	Gross Profit	1,454,827	3,596,266	1,261,033	2,536,051
3.04	Operating income (expenses)	-634,503	-1,136,358	-368,536	-691,587
3.04.01	Selling Expenses	-439,077	-814,420	-253,686	-473,236
3.04.02	General and Administrative Expenses	-209,084	-349,392	-126,754	-232,063
3.04.05	Other Operating Expenses	13,677	27,533	11,904	13,712
3.04.06	Equity in the Earnings of Subsidiaries	-19	-79	0	0
3.05	Profit Before Finance Income and Taxes	820,324	2,459,908	892,497	1,844,464
3.06	Financial Income	-1,097,302	-2,167,255	-266,312	-493,262
3.06.01	Financial Income	236,984	462,107	205,967	334,264
3.06.02	Financial Expenses	-1,334,286	-2,629,362	-472,279	-827,526
3.07	Net Income Before Income Taxes	-276,978	292,653	626,185	1,351,202
3.08	Income Tax and Social Contribution on Profit	188,207	140,125	-169,471	-377,065
3.08.01	Current	16,393	-164,038	-19,579	-50,048
3.08.02	Deferred	171,814	304,163	-149,892	-327,017
3.09	Net Income from Continuing Operations	-88,771	432,778	456,714	974,137
3.11	Consolidated Profit/Loss for the Period	-88,771	432,778	456,714	974,137
3.11.01	Attributable to the Company's Owners	-88,069	434,737	457,328	974,751
3.11.02	Attributable to Non-controlling Shareholders	-702	-1,959	-614	-614

Consolidates Financial Statements/Statement of Comprehensive Income**(in BRL thousand)**

Code	Description	Current Quarter	Year to date	Quarter	Year to date
		04/01/2023 to 06/30/2023	Current year 01/01/2023 to 06/30/2023	Prior Year 04/01/2022 to 06/30/2022	Prior Year 01/01/2022 to 06/30/2022
401	Consolidated Net Income for the Period	-88,771	432,778	456,714	974,137
4.02	Other Comprehensive Income	-128,305	-202,511	4,200	4,209
4.02.01	Adjustments from Financial Instruments	11,070	-3,643	6,362	6,377
4.02.02	Taxes on Adjustments to Financial Instruments	-3,764	1,238	-2,162	0
4.02.06	Exchange variation of investees located abroad	-5,658	-7,769	0	0
4.02.07	Cash Flow Hedge	-196,899	-291,420	0	-2,168
4.02.08	Taxes on Cash Flow Hedge	66,946	99,083	0	0
4.03	Comprehensive Income for the Period	-217,076	230,267	460,914	978,346
4.03.01	Attributable to the Company's Owners	-216,374	232,226	461,528	978,960
4.03.02	Attributable to Non-controlling Shareholders	-702	-1,959	-614	-614

Consolidated Financial Statements/Statement of Cash Flows (Indirect Method)**(in BRL thousand)**

Code	Description	Year to date	Year to date
		Current Year 01/01/2023 to 06/30/2023	Prior Year 01/01/2022 to 06/30/2022
6.01	Net Cash Provided by Operating Activities	-5,526,116	-2,372,446
6.01.01	Cash Provided by Operations	4,599,298	1,957,663
6.01.01.01	Net income for the period	432,778	974,137
6.01.01.02	Depreciation and amortization	2,508,497	411,662
6.01.01.03	(Gain)/loss on the sale or write-off of decommissioned cars	-983,058	-604,759
6.01.01.04	Deferred Income Tax and Social Contribution	-304,163	327,017
6.01.01.06	Provisions for risks	-57,950	-26,942
6.01.01.07	Interest on loans, financing, debentures and derivatives	2,508,467	788,482
6.01.01.08	Lease interest	48,203	34,642
6.01.01.10	Other provisions	109,196	4,272
6.01.01.11	Allowance for doubtful debts	79,248	-17,053
6.01.01.12	Adjustment to the recoverable value of assets (*)	153,258	0
6.01.01.13	Provision for profit sharing	104,743	66,205
6.01.01.14	Equity in the Earnings of Subsidiaries	79	0
6.01.02	Changes in Assets and Liabilities	-5,299,896	-4,904,739
6.01.02.01	Accounts receivable	-351,250	-76,411
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-11,149,094	-4,596,736
6.01.02.03	Escrow deposits	-6,692	1,391
6.01.02.04	Recoverable Taxes	-242,263	-50,893
6.01.02.05	Prepaid expenses	-272,561	-115,729
6.01.02.06	Other current and non-current assets	-152,127	-43,377
6.01.02.07	Suppliers (except automakers)	-16,382	-12,911
6.01.02.08	Payroll and Related Taxes	-42,976	-96,277
6.01.02.09	Income tax and social contribution	164,038	50,048
6.01.02.11	Insurance premiums	32,845	19,226
6.01.02.12	Other current and non-current liabilities	-188,773	16,930
6.01.02.13	Revenue on the sale of the decommissioned cars, net of taxes	6,618,454	0
6.01.02.15	Receivables for the sale of investments	306,885	0
6.01.03	Other	-4,825,518	574,630
6.01.03.01	Revenue on the sale of the decommissioned cars, net of taxes	0	2,388,593
6.01.03.02	Income tax and social contribution paid	-32,166	-39,948
6.01.03.03	Interest on loans, financing, debentures and derivatives	-2,330,668	-557,015
6.01.03.04	Short-term financial investments, net of swaps	-2,417,997	-1,193,183
6.01.03.05	Lease interest paid	-41,968	-23,817
6.01.03.06	Interest on Assignment of Credit Rights Paid	-2,719	0
6.02	Net Cash from Investing Activities	-166,086	-91,778
6.02.01	Purchase of Other Property and Equipment	-116,753	-49,845
6.02.02	Purchase of intangible assets	-45,078	-30,433
6.02.04	Acquisition of investments, net of acquired cash	0	-7,708
6.02.05	Company Acquisition Payment	-4,255	-3,792
6.03	Net Cash Provided by Financing Activities	7,433,015	2,787,359
6.03.01	Loans, financing, and debt securities - funding	6,021,699	4,498,530

Consolidated Financial Statements/Statement of Cash Flows (Indirect Method)**(in BRL thousand)**

Code	Description	Year to date Current Year 01/01/2023 to 06/30/2023	Year to date Prior Year 01/01/2022 to 06/30/2022
6.03.02	Loans, financing, and debt securities - amortization/buyback	-2,549,313	-1,221,189
6.03.05	Dividends	0	-206,200
6.03.06	Interest on equity	-628,693	-207,500
6.03.08	Exercise of stock options and treasury shares, net	-2,195	254
6.03.10	Lease liability - amortization	-114,158	-78,758
6.03.11	Capital payment with share subscription	4,786,448	0
6.03.13	Treasury shares sold	0	2,222
6.03.16	Credit granted by suppliers - amortizations	-73,004	0
6.03.17	Other comprehensive income	-7,769	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	1,740,813	323,135
6.05.01	Opening Balance of Cash and Cash Equivalents	1,505,623	444,139
6.05.02	Closing Balance of Cash and Cash Equivalents	3,246,436	767,274

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2023 to 06/30/2023**(in BRL thousand)**

Code	Description	Paid-in Capital	Capital Reserves, Stock Options Granted, and Treasury Shares	Earnings Reserves	Retained earnings (accumulated deficit)	Other Comprehensive Income	Shareholders' equity	Non-controlling Interest	Shareholders' equity Consolidated
5.01	Opening balances	12,107,587	3,944,525	4,516,260	0	-9,176	20,559,196	11,409	20,570,605
5.03	Adjusted Opening Balances	12,107,587	3,944,525	4,516,260	0	-9,176	20,559,196	11,409	20,570,605
5.04	Capital Transactions with Shareholders	4,786,448	33,553	0	-731,225	0	4,088,776	0	4,088,776
5.04.01	Capital Increase	4,861,663	0	0	0	0	4,861,663	0	4,861,663
5.04.02	Expenses on the issuance of shares	-75,215	0	0	0	0	-75,215	0	-75,215
5.04.03	Stock options granted	0	35,748	0	0	0	35,748	0	35,748
5.04.07	Interest on Equity	0	0	0	-731,225	0	-731,225	0	-731,225
5.04.08	Long-term incentive programs – treasury shares	0	-2,195	0	0	0	-2,195	0	-2,195
5.05	Total Comprehensive Income	0	0	0	434,737	-202,511	232,226	-1,959	230,267
5.05.01	Net Income for the Period	0	0	0	434,737	0	434,737	-1,959	432,778
5.05.02	Other Comprehensive Income	0	0	0	0	-202,511	-202,511	0	-202,511
5.05.02.03	Equity in subsidiaries and affiliates, without comprehensive income	0	0	0	0	-192,337	-192,337	0	-192,337
5.05.02.04	Conversion Adjustments in the Period	0	0	0	0	-7,769	-7,769	0	-7,769
5.05.02.06	Other comprehensive income	0	0	0	0	-2,405	-2,405	0	-2,405
5.07	Closing Balance	16,894,035	3,978,078	4,516,260	-296,488	-211,687	24,880,198	9,450	24,889,648

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2022 to 06/30/2022**(in BRL thousand)**

Code	Description	Paid-in Capital	Capital Reserves, Stock Options Granted, and Treasury Shares	Earnings Reserves	Retained earnings (accumulated deficit)	Other Comprehensive Income	Shareholders' equity	Non-controlling Interest	Shareholders' equity Consolidated
5.01	Opening balances	3,956,889	40,890	3,618,430	0	881	7,617,090	0	7,617,090
5.03	Adjusted Opening Balances	3,956,889	40,890	3,618,430	0	881	7,617,090	0	7,617,090
5.04	Capital Transactions with Shareholders	0	27,649	0	-241,951	0	-214,302	7,008	-207,294
5.04.03	Stock options granted	0	25,173	0	0	0	25,173	0	25,173
5.04.05	Treasury shares sold	0	2,222	0	0	0	2,222	0	2,222
5.04.07	Interest on Equity	0	0	0	-241,951	0	-241,951	0	-241,951
5.04.08	Long-term incentive programs – treasury shares	0	254	0	0	0	254	0	254
5.04.09	Acquisition of shares in Voll with non-controlling partners	0	0	0	0	0	0	7,008	7,008
5.05	Total Comprehensive Income	0	0	0	974,751	4,209	978,960	-614	978,346
5.05.01	Net Income for the Period	0	0	0	974,751	0	974,751	-614	974,137
5.05.02	Other Comprehensive Income	0	0	0	0	4,209	4,209	0	4,209
5.05.02.01	Adjustments from Financial Instruments	0	0	0	0	6,377	6,377	0	6,377
5.05.02.02	Taxes on Adjustments to Financial Instruments	0	0	0	0	-2,168	-2,168	0	-2,168
5.07	Closing Balance	3,956,889	68,539	3,618,430	732,800	5,090	8,381,748	6,394	8,388,142

LOCALIZA RENT A CAR S.A.

Opinions and Representations / Management's Statement on the Independent Auditor's Report

ITR - Interim Financial Information - 06/30/2023 - Localiza Rent a Car S.A.

Version: 1

Consolidated Financial Statements/Statement of**Value Added**

Code	Description (in BRL thousand)	Year to date	Year to date
		Current Year 01/01/2023 to 06/30/2023	Prior Year 01/01/2022 to 06/30/2022
7.01	Revenues	14,383,247	6,179,048
7.01.01	Sales of Goods, Products, and Services	14,404,596	6,115,499
7.01.02	Other revenues	-20,152	0
7.01.03	Revenues Related to the Construction of Own Assets	78,051	46,496
7.01.04	Allowance for/Reversal of Doubtful Debts	-79,248	17,053
7.02	Inputs Acquired from Third Parties	-7,549,054	-3,084,487
7.02.01	Cost of Products, Goods and Services Sold	-7,082,958	-2,702,093
7.02.02	Materials, power, third-party services and other	-466,096	-382,394
7.03	Gross Value Added	6,834,193	3,094,561
7.04	Retentions	-2,662,133	-411,662
7.04.01	Depreciation, Amortization, and Depletion	-2,508,876	-411,662
7.04.02	Other	-153,257	0
7.05	Net Wealth Created	4,172,060	2,682,899
7.06	Wealth Received in Transfer	486,028	334,264
7.06.01	Equity in the Earnings of Subsidiaries	-79	0
7.06.02	Financial Income	486,107	334,264
7.07	Total Wealth for Distribution	4,658,088	3,017,163
7.08	Wealth Distributed	4,658,088	3,017,163
7.08.01	Personnel	901,553	562,920
7.08.01.01	Salaries and wages	660,885	408,740
7.08.01.02	Benefits	157,811	97,862
7.08.01.03	Severance Pay Fund (FGTS)	43,073	31,145
7.08.01.04	Other	39,784	25,173
7.08.02	Taxes, fees, and contributions	585,249	577,908
7.08.02.01	Federal	216,619	449,088
7.08.02.02	State	329,281	109,412
7.08.02.03	Municipal	39,349	19,408
7.08.03	Lenders and lessors	2,738,508	902,198
7.08.03.01	Interest	2,629,362	827,526
7.08.03.02	Rentals	82,624	50,850
7.08.03.03	Other	26,522	23,822
7.08.03.03.01	Other Rentals	26,522	23,822
7.08.04	Shareholders	432,778	974,137
7.08.04.01	Interest on Capital	731,225	241,951
7.08.04.03	Retained Earnings (Loss) for the Period	-296,488	732,800
7.08.04.04	Non-controlling Share in Retained Earnings	-1,959	-614

Dear stakeholders,

In 2Q23, we continued to advance in the integration process and capture of synergies, with engaged teams, maintaining the focus on our customers and high NPS rates in all the Company's businesses. We continue to grow with value creation, maintaining discipline in the capital allocation and seeing a positive perspective for our businesses.

Despite this, we had a very challenging quarter, impacted by the Provisional Measure No. 1,175 (PM), initially intended for individuals, which reduced the price of new cars up to R\$120,000 by R\$2,000 to R\$8,000. As a result of this Measure, we reduced the speed of cars' purchase for rentals, in addition to reducing the prices and sales volumes of **Seminovos**, with a temporary impact on the pace of growth and the process of fleet renewal.

In the **Car Rental** division, after the end of the high season and without the effects of the summer holidays, we noticed a reduction in the volume of rentals, offset by the higher average rental rate. In this context, net revenue remained in line with the previous quarter and increased 9.9% in the annual comparison, evidencing our effective price and mix management. In the **Fleet Rental**, we once again showed strong net revenue growth, 9.9% higher in the sequential comparison and 58.1% in the annual comparison, even with the impact of the Provisional Measure, which reflected in lower purchases and deployment of cars in this division between the months of May and June, resulting in a backlog of 21,000 cars.

With the extension of the discounts offered under the Provisional Measure to companies at the end of June, we accelerated the purchase of cars, acquiring around 23 thousand cars with discounts between the end of June and the beginning of July. In the quarter, 57,110 cars were purchased, being 32,242 in **Car Rental** and 24,868 in **Fleet Rental**. 52,711 cars were sold at **Seminovos**, also impacted by the Measure.

In the second quarter, we posted consolidated net revenue of R\$6.8 billion and EBITDA of R\$2.5 billion. As a result of the impacts of PM No. 1,175, we recognized R\$631.4 million in the earnings before tax, referring to the expected reduction in the recoverable value of cars and in the depreciation.

On June 16, 2023, we announced a follow-on in the total amount of R\$4.5 billion, with demand multiple times greater than the size of the offering, demonstrating the confidence deposited by our shareholders in our ability to allocate capital and create value. As a result, we ended the second quarter with R\$11.1 billion in cash and net debt/EBITDA LTM and net debt/fleet value ratios at 2.78x and 0.58x, respectively.

The proceeds from the offering contribute to strengthening our competitive position to capture opportunities in a market with ample room for growth, especially in a context of reducing interest rates, which tends to boost the car rental sector.

Despite the quarter's challenges, we believe we have reached a turning point with the beginning of the interest rate reduction cycle; signs of improvement in car rental demand and process of increasing new car prices to pre-Provisional Measure levels. Finally, we expect an improvement in the cash generation cycle as a result of the reduction in renewal capex.

Combined Results

Following the disclosure format of the last quarters, considering the completion of the business combination, the presentation of the 2Q23 results includes consolidated information from Localiza and Locamerica (LCAM). For comparison purposes, we will bring the proforma quarterly results, adding the values of the two companies, from 1Q21 until the business combination on July 1, 2022. Annual comparisons will be made based on the historical proforma numbers of the two companies.

The proforma results are based on available information directly attributable to the business combination and factually supportable. This presentation is intended exclusively to illustrate the business combination's impact on the Company's historical financial information, as if the transaction had taken place on January 1, 2021. There is no assurance on the part of the Company or the independent auditors that the result of the transaction, if taken place on January 1, 2021, would be as presented. We emphasize that the operational quantitative data were not reviewed by the independent auditors.

In 2Q23, in addition to the effects related to the write up of cars and the customer portfolio, which were already being highlighted in previous releases, we will also highlight the effects of the Car Rental Systems tax loss write-off and the impacts signaled via Material Fact of June 9, 2023, from the Provisional Measure No. 1,175, as follows:

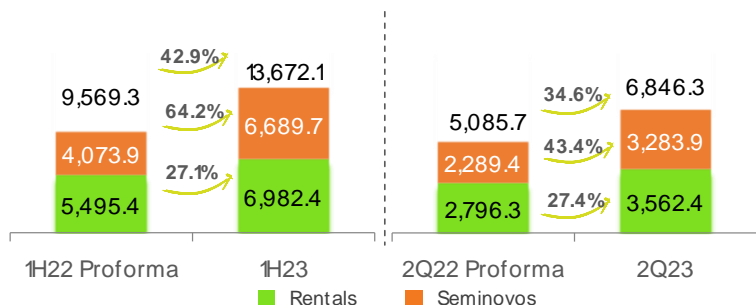
R\$ millions

Description	EBIT Impact	Net Income Impact
Fleet write-up amortization	(122.3)	(80.7)
Amortization of the customer portfolio write-up	(1.1)	(0.7)
Impact of Provisional Measure No. 1,175	(631.4)	(416.7)
Write-off of Tax Losses		(9.7)
Total	(754.8)	(507.8)

OPERATIONAL HIGHLIGHTS

Consolidated net revenue

R\$ million

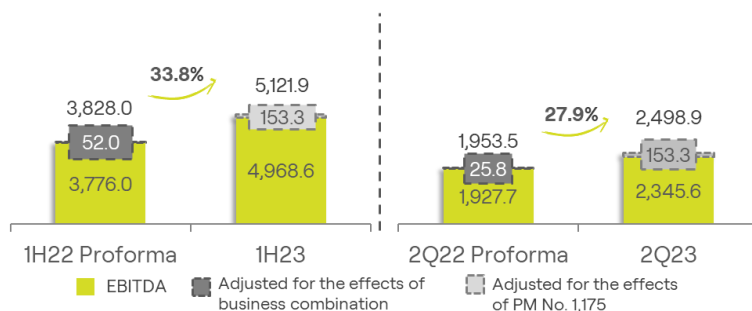


Strong consolidated net revenue's growth in the semester +42.9% and in 2Q23 +34.6%

Operational improvement in RAC and Fleet Rental, compensating the normalization of Seminovos.

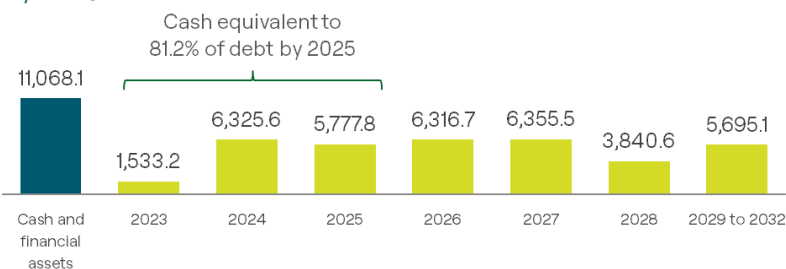
Consolidated EBITDA

R\$ million



Debt profile (as of 06/30/2023)

R\$ million

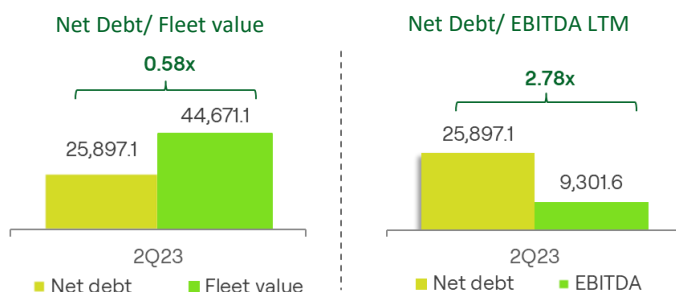


R\$11.1 billion in cash, with coverage of 81.2% of the maturities up to 2025.

The net debt/fleet value and net debt/EBITDA LTM ratios ended the quarter at 0.58x and 2.78x, respectively.

Debt Ratios

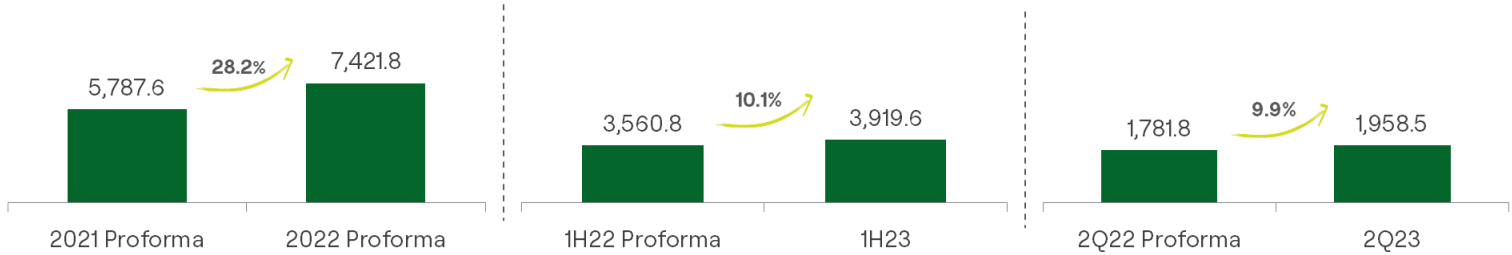
R\$ millions



1 – Car Rental

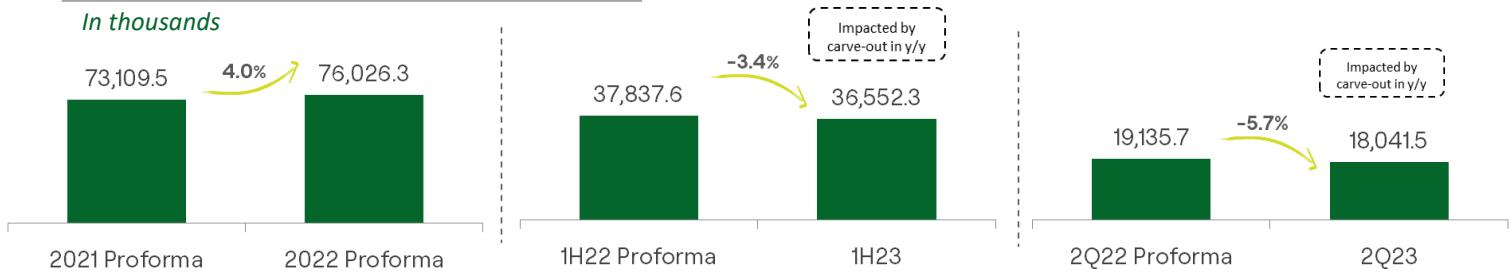
Net revenue

R\$ million including royalties



Rental days

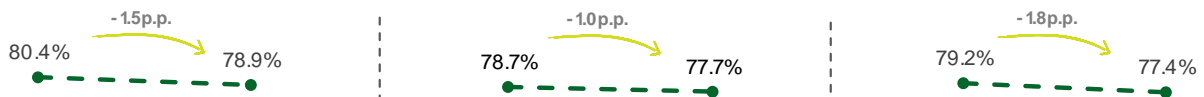
In thousands



In 2Q23, the net revenue from the **Car Rental** division was R\$1,958.5 million, an increase of 9.9% compared to 2Q22 proforma, as a result of the 16.7% increase in the average daily rate, which reached R\$119.3, partially offset by the reduction in volume, impacted by the carve-out (49.2 thousand cars sold in the context of the business combination, as part of the measures imposed by CADE). In 1H23, revenue grew 10.1% compared to the same period of the previous year.

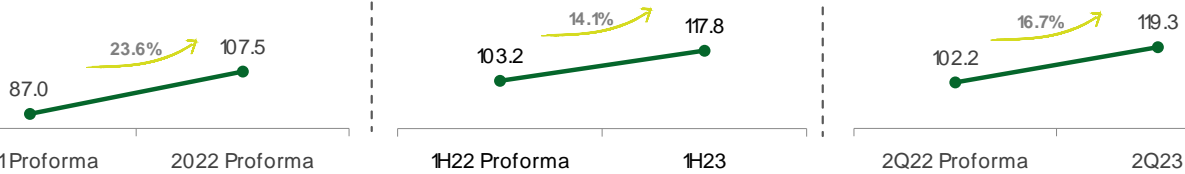
Utilization Rate

%



Rental Rate

R\$



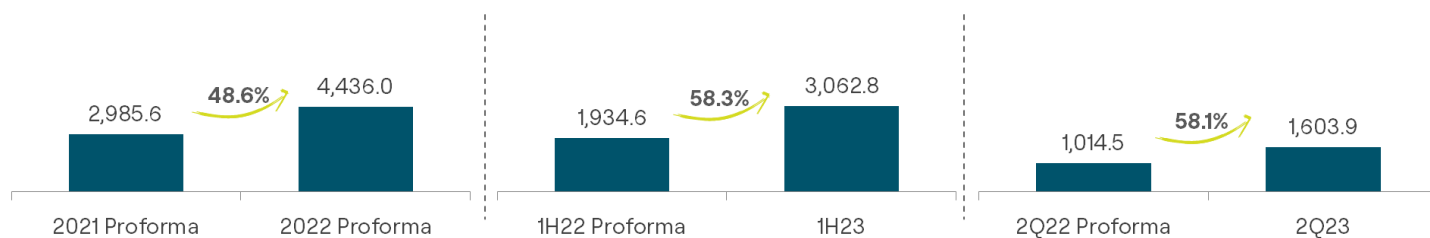
— Rental Rate – R\$ - - - Utilization

The utilization rate, despite remaining at a healthy level, decreased 1.8p.p. in the annual comparison, and reflects the accommodation of demand after the peak season.

2 – Fleet Rental

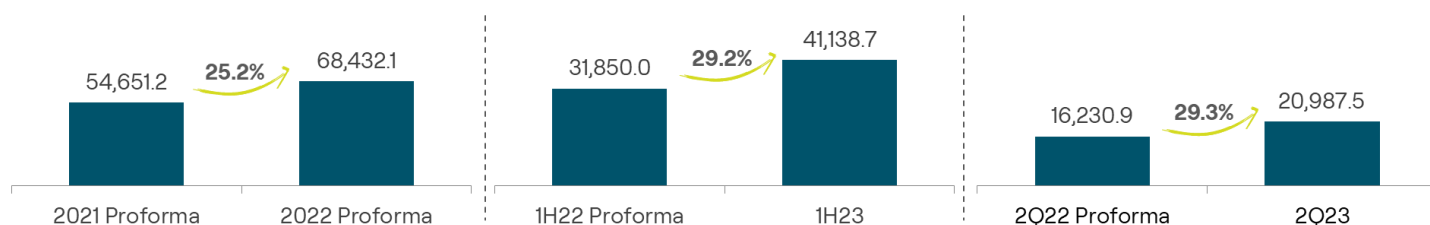
Net revenue

R\$ million including new initiatives' revenues



Rental days

In thousands

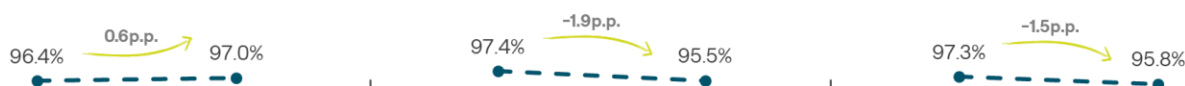


In 2Q23, the **Fleet Rental** division presented a net revenue of R\$1,603.9 million, 58.1% higher than the same period of last year in the proforma comparison, as a result of the strong growth in volumes and average daily rate, even with the impact of the Provisional Measure that resulted in fewer cars purchased and deployed between May and June. In 1H23, there was an increase of 29.2% in volume and 58.3% in revenue in this division, compared to the same period of the previous year.

Demand for fleet rental and subscription remains robust, with an increase in the backlog to 21 thousand cars, at the end of 2Q23.

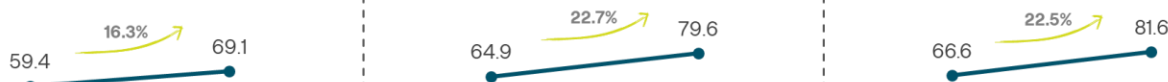
Utilization rate

%



Rental rate

R\$



— Rental Rate – R\$ - - - Utilization

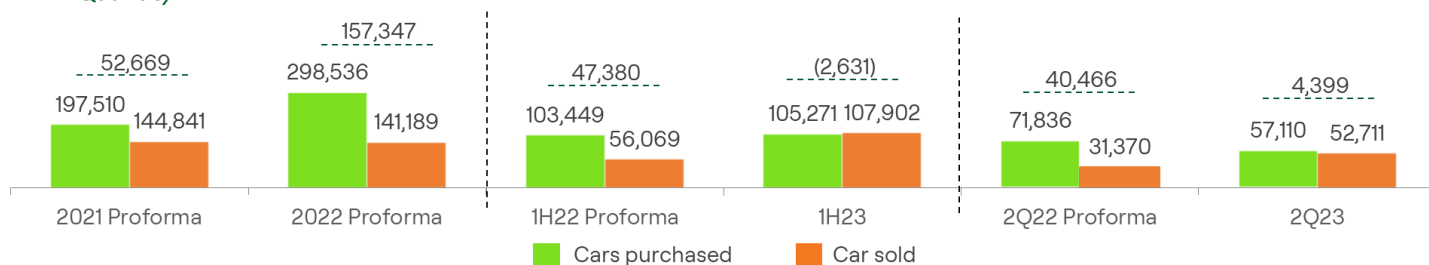
The utilization rate remains at healthy level, reaching 95.8% in 2Q23, down 1.5p.p. in the annual comparison, but already bringing advances in the sequential comparison (95.2% in 1Q23).

3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales - Brazil

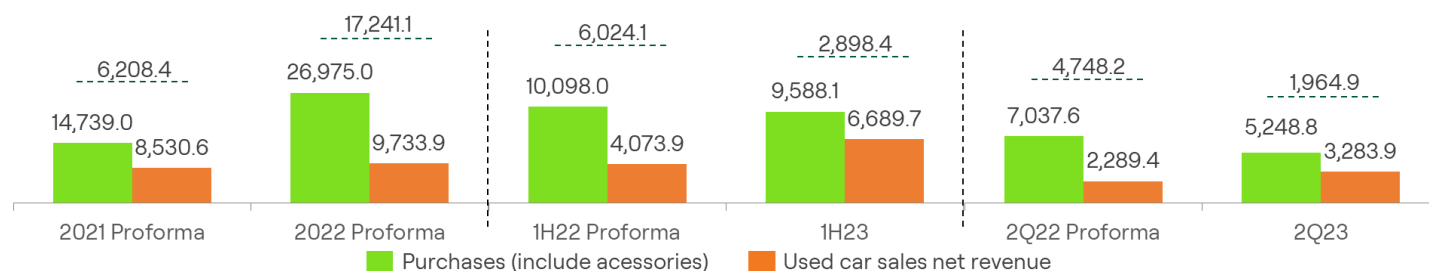
Quantity*



*Does not consider theft / crashed cars written off.

Net investment in fleet - Brazil

R\$ million



In 2Q23, 57,110 cars were purchased, being 32,242 in the **Car Rental** division and 24,868 in the **Fleet Rental** division. On June 5, 2023, the Federal Government published the Provisional Measure No. 1,175, which provided for a discount mechanism for the acquisition of new vehicles, initially intended for individuals. Between May and June, the Company significantly reduced the volume of cars purchased, resuming purchases under better conditions in the last week of June, with the extension of the Measure to companies.

The prior announcement of the Provisional Measure and the expectation of reducing car prices of cars, resulted in a slower **Seminovos'** turnover. Even in this context, 52,711 vehicles were sold, an increase of 68.0% in the 2Q23 compared to the same period of last year, contributing to the process of **Car Rental's** fleet renewal.

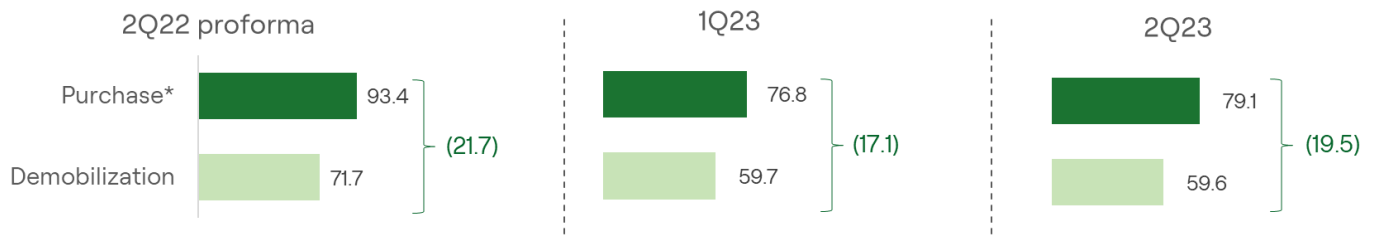
In the year, 9 **Seminovos** stores were opened, a movement that tends to accelerate throughout 2H23, in order to support the sales need for the next fleet renewal cycle. We ended 2Q23 with 195 **Seminovos** stores, distributed in 96 Brazilian cities.

In July, **Seminovos** volumes picked up again. Furthermore, we observe that public prices for new cars have returned to levels prior to the Provisional Measure, which is beginning to reflect on the price charged at dealerships.

3.2 – Average price of purchase and demobilization

Average price of purchase and demobilization – Car Rental

R\$ thousand

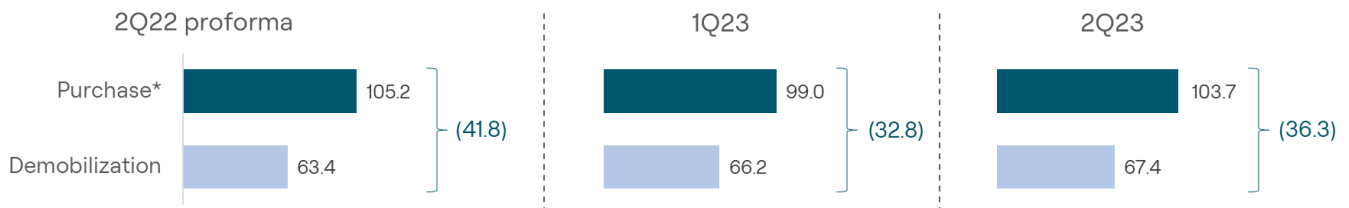


*Purchase price does not include accessories

In the **Car Rental** division, the average purchase price was 15.3% lower than the same period of the previous year. In the sequential comparison, the increase in the average purchase price reflects the prioritization of purchases of the cars not impacted by the Provisional Measure (priced higher than R\$120.0 thousand), between May and the end of June. On the car demobilization, the average price of R\$59.6 thousand reflects the impacts of the Provisional Measure and sales of entry-level cars with higher average mileage.

Average price of purchase and demobilization - Fleet Rental

R\$ thousand



*Purchase price does not include accessories

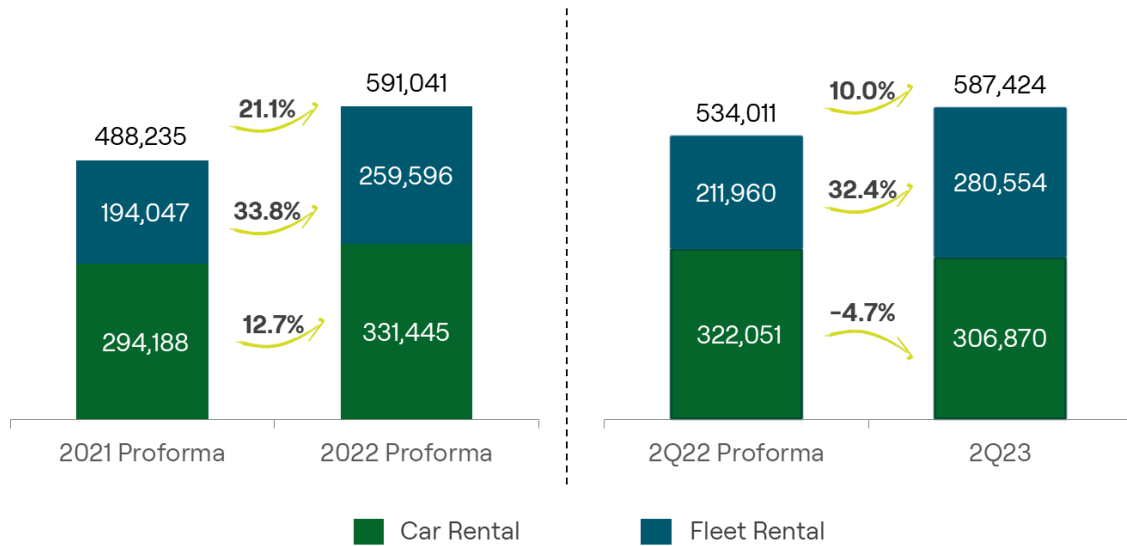
In **Fleet Rental**, the average purchase price of R\$103.7 thousand reflects the mix also made up of heavy and special vehicles, in addition to light vehicles, while the average sale price of R\$67.4 thousand is composed almost exclusively of Light vehicles. The sequential increase in the average purchase price takes place in the context of the Provisional Measure, in which we prioritized the purchase of cars priced higher than the ceiling of the Measure (R\$120.0 thousand) between May and the end of June.

The ROIC spread of new contracts remains in line with the Company's profitability objectives.

3.3 – End of period fleet

End of period fleet

Quantity

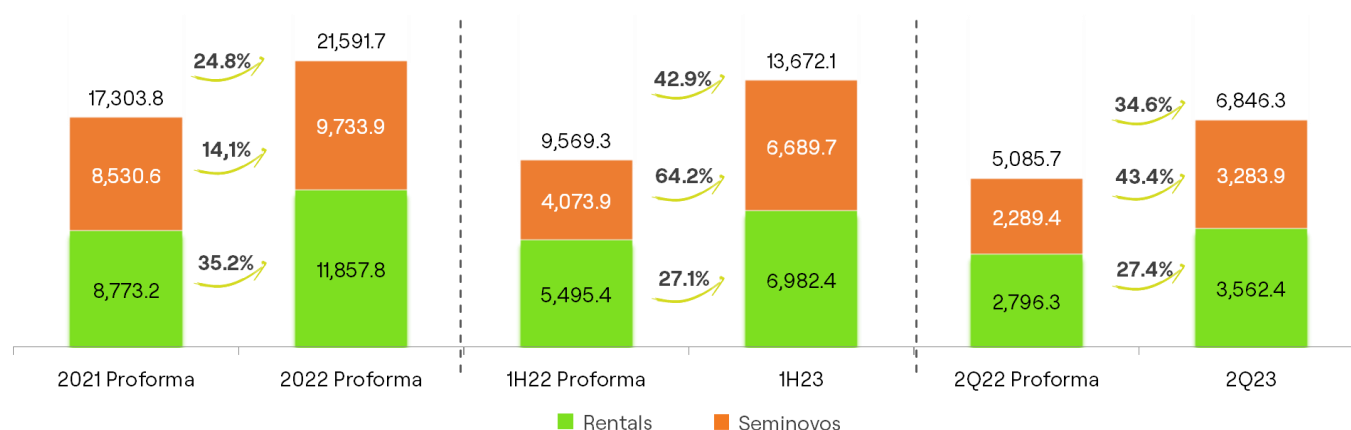


We ended 2Q23 with a fleet of 587,424 cars, a growth of 10.0% in the annual comparison, with an increase of 32.4% in the **Fleet Rental** division and a reduction of 4.7% in the **Car Rental** division. The fleet reduction in the **Car Rental** division reflects the acceleration in **Seminovos** sales volume, improving global utilization of the fleet in the sequential comparison.

4 – Consolidated net revenue

Consolidated net revenues

R\$ million



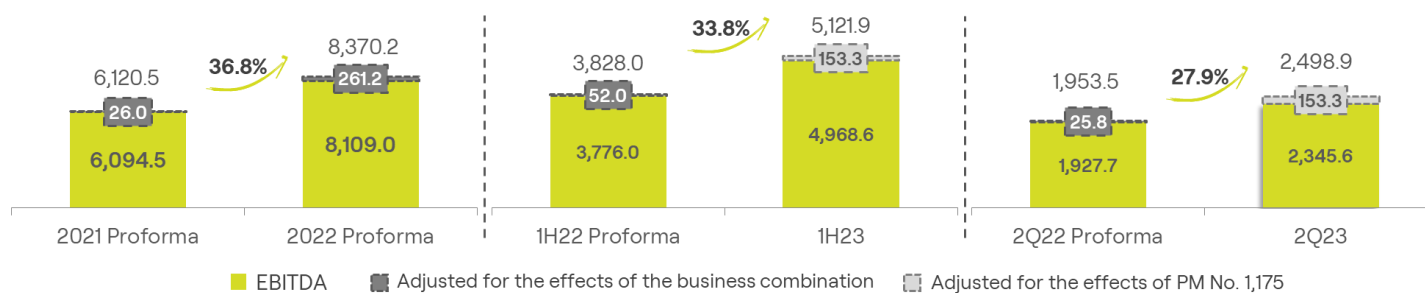
In 2Q23, consolidated net revenue increased 34.6% compared to the 2Q22 in the proforma comparison, totaling R\$6,846.3 million. Net revenue from rentals grew by 27.4%, of which 9.9% in the **Car Rental** division and 58.1% in the **Fleet Rental** division.

Seminovos revenue totaled R\$3,283.9 million in the quarter, an increase of 43.4% compared to the same period of the previous year, as a result of the significant increase in **Seminovos** sales in the annual comparison, continuing the fleet renewal process.

5 – EBITDA

Consolidated adjusted EBITDA

R\$ million



In 2Q23, adjusted EBITDA totaled R\$2,498.9 million, a growth of 27.9% compared to the adjusted proforma EBITDA of the same period of the previous year.

In the quarter, we recognized a negative impact of R\$631.4 million, before taxes, related to the effects of the Provisional Measure, of which R\$153.3 million impacted **Seminovos** EBITDA and R\$478.1 million impacted the EBIT.

5 – EBITDA

We present below the Adjusted **Seminovos** EBITDA margin, excluding the effects of the Provisional Measure:

EBITDA Margin:	2021 proforma adjusted*	2022 proforma adjusted*	1H22 proforma adjusted*	1H23 adjusted**	2Q22 proforma adjusted*	1Q23	2Q23 adjusted**
Car Rental and Franchising	49.6%	57.6%	55.1%	65.3%	55.2%	66.1%	64.5%
Fleet Rental	65.7%	67.9%	65.5%	72.7%	65.0%	76.2%	69.5%
Rental Consolidated	55.1%	61.5%	58.8%	68.5%	58.8%	70.4%	66.8%
Seminovos	15.1%	11.2%	14.7%	5.0%	13.6%	6.4%	3.7%
Consolidated (over rental revenues)	69.8%	70.6%	69.7%	73.4%	69.9%	76.7%	70.1%

*Adjusted for One-offs related to the integration expenses and the discontinuity of operations.

**Adjusted for the effects of PM No. 1,175

In 2Q23, the **Car Rental** division's adjusted EBITDA margin was 64.5%, an increase of 9.3pp. in relation to the adjusted margin of 2Q22. In the **Fleet Rental** division, the adjusted EBITDA margin was 69.5%, a growth of 4.5p.p. compared to the same quarter of the previous year. In the annual comparison, the margins of both divisions reflect higher average rental rate, greater efficiency in maintenance costs resulting from the fleet renewal process and operational synergy gains.

Compared to 1Q23, the **Car Rental** margin decreased by 1.6p.p. It's worth to remind that in the first quarter EBITDA margin was positively impacted by the adherence to the Zero Litigation program (+1.0p.p.). In 2Q23, we had higher maintenance costs, as well as advertising and third-party services' expenses. On the other hand, we had the positive effect of R\$39.1 million related to a new report of accelerating depreciation for tax purposes. The amount generated by the new report already reflects the exclusions of ICMS from the credit base, according to Provisional Measure No. 1,159, which came into force in May 2023.

In the sequential comparison, the **Fleet Rental** margin decreased by 6.7pp. In 1Q23, EBITDA margin was positively impacted by the effect of the accelerating tax depreciation report on cars, with a positive impact on PIS/COFINS credits, in addition to adherence to the Zero Litigation Program, which added roughly 6.5p.p. to the margin. In 2Q23, we had one-off expenses related to the discontinuation of projects and systems from Locamerica as well as higher maintenance and preparation costs. The new initiatives associated with mobility, international expansion, telemetry, and auto workshops, impacted EBITDA by another R\$9.2 million. Excluding only the effects of new initiatives, EBITDA margin would have been 72.2%.

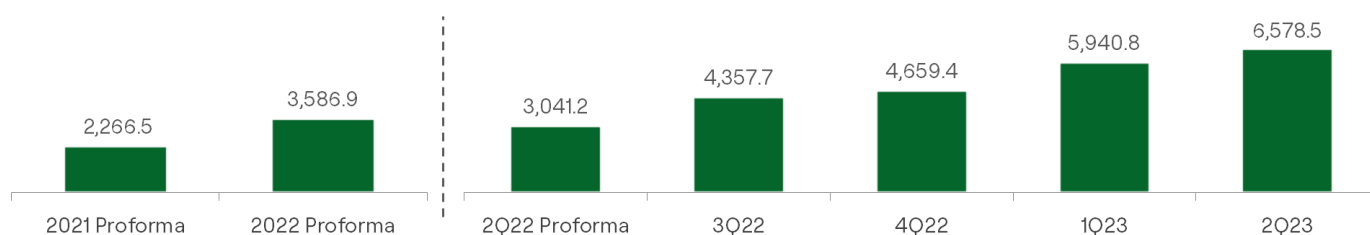
The **Car Rental** and **Fleet Rental** margins continue to offset the normalization of **Seminovos** margin, which reached 3.7%. In 2Q23 the Provisional Measure impacted the turnover and price of sold cars, compared to the Company's estimates, which resulted in a mismatch between cars preparation and sales, and in a lower fixed costs dilution.

6 – Depreciation

Depreciation is calculated using the straight-line method, considering the difference between the purchase price of the car and the estimated selling price at the end of its useful life, net of estimated selling costs and expenses. The sales price estimate is reassessed quarterly so that the book value of the cars seeks to converge with the prices practiced by the market.

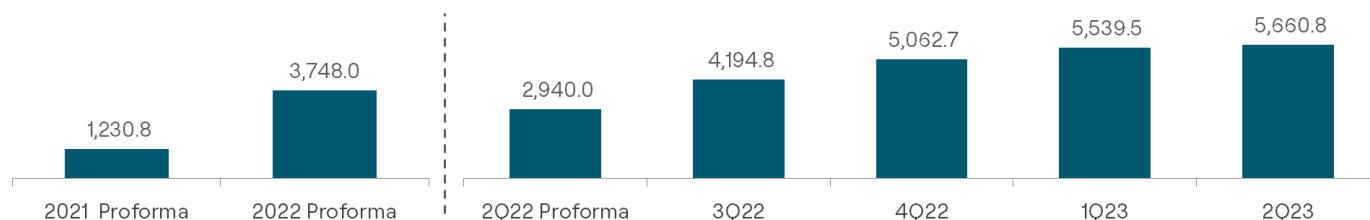
In the quarter, as highlighted at the beginning of this release and in line with the material fact published on June 9, 2023, the Company accounted for R\$631.4 million related to the impact of the Provisional Measure, of which R\$153.3 million in **Seminovos**, as “Adjustment to Recoverable Value of Assets” and R\$478.1 million in the car depreciation line. Below, we highlight the average annualized depreciation per car excluding the effects of the Measure.

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



In 2Q23, the **Car Rental** average annualized depreciation (excluding the effects of the Provisional Measure) amounted to R\$6,578.5 per car, mainly explained by the higher proportion of depreciating cars in the fleet due to the renewal process. We still see an upward trend in the 2H23 as depreciated cars continue to be replaced. For these new cars, we observe a level of ROIC spread in line with the Company's profitability objectives.

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

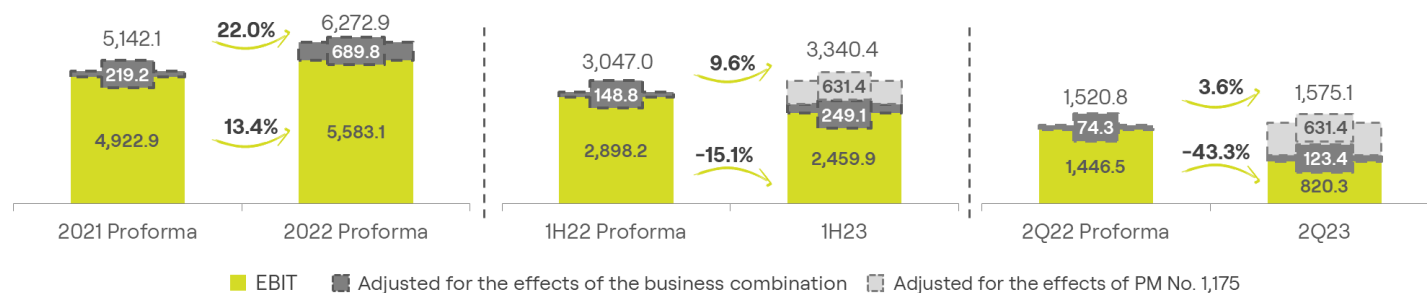


In the **Fleet Rental**, the average depreciation per car (excluding the effects of the Provisional Measure) of R\$5,660.8 in 2Q23, reflects: (i) the addition of new cars, with higher depreciation; (ii) the mix of special and heavy vehicles added throughout 2022; and (iii) the effect of the sale of fully depreciated cars, acquired up to 1H21. In this division, we also continue to observe an upward trend in depreciation for the coming quarters.

7 – EBIT

Consolidated adjusted EBIT

R\$ million



In 2Q23, EBIT totaled R\$820.3 million, a decrease of 43.3% compared to 2Q22 proforma, impacted by a R\$123.4 million non-cash effect of fleet and customer relationship write-up and a R\$631.4 million related to the Provisional Measure. Adjusted EBIT, excluding those effects, totaled R\$1,575.1 million in the quarter, representing an increase of 3.6% compared to 2Q22 proforma.

The EBIT Margin includes the result of **Seminovos**, but is calculated on the rent revenue:

EBIT Margin:	2021 proforma adjusted*	2022 proforma adjusted*	1H22 proforma adjusted*	1H23 adjusted**	2Q22 proforma adjusted*	2Q23 adjusted**
Car Rental and Franchising	55.2%	49.2%	51.1%	42.0%	50.4%	38.6%
Fleet Rental	65.3%	59.0%	63.4%	55.3%	61.3%	51.1%
Consolidated (over rental revenues)	58.6%	52.9%	55.4%	47.8%	54.4%	44.2%

*Adjusted for One-offs related to the integration expenses, discontinuity of operations, and fleet and customer relationship write-up amortization

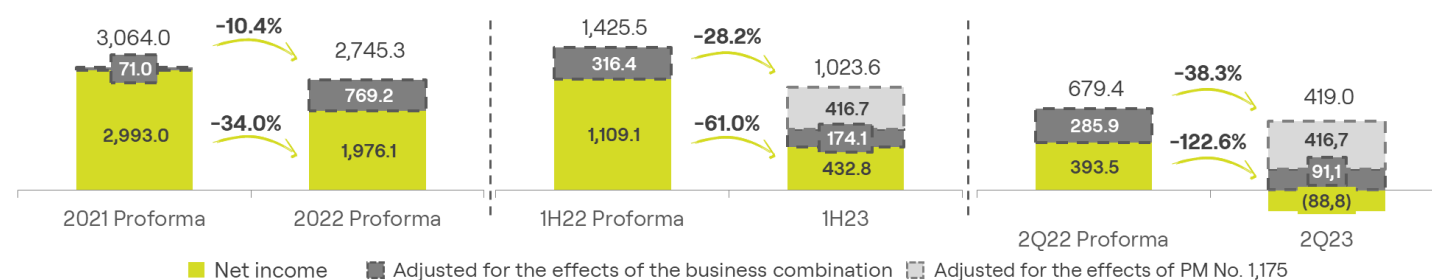
** Adjusted for the amortization of write-up from cars and customer relationships and for the effect of the PM No. 1,175

In 2Q23, the adjusted EBIT margin in the **Car Rental** Division was 38.6%, a reduction of 11.9p.p. compared to the adjusted proforma 2Q22. In the **Fleet Rental** Division, the EBIT margin reached 51.1%, a decrease of 10.2p.p. compared to the same period of the previous year. The reduction in EBIT margins is explained by the increase in car depreciation.

8 – Consolidated adjusted net income

Consolidated adjusted net income

R\$ million



EBITDA x Net income reconciliation	2021 proforma	2022 proforma	Var. R\$	Var. %	1H22 proforma	1H23	Var. R\$	Var. %	1Q23	2Q23	Var. R\$	Var. %
Consolidated EBITDA	6,120.5	8,370.2	2,249.7	36.8%	3,828.0	5,121.9	1,293.9	33.8%	1,953.5	2,498.9	545.4	27.9%
Cars depreciation	(672.6)	(1,762.0)	(1,089.4)	162.0%	(614.8)	(1,577.1)	(962.3)	156.5%	(350.6)	(813.6)	(463.0)	132.1%
Other PP&E depreciation and amortization	(305.8)	(335.3)	(29.5)	9.6%	(166.2)	(204.4)	(38.2)	23.0%	(82.1)	(110.2)	(28.1)	34.2%
Equity equivalence result	-	-	-	-	0.1	-	(0.1)	0.0%	-	-	-	-
EBIT	5,142.1	6,272.9	1,130.8	22.0%	3,047.0	3,340.4	293.4	9.6%	1,520.8	1,575.1	54.3	3.6%
Financial expenses, net	(785.0)	(2,726.0)	(1,941.0)	247.3%	(1,094.8)	(2,167.2)	(1,072.4)	98.0%	(604.1)	(1,097.3)	(493.2)	81.6%
Income tax and social contribution	(1,293.1)	(801.8)	491.3	-38.0%	(526.8)	(149.6)	377.2	-71.6%	(237.3)	(58.8)	178.5	-75.2%
Adjusted net income of the period	3,064.0	2,745.3	(318.7)	-10.4%	1,425.5	1,023.6	(401.9)	-28.2%	679.4	419.0	(260.5)	-38.3%

This quarter, the non-cash impact arising from the amortization of the write-up, in addition to the impacts of the Provisional Measure and the write-off of Car Rental Systems' tax loss added up to R\$507.8 million, resulting in an accounting loss of R\$88.8 million.

Excluding those effects, the adjusted net income of R\$419.0 million in 2Q23, when compared to 2Q22, reflects:

(+) R\$545.4 million increase in EBITDA, as a result of growth in volumes and prices, as well as operational efficiency, even in a context of the Provisional Measure which impacted the implementation of new contracts in **Fleet Rental**, alongside the prices and volumes of sold cars;

(-) R\$491.1 million increase in the depreciation of cars and others, in line with the **Seminovos** normalization process;

(-) R\$493.2 million higher net financial expenses, mainly impacted by (i) the increase in the basic interest rate and average debt balance (-R\$445.1 million) and (ii) the negative effect of MTM (-R\$67.1 million);

(+) R\$178.5 million reduction in income tax and social contribution, mainly explained by the lower effective rate in this quarter.

Compared to 1Q23, adjusted net income mainly reflects the effects of seasonality in **Car Rental** and the lower net revenue growth in **Fleet Rental** and **Seminovos** impacted by the Provisional Measure, in addition to the increase in car depreciation and financial expenses.

9 – Free Cash Flow (FCF)

Free cash flow (R\$ million)		2020 actual	2021 actual	2022 actual	1H23
Operations	EBITDA	2,468.1	3,697.5	6,589.2	4,968.6
	Used car sale revenue, net of taxes	(6,109.1)	(5,308.0)	(7,833.6)	(6,618.5)
	Net book value of vehicles written-off	5,599.9	4,346.0	6,085.3	5,635.4
	(-) Income tax and social contribution	(250.1)	(307.1)	(83.4)	(32.2)
	Change in working capital	91.6	(568.3)	(1,284.3)	(1,093.2)
	Cash generated by rental operations	1,800.4	1,860.1	3,473.2	2,860.1
Capex renewal	Used car sale revenue, net from taxes – fleet renewal	4,886.9	5,308.0	7,833.6	6,457.1
	Fleet renewal investment	(5,524.1)	(6,366.9)	(9,902.5)	(9,610.8)
	Change in accounts payable to car suppliers for fleet renewal	(466.6)	(282.6)	1,619.6	(374.0)
	Net investment for fleet renewal	(1,103.8)	(1,341.5)	(449.3)	(3,527.7)
	Fleet renewal – quantity	109,379	92,845	118,538	107,902
	Investment, property and intangible	(108.0)	(143.4)	(352.8)	(161.9)
	Free cash flow from operations, before fleet increase or reduction	588.6	375.2	2,671.1	(829.5)
Capex Growth	(Investment) / Divestment in cars for fleet growth	1,222.2	(1,289.0)	(12,636.4)	161.4
	Change in accounts payable to car suppliers	(522.5)	571.6	2,298.3	(1,164.3)
	Net investment for fleet growth	699.7	(717.4)	(10,338.1)	(1,002.9)
	Fleet increase / (reduction) – quantity	(26,111)	18,665	136,391	(2,631)
	Free cash flow after growth	1,288.3	(342.2)	(7,667.0)	(1,832.4)
Other invest.	Acquisitions - except fleet value	(7.9)	(3.6)	(11.5)	(4.3)
	Free cash generated (applied) before interest and others	1,280.4	(345.8)	(7,678.5)	(1,836.7)

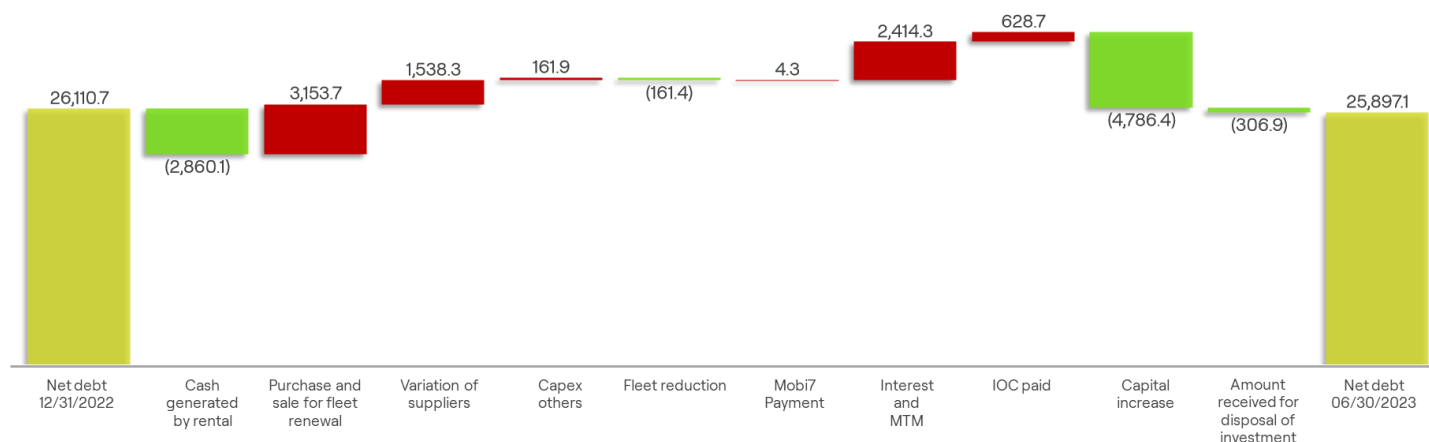
For the FCF, short term financial investments were considered as cash

In 1H23, rental activities generated R\$2,860.1 million in cash. The strong cash generation from rental activities was mainly consumed by higher renewal capex, as shown in item 3.2, and a reduction in the supplier account.

10.1 – Change in net debt – R\$ million

As of 06/30/2023

R\$ millions

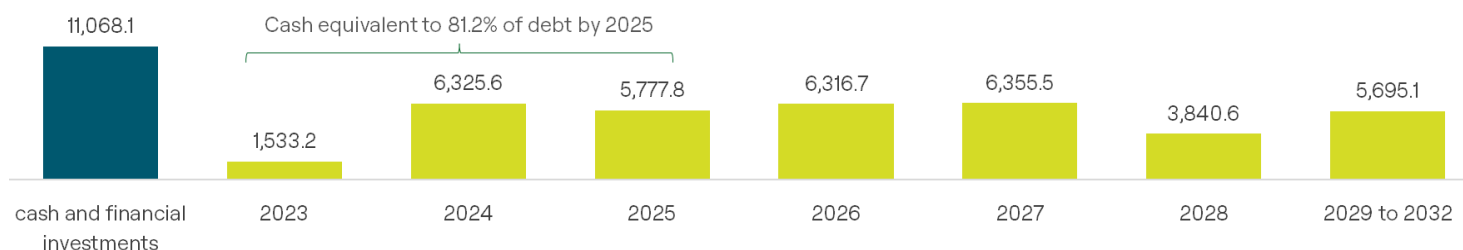


On June 30, 2023, the Company's net debt totaled R\$25,897.1 million.

10.2 – Debt Maturity Profile (Principal)

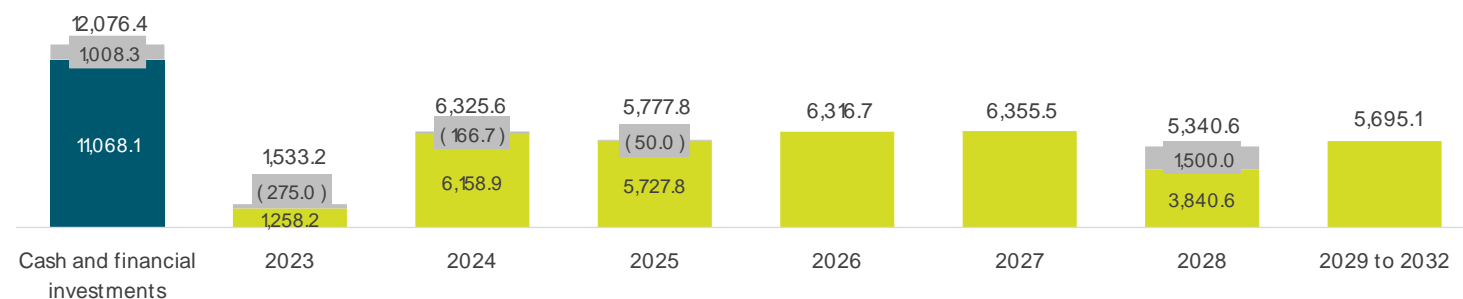
As of 06/30/2023

R\$ million



Proforma after Jul/23 issuances and amortizations

R\$ millions



The Company ended the quarter with R\$11,068.1 million in cash. Considering the issuances and amortizations announced until 07/31/2023, we would have a proforma cash position of R\$12,076.4 million.

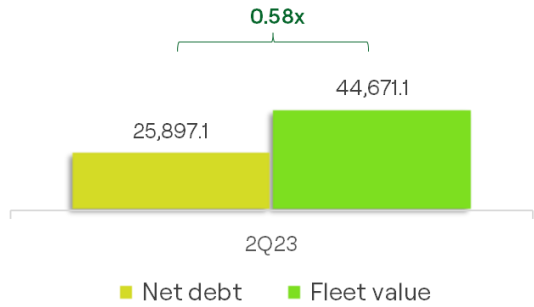
10.3 – Net Debt composition – R\$ million

Debt	Issuance	Contract rate	2022	2023	2024	2025	2026	2027	2028	2029 to 2032	Total
Debentures 12th Issuance	15/05/2017	CDI + 1,35%	-	-	673.5	-	-	-	-	-	673.5
Debentures 13th Issuance - 1st serie	15/12/2017	111,30% CDI	-	-	94.1	94.1	-	-	-	-	188.1
Debentures 14th Issuance - 1st serie	18/09/2018	107,9% CDI	-	-	200.0	-	-	-	-	-	200.0
Debentures 14th Issuance - 2nd serie	18/09/2018	112,32% CDI	-	-	111.2	111.2	222.5	-	-	-	444.9
Debentures 15th Issuance	15/04/2019	107,25% CDI	-	-	-	377.4	377.4	-	-	-	754.9
Debentures 16th Issuance	29/11/2019	CDI + 1,05%	-	-	333.3	333.3	333.3	-	-	-	1,000.0
Debentures 17th Issuance	07/04/2021	IPCA + 5,4702%	-	-	-	-	-	-	-	1,200.0	1,200.0
Debentures 18th Issuance	05/10/2021	CDI + 1,15%	-	-	-	-	1,500.0	-	-	-	1,500.0
Debentures 19th Issuance - 1st serie	25/02/2022	CDI + 1,60%	-	-	-	-	-	950.0	-	-	950.0
Debentures 19th Issuance - 2nd serie	25/02/2022	CDI + 2,00%	-	-	-	-	-	-	-	1,550.0	1,550.0
Debentures 21st Issuance	15/07/2022	CDI + 1,60%	-	-	-	-	-	1,450.0	-	-	1,450.0
Debentures 22nd Issuance	05/10/2022	CDI + 1,87%	-	-	-	-	-	-	2,450.0	-	2,450.0
Debentures 22th Issuance - 1st serie	10/05/2023	CDI + 1,50%	-	-	-	250.0	-	-	-	-	250.0
Debentures 22th Issuance - 2nd serie	10/05/2023	CDI + 1,60%	-	-	-	700.0	-	-	-	-	700.0
Commercial Note - Localiza	05/10/2022	CDI + 1,30%	-	-	600.0	-	-	-	-	-	600.0
Real State Receivables Certificate (CRI) Localiza	10/06/2022	CDI + 0,95%	-	-	-	-	-	300.0	-	-	300.0
2nd Real State Receivables Certificate (CRI) Localiza - 1st serie	10/03/2023	CDI + 1,25%	-	-	-	-	-	-	210.0	-	210.0
2nd Real State Receivables Certificate (CRI) Localiza - 2nd serie	10/03/2023	CDI + 1,40%	-	-	-	-	-	-	-	490.0	490.0
Debentures 5th Issuance of Localiza Fleet	31/07/2018	112,0% CDI	-	-	-	202.4	-	-	-	-	202.4
Debentures 6th Issuance of Localiza Fleet	21/12/2018	110,4% CDI	-	-	310.1	-	-	-	-	-	310.1
Debentures 7th Issuance of Localiza Fleet	29/07/2019	109,0% CDI	-	100.0	100.0	100.0	-	-	-	-	300.0
Debentures 8th Issuance of Localiza Fleet	14/02/2020	CDI + 1,0%	-	-	333.3	333.3	-	-	-	-	666.7
Debentures 9th Issuance of Localiza Fleet	08/10/2021	CDI + 1,30%	-	-	-	-	500.0	-	-	-	500.0
Debentures 10th Issuance of Localiza Fleet - 1st serie	05/04/2022	CDI + 1,60%	-	-	-	-	-	950.0	-	-	950.0
Debentures 10th Issuance of Localiza Fleet - 2nd serie	06/04/2022	CDI + 1,75%	-	-	-	-	-	-	500.0	-	500.0
Debentures 11th Issuance of Localiza Fleet	05/10/2022	CDI + 1,60%	-	-	-	-	-	1,000.0	-	-	1,000.0
Debentures 12th Issuance of Localiza Fleet	20/03/2023	CDI + 1,40%	-	-	750.0	750.0	-	-	-	-	1,500.0
Foreign currency loan with swap	-	Several	-	65.0	804.3	1,356.7	538.9	-	-	-	2,764.8
Real State Receivables Certificate (CRI) Rental Brasil	26/02/2018	99% CDI	-	12.3	15.0	20.1	25.1	30.6	37.5	190.1	330.7
Working Capital / Others	-	Several	-	1,000.9	226.7	-	295.2	0.2	0.1	-	1,523.2
Debentures 16th Issuance of Locamerica	27/04/2018	119% do CDI	-	-	116.7	-	-	-	-	-	116.7
Debentures 17th Issuance of Locamerica	27/09/2018	113% do CDI	-	200.0	-	-	-	-	-	-	200.0
Debentures 18th Issuance of Locamerica	20/09/2019	108% do CDI	-	-	200.0	-	-	-	-	-	200.0
Debentures 19th Issuance of Locamerica	15/12/2020	CDI + 2,40%	-	-	-	750.0	750.0	-	-	-	1,500.0
Debentures 20th Issuance of Locamerica - 1st serie	20/05/2021	CDI + 2,00%	-	-	-	-	-	175.0	175.0	-	350.0
Debentures 20th Issuance of Locamerica - 2nd serie	20/05/2021	CDI + 2,40%	-	-	-	-	-	-	-	400.0	400.0
Agro business Receivables Certificate - CRA 104 Locamerica	23/07/2021	IPCA + 4,825%	-	-	-	-	-	-	-	200.0	200.0
Debentures 21st Issuance of Locamerica	23/09/2021	IPCA + 6,5119%	-	-	-	-	-	-	-	1,100.0	1,100.0
Debentures 22nd Issuance of Locamerica	08/12/2021	CDI + 1,15%	-	-	-	-	1,000.0	-	-	-	1,000.0
1st Commercial Note - Locamerica	10/03/2022	CDI + 1,35%	-	-	800.0	-	-	-	-	-	800.0
Debentures 23rd Issuance of Locamerica - 1st serie	15/04/2022	CDI + 1,85%	-	-	-	-	-	685.0	-	-	685.0
Debentures 23rd Issuance of Locamerica - 2nd serie	15/04/2022	IPCA + 7,2101%	-	-	-	-	-	-	-	515.0	515.0
Debentures 24th Issuance of Locamerica	10/05/2022	CDI + 1,85%	-	-	-	-	-	265.5	-	-	265.5
Debentures 16th Issuance of Locamerica Rent a Car	20/12/2021	CDI + 1,8%	-	-	-	-	425.0	425.0	-	-	850.0
Debentures 15th Issuance of Locamerica Rent a Car	26/02/2021	CDI + 2,25%	-	-	-	225.0	225.0	-	-	-	450.0
Agro business Receivables Certificate - CRA 157 Locamerica - 1st serie	23/07/2021	IPCA + 6,6018%	-	-	-	-	-	-	167.2	-	167.2
Agro business Receivables Certificate - CRA 157 Locamerica - 2nd serie	23/09/2021	CDI + 1,00%	-	-	-	-	-	-	250.8	-	250.8
Debentures 12th Issuance of Locamerica Rent a Car - 1st serie	15/09/2018	110,6% do CDI	-	75.0	-	-	-	-	-	-	75.0
Debentures 12th Issuance of Locamerica Rent a Car - 2nd serie	15/09/2018	IPCA + 7,30%	-	-	50.0	50.0	-	-	-	-	100.0
Debentures 13th Issuance Locamerica Rent a Car - 1st serie	10/04/2019	107,9% do CDI	-	-	527.4	-	-	-	-	-	527.4
Debentures 13th Issuance of Locamerica Rent a Car - 2nd serie	10/04/2019	110,5% do CDI	-	-	-	124.2	124.2	124.2	-	-	372.6
Debentures 13th Issuance Locamerica Rent a Car - 3rd serie	10/04/2019	112,0% do CDI	-	-	-	-	-	-	50.0	50.0	100.0
Debentures 14th Issuance of Locamerica Rent a Car - single series	18/11/2019	109,72% CDI	-	80.0	80.0	-	-	-	-	-	160.0
Interest accrued	-	-	-	1,120.7	-	-	-	-	-	-	1,120.7
Cash and cash equivalents on 06/30/2023	-	-	-	(11,068.1)	-	-	-	-	-	-	(11,068.1)
Net debt	-	-	-	(8,414.2)	6,325.6	5,777.8	6,316.7	6,355.5	3,840.6	5,695.1	25,897.1

10.4 – Debt ratios – R\$ million

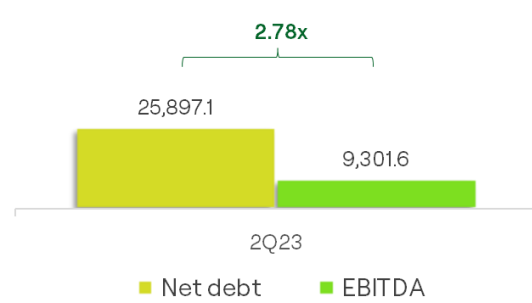
Net debt vs. Book value

R\$ million



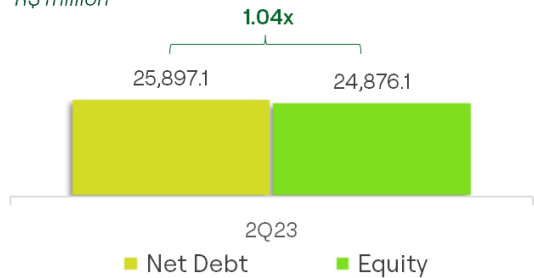
Net debt vs. EBITDA LTM

R\$ million



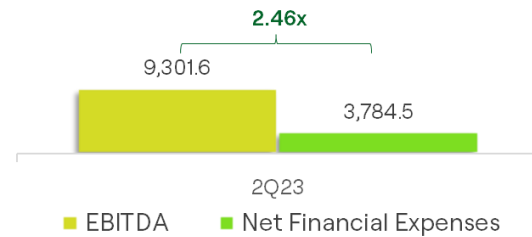
Net debt vs. Equity

R\$ million



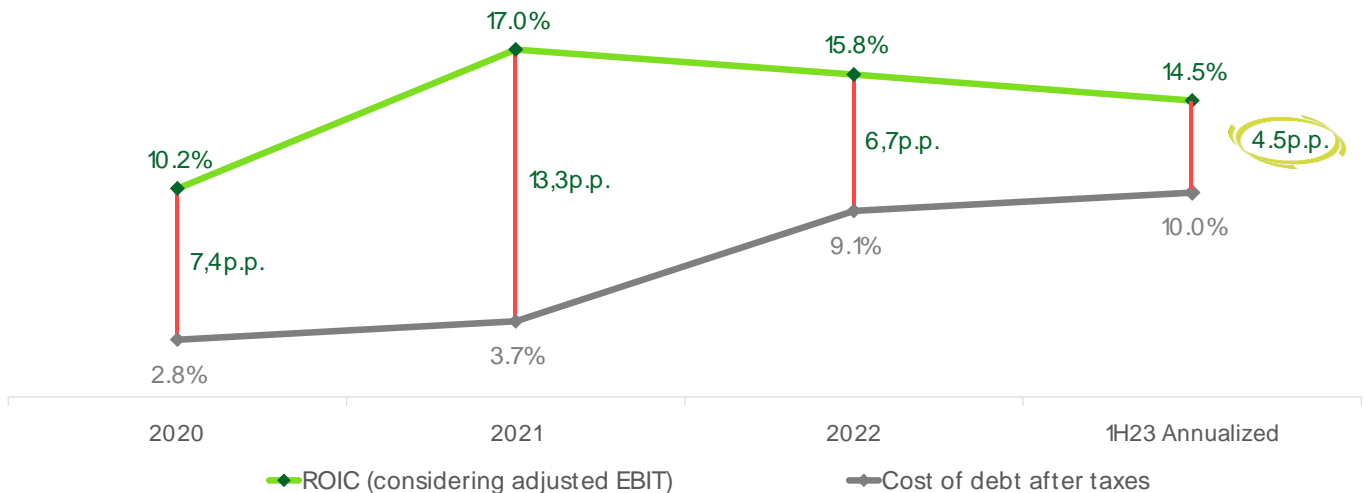
EBITDA vs. Net financial expenses LTM

R\$ million



On June 29, 2023, the Company concluded the follow-on, in the total amount of R\$4,500.0 million, ending 2Q23 with comfortable debt ratios.

11 – Spread (ROIC minus Cost of debt after taxes)



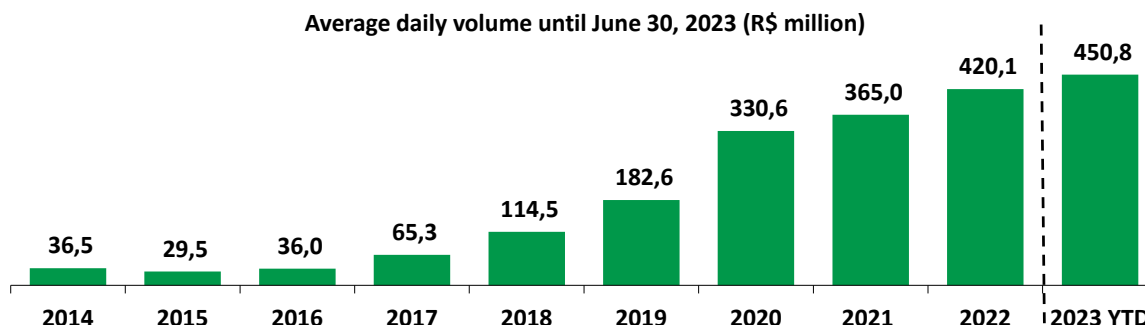
ROIC 1H23 annualized calculated from:

Nopat = EBIT x (1 - Effective Tax Rate); Invested Capital = Total fleet + working capital

In 1H23, the annualized ROIC was 14.5%, with a spread of 4.5p.p. to the after-tax cost of debt. In 2Q23, ROIC was impacted by the lower growth in net revenue from **Fleet Rental** and **Seminovos** in the context of the Provisional Measure and by the greater relative weight of cars from the 2nd vintage, which have higher depreciation.

12 – RENT3

Up to June 30, 2023, RENT3 average daily trading volume was R\$450.8 million. We ended the period with a market value of R\$67 billion. Under the ADR level I program, the Company had 5.199.122 ADRs at the end of the period.



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IGPTWB3

13 – ESG

We continue to advance on our Sustainability journey. In this quarter, we published our 6th Sustainability Report with emphasis on:

- Maintenance of the Gold Seal for our GHG inventory (GHG Protocol), published for the fourth time
- Launch of Neutraliza, a program to neutralize emissions arising from customer travel, which has already offset +14 thousand tons of CO
- Beginning of the preparation of the Study of Climate Risks
- 100% of the energy used by the Company comes from clean and renewable sources
- Instituto Localiza's first year of operation, impacting more than 12,000 young people, supporting 49 projects across the country, with an investment of R\$ 3.6 million in direct donations
- Launch of Pluraliza, a program to develop self-declared black and brown analysts
- Achieved 4th place in the Great Place to Work (GPTW)
- Among the Best Companies to Work For in the GPTW Women ranking

Access the Report by clicking on: [Sustainability Report 2022](#)

14 – Results per division

In the tables below, we report the results per division of the combined company and present the proforma from 1Q21 to 2Q22 for comparability purposes. In addition, we present the adjusted results for the business combination one-offs.

14. Results per division

14.1. Proforma Car Rental Result up to 2Q22 and adjusted for the one-off effects of the business combination:

Revenue, Costs, Expenses, EBITDA, Depreciation, EBIT.

14.2. Proforma Fleet Rental Result up to 2Q22 and adjusted for the one-off effects of the business

combination: Revenue, Costs, Expenses, EBITDA, Depreciation, EBIT.

14.3. Proforma consolidated results until 2Q22 and adjusted for one-off effects of the business combination:

Revenue, Costs, Expenses, EBITDA, Depreciation, EBIT, Financial Expenses, Taxes, Net Income.

15. Proforma and adjusted operating data

16. Accounting results (Localiza stand-alone until 2Q22, including Locamerica's results from 3Q22)

16.1. Car Rental Result

16.2. Fleet Rental Result

16.3. Consolidated result

17. Operating data

18. Consolidated financial statements – IFRS

19. Consolidated financial statements – Income statements IFRS

14.3 – Table 3 – Adjusted Consolidated Result – R\$ million

PROFORMA CONSOLIDATED RESULTS	PROFORMA CONSIDERING THE TRANSACTION ON 01/01/2021*								1Q23	2Q23	ADJUSTED TRANSACTION EXPENSES AND PPA EFFECTS**											
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22			1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A	2Q22Ax2Q23A	
Car and Fleet Rentals and Franchising total gross revenues	2,159.4	2,148.5	2,529.9	2,857.8	2,978.6	3,088.3	3,500.0	3,555.5	3,776.1	3,932.9	2,159.4	2,148.5	2,529.9	2,857.8	2,978.6	3,088.3	3,500.0	3,555.5	3,776.1	3,932.9	27.9%	
Taxes on revenues	(210.2)	(204.4)	(238.8)	(269.0)	(279.5)	(292.0)	(340.1)	(353.0)	(356.1)	(370.5)	(210.2)	(204.4)	(238.8)	(269.0)	(279.5)	(292.0)	(340.1)	(353.0)	(356.1)	(370.5)	26.9%	
Car and Fleet Rentals and Franchising net revenues	1,949.2	1,944.1	2,291.1	2,588.8	2,699.1	2,796.3	3,159.9	3,202.5	3,420.0	3,562.4	1,949.2	1,944.1	2,291.1	2,588.8	2,699.1	2,796.3	3,159.9	3,202.5	3,420.0	3,562.4	27.4%	
Car sales for fleet renewal - net revenues	2,469.7	2,361.3	2,093.7	1,605.9	1,784.5	2,289.4	2,977.0	2,683.0	3,405.8	3,283.9	2,469.7	2,361.3	2,093.7	1,605.9	1,784.5	2,289.4	2,977.0	2,598.6	3,405.8	3,283.9	43.4%	
Total net revenues	4,418.9	4,305.4	4,384.8	4,194.7	4,483.6	5,085.7	6,136.9	5,885.5	6,825.8	6,846.3	4,418.9	4,305.4	4,384.8	4,194.7	4,483.6	5,085.7	6,136.9	5,801.1	6,825.8	6,846.3	34.6%	
Direct costs and expenses:																						
Car and Fleet Rentals and Franchising	(611.5)	(657.5)	(479.7)	(762.2)	(758.6)	(809.8)	(776.0)	(751.1)	(710.7)	(782.1)	(611.5)	(657.5)	(479.7)	(762.2)	(758.6)	(809.8)	(776.0)	(751.1)	(710.7)	(782.1)	-3.4%	
Total Car sales for fleet renewal (book value) and preparation for sale	(1,976.5)	(1,859.2)	(1,557.1)	(1,212.5)	(1,367.9)	(1,801.0)	(2,437.8)	(2,361.3)	(3,022.5)	(2,972.3)	(1,976.5)	(1,859.2)	(1,557.1)	(1,212.5)	(1,367.9)	(1,801.0)	(2,437.8)	(2,271.1)	(3,022.5)	(2,972.3)	65.0%	
Adjustment to the Recoverable Value of Assets	-	-	-	-	-	-	-	-	-	(153.3)	-	-	-	-	-	-	-	-	-	-	-	
Total costs	(2,588.0)	(2,516.7)	(2,036.8)	(1,974.7)	(2,126.5)	(2,610.8)	(3,213.8)	(3,112.4)	(3,733.2)	(3,907.7)	(2,588.0)	(2,516.7)	(2,036.8)	(1,974.7)	(2,126.5)	(2,610.8)	(3,213.8)	(3,022.2)	(3,733.2)	(3,754.4)	43.8%	
Gross profit	1,830.9	1,788.7	2,348.0	2,220.0	2,357.1	2,474.9	2,923.1	2,773.1	3,092.6	2,938.6	1,830.9	1,788.7	2,348.0	2,220.0	2,357.1	2,474.9	2,923.1	2,778.9	3,092.6	3,091.9	24.9%	
Operating expenses (SG&A)																						
Car and Fleet Rentals and Franchising	(329.4)	(326.3)	(378.3)	(418.5)	(378.0)	(367.2)	(442.8)	(494.1)	(302.6)	(401.7)	(329.4)	(326.3)	(378.3)	(418.5)	(378.0)	(367.2)	(442.8)	(353.0)	(422.8)	(302.6)	16.9%	
Car sales	(177.6)	(143.9)	(157.7)	(161.4)	(130.8)	(180.0)	(202.7)	(223.6)	(167.0)	(191.3)	(177.4)	(143.4)	(157.5)	(159.8)	(128.5)	(177.8)	(192.4)	(191.6)	(167.0)	(191.3)	7.6%	
Total Operating expenses	(507.0)	(470.2)	(536.0)	(579.9)	(508.8)	(547.2)	(645.5)	(717.7)	(469.6)	(593.0)	(507.0)	(470.2)	(536.0)	(579.9)	(508.8)	(547.2)	(645.5)	(614.4)	(469.6)	(593.0)	13.7%	
EBITDA	1,323.9	1,318.5	1,812.0	1,640.1	1,848.3	1,927.7	2,277.6	2,055.4	2,623.0	2,345.6	1,323.9	1,318.5	1,812.0	1,640.1	1,848.3	1,927.7	2,055.4	1,953.5	2,377.7	2,164.5	2,623.0	27.9%
Cars depreciation expenses	(130.7)	(152.7)	(167.0)	(222.2)	(264.2)	(350.6)	(538.1)	(609.1)	(763.5)	(1,291.7)	(130.7)	(152.7)	(167.0)	(222.2)	(264.2)	(350.6)	(538.1)	(609.1)	(763.5)	(813.6)	132.1%	
Other assets depreciation and amortization	(72.5)	(77.3)	(82.5)	(82.5)	(84.1)	(82.1)	(97.8)	(72.3)	(94.2)	(110.2)	(72.5)	(77.3)	(82.5)	(82.5)	(84.1)	(82.1)	(97.8)	(71.3)	(94.2)	(110.2)	34.2%	
Write up amortization	(48.3)	(48.3)	(48.3)	(48.3)	(48.3)	(48.5)	(182.6)	(148.2)	(125.7)	(123.4)	-	-	-	-	-	-	-	-	-	-	-	
Total depreciation and amortization expenses	(203.2)	(226.2)	(244.3)	(304.7)	(348.3)	(432.7)	(635.9)	(681.4)	(857.7)	(1,401.9)	(203.2)	(226.2)	(244.3)	(304.7)	(348.3)	(432.7)	(635.9)	(680.4)	(857.7)	(923.8)	113.5%	
Operating profit before financial results and taxes (EBIT)	1,072.4	1,044.0	1,519.4	1,287.1	1,451.7	1,446.5	1,459.1	1,225.8	1,639.6	820.3	1,122.8	1,096.6	1,572.3	1,350.4	1,526.2	1,520.8	1,741.8	1,484.1	1,765.3	1,575.1	3.6%	
Equity equivalence result	0.1	(0.1)	-	-	0.1	-	0.1	-	-	-	0.1	(0.1)	-	-	0.1	-	0.1	-	-	-	-	
Financial (expenses) revenues, net	(91.0)	(99.6)	(185.9)	(296.9)	(462.3)	(579.1)	(869.3)	(748.0)	(1,069.9)	(1,097.3)	(118.6)	(127.4)	(213.9)	(325.1)	(490.7)	(604.1)	(883.2)	(748.0)	(1,069.9)	(1,097.3)	81.6%	
Income before tax and social contribution	981.5	944.3	1,333.5	990.2	989.5	867.4	589.9	477.8	569.7	(277.0)	1,004.3	969.1	1,358.4	1,025.3	1,035.6	916.7	858.7	736.1	695.4	477.8	-47.9%	
Income tax and social contribution	(293.3)	(270.6)	(408.1)	(284.5)	(273.9)	(473.9)	(166.3)	(34.4)	(48.1)	188.2	(301.1)	(279.0)	(416.6)	(296.4)	(289.6)	(237.3)	(176.6)	(98.4)	(90.8)	(58.8)	-75.2%	
Net income for the period	688.2	673.7	925.4	705.7	715.6	393.5	423.6	443.4	521.6	(88.8)	703.2	690.1	941.8	728.9	746.0	679.4	682.1	637.7	604.6	419.0	-38.3%	
Car and Fleet Rentals and Franchising EBITDA	1,008.3	960.3	1,433.1	1,408.1	1,562.5	1,619.3	1,941.1	1,957.3	2,406.7	2,378.6	1,010.2	964.1	1,437.5	1,421.5	1,586.4	1,642.9	2,030.9	2,028.6	2,406.7	2,378.6	44.8%	
EBITDA Margin (calculated on rental net revenues)	51.7%	49.4%	62.6%	54.4%	57.9%	57.9%	61.4%	61.1%	70.4%	66.8%	51.8%	49.6%	62.7%	54.9%	58.8%	58.8%	64.3%	63.3%	70.4%	66.8%	8.0 p.p.	
Used Car Sales (Seminovos) EBITDA	315.6	358.2	378.9	232.0	285.8	308.4	336.5	98.1	216.3	(33.0)	315.8	358.7	379.1	233.6	288.1	310.6	346.8	135.9	216.3	120.3	-61.3%	
Seminovos EBITDA Margin	12.8%	15.2%	18.1%	14.4%	16.0%	13.5%	11.3%	3.7%	6.4%	-1.0%	12.8%	15.2%	16.1%	14.5%	16.1%	13.6%	11.6%	5.2%	6.4%	3.7%	-9.9 p.p.	

(*) The proforma result shows the result assuming the business combination with LCAM since 01/01/2021, reflecting accounting reclassifications and purchase price allocation effects.

(**) Exclusion of the effects of expenses related to the merger, as well as highlighting the results of other segments.

15 – Table 4 – Adjusted operating data

SELECTED OPERATING DATA	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	2Q22 x 2Q23
Average operating fleet:											
Car Rental (**)	261,517	252,016	261,215	264,082	276,599	279,600	298,645	275,545	286,260	277,086	-0.9%
Fleet Rental	145,037	153,169	160,722	169,465	180,509	187,771	203,971	227,593	244,056	252,899	34.7%
Total	406,554	405,185	421,937	433,546	457,108	467,370	502,616	503,138	530,316	529,985	13.4%
Average rented fleet:											
Car Rental (**)	204,748	190,191	210,207	213,639	212,315	214,947	225,359	198,560	210,215	203,104	-5.5%
Fleet Rental	143,928	151,866	158,362	166,518	176,633	183,283	196,618	214,786	225,889	234,977	28.2%
Total	348,676	342,057	368,569	380,157	388,948	398,230	421,977	413,346	436,104	438,081	10.0%
Average age of operating fleet (months)											
Car Rental	12.1	12.9	13.5	14.9	16.1	16.8	15.7	13.7	13.0	12.7	-24.2%
Fleet Rental	18.8	18.8	19.0	19.0	19.4	19.7	19.1	18.2	18.1	18.3	-7.0%
Average age of total operating fleet	14.6	15.2	15.7	16.6	17.4	18.0	17.1	16.8	15.4	15.1	-16.0%
Fleet at end of period:											
Car Rental (**)	275,691	279,212	277,680	294,188	297,587	322,051	345,530	331,445	314,550	306,870	-4.7%
Fleet Rental	161,367	171,001	175,313	194,047	197,069	211,960	240,923	259,596	268,749	280,554	32.4%
Total	437,058	450,213	452,993	488,235	494,656	534,011	586,453	591,041	583,299	587,424	10.0%
Managed fleet at end period - Fleet Rental	103	84	65	57	56	47	30	20	19	11	-76.6%
Fleet investment (R\$ million) (include accessories)											
Car Rental	1,395.2	2,300.5	1,705.8	2,780.2	1,744.6	4,424.9	4,797.7	5,178.2	2,051.8	2,616.5	-40.9%
Fleet Rental	1,253.0	1,412.2	1,478.9	2,413.2	1,315.8	2,612.7	3,997.7	2,903.4	2,287.5	2,655.0	1.6%
Total	2,648.2	3,712.7	3,184.7	5,193.4	3,060.4	7,037.6	8,795.4	8,081.6	4,339.3	5,271.5	-25.1%
Number of rental days (In thousands):											
Car Rental - Total	18,412.5	17,306.7	19,337.1	19,654.6	19,109.2	19,559.4	20,727.7	18,270.5	18,921.5	18,479.6	-5.5%
Rental days for Fleet Rental replacement service	(403.3)	(397.0)	(398.3)	(402.8)	(407.3)	(423.7)	(394.3)	(415.1)	(410.7)	(438.2)	3.4%
Car Rental - Net	18,009.2	16,909.8	18,938.8	19,251.8	18,701.9	19,135.7	20,333.4	17,855.4	18,510.8	18,041.5	-5.7%
Fleet Rental	12,635.1	13,357.5	13,955.8	14,702.8	15,619.1	16,230.9	17,459.0	19,123.1	20,151.2	20,987.5	29.3%
Total	30,644.3	30,267.2	32,894.6	33,954.6	34,321.0	35,366.6	37,792.3	36,978.5	38,662.0	39,029.0	10.4%
Annualized average depreciation per car (R\$)											
Car Rental	884.0	969.3	1,272.3	1,782.5	2,237.8	3,041.2	4,357.7	4,659.4	5,940.8	6,578.5	116.3%
Fleet Rental	2,097.6	2,391.0	2,090.3	2,465.7	2,425.8	2,940.0	4,194.8	5,062.7	5,539.5	5,660.8	92.5%
Total	1,317.0	1,506.7	1,583.9	2,049.6	2,312.1	3,000.5	4,291.6	4,841.9	5,756.1	6,140.6	104.6%
Average annual gross revenues per operating car (R\$ thousand)											
Car Rental	21.9	21.7	26.1	29.4	28.6	28.4	29.9	30.4	30.5	31.5	11.0%
Fleet Rental	20.3	20.6	21.0	21.8	22.2	23.3	24.5	25.4	25.9	27.5	17.7%
Average daily rental (R\$)											
Car Rental (*)	78.48	79.88	88.67	99.46	104.21	102.23	108.24	115.70	116.34	119.26	16.7%
Fleet Rental	57.51	58.26	59.59	61.95	63.14	66.55	70.67	74.69	77.45	81.58	22.6%
Utilization rate (does not include cars in preparation and decommissioning):											
Car Rental	80.2%	77.3%	82.1%	82.0%	78.1%	79.2%	80.2%	77.9%	78.0%	77.4%	-1.8 p.p.
Fleet Rental	96.0%	96.4%	96.4%	96.8%	97.5%	97.3%	96.9%	96.4%	95.2%	95.8%	-1.5 p.p.
Number of cars purchased - consolidated	42,276	55,224	38,648	61,362	31,613	71,836	97,729	97,358	48,161	57,110	-20.5%
Average price of cars purchased (R\$ thsd) - consolidated	62.64	67.23	82.40	84.64	96.81	97.97	90.00	83.01	90.10	92.30	-5.8%
Numbers of cars sold - consolidated	45,715	41,141	33,825	24,160	24,699	31,370	43,627	41,493	55,191	52,711	68.0%
Average price of cars sold (R\$ thsd) (***) - consolidated	49.71	52.87	55.35	58.12	64.00	64.53	61.27	57.94	58.26	57.93	-10.2%

(*) Not included the rentals for Fleet Rental Division.

(**) in 4Q22 the Company concluded the carve-out sale, with a reduction of 49,296 cars in the end of period fleet. The 3Q22 numbers account for these cars.

(***) Net of SG&A expenses related to the sale of cars decommissioned for fleet renewal.

16 – Accounting Data – R\$ million (as disclosed, without proforma adjustments)

16.1 – Table 5 – Car Rental – R\$ million

CAR RENTAL RESULTS	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	3,475.2	4,851.3	7,211.5	48.7%	2,922.6	4,329.3	48.1%	1,459.1	2,163.5	48.3%
Taxes on revenues	(330.2)	(455.9)	(701.3)	53.8%	(273.3)	(409.7)	49.9%	(137.5)	(205.0)	49.1%
Car rental net revenues	3,145.0	4,395.4	6,510.2	48.1%	2,649.3	3,919.6	47.9%	1,321.6	1,958.5	48.2%
Car rental and franchising costs	(1,124.3)	(1,406.9)	(1,840.4)	30.8%	(793.5)	(923.4)	16.4%	(405.7)	(451.7)	11.3%
Gross profit	2,020.7	2,988.5	4,669.8	56.3%	1,855.8	2,996.2	61.5%	915.9	1,506.8	64.5%
Operating expenses (SG&A)	(595.4)	(832.6)	(950.7)	14.2%	(368.3)	(437.7)	18.8%	(185.9)	(243.7)	31.1%
Other assets depreciation and amortization	(120.7)	(142.6)	(181.6)	27.3%	(81.8)	(128.2)	56.7%	(40.5)	(68.0)	67.9%
Operating profit before financial results and taxes (EBIT)	1,304.6	2,013.3	3,537.5	75.7%	1,405.7	2,430.3	72.9%	689.5	1,195.1	73.3%
EBITDA	1,425.3	2,155.9	3,719.1	72.5%	1,487.5	2,558.5	72.0%	730.0	1,263.1	73.0%
EBITDA Margin	45.3%	49.0%	57.1%	8.1 p.p.	56.1%	65.3%	9.2 p.p.	55.2%	64.5%	9.3 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Gross revenues, net of discounts and cancellations	5,150.7	4,413.3	5,994.8	35.8%	1,922.0	4,850.5	152.4%	1,108.9	2,353.6	112.2%
Taxes on revenues	(10.0)	(5.2)	(6.5)	25.0%	(2.3)	(2.7)	17.4%	(1.3)	(1.2)	-7.7%
Net revenues	5,140.7	4,408.1	5,988.3	35.8%	1,919.7	4,847.8	152.5%	1,107.6	2,352.4	112.4%
Book value of cars sold and preparation for sale	(4,629.7)	(3,416.2)	(5,027.1)	47.2%	(1,530.1)	(4,447.5)	190.7%	(893.6)	(2,175.8)	143.5%
Adjustment to the recoverable value of assets	-	-	-	-	-	(114.3)	-	-	(114.3)	-
Gross profit	511.0	991.9	961.2	-3.1%	389.6	286.0	-26.6%	214.0	62.3	-70.9%
Operating expenses (SG&A)	(316.1)	(360.7)	(445.5)	23.5%	(165.4)	(263.0)	59.0%	(97.0)	(141.0)	45.4%
Cars depreciation	(342.6)	(183.7)	(954.6)	419.7%	(244.1)	(1,319.1)	440.4%	(139.2)	(889.3)	538.9%
Other assets depreciation and amortization	(54.3)	(56.1)	(61.4)	9.4%	(25.3)	(40.8)	61.3%	(12.4)	(21.2)	71.0%
Operating profit (loss) before financial results and taxes (EBIT)	(202.0)	391.4	(500.3)	-227.8%	(45.2)	(1,336.9)	2857.7%	(34.6)	(989.2)	2759.0%
EBITDA	194.9	631.2	515.7	-18.3%	224.2	23.0	-89.7%	117.0	(78.7)	-167.3%
EBITDA Margin	3.8%	14.3%	8.6%	-5.7 p.p.	11.7%	0.5%	-11.2 p.p.	10.6%	-3.3%	-13.9 p.p.

CAR RENTAL TOTAL FIGURES	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	3,475.2	4,851.3	7,211.5	48.7%	2,922.6	4,329.3	48.1%	1,459.1	2,163.5	48.3%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	5,150.7	4,413.3	5,994.8	35.8%	1,922.0	4,850.5	152.4%	1,108.9	2,353.6	112.2%
Total gross revenues	8,625.9	9,264.6	13,206.3	42.5%	4,844.6	9,179.8	89.5%	2,568.0	4,517.1	75.9%
Taxes on revenues	(330.2)	(455.9)	(701.3)	53.8%	(273.3)	(409.7)	49.9%	(137.5)	(205.0)	49.1%
Car rental and franchising	(10.0)	(5.2)	(6.5)	25.0%	(2.3)	(2.7)	17.4%	(1.3)	(1.2)	-7.7%
Car rental revenues - net revenues	3,145.0	4,395.4	6,510.2	48.1%	2,649.3	3,919.6	47.9%	1,321.6	1,958.5	48.2%
Car sales for fleet renewal - net revenues	5,140.7	4,408.1	5,988.3	35.8%	1,919.7	4,847.8	152.5%	1,107.6	2,352.4	112.4%
Total net revenues	8,285.7	8,803.5	12,498.5	42.0%	4,569.0	8,767.4	91.9%	2,429.2	4,310.9	77.5%
Direct costs	-	-	-	-	-	-	-	-	-	-
Car rental	(1,124.3)	(1,406.9)	(1,840.4)	30.8%	(793.5)	(923.4)	16.4%	(405.7)	(451.7)	11.3%
Car sales for fleet renewal	(4,629.7)	(3,416.2)	(5,027.1)	47.2%	(1,530.1)	(4,447.5)	190.7%	(893.6)	(2,175.8)	143.5%
Adjustment to the recoverable value of assets	-	-	-	0.0%	-	(114.3)	-	-	(114.3)	-
Gross profit	2,531.7	3,980.4	5,631.0	41.5%	2,245.4	3,282.2	46.2%	1,129.9	1,569.1	38.9%
Operating expenses (SG&A)	(595.4)	(832.6)	(950.7)	14.2%	(368.3)	(437.7)	18.8%	(185.9)	(243.7)	31.1%
Car rental	(316.1)	(360.7)	(445.5)	23.5%	(165.4)	(263.0)	59.0%	(97.0)	(141.0)	45.4%
Car sales for fleet renewal	(342.6)	(183.7)	(954.6)	419.7%	(244.1)	(1,319.1)	440.4%	(139.2)	(889.3)	538.9%
Other assets depreciation and amortization	(120.7)	(142.6)	(181.6)	27.3%	(81.8)	(128.2)	56.7%	(40.5)	(68.0)	67.9%
Car rental	(54.3)	(56.1)	(61.4)	9.4%	(25.3)	(40.8)	61.3%	(12.4)	(21.2)	71.0%
Car sales for fleet renewal	-	-	-	-	-	-	-	-	-	-
Operating profit before financial results and taxes (EBIT)	1,102.6	2,404.7	3,037.2	26.3%	1,360.5	1,093.4	-19.6%	654.9	205.9	-68.6%
EBITDA	1,620.2	2,787.1	4,234.8	51.9%	1,711.7	2,581.5	50.8%	847.0	1,184.4	39.8%
EBITDA margin	19.6%	31.7%	33.9%	2.2 p.p.	37.5%	29.4%	-8.1 p.p.	34.9%	27.5%	-7.4 p.p.

CAR RENTAL OPERATING DATA	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Average operating fleet (*)	200,742	195,242	246,922	26.5%	206,749	281,673	36.2%	208,127	277,086	33.1%
Average rented fleet(*)	140,151	151,686	185,129	22.0%	158,298	206,660	30.6%	159,216	203,104	27.6%
Average operating fleet age (in months)	10.0	13.9	15.9	14.4%	17.1	12.8	-24.9%	17.4	12.7	-27.0%
End of period fleet(*)	216,334	216,293	331,445	53.2%	235,000	306,870	30.6%	235,000	306,870	30.6%
Number of rental days - in thousands (net of fleet replacement service)	50,446.5	53,756.6	66,009.1	22.8%	27,820.3	36,552.3	31.4%	14,064.3	18,041.5	28.3%
Average daily rental revenues per car (R\$)	68.52	89.71	108.57	21.0%	104.40	117.78	12.8%	103.12	119.26	15.6%
Annualized average depreciation per car (R\$)	1,706.8	941.1	3,606.3	283.2%	2,361.6	6,254.5	164.8%	2,675.3	6,578.5	145.9%
Utilization rate (Does not include cars in preparation and decommissioning)	73.5%	79.8%	79.6%	-0.2 p.p.	79.1%	77.7%	-1.4 p.p.	79.7%	77.4%	-2.3 p.p.
Number of cars purchased	92,801	83,382	170,750	104.8%	46,017	57,871	25.8%	31,228	32,242	3.2%
Number of cars sold	113,346	76,906	89,485	16.4%	26,482	81,372	207.3%	15,287	39,514	158.5%
Average sold fleet age (in months)	16.9	21.9	28.3	29.2%	27.7	29.0	4.5%	28.4	28.3	-0.2%
Average total fleet	221,895	209,172	275,889	31.9%	221,981	313,453	41.2%	226,585	310,212	36.9%
Average value of total fleet - R\$ million	9,951.6	10,592.7	17,199.0	62.4%	12,876.2	21,623.1	67.9%	13,544.1	21,390.1	57.9%
Average value per car in the period - R\$ thsd	44.8	50.6	62.3	23.1%	58.0	69.0	19.0%	59.8	69.0	15.4%

(*) In 4Q22, the Company sold the carve-out, with a reduction of 49,296 cars in the fleet at the end of the period. The 3Q22 figures consider these cars.

16.2 – Table 6 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Fleet rental gross revenues, net of discounts and cancellations	1,163.7	1,325.2	3,567.7	169.2%	801.1	3,379.7	321.9%	418.5	1,769.4	322.8%
Taxes on revenues (*)	(110.2)	(127.3)	(343.0)	169.4%	(77.9)	(316.9)	306.8%	(40.2)	(165.5)	311.7%
Fleet rental net revenues	1,053.5	1,197.9	3,224.7	169.2%	723.2	3,062.8	323.5%	378.3	1,603.9	324.0%
Fleet rental costs	(221.5)	(315.6)	(678.6)	115.0%	(198.4)	(569.4)	187.0%	(110.4)	(330.4)	199.3%
Gross profit	832.0	882.3	2,546.1	188.6%	524.8	2,493.4	375.1%	267.9	1,273.5	375.4%
Operating expenses (SG&A)	(69.7)	(141.2)	(433.3)	206.9%	(78.8)	(266.6)	238.3%	(42.7)	(158.0)	270.0%
Other assets depreciation and amortization	(8.4)	(8.3)	(40.7)	390.4%	(4.5)	(16.8)	273.3%	(2.3)	(17.9)	678.3%
Operating profit before financial results and taxes (EBIT)	753.9	732.8	2,072.1	182.8%	441.5	2,210.0	400.6%	222.9	1,097.6	392.4%
EBITDA	762.3	741.1	2,112.8	185.1%	446.0	2,226.8	399.3%	225.2	1,115.5	395.3%
EBITDA Margin	72.4%	61.9%	65.5%	3.6 p.p.	61.7%	72.7%	11.0 p.p.	59.5%	69.5%	10.0 p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Gross revenues, net of discounts and cancellations	969.2	900.7	2,066.0	129.4%	469.4	1,845.2	293.1%	242.2	933.6	285.5%
Taxes on revenues	(0.8)	(0.8)	(5.8)	625.0%	(0.5)	(3.3)	560.0%	(0.3)	(2.1)	600.0%
Net revenues	968.4	899.9	2,060.2	128.9%	468.9	1,841.9	292.8%	241.9	931.5	285.1%
Book value of cars sold and preparation for sale	(832.0)	(659.3)	(1,627.1)	146.8%	(325.1)	(1,547.3)	375.9%	(170.5)	(796.5)	367.2%
Adjustment to the recoverable value of assets	-	-	-	-	-	(39.0)	-	-	(39.0)	-
Gross profit	136.4	240.6	433.1	80.0%	143.8	255.6	77.7%	71.4	96.0	34.5%
Operating expenses (SG&A)	(50.8)	(71.2)	(191.6)	169.1%	(45.4)	(95.3)	109.9%	(26.4)	(50.3)	90.5%
Cars depreciation	(130.4)	(71.4)	(799.7)	1020.0%	(48.2)	(995.1)	1964.5%	(26.3)	(524.7)	1895.1%
Other assets depreciation and amortization	(10.0)	(11.4)	(21.7)	90.4%	(7.7)	(8.7)	13.0%	(4.0)	(4.2)	5.0%
Operating profit (loss) before financial results and taxes (EBIT)	(54.8)	86.6	(579.9)	-769.6%	42.5	(843.5)	-2084.7%	14.7	(483.2)	-3387.1%
EBITDA	85.6	169.4	241.5	42.6%	98.4	160.3	62.9%	45.0	45.7	1.6%
EBITDA Margin	8.8%	18.8%	11.7%	-7.1 p.p.	21.0%	8.7%	-12.3 p.p.	18.6%	4.9%	-13.7 p.p.

FLEET RENTAL TOTAL FIGURES	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Fleet rental gross revenues, net of discounts and cancellations	1,163.7	1,325.2	3,567.7	169.2%	801.1	3,379.7	321.9%	418.5	1,769.4	322.8%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	969.2	900.7	2,066.0	129.4%	469.4	1,845.2	293.1%	242.2	933.6	285.5%
Total gross revenues	2,132.9	2,225.9	5,633.7	153.1%	1,270.5	5,224.9	311.2%	660.7	2,703.0	309.1%
Taxes on revenues	(110.2)	(127.3)	(343.0)	169.4%	(77.9)	(316.9)	306.8%	(40.2)	(165.5)	311.7%
Fleet rental (*)	(0.8)	(0.8)	(5.8)	625.0%	(0.5)	(3.3)	560.0%	(0.3)	(2.1)	600.0%
Car sales for fleet renewal	1,053.5	1,197.9	3,224.7	169.2%	723.2	3,062.8	323.5%	378.3	1,603.9	324.0%
Fleet rental - net revenues	968.4	899.9	2,060.2	128.9%	468.9	1,841.9	292.8%	241.9	931.5	285.1%
Car sales for fleet renewal - net revenues	968.4	899.9	2,060.2	128.9%	468.9	1,841.9	292.8%	241.9	931.5	285.1%
Total net revenues (**)	2,021.9	2,097.8	5,284.9	151.9%	1,192.1	4,904.7	311.4%	620.2	2,535.4	308.8%
Direct costs	(221.5)	(315.6)	(678.6)	115.0%	(198.4)	(569.4)	187.0%	(110.4)	(330.4)	199.3%
Fleet rental	(832.0)	(659.3)	(1,627.1)	146.8%	(325.1)	(1,547.3)	375.9%	(170.5)	(796.5)	367.2%
Adjustment to the recoverable value of assets	-	-	-	-	-	(39.0)	-	-	(39.0)	-
Gross profit	968.4	1,122.9	2,979.2	165.3%	668.6	2,749.0	311.2%	339.3	1,369.5	303.6%
Operating expenses (SG&A)	(69.7)	(141.2)	(433.3)	206.9%	(78.8)	(266.6)	238.3%	(42.7)	(158.0)	270.0%
Fleet rental	(50.8)	(71.2)	(191.6)	169.1%	(45.4)	(95.3)	109.9%	(26.4)	(50.3)	90.5%
Car sales for fleet renewal	(130.4)	(71.4)	(799.7)	1020.0%	(48.2)	(995.1)	1964.5%	(26.3)	(524.7)	1895.1%
Other assets depreciation and amortization	(8.4)	(8.3)	(40.7)	390.4%	(4.5)	(16.8)	273.3%	(2.3)	(17.9)	678.3%
Fleet rental	(10.0)	(11.4)	(21.7)	90.4%	(7.7)	(8.7)	13.0%	(4.0)	(4.2)	5.0%
Car sales for fleet renewal	(10.0)	(11.4)	(21.7)	90.4%	(7.7)	(8.7)	13.0%	(4.0)	(4.2)	5.0%
Operating profit before financial results and taxes (EBIT)	699.1	819.4	1,492.2	82.1%	484.0	1,366.5	182.3%	237.6	614.4	158.6%
EBITDA	847.9	910.5	2,354.3	158.6%	544.4	2,387.1	338.5%	270.2	1,161.2	329.8%
EBITDA margin	41.9%	43.4%	44.5%	1.1 p.p.	45.7%	48.7%	3.0 p.p.	43.6%	45.8%	2.2 p.p.

OPERATING DATA	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Average operating fleet	59,801	61,962	142,703	130.3%	69,623	248,477	256.9%	70,993	252,899	256.2%
Total Average rented fleet	59,244	63,493	137,700	116.9%	69,697	230,433	230.6%	70,854	234,977	231.6%
Average rented fleet	57,706	60,133	134,959	124.4%	66,684	228,549	242.7%	67,914	233,195	243.4%
Average rented fleet - Car Rental fleet replacement	1,538	3,360	2,741	-18.4%	3,013	1,884	-37.5%	2,940	1,782	-39.4%
Average operating fleet age (in months)	17.4	20.3	19.9	-1.7%	21.3	18.2	-14.6%	21.3	18.3	-14.1%
End of period fleet	61,657	73,503	259,596	253.2%	80,137	280,554	250.1%	80,137	280,554	250.1%
Rented Fleet	105	57	30	-47.4%	47	11	-76.6%	47	11	-76.6%
Managed Fleet	61,552	73,446	259,566	253.2%	79,990	279,543	250.1%	79,990	279,543	250.1%
Number of rental days - in thousands	21,328.0	22,857.3	48,585.1	112.6%	12,545.5	41,138.7	227.9%	6,376.9	20,987.5	229.1%
Average daily rental revenues per car (R\$)	53.81	57.49	72.97	26.9%	62.93	79.56	26.4%	64.77	81.58	26.0%
Annualized average depreciation per car (R\$)	2,178.9	1,152.7	3,855.1	234.4%	1,383.5	5,601.2	304.9%	1,482.1	5,660.8	281.9%
Utilization rate (Does not include cars in preparation and decommissioning) (*)	97.4%	98.0%	96.7%	-1.3 p.p.	96.8%	95.5%	-1.3 p.p.	96.8%	95.8%	-1.0 p.p.
Number of cars purchased	16,578	28,128	84,179	199.3%	13,825	47,400	242.9%	9,934	24,868	150.3%
Number of cars sold	22,144	15,939	29,053	82.3%	6,936	26,530	282.5%	3,575	13,197	269.1%
Average sold fleet age (in months)	28.9	31.8	36.3	14.2%	35.7	36.7	2.9%	37.1	37.1	0.0%
Average total fleet	63,919	66,451	158,386	138.4%	75,719	270,191	256.8%	77,938	275,610	253.6%
Average value of total fleet - R\$ million	2,812.1	3,370.7	11,313.5	235.6%	4,481.7	21,859.5	387.7%	4,742.0	22,523.6	375.0%
Average value per car in the period - R\$ thsd	44.0	50.7	71.4	40.8%	59.2	80.9	36.7%	60.8	81.7	34.4%

(*) Does not include replacement service from Car Rental

16.3 – Table 8 – Consolidated Result – R\$ million

CONSOLIDATED RESULTS	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	3,475.2	4,851.3	7,211.5	48.7%	2,922.6	4,329.3	48.1%	1,459.1	2,163.5	48.3%
Fleet Rental gross revenues, net of discounts and cancellations	1,163.7	1,325.2	3,567.7	169.2%	801.1	3,379.7	321.9%	418.5	1,769.4	322.8%
Car and Fleet Rentals and Franchising total gross revenues	4,638.9	6,176.5	10,779.2	74.5%	3,723.7	7,709.0	107.0%	1,877.6	3,932.9	109.5%
Taxes on revenues - Car and Fleet Rentals and Franchising	(440.4)	(583.2)	(1,044.3)	79.1%	(351.2)	(726.6)	106.9%	(177.7)	(370.5)	108.5%
Car and Fleet Rentals and Franchising net revenues	4,198.5	5,593.3	9,734.9	74.0%	3,372.5	6,982.4	107.0%	1,699.9	3,562.4	109.6%
Car sales gross revenues										
Car sales for fleet renewal - Car Rental, net of discounts and cancellations	5,150.7	4,413.3	5,994.8	35.8%	1,922.0	4,850.5	152.4%	1,108.9	2,353.6	112.2%
Car sales for fleet renewal - Fleet Rental, net of discounts and cancellations	969.2	900.7	2,066.0	129.4%	469.4	1,845.2	293.1%	242.2	933.6	285.5%
Car sales for fleet renewal - total gross revenues	6,119.9	5,314.0	8,060.8	51.7%	2,391.4	6,695.7	180.0%	1,351.1	3,287.2	143.3%
Taxes on revenues - Car sales for fleet renewal	(10.8)	(6.0)	(12.3)	105.0%	(2.8)	(6.0)	114.3%	(1.6)	(3.3)	106.3%
Car sales for fleet renewal - net revenues	6,109.1	5,308.0	8,048.5	51.6%	2,388.6	6,689.7	180.1%	1,349.5	3,283.9	143.3%
Total net revenues	10,307.6	10,901.3	17,783.4	63.1%	5,761.1	13,672.1	137.3%	3,049.4	6,846.3	124.5%
Direct costs and expenses:										
Car rental and franchising	(1,124.3)	(1,406.9)	(1,840.4)	30.8%	(793.5)	(923.4)	16.4%	(405.7)	(451.7)	11.3%
Fleet Rental	(221.5)	(315.6)	(678.6)	115.0%	(198.4)	(569.4)	187.0%	(110.4)	(330.4)	199.3%
Adjustment to the recoverable value of assets	-	-	-	-	-	(153.3)	-	-	(153.3)	-
Total Car and Fleet Rentals and Franchising	(1,345.8)	(1,722.5)	(2,519.0)	46.2%	(991.9)	(1,646.1)	66.0%	(516.1)	(935.4)	81.2%
Car sales for fleet renewal - Car rental	(4,629.7)	(3,416.2)	(5,027.1)	47.2%	(1,530.1)	(4,447.5)	190.7%	(893.6)	(2,175.8)	143.5%
Car sales for fleet renewal - Fleet Rental	(832.0)	(659.3)	(1,627.1)	146.8%	(325.1)	(1,547.3)	375.9%	(170.5)	(796.5)	367.2%
Total Car sales for fleet renewal (book value) and preparation for sale	(5,461.7)	(4,075.5)	(6,654.2)	63.3%	(1,855.2)	(5,994.8)	223.1%	(1,064.1)	(2,972.3)	179.3%
Total costs	(6,807.5)	(5,798.0)	(9,173.2)	58.2%	(2,847.1)	(7,640.9)	168.4%	(1,580.2)	(3,907.7)	147.3%
					-	-	0.0%	-	-	-
Gross profit	3,500.1	5,103.3	8,610.2	68.7%	2,914.0	6,031.2	107.0%	1,469.2	2,938.6	100.0%
Total Operating expenses	(1,032.0)	(1,405.8)	(2,021.1)	43.8%	(657.9)	(1,062.6)	61.5%	(352.0)	(593.0)	68.5%
Depreciation expenses:										
Cars depreciation:										
Car rental	(342.6)	(183.7)	(954.6)	419.7%	(244.1)	(1,319.1)	440.4%	(139.2)	(889.3)	538.9%
Fleet Rental	(130.4)	(71.4)	(799.7)	1020.0%	(48.2)	(985.1)	1964.5%	(26.3)	(524.7)	1895.1%
Total cars depreciation expenses	(473.0)	(255.1)	(1,754.3)	587.7%	(292.3)	(2,314.2)	691.7%	(165.5)	(1,414.0)	754.4%
Other assets depreciation and amortization	(193.4)	(218.4)	(305.4)	39.8%	(119.3)	(194.5)	63.0%	(59.2)	(111.3)	88.0%
Total depreciation and amortization expenses	(666.4)	(473.5)	(2,059.7)	335.0%	(411.6)	(2,508.7)	509.5%	(224.7)	(1,525.3)	578.8%
Operating profit before financial results and taxes (EBIT)	1,801.7	3,224.0	4,529.4	40.5%	1,844.5	2,459.9	33.4%	892.5	820.3	-8.1%
Equity equivalence result	-	-	-	-	-	-	-	0.0	0.0	-
Financial (expenses) revenues, net	(374.4)	(320.9)	(2,110.6)	557.7%	(493.3)	(2,167.2)	339.3%	(266.3)	(1,097.3)	312.1%
Income before tax and social contribution	1,427.3	2,903.1	2,418.9	-16.7%	1,351.2	292.7	-78.3%	626.2	(277.0)	-144.2%
Income tax and social contribution	(379.1)	(859.4)	(577.8)	-32.8%	(377.1)	140.1	-137.2%	(169.5)	188.2	-211.0%
Net income for the period	1,048.2	2,043.7	1,841.1	-9.9%	974.1	432.8	-55.6%	456.7	(88.8)	-119.4%
EBITDA	2,468.1	3,697.5	6,589.2	78.2%	2,256.1	4,968.6	120.2%	1,117.2	2,345.6	110.0%
EBIT	1,801.7	3,224.0	4,529.5	40.5%	1,844.5	2,459.9	33.4%	892.5	820.3	-8.1%
Consolidated EBIT Margin (calculated over rental revenues)	42.9%	57.6%	46.5%	-11.1 p.p.	54.7%	35.2%	-19.5 p.p.	52.5%	23.0%	-29.5 p.p.
Car and Fleet Rentals and Franchising EBITDA	2,187.6	2,897.0	5,831.9	101.3%	1,933.5	4,785.3	147.5%	955.2	2,378.6	149.0%
EBITDA Margin	52.1%	51.8%	59.9%	8.1 p.p.	57.3%	68.5%	11.2 p.p.	56.2%	66.8%	10.6 p.p.
Used Car Sales (Seminovos) EBITDA	280.5	800.6	757.4	-5.4%	322.6	183.3	-43.2%	162.0	(33.0)	-120.4%
EBITDA Margin	4.6%	15.1%	9.4%	-5.7 p.p.	13.5%	2.7%	-10.8 p.p.	12.0%	-1.0%	-13.0 p.p.

17 – Table 9 – Operating Data

SELECTED OPERATING DATA	2020	2021	2022	Var.	1S22	1S23	Var.	2Q22	2Q23	Var.
Average operating fleet:										
Car Rental (**)	200,742	195,242	246,922	26.5%	206,749	281,673	36.2%	208,127	277,086	33.1%
Fleet Rental	59,801	61,962	142,703	130.3%	69,623	248,477	256.9%	70,993	252,899	256.2%
Total	260,543	257,204	389,625	51.5%	276,372	530,150	91.8%	279,120	529,985	89.9%
Average rented fleet:										
Car Rental (**)	140,151	151,686	185,129	22.0%	158,298	206,660	30.6%	159,216	203,104	27.6%
Fleet Rental	59,244	63,493	134,959	112.6%	69,697	230,433	230.6%	70,854	234,977	231.6%
Total	199,395	215,179	320,087	48.8%	227,995	437,092	91.7%	230,070	438,081	90.4%
Average age of operating fleet (months)										
Car Rental	10.0	13.9	15.9	14.4%	17.1	12.8	-24.9%	17.4	12.7	-27.0%
Fleet Rental	17.4	20.3	19.9	-1.7%	21.3	18.2	-14.6%	21.3	18.3	-14.1%
Average age of total operating fleet	11.7	15.5	17.4	12.1%	18.2	15.2	-16.3%	18.4	15.1	-17.9%
Fleet at end of period:										
Car Rental (**)	216,334	216,293	331,445	53.2%	235,000	306,870	30.6%	235,000	306,870	30.6%
Fleet Rental	61,657	73,503	259,596	253.2%	80,137	280,554	250.1%	80,137	280,554	250.1%
Total	277,991	289,796	591,041	104.0%	315,137	587,424	86.4%	315,137	587,424	86.4%
Managed fleet at end period - Fleet Rental	105	57	30	-47.4%	47	11	-76.6%	47	11	-76.6%
Fleet investment (R\$ million) (include accessories from 2022)										
Car Rental	4,541.9	5,625.1	14,305.9	154.3%	4,300.2	4,668.3	8.6%	2,965.1	2,616.5	-11.8%
Fleet Rental	975.7	2,022.1	8,094.4	300.3%	1,180.0	4,942.5	318.9%	843.6	2,655.0	214.7%
Total	5,517.6	7,647.2	22,400.3	192.9%	5,480.2	9,610.8	75.4%	3,808.7	5,271.5	38.4%
Number of rental days (In thousands):										
Car Rental - Total	51,286.4	55,358.0	67,649.5	22.2%	28,651.3	37,401.2	30.5%	14,488.0	18,479.6	27.6%
Rental days for Fleet Rental replacement service	(839.9)	(1,601.4)	(1,640.4)	2.4%	(831.0)	(848.9)	2.2%	(423.7)	(438.2)	3.4%
Car Rental - Net	50,446.5	53,756.6	66,009.1	22.8%	27,820.3	36,552.3	31.4%	14,064.3	18,041.5	28.3%
Fleet Rental	21,328.0	22,857.3	48,585.1	112.6%	12,545.5	41,138.7	227.9%	6,376.9	20,987.5	229.1%
Total	71,774.5	76,613.9	114,594.2	49.6%	40,365.8	77,691.0	92.5%	20,441.2	39,029.0	90.9%
Annualized average depreciation per car (R\$)										
Car Rental	1,706.8	941.1	3,606.3	283.2%	2,361.6	6,254.5	164.8%	2,675.3	6,578.5	145.9%
Fleet Rental	2,178.9	1,152.7	3,855.1	234.4%	1,383.5	5,601.2	304.9%	1,482.1	5,660.8	281.9%
Total	1,815.2	992.0	3,697.4	272.7%	2,115.2	5,948.3	181.2%	2,371.8	6,140.6	158.9%
Average annual gross revenues per operating car (R\$ thousand)										
Car Rental	17.3	24.7	29.0	17.5%	28.5	30.5	7.0%	28.3	31.5	11.3%
Fleet Rental	19.2	21.2	24.8	17.2%	23.0	26.3	14.2%	23.5	27.5	16.8%
Average daily rental (R\$)										
Car Rental (*)	68.52	89.71	108.57	21.0%	104.43	117.78	12.8%	103.19	119.26	15.6%
Fleet Rental	53.81	57.49	72.97	26.9%	62.80	79.56	26.7%	64.50	81.58	26.5%
Utilization rate (does not include cars in preparation and decommissioning):										
Car Rental	73.5%	79.8%	79.6%	-0.2 p.p.	79.1%	77.7%	-1.4 p.p.	79.7%	77.4%	-2.3 p.p.
Fleet Rental	97.4%	98.0%	96.7%	-1.3 p.p.	96.8%	95.5%	-1.3 p.p.	96.8%	95.8%	-1.0 p.p.
Number of cars purchased - consolidated	109,379	111,510	254,929	128.6%	59,842	105,271	75.9%	41,162	57,110	38.7%
Average price of cars purchased (R\$ thsd) - consolidated	50.45	68.58	87.87	28.1%	91.58	91.30	-0.3%	92.53	92.30	-0.2%
Numbers of cars sold - consolidated	135,490	92,845	118,538	27.7%	33,418	107,902	222.9%	18,862	52,711	179.5%
Average price of cars sold (R\$ thsd) (***) - consolidated	42.46	52.63	62.58	18.9%	65.25	58.10	-11.0%	65.09	57.93	-11.0%

(*) Not included the rentals for Fleet Rental Division.

(**) in 4Q22 the Company concluded the carve-out sale, with a reduction of 49,296 cars in the end of period fleet. The 3Q22 numbers account for these cars.

(***) Net of SG&A expenses related to the sale of cars decommissioned for fleet renewal.

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

ASSETS	2020	2021	2022	1H23
CURRENT ASSETS:				
Cash and cash equivalents	2,586.4	444.1	1,505.6	3,246.4
Financial assets	1,380.2	4,565.4	4,053.8	6,483.9
Trade accounts receivable	1,107.5	1,310.4	2,480.2	2,747.1
Derivative financial instruments - swap	154.3	89.6	283.0	109.2
Other current assets	300.7	351.3	1,316.4	1,567.3
Decommissioning cars to fleet renewal	40.5	182.0	1,976.1	2,611.0
Total current assets	5,569.6	6,942.8	11,615.1	16,764.9
NON CURRENT ASSETS:				
Long-term assets:				
Financial assets	-	3.0	1,349.9	1,337.8
(-) Fair value adjustment of the deposit tied to linked account	-	-	(423.0)	(381.8)
Derivative financial instruments - swap	353.0	448.1	365.6	382.8
Trade accounts receivable	2.0	2.7	9.8	10.7
Escrow deposit	113.7	121.8	220.6	230.3
Deferred income tax and social contribution	24.4	24.3	23.0	15.3
Investments in restricted accounts	44.9	46.1	51.4	54.6
Other non current assets	0.1	286.3	580.9	651.5
Total long-term assets	538.1	932.3	2,178.2	2,301.2
Investments:	-	-	1.2	1.1
Property and equipment				
Cars	12,923.3	15,842.9	41,254.1	42,060.1
Right of use	624.5	736.0	834.7	993.4
Other	633.5	715.0	931.7	988.1
Intangible:				
Software and others	46.7	37.6	373.7	383.8
Goodwill on acquisition of investments	105.4	105.4	8,463.3	8,463.3
Total non current assets	14,871.5	18,369.2	54,036.9	55,191.0
TOTAL ASSETS	20,441.1	25,312.0	65,652.0	71,955.9

LIABILITIES AND SHAREHOLDERS' EQUITY	2020	2021	2022	1H23
CURRENT LIABILITIES:				
Trade accounts payable	1,661.0	2,059.3	6,177.8	4,623.0
Assignment of credit rights	-	-	141.8	118.3
Social and labor obligations	218.5	276.1	333.7	395.4
Loans, financing and debentures	1,615.0	1,884.8	3,353.5	6,815.3
Lease liability	130.2	157.0	185.2	222.8
Derivative financial instruments - swap	66.4	9.1	137.4	403.0
Income tax and social contribution	117.6	9.0	11.7	29.4
Dividends and interest on own capital	72.4	288.8	320.4	313.2
Other current liabilities	415.3	300.4	575.3	600.8
Total current liabilities	4,296.4	4,984.5	11,236.8	13,521.2
NON CURRENT LIABILITIES:				
Assignment of credit rights	-	-	134.2	84.8
Loans, financing and debentures	8,882.7	10,548.3	29,917.6	30,036.3
Lease liability	532.5	635.2	727.3	847.6
Derivative financial instruments - swap	37.2	134.7	260.1	202.6
Provisions	158.6	163.6	672.5	614.6
Deferred income tax and social contribution	412.1	1,147.9	2,010.9	1,622.8
Restricted Obligations	45.4	47.0	52.1	55.1
Other non current liabilities	23.6	33.7	69.9	81.2
Total non current liabilities	10,092.1	12,710.4	33,844.6	33,545.0
Total liabilities	14,388.5	17,694.9	45,081.4	47,066.2
SHAREHOLDERS' EQUITY:				
Capital	4,000.0	4,000.0	12,150.7	17,012.4
Expenses with share issues	(43.1)	(43.1)	(43.1)	(118.3)
Treasury Shares	(175.5)	(162.1)	(144.6)	(137.9)
Capital Reserves	174.9	203.0	4,089.1	4,116.0
Earnings Reserves	2,096.3	3,618.4	4,516.3	4,219.8
Equity Valuation Adjustment	-	0.9	(9.2)	-
Participation of non-controlling partners	-	-	11.4	9.4
	-	-	-	(211.7)
Total shareholders' equity	6,052.6	7,617.1	20,570.6	24,889.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	20,441.1	25,312.0	65,652.0	71,955.9

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

STATEMENT OF INCOME	2020	2021	2022	1H23
Total net revenues	10,307.6	10,901.3	17,783.4	13,672.1
COSTS AND EXPENSES:				
Direct costs	(6,807.5)	(5,798.0)	(9,173.2)	(7,640.9)
Selling, general, administrative and other expenses	(1,032.0)	(1,405.8)	(2,021.1)	(1,062.6)
Cars depreciation	(473.0)	(255.1)	(1,754.3)	(2,314.2)
Other assets depreciation and amortization	(193.4)	(218.4)	(305.4)	(194.5)
Total costs and expenses	(8,505.9)	(7,677.3)	(13,254.0)	(11,212.2)
Income before financial results and taxes (EBIT)	1,801.7	3,224.0	4,529.4	2,459.9
EQUITY EQUIVALENCE RESULT	-	-	0.1	-
FINANCIAL EXPENSES, NET	(374.4)	(320.9)	(2,110.6)	(2,167.2)
Income before taxes	1,427.3	2,903.1	2,418.9	292.7
INCOME TAX AND SOCIAL CONTRIBUTION	(379.1)	(859.4)	(577.8)	140.1
Net income	1,048.2	2,043.7	1,841.1	432.8

20 – Statements of cash flows – R\$ million

CONSOLIDATED CASH FLOW	2020	2021	2022	1Q23
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	1,048.2	2,043.7	1,841.2	432.8
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:				
Depreciation and amortization	666.4	473.5	2,063.6	2,508.5
Net book value of vehicles written off	(509.3)	(962.0)	(1,748.3)	(983.1)
Adjustment to the recoverable value of assets	-	-	-	153.3
Deferred income tax and social contribution	67.4	735.4	484.9	(304.2)
Interest on loans, financing, debentures and swaps of fixed rates	423.7	502.3	2,898.6	2,508.5
Lease interest	59.6	61.8	76.3	48.2
Outros	9.3	73.8	18.7	235.5
(Increase) decrease in assets:				
Trade receivable	118.8	(248.1)	(827.9)	(351.3)
Purchases of cars (see supplemental disclosure below)	(6,513.3)	(7,366.9)	(18,621.0)	(11,149.1)
Escrow deposits	0.9	(8.1)	(6.8)	(6.7)
Taxes recoverable	11.5	(266.9)	(187.7)	(242.3)
Prepaid expenses	(7.9)	(11.6)	92.2	(272.6)
Other assets	(44.7)	85.1	(475.4)	(152.0)
Increase (decrease) in liabilities:				
Accounts payable (except car manufacturers)	84.2	109.3	230.9	(16.4)
Social and labor obligations	56.5	57.7	(18.0)	(43.0)
Income tax and social contribution	311.7	124.0	92.8	164.0
Amount received for disposal of investment	-	-	-	306.9
Insurance premium	20.8	(93.2)	50.9	32.8
Other liabilities	13.4	(71.3)	271.8	(188.7)
Cash provided by (used in) operating activities	(4,182.8)	(4,761.5)	(13,763.2)	(7,318.9)
Revenue from the sale of decommissioned cars, net of taxes	6,109.2	5,308.0	7,833.6	6,618.5
Income tax and social contribution paid	(250.1)	(307.1)	(83.4)	(32.2)
Interest on loans, financing and debentures paid	(366.9)	(372.9)	(2,349.3)	(2,330.7)
Payment of interest on credit assignment by suppliers	-	-	(6.2)	(2.7)
Lease interest paid	(56.8)	(49.7)	(61.5)	(42.0)
Financial assets	(769.4)	(3,188.2)	(396.6)	(2,418.0)
Net cash provided by (used in) operating activities	483.2	(3,371.4)	(8,826.6)	(5,526.0)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of investment, goodwill and fair value surplus	(7.9)	(3.6)	(11.5)	(4.3)
Additions to property and equipment and intangible, net	(108.0)	(143.4)	(352.8)	(161.9)
Acquisition of vehicles for resale	-	-	(86.3)	-
Purchases of other property and equipment and addition of intangible assets	-	-	1,752.5	-
Cash received on sale of asset held for sale	-	-	3,220.5	-
Amount received for disposal of investment	-	-	-	-
Net cash provided by (used in) investing activities	(115.9)	(147.0)	4,522.4	(166.2)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Loans and financings:				
Proceeds	1,250.2	3,098.0	1,289.4	3,613.3
Repayment	(15.0)	(1,395.8)	(820.2)	(1,414.8)
Debentures				
Proceeds	988.6	498.1	9,051.2	2,408.4
Repayment	(1,660.8)	(383.1)	(728.6)	(1,134.5)
Lease liability:				
Repayment	(119.2)	(144.0)	(187.3)	(114.1)
Capital payment - with subscription of shares	-	-	116.2	4,786.4
Payment of suppliers' assignment of credit rights	-	-	(1,649.8)	-
Amortization of assignment of credit rights	-	-	-	(73.0)
Other comprehensive results	-	-	(0.3)	(7.8)
Mutual with third parties	-	-	(270.0)	-
Treasury shares (acquired)/ sold	(180.5)	4.4	4.6	-
Exercise of stock options with treasury shares, net	4.8	(1.3)	2.5	(2.2)
Dividends paid	-	(18.1)	(631.2)	-
Interest on own capital	(269.1)	(282.1)	(725.9)	(628.7)
Net cash provided by (used in) financing activities	(1.0)	1,376.1	5,450.6	7,433.0
NET CASH FLOW PROVIDED (USED) IN THE YEAR	366.3	(2,142.3)	1,146.4	1,740.8
CASH AND EQUIVALENTS:				
At the beginning of the period	2,220.1	2,586.4	444.1	1,505.6
At the end of the period	2,586.4	444.1	1,505.6	3,246.4
At the end of the period - held for sale	-	-	84.9	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	366.3	(2,142.3)	1,146.4	1,740.8
Supplemental disclosure of cash flow information:				
Cash paid during the period for cars acquisition				
Cars acquisition in the year/period - renew al	(5,524.1)	(6,366.9)	(9,317.0)	(9,610.8)
Cars acquisition in the year/period - growth	-	(1,289.0)	(13,222.0)	-
Suppliers - automakers:				
Balance at the end of the year	1,418.3	1,707.4	5,625.3	4,087.0
Balance at the beginning of the year	(2,407.5)	(1,418.4)	(1,707.4)	(5,625.3)
Cash paid for cars purchased	(6,513.3)	(7,366.9)	(18,621.0)	(11,149.1)

21 – Glossary and other information

- **Adjusted Results:** Refers to the adjusted result of expenses specifically related to the integration process with Locamerica and the carve-out of the Car Rental and Used Cars assets that were sold.
- **Average Rented Fleet:** In the car rental division it is the number of daily rentals in the period divided by the number of days in the period. In the Fleet Rental is the actual number of cars rented.
- **Backlog:** Number of cars contracted and not yet implemented.
- **Business combination one-offs:** refers to expenses specifically related to the integration process with Locamerica and the carve-out of the Car Rental and Used Cars assets that were sold.
- **CAGR:** Compounded annual growth rate.
- **CAPEX:** Capital expenditure.
- **Carrying Cost of Cash:** Consists of the cost to maintain minimum cash position. This is the difference between the average rate of fundraising and the average rate of investment.
- **Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of the selling expenses. The amount to be depreciated is the positive difference between the acquisition price of the vehicle and its estimated residual value. Depreciation is calculated as long as the assets' estimated residual value does not exceed its accounting value. Depreciation is recognized during the estimated life cycle of each asset. In the Car Rental and Fleet Rental divisions, depreciation method used is linear. The residual value is the estimated sale price net of the estimated selling expense.
 - **Depreciated cost of used cars sales (book value):** Consists of the acquisition value of vehicles, depreciated up to the date of sale.
- **EBITDA:** is the net income of the period, added by the income tax, net financial expenses, depreciation, amortization, and exhaustions, as defined by CVM instruction 156/22.
- **EBITDA Margin:** EBITDA divided by the net revenues.
- **EBIT:** is the net income of the period added by the income tax and net financial expense.
- **EBIT Margin:** EBIT divided by the rental net revenue.
- **IFRS 16:** As of January 1, 2019, all companies had to adapt to the new rules of IFRS 16. Lessees now have to recognize the assets of the rights over leased assets and the liabilities of future payments for medium or long-term leases, including operating leases. The major impact we had was on the real estate lease agreements of our locations and stores.
- **LTM:** Last twelve months
- **MTM:** Mark-to-market of debt and swaps.
- **Net debt:** Short and long-term debts +/- the results from the swap operations, net of the cash, cash equivalents and short-term financial investments. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.
- **Net Investment in cars:** Capital investment in cars acquisition, net of the revenues from selling decommissioned cars.
- **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.
- **One-time costs (OTC):** non-recurring costs and expenses related to business combinations and acquisitions.
- **Proforma Results:** It refers to the historical result prepared in a proforma manner to simulate a scenario in which Localiza and Locamerica were already combined and reporting their results on a consolidated basis since 01/01/21, using the same accounting criteria.
- **ROIC:** Return on invested capital).
- **Royalties and integration fee:** Amount calculated on the amounts charged in the rental contracts, for the use of the brand and transfer of know-how, in addition to the fees related to the marketing campaigns conducted by Localiza Franchising; and amount paid by the franchisee shortly after signing the adhesion contract, corresponding to the concession to use the brand.
- **Swap:** financial transactions carried out made to protect risks associated with FX and basic interest rate variation.
- **Utilization Rate:** it is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.

22 – 2Q23 Webinar

Date: Tuesday, August 15, 2023.

Portuguese Webinar (with simultaneous translation to English):

12pm (BRT) | 11am (EDT) | 3pm (BST)

Register on this link:

[Register here](#)

Replay available at ri.localiza.com after the event.

To access the results, please visit [Results Center](#).

For further investor relations information, please visit the investor relations section of the website at ri.localiza.com.

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This release contains summarized information, with no intention of being complete and must not be considered by shareholders or potential investors as an investment recommendation. Information on Localiza, its activities, its economic and financial situation and the inherent risks associated with its usiness, as well its financial statements, can be obtained from Localiza's website (ri.localiza.com).

LOCALIZA RENT A CAR S.A.

BALANCE SHEET
(in BRL thousand)**ASSETS**

	Note	Individual		Consolidated	
		06/30/23	12/31/22	06/30/23	12/31/22
Current assets					
Cash and cash equivalents	5	2,586,269	734,719	3,246,436	1,505,623
Short-term investments	6	5,069,769	2,718,619	6,483,921	4,053,777
Trade receivables	7	1,561,223	1,470,012	2,747,145	2,480,213
Dividends receivable	10.3.1(b)	200,522	146,706	45	45
Decommissioned vehicles for fleet renewal	12(b)	1,181,206	1,118,903	2,610,983	1,976,087
Derivative financial instruments	4.1	-	111,456	109,179	283,047
Receivables for the sale of investments	10.2.1(a)	-	-	317,712	588,761
Recoverable taxes	8	264,061	145,993	482,113	312,465
Other current assets	9	443,169	193,893	767,370	415,164
Total current assets		11,306,219	6,640,301	16,764,904	11,615,182
Non-current assets					
Long-term assets:					
Short-term investments	6	1,273,548	1,259,516	1,337,791	1,349,938
(-) Adjusted to present value	6	(381,813)	(423,008)	(381,813)	(423,008)
Trade receivables	7	-	-	10,695	9,791
Derivative financial instruments	4.1	171,653	89,884	382,816	365,599
Escrow deposits	20(b)	102,258	95,304	230,294	220,550
Deferred income tax and social contribution	21(a)	-	-	15,349	22,965
Recoverable taxes	8	330,431	344,165	639,783	567,168
Other non-current assets	9	2,227	1,987	66,301	65,121
Total long-term assets:		1,498,304	1,367,848	2,301,216	2,178,124
Investments	10	16,739,235	15,587,759	1,092	1,171
Property and equipment	12(a)	20,057,681	20,843,949	44,041,542	43,020,498
Intangible assets	13	114,719	86,774	8,847,108	8,837,042
Total non-current assets		38,409,939	37,886,330	55,190,958	54,036,835
Total assets		49,716,158	44,526,631	71,955,862	65,652,017

LOCALIZA RENT A CAR S.A.

BALANCE SHEET
(in BRL thousand)**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Individual		Consolidated	
		06/30/23	12/31/22	06/30/23	12/31/22
Current liabilities					
Suppliers	14	2,391,463	4,071,439	4,623,034	6,177,751
Social and labor obligations	15	267,069	220,488	395,438	333,671
Assignment of credit rights	16	-	-	118,333	141,797
Loans, financing, and debt securities	17	3,234,928	1,290,858	6,815,255	3,353,510
Derivative financial instruments	4.1	125,367	38,143	402,984	137,350
Lease liability	18	216,583	184,264	222,755	185,227
Payable income tax and social contribution		-	-	29,357	11,675
Dividends and interest on equity	22(d)	313,237	320,386	313,237	320,386
Other current liabilities	19	486,559	447,715	600,827	575,439
Total current liabilities		7,035,206	6,573,293	13,521,220	11,236,806
Non-current liabilities					
Assignment of credit rights	16	-	-	84,816	134,234
Loans, financing, and debt securities	17	16,229,950	15,333,989	30,036,307	29,917,603
Derivative financial instruments	4.1	9,790	86,549	202,647	260,133
Lease liability	18	1,060,974	968,594	847,610	727,272
Provisions for risks	20(a)	143,045	133,807	614,618	672,568
Deferred income tax and social contribution	21(a)	311,207	832,227	1,622,847	2,010,851
Other non-current liabilities	19	45,788	38,976	136,149	121,945
Total non-current liabilities		17,800,754	17,394,142	33,544,994	33,844,606
Total liabilities		24,835,960	23,967,435	47,066,214	45,081,412
Shareholders' equity					
	22				
Share Capital		17,012,361	12,150,698	17,012,361	12,150,698
Share issuance expenses		(118,326)	(43,111)	(118,326)	(43,111)
Treasury shares		(137,952)	(144,557)	(137,952)	(144,557)
Capital reserves		4,116,030	4,089,082	4,116,030	4,089,082
Retained earnings		4,219,772	4,516,260	4,219,772	4,516,260
Equity valuation adjustment		(211,687)	(9,176)	(211,687)	(9,176)
		24,880,198	20,559,196	24,880,198	20,559,196
Participation of non-controlling shareholders		-	-	9,450	11,409
Total shareholders' equity		24,880,198	20,559,196	24,889,648	20,570,605
Total liabilities and shareholders' equity		49,716,158	44,526,631	71,955,862	65,652,017

(A free translation of the original in Portuguese)

ITR - Interim Financial Information - 06/30/2023 – LOCALIZA RENT A CAR S.A.

Version: 1

LOCALIZA RENT A CAR S.A.

STATEMENT OF INCOME
PERIODS OF THREE AND SIX MONTHS ENDED JUNE 30
(In BRL thousand, except net income per share)

	Note	Individual		Consolidated		Individual		Consolidated	
		2Q23	2Q22	2Q23	2Q22	1H23	1H22	1H23	1H22
Net revenues	25	4,205,065	2,429,809	6,846,159	3,049,431	8,508,164	4,570,461	13,671,827	5,761,083
Costs	26	(3,684,147)	(1,509,214)	(5,391,332)	(1,788,398)	(7,001,743)	(2,706,431)	(10,075,561)	(3,225,032)
Gross profit		520,918	920,595	1,454,827	1,261,033	1,506,421	1,864,030	3,596,266	2,536,051
Operating income (expenses):									
Selling	26	(311,244)	(208,424)	(439,077)	(253,686)	(579,073)	(391,123)	(814,420)	(473,236)
General, administrative, and other expenses	26	(101,841)	(87,867)	(195,407)	(114,850)	(201,304)	(170,792)	(321,859)	(218,351)
Equity in results of investees	10.3	72,126	157,505	(19)	-	381,668	316,812	(79)	-
		(340,959)	(138,786)	(634,503)	(368,536)	(398,709)	(245,103)	(1,136,358)	(691,587)
Profit before financial income and expenses		179,959	781,809	820,324	892,497	1,107,712	1,618,927	2,459,908	1,844,464
Financial income	27	152,185	133,944	236,984	205,967	273,506	231,007	462,107	334,264
Financial expenses	27	(700,633)	(364,317)	(1,334,286)	(472,279)	(1,379,853)	(648,229)	(2,629,362)	(827,526)
Financial income	27	(548,448)	(230,373)	(1,097,302)	(266,312)	(1,106,347)	(417,222)	(2,167,255)	(493,262)
Profit (loss) before income tax and social contribution		(368,489)	551,436	(276,978)	626,185	1,365	1,201,705	292,653	1,351,202
Income tax and social contribution:	21(b)								
Current		47,618	-	16,393	(19,579)	(89,735)	-	(164,038)	(50,048)
Deferred		232,802	(94,108)	171,814	(149,892)	523,107	(226,954)	304,163	(327,017)
		280,420	(94,108)	188,207	(169,471)	433,372	(226,954)	140,125	(377,065)
Net income (loss) for the period		(88,069)	457,328	(88,771)	456,714	434,737	974,751	432,778	974,137
Attributable to the shareholders of the Company		(88,069)	457,328	(88,069)	457,328	434,737	974,751	434,737	974,751
Attributable to non-controlling shareholders		-	-	(702)	(614)	-	-	(1,959)	(614)
Earnings per share (in BRL):	23								
Basic		(0.08954)	0.60793	-	-	0.44224	1.29582	-	-
Diluted		(0.08901)	0.60366	-	-	0.43958	1.28670	-	-

Management's explanatory notes are an integral part of the interim financial information.

(A free translation of the original in Portuguese)

ITR - Interim Financial Information - 06/30/2023 – LOCALIZA RENT A CAR S.A.

Version: 1

LOCALIZA RENT A CAR S.A.

STATEMENT OF COMPREHENSIVE INCOME
PERIODS OF THREE AND SIX MONTHS ENDED JUNE 30
(in BRL thousand)

	Individual		Consolidated		Individual		Consolidated	
	2Q23	2Q22	2Q23	2Q22	1H23	1H22	1H23	1H22
Net income (loss) for the period	(88,069)	457,328	(88,771)	456,714	434,737	974,751	432,778	974,137
Other comprehensive income								
Fair value gain (loss) on financial liabilities designated at fair value through profit or loss attributable to changes in credit risk	8,884	6,537	11,070	6,362	(1,777)	6,377	(3,643)	6,377
Income tax and social contribution related to items that will not be subsequently reclassified to income	(3,020)	(2,222)	(3,764)	(2,162)	604	(2,168)	1,238	(2,168)
Cumulative translation adjustments - investees abroad	-	-	(5,658)	-	-	-	(7,769)	-
Share of comprehensive income of subsidiaries	(134,169)	(115)	-	-	(201,338)	-	-	-
Cash flow hedges	-	-	(196,899)	-	-	-	(291,420)	-
Income tax and social contribution on cash flow hedges	-	-	66,946	-	-	-	99,083	-
Other comprehensive income (loss) for the period, net of taxes	(128,305)	4,200	(128,305)	4,200	(202,511)	4,209	(202,511)	4,209
Total comprehensive income for the period	(216,374)	461,528	(217,076)	460,914	232,226	978,960	230,267	978,346
Attributable to the shareholders of the Company:	-	-	(216,374)	461,528	-	-	232,226	978,960
Attributable to non-controlling shareholders	-	-	(702)	(614)	-	-	(1,959)	(614)

Management's explanatory notes are an integral part of the interim financial information.

(A free translation of the original in Portuguese)

ITR - Interim Financial Information - 06/30/2023 – LOCALIZA RENT A CAR S.A.

Version: 1

LOCALIZA RENT A CAR S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

PERIODS OF SIX MONTHS ENDED JUNE 30

(in BRL thousand, unless otherwise stated)

	Share Capital			Capital reserves			Retained earnings			Other compr. income	Total	Non- controlling shareholder	Total shareholders' equity	
	Note	Share Capital	Share issuance expenses	Treasury shares	Capital reserves	Stock options granted	Premium on share subscript.	Legal reserve	Statutory reserve					Retained earnings
As of December 31, 2021		4,000,000	(43,111)	(162,074)	-	89,464	113,500	375,157	3,243,273	-	881	7,617,090	-	7,617,090
Comprehensive income for the period														
Net income for the period		-	-	-	-	-	-	-	-	974,751	-	974,751	(614)	974,137
Other comprehensive income		-	-	-	-	-	-	-	-	-	4,209	4,209	-	4,209
Shareholder contributions and distributions														
Stock options granted and recognized		-	-	-	-	25,173	-	-	-	-	-	25,173	-	25,173
Interest on equity distribution	22(d)	-	-	-	-	-	-	-	-	(241,951)	-	(241,951)	-	(241,951)
Long-term incentive programs - treasury shares		-	-	2,073	-	(2,166)	347	-	-	-	-	254	-	254
Treasury shares sold		-	-	1,084	-	-	1,138	-	-	-	-	2,222	-	2,222
Acquisition of shares in Voll with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	7,008	7,008
Balances on June 30, 2022		4,000,000	(43,111)	(158,917)	-	112,471	114,985	375,157	3,243,273	732,800	5,090	8,381,748	6,394	8,388,142
As of December 31, 2022		12,150,698	(43,111)	(144,557)	3,827,562	145,394	116,126	467,372	4,048,888	-	(9,176)	20,559,196	11,409	20,570,605
Comprehensive income for the period														
Net income for the period		-	-	-	-	-	-	-	-	434,737	-	434,737	(1,959)	432,778
Cash flow hedge, net of taxes		-	-	-	-	-	-	-	-	-	(192,337)	(192,337)	-	(192,337)
Other comprehensive income		-	-	-	-	-	-	-	-	-	(2,405)	(2,405)	-	(2,405)
Cumulative translation adjustments - investees abroad	10.3	-	-	-	-	-	-	-	-	-	(7,769)	(7,769)	-	(7,769)
Shareholder contributions and distributions														
Stock options granted and recognized		-	-	-	-	35,748	-	-	-	-	-	35,748	-	35,748
Long-term incentive programs - treasury shares		-	-	6,605	-	(14,533)	5,733	-	-	-	-	(2,195)	-	(2,195)
Capital increase - issuance of shares	22(a)	4,861,663	-	-	-	-	-	-	-	-	-	4,861,663	-	4,861,663
Share issuance expenses, net of tax effects		-	(75,215)	-	-	-	-	-	-	-	-	(75,215)	-	(75,215)
Interest on equity distribution	22 (d)	-	-	-	-	-	-	-	-	(731,225)	-	(731,225)	-	(731,225)
Balances on June 30, 2023		17,012,361	(118,326)	(137,952)	3,827,562	166,609	121,859	467,372	4,048,888	(296,488)	(211,687)	24,880,198	9,450	24,889,648

Management's explanatory notes are an integral part of the interim financial information.

LOCALIZA RENT A CAR S.A.

STATEMENT OF CASH FLOWS

PERIODS OF SIX MONTHS ENDED JUNE 30

(in BRL thousand)

	Note	Individual		Consolidated	
		1H23	1H22	1H23	1H22
Cash flow from operating activities:					
Net income for the period		434,737	974,751	432,778	974,137
Adjustments to reconcile net income to cash from operating activities:					
Depreciation and amortization	26	1,359,756	365,740	2,508,497	411,662
Adjustment to the recoverable value of assets	26	89,771	-	153,258	-
(Gain) on the sale or write-off of decommissioned vehicles		(480,934)	(432,497)	(983,058)	(604,759)
Deferred income tax and social contribution	21(b)	(523,107)	226,954	(304,163)	327,017
Equity in results of investees	10.3	(381,668)	(316,812)	79	-
Provisions for risks	20(a)	9,238	(25,110)	(57,950)	(26,942)
Accrued interest on loans, financing, debentures and derivatives	4 and 17	1,287,458	601,366	2,508,467	788,482
Lease interest accrued	18	58,878	47,157	48,203	34,642
Allowance for doubtful debts and expected losses	7	46,636	(19,308)	79,248	(17,053)
Provision for profit sharing	26	68,591	52,557	104,743	66,205
Other provisions		(7,768)	3,821	109,196	4,272
Changes in assets and liabilities:					
Trade receivables		(141,370)	(26,071)	(351,250)	(76,411)
Revenue from the sale of decommissioned vehicles, net of taxes	25	4,486,696	1,898,199	6,618,454	2,388,593
Acquisition of vehicles, net of payable to vehicle suppliers		(6,090,402)	(3,419,743)	(11,149,094)	(4,596,736)
Receivables for the sale of investments	10.2	-	-	306,885	-
Escrow deposits		(8,968)	3,487	(6,692)	1,391
Recoverable taxes	8	(104,334)	(4,756)	(242,263)	(50,893)
Prepaid expenses and property tax on motor vehicles - IPVA	9	(130,256)	(87,645)	(272,561)	(115,729)
Other assets		(106,515)	15,309	(152,127)	(43,377)
Suppliers (except automakers) and right-of-use lease	14 and 18	(54,632)	(13,531)	(16,382)	(12,911)
Social and labor obligations		(22,010)	(84,183)	(42,976)	(96,277)
Income tax and social contribution		89,735	-	164,038	50,048
Insurance premiums		32,845	18,782	32,845	19,226
Other liabilities		(200,582)	(30,936)	(188,773)	16,930
Cash used in operating activities		(288,205)	(252,469)	(700,598)	(558,483)
Income tax and social contribution paid		-	135	(32,166)	(39,948)
Interest on loans, financing, debt securities and derivatives paid	17 and 4.1	(1,121,505)	(433,011)	(2,330,668)	(557,015)
Payment of interest on credit granted by suppliers		-	-	(2,719)	-
Lease interest paid	18	(33,559)	(23,782)	(41,968)	(23,817)
Short-term investments	6	(2,365,182)	(51,847)	(2,417,997)	(1,193,183)
Net cash used in operating activities		(3,808,451)	(760,974)	(5,526,116)	(2,372,446)
Cash flow from investing activities:					
Purchase of other property and equipment	12(a)	(56,620)	(37,653)	(116,753)	(49,845)
Purchase of intangible assets	13	(36,717)	(27,188)	(45,078)	(30,433)
Capital increase in subsidiaries	10.3	(1,014,000)	(100,000)	-	-
Investment write-off		136	-	-	-
Acquisition of subsidiary, net of acquired cash		-	-	-	(7,708)
Company acquisition payment		-	-	(4,255)	(3,792)

LOCALIZA RENT A CAR S.A.

CASH FLOW STATEMENT

PERIODS OF SIX MONTHS ENDED JUNE 30

(in BRL thousand)

	Note	Individual		Consolidated	
		1H23	1H22	1H23	1H22
Net cash generated by (used in) investing activities		(1,107,201)	(164,841)	(166,086)	(91,778)
Cash flow from financing activities:					
Loans, financing, and debt securities:	17				
- Funding, net of funding costs		3,758,062	2,778,448	6,021,699	4,498,530
- Amortization		(1,045,609)	(1,216,007)	(2,549,313)	(1,221,189)
Amortization of lease liabilities	18	(100,811)	(78,493)	(114,158)	(78,758)
Amortization of assignment of credit rights		-	-	(73,004)	-
Treasury shares sold		-	2,222	-	2,222
Exercise of stock options and treasury shares, net		(2,195)	254	(2,195)	254
Other comprehensive income		-	-	(7,769)	-
Interest on equity paid		(628,693)	(207,500)	(628,693)	(207,500)
Dividends paid		-	(206,200)	-	(206,200)
Capital payment with share subscription	22(a)	4,786,448	-	4,786,448	-
Net cash generated by financing activities		6,767,202	1,072,724	7,433,015	2,787,359
Increase in cash and cash equivalents, net		1,851,550	146,909	1,740,813	323,135
Balance of cash and cash equivalents:	5				
At the beginning of the period		734,719	289,103	1,505,623	444,139
At the end of the period		2,586,269	436,012	3,246,436	767,274
Increase in cash and cash equivalents, net		1,851,550	146,909	1,740,813	323,135

LOCALIZA RENT A CAR S.A.

STATEMENT OF VALUE ADDED

PERIODS OF SIX MONTHS ENDED JUNE 30

(in BRL thousand)

	Note	Individual		Consolidated	
		1H23	1H22	1H23	1H22
Revenues:					
Gross revenues net of discounts	25	8,916,614	4,841,080	14,404,596	6,115,499
Revenues from the construction of own assets		70,236	43,251	78,051	46,496
ECLs	7	(46,360)	19,308	(79,248)	17,053
Other revenues		-	-	(20,152)	-
Total revenues		8,940,490	4,903,639	14,383,247	6,179,048
Costs and expenses acquired from third parties:					
Materials, power, third-party services and other		(405,067)	(337,560)	(466,096)	(382,394)
Vehicle and fleet rental costs and residual value of written-off vehicles		(5,398,736)	(2,237,614)	(7,082,958)	(2,702,093)
Total costs and expenses acquired from third parties:		(5,803,803)	(2,575,174)	(7,549,054)	(3,084,487)
Gross value added		3,136,687	2,328,465	6,834,193	3,094,561
Depreciation and amortization	26	(1,359,756)	(365,740)	(2,508,876)	(411,662)
Adjustment to the recoverable value of assets		(89,771)	-	(153,257)	-
Net value added generated		1,687,160	1,962,725	4,172,060	2,682,899
Value added received in transfers:					
Financial income		273,506	231,007	486,107	334,264
Equity in results of investees	10.3	381,668	316,812	(79)	-
Value added distribution		2,342,334	2,510,544	4,658,088	3,017,163
Value added distribution					
Personnel					
- Direct compensation		429,171	329,575	660,885	408,740
- Benefits		113,461	84,396	157,811	97,862
- FGTS		28,904	25,804	43,073	31,145
- Other		22,822	25,173	39,784	25,173
Taxes, fees, and contributions					
- Federal		(337,784)	267,701	216,619	449,088
- State		159,614	80,387	329,281	109,412
- Municipal		22,963	12,607	39,349	19,408
Remuneration of third-party capital					
- Interest		1,379,853	648,229	2,629,362	827,526
- Real estate lease	26	64,504	40,418	82,624	50,850
- Other leases		24,089	21,503	26,522	23,822
Return on equity					
- Interest on equity	22(d)	731,225	241,951	731,225	241,951
- Retained earnings (loss) for the period		(296,488)	732,800	(296,488)	732,800
- Attributable to non-controlling shareholders		-	-	(1,959)	(614)
Value added distributed and retained		2,342,334	2,510,544	4,658,088	3,017,163

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2023
(in BRL thousand, unless otherwise stated)

1. OPERATIONS

Localiza Rent a Car S.A. ("Localiza", "Company", or "Parent Company"), with registered address at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, State of Minas Gerais, became a Brazilian publicly-held corporation in May 2005, listed on B3 S.A. - Brasil, Bolsa, Balcão ("B3") Novo Mercado segment, the highest corporate governance level in the Brazilian capital market. Localiza's shares are traded under the ticker symbol RENT3.

The main activities of Localiza and its subsidiaries ("Platform") are car rental, which includes the granting of franchises and fleet rental. To renew the fleet while maximizing cash generation, Localiza and its direct and indirect subsidiaries sell their decommissioned vehicles.

As of June 30, 2023, the Platform, including its franchisees in Brazil and abroad, comprised of 697 car rental locations (not within the scope of the review of the independent auditors), of which: (i) 612 locations in 367 cities in Brazil, 526 of which were operated by Localiza and 86 by franchisees; and (ii) 85 locations in 45 cities in five other South American countries, all operated by franchisees abroad. In addition to its network of locations, the Platform has 195 points of sale distributed in 96 cities across the country for its own vehicles, which are decommissioned at the end of rental lives.

This individual and consolidated interim financial information was approved and authorized for disclosure by the Executive Board and the Board of Directors on August 14, 2023.

1.1 Macroeconomic Scenario

Uncertainties in Brazil around the tax environment increased the perceived macroeconomic risk, being reflected in a tighter credit market. Management believes that the more restrictive credit environment, higher car prices - notwithstanding the impacts of Provisional Measure 1,175/2023 (Note 1.2) - and higher interest rates tend to impact the appetite for growth of smaller players, thus generating market share gain opportunities for the Platform. As the macroeconomic scenario begins to show signs of improvement in the medium and long term, reflected in the fall in the future interest rate curve, this should boost consumption and accelerate economic growth.

1.2 Provisional Measure No. 1,175/2023 - Incentives granted to the Automotive Industry

On June 5, 2023, the Federal Government announced, through Provisional Measure No. 1,175/2023, a program that granted incentives to the automotive industry to boost demand for cars by granting discounts, from BRL 2 to BRL 8, initially aimed at individuals, for cars priced up to BRL 120, financed by tax credits granted to automakers. The sharp fall in the prices of new cars also affected the pre-owned car market. This has required adjustments to be made to reduce prices charged for the sale of decommissioned cars.

This generated a negative impact of BRL 457,229 and BRL 631,427, in Individual and Consolidated, respectively, before taxes, in the 2Q23. The effects were BRL 367,458 and BRL 478,169 for additional fleet depreciation, in the Individual and Consolidated, respectively, and BRL 89,771 and BRL 153,258 as an adjustment to the recoverable value of vehicles decommissioned for fleet renewal, Individual and Consolidated, respectively. This effect represents approximately 1.5% of the value of the fleet at the end of 2Q23.

The main factors considered in the analyzes were:

- Magnitude of changes in prices in the market: only from the discount directly associated with the benefit granted by Provisional Measure 1,175/2023, but also from the reduction in prices offered by automakers and dealerships. The prices of cars not directly covered by the program were also reduced, as recently announced in the media;
- Estimated duration of reduced prices in the market: may extend beyond the incentive period (initially limited to four months), based on experiences of similar events in the past;

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2023
(in BRL thousand, unless otherwise stated)

- Part of the fleet affected by the measure: Cars decommissioned and available for sale, cars under preparation, and expected sales and decommissioning for the period in which prices tend to be impacted; and
- Book value of cars: Residual value of these vehicles in relation to the new expected selling price.

Cash was positively impacted by lower investment in renewal and growth, with the purchase of cars at reduced prices.

2. BASIS OF PREPARATION, PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS, AND SUMMARY OF MAJOR ACCOUNTING POLICIES

The Company's interim financial information, which comprises the individual parent company and consolidated interim financial information, identified as "Individual" and "Consolidated", was prepared and is presented in accordance with technical pronouncement CPC 21 (R1) - Interim Statement, issued by the Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and with the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

The individual interim financial information presents the assessment of investments in subsidiaries by the equity method, in accordance with the accounting practices adopted in Brazil and by the International Financial Reporting Standards ("IFRS").

The information regarding the preparation and presentation bases of the interim financial information and the summary of the main accounting practices did not change significantly in relation to those disclosed in Note 2 and in the other explanatory notes of the annual financial statements as at and for the year ended December 31, 2022 (hereinafter referred to as "December 31, 2022 financial statements"), posted on March 14, 2023 on www.gov.br/cvm, www.b3.com.br and www.localiza.com/ri, and published on March 21, 2023 in the Diário do Comércio de Minas Gerais and in its digital edition, on the same date. This information should therefore be read together with the annual financial statements.

As of July 1, 2022, the Individual and Consolidated financial information includes the financial information of Companhia de Locação das Américas ("Locamerica"), whose control was acquired on that date.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND THEIR INTERPRETATION

3.1 Recently issued accounting standards and their interpretation adopted by the Company in the current period

- **Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies:** in February 2021, IASB issued a new amendment to IAS 1 on disclosures of "material" rather than "significant" accounting policies. The amendments define what is "material accounting policy information" and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, it should not obscure material accounting information. To support this change, IASB has also amended "IFRS Practice Statement 2 Making Materiality Judgements" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment has been effective since January 1, 2023.
- **Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** the amendment issued in February 2021 clarifies how entities should make a distinction between changes in accounting policies and changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, and changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. This amendment has been effective since January 1, 2023.

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2023
(in BRL thousand, unless otherwise stated)

- **Amendment to IAS 12 - Income Taxes:** the amendment issued in May 2021 requires that entities recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, as an example, and will require the recognition of additional deferred tax assets and liabilities. This amendment has been effective since January 1, 2023.

These changes did not have a material impact on the Company's interim financial statements.

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

The following changes to IFRS were issued by the IASB, but were not effective for the period of this interim financial information. The early adoption of the standards, although encouraged by IASB, is not permitted by the CPC in Brazil.

- **Amendment to IAS 1 "Presentation of Financial Statements":** in accordance with IAS 1 - "*Presentation of financial statements*", for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid settling the liabilities for at least twelve months from the balance sheet date. In January 2020, the IASB issued amendment to IAS 1 "*Classification of liabilities as current or non-current*", whose application date was for years starting from January 1, 2023, which determined that the entity would not have the right to avoid the settlement of a liability for at least twelve months, if, on the balance sheet date, it had not complied with indices provided for in restrictive clauses (e.g.: covenants), even if the contractual measurement of the covenant was only required after the balance sheet date within twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities that contain restrictive contractual clauses requiring the achievement of indexes under covenants only after the balance sheet date, do not affect the classification as current or non-current. Only covenants with which the entity is required to comply by the balance sheet date affect the classification of the liability, even if measurement only takes place after that date.

The 2022 amendment introduces additional disclosure requirements that allow users of financial statements to understand the risk of the liability being settled within twelve months after the balance sheet date. The 2022 amendment changed the effective date of the 2020 amendment. Both amendments apply for years beginning on or after January 1, 2024.

- **Amendment to IFRS 16 - Lease liability in selling and leaseback:** In September 2022, the IASB published amendments to IFRS 16 that require the seller-lessee to determine lease payments or revised lease payments so that it does not recognize a gain or loss related to the retained right-of-use, after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee in connection with the partial or total termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 Policies, changes in accounting estimates, and errors in sale and leaseback transactions entered after the date of initial application (that is, from the beginning of the annual reporting period in which the entity first applied IFRS 16). The amendments are effective for annual periods beginning on or after January 1, 2024.

The Company is evaluating the changes and does not expect material impacts.

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2023
(in BRL thousand, unless otherwise stated)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Note	Individual		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Financial assets					
<u>Financial assets at amortized cost</u>					
Cash and cash equivalents	5	1,673,390	352,147	2,102,325	897,140
Short-term investments	6	889,621	833,508	895,419	838,953
Trade receivables	7	1,561,223	1,470,012	2,757,840	2,490,004
Receivables from insurance company	9	237,157	133,876	240,657	135,589
Other receivables from related parties	9	15,528	11,784	-	-
Investments in restricted accounts	9	-	-	54,572	51,444
Other trade receivables		-	-	5,450	-
Receivables for the sale of investments	10.2.1 (a)	-	-	317,712	588,761
Escrow deposits	20(b)	102,258	95,304	230,294	220,550
<u>Financial liabilities at fair value through profit or loss</u>					
Cash and cash equivalents	5	912,879	382,572	1,144,111	608,483
Short-term investments	6	5,071,883	2,721,619	6,544,480	4,141,754
Derivative financial instruments	4.1	171,653	201,340	440,912	484,427
<u>Financial liabilities at fair value through other comprehensive income</u>					
Derivative financial instruments	4.1	-	-	51,083	164,219
Financial liabilities					
<u>Financial liabilities at amortized cost</u>					
Suppliers	14	(2,391,463)	(4,071,439)	(4,623,034)	(6,177,751)
Assignment of credit rights	16	-	-	(203,149)	(276,031)
Loans, financing, and debt securities	17	(16,949,186)	(15,078,415)	(31,105,138)	(29,391,819)
Lease liability	18	(1,277,557)	(1,152,858)	(1,070,365)	(912,499)
Payables to related parties	19	(2,737)	(2,797)	-	-
Insurance premiums for transfer	19	(135,875)	(103,030)	(136,441)	(104,372)
Restricted obligations	19	-	-	(55,069)	(52,086)
Other accounts payable		(17,924)	-	(18,332)	-
Amounts payable for the acquisition of companies	19	-	-	(23,580)	(26,327)
Dividends and interest on equity	22	(313,237)	(320,386)	(313,237)	(320,386)
<u>Financial liabilities at fair value through profit or loss</u>					
Loans, financing, and debt securities	17	(2,515,692)	(1,546,432)	(5,746,424)	(3,879,294)
Derivative financial instruments	4.1	(135,157)	(124,692)	(264,475)	(343,325)
<u>Financial liabilities at fair value through other comprehensive income</u>					
Derivative financial instruments	4.1	-	-	(341,156)	(54,158)

Risk Management

In the normal course of operations, the Company is exposed to the following risks related to its financial instruments: (i) market risk; (ii) credit risk; and (iii) liquidity risk.

(i) Market Risk

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

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On June 30, 2023, consolidated net debt amounted to BRL 25,897,050. Of this total, BRL 10,667,040, which bears fixed cost at an average rate of 11.44% p.a. is excluded being covered by swap transactions, changing the fixed rates for floating CDI rates. Thus, the net debt subject to the CDI fluctuation amounts to BRL 15,230,010.

The probable scenario for the next 12 months was estimate based on the Focus Bulletin issued by the Central Bank of Brazil, based on an average CDI rate of 11.67% against the effective annual rate of 13.65% as of June 30, 2023.

Description	Consolidated		
	Likely scenario	Scenario I - 25% deterioration	Scenario II - 50% deterioration
Net debt on June 30, 2023 (Note 4(b))	25,897,050	25,897,050	25,897,050
Debts at a fixed rate and amounts hedged with swap to a fixed rate	(10,667,040)	(10,667,040)	(10,667,040)
Net debt subject to the CDI fluctuation	15,230,010	15,230,010	15,230,010
Effective average annual CDI rate for the six-month period ended June 30, 2023	13.65%	13.65%	13.65%
Estimated average annual CDI rate, according to foreseen scenarios	11.67%	14.59%	17.51%
Effect on financial expenses subject to the CDI rate fluctuation:			
- As per the effective rate	(2,078,896)	(2,078,896)	(2,078,896)
- As per foreseen scenarios	(1,777,342)	(2,222,058)	(2,666,775)
Estimated increase (decrease) in financial expenses for the next 12 months	301,554	(143,162)	(587,879)

(ii) Credit Risk

The maximum exposure to the Company's credit risk, based on the net carrying amount of the respective financial assets, is as follows:

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Cash and cash equivalents:				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	2,586,269	734,719	3,246,436	1,505,623
Total cash and cash equivalents (Note 5)	2,586,269	734,719	3,246,436	1,505,623
Short-term investments:				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	5,961,504	3,555,127	7,439,899	4,980,707
Total short-term investments (Note 6)	5,961,504	3,555,127	7,439,899	4,980,707
Trade receivables:				
Trade receivables - customers	971,112	955,025	2,075,746	1,917,064
Trade receivables - credit cards:				
Aaa on Moody's scale	63,475	115,740	65,697	117,349
Sundry	526,636	399,247	616,397	455,591
Total trade receivables (Note 7)	1,561,223	1,470,012	2,757,840	2,490,004
Derivative financial instruments (assets):				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	171,653	201,340	491,995	648,646
Derivative financial instruments (assets)	171,653	201,340	491,995	648,646
Receivables from insurance company (Note 9)	237,157	133,876	240,657	135,589
Receivables for the sale of investments (Note 10.2.1(a))	-	-	317,712	658,388
Escrow deposits (Note 20(b))	102,258	95,304	230,294	220,550
Total other financial assets	339,415	229,180	788,663	1,014,527
Total	10,620,064	6,190,378	14,724,833	10,639,507

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(iii) Liquidity risk

The Company and its subsidiaries manage liquidity through projected cash flows to ensure that operating cash generation and available funds when necessary, are sufficient to meet their commitments. The analysis of the maturities of undiscounted consolidated contractual cash flows of liability financial instruments, based on the interest rate contracted for each transaction and a CDI rate of 13.65% (according to B3), on June 30, 2023, is as follows:¹

	Individual					2028 and after	Total
	2023	2024	2025	2026	2027		
Suppliers	2,391,463	-	-	-	-	-	2,391,463
Debentures	853,392	3,454,355	2,694,833	3,774,078	3,362,806	6,248,458	20,387,922
Commercial note (*)	124,057	1,950,159	-	-	-	-	2,074,216
Working capital	1,102,328	159,245	45,239	317,433	-	-	1,624,245
Real Estate Receivables Certificate ("CRI")	72,200	145,175	145,421	144,894	422,963	893,157	1,823,810
Consortia	498	997	810	46	8	3	2,362
Loans in foreign currency	8,161	409,167	1,149,004	-	-	-	1,566,332
Derivative financial instruments	35,141	90,226	9,790	-	-	-	135,157
Lease liability	152,468	278,929	258,398	223,098	193,725	1,051,896	2,158,514
Interest on equity	313,237	-	-	-	-	-	313,237
Other financial liabilities (**)	138,612	-	-	-	-	-	138,612
Total	5,191,557	6,488,253	4,303,495	4,459,549	3,979,502	8,193,514	32,615,870

	Consolidated					2028 and after	Total
	2023	2024	2025	2026	2027		
Suppliers	4,623,034	-	-	-	-	-	4,623,034
Assignment of credit rights	76,066	105,472	52,284	16,537	80	-	250,439
Debentures	2,463,374	8,593,404	6,712,924	7,191,970	7,657,826	9,596,663	42,216,161
Commercial note	172,006	1,706,826	-	-	-	-	1,878,832
Working capital	1,112,449	289,614	45,724	317,600	156	405	1,765,948
Real Estate Receivables Certificate ("CRI")	128,938	203,506	206,663	207,945	488,027	1,212,770	2,447,849
Certificate of Agribusiness Receivables ("CRA")	29,149	57,734	57,481	57,333	56,971	709,651	968,319
Consortia	498	997	810	46	8	3	2,362
Loans in foreign currency	104,699	1,021,496	1,434,912	999,686	-	-	3,560,793
Derivative financial instruments	211,815	164,277	31,394	66,735	-	131,410	605,631
Lease liability	140,063	248,016	223,467	186,135	154,363	580,627	1,532,671
Interest on equity	313,237	-	-	-	-	-	313,237
Other financial liabilities (**)	136,441	264	59,827	-	-	18,558	215,090
Total	9,511,769	12,391,606	8,825,486	9,043,987	8,357,431	12,250,087	60,380,366

(*) On November 28, 2022, the Board of Directors approved the 1st issuance of commercial notes by Localiza in the amount of BRL 1,700,000 (Note 11). Part of the commercial notes issued by the Company were acquired by its subsidiary Locamerica in the amount of BRL 1,100,000.

(**) Refers to accounts payable to related parties and insurance premiums to be transferred (Note 19).

¹ https://www.b3.com.br/pt_br/market-data-e-indices/servicos-de-dados/market-data/consultas/mercado-de-derivativos/precos-referenciais/taxas-referenciais-bm-fbovespa/

Management's explanatory notes are an integral part of the interim financial information.

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Capital management

The table below shows the Company's debt ratios:

	Note	Consolidated	
		06/30/23	12/31/22
Short and long-term debt	17	36,851,562	33,271,113
Derivative financial instruments	4.1	113,636	(251,163)
Cash and cash equivalents	5	(3,246,436)	(1,505,623)
Short-term investments (*)	6	(7,821,712)	(5,403,715)
Net Debt		25,897,050	26,110,612
Shareholders' equity		24,889,648	20,570,605
Debt ratio (net debt/equity)		1.04	1.27
Fleet value (**)	12	44,671,058	43,230,196
Net debt/fleet value		0.58	0.60

(*) It does not consider the adjustment to present value (Note 6), since Management understands that the net debt is better represented considering the par value of the investment, its redemption value, being consistent with the maturity profile.

(**) Property and equipment - vehicles and vehicles being decommissioned for fleet renewal.

Fair value of financial instruments

The fair value of financial liabilities recognized at amortized cost in the Company's balance sheet are as follows:

	Individual			
	Carrying amount		Fair value	
	06/30/23	12/31/22	06/30/23	12/31/22
Loans, financing, and debt securities				
Debentures	12,474,316	11,841,157	11,914,211	11,107,388
Commercial note	1,712,700	1,711,202	1,685,614	1,676,993
Working capital	1,462,769	398,721	1,457,913	399,226
CRI	1,003,554	296,707	913,309	270,467
Consortium	2,362	2,844	2,362	2,844
Loan in foreign currency	293,485	827,784	273,156	827,784
Total	16,949,186	15,078,415	16,246,565	14,284,702
	Consolidated			
	Carrying amount		Fair value	
	06/30/23	12/31/22	06/30/23	12/31/22
Loans, financing, and debt securities				
Debentures	26,174,844	24,728,304	25,232,671	23,477,580
Commercial note	1,433,503	1,429,795	1,424,514	1,409,022
Working capital	1,592,127	1,087,147	1,584,591	1,078,787
CRI	1,353,661	624,860	1,174,162	497,999
CRA	255,153	253,475	232,325	220,021
Consortium	2,362	3,362	2,362	3,362
Loan in foreign currency	293,488	1,264,876	273,156	1,264,876
Total	31,105,138	29,391,819	29,923,781	27,951,647

The other financial instruments recognized in the individual and consolidated interim financial information at their amortized cost do not show significant variations in relation to their respective market values, since the maturity of a substantial part of the balances occurs on dates close to those of the balance sheets.

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4.1 Derivative financial instruments and hedging activities

The balance of derivative financial instruments is as follows:

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Foreign currency x BRL (a)	(83,876)	84,178	(252,058)	118,159
CDI x fixed rate (b)	37,685	52,600	(70,990)	244,549
IPCA x CDI (c)	82,687	(60,130)	209,412	(111,545)
Total, net	36,496	76,648	(113,636)	251,163
Current assets	-	111,456	109,179	283,047
Non-current assets	171,653	89,884	382,816	365,599
Current liabilities	(125,367)	(38,143)	(402,984)	(137,350)
Non-current liabilities	(9,790)	(86,549)	(202,647)	(260,133)

The balance of derivative financial instruments are as follows:

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Balance at the beginning of the period/year	76,648	311,476	251,163	393,909
Opening balance of acquired companies	-	-	-	172,172
Adjustment to fair value - profit or loss	(35,989)	(391,324)	(67,813)	(483,105)
Adjustment to fair value - other comprehensive income	(1,777)	(903)	(295,063)	(14,524)
Amortization of principal	-	-	-	(31,623)
Interest amortization	(2,386)	157,399	(1,923)	214,334
Balance at the end of the period/year	36,496	76,648	(113,636)	251,163

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(a) Foreign currency x BRL

On June 30, 2023, the Company and its subsidiaries had current hedge operations contracted exclusively for protection against exchange rate fluctuation for loans in foreign currency contracted with large financial institutions. The characteristics of these operations are the following:

Company	Maturity date	Consolidated									
		Index		Reference value	Curve value			Market value (carrying amount)			Gain (loss)
		Long position	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	01/03/2025	1.56%	CDI + 1.20%	EUR 55,394	293,485	254,763	38,722	273,155	254,946	18,209	(20,513)
Localiza	02/26/2024	USD + 1.9371%	CDI + 1.35%	USD 80,000	389,404	460,916	(71,512)	371,054	461,280	(90,226)	(18,714)
Localiza Fleet	08/22/2023 and 02/22/2024	SOFR + 1.88	CDI + 0.92	USD 25,000	122,409	131,996	(9,587)	120,479	132,063	(11,584)	(1,997)
Localiza Fleet	01/10/2024	USD + 2.1882%	CDI + 1.18%	USD 50,000	245,445	303,562	(58,117)	235,457	303,716	(68,259)	(10,142)
Localiza Fleet	01/13/2026	5.6700%	1.46%	USD 100,000	498,695	574,770	(76,075)	508,328	575,062	(66,734)	9,341
Localiza Fleet	04/11/2025	JPY + 1.6%	1.85%	JPY 6,752,021	227,129	255,345	(28,216)	233,870	255,475	(21,605)	6,611
Localiza	19/05/2025	SOFR + 1.50%	1.93%	USD 50,000	245,125	254,774	(9,649)	243,045	254,904	(11,859)	(2,210)
Localiza	30/06/2025	SOFR 6M+ 1.0343%	2.00%	USD 125,000	604,375	604,375	-	604,375	604,375	-	-
					2,626,067	2,840,501	(214,434)	2,589,763	2,841,821	(252,058)	(37,624)

(b) CDI x fixed rate

Funding at floating interest rates is hedged against the risk of fluctuations in cash flow due to fluctuations in the benchmark rate ("CDI"), which leads to exposure to cash flow risk due to terms and cash flow amounts defined. The characteristics of these operations are the following:

Company	Maturity ranges	Consolidated									
		Weighted average rates		Reference value	Curve value			Market value (carrying amount)			Gain (Loss)
		Long position % CDI/CDI +	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza Fleet	04/03/2023 to 04/02/2028	100% CDI	11.59%	4,866,453	5,403,459	5,331,968	71,491	5,403,381	5,431,791	(28,410)	(99,901)

Management's explanatory notes are an integral part of the interim financial information.

(A free translation of the original in Portuguese)

ITR - Interim Financial Information - 06/30/2023 – LOCALIZA RENT A CAR S.A.

Version: 1

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Company	Maturity ranges	Consolidated									
		Weighted average rates		Reference value	Curve value			Market value (carrying amount)			Gain (Loss)
		Long position % CDI/CDI +	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Locamerica	04/05/2023 to 01/03/2028	100% to 119% CDI	5.47% to 14.00% p.a.	4,422,749	4,561,083	4,545,613	15,470	4,557,903	4,630,651	(72,748)	(88,218)
Locamerica Rent a Car	04/18/2023 to 01/03/2028	100% to 110.5% CDI	4.86% to 13.48% p.a.	321,209	336,314	334,693	1,621	335,709	343,226	(7,517)	(9,138)
Localiza (*)	01/05/2027	100%	8.07%	200,000	239,102	224,062	15,040	239,246	209,098	30,148	15,108
Localiza (*)	01/06/2027	100.0%	7.71%	50,000	59,775	56,015	3,760	59,811	52,274	7,537	3,777
					10,599,733	10,492,351	107,382	10,596,050	10,667,040	(70,990)	(178,372)

(*) Swap transactions contracted to fix the cost of the resources used to grant financing to the holders of shares with interest and registered as shareholders of Locamerica upon completion of the Merger of Shares. The effect of these operations was taken into consideration the calculation of the acquisition price, as of July 1, 2022.

(c) IPCA x CDI

The Platform has derivative financial instruments contracted in order to exchange the indexation remuneration (IPCA) for its equivalent in CDI, which is the reference index used. The characteristics of these operations are the following:

Company	Maturity date	Consolidated									
		Weighted average rates		Reference value	Curve value			Market value (carrying amount)			Gain (Loss)
		Long position % CDI/CDI +	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	400,000	478,118	417,736	60,382	445,053	417,491	27,562	(32,820)
Localiza	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	300,000	358,588	313,302	45,286	333,790	313,118	20,672	(24,614)
Localiza	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	300,000	358,588	313,302	45,286	333,790	313,118	20,672	(24,614)
Localiza	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	200,000	239,059	208,868	30,191	222,527	208,746	13,781	(16,410)
Locamerica	07/14/2031	IPCA + 4.825%	CDI + 1.42% p.a.	200,000	235,619	213,274	22,345	216,418	213,278	3,140	(19,205)
Locamerica	16/04/2029	IPCA + 7.21%	CDI + 2.01% p.a.	515,000	547,596	530,643	16,953	558,807	530,643	28,164	11,211
Locamerica	09/15/2031	IPCA + 6.5119%	CDI + 2.239% p.a.	1,100,000	1,266,004	1,148,885	117,119	1,232,270	1,148,887	83,383	(33,736)
Locamerica	09/14/2028	IPCA + 6.618%	CDI + 1.06% p.a.	167,200	178,095	174,044	4,051	186,082	174,044	12,038	7,987
					3,661,667	3,320,054	341,613	3,528,737	3,319,325	209,412	(132,201)

Accounting practices and other information related to equity did not change significantly in relation to those disclosed in Note 4 of the financial statements of December 31, 2022.

Management's explanatory notes are an integral part of the interim financial information.

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5. CASH AND CASH EQUIVALENTS

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Cash and banks	50,991	36,001	125,659	52,615
Bank Certificates of Deposit ("CDB")	1,622,399	316,146	1,976,666	844,525
Repurchase agreements	145,101	-	145,101	-
Fixed-income investment fund units	767,778	382,572	999,010	608,483
Total	2,586,269	734,719	3,246,436	1,505,623

On June 30, 2023, financial investments in CDBs and fixed-income investment fund units generated an annual weighted average yield of 102.9% of the Interbank Deposit Certificates ("CDI") rate (102.6% as of December 31, 2022).

Accounting practices and other information related to Cash and cash equivalents (Individual and Consolidated) did not change significantly in relation to those disclosed in Note 5 of the financial statements of December 31, 2022.

6. SHORT-TERM INVESTMENTS

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Bank Certificates of Deposit ("CDB")	1,345,773	312	1,583,512	91,575
Investment fund units	3,726,110	2,721,307	4,929,980	4,055,624
Financial bills	-	-	36,786	-
Restricted bank deposit certificates (Note 10.2.1)	1,271,434	1,256,516	1,271,434	1,256,516
(-) Adjustment to present value (Note 10.2.1)	(381,813)	(423,008)	(381,813)	(423,008)
Total	5,961,504	3,555,127	7,439,899	4,980,707
Current assets	5,069,769	2,718,619	6,483,921	4,053,777
Non-current	891,735	836,508	955,978	926,930

On June 30, 2023, short-term investments had an annual weighted average yield of 103.6% of the Interbank Deposit Certificates ("CDI") rate (107% on December 31, 2022).

The accounting practices and other information related to short-term investments (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 6 of the financial statements of December 31, 2022.

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7. TRADE RECEIVABLES

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Car rental	1,040,360	904,446	1,054,163	987,071
Fleet rental	-	-	914,686	770,510
Unbilled revenues	351,002	401,891	602,256	631,261
Sale of decommissioned cars	318,508	290,930	432,737	369,320
Resale of cars	-	-	17,345	8,726
Sale of equipment and telemetry	-	-	29,515	25,935
	1,709,870	1,597,267	3,050,702	2,792,823
Allowance for doubtful debts and expected losses	(148,647)	(127,255)	(292,862)	(302,819)
Total	1,561,223	1,470,012	2,757,840	2,490,004
Current assets	1,561,223	1,470,012	2,747,145	2,480,213
Non-current	-	-	10,695	9,791

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Current	1,444,281	1,375,232	2,430,287	2,234,454
Up to 30 days past due	85,849	77,417	203,187	196,364
31 to 60 days past due	28,858	18,706	73,508	48,597
61 to 90 days past due	19,131	11,907	44,393	32,770
91 to 180 days past due	33,682	19,912	75,279	77,706
Over 181 days past due	98,069	94,093	224,048	202,932
Total	1,709,870	1,597,267	3,050,702	2,792,823

The allowance for doubtful debts and expected losses by maturity is as follows:

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Current	(5,570)	(11,788)	(19,935)	(25,313)
Up to 30 days past due	(11,205)	(3,170)	(13,530)	(5,302)
31 to 60 days past due	(2,993)	(2,078)	(3,710)	(3,073)
61 to 90 days past due	(2,663)	(1,637)	(3,791)	(2,901)
91 to 180 days past due	(32,286)	(19,159)	(60,331)	(69,085)
Over 181 days past due	(93,930)	(89,423)	(191,565)	(197,145)
Total	(148,647)	(127,255)	(292,862)	(302,819)

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The allowance for doubtful debts and expected losses is as follows:

	<u>Individual</u>	<u>Consolidated</u>
As of December 31, 2021	(144,176)	(176,476)
Opening balance of acquired companies	-	(102,890)
Recognition	(44,586)	(209,521)
Reversal	61,507	179,868
Transfer to asset classified as held for sale	-	6,200
As of December 31, 2022	(127,255)	(302,819)
Recognition	(45,462)	(163,947)
Reversal	24,070	173,904
As of June 30, 2023	(148,647)	(292,862)

The accounting practices and other information related to accounts receivable (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 7 of the financial statements of December 31, 2022.

8. RECOVERABLE TAXES

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06/30/23</u>	<u>12/31/22</u>	<u>06/30/23</u>	<u>12/31/22</u>
PIS and COFINS	331,856	345,106	645,759	576,424
Income tax and social contribution	247,057	133,548	443,738	296,957
Other taxes	15,579	11,504	32,399	6,252
Total	594,492	490,158	1,121,896	879,633
Current assets	264,061	145,993	482,113	312,465
Non-current	330,431	344,165	639,783	567,168

Useful Life Review Report

In the first quarter of 2023, Locamerica completed a review of the useful lives of certain cars in its fleet, in accordance with Article 320 of the Income Tax Regulation (Decree 9,580/18). A appraisal firm issued technical report duly qualified by law, changing the average useful life of certain cars to 32.7 months for tax purposes. As a result of the increase in depreciation, income tax and social contribution tax loss, there was a retroactive recognition on January 1, 2023 of the amounts, respectively, of (i) BRL 79,638 related to PIS/COFINS credits (before income tax and social contribution), and (ii) BRL 398,692 related to deferred taxes assets and liabilities. In May 2023, after a final review, the following amounts were recorded (i) BRL 16,696 in PIS/COFINS credits (before income tax and social contribution) and (ii) BRL 54,780 in deferred income tax and social contribution assets and liabilities.

In the second quarter of 2023, Localiza completed a review of the useful life of certain cars in the fleet. As a result of this review. A technical report was issued by an appraisal firm duly qualified by law, changing the average useful life for tax purposes of certain cars to 37 months. As a result of increases in depreciation, tax losses, and the carryforwards of social contribution, retroactive recognition was made to January 1, 2023 in the individual amounts of (i) BRL 39,052 in PIS/COFINS credits (before tax income and social contribution) and (ii) BRL 87,395 and BRL 218,975 in deferred income tax and social contribution assets and liabilities, respectively.

Changes in depreciable lives for other cars in the fleet may be altered based on new technical reports.

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Provisional Measure 1,159/2023 (converted into Law No. 14,592/2023) and Normative Instruction 2121/2022

On May 30, 2023, Law No. 14,592/2023 came into effect, validating Provisional Measure No. 1,159/2023, which foresees the exclusion of ICMS from the PIS and COFINS calculation bases. Additionally, Normative Instruction 2121/22 prohibits credits on Tax on Industrialized Products ("IPI"), freight, and insurance. Therefore, the reduction in the amount of credits appropriated in 2Q23 was BRL 41,903 in Consolidated.

9. OTHER CURRENT AND NON-CURRENT ASSETS

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Prepaid expenses	38,875	16,552	46,173	26,505
IPVA (*)	107,693	-	254,620	-
Receivables from insurance company (**)	237,157	133,876	240,657	135,589
Other receivables from related parties (Note 11(a))	15,528	11,784	-	-
Other current assets	43,916	31,681	225,920	253,070
Total other current assets	443,169	193,893	767,370	415,164
Investments in restricted accounts	-	-	54,572	51,444
Prepaid expenses	2,227	1,987	9,721	11,448
Other non-current assets	-	-	2,008	2,229
Total other non-current assets	2,227	1,987	66,301	65.121

(*) These refer to prepaid expenses related to Vehicle Ownership Taxes ("IPVA") paid at the beginning of the year for active vehicles in the fleet and, monthly, according to vehicle purchases during the year, which are amortized in the year between the month of payment and December 2023 or when the sale is completed.

(**) Expenses incurred on claims, cost of stolen cars, and receivables from insurance companies related to insurance contracted by customers when they rent cars from the Company.

10. INVESTMENTS

10.1 Direct and indirect investees

The Company holds direct or indirect interests in subsidiaries, as follows:

Name	Headquarters	% participation in share/voting capital		Activity
		06/30/23	12/31/22	
Direct subsidiaries				
Car Assistance Serviços de Administração de Sinistros S.A.	Belo Horizonte - MG	100	100	Manages claims for insurance companies
Companhia de Locação das Américas	Belo Horizonte - MG	100	100	Fleet rental
Localiza Fleet S.A.	Belo Horizonte - MG	100	100	Fleet rental
Localiza Franchising Brasil S.A.	Belo Horizonte - MG	100	100	Franchise business
Localiza Franchising International S.R.L.	Argentina	-	98	Closed in February 2023
Localiza Serviços Prime S.A.	Belo Horizonte - MG	100	100	Intermediary in the sale of decommissioned cars from the Platform
Rental Brasil Administração e Participação S.A.	Belo Horizonte - MG	100	100	Purchase, sale, and rental of properties for the Platform
Indirect subsidiaries				
Acelero Comércio de Veículos S.A.	Belo Horizonte - MG	100	100	Sells used cars
Agile Gestão de Frotas e Serviços S.A.	Belo Horizonte - MG	100	100	Fleet rental and intermediation in the sale of decommissioned cars from the Platform
Car as a Service Ltda.	Belo Horizonte - MG	100	100	Sundry automotive services
Car Rental Systems S.A.	Belo Horizonte - MG	100	100	Car and fleet rental
CarSale Tecnologia e Comércio de Veículos Ltda. (a)	Belo Horizonte - MG	100	100	Sells used cars
Costa Dourada Veículos Ltda.	Maceió - AL	100	100	Fleet rental
Voll S.A. (former Gestão e Operação de Viagens Ltda)	Belo Horizonte - MG	64.6	64.6	Travel and tourism agency services
Iter Tecnologia S.A.	São José - SC	100	100	Solutions for tracking and telemetry
Localiza Veículos Especiais S.A.	São Paulo - SP	100	100	Fleet rental
Locamerica Comercial S.A.	São Paulo - SP	100	100	Sells used cars

Management's explanatory notes are an integral part of the interim financial information.

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Name	Headquarters	% participation in share/voting capital		Activity
		06/30/23	12/31/22	
Locamerica Franquias S.A. (a)	São Paulo - SP	100	100	Franchise business
Locamerica Rent a Car S.A.	Belo Horizonte - MG	100	100	Car and fleet rental
MOBI7 Sociedad Anónima de Capital Variable	Mexico	100	100	Solutions for tracking and telemetry
MOBI7 Tecnologia em Mobilidade S.A.	Curitiba - PR	100	100	Solutions for tracking and telemetry
LLMX Sociedad Anónima de Capital Variable	Mexico	100	100	Car and fleet rental
Nexcorp Serviços e Telecomunicações S.A.	Belo Horizonte - MG	100	100	Solutions for tracking and telemetry
Sofit Software S.A.	Joinville - SC	100	100	Digital content capture, management, and distribution services for fleet rental
Voll Soluções em Mobilidade Corporativa S.A.	Belo Horizonte - MG	64.6	64.6	Travel and tourism agency services
Affiliate				
Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A. (*)	Belo Horizonte - MG	50	50	Solutions for tracking and telemetry

(*) In the Company's consolidated result, BRL 79 refers to the 50% Investment of Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A. in Iter Tecnologia. Iter is an indirect subsidiary of Companhia de Locação das Américas.

(a) Companies incorporated on August 1, 2023, as approved at the Extraordinary General Meeting of each company, with the transfer of the total shareholders' equity. The merger aims to follow the strategic guidelines of the Platform for operational, administrative and financial simplification and rationalization matters, with a view to increasing management efficiency and reducing operational, administrative, and financial costs.

10.2 Business Combination

10.2.1 Companhia de Locação das Américas ("Locamerica")

Localiza and Companhia de Locação das Américas ("Locamerica" and, jointly with Localiza, the "Companies") entered into a Merger of Shares Agreement on September 22, 2020.

On December 15, 2021, the completion of the Merger of Shares was approved by the Brazilian Antitrust Agency ("CADE"), with structural and behavioral restrictions, under the terms of the Concentration Control Agreement ("CCA") negotiated between the Companies and CADE, which included the approval by CADE of the buyer of the net assets to be divested.

On June 22, 2022, CADE determined that an investment fund would be the buyer of the assets to be segregated from the car rental and used cars ("seminovos") operations, including some 49,000 cars of Locamerica's subsidiary.

The business combination between the Companies was executed on July 1, 2022 ("Closing Date"), and as confirmed by their respective Boards of Directors in meetings carried out on that same date.

As a result of the completion and effectiveness of the Merger of Shares and considering the adjustments foreseen and authorized under the terms of the Protocol and Justification, the exchange ratio was set at 0.43884446 shares of the Company for each common share of Locamerica, with the issuance of 222,699,337 new common shares of Localiza, all registered and without par value, fully subscribed and paid up by Locamerica's management on behalf of its shareholders, for the total subscription price of BRL 11,827,562, corresponding to the economic value attributed to the shares of Locamerica merged by Localiza, supported by an appraisal report issued by a specialized company at the time the transaction was approved by the Shareholders' Meeting. Of this total amount, BRL 8,000,000 were allocated to the capital stock account and the remainder, corresponding to the fair value of the consideration on the closing date, in the amount of BRL 3,827,562, to the Company's capital reserve account. The new shares confer to their holders the same rights as held by the other common shares issued by the Company.

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Identified assets acquired and liabilities assumed, preliminary

The amounts of assets acquired and liabilities assumed at the Closing Date, preliminarily measured at fair value, are being evaluated by a specialized firm. For purposes of comparability, the Company adjusted the balance for the previous period in this interim financial information.

<u>Fair value on 07/01/2022</u>	
Fair value of the consideration	11,827,562
Issuance of Localiza shares (number of shares)	222,699,337
Value per share (in BRL)	53.11
Effects of Locamerica's dividend distribution	425,000
Fair value of financing to Locamerica's shareholders	551,709
Long-term incentives	10,610
Total consideration (a)	<u>12,814,881</u>
Book value of Locamerica's equity (b)	4,915,242
Existing goodwill from prior business combinations (c)	(717,741)
Adjustments to fair value:	
Vehicles	(i) 434,038
Intangible assets (customer relationship)	(ii) 124,351
Contingencies	(iii) (395,067)
Goodwill on assets held for sale (carve out)	(iv) 123,609
Total adjustments to fair value (d)	<u>286,931</u>
Total goodwill (a) - (b) - (c) - (d)	<u>8,330,449</u>

(*) Adjustments related to provisions for fines and technology projects in the amount of BRL 50,427.

Total consideration

The total consideration was estimated based on the terms of the transaction, considering:

- the number of shares issued by Localiza based on the exchange ratio of Locamerica shares.
- the closing price of Localiza's shares on the Closing Date.
- distribution of dividends by Locamerica of BRL 425,000 to its shareholders base prior to the transaction.
- fair value of the financing to Locamerica's shareholders who have expressed an interest in contracting it. The credit facility covers up to 20% of the total amount of Localiza's shares attributed to its shareholders. On June 30, 2023, the balance of the financial investment linked to this financing was BRL 1,271,434 and the adjustment to present value was BRL 381,813, net of amortization in the period.
- Fair value of long-term incentive plans.

Adjustments to fair value

(i) Vehicles: The fair value of these assets was determined based on market research of specific publications of the sector ("FIPE"), considering the history of vehicles sales in relation to the FIPE table.

(ii) Intangible assets (customer relationship): The fair value of intangible assets arising from customer relationships was determined using "MPEEM" (Multi Period Earning Excess Method);

(iii) Contingencies: The fair value of contingent liabilities was determined based on estimates made by legal advisors.

(iv) Goodwill on assets held for sale (carve out): The fair value of assets, which are part of the conditions of the CCA referred to as "Carve Out", was estimated based on the difference between their book values and agreed sale values.

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There is no deferred income tax amount arising from the fair value allocations of assets and liabilities in the preliminary balance sheet, as Localiza has a viable tax plan that it intends to implement, allowing the tax and accounting basis to be the same after the acquisition.

(a) Partial spin-off of an indirect subsidiary and sale of assets

At the Extraordinary General Meeting of Locamerica, held on August 1, 2022, the partial spin-off of subsidiary Locamerica Rent a Car S.A. was approved. The assets, liabilities, and equity spun off by Locamerica Rent a Car S.A. and assumed by Unidas Locadora S.A. (object of the sale) amounted to BRL 3,852,056, BRL 620,312, and BRL 3,231,744, respectively.

On October 1, 2022, a transaction was executed for the sale, by Locamerica and Agile Gestão de Frotas e Serviços S.A., of the segregated assets of the car rental operation and corresponding used cars to Cedar Locações e Investimentos, a company controlled by an investment fund managed by affiliates of Brookfield Asset Management, pursuant to the Agreement for the Purchase and Sale of Shares, Corporate Reorganization and Other Agreements entered into on June 13, 2022. On the date of sale, BRL 3,220,526 was received upfront, and the remaining amount is to be received according to contractual conditions, expected within 12 months. This amount is recorded on the balance sheet under accounts receivable for the sale of investment in current assets. The balance movement is shown below:

Changes in the balance receivable for the sale of investments

Sale value as of October 1, 2022	3,878,914
Price adjustment according to contractual conditions	(69,627)
Received in cash	<u>(3,220,526)</u>
Balance receivable as of December 31, 2022	<u>588,761</u>
Contractual indemnities	(10,648)
Monetary adjustment	46,484
Received in cash in Q1 2023	<u>(306,885)</u>
Balance receivable as of June 30, 2023	<u><u>317,712</u></u>

10.2.2 Voll

At the Extraordinary General Meeting of Localiza Fleet, held on April 7, 2022, the acquisition of 64.6% of the total and voting capital stock of Voll Soluções em Mobilidade Corporativa was approved, under the terms established in the Agreement for the Purchase and Sale of Shares and other Agreements. Voll offers digital solutions in mobility, travel, and expense management for the corporate sector and is headquartered in Belo Horizonte.

Identified assets acquired and liabilities assumed and non-controlling interest in the acquired company, preliminary

The assets acquired, liabilities assumed and non-controlling interest in the acquired company recognized at the base date of the acquisition balance sheet, preliminarily measured at fair value by Management, with the support of a specialized company, are demonstrated below. For purposes of comparability, the Company adjusted the balance for the previous period in this interim financial information.

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Fair value as of 03/05/22	
Consideration transferred for capital payment (item (i))	41,499
Consideration transferred (item (ii))	8,708
Consideration to be transferred (item (iii))	3,644
Total consideration (a)	53,851
Carrying amount of Voll's equity (b)	27,784
Adjustments to fair value:	
Brand	6,927
Software	5,411
Relationship with suppliers	4,099
IR/CS deferred on goodwill	(3,233)
Total adjustments to fair value (c)	13,204
Non-controlling interest (d)	(14,508)
Total preliminary goodwill (a - b - c - d)	27,371

(i) Localiza Fleet contributed to the capital of Voll, with subscription and payment of 1,533,595 common shares, in the amount of BRL 11,499, and made an advance of BRL 30,000 for future capital increase;

(ii) Payment of BRL 8,708 on the date of acquisition;

(iii) Estimated installment in the amount of BRL 3,830, to be paid in 2025 (BRL 4,014 monetarily adjusted), indexed to the change in the market price of Localiza's shares.

The balances payable arising from this acquisition are presented under "other current and non-current liabilities" (Note 19).

Net cash outflow on acquisition of Voll	Fair value as of 03/05/22
Consideration transferred in cash	50,207
(-) Loan settlement	(2,851)
(-) Balances of cash and cash equivalents acquired	(39,648)
Effects of the acquisition on the cash flow statement	7,708

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10.3 Balance of Investments

	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Effect of the elimination of IFRS 16	Goodwill on acquisition of investments	Total
As of December 31, 2021	1,382,908	-	269,171	146,223	17,806	2,649	136	34,542	22,077	1,875,512
Acquisition of companies	-	4,197,501	-	-	-	-	-	-	-	4,197,501
Equity in earnings of investees	542,173	142,232	9,507	47,753	10,911	4,059	-	11,161	-	767,796
Capital increase (reduction)	100,000	1,900,000	(150,000)	(100,000)	-	-	-	-	-	1,750,000
Dividends from subsidiaries	(128,766)	(1,025,000)	(17,196)	(38,709)	(20,295)	(3,060)	-	-	-	(1,233,026)
Long-term incentive plans	-	4,362	-	-	-	-	-	-	-	4,362
Cash flow hedge	11,270	(20,260)	-	-	-	-	-	-	-	(8,990)
Cumulative translation adjustments - investees abroad	(471)	-	-	-	-	-	-	-	-	(471)
Goodwill on acquisition of investments	-	-	-	-	-	-	-	-	8,330,449	8,330,449
Total investments in subsidiaries	1,907,114	5,198,835	111,482	55,267	8,422	3,648	136	45,703	8,352,526	15,683,133
Fair value increment on property and equipment	-	434,038	-	-	-	-	-	-	-	434,038
Fair value increment on intangible assets	-	124,351	-	-	-	-	-	-	-	124,351
Fair value increment on assets held for sale	-	123,609	-	-	-	-	-	-	-	123,609
Negative goodwill on contingencies	-	(395,067)	-	-	-	-	-	-	-	(395,067)
Realization of fair value increment on property and equipment	-	(212,989)	-	-	-	-	-	-	-	(212,989)
Realization of fair value increment on intangible assets	-	(16,027)	-	-	-	-	-	-	-	(16,027)
Realization of fair value increment on assets held for sale	-	(193,236)	-	-	-	-	-	-	-	(193,236)
Realization of fair value increment on contingency	-	39,947	-	-	-	-	-	-	-	39,947
As of December 31, 2022	1,907,114	5,103,461	111,482	55,267	8,422	3,648	136	45,703	8,352,526	15,587,759
Non-controlling interest on December 31, 2022	11,409	-	-	-	-	-	-	-	-	11,409

Management's explanatory notes are an integral part of the interim financial information.

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	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Effect of the elimination of IFRS 16	Goodwill on acquisition of investments	Total
As of December 31, 2022 - investment in subsidiaries	1,907,114	5,198,835	111,482	55,267	8,422	3,648	136	45,703	8,352,526	15,683,133
Equity in earnings of investees	255,611	235,834	87	25,123	520	2,647	-	5,631	-	525,453
Capital increase and Advance for Future Capital Increase	-	994,000	20,000	-	-	-	-	-	-	1,014,000
Dividends from subsidiaries	-	-	(6,774)	(35,815)	(8,183)	(3,044)	-	-	-	(53,816)
Long-term incentive plans	2,984	7,491	-	-	-	623	-	-	-	11,098
Subsidiary investment write-off	-	-	-	-	-	-	(136)	-	-	(136)
Cash flow hedge	(97,837)	(95,732)	-	-	-	-	-	-	-	(193,569)
Cumulative translation adjustments - investees abroad	(7,769)	-	-	-	-	-	-	-	-	(7,769)
As of June 30, 2023 - investment in subsidiaries	2,060,103	6,340,428	124,795	44,575	759	3,874	-	51,334	8,352,526	16,978,394
As of December 31, 2022 - capital gains and losses	-	(95,374)	-	-	-	-	-	-	-	(95,374)
Realization of fair value increment on property and equipment	-	(250,723)	-	-	-	-	-	-	-	(250,723)
Realization of fair value increment on intangible assets	-	9,305	-	-	-	-	-	-	-	9,305
Realization of fair value increment on assets held for sale	-	69,627	-	-	-	-	-	-	-	69,627
Realization of fair value increment on contingency	-	28,006	-	-	-	-	-	-	-	28,006
Balance on June 30, 2023 - capital gains and losses	-	(239,159)	-	-	-	-	-	-	-	(239,159)
Non-controlling interest on June 30, 2023	9,450	-	-	-	-	-	-	-	-	9,450
As of December 31, 2022	1,907,114	5,103,461	111,482	55,267	8,422	3,648	136	45,703	8,352,526	15,587,759
As of June 30, 2023	2,060,103	6,101,269	124,795	44,575	759	3,874	-	51,334	8,352,526	16,739,235

In the Consolidated investment balance, the amount of BRL 1,092 refers to an investment of 50% in Elo Telefonía, Sistemas e Equipamentos de Comunicação S.A. by Iter Tecnologia. Iter is an indirect subsidiary of Companhia de Locação das Américas, which is recognized by equity in results of investees.

Management's explanatory notes are an integral part of the interim financial information.

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10.3.1 Main financial information of investees**a) Balance sheet and statement of income**

	06/30/23			Income/loss in the period
	Assets	Liabilities	Equity	
Localiza Fleet (*)	12,435,357	10,365,804	2,069,553	253,652
Locamerica (*)	19,337,352	12,996,924	6,340,428	185,407
Rental Brasil	505,505	380,710	124,795	87
Localiza Prime	108,990	64,415	44,575	25,123
Car Assistance	12,585	11,826	759	520
Franchising Brasil	30,697	26,823	3,874	2,647

	12/31/22			06/30/22 Income/loss in the period
	Assets	Liabilities	Equity	
Localiza Fleet (*)	10,047,503	8,128,980	1,918,523	269,712
Locamerica (*)	19,261,035	14,062,200	5,198,835	-
Rental Brasil	464,377	352,895	111,482	8,601
Localiza Prime	86,573	31,306	55,267	22,401
Car Assistance	13,104	4,682	8,422	7,461
Franchising Brasil	26,495	22,847	3,648	2,049
LFI S.R.L.	225	89	136	-

(*) For Localiza Fleet, BRL 9,450 was considered in shareholders' equity and a BRL 1,959 of loss for the period (BRL 11,409 in shareholders' equity on December 31, 2022), referring to non-controlling interests. For Locamerica, the existing goodwill write-off from previous business combinations was considered in shareholders' equity in the amount of BRL 717,741 (Note 10.2.1) and adjustments related to provisions for fines and technology projects were recorded as BRL 50,427 in the statement of income for the period.

b) Dividends

1H23	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Total Individual	Elo (*)	Total Consolidated
2022 dividends (minimum mandatory)	128,766	2,259	11,939	2,728	1,014	146,706	45	45
Dividends supplementary to the mandatory minimum of 2022	-	6,774	35,815	8,183	3,044	53,816	-	-
Total proposed dividends approved	128,766	9,033	47,754	10,911	4,058	200,522	45	45

(**) 50% investment in Elo Telefonía, Sistemas e Equipamentos de Comunicação S.A. by Iter Tecnologia. Iter is an indirect subsidiary of Companhia de Locação das Américas, recognized by equity in the earnings of subsidiaries.

11. TRANSACTIONS WITH RELATED PARTIES**(a) Balances and transactions with subsidiaries**

Balances and transactions made under conditions negotiated between the Company and its subsidiaries are as follows:

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	Localiza Fleet		Locamerica		Other subsidiaries		Total	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Balances								
Trade receivables	28,356	23,968	25,378	8,366	-	-	53,734	32,334
Dividends receivable	128,766	128,766	-	-	71,756	17,940	200,522	146,706
Other trade receivables (Note 9)	-	6,319	14,026	2,876	1,502	2,589	15,528	11,784
Suppliers	(4,572)	(3,185)	(90,727)	(109,975)	(23,068)	(5,597)	(118,367)	(118,757)
Commercial note	-	-	(1,111,124)	(1,111,124)	-	-	(1,111,124)	(1,111,124)
Other accounts payable (Note 19)	(592)	-	-	-	(2,145)	(2,797)	(2,737)	(2,797)

	Localiza Fleet		Locamerica Consolidated		Other subsidiaries		Total	
	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22
Income or loss								
Revenues	51,283	35,254	51,680	-	-	-	102,963	35,254
Costs and expenses	(40,743)	(30,575)	(420,436)	-	(8,136)	(34,193)	(469,315)	(64,768)
Financial expenses	-	-	(78,953)	-	-	-	(78,953)	-
Recovery of costs and expenses	113,628	93,250	39,280	-	2,627	4,249	155,535	97,499

On July 28, 2022, Locamerica Rent a Car entered into a vehicle lease agreement with the Company, for an indefinite period, whereby the vehicles may be freely sublet to third parties, without prior authorization or notification to Locamerica Rent a Car. The payment conditions in the contract are met monthly when measured.

On November 28, 2022, the Board of Directors approved the 1st issuance of commercial notes by Localiza in the amount of BRL 1,700,000. Part of the commercial notes issued by the Company were acquired by its subsidiary Locamerica in the amount of BRL 1,100,000 and the financial expenses recognized in the year were BRL 78,953.

For the funding transactions and/or obligations carried out by Localiza and its subsidiaries, sureties are granted to Platform companies. On June 30, 2023 and December 31, 2022, guarantees referring to loan guarantees, financing and debt securities, were as shown below:

Guarantor	Grantee	06/30/23	12/31/22
Localiza Fleet	Localiza	14,280,209	12,524,815
Localiza	Localiza Fleet	7,496,457	5,555,669
Localiza	Rental Brasil	350,107	328,154
Locamerica Rent a Car	Locamerica	8,776,973	8,588,836
Locamerica	Locamerica Rent a Car	1,714,190	2,405,298
Locamerica	Localiza	254,598	-
Locamerica Rent a Car	Localiza	254,598	-

As of June 30, 2023, sureties in the contracting of bank guarantees and insurance for lawsuits were also granted in the amount of BRL 634,558 (BRL 470,071 as of December 31, 2022).

(b) Balances and transactions with other related parties**(i) Nature of transactions**

The Company and its subsidiaries have other transactions with related parties in the normal course of its business, which are carried out under market conditions.

Name	Relationship	Transaction
Pottencial Seguradora S.A.	Related party	Surety bond operation
Enterprise Holdings Brazil LLC	Shareholder	Lease partnership
Locapar Participações e Administração Ltda.	Related party	Support in lawsuits when going public
Via Jap Comércio de Veículos Ltda.	Related party	Purchase and sale of used vehicles
Via Trucks Comércio de Caminhões Ltda.	Related party	Purchase and sale of used vehicles
Vanguard Car Rental System USA LLC.	Related party	Lease partnership
Elo Telefonía, Sistemas e Equipamentos de Comunicação S.A.	Indirect investment	Dividends receivable

(ii) Balance of transactions

Management's explanatory notes are an integral part of the interim financial information.

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	06/30/23		12/31/22	
	Accounts receivable and dividends	Accounts payable	Accounts receivable and dividends	Accounts payable
Balances				
Alienantes Voll Soluções em Mobilidade Corporativa S.A.	-	(20,618)	-	(16,901)
Vanguard Car Rental System USA LLC	1,304	-	1,280	-
Via Jap Comércio de Veículos Ltda.	385	-	390	-
Via Trucks Comércio de Caminhões Ltda.	2,204	(6)	1,541	-
Elo Telefonía, Sistemas e Equipamentos de Comunicação S.A.	45	-	-	-
Alienantes Nexcorp Serviços e Telecomunicações S.A. (*)	-	(5,798)	-	(5,444)
Total	3,938	(26,422)	3,211	(22,345)

(*) Amount retained in the transaction for the acquisition of subsidiary Nexcorp Serviços e Telecomunicações S.A. ("Getrak"), in order to guarantee the payment of any indemnity owed by the sellers of the acquired company, which is released gradually pursuant to the terms of the agreement.

	1H23		1H22	
	Revenues	Costs, operating expenses, and cost recoveries	Revenues	Costs, operating expenses, and cost recoveries
Income or loss				
Pottencial Seguradora S.A. (**)	-	(226)	-	(762)
Via Trucks Comércio de Caminhões Ltda.	8,390	(6)	8,390	(2,112)
Via Jap Comércio de Veículos Ltda.	13	(67)	13	-
Total	8,403	(299)	8,403	(2,874)

(**) Transactions carried out with Pottencial Seguradora correspond to the current insured amount of BRL 463,490 (BRL 425,106 on December 31, 2022).

(c) Compensation of key management personnel

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Short-term benefits	28,734	23,338	32,705	25,147
Post-employment benefits	324	284	360	315
Share-based compensation	27,830	24,388	33,816	24,388
Total	56,888	48,010	66,881	49,850

The accounting practices and other information related to transactions with related parties did not change significantly in relation to those mentioned in Note 10 of the financial statements of December 31, 2022.

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12. PROPERTY AND EQUIPMENT AND DECOMMISSIONED CARS FOR FLEET RENEWAL**(a) Property and equipment**

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

	Individual							Total
	Vehicles	Accessories (Trackers)	Right-of- use	Property	Leasehold improvement	Furniture and fixtures	Other	
Cost:								
As of December 31, 2021	12,081,626	71,326	1,366,424	1,913	211,109	120,395	121,072	13,973,865
Additions	4,329,936	13,143	98,160	-	-	3,307	21,203	4,465,749
Write-offs/transfers (*)	(1,759,016)	(2,988)	(41,104)	-	4,133	15	(5,824)	(1,804,784)
As of June 30, 2022	14,652,546	81,481	1,423,480	1,913	215,242	123,717	136,451	16,634,830
As of December 31, 2022	20,387,450	105,025	1,529,956	1,913	248,028	108,804	121,925	22,503,101
Additions	4,447,347	-	219,168	-	-	4,432	52,188	4,723,135
Write-offs/transfers (*)	(4,763,978)	(1,031)	(17,385)	-	28,360	-	(29,028)	(4,783,062)
As of June 30, 2023	20,070,819	103,994	1,731,739	1,913	276,388	113,236	145,085	22,443,174
Accumulated depreciation:								
As of December 31, 2021	(340,823)	(7,074)	(380,758)	(1,378)	(113,533)	(57,303)	(67,553)	(968,422)
Additions	(244,132)	(7,411)	(86,943)	(41)	(11,531)	(4,977)	(5,542)	(360,577)
Write-offs/transfers (*)	68,184	234	41,104	-	16	-	1,249	110,787
As of June 30, 2022	(516,771)	(14,251)	(426,597)	(1,419)	(125,048)	(62,280)	(71,846)	(1,218,212)
As of December 31, 2022	(940,672)	(23,259)	(483,121)	(1,460)	(136,657)	(42,820)	(31,163)	(1,659,152)
Additions (**)	(1,206,440)	(10,356)	(109,805)	(41)	(12,510)	(5,443)	(6,389)	(1,350,984)
Write-offs/transfers (*)	606,142	358	17,487	-	-	-	656	624,643
As of June 30, 2023	(1,540,970)	(33,257)	(575,439)	(1,501)	(149,167)	(48,263)	(36,896)	(2,385,493)
Net carrying amount:								
As of December 31, 2022	19,446,778	81,766	1,046,835	453	111,371	65,984	90,762	20,843,949
As of June 30, 2023	18,529,849	70,737	1,156,300	412	127,221	64,973	108,189	20,057,681

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

(**) Includes the additional fleet depreciation value (Note 1.2).

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	Consolidated							Total
	Vehicles	Accessories (Trackers)	Right-of-use	Property	Leasehold improvement	Furniture and fixtures	Other	
Cost:								
As of December 31, 2021	16,495,930	91,451	1,075,951	378,695	214,767	120,465	172,011	18,549,270
Opening balance of acquired companies	-	-	-	1,000	31	118	1,286	2,435
Additions	5,523,320	13,717	75,194	-	-	3,392	32,736	5,648,359
Write-offs/transfers (*)	(2,145,087)	(3,571)	(43,504)	-	4,849	15	(6,544)	(2,193,842)
As of June 30, 2022	19,874,163	101,597	1,107,641	379,695	219,647	123,990	199,489	22,006,222
As of December 31, 2022	43,628,825	278,221	1,381,300	379,695	271,646	125,371	246,142	46,311,200
Additions	9,610,759	43,907	280,909	-	2,160	6,425	64,261	10,008,421
Write-offs/transfers (*)	(7,111,462)	(99,297)	(30,685)	-	71,738	(2,694)	(13,694)	(7,186,094)
As of June 30, 2023	46,128,122	222,831	1,631,524	379,695	345,544	129,102	296,709	49,133,527
Accumulated depreciation:								
As of December 31, 2021	(653,077)	(10,859)	(339,925)	(11,864)	(114,082)	(57,206)	(68,403)	(1,255,416)
Opening balance of acquired companies	-	-	-	-	(31)	(90)	(354)	(475)
Additions	(292,302)	(9,416)	(78,784)	(2,583)	(11,636)	(4,993)	(5,694)	(405,408)
Write-offs/transfers (*)	116,687	545	43,504	-	16	-	1,247	161,999
As of June 30, 2022	(828,692)	(19,730)	(375,205)	(14,447)	(125,733)	(62,289)	(73,204)	(1,499,300)
As of December 31, 2022	(2,374,716)	(95,772)	(546,627)	(17,253)	(155,104)	(50,084)	(51,146)	(3,290,702)
Additions (**)	(2,314,047)	(19,697)	(109,816)	(2,602)	(18,419)	(6,145)	(12,046)	(2,482,772)
Write-offs/transfers (*)	620,716	63,793	18,329	-	(14,689)	1,675	(8,335)	681,489
As of June 30, 2023	(4,068,047)	(51,676)	(638,114)	(19,855)	(188,212)	(54,554)	(71,527)	(5,091,985)
Net carrying amount:								
As of December 31, 2022	41,254,109	182,449	834,673	362,442	116,542	75,287	194,996	43,020,498
As of June 30, 2023	42,060,075	171,155	993,410	359,840	157,332	74,548	225,182	44,041,542

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

(**) Includes the additional fleet depreciation value (Note 1.2).

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(b) Decommissioned vehicles for fleet renewal

The carrying amount of vehicles decommissioned for fleet renewal is BRL 1,181,206 in Individual and BRL 2,610,983 in Consolidated (BRL 1,118,903 in Individual and BRL 1,976,087 in Consolidated on December 31, 2022).

A charge of BRL 89,771 and BRL 153,258, in Individual and Consolidated, respectively, was recorded in the 2Q23 referring to the adjustment to the recoverable value of vehicles decommissioned for fleet renewal due to incentives granted to the Automotive Industry (Note 1.2).

There are no assets related to vehicles decommissioned for fleet renewal or for resale held as collateral.

The accounting practices and other information related to property and equipment (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 11 of the financial statements of December 31, 2022.

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13. INTANGIBLE ASSETS

Changes in cost, accumulated amortization and net carrying amount of intangible assets in each year are as follows:

	Individual		Consolidated				Total
	Software	Software	Customer portfolio	Brands and patents	Goodwill	Other	
Cost:							
As of December 31, 2021	131,944	152,393	-	-	105,437	-	257,830
Opening balance of acquired companies	-	40	-	-	-	-	40
Additions	27,188	30,433	-	-	27,371	-	57,804
As of June 30, 2022	159,132	182,866	-	-	132,808	-	315,674
As of December 31, 2022	197,655	425,924	177,269	6,931	8,463,257	4,122	9,077,503
Additions	36,717	45,036	-	-	-	42	45,078
Write-offs	-	(9,609)	-	-	-	-	(9,609)
As of June 30, 2023	234,372	461,351	177,269	6,931	8,463,257	4,164	9,112,972
Accumulated amortization							
As of December 31, 2021	(99,837)	(114,801)	-	-	-	-	(114,801)
Opening balance of acquired companies	-	(40)	-	-	-	-	(40)
Additions	(5,163)	(6,254)	-	-	-	-	(6,254)
As of June 30, 2022	(105,000)	(121,095)	-	-	-	-	(121,095)
As of December 31, 2022	(110,881)	(189,961)	(49,401)	-	-	(1,099)	(240,461)
Additions	(8,772)	(31,176)	5,782	-	-	(332)	(25,726)
Write-offs	-	-	-	-	-	323	323
As of June 30, 2023	(119,653)	(221,137)	(43,619)	-	-	(1,108)	(265,864)
Net carrying amount:							
As of December 31, 2022	86,774	235,963	127,868	6,931	8,463,257	3,023	8,837,042
As of June 30, 2023	114,719	240,214	133,650	6,931	8,463,257	3,056	8,847,108

The accounting practices and other information related to intangible assets (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 12 of the financial statements of December 31, 2022.

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14. SUPPLIERS

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Vehicles (*)	1,967,195	3,610,250	4,086,983	5,625,318
Maintenance services and spare parts	105,246	88,385	216,787	174,360
Information technology services	32,399	19,672	39,389	28,757
Leases	52,436	29,893	63,790	32,871
Other	234,187	323,239	216,085	316,445
Total	2,391,463	4,071,439	4,623,034	6,177,751

(*) The balance payable to automakers refers to vehicles purchased with an average maturity of 94 days (72 days on December 31, 2022).

In December 2022, the Company signed an agreement to facilitate supplier financings, at the option of the vendor, allowing them to receive an advance against their receivables due from the Company through a credit assignment transaction with a financial institution; the financial institution may also acquire the receivable. This transaction does not depend on the Company's approval and does not change the terms, prices, and conditions as originally agreed with suppliers; therefore, the Company continues classifying the balance payable as "Suppliers". On June 30, 2023, the payable balance negotiated by suppliers in the context of this agreement was BRL 230,359. (BRL 155,281 in Individual and Consolidated on December 31, 2022).

15. SOCIAL AND LABOR OBLIGATIONS

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Provision for vacation pay	72,506	86,003	106,831	116,100
Provision for profit sharing (*)	85,937	88,508	114,478	117,270
Provision for year-end bonus (13th salary)	26,692	-	37,259	-
Provision for long-term incentives	1,774	1,658	12,701	11,727
INSS	44,929	18,443	59,040	30,812
FGTS	13,607	5,613	14,958	9,199
Payroll charges from long-term incentives	671	2,068	18,219	16,820
Other	20,953	18,195	31,952	31,743
Total	267,069	220,488	395,438	333,671

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

16. ASSIGNMENT OF CREDIT RIGHTS

On December 29, 2022, Localiza Fleet, a wholly-owned subsidiary of the Company, carried out an operation for the assignment of credit rights arising from contracts with customers of the fleet rental division, on a definitive basis and without any co-obligation/ recourse in the event of default by customers, in the amount of BRL 327,007 and costs related to the operation in the amount of BRL 50,976, which will be appropriated as a financial expense in the statement of income for the period of the agreement, within 43 months.

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As of June 30, 2023, the balance of assignment of credit rights was BRL 203,149 in Consolidated (BRL 276,031 as of December 31, 2022 in Consolidated).

17. LOANS, FINANCING, AND DEBT SECURITIES

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Debentures	13,772,024	12,989,910	29,212,804	27,470,468
Commercial note	1,712,700	1,711,202	1,433,503	1,429,795
Working capital	1,462,769	398,721	1,592,127	1,087,147
Real Estate Receivables Certificate ("CRI")	1,003,554	296,707	1,353,661	624,860
Certificate of Agribusiness Receivables ("CRA")	-	-	645,073	607,593
Consortia	2,362	2,844	2,362	3,362
In foreign currency				
Loan in foreign currency	1,511,469	1,225,463	2,612,032	2,047,888
Total	19,464,878	16,624,847	36,851,562	33,271,113
Current assets	3,234,928	1,290,858	6,815,255	3,353,510
Non-current	16,229,950	15,333,989	30,036,307	29,917,603

The balance for loans, financing, and debt securities is as follows:

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Balance at the beginning of the period	16,624,847	9,358,221	33,271,113	12,433,095
Opening balance of acquired companies	-	-	-	2,893
Funding	3,758,062	2,778,448	6,021,699	4,498,530
Interests, charges, and exchange rate variation	1,251,469	339,394	2,440,654	514,561
Amortization of principal	(1,045,609)	(1,216,007)	(2,549,313)	(1,221,189)
Interest amortization	(1,123,891)	(393,360)	(2,332,591)	(510,885)
Balance at the end of the period	19,464,878	10,866,696	36,851,562	15,717,005

(a) Funding in the period

In the period ended June 30, 2023, the following funding was approved:

Company	Issuance	Maturity date	Contract rate (p.a.)	Principal raised	Surety/Guarantee
Localiza	2nd CRI - 1st Series	03/10/28	CDI + 1.25%	210,000	Localiza Fleet
Localiza	2nd CRI - 2nd Series	03/11/30	CDI + 1.40%	490,000	Localiza Fleet
Localiza Fleet	12th issuance	03/20/25	CDI + 1.40%	1,500,000	Localiza
Localiza	Working capital	03/23/26	CDI + 2.00%	295,000	Localiza Fleet
Localiza	Working capital	08/14/23	CDI + 1.53%	1,000,000	-
Localiza Fleet	Foreign currency	01/13/26	CDI + 1.46%	538,900	Localiza
Localiza	24th Issuance - 1st Series	05/10/25	CDI + 1.50%	250,000	Localiza Fleet
Localiza	24th Issuance - 2nd Series	11/10/25	CDI + 1.60%	700,000	Localiza Fleet
Localiza Fleet	Foreign currency	11/04/25	JPY + 1.6%	250,500	Localiza Rent a Car
Localiza	Foreign currency	05/19/25	SOFR + 1.50%	250,500	Localiza Fleet
Localiza	Foreign currency	06/30/25	SOFR 6M+ 1.0343%	604,375	Locates Fleet, Locamerica, and Locamerica Rent a Car
				6,089,275	

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Debt issuance expenses for debt securities in the period totaled BRL 69,195, being presented net against the respective security.

(b) Financial Covenants

As shown below, the companies were in compliance with the financial covenants as of June 30, 2023 and December 31, 2022:

(i) Localiza and Localiza Fleet

Index	Limits	06/30/23	12/31/22
Net Debt/Adjusted EBITDA (*)	Below 4.00	2.65	3.78
Net debt discounted from credit card balance (**)/adjusted EBITDA	Below 4.00	2.58	3.70
Adjusted EBITDA/Net financial expenses	Above 1.50	2.59	3.27

(*) EBITDA corresponds to consolidated earnings, over the latest 12 months, plus: (i) financial expenses, net; (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. Adjusted EBITDA also excludes the costs of stock options, non-recurring expenses and impairment charges.

(**) From the 14th issuance, the debentures issued by Localiza Fleet include in the definition of net debt the discount of the balance of credit card receivables at the amount of BRL 703,186 on June 30, 2023 (BRL 596,353 on December 31, 2022).

(ii) Locamerica

Index	Limits	06/30/23	12/31/22
Net Debt/Adjusted EBITDA (*)	Equal to or below 3.50	2.67	3.08
EBITDA LTM/net financial income	Equal to or greater than 1.75	2.27	2.57
Net Debt/Shareholders' Equity	Equal to or below 3.50	1.27	1.68
Net debt/carrying amount of vehicles	Equal to or lower than 80%	57.99%	65.98%

(*) EBITDA corresponds to the net income or loss for the last 12 months, adjusted for non-recurring expenses and impairment.

(iii) Locamerica Rent a Car

Index	Limits	06/30/23	12/31/22
Net Debt/Adjusted EBITDA (*)	Equal to or below 3.50	2.48	2.54
EBITDA LTM/net financial income	Equal to or greater than 1.75	1.93	2.53
Net Debt/Shareholders' Equity	Equal to or below 3.50	1.41	2.87

(*) EBITDA corresponds to consolidated earnings, over the latest 12 months, plus non-recurring expenses and impairment charges.

The accounting practices and other information related to loans, financing, and debt securities (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 16 of the financial statements of December 31, 2022.

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18. LEASE LIABILITY

Changes in the lease liability are as follows:

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Balance at the beginning of the period	1,152,858	1,065,234	912,499	792,128
Addition of new contracts/remeasurement	219,168	98,160	280,909	75,194
Write-offs	(1,266)	(3,008)	(15,120)	(3,008)
Consideration paid	(134,370)	(102,275)	(156,126)	(102,575)
Consideration payable	(17,711)	(16,908)	-	-
Interest	58,878	47,157	48,203	34,642
Balance at the end of the period	1,277,557	1,088,360	1,070,365	796,381
Current assets	216,583	166,389	222,755	147,376
Non-current	1,060,974	921,971	847,610	649,005

Changes in the right-of-use asset balance are shown in Note 12(a).

The minimum amounts payable (undiscounted) for the remaining lease term as of June 30, 2023, and classified as leases are as follows:

	Individual	Consolidated
2023	152,468	140,063
2024	278,929	248,016
2025	258,398	223,467
2026	223,098	186,135
2027	193,725	154,363
2028	165,095	128,277
2029 and onwards	886,801	452,350
Total	2,158,514	1,532,671
Embedded interest	(880,957)	(462,306)
Balance of lease liability (current and non-current)	1,277,557	1,070,365

The estimated amount of PIS and COFINS credit embedded in the undiscounted lease consideration totals BRL 102,626 in Individual and BRL 82,900 in Consolidated, discounted to present value (BRL 154,776 in Individual and BRL 90,611 in Consolidated on June 30, 2022).

The accounting practices and other information related to lease liability (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 17 of the financial statements of December 31, 2022.

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19. OTHER CURRENT AND NON-CURRENT LIABILITIES:

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Unearned revenue	1,067	1,612	9,519	8,217
Federal taxes from third parties	61,748	5,853	72,179	13,321
State tax liabilities	-	-	500	332
Municipal tax liabilities	9,535	6,117	17,155	13,985
Advances from customers	227,430	305,385	299,267	380,134
Insurance premiums for transfer (a)	135,875	103,030	136,441	104,372
Amounts payable for the acquisition of companies (b)	-	-	264	4,519
Amounts payable to related parties (Note 11(a))	2,737	2,797	-	-
Other	48,167	22,921	65,502	50,559
Total other current liabilities	486,559	447,715	600,827	575,439
Unearned revenue	1,555	1,882	12,434	10,885
Amounts payable for the acquisition of companies (b)	-	-	23,316	21,808
Restricted obligations (c)	-	-	55,069	52,086
Other	44,233	37,094	45,330	37,166
Total other non-current liabilities	45,788	38,976	136,149	121,945

(a) Premiums received from customers with insurance for rented cars, and extended warranty for the decommissioned cars sold which will be transferred by Localiza to the insurance company.

(b) Amounts payable in: (i) current liabilities - referring to the acquisition of Getrak, in the amount of BRL 264 (BRL 4,168, BRL 248 and BRL 103 referring to Mobi7, Getrak and Voll, respectively, on December 31, 2022); and (ii) non-current liabilities - referring to the acquisitions of Getrak and Voll, in the amount of BRL 5,534 and BRL 17,782, respectively (BRL 5,196 and BRL 16,612 on December 31, 2022), the latter with maturity in 2025.

(c) The restricted obligations refer to the amounts retained from the purchase price owed to Car Rental Systems' sellers (escrow), which shall be made available to them after compliance with specific provisions under the share purchase agreement. These obligations are secured by short-term investments in escrow accounts held by the Company, with restricted use and release, after negotiations with the sellers, less the indemnifiable amounts in the consolidated amounts of BRL 54,572 and BRL 51,444, as of June 30, 2023, and December 31, 2022, respectively. The consolidated balances of these restricted obligations, net of investments, were BRL 497 and BRL 642, on June 30, 2023 and December 31, 2022, respectively.

20. PROVISIONS FOR RISKS AND ESCROW DEPOSITS**(a) Provisions for probable risks of loss**

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Tax (*)	34,866	36,466	348,875	414,509
Social Security	16,553	15,889	19,345	18,582
Labor	34,467	32,978	64,440	62,922
Civil	57,159	48,474	181,958	176,555
Total	143,045	133,807	614,618	672,568

(*) Refer to the settlement of certain tax contingencies through the Program for Reduction of Tax Litigation (Zero Litigation, "Litígio Zero"), a tax regularization measure allowing for the renegotiating of tax obligations under Federal Revenue Appeals Offices ("Delegacias da Receita Federal de Julgamento", DRJ) and the Office of Administrative Tax Appeals ("Conselho Administrativo de Recursos Federais", CARF), in addition to smaller values in administrative litigation or registered as outstanding debts to the Federal Government.

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Escrow deposits

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Tax	44,349	42,971	151,014	147,711
Social Security	10,533	10,225	12,092	11,711
Labor	24,780	19,761	36,734	32,469
Civil	22,596	22,347	30,454	28,659
Total	102,258	95,304	230,294	220,550

The accounting practices and other information related to provisions for risks and escrow deposits (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 19 of the financial statements of December 31, 2022.

21. TAXES ON INCOME - INCOME TAX AND SOCIAL CONTRIBUTION**Deferred income tax and social contribution - assets and liabilities**

	Individual		Consolidated	
	06/30/23	12/31/22	06/30/23	12/31/22
Judicial provisions and other	47,770	44,646	82,686	80,241
Allowance for doubtful debts	36,423	28,073	111,025	111,914
Provision for payment of services in progress and other	131,831	114,647	215,909	183,248
Tax loss and social contribution carryforwards	1,518,555	1,439,186	3,197,044	2,325,080
Fair value increment on property and equipment	157,662	72,416	157,662	72,416
Fair value increment on intangible assets	2,285	5,449	2,285	5,449
Fair value increment on assets held for sale	42,027	65,700	42,027	65,700
Derivative financial instruments	10,203	25,024	90,086	31,943
Lease of property and equipment	-	-	1,237	530
Other	-	-	271	3,987
Total deferred taxes	1,946,756	1,795,141	3,900,232	2,880,508
Vehicle depreciation (*)	2,163,538	2,550,063	5,250,585	4,596,360
Derivative financial instruments	73,038	63,510	132,278	140,389
Goodwill tax amortization	-	-	43,506	52,007
Deferred taxes arising from the acquisition of businesses	-	-	14,009	15,663
Fair value increment on intangible assets	-	-	2,820	3,700
Fair value increment on contingencies	21,387	13,582	21,387	13,582
Lease of property and equipment	-	213	-	926
Other	-	-	43,145	45,767
Total deferred income tax and social contribution - liabilities	2,257,963	2,627,368	5,507,730	4,868,394
Total deferred income tax and social contribution, net	311,207	832,227	1,607,498	1,987,886
Non-current assets	-	-	(15,349)	(22,965)
Non-current liabilities	311,207	832,227	1,622,847	2,010,851

(*) Refers to the temporary difference arising from the calculation of accounting depreciation (Note 12) in relation to the tax base. Localiza and its subsidiaries calculate, for tax purposes, vehicle depreciation expenses based on the criteria used through to December 31, 2007, pursuant to Law 12,973/14, under the general rule of 1/60 months or in accordance with technical opinion (Note 8).

As of June 30, 2023, the Company and its subsidiaries have available income tax and social contribution carryforward losses of BRL 1,518,555 in Individual and BRL 3,197,044 in Consolidated (BRL 1,439,186 in Individual and BRL 2,325,080 in Consolidated on December 31, 2022), based on the expectation of generating future taxable income. These tax losses are not subject to statute of limitations but annual offsets are limited to 30% of annual taxable income, pursuant to current legislation.

(A free translation of the original in Portuguese)

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The balance of deferred tax is as follows:

Assets and liabilities of deferred taxes:	Individual							Total
	Provisions	Tax loss and carryforwards	Fair value increment	Derivative instruments	Vehicle depreciation	Other		
As of December 31, 2021	214,940	1,122,457	-	(33,697)	(2,111,786)	(213)	(808,299)	
Credited (debited) to the statement of income	(27,574)	316,729	129,983	(5,096)	(438,277)	-	(24,235)	
Credited (debited) to other comprehensive income	-	-	-	307	-	-	307	
As of December 31, 2022	187,366	1,439,186	129,983	(38,486)	(2,550,063)	(213)	(832,227)	
Credited (debited) to the statement of income	28,658	82,060	50,604	(24,953)	386,525	213	523,107	
Credited (debited) to other comprehensive income	-	-	-	604	-	-	604	
Payments using tax losses (*)	-	(2,691)	-	-	-	-	(2,691)	
As of June 30, 2023	216,024	1,518,555	180,587	(62,835)	(2,163,538)	-	(311,207)	

Assets and liabilities of deferred taxes:	Consolidated								
	Provisions	Tax loss and carryforwards	Positive/negative goodwill	Derivative instruments	From the acquisition of businesses	Vehicle depreciation	Goodwill tax amortization	Other	Total
As of December 31, 2021	241,560	1,140,112	-	(46,951)	-	(2,429,519)	-	(28,813)	(1,123,611)
Acquisition of subsidiary	86,035	458,523	(1,246)	(27,082)	(17,021)	(834,676)	(42,253)	58,880	(318,840)
Transfer of assets and liabilities held for sale	-	-	-	-	-	(65,501)	-	-	(65,501)
Credited (debited) to the statement of income	47,808	726,445	127,529	(39,351)	1,358	(1,266,664)	(9,754)	(72,243)	(484,872)
Credited (debited) to other comprehensive income	-	-	-	4,938	-	-	-	-	4,938
As of December 31, 2022	375,403	2,325,080	126,283	(108,446)	(15,663)	(4,596,360)	(52,007)	(42,176)	1,987,886
Credited (debited) to the statement of income	34,217	896,034	51,484	(34,067)	1,654	(654,225)	8,501	565	304,163
Credited (debited) to other comprehensive income	-	-	-	100,321	-	-	-	-	100,321
Payments using tax losses (*)	-	(24,070)	-	-	-	-	-	-	(24,070)
Other	-	-	-	-	-	-	-	(26)	(26)
As of June 30, 2023	409,620	3,197,044	177,767	(42,192)	(14,009)	(5,250,585)	(43,506)	(41,637)	1,607,498

(*) Refer to the settlement of certain tax contingencies through the Program for Reduction of Tax Litigation (Zero Litigation, "Litígio Zero"), a tax regularization measure allowing for the renegotiating of tax obligations under Federal Revenue Appeals Offices ("Delegacias da Receita Federal de Julgamento", DRJ) and the Office of Administrative Tax Appeals ("Conselho Administrativo de Recursos Federais", CARF), in addition to smaller values in administrative litigation or registered as outstanding debts to the Federal Government.

Management's explanatory notes are an integral part of the interim financial information.

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Income tax and social contribution - conciliation of statutory and effective rates

A reconciliation from the statutory to the effective rates for the periods ended June 30, 2023 and 2022 is as follows:

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Profit before income taxes	1,365	1,201,705	292,653	1,351,202
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(464)	(408,580)	(99,502)	(459,409)
Reconciliation:				
Equity in results of investees	161,507	107,716	(27)	-
Benefit from payment of interest on equity	248,617	82,263	248,617	82,263
Presumed tax basis for some investees	-	-	4,990	5,300
Other, net	23,712	(8,353)	(13,953)	(5,219)
Expense at effective rate	433,372	(226,954)	140,125	(377,065)
Effective rate	-	19%	-	28%
Current income taxes and social contribution	(89,735)	-	(164,038)	(50,048)
Deferred income taxes and social contribution	523,107	(226,954)	304,163	(327,017)
	Individual		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Profit (loss) before income taxes	(368,489)	551,436	(276,978)	626,185
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	125,286	(187,488)	94,173	(212,903)
Reconciliation:				
Equity in results of investees	20,040	53,552	(7)	-
Benefit from payment of interest on equity	125,250	44,746	125,250	44,746
Presumed tax basis for some investees	-	-	2,564	2,966
Other, net	9,844	(4,918)	(33,773)	(4,280)
Expense at effective rate	280,420	(94,108)	188,207	(169,471)
Effective rate	76%	17%	68%	27%
Current income taxes and social contribution	47,618	-	16,393	(19,579)
Deferred income tax and social contribution	232,802	(94,108)	171,814	(149,892)

The accounting practices and other information related to income taxes (Individual and Consolidated) did not change significantly in relation to those mentioned in Note 20 of the financial statements of December 31, 2022.

22. EQUITY**(a) Capital**

On June 30, 2023, the Company's capital was BRL 17,012,361, comprising 1,060,360,588 common shares (BRL 12,150,698, divided into 984,159,007 common shares on December 31, 2022).

(i) Capital Increase

At a meeting of the Board of Directors held on March 7, 2023, the Company's capital increase was approved, with the subscription and payment of 4,276,923 shares, at an issuance price of BRL 42.25 per share, totaling BRL 180,700. As a result of the approval, the Company's capital increased from BRL 12,150,698 to BRL 12,331,398.

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At a meeting of the Board of Directors held on June 12, 2023, the Company's capital increase was approved, with the subscription and payment of 4,397,646 shares, at an issuance price of BRL 41,15 per share, totaling BRL 180,963. As a result of the approval, the Company's capital increased from BRL 12,331,398 to BRL 12,512,361.

At a meeting of the Board of Directors held on June 16, 2023, approval was given for a public offering for primary distribution of, initially, 60,024,010 common shares issued by the Company, all nominative, book-entry and without par value, free and clear of any liens or encumbrances, intended exclusively for Professional Investors in Brazil in an OTC market, under automatic registration with the CVM), pursuant to CVM Resolution 160, of July 13, 2022, as amended with efforts to place the shares abroad.

The number of shares initially foreseen was, at the discretion of the Company and in agreement with the Offering Coordinators, increased by 12.5%, that is, 7,503,002 common shares, under the same conditions and at the same price as initially offered, to meet the demand upon pricing.

At a meeting of the Board of Directors, held on June 26, 2023, the Company's capital increase was approved with the issuance of 67,527,012 new shares at BRL 66.64, resulting in a capital increase of BRL 4,500,000. This issuance was carried out within the authorized capital limit provided for in Article 6 of the Company's Bylaws. Cash settlement was made on June 29, 2023. Expenses with the issuance of shares amounted to BRL 75,215.

(ii) Capital Authorized

Pursuant to article 6 of the Bylaws, as approved at the Annual General Meeting held on April 25, 2023, the Company is authorized to increase its capital up to 2,000,000,000 registered common shares, without requiring prior amendment to the bylaws, enabling an additional 1,011,564,070 registered common shares to be issued.

(iii) American Depositary Receipts ("ADR") Program

The Company participates in a Level I of the American Depositary Receipts ("ADR") Program as approved by the CVM on May 22, 2012 which began trading on June 5, 2012. The Company's position has 5,199,122 ADRs registered in the United States as of June 30, 2023 (6,743,464 ADRs as of December 31, 2022). Each ADR corresponds to one share of the Company.

Treasury shares

The changes in treasury shares are shown below:

	Number of shares
As of December 31, 2021	6,275,345
Exercise of long-term incentive programs	(590,667)
Sale to employees eligible to the Matching Program	(87,494)
Balance on December 31, 2022	5,597,184
Exercise of long-term incentive programs	(255,706)
As of June 30, 2023	5,341,478

On June 30, 2023, the market value of treasury shares was BRL 364,289 (quoted at BRL 68,20 per share). The carrying amount of treasury shares on June 30, 2023 was BRL 137,952 (BRL 144,557 on December 31, 2022).

In the period ended June 30, 2023, 255,706 stock options and shares of long-term incentive programs were exercised, with a fair value of BRL 10,042 recorded over the duration of the programs. All options were exercised using treasury shares; the issuance of new shares was not necessary.

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Statutory reserve

At the Annual General Meeting held on April 25, 2023, the allocation of 100% of the remaining profits for 2022, in the amount of BRL 805,615, was ratified for the constitution of a "reserve for investments", which is intended to preserve funds to finance investments in the renewal and expansion of the vehicle fleet of the Company and its subsidiaries.

Interest on equity and dividends

At meetings of the Board of Directors, payments of interest on equity were declared as follows:

1H23				
Approval date	Total amount approved	Amount per share (in BRL)	Shareholding position date	Payment date
03/23/23	362,844	0.36918	03/28/23	05/19/23
06/16/23	368,381	0.37305	06/30/23	08/14/23
Total	<u>731,225</u>			

2022				
Approval date	Total amount approved	Amount per share (in BRL)	Shareholding position date	Payment date
03/24/22	110,343	0.14669	03/29/22	05/20/22
06/27/22	131,608	0.17494	09/30/22	08/26/22
09/23/22	346,205	0.35489	09/28/22	11/09/22
12/16/22	358,320	0.36617	12/21/22	02/13/23
Total	<u>946,476</u>			

The liability balance of dividends and interest on equity comprises:

	Individual and Consolidated	
	06/30/23	12/31/22
Unclaimed interest on equity	101	5,296
Proposed interest on equity on profit for the period	368,381	358,320
Provision for withholding income tax on interest on equity	(55,245)	(43,230)
Total liabilities of dividends and interest on equity	<u>313,237</u>	<u>320,386</u>

The accounting practices and other information related to equity did not change significantly in relation to those mentioned in Note 21 of the financial statements of December 31, 2022.

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23. EARNINGS PER SHARE

	<u>1H23</u>	<u>1H22</u>	<u>2Q23</u>	<u>2Q22</u>
Net income for the period attributed to the Parent Company's shareholders	434,737	974,751	(88,069)	457,328
Basic earnings (losses) per share:				
Weighted average of common shares available (units)	983,027,681	752,229,486	983,522,229	752,264,874
Basic earnings per share (in BRL)	0.44224	1.29582	(0.08954)	0.60793
Diluted earnings (losses) per share:				
Weighted average of common shares available (units)	983,027,681	752,229,486	983,522,229	752,264,874
Dilutive effect of stock options (units)	5,956,072	5,328,329	5,956,072	5,328,329
Total shares subject to dilution (units)	988,983,753	757,557,815	989,478,301	757,593,203
Diluted earnings (losses) per share:	0.43958	1.28670	(0.08901)	0.60366

The methodology for calculating basic and diluted earnings per share has not changed in relation to those disclosed in Note 22 of the financial statements as of December 31, 2022.

24. SEGMENT INFORMATION

The Company has defined three operating segments, which are managed separately, based on the reports used for strategic decision-making by the Board of Directors. The accounting practices of these operating segments are the same described in Note 2 or in the explanatory notes of the respective line item of the financial statements as of December 31, 2022.

- **Car Rental:** Division responsible for renting cars, arranging car insurance, and handling car claims for insurers. Rentals are contracted by legal entities and individuals, in locations inside and outside airports, and in some cases through distribution channels. As a result of the need to renew the fleet, the Platform sells vehicles that have been decommissioned. To reduce sales intermediation costs, part of the decommissioned vehicles is sold directly to end consumers. In this way, the Company optimizes the recovery value of these assets, since the sales expense of the own network of stores is lower than the discount required by resellers, in addition to avoiding being dependent on third parties to carry out these sales.

This Car Rental Division is responsible for the management and establishment of franchises in geographically defined markets, including the transfer of the necessary know-how to operate the car rental business and licensing of the right to use the Localiza brand. The franchising business is managed by subsidiary Franchising Brasil in Brazil and by Localiza itself in other countries.

- **Fleet rental:** This division is responsible for the rental of fleets and long-term rentals for individuals and legal entities. Localiza Meoo offers a long-term subscription car solution, aimed at individuals and SMEs. This Platform also offers solutions for heavy vehicles, mainly aimed at the transportation, industry, commerce and services sectors, with rapid growth potential. This Division's vehicles are purchased after signing contracts, in accordance with the needs and requests of its customers; therefore, the fleet is more diversified in terms of models and brands. Decommissioned light and heavy vehicles are sold at the end of signed contracts, directly to end consumers or resellers.

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(a) Operating segment financial reporting**(i) Consolidated assets and liabilities by operating segment**

06/30/23	Car rental	Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets					
Cash and cash equivalents	-	-	3,246,436	-	3,246,436
Short-term investments (*)	-	-	8,932,836	(1,111,124)	7,821,712
Trade receivables	1,734,541	1,206,578	-	(183,279)	2,757,840
Decommissioned vehicles for fleet renewal	1,573,588	1,131,821	-	(94,426)	2,610,983
Investments	-	1,092	-	-	1,092
Property and equipment	22,361,361	21,920,331	69,317	(309,467)	44,041,542
Other assets	3,904,017	8,101,229	491,995	(1,020,984)	11,476,257
Total assets	29,573,507	32,361,051	12,740,584	(2,719,280)	71,955,862
Liabilities					
Suppliers	2,543,059	2,263,254	-	(183,279)	4,623,034
Loans, financing, and debt securities	-	-	37,962,686	(1,111,124)	36,851,562
Other liabilities	3,268,200	3,052,689	605,631	(1,334,902)	5,591,618
Total liabilities	5,811,259	5,315,943	38,568,317	(2,629,305)	47,066,214
Shareholders' equity	-	-	24,889,648	-	24,889,648
Total liabilities and shareholders' equity	5,811,259	5,315,943	63,457,965	(2,629,305)	71,955,862

12/31/22	Car rental	Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
Assets					
Cash and cash equivalents	-	-	1,505,623	-	1,505,623
Short-term investments (*)	-	-	6,514,839	(1,111,124)	5,403,715
Trade receivables	1,622,129	1,022,593	-	(154,718)	2,490,004
Decommissioned vehicles for fleet renewal	1,418,488	557,599	-	-	1,976,087
Investments	-	1,171	-	-	1,171
Property and equipment	23,385,347	19,714,744	64,517	(144,110)	43,020,498
Other assets	2,376,507	8,237,769	640,840	(197)	11,254,919
Total assets	28,802,471	29,533,876	8,725,819	(1,410,149)	65,652,017
Liabilities					
Suppliers	4,236,412	2,096,057	-	(154,718)	6,177,751
Loans, financing, and debt securities	-	-	34,382,237	(1,111,124)	33,271,113
Other liabilities	3,398,711	2,086,303	389,677	(242,143)	5,632,548
Total liabilities	7,635,123	4,182,360	34,771,914	(1,507,985)	45,081,412
Shareholders' equity	-	-	20,570,605	-	20,570,605
Total liabilities and shareholders' equity	7,635,123	4,182,360	55,342,519	(1,507,985)	65,652,017

(*) The amount referring to the adjustment to present value (Note 6) is included under "other assets".

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(ii) Condensed statements of income by operating segment

The performance of the operating segments is assessed based on EBIT and its conciliation with the accounting result is shown below:

<u>1H23</u>	<u>Car rental</u>	<u>Fleet rental</u>	<u>Reclassification</u>	<u>Consolidated</u>
Net revenues	8,767,336	4,904,491	-	13,671,827
Costs	(6,918,420)	(3,155,526)	(1,615)	(10,075,561)
Gross profit	1,848,916	1,748,965	(1,615)	3,596,266
Operating income (expenses):				
Selling	(598,961)	(216,748)	1,289	(814,420)
General, administrative, and other expenses	(156,453)	(165,811)	326	(321,938)
Profit (loss) before finance costs, net (EBIT)	1,093,502	1,366,406	-	2,459,908
Financial costs, net				(2,167,255)
Profit before income tax and social contribution				292,653
Income tax and social contribution				140,125
Net income for the period				432,778
<u>1H22</u>	<u>Car rental</u>	<u>Fleet rental</u>	<u>Reclassification</u>	<u>Consolidated</u>
Net revenues	4,568,956	1,192,127	-	5,761,083
Costs	(2,647,180)	(575,825)	(2,027)	(3,225,032)
Gross profit	1,921,776	616,302	(2,027)	2,536,051
Operating income (expenses):				
Selling	(388,843)	(85,846)	1,453	(473,236)
General, administrative, and other expenses	(172,640)	(46,285)	574	(218,351)
Profit (loss) before finance costs, net (EBIT)	1,360,293	484,171	-	1,844,464
Financial costs, net				(493,262)
Profit before income tax and social contribution				1,351,202
Income tax and social contribution				(377,065)
Net income for the period				974,137
<u>2Q23</u>	<u>Car rental</u>	<u>Fleet rental</u>	<u>Reclassifications</u>	<u>Consolidated</u>
Net revenues	4,310,860	2,535,299	-	6,846,159
Costs	(3,689,946)	(1,700,542)	(844)	(5,391,332)
Gross profit	620,914	834,757	(844)	1,454,827
Operating income (expenses):				
Selling	(319,938)	(119,834)	695	(439,077)
General, administrative, and other expenses	(94,974)	(100,601)	149	(195,426)
Profit (loss) before finance costs, net (EBIT)	206,002	614,322	-	820,324
Financial costs, net				(1,097,302)
Profit (loss) before income tax and social contribution				(276,978)
Income tax and social contribution				188,207
Loss for the Period				(88,771)

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2Q22	Car rental	Fleet rental	Reclassification	Consolidated
Net revenues	2,429,324	620,107	-	3,049,431
Costs	(1,477,853)	(309,333)	(1,212)	(1,788,398)
Gross profit	951,471	310,774	(1,212)	1,261,033
Operating income (expenses):				
Selling	(206,353)	(48,129)	796	(253,686)
General, administrative, and other expenses	(90,218)	(25,048)	416	(114,850)
Profit (loss) before finance costs, net (EBIT)	654,900	237,597	-	892,497
Financial costs, net				(266,312)
Profit before income tax and social contribution				626,185
Income tax and social contribution				(169,471)
Net income for the period				456,714

(iii) Consolidated depreciation and amortization expenses per operating segment

	Consolidated		Consolidated	
	1H23	1H22	2Q23	2Q22
Car rental				
Vehicle depreciation	1,319,174	244,132	889,330	139,203
Depreciation of other property and equipment and amortization of intangible assets	169,012	107,213	89,200	53,003
Fleet rental				
Vehicle depreciation	994,873	48,170	524,562	26,305
Depreciation of other property and equipment and amortization of intangible assets	25,439	12,147	21,990	6,186
Total	2,508,498	411,662	1,525,082	224,697

25. NET REVENUES

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Gross revenues	8,920,593	4,845,414	14,485,686	6,133,217
Discounts	(3,979)	(4,334)	(81,090)	(17,718)
Taxes (*)	(408,450)	(270,619)	(732,769)	(354,416)
Net revenues	8,508,164	4,570,461	13,671,827	5,761,083
Car rental	4,005,822	2,672,262	3,876,945	2,649,272
Fleet rental	-	-	2,973,893	723,218
Cars sold for fleet renewal	4,486,696	1,898,199	6,618,454	2,388,593
Resale of cars	-	-	71,070	-
Royalties abroad	15,646	-	15,646	-
Products sold and services provided	-	-	115,819	-
Net revenues	8,508,164	4,570,461	13,671,827	5,761,083

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	Individual		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Gross revenues	4,412,816	2,567,314	7,258,856	3,236,974
Discounts	(1,773)	(1,767)	(38,814)	(7,970)
Taxes (*)	(205,978)	(135,738)	(373,883)	(179,573)
Net revenues	4,205,065	2,429,809	6,846,159	3,049,431
Car rental	2,008,119	1,333,535	1,940,279	1,321,656
Fleet rental	-	-	1,555,439	378,241
Cars sold for fleet renewal	2,189,187	1,096,274	3,241,922	1,349,534
Resale of cars	-	-	41,918	-
Royalties abroad	7,759	-	4,292	-
Products sold and services provided	-	-	62,309	-
Net revenues	4,205,065	2,429,809	6,846,159	3,049,431

(*) Substantially: (i) ISSQN - Tax on Services of Any Nature; and (ii) PIS - Social Integration Program and COFINS - Contribution for Social Security Financing.

26. NATURE OF OPERATING COSTS AND EXPENSES

	Individual					
	Cost of car rental and sale		Sale, general, administrative, and other expenses		Total	
	1H23	1H22	1H23	1H22	1H23	1H22
Cost of cars sold	(3,934,520)	(1,416,803)	-	-	(3,934,520)	(1,416,803)
Adjustment to the recoverable value of assets (d)	(89,771)	-	-	-	(89,771)	-
Car maintenance, IPVA and others	(934,746)	(749,105)	-	-	(934,746)	(749,105)
Salaries, payroll taxes, and benefits (a)	(305,325)	(254,496)	(314,216)	(231,668)	(619,541)	(486,164)
Profit sharing	(33,282)	(25,370)	(35,309)	(27,187)	(68,591)	(52,557)
Allowances and write-off of uncollectible amounts	-	-	(46,636)	(33,423)	(46,636)	(33,423)
Depreciation and amortization of other property and equipment and intangible assets	(109,410)	(86,429)	(43,906)	(35,179)	(153,316)	(121,608)
Vehicle depreciation (d)	(1,206,440)	(244,132)	-	-	(1,206,440)	(244,132)
Commission	-	-	(78,216)	(50,383)	(78,216)	(50,383)
Real estate lease (b)	(68,906)	(46,680)	4,401	6,262	(64,505)	(40,418)
Advertising	-	-	(68,563)	(39,070)	(68,563)	(39,070)
Occupancy costs and expenses	(8,870)	(8,864)	(4,412)	(3,413)	(13,282)	(12,277)
Third-party services and travel	(256,506)	(128,121)	(145,973)	(116,192)	(402,479)	(244,313)
PIS and COFINS credits, net (c)	405,033	301,181	-	-	405,033	301,181
Other	(459,000)	(47,612)	(47,547)	(31,662)	(506,547)	(79,274)
Total	(7,001,743)	(2,706,431)	(780,377)	(561,915)	(7,782,120)	(3,268,346)

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	Consolidated					
	Cost of car rental and sale		Sale, general, administrative, and other expenses		Total	
	1H23	1H22	1H23	1H22	1H23	1H22
Cost of cars sold	(5,635,396)	(1,721,767)	-	-	(5,635,396)	(1,721,767)
Resale cost of used vehicles	(56,687)	-	-	-	(56,687)	-
Cost of services/products sold	(26,520)	-	-	-	(26,520)	-
Adjustment to the recoverable value of assets (d)	(153,258)	-	-	-	(153,258)	-
Car maintenance, IPVA and others	(1,572,783)	(946,312)	-	-	(1,572,783)	(946,312)
Salaries, payroll taxes, and benefits (a)	(455,242)	(292,429)	(482,041)	(294,516)	(937,283)	(586,945)
Profit sharing	(49,502)	(30,330)	(55,241)	(35,875)	(104,743)	(66,205)
Allowances and write-off of uncollectible amounts	-	-	(79,248)	(38,100)	(79,248)	(38,100)
Depreciation and amortization of other property and equipment and intangible assets	(117,716)	(83,358)	(76,735)	(36,002)	(194,451)	(119,360)
Vehicle depreciation (d)	(2,314,047)	(292,302)	-	-	(2,314,047)	(292,302)
Commission	-	-	(95,330)	(52,274)	(95,330)	(52,274)
Real estate lease (b)	(77,636)	(49,127)	(4,991)	(1,723)	(82,627)	(50,850)
Advertising	-	-	(85,616)	(45,789)	(85,616)	(45,789)
Occupancy costs and expenses	(11,602)	(9,099)	(7,737)	(4,318)	(19,339)	(13,417)
Third-party services and travel	(354,094)	(147,337)	(204,287)	(146,438)	(558,381)	(293,775)
PIS and COFINS credits, net (c)	821,418	371,116	-	-	821,418	371,116
Other	(72,496)	(24,087)	(45,053)	(36,552)	(117,549)	(60,639)
Total	(10,075,561)	(3,225,032)	(1,136,279)	(691,587)	(11,211,840)	(3,916,619)

	Individual					
	Costs		Sale, general, administrative, and other expenses		Total	
	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22
Cost of cars sold	(1,926,944)	(830,721)	-	-	(1,926,944)	(830,721)
Adjustment to the recoverable value of assets (d)	(89,771)	-	-	-	(89,771)	-
Car maintenance, IPVA and others	(468,621)	(391,386)	-	-	(468,621)	(391,386)
Salary, payroll taxes, and benefits	(153,045)	(135,001)	(162,626)	(122,088)	(315,671)	(257,089)
Profit sharing	(15,696)	(17,880)	(16,637)	(16,925)	(32,333)	(34,805)
Allowances and write-off of uncollectible amounts	-	-	(26,946)	(14,442)	(26,946)	(14,442)
Depreciation and amortization of other property and equipment and intangible assets	(56,756)	(43,120)	(22,855)	(17,460)	(79,611)	(60,580)
Vehicle depreciation (d)	(788,171)	(139,203)	-	-	(788,171)	(139,203)
Commission	-	-	(38,350)	(25,035)	(38,350)	(25,035)
Real estate lease (b)	(34,060)	(22,303)	381	2,663	(33,679)	(19,640)
Advertising	-	-	(42,000)	(19,219)	(42,000)	(19,219)
Occupancy costs and expenses	(4,490)	(4,493)	(2,270)	(1,694)	(6,760)	(6,187)
Outsourced services	(138,421)	(67,947)	(82,963)	(63,342)	(221,384)	(131,289)
PIS and COFINS credits, net (c)	218,885	157,258	-	-	218,885	157,258
Other	(227,057)	(14,418)	(18,819)	(18,749)	(245,876)	(33,167)
Total	(3,684,147)	(1,509,214)	(413,085)	(296,291)	(4,097,232)	(1,805,505)

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	Consolidated					
	Costs		Sale, general, administrative, and other expenses		Total	
	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22
Cost of cars sold	(2,789,889)	(989,950)	-	-	(2,789,889)	(989,950)
Resale cost of used vehicles	(25,357)	-	-	-	(25,357)	-
Cost of services/products sold	(14,282)	-	-	-	(14,282)	-
Adjustment to the recoverable value of assets (d)	(153,258)	-	-	-	(153,258)	-
Car maintenance, IPVA and others	(801,297)	(497,303)	-	-	(801,297)	(497,303)
Salary, payroll taxes, and benefits	(226,243)	(155,153)	(252,696)	(157,617)	(478,939)	(312,770)
Profit sharing	(22,146)	(21,352)	(26,492)	(22,767)	(48,638)	(44,119)
Allowances and write-off of uncollectible amounts	-	-	(47,999)	(16,980)	(47,999)	(16,980)
Depreciation and amortization of other property and equipment and intangible assets	(67,696)	(41,302)	(43,494)	(17,887)	(111,190)	(59,189)
Vehicle depreciation (d)	(1,413,892)	(165,508)	-	-	(1,413,892)	(165,508)
Commission	-	-	(47,561)	(26,022)	(47,561)	(26,022)
Real estate lease (b)	(37,443)	(23,918)	(1,896)	(990)	(39,339)	(24,908)
Advertising	-	-	(51,262)	(22,817)	(51,262)	(22,817)
Occupancy costs and expenses	(5,514)	(4,622)	(3,660)	(2,118)	(9,174)	(6,740)
Outsourced services	(190,586)	(78,483)	(116,255)	(80,561)	(306,841)	(159,044)
PIS and COFINS credits, net (c)	408,658	194,385	-	-	408,658	194,385
Other	(52,387)	(5,192)	(43,169)	(20,777)	(95,556)	(25,969)
Total	(5,391,332)	(1,788,398)	(634,484)	(368,536)	(6,025,816)	(2,156,934)

(a) In the period ended June 30, 2023, the Company recognized costs and expenses of BRL 27,009 and BRL 47,381, Individual and Consolidated, respectively, referring to long-term incentive programs (BRL 29,860 Individual and Consolidated on June 30, 2022).

(b) The Company recognized property rental costs and expenses, as shown in the table below:

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Lease agreements measured by IFRS16	(723)	(15,679)	(3,734)	(15,962)
Lease agreements not included in the measurement of lease liabilities	(63,782)	(24,760)	(78,893)	(34,909)
Discounts obtained related to COVID-19	-	21	-	21
Total	(64,505)	(40,418)	(82,627)	(50,850)

	Individual		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Lease agreements measured by IFRS16	(124)	(5,123)	(7,346)	(5,191)
Lease agreements not included in the measurement of lease liabilities	(33,555)	(14,517)	(31,993)	(19,717)
Total	(33,679)	(19,640)	(39,339)	(24,908)

(c) In accordance with Article 320 of the Income Tax Regulation (Decree No. 9,580/18) and detailed in Note 8, the Platform concluded, in 1H23, the review of the useful life of certain vehicles, generating the recognition of PIS/COFINS credits on vehicle depreciation in the amount of BRL 135,386, before income tax and social contribution.

(d) Refers to additional depreciation and impairment of vehicles decommissioned for fleet renewal (Note 1.2).

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27. FINANCIAL INCOME (EXPENSES)

	Individual		Consolidated	
	1H23	1H22	1H23	1H22
Interest on short-term investments	242,128	240,574	392,142	347,306
Adjustment to present value of short-term investments	41,195	-	41,195	-
PIS and COFINS on financial income	(11,259)	(11,187)	(23,830)	(15,430)
Foreign exchange – on assets	-	(114)	97	(90)
Other interest income	1,442	1,734	52,503	2,478
Total financial income	273,506	231,007	462,107	334,264
Interest expense on loans, financing, debt securities and derivative financial instruments	(1,261,721)	(601,462)	(2,571,915)	(810,273)
Lease interest expenses (Note 18)	(58,878)	(47,157)	(48,203)	(34,642)
Derivative financial instruments, net	(25,737)	96	63,448	21,791
Foreign exchange – on liabilities	(35)	(163)	93	(155)
Other interest expenses	(33,482)	457	(72,785)	(4,247)
Total financial expenses	(1,379,853)	(648,229)	(2,629,362)	(827,526)
Total financial income (expenses)	(1,106,347)	(417,222)	(2,167,255)	(493,262)

	Individual		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Interest on short-term investments	135,402	138,308	216,501	212,957
Adjustment to present value of short-term investments	22,747	-	22,747	-
PIS and COFINS on financial income	(6,300)	(6,431)	12,092	(9,507)
Foreign exchange effects on assets	-	987	14	1,050
Other interest income	336	1,080	9,814	1,467
Total financial income	152,185	133,944	236,984	205,967
Interest expense on loans, financing, debt securities and derivative financial instruments	(652,028)	(343,199)	(1,338,100)	(473,157)
Lease interest expenses	(30,496)	(23,988)	(25,349)	(17,552)
Derivative financial instruments, net	(12,442)	4,466	47,556	22,848
Foreign exchange effects on liabilities	204	202	397	196
Other interest expenses	(5,870)	(1,798)	(18,790)	(4,614)
Total financial expenses	(700,633)	(364,317)	(1,334,286)	(472,279)
Total financial income (expenses)	(548,448)	(230,373)	(1,097,302)	(266,312)

28. SUPPLEMENTARY PENSION PLAN

The Company offers its employees a supplementary retirement benefit plan (complementary pension plan), established as a "defined contribution" and managed by a large independent management company.

For this plan, there are no actuarial and investment risks to be assumed by the Company as its sponsor; therefore, actuarial valuations are not necessary and there is no possibility of actuarial gain or loss. Under the plan's regulations, the cost is shared between the employer and the employees, where the Company matches the employee's contribution, which varies according to a contribution scale based on salary ranges of 1% to 8% of the employee's compensation.

As of June 30, 2023, contributions made by the Company totaled BRL 2,902 in Individual and BRL 3,653 in Consolidated (BRL 2,557 in Individual and BRL 3,315 in Consolidated in 1H22), allocated to line items "cost", "selling expenses", and "general and administrative expenses" in profit or loss, as applicable.

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The accounting practices and other information related to supplementary pension plan did not change significantly in relation to those mentioned in Note 27 of the financial statements of December 31, 2022.

29. CASH FLOW STATEMENT: NON CASH TRANSACTIONS

	Note	Individual		Consolidated	
		1H23	1H22	1H23	1H22
Right-of-use lease assets	12	219,168	98,160	280,909	75,194
Changes in the balance of suppliers - vehicles	14	(1,643,055)	(910,193)	(1,538,335)	(926,584)
Lease liability	18	(17,711)	(16,908)	-	-
Dividends and interest on equity payable	22	(368,381)	(131,608)	(368,381)	(131,608)
Capital payment with interest on equity		(57,122)	-	(57,122)	-
Other comprehensive income		(202,511)	4,209	(202,511)	4,209

30. SUBSEQUENT EVENTS**(i) Capital Increase****Capital increase in the Company's indirect subsidiary, LLMX Sociedad Anónima de Capital Variable**

The Extraordinary General Meeting held on July 12, 2023 approved a capital increase in the indirect subsidiary LLMX Sociedad Anónima de Capital Variable ("LL Méx."), paid in by Localiza Serviços Prime S.A. and by Localiza Fleet S.A., in the total amount of MXN 150,000,000 (new Mexican pesos), equivalent to BRL 43,297.

Capital increase in the Company's indirect subsidiary, MOB17 Sociedad Anónima de Capital Variable

The Extraordinary General Meeting held on July 12, 2023 approved a capital increase in the indirect subsidiary MOB17 Sociedad Anónima de Capital Variable ("Mobi 7 México."), paid in by Localiza Serviços Prime S.A. and by MOB17 Tecnologia em Mobilidade S.A., in the total amount of MXN 20,000,000 (new Mexican pesos), equivalent to BRL 5,773.

(ii) 25th issuance of debentures by Localiza

At a meeting of the Board of Directors, on July 26, 2023, the 25th issuance of debentures by Localiza was approved for simple, non-convertible into shares, unsecured, with an additional fiduciary guarantee from Localiza Rent a Car S.A., in a single series, in the amount of BRL 1,500,000. The maturity of these debentures is 10 years, maturing in August 2033, in a single series, at CDI + 2.35%. The proceeds will be used for working capital purposes and/or to extend tenures on financial liabilities. Financial settlement carried out on August 14, 2023.

(iii) Purchase and sale of LL Méx S.A. de C.V. ("Mobi 7 Mexico") shares

On July 27, 2023, Car Rental Systems S.A. ("Car Rental") sold its shares in investee Mobi 7 Mexico for the book value of MXN 8,193,404 (new Mexican pesos) to Localiza Serviços Prime S.A. ("Prime"), equivalent to BRL 2,303. On the same date, Mobi7 Tecnologia em Mobilidade S.A. ("Mobi 7") sold its shares in Mobi 7 Mexico to Localiza Fleet S.A. ("Localiza Fleet") and to Prime, for the book values of MXN 405,536,726 (new pesos Mexican pesos) and MXN 82,856 (new Mexican pesos), respectively, equivalent to BRL 113,996 and BRL 23, respectively.

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(in BRL thousands, unless otherwise stated)

(iv) Early settlement of debentures of direct subsidiary Locamerica and indirect subsidiary Locamerica Rent a Car

On July 27, 2023, as resolved at the Board of Directors' Meeting held on July 11, 2023, Locamerica and indirect subsidiary Locamerica Rent a Car opted to early redeem the following debentures (i) simple, non-convertible into shares, in a single series, with floating guarantee, of the 16th issuance of Locamerica, (ii) simple, not convertible into shares, in a single series, unsecured, of the 17th issuance of Locamerica and (iii) 1st and 2nd series, simple, non-convertible, in two series, unsecured with additional fiduciary guarantee, of the 12th issuance of Locamerica Rent a Car, in the amount of BRL 491,667.

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Comments on the Performance of Business Projections

The Company did not disclose any projections for 2023.

LOCALIZA RENT A CAR S.A.

Other Information Considered Relevant by the Company**SOCIAL STATEMENT**

The Company's Consolidated Social Statement (not reviewed by the auditors) for the six-months period ended June 30, 2023 is as follows:

Localiza&Co			1H23		1H22	
Calculation basis of social indicators - R\$ thousand						
Net revenue ("NR")				13,671,827		5,761,083
Earnings before taxes ("EBT")				292,653		1,351,202
Gross payroll ("GP")				771,000		513,192
Internal social indicators	Amount	% on	% on	Amount	% on	% on
	BRL/thousand	GP	NR	BRL/thousand	GP	NR
Meals	74,734	10%	1%	45,953	9%	1%
Payroll taxes	160,380	21%	1%	115,315	22%	2%
Health	58,470	8%	0%	38,084	7%	1%
Professional training and development	8,429	1%	0%	2,588	1%	0%
Daycare centers or childcare allowance	1,421	0%	0%	976	0%	0%
Profit sharing	100,906	13%	1%	62,568	12%	1%
Other	24,807	3%	0%	12,407	2%	0%
Total internal social indicators	429,147	56%	3%	277,891	54%	5%
External social indicators	Amount	% on	% on	Amount	% on	% on
	BRL/thousand	EBT	NR	BRL/thousand	EBT	NR
Education	1	0%	0%	108	0%	0%
Culture	42	0%	0%	401	0%	0%
Other	5,703	2%	0%	5,792	0%	0%
Total contributions to society	5,756	2%	0%	6,331	0%	0%
Taxes (excluding payroll taxes)	205,278	70%	3%	482,643	36%	8%
Total external social indicators	211,034	72%	3%	488,974	36%	8%
Staff indicators			06/30/23			06/30/22
Number of employees at the end of the period			18,581			12,610
Number of new hires during the period			1,970			1,492
Number of third-party workers			575			400
Number of interns			102			72
Number of employees above 50 years old			1,095			632
Number of woman working at the company			8,142			5,883
Percentage of lead positions held by woman			47.58%			50.17%
Number of disabled employees			789			557

LOCALIZA RENT A CAR S.A.

Report on Review of Interim Financial Information – Unqualified

To the Board of Directors and Stockholders
Localiza Rent a Car S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Localiza Rent a Car S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2023, comprising the balance sheet at that date and the statements of income, comprehensive income 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 explanatory notes.

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 accounting 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 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 did 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.

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Report on Review of Interim Financial Information – Unqualified

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the six-month period ended June 30, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for 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 the accounting standard CPC 09 - "Statement of 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 properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, August 14, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Guilherme Campos e Silva
Contador CRC 1SP218254/O-1

LOCALIZA RENT A CAR S.A.

Opinions and Representations / Management's Statement on the Financial Statements

MANAGEMENT'S STATEMENT ON THE INTERIM FINANCIAL INFORMATION

The CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection VI, paragraph 1, article 27 of CVM Instruction 80/22, hereby declare that they have:

I. Reviewed, discussed and approved Localiza's individual and consolidated interim financial information for the three-month period ended June 30, 2023.

Belo Horizonte, August 14, 2023.

Bruno Sebastian Lasansky
CEO

Rodrigo Tavares Gonçalves de Sousa
CFO and Investor Relations Officer

MANAGEMENT'S STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT

The CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection VI, paragraph 1, article 27 of CVM Instruction 80/22, hereby declare that they have:

I. Reviewed, discussed and agreed with the conclusions in the Independent Auditor's Review Report of PricewaterhouseCoopers Auditores Independentes Ltda. on Localiza's individual and consolidated interim financial information for the three and six-month periods ended June 30, 2023.

Belo Horizonte, August 14, 2023.

Bruno Sebastian Lasansky
CEO

Rodrigo Tavares Gonçalves de Sousa
CFO and Investor Relations Officer